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1

Psychological Wealth: The Balanced Portfolio

Recently, the world held its breath for the final *Harry Potter* installment. The boy wizard is an international phenomenon, and the author, J. K. Rowling, a surprise literary sensation. As captivating as the stories of magic wands and Muggles are, Rowling’s personal story is equally compelling. A single mother writing on cocktail napkins in Edinburgh pubs to save money on heat at home, Rowling spun a hobby into a multibillion-dollar franchise. Currently, Rowling is among the richest women in the world, and reportedly is worth more than the Queen of England. As such, she has entered into the public discourse about the fabulously wealthy.

Most of us are fascinated by financial stardom, and television shows, magazines, and exposés offer tantalizing peeks into the lives of the superrich. For example, we ask, who is the richest person in the world? Is it the computer billionaire Bill Gates? Maybe it is the oil-rich sultan of Brunei, or the business-savvy sheik of Dubai? Why not consider the highly influential Oprah Winfrey? Perhaps a dictator who has squirreled away billions in a Swiss bank? You would be wrong if you thought of any of these folks. Although they are extremely wealthy when it comes to money, these well-heeled people with private jets and homes around the world may not be at the top when it comes to true riches, psychological wealth.

In this book, we will describe the new concept of psychological wealth, which extends beyond material riches and beyond popular concepts like emotional intelligence and social capital. Psychological wealth is your true total net worth, and includes your attitudes toward life, social support, spiritual development, material resources, health, and the activities in which you engage. In this book, we show how psychological wealth depends on happiness and life satisfaction,
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and the factors that lead to them. We will explain why monetary wealth is only one component of true wealth, and why other aspects are usually more important. In our final chapter, you can measure your own psychological wealth and see if you qualify for our Richest 400 list.

We have devoted our professional lives as psychologists to the careful study of happiness. We have worked from the ground up to re-examine long-held conclusions about well-being, and ask new questions about the subject. We have investigated the emotional lives of the very wealthy, and of the destitute. We have looked at the role that relationships, religion, culture, and positive attitudes play in happiness. We have collected data from tens of thousands of people in dozens of nations, including postal workers in India, tribal people in Kenya, Inuits above the Arctic Circle, and Hispanic students in California. The results of our studies of happiness have shown us that there are many important, and often counterintuitive, aspects of this emotional Holy Grail. After decades of research, we have findings that will re-confirm some of your beliefs about happiness, and turn others on their head. Our book is intended to help laypeople and psychologists alike to rethink their beliefs about happiness, the core of psychological wealth.

If you are like most people, one of the first things you will want to ask us is to define happiness. We refer to “happiness” as “subjective well-being” in scientific parlance, because it is about how people evaluate their lives and what is important to them. An individual’s subjective well-being is often related to some degree to their objective circumstances, but it also depends on how people think and feel about these conditions. Subjective well-being encompasses people’s life satisfaction and their evaluation of important domains of life such as work, health, and relationships. It also includes their emotions such as joy and engagement, and the relatively rare experience of unpleasant emotions such as anger, sadness, and fear. In other words, happiness is the name we put on thinking and feeling positively about one’s life.

If you are anything like us, when you tried to think of the richest person in the world, you did not consider your parish priest, your neighbor, or your aunt, even though these people might be very wealthy in friends, spirituality, and energy. Most folks think of wealth in monetary terms, although few people would disagree with the idea that psychological wealth – experiencing happiness and satisfaction due
to positive attitudes, intimate relationships, spirituality, and engagement with meaningful goals — represents a much deeper form of riches. Despite this fact, money and its pursuit occupy most of people's attention. We allot time to other concerns, such as health and friendships. We go to the gym, to church, or on dates — perhaps even regularly — to cultivate health, spirituality, and positive relationships. But think how much time is spent on the acquisition and management of money: creating budgets, paying taxes, going to the bank, writing checks, saving for a vacation, celebrating a pay raise, reading about the salaries of famous people, arguing with a spouse over finances, paying bills, and using credit cards. And of course there is earning money, which takes more time than any other waking activity.

Despite how useful money is, many people have a love-hate relationship with it. Consider for a moment the ambivalence we have had throughout human history about the wealthy among us. They are both admired and envied. They are the focus of endless attention, as exemplified by the immense popularity of lists of the richest people. At the same time, people with piles of money are also often the source of derision and hostility. When we think of rich people, works of great philanthropy might come to mind, but we might think just as easily of instances of injustice and downright stealing by wealthy people through history. Ill-treatment of workers, callous attitudes toward the poor, and crass materialism are associated in our minds with wealth, just as much as the great public works that rich folks have sometimes donated to society.

In the eighth century BC there was a legendary king of Phrygia named Midas, and we all know his name. According to myth, Midas won the favor of the god Dionysus. Midas was offered a wish and chose the power to turn everything he touched into gold. He was delighted by his new talent and tried it out on the world around him, transforming stones to precious metal. When he returned home to his castle, Midas ordered a feast laid out to celebrate his good fortune. Unfortunately, the wine and food turned to gold and Midas went hungry. He soon realized that his new power had a hidden cost, and this point was driven home when he touched his daughter, and she changed into a golden statue. Heartbroken, King Midas prayed to Dionysus to remove the power, and his wish was granted. The story of Midas captures our ambivalence about money and wealth, and it provides an important cautionary tale about avarice. The pursuit of material riches is not worthwhile if it means giving up relationships,
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suffering ill health, or being spiritually bankrupt. Psychological wealth is much broader than monetary wealth because when we have it, we truly do “have it all.” If we give up too many other aspects of true wealth to obtain money, our materialism decreases our net worth.

**A Psychological Wealth Primer**

Psychological wealth is the experience of well-being and a high quality of life. It is more than simple fleeting joy, and more than an absence of depression and anxiety. Psychological wealth is the experience that our life is excellent – that we are living in a rewarding, engaged, meaningful, and enjoyable way. Psychological wealth includes life satisfaction, the feeling that life is full of meaning, a sense of engagement in interesting activities, the pursuit of important goals, the experience of positive emotional feelings, and a sense of spirituality that connects people to things larger than themselves. Taken together, these fundamental psychological experiences constitute true wealth. After all, if you have them, you have all one would want from life, whereas when you are rich with money, you have only one desirable resource from the list. In addition to the internal aspects of psychological wealth, there are universals such as health and positive social relationships that are so intricately interwoven with the experience of well-being that they too are part of psychological wealth.

What then are the ingredients of psychological wealth? Here are some essential components of true wealth:

- Life satisfaction and happiness
- Spirituality and meaning in life
- Positive attitudes and emotions
- Loving social relationships
- Engaging activities and work
- Values and life goals to achieve them
- Physical and mental health
- Material sufficiency to meet our needs

Ultimately, the quality of your life will suffer if you do not develop each aspect of true wealth. However, when you have all the elements, you truly are rich! You need not be a monetary millionaire to be wealthy. After all, if you experience your life as wonderful, what more would
you want? Even if you don’t have billions of dollars, if you love your life, you have everything you need and want. If you have psychological wealth, it will be of little concern if you have only a moderate amount of money.

We all know the traditional markers of a financially wealthy person. We know that such a person is likely to have luxury goods and status symbols: a large house, with a modern kitchen that includes granite counters and stainless-steel appliances; a regular vacation spot; a new car loaded with amenities; and perhaps some eye-catching jewelry or original artwork. Probably a Mercedes and a swimming pool. What are the indicators of psychological wealth? How might we recognize someone who is truly wealthy? You can’t tell too much from looks – a psychologically wealthy person could be short or tall, old or young, a bus driver, a housewife, or a small-business owner. It is likely that they are not living in destitution. They probably have a close circle of family and friends. But after these few traits, you must look deeper to recognize them. The psychologically wealthy are characterized by the ability to see what is good in the world, but nevertheless to be grounded in reality. They are involved in activities that they believe are meaningful and important, and they have found activities in which they can use their strengths.

Take, for example, superdad Dick Hoyt, who lived every parent’s nightmare when problems with delivery left his son, Rick, severely physically handicapped. Doctors initially recommended that Rick be institutionalized, but Dick raised money and worked with a team of engineers to design a computer that allowed his son to communicate by typing with head movements. When Rick was in high school, the father-son duo participated in a five-mile run – with an out-of-shape Dick pushing his son in a wheelchair – to benefit a local student who had become paralyzed. The experience of completing the race was transformative for both of them. For Rick, competing in a race, even though he was being pushed, made him feel as if he weren’t handicapped. For Dick, the opportunity to help his son find meaning was invaluable. Dick had a new reason to take care of his health, and his fitness quickly improved.

Together, the Hoyt pair went on to compete in more than eighty marathons, triathlons, and Iron Man competitions. They redefined what “ability” means, and found a deep sense of purpose in their athletic feats. Dick and Rick appear to be psychologically wealthy: they have a great relationship, enjoy sports and find personal meaning
through competition, and have Olympic-class positive attitudes. Most of all, psychologically wealthy people like Dick and Rick Hoyt possess happiness and life satisfaction. The positive emotions they experience are not simply joy and other fleeting pleasant feelings, but also an abundance of feelings such as love, commitment, and gratitude that connect them to others. These are the type of people who are grounded in values we admire, and who are remarkably free of pettiness and negativity. They are not in a frenetic search for new spouses, billions of dollars, and new thrills because they already are so deeply embedded in meaningful relationships and activities.

In this book, we will examine each of the different facets of psychological wealth in detail. Each of the elements is needed for consummate wealth, and an exclusive emphasis on one can detract from the others. If we pursue only happiness, for example, to the exclusion of spirituality and meaning, we may become hedonists who do not find true well-being. And as we have said, if we pursue money to the extent that we ignore the other facets of psychological wealth, we will have failed. In the end, understanding psychological wealth is about having a "balanced portfolio." This book provides an overview of the elements of psychological wealth that research reveals are good investments.

**Part I: Understanding True Wealth**

Although on its surface psychological wealth sounds like age-old wisdom – a morality story that cautions us that there is more to happiness than just money – there is more to this concept than meets the eye. Of course, most folks intuitively know and agree with the idea that spirituality, health, and relationships are vital to the quality of our lives. Philosophers, religious scholars, and grandparents have been teaching this same lesson since the dawn of civilization. What is radical about the idea of psychological wealth is its basis in new and often counterintuitive research. The modern science of subjective well-being has turned many commonsense notions about happiness on their heads. For instance, we now know that there is an optimum level of happiness. That is, it appears that in certain domains of life it is possible to have too much happiness, a point beyond which people might perform less well rather than better.

In chapter 2, we turn to this body of research and present two of the most exciting and important principles underlying psychological
wealth. The first principle is that happiness is a process, not a place. For ages, people have assumed that happiness is an emotional end goal, a pleasant state that comes from obtaining favorable life circumstances such as health, a good marriage, and a large paycheck. The logic is that if a person can line up enough desirable circumstances, then happiness will necessarily follow. As commonsensical as this notion is, science shows that psychological wealth cannot be produced by circumstances alone. Although money, national origin, and marital status are correlated with subjective well-being, the relationship is sometimes small relative to other causes of happiness. Rather, happiness is an ongoing process that requires a way of experiencing life and the world that includes positive attitudes, meaning, and spirituality. Being truly rich is as much about the attitudes within us as the circumstances surrounding us.

The second major principle necessary in rethinking happiness and understanding psychological wealth is that it is beneficial to effective functioning. Historically, happiness has suffered from a bad reputation. Many people think of happiness as shallow, selfish, naïve, and complacent. Critics of the emotion claim that happiness cannot last, and cynics charge that joy is a fundamentally unrealistic feeling. The pursuit of happiness is seen as a waste of time. There is now a body of evidence from scientific studies that indicates precisely the opposite, that positive feelings are functional and beneficial. Research on the benefits of positive emotions show that they help people connect with friends, think more creatively, and become interested in new activities. Happiness, then, is itself a resource you can tap to achieve the things you want in life. In chapter 2, we explain why happiness is beneficial to effective functioning. Happiness is a cornerstone of psychological wealth in part because it is emotional currency that can be spent on other desirable goals, such as friendships and success at work. It is when we are feeling positive and energized that we often make the largest gains: we think of new ideas, take up new hobbies, tend to our relationships, maintain our health, and find meaning in life.

Part II: Happy People Function Better

In Part II, we focus on three aspects of psychological wealth – health, relationships, and meaningful work – that are directly related to happiness. It is here that we see that psychological wealth is closely
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related to happiness because it cannot be attained without positive emotions. The links between happiness and health, relationships, and work are the foundation of a portfolio of psychological wealth. Success in these life domains tends to boost happiness, and positive emotions, in turn, tend to lead to success in these life domains. In this section, we make the case that happiness is the fundamental building block of psychological wealth, but that it is important not just because it feels good, but because it is so beneficial in so many areas of life. Rethinking happiness requires us to understand that it is not just a pleasant goal, but necessary to achieving success in many domains of life.

Part III: Causes of Happiness and Genuine Wealth

For as long as folks have been trying to figure out the best route to happiness, the lion’s share of people’s attention has centered on life circumstances. It makes sense that people would attempt to increase their happiness by improving their lot in life. Common sense tells us that getting a new job, making more money, being healthier, or finding just the right spouse will lead to feelings of well-being. But does it? Research on subjective well-being reveals that most life circumstances, such as whether you are a man or a woman, or young or old, have only a small effect on happiness. There are a few areas, however, that are significantly linked to emotional well-being. We now have a solid understanding of how income buys some happiness and whether being religious adds to or takes away from emotional bliss. In Part III, we discuss the life circumstances that have been shown to be influential to psychological wealth, including income, spirituality, and culture.

Later in Part III, we discuss the psychological factors that influence happiness and, in turn, psychological wealth. People have long used phrases like “Life is what you make it,” “See the silver lining in every cloud,” and “Look at the world through rose-colored glasses.” These phrases hint that part of our quality of life and happiness is due to our personal approach to, and interpretation of, the world. Some folks seem to be perennially up-beat, while the smallest problems drag other people into anger or depression. A variety of everyday mental processes exert a powerful influence on your well-being, including adaptation, emotional forecasting, and positive attitudes. Taken together, these mental processes are an essential part of psychological wealth.
Part IV: Putting It All Together

In the last section, we offer advice for integrating the various aspects of psychological wealth in the service of living a truly rich life. Importantly, we caution you against seeking unbridled happiness. Many people pursue intense, permanent feelings of happiness, believing this most-desired of emotions is truly a cup that can never overflow. New evidence suggests that there may be an optimal level of happiness, and people who are “too happy” actually appear to perform less well at work and school and may even be less healthy than folks who are optimally happy. This new line of research shows us that psychological wealth, like all wealth, is best when it is balanced and used wisely. Thus, we hope our book serves as a counterpoint to the self-help works that counsel feeling intensely happy as the be-all of existence.

In the end, the good life is really all about having psychological wealth. When we pursue a secure material existence, develop ourselves spiritually, and use our strengths in pursuit of valued goals, we are building our psychological wealth balance sheet. As physical beings, we are part of the material world and need to build our tangible resources to experience security and comfort. But we are also spiritual, needing a sense of meaning and purpose that is larger than ourselves, and that connects us to humanity and nature. Finally, we are psychological beings who interpret the world around us, and this means that our happiness depends in part on the mental habits we develop. True wealth requires material, spiritual, social, and psychological resources.

In the final chapter, we present measures of psychological wealth so that you can determine the net worth on your psychological wealth balance sheet. How rich are you? In the appendix, we describe how the Diener family is using science to understand happiness. With the virtues of the scientific method – controlled studies, large representative samples, and sophisticated statistical analyses – we are in a position to integrate and refine the historic wisdom about leading a good life drawn from philosophy, religion, and personal experience. But we hope that we are also more than science nerds. Ed Diener has been labeled the “Jedi Master of Happiness” not only because he has trained so many of the experts in the field, but also because, like Yoda, he did not conform to popular fads. And Robert has been called the “Indiana
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Jones of psychology because of his adventures in exotic places around the globe while collecting happiness data. We hope you enjoy seeing how our personalities and life histories have led to the conclusions we present in this book.

We believe that you will enjoy reading this book, and know that you will come away rethinking your views on happiness!
Two Principles of Psychological Wealth

There are two key components to understanding psychological wealth in general, and happiness in particular. Both are vitally important and frequently discussed, but often misunderstood. The first is that happiness is more than achieving desirable life circumstances, such as health, wealth, success at work, and a happy family. Although it is certainly logical to think that when all the pieces of life’s puzzle fall neatly into place, you will feel happy, there is more to happiness than meets the eye. Happiness, as we will show you, is much more of a process than an emotional destination. People, probably through no fault of their own, frequently overlook the process side of happiness in their pursuit of the good life. You likely can think of examples of folks who focus on potential happiness down the road – a summer vacation or remodeled kitchen – but who also forget to stop and smell the roses along the way. We make the case that while goals that produce happiness are important, understanding that happiness itself is a process is even more important.

The second principle crucial to understanding psychological wealth is seeing happiness for its functions rather than for its pleasantries. Undoubtedly, happiness – by almost anyone’s definition – feels good, and most folks like to savor the experience. But happiness doesn’t just feel good; it is good for you in a number of surprising ways, helping people to function effectively in many areas of life. Understanding how happiness can be used beneficially is important to cultivating true psychological wealth.
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Happiness is a Process, Not a Place

North America’s tallest peak, Mount McKinley, is a challenging and dangerous mountain to climb. It sits in the rugged, remote interior of Alaska, and McKinley’s summit has been a prized goal for mountaineers for the last century. A friend of ours, the University of Illinois psychologist Art Kramer, has been on the upper slopes of the mountain several times as part of his research on how oxygen – and the lack thereof – affects people’s thinking. As humans become deprived of oxygen, whether because of circulatory problems or thin air, their thinking slows, they become confused, and good decisions are difficult. The rarefied air at twenty thousand feet offers a perfect laboratory for Art’s research. But because research ethics do not allow scientists to place their research participants in mortal danger, Art cannot go the usual route of recruiting university students to study. Instead, he climbs and conducts research with the United States Navy, whose elite soldiers scale the mountain as part of their training.

On a recent climbing expedition, Kramer was ascending a steep snow bank when he came upon a team of less experienced Canadian mountaineers who were uncertain in which direction they ought to head. Art took the team to the ridge leading to the summit, and then did something remarkable. Instead of hiking the final few hundred meters himself, he turned his back on the summit and descended to camp. Because climbing to the top of Mount McKinley could cast doubt on the scientific integrity of the expedition – creating the impression that Professor Kramer was using government research funds to finance his private ambition – he turned around before reaching the summit. The hardest part of the climb was behind him; all that lay between him and the summit was a straightforward walk up a gentle slope. He could easily have ascended to the top, but chose instead to turn back. In an age where summit fever has led to highly publicized accounts of tragedy, Art’s attitude toward the peak is refreshing.

When we suggested to Art that not reaching the summit might haunt him for the rest of his life, he laughed. Rather than worrying about “the one that got away,” Art views climbing Mount McKinley as far more about the activity than the end goal. He once said to us, “Climbing has never been about the summit for me. It’s always been about the process of climbing.” His sentiment is easy enough to say, but let’s be honest: the summit of a mountain can be an important goal. But if we side-step this traditional goal, what does that leave us?
Two Principles of Psychological Wealth

If climbing is not about getting to the top of the mountain, then what is to keep a person huffing and puffing uphill? The answer, according to Art, is that there are many enjoyable, rewarding moments along the way. The entire process of climbing can be an emotional payoff, from training at home, to the feeling of “flow” while climbing, to gorgeous views, to victory beers with friends after the climb. Art can easily point to many of his favorite aspects of spending time at high altitudes: “Climbing is about being out in the wilderness and enjoying the beauty. It’s also about the challenge of route finding.” When we spoke about his Mount McKinley expedition, he added, with a childlike twinkle in his eye, “And climbing is definitely about making snow caves; I’ve enjoyed that.” Success, for Art, is more about how enjoyable the journey is than whether or not he achieves the summit.

While you may not be a climber, you can likely recognize the metaphorical implications of this story. In so many ways, and for so many people, the pursuit of goals is like a climb up the side of a mountain. There are better routes and worse routes; there are hazards and setbacks; effort is required; and there is the hope of ultimate success. Perhaps most important, the summit is only one small part of the climb. Just as climbers eagerly anticipate their expedition, enjoy the relief of an occasional rest, and savor the memory of their trips, happiness is often less about achieving goals than it is about enjoyment along the way, and fond recollections afterward. In this way, Art Kramer’s story beautifully illustrates one of the main points of this book: happiness is not just a destination. That’s right: despite the fact that many people seek out lasting fulfillment – and it is natural and understandable to do so – happiness is not an emotional finish line in the race of life. We should repeat that: happiness should not be looked at just as a destination we try to reach, but as a beneficial way we learn to travel. A key to psychological wealth is to understand the importance of the journey itself to happiness.

What does it mean to say that happiness is a process, not a place? There are several important lessons in the dictum. The Art Kramer story illustrates one meaning – that happiness often comes from doing rather than having. If we enjoy the activities needed in working for our goals, many hours and years of pleasure are provided, whereas reaching summits provides only the occasional short-term high. Another important meaning of the “process, not a place” maxim is that no matter what good life circumstances we obtain, things can still go
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wrong. Furthermore, even in good circumstances we need to find new challenges and goals, or things will grow boring. We adapt to good things and need to move on to new goals to continue to enjoy life to the fullest.

Caveat Emptor: Bad Stuff Happens . . . Even to Princesses

Take a moment and recall the classic story of Cinderella. Remember how she was cruelly mistreated by her stepsisters and their wicked mother? Do you recall how they made her slave away at the daily household chores? Remember how the dress she labored so hard over was torn to shreds in a fit of jealousy, and her hopes of going to the royal ball lay in tatters? Of course, you probably best remember the happy ending of the fairy tale: Cinderella’s magical godmother arrives in the nick of time, whisks her away to the dance, and engineers a quick infatuation, with the result that the beloved protagonist marries the charming prince. But is that the end of the story, or just the beginning?

It is interesting to consider what happened to Cinderella next, after she was betrothed and took up residence in Charming Castle. For people who believe that happiness is a matter of favorable circumstances, the story of Cinderella turns out to be a slam dunk. With a Hollywood-handsome husband, a royal title, all the riches she could want, and soldiers to guard her from the paparazzi, how could our belle of the ball not be happy? But for folks who are inclined to think of happiness as a process, the matter of Cinderella’s emotional fate is far from clear. Did Cinderella’s husband treat her well, or was he a philanderer in later life? Did she find some meaningful pastime to keep her occupied on the palace grounds? Were her children spoiled brats? Did she harbor resentment about her upbringing, or try to get revenge on her stepsisters? Did she grow bored with royal balls and court intrigue, or did she organize a dance program for the poor kids in her kingdom? Happiness, as we have said, is a process, not a destination. Just as Cinderella’s life did not end with her royal wedding, your emotional bliss is not complete once you have obtained some important goal. Life goes on, and even those great circumstances you achieve will not ensure you lasting happiness. For one thing, bad things can happen even to beautiful young princesses. But even if Cinderella’s life encountered few bumps on the fairyland road, she
might have grown bored with the wonderful circumstances surrounding her, and needed new aims and activities to add zest to her life.

In the end, Cinderella’s quality of life was probably dictated less by her favorable circumstances and more by how she construed them. Hardships are an inevitable part of life, and having psychological wealth does not mean there are never any risks or losses. Of course there are. Happiness is not the complete absence of tough times, because that would be unrealistic. But, as we shall see later in this chapter and later in this book, negative emotions have a place in psychological wealth, and subjective interpretation plays an important role in happiness.

**Needing the Rigors of the Game**

We sometimes ask our students whether they would accept the following pact with a genie. After floating out of his lamp, he offers to give you *everything* you desire, and as soon as the wish comes into your head, without the typical three-wish limit. The smirking genie says that anything you want will instantly come to you. You can’t wish for happiness, and you can’t wish that you will need to work for things to obtain them: no trickery of this type is allowed. Just solid old-school wishing for gold, castles, travel, beauty, friends, sports talent, intelligence, musical talent, good-looking dates, fast cars, and the like is permitted. Of course, most students wave their hands wildly, signaling that of course they would accept this great offer. Undoubtedly they are thinking of school loans, good grades, summers in Paris, and body fat. But – typically – as the class discussion proceeds, doubts begin to creep in. Maybe this all-wishes-granted deal, having everything and working for nothing, would become boring. Maybe you would adapt to all your blessings and they would no longer produce happiness. The discussion proceeds a bit further, and a few students begin to think the infinite-wishes deal might be hell on earth. Things would become boring, they reason, and life would lose its zest.

Students’ qualms about receiving everything without effort express our intuitive understanding that working for things we desire can be part of the pleasure of obtaining them. Just as climbing the mountain may be the major part of the fun, and simply being boosted to the top by a genie would be much less rewarding, much in life might be more meaningful and rewarding because of the efforts needed to obtain it.
Not only will the eventual reward be more exciting, but the activities needed to gain the reward can themselves be very rewarding. The former justice of the United States Supreme Court Benjamin Cardozo expressed this well: “In the end the great truth will have been learned: that the quest is greater than what is sought, the effort finer than the prize (or, rather, that the effort is the prize), the victory cheap and hollow were it not for the rigor of the game.” The renowned justice went beyond saying that the goal-seeking activities enhance the final reward; he claimed that these activities are in fact the prize itself!

The Lessons of Part III

Part III is particularly relevant to happiness as a process. Chapter 9 of that section is about adaptation, and shows that we adapt to some degree to the good conditions we encounter in life. At first they produce a thrill; then we grow used to them. This is why we need continuing new goals to remain happy, and why rewarding activities are so important to happiness. We can continue to enjoy mountain climbing even if the thrill of summiting wears off. In fact, just as the euphoria of summiting may decline, the enjoyment of climbing can grow as one’s skills improve.

Chapter 10 is about happiness forecasting and is also relevant to happiness as a process. To lead a happy life, we need to make good decisions, and this involves the recognition that problems invariably arise, even in good circumstances. Our Prince Charming might not be a philanderer, but he won’t be perfect either – he forgets birthdays and is a workaholic. He grows a paunch and develops bad breath. Making good choices in life depends on recognizing not just rewards, but the likely problems in choices as well. Happiness depends in part on our ongoing choices, not just on a set of lucky circumstances.

Finally, Chapter 11 describes our AIM (attention, interpretation, memory) model, which is central to the idea that happiness is a process rather than a place. The idea behind the AIM model is that how people interpret the world has as much, or more, to do with their happiness than what is actually going on in their world. The processes of attending to some events and not others, of interpreting ambiguous events in positive rather than negative ways, and of tending to recall the good times instead of the bad times from the past are about the internal processes of being happy. Without these processes
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it is hard to stay happy for long. This is why some people are happy and some are not when living in very similar circumstances. Happiness as a process means that our daily interpretation of things determines our feelings of well-being, and learning to interpret most events in a positive light is a valuable skill.

Happiness as a process, not a place, is a core principle of beneficial happiness that captures many ideas about the effective way of living a happy life. Always remember that happiness is a way of traveling as much as it is a final destination. Of course, some routes and destinations are better than others, and Paris can be quite fun once you get there. A trip to Hawaii is usually more rewarding than one to Newark. So enjoy both the trip and the destination.

Happiness is Beneficial

Modern psychological science has added a fascinating and counterintuitive new dimension to the age-old discussion of happiness: happiness is beneficial. Rather than viewing happiness as a pleasant or peaceful state of mind, research tells us that happiness is helpful and functional. It is a resource to be used rather than only to be enjoyed.

Some people believe that happiness is about as beneficial as injecting heroin, and that feelings of joy are about as helpful as making a wish when you blow out candles on your birthday cake. The playwright and Nobel laureate George Bernard Shaw once said, “A lifetime of happiness! No man alive could bear it; it would be hell on earth.” The great medical missionary and Nobel laureate Albert Schweitzer similarly undermined the importance of happiness when he quipped, “Happiness is nothing more than good health and a bad memory.” Among the most vocal critics of all time was the French writer Gustave Flaubert, who was famously opposed to the pursuit of happiness. When Flaubert wasn’t busy penning his steamy novel Madame Bovary, he was usually criticizing middle-class society and the quest for happiness. Flaubert opined, “To be stupid, selfish, and have good health are three requirements for happiness, though if stupidity is lacking, all is lost.” To the curmudgeonly Flaubert, happiness was a case of investing energy and resources in the wrong places. At its best, according to Flaubert, happiness is a pleasant feeling; at its worst, happiness is a dangerous golden calf that suckers whole societies into complacency, destructive hedonism, and softheadedness.
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Flaubert was dead wrong in his assertion that happiness is stupid and selfish. Happiness, as it turns out, not only feels good, but is often good for you and for society. In Part II, we will discuss research showing that happiness is associated with a wide variety of tangible benefits, ranging from improved health, to better marriages, to increased chances of attaining personal goals. For most people, happiness is that emotional pot of gold at the end of the emotional rainbow. Happiness is most commonly thought of as a destination, a state we work toward and hope to achieve in some lasting way. However, studies show that happiness is not only a worthy aspiration, but that it is actually a resource as well; it is emotional capital we can spend in the pursuit of other attractive outcomes. Research shows that happy people live longer, succumb to fewer illnesses, stay married longer, commit fewer crimes, produce more creative ideas, work harder and better on the job, make more money, and help others more. Who wouldn’t want to be happier if it increased one’s chances of being physically fit, financially secure, helpful, and surrounded by friends? If you think about the times in your own life when you have been upbeat, you probably recognize that these were periods of creativity, energy, hope, and social connection. In the end, happiness is far more than hedonism or complacency; it is helpful and healthy.

The first hints of the new way of looking at happiness surfaced in the early 1970s, when the researcher Alice Isen and her colleagues investigated the potential outcomes of good moods. In one classic study, she secretly planted coins in the change slot of a telephone booth. When unsuspecting callers “found” the money, they were subsequently more likely than those who had not found change to help a bystander (a research accomplice) carry books or pick up dropped papers. Similarly, in a study where Isen and her colleagues gave physicians a gift bag of candies and chocolates, the boost of positivity led the doctors to be better diagnosticians, able to integrate information, arrive at a diagnosis earlier, and show more flexible thinking. If you want to improve your chances of a correct diagnosis on your next clinic visit, bring a small gift!

Human anatomy and human psychology have something in common: both serve specific functions. Our hands, with their dexterous fingers and opposable thumbs, are perfect for grasping. Our sweat glands are essential to our ability to cool ourselves. It makes sense, given the so-called mind-body connection (which holds that emotions and other psychological processes are rooted in our biology),
that our emotions are not just products of random chance that serve no purpose, but that they too are functional.

Our feelings help us interpret the quality of our lives and the world around us, and motivate us to behave accordingly. It is easy to understand the benefits of negative emotions like guilt and fear. Fear functions to keep us safe by motivating us to avoid perceived dangers, and guilt functions to guide our behavior through moral decision making, and thereby helps preserve harmony in families and communities. Imagine how dysfunctional the world would be if people did not grieve for their deceased loved ones, feel pangs of guilt when they cheated on tests, or become angry when they were treated unjustly. This is one reason we do not advocate a happy-only approach to life, but insist that bad moods are not only inevitable, but can be useful. Although negative emotions are unpleasant to experience, they often serve a purpose.

**Broaden and Build**

The function of positive emotions seems less obvious. What good is being cheerful? How might feeling joyful help us? It turns out that feeling good is a special gift that helps us thrive and function. According to Barbara Fredrickson, a psychologist at the University of North Carolina, positive emotions serve a definite purpose: they “broaden and build” our personal resources. Just as our paychecks can be spent on material items like hybrid cars and *Harry Potter* books, our positive moods lead us to seek out and cultivate relationships, think more creatively, and show curiosity and interest in new activities. In one study, for instance, participants who felt happy expressed interest in engaging in more activities than did those who were in a negative mood. In another study, people put in a good mood expressed more interest in both active and passive social and nonsocial activities. They also expressed more energy for doing the activities. You probably recognize this phenomenon from your own life: when you are feeling sad you don’t feel like doing much, but when you are feeling joyful many activities sound great.

Few people realize that many of our personal resources, whether it is our closest friendships, success at work, or a new skill, are accumulated when we are in positive moods. Positive emotions energize us to develop our physical, intellectual, and social resources. To investigate
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this possibility. Fredrickson conducted a study in which she assessed people’s moods and then examined their creative coping strategies in the moment and at a follow-up session five weeks later. Sure enough, the folks who were in a good mood during the initial research session were more likely to exhibit creative problem solving and better coping strategies.

One aspect of building resources you may not have considered is the process of play. When we are feeling joyful, our playful spirit emerges. Play is more than just idle leisure time; it is an opportunity to practice new skills and bond with others. For children, play is unscripted, and offers the opportunity to try new ways of doing things, or practice newly acquired abilities. For parents, the sight of their sons and daughters mimicking the skills of adulthood is common. Kids pretend to change diapers, make bottles, grocery shop, cook and clean, pack for a trip, buy goods with credit cards and money, build homes, drive cars, put on makeup, and style their hair. These are practice runs for later in life, when they will be applying these skills in earnest.

For adults, play is no less functional. Although adults generally do not engage in make-believe play, they participate in board games, sports, and leisure activities such as hiking and painting. In each instance, adult recreation subtly builds our resources. Many board games, for example, require social coalition building, challenge us to make creative connections, hone our strategic abilities, help to build our working vocabularies, and give our minds some exercise. Similarly, athletic activities offer an opportunity for us to maintain our physical fitness, as well as form bonds of loyalty. Games of chance and ability are the testing grounds for the ideas, words, friendships, and skills that we will call upon later when the stakes are higher. But, as useful as play is, we mostly want to do it when we are in a good mood. We usually experience positive emotions when things are going well, and these are the times when we can afford to build our resources for the future. Play may have seemed like just relaxation to you before now, and a few people even consider it to be a waste of time, but many forms of leisure are in fact quite helpful in living a more successful life.

Another broadening and building benefit of positive emotion is the way in which we seek out and connect with others. When we feel affection toward other people, whether it is platonic or romantic, we tend to want to spend time socially with them. Happiness and love
lead us to listen with concern, help when called upon, and exert the
effort to maintain existing relationships. We are far more likely to go
dancing with our friends or attend a party if we are feeling upbeat
and energetic. We are even more likely to brave new experiences,
such as attending a new church, giving a new sport a try, or choosing
a new coffee shop or restaurant when we are in a good mood.

Cheerfulness and optimism serve to widen our social circle. How
does this process work? Consider the case of human infants. Babies
smile, even before their eyesight is developed enough to clearly see
adult faces, suggesting this is an innate behavior. Adults, in turn,
react to smiling babies with predictable ooh-ing and ah-ing, and shower
the infant with attention. Thus, the smile, as an outward manifesta-
tion of happiness, serves from the beginning to connect us to others.
Further proof for this comes from research that found that people
who suffer from facial paralysis, and who cannot smile, have diffi-
culty in social relationships. Thus, we are prewired to make connec-
tions with others – relationships that are necessary for our personal
and physical well-being – and happiness is the grease that allows this
evolutionary machinery to work.

In the end, our personal and social capital – our knowledge, insight,
friends, families, skills, and creativity – are more valuable even than
our material resources. Luckily, we are evolutionarily adapted to
develop these important assets when we are feeling good. Happiness
and related positive emotions function to encourage us to broaden
and build a wide range of resources that, ultimately, lead to personal
fulfillment and societal well-being.

Regulating Negative Emotions

We explained that negative emotions such as sadness and guilt are
functional, and that we ought to experience them some small portion
of the time. What we have not said, and what many readers will be
able to attest to, is that negative feelings have a downside in that they
can feed on themselves. Although embarrassment and anger are not
necessarily pleasant to experience, they can be habit forming. For
some people, anger is exciting, and they can learn to feed off the
negative emotional dramas in their lives. For other people, self-pity
can act as a blanket, one that individuals can swaddle themselves in
for a kind of perverse security. The danger of negative feelings isn’t in
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experiencing them – we all do – but in getting too comfortable with them, so that they rival our positive emotions in frequency and intensity. Fortunately, positive emotions can serve to regulate and dampen these unpleasant feelings if they become too strong or common. In this way, emotions are like a teeter-totter, in which the heavier weight of good feelings controls the seesaw action.

Consider the case of a couple in the middle of a fight, an inevitable experience familiar to most of us. Marital arguments, unfortunately, have a way of dragging on longer than they should. Who hasn’t followed their spouse into the next room, even after the debate is supposedly over? Anger can keep the fight going long after the issue itself is resolved. Fortunately, happiness can serve as an emotional firewall, protecting us from doing further harm to our relationships. Frequently, for instance, either the husband or the wife will abruptly make a joke, or something will occur that will suddenly seem funny to both parties. Intensely negative arguments sometimes deteriorate into quizzical laughter, in which the spouses wonder at the absurdity of what, only moments earlier, seemed worth fighting over. This is our natural positivity defense kicking in, and it is the way in which the referee of happiness calls the end to the game of negativity.

Positive emotions serve to bring us back to our baseline by undoing our negative feelings. Just as sweating helps cool us down to our normal temperature after exercise, happiness can restore us after a negative emotional event. In fact, happiness, like sweating, has a direct effect on our physiological arousal. Fredrickson conducted a study in which she showed short scary movies to the participants. As expected, the films were arousing, and were accompanied by reactions of fear. After screening the horror films, Fredrickson showed clips from funny, neutral, or depressing movies. Participants who saw the amusing clips returned to their baseline cardiovascular levels within twenty seconds, compared with the forty to sixty seconds their counterparts who were exposed to the neutral and negative movies required.

Fredrickson found similar results in a study in which participants were affected by real-world conditions. In a sample of college students whose moods were tested both before and after the terror attacks of September 11, 2001, positive emotions were associated with less depression, more resilience, and more personal growth among the happier students. This suggests that positive individuals have an
advantage over others, in that they can bounce back more easily from the occasional negative situations they will certainly encounter.

**Challenges Look Easier When You Are Happy**

Another clear benefit of good moods is the effect they have on our motivation. Research shows that positive emotions make goals seem easier to achieve, and therefore happiness adds an extra boost of enthusiasm and perseverance to our personal pursuits. Professors Dennis Proffitt and Gerald Clore from the University of Virginia found that people in a good mood see the world as an easier place than those in a negative mood, who see it as scarier and more difficult. In an early study, they asked research participants to estimate the steepness of a hill in front of them. The researchers instructed participants to wear a heavy backpack. Under the increased physical load, people guessed that the hill was far steeper than the backpack-free participants had estimated.

In the next round of research, Proffitt and Clore took a new group of participants to the same hill, and played classical music composed by either the upbeat, bouncy Mozart or the despondent Mahler. This time, when the participants made their slope estimates, those who had been subjected to the emotionally heavy Mahler pieces estimated the steepness of the hill at 31 degrees. Compare this with the estimate of 19 degrees made by those who were treated to the light, flute-filled Mozart compositions.

The researchers next manipulated moods more directly. They took the research participants to the top of the hill and had them estimate the slope from above. Some of the participants had to stand on the top of a stable wooden box when making their guesses, while others stood atop a wobbly skateboard. As you might imagine, those folks who were on the less stable footing of the skateboard reported more fear, and thought the angle of the hill was steeper than did those on the solid box. Same hill, different perceptions. In yet another study, conducted at the University of Virginia, students were asked how far it would be to walk to Monticello, the famed home of Thomas Jefferson. The students guessed that it was closer if they were with a friend than they did if they were alone. Thus, negative emotions can make the world look frightening, whereas positive moods make the hills of life appear smaller and distances look shorter.
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**Coming Chapters on Happiness and Psychological Wealth**

It is because happiness is associated with action and forward thinking that we are not only able to survive, but to thrive, develop, and progress. When people are in a good mood, they are more likely to be sociable, creative, playful, and energetic – all of which can help them further build their resources. Happiness, then, helps create psychological wealth.

The following chapters of this book outline the evidence showing that the benefits of happiness are obvious in concrete ways in areas such as health and longevity, work and income, and social relationships. Indeed, for social relationships, positive emotions may be the primary elixir. Even for something as seemingly ephemeral as spirituality, positive emotions are helpful.

As important as happiness is for effective functioning in diverse realms of life, there are limits. One need not be intensely happy to function well, and a smidgeon of negative emotions at the right times is helpful. Thus, in chapter 12, we describe how the best level of happiness for doing well varies in different domains. We also discuss how seeking continual bliss is not only doomed to failure, but can be destructive. Thus, being happy most of the time is good, but euphoria is necessarily a rare occurrence. In the rest of this book, we will describe the scientific evidence for our two principles, and give concrete examples of how they are manifested in life.