

# PARTICIPANT INSIGHTS

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## Can Money Buy Happiness?

By RYANNE HARMANN, QKA

It's a question we've all asked forever. While there is still plenty of debate on the subject, just about everyone agrees that money only gets you so far when it comes to happiness.

A 2010 study by Nobel Laureates in Economics, Angus Deaton and Daniel Kahneman, says that an annual family income of \$75,000 could take you to the top levels of emotional happiness.

Based on their study of 450,000 U.S. responses from Gallup and Healthways, Deaton and Kahneman found that \$75,000 is generally enough income to keep people from worrying about basic necessities. More money might increase overall satisfaction in life, but not "day-to-day emotional well-being."

However, regardless of income, research has shown that those who *spend* in certain ways find greater levels of contentment:

**Purchase More Experiences, Less "Stuff":** Research from Dr. Thomas Gilovicj of Cornell University reveals that spenders

experience more long-term happiness when they buy experiences rather than possessions.

**Buy Time:** Spending money to create more time is another expenditure that tends to increase happiness. For example, if a promotion guarantees a higher income, yet a much longer commute, it might not end up being a good deal.

**Spend on Others:** Studies by the Chicago Booth School of Business and the University of British Columbia found that people experienced more happiness when they spent money on others. The emotional rewards of donating money to a food bank were even tracked on MRI scans in a University of Oregon study according to a WebMD article.

**Save Your Way to Happiness:** According to a survey by Ally Bank, the more money people had in savings/investments, the happier they are. Those surveyed counted among other benefits the abilities to "face the unknown," "feel proud," "feel independent," and "realize life goals."

You probably didn't need the scientific research to convince you—but it's a great reminder to get started living, saving and giving in ways that bring you the most joy!

## Keep Calm and Carry On

By AMY CREWS, QKA

A portfolio that includes many different types of investments will experience ups and downs—it's a simple truth. But, along with the ups and downs come raw emotions. And those emotions can compel us to make irrational decisions that can lead to missed opportunities. A prudent investor realizes that a great deal of investment success depends on how one weathers the downturns in the market, and follows these three basic tenants:

**1) Stay Calm:** Market ups and downs (volatility) are *normal*. If you try to keep your eyes glued on each incline, drop, twist, and turn in the market, you'll live in panic mode. You'll never be able to relax and leave your investments alone. You need to pick your investment mix based on your timeline until retirement and ride out the volatility.

**2) Stay In:** An investor who missed just 10 of the best performing days in the market over the past 20 years would have missed out almost half of the market gains over that same time.

### *S&P Annualized Returns, Jan. 1, 1997—Dec. 31, 2017*

1/1/97-12/31/17	Annualized Return	\$10K Invested
All days during period	8.32%	\$53,525
Missed: 10 best days	4.80%	\$26,712
Missed: 20 best days	2.47%	\$16,645
Missed: 30 best days	0.46%	\$10,996

Source: Morningstar; Standard & Poor's. The "best" days are defined as the days on which the S&P 500 Index delivered its highest returns for the given periods based on historical data. Returns are measured by the S&P 500 Index. This illustration depicts the value of a hypothetical \$10,000 investment in the S&P 500 Index from 1/1/97-12/31/17. Note: The historical data are for illustrative purposes only, do not represent the performance of any specific portfolio managed by Acropolis, and are not intended to predict future results. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. Past performance is not an indicator of future performance.

**3) Stay the Course:** Buy-and-hold (with periodic rebalancing) is a simple strategy but it's not always easy to execute. It means staying invested when it feels like you want to sell. But, for long term investors with a solid investment mix for your timeline, staying the course is critical when trying to build wealth and meet your retirement goals.

## Ask Acropolis

By Debra Moran, QKA and QPA

### Q: Since it's spring, what are some ways I can "tidy up" my finances?

Well, there are lots! Let's start with some that come to mind:

#### 1) Close Out Unused Memberships

Think about gym memberships, streaming video, music services, magazine subscriptions, and mail-order subscriptions. It's easy to forget what you are paying for each month.

#### 2) Check Your Credit Card Interest Rates

How do the rates on your credit cards compare to the market? Just because they were a good deal when you opened them doesn't mean that they are still a good deal.

#### 3) Change Your Passwords

Are you still using your pet's name on all your accounts?! It is time to change things up with a nonsensical word or short phrase that contains upper and lower case letters and special characters.

#### 4) Redeem Credit Card Benefits

Don't let those benefits go unclaimed. Policies can change from time to time, so make sure you understand what you are entitled to and make sure you use any points before they expire.

#### 5) Host a Virtual Garage Sale

If you don't want it, someone else will. For items that you rarely use, turn them into cash. Try Craigslist, eBay, and Facebook Marketplace. They make it easy. Just meet somewhere safe when you hand off the item.

Acropolis was born  
from a *simple* idea:

In an industry where high quality,  
objective advice is hard to come by,  
we can make a difference by putting  
the client's interests above our own.

#### 6) Use up Gift Certificates and Cards

If you've amassed a host of vouchers or gift cards over the holidays, use them while you remember that you have them! If you're unlikely to use a card, consider cashing it in at a gift card reseller site. There is nothing more frustrating than finding it expired, knowing you left money on the table.

#### 7) Clean up Social Media Accounts

Take a look at your friend lists to make sure that you have not inadvertently accepted requests from people you do not know. Social media is often mined for identity theft data. In addition, batten down the hatches by locking down the security options on your social media accounts.

#### 8) Close Unnecessary Accounts

Consolidate checking and savings accounts if you are paying fees for low balances. If you have stopped using a credit card, consider officially closing the account. It's important to note that closing an old card could impact your credit utilization rate and the average age of your accounts, which could negatively impact your credit score. Be sure to weigh the pros and cons before cancelling a card.

#### 9) Enroll in e-Statements

An e-Statement can't be stolen from your mailbox, delivered to the wrong house, or taken from your trash. They are just safer—IF you have a strong, complex password on your account. (See #3!)

#### 10) Verify and Update Beneficiaries

It's easy to have overlooked setting up beneficiaries, so take time to verify beneficiaries on your bank account(s), insurance policies, retirement accounts, etc.

Spring is a great time to think about things that need to get done. Taking even a few of these steps this spring may help put you well on the path to a more enjoyable summer.

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