FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

Issue #9
April 9, 2021

If you did not receive a previous issue, [let me know](#) I will resend it to you.

Books

Read not the Times, read the Eternities. ~ Henry David Thoreau

Note: In this article, when I write "books," I mean non-fiction books unless otherwise specified.

Books are one of the greatest miracles of modern life. Never before has the knowledge, insight and wisdom of subject matter experts been available in such a convenient package for such a low price (I routinely buy hardcover books in Very Good condition or better for less than $5, delivered).

Reading books is the ultimate life hack and has BY FAR the highest return on investment available; it's an investment in yourself. (So forget about the hot stop tip, read a book instead.) Think about it. In this competitive world where work is increasingly knowledge-based, who do you think will be more successful: someone who never reads any books, or someone who reads 100 books per year? There is a strong correlation between how much you read and your earned income. It is very common for top executives and leaders in their field to read voraciously; one survey found that CEOs read an average of 60 books per year.

According to the Pew Research Center, the average American reads 12 books per year, which seems surprisingly high to me, especially since many Americans are functionally illiterate. The research also found that the more formal education you have, the more you read (only 40% of adults who didn't graduate from high school read a book in the last year. As a group, Caucasians read more than blacks, who read more than Hispanics. [Americans read an average of 5 hours, 42 minutes per week](#), compared with 10:42 for Indians and 8:00 for Chinese.

My goal is to read 100 books per year; the closest I came was over 80 in 2019. A couple of years ago at a business program, I met a woman named Stormy, which was apt given that she was a force of nature. She and her husband (who are in their early 30s) own and run several businesses and are self-made multi-millionaires. Yet both of them have only a high school education, and her father once told her that she would never amount to anything more than a prostitute. But she told me that she reads over 100 books per year. Who is more educated, someone like her or someone with a degree from an Ivy League school who never reads any books?

Even as knowledge becomes cheaper and more accessible (as the saying goes, "information wants to be free"), the cost of higher education is becoming prohibitive, so I think most colleges and universities are doomed, especially since funding from bankrupt governments will dry up. A college degree was once proof to an employer that you had sufficient knowledge about a certain subject, persistence, and could show up on time. These days, a growing number of employers don't really care what sheepskin you have, they want to know if you can do the work. Perhaps the best way to learn how to do the work is to find a good mentor and spend four years working in the real world instead of goofing off in a _____ Studies program in the Ivory Tower.

Books enable you to be a lifelong learner. They open up a hidden, entirely new world full of knowledge, insight and wisdom that you can use to improve your (and your family's) life. Recommending a book to another person can have a big impact on their life. Here's a neat recursive trick: I'm going to recommend a book about how you can do things like recommending books (or even buying them for others) as a way to develop goodwill: Love Is the Killer App: How to Win Business and Influence Friends by Tim Sanders.

Reading is an active process that exercises your brain, unlike passively watching television. It would not surprise me if degenerative diseases were correlated to a lack of reading.

Reading is a self-perpetuating process, because the more you read, the more you hear about other good books and subjects that pique your interest. For every book I read, I usually end up adding several books to my To Read list.

When I visit someone's house, I like to check out their bookshelves. You can tell A LOT about someone by what's on their bookshelves (which often doesn't include any books at all)--number of books, fiction or non-fiction, subjects, authors. I have found that the number of books in one's house is usually inversely proportionate to the number of televisions.

Fiction can help you imagine things that aren't now but could be in the future, which is helpful for people who are interested in preparedness. So even though I'm not a fiction fan, I'll occasionally read some prepper fiction (which there is a lot of).

So how should you start a reading program and a library? First, I would use a website such as LibraryThing.com (LT) to catalog your current library so you know which books you have and which you've read or want to read. (I used GoodReads—which is now owned by Amazon—for years, but I understand that [strangely] there has been no development on it in recent years, the recommendations it made weren't great, and Amazon recently became creepy and political, so I switched to LT after an extensive search.) If you rate the books you've read, LT will give you some excellent recommendations.

Second, tens of thousands of new books are published each year, so you need to be selective. As Thoreau wrote, "Read the best books first, or you may not have a chance to read them at all."

I prefer to buy physical books (used) instead of borrowing them from the library so I can read them at my leisure (and when I'm interested in the subject), highlight passages, and have a permanent copy. E-books are often cheaper, but they can be removed remotely (as Amazon once did [ironically] with the book 1984), which is dangerous during a cultural revolution (there is no substitute for ammo, precious metals or books in meatspace). If you want to find the best price (or close to it, as this website doesn't include major sellers such as ThriftBooks)--including shipping—on new and used books, try bookfinder.com.

But my default bookseller is ThriftBooks.com, which has a large selection, a great website, reasonable prices, free shipping on orders over $10, and good recommendations. If you sign up for their ReadingRewards program, you can quickly earn free books. The best feature is their customizable Wish List, which allows you to indicate whether you want immediate and/or weekly notifications and (by clicking the Configure Options link) which formats and conditions you want and the maximum price you're willing to pay. It's similar to setting a limit order to buy a stock at a certain price; you can get some great deals doing that. I prefer hardcover books to paperbacks as they make it easier to hold a book with several hundred pages. The only conditions I'm interested in are New, Like New or Very Good (none of which contain any writing or highlighting). After you order a book from ThriftBooks, be sure to delete the book from your Wish List, as it's not done automatically.

Don't forget that if you're self-employed and you can use the knowledge gleaned from a book in your business, you can deduct the cost as a business expense.

A traditional bookmark doesn't really keep your place (unless you're between chapters or pages), so I use these magnetic bookmarks, one side of which has an arrow on it so you can point to exactly where you stopped reading (they are also available on Amazon). I've read that the best way to retain what you've read is to make notes in the margins, but I prefer to use highlighters.

What's the best time of the day to read? I would say any time that you're in the mood to read, when you expect to have some quiet, uninterrupted time, and you're not sleepy.

Reading during the hour before bedtime is a way to avoid blue light.

Some people read only one book at a time. Although that minimizes existential overhead in your brain, I think you'll be much less likely to want to read, because you may get tired of that book or subject. There are 87 books on my Currently Reading list (scandalous, I know, and I'm always trying to reduce that, but I can always pick up an open book that I'm interested in currently), but many of those are really Did Not Finish books that I haven't yet consigned to the DNF file. Invariably, you're going to start a book but either it's not well written or you start to lose interest in the subject. In that case, when should you cut your losses and move on to another book? A good rule of thumb is to subtract your age from 100, and if you're not into a book by that page number, you should stop reading it.

Sometimes if I read something that's particularly fascinating, insightful, profound, hilarious or gripping, I'll read it aloud to my family and we'll discuss it. I try to read to my son every day. When you read a lot of books, you'll often come across repeated references to a certain author or book. For example, the famous psychologist Mihaly Csikszentmihalyi (pronounced Mihaly Six-cent-mihaly; at the end of this newsletter, there will be a test to see if you remember how to spell that), who came up with the concept of *flow*, is often mentioned in the books I read to my son, so when I say his name (preceded by a short pause), my son will go nuts (I call it "getting Mihalyed").

Reading a number of books at the same time gives your subconscious (which is the real workhorse of your brain) time to make connections and synthesize all of the information, similar to the thesis of the book Range: Why Generalists Triumph in a Specialized World. Today the most valuable workers aren't those who have a deep but narrow knowledge of a particular field, but those who can see how everything is connected (which is one of the reasons I started this newsletter).

Finally, as you accumulate books, you need to keep your library organized so you can quickly find what you're looking for. I organize mine by Read, To Read and To Read Soon, with the first two of those grouped by subject. And each member of my family has their own bookshelves for their books.

How to Use LibraryThing

LT is a powerful tool to catalog your library, keep track of what you've read and would like to read, and get recommendations for new books, but there's a learning curve. This primer will quickly get you up to speed.

After you create an account, click on the Settings link at the top right. Start going through the list of links on the left side, starting with the Profile link. Soon you'll come to the Display Styles link on the left. You'll see five rows (lettered A through E) of styles with a number of Field buttons in each row. This is where you customize the look of your Your Books page(s). Once you've added some books to your library (you could go ahead and add a few now if you want by clicking the Add Books tab at the top), you could actually see up to five different pages of data about each of your books by clicking the different Styles buttons (A through E) on the second row of buttons at the top of the page. However,

unless you want to track a lot of data about your books, I recommend you decide which data points are most important to you and then include all of them in Style A.

So go to Home (top left) > Settings (top right) > Display Styles (left side). On the right side you'll see a list of drop down bars (starting with Basic) that will expand to reveal a number of fields if you click on them. Now decide which data points (fields) you want in Style (row) A. If you want to remove a field, just drag it away from Row A and drop it. If you want to add a field from the right side, drag it to Row A and drop it there. Place fields in row A in the order you want them to appear when you view Your Books. The fields I use (in this order) are: Cover, Title, Author (first, last), Collections, Work: Average rating, Rating, Publication date, Pages, Tags, Comments, Inventory Status, and Entry Date. Finally, under Books Per Page at the bottom, select the number of books you want displayed per page (I use 200) and then click the Save Changes button.

Now click on the Your Books tab at the top. Click on the button at the top left and make sure it says All Collections (this will include everything in your library). To the right of that button, click on the List button, then to the right of that, ensure that the Style A button is selected. You can sort every column on this page by clicking on the column's title. If you have many books in your library, links to additional pages are at the top and bottom right. At the top right are two search bars, one for LT's database and one for just your library. If you ever search for something in your library but can't find it, make sure the button at the top left says All Collections.

The Cover field displays a book's cover on the Your Books page. Less popular books often have just a generic cover (you can customize the look of that, too). (It's possible to upload a cover for a book that doesn't have one, but I haven't learned how to do that yet.) Often a generic cover will be displayed when the real cover is actually available on LT. Very popular books often have a number of different covers. To change a cover, click on the cover and then the Change Cover link. Under Potential Covers (you may have to first choose one from Popular Covers on the right), hover your cursor over the cover you want and then click Choose This Cover. You can also get to this page by going to the book's Main Page then the Change Cover link on the left.

On the Your Books page, if you click on the title of a book, it will take you to the book's Main Page (where we just were). Sometimes the full title isn't displayed or it contains extraneous information, so to edit the title, click the Edit Your Book link on the left, then the Save button above the title after you've changed it.

I use Collections to categorize my books based on whether I've read them (I think the default Collection is "Your library," which I've just left alone), so my custom Collections are Read, Currently Reading, To Read and Did Not Finish. To assign a book to a Collection, on the Your Books page, click on the manilla folder icon on the right (Set Collections). If you're just starting out and need to add a Collection, click Edit Collections on that dropdown menu and the Collection Manager window will appear. There are other ways to assign a book to a Collection as well.

The Average Rating shows a book's average rating (and the number of ratings, which is

helpful) by LT users. Although there aren't as many ratings as there are on Amazon, I think that the percentage of fake ratings on LT is much lower. If you're relying on Amazon ratings, run the URL for the product through fakespot.com.

Rating shows your rating for books you've read and rated. To rate a book, click on the number of stars you want to rate it. You can also write a review.

Date shows the year the book was published. This data point is actually difficult to find on LT. Pages shows the number of pages, so you won't get ripped off buying a "book" with less than 100 pages (these days, there are plenty of those out there).

I use Tags to assign one or more broad subjects to a book. My Tags include Business, Collapse, Education, Fiction, Finance, General Interest, Health, History, Personal Effectiveness, Political Economy, Prepping, Psychology, Relationships, Sports, Technology, War and Writing. To assign one or more Tags to a book, go to Your Books, then click on the Tags field for that book. If you need to create a new Tag, just type the name you want and click Save. If you want to use an existing Tag, start typing the name you want and it will appear.

Apparently, LT doesn't allow you to rank order your books (which I think is its greatest weakness), so I use the Comments column to assign a number to a book (1 = read ASAP, 2 = read soon, 4 = read someday, 5 = already read, 6 = hard to find) or to make notes such as which format it's in (Kindle, PDF).

In the Inventory column, click on the button to make it green if you have a copy, red if you don't. The Entry Date is the date you added a book to your library. To remove a book from your library, click the red X on the far right.

To add a book to your library, click the Add Books tab at the top, then type the title or author in the search box at the top left, then click on the title you want to add on the right side. If no results appear, click the Search button again. Sometimes this feature is a little finicky, so make sure LT actually adds a book after you tell it to.

To see recommendations based on books you've rated, go to the Home page and scroll down to Recent Automatic Recommendations. And on the main page for each book, if you scroll down and click the "Will you like it?" link, LT will predict how much you'll like that book, which is a neat feature.

There is a LT app for your phone, but it doesn't have many features. Spend some time checking out the website—it has a lot of fun features to explore.

What You Should Be Doing Now

I plan to cover the why and how of these in future issues (if I haven't already), but here are some actions I recommend you take (or at least start thinking about) now:

1. Books to read: The Last Safe Investment: Spending Now to Increase Your True

<u>Wealth Forever</u> by Bryan Franklin and Michael Ellsberg

<u>The Education of Millionaires: It's Not What You Think and It's Not Too Late</u> by Michael Ellsberg

<u>Turn the Page: Read Right to Lead Right</u> by Bryan Tracy

Ω

I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please email me.

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, let me know and I will provide an answer in a future issue.

Feel free to forward this to a friend. If you would like to subscribe (it's free!) or unsubscribe, email me with either "subscribe" or "unsubscribe" in the subject line.

Disclaimer