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# Summary of “How to Afford Anything”

YouTube channel: ‘Talks at Google’

## Original Source

“How to Afford Anything” | Paula Pant | Talks at Google ([YouTube](#), 56 mins )

## Jottings

- Afford Anything == Opportunity Cost
- “You can afford anything but not everything”, for money, time,, focus, energy, etc resources.
- Allocating limited resources with intention, based priority of self, not society.
- Financial Independence (FI): When passive income (through investments) is enough to let you survives.
- Passive Income: does not come through exchange with time. {Money that comes while you are sleeping!!}, eg, rental income, 401K fund, investments, royalties, etc.
- What's enough: to get life going, food, shelter, etc.
- FI reduces anxiety.
- Investing Philosophy:





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- Growing the gap, debate: Earn more or spend less. Suggestion: Growing the gap between earning and spending.
- Get 3 Big things right, on biggest expenses: Housing, Food, Transportation
- Anti-Budget: No breakup of budgets, but spend money = Income after tax — Savings.
- Loss Aversion: Losing money feels more terrible than gaining the equal amount.
- Habit == Will power any-day. Will power is like a muscle. Strongest in the morning, weakest at night.
- Build habits are unconscious
- Forming habits: Ref “Power of Habits”): cue, time, location, immediately preceding action, emotional states.
- Attach new habit with existing (stacking).
- Increase net-worth in risk managed way.

*The above summary was also posted in the Comments section of the original [YouTube](#) video.*

