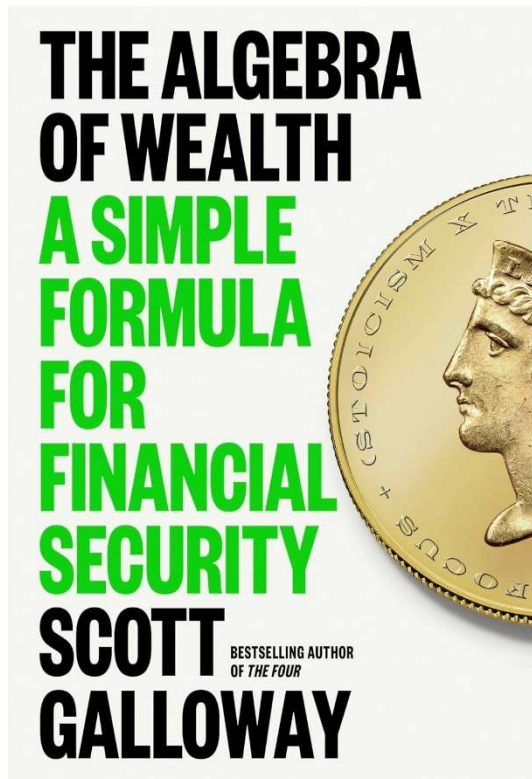


‘Algebra of Wealth’ gives advice based on experience

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“The Algebra of Wealth: A Simple Formula for Financial Security” by Scott Galloway. New York, NY: Portfolio (an imprint of Penguin/Random House), 2024, 304 pages, \$32.00 (hardcover).



“There are many paths to wealth,” Scott Galloway explains near the beginning of “The Algebra of Wealth: A Simple Formula for Financial Security,” his fascinating new release on a topic that ultimately affects us all to some degree. “Shawn Carter, a high school dropout from Brooklyn’s public housing projects, turned his innate feel for lyrical flow into an empire branded as Jay-Z, becoming the first hip-hop billionaire. Ronald Read, the first person in his family to graduate from high school, worked his entire life as a janitor, lived frugally, and invested in blue chip stocks. When he died at 92, he left behind an estate worth \$8 million. Warren Buffett came from more affluent origins and applied the lessons he learned hanging out as a kid at an Omaha stockbroker’s office toward an investing career that’s netted him a personal fortune of over \$100 billion.”

“My first piece of advice is you should assume you are not Jay-Z, Ronald Read, or Warren Buffet,” the author then cautions. “Each was an outlier, not just in talent but in good fortune. Less romanticized, but more common, are the frugal janitors and prudent investors whose early

trajectory was more consistent than explosive. Outliers make for great inspiration ... but lousy role models. When I was in my twenties, I aimed to be an outlier. I wanted the markers of capitalistic success and was willing to work for them. In the midst of the striving, I had a conversation about finances with a close friend, Lee. He told me that he’d contributed \$2,000 to an individual retirement account... My friend’s path to economic security was less volatile and stressful than mine. My path got me there, but a few key principles applied earlier could have put me in the same place sooner with less anxiety.”

In a nutshell, this is what “The Algebra of Wealth” is about. Over the course of the next 300 pages or so, Galloway lays out exactly what those principles are and how to apply them realistically to your own life and career. Make no mistake, the manuscript is not just another extraneous addition to the ever-expanding pantheon of get-rich-quick and self-help guides. More than anything else, it is a roadmap for achieving both your personal and professional goals and living the life you want. The advice the author gives is based more on his own experience and his interpretation of the perspective gained from being intimately involved in all of his various pursuits and projects. On the long journey to his current status as one of the premiere gurus of finance and happiness, he made a ton of mistakes. But unlike many of his peers, he took the time to learn from those missteps and eventually figured out how to overcome the challenges they represented in a spectacular way.

Structurally, the book consists of an Introduction (Wealth), four major chapters (Stoicism, Focus, Time, and Diversification), and an Epilogue (The Whole Shooting Match). Each section is followed by a concise yet comprehensive Chapter Review that summarizes the main points. The narrative is also augmented with numerous charts, tables and other graphics designed to bring his prose to life in a way that would not have been possible otherwise. Extensively researched, with 12 pages of sources notes at the conclusion of the main text, the writing is crisp and engaging, which is somewhat unusual for the subject matter at hand. I can see why his graduate students are so mesmerized by his teaching; he is a master storyteller/explainer who has the increasingly rare gift of making the complicated simple and the ambiguous crystal clear.

As I made my way through this exceptionally enlightening tome, I was repeatedly struck by the profound understanding of the relevant issues that Galloway displays on virtually every page. You can tell he is speaking from a place of evidence-based knowledge and wisdom. The way he intertwines the innate connection between who we are and what we do is almost breathtaking. For example, check out the following from “Finding Your Talent,” a particularly instructive insight from the second chapter.

“So how do you go about finding your talent? For most of us, school dominates the first two decades of our lives, but our educational system focuses on what we can produce, not who we are. Talents rarely emerge unless called upon, and the classroom triggers only a sliver of the talents that you can leverage in the workplace.”

Agreed. And then he offers the following:

“Put yourself in different contexts, positions, and organizations. Volunteer work, student government, jobs, sports – environments reveal talent, so explore several, early. Again, figuring out what doesn’t work and what you are not good at is part of figuring out what you are good at. This sort of exploration is most useful in school and early in your career because you have the time. It’s useful to think of your twenties as workshopping, your thirties for getting good at your chosen field, and your forties/fifties for harvesting.”

A Clinical Professor at New York University’s Stern School of Business, Galloway teaches brand strategy and digital marketing, primarily to second-year MBA students. He has founded nine firms, including L2, Red Envelope, Prophet, and Section4. Named one of the “World’s 50 Best Business School Professors” by Poets & Quants in 2012, his Prof G and Pivot podcasts, No Mercy/No Malice weekly blog, and Prof G YouTube channel reach millions worldwide. His first book, “The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google,” was published in 2017. It was followed by “The Algebra of Happiness: Notes on the Pursuit of Success, Love, and Meaning” in 2019, “Post Corona: From Crisis to Opportunity,” in 2020, and “Adrift: America in 100 Charts,” in 2022.

“Everything meaningful in life is about others,” Galloway opines in the Epilogue. “Your ability to support and love others and your willingness to let them love you. Nothing profound is achieved in isolation... And have a long-term perspective: embrace the wisdom to recognize time will go faster than you think.”

I could not agree more. Highly recommended.

Reviewed by Aaron W. Hughey, University Distinguished Professor, Department of Counseling and Student Affairs, Western Kentucky University.