

The joy of financial security

We've all heard that money can't buy happiness, so while money in itself might prove fairly worthless in this endeavor, financial security really can give us the peace of mind that leads to happiness. And that sense of security doesn't require a fortune to sustain it; it's more about the belief that you have a handle on your finances and are prepared for the future.

It's not just about the money

Donna Skeels Cygan, author of "The Joy of Financial Security" and president of Sage Future Financial in Albuquerque, New Mexico, has done extensive research on the subject of money and happiness. "What I concluded is that money doesn't buy happiness, yet it most definitely impacts our happiness."

She describes most of her affluent clients as "the millionaire next-door, with solid middle income values." While many are more frugal than they need to be, given their net worth, those who manage and spend money wisely are happier. "Those who have struggled with finances for a variety of reasons were less happy."

While some of her insights may seem obvious at first, there is an important distinction between just having piles of cash and actually feeling in control of your finances to the degree that you can live the life you desire. After all, there is no shortage of stories of multimillionaires who overspent or overleveraged and ended up in the poorhouse. What they lacked was the bigger strategy that would give them better financial control over their assets.

The wish lists

It's easier to achieve control over your personal life and finances if you write down your objec-



tives. In her book, Cygan details how to develop two wish lists -- one for your personal life and one for finances. She tells people to try to achieve one item on each list per month and notes that small changes can have a big impact.

The lists also force us to focus on our personal and financial goals and take action at least once a month. Sometimes the flurry of day-to-day chores and checklists cause us to lose sight of the overall strategy. "Our society is working far too hard and it's all stressful and damaging and needs to change," Cygan says.

"I speak from experience because I'm a workaholic in the extreme," she adds. "Growing up in my family, work was honored." Because she sees her drive as sometimes overtaking the possibility for joy in the rest of her personal life, Cygan's personal list addresses the desire to spend more time with family and do the activities that make her happy, such as hiking and running.

Your lists are all about you

Cygan's personal list includes items (in no particular order) such as: read for enjoyment, spend more time with her husband and daughters, slow down and learn to smell the roses, run or walk a 10-K race and plan a hiking vacation.

On her financial list: Save 20 percent of her income, develop and implement an asset allocation strategy she can live with through thick and thin, pay credit card balances each month, buy mutual funds with low expenses, review her estate planning documents and work in a career she loves.

The lists will reflect your personal goals for achieving the financial security and lifestyle that will lead to happiness. The number of items on each list is up to you. By keeping the big picture in mind, you'll recognize the joy in each moment, Cygan says. "Researchers used to look at income as an indicator of happiness. But what they're finding is that the biggest indicator is financial security for the long term."

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