

CHAPTER ONE

Money, Health, and Happiness: How They're Connected

Happiness is not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort.

—President Franklin D. Roosevelt

Just after 9:00 AM on September 11, 2001, life changed forever for Mary Ann Malone, though she couldn't have realized it at the time. She and her fellow Merrill Lynch traders had a disturbingly clear view of a massive fire at the World Trade Center just across the Hudson River from their Jersey City office, caused by a plane that had plowed into the WTC north tower. At 9:03 AM a second plane struck, this time crashing into the south tower. An hour later, the Merrill Lynch high-rise building was evacuated, and Mary Ann began a tortuous five-hour trip home to Westchester, just north of New York City. Major roads and bridges along her normal commute were closed, and cellular service was down, so she had no idea then that the WTC attack had taken the lives of countless friends and colleagues in the Wall Street trading community. All Mary Ann knew for certain was that she

desperately needed to get home to her four-year-old daughter, and that she never again wanted to work where a body of water separated her from her child. For a year afterward, Mary Ann says, “I was a mess, and my daughter had issues because I had issues.”

Mary Ann had grown up in working-class Queens, New York, and dropped out of college in the fall of 1978 after only a month, because she quickly realized that the academic life was not for her. Mary Ann initially got a clerical job on a stock-trading desk. By her early twenties, Mary Ann was making a six-figure income as a NASDAQ market maker, no small feat for a woman back in the 1970s, and by the early 1990s she was undeniably wealthy. Mary Ann was financially secure, but after 9/11, she was also emotionally devastated. When Merrill Lynch offered a generous separation package in the wake of the post 9/11 financial downturn, Mary Ann jumped at the opportunity. She took her daughter to Ireland, her ancestral home, for the summer of 2002. While there, Mary Ann learned about the EDUCO seminar,¹ a powerful personal development experience. On the one-year anniversary of 9/11, Mary Ann flew to the Bahamas to attend the EDUCO seminar, and it changed her life. There, Mary Ann learned to use her mind to control her thoughts so she could live the life she wanted to live. Mary Ann discovered that she had a choice about how to live her life: She could look at life through the lens of the fear of terrorism, or she could live life through the lens of joy, positivity, and meaningful personal connections.

When Mary Ann returned from the seminar in September 2002, her friends immediately noticed a positive difference in her. She no longer focused obsessively on the past. Previously, Mary Ann had trouble talking to her friends about anything other than the awful losses of 9/11. Today, it’s rare for her to think about the terror of 9/11, not because 9/11 isn’t important, but because Mary Ann learned to use her mind to focus on what she can control—not the past but the future—which includes creating positive experiences for herself, her family, and her community.

Mary Ann has enjoyed taking on some exciting career challenges since then. She became a registered yoga instructor. Mary Ann also launched and operated a fitness center in Denver for four years. It was an extremely rewarding venture for Mary Ann. She loved being able

¹EDUCO, <http://www.educoworld.com/>.

to help people see the benefits they would derive from the training, not just physically, but emotionally and spiritually as well. The fitness center created another priceless benefit: That was where Mary Ann met her loving partner, Tom Perkins, now 55, who had coincidentally taken the same EDUCO personal development seminar several years before Mary Ann had, and who also coincidentally became a regular client at Mary Ann's fitness center in Denver.

Sitting in Tom and Mary Ann's comfortable living room in Saint Augustine, Florida, surrounded by their two affectionate dogs, it's tempting to imagine yourself around a campfire, listening to the story of how these two very different people miraculously came together. Tom, who grew up on a Wyoming cattle ranch, got his pilot's license at age 16 and leveraged a lifelong passion for aviation into a series of lucrative aviation-support businesses; and Mary Ann, a scrappy girl from a New York outer borough, leveraged her smarts when still a teenager to become one of the earliest female stock traders on Wall Street.

Tom and Mary Ann are each strong-willed and independent. But they know how to manage occasional differences, because what joins them as a couple is a shared belief that their life is in their hands, and that they are the ultimate creators of their lives. As Mary Ann says, "The way we think is our creative tool—our gift from God, our co-creation with God." Whether you think of your source of spiritual energy as God, or Universal Energy, or Buddha, the result is the same. According to Mary Ann:

It's not just about making money and being profitable. It's about employees. It's about customers. You want not just you, but them, to flourish, thrive, and be happy. When you understand how your mind operates, you can create a positive or negative story about your life. Why not make it positive?

Mary Ann and Tom consistently focus on managing their thoughts to create alignment with their day-to-day behaviors. In addition, they also recognize the connection between their thoughts and emotions and their physical well-being. When each independently decided at some point to build a blueprint for personal happiness, both Tom and Mary Ann included physical fitness as a key ingredient. In fact, that was why Mary Ann had opened the fitness center in Denver—to help people translate their positive thoughts about vitality and fitness

into their daily lives. Mary Ann, now 57, talks about how her mental state fuels her physical state. A few years ago, Mary Ann found she was able to leg press 10 repetitions at a 550-pound weight. Tom's mind-over-matter moment came when he leg pressed 1,000 pounds. Both attribute these accomplishments not just to regular workouts, but to their mental focus, a perspective they believe allows them to overperform ordinary physical expectations. But for both Tom and Mary Ann, their physical strength has a more important purpose. As Mary Ann says:

Working out regularly makes all the difference. It clears your head and makes you feel better about yourself and your body. It's very easy to understand how your mind works through working out. Everybody wants to feel good. We all have that in common. Ultimately, it's not about the way you look—though working out will improve that—but about how you feel. When you work out, you feel strong, fit, energetic, and happy.

Both Mary Ann and Tom have experienced financial stress. Mary Ann had a day trading business in the late 1990s, which was financially unsuccessful. Tom suffered significant financial losses in 2008, when his company's funding bank went bankrupt. But neither of them dwell on their business losses. Both moved on quickly, and both optimistically emphasize what they learned from business challenges.

When asked what makes them happy, Mary Ann and Tom share similar perspectives.

Mary Ann sums up the source of her happiness in this way: "Happiness is knowing who I truly am so I can connect with other people and who they truly are." Tom believes he was put here to experience life and be happy. He adds, "Experiencing life makes me happy." We authors (Doug and Ryan) can't help but imagine that our late co-author, Roy Geer, would have said essentially the same—and that he would have enjoyed meeting Tom and trading stories with him.

Mary Ann and Tom exemplify the spirit of this book. Both are financially intelligent, and both continuously invest time and resources in practices that support their physical and emotional well-being. Their home is comfortable but modest (though they could easily afford a more upscale house). They take pleasure in working in their yard. (though if they chose, they could hire someone to landscape their property.) They work out at the gym. Mary Ann is a ballroom dancer.

They enjoy time with family and friends. Mary Ann and Tom have discovered their own prescription for living life in a way that integrates money, health, and happiness.

Like Mary Ann and Tom, each of us has our own unique recipe for personal well-being. Our principles and values determine what's most important to us. Our sense of well-being depends on our ability to put those principles and values into action. Later in the book, we'll discuss practical approaches for defining and achieving personal well-being. In this chapter, we want to set the table for the three most common contributors to personal well-being—financial health, physical health, and emotional health. These three elements are also the most common potential obstacles to happiness. In fact, financial health, physical health, and happiness are profoundly interconnected. It's almost impossible to have one without the help of the other two.

MONEY AND HAPPINESS

The saying “money can't buy happiness” is a common expression, and like many sayings, it's not quite true. Research on the relationship between money and happiness is a mixed bag. For instance, psychologist and happiness researcher Sonja Lyubomirsky has found that there is a significant correlation between income and happiness, though the relationship is not as strong as we might expect.² Some studies suggest the relationship between money and happiness may only apply to certain types of happiness:

When people are asked to consider how happy or satisfied they are in general, those with more money report being more happy and satisfied. But when people are asked how happy they are moment to moment in their daily lives—e.g., “How joyful, stressed, angry, affectionate, and sad were you yesterday?”—then those with more money are hardly more likely to have experienced happy feelings.^{3,4}

²Sonja Lyubomirsky, *The Myths of Happiness: What Should Make You Happy but Doesn't. What Shouldn't Make You Happy but Does*. New York: Penguin, 2014.

³Kahneman, D., & Deaton, A. (2010). “High Income Improves Evaluation of Life but Not Emotional Well-Being,” *PNAS*, 107, 16489–93.

⁴Luhmann, M., Schimmack, U., & Eid, M. (2011). “Stability and Variability in the Relationship between Subjective Well-Being and Income,” *Journal of Research in Personality*, 45, 186–97.

How Much Is Enough?

Jamie Hale summarizes key research on the relationship between U.S. income and happiness:

Americans who earn \$50,000 per year are much happier than those who earn \$10,000 per year, but Americans who earn \$5 million per year are not much happier than those who earn \$100,000 per year. People who live in poor nations are much less happy than people who live in moderately wealthy nations, but people who live in moderately wealthy nations are not much less happy than people who live in extremely wealthy nations (Gilbert, 2007, p. 239).⁵

When it comes to the relationship between annual household income and happiness, a daily survey of 1,000 U.S. residents found that self-reports of day-to-day happiness increase up to an annual household income of \$75,000. After that, people don't report higher levels of day-to-day contentment.⁶

But interpreting that result is a little complicated. The study authors, psychologist Daniel Kahneman and economist Angus Deaton, differentiate between two different aspects of happiness:

- **Emotional Well-Being:** The frequency and intensity of experiences of joy, stress, sadness, anger, and affection that make one's daily life pleasant or unpleasant
- **Evaluation of Life:** How satisfied an individual is with life as a whole

Turns out that emotional well-being does tend to max out at the \$75,000 number. However, when it comes to overall evaluation of one's life, people with incomes above \$75,000 do feel they have a better life than do those with incomes below \$75,000. Another complicating factor is that \$75,000 doesn't go as far in some parts of the country as others, especially if your household is larger than the average

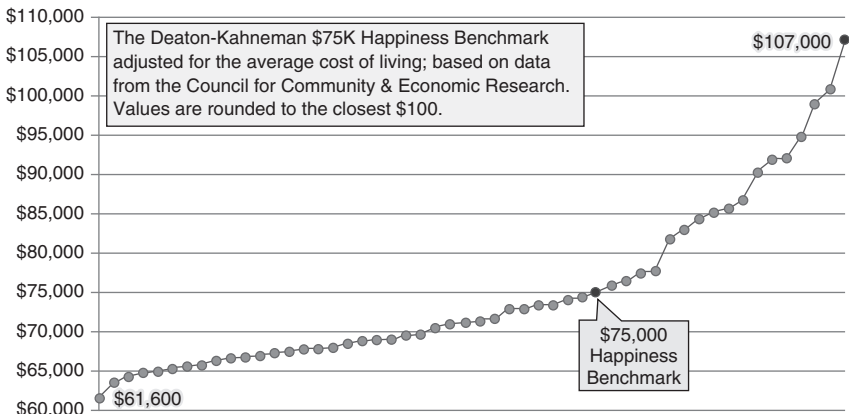
⁵Jamie Hale, M.S. "What Makes Us Happy?" Psych Central, <https://psychcentral.com/lib/what-makes-us-happy/>.

⁶Daniel Kahneman and Angus Deaton, "High Income Improves Evaluation of Life but Not Emotional Well-Being," *Proceedings of the National Academy of Sciences of the United States of America*, 2010. Accessed at: <http://www.pnas.org/content/107/38/16489>. Retrieved June 1, 2017.

2.9 members the study assumes. Advisor Perspectives calculated a state-by-state cost-of-living adjustment to the \$75K “Happiness Benchmark” from the Kahneman-Deaton study.⁷ (See Figure 1.1.)

FIGURE 1.1 COLA HAPPINESS BENCHMARK INCOMES BY STATE

The Cost-of-Living Adjusted “Happiness Benchmark” for the 50 States and DC in 2015



The \$75K Happiness Benchmark: Cost-of-Living Adjusted by State (and DC)					
				National Average	\$75,000
Mississippi	\$61,600	North Carolina	\$68,500	Illinois	\$76,000
Kentucky	\$63,600	South Carolina	\$68,800	Pennsylvania	\$76,500
Arkansas	\$64,400	South Dakota	\$69,000	Oregon	\$77,400
Alabama	\$64,900	Texas	\$69,100	Washington	\$77,800
Tennessee	\$65,000	Utah	\$69,500	Maryland	\$81,800
Oklahoma	\$65,400	Wisconsin	\$69,800	Maine	\$83,000
Idaho	\$65,700	Montana	\$70,500	Vermont	\$84,400
Indiana	\$65,900	New Mexico	\$71,100	New Jersey	\$85,200
Ohio	\$66,400	North Dakota	\$71,300	New Hampshire	\$85,700
Michigan	\$66,700	Minnesota	\$71,400	Rhode Island	\$86,700
Missouri	\$66,900	Florida	\$71,700	Massachusetts	\$90,300
Iowa	\$67,100	Wyoming	\$72,900	Alaska	\$91,900
West Virginia	\$67,300	Virginia	\$73,000	Connecticut	\$92,200
Louisiana	\$67,500	Arizona	\$73,400	California	\$94,800
Nebraska	\$67,900	Delaware	\$73,400	District of Columbia	\$99,000
Kansas	\$67,900	Colorado	\$74,100	New York	\$100,800
Georgia	\$68,000	Nevada	\$74,400	Hawaii	\$107,000

Source: Advisor Perspectives

⁷Doug Short, “Happiness Revisited: A Household Income of \$75K?” Advisor Perspectives, 2016, <https://www.advisorperspectives.com/dshort/commentaries/2016/10/21/happiness-revisited-a-household-income-of-75K>. Retrieved June 1, 2017.

For example, in Mississippi, \$61K will buy you as much happiness as \$100K will give you in the state of New York.

This study echoes many others, which show that people who are in financial survival mode experience a great deal of stress. However, when they are able to earn enough to feel financially stable, additional income doesn't have much impact on day-to-day happiness. Once someone reaches the set happiness income level for their geographic area—they appear to be just about as happy as someone who is making a million dollars a year or more. In fact, there is some research that indicates high-income people may be less happy than moderate earners, possibly because the lifestyle that high-net-worth individuals adopt often makes it more difficult to enjoy life's simpler pleasures.

National Geographic Fellow Dan Buettner, in his book, *Thrive: Finding Happiness the Blue Zones Way*, asked a number of happiness experts if money can buy happiness. Ed Diener says yes, though he notes some important exceptions. That's because money means different things to different people. Studies show that materialistic people are rarely happy because they want more than they can have. According to Diener, "It is generally good for your happiness to *have* money, but toxic to your happiness to *want* money too much."⁸

Financial Stress

Though having more money may not buy more happiness, having too little money almost always causes stress that's detrimental to happiness. It's interesting to note that the \$50,000-a-year income (which research indicates is a minimum amount that provides the ability to pay one's bills) is not much lower than the median family income in the United States. That would suggest that nearly half of U.S. families don't have incomes that allow them to meet their basic financial needs, and therefore are likely to experience varying degrees of financial stress. Research also shows that the lower one's income, the higher the level of financial stress. Other studies support the idea that financial stress is widespread.

⁸Quoted in Dan Buettner, *Thrive: Finding Happiness the Blue Zones Way* (Washington, D.C.: National Geographic Society, 2011), p. 16.

A series of annual surveys conducted by the American Psychological Association⁹ confirms that money remains the top life stressor among Americans. APA's 2015 survey found that for the majority of Americans (64 percent), money is a "somewhat" or "very significant" source of stress. Responses to their 2015 survey showed that nearly three-quarters of Americans report feeling stressed about money at some point in the previous month, with nearly a quarter reporting that they experienced extreme stress in the prior month. The APA survey also found differences in levels of financial stress in different demographic groups, with women, parents, younger people, and members of lower income families all reporting the highest levels of stress. For example, 77 percent of parents, 75 percent of Millennials, and 76 percent of Gen Xers reported experiencing financial stress.

The 2017 PwC Employee Financial Wellness Survey¹⁰ found similar results. In the PwC survey, finance was the top cause of stress for all employee age groups—Millennials, Gen X, and Boomers alike. Overall, 53 percent of employees reported that dealing with their financial situation was stressful; 45 percent of employees said that financial matters caused them the most life stress—about as much as other life stressors such as job, health, or relationships combined. For Millennials, financial burdens may be even greater. Of the 40 percent of Millennial employees who have student loans, a whopping 83 percent say they are stressed about their finances. What's more, financial stress may be getting worse over time—in the 2017 PwC survey, 47 percent of employees said that their stress had increased during the previous 12 months.

Surprisingly, financial stress is not just a function of limited income or assets. According to the 2017 PwC survey, cash and debt issues are an increasing concern even for employees earning \$100,000 or more. For example, nearly 60 percent of high income earners regularly carry credit card balances. It's common for people with net worth above \$1 million to experience financial stress. No matter how healthy your investment accounts, you may understandably worry about running out of

⁹Sophie Bethune, "Money Stress Weighs on Americans' Health," American Psychological Association, 2015, Vol. 46, No. 4, print version: page 38, <http://www.apa.org/monitor/2015/04/money-stress.aspx>, retrieved February 13, 2017.

¹⁰"2017 Employee Financial Wellness Survey," PwC, April 2017, <https://www.pwc.com/us/en/private-company-services/publications/financial-well-being-retirement-survey.html>, retrieved July 28, 2017.

money. Co-author Doug's father, who passed away just before turning 85, was in very good financial shape and still worried about money. Even ultra-high-net-worth individuals (UHNWIs), that is, those with assets exceeding \$30 million, may suffer considerable stress. As financial professional and writer Greg DePersio points out:

Many argue the financial problems plaguing UHNWIs are ones most of the world would love to have, kind of like being too good-looking, too smart, or having too many dates to choose from on a Saturday night. These challenges include changing tax codes, estate planning, sustaining their lifestyles during retirement, and protecting their current levels of wealth. While it may sound crazy to someone working an average job for average pay, a UHNWI worth \$50 million is often scared to death of descending to simple millionaire status.¹¹

According to DePersio, their worry is not without cause. They may be highly paid CEOs who fear the loss of salary if they lose their job or retire. Also, UHNWIs often accumulate their wealth from high-risk investments, and may legitimately fear heavy losses in the event of a recession or stock market crash. Finally, many UHNWIs don't manage their money well, leading to significant losses.

Not Enough

We know that financial stress is rampant. But how does financial stress affect our lives? It won't surprise you that money issues and financial stress have a profound impact on personal and family well-being and stability. For example, as family therapist John Dakin and psychologist Richard Wampler found:

Conflict about finances ranks among the top reasons contributing to divorce (Lawrence, Thomasson, Wozniak, & Prawitz, 1993). "... [C]ouples dissatisfied with their financial situation frequently consider their entire relationship a failure" (Blumstein & Schwarz, 1983, p. 55)¹²

¹¹Greg DePersio, "The Worst Financial Problems Ultra-High-Net-Worth-Individuals (UHNWIs) Face," *Investopedia*, 2015, <http://www.investopedia.com/articles/personal-finance/111915/worst-financial-problems-ultrahighnetworthindividuals-uhnwis-face.asp>. Retrieved June 1, 2017.

¹²John Dakin and Richard Wampler, "Money Doesn't Buy Happiness, but It Helps: Marital Satisfaction, Psychological Distress, and Demographic Differences Between Low- and Middle-Income Clinic Couples," *The American Journal of Family Therapy*, 36:300–311, 2008.

And because lower-income couples are more likely to deal with high levels of financial stress, they have a higher divorce rate than that of middle- or upper-income couples.¹³

Debt and Depression

For most people struggling with financial challenges, being in debt plays a major role in their experience of financial stress. John Gathergood, an economist at the University of Nottingham, conducted research that demonstrated that people who have difficulty paying off debts are more than twice as likely as others to experience mental health problems such as depression and severe anxiety. Analyses of numerous research studies confirm that the higher the amount of debt, the more severe the symptoms of depression and anxiety.¹⁴ People carry debt for various reasons: some because of poor financial habits, or because household and medical costs exceed their income. As the PwC study indicated, people with student loans experience the most financial stress. And given what we know about the cost of higher education, student loan debt amounts can be extremely high. Since Millennials bear the brunt of student loan debt, it's important for Millennials themselves, as well as parents, employers, and financial advisors, to pay particular attention to the potential impact of financial stress on Millennials' emotional well-being.

The relationship between finances and happiness is probably stronger than the research about annual income and financial stress can fully capture. Many people are “just one paycheck away” from financial disaster. Consider these scenarios in which you currently have a well-paying job and you comfortably make monthly payments on debts such as a mortgage, car payment, and a student loan:

- You are unexpectedly laid off from your job.
- You are diagnosed with a serious illness.
- A family member now needs 24/7 care.
- Your child has special educational needs that cannot be met in a public school.

¹³Ibid.

¹⁴Kristen Kuchar, “The Emotional Effects of Debt,” *The Simple Dollar*, <http://www.thesimpledollar.com/the-emotional-effects-of-debt>.

How would you manage these changes in your life situation? Though you may have a good job, it's likely that you may not have enough savings to handle unexpected crises. In fact, a recent Bankrate.com survey showed that only 37 percent of Americans have enough savings to cover a \$500 or \$1,000 emergency.¹⁵ When it comes to being prepared for financial crises, women are at even greater risk. According to the 2017 PwC Employee Financial Wellness Survey, 54 percent of women reported that they don't have enough emergency savings to cover unexpected expenses.¹⁶ Clearly, a high percentage of people either currently experience financial stress, or are at risk of unexpected situations that would trigger significant financial stress. That's why we authors place so much importance on the relationship between financial stress and happiness. As you'll see in Chapter 4, taking steps to minimize financial stress by developing and leveraging your financial intelligence is one of the most powerful approaches you can use to enhance your life satisfaction. Several years ago, co-authors Doug and Ryan met with Helen Riess, Associate Professor of Psychiatry, Harvard Medical School and co-founder of Empathetics, Inc., to discuss her findings on the relationship between finances and overall well-being. Riess confirmed, "When it comes to happiness the most basic fundamentals are related to physical health, relationship health, and financial health. If you can take steps to reduce financial stress, that will definitely favorably impact your physical health and therefore your happiness."¹⁷

MONEY AND HEALTH

So far we've focused on the intersection between finances and happiness. In this section we'll concentrate on the intersection between money and health.

¹⁵Maggie McGrath, "63% of Americans Don't Have Enough Savings to Cover a \$500 Emergency," *Forbes*, January 6, 2016, <https://www.forbes.com/sites/maggiemcgrath/2016/01/06/63-of-americans-dont-have-enough-savings-to-cover-a-500-emergency/#507f71bb4e0d>.

¹⁶"2017 Employee Financial Wellness Survey," *PwC*, April 2017, <https://www.pwc.com/us/en/private-company-services/publications/financial-well-being-retirement-survey.html>, retrieved July 28, 2017.

¹⁷Conversation between Dr. Helen Riess, Doug Lennick, and Ryan Goulart, August 7, 2014.

Not Enough Income; Not Enough Health

Income and health have always been interrelated. Sandro Galea, dean of the Boston University School of Public Health, points out that as far back as 1841, pioneering British epidemiologist William Farr discovered that death rates in English asylums were highest among poor patients.¹⁸ Fast forwarding to the present day, a 2016 UNICEF report, “The State of the World’s Children 2016: A fair chance for every child,”¹⁹ presents disturbing statistics on the relationship between income and child and maternal health:

In terms of child survival, while the absolute gap has substantially narrowed since 1990, great inequities remain between rich and poor countries. The relative child mortality gap between sub-Saharan Africa and South Asia on one side and high-income countries on the other has barely changed in a quarter of a century. Children born in sub-Saharan Africa are 12 times more likely than their counterparts in high-income countries to die before their fifth birthday, just as they were in 1990.

A child born in Sierra Leone today is about 30 times more likely to die before age 5 than a child born in the United Kingdom. Women in sub-Saharan Africa face a 1-in-36 lifetime risk of maternal mortality, compared to 1 in 3,300 in high-income countries.

According to U.S. Centers for Disease Control (CDC) research, poor adults (annual incomes less than \$35,000) are about five times more likely to report they are in fair or poor health than adults earning \$100,000 or more. Low-income adults also have significantly higher rates of a wide range of diseases and health conditions.²⁰

Figure 1.2 illustrates the prevalence of diseases among adults based on their income.

¹⁸Sandro Galea, “Income and Health, Part 1,” *Boston University School of Public Health*, December 4, 2016, <https://www.bu.edu/sph/2016/12/04/income-and-health-part-1/>.

¹⁹“The State of the World’s Children 2016: A Fair Chance for Every Child,” *UNICEF*, June 2016, https://www.unicef.org/publications/files/UNICEF_SOWC_2016.pdf.

²⁰Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2011, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, Series 10, Number 255, December 2011, https://www.cdc.gov/nchs/data/series/sr_10/sr10_255.pdf.

FIGURE 1.2 INCIDENCE OF DISEASE RELATED TO INCOME

DISEASE OR ILLNESS	ANNUAL FAMILY INCOME				
	Less than \$35,000	\$35,000-49,999	\$50,000-74,999	\$75,000-99,999	\$100,000 or more
Coronary heart disease	8.1	6.5	6.3	5.3	4.9
Stroke	3.9	2.5	2.3	1.8	1.6
Emphysema	3.2	2.5	1.4	1.0	0.8
Chronic bronchitis	6.3	4.0	4.4	2.2	2.4
Diabetes	11.0	10.4	8.3	5.6	5.9
Ulcers	8.7	6.7	6.5	4.7	4.4
Kidney disease	3.0	1.9	1.3	0.9	0.9
Liver disease	2.0	1.6	1.0	0.6	0.7
Chronic arthritis	33.4	30.3	27.9	27.4	24.4
Hearing trouble	17.2	16.0	16.0	16.2	12.4
Vision trouble	12.7	9.8	7.5	5.7	6.6
No teeth	11.6	7.8	5.5	4.2	4.1

Source: U.S. Centers for Disease Control

There are a number of reasons why low-income individuals suffer poorer health than others. In some instances, lack of financial resources may limit access to healthcare. For example, 28 percent of those who responded to PwC's Employee Financial Wellness Survey said that financial issues have affected their health. APA's Stress in America: Paying with Our Health survey²¹ revealed that nearly one in five Americans either skipped or considered skipping a necessary visit for medical treatment because of financial constraints.

The relationship between low income and health isn't simply a matter of inability to pay for health services. The impact of financial

²¹Sophie Bethune, "Money Stress Weighs on Americans' Health," American Psychological Association, 2015, Vol 46, No. 4, print version: page 38, <http://www.apa.org/monitor/2015/04/money-stress.aspx>.

stress itself is a major contributor to health problems. One study on the negative effects of financial stress on physical well-being comes from Laura Choi of the Federal Bank of San Francisco.²² Among her key findings:

- When people are dealing with significant debt, they are much more likely to report health problems.
- The threat of ongoing debt or insufficient income can result in feelings of loss of control, anxiety, and other mental and emotional stress.
- Chronic financial stress has been linked to a cycle of increased workplace absenteeism, diminished workplace performance, and depression.

According to a paper in *The Journal of the American Osteopathic Association*, between 75 and 90 percent of visits to primary care providers are for stress-related issues. Arta Bakshandeh, senior medical officer with Alignment Healthcare in Los Angeles, highlights the relationship of stress to health when he says, “Of the patients that I would attribute their medical problems to stress, the overwhelming majority have money at the root Most commonly, these patients complain of headaches, elevated blood pressure, ulcers, depression, and moderate to severe anxiety.” Since financial stress is the most common type of stress, in effect, it’s likely that a majority of primary care patients are seeing their care providers for conditions related to financial stress.

Financial stress can contribute to a host of physical conditions, including heart disease, gastrointestinal problems, weight issues, diabetes, and high blood pressure. Another potential impact of financial stress may be seen in the growing prevalence of substance abuse. The U.S. “opioid epidemic” is now receiving long-overdue attention as a serious issue. However, most media reports provide superficial explanations for the crisis, tending to attribute the root of the problem to excessive prescribing of opioid drugs for pain. Most political responses

²²“Laura Choi, “Financial Stress and Its Physical Effects on Individuals and Communities,” *Federal Reserve Bank of San Francisco Community Development Investment Review*, December 2009, <https://core.ac.uk/download/pdf/6223933.pdf>.

center around legislation restricting legal access to opioids in various ways. Not enough attention has been paid to the fact that the opioid epidemic seems to be most acute in certain parts of the United States, such as the “Rust Belt,” where manufacturing and coal industry jobs have been decimated over several decades, and where unemployment and underemployment is high. Bloomberg is among the few media outlets that report on the connection between this tragic social issue and economics.²³ We believe that a major contributor to the opioid crisis is financial stress caused by job loss and lack of job opportunities in economically depressed regions. Dealing with such severe financial insecurity is likely to cause a host of health conditions and emotional issues that may lead people to seek out pain medication, whether from qualified medical professionals or illegal sources.

How Financial Resources Support Health

Now let’s turn to the upside of the money–health relationship. One clear connection is that having a certain amount of money gives us access to resources that promote health, for example, high-quality food, access to better healthcare, ability to live in safer neighborhoods, and access to fitness resources such as expensive sports equipment and gym memberships. Most of us recognize that financial health and physical health can and ideally should be related. For example, according to a survey conducted by TD Bank in 2015, 70 percent of Americans believe that being in good shape financially can have a positive impact on overall health and well-being. This number increases to 80 percent among those who have a financial plan.^{24,25} A report by UK-based global financial services company Aviva reinforces the link between financial

²³Noah Smith, “Another Reason to Fight Opioid Addiction: Economics,” *Bloomberg.com*, March 3, 2017, <https://www.bloomberg.com/view/articles/2017-03-03/another-reason-to-fight-opioid-addiction-economics>.

²⁴TD Bank Fiscal Fit Survey, 2015, <http://tdfiscalfitness.com/>.

²⁵“Financial and Physical Well-Being Go Hand-in-Hand for a Majority of Americans, New Survey Finds,” TD Bank, January 26, 2015, <https://mediaroom.tdbank.com/2015-01-26-Financial-and-Physical-Well-Being-Go-Hand-in-Hand-for-a-Majority-of-Americans-New-Survey-Finds>.

planning and happiness. According to Guardian's Rebecca Smithers, the Aviva study reveals:

... overall happiness, well-being, and self-esteem are influenced by our sense of financial control and not by how much we lodge in the bank every month...

... those with sensible financial plans in place are happier overall and have a stronger sense of "financial wellbeing," regardless of their pay packet.²⁶

What accounts for this belief? Most people say that when their finances are in good shape—and they have a financial plan—it's much easier to achieve goals for fitness and health.

When it comes to Americans' current fiscal and physical health status, only about one-third of respondents (36 percent) said they are satisfied with their current financial health. Yet among those who are satisfied with their physical health, 65 percent said they are also satisfied with their financial health.

"It's no surprise that getting your finances in order can relieve stress, but our research shows that it can also positively affect physical fitness," said Ryan Bailey, head of Retail Deposit Products, TD Bank. "With [New Year's] resolutions still top of mind, it's important for Americans to know that working on your wallet can also benefit your waistline. You don't have to choose one or the other."²⁷

Erin Livermore and her husband, Doug, suffered sticker shock when they first moved with their two young girls to the pricey Washington, D.C., area after 10 years living in several different parts of the country where cost of living was fairly low. Though they both found good professional jobs, housing and childcare costs left them in a precarious financial state, barely covering basic expenses each month. Erin felt oppressed and stressed. Then after a year at her job as an accountant with a major media company, she landed a promotion to

²⁶Rebecca Smithers, "Happiness Linked to Financial Planning, Research Shows," *The Guardian*, June 16, 2010, <https://www.theguardian.com/money/2010/jun/16/happiness-financial-planning-aviva>.

²⁷As quoted in "Financial and Physical Well-Being Go Hand-in-Hand for a Majority of Americans, New Survey Finds," TD Bank, January 26, 2015, <https://mediaroom.tdbank.com/2015-01-26-Financial-and-Physical-Well-Being-Go-Hand-in-Hand-for-a-Majority-of-Americans-New-Survey-Finds>.

senior accountant, with a modest salary increase. But it was enough to give her a little leftover money to pay for some exercise classes. Those classes helped her in many ways: She gained physical strength, lost weight, and felt better about herself. Though Erin was getting up an hour earlier many mornings to go to her fitness class, she began to experience more sustained energy and focus during the day. Erin believes that her fitness program increased her productivity at work, and actually helped set the stage for a rapid second promotion to assistant controller. Erin promptly signed up for some additional exercise classes she hadn't been able to afford before.

Health Practices Can Improve Your Finances

As mentioned, you can improve your health by leveraging money to access health-promoting resources, including medical care, fitness activities, and high-quality foods and nutritional supplements. But the reverse is also true: Adopting health-promoting practices can result in financial gains. For example, seemingly minor actions intended to improve physical health have also been found to have positive effects on financial well-being. For example:

- A full night's sleep has been linked to a 5 percent increase in pay.²⁸
- Regular exercise is related to a 7 to 12 percent increase in pay.²⁹

How do health-promoting practices translate into such financial gains? One example: Employees in midlife who get involved in fitness activities become more productive on the job. Since they tend to continue fitness practices after retirement, they place less of a burden on retiree healthcare programs. Therefore, forward-looking companies who provide physical activity programs or fitness centers encourage the kind of physical fitness behaviors that result in lower employee and retiree costs down the road.

²⁸Brett Arends, "A Full Night's Sleep Can Really Pay Off—in Salary and Investments," *Wall Street Journal*, September 18, 2014, <https://www.wsj.com/articles/a-full-nights-sleep-can-really-pay-off-in-salary-and-investments-1411056919>.

²⁹Victor Lipman, "New Study Links Exercise to Higher Pay," *Forbes*, June 8, 2012, <https://www.forbes.com/sites/victorlipman/2012/06/08/new-study-links-exercise-to-higher-pay/#697b4c405db6>.

HAPPINESS AND HEALTH

In recent years, there has been a wealth of research trying to identify the link between emotions and health. One of the most significant studies, one being conducted by Harvard's School of Public Health, seeks to answer these questions:³⁰

- Could a sunny outlook mean fewer colds and less heart disease?
- Do hope and curiosity somehow protect against hypertension, diabetes, and respiratory tract infections?
- Do happier people live longer—and, if so, why?

Common sense tells us that negative emotions lead to unhappiness. But what are the emotions and personal characteristics that can positively influence our health? Social psychologist Laura Kubzansky, Lee Kum Kee Professor of Social and Behavioral Sciences at the Harvard School of Public Health, is part of the HSPH research trying to understand how positive emotions influence health. In a large study that followed adults across their life span for 20 years, Kubzansky found that “emotional vitality” (which she defined as a sense of enthusiasm, hopefulness, engagement in life, and ability to face stresses) reduced the risk of coronary heart disease. Figure 1.3 summarizes the research on certain happiness-related attributes that the Harvard School of Public Health study and elsewhere have identified as promoting positive health outcomes.

Other research demonstrates the impact of happiness on health. Happiness is heart-protective. Middle-aged men and women who rated themselves as being happy over the course of a working day received a variety of laboratory test results that are associated with lower risk of heart disease. Happiness has also been shown to reduce the risk of viral illness, suggesting that happiness has a beneficial effect on our immune systems. So there's clear evidence that health and happiness are related, but does one cause the other? It's easy to imagine that being healthy leads to feelings of happiness. But can the mere fact of being happy improve your health? The answer is probably yes. There is some

³⁰Sara Rimer and Madeline Drexler, “Happiness and Health: The Biology of Emotion—and What It May Teach Us about Helping People to Live Longer.” Harvard T.H. Chan School of Public Health (2011), <https://www.hsph.harvard.edu/news/magazine/happiness-stress-heart-disease>.

FIGURE 1.3 KEYS TO A HAPPIER, HEALTHIER LIFE**Keys to a happier, healthier life**

Research suggests that certain personal attributes—whether inborn or shaped by positive life circumstances—help some people avoid or healthfully manage diseases such as heart attacks, strokes, diabetes, and depression. These include:

- Emotional vitality: a sense of enthusiasm, hopefulness, engagement
- Optimism: the perspective that good things will happen, and that one's actions account for the good things that occur in life
- Supportive networks of family and friends
- Being good at “self-regulation,” i.e. bouncing back from stressful challenges and knowing that things will eventually look up again; choosing healthy behaviors such as physical activity and eating well; and avoiding risky behaviors such as unsafe sex, drinking alcohol to excess, and regular overeating

Source: Laura Kubzansky, Harvard T.H. Chan School of Public Health

intriguing research suggesting that maintaining a happy mood can have positive health effects later in life; that is, happiness can prevent future disease. Take, for example, results of a large, long-term Canadian study of heart disease.³¹

... researchers invited nearly 2,000 Canadians into the lab to talk about their anger and stress at work. Observers rated them on a scale of one to five for the extent to which they expressed positive emotions like joy, happiness, excitement, enthusiasm, and contentment. Ten years later, the researchers checked in with the participants to see how they were doing—and it turned out that the happier ones were less likely to have developed coronary heart disease. In fact, for each one-point increase in positive emotions they had expressed, their heart disease risk was 22 percent lower.

Based on these results, the researchers concluded that heart disease risk could be dramatically lowered by working with people to treat any depression and by helping people increase their level of positive emotions. And as you'll discover later in the book, there are many direct and practical ways to increase your level of happiness.

³¹Karina W. Davidson, Elizabeth Mostofsky, and William Whang, “Don't Worry, Be Happy: Positive Affect and Reduced 10-Year Incident Coronary Heart Disease: The Canadian Nova Scotia Health Survey,” *European Heart Journal*, 2010 May; 31(9): 1065–1070.

By studying the research and through years of experience in coaching individuals to improve their business and personal performance, we co-authors have developed effective tools to help you leverage the intersection of money, health, and happiness in positive ways. Co-author Doug developed a model (the alignment model) and a set of practices that have brought him and many others a great deal of life satisfaction. Following the alignment model doesn't mean you'll always be 100% happy. There are times when the intersection of money, health, and happiness can become a vicious circle. There are life events you can't control that can trigger a downturn in your well-being, and make it more difficult to follow the steps that sustain your well-being. But even during dark times, there are practices we'll share that can keep you from hitting rock bottom and restore your sense of well-being much more quickly than otherwise.

As financial advisors, leaders, and business coaches, we have been fortunate to inspire thousands of people to live their best lives at the intersection of money, health, and happiness. Our aim in this book is to help you do the same.