

AN EXCERPT FROM

MONEY RULES



CHAPTER 2

NEEDS vs. WANTS

HARRY ABRAHAMSEN

Introduction

Money Rules is not your typical book about money. It is an overarching mindset written for people who want to maintain massive wealth. When you know the rules of how money really works and the ideas and strategies within Money Rules, you will be able to build and protect your money, not just have momentary fortune.

The philosophies and approaches in this chapter are presented to you by Harry J. Abrahamsen, and while you may be able to implement many of them right away, they are not to be mistaken for direct advice. Money Rules empowers you to be the master of your own wealth—your advisors are just one piece. At this point, you have been introduced to one aspect of the macro mindset. Make sure to read the rest of Money Rules to move into mastery.

Written for Influential Individuals, Entrepreneurs, Business Owners, and Families with Money. Though I dare anyone to pick it up and read it now.

There are many books written for individuals who are seeking to build wealth, but when you reach the point of impressive success and multiple commas to your name, you may be reliant on your inner circle with your decisions about money. You feel you have control, but you are just a few mistakes away from sacrificing everything.

This book is written for you, and in it you will find out the things you are missing, no matter how diversified your portfolio is or what you think you know about money. When you know the rules of how your wealth really works and the ideas and strategies within, you will be able to build and protect it, not just have success for a moment.

This book is not about what's right or what's wrong, it's about doing things the right way.

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**We live in a want
world.**

CHAPTER 2

Needs vs. Wants

On a trip in 1990, I sat back in a comfortable chair, sipping a chilled glass of vintage champagne, watching the sun set outside the window in France, and then three hours later, I watched it set again in New York. All from the inside of a plane. If you ever had this experience, you may miss the Concorde as much as I do. If not, the Concorde, which was retired in 2003 (but is returning...), was a British-French turbojet-powered supersonic luxury airliner that traveled twice the speed of sound, at Mach 2.04, and accommodated 92-128 wealthy passengers. In 1997, the price of a round-trip ticket from New York to London was \$7,995 (equivalent to over \$12,000 in 2020), more than thirty times the price of the cheapest option for the route. If you were to take this airliner regularly, you might have begun to feel that you wouldn't be able to show up to a business meeting at your best without it, that you wouldn't be taking a true vacation if you weren't able to get there within five hours. You might have felt that you needed the convenience, and the speed, and the service, in order to stay successful. But you didn't need it, you wanted it.

What you *need* for living is very different from what you *want* for your way of life. There are hundreds of different philosophies about what constitutes your needs, including Maslow's hierarchy of physiological, safety, love and belonging, esteem, and self-actualization. The mistake most people make is to determine their financial strategies based on

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what they think they need or don't need. Money meets wants. Sure, your initial decision to spend money may be driven by a need. But the moment you make the decision about what to get, you manifest a secret want.

Think about it: you need to eat. But the moment you make a decision about what you will pay to eat, you reflect a want. You may want organic items from a farmer's market, or vegetables from a farm that you invested in, or wagyu beef. You will meet your need for food no matter what. But the thing you decide on will be something you *want*—your money is buying you that desire, that want. If you needed to get to a meeting, you'd have met that requirement when you arrived at the gate. But the thing you paid for in order to get the meeting was something you wanted. You wanted your driver to take you so you could maintain a low profile, you wanted to show off the new Bentley, you wanted to sit back with self-drive mode in the Tesla. Even if you took something that wasn't ideal to you, you'd still be doing something you wanted to do—you are the one that decides at the end of the day.

Wants are your way of life. Money pays the way.

Most people, even when they have significant assets, follow traditional financial strategies based on what they think they need in order to meet their standards, then weigh the math and the advice of their advisors to determine if a financial decision is worth it to them. This is a scarcity mindset—if you take this approach you are making predictions about what you will *have to do* rather than what you *want to do*. If you won't come to grips with your secret wants, you will determine your future with financial strategies that don't remotely reflect the way you want to move through the world. People walk into my office in Jimmy Choo shoes and ask me what they might *need* to have when they stop working or drive up in a collectible Benz and say there's no *need* for them to have an insurance policy because they aren't married and don't have kids. They're sitting there in the best suits money will buy strategizing

as if they won't ever want another pair of Berluti oxfords or custom Nikes.

You don't just want things that meet your needs, of course. You invest in things that meet much more than the base of Maslow's hierarchy or the suggestions of your personal wellness program. But this doesn't really matter, because whether you purchase something to meet a need or just to be more comfortable, what you purchase is a thing that you want. Your wants are what you experience, they are your way of life. What you spend your money on is that way—that want.

There is no problem with wanting your preferred way of life, the problem is not being realistic about the planning required to maintain the way you want it.

If you are going to keep your wealth, you are going to have to be realistic about what your wants are—if you are reading this book you have them in spades. If you thought your money bought things you need, such as a flight to get to an important meeting, think about what seat you chose. If you ever traveled on the Concord or the Venice Simplon Orient Express and you'd be able to do it again today, you have wants of a significant size. If you are putting money into supporting others, such in social initiatives, you are still fulfilling a desire, or multiple desires. Supporting people is an intention, and it's a privilege, and if you want to maintain the ability to impact things financially, you won't want a financial strategy that's based on the idea of your needs.

When you make decisions about your money based on the idea of needs, you establish a ceiling for your wealth potential, and, therefore, your way of life. Because you have significant wealth, you might believe that your rates of return are enough to keep you high in your tower. I will dismantle this belief by teaching you how rates of return work and how easily your money will run away from you when you are chasing them in the following chapters.

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Everyone knows someone, possibly a friend or family member, who approached or experienced bankruptcy or had a serious financial setback. You might think it's because they were irresponsible or had a bad advisor, but the most common reason is that they weren't realistic about what was required to maintain their wants. Even people who seem savvy about their wealth may run into financial ruin if they are not honest with themselves about this.

Wants are infinite. Wealth is not.

This is true for many reasons. The world doesn't stop moving forward—there will always be shifts in technology, the environment, political forces, and the government, and these will affect what you want to pay for and pursue at the time, and what you want to do in order to be safe, prepared, and comfortable. In addition, since humans are never physiologically or psychologically satisfied, your financial requirements will never be finished. You will always want to dine at Le Bernardin and stay at the Four Seasons. You will always need transportation and you will always want to travel the specific way you want. The more you have, the more you want to maintain. Even if you pursued a spiritual practice of asceticism—in which you would probably invest a lot of time and money—and became the perfect ascetic, you would require someone else's money for shelter and security. Even monasteries need money. You will always be subject to the propensity to spend, and you will always want comfort and expansion and beauty and simply more. You will not reach satisfaction, or the end of more wanting, until you die. You cannot be the master of your money until you stop ignoring your secret wants and become realistic about the fact that you live in a want world. And you must put your money to work in a way that prepares you to always meet more and more wants, including those of the people you support.

Planning based around the idea of needs is planning for wants from a place of scarcity; it puts a barrier around what you are capable of achieving and maintaining. If you had a money tree, would you put it

in a box? If you did, it might keep producing for a while, but it wouldn't grow to produce any more than its size allowed, and it would probably die. While people may innocently say to me, "I don't think I need that account or investment strategy. I'm fine with what I have," they are boxing in their money tree without realizing it. And they are doing this because people do not acknowledge that they live in a want world, because they think money works like math, and because they don't realize that money that is unattended does not peacefully rest, it slowly burns.

You must bake the idea of infinite wants into your financial strategy. If not, when you slow down and stop working, you risk running out of your ability to pursue your preferred way of life. Without want-oriented strategies, you won't be able to do all the things you did while you were the highest paid in your industry or firm because there's no more high pay coming in to meet your desires.

You won't ever run out of money, but you may run out of the ability to pursue your way of life.

When people start seeing their money disappear, they downsize, at best to meet the needs they planned to have. But they get stuck in a miserable, resent-filled mausoleum of their past way of being. A needs-based mindset, and the decisions that remain when you plan this way, is a dark place to find yourself in. It is a private nightmare that people don't show, but that many, many, initially wealthy people live out for the remainder of their time. They'd planned as if their world was finite, and their present disappointment mirrors that ignorance. Those who make decisions based on needs end up in a secret life of darkness. They don't talk about their secret wants anymore because they unknowingly planned to live without them.

My friend's ultimate dream was to add a 1955 Mercedes Benz 300 SL to his already impressive garage. The Gullwing. This car was elegant, intimidating, and a grail for any collector. It had to be in mint condition

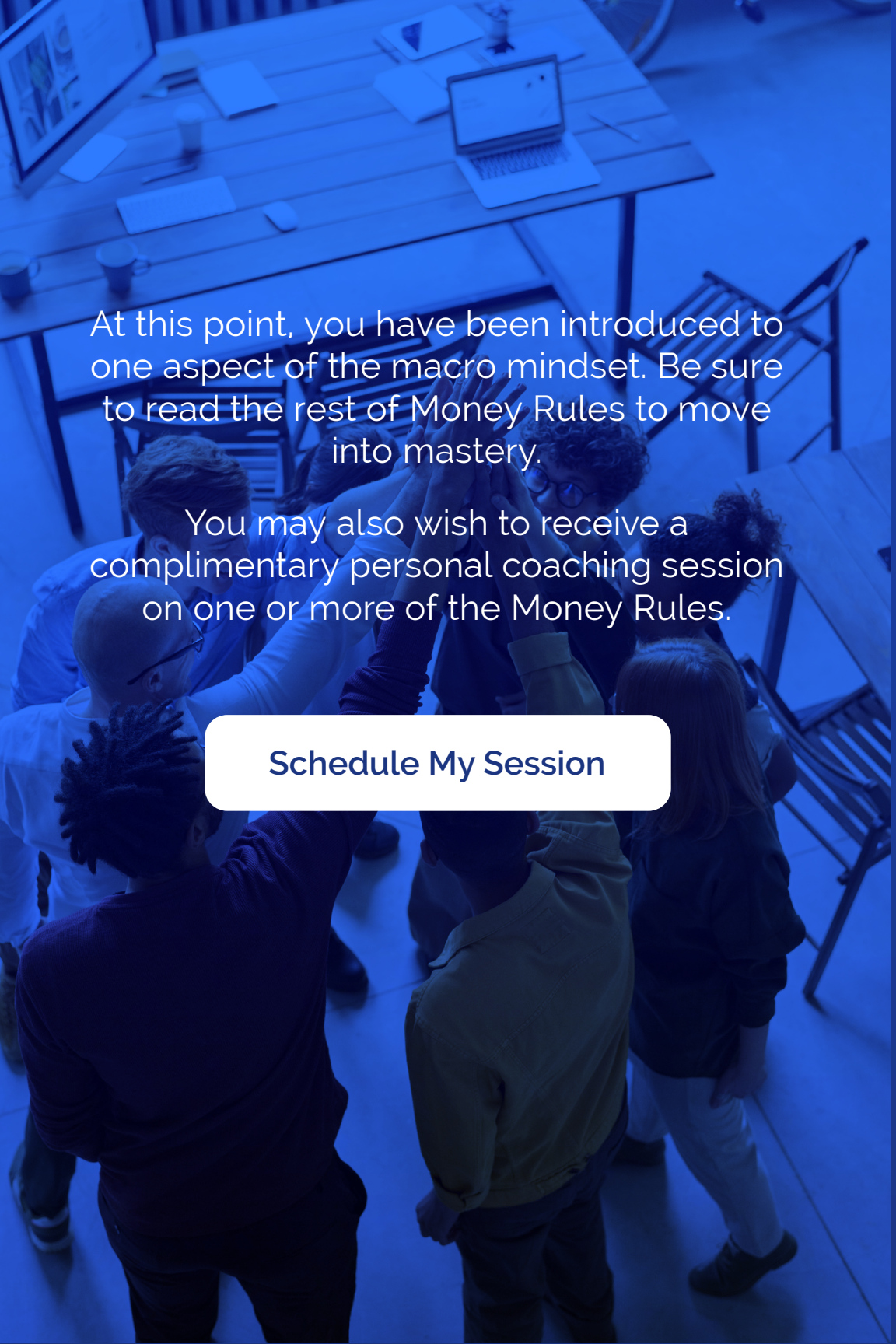
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for him, and to tell the truth this was a unicorn. Anyone who owns a Gullwing won't sell it, and the rest are in museums. When my friend first was interested in the Gullwing, he had everything at his fingertips—cars, boats, friends in high places, homes in other countries. You name it, he had it. But he kept himself too busy and just didn't make the time to find the car. He assumed things would work out with it, and with the size of his wealth, he felt he had all the time in the world. What is the end of this story? Today, my friend is completely broke. Thanks to some bad advice from bad advisors, bad decisions, and his sole intention of making more of what he had, he lost his ability to pursue his biggest wants for good. He never added this car to his collection and forfeited his entire way of life. If you had dinner with him, you'd assume he'd forgotten about it. He still drives a BMW. He seems the same, but without the wealth he had his life is a bit darker. This dream of his is now a secret want that will probably always remain just a want. He doesn't talk about the Gullwing anymore.

There are a lot of people who have enjoyed immense wealth now sitting in their 10,000 square foot home, but they're not adding to it. They're still going on vacations. Maybe they're flying business class, but they're not flying private. They're ordering in more and have taken up cooking for themselves. Maybe their yoga master is coming once a week now or maybe they've started going to a studio. They've got a Peloton, but not a private trainer. They're missing a time where they had their guru and their business coach, their therapist twice a week, when they had the freedom to pursue another doctorate. When their friend returns with a second investment opportunity, they have to turn them down. They stop showing up to benefits or simply give less, stop being a distinguished alum, stop investing in their son or daughter's passion projects. Their secret wants are the same, but they will remain secrets. They'll never show this; the image is the last thing to go. This is the final phase if you have planned with a needs-based mindset in a want world. It is a secret life of darkness, invisible to others and incredibly lonely. It is defined not by its pleasures, but by its losses.

We are all full of desires for ourselves, for our children, and for the world, and it is a privilege to be able to pursue this precious life in our own way. Wealth enables us to be busy and to slow down at whatever pace suits us. It empowers us to make a profound impact and leave as significant or as small of a footprint as we want. It is tragic to throw this away due to ignorance or hubris, not because you won't have a car you dreamed about, but because you will have squandered the most impactful thing you possess—wealth. And for what? So many people have wants that wouldn't be impossible to meet if they were just mindful of them. Planning for wants is a simple idea, but it's the difference between living in shadows of the past and making the biggest impact possible.

If we are fortunate, we receive what we planned to have. As the Rolling Stones say, “If you try sometimes, you just might find you get what you need.” But if we want to become something more, if we want to experience our desires, we have to accept that we live in a want world. Making an impressive income and increasing the amount of commas in your accounts is not a strategy—unless you are clairvoyant or plan to work for the rest of your life. You have to build plans and protections within this want world, many of which I will share with you throughout the rest of this book. You will never be able to predict what you want in the future, and if you don't have a way of working with this, you will be embracing scarcity and not even knowing it. By the end of this book, you will know what is happening with your money when you aren't watching it, why rates of return won't protect you from running out of your ability to pursue your way of life, and that making more will never stop you from wanting more. If you want true satisfaction, make peace with this.



At this point, you have been introduced to one aspect of the macro mindset. Be sure to read the rest of Money Rules to move into mastery.

You may also wish to receive a complimentary personal coaching session on one or more of the Money Rules.

[Schedule My Session](#)

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BUSINESS OWNERS, AND FAMILIES WITH MONEY

9 RULES TO MASSIVE WEALTH

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HARRY ABRAHAMSEN