

Why I keep saving money every day even though I have more than enough

It's a pretty typical story. Person reaches a financial breaking point. Person begins to use frugality to cut back strongly on their expenses. Person pays down their debts and begins saving for the future. Person begins to feel a whole lot better about their financial state.

At that point, many people reach a crossroads. They begin to ask whether or not it makes sense to keep being so frugal. Once you have a healthy amount of savings or investments, is there really a reason to continue being so frugal?

Whenever I hear that question, it serves as a recognition to me that there are two ways to look at frugality.

Some people look at frugality as a tool. Frugality is something you choose to do to extract more money by doing things differently than you would normally do them. If you begin to feel like things are in a financially good place, it's tempting to put that tool down and not "work" as much.

Others — myself included — look at frugality as a mindset. Frugality is simply how you look at all purchasing decisions. By *default*, you look for ways to minimize expenses and maximize your bang for the buck. By *default*, you question whether or not a pleasurable expense is really worth it.

When you use frugality merely as a tool, it becomes very tempting to put that tool down when the immediate financial danger has passed. Frugality as a tool means that you're doing things in a way that doesn't seem normal to you. You're making choices you wouldn't otherwise make if you weren't "being frugal."

So, in my eyes, people that really want to "cut back on frugality" are ones that view frugality as a tool rather than a mindset. That's not necessarily a bad thing. In my eyes, having frugality as a mindset is far better than simply viewing it as a tool. Rather than having a desire to "put frugality away," frugality is simply a normal part of how I view life.

(It's worth noting here that I don't think it's "bad" to think of frugality as a tool. However, I do find that having frugality as a mindset has helped me tremendously in achieving personal and financial goals.)

I think there are several key components to having a frugal mindset, some of which I think can be cultivated.

Inexpensive items make me extra happy. I feel quite good about buying something at a significant discount than what I would normally pay for that item. It feels like a real "win" to hunt down a bargain. Whenever I use that inexpensive item, I feel good about it, too. I know that

I'm receiving the benefit of using the item *and* I have more money in hand than I would have if I didn't make a careful, smart purchase.

During those moments when I really recognize that I've achieved this — I've spent less money on something to get the same personal benefit — I feel really good in that moment. It's a real "pump the fist" moment.

Expensive items make me feel unnecessarily self-conscious. A friend of mine owns a watch that cost almost \$10,000. If I were to wear that watch on my wrist, I wouldn't feel self-confident. I would feel incredibly self-conscious. I'd worry about having the watch stolen. I'd worry about appearing like a "mark" for pickpockets and people with something to sell. I'd worry about losing the watch. I also see it as a constant reminder of how much money I spent on this thing and I'd constantly think about how I could be using a lower-cost alternative to do the same thing.

Expensive items, unless they fulfill a very specific purpose, generally make me feel *worse* than before. I guess, in some ways, this is just a heightened awareness of the fulfillment curve.

I often feel bad about buying stuff just to fulfill a short-term want. For some people, the two factors above cause them to fill up their carts at the dollar store and constantly hunt for "bargains" on unnecessary stuff. In fact, my uncle did that very thing — he used to buy tons of stuff from dollar stores, much of which went unused.

Don't get me wrong — I don't mind buying stuff that I want. The thing is that *many of my wants are very fleeting*. I'll see something in a store and it becomes a short-term want. Most of the time, that want vanishes within a day or two if I don't take action on it, so buying something to fulfill it is pretty wasteful. Instead, I really only pay attention to the long term wants. Do I still want this thing that I wanted a few months ago? If so, then I'll consider buying it. If the want doesn't last... then it's a waste of my money.

I am drawn to trying out the free and cheap options first. Basically, I want to see if the free or cheap options fulfill my needs or desires before I start plunking down more money.

For example, this is why I've made a few dozen batches of homebrewed beer in the cheapest stock pot known to man. Sure, I wouldn't mind upgrading it at some point, but the cheap one works fine. This is also why I buy a lot of generic products. I tried them first. They worked. Why buy the name brand version? I'll upgrade to the name brand version if the generic version doesn't work.

Most of the things that bring me genuine joy don't involve spending money. I like playing with my children. I like doing things with my wife. I like going on walks. I like reading books. I like geocaching. I like playing board games, particularly at community game nights where they have a game library available. I like exploring new places. I like cooking great meals at home.

Those things bring me genuine joy. I don't have to spend much money at all on any of them — and most of them are completely free. Knowing this causes me to lose some motivation to spend money on other things, other than as a relatively rare treat.

My savings for the future are naturally accelerated by this mindset. Not only do the above things feel completely natural to me, they also provide fuel for saving for the future. This provides a constant sense of progress and financial safety as I move through my normal life.

I *know* I have money in the bank. I *know* that my normal behaviors are causing that money to grow. Together, those things feel *good*.

On the relatively rare occasions when I do choose to spend money, it doesn't cause any stress at all. I know that the money is available, so there's no guilt or remorse when I do decide to pull the trigger on a big expense. In the last few years, our only major expenses have revolved around family travel, and I anticipate the same thing being true down the road. Yet, when we've traveled, I've not worried too much about the expense of things. We go where we want to go without worry.

To me, these are the elements of the frugal "mindset." They work together to keep my personal spending and our family's spending in check.

The real question is, how do you translate using frugality as a "tool" into this mindset? For me, the most important factor in that transition was simply spending a lot of time thinking about my spending decisions *outside* of the stores.

I spent — and still spend — time reviewing our bills and our receipts. I look at the things I spent money on and ask myself, for each one, whether I got enough value out of that to make the expense worthwhile.

These days, I can usually say "yes" about getting value out of our expenses, but that wasn't always the case. Going through statements like that during the early days of our turnaround usually involved repeated admissions that I wasn't really getting worthwhile value out of my spending. There were always ways to spend less in order to get the same benefit. Often, I'd spend money without really receiving any significant benefit at all.

Hammering myself with those things again and again was painful, but it helped to forge a much better mindset. Today, purchases that don't return enough value to me just seem wasteful. They don't seem like fun things that I am denying myself. They just seem like a waste of my money and my life's energy.

The end result? I find deep personal happiness in a lot of things in my life and I spend less money without really having to think about it at all.

That's a real frugal victory.

<http://www.businessinsider.com/why-i-keep-saving-money-every-day-even-though-i-have-more-than-enough-2015-6>