

Lessons From The Book The Psychology of Money, Timeless Lessons On Wealth, Greed and Happiness By Morgan Housel

- 1. Every financial decision you make is based on past conditioning and your model of the world.**
 - a. If you grew up impulse shopping with your family on weekends, you'll likely continue to do so as an adult.
- 2. Learn financial habits from the come up story not the result.**
 - a. Unusual financial success from billionaires creates an unrealistic expectation around money.
 - b. Turn your attention away from their results and onto the stories of how they overcame failure and disappointment.
- 3. If you base your happiness around money then you will never have enough.**
 - a. Money is digits, and digits go on forever.
 - b. Set a financial goal and get off the never-ending treadmill once you've made "enough."
- 4. Start compounding your money as early as possible.**
 - a. Warren Buffett is known as a legendary investor for his ability to compound wealth over decades.
 - b. The earlier you start, the more financially sound you will be.
- 5. Plan on your financial plan not going according to plan.**
 - a. Life happens.
 - b. You take time off work, your car needs new tires, and you have 5 weddings to attend this year.
 - c. Be prepared for your plan never going as planned.
- 6. You can be wrong half the time and still get wealthy.**
 - a. Focus on the long game.
 - b. You can lose half the time but as long as your wins are big, you'll still come out wealthy.
- 7. The intrinsic value of money is being able to give you control over your time.**
 - a. Use money as a tool to do what you want to do when you want to do it.
- 8. Raise your humility to capitalize on more financial opportunities.**
 - a. You don't need a majority stake in every investment deal you do.
 - b. Remove your ego and focus on the bigger picture.

9. Don't be lured by displays of wealth.

- a. You don't know how people afforded their Ferraris or luxury homes.
- b. Be more concerned with what they did to earn their wealth and then apply those principles to your own finances.

10. Diversify your income streams and assets ASAP.

- a. If something can go wrong, eventually it will.
- b. Make sure you're prepared.