“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, 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.”

~ Ed Diener & Robert Biswas-Diener from Happiness

Ed Diener is the world’s leading researcher on the science of happiness and his son, Robert Biswas-Diener is know as the “Indiana Jones of psychology” because of his data collection adventures around the world. (Love that. :)

Together, they present a detailed and rigorous look at the science of happiness in their great book, Happiness.

Although the book is packed with practical wisdom and far from a textbook, it’s less warm and fuzzy than some of the other titles we cover as they explore the nuances of the sophisticated research into what makes us truly happy. If you enjoy the Note I think you’ll dig the book!

For now, let’s take a quick look at some of my favorite Big Ideas! :)
psychological wealth.”

“Psychological wealth.”

LOVE that.

In *Happier* (see Notes), Tal Ben-Shahar describes “happiness” as the ultimate currency: “A human being, like a business, makes profits and suffers losses. For a human being, however, the ultimate currency is not money, nor is it any external measure, such as fame, fortune, or power. The ultimate currency for a human being is happiness.”

And, I just love the idea of “psychological wealth” as the ultimate measure of our net worth.

So, happiness = ultimate currency. Psychological wealth = ultimate net worth.

Got it.

Now, as the Diener’s point out, there are two essential principles to psychological wealth.

First, we need to know that happiness is more of a process then an emotional destination. As they put it: “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.”

Back to Tal. Here’s how he puts it in *Happier* where he goes into detail on four different archetypes and how they approach life: “The rat racer’s illusion is that reaching some future destination will bring him lasting happiness; he does not recognize the significance of the journey. The hedonist’s illusion is that only the journey is important. The nihilist, having given up on both the destination and the journey, is disillusioned with life. The rat racer becomes a slave to the future; the hedonist, a slave to the moment; the nihilist, a slave to the past.

Attaining lasting happiness requires that we enjoy the journey on our way toward a destination we deem valuable. Happiness is not about making it to the peak of the mountain nor is it about climbing aimlessly around the mountain; happiness is the experience of climbing toward the peak.”

To repeat: Happiness is more about the PROCESS than the DESTINATION. Got it.

Second, we need to know that, although it’s great that happiness makes us feel great, it’s even cooler that happiness helps us live more effectively. Fact is, happy people are more successful in every sense—from their health and wealth to their social relationships and everything in between.

There ya go—a quick peek at psychological wealth.

The book is all about helping us bump up our net worth and even has a very cool test to see if you’re a billionaire. How about a few Big Ideas on how to rock it? :)

**GIVING SUPPORT VS. RECEIVING SUPPORT**

“A very important finding comes from Stephanie Brown and her colleagues at the University of Michigan: giving support to others is more important to longevity than receiving support. She found that elderly individuals who gave little emotional or practical support to others were more than twice as likely to die during the five years she followed them compared to people who gave to others. Even accounting for initial health and other factors, people who gave to a spouse, to friends, and to neighbors were blessed with greater longevity.”

That’s amazing.
You want to live longer (and feel happier in the process)?

Give yourself to your friends and family and neighbors and colleagues. We’re not talking about some manic attempt to change the world here. We’re talking about the little stuff—from holding the door open for the person behind you at the movies to helping your kids (or Grandkids or classmate) with their homework.

Simple, powerful stuff.

Later in the book they talk about the fact that you can make happy people unhappier by simply having them focus on themselves in a journal exercise vs. focusing on something outside of themselves. (And, you can make unhappy people happier by having them quit focusing so much on themselves.)

How can you be a little nicer today and give some support to those around you?

Get on that.

(Bonus is you might just live a little longer. :)

**AFFECT BALANCE**

“Don’t be concerned if you experience sporadic anger, sadness, or worry. Happiness is not the total absence of negative emotions. Brief feelings of sadness and guilt, while unpleasant to experience, can serve important purposes and help us function effectively. How then, on an individual basis, can we hope to gauge whether we are happy enough to benefit from the health effects of happiness?

One way is by considering “affect balance,” the sum total of our unpleasant moods subtracted from our pleasant emotions. Instead of ridding ourselves of all unpleasant emotions, our aim is to experience considerably more pleasant than unpleasant emotions. Researchers examined affect balance in the lives of cardiovascular patients who had previously been hospitalized. They found that affect balance tending toward the negative - that is, with relatively frequent or intense negativity compared to the amount of positivity - was the best predictor of whether the patient relapsed and was readmitted to the hospital. Experiencing negative emotions was not nearly as important as whether a person experienced more negative emotions than positive ones. Using the affect balance approach to happiness, we need to make sure that we commonly experience good feelings, and only infrequently experience negative ones.”

Couple things here.

First, we do *not* want to try to be perfectly happy all the time. That’s both impossible and silly. Fact is, as Ed and Robert point out numerous times in the book (and even dedicate an entire chapter to it!), we can be too happy.

Worry, anger, disappointment and sadness are all normal and vital emotions that we *need* to experience at times. Having said that, we also (obviously) don’t want to experience those negative emotions most of the time.

It’s all about our emotional balance sheet—we want to experience more good feelings than negative ones (while not trying to completely eliminate the negative!).

How’s your emotional balance sheet looking?

**LOVING AND CARING ANGELS**

“Imagine that you die and because of some administrative errors in heaven you are sent to hell instead. There, at the fiery gates, you are greeted by Satan who - of course - smiles and offers you a deal. He explains that you have a choice to make that will affect how you spend the rest of
eternity. If you choose the three people you love the most to take your place and live with him in
hell, you can buy your way out, and be assured a spot upstairs in heaven. What would you do?
Many of us - in fact, most of us - would not take the deal. We would be willing to suffer rather
than let them suffer. People matter to most of us an entire amount. In refusing to turn over our
loved ones to Satan, we would of course have earned the right to heaven - because caring for
those we love is for most of us the core of being a good and happy person. People have been
called social animals, but the happiest among us are loving and caring angels.”

Quick check in: You didn’t take Satan’s deal, right?
Schew. Good. :)

Ed and Robert kick off their chapter on the importance of social relationships with another
story where we imagine that we were the last person on the planet (bummer) but were given the
ability to do anything we wanted to do (sweet!).

Fact is, without anyone with whom to share our lives, we’d quickly go wacky.
Social relationships. They are essential to our well-being.

How are YOURS?

THE HAPPINESS EQUATION

“What they found was surprising: the amount of money a person made only modestly predicted
whether or not she was satisfied with her income. Some people with a lot of money could not
meet their desires, and others with little money were able to do so.

This brings us to the formula:

\[
\text{Happiness} = \frac{\text{What we have (attainments)}}{\text{What we want (aspirations)}}
\]

This formula makes sense. It means that it doesn’t matter so much if you make $20,000 a year
or $100,000, if you drive a new BMW or an old Chevrolet - what matters more is that your
income is sufficient for your desires. Of course, we know from the bulk of the research that it is
generally better to have more, rather than less, money. But individual variation in desire helps
explain why some poor folks are happy and some wealthy people are not.”

That’s a really Big Idea.

Let’s walk thru the math on that happiness equation in more detail, shall we?

\[\rightarrow \text{Happiness} = \frac{\text{What we have}}{\text{what we want.}}\]

Notice that out of control material aspirations quickly shrink your happiness. :)

Gratitude for what we have plus keeping our material aspirations in check? That’s a good way to
boost your happiness. How are you doing with that?

THE SUBTLE EFFECTS OF MONEY

“Kathleen Vohs and her colleagues were interested to discover how money, and even reminders
of money, affects people psychologically. To do this, they primed the concept of money by
leaving subtle reminders around the research laboratory. For instance, they placed a flying
dollar as the screen saver on a computer screen in the room, or put a framed dollar bill on the
wall. Amazingly, research participants who were exposed to these small monetary cues felt more
self-confident than those who were not. They also were able to persevere longer at a difficult task
without asking for help than folks in the no-money condition. The effects of money, however
were not all positive in Vohs’s study. The people in the money-cue condition were also less likely to be sociable later on, preferring to wait for the experimenters alone rather than with others, sitting farther away from others in a waiting room, and opting for solitary rather than group activities when offered the choice. The money-primed participants were also less helpful to a confederate who appeared to accidentally have dropped his belongings, and they donated less of their experimental earnings to charity when given the opportunity to do so. Thus, the merest hint of money led to a tendency for folks to feel confident, but also to feel more distant from others."

Isn’t that fascinating?!

All part of a longer conversation the authors go into on a chapter called “Can Money Buy Happiness?”

For now, know that “Even for people in wealthy societies, problems can arise when they become too wedded to the idea of striking it rich and accumulating wealth. Materialists are generally less satisfied with their lives than folks who highly value love, friendships, and other worthwhile pursuits.”

And: “It is generally good for your happiness to have money, but toxic to your happiness to want money too much. A high income can help happiness, but is no sure path to it. Therefore, readers must determine the motives underlying their desire for money and not sacrifice too much in the pursuit of wealth.”

MAKING HAPPY CHOICES

“Barry Schwartz, a psychologist at Swarthmore College, has studied how happy people are with their decisions. Schwartz and his colleagues have identified two decision-making styles: satisficing and maximizing. Satisficers are individuals who have a minimum threshold for what is acceptable to them, and maximizers are people who strive to get the very best out of every decision. Being a maximizer sounds appealing until you learn the results of Schwartz’s studies. Once maximizers have made a choice - whether it is accepting a job offer, signing a recording contract, or marrying their high school sweetheart - they are likely to second-guess themselves, and wonder whether they could have made a better choice. The funny thing is, although maximizers sometimes achieve better outcomes than satisficers - getting a bit more money for that recording contract, for instance - they also tend to be less happy with their achievements. In fact, they turn out to be less happy in general. Maximizers, according to a series of studies by Schwartz, are lower than satisficers in happiness, optimism, self-esteem, and life satisfaction, and higher in depression and regret!”

Ah, *The Paradox of Choice.*

Check out the Note on that great book by Schwartz for more goodness. For now, know that you want to be a satisficer, not a maximizer. How?

As Ed and Robert tell us: "In order to make happy choices, listen to your heart, don’t worry about getting the very best all the time, and evaluate each outcome on its own merits rather than against others. Follow this dictum: Search for a decent parking spot and take it; don’t waste your life searching for the best spot in the whole lot.”

TAKE AIM AT HAPPINESS

“In this chapter, we walk you through the nuts and bolts of a happy mindset by encouraging you to “take AIM at happiness.” AIM is our acronym representing the basic components of a positive attitude that are necessary for happiness: attention, interpretation, and memory. Because attitudes of life are central to happiness, using the AIM model is essential to your psychological
wealth. When most people consider positive thinking, they tend to focus on the interpretation part of AIM. They try to recast negative thoughts in a new, shinier light, but usually overlook how vitally important attention and memory are to the happiness equation. Positive thinking is more than simply looking on the bright side; successful positivity means paying attention to success and blessings, and being open-minded to positive explanations of events, as well as recalling the good times. Although we doubt that the kind of positive attitudes suggested by self-help gurus are magic cure-alls, we do know that they can increase your happiness.

AIM: Attention + Interpretation + Memory.

Ed and Robert dedicate a chapter to helping us improve our AIM. It’s great. The basic idea?

**Attention**: What you put your attention on will determine what you see. Focus on the negative things and you’ll live in an ugly world. Focus on the positive things and your world will be beautiful. (It really is pretty much that simple. On what are you putting your attention? :)

**Interpretation**: We talk about this ALL the time. Check out the Notes on Sonja Lyubomirsky’s *The How of Happiness* and Albert Ellis’s *A Guide to Rational Living* for more on challenging our negative thoughts!

**Memory**: We want to practice “savoring” wonderful present moments as they occur and bring them to mind often as we recollect our past.

Well, there ya go.

That’s a REALLY quick look at a great book *packed* with scientific wisdom on how we can live with more happiness and develop psychological wealth. Hope you enjoyed and here’s to becoming billionaires in what matters most! :)

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**Brian Johnson,  
Chief Philosopher**

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**About the Authors of “Happiness”**

**ED DIENER & ROBERT BISWAS-DIENER**

**Ed Diener, Ph.D.,** is the Joseph R. Smiley Professor of Psychology at the University of Illinois at Urbana-Champaign. He is also a senior scientist for the Gallup Organization.

**Robert Biswas-Diener,** Program Director at the Center for Applied Positive Psychology (UK) and part-time lecturer at Portland State University, lives in Milwaukie, Oregon. He is known as the “Indiana Jones of positive psychology” for his research on subjective well-being in remote cultures around the world.

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**About the Author of This Note**

**BRIAN JOHNSON**

Brian Johnson loves helping people optimize their lives as he studies, embodies and teaches the fundamentals of optimal living—integrating ancient wisdom + modern science + common sense + virtue + mastery + fun. Learn more and optimize your life at [brianjohnson.me](http://brianjohnson.me).