Affluenza

Issue 114: May 2026

We are surrounded by abundance. We have more convenience, more access, more information, and more choices than any generation before us. Yet many people feel strangely dissatisfied, even anxious that they are falling behind. They are worried that they do not have enough, or convinced that the next purchase will finally bring peace.

This modern condition could be referred to as affluenza – the quiet disease of having more and often associated with being privileged (if compared to previous generations). It is not a medical diagnosis and it is not only limited to wealthy people. It is the quiet pressure to keep upgrading – to keep consuming – and to keep improving, often through lifestyle that we are doing well. The danger is not only financial. The deeper threat is that it can distract us from the real purpose of money. Isn't it to create freedom, financial security and a life well lived?

The comparison trap

In the past, our comparison was local. You compared yourself to a neighbour, a colleague, or perhaps even a family member. Today, the comparison is global and constant. We try to keep up with strangers. Yes, people we don't even know!

Social media has become a never-ending highlight filled with holidays, new cars, renovations and success stories; however, the comparison is rarely fair. We see other people's best moments and not their stress, their debt, their sacrifices or perhaps their private worries. The fastest way to feel poor is to compare your life to someone else's highlights.

Lifestyle inflation (the silent retirement sniper)

One of the most common threats to long-term wealth is not market volatility or even high management fees. It is lifestyle inflation. It happens when rising income quietly turns into increased spending with more amenities. What used to feel like a luxury becomes the new normal such as a bigger home which becomes a necessity. A premium car becomes what we expect and travelling becomes non-negotiable. Even daily conveniences become essential.

Lifestyle inflation is dangerous because it compounds year on year, but in the wrong direction. It locks families into higher monthly commitments, reduces savings capacity and increases financial stress over time – even for high-income earners. Perhaps many people don't have a money problem, but a lifestyle commitment contest.

Materialism and the illusion of happiness

Sometimes we trade short-term fun for permanent monthly commitments. The modern economy is extremely good at selling the idea that happiness implies more convenience or is only another purchase away. Research and life experience however point to these truths:

- The excitement of new things fades quickly;
- The "more" target keeps moving;
- The pressure to keep up never ends.

A practical insight for financial planning is that spending habits are rarely about the item or money. They are about our emotions in the hope that it will give us – comfort, status, security, belonging or relief.

Wealth is often invisible (rich versus wealthy)

There seems to be a critical distinction here. Being rich is often visible such as spending, lifestyle, upgrades etc. Whereas being wealthy has a broader connotation and often invisible such as savings, investments, financial freedom and may include your health. Perhaps wealth could be defined as:

- The ability to decline, or say "no";
- The ability to choose your own time over money;
- The ability to withstand life's challenges;
- The ability to sleep peacefully.

Maybe one of the best definitions of wealth is freedom and to quote Morgan Housel: "*Money's greatest intrinsic value — and this can't be overstated — is its ability to give you control over your time.*"

What is the enough point?

Affluenza thrives when there is no definition of enough. The most powerful financial word. It is something each person needs to explore and define for him, or herself. If we do not decide what enough looks like, the world will decide for us — and it will always suggest that enough is slightly more than what we currently have. Is the focus on what we have, or do not have? A powerful exercise for every household may be to determine:

- How much is enough income?
- What lifestyle is enough for me, or us?
- What is enough financial security?
- How much is enough for retirement one day?

Because once "enough is clear, financial planning becomes far simpler, priorities align, trade-offs become easier, stress reduces and a personal financial plan becomes sustainable.

Habits that build financial freedom

Here are practical tips that could make a significant difference:

- Increase savings when income increases; i.e. avoid letting spending absorb every raise;
- Automate good behaviour. Debit order contributions towards retirement accounts with a tax-break and discretionary investments such as Tax-free Savings Accounts (TFSA) remove emotion from decisions;
- Consider a "cooling-off rule" for big purchases. For example, 48 hours or even 7 days can prevent regret;
- Beware of permanent lifestyle commitments. The real risk is not the once-off purchase price – it is the monthly **future obligations that escalate over time**;
- Measure your progress in a different way - not by lifestyle, but by a savings rate, net worth and financial peace of mind.

A financial planner or coach can be invaluable. Here a financial coach or advisor could be of tremendous value Such a person can provide assistance with measuring milestones and setting goals. The planning does not have to be perfect, but the process does have to be consistent. Financial success is less about technical brilliance and more about our behaviour over time.

In conclusion

The financial goals for each person are different. We are not dealing here with a money problem. It is a meaningfulness issue at large. It is the belief that more convenience and consumption will produce more fulfilment and comfort. That said, we also know that money is not the scoreboard. It is a tool.

The true aim of personal financial planning is to live a balanced life well — with financial freedom, security and gratitude. In the end, the greatest luxury is not another upgrade or holiday. It is enough and that is different for each person.

All commentary is the personal opinion of the key individual(s) at Afrafin (Pty) Limited. While opinions stated are honestly held, there are not any guarantees and should not be relied on. The information provided should not be construed to be specific investment advice that merits any decision. We encourage anyone to contact us when they have questions.