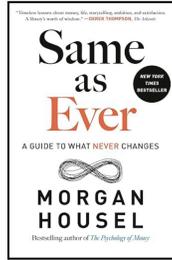


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Same as Ever: A Guide to What Never Changes

Morgan Housel

105 Highlight(s) | 0 Note(s)

Location: 134

Change captures our attention because it's surprising and exciting. But the behaviors that never change are history's most powerful lessons, because they preview what to expect in the future.

Location: 152

It's a wild thing to contemplate, and it leads to the question: What would be true in every imaginable version of your life, not just this one?

Location: 289

People like to say, "To know where we're going, you have to know where we've been." But more realistic is admitting that if you know where we've been, you realize we have no idea where we're going. Events compound in unfathomable ways.

Location: 292

to base predictions on how people behave rather than on specific events.

Location: 304

Events, like money, compound. And the central feature of compounding is that it's never intuitive how big something can grow from a small beginning.

Location: 328

As financial advisor Carl Richards says, "Risk is what's left over after you think you've thought of everything." That's the real definition of risk—what's left over after you've prepared for the risks you can imagine. Risk is what you don't see.

Location: 354

There is rarely more or less economic uncertainty; just changes in how ignorant people are to potential risks.

Location: 399

Nassim Taleb says, “Invest in preparedness, not in prediction.” That gets to the heart of it.

Location: 431

A common storyline of history goes like this: Things get better, wealth increases, technology brings new efficiencies, and medicine saves lives. The quality of life goes up. But people’s expectations then rise by just as much, if not more, because those improvements also benefit other people around you, whose circumstances you anchor to.

Location: 438

People gauge their well-being relative to those around them, and luxuries become necessities in a remarkably short period of time when the people around you become better off.

Location: 475

It’s staggering how expectations can alter how you interpret current circumstances.

Location: 478

he finds immense pleasure in something I don’t think twice about.

Location: 514

Today’s economy is good at generating three things: wealth, the ability to show off wealth, and great envy for other people’s wealth.

Location: 520

But nostalgia for the 1950s is one of the best examples of what happens when expectations grow faster than circumstances.

Location: 542

Everyone, everywhere, doing almost any task, is just in pursuit of some space between expectations and reality.

Location: 551

We spend so much effort trying to improve our income, skills, and ability to forecast the future—all good stuff worthy of our attention. But on the other side there’s an almost complete

ignorance of expectations, especially managing them with as much effort as we put into changing our circumstances.

Location: 568

It goes like this: You think you want progress, both for yourself and for the world. But most of the time that's not actually what you want. You want to feel a gap between what you expected and what actually happened. And the expectation side of that equation is not only important, but it's often more in your control than managing your circumstances.

Location: 630

Something I've long thought true, and which shows up constantly when you look for it, is that people who are abnormally good at one thing tend to be abnormally bad at something else. It's as if the brain has capacity for only so much knowledge and emotion, and an abnormal skill robs bandwidth from other parts of someone's personality.

Location: 659

Novelist Stefan Zweig said, "History reveals no instances of a conqueror being surfeited by conquests," meaning no conqueror gets what they wish and then retires.

Location: 664

Do you want to actually be that person with all of their reactions, their desires, their family, their happiness level, their outlook on life, their self-image? If you're not willing to do a wholesale, 24/7, 100 percent swap with who that person is, then there is no point in being jealous.

Location: 687

A common trait of human behavior is the burning desire for certainty despite living in an uncertain and probabilistic world.

Location: 688

Dealing with the math behind risk and uncertainty in general is difficult—something people have struggled with forever and always will. That something can be likely and not happen, or unlikely and still happen, is one of the world's most important tricks.

Location: 697

But few people actually use probability in the real world, especially when judging others' success. Most of what people care about is, "Were you right or wrong?" "Was that a yes or a no?" Probability is about nuance and gradation. But in the real world people pay attention to black-and-white results.

Location: 703

The core here is that people think they want an accurate view of the future, but what they really crave is certainty.

Location: 715

Daniel Kahneman once said, "Human beings cannot comprehend very large or very small numbers. It would be useful for us to acknowledge that fact."

Location: 767

Bad news gets more attention than good news because pessimism is seductive and feels more urgent than optimism.

Location: 776

Their horizons were close to them.

Location: 781

The world breaks about once every ten years, on average—always has, always will. Sometimes it feels like terrible luck, or that bad news has new momentum. More often it's just raw math at work. A zillion different things can go wrong, so at least one of them is likely to be causing havoc at any given moment.

Location: 784

People don't want accuracy. They want certainty.

Location: 786

When you realize that making people feel better is more appealing than giving people useful figures, you start to see why thinking in probabilities is rare.

Location: 797

The inability to forecast the past has no impact on our desire to forecast the future. Certainty is so valuable that we'll never give up the quest for it, and most people couldn't get out of bed in the morning if they were honest about how uncertain the future is.

Location: 828

Stories are always more powerful than statistics.

Location: 834

People are busy and emotional, and a good story is always more powerful and persuasive than ice-cold statistics. If you have the right answer, you may or may not get ahead. If you have the

wrong answer but you're a good storyteller, you'll probably get ahead (for a while). If you have the right answer and you're a good storyteller, you'll almost certainly get ahead. That's always been true, always will be true, and it shows up in so many areas of history.

Location: 862

Even within a good story, a powerful phrase or sentence can do most of the work. There is a saying that people don't remember books; they remember sentences.

Location: 924

Mark Twain said, "Humor is a way to show you're smart without bragging."

Location: 926

When a topic is complex, stories are like leverage.

Location: 941

Stories get diverse people to focus attention on a single point.

Location: 954

"New ways of looking at things create much greater innovation than new ways of doing them."

Location: 989

Carved on the wall at University of Chicago is a quote from Lord Kelvin that says, "When you cannot measure, your knowledge is meager and unsatisfactory." He's not wrong, but the danger is assuming that if something can't be measured it doesn't matter. The opposite is true: Some of the most important forces in the world—particularly those regarding people's personalities and mindsets—are nearly impossible to measure and impossible to predict.

Location: 993

Jeff Bezos once said, "The thing I have noticed is when the anecdotes and the data disagree, the anecdotes are usually right. There's something wrong with the way you are measuring it."

Location: 1,134

Minsky's big idea was that stability is destabilizing.

Location: 1,155

Stability is destabilizing. Or, put another way: Calm plants the seeds of crazy. Always has, always will.

Location: 1,194

Carl Jung had a theory called enantiodromia. It's the idea that an excess of something gives rise to its opposite.

Location: 1,201

So record rain directly led to record fires. There's a long history of this, verified by looking at tree rings, which inscribe both heavy rainfall and subsequent fire scars. The two go hand in hand. "A wet year reduces fires while increasing vegetation growth, but then the increased vegetation dries out in subsequent dry years, thereby increasing the fire fuel," the National Oceanic and Atmospheric Administration wrote.

Location: 1,221

If an investment might have potential to go higher, somebody somewhere will test it to find out. People's desire to get rich far exceeds the number of easy and obvious opportunities.

Location: 1,250

Most things have a natural size and speed and backfire quickly when you push them beyond that.

Location: 1,271

"For every type of animal there is a most convenient size, and a change in size inevitably carries with it a change of form," Haldane wrote. A most convenient size. A proper state where things work well but break when you try to scale them to a different size or speed. It applies to so many things in life.

Location: 1,289

Schultz wrote in his 2011 book *Onward*: "Growth, we now know all too well, is not a strategy. It is a tactic. And when undisciplined growth became a strategy, we lost our way."

Location: 1,299

Nassim Taleb says he's a libertarian at the federal level, a Republican at the state level, a Democrat at the local level, and a socialist at the family level. People handle risk and responsibility in totally different ways when a group scales from 4 people to 100 to 100,000 to 100 million.

Location: 1,303

Travis Kalanick, the former CEO of Uber, is a great example. No one but him was capable of growing the company early on, and anyone but him was needed as the company matured. I don't think that's a flaw, just a reflection that some things don't scale.

Location: 1,309

Fast growth leads to soft, airy wood that never had time to densify. And soft, airy wood is a breeding ground for fungus and disease. “A tree that grows quickly rots quickly and therefore never has a chance to grow old,” forester Peter Wohlleben wrote. Haste makes waste.

Location: 1,325

“The greatest impediment to creativity is your impatience, the almost inevitable desire to hurry up the process, express something, and make a splash.” An important thing about this topic is that most great things in life—from love to careers to investing—gain their value from two things: patience and scarcity. Patience to let something grow, and scarcity to admire what it grows into.

Location: 1,414

“The excess energy released from overreaction to setbacks is what innovates!” wrote Nassim Taleb.

Location: 1,415

Stress focuses your attention in ways good times can't. It kills procrastination and indecision, taking what you need to get done and shoving it so close to your face that you have no choice but to pursue it, right now and to the best of your ability.

Location: 1,428

Economist Alex Field wrote that by 1941 the U.S. economy was producing 40 percent more output than it had in 1929, with virtually no increase in the total number of hours worked. Everyone simply became staggeringly more productive.

Location: 1,549

Things that thrived for decades can be ruined in minutes. There is no equivalent in the other direction. There's a good reason why. Growth always fights against competition that slows its rise. New ideas fight for attention, business models fight incumbents, skyscrapers fight gravity.

Location: 1,560

author Yuval Noah Harari writes: “To enjoy peace, we need almost everyone to make good choices. By contrast, a poor choice by just one side can lead to war.”

Location: 1,609

Small risks weren't the alternative to big risks; they were the trigger.

Location: 1,734

The trick in any field—from finance to careers to relationships—is being able to survive the short-run problems so you can stick around long enough to enjoy the long-term growth. Save like a pessimist and invest like an optimist.

Location: 1,743

“More than I want big returns, I want to be financially unbreakable. And if I’m unbreakable I actually think I’ll get the biggest returns, because I’ll be able to stick around long enough for compounding to work wonders.”

Location: 1,761

So species rarely evolve to become perfect at anything, because perfecting one skill comes at the expense of another skill that will eventually be critical to survival. The lion could be bigger and catch more prey; the tree could be taller and get more sun. But they’re not, because it would backfire. So they’re all a little imperfect.

Location: 1,765

Not maximizing your potential is actually the sweet spot in a world where perfecting one skill compromises another.

Location: 1,770

Psychologist Amos Tversky once said that “the secret to doing good research is always to be a little underemployed. You waste years by not being able to waste hours.”

Location: 1,782

Not all jobs require creativity or critical thinking. But those that do function better with time devoted to wandering and being curious, in ways that are removed from scheduled work but actually help tackle your biggest work problems.

Location: 1,788

Another way to put this is that a lot of workers have “thought jobs” without much time to think.

Location: 1,797

This meshes with a Stanford study that showed walking increases creativity by 60 percent.

Location: 1,808

The most efficient calendar in the world—one where every minute is packed with productivity—comes at the expense of curious wandering and uninterrupted thinking, which eventually become the biggest contributors to success.

Blue highlight | Location: 1,820

If you're honest with yourself, you'll see that a little inefficiency is the ideal spot to be in.

Location: 1,822

There's an investing quip that it's better to be approximately right than precisely wrong.

Location: 1,835

Just like evolution, the key is realizing that the more perfect you try to become, the more vulnerable you generally are.

Location: 1,840

Everything worth pursuing comes with a little pain. The trick is not minding that it hurts.

Location: 1,864

A coworker of mine at an old employer once hired a social media consultant. During a three-hour session, the consultant walked us through hashtags, what time of day you should post on Twitter, how threading posts increases engagement, and a slew of other hacks. He was nice. But he never mentioned the most effective social media trick: write good stuff that people want to read. That's because writing good stuff isn't a hack. It's hard. It takes time and creativity. It can't be manufactured. It works, with a near 100 percent success rate. But it is the social media equivalent of a heavy workout.

Location: 1,887

If you're efficient, you're doing it the wrong way.

Location: 1,897

A simple rule that's obvious but easy to ignore is that nothing worth pursuing is free. How could it be otherwise? Everything has a price, and the price is usually proportionate to the potential rewards.

Location: 1,920

A unique skill, an underrated skill, is identifying the optimal amount of hassle and nonsense you should put up with to get ahead while getting along.

Location: 1,951

Two scientists, Aaron Clauset of the Santa Fe Institute and Douglas Erwin of the Museum of Natural History, explained why in a paper that summed it up in a wonderful sentence: "The

tendency for evolution to create larger species is counterbalanced by the tendency of extinction to kill off larger species.”

Location: 1,991

One is that being right instills confidence that you can't be wrong, which is a devastating characteristic in a world where outlier success has a target on its back, with competitors in tow. Size is associated with success, success is associated with hubris, and hubris is the beginning of the end of success.

Location: 2,139

There's a saying—I don't know whose—that an expert is always from out of town. It's similar to the Bible verse that says no man is a prophet in his own country.

Blue highlight | Location: 2,140

It's easiest to convince people that you're special if they don't know you well enough to see all the ways you're not. Keep that in mind when comparing your career, business, and life to those of others.

Location: 2,152

“All businesses are loosely functioning disasters,” Brent Beshore says. But a business is like an iceberg; only a fraction is visible. It's the same for people. Instagram is full of beach vacation photos, not flight delay photos. Résumés highlight career wins but are silent on doubt and worry.

Location: 2,171

Most things are harder than they look and not as fun as they seem.

Location: 2,178

There's an important difference between someone whose specific talent should be celebrated versus someone whose ideas should never be questioned.

Location: 2,185

When the incentives are crazy, the behavior is crazy. People can be led to justify and defend nearly anything.

Location: 2,208

No matter how much information and context you have, nothing is more persuasive than what you desperately want or need to be true.

Location: 2,213

James Clear put it this way: “People follow incentives, not advice.”

Location: 2,257

Three things stick out here. When good and honest people can be incentivized into crazy behavior, it's easy to underestimate the odds of the world going off the rails.

Location: 2,264

Unsustainable things can last longer than you anticipate.

Location: 2,266

A good question to ask is, “Which of my current views would change if my incentives were different?”

Location: 2,275

Harry Truman once said: The next generation never learns anything from the previous one until it's brought home with a hammer. . . . I've wondered why the next generation can't profit from the generation before, but they never do until they get knocked in the head by experience.

Location: 2,322

Unexpected hardship makes people do and think things they'd never imagine when things are calm.

Location: 2,347

Jim Carrey once said, “I think everybody should get rich and famous and do everything they ever dreamed of so they can see that it's not the answer.”

Location: 2,370

The long run is just a collection of short runs you have to put up with.

Location: 2,398

Long term is less about time horizon and more about flexibility.

Blue highlight | Location: 2,405

Benjamin Graham said, “The purpose of the margin of safety is to render the forecast unnecessary.” The more flexibility you have, the less you need to know what happens next.

Location: 2,418

Expiring information tells you what happened; permanent information tells you why something happened and is likely to happen again. That “why” can translate and interact with stuff you know about other topics, which is where the compounding comes in.

Location: 2,423

The point, then, isn't that you should read less news and more books. It's that if you read good books you'll have an easier time understanding what you should or shouldn't pay attention to in the news.

Location: 2,454

The sore truth is that complexity sells better.

Location: 2,470

John Reed wrote in his book *Succeeding*: When you first start to study a field, it seems like you have to memorize a zillion things. You don't. What you need is to identify the core principles—generally three to twelve of them—that govern the field. The million things you thought you had to memorize are simply various combinations of the core principles.

Location: 2,474

In finance, spending less than you make, saving the difference, and being patient is perhaps 90 percent of what you need to know to do well.

Location: 2,483

Complexity gives a comforting impression of control, while simplicity is hard to distinguish from cluelessness.

Location: 2,533

An important component of human behavior is that people who've had different experiences than you will think differently than you do. They'll have different goals, outlooks, wishes, and values. So most debates are not actual disagreements; they're people with different experiences talking over each other.

Location: 2,580

“A mind that is stretched by new experience can never go back to its old dimensions,” said Oliver Wendell Holmes.

Location: 2,597

Historian Michael Howard has said that war and welfare go hand in hand.

Location: 2,611

But usually a better question is, "What have you experienced that I haven't that makes you believe what you do? And would I think about the world like you do if I experienced what you have?"

Location: 2,655

What hassle am I trying to eliminate that's actually an unavoidable cost of success?