Share a book letter: *The Psychology of Money*

Subject: Timeless lessons on wealth, greed and happiness

Dear ……… ,

*‘Wealth is what you don’t see’*

Wealth is not only money. There are other areas of time-investments such as your reputation, your relationships, your career and your happiness. All these valuable parts of living a full life, including money, needs energy and time to reap the fruits from these investments.

The point is getting wealthy and staying wealthy. Every investment requires taking risks, being optimistic, and putting yourself out there. But keeping money requires the opposite of taking risk. It requires humility, and fear that what you have made can be taken away from you just as fast. Applying the survival mindset to the real world comes down to appreciating three things:

Wealth means to be financially unbreakable. And if you are unbreakable, you actually think you will get the biggest returns, because I’ll be able to stick around long enough for compounding to work wonders.

Have a personality with an optimistic view about the future, but at the same time be paranoid about what will prevent you from getting to the future, is vital.

Planning is important, but the most important part of every plan, is to plan on the plan, not going according to plan. A plan is only useful if it can survive reality. And a future filled with unknowns is everyone’s reality. A good plan embraces uncertainty and emphasizes room for error.

Doing well with money has little to do with how smart you are. Instead, it has a lot to do with how you behave. The secret of getting wealthy is driven by behavior and patience. The initial mindset is saving money. Not spending all the money, you earn, but investing these savings in long term sound, established money sources and be patient. Patience for decades. It is as simple as that. No financial education or job at a bank or any other financial institution, but plain common sense.

Financial outcomes are driven by luck, independent of intelligence and effort. Financial success is not a hard science. It’s a soft skill. How you behave is more important than what you know. This soft skill is what the author calls, *The Psychology of Money*. It is a matter of changing your behavior. But behavior is hard to teach, even to really smart people.

There is much misbehavior as regards money, which illustrates how new this topic of saving and investing is. It is not surprising that many of us are bad at saving and investing for retirement or any other dream we like to realize. We’re not crazy but we must understand that many of us are just newcomers in this field of saving and investing.

Risk and luck, when investing, belong together. Risk and luck are both the reality of every outcome in life and is guided by forces other than our individual effort. But good luck can be created. Be interested in serendipity\*, opening the doors for good luck. It is about making better decisions in your life and in your current or potential investment plan. Better decisions happen, by experiencing the unfortunate side of risk. But always remember: There is no reason to risk what you have and need. Never risk money you need for living.

\*Read the book [The Serendipity Mindset](https://globalreadingclub.com/books/the-serendipity-mindset) (also published in the Global Reading Club)

Don’t be greedy. Enough is enough. Resist the dangerous taste of wanting more—more money, more power, more prestige, which may push you to the point of regret. Stop social comparison, because this battle can never be won. Never risk your reputation, your freedom, your independence, your family and friends, and your happiness. These are all invaluable for you. Keep them safe.

Saving and investing, in whatever you invest, takes time. A long time. Many things take time to flourish and thus don’t need tremendous force to create tremendous results. This is also the case with money. Warren Buffett is likely one of the most successful persons building a fortune. The simple fact what made Buffett’s fortune was, and still is today, is time. His *skill* is investing, but his *secret* is time.

Good investing isn’t necessarily about earning the highest returns, because the highest returns tend to be one-off hits that can’t be repeated. It’s about earning pretty good returns that you can stick with, and which can be repeated for the longest period of time. That’s when compounding runs wild. Go for the long run, not for the short sprint.

Anything that is huge, profitable, famous, or influential is the result of a ‘Tail event’*. ‘Tail events’* are rare and powerful. ‘*Tail events’* happen after a long time. Tails drive everything. *“It is not whether you are right or wrong that’s important, but how much money you make when you are right and how much you lose when you are wrong.”* You can be wrong half the time and still make a fortune.

Does money make you happy? There is a common denominator in happiness—a universal fuel of joy. The joy people want to control their lives. This is often caused by buying bigger and better stuff. But we did not get with money, barely more time. Whereas time is, in general, the most precious thing we have in life. Control over your time is the highest dividend money pays. ‘*Humility, kindness*, and *empathy* will bring you more respect than horsepower ever will. That is what people makes really happy. This is the core of wealth. *‘Wealth is what you don’t see’*.

The Global Reading Club has existed since 2015 and is now a library of over 100 books. Books recommended, read and summarized by employees around the world from the Ogilvy and WPP network. This gives you quick access to relevant knowledge from books without having to read a book from cover to cover.

Here is the [link](https://globalreadingclub.com/books/rewired) taking you straight to the book *The Psychology of Money.*

Enjoy reading and listening.

(Your name)

P.S. Attached is the Newsletter, covering the book [*The Psychology of Money.*](https://globalreadingclub.com/books/the-psychology-of-money)