



Why learning economics might help us to become a better investor

Description

Would understanding world phenomena help us to make better decisions, both for our future and in our stock investments?

I definitely think so. And so recently I've been spending more time reading into other disciplines like economics and psychology to help better myself both as a person and as an investor, as they help to explain many qualitative aspects in the business world that pure financial numbers cannot.

For instance, if we think back to the time when companies like Google and Facebook got listed, it seemed logical then to not invest in a company that offered free services and was yet to properly turn a profit. However, economics tells us why their growth was only natural (and why we should have invested, dang!). Economics also explains why even rich nations like Greece or Venezuela (a country with rich oil reserves) can still go bankrupt. What seems contrary to logical thinking often may just have an answer in economics, which is why we ought to be acquainted with this discipline.

It also helps us understand the impact that government policies have on the economy, which will affect businesses...and hence our stock investments. Without an understanding of the subject, we might just continue seeing each company as a potential turnaround play when it might in fact be the victim of an unfavourable government policy.

And one of the best places to learn economics (based on academic and consumer reviews) would definitely be from the global best-selling textbook, Principles of Economics, authored by Harvard professor N. Gregory Mankiw (*which retails for \$270 on Amazon*). But if you find the usual text and diagrams-style too dry for your liking, then you might just prefer to learn via this new graphic novel by Cengage instead.



Reading the book out aloud to Nate, who has no idea what's going on.

I thoroughly enjoyed the illustrations which helped to explain concepts in a fun (and sometimes hilarious) manner, while using real-life case studies and examples to demonstrate the concepts. You'll be able to see how many economic concepts are actually at work behind many businesses, and for any entrepreneur or self-employed trying to figure out pricing and demand, this should be useful to you

as well.

Whether you're a student or an adult trying to learn and understand how economics can affect your life, I highly recommend this book and will be placing it permanently on my bookshelf, given its high reread value.

[You can find more details about the book here.](#)

Use promo code "**POEBABE20?**" to [get it for less here](#), valid till 1 May 2020.

Disclosure: I was given a free copy of the book for review. All opinions are that of my own.

Category

1. Family

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