



physical health

mental health

material sufficiency

spirituality

life satisfaction

relationships

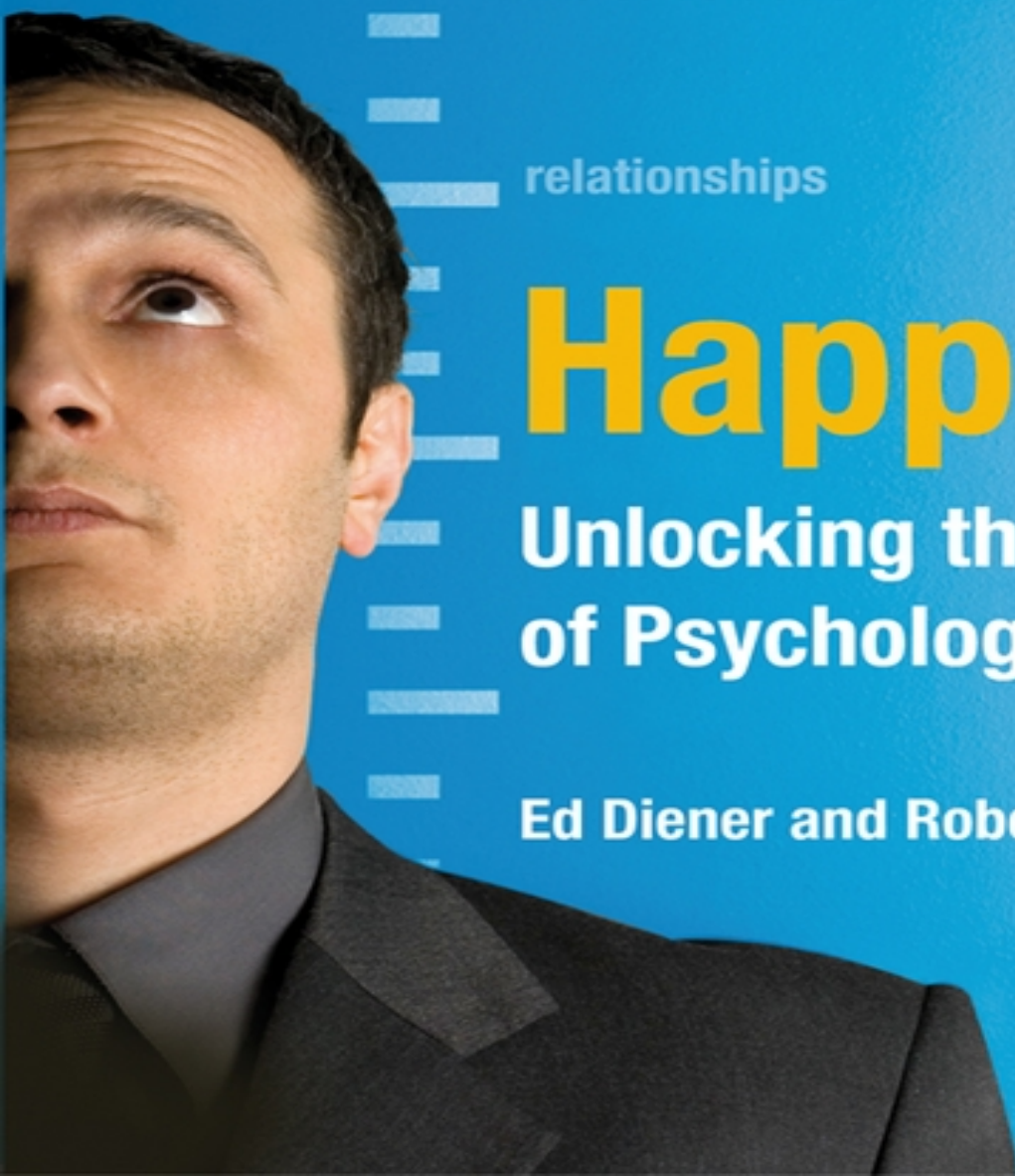
**"The most  
authoritative and  
informative book about  
happiness ever written."**

**DAVID MYERS,  
psychologist  
and author**

# Happiness

**Unlocking the Mysteries  
of Psychological Wealth**

**Ed Diener and Robert Biswas-Diener**



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# ***Praise for Happiness***

“This is the most authoritative and informative book about happiness ever written. That’s not surprising, given that its authors are the world’s leading happiness researcher and his psychologist son, whose vocation is coaching people toward happier lives.”

*David G. Myers, Hope College, author, The Pursuit of Happiness: Who is Happy, and Why*

“A great gift from the leading professional scientist of happiness in the world and his son, the ‘Indiana Jones’ of positive psychology.”

*Martin E. P. Seligman, Fox Leadership Professor of Psychology, University of Pennsylvania and author, Authentic Happiness*

“This book is a must read! If you want science-based advice on what can make you truly happy, Dr. Diener, with his son Robert-Biswas Diener, bring to life over thirty years of cutting-edge research on how to achieve real psychological wealth. The Dieners are the real deal. No one has studied happiness more than Ed Diener, and few people have conducted field research in more exciting places than Robert. You’ll quickly see why Ed Diener is called Dr. Happy and why Robert is called the ‘Indiana Jones’ of Positive Psychology.”

*David J. Pollay, B.A. Yale, M.A.P.P. University of Pennsylvania, President of The Momentum Project, syndicated columnist, and author, The Law of the Garbage Truck™*

“The collaboration between the foremost authority on happiness research and the ‘Indiana Jones’ of psychology makes for a great mix of interesting examples and solid research. I have never seen a book that does such a good job offering useful practical advice while basing this advice on completely sound empirical research.”

*Richard E. Lucas, Professor of Psychology, Michigan State University*

“This is a happiness book by the world authority, the pre-eminent scholar in the field along with an in-the-trenches coach who teaches and adapts this material every day for practical use with coaching clients. Robert is also an international researcher and coaching scholar in his own right. This is to say that these are scholars who do the research and not just journalists or pop psychologists reporting it second hand. These folks know happiness from the inside out.”

*Michael B. Frisch, Psychologist and Neuroscientist, Baylor University; Positive Psychologist/Coach and Clinical Psychologist*

“In the huge happiness industry that has grown up over the past few years, this book is the very best overview of research and self-help manual available. It is written by the most productive, respected psychologist in the field of happiness studies and his son. It is the most readable, comprehensive overview and self-help manual available on happiness. If an ordinary citizen wanted to know about the contemporary science of happiness, it would be the place to begin.

*Alex C. Michalos, Ph.D., F.R.S.C., Chancellor Director, Institute for Social Research and Evaluation*

“Finally the definitive book on happiness from the world’s leading expert, Ed Diener, and his son, Robert Biswas-Diener, known as the ‘Indiana Jones’ of Positive Psychology. The authors bring over thirty years of research and practice into this engaging book that reveals the secrets of psychological wealth — your true net worth — which includes your attitudes toward life, social support, spiritual development, material resources, and health. This is a landmark book that should be read

not only by laypersons but also scholars, educators, business leaders, and decision-makers interested in global well-being and human happiness.”

*Jim Clifton, Chairman & CEO, The Gallup Organization*

# Happiness

Unlocking the Mysteries of  
Psychological Wealth

Ed Diener and  
Robert Biswas-Diener



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*To our wives, Carol and Keya, who have been so helpful to us in our writing of the book, and to the Gallup Organization, for their encouragement and support.*



## ***Foreword***

With so many books about happiness on the market, why should you read this particular one? David Myers, psychologist and author of many books, including *The Pursuit of Happiness*, calls Ed Diener the “Jedi Master of Happiness Studies.” He is referring to the fact that – over the course of a thirty-year career in psychology – Ed has pioneered the field of happiness studies, publishing more than two hundred scholarly papers and chapters on the topic. And Robert, labeled the Indiana Jones of Positive Psychology by one of the field’s leaders, has pursued the secrets of psychological wealth in places such as India, Greenland, Kenya and in remote areas around the globe. Intrigued? Let me tell you a bit more about the authors, who happen to be my husband, Ed, and our son, Robert.

The road to being a world authority on happiness began for Ed on a farm in California. Ed grew up in the years after World War II, the youngest of six children. As his older siblings grew up and moved away, and his parents were busy with farming, Ed was often left to entertain himself. Of course, like many an unsupervised boy, he got into trouble. His curiosity led him to make a flame thrower, to throw bullets into an open fire, and to drive a car at age ten. By the time Ed was twelve, he drew up plans for a genetically modified monkey-dog (smart like a monkey but loyal like a dog!). Ed was intrigued by numbers and science. He filled his afternoons reading biographies of scientific luminaries such as Isaac Newton and the astronomer, Tycho Brahe, and attempted to recreate some of their classic studies at home. He discovered how to calculate the amount of water displacement of a brick and other objects by immersing them in the bathtub to determine their volume.

When he arrived at college, Ed focused his curiosity on human behavior. Why do people laugh and cry, why do people seek social situations, why do people do things that

are bad for their health, and most importantly, what is happiness and how is it achieved? Ed suggested this last question as the topic of his research in college. Specifically, he proposed to study the happiness of farm workers. However, his professor would not approve the study, informing Ed that “it is impossible to study happiness. . . it can never be measured.” Besides, the professor opined, “I already know the answer. Farm workers cannot be happy.” Discouraged, Ed wrote a paper on conformity instead.

After pursuing other research studies, Ed landed a faculty position at the highly ranked University of Illinois. When Ed earned tenure, we took a sabbatical to the Virgin Islands. There the idea of making a serious study of happiness returned. Ed spent much of his time reading the works of Aristotle, St. Thomas Aquinas, Maslow, and other great thinkers. He mapped out an ambitious plan for the serious study of happiness which he termed “subjective well-being” to lend it an air of scientific legitimacy to a skeptical academic world. During this same year, we took our three children out of school for trips to Haiti and South America. We motored up remote tributaries of the Amazon and were virtually alone in the deep jungle, surrounded by river porpoises, woolly monkeys, macaws, and piranha. After hours of travel we arrived at a settlement of Yagua people. The Yagua, who lived in stick houses and wore almost no clothing, were as fascinated by us as we were with them. But no one was more intrigued by the interactions than Robert. The tribal children crowded around him to look at his Mickey Mouse watch, and they let him shoot their blow darts at tree trunks. A village elder tried to give Robert curare poison for use with his blow gun, which we sensibly declined. However, the impact of this trip on Robert was immense. The realization that there were people who lived so differently from our neighbors in the American Midwest

was a revelation that had a great influence on his adult career.

Following that sabbatical, Ed published his first article on subjective well-being. Over the years, he has studied how to effectively define and measure happiness, the relation between income and happiness, how cultures differ in happiness, how memory affects happiness, the benefits of happiness, and mental processes that affect people's happiness. He has turned a scientific eye to the role that people's values, relationships, resources, genetics, and economics play in the happiness equation. He has measured the happiness of people from the Forbes list of richest Americans, of identical twins, of cloistered nuns, and of sex workers. He has collected and analyzed data on happiness from hundreds of thousands of people from representative samples of more than a hundred countries. Because he has done more research on human happiness than any other individual in the world, Ed is frequently quoted and relied upon by other happiness scholars and popular writers. He has dialogued with the Dalai Lama on the subject of happiness and talked with world leaders about measuring societal happiness.

And most recently, his idea of using a gross national happiness index, in conjunction with the commonly used gross domestic product, to measure the wealth of cities, states, and countries is gaining momentum and interest throughout the world. This is a man who in the evening says, "I am tired so I think I will go analyze some data." The study of happiness has energized him for the past thirty years.

Not only is Ed a psychologist, but so am I, our twin daughters, Marissa and Mary Beth, and our son, Robert. An unusual atmosphere of psychological inquiry and experimentation filled our household from the time there was the patter of little feet. On the weekend and evenings,

we sometimes carried out psychology projects with our children. For example, Robert did his first science project on the relation of mood and weather. As the children grew into teenagers, dinner table discussions frequently centered around topics such as “how people differ and how they are the same” and “how emotion affects memory.” In this atmosphere of intellectual curiosity, Ed and Robert forged a partnership that combined scientific inquiry with real world application.

Building on his childhood experiences and his curiosity about foreign cultures that began in the Amazon, Robert pursued research on happiness in atypical places such as Greenland, the African savannah, and the slums of Calcutta. To give you a taste of just how adventurous his field research has been, Robert had a small grant to conduct research among the Maasai in Kenya. In order to garner the trust of the Maasai and to obtain accurate data, Robert allowed himself to be branded by the Maasai, not once but three times, to prove his worthiness to work with them. He also billed the granting agency for a goat which he bought as a sacrifice for a good hunt. Certainly not your typical laboratory research!

Robert has continued to travel and study happiness throughout the world. He visited the gold souks of Dubai, the markets of Istanbul, the gardens of the Vatican, the mountain villages of Morocco, the Inuit of Greenland, seaside towns in Nicaragua, cultural festivals in Taiwan, markets in Cambodia, the Australian outback, and countless other places. Everywhere he went he was more captivated by conversations with local inhabitants than he was by the famous tourist sites. Like his father, Robert is intensely interested in the quality of life of everyday people such as postal employees, bus drivers, and hairdressers around the globe.

The father-son collaboration is a natural fit. Robert extended Ed's work from the research laboratory to the field. Robert contacted remote and hard-to-access groups such as tribal Kenyans, the Greenland Inuits, and the Amish, and conducted subjective well-being research in these communities. Although Robert has published nearly two dozen professional articles on happiness, he is also interested in how this research can be applied to help people live better lives. He opened a coaching practice as a way to put innovations in the science of happiness into practice, and works with dozens of clients across the English-speaking world. He co-authored a book on using positive psychology in practice and regularly consults with organizations interested in applications of positive psychology.

So what does all this life history of the Diener clan have to do with this book? Why should you listen to Ed's and Robert's views on the topic of happiness? After all, it seems that everyone has a theory of happiness and "knows" what is important for happiness. I believe that the answer lies in the fact that not all opinions are created equal. Most of us would prefer to get investment tips from the BBC's financial analyst and car maintenance advice from an experienced mechanic, and not the other way around. We seek expert advice on everything from health care to hair coloring. Ed and Robert are the experts – in the modern scientific sense of the word – on the topic of happiness. They spend many, if not most, of their waking hours considering the fine points of emotional well-being, and have conducted a rigorous investigation of this topic for decades by collecting data from tens of thousands of people from all walks of life and every corner of the globe. They have examined the happiness of billionaires and homeless people and have looked at potential influences of happiness ranging from old age to the spring break trips of college students.

Happiness is Ed's and Robert's job and their passion. In this book they combine their scientific knowledge with personal wisdom and diverse experiences. There are many myths, half-truths, fact and fiction in the popular media on happiness. Here is the opportunity to let the Jedi Master and Indiana Jones of Happiness unlock the mysteries of psychological wealth for you and to find out the true secrets of happiness.

Carol Diener, PhD, JD

## ***Acknowledgments***

We are grateful to the many people who have made this book better, through their advice and encouragement. We have discussed the ideas in this work for endless hours with our spouses, Carol Diener and Keya Biswas-Diener. We thank them also for reading countless drafts and giving us insightful feedback. Chris Cardone at Blackwell Publishing has been of great help to us, especially because of her continuing encouragement. A number of assistants were responsible for searching for relevant studies, and for readying the book for publication, and we express our gratitude for the hundreds of hours they spent: Rebecca Sigmon Hernandez, Deborah Dexter, Alice Moon, and Lindsey Markel.

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# ***Part I***

## ***Understanding True Wealth***

# ***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 oilrich 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, 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, 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."