

To heck with the Joneses! Why “keeping up” is actually keeping you down

ALBUQUERQUE, N.M. — The American Dream has evolved past the humble “white pick-et fence.” Way past. We all strive for the “nice” home (as defined by HGTV and Pinterest) as opposed to the cozy one, keep a perpetual car payment instead of driving an older model, and chauffeur kids to an endless array of pricey activities rather than sending them outside. Call it creeping consumerism, entitlement, or plain old peer pressure. The point is, we see our hectic and expensive lifestyles as normal—and it’s time we realized that keeping up with the proverbial Joneses is actually extravagant and irresponsible.

The Joneses you’re trying to keep up with aren’t the doctors and lawyers two streets over, says Donna Skeels Cygan. They’re the middle managers, teachers, and laundromat owners next door, and—guess what?—they’re as anxious and unhappy as you are. That’s why she wants us to re-frame our perspective on what’s “normal” and adopt a simpler lifestyle with less debt and stress.

“Fulfilling lives are lives based on your core values, not the ones society dictates,” says Cygan, author of *The Joy of Financial Security: The art and science of becoming happier, managing your money wisely, and creating a secure financial future* (Sage Future Press, 2013, ISBN: 978-0-989-77844-2, \$24.95, www.joyoffinancialsecurity.com). “It’s amazing how many of us feel we have to live in the right neighborhood or drive a new car just because our peers do.

“Often, happiness means making a deliberate choice to stop keeping up with the Joneses,” she adds. “You have to pay attention and get mindful about where your money goes. It’s worth the effort. The consequences of living beyond our means outweigh the short-term satisfaction we feel when we pull out a credit card to make another upgrade. Lavish spending just does not make us happy at all (at least not for long). Sane, smart money management does.”

Cygan points to Denmark, which, according to data collected by the Gallup Organization, was ranked as the happiest country in the world in recent years. The results are summarized in the *World Happiness Report 2013*, and the U.S. came in at 17. While many factors contribute to Denmark’s ranking, Danes’ attitude toward money is certainly one of them.

“In Denmark, modesty is a virtue, and showing off is looked down upon,” says Cygan. “Overall, Danes don’t feel the need to pursue bigger homes, nicer cars, and more fashionable clothes—and consequently, they carry less unnecessary debt. Danes also place a high priority on living a socially balanced life, setting aside time to spend with their families and friends.”

In *The Joy of Financial Security*, Cygan combines her financial expertise with research from psychology, neuroscience, and economics to shine a light on the complex relationship between money and happiness. Here, she highlights nine financial and psychological benefits of cutting ties with the Joneses:

You'll set a sane, sustainable example for your children. For many families, choosing to stop emulating the Joneses will mean making significant, tangible changes in everyday life: canceling your premium cable package, dining out less, or setting a limit for back-to-school clothes spending, for example. And that's a good thing, because it provides you the opportunity to sit down with your children and have an important financial conversation.

"Walk your children through the changes you're making and point out how much money you'll be saving," Cygan recommends. "Then, explain your reasoning: 'We are saving for your college education...we are saving for our retirement...we are living within our means.' Be sure to point out that being in control of your finances positively impacts your peace of mind."

You'll be able to set up an emergency fund. Emergency funds may not seem like a top priority... until you absolutely, positively need one because you lost your job, or because the septic tank flooded, or because your car broke down.

"Often, people end up putting unexpected expenses on their credit cards when they don't have an emergency fund to tap into," notes Cygan. "It can take years to climb out of the deep, dark hole the debt creates. Don't underestimate the peace of mind an emergency fund can bring, whether you end up using it or not. If you don't already have enough saved to cover expenses for six months, make this your top priority."

You'll be in a position to fund your future. You know that you should be aggressively saving: for the traveling you want to do, to help fund your kids' college educations, and especially for your own retirement. But when you're figuring out how to allocate each month's paycheck, other (often unnecessary) expenses always take precedence, despite your best intentions. This trend is more widespread than you might think: 36 percent of Americans, including over 25 percent aged 50 to 64, have yet to start saving for retirement.

"Whatever your age, it's crucial to stop living on the financial edge and start increasing your savings percentage," Cygan asserts. "Don't wait for that next raise, or until your car is paid off. Ditch whatever excuses you're using to stall. If you don't make sacrifices now, you will have to make them later. It's a sad fact that a lot of the Joneses will be strapped for cash in their golden years, and by then, you'll want to be well ahead of them, not just keeping up."

"After building up your emergency fund, I recommend making your savings automatic, whether you're funneling money toward an employer-provided 401(k), a Roth IRA, a taxable investment account, or something else," she adds. "Even if you're able to set aside only \$25 or \$50 per month initially, it's a step in the right direction. You'll soon see improvement, and knowing you're taking control of your money feels great. On my website, www.joyoffinancialsecurity.com, I offer resources and tools to help you calculate and increase the percentage of your income you are saving."

You can work less and live more. Here's the great irony of keeping up with the Joneses: You're spending, spending, spending on a big house, a new car, and all the latest electronics because these things are the status quo, and you feel that you deserve them. Then you have to work even harder to sustain the lifestyle that you're not really enjoying at all because you're stressed and exhausted. It's a vicious cycle that many people never break, because they never realize that the source of their unhappiness is, in fact, all of the "stuff" they thought would bring them joy.

"I'm not saying you'll be able to quit your job when you rein in your spending, but you might find you can slow your soul-crushing pace, or that you can cut back on the overtime," Cygan points out. "Even a few extra hours each week can be applied to living a healthier life (perhaps through exercise), to hobbies, and to nurturing relationships with friends and family. And best of all, those activities won't be overshadowed by gnawing worries about money."

You'll feel less anxious and more at peace. Self-deprivation and frugality may not sound like fun. But the truth is, controlling our money feels good. Conversely, spending without limits feels bad. The initial rush you may get from treating yourself to everything you don't need wears off—and it does not bring more fun, greater happiness, or better memories. In fact, perpetually low account balances and credit card debt often lead to long-lasting anxiety and unhappiness.

"There are many things in life we can't control," Cygan points out. "That's why it's so important to pay attention to the things we can control and to be aware of their impact on our happiness. You control where you go, what you do, and how much you spend. You'll find that when you control the controllables, you'll feel much more at peace—because you aren't worrying about how you're going to pay for everything!"

You can simplify your life and zero in on what really matters. Ever notice how much time and energy a so-called "normal" life sucks up? You have to clean, maintain, decorate (and redecorate) that spacious home. Electronic devices and gadgets monopolize your (and your kids') attention. Your schedule is packed, and you're constantly zooming from work to the dry cleaner's to the latest stop on the traveling soccer team's tournament calendar. Not only are you overstimulated, you're exhausted! And most discouraging of all, half the activities on your calendar don't bring you any fulfillment.

"Resolving not to keep up with the Joneses forces you to clarify what your values are," Cygan says. "Instead of letting society dictate your priorities, you're faced with the liberating responsibility of reordering your life. Often, that involves simplifying—getting rid of unnecessary and unwanted items, obligations, and self-imposed responsibilities. This frees up literal and figurative space for you to make new and wonderful changes, which will probably involve spending more time with the people you love. Don't forget: Psychology research shows that improving our relationships with others is the number-one way to increase our happiness."

You'll up your gratitude quotient. When you're being swept through life by the current of consumerism, it's easy to fall into a "more, more, more" mindset: When can I go on vacation again? When can I go shopping? When will I be eligible for an upgrade on my phone? And when you're not getting your "fix," you feel a sense of lack that distracts you from the present moment with its small joys—like reading a book to your child or working in your herb garden.

“Where you place your attention determines your attitude, your behavior, and your choices,” Cygan says. “Focusing on what you don’t have increases stress, dissatisfaction, and financial irresponsibility. But when you scale down your life, the many blessings you already have will become more apparent to you. And when you’re grateful, you don’t need to fill some inner void by acquiring more stuff.”

Your priorities can shift away from “things” to “experiences.” For most people (and certainly for the Joneses), having a good time comes with a price tag. From booking lavish vacations to eating at expensive restaurants to making sure our homes are decked out with flat-screen TVs and sound systems, we don’t mind pulling out our wallets in the name of enjoyment. (And often, we don’t worry about the price tag until it’s too late.)

“But what if the finest things in life can’t be bought?” Cygan asks. “Psychology shows that experiences are always more impactful on our happiness than things. Take vacation, for example. Though they may not realize it, most people would be happier pursuing quieter, more off-the-beaten-path, yet still deeply fulfilling experiences—hiking, bike riding, or playing in the surf with their kids—than crowding into some overpriced tourist trap. Do some soul searching and ask yourself what really brings you joy before you get out the credit cards.”

You’ll be in a position to give back. Living a life that’s meaningful to you instead of to the Joneses will probably increase your margins of time, energy, and money, making it possible for you to give back.

“It all ties together,” explains Cygan. “When you’re living a life based on your own values and are focused on relationships and experiences instead of ‘stuff,’ you’ll find that you want to leave a legacy that’s more substantial than a nice house and car. And giving back (either with our time or our money) has been shown to increase our happiness.”

Despite our national tendency to overspend, Cygan is encouraged that the pendulum seems to be swinging back toward financial responsibility. She points to a recent study showing that millennials (also called Generation Y, born between 1980 and 2000) are funding Roth IRAs at a higher rate than older generations.

“Apparently they were paying attention during the 2008 financial crisis,” she says. “They saw how their parents, friends, and neighbors were severely impacted, and they are now more likely to save for the future.

“No matter what generation you belong to, though, remember that a truly rich life is based on strong relationships with friends and family, giving back to our community, expressing ourselves creatively, leading healthy yet simple lifestyles, and spending our money in a way that is in alignment with our values,” concludes Cygan.

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