The Art of Spending Money - Reflections on Morgan Housel's New Book

Morgan Housel has just released a new book titled *The Art of Spending Money*. By all accounts, it's set to become another bestseller, following the enormous success of *The Psychology of Money*, which has sold over eight million copies worldwide.

This isn't a self-help manual or a list of life hacks on how to spend better. Instead, Housel invites readers to reflect deeply on how their spending can align with what truly brings fulfilment, peace, and self-awareness.

He opens the book with a simple yet powerful observation:

"*There are two ways to use money:*
• *One is as a tool to live a better life.*
• *The other is as a yardstick of status to measure yourself against others*."

The irony, he notes, is that while most people *aspire* to the first, they spend much of their lives chasing the second.

Smart spending, he argues, is both personal and revealing - a mirror of our core values. Everyone can spend money in ways that make them happier, but there is no universal formula for how to do it. It's less about rules and more about awareness.

Having read just under half of the book, here are a few themes that have already stood out:

1) Spending reveals what you value most
Every dollar you spend is a vote for your priorities, "*the clearest window into what you value most.*" Spending isn't just transactional; it's storytelling.

Tracking your expenses isn't only about cutting costs, it's about auditing your life.

Housel reminds us that spending that strengthens relationships, creates memorable experiences, brings peace of mind, or aligns with personal values tends to deliver far more lasting satisfaction than spending for appearances or comparison.

2) Needs versus wants
Housel references writer Luke Burgis, who notes: "*After meeting our basic needs as creatures, we enter into the human universe of desire. And knowing what to want is much harder than knowing what to need."*
That line captures one of the book's central ideas, that managing money well is really about understanding our desires, not just our budgets.

3) Wealth = Assets minus desires
True wealth, Housel says, isn't your bank balance, it's *what you have minus what you want*.

He reframes the traditional definition of wealth, showing that rising expectations, often fuelled by social media or peer pressure, can erode satisfaction faster than a low income ever could.

"*The most powerful definition of wealth is not what you have. What matters is the gap between what you have and what you want*."

Conclusion

The Art of Spending Money isn't about financial tactics, it's about self-awareness. It challenges readers to look inward and ask: *Am I spending in ways that reflect who I want to be, or who I'm trying to impress?*

As Housel shows, mastering money isn't just about earning or saving, it's about aligning what we spend with what we truly value.

Ian De Lange CA(SA)
Chief Investment Officer

If you have any questions, Ian and our team would love to hear from you on global@seedinvestments.co.za.

Follow Ian De Lange on Social Media