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THE MEANING OF MONEY

CHAPTER TWELVE

The Five Percent

Tom Millar on the gap between what you earn and what you spend, and why that gap is the only freedom that compounds

Featuring

Tom Millar

Ecvista

Hosted by Stefan Whitwell

Presented by Whitwell & Co., LLC

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[Website not confirmed in the recording](#)

Sometime in the early 1990s, a Czech family walked a promenade in Italy. The restaurants were open. The ice cream was on display. The family kept walking. There was a budget, and the budget did not stretch to a meal out every day, so the food came from a grocery store and was cooked in the apartment instead.

Tom Millar was a boy then, born in the middle of the 1980s in what was still a communist country. He remembers almost nothing of the regime itself. He was four or five when it ended. What he remembers with precision is the arithmetic that outlasted it: the queues, the toilet paper, the bananas that appeared twice a year, and later, on a foreign promenade, the quiet calculation of what a family could and could not afford to want.

Today Millar is the founder and CEO of Ecvista, an equity management and valuation platform serving more than twenty five thousand companies. Its work is price discovery: helping private business owners understand what their equity is actually worth and, from there, build genuine sources of liquidity. He spends his professional life putting numbers on things other people hold but cannot yet access.

His own financial philosophy, it turns out, rests on a far simpler number. For several years in his early twenties, he lived on roughly five percent of what he earned.

The Example in the House

Ask Millar where the instinct to build came from and he does not reach for a business book. He reaches for his father.

His father was an entrepreneur, and what the son noticed was not the income but the autonomy. You can set your terms, Millar says, and then you go and get them. It was not, he is careful to note, a life of visible ease. He watched his father grind, work extreme hours, do unglamorous things to keep the business standing. He would have liked to see his father enjoy life more. But the shape of that life, the right to define its terms, lodged permanently.

That inheritance made him, in his own words, give up on being an employee. Not out of contempt for the role. He is explicit that there is nothing wrong with being an employee at a genuinely good company, and he says he has tried to build exactly that kind of company himself, one where capable people are left alone to lead their departments. But for him, freedom was the point from the beginning.

What Money Is Actually For

Pressed on what money solves and what it does not, Millar does not talk about security, legacy or status. He goes back to the promenade.

The answer, for him, is choice. Not possessions. Not display. The ability to stand with your family in front of a restaurant and say, without a second thought, let us go and eat. The ability to decide to cook because you want to cook, rather than because the alternative is unavailable.

He watched that same transition happen a second time, from a different seat. In 2010 he moved to Hong Kong, and through his clients across Southeast Asia he watched economies in Indonesia and Vietnam move away from state control. He saw friends in those regions build, strive and begin to make choices they had never previously been permitted to make. It was, he says, inspiring.

This is why his defense of capitalism is unsentimental rather than ideological. Socialism, as he describes it, is built on taking from others and distributing what you practically do not own, and the party ends when there is nothing left to take. He does not claim markets are the best of all possible systems. He claims they are the only one he has seen that reliably produces, and that Europeans and Americans have inherited something from their ancestors that mostly needs protecting rather than improving.

One Hundred and Eighty Pairs of Socks

The freedom Millar wanted had a price, and he paid it in a form most people find difficult to look at directly.

Living in Hong Kong in his twenties, running multiple income streams and frightened of failure, he compressed his life down to rent and food. Twelve and fifteen hour days. Friday nights. Saturday nights. Sunday mostly off. The

discretionary spending that survived this regime amounted, famously, to socks. He owned roughly one hundred and eighty pairs, because laundry was a use of time he had decided not to make. When his girlfriend, now his wife, moved in and discovered the stockpile, she observed that ten people could have dressed from it.

It reads as comedy and he tells it as comedy. But the underlying logic is the same logic Steve Jobs applied to a wardrobe: eliminate the decision, reclaim the attention. Millar's version simply ran deeper, because he was optimizing not one decision but an entire cost structure.

What he gained was not only cash. The compounding effect, he argues, does not apply to money alone. You compound skills. Do the same thing every single day for twelve or fifteen hours, including weekends, for two or three years, and the distance between you and everyone else stops being incremental.

The Arithmetic of the Island

The money side of the equation was equally stark. Millar lived on a small outlying island near Hong Kong that his friends considered a joke, a hippie outpost with snakes, spiders and wild pigs. They lived in apartments costing seven, eight, nine thousand dollars a month. He paid around five hundred. Eventually he bought the house.

He could run the numbers on his friends, because income and lifestyle together give you most of what you need to know about a balance sheet. He knew, as a very young man, that his account was larger than theirs while his life looked smaller than theirs.

The sequel arrived on schedule. Some of those same high burn friends, now in their forties, moved back into parents' houses or still struggle to manage money. Millar's anxiety, by contrast, has migrated. He worries about other things now, as any operator does, but not about the daily struggle that defined his twenties.

Stefan Whitwell recognized the pattern from the other side of the world. Early in his Wall Street career he met people earning one and two million dollars a year who were functionally poor: half of it to taxes, the rest consumed by the apartment, the car, the parking, all of it serving status. He met people earning ten million a year who were genuinely anxious about the size of a bonus, because the bonus was already spoken for. That observation was one of the reasons he eventually built his own firm. He had seen what the rat race looked like from inside the winner's circle, and declined.

The Second Question About Expensive Things

Millar is not an ascetic, and he is not telling anyone who has just exited a business to live on five hundred dollars a month. His position on expensive purchases is narrower and more useful than abstinence.

Buy the expensive thing if you want it, he says, but do not buy the new one. Buy something unique. Then ask the only question that matters: what is this worth ten years from now? If the answer is less, it was the wrong purchase.

It is a modest reframing with large consequences. Most consumption decisions after a liquidity event are made in the present tense. Millar insists on making them in the future tense, which is precisely the discipline he spends his working life helping private company owners apply to their own equity.

He attaches a second condition, and it is the one most founders skip. Economies move in cycles. Downturns arrive, and they are extremely painful, capable of wiping out eight or ten years of building. Black swans are not forecastable, which is exactly why the preparation has to be structural rather than reactive. You always have to understand the game you are playing, he says, and he means the real one, the one that can actually be won. Without that, even a very large exit does not protect you. The evidence is everywhere, including in professional sport, where enormous sums arrive and disappear within a few years.

What Low Burn Actually Buys

Whitwell named the thing that Millar's arithmetic is really producing. It is not just a larger number. Someone spending five percent of their income and someone spending ninety five percent of their income are not living at different levels of wealth. They are living at different levels of stress.

That is the compounding nobody charts. A wide gap between earnings and expenses lets a person relate to their own money from abundance rather than scarcity, and it allows the surplus to compound in ways that high consumption structurally forecloses. One gap produces capital and calm simultaneously. The other produces neither, no matter how impressive the income line looks.

It also explains why Millar's freedom was never about owning more. Living on the island, among people who made fun of his address, he was freer than any of them, and wealthier, and unbothered by both facts.

Three Rules, Passed Down

Asked what he wants his children to inherit from him about money, Millar does not improvise. The list is short and he delivers it as a list.

Work hard, work tirelessly, especially when young. Save as much as you can. Invest wisely, avoid leverage, focus on the principles. He regards this as

unremarkable advice, and from a rational point of view there is not much to think about. That is rather the point. It is not complicated. It is simply unfashionable.

There is a fourth item he added only at the end of the conversation, almost as a correction. Discipline, and never giving up. He stressed it because the timeline is the part people cannot see from outside. You do not get a result in a couple of months, or even in two or three years. You just have to last super long.

In an attention economy built on two second intervals, that sentence is close to heretical. Real businesses are not built at the speed of a feed. Neither are real balance sheets.

The Takeaway

What makes Millar's story worth sitting with is not the frugality. It is the direction of causation. He did not become free and then learn to live modestly. He lived modestly and became free, and he did it early enough that the compounding had decades to work on him.

The founders who run into trouble are rarely the ones who failed to earn. They are the ones whose lifestyle expanded in lockstep with their income until the two lines touched, leaving no gap, no surplus, no margin against a cycle, and no genuine choice. What Millar protected, from the beginning, was the gap itself.

Which returns the story to the promenade in Italy, where a family walked past the restaurants because the budget said so. Everything Millar has built since has been in service of a simple proposition: that one day, standing in front of a restaurant with his own family, there would be no calculation at all. Just the choice.

Pull-Quotes

"You just don't compound money, but you compound skills."

"Socialism is based on taking from others and distributing what you practically don't own. The party ends when you have nothing to take from anybody."

"You can buy expensive stuff, but you need to say, hey, this is extremely expensive, but what about the value ten years from now? If it goes down, then it's a wrong investment."

"Work hard, work tirelessly and especially at a young age. Save money as much as you can. And then invest wisely. Don't do leverage."

"You don't see a result in a couple of months or even two or three years. But you just have to last super long."

As said by Tom Millar, 2026

The Meaning of Money, recorded October 26, 2026

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About the Author

Stefan Whitwell is the CEO and Chief Investment Officer of Whitwell & Co., LLC, where he helps entrepreneurs and families align health, wealth, and purpose, from complex tax and alternative investing to preparing a business for sale.

He cut his teeth in mergers and acquisitions at firms including Goldman Sachs and Credit Suisse, working across New York, London, Hong Kong, and Tokyo before leaving global finance to help founders turn their exits into lives of meaning. Whitwell & Co. is an SEC-registered fiduciary that brings family-office caliber strategy to business owners and families, with a focus on proactive tax planning, coordinated decision-making, and thoughtfully vetted investments.

Now based in Austin, Stefan is the proud father of four. He is a Brazilian Jiu-Jitsu brown belt, has played the violin for more than forty years, and speaks Japanese. His conviction, and the premise of this book, is simple: true wealth is lived, not merely owned, at the intersection of health, financial wealth, and purpose.

He hosts The Meaning of Money to explore exactly that, in candid conversation with the kind of builders and investors whose stories fill these pages.

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