Stuff We Waited To Buy

One of the most useful techniques we used as we worked to become wealthy was to delay **purchases**. We didn’t outright DENY ourselves the purchase. We simply delayed it. Sometimes that meant we changed our minds about it and never bought it at all, but most of the time we still bought it eventually. But that delay allowed the money that would have been used to purchase the item right away to be used to reduce debt, be saved up to allow us to pay cash for big-ticket items and, most importantly, be invested in tax-advantaged accounts.

We Love Retirement Accounts

You see, our tax-advantaged retirement accounts have always been a priority for us. The last time we didn’t max one of ours out was in 2004, and we have no excuse for that but ignorance—I mean, we were still buying **loaded mutual funds** back then, cut us some slack. Maxing out our retirement accounts is no small feat. Some even consider me an expert in the use of **multiple tax-advantaged accounts**. In 2017 we put over $200K (**$54K x 3 into 401(k)s**, **$30K** into **DBP**, **$11K** into **Roth IRAs**, and **$6750** into an **HSA**) into them, and I’ve got WCI readers encouraging me to start a defined benefit plan for
WCI, LLC to be able to sock away even more.

But back to the subject at hand, which is delayed spending. What have we waited to buy, in retrospect was it worth it, and did/does it make us happier to own it?

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The Big Doctor House

This is perhaps the biggest ticket item for us. Our “live like a resident” period was 4 years (I generally recommend 2-5 years, 2 for those with a high income to student loan ratio and 5 for those with a low income to student loan ratio.) During that period we lived in a 1600 square foot townhouse we paid $138K for, in what my wife would describe, as a “not-so-nice” neighborhood.

After four years, we upgraded to the big doctor house — 4400 sq ft, 100-mile view, lots of other doctors in the neighborhood, top three elementary schools in the state, etc. Was it worth it to wait? Definitely. This was a major part of us becoming millionaires 7 years out of residency. Are we still happier to own it? It’s honestly a little big for me. We have an entire floor we only use for storage and when guests come to stay (which is actually pretty often.) But I’m the least hoarder-like of everyone in my immediate family. I assure you that nobody else in the family thinks we have too much space or too much stuff in it.

[Update for 2019: When we moved into our fancy doctor house, we wife noted that there wasn’t enough storage in the kitchen and that the kitchen was way too small for the size of house. I told her she could get a fancy new kitchen when we had the money. Well, we have the money now and have embarked on a big home renovation. But once more, we waited to renovate rather than doing it as soon as we moved in.]
The Fancy Car

We bought our “dream car” 3 1/2 years out of residency, in the depths of the bear market. Between the fact that we were the only ones buying, and the fact that we were paying cash, we got a great deal. 160,000 miles later, I still love the car. My wife still loves the car. We still often use it preferentially over the new one. But waiting a few years to buy it allowed us to put $17K toward debt and retirement accounts at a time when we really needed it. $17K at 8% x 3 1/2 years = $22,255. $5K here and there really adds up.

The Brand New Car

Eventually, we got around to buying a brand new $60K car, about 10 years out of residency. It’s nice. It has Bluetooth. It does pull the boat up the hill 10 mph faster than the fancy car. Instead of buying it at the end of our “live like a resident” period, I bought that $4K Durango. $56K at 8% x 6 years = $89K. That extra $33K is more than lots of doctors put away for retirement in a year. If we let that $33K compound for another 30 years at 8%, it would grow to $332K. These decisions kind of add up after a while. I honestly don’t know if we’ll buy our next car brand new or not. It was fun to do it once, but it didn’t make me any happier than when we bought the other one, which cost less than 1/3 as much for 80% of the usable life.
The Boats

Most of my readers may not remember the old boat. It cost us $6K when we bought it four years out of residency. Delaying that purchase for a few years allowed us to buy a little piece of financial independence. But using it for 5 years before upgrading to an $80K wakeboat probably bought a bigger piece.

\[ 80K - 6K = 74K \]
\[ 74K \times 8\% \times 5 \text{ years} = 109K \]

There’s another $35K compounding for the rest of our lives. Heck, that’s 5 years tuition at our alma mater. Super glad to have waited on that one, but mostly just so we could buy what we really wanted—technology that wasn’t available 5 years earlier.

Small Ticket Items

We bought a second cell phone when we got out of residency. That seemed pretty luxurious. We waited four more years to buy a smartphone with a data plan. And even then, we only bought one of them. Waited a couple more years to get a second one. The $1000 big screen TV? About 7 years out of residency. We were millionaires at that point. New furniture? Other than a handful of very inexpensive items purchased new after getting married, we basically have only ever bought one new piece of furniture, the infamous $11K table set. The trampoline? 5 years out of residency. Nice grill? 6 years out. The gas-powered lawnmower? 3 years out of residency. The fancy mountain bike? 9 years out of residency. Did my wife get one at the same time? No, she waited two more years. (“I won’t get much use out of it since I’m pregnant and I’ll have an infant attached to me for a year after that.”) First set of brand new skis? 11 years out of residency—hers, not mine. Furniture in every room of the house? Took 3 years after moving in. Wood floors? Waited two years before purchasing. The laptop WCI was started on? $400. Pretty good return on that investment. First overseas trip with the whole family? 11 years out of residency. But none of those kids will have undergraduate
debt.

This information probably doesn’t surprise anyone who’s ever read *The Millionaire Next Door*, Stanley and Danko’s classic. Delaying purchases is a well-known habit among millionaires. But I’ll bet there are a whole lot of readers out there who aren’t using this technique now that could be in order to speed their way to what they really want— to be in a financial position that provides them freedom and choices.

The problem with Heli-skiing is every run begins and ends in a windstorm

**Cheapskates!**

Were we unnecessarily frugal cheapskates? Are we now too old to enjoy our money and the time, freedom, and luxury items it can purchase? I don’t think so. I’m only 44 and my wife is barely out of her 30s. Most would argue that my life is still less than half over. My “mandatory career” from first paycheck as a resident to financial independence was only about 13 years. 13 years of work to pay for 80 years of living. (Was WCI a big part of that? Sure. But we were on track to hit FI after 20 years even if WCI never made a dime.) I assure you that I’m at least as interested in luxuries in my 40s as I was
in my 20s. I’ll probably be more interested in my 50s and 60s.

What did all this delaying buy us? Let’s make a list:

1. I get to work as much or as little as I like.
2. I get to do whatever work I want to do. 6 day shifts a month? No problem. Type random crap into the internet for money? No problem. Go be a river guide and skip the 10-year board recertification exam I am literally taking as you read this? No problem.
3. My wife gets to do whatever she likes to do as well. Go to med school? It’s an option. Paid in cash. Go volunteer in the schools? No problem. Go on a backpacking trip with your 10 best friends because your husband can be home to watch the kids for four days straight? Sure, why not? What do we talk about at the monthly money meeting? Should we pay off the mortgage this month or finish maxing out this 401(k)? Sure beats talking about how to keep the lights on and whether we can afford for Little Suzy to be in the school play.
4. Zero money fights. Can you imagine never having to squabble about money again? There’s plenty and to spare for any reasonable desire. What are we going to fight over? Whether we fund the HSA or the Roth IRAs first? Give me a break.
5. A 1%er lifestyle. Family vacations were in Alaska and Japan this summer. I used a helicopter this Winter instead of a chairlift. There is no restaurant in the state we cannot afford to eat at and use $100 bills as napkins. Capitalism is a wonderful thing, but most of us have to turn our earned income into capital first!
6. No longer have to delay any purchase. Want a new car? We can buy a Tesla with what’s in the checking account. Each of them. Want to pick up an $800 set of ski boots? You don’t even have to check with your spouse because you know the money is there.
7. Ability to give large amounts to charity. We give four
and five-figure gifts to multiple charities every year. We can “pay it forward” to those who come behind us with things like the WCI Scholarship. I applaud those financial bloggers out there who have dedicated $100K or more of their portfolio to charity. But just by delaying purchases in our life, we’ll have given MILLIONS away BEFORE we die.

Why is this all so cool? Because we didn’t have to deny ourselves anything. Nothing at all. All we ever wanted, we’ve bought. We just delayed when we bought it, and time made all the difference. Time. Time to earn more. Time to let compound interest do its thing. Time that debt wasn’t functioning as an anchor on our financial lives. Time to learn what really makes us happy.

**Life Without Payments**

I had a PA write me recently. Like many who write me, he had been suckered into a whole life purchase 13 years prior (had just broken even!) despite having a large amount of high-interest student loans. Now here he was years out of training not only with a student loan payment each month, but a whole life insurance payment each month too.

Imagine a life with no payments! No student loan payments. No life insurance payments. No disability insurance payments. No car payments. No credit card payments. No mortgage payments.
No required retirement or college savings account payments (because you already have “enough.”) Yet you are still making your big fat doctor income. What can you do with it? You can buy your own freedom. You can buy any item or experience you want. You can really make a difference in the lives of real people with real struggles. Allow yourself to dream a little bit. And then realize that this is all within your grasp.

All you need to do is combine the high income you already have with the delaying of a few big purchases and take the difference and invest it in some reasonable way. That’s it. Now, it might not happen to you in your early 40s like it did for us. But even if it happens in your 50s or even your 60s, isn’t that still worth it? Could it possibly be worth delaying the purchase of the big doctor home until the student loans are gone? Could it be worth driving that beater another year or two? Could it be worth putting off that home improvement or fancy vacation?

As Home Depot says, “You can do it; we can help!” You CAN delay your purchases. You’re in control. This is your life. Your choices. Your consequences. Instead of trying to figure out how quickly you can start living the “doctor lifestyle,” try to determine how long you can hold off doing it. “Future You” will kiss your feet for it.

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What do you think? What role has delaying purchases played in your financial life? Do you think it is worth it? Why or why not? What percentage of purchases you delay do you end up not buying at all? How do you balance deferring gratification with seizing the day with the time we have on this planet? Comment
below!