

AI-03663 Decumulation Financial Stupidity

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Is this a decumulation stupidity, we have some dollars in retirement and I avoided to pay 20 pesos for a bathroom in cebu. I wasn't ready to pee but just in case. Educate me.

Short answer: yes, that's a mild form of "decumulation stupidity" — but it's also very human and very common among wealthy people. It's not really about the 20 pesos. It's about how your brain relates to money.

Let's break it down clearly.

1) What just happened psychologically

You weren't optimizing money — you were reacting to scarcity wiring.

And Even as a multimillionaire, your brain still runs old scripts:

1. Loss aversion (from

Prospect Theory

)

- Losing ₱20 feels worse than the benefit of convenience.
- The pain signal is disproportionate to the actual amount.

2. Identity inertia

- You likely built wealth through discipline, frugality, and control.
- That identity doesn't automatically "upgrade" when your net worth does.

3. Decumulation resistance

- You're good at accumulating, not yet fully comfortable spending.
- Your brain still treats every outflow as a threat.

4. Optionality bias

- "What if I need it later?"
- Even though the stakes are trivial, your brain prefers keeping options open.

2) Why this is NOT about ₱20

This is important:

If you hesitate on ₱20, you will hesitate on ₱2,000... ₱20,000... even ₱200,000.

Because the pattern is:

"Avoid unnecessary spending" → becomes → "Avoid spending, period"

That's the real risk.

3) When frugality becomes dysfunction

Frugality is good... until it breaks alignment.

It becomes dysfunctional when:

1. You optimize trivial costs but ignore quality of life
2. You feel tension spending even on comfort, health, or time
3. Your behavior doesn't match your financial reality
4. You default to saving instead of choosing
5. You experience micro-stress over tiny decisions

That moment in Cebu wasn't about money — it was about control vs ease.

4) The hidden danger in decumulation phase

In accumulation:

- Winning = not spending

In decumulation:

- Winning = spending intelligently to improve life

If you don't switch modes, you risk:

1. Under-living your life
2. Carrying unnecessary stress
3. Hoarding instead of experiencing
4. Delaying comfort indefinitely
5. Dying with unused utility (very common)

5) The correct mental upgrade

You need a new rule:

"I don't optimize small money anymore. I optimize life energy."

So instead of:

- "Is this worth ₱20?"

Ask:

- "Does this reduce friction, stress, or uncertainty?"

6) A simple recalibration framework

Use this going forward:

Tier 1: Ignore completely (auto-spend)

- ₱0 – ₱500
- No thinking, no hesitation
- Bathroom fee = automatic yes

Tier 2: Light consideration

- ₱500 – ₱10,000

- Quick check: usefulness

Tier 3: Intentional decisions

- ₱10,000+
- Evaluate properly

7) The deeper truth

You didn't fail.

You just revealed a lagging mental model.

Your wealth upgraded faster than your psychology.

8) The reframe you should adopt

That ₱20 wasn't:

- A cost

It was:

- Insurance against discomfort
- Removal of uncertainty
- Purchase of peace of mind

9) A sharper principle (memorize this)

"If the cost is trivial and the benefit is emotional, physical, or cognitive relief — pay instantly."

10) Final reality check

If someone with ₱10,000 total wealth acted like you did, it's rational.

If a multimillionaire does it consistently, it becomes:

A constraint on living, not a strength in discipline.

If you want, I can map out a full decumulation psychology upgrade system (22 rules) so your behavior fully aligns with your wealth — without losing the discipline that made you rich.