

# Loosening the Purse Strings

*[Editor's Note: Those who are familiar with our financial journey are aware that my wife and I decided to forgo spending a great deal of our income in our first few years out of residency in order to put ourselves into a better financial position and speed our journey toward financial independence. Although we wished to grow into our income slowly, our aim was never to accumulate money for the sake of accumulating money. We fully intend to eventually spend the vast majority of the money we earn and save. Over the last year, my wife and I have had a lot more discussions about spending money than we used to. Part of this is because we are now at "peak earnings" from a medical career standpoint. It is highly unlikely that my earnings from my medical practice will ever go up significantly from where they are at now, aside from some possible growth with inflation, and in fact are likely to go down as I cut back on night shifts (which pay more in my group) and in total number of shifts.]*



*Aside from that income, we also had a nice bonus income from The White Coat Investor. So this year we made more than we ever have before, saved more than we ever have before, paid more taxes than we ever have before, gave more to charity than we ever have before, and spent more than we ever have before. We have definitely reached the light at the end of the tunnel*

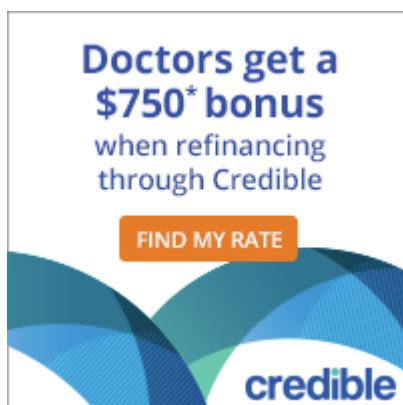
that consists of the long medical training pipeline and the first few years afterward when debts are being paid off, the fancy doctor home is being purchased, and the initial nest egg is being accumulated. We're ready to start enjoying the good life, and for us, that looks a little differently from that of [Mr. Money Mustache](#). It turns out that [while I like bicycling, the environment, and conscious spending, I also like SUVs, expensive hobbies, and fun vacations](#). So over the last year or so, we've had a lot of very interesting discussions about how to spend the excess money after we've put away enough and then some to reach our financial goals. This post, however, grows out of a condition I placed on my wife when we decided she could buy the fancy-schmancy dining room table she always wanted- she had to write a post about it. As noted on her previous guest post, we have serious financial conflicts of interest between us. This post grew to be far too long to be a single post, so I've split it into two. Part two will run tomorrow.]

Lucky you, you get to hear from WCI's wife a second time! This was a post I promised a year ago and I'm finally forcing myself to sit and write it. WCI gets two gifts (posts) for Christmas this year! When we moved into our new home we had very little furniture and the vast majority of it consisted of hand-me-downs. In fact, 6 rooms were completely devoid of furniture. Though we're lucky that many of our hand-me-downs are good quality due to downsizing of family members. The only furniture we had purchased on our own up this point was a small kitchen table, a coffee table, and a bed frame when we got married 15 years ago. So buying new furniture obviously hasn't been a major priority for us.

Since we frequently entertain large numbers of family and friends, one of the first furniture purchases I wanted to make for our home was a large dining room set with a matching china cabinet. I would check the classifieds on occasion but rarely

would find something in the size or style I wanted. At one point I found a set that met the bill but we decided that was not where we wanted to put our money at that given moment. As we had some extra money in the budget we would add to the furniture fund over several years. Finally we had a sizable amount in the furniture fund so we started getting serious about looking. We had a few dates to go shop at the furniture store (WCI's least favorite thing to do!) but there weren't many options in the size of table we wanted.

I wasn't happy with the quality of construction of many of the pieces so continued to look on my own. I wanted something that was solid wood (no veneers), well made, and simple styling. WCI just wanted something flat on top with four legs and didn't really care what it looked like, so we obviously had very different priorities. One day I stepped into a shop that sold furniture made by a local company. I loved many of their styles, could custom order whatever size I wanted, and could order a matching china cabinet. I contacted the company to see if I could order direct from them but that wasn't an option.



So I waited until the store had a good sale on the furniture and went to get a price quote. After I had a price quote, I called another local dealer of this brand to see if they could beat the price. They said it was a great deal and offered a little bit off which the first store then matched. For just under \$11K I was able to purchase a 10 ft. long solid cherry wood table with 12 chairs and matching china cabinet. I love the set and it will last for many years and likely be passed

on to our kids. WCI thought it was way too much money to spend on a piece of furniture as his priorities could be met with much less money, however he realized this was important to me so we agreed to spend the money. We have had many fun dinners and game nights with family and friends around this table and we have had no regrets about spending the money on it. In contrast, we also needed to replace the 15 year old kitchen table at the time as it was falling apart. *[Not true- it was quite stable after I put lots of extra screws into it. It was flat on top and had four legs to boot! Of course, I can't complain since she sold it for \$100 and we only paid \$150 15 years earlier.-ed]* I found a great cherry wood set in the classifieds for \$200 to replace that table. We decided to splurge in one area but were thrifty with the other piece we purchased. Now we'll have to get WCI to write a post about that new boat he wants to purchase which makes this table look cheap in comparison!

*[Editor's Note: I thought this post would be a great opportunity to talk about when to splurge on stuff you want that you can afford to buy. We have saved up for and purchased a ton of expensive stuff this year. The first item was the table, but we also purchased two high-four-figure vacations, an expensive home remodeling project, a fancy mountain bike, and a new furnace in 2014. We're currently shopping for a new boat. None of these items was a need, or anything close to it. But each of them illustrates important principles of spending that are worth talking about. The format will be a back and forth discussion.]*



The fancy dining room set-

gingerbread houses were  
extra

### **The \$11K Table Set**

*The first item was the table. Why did you think the table was a wise purchase?*

**Her:** As noted above, we both come from large families, have frequent house guests and family dinners and other social events and frankly need the seats. For example, over a recent one month period we had 16 people in addition to the 5 of us stay here, and hosted two dinners with over 50 people.

**Him:** We're at that point in life where there is no point to buying crap. Now if we're going to buy something, I want it to last. Although I didn't really care enough about a dining room set to spend a 5 figure amount on it, I knew that she did; it was important to her. She also researched and shopped it well. We had the money saved up, we could afford it, and it was something we had talked about and planned getting for years. Hardly a splurge.

### **The Home Remodel**

*Your next major 2014 expense was a major home remodel. You basically spent \$15K to have the entire back wall of the main floor of your home replaced with very high quality windows and a door. Why did you think that was a good way to use your money and how did you go about that purchase?*

**Her:** We had water running down the inside of the windows during bad storms. The windows were 25 years old and had to be replaced; the wood floor inside was starting to be damaged. I wanted to move the windows a bit to make room for some built-in cabinets and change the configuration of the door. The windows were very high quality, but we definitely paid a premium for it. I really detested the sales tactics of the window guy, but was happy with the eventual finished product.

All in, it took 6 months from ordering until completion of the project. But we did like the fact that the window company warrantied the whole project and addressed all the issues that came into play when the stucco guys subsequently damaged the windows.

**Him:** We had the window salesman out to the house. We had him give us a quote to replace every window and door in the house. He then applied all the discounts he could give us and the total came to \$83K. I about had a heart attack. We didn't have anywhere near that amount of money saved up for this, plus I wasn't looking forward to what seemed like having the entire house rebuilt. Some of the little changes my wife wanted (making round windows into square windows for instance) were really expensive, and I didn't see much value there. Sure, some of our windows were leaking, BUT NOT ALL OF THEM. So we decided to take this project a piece at a time and had them replace the worst section on the North wall of the main floor. These are the windows I care about anyway, since that's where we spend most of our time and we have a 180 degree, 100 mile view all the way across The Great Salt Lake out of those windows. I was really glad we did a smaller project first, to see what kind of issues we had not yet thought about, before forking out major cash. We'll likely end up replacing everything in the long run anyway, but will do it over a handful of years. Like the table, only a small part of this purchase was a need, the rest was just a big want, so we don't need to finance it or use our emergency fund for it.

*As mentioned earlier, this post was too long for one sitting, so it has been split in two. [Part two will run tomorrow.](#) We'll cover our other major purchases for 2014 and finish with 10 Rules for Spending on Unnecessary Stuff.*