
SYSTEMS THINKING / COGNITIVE ARCHITECTURE

First Principles Thinking: Strip the *Brochure*

Wealth advice is costume jewelry on borrowed assumptions. First principles is the torch you use to burn the costume without setting the house on fire.

SYSTEM ARCHETYPE 015

First Principles / *Decomposition* /

In systems work, first principles means rebuilding a claim from primitives you cannot remove without the claim disappearing. In wealth, those primitives are usually cash, risk, time, rights, and enforcement.

Everything else—vehicles, platforms, guru proper nouns—is implementation detail that must earn its place after the primitives survive interrogation. This essay links deliberately to [Mental Models](#), [Stock vs. Flow](#), and [Dynamic Complexity](#) so the lattice stays visible while you cut.

1. The Brochure vs. the *Physics*

Most wealth advice is a brochure: it names products, personalities, and promises. **First principles thinking** is the refusal to accept those nouns as primitives. It asks what must be true about cash, risk, time, and rights before any brand name appears. That discipline sits downstream of your [Mental Models](#) lattice and upstream of every capital decision you will ever defend in silence.

When you strip a strategy to first principles, you are not being cynical. You are being kind to future-you, who will not remember your optimism but will inherit your structure. The exercise is simple to describe and brutal to execute: list every assumption, then delete anything that cannot survive contact with accounting, incentives, and mortality.

"If you cannot state the claim without proper nouns, you are not thinking—you are shopping."

2. The Interrogation *List*

Begin with four questions borrowed from physics and engineering, then force them onto your personal balance sheet. What is conserved? What is transformed? Where does energy leak? Who owns the boundary? In finance, conservation is not dollars—it is *claims*. Every dollar is a claim on someone else's balance sheet. Transformation is what happens when cash becomes inventory, inventory becomes receivables, receivables become equity, equity becomes optionality.

Leaks are the silent flows you have romanticized: subscriptions you call "tools," fees you call "friction," taxes you call "the weather." Boundaries are the legal and psychological membranes that decide what is inside your system. Boundary critique is not optional here; without it, first principles becomes a vocabulary list instead of a knife.

3. Stock, Flow, and the *Honest* Variable

Every first-principles pass should reconcile with Stock vs. Flow. What accumulates? What moves per month? What converts one into the other? People love to optimize flows because flows feel like motion. Stocks are boring until they are not. A retirement number is a stock; a paycheck is a flow. A reputation is a stock; a launch tweet is a flow. If your "plan" cannot point to the stock it builds, it is a mood board with commas.

Second, reconcile with Dynamic Complexity. The world is coupled: rates, platforms, health, and narrative move together. First principles does not demand omniscience; it demands that you stop mistaking a local linearization for the whole field equation.

FIRST PRINCIPLES PASS

01 Name the primitive

Rewrite the goal without product names: not "passive income" but "cashflow that does not require my calendar." Not "financial freedom" but "runway measured in months at current burn."

02 List hidden suppliers of risk

Who can turn off the flow? Which covenant breaks first? Which tax character applies if you exit tomorrow?

03

Translate to stocks and flows

Draw the tub. Label inflows, outflows, and the stock you are trying to grow. If two stocks share one nervous system, you have not modularized—you have duplicated labels.

04

Ship the falsifiable test

Replace another week of "research" with one experiment that could prove you wrong. First principles loves disconfirmation more than applause.

4. Archetypes as *Compression*

Tarot and I Ching appear in Strata writing not as mystic escape hatches but as compression codecs for bias. The Tower is a phase transition: what you built

on a hidden assumption collapses when the assumption meets daylight. The Magician is leverage without governance—clever hands, no audit trail. Used honestly, archetypes keep your first-principles list from becoming sterile. They remind you that humans run the spreadsheet.

5. Digital Asset Architecture *Starts* Here

Rights, files, and distribution channels are not "channels" in the marketing sense. They are parameters in your wealth equation. A KDP title string, a royalty split, a multisig wallet—each is a term in the same polynomial. If you cannot state how a digital asset turns into cash, cost basis, and legal enforceability, you do not yet have first principles; you have a mood.

Carry this chapter next to [Causal Loop Diagrams](#). First principles gives you the variables; loops show you how they eat each other. Together they are the minimum adult toolkit for anyone who intends to build wealth without outsourcing the thinking.

Build the *lattice*, not the legend.

Return to the Reading hub for essays, tools, and the rest of the 100-topic map.

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