

An Old French Librarian and his Effect on Modern Life



It is fair to say that, for most of us, the last year or so has been a time of tightening financial belts due to rising inflation, alongside constantly looking at our investment portfolios which are not growing in the way we would like them to grow - If they are even growing at all.

Everybody has bought something which then prompted them to buy something else to go with it, and then something else.

Before they knew what was happening, they had spent much more than initially intended and maybe felt a little bit stupid for breaking the budget (if one had even been set).



For example, you finally decided to replace your old dining table, and then you thought that you should have a tablecloth to match, then maybe a vase, and it's about time that you had a full new dinner service (because that's adulting). Then, come to think about it, the couch is a bit shabby too.

This the Diderot Effect.

With that in mind let me return to the old French Librarian.

It is a situation related to the purchase of consumer goods, that was first recorded over 300 years ago. It is surprising how long people have been thought of as "consumers".

Denis Diderot was a famous 18th century French philosopher and librarian who first described this effect in his essay 'Regrets on Parting with My Old Dressing Gown'.



Diderot, despite being famous, lived most of his life in poverty. In 1765 he came into some money and was also given a beautiful new scarlet dressing gown. He compared this lush new robe with the rest of his possessions and they began to look second-rate to him.

He replaced his old straw chair for one covered in Moroccan leather. His tatty desk was replaced with an expensive new one. He even removed the art on the walls, replacing it with more expensive works.

This spending pattern continued and eventually plunged him into debt, such that he ended up wishing that he had never received his beautiful robe.

It is probably as much a familiar situation for many people today as it was for Diderot in the 18th century.

Diderot in Today's Consumer-Driven Economy

Large retail companies and their marketing departments have been aware of and playing with The Diderot Effect for a long time, in a continuing attempt to convince people to buy not just one product, but a whole series of them.

A great example is mentioned in this short BBC video you can find on YouTube video called Why New Things Make Us Sad, that in part mentions IKEA. Anyone who has been to IKEA is familiar with their display rooms.



These fully fitted and designed rooms, often with a branded, named, group of complimentary products at the core, are there to give a sense of the type of person who would live there.

If the customer aspires to be that person, then buying that new sofa may also mean

buying the TV furniture and the coffee table, to match, and so on.

The Diderot Effect tells us two things about ourselves:

- People buy goods that complement each other and build towards a unified image they have of their own identity
- If an item is obtained that doesn't fit that identity, the temptation is to either disregard it or make it the centrepiece of a new identity (the 'new you')

This means we all care about buying things which in our opinion, work together, and that we believe fit with who we are.

How to deal with this never-ending escalator of desire to ensure that it doesn't negatively affect long-term financial goals?



Firstly, awareness of the Diderot Effect allows preparation for it.

What works for many is trying to think ahead about how the next big purchase can fit in with their current lifestyle. Beware the lure of a whole new look because it can start a spending spiral.

What is coming up this year? Planning to move house? Buying a new bike? A car? Some furniture?

Write down what you plan to purchase (and your budget for it), then note the possible additions that could go with it.

Can any items you already own be repurposed to suit the new item you are planning to buy? If not, can you postpone the purchase of add-ons so that you are not buying them all at once?

The entire advertising industry is hard at work encouraging the need for the next greatest thing. This means anyone has the potential for succumbing to The Diderot Effect , and I'm sure we have all felt the same pull to constantly upgrade our lives at times. That pull can impact on our long-term financial objectives.

The Diderot Effect may not seem like a big issue, and for many it may not pose a serious problem. Maybe a dent in a few wallets for a couple of months, but these wallet-owners will recover.

However, these lifestyle upgrades can have consequences for wealth-building and have a significant impact on progress towards financial independence and a secure retirement.

It might be wise to remember these words that Diderot wrote:

"I was the absolute master of my old dressing gown but I have become a slave to my new one."

