

## Twitter Thread by [LCTempleton](#)



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**My highlighted passages from *The Psychology of Money* by [@morganhouse1](#).  
Thread below**

**1. The 401k - the backbone savings vehicle of American retirement - did not exist until 1978. The Roth Ira was not born until 1998. If it were a person it would be barely old enough to drink**

2. NYU professor Scott Galloway has a related idea that is so important to remember when judging success - both your own and others': "Nothing is as good or as bad as it seems."

3. Margin of safety - you can call it room for error or redundancy

4. "Every job looks easy when you're not the one doing it because the challenges faced by someone in the arena are often invisible to those in the crowd."

5. "The average equity fund investor underperformed the funds they invested in by half a percent per year, according to Morningstar - the result of buying and selling when they should have just bought and held."

6. "The implosion of the dot-com bubble in the really 2000s reduced household wealth by \$6.2 trillion. The end of the housing bubble cut away more than \$8 trillion. It's hard to overstate how socially devastating financial bubbles can be. They ruin lives."

7. (Perhaps my favorite) "The formation of bubbles isn't so much about people irrationally participating in long term investing. They're about people somewhat rationally moving toward short-term trading to capture momentum that had been feeding on itself."

8. "Pessimism just sounds smarter and more plausible than optimism. Tell someone that everything will be great and they're likely to either shrug you off or offer a skeptical eye. Tell someone they're in danger and you have their undivided attention."

9. "Only 2.5% of Americans owned stocks on the eve of the great crash of 1929 that sparked the Great Depression."

10. "Progress happens too slowly to notice, but setbacks happen too quickly to ignore. There are lots of overnight tragedies. There are rarely overnight miracles."

11. "Growth is driven by compounding which always takes time. Destruction is driven by single points of failure, which can happen in seconds, and loss of confidence, which can happen in an instant."

12. "Expecting things to be bad is the best way to be pleasantly surprised when they're not. Which, ironically, is something to be optimistic about."

13. "It can't be overstated: there is no greater force in finance than room for error, and the higher the stakes, the wider it should be."

14. "Time is the most powerful force in investing."