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How to Be Rich¹
October 1, 2015

I think you've heard the commercials. You know the ones. The ones that invite you to some seminar that is guaranteed to set you on the path to being rich. Attend such and such a free seminar, buy the book and materials, subscribe to the monthly newsletter, and you are on your way to flipping houses, beating the stock market, or outselling all the competition. I wonder if you have ever been tempted by those commercials. I have never seriously considered attending one, but aren't they alluring? Who doesn't want to be rich? And if all we need to do is learn a few tricks to get there, why not?

But what if you are already rich? I am guessing you have never thought of yourself as rich. Most people don't. In fact it's been a long time rule of thumb that people always feel they need about twice to three times as much as they earn now to be rich.² Ask a person earning \$30,000 per year what they would need to earn to feel well off and they say \$60,000. Ask a person making \$250,000 per year and they will tell you it will take \$500,000. According to a 2011 Gallup poll, the average American believes making \$150,000 per year would make them wealthy.³ That's about three times the median household income in the U.S.

But what if instead of rich being something way out beyond you, rich was something you already possess. Right now the median household income around the world is estimated at about \$10,000.⁴ So let's say you make \$35,000 per year. That doesn't sound like much, but some analysts say you are already in the top 1% of all income earners in the world.⁵ That's pretty rich! Of course, there aren't many in the United States who would think of themselves as rich at \$35,000 per year since the average household income is \$53,046 in the US.⁶ So how about you? I am guessing by the demographics of this crowd you wouldn't feel rich if you made \$100,000? But even in the United States, only one in 6 households earn that much,⁷ so on the U.S. scale you would be doing quite well.

Why do I share these figures? It is not because I want to shame you, that's for sure. It's to make you think about how to be rich. Now when I

say let's talk about how to be rich most people think that I am going to talk about something akin to the weekend financial seminars. But since most people in the United States are already rich, when I say let's talk about how to be rich what I mean is let's talk about how we handle the prosperity we already have. There is a good bit of evidence that we don't handle being rich too well.

In 2009, *Sports Illustrated* ran an article on the financial condition of professional athletes. It didn't paint a pretty picture. By the time NFL players had been retired for two years, 78% of have gone bankrupt or were under financial stress because of joblessness or divorce. NBA players didn't fare much better: five years after retirement, an estimated 60% were broke.⁸

This last week, I read a letter sent to a financial site. The letter read this way:

I'm a physician in my early forties. I make \$450-500K. I read a lot about finance and I know that technically I am in the 1%, but I don't feel rich at all. I don't know if it was the way I was raised or because for a time I was living paycheck to paycheck or if it's because I have three kids (and hence, eventually will have three tuitions to pay), but I don't feel wealthy yet. Maybe it's because I live in an affluent suburb of a big city and most of my neighbors seem to be doing really well. I don't know. Have you run across other folks like this?⁹

If you don't make near the half a million mark, you might be wondering what's the problem with this guy. The problem is he hasn't learned how to be rich. And most of us haven't. Think about the things that eat your lunch. Bad cell phone coverage. The satellite dish going out. Flight delays. A sprinkler breaking. The garbage not being picked up at your curb on time. The overnight delivery not making it overnight. Yes, you have probably already recognized it. These are rich people problems. And my guess is that if you are like me you don't too well at handling the "troubles" that come with being rich.

So with all this said, I would like to offer a few suggestions on how to be rich, a few suggestions I have been reminding myself of as of late.

Number 1, keep reminding yourself that you're rich. I know that might sound pretty simplistic, but it points to the fact that we need to correct

our self-image. There are millions of people in the United States who struggle with eating disorders. They are really good at losing weight, but they are really bad at recognizing that they don't need to be any thinner to be satisfied with life. Often we can be the same way with money. We can be really good at becoming wealthy but really bad at knowing we don't need to be any richer to be satisfied with life. So tell yourself often that you're rich. You don't need to say it arrogantly. You just need to say it so that you keep yourself from being pitiful for not having this or that at the moment. A couple of weeks ago, we had the floors cleaned in our house and some of the interior trim painted. Truth be told I could have done both those things myself, but instead I paid the \$600. When I paid it, I reminded myself how rich I am. Most people in the world can't pay someone to do something like that. Funny thing, it seems that just by reminding myself of that fact I am rich, I become a lot more content with what I have.

Number 2, give generously. I think most of us don't think too highly of the person who has a great deal, and yet is stingy. Those of you who know the golf world, know that golf insiders don't think much of Tiger Woods because he pretty much stiffes those he could give tips to. Phil Mickelson on the other hand is handing out hundreds all the time. And generally we like that, we think that people with money ought to be generous rather than stingy. Interestingly though, there are a whole lot more Tiger Woods than Phil Michelsons. That is, people tend to get less generous when they become wealthier. Consider this: Those making \$60,000 or less give 3.7% of their income away. That number goes down to 3.3% for those making up to \$75,000, down to 3.0% for those making up to \$100,000, and down to about 2.6% for those making between \$100,000 and \$1 million. In fact, it's not until people start making over \$5 million a year that they start giving more than the under \$60k crowd.¹⁰ That seems a little odd, doesn't it? But rather than disparage those who may make much more than we do, we must remember again that all of us here are rich by the world's standards. And if that's the case, we all ought to be more generous and especially to those who truly are not rich.

Number 3, if you want to have a better handle on how to be rich, let me suggest you learn to enjoy your money. To say you should enjoy your money might mean you throw wild parties or go out and buy the nicest car you can. But that's not really what I mean. Markus Persson the founder of Minecraft sold his company to Microsoft last year for \$2.5

billion. He is reportedly having wild party after wild party at his \$70 million dollar home. But he is not yet enjoying his money. He has sent out tweet after tweet talking of the sense of isolation and loneliness that has engulfed him.¹¹ Enjoying one's money doesn't have to do with buying bigger stuff, it has to do with sprinkling a bit of joy around and taking satisfaction in the little pleasures.

When was the last time you gave your kids a treat they would have never expected and seen their faces beam? When was the last time you time you actually savored what you were eating rather than stuffed it down in order to get on to the next thing? When was the last time you surprised your spouse or a friend and took them to a concert you knew they would love? When was the last time you paid a bill with a smile, because it meant you were able to pay for something that brings pleasure to your life, things as simple as basic as electricity?¹² A couple of years ago on Mother's Day, I took my family out to lunch after church. It was not fancy. We went to Chili's. We were enjoying ourselves and another family soon came and sat next to us. Sometime during the lunch, my wife said, "Do you know what I want for Mother's Day?" I said, "What?" And she replied, "I want to pay for that family's lunch." So that's what we did we paid for our lunch and theirs. We did not know that family. And they did not know who bought their lunch, but we know this: on that day we enjoyed our money, and we felt rich.

Let me end then, with these words, written to the early Christian church:

As for the rich in this present age, charge them not to be haughty, nor to set their hopes on the uncertainty of riches, but on God, who richly provides us with everything to enjoy. They are to do good, to be rich in good works, to be generous and ready to share, thus storing up treasure for themselves as a good foundation for the future, so that they may take hold of that which is truly life.
(1Timothy 6:17-19)

¹ The inspiration and title for this talk came from an article written by Andy Stanley, "[How to Be Rich](#)," *Sound Mind Investing*, June 26, 2015.

² Robert Frank, "[What Does It Take to Feel Wealthy](#)," CNBC (July 19, 2012).

³ Jeffrey M. Jones, "[Americans Set 'Rich' Threshold at \\$150,000 in Annual Income](#)," Gallup (December 8, 2011).

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- ⁴ Glenn Phelps and Steve Crabtree, "[Worldwide, Median Household Income about \\$10,000](#)," Gallup (December 16, 2013).
- ⁵ Daniel Kurt, "[Are You the Top One Percent of the World?](#)" Investopedia (May 6, 2015).
- ⁶ [Quickfacts.census.gov](#) (accessed September 17, 2015).
- ⁷ Craig Guillot, "[\\$100,000 Income: No Big Deal Anymore](#)," Bankrate (accessed September 17, 2015).
- ⁸ Pablo S. Torre, "[How \(and Why\) Athletes Go Broke](#)," *Sports Illustrated* (March 23, 2009).
- ⁹ Logan Sachon, "[I Made \\$570K Last Year, But I Don't Feel Rich \(In Fact, I Feel Worried\)](#)," The Billfold (May 17, 2013).
- ¹⁰ National Center for Charitable Statistics, "[Charitable Giving in America: Some Facts and Figures](#)" (accessed September 17, 2015).
- ¹¹ Julie Bort, "['I've Never Felt More Isolated': The Man Who Sold Minecraft for \\$2.5 Billion Reveals the Empty Side of Success](#)," *Business Insider* (August 29, 2015).
- ¹² Tim Challies, "[When is the Last Time You Enjoyed Your Money](#)," Challies.com, November 24, 2014.