

PERSPECTIVES

An excerpt from "Perspectives" - Volume 10 - Issue 8

Financial Planning

The paradox of aging: Why getting old makes you happier

By Elaine Loo, Associate Investment Advisor

A friend of mine recently celebrated her 30th high school reunion. Most of her former classmates were too busy, or else did not care, to attend. Still, those who did go made up a decent-sized group. They reminisced about "the old days" of being their 20s. They were an ambitious bunch back then, determined to: be on top of the world; get the big job; have an extraordinary family and lots of money; or achieve some other form of greatness.

Many did achieve these goals. But today, in their late 40s, how do these alumni feel? Are they happy? After all, kids are a handful, work is stressful, parents are getting older – not to mention the overwhelming demand of countless other obligations. The night ended relatively early with common excuses, e.g., "I'm so tired," or "Got my kid's hockey in the morning."

Despite meeting their goals, the old friends confided to each other that they felt life had peaked; that they were heading into a slump, if not there already. "Downwards from here, man," my friend heard throughout the evening.

Sure, being middle aged isn't supposed to be easy. That's no surprise. But as we get older, are things destined to get worse?

Enter award-winning journalist Jonathan Rauch, author of *The Happiness Curve – Why life gets better after 50*. Rauch's research shows that happiness follows a U-shaped trajectory, i.e., what he calls the happiness curve. It declines from the optimism of youth, bottoms out in middle age and then begins to rise again.

How does Rauch define happiness? He says there are two kinds. *Affective happiness* is how you feel at the moment: "What's your mood right now?" The second, *evaluative happiness*, is how satisfied you are with your life: "How do you compare with the best possible life you could imagine for yourself?"

Happiness is sixfold

Happiness generally revolves around six factors, Rauch suggests: social support, generosity, trust, freedom, health and income. You may notice that the first four factors involve social interaction. Research shows that there is a strong link between life satisfaction and being connected to others. Perhaps the truest form of wealth is social, not material. Another secret to happiness, he says, is "not to compare yourself to people who are more successful than you: compare downwards, not upwards." Sound advice, but not always easy to follow in reality.

Rauch discusses many studies about happiness. Most of them make sense, like the six factors mentioned above. One thing may surprise most of us. Age has an effect on happiness – but not a downward effect, as one would expect. Remember Rauch's theory of the U shape? To recap: Life satisfaction tends to decline gradually after early adulthood, bottom out in middle age, then gradually rebound after. This phenomenon has proven consistent for men and women, across many countries and even in apes!

So, why does getting older make you happier? After all, no one is cheering over sore joints or needing reading glasses. Rauch discusses a number of reasons older people feel happier:

1. declines in stress after 50;
2. better control of emotions;
3. feeling less regret;
4. positive effects and growth of wisdom.

He believes that age doesn't just change our bodies; it also changes our values. The focus shifts from thinking about the future to living in the present: taking each day as it comes, savouring the positive, dwelling less on the negative, accepting and not overreacting.

In summary, life is complicated, but *The Happiness Curve* gives us an interesting and helpful perspective. When you look at your life in your 40s, you ask, "Is this all?" Later, in your 50s, your view changes to, "Actually, this is pretty good." You shift gears from being focused on accumulating to being appreciative for what you have. Everyone is different, but for those of you in your 40s, hang in there. And for everyone else, enjoy! ■



Elaine Loo is an Associate Investment Advisor for the Stan Clark Financial Team at CIBC Wood Gundy. She is responsible for the day-to-day monitoring and maintenance of client accounts and investment portfolios.



CIBC
Wood Gundy

The Stan Clark Financial Team

Where planning, investing and behavioral finance meet

Phone: (604) 641-4361 Toll free: 1 (800) 661-9442 Fax: (604) 608-5211 Email: StanClarkFinancialTeam@cibc.ca www.stanclark.ca

Stan Clark is an Investment Advisor with CIBC Wood Gundy in Vancouver, BC. The views of Stan Clark do not necessarily reflect those of CIBC World Markets Inc. This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change. Clients are advised to seek advice regarding their particular circumstances from their personal tax and legal advisors.

If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor. CIBC Wood Gundy is a division of CIBC World Markets Inc., a subsidiary of CIBC and a Member of the Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada.