



Guiding You To Grow, Protect and Focus Your Wealth  
9700 El Camino Real, Suite 302, Atascadero, CA 93422

### **Book Review: The 5 Types of Wealth by Sahil Bloom**

Bloom introduces the concept of the “arrival fallacy” which holds that meeting a goal will bring a lasting sense of satisfaction. He shares his own journey. He was financially successful, but a friend pointed out that since he only saw his parents once a year, he would probably only see them about fifteen more times before they died. That got his attention, and he began to examine his life and what was really important to him. “I had prioritized one thing at the expense of everything.” It is easy to fall into the trap of single-mindedly pursuing financial wealth, but this won’t bring satisfaction. Instead, he offers four other types of wealth that most people want – time wealth, social wealth, mental wealth, and physical wealth. Financial wealth is important as well, but mostly because it can be used to achieve the other four types of wealth. “Your wealthy life may be enabled by money, but in the end, it will be defined by everything else.” Bloom notes the folly of pursuing more money than we need at the expense of the other types of wealth. “Never let the quest for more distract you from the beauty of enough.”

Time wealth is the freedom to decide of how to spend your time and with whom, and “when to trade it for something else.” Social wealth is connection with others, which can be both personal and professional relationships. It is not about status, but deep connection. Mental wealth is connection to a higher purpose and meaning. This is the driving motivation in our life. Physical wealth is your “health, fitness and vitality”. Financial wealth is your assets minus your liabilities, but Bloom adds as a liability your expectations. If your lifestyle expectations are high, you need more assets to attain the same level of satisfaction. Bloom recommends we think through what we really want in each of these areas of our lives and then work backwards to medium-term goals to reach our long-term vision.

Bloom quotes James Clear, from Atomic Habits, “You do not rise to the level of your goals. You fall to the level of your systems.” Creating good goals is not enough. We must develop systems to accomplish those goals. We must become the kind of person who does what the goals require. “Systems are the daily actions that create forward progress. Leverage amplifies the output of a single unit of input. Combining the two ideas, high-

leverage systems are the daily actions that create amplified, asymmetric forward progress.” Bloom notes that high achievers know how to focus their effort. They spend very little energy on things that make little difference, and work very hard on the high-leverage activities.

The keys to time wealth are to be aware of it and to resist the cultural mandate toward busyness. We are considered successful when we live in time-poverty to achieve financial wealth, but this isn’t always a smart move. There are seasons where we focus on building one area of wealth while only maintaining the others, but we should be thoughtful about this. The second key is to remember that all time is not the same. There are sometimes things that are much more powerful for certain tasks or processes. Doing things at the right time leads to time wealth. Deep focus on one task is much more powerful than trying to do many things at once. The third key to time wealth is that more time is not necessarily better. There is a sweet spot. Too little time and we can’t enjoy ourselves. Too much and we feel bored and unfulfilled. Bloom summarizes time management techniques from popular personal productivity books. Prioritize, delegate, give yourself deadlines, etc.

Social wealth is important and easily overlooked. The Harvard Study of Adult Development, the longest running longitudinal study, found that social connections are the most important determinant of satisfaction, and that they even influence physical health. If you want to be happy, maintain close friendships. “The single greatest predictor of physical health at age 80 is relationship satisfaction at age 50.” (This hit home for me, as I will be turning fifty this year.) Bloom also stresses the value of spending time with your kids, stating that we have about ten years where we are the most important person in our children’s lives – their whole world. Then they start to develop outside friendships and interests that become important to them. If we lose the narrow window, we may never get another chance. “In twenty years, the only people who will remember that you worked late are your kids.” (This also hit home, as my son was born around the time, I read this.) This does not mean we can’t work demanding jobs and have a good relationship with our children. It takes intentionality. Explain your work to your kids so they feel a part of it and understand when you do need to work late. Maximizing social wealth is best summarized by this great quote, “Happy people love people, use things, and worship the divine; unhappy people use people, love things, and worship themselves.”

Bloom defines mental wealth as being connected to a higher purpose and living according to that purpose. People with mental wealth have a growth mindset – they believe they can change for the better. They reflect on the past, but don’t get stuck in it. A good method for self-improvement is to spend 30 minutes per day working on something for 30

straight days. Bloom suggests that of all the books we read, only a handful will truly change our lives, so we should reread those every year.

Physical wealth must be deliberately cultivated through a healthy lifestyle that includes exercise and nutrition. Bloom avoids the word “exercise” as if it is a dirty word, preferring the faddish phrase “move your body” as if that was synonymous. While moving throughout the day is important, simply walking to the bathroom is not enough for a high level of fitness. Bloom does recommend focusing on strength training, cardiovascular exercise and flexibility, but refers to them simply as “movement”.

Bloom warns against the illusion that we will be happy once we get a little more financial wealth. Many billionaires do not seem to be very happy and fulfilled. He noted that the ten richest people in the world, as of the writing of the book, had a total of 12 divorces among them. (He later updated this stat on LinkedIn to 13.) We have financial wealth when our lifestyle meets our expectations. If our expectations grow faster than our means, we will never get there. This is a trap. “When the future arrives, you just reset to the next material goal. It’s natural, but it’s a dangerous game, one that you will lose eventually. If you convince yourself that your satisfaction, fulfillment, and happiness are contingent on the next financial milestone – the next more, you will never find it.” Rather than focusing on having more, focus on blessing others. “Be frugal with yourself and generous with others.” Bloom also takes on the idea that hard work is overrated, and that working smart is what matters. We need to work hard first, and then we figure out how to work smarter as we develop proficiency.

Conclusion: at times the book feels like an amalgamation of other popular books of recent years, but it does contain good wisdom that needs to be heard repeatedly. His key insight is that we have less time with our loved ones than it feels like we have, and our default lifestyle choices (perhaps imposed on us by our culture) do not necessarily serve our best interests. We need to consider what is truly important to us and then arrange our lives accordingly. The five types of wealth are somewhat arbitrary – one could come up with different categories – but the essential point is that focusing just on financial wealth misses other areas of wealth that are at least as important, and that financial wealth really only matters to the extent it enables these other areas.