

The power of investing in yourself

Spending on small luxuries can be a smart financial move—if you do it strategically. Listen up as finance expert Nicole Lapin says, “You deserve that daily latte!”

Nicole Lapin is a former CNBC and CNN anchor and the author of *Rich Bitch: A Simple 12-Step Plan for Getting Your Financial Life Together... Finally.* >

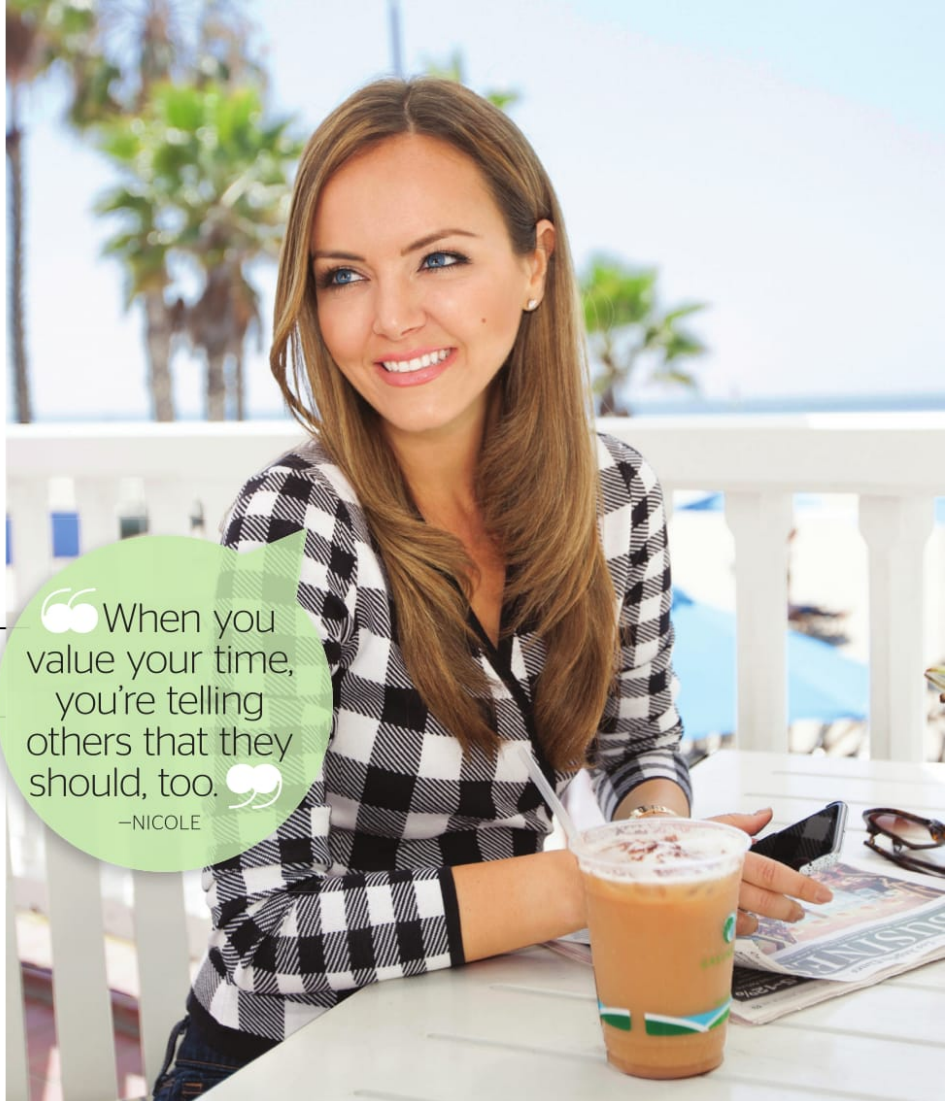
That’s right: I’m giving you full permission to buy that morning Starbucks. True, other financial experts will tell you to ditch your small expenses to save money—and technically, yes, forgoing that daily latte might keep about \$1,500 in your pocket per year. So now you’re thinking, *What’s up, Nicole? Why don’t you want me to save \$1,500?* I believe you have the potential to save more than that, even with a store-bought coffee in hand. Hear me out.

Your time is money. Think of yourself as having billable hours, because your time is valuable: There is a finite number of minutes in the day, and you’re busy. To calculate your hourly rate, divide your monthly income by the number of hours you work per month. Let’s say you value your time at \$20 per hour, and it takes you one quarter of that hour to brew coffee at home (don’t forget about cleaning the pot). Sure, you’re saving \$5, but that same 15 minutes is also *worth* \$5—or maybe more, which would make that latte *cheaper* than brewing your own. The same idea applies to a homemade lunch or a manicure that takes you 45 minutes but a pro 15. Doing everything yourself burns you out. If you choose to buy one or two of those things instead, you’ll get those minutes back, feel less frazzled, and have more energy to tackle your day. Maybe you’ll use that extra time at the office and work your way to a raise down the line. Or maybe you’ll spend those minutes refinancing your mortgage. Either way, stop getting bogged down by D.I.Y.-ing it all and start thinking big picture.

Little “luxuries” can pay dividends. I’m not suggesting you spend willy-nilly on anything you want. Believe me, I know the importance of being thrifty and finding extra dollars; I’ve sold my old clothes and haggled for better rates on bills. But I also put stock in small expenses that make me more organized, confident, and productive. I subscribe to trade magazines to

“When you value your time, you’re telling others that they should, too.”

—NICOLE



stay up on my industry, I take a cab when I need to be on time to a big meeting, and I get a manicure before work events to feel like my most polished, powerful self. Some people might say these expenses are frivolous, but I make them consciously and I take them seriously. Even a haircut or a lipstick, if it makes you look professional, is an important buy. Many studies have linked confidence to higher salaries and better performance—and many others show that women tend to lack that confidence, according to Claire Shipman and Katty Kay, coauthors of *Womenomics*. So invest in the things that help you feel like a winner! There are areas to cut back in, but tools for self-betterment and career enrichment do *not* fall into that bucket.

Denying yourself can backfire. Here’s another way to look at this: Crash-dieting rarely works, right? It leads to bingeing later. If I denied myself a latte, I’d feel cranky and strapped, so I might make a pricier purchase elsewhere—research has linked poor spending choices and compulsive shopping to the need for a mood boost. So smartly placed buys can help you abstain from costly impulsive ones. (I have an unused Pilates machine at home to prove it.) Trust me, depriving yourself and putting too many demands on your time leaves you feeling poor and stressed. When you invest in yourself and value your time, you’re telling others that they should, too. And *that* is a recipe for success.