

Money & Wealth Library

100 books for the AI & agent age.
Evidence, risk and financial judgment.



100 WORKED APPLICATIONS / 300 AI PROMPTS / 12 DECISION TOOLS

ILLUSTRATED PRACTICAL EDITION

Independent summaries and editorial applications.
Not affiliated with or endorsed by the authors or publishers.



Make a better money decision

Choose one financial question, follow a short reading route, and leave with a checked calculation or a clearer decision record.

This edition retains and corrects the supplied summaries, frameworks, daily plans and cautions. It adds 100 completed editorial applications, replaces speculative AI-age commentary, and rewrites all 300 prompts around supplied evidence. Worked examples are hypothetical, with invented inputs, dates and choices; they are not forecasts or recommended allocations.

Material	What it provides
Source-book summary	The supplied thesis, core ideas and frameworks, with targeted corrections. An author's argument remains distinguishable from an established finding.
Completed application	A stated scenario, filled tool, checked reasoning, practical exercise and a review or stopping boundary.
AI-age application and prompts	Bounded work with supplied evidence, explicit unknowns and human checking before consequential decisions.
Evidence and context	Selected primary references, jurisdiction questions and limits that help you judge where an idea applies.

Reading scope and evidence

The companion critique reviews all 100 entries in the supplied 453-page anthology, rather than claiming a fresh reading of 100 complete books. Selected definitions, financial claims and changing technical practices were checked against linked primary sources. Biography, motivational advice, historical interpretation and empirical research carry different kinds of evidence. Read the original source for its full argument and qualifications.

Seven days is preparation

Use each seven-day plan to reconcile records, ask questions or document a paper scenario. A week cannot establish a strategy's long-run performance or justify a purchase, sale, loan or business commitment. Examples illustrate methods; the appropriate choice depends on goals, essential spending, debts, liquidity, time horizon and capacity to bear loss.



Keep the context attached to the numbers

A useful financial calculation states its currency, period, timing, costs and assumptions. Changing any of them may change the decision.

Distinguish stocks from flows

Net worth is measured at a date; income and spending cover a period. Business profit, cash available to an owner and asset value are different measures. Reconcile the definitions before comparing numbers.

Carry costs and downside through the case

State fees, financing, taxes where known, inflation basis, liquidity and a plausible adverse case. Mark missing inputs rather than silently treating them as zero. There is no universal saving, withdrawal or allocation percentage in this library.

Check the jurisdiction and edition

Account wrappers, pensions, debt priorities, property rules and tax treatment vary by country and date. Entries 041, 043 and 048 particularly draw on Australian, Canadian and Indian contexts. Verify current local terms before adapting a foreign example.

Use summaries to identify the next question

These educational exercises do not choose products or personal investments. Where the consequences depend on legal, tax or financial circumstances, take the completed worksheet and original evidence to an appropriately qualified professional.

A small set of useful reference points

Investor.gov relates asset allocation to goals, time horizon and risk tolerance; diversification cannot eliminate loss. CFPB guidance links reserves and debt approaches to household circumstances. Fees reduce what remains invested. SEC, FINRA and SEBI materials identify risks including fabricated AI claims, misleading return promises and borrowing losses. FCA guidance describes crypto as speculative and capable of total loss; protections depend on the product and activity.

CFPB: organizing records and planning for financial incapacity (US context)

NAIC: life insurance and dependents (US context)

Investor.gov: asset allocation and diversification

CFPB: emergency-fund planning

CFPB: debt-repayment methods

Investor.gov: fees and expenses (2025)

SEC, NASAA and FINRA: AI and investment fraud

SEBI Investor: recognizing investment scams

FINRA: risks of investing on margin

FCA: cryptoasset investment risks (UK context)



002 The Psychology of Money

Morgan Housel



How you behave with money matters more than how much you know about it, because results depend on temperament, time and humility about luck and risk. Good financial outcomes come from staying in the game for a long time, not from being the smartest person in the room.

CORE IDEAS

1. No one is crazy.

Housel argues that people make financial decisions based on their own experiences, which differ widely depending on when and where they grew up. Someone who lived through high inflation or a market crash sees risk differently from someone who only knew rising prices. So a choice that looks irrational to you may be sensible given what that person lived through. Use this on yourself too: write down which events shaped your attitude to risk, and ask whether they still apply.

2. Luck and risk are siblings.

Outcomes are driven by things you control and things you do not. The book contrasts people who succeeded with those just as capable who got unlucky, and warns against copying winners blindly or blaming failures entirely on the person. Practical result: study broad patterns across many people rather than one dramatic story, and be humble about your own wins and gentle about others' losses.

3. Never enough.

Some of the worst financial stories in the book involve people who already had plenty and risked it for more. The lesson is that without a sense of "enough", social comparison and greed push you to take risks that are not worth taking. Decide in advance what enough looks like for your life, in income, assets and time, so that you can recognise when extra risk is pointless.

4. Compounding takes time.

Housel notes that much of Warren Buffett's wealth came late in his life, not because of a special skill alone but because he started investing early and stayed invested for decades. The message is that time is the biggest lever. This is why a modest saver who begins early and keeps going can do better than a clever investor who starts late or keeps interrupting the process. The corollary: avoid anything that forces you to stop and restart.

5. Getting wealthy and staying wealthy are different skills.

Getting wealthy often takes risk and optimism. Staying wealthy takes frugality, paranoia and the willingness to accept that you might be wrong. The book describes people who made fortunes and lost them through leverage and overconfidence. A survivor, it says, is better placed to withstand bad periods; recovery timing and investment survival are uncertain.

6. Tails drive everything.

A small number of events often account for most of the results. In investing, a few winning investments produce most of the gains; in business, a few products or customers produce most of the revenue. This means you should expect many things to fail and be fine with it, and that you need to stay invested and keep playing long enough for a rare big winner to show up.



7. Wealth is what you do not see.

Spending on a visible car or watch shows wealth only to the extent it has been spent. Real wealth is the assets you have not spent, which gives options. The book encourages people to measure themselves by the assets they hold and the freedom they buy, not the status they display, and observes that people notice your things far less than you imagine.

8. Savings, margin of safety and a taste for boring.

Saving can support wealth building, but affordable saving depends on income, essential costs and obligations; investment losses and inflation still matter. Savings rate is partly influenceable, not wholly under personal control. Housel suggests saving without needing a specific goal, because savings buy flexibility and the ability to wait. Keep a margin of safety: plan so that things can go wrong without wrecking you. He also notes the best plan is the one you can stick with, which might be a little less optimal on paper, but you do it reliably.

FRAMEWORKS TO USE

- **Enough line.** Write down numbers for your own enough: monthly spending, buffer in months, and investment target. Review every year to guard against lifestyle drift.
- **Margin of safety.** For any plan, ask what happens if income drops by a third, markets fall hard, or an expense arrives you did not budget for. Keep an emergency buffer in cash-like holdings and avoid debts that could force you to sell at a bad time.
- **Reasonable over rational.** Choose the strategy you can stick to through a crash, even if a spreadsheet says another is slightly better. Check yourself by asking what you will do if your portfolio is down a lot for two years.
- **Time horizon check.** Match each pot of money to a date you need it. Money needed within a few years should not sit in volatile assets, and money for decades from now should not be spooked by short-term moves.
- **The price of returns.** Housel says that volatility is the fee you pay for long-term returns. Pay it consciously. Decide in advance how much swing you can accept, and write a short note to your future self on what you will do when the market falls.

AI-AGE APPLICATION: EVIDENCE BEFORE AUTOMATION

- Ask AI to map a money biography into testable beliefs, using the reader's own words. It should propose reflective questions, avoid psychological diagnosis and distinguish lived experience from current financial evidence.
- Use verified, redacted cash-flow figures to model income interruptions and forced-sale exposure. Have the assistant show duration, essential spending and assumptions; a portfolio drawdown alone does not measure household resilience.
- Turn a future-self note into a review checklist for goals, dependants and liquidity. AI can compare versions, but must not equate changing a plan after new evidence with emotional failure.
- Reduce prediction overload by requesting dated evidence summaries with competing explanations. Generated confidence and investor anecdotes do not establish a return forecast, and no assistant needs authority to trade or rebalance.



COMPLETED APPLICATION

Room for error in months

Hypothetical editorial example: invented monthly figures assume no investment sales, tax changes or debt interest changes during a three-month interruption.

Case	Calculation	Consequence
Normal month	Income 3000 - essentials 2000 - other committed costs 400 = 600	Potential saving is not yet an investment instruction.
Income interruption	Income 1400 - total committed costs 2400 = -1000 monthly	Three months consume 3000 cash.
Extra expense	Starting cash 6000 - three-month deficit 3000 - repair 2000 = 1000	Only 1000 remains after the combined shock.
Changed needs	New essential cost 300 monthly makes deficit 1300	Three-month shock plus repair leaves 100.

How to interpret it

Choose to review the household cash plan before relying on a long investment horizon: changed needs nearly exhaust cash. Repeat after income, care costs or obligations change; stop if committed costs are incomplete.

Try it yourself

In 20 minutes, reproduce the four cases and write one review trigger and two missing inputs for a fictional crash plan.

7-DAY IMPLEMENTATION PLAN

- Day 1: Write your money biography: three events from your life that shaped how you feel about risk, saving and spending. Note which beliefs may be out of date.
- Day 2: Define your enough: monthly spending that makes you comfortable, target buffer in months, and the savings rate you can sustain.
- Day 3: Calculate your current savings rate and your emergency buffer in months. Set a target, such as the number of months of expenses you want in cash-like holdings.
- Day 4: Draft an affordable saving rule after essential obligations and a low-income cash-flow check; review amounts after raises or changed needs before choosing automation.
- Day 5: Write a one-page "crash plan": what you will do and not do if your investments fall by a third. Share it with a partner or trusted friend.
- Day 6: Audit your information diet. Unsubscribe from sources that push predictions or urgency, and pick one or two calm sources to review monthly.
- Day 7: Run a margin-of-safety check on income, debts and insurance, fix the weakest point, and set a recurring annual review date.

MISTAKES TO AVOID

- **Treating the book as a plan.** It is a book of stories about behaviour, not a step-by-step investing guide. Pair it with a practical plan and local advice.
- **Learning from survivors only.** Success stories hide those who took the same risks and failed. The book itself warns about this, so apply it to the book's own anecdotes.



- **Confusing patience with passivity.** Staying invested works only if you hold sensible, diversified, affordable investments. It does not justify holding a bad business, a concentrated bet or high-fee products.
- **Using leverage or short-term trading to speed things up.** These are high-risk approaches that the book argues against because they threaten the ability to stay in the game. Treat them as ways to lose, not shortcuts.
- **Assuming past market returns will repeat.** The history is not a guarantee, and returns in any one market and period can be poor for a long time.

AI PROMPTS: EVIDENCE-LED WORK

PROMPT 1

Use The Psychology of Money as an educational lens for this fictional case: a household with 6000 cash, 2000 essential monthly spending and a three-month income shock. Work only from the figures and dated source excerpts I supply; identify missing inputs instead of inventing them. Show a compact calculation table with units, periods and assumptions. Separate the author's interpretation from verified facts. End with two unresolved questions and one condition that would invalidate the analysis. Do not select products, forecast returns or initiate transactions.

PROMPT 2

Critique this proposed application of The Psychology of Money: holding indefinitely because volatility is described as a fee. Compare its strongest argument with an alternative explanation, using only the attached evidence and clearly labelled hypothetical assumptions. Identify a denominator, omitted cost and adverse scenario that could change the conclusion. Give an evidence-to-claim table and a revision trigger. Ask for missing documents before reaching a verdict; provide educational analysis, without personal allocations, trade instructions or account access.

PROMPT 3

Create a one-page learning exercise about measuring room for error without predicting market recovery, informed by The Psychology of Money. Use my supplied, redacted material or an explicitly fictional example. Include a worked answer, a common error, a source-verification step and a measurable review question. Quote no unsupported statistics and label uncertainty. Keep private identifiers out of the output. Do not prescribe financial products, change a budget or send messages; leave all real decisions for human review.

EVIDENCE AND CONTEXT NOTES

Stories illustrate behavior rather than prove a strategy. Patience cannot repair insolvency, fraud, excessive costs or a permanently impaired concentrated holding.

Publisher: The Psychology of Money

SEC: asset allocation and diversification

YOUR PRACTICE

Apply this book's completed exercise using your own situation.

Use the chapter applications as models. Complete one tool with your own inputs and keep the result so you can review what changed.

Field	Your prompt
Dated snapshot	State the date, currency, household members and which accounts or obligations are included.
Income and obligations	Separate reliable income, variable income, essential spending, minimum debt payments and irregular commitments.
Balance sheet	List assets and liabilities with dated values; do not treat a cash-flow label as an accounting definition.
Accessible reserves	Identify what can be accessed when needed, with relevant withdrawal limits, currency and protection conditions.
Protection and dependents	Record dependents, existing insurance, pension entitlements and beneficiary documents; list missing records or questions for suitable local help.
Next question	Record a specific information gap or feasible administrative step; preserve essential payments and near-term liquidity.

Use your own inputs. Record the decision, evidence and next action.