Jared Dillian: Living a Stress-Free Financial Life

Jared Dillian is the editor of The Daily Dirtnap, a daily market newsletter that has been published since 2008. He worked for a small floor market maker on the Pacific Options Exchange while completing his MBA with a concentration in Finance through 2001.

He was a trader for Lehman Brothers from 2001 to 2008 specializing in index arbitrage and ETF Trading. And is an author of multiple books including the soon to be published NO WORRIES: How To Live A Stress Free Financial Life, to be published in 2024.

Jared immediately starts off his talk by speaking about how many of the people that we consider personal financial gurus aren’t teaching their followers to have a healthy relationship with money. His main argument for this is that a person’s relationship with money should not stress them out more than 1% of the time. Money stress will compound other stress throughout people’s lives.

He furthers his discussion by people choose how much money they make. With the example of a history professor at a university he states that this individual chooses to teach history, they are a highly qualified, intelligent, and capable individual. This person could do many things to make more money but are choosing to make less money on purpose.

Jared mentions different ways people could get more money. His first option is asking for a raise, while this option will get you a little more money it is dependent on how much your boss likes you. Next, if you are an hourly employee, he mentioned working longer hours. While this is makes you tired, it will make you more money, however, there are only so many hours in the day. His next suggestion is to go to school to learn a new skill, however, this option is not as practical with the prices of upper education.

He also suggests you could get a new job, but this doesn’t solve the problem of scalability. Next, he mentions getting involved with passive income. He does note that this can be extremely profitable, however, passive income often ends up becoming a full-time job and can carry a lot of risk. Lastly, he suggests starting your own business. He strongly suggests this as the best of the options. Even if you are the sixth best in your industry, you will still be extremely profitable, while you may fail, you are in charge of your own destiny.

Jared continues with his personal finance wisdom by mentioning that people should be expanding their personal horizons and increase the topline, not the bottom line. While you may save money by cutting your grocery bill or saving on the power bill by avoiding air conditioning, you are making yourself and everyone around you miserable. This often can lead to strain in relationships.

Lastly, Jared mentions that it all comes down to a person’s financial stress. There are only two aspects of financial stress: debt and risk. While it is very hard to live without them, if you can keep them at manageable levels, you will live stress free. He specifically mentions to do this to keep your housing costs below 20% of your income, transportation costs below 10% of your income, and to never borrow. More than $40,000 in student loans.