

Your Reference Points are making you miserable

Isn't it interesting how almost all our desires are based on external Reference Points?



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During a recent visit to the salon, a young mother entered with her school-going son. She asked for a specific hair stylist and I quote her verbatim: “I want my son to have the exactly same haircut you gave his classmate Vikram”.

Going by the determined way she conveyed that, it clearly never occurred to her to question whether the “same haircut” would rest well on her son’s head (as it did on Vikram’s).

We all have frames of reference. It is normal. It is human.

Middle-class folk won’t view the house help as a reference point. Their reference is other rich folk in the neighbourhood, family, or professional and social circle. Millionaires won’t view the middle class as a frame of reference; they will look up to others in the millionaire club.

The desire is to beat their peers at the perception game, or at least keep up - the car you drive, the school your children attend, the clothes you wear, your holiday destinations, the restaurants you visit. And since the definition of “rich” keeps changing, the goal post keeps shifting, making it impossible to hop off the hedonistic treadmill.

I found the frames of reference very revealing when it came to winners in sports.

A 1995 [study of Olympic medalists](#), revealed that Bronze medallists visibly appeared significantly happier than the Silver medallists. Ironic, when you consider that Bronze is lower than Silver. Here’s why.

The most easily imagined alternative for the Bronze medallist was no medal at all. They are relieved that they made it to the podium.

(Reference Point: *Thank goodness I at least got a Bronze and did not leave empty handed like a loser!*).

The most easily imagined alternative for the Silver medallist was the Gold.

(Reference Point: *I feel like kicking myself. I was almost there! The Gold just slipped out of my hands. Gosh! I feel such like a loser!*)



Gymnasts Bronze medalist Aliya Mustafina, Gold medalist Gabby Douglas, Silver medalist Victoria Komova

image source

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Last year, I interviewed Devina Mehra, Chairperson & Managing Director at First Global, and I loved her perspective on this. Here's what she said (I paraphrased slightly):
"In school I was younger than my classmates, yet I was a class topper. In my undergrad, I got 88% and the second highest was 78%. If I had benchmarked against my peers, it would have worked against me. Instead, my internal Reference Point was - *Am I doing my best? Would I later be disappointed at the outcome because I did not give it my all?*"

A few months ago, I asked a very career-oriented professional in Mumbai if she would consider moving abroad. Without hesitation, she quipped: "My family matters to me. My grandparents, parents, siblings, nieces, cousins, husband's parents... all live in this country. I could never walk away from this."

I picked up 2 learnings from both these women:

- a) Once you figure out your internal Reference Point, the clarity you get is immense. It becomes your True North and guides all your decisions.
- b) More pertinently, your True North could be monetary, tangible, or intangible.

I am not saying that a rich lifestyle should not be your Reference Point. There are plenty of individuals who want the trappings of the wealthy – the Lamborghini, the ability to holiday anywhere in the world, the best table in the most sought out restaurant, membership to exclusive clubs – but simultaneously scorn the commonplace fame of a TV star or social media influencer.

They know what they want from their money.
They know what they despise.

So here's what I want you to takeaway.

This may sound counterintuitive, but hear me out.

Don't let your wealth determine your desire. Because then it is never enough.

Reverse it.

Decide what you want from life, and then aim to financially get there.

When you lack a strong conviction about what you want from life, you will always default to the 2 lowest common denominators:

- a) comparison with others
- b) blindly accumulate money for the sake of it.

I reiterate.

Your Reference Point should never be the earnings or lifestyle of another. What they do, what they own, and how they live. Neither are you playing to accumulate millions (USD) or crores (INR) for the sake of it. Thinking solely in absolute numerical figures (\$1 million, \$10 million) is futile.

Decide on the lifestyle that makes you smile. That truly warms your heart. Then figure out how much that translates to monetarily, how you are going to achieve it and maintain it.

Your money must buy you your unique and personalised standard of living. The money must be a means to that end.

Now go get it.

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