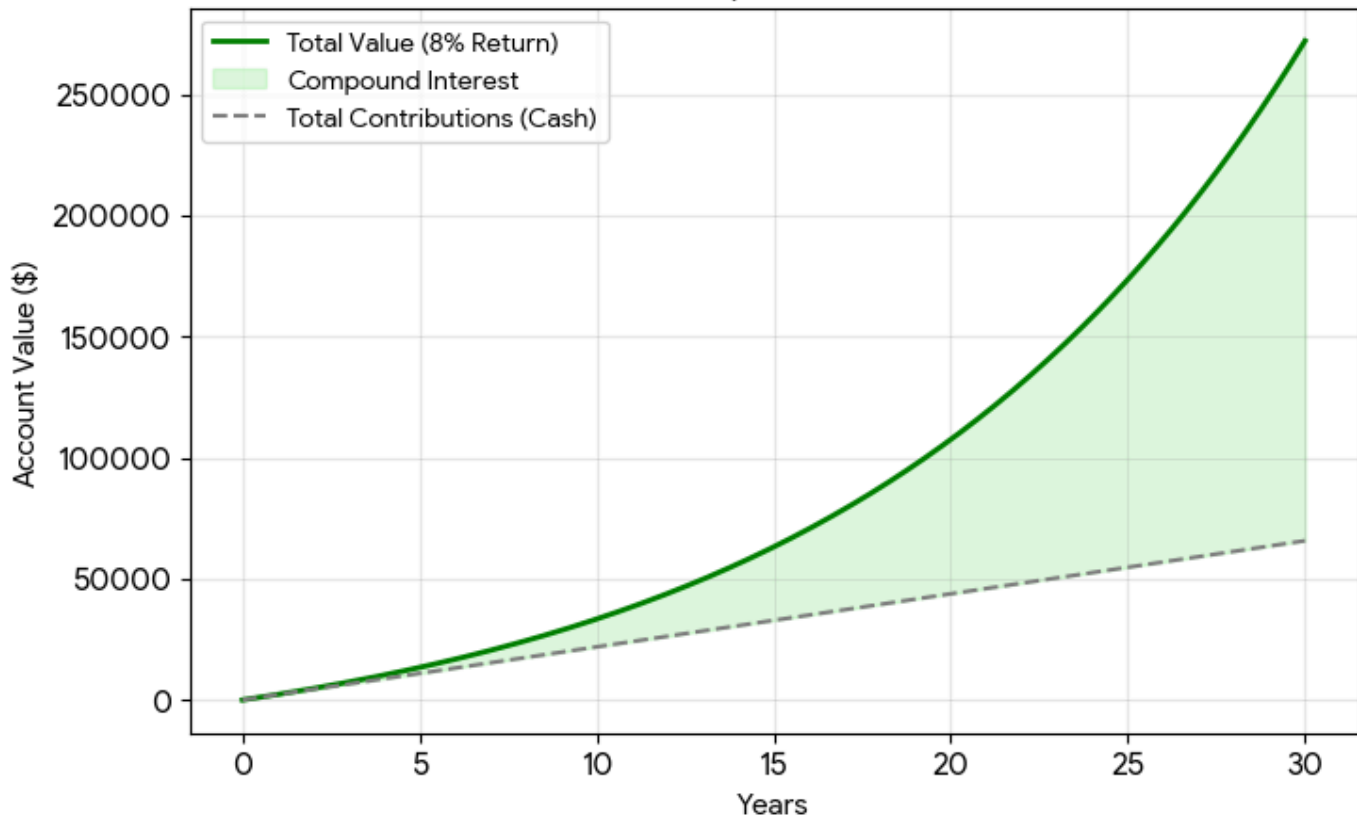




The "Latte Effect" is used by many to label small daily luxuries as wasteful. Spending \$6 a day on iced java is \$2,190 a year. Factoring in lost investment opportunities, this spending could mean missing out on substantial long term wealth accumulation through compounding.

The Latte Effect: \$6/Day Invested @ 8% for 30 Years



However, we at [Take10TM](#) believe if buying the double half-caf frappuccino con carne (bring your own spork) at Star-buck\$ brings you joy, then "you do you!" The concern arises when daily indulgences persist despite the spectre of high-interest debt (e.g. credit card balance) looming in the background. As with all spending, we encourage a mindset of intentionality, which simply means acknowledging the trade-offs.

[Take10TM](#) does not peddle shame. Personal finance is about managing scarcity through choices. Every choice has an opportunity cost—the value of the next best alternative. You can purchase almost anything, but not everything. If you truly value your latte, look elsewhere to cut \$6 of less intentional [spending](#).

Speaking of which (joke alert!): What do those who buy lottery tickets and lepers have in common? They both scratch and lose. In 2025, Americans spent an average of [\\$269 per person](#) on scratch-offs; North Carolinians spent [\\$344 per person](#), the fifth most in the country! (Source: State lottery commission annual reports & U.S. Census Bureau population estimates.)

This ain't just a money thing...

Time is our most valuable non-renewable resource. If your time brewing morning pleasure is a stressful proposition (barking dog, screaming kids, demanding spouse, dirty kitchen, etc.), the peace and convenience of a drive-thru at the local bean barn might be a worthy trade-off for one's mental well-being. If the time and energy it takes to do yardwork on the weekend doesn't bring you joy, paying a teenager to do it may be a no-brainer. Scarcity applies to our *time and energy* as well our financial resources.

How you spend your time and money on this mortal coil is up to you of course. Living intentionally requires discernment. Shaming individuals' specific preferences and small joys isn't helpful. What good is time and money if you are not enjoying either?

Use these reflections to decide if an indulgence is worth it:

- Is this good or service something I truly value?
- Do I have high interest debt?
- Can I do this differently, or later?
- Does this purchase conform to [The 0.01% Rule](#)?
 - * Limit a single daily indulgence to no more than 0.01% (divide by 10,000) of your (liquid) net worth.
 - * Net worth = (Liquid) Assets - Liabilities
 - * See [Power Move #14](#) for full explanation.

Power Move #13 The Latte Effect

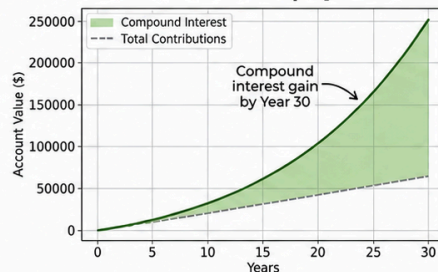


VALUE JOY, NOT MINDLESS SPENDING

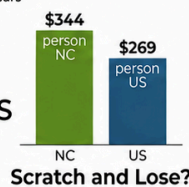


MORNING GLORY

GROWTH OF \$6/DAY



North Carolina lottery spending vs the US average



REFLECT BEFORE YOU INDULGE



DO I TRULY VALUE THIS?



HIGH-INTEREST DEBT?
CAN IT WAIT OR BE DIFFERENT?



CONFORMS TO 0.01% RULE?

$$\frac{\text{net worth}}{10,000}$$

THE AGGREGATION OF MARGINAL GAINS COMPOUNDS



UPGRADES IN THE 1% BETTER COMMUNITY FORUM

Call to Action: List 3 examples of unintentional or mindless spending of money or time.

- 1)
- 2)
- 3)

Take the week to make intentional choices, spending your time and money on what you truly value. The aggregation of these marginal gains compound over time. Consider sharing your upgrades in the [Take10™](#) 1% Better Community forum, perhaps over a cup of java at your favorite coffee barn. Bring your own spork!