NOTES FROM: ***The Almanack of Naval Ravikant*****, by Eric Jorgenson**

SUMMARY: Being rich and happy are learnable skills. As in certain propositions in physics, starting conditions are very important, but one of the greatest lessons you'll learn from reading books like this one is that *where you start off doesn't have to be where you end up.* If there's a skill you lack, you can learn it; if there's a big scary problem looming over you, you can overcome it; if you want more out of life, you can have it.

But, there are traps along the way. These traps can take the form of pessimism and self-defeating behaviors; or the creeping expansion of desire; bad advice from well-meaning people; and a lot more that *The Almanack of Naval Ravikant* can help you avoid.

Naval is the founder of AngelList, a website that allows startups to raise money from angel investors free of charge, and he's had over 70 successful exits himself, after investing in companies like Uber and Twitter before almost anyone else.

He's become somewhat of an entrepreneurship/start-up culture icon, and this book is a collection of his greatest wisdom distilled from a decade of podcast appearances and thousands of tweets. After a lifetime of study and application of philosophy, economics, and wealth-creation, Naval has proven the impact of his principles, and they're all laid out here in this book.

The book was compiled by Eric Jorgenson, a writer and startup founder himself, and someone who had experienced first-hand the seismic shifts in attitude and potential that Naval's teachings could confer on anyone who wanted to learn.

After having his *own* life changed by Naval, he noticed that most of this fantastic advice was just scattered across the four winds of the internet, where people might find it or might not. Recognizing the value of what Naval had to teach, Eric collected the greatest insights and included them in one book for wider public consumption.

The *"Navalmanack,"* as it's sometimes called, is divided into two sections: wealth and happiness. Wealth comes first because, just like in an airplane, *you have to help yourself first before you'll be in the best position to help others.* Money is uniquely suited to removing the sources of *un*happiness, and allowing us to get down to the real business of living, but the exclusive lifetime pursuit of money is a dead end that too many people find out about too late.

But there are traps here too, as runaway desire - *the hedonic treadmill* - can have us pursuing all these powerful and conflicting desires and sabotaging our own happiness because *we never want what we already have.* We're always looking for that next *thing*, the one thing that's waiting for us just over the horizon and that's going to make us happy and fulfilled forever. And yet it never does.

As Navel teaches, that "one thing" inevitably leads to the next thing, and the next, and the next, and then we get to the end of our lives never having fully lived a single day. He's very wise in pointing out that *we should choose our desires carefully*, as *every desire is a chosen unhappiness.* Whenever there's something that we want, it's because *it's currently absent from our life,* causing us pain. *If we let these desires run circles around us, we'll never have peace.*

We're living today through the *internet gold rush,* where there are *so many* opportunities out there to make money and to build lasting wealth, but the reckless *pursuit* of that wealth and opportunity can only lead to pain. Instead of spreading yourself thin and exhausting yourself, Naval breaks down the fantastically important concept of *leverage,* and shows how it's much better to work smart *and then* hard.

Leverage is all about applying your current resources in the best possible way, where they're going to have the largest possible impact. It's about positioning yourself in such a way that you can capitalize on all this amazing opportunity that's out there today, instead of wearing yourself down and getting lost in minutiae. Leverage will teach you exactly *where* to deploy your limited energies in order to become maximally effective.

One of the biggest takeaways from the book is the emphasis on leveraging *specific skills* - skills that you can't be trained for. If there's something that you can be trained for, *someone else can be trained to replace you*, so you have to cultivate specific, valuable, domain-specific knowledge if you want to be maximally rewarded in the marketplace. This means doing something so well, so creatively, so *remarkably* that someone else can't just "take a course" to do what you do.

Yes, that means that competition is fiercer than ever, but it also means that there's greater *freedom* than ever to play what Naval calls *single-player games*. Those are pursuits that are more *individual, internal*, and *winnable* than, say, making the most money out of anyone in your firm or city.

Comparison is not only the thief of joy, but it's also always a feature of *multi-player games*, where you're competing against everyone else. An internal game, however, would be something like raising a child to be the best person they could be, or completing a marathon by yourself, or building a business that you're proud of.

A general theme here is the virtue of playing the long game, and deploying the power of compound interest over time. Not just with your investments, but with your relationships, your health, your knowledge, and more. Building a life you love and a character you're proud of takes place over an extended period of time; *these things are not to be rushed.*

Compound interest works on relationships, as trust develops over time and people learn to recognize that they can rely on you; it works in health as the choices you make today compound to impact your vitality in the future; and it works in your knowledge, as what you learn today stacks onto what you learned yesterday, and a whole lifetime of education is brought to bear on every new situation you encounter in the future. This all takes time!

What's interesting about compound interest though is that *it doesn't feel like it's working in the beginning* - the exponential effects only kick in later. So you have to keep working at whatever you're doing and understand that you're working on a timescale of years and decades, not just days or weeks.

Lastly, Naval gets even more existential as he asks, *"What if this life were the paradise we were promised, and we're just squandering it?"* It's a fair question, and how you choose to live after reading this book is your answer.

"For my parents, who gave me everything and always seem to find a way to give more."

"Keep your hands up and your mind open."

"I was born poor and miserable. I'm now pretty well-off, and I'm very happy. I worked at those."

"You should not grind at a lot of hard work until you figure out what you should be working on."

"You will get rich by giving society what it wants but does not yet know how to get. At scale."

"Play iterated games. All the returns in life, whether in wealth, relationships, or knowledge come from compound interest."

"Learn to sell. Learn to build. If you can do both, you will be unstoppable."

"Specific knowledge is knowledge you cannot be trained for. If society can train you, it can train someone else and replace you."

"Technology democratized consumption but consolidates production. The best person in the world at anything gets to do it for everyone."

"Most of life is a search for who and what needs you the most."

"Find what feels like play to you but seems like work to others."

"It's much more important today to be able to become an expert in a brand-new field in nine to twelve months than to have studied the 'right' thing a long time ago."

"The highest form of leverage is products with no marginal cost of replication."

"Earn with your mind, not your time."

"In high-leverage situations, small differences in judgement and capability really get amplified."

"In fact, I have too many ways to make money. I don't have enough time."

“Play stupid games, win stupid prizes.”

“When today is complete, in and of itself, then you’re retired.”

“What making money will do is solve your money problems. It will remove a set of things that could get in the way of being happy, but it is not going to make you happy. I know many very wealthy people who are unhappy. Most of the time, the person you have to become to make money is a high-anxiety, high-stress, hard-working, competitive person. When you have done that for twenty, thirty, forty, fifty years, and you suddenly make money, you can't turn it off. You've trained yourself to be a high-anxiety person. Then, you have to learn how to be happy."

"Let's get you rich first. I'm very practical about it because, you know, Buddha was a prince. He started off really rich, then got to go off in the woods."

“If all your beliefs line up into neat little bundles, you should be highly suspicious.”

“Charisma is the ability to project confidence and love at the same time. It's almost always possible to be honest and positive."

“Someone who makes decisions right 80 percent of the time instead of 70 percent of the time will be valued and compensated in the market hundreds of times more."

"I think people have a hard time understanding a fundamental fact of leverage. If I manage $1 billion and I'm right 10 percent more often than somebody else, my decision-making creates $100 million worth of value on a judgement call. With modern technology and large workforces and capital, our decisions are leveraged more and more."

“One theory is that civilization exists to answer the question of who gets to mate.”

“The means of learning are abundant - it’s the desire to learn that is scarce.”

“Read what you love until you love to read.”

“As long as I have a book in my hand, I don’t feel like I’m wasting time.”

“If they wrote it to make money, don’t read it.”

“When you’re reading a book and you're confused, that confusion is similar to the pain you get in the gym when you're working out. But you're building mental muscles instead of physical muscles. Learn how to learn and read the books."

"If you're a perpetual learning machine, you will never be out of options for how to make money. You can always see what's coming up in society, what the value is, where the demand is, and you can learn to come up to speed."

“To think clearly, understand the basics. If you're memorizing advanced concepts without being able to re-derive them as needed, you're lost."

“Twitter has made me a worse reader but a much better writer.”

“The older the problem, the older the solution.”

"You know that song you can't get out of your head? All thoughts work that way. Careful what you read."

"Don't take yourself so seriously. You're just a monkey with a plan."

“Today, I believe happiness is really a default state. Happiness is there when you remove the sense of something missing in your life."

“Happiness is the state when nothing is missing.”

“What if this life were the paradise we were promised, and we’re just squandering it?”

“Every desire is a chosen unhappiness.”

“The fundamental delusion: There is something out there that will make me happy and fulfilled forever.”

“We go around desiring things all day long and then wonder why we’re unhappy.”

“I like to stay aware of it, because then I can choose my desires very carefully. I try not to have more than one big desire in my life at any given time, and I also recognize it as the axis of my suffering. I realize the area where I've chosen to be unhappy."

“By the time people realize they have enough money, they’ve lost their time and their health.”

“You have two lives, and the second life begins when you realize that you only have one.”

“If you could just sit for thirty minutes and be happy, you are successful.”

“Today, the way we think you get peace is by resolving all your external problems. But there are unlimited external problems. The only way to actually get peace on the inside is by giving up this idea of problems."

MK: Play single-player games. Looking good and making lots of money are multiplayer games because you're competing against everyone else on the planet who's playing the same game. In contrast, single-player games are internal and winnable.

"It's such a poisonous emotion because, at the end of the day, you're no better off with jealousy. You're unhappier, and the person you're jealous of is still successful or good-looking or whatever they are."

MK: If we want someone else's looks or money, we would have to accept being *everything else* about that person as well. We don't get to choose, and say, *"Well, I'll take his money, but I don't want his marital problems, or health problems, or reputation, etc."*

“Death is the most important thing that is ever going to happen to you.”

“Whenever I get caught up in my ego battles, I just think of entire civilizations that have come and gone. For example, take the Sumerians. I'm sure they were important people and did great things, but go ahead and name me a single Sumerian. Tell me anything interesting or important Sumerians did that lasted. Nothing. So maybe ten thousand years from now or a hundred thousand years from now, people will say, 'Oh yeah, Americans. I've heard of Americans.'"

“You’re never going to be as good at being me as I am.”

"To make an original contribution, you have to be irrationally obsessed with something."

“When everyone is sick, we no longer consider it a disease.”

“If there’s something you want to do later, do it now. There is no ‘later.’”

“You should know statistics and probability backwards and forwards and inside out.”

“As long as you’re doing what you want, it’s not a waste of your time.”

“A busy mind accelerates the passage of subjective time.”

“Be present above all else.”

“Mathematics is the language of nature.”

“You are all wonderful friends who became extremely helpful advisors to me throughout this book-building and publishing process. Without you, I'd still be googling things and mumbling curses."