



A Life Well Spent

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“Economy does not lie in sparing money, but in spending it wisely.”
—Thomas Huxley

Last year, I heard something hilarious during a training session for advisors. During a dialogue, we began discussing people’s saving habits. One advisor recalled a client who would call to liquidate large sums for lavish trips, and another advisor piped in, “Yeah, don’t you hate it when people act like it’s their money?”

It took the room about two minutes to recover from that one. It hit at a core conflict in an industry dependent on AUM for both remuneration and status.

As I’ve written before in this column, my golf pal “Teddy the Greek” sums it up this way, “The only money that is really yours is the money you spend. Everything else belongs to somebody else.”

Teddy’s aphorism hits at another core issue: What is the point of saving if you can never enjoy it? It’s one thing to save for rainy days and altogether another to hoard during sunny days and miss opportunities. What you don’t spend, politicians and your progeny will. The question that arises in this discussion is, how do you spend it well? What constitutes a wise allocation of resources?

I recently read a book on this topic, entitled *Happy Money: The Science of Happier Spending*, by authors Elizabeth Dunn and Michael Norton. This succinct work is stocked with thorough research distinguishing spending that satisfies from that which disappoints. The authors lay out five principles of spending that produce lasting dividends:

1. Experiences are more satisfying than stuff.
2. Abundance ultimately backfires. Making indulgences rarer rather than frequent makes them more satisfying.
3. Buying time is the best investment.
4. Using “reverse credit” (pay now—use later) imbues us with the pleasure of anticipation rather than the buzzkill of paying later for something already consumed.
5. Spending on others trumps spending on oneself.

The Spending Experience

We’ve all seen or heard the story of the couple who saved up for 35 years for an RV-ing

retirement dream, and then one spouse was hit by a debilitating condition and the RV never left the driveway. Those who want to avoid this move with urgency to savor all life's experiences while they can. But it's also good to have something to look forward to. One must strike a balance, enjoying the present without sabotaging the future, spreading out the pleasures in a way that doesn't dull the senses.

For a number of years my brother, my father and I have been touring baseball parks in America, from the old Yankee Stadium in the Bronx to the AT&T Park in San Francisco. At first, I wanted to cram as many cities and parks into the fewest days, but my father would object and say, "Let's just take it slow." And slow has been good. Efficiency may be a virtue in business, but it can work against the objective of soaking in an experience. We not only have a lot of ball games to smile back on, we have plenty more to look forward to.

The Two-Step Abundance

Studies have shown that even with indulgences as simple as eating chocolate or drinking lattes, less is more. Perpetual indulgence deadens the effect. Who wants to say, "Ho hum. Another beach"? or, "Whoop-de-do, one more golf course"? To garner optimum pleasure in life, we need to learn the two-step abundance: one step forward, two steps back. Time away serves to fuel anticipation for the next indulgence. Look at the meals, the treats and the kind of outings you most enjoy and simply extend the periods between them so they give you greater rewards.

Best Purchase Ever!

When talking to audiences about purchases that pay off, I like to tell them about the possession I'm most proud of—a watch. This always gets puzzled looks, since it's not a luxury item.

"It's not the watch," I say. "It's the time it represents."

I want to own my time, and I know that as long as there is debt hanging over me, or others controlling my fate, this dream is not possible.

I'm not saving toward retirement—because I have no desire to ever retire. Instead, I'm saving for something simple—24 hours in a day. Autonomy to do what I want with my time is arguably the most powerful thing money can buy.

For some, this means hiring a house cleaner; for others, it means paying for lawn care or various concierge services from laundry to grocery shopping. It turns out that the time paid for can be time well spent.

Sowing In Other Fields

It's hard to think of a greater pleasure than investing in others, in supporting causes that move your heart. It could be engaging in microfinance programs, or offering money for life-saving inoculations, meals for orphans or programs that help children escape from human trafficking. Many people could tap into their potential if they only had some seed money. As a friend puts it, "If money is the only reason for not doing something good, then let's go find the money."

It's easy to be cynical when people like Warren Buffett decide to give away 99% of their wealth.

(We can all do the shorthand math on 1% of \$70 billion.) But he is still offering an example of the good that abundant wealth can do. I applaud him and Bill Gates for creating a blueprint for those who have more than they could ever spend.

I've always been haunted by the scene in Steven Spielberg's *Schindler's List*, where Oskar Schindler cries out that he could have sold a gold pin and saved one more person. His final lament was that he had not allocated enough to helping others when it was in his power to do so, and yet no one had done as much as Schindler had done.

The poignancy of this scene is that it confronts us with questions of saving and spending, and asks, "For what?" Finally, it is wisdom in allocation and in valuing life more than money that leads to a life well spent.

Mitch Anthony is the author of The New Retirementality (Wiley), now in its fourth edition.
