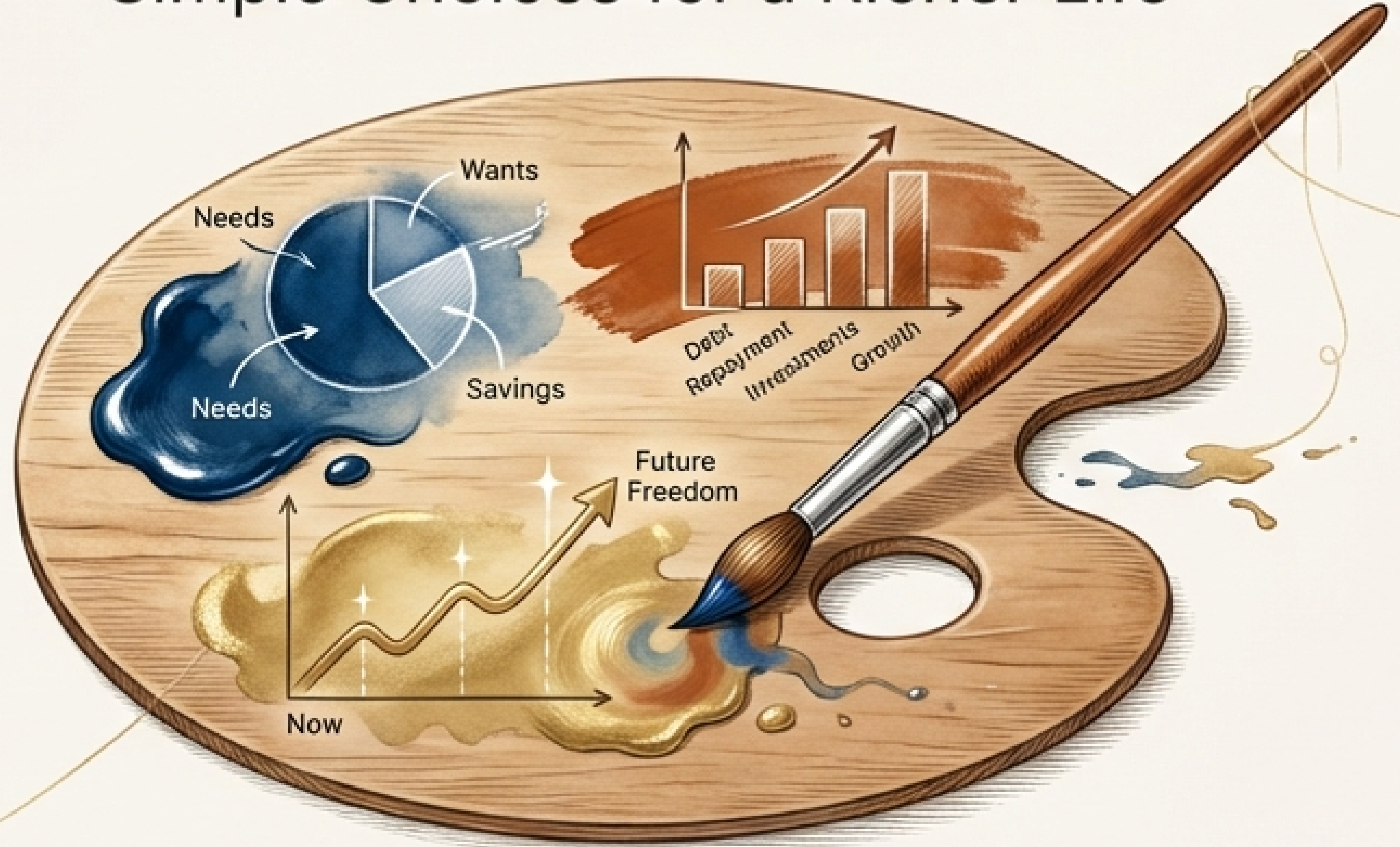
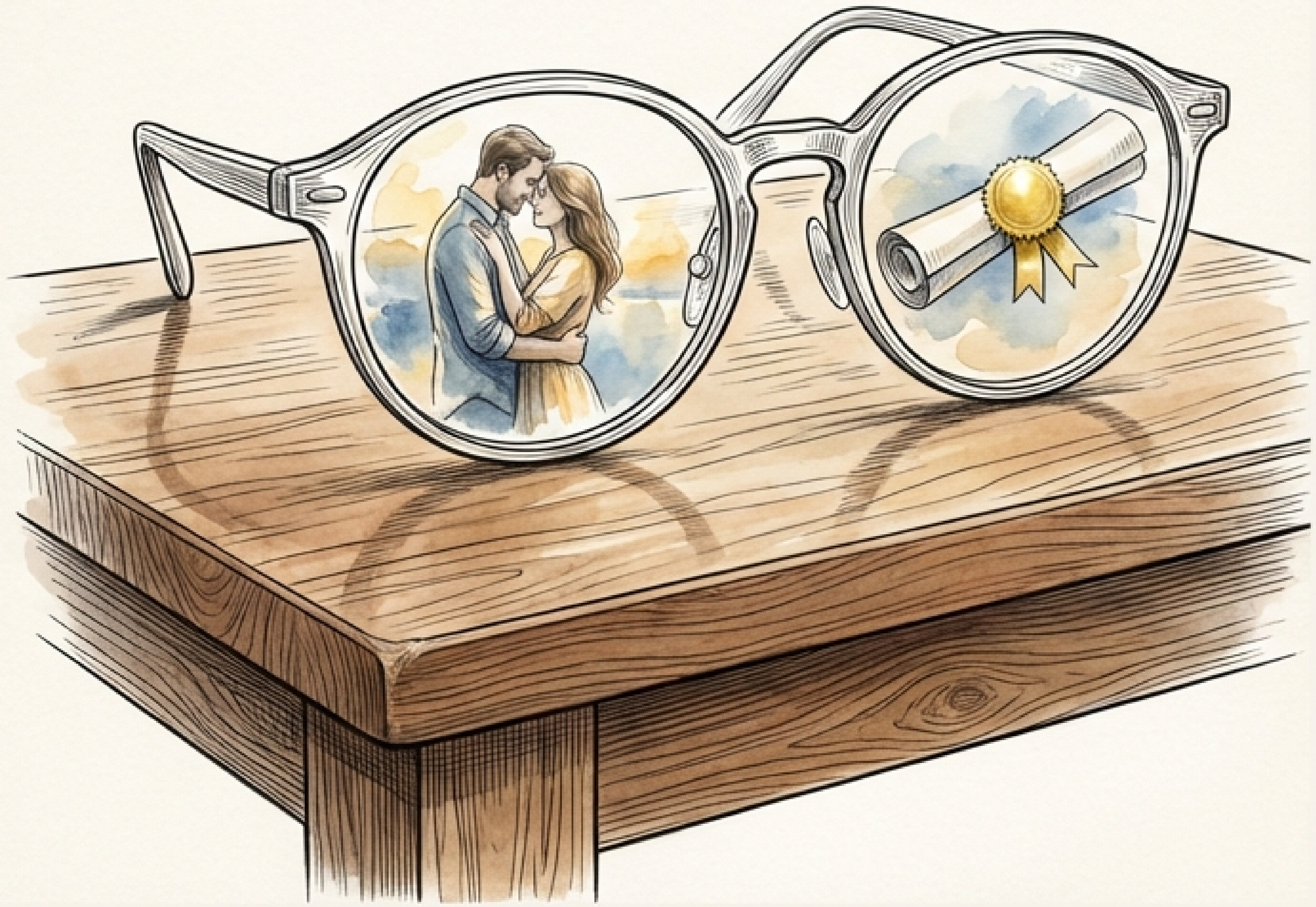
Canela Deck

The Art of Spending Money

Simple Choices for a Richer Life



“Spending money is more art than science. There’s no universal formula, no fixed rules. What brings one person joy may leave another feeling empty.”



We Think Money Will Solve Problems It Can't

A woman who got LASIK eye surgery was crushed, not because the surgery failed—she could see perfectly—but because she expected it to fix her life. She thought her husband would find her more attractive and her coworkers more intelligent. Her realization was devastating: love and respect weren't driven by something as superficial as glasses.

It's astounding to witness someone gain what they thought they always wanted only to realize that happiness is more complicated than they first assumed. And, my gosh, that is so true with money.

We often believe "more money" is the solution to deeper problems, masking what we truly need: family, friends, health, and purpose.

The Chase for Status is Junk Food for Respect

Working as a valet, Morgan Housel overheard a man who spent $21,000 on an armchair justify it by saying: “Boys, I know. It’s crazy. But when you have money, this is what you’re supposed to do.”

“We value the attention money brings us more than we value the comfort and convenience of stuff that money can buy.”

– Adam Smith in Canela Deck

Spending money is the *fastest* way to get attention, but it’s not *durable* attention, and it’s the *least* effective with the people whose respect you actually desire.

NotebookLM

When Money Becomes Your Master

The Fall of the House of Vanderbilt

Cornelius Vanderbilt died with a fortune of ~$300 billion in today's dollars. Within 60 years, it was gone. His heirs' purpose became a game of who could spend it fastest, devoting themselves "to expense regardless of pleasure."

"Inherited wealth is a real handicap to happiness. It is as a death to ambition as cocaine is to morality." — William Vanderbilt

Rich, Not Wealthy

The Vanderbilts were the **richest people on earth**, but they were **not wealthy.**

Money was a **psychological liability that controlled them**, leading to **dysfunction and misery.**

They **lived to serve their money, not the other way around.**

The Peril of the Inner Ring

The Second Man on the Moon

Buzz Aldrin was one of the most accomplished humans in history. Yet, a fellow astronaut noted: “I think

[Buzz] resents not being **first on the moon** more than he appreciates being second.”

C.S. Lewis’s “Inner Ring”

Life becomes a series of social rings. We desperately want into the next ring, believing happiness is there.

But once inside, we are not satisfied and just **fixate on the *next* ring**.

“Unless you take measures to prevent it, this desire is going to be one of the chief motives of your life… until the day when you are too old to care.” C.S. Lewis

The Outer vs. The Inner Scorecard: A Tale of Two Sailors

The 1968 Golden Globe Race: A solo, non-stop race around the world.

DONALD CROWHURST

Desperate for attention, he faked his position for months. Faced with being hailed a hero for a lie, the pressure became unbearable. His boat was found adrift, his final diary entry reading: “It is the end of my game.”

Which path leads to a richer life?

BERNARD MOITESSIER

On track to win, he despised the commercialism and pressure. Midway through, he quit the race to “save my soul,” turned his boat around, and sailed to Tahiti, where he found true happiness.

The Most Valuable Financial Asset is Not Needing to Impress Anyone

Warren Buffett’s Framework:

“The big question about how people behave is whether they've got an Inner Scorecard or an Outer Scorecard. It helps if you can be satisfied with an Inner Scorecard.”

The Litmus Test:

Would you rather be known as the world's best investor but actually be the worst, or be thought of as the world's worst investor but actually be the best?

The Payoff:

When you don't feel the need to impress other people, your desires fall. When your desires fall, your satisfaction with what you already have grows.

The Best Measure of Wealth is What You Have Minus What You Want

The Formula

All happiness in life is just the gap between expectations and circumstances.

The Anecdote

Housel's grandmother-in-law lived near poverty, but in her head, she had everything she needed. She had little but wanted even less. She was one of the happiest people you could ever meet.

Desiring less has the same impact on your well-being as gaining more money. But it's a game you can actually win.

All Behavior Makes Sense With Enough Information

Most debates about spending are just people with different life experiences talking over each other.

The foster kid in “survival mode” isn't “bad.” Their behavior makes sense given their trauma.

“Post-Traumatic Broke Syndrome”: Why someone who grew up poor might find it hard to spend, even when wealthy.

The “Future Thinker”: A couple who can only plan for the next 24 hours, not next month. Their concept of the future is different.

Stop judging how others spend their money and stop letting others tell you how to spend yours. The journey is personal.

Are You Buying for Utility or for Status?

UTILITY

A high-end Toyota is filled with features that make driving more pleasant for *you*.

STATUS

An entry-level BMW is mostly a brand that changes other people's opinion of *you*.

The Acid Test:

Billionaire Bill Koch bought four bottles of wine supposedly owned by Thomas Jefferson, only to discover they were fake.
If the taste of a fake is indistinguishable from the real thing, you shouldn't be bothered if your goal is utility.
If you're bothered, what you really wanted was status.

With everything you purchase, identify why you actually want it. Each path offers a very different outcome.

Wealth Without Independence is a Unique Form of Poverty

"Money you haven't spent buys something intangible but valuable: freedom, independence, and being able to spend time in your own way. Every dollar of savings buys a claim check on the future."

LOST CONTROL

Antoine Walker made $108 million in the NBA. He supported a huge entourage, bought multiple luxury cars, and gambled millions. He **lost control** of his life and filed for bankruptcy.

MAINTAINED CONTROL

John Urschel made a fraction of that as an NFL player. He saved the vast majority of his paycheck and retired early to pursue a PhD in math at MIT. He maintained **control** of his life.

What we truly want and admire is control over our own lives. That is true wealth.

Independence is a Spectrum

Financial independence is not black or white. Every dollar saved moves you up the spectrum, and your life improves with each step.

Level 15 Bar — You can spend your time doing what you want, with whom you want, for as long as you want. You beat the game.

Level 12 Bar — Passive income covers basic living expenses for life. You no longer *need* to work.

Level 10 Bar — Enough savings to weather a major crisis (medical emergency, recession) for a year or more.

Level 7 Bar — Ability to quit a terrible job and take time to find a better one.

Level 4 Bar — Savings to cover run-of-the-mill problems (a small medical bill, new pants for your kid).

You can improve your position on this spectrum at any income level.

The Power of Contrast

Michael May was blind until age 46. After a surgery restored his vision, he was stopped in his tracks by the most beautiful thing he'd ever seen: the drab office carpet. He couldn't understand why other patients were just sitting there ignoring it.

The most mundane things can feel incredible when they're a contrast to what you're used to. Happiness is the gap between expectations and reality.

A good life is everything you need and some of what you want. If you have everything you want, you appreciate none of what you have. Occasional treats generate more joy than perpetual luxury.

The Only Good Advice is to Minimize Future Regret

Jeff Bezos projected himself to age 80 and asked what he would regret more: trying and failing, or never trying at all. The answer was clear.

1. Invest in Compounding Memories

Spend money (and time) on experiences with people you love. Memories are assets that compound in value over your lifetime. Trading money for time with family can have a higher ROI than any stock.

2. View Savings as Independence Today

Saving isn't just for the future. Every dollar saved provides you with more options, freedom, and reduced stress **today**.

It's not "live for today" vs. "save for tomorrow." It's about understanding what you will value most at different stages of your life and making choices that honor that.

The Luckier You Are, The Nicer You Should Be

A homeless, struggling writer was staying at Kevin Costner's house. Annoyed, Costner eventually kicked him out. Months later, feeling guilty, he finally read the manuscript his friend had written. "It was *Dances with Wolves.*" The script revived his friend's career and catapulted Costner into superstardom.

The Moral: You never know where luck, help, or a life-changing idea will come from. People who don't look like the picture of success might hold the wisdom you're looking for.

Final Thought: Having money might highlight or magnify an incredible life, but it cannot create it on its own. Understand that people who have made different decisions than you can be just as smart, funny, insightful, and worthy as you. They are just trying to find their way in a complex world.