

# CHAPTER 1

## What Is Wealth?

*When I was young I thought that money was the most important thing in life.*

*Now that I am old, I know that it is.*

—Oscar Wilde

**B**efore we determine what the definition of wealth *is*, let's discuss what it definitely *isn't*. Monetary wealth is not a pile of cash sitting in a bank account. Even if you have money in a savings account, the amount you earn in interest is not likely to be anything to get wildly excited about. And if you find the need to dip into it to supplement your monthly outgoings, and you're not constantly topping it up, it will be depleted very quickly.

No, cash in the bank is the very last thing that makes us *wealthy*.

So is your wealth simply whatever you own in assets? Well, only those that are appreciable assets, such as your house, your art collection and your business (potentially) should be counted. But you still have to subtract your liabilities to come up with a figure that is your net worth.

What is your net worth?

Write down the value of all your assets (everything you *own*), then write down the total amount of all your liabilities (everything you *owe*). The difference between these figures is your net worth.

Your Assets – Your Debts = Your Net Worth

Many people think they are wealthy because they have a big bank balance and some equity in a property, but when they subtract their mortgage, their car loans, their credit cards and other debts, they realise that they are effectively broke.

Don't get depressed if you have a negative net worth at the moment. You may technically be "worthless" at the moment, but there is plenty you can do (as you will discover by the time you finish reading this book) to change that. Also, many people live in a state of negative worth. We've been sucked into a culture of carrying debt; we are the second generation of "have it all now, pay for it later". Our grandparents would be horrified at how much debt we get into these days!

But there is another way, a better way, to live. There is a way of massively increasing your net worth. You can see it if you just look at the equation above. All you need to do is increase your assets and reduce your debts. The more *appreciable* assets you have, the easier this becomes.

So monetary wealth is a fairly straightforward measurement. But that is only one type of wealth that we are talking about here. We also place a huge value on what you are worth to the world in terms of your attitude and feelings. We are talking about your *moral wealth*.

How can we really define and measure moral wealth?

While we all have slightly different values and beliefs, there is a general code of ethics that most of us try to live by. Abiding by the law and not stealing or harming others is obviously the basic level of a moral code. Beyond this, the level at which individuals show compassion and generosity towards others, the depth of their integrity (honesty, trustworthiness, and reliability), and any other attributes they possess, and actions they take that contribute to enriching humanity, are all factors that count towards determining how morally wealthy they are.

This is great news for people who realise they are technically worthless in monetary terms. At least they can feel wealthy in some respect! In fact, increasing their moral wealth is the way some people contend with having little monetary wealth. However, the more you increase your moral wealth, the more you should be inspired to increase your monetary wealth, so that you can literally *do* more with your great moral wealth!

These two types of wealth – monetary wealth and moral wealth – are very much related, even though they appear very

different and tend to produce different feelings in people. High moral wealth generally makes people feel positive and good about their purpose in the world. High monetary wealth makes people feel empowered. So it follows that a person with high moral wealth should want high monetary wealth in order to do more good in the world.

We will come on to explore the relationship between monetary and moral wealth more closely in the next chapter. The point is, people can be monetarily wealthy, and they can be morally wealthy; the two are technically independent of each other, even though they can have a strong relationship. Of course, conversely, people can be monetarily worthless and/or morally worthless.

When people have low or negative moral wealth, this can lead to immoral behaviour. This may cause them to want to harm others, and even sometimes themselves. The most dangerous type of person is one with low moral wealth and high monetary wealth. Money often gives these people ways of covering their tracks and enables them to pay for expert legal defence to get them off serious charges. After a highly publicised and televised civil trial, O. J. Simpson was acquitted of murder. In a private lawsuit he was later held accountable for damages relating to the wrongful deaths of his victims, suggesting that the evidence against him pointed to his guilt. He is now in prison for a totally different crime; he is serving 33 years for robbery. The point is, how was he acquitted in one trial and found guilty in another? Presumably it had something to do with his ability to pay for some of the best and most expensive defence lawyers. A person of more limited means might have had a different outcome because he or she wouldn't have had such a good defence team. And what about the case of Dominique Strauss-Kahn, the former head of the International Monetary Fund, who was accused of sexually assaulting a chambermaid in a hotel in New York? He was acquitted of the charges. Would a different man, a less high-profile man, with limited means and a weaker legal team, also have been acquitted? It's interesting to ask these questions.

It seems that it does not necessarily follow that high monetary wealth *leads* to high moral wealth.

Neither does high moral wealth necessarily lead to high monetary wealth.

In their day, great artists and literary figures such as Van Gogh and Shakespeare were often broke. They had high intangible value

because they were so talented and were producing works of art. But these works did not become extremely valuable until after their creators' deaths. When they were alive these people had high moral wealth but low monetary wealth – although one could easily argue that Van Gogh's moral wealth was questionable because he caused himself great physical harm in cutting off his own ear. He was quite possibly depressed or suffering from some form of mental illness. Perhaps he was unaware of his talents. Perhaps if someone had helped him raise his self-worth, his moral wealth, he may have gone out and sold more paintings and become a monetarily wealthier person. J. K. Rowling clearly had enough self-worth to believe she had something of value when she submitted her Harry Potter series to publishers. Despite being repeatedly turned down, she never gave up. Now she has monetary wealth (intellectual property is a highly valuable asset, often appreciable and also generating income from royalties and licenses) and we have the wealth of her Harry Potter stories. Imagine if she had buried them in a suitcase and died before they were ever discovered ... both she – and the world for a certain length of time – would have been deprived of a great deal of wealth!