

# **The Almanack of Naval Ravikant**

# **What's in it for me? Learn how to unlock material and spiritual wealth.**

There's a cliché as old as antiquity that says that wisdom and practicality are incompatible. As an ancient Greek joke has it, a philosopher is someone who falls down a well while gazing up at the stars. Like many clichés, it's not necessarily true, even though it describes something we've all observed. Naval Ravikant is living proof of that. His success as an entrepreneur and investor reflects his understanding of the practical business of making money. But he's also a philosopher dedicated to discovering the secret of living well. In these blinks, we'll explore his wisdom as we delve into two topics that preoccupy us all: money and happiness. In these blinks, you'll learn

why the wealthy can't afford to be jealous; how to use money to gain your freedom; and why a quiet mind is a happy mind.

## **If you're unsure about a decision, then the answer is no.**

There are seven billion people on our planet. Thanks to the internet, it's easier than ever to get to know anyone anywhere on Earth. That's a lot of potential mates, friends, and business partners. Work has also changed in the digital era. Today, there are thousands of jobs open to pretty much anyone with an internet connection. In short, modern society is full of options, which means there are countless answers to questions like whom you should marry, where you should live, and which career you should pursue. So how do you get these calls right? Well, it helps if you're applying the right principles when you make important decisions. The key message here is: If you're unsure about a decision, then the answer is no. The human brain isn't wired to cope with option-rich environments. Blame it on evolution. Our ancestors evolved in small tribes and their lives were defined by scarcity. Finding a partner, for example, wasn't a question of romance or shared values – it was about availability. Work was also a question of necessity. Your job was to find enough food to keep you and your kin alive for another day. This evolutionary legacy is a problem in today's world. When it comes to big decisions, it's easy to get locked in for a long time. Starting a relationship might commit you to a project that lasts five years or more. Deciding to move cities and accept a particular job can alter the course of your entire career. Make the wrong calls and you're looking at a lot of wasted time. In other words, these kinds of decisions have long-term consequences, and you need to get them right. That's why it pays to apply a simple heuristic – that is, a rule of thumb that helps make sense of a problem. This heuristic states that if you're unsure, then the answer is always no. Of course, you can't know the future, so you can never be fully certain that, say, agreeing to marry someone or buying a certain house is the right option. The point, however, is to trust your doubts. If you find yourself staring at a spreadsheet with pro and con columns, or creating elaborate checks and balances, you already have your answer: no. It's a straightforward rule, but it's highly effective. Best of all, it can save you years of hardship and regret.

## **A good reputation is an invaluable**

# asset.

Say you invest \$10,000 at an interest rate of 10 percent. Simple interest is, well, simple. As long as you keep your money invested, you'll generate \$1,000 a year. Alternatively, there's compound interest. All that means is reinvesting earned interest at the same rate as the original amount. Ten percent of 10,000 is 1,000. Ten percent of 1,000 is 100. After two years, you'll have \$12,100 rather than \$12,000. Compound interest is exponential - it makes money more and more quickly. Compounded over three decades, \$10,000 at 10 percent yields \$174,494. Simple interest, by contrast, gets you to \$40,000. Compounding is all about playing the long game. That's also a lesson you can apply to relationships. Here's the key message: A good reputation is an invaluable asset. Capital isn't the only thing that can be compounded. Consider some of the most influential people in the business world - people like the CEOs of major multinationals, or investors who manage billions of dollars on behalf of their clients. Why do they hold these positions? Sure, they're talented and hardworking, but that doesn't explain why lots of equally clever and dedicated people don't have these jobs. The real answer is that they're trusted. The reason they're trusted is simple: The relationships they've built and the work they've put in have compounded. Over the years, they've stuck with their work and proved their integrity. That's what a reputation is - the compound interest on a long-term investment in defining what you stand for. Think of how this works on an individual level. If you establish a good working relationship with someone over a five- or ten-year period, you end up trusting them. That makes life easier. All the negotiations that define the business world become simple. Mutual trust means you know things will work out. If you want big returns on your reputation, you need to think carefully about how you build it. Remember, you'll be investing deeply over decades, so it's so important to move on quickly when you realize your investment isn't leading anywhere. If you're studying something and you see that you're never going to use that information, for example, you should drop that class. It's a waste of time and energy. More importantly, it means you're missing out on a chance to find truly valuable long-term investments.

## If you secretly despise wealth, it will elude you.

Money isn't just about capital, markets, and investments - it's also about psychology. Take envy. When you compare yourself to others and envy their successes, you get caught in the relative mindset. That's a recipe for misery. It's also an obstacle to creating wealth. If you want to make money, you're going to have to work with people who are doing better than you. As humans, we're hardwired to pick up on what others really think of us. When you're resentful or envious, it shows. That's not a good foundation for building the relationships you need to achieve prosperity. The key message is this: If you secretly despise wealth, it will elude you. We all play two social "games." The first is the money game. Money can't buy happiness or make all your problems disappear, but it will solve your money problems. That's reason enough to play the game. At the same time, lots of people feel that they can't make money. Rather than addressing this psychological block, they attack wealth creation. Money, they say, is evil, and we shouldn't pursue it. This is a standard move in a second kind of game - the status game. Rejecting money as something that they neither need nor want is a way for people to claim a higher status in others' eyes. The status game is as old as humanity,

and it's all about the relative mindset. Its purpose is to compare people and establish hierarchies among them - to figure out who's number one, who's number two, and so on. That makes it a zero-sum game. For someone to win, someone else has to lose. Number two can only move up the pecking order if number one vacates that spot. This game does have its uses. Take politics. If we didn't play it, we wouldn't be able to tell who was in charge of things. Fundamentally, though, it's no more than a necessary evil. That's why you should seek to avoid it in your life. Play it too often and you'll become an angry, combative, and resentful person dedicated to putting others down. The money game is different. It's not zero-sum - it's positive-sum. You can win without someone else losing, or become wealthy without condemning someone else to poverty. Successful business relationships are built on this foundation. They bring people together who understand that, when it comes to the money game, it really is win-win.

## **Money can give you freedom - unless you love it for its own sake.**

There are a lot of things money can't buy. It won't make you happy, for starters. Nor will it solve your health problems or help find your true love. It doesn't bring inner peace or make you fit, either. What it can give you is freedom. Money fixes a lot of external problems. It removes obstacles that stop you from doing the things you really want to do. Think of the Buddha, who was born a prince. Wealth came first. Later, he used the freedom that gave him to go off into the woods and spend his days meditating on the nature of existence. Money, in other words, is a means to an end - its real value lies elsewhere. When you lose sight of this truth, it becomes a source of unfreedom. The key message here is: Money can give you freedom - unless you love it for its own sake. Money isn't the root of all evil. In fact, it's neutral - it can be used well or poorly. It all depends on the goal you're pursuing. For some people, the end is simply more wealth. They want money for money's sake. In extreme cases, this is nothing but a lust for money. That really is bad for you - not in the moral sense of making you a bad person, but in the practical sense of being bad for your health and well-being. In this, it resembles many forms of addiction. If you love money, there's never enough - it's a bottomless pit. Desire isn't rational, after all, and it doesn't shut off once you reach a particular figure. In this state, money constantly occupies your mind - it's all you think about, and it frames every decision. You're unhappy with what you're making and fearful of losing what you've already made. This cycle of dissatisfaction and paranoia is the punishment for the love of money, and it arrives along with the money itself. This is a bad way of approaching the money game. Remember, you're not playing it for its own sake - you're trying to solve material problems. You can keep yourself working toward this goal by avoiding upgrades to your lifestyle as you make more money. When you keep your outgoings fixed at a modest level, your money contributes to your financial freedom. Constantly upgrading, by contrast, creates new problems that can only be solved by running faster and faster on the same treadmill.

## **Happiness is a choice to remain in the present moment.**

What is happiness? One answer to this age-old question comes from Asian religious traditions like Taoism and Buddhism, which note that both happiness and unhappiness

are human judgments. Reality – the world outside our minds – is neutral. From the Big Bang until now, nature has followed a single chain of unbreakable laws of cause and effect. From a tree's perspective, there's no such thing as right or wrong, good or bad. Life is simply a brief experience of sensations like light, temperature, and sound bookended by infinite non-existence. If judgment exists only in the human mind, Taoists and Buddhists conclude, happiness is just one possible way of responding to a neutral world. In other words, we can choose to be happy. Here's the key message: Happiness is a choice to remain in the present moment. We often conflate happiness with positive thoughts and actions. Taoists and Buddhists see it differently. Take the Tao Te Ching. Attributed to the sixth-century BCE Chinese sage Laozi, this philosophical and religious text has had a profound impact on Taoist and Buddhist traditions. It holds that every positive thought or judgment contains the seed of a corresponding negative thought. To say you're happy, for example, means that you were unhappy at some point. To judge that one person is attractive, you invoke the idea of another's ugliness. Similarly, a negative judgment about the bad weather today suggests the possibility of sunshine tomorrow. Within these traditions, happiness is understood as the absence of such judgments, which is associated with the absence of desire. The fewer desires you have, the greater your ability to accept the way things are right now. This brings inner calm. Your mind moves neither backward into the past nor forward into the future – it's content to dwell in the current moment. The more you live in the present, the happier you'll be. Even a positive judgment like, "Oh, I'm happy" can disturb this calm. Suddenly, you're thinking about the future and how to preserve your happiness. That introduces a desire – the desire to make the temporary permanent. Now your mind is moving again. You've dropped out of the moment. Choosing to remain present is a choice to be happy. You don't have to be a monk to live in this way, either. Just think of young children. On balance, they're pretty happy. Why? Easy! They're immersed in the moment rather than caught up in their own heads. That's a lesson we'd do well to remember as adults.

## **A quiet mind is a happy mind.**

What does happiness look like? Blaise Pascal, the seventeenth-century French philosopher, said that it's sitting quietly in a room by yourself. For him, the problems of our species arise because we find it hard to do that. Buddhists take a similar view. To sit still for 30 minutes is happiness. The reason this is so hard to achieve is that we're distracted by our desires. Happiness, we think, is "out there" in the external world. It'll come when we buy that new car, earn more, or find our soulmate. These desires, however, are nothing but contracts we've made with ourselves to be unhappy until we get what we want. Why do we agree to such absurd terms? Blame it on the monkey mind. The key message is this: A quiet mind is a happy mind. Thoughts, the Buddha said, are like branches, and the conscious mind is like a monkey swinging from one branch to the next. This monkey can't sit still. Does my wife want a divorce? Why am I eating this candy bar – I wanted to lose weight! Am I saving enough for retirement? Did I upset my colleague? So what? He's always rude to me anyway. I'd be much happier if I got a raise. Maybe I should start applying for new jobs . . . . Over the day, the monkey mind covers tens of thousands of these branches. Some thoughts are judgments. Others are movies playing back what happened yesterday or ten years ago. Many are fantasies about a future in which all our desires have been satisfied. This cerebral busyness does have its uses – it's how we make long-term plans and solve problems, for example. What it's not good for is happiness. When the monkey is screaming from the treetops, we can't focus our attention on the present moment. We get lost in the cacophony. We're



preoccupied, stressed, exhausted. Most of all, we're miserable. The answer to this problem is to train the monkey. That, in a nutshell, is what meditation is all about – quieting the simian chatter that prevents us from being present. Meditation comes in many different forms. You can sit quietly by yourself in a room, as Pascal recommended, or learn the practices of monastic monks. But you can also go hiking. Call it walking meditation. Keeping a journal is writing meditation, just as prayer is gratitude meditation. Even showering can be a kind of accidental meditation. As long as it's helping you turn down the volume of your monkey's chatter, you're moving toward happiness.

## **Discovering what calms your mind and building good habits are keys to happiness.**

Happiness isn't innate – it's a skill. Just like nutrition, working out, or making money, it's something you learn by doing. And the more you do it, the better you get. Practice, after all, makes perfect. But where should you start? Simply put, in many places! Practicing a skill is all about trial and error. You have to figure out what works and what doesn't. To do that, you have to try a lot of different things. The key message here is: Discovering what calms your mind and building good habits are keys to happiness. Happiness comes when you quiet your monkey mind and focus your attention on what's happening around you. That's the goal. But no two people get there in the same way. The most important thing to determine here is what works for you. Does Tantra meditation help you achieve calm, or is Vipassana meditation more effective? Do you need a ten-day retreat, or ten minutes in the morning? There's only one way to find out – try both. Some find that yoga does the trick. For others, it's kitesurfing or mountain biking. Perhaps cooking makes you Zen. No? Try something else. From journaling to tai chi, there are many means to your end. The process of trial and error requires the right mindset. Chances are, you're going to come across ideas that clash with your views about how the world works. That's okay as long as you don't let natural skepticism turn into dogmatic incredulity. Remember, placebos can work – as long you believe they will. Take it from Naval Ravikant. A while back, he read a book by Eckhart Tolle about being more present called *The Power of Now*. Tolle presents a body-energy exercise that involves lying down and feeling the energy moving around your body. Ravikant's first thought? Bullshit. But he tried it. And he felt great. The moral of this story is that some things don't meet the standards of scientific evidence, but they can still help you. The rule of thumb here is simple: If it works, use it; if it doesn't, look for something else. That's one aspect of practicing the skill of happiness. The other is building good habits. This is pretty intuitive. Cutting down on alcohol, caffeine, and sugar, for example, will keep your mood more stable. So will avoiding social media. Then there's regular exercise, which is a great example of a habit that's good for both your body and your mind. Quiet your monkey and build good habits, and you'll be well on your way to finding happiness.

## **Final summary**

The key message in these blinks: Making money and being happy are skills. At heart, they're both about making good decisions. Whether you're talking about your time or

money, you need to avoid bad investments. That means trusting your gut. If you can't decide, say no. Remember that good investments are compounded – they yield outsized returns. This is just as true of capital as it is of reputation. Happiness, meanwhile, is a decision to be in the moment and turn the volume of your monkey mind down a notch. The best way of doing that? Meditation. Actionable advice: Lean into short-term pain. If you're faced with a problem with two relatively equal answers, choose the one that's more painful in the short term. Why? Well, with most problems, one path to resolution will lead to short-term pain while the other leads to long-term pain. You obviously want the former, not the latter – but our brains tend to overvalue whatever offers us happiness most quickly. Leaning into the pain cancels out this subconscious tendency, and leads us to more durable happiness. Think, for example, of working out. In the here and now, it can feel like a painful chore. In the long run, though, the returns on this investment in health and happiness are huge. Got feedback? We'd love to hear what you think about our content! Just drop an email to [email protected] with The Almanack of Naval Ravikant as the subject line, and share your thoughts!