

**Retrain Your Brain**

Compared with the instant high of spending, **saving can be dullsville**. But you can liven things up, says Barbara O'Neill, the author of *Saving on a Shoestring* (Dearborn Financial Publishing). **"Create tangible goals**, such as saving for a big vacation, that redirect your money to reflect your priorities," she says. Also check out M.P. Dunleavy's *Money Can Buy Happiness* (Broadway Books). And visit **smartypig.com**, a site that automates savings goals. Writer Thomas Stanley suggests saving 5 percent of your income in your 20s and 30s, 10 percent in your 40s, and 15 percent in your 50s.

On the Money

## Hey, Big Spender

It takes more than a higher income to end up truly wealthy.

STUART LUCAS' FATHER, A THIRD-GENERATION HEIR to the Carnation fortune, is a classic example of the frugal millionaire. Despite his wealth, he drove a Plymouth Valiant for 30 years; never mind what the neighbors in his glitzy LA neighborhood thought. Lucas, the author of *Wealth* (Wharton School Publishing), recounts this story in his book as one of the best lessons he and his siblings learned about money. "If you're simply making a lot of money and spending it all, you may not be rich, but it's easy to make people think you are," he says. **Therein lies the secret** between the truly wealthy—those who don't have to work another day in their lives—and everyone else. While most people earn and spend, **the wealthy earn, save, and invest**. Through

**Boosting income is often considered the way to wealth. But for many, the solution lies in spending less, not earning more.**

the magic of compound interest, those savings multiply over decades and erase mortgages and other debts while building a legacy for children and grandchildren. Too many people seem to think they can save only if they're making excess income. As Thomas Stanley so vividly revealed in *The Millionaire Next Door* (Longstreet Press), **adopting a save-first lifestyle** is the only sure way for many workaday people to end up wealthy. Check the stacks of financial self-help books, and you'll discover that this notion is hardly new. So why are so few people heeding it? Chalk it up to the **"glutton economy,"** Stanley says. Modern life promotes the myth that increasing income means freedom from worrying about what you spend. "People get caught up in how they think people with money act, based on movies and TV," he says. In this culture, some may feel out of step for cutting back, Stanley continues, "but that's how the wealthy really act." ■—Sara Aase