

# Insights from 'The Almanack of Naval Ravikant' by Eric Jorgenson

A guide to wealth and happiness (with diagrams)



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ACCEPT





*Last modified 10 October 2022*

The world is awash in business books. Some of these tackle one core idea, fattened with hundreds of anecdotes and supporting examples. Others synthesize a diverse range of concepts in fresh ways, helping you reframe them entirely. The Almanack is an example of the latter. We consider it a must-read for business owners, entrepreneurs and creative thinkers.

## Who is Naval Ravikant?

Ravikant is an entrepreneur, advisor and investor, who gained fame in the tech world as a result of his early-stage investments in success stories like Twitter and Uber. The Almanack is collection of his wisdom transcribed from his podcasts, essays and interviews, and compiled by [Eric Jorgenson](#).

The book is available as a free download on [navalmanack.com](https://navalmanack.com). The printed version is available on [Amazon](#).

The text covers insights on three core areas:

1. [Building wealth](#)
2. [Gaining wisdom](#)
3. [Learning the skill of happiness](#)

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As a child of Indian immigrants, Naval grew up in the United States with modest means. After starting various ventures in his 20s and 30s he gradually amassed a fortune, largely in his role as founder, investor and advisor to 200+ companies.

Naval recommends optimizing for wealth, rather than money or status. His definitions are summarised below:

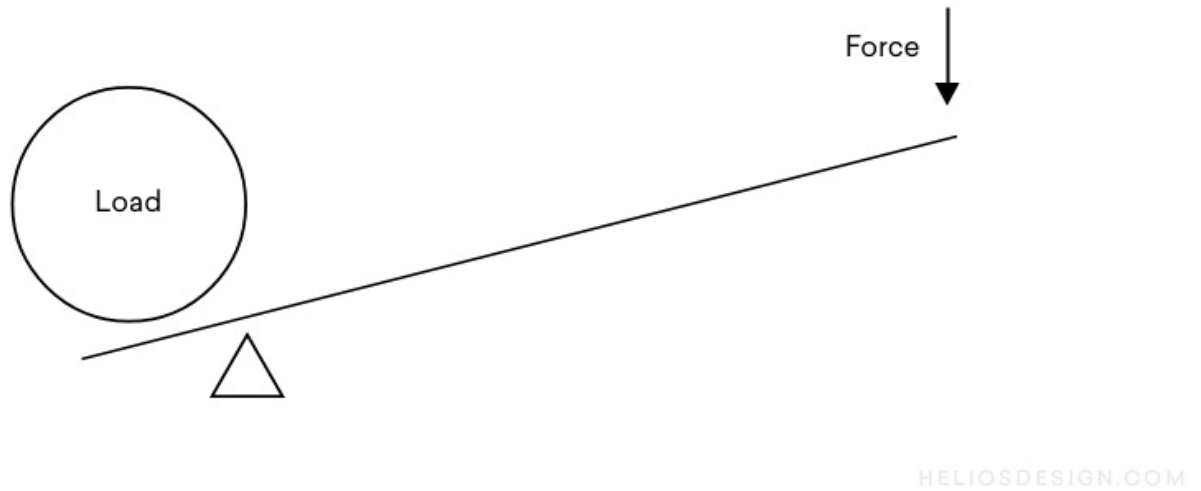
<b>Wealth</b> = Having assets that earn while you sleep.
<b>Money</b> = How we transfer time and wealth.
<b>Status</b> = Your place in the social hierarchy.

## Finding a position of leverage

If you work in the [field of expertise](#), you are not going to amass wealth by renting out your time. Instead, wealth comes from the strategic application of leverage.

What is leverage? Leverage is essentially a force multiplier:

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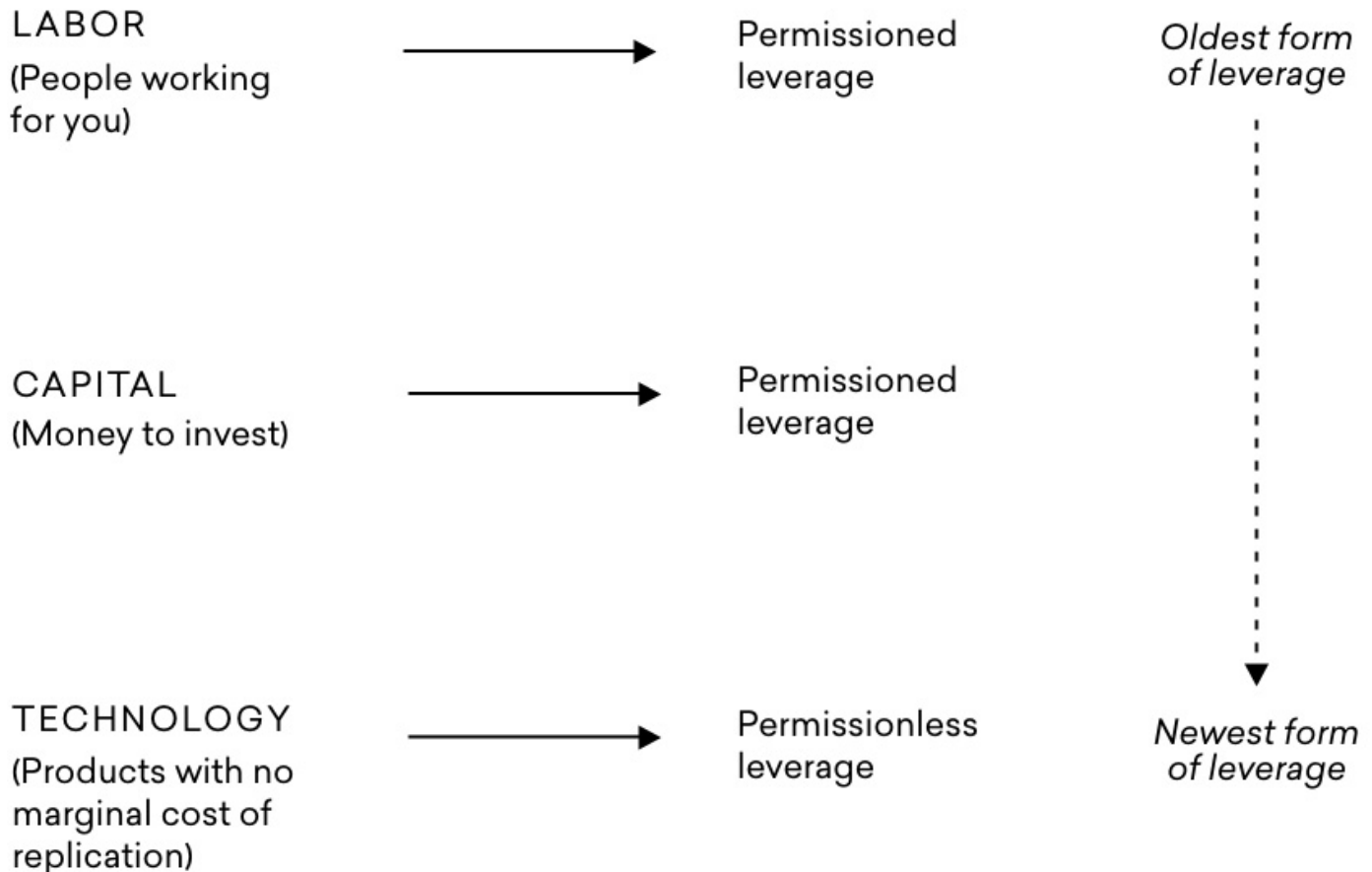


According to Ravikant, business leverage comes from three possible sources:

1. Labour (people working for you)
2. Capital (money to invest)
3. Products with no marginal cost of replication (in other words, technology such as code or media)

Labour and capital are 'permissioned' leverage (they require people to work for you or money given to you), while code and media are 'permissionless' leverage:

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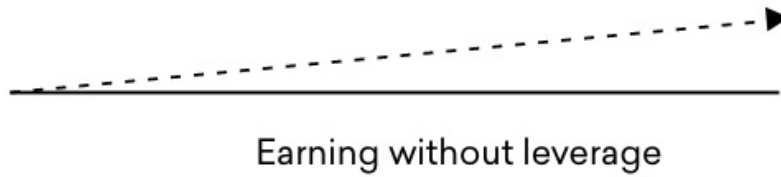
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**Code is probably the most powerful form of permissionless leverage. All you need is a computer – you don’t need anyone’s permission.” – Naval Ravikant**

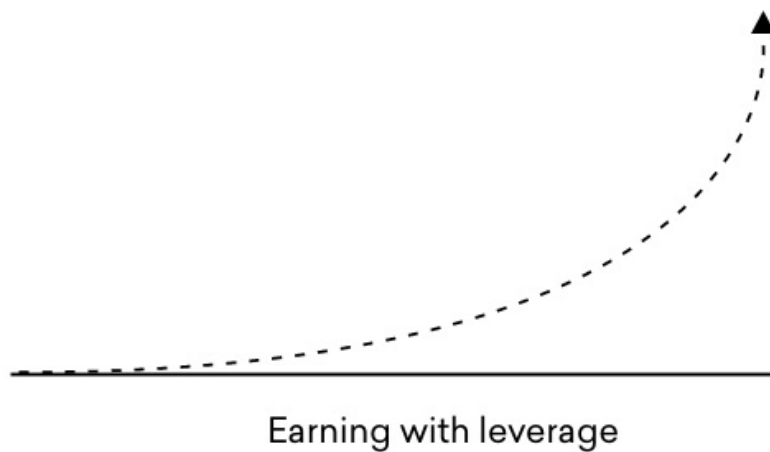
The third category of leverage (products with no marginal cost of replication) started with the printing press in the 15th century. It accelerated with broadcast media in the 20th century and has now reached new heights with the advent of the internet. In today's age, you can multiply your efforts without labour or capital – for example, by writing a book or creating a video that can be watched by millions of people while you sleep.

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1:10 your outputs (8 hours of potential is linear:



Leverage such as technology creates a disconnect between inputs and outputs. Returns are potentially exponential:



## Optimizing for the long term

Leverage, combined with the magic of compound interest, leads to long-term returns.

“

wealth, relationships  
and interest.” –

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Investing in something for decades – whether it's the honing of a skill, the nurturing of a relationship, or the building of a business – pays long-term dividends via the effects of compounding.

## Becoming a perpetual learning machine

The key to success is becoming a "perpetual learning machine". Today, it is much more important to be an efficient learner and to have the ability to become an expert in a brand-new field than to have studied the “right” thing years ago.

Ravikant personally reads for one to two hours a day, focusing on the fields of microeconomics, game theory, psychology, persuasion, philosophy, ethics, mathematics and computers.

## 2. Gaining wisdom

The second section of the book focuses on honing your mental capacities and decision-making abilities, so that you can apply leverage in the right direction.

“

**The direction you're heading in matters more than how fast you move, especially with leverage.” – Naval Ravikant**

Related definitions are captured below:

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sequences of your



**Judgement = Applying wisdom to external problems.**

## Making spacing for thinking

To hone your mental faculties, it is important to make space for thinking.

“

**It's actually really important to have empty space. If you don't have a day or two every week in your calendar where you're not always in meetings, and you're not always busy, then you're not going to be able to think.” – Naval Ravikant**

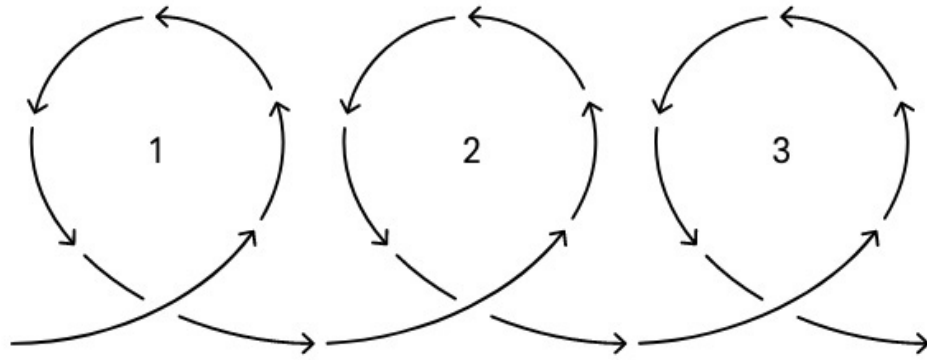
Our best ideas don't come to us when we are stressed, distracted or in a rush. They arrive when our minds are relaxed and porous.

Tim Ferris covers similar ground in [Tools of Titans](#) by reinforcing the importance of scheduling large, uninterrupted blocks of time (which he calls “de-loading phases”), during which your mind can wander, ponder and find the “signal amidst the noise”.

If you work in the field of expertise, your work schedule should resemble successive sprints rather than long marathons. This means training and exerting like an athlete, then resting and reassessing:

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Knowledge workers should work in sprints

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The forty-hour work week is a relic of the Industrial Age and leads to less-than-optimal performance for working professionals.

### 3. Learning the skill of happiness

Naval believes that happiness is a highly personal skill that can be learned, like fitness or nutrition.

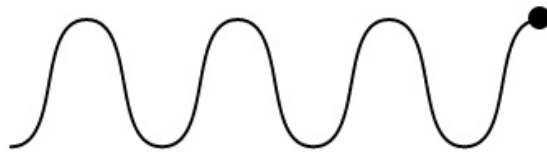
**Happiness** = What remains when you remove the sense that something is missing in your life.

**Peace** = Happiness at rest.

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Peace is happiness at rest.



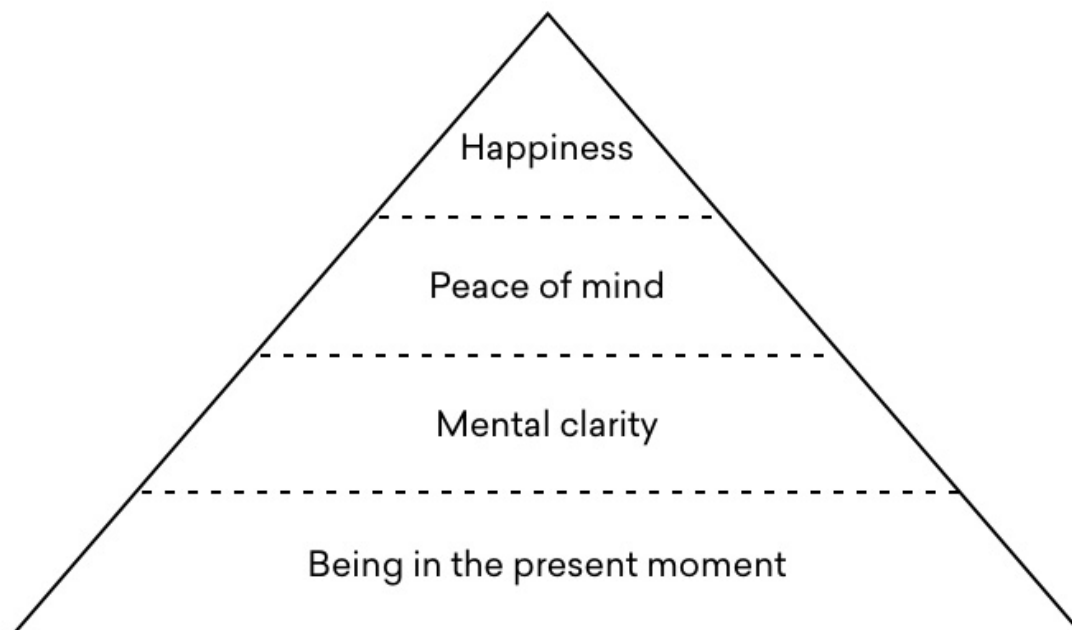
Happiness is peace in motion.

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innate peace".

Being peaceful comes from having a mind clear of thoughts. Mental clarity, in turn, comes from being present:

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Naval Ravikant recommends meditation as the equivalent of “intermittent fasting for the mind”. Time spent undistracted and alone – such as solo walking, journaling or self-examination – are all forms of meditation. These processes run your brain in “debug” mode and help clear your mental inbox of “unanswered emails”.

## Conclusion

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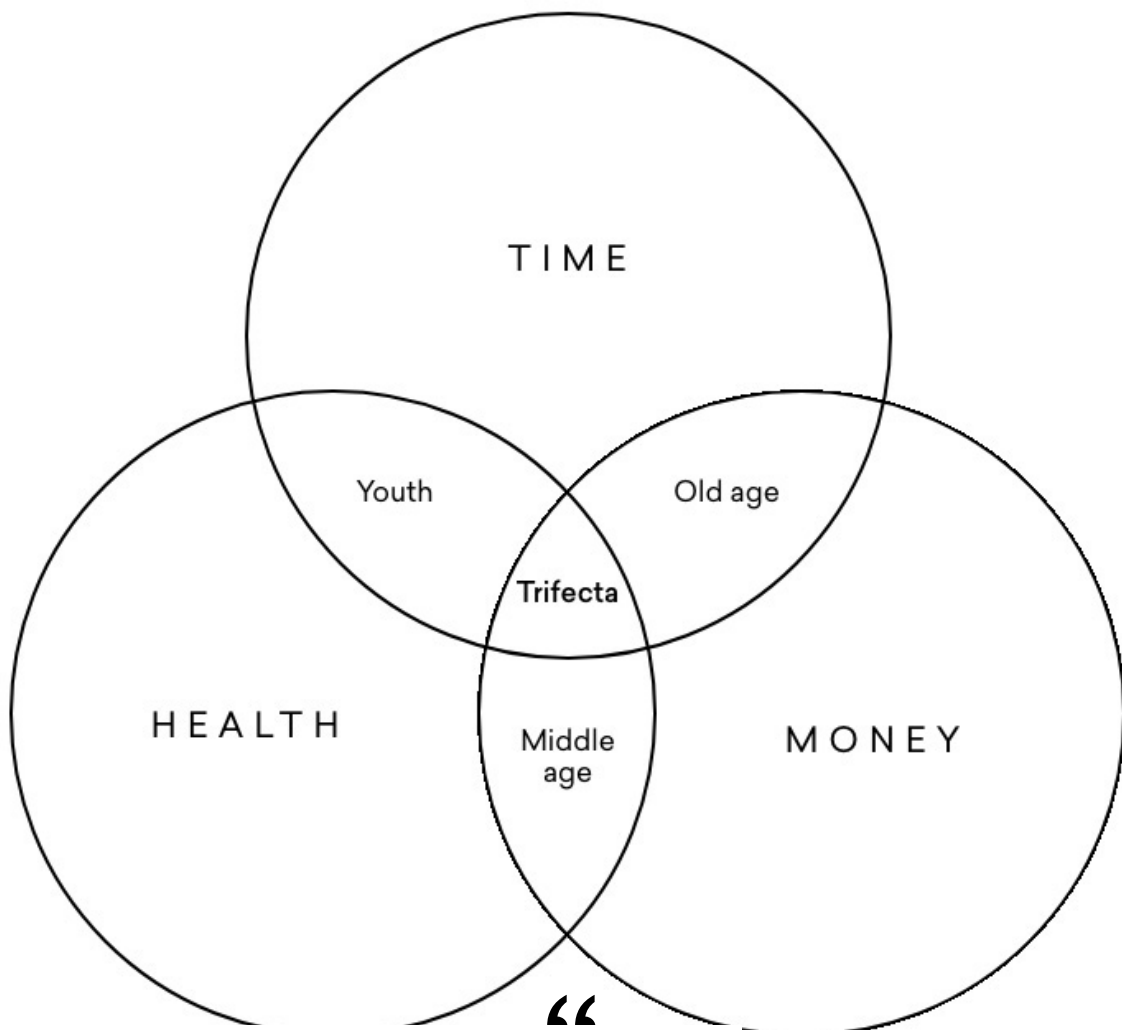
**The three big ones in life are wealth, health, and happiness. We pursue them in that order, but their importance is reverse.” – Naval Ravikant**

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ted. We typically prioritize and this tendency shifts as

- When we are young, we have plenty of time and good health, but no money.
- When we reach middle age, we have money and health, but no time.
- And finally, when we reach retirement, we have time and money, but declining health.

The trifecta is to aim for all three at once:



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fully acknowledge

the futility of what you're doing, then I think it can bring great happiness and peace because you realize this is a game.” – Naval Ravikant

Do check out the full 'Navalmanack' in [printed](#), [PDF](#) or [audio](#) formats and let us know your thoughts in the comments!

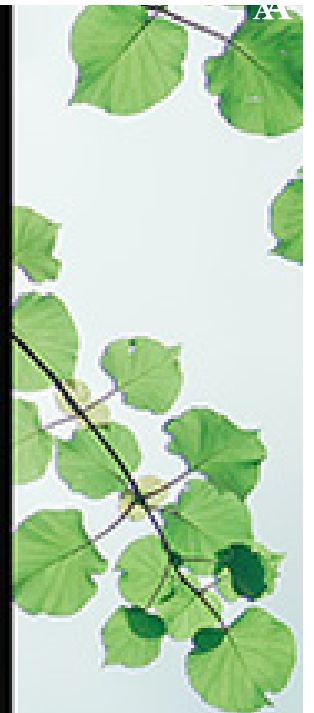
## What to read after The Almanack of Naval Ravikant:

- [The Rational Optimist: How Prosperity Evolves](#) by Matt Ridley
- [Skin in the Game: Hidden Asymmetries in Daily Life](#) by Nassim Taleb
- [Farnam Street, A Signal in a World Full of Noise](#) (blog)
- [Meditations](#) by Marcus Aurelius

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9 months ago

Great summary! The editing of this book could have been smoother but I loved the insights it covered. Also impressive that Eric and Naval collaborated to release this for free.

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