



# What Do You Think it Really Means “To Be Rich?”

*If we set unrealistic expectations for ourselves, we never reach true wealth*

What does it mean to be rich? Some people live by the balance sheet, some die by it. Others don't even know what a balance sheet is. How do you define wealth for yourself?

A recent article on CNN reported that “a whopping 70% of those with at least \$1 million in assets that are invested or available to invest, excluding home values, don't consider themselves to be wealthy – only when they hit the \$5 million mark (did) millionaires begin to feel wealthy.”

Our feelings about wealth stem more from our life decisions and social circles than from the numbers we see on our statements.

Teddy Roosevelt once said, “Comparison is the thief of joy.” Feeling wealthy means feeling you have enough, of wanting what you have rather than being consumed with what you want.

## Is Money a Supporting or Driving Element?

I once heard that if I want to feel smart I just needed to associate with people dumber than I am. If I actually want to be smart, however, I must surround myself with smarter people. The lesson: Acknowledge who you are and your limitations. Most folks just hang out with smarter people, but instead of trying to learn from them these folks try to prove they belong.

This concept continues with money. Feelings of wealth correlate to our surroundings and the proverbial Joneses in our lives.

If you simply want to feel wealthy, hang out with people poorer than you. If you want to feel poor, keep trying to live the life of folks wealthier than you.

**Wealthy people can teach us a lot.** Your first challenge, however, comes in recognizing those who are truly wealthy versus those projecting an image of wealth. You must stop showing that you belong and instead understand how to turn money into a supporting element of your life rather than the driving force – whether you're worth \$100,000 or \$10 million.

Several years ago I worked with a client who wanted to sell his business and who received a very fair offer. He was burned out and, given the line of work, lucky to receive an offer at all. Instead of accepting, however, he made the offer the baseline in pursuing more money. The people he hung around owned personal helicopters and airplanes. Because he didn't, he felt poor relative to them and felt a need to get as much out of the business sale as possible despite this deal accounting for less than 5% of his net worth. He never found a buyer and the initial offer vanished.

**Best intentions often turn sour.** We move from a modest neighborhood to a high-end community and find ourselves falling from feeling wealthy to feeling extremely uncomfortable overnight. More living space, a better school district or a safer neighborhood may motivate the move.

But in the old neighborhood, we provided our family with everything friends and neighbors provided to their families. In the new neighborhood, however, extras are now basics. Social pressures surrounding community outings, kids' class trips, sports and extra-curricular activities exceed those in our previous life.

Someone said that “Happiness equals reality minus expectations.”

If we set unrealistic expectations for ourselves and our financial lives, we never reach true wealth.