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How *do* they do it?

By David Whitemyer

The latest laptop, designer clothes, and an expensive car may be no more than a sign of wasteful spending and excessive debt.

Schadenfreude is a German word defined as the malicious pleasure one gets from the misfortune of others. *Schadenfreude* is the rock that holds my financial anxiety in place.

There's a colleague of mine. Like me, he's got two kids. His wife works. He bought a house when I did, and for the exact same price. I also know that his salary is on par with mine. On paper, we're essentially the same person, except for one thing: he's got more stuff than I do — more big ticket items, like a new second car and the latest laptop. For the life of me, I can't figure out how he's doing it.

As near as I can tell, he has a lot of debt, and not much dough stashed away for retirement, education, or unemployment. And as evil as it sounds, this makes me feel good — *schadenfreude* — because I judge my own fiscal health by sizing up the wallets of my peers.

Americans carry an average of \$3,250 in credit card debt, according to www.myvesta.org, a nonprofit consumer education organization. Also, just about everyone is refinancing mortgages for cash out. Let's face it: We Americans are a highly leveraged group of folks.

Green with envy

I'm a frugal, thirty-something young man. My family has one humble car, a mid-90s hatchback, and no DVD player. Though I have an admirable pair of Kenneth Cole shoes, I bought them at Goodwill for three bucks. We make a reasonable living, putting our household income slightly higher than the national median of \$56,500. Still, as many times as I do the math, the numbers just don't add up. After purchasing food and other essentials, paying our monthly bills, and contributing to our 401(k)s and 529 accounts, there's little left over for frivolousness.

In *The Overspent American*, author Juliet Schor writes, "Oddly, it doesn't feel as if we're spending wastefully, or even lavishly.



Rather, many of us feel we're just making it, barely able to stay even." That's me, in a nutshell. And since I'm bringing home a reasonably thick slab of bacon, yet tightening my belt, I feel unsuccessful when it looks like everyone else is dabbling in conspicuous consumption.

Silver lining

The good news for me — the *schadenfreude* rush — is that the vast majority of my peers are likely in direr straits than I am. Those sexy stainless steel appliances they're buying may come at a cost that is heftier than the actual price tag. Chances are, these lavish purchases are possible not because they suddenly have more money than I do, but because they're borrowing more.

Though I'm not wearing the trendiest suits, I'm probably in good financial shape. The national savings rate hovered near a dismal 0.4% last year. I know that I stashed away a far greater amount than that, mostly for retirement. And, other than the mortgage, I don't have a lot of debt. I figure it this way: If you're contributing to a 401(k), and regularly putting away a bit more on the side, you're probably doing fine — better than others — even if things feel tight.

It reminds me of that bumper sticker you often see on loud jalopies: "Don't laugh. It's paid for." So, if I see some guy in a heavily financed sports coupe, I might just rev up my own jalopy and leave him in the dust — financially speaking, of course.

In addition to writing about finance and workplace culture, David Whitemyer enjoys eating free food and worrying about money.