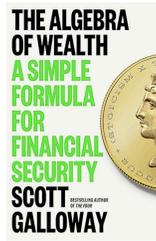


Your Kindle Notes For:



The Algebra of Wealth: A Simple Formula for Financial Security

Scott Galloway

174 Highlight(s) | 0 Note(s)

Location: 243

Outliers make for great inspiration . . . but lousy role models.

Location: 253

How do you get economic security? There is an answer—that's the good news. The bad news? The answer is . . . slowly.

Location: 271

wealth is the absence of economic anxiety. Freed of the pressure to earn, we can choose how we live.

Location: 293

Medical debt is the leading cause of consumer bankruptcy;

Location: 305

The key to happiness is our expectations, and unrealistic expectations guarantee unrealized happiness.

Location: 322

I want you to obtain economic security before you stop working. The sooner the better.

Location: 327

Economic security gives you options.

Location: 334

Or, more precisely, what's the burn rate you aspire to maintain in perpetuity?

Location: 400

Wealth is the product of a life well lived—hard work, frugality, wisdom. That doesn't mean being a monk—there's room for pleasure, for error, for life. But it does mean hard work, and it does mean a certain amount of discipline. And it's worth it.

Location: 447

Character and behavior exist in a self-reinforcing cycle. Just as our actions reflect our character, our character is ultimately the product of our actions.

Location: 448

Living with purpose and consistency is what it means to live an authentic life, leaving it all on the field even if you come up short. The pursuit of wealth, like its cousin, the pursuit of happiness, is a whole-person project.

Location: 474

“The easiest way to make a dollar is to save a dollar” is good advice. Yet every day, hundreds of times a day, we are confronted with messages, arguments, and encouragement to spend. Capitalism harnesses the ingenuity and energy of an entire society toward a singular purpose—to persuade you to spend money.

Location: 498

We live in a world of excess but are built for an environment of scarcity.

Location: 502

The gap between your intentions and your actions is a decent forward-looking indicator of your future success, emotionally and financially.

Location: 514

What keeps personality ethic advice flowing is that it might give you a momentary boost but it doesn't work over any significant time span or against serious opposition. (A survey of 121 studies found that a variety of popular diets, no matter what theory they promoted or which celebrity promoted them, showed no effect on weight after a year.)

Location: 549

The line is easy to draw, as Marcus Aurelius made clear: “You have power over your mind—not outside events.” The psychologist Viktor Frankl observed, “Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom.” We cannot control our environment, but we can control how we respond.

Location: 553

Even just once a day, saying, “I control this, my response is my choice,” and choosing the behavior you know to be right rather than the one you feel in the moment, is a step on the path to Stoicism.

Location: 624

Get strong so that you can provide for others. Gain power so you can do justice. Working for work’s sake is economic masturbation.

Location: 634

My bigger sin, in those first two decades of my career, was that I failed to invest in others and in relationships.

Location: 637

If Money Is the Goal, You Will Never Have Enough

Location: 667

“This is only heaven for the people who can’t get into the real heaven,” Niles exclaims.

Location: 679

The more you have of something, the less benefit you derive from it on a per-unit basis. The more you make, the less you gain.

Location: 691

The great Roman Stoic Seneca wrote, “There is no enjoying the possession of anything valuable unless one has someone to share it with.”

Location: 696

The most reliable predictor of your success is where and when you were born. Yet Western culture preaches independence and self-reliance, and the implicit message is that outcomes—good or bad—are the result of our efforts alone. When we fail to recognize the huge role that luck (and more generally, forces beyond our control) plays in outcomes, we take the wrong lessons from them and reduce our chances at future success.

Location: 714

What I have found is that the most important attribute is, as Winston Churchill said, “a willingness to move through failure without losing your sense of enthusiasm.”

Location: 723

Developing this perspective is easier if you can distinguish the event from your perception of and reaction to it.

Location: 739

Anything or anybody who is living rent-free in your head is squatting. That energy and bandwidth could be better invested elsewhere.

Location: 740

The Stoic approach to anger is to cultivate indifference. We can't control what others do, but we can control our response.

Location: 749

Listening to me complain, Hamid interrupted me and said, “Scott, the best revenge is to live a better life.” Great advice.

Location: 764

“Exercise is nonnegotiable for peak performance.”

Location: 782

I've also learned to listen to what my emotions are telling me, but not necessarily follow their instructions. Gut feelings are useful, but you have to distinguish between wisdom bubbling up from your subconscious and your amygdala pressing the panic button. Or the greed (lust) button. That one will really trip you up.

Location: 795

Your decisions are a guide and an action plan, not a suicide pact. Be open to evolving, changing your mind when presented with new data or compelling views and insights. A step back from the wrong path is a step in the right direction.

Pink highlight | Location: 798

Making more decisions means you get more feedback, and you get better at it. Each decision you make is an opportunity to pivot, and the more decisions there are the lower the stakes of

any wrong decision you make. Accumulating right decisions builds confidence; piling up wrong ones builds scar tissue.

Location: 824

But in my experience, the opposite is far more common. Most wealthy people are high-character humans. They are typically gracious to others, work hard, moderate their spending and indulgences, and are principled.

Location: 830

Character doesn't just aid in creating wealth, it's the key to protecting it.

Location: 846

The term "kitchen cabinet" comes from the presidency of Andrew Jackson, who met semi-regularly with a small group of trusted advisers outside the government. The concept is familiar to nearly any successful leader. It's a group of people outside the formal structure of your organization who give unvarnished, disinterested counsel.

Location: 848

As you build up your career, build a kitchen cabinet of people who can elevate you but also ensure you're grounded (see above: be honest with you). These should be people you trust, people who have your best interests in mind, and people who aren't afraid to tell you when you're being an ass.

Location: 850

Your kitchen cabinet will be who you turn to when you need career advice, second opinions on both business and personal decisions, and generally people to bounce ideas off of.

Location: 865

To that end, tip well. I mean that literally in terms of monetary rewards for service, but also in a larger sense: practice kindness with everyone you encounter at restaurants and hotels, at the doctor's office, behind the wheel of an Uber, even in that most trying of service locations, the airport.

Location: 871

Spending money on others can lower your blood pressure as much as a healthy diet; altruism is literally an analgesic.

Location: 874

We are heavily influenced by the people with whom we associate. The implication is obvious: give your subconscious the best possible examples to work from.

Location: 879

Humans are exceptional mimics; it is our primary means of childhood learning, and it persists through adulthood. In fact, there's evidence that adults are more prone to mindlessly replicating the actions of others—children are smart enough to mimic only the behaviors that solve a problem or get a reward, while adults will slavishly imitate a teacher, even their mannerisms.

Location: 884

As with so much science, philosophy got there first. Two thousand years ago, Seneca wrote: "Associate with people who are likely to improve you. Welcome those who you are capable of improving. The process is a mutual one: men learn as they teach."

Location: 913

From an economic standpoint, getting—and staying—hitched is one of the most beneficial things you can do. Married individuals are 77% wealthier than single people. Each year you're married, your net worth typically increases 16%. Married people also live longer and are statistically happier than single people.

Location: 920

On average, a divorce in America reduces your wealth by about three-quarters—for both men and women.

Location: 925

Lack of money is one of the greatest—if not the greatest—strains on relationships, which is why divorce rates are significantly higher among lower-income Americans.

Location: 931

This means talking about it. Treating money as a taboo might be one of the worst societal norms in America.

Location: 995

Focus is choosing what to pay attention to.

Location: 996

Our life is the product of the choices we make. We can wander without aim, stumbling into prosperity one year, losing our way another. Or we can choose a path, deliberately, with foresight and flexibility. We can be conscious. We can focus.

Location: 1,041

(Management is a skill, not a personality trait, and it can be learned.)

Location: 1,050

Don't assume that you'll be the career partner, or the household manager. This is in part a function of flexibility: One of my founding partners at L2 was able to devote herself fully to her career (in television news) when her children were young because her husband was starting his own business. The obligations on his time were immense, but they were also flexible—so when someone needed to pick up a sick kid at school, or meet a vendor at the house, she didn't have to leave the studio.

Location: 1,064

It proved the saying "If you want something done, give it to a busy person."

Location: 1,068

If someone tells you to follow your passion, it means they're already rich.

Location: 1,074

It's unlikely you will ever be great at something you dislike doing, but mastery can lead to passion.

Location: 1,111

As Morgan Housel put it, "Doing something you love on a schedule you can't control can feel the same as doing something you hate."

Location: 1,115

Passion for something might make you better at it—talent absolutely will.

Location: 1,117

Doing what you're good at creates a virtuous circle.

Location: 1,121

I define talent broadly. A good general definition: What comes easily to you that's difficult for other people? Incidentally, this is also the root of business strategy: What can you do that others can't? We tend to think of "talent" as things like playing an instrument well or being really good at math. But a much broader set of skills factors into career success.

Location: 1,129

Unlike tennis or trading, “managing people” is amorphous and hard to identify as a talent. But when identified and cultivated, it’s arguably the most valuable one a person can have.

Location: 1,156

I got closer when I joined the NYU faculty at 38. That’s really when my career started. Standing in front of fifteen, then fifty, then three hundred second-year MBAs trying to distill the principles of marketing in twelve 140-minute sessions honed that communications talent.

Location: 1,164

For most of us, school dominates the first two decades of our lives, but our educational system focuses on what we can produce, not who we are.

Location: 1,167

Put yourself in different contexts, positions, and organizations. Volunteer work, student government, jobs, sports—environments reveal talent, so explore several, early.

Pink highlight | Location: 1,168

Again, figuring out what doesn’t work and what you are not good at is part of figuring out what you are good at. This sort of exploration is most useful in school and early in your career because you have the time.

Location: 1,201

The advice is to follow your talent, not to limit yourself to it.

Location: 1,216

Put another way, the non-romance careers are a thousand times easier to make a good living at. Achieve economic security and follow your passion on weekends.

Location: 1,238

When I do that, I’m in a flow state, which is the signature sensation of mastery.

Location: 1,300

The American corporation is still the premier vehicle for wealth creation in history. If you are fortunate enough to get a job at Goldman Sachs, Microsoft, Google, etc., you should probably take it. It’s easy to sneer at the safety of the large corporate employer, but you don’t have to stay forever, there’s a lot to learn, and potentially a lot to earn.

Location: 1,306

With fewer and fewer exceptions, a skill that's an accelerant in any career is the ability to communicate your ideas. It doesn't need to be a natural talent, and it certainly can be learned. If there is one skill I will try to ensure my two boys have some command of by the time they enter the workforce, it won't be computer science or Mandarin, but communications.

Blue highlight | Location: 1,308

Not the history of communications or linguistics, but how to express oneself in different mediums.

Location: 1,320

The people you work with have the power to make or break your environment. They are, as Bolles writes, "either energy drainers or energy creators."

Blue highlight | Location: 1,325

check out Do What You Are, which uses the Myers-Briggs framework to break down hundreds of career options by personality type. Even if you aren't moved by Myers-Briggs, it's a useful compendium of every way imaginable to make a buck.

Location: 1,362

Entrepreneur is a synonym for salesperson, full stop.

Location: 1,362

We sell our vision to investors, employees, and customers—at the beginning, vision is all there is. How do you know if you can sell? You know if you have a knack for this from a pretty young age. Escaping punishment for missing homework, getting your mom to lend you the car, approaching a strange girl or guy and getting their number. All are sales training for youth.

Location: 1,372

In sum, the secret to my success is . . . rejection.

Location: 1,378

Product is important, market fit is essential, culture and talent retention are critical . . . but cash flow is your company's lifeblood.

Location: 1,392

My job is to translate the experience of my professional life into domain expertise that provides students with currency in the marketplace.

Location: 1,409

You'll need to be self-motivated, however, as there isn't a lot of structure. So, a bit of a lone wolf (research is a lonely journey), genuinely curious, structured, and a disciplined thinker who can drill down and exhaust a narrow area. Being a great student is a leading indicator, but it's not everything—how well can you keep up the focus when the guardrails of assignments and grades are removed?

Location: 1,450

Generally speaking, consulting is a career for the elite and aimless: talented people who haven't figured out what they want to do. Which is Latin for "people in their twenties."

Location: 1,529

Like tennis, when you rally with someone better than you, you improve.

Location: 1,536

While you are in a city, try new things, put yourself in novel situations—you'll learn about your most important subject, yourself.

Location: 1,539

As I discuss in the next chapter, the money you save is less important than building your saving muscle, and it's fine to live life while you are unencumbered. Get the cheapest apartment you can stand, don't furnish it, never spend any time in it, and practice saying "yes."

Location: 1,557

First off, progress isn't linear, it's lumpy.

Location: 1,562

The greater the struggle you've made to get something, the more you've sacrificed for it, the greater your disappointment will be when you win the prize and your life hasn't fundamentally changed.

Location: 1,572

Talent and desire, matched to the right career, are a good start. What turns these into economic security is years of hard work.

Location: 1,592

"If it's not actionable," they write, "it's not a problem, it's a circumstance."

Location: 1,606

When you are fighting your way through the jungle, take out your compass regularly and make sure you are headed in the right direction. This is a situation where your kitchen cabinet is invaluable. Don't quit because it's hard, it's supposed to be hard. Quit because the data, or a mentor you trust, or multiple external signs, indicate your time would be better invested elsewhere. There is no shame in this.

Location: 1,625

Career progression is not the steady staircase to the executive floor it once was. Rigid expectations of a linear, upward trajectory can blind you to diagonal opportunities.

Location: 1,626

Think of your career not as a ladder to climb, but as a mountain range to cross, with different challenges and environments to master, expanding your tool kit along the way so you can keep moving forward.

Location: 1,631

It's a sad truth of human nature that outsiders will value you more than your current employer—we crave novelty, and bosses are no different.

Location: 1,635

Universities underpay clinical and adjunct faculty to subsidize (too often) unproductive tenured faculty.

Location: 1,646

A caveat: explore other opportunities with a healthy skepticism, and actively remind yourself what you like about your current employer. Every job has its frustrations, every boss their irritations, and what seems like a dazzling and limitless opportunity will, after six months, likely be just your job.

Location: 1,649

As of March 2023, Americans who had changed jobs in the past twelve months increased their compensation 7.7% in that time, while those who had not changed jobs saw an increase of just 5.7%.

Location: 1,669

So when should you change jobs? When the next move gets you further across the terrain, balanced against your reputation as a serial job switcher. Meaning, when there's strategic value in the change, that it's materially better, not just different.

Location: 1,685

Loyalty is a human (also canine) virtue, not an organizational one.

Location: 1,689

Mike Bloomberg once said, "I have always had a policy: If it's a friend and they get a promotion, I don't bother to call them; I'll see them sometime and make a joke about it. If they get fired, I want to go out to dinner with them that night. And I want to do it in a public place where everybody can see me. Because I remember when I got fired from Salomon Brothers—I can tell you every single person that called me. That meant something. When I was made a partner? I have no recollection of that whatsoever."

Location: 1,693

"Show up when it matters, when it means something. Never miss a funeral. Attend every wedding."

Location: 1,737

as Ramsey points out, he's favoring "behavior modification over math." You might actually pay off that \$100 loan from your cousin, even if you could let it ride for years, and that's a quick win. And as Ramsey argues, "You need quick wins to get fired up."

Location: 1,763

Don't follow your passion, follow your talent.

Location: 1,764

Is it doing or watching? In my experience, people who sweat are more successful than people who watch others sweat.

Location: 1,840

Time is one thing you should not be generous with. Squander money, you can earn it back. Squander time, it's gone forever. I'm not saying don't ever relax. Doing nothing is fine, important even, but it should be planned.

Location: 1,849

Wealth creation requires a clear understanding of how we are allocating our time and spending our money (two ways of saying the same thing), and the skill of making good decisions, large and small.

Location: 1,856

Time magnifies small changes into mighty things. Time is how acorns grow into oaks and rivers cut canyons.

Location: 1,938

If we buy a stock at \$20, it runs to \$100, and then drops to \$90, we feel we've lost \$10, though in truth we've made \$70.

Location: 1,950

The richest person in the world and the poorest both get twenty-four hours in a day. The same seconds tick by for everyone. There are no refunds for time spent poorly, and no bank can lend you time. So while it's practical to measure your wealth and opportunities in money terms, the currency that really matters is time.

Location: 1,968

The question: At the end of my life, will I want an extra \$12 million in the bank or the memory of 4 more months with my boys? It was a lot of money for me, but it was one of the easiest financial decisions I've ever made.

Location: 1,980

Social media is likely one of the great wealth destroyers in history.

Location: 1,999

Technology is an enabler, but time management is a skill that transcends technology.

Blue highlight | Location: 1,999

Being good with money means being good with time.

Location: 2,023

What Gets Measured Gets Managed

Location: 2,030

Not tracking your money, and your spending, is to eventually find out you have less.

Location: 2,050

In the early years of wealth building—your twenties and thirties—tracking your savings is less important than tracking your spending. Spending determines savings (it has an effect) and it's what you actually do (it can be affected). Tracking your spending is not fun, but it's among the most critical behaviors you need to develop.

Location: 2,076

The easiest way to make a dollar is to save it, so you also want to track what you are saving (we'll get to what to do with it soon). Putting even a few dollars or a few hundred dollars a month into savings is a powerful step toward building wealth. As your income increases, especially when you get lump sums like bonuses, you'll need strong saving muscles.

Location: 2,101

Awareness encourages discipline.

Location: 2,103

If you don't have a clear picture of your finances, the path to wealth will be circuitous and frustrating.

Location: 2,118

Getting to the point where you have options, not just obligations.

Location: 2,125

Take a few months getting good at getting good data. Even then, you will miss things initially.

Location: 2,136

Look for easy economies—subscriptions you never use are a ripe target. Avoid encumbering your budget. When young, you should be sleeping, showering, and eating in your apartment, and little else. Live in a small, clean place near work and fun.

Blue highlight | Location: 2,138

Your professional trajectory is inversely correlated to how much time you are in your apartment.

Location: 2,153

The gamification can be its own reward, but if you choose to give yourself external rewards for achieving milestones, make sure the rewards are consistent with the behavior you are trying to promote.

Location: 2,166

Set a goal for saving this month, and you are likely to be realistic and achieve your goal.

Location: 2,172

Especially early in your budgeting and saving career, focus on your spending, not your savings, and make savings goals that are immediate and doable. Quick wins will build into long-term success. You don't start training for a marathon by running 26 miles on your first day.

Location: 2,176

Lifestyle creep is a force of nature.

Location: 2,178

Your consumption bucket is going to grow.

Location: 2,181

A growing delta between your income growth and your consumption growth is the foundation of your economic security.

Location: 2,212

The third bucket, intermediate spending, is the gray area between short-term consumption and long-term investment. Large, anticipated expenses (and some not-so-anticipated): down payment for a car or house, graduate school tuition, buy-in to a professional partnership, major medical bills.

Location: 2,218

Your job is to put enough into consumption so you don't resent your choices (that will require less than you think) and to fund your intermediate and long-term investments at the rate that will get you to economic security.

Location: 2,251

This should be an early goal in your savings project—\$1,000 in a savings account, used for emergencies.

Location: 2,253

56% of American adults don't have even \$1,000 in backup cash.

Location: 2,265

If you have no intermediate bucket expenses coming due in the next year, then the only money you need in liquid, low-variability assets is your emergency cushion. For the rest, invest where you expect the highest return

Location: 2,283

that's relevant to bucket allocation and too important to wait. That's the use of retirement funds: 401(k), IRA, and Roth. Short version: use them. They combine forced savings with tax minimization and the power of compounding; they can be the bedrock of your economic security.

Location: 2,318

Using a mortgage to buy a home you live in is almost always a sound personal finance strategy.

Location: 2,319

Auto loans are more often used to get into a more expensive car rather than to acquire the transportation function of a basic car. The car salesman wants you to ask: "How much car can I afford?" The better question: "How much car do I need?" A car loan is a commitment to consumption spending.

Location: 2,324

A good baseline principle is that debt should never outlive the asset it was used to acquire. A 30-year mortgage on a home passes this test. Carrying a credit card balance for a year so you can buy shoes you'll wear for a season doesn't. Treat yourself, but don't cheat yourself.

Location: 2,350

"Are you the same person you were two decades ago?" Then ask them, "Are you the person you thought you'd be?" The fallacy that you won't keep changing is known as projection bias, defined as people's tendency to "exaggerate the degree to which their future tastes will resemble their current tastes."

Location: 2,368

Economic security is about having options, not closing them off.

Location: 2,377

(while reminding yourself that nothing is ever as good or as bad as it seems),

Location: 2,468

Similar to greatness, wealth is achieved in the agency of others: leveraging other people's skills (teams, employees, vendors) and capital. It's nearly impossible to build a company or wealth without other people and outside capital.

Location: 2,510

thirty-minute lesson in the markets. The ratio of buyers to sellers determined price movements. Each share represented a small piece of ownership. Amateurs act on emotion, pros on numbers. Buy what you know: stocks in companies whose products you like or admire. We decided to invest my bounty in 13 shares of Columbia Pictures, ticker CPS, at \$15-3/8.

Location: 2,560

Diversification limits your downside. Admittedly, it's also a drag on your upside, but if you go to zero on a single bet, you have no upside. More important, you don't need to maximize upside.

Location: 2,563

A well-managed, diversified portfolio will generate the returns you need to achieve economic security.

Location: 2,568

Focus your time to maximize your current income. Diversify your investments to maximize your long-term wealth.

Location: 2,599

In sum, diversification is the art and science of broadening your risk profile so no single failure or global shift can fatally injure you.

Location: 2,616

Remember, few people screenshot their losers. But they are everywhere, and everyone absorbs them.

Location: 2,640

And yet the book reaches the same conclusion: long-term, active investing doesn't beat the market. (These discussions focus on stocks, but most of this applies equally to other asset classes—active, individual investors rarely beat diversified passive indexes in any market.)

Location: 2,658

As the saying goes, "Success doesn't come from timing the market, it comes from time in the market."

Location: 2,689

Money—as a means of transferring time—unlocks comparative advantage, the ability to specialize.

Location: 2,714

Prices tend to stabilize at the point that balances supply and demand—high enough to encourage manufacturing, low enough to stimulate demand. High enough to capture a profit, but low enough to discourage a swarm of competitors.

Location: 2,740

What we've covered so far is the fundamental dynamic of an economy. People exchange time for money and money for goods, the product of other exchanges of money and time. These exchanges take place across many types of markets, from literal markets like Whole Foods to exchanges such as the "labor market," which exists only in the world of statistics but is nonetheless a very real, important market most people participate in at some point in their lives.

Location: 2,750

Capital is money charged with making more money.

Location: 2,755

If the bank charges the bar owner 8% interest on a \$100,000 loan, the bar owner has to pay \$8,000 annually to rent that \$100,000.

Location: 2,792

Corporations do dumb things every day. However, individuals do crazy things every minute.

Location: 2,951

Think of the stock market as a dog on a leash, and the economy as the person holding the leash. Over the course of a walk, they both end up in the same place. But the dog (market) is going to zig back and forth quite a bit and send out a lot of false signals about what direction the walk is taking.

Location: 2,976

investment guru Benjamin Graham is credited with putting it this way: "In the short run, the market is a voting machine. In the long run, it's a weighing machine." Value investing, which Graham pioneered, is the strategy of identifying investments where the price is below the value, making the investment, and waiting for the price to foot to (i.e., rise) the value.

Location: 3,027

To recap: wealth comes from converting as much of your current income as possible to investment capital.

Location: 3,068

Your ability to begin pouring capital into the second and third buckets is a function of your discipline around living below your means. And this will take time. Q: How do you eat an elephant? A: One bite at a time. Be patient but start now.

Location: 3,112

At the far end of the spectrum, some investors choose to invest in derivatives, which is essentially betting on the financial markets.

Location: 3,123

Stocks are the investment headliner, no doubt.

Location: 3,126

Why? Because stocks are your most direct access to the raw wealth-generating power of the economy, and the greatest wealth-generating machine in history, the U.S. corporation.

Location: 3,163

Share prices increase after a buyback because there are fewer shares “outstanding” to divide up the total value of the company, so each share of stock claims a larger share of the company’s assets and future profits.

Location: 3,181

internally, but they distill them down to three primary documents when reporting to shareholders: the income statement, the cash flow statement, and the balance sheet.

Location: 3,249

The higher the P/E ratio, the more the market believes a company will grow its earnings in the future. P/E ratios above 30 typically indicate a high-growth company, whereas mature, slower-growing companies have a P/E closer to 10.

Location: 3,275

Although a single multiple gives you some information (the higher it is, the more growth the market expects) multiples are mainly a relative measure.

Location: 3,314

What I strongly advise against, and what the data confirms doesn’t work, is jumping in and out of stocks. The more you trade, the more you lose. It’s cognitively and emotionally exhausting, and it doesn’t work. It’s not tax efficient, either, as assets held less than a year don’t qualify for capital gains tax treatment. Don’t day trade.

Location: 3,345

Your individual investments are not going to shape the decisions of the corporations you buy stock in, but they will determine your future economic security. I understand if you’d rather not share in the profits of a short list of companies that you think are destructive to society—I

Location: 3,350

But your capital means far more to you than it does to your investments. The ESG label in particular has been weaponized by corporate PR and means nothing.

Location: 3,411

For investors who can afford it, real estate is unmatched as a long-term investment.

Location: 3,423

For nearly everyone, it's the largest purchase you will ever make, the largest loan you will ever take out, and the largest expense on your monthly budget.

Location: 3,469

Constraints encourage focus, and focus will get you where you want to go faster than flexibility. Recall my observation in "Time" that you will change. One of the ways you will change is you will likely become more settled, more interested in roots and stability. So even if a house seems like an impediment to your freedom now, you are highly likely to see it as refuge in another decade.

Location: 3,533

But one-off options trading at retail isn't really investing in the rigorous sense of the word, or in any sense of the word. It's gambling. And gambling can be a fun diversion, a crippling addiction, or something in between—but it's not investing.

Location: 3,590

I believe citizens likewise have a dual obligation, to their country and to their family, to pay the minimum legal taxes.

Location: 3,618

I don't pay my tax lawyers to figure out my tax rate. I pay them to minimize the amount of money that counts as taxable income. You should do the same.

Location: 3,647

That leaves current income. The main way to reduce this is with deductions. Deductions are primarily expenses that Congress has decided should reduce your taxable income. They've been created for many reasons, or no discernable reason at all—the policy justifications for deductions range from inarguable to patently absurd.

Location: 3,770

With student debt, the more you pay, the less your degree is worth.

Location: 3,870

Everything meaningful in life is about others. Your ability to support and love others and your willingness to let them love you. Nothing profound is achieved in isolation.