

“Margin of Safety” as a Principle of Life

In my last post I talked about the [key principles of value investing](#).

The one principle I keep using almost daily is the “Margin of Safety” principle. It’s such a powerful concept that I try to apply it almost everywhere in my life, especially to time management.

When I have an appointment, I give myself a margin of 10 to 30 minutes. Often, I take an earlier train. When going to the airport, I usually have 1-2 hours of extra margin.

When nothing goes wrong, this margin gives me more time to walk around and listening to audio. And when things go wrong, I (usually) still make it on time.

Phrases like “How much margin of safety do I need?” or “My margin of safety is shrinking” have become regular phrases of my self-talk.

I also apply it to clothing (always carrying an extra layer) or power (always having a powerbank with me).

That is what I like about universal principles like these. You can apply them not only in investing, but also in life.