

## Thoughts on Budget

My wife and I did a construction project at home recently, and I'm loath to admit it in a public setting, but it came in about twice the budget level that we had imagined. My wife was screaming at me, and I said to her, "Hey, this is not bad. The giant Boston Big Dig came in about four times over budget. And that wasn't bad, because the Channel Tunnel came in somewhere between seven and nine times over budget."

Well, I was thinking about all that, and I was at a dinner party with a small number of people a while back. And I asked them—and I think focusing more on the home projects—I said, "Okay, the most recent project of significance that you've done, did it come over budget or on budget?" Imagining of course that most would have been over budget. And I said, question number two, if it did come over budget, "If you had known what the price was when you began, would you have done it?" And then finally, question number three, "Are you happy with what got done?"

Well, maybe you can guess what the outcome is. Number one, they all came in over budget. Not all of them were 200 percent, but all of them were significantly over budget. Number two, in about 20 percent of the cases, they would have done it if they'd known what the cost was, anyway. And then you got to the final one, every single one of them was delighted with the project once it was done.

And the point of all that discussion is, you know, things *do* come in over budget and sometimes it makes you go broke. And sometimes it's the end of the company or the end of the, god help you, your child being able to go to college. But the other side of the coin is, terrific stuff tends to come in over budget. And if budget were the principal and/or only criterion associated, nothing interesting would have happened. We wouldn't have the Arch in St. Louis; we wouldn't have the George Washington Bridge, the Golden Gate Bridge. The Boston Big Dig was the most god-awful mess to those of us who lived through it, and probably worthwhile. And on and on the story goes.

So be careful when you go way over budget and go broke. Be careful when you let the budget toughies run the whole thing. Because the truth of the matter is, 25 years from now when you look back at your most significant accomplishments—I will bet you the price of the dinner that I went to that night—that all the stuff you're proudest of will have come in over budget.