

“The World Happiness Report”

By Tommy Williams, CFP®

Volatility is normal. Major U.S. stock market indices climbed into record territory during August. They gave back some gains last week. Peter Wells of *Financial Times* explained:



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“Speculation about a fresh round of tariffs on Chinese imports from the Trump administration weighed on U.S. stocks, handing the S&P 500 its first four-day losing streak in a month. A strong jobs report only hardened expectations that the Federal Reserve views the U.S. economy as healthy enough to withstand a probable interest rate rise later this month.”

Strong economic growth and rising wages have

the potential to elevate inflation – meaning you see increases in prices of everyday goods – higher than the Fed’s 2 percent target. The Fed battles inflation and promotes financial stability by raising the Fed funds rate. Usually, higher rates make borrowing more expensive and slows economic growth.

Rising rates in the United States have an effect on emerging markets, too. Colin Dwyer of *National Public Radio* reported higher interest rates in the United States have enticed investors and they have moved money out of riskier emerging markets investments.

Last week *The Wall Street Journal* reported, “Emerging markets tipped into bear territory... The MSCI Emerging Markets Index’s 0.3 percent decline Thursday, led by selloffs in Russia and the Philippines, pushed that gauge of stocks in poorer countries 20 percent below its recent peak, the common definition of a bear market.”

So, do you feel happier when the economy, and therefore your investments are doing well? When your savings account is growing? If so, then why are Nordic countries at the top of the world happiness report? It’s a question *Freakonomics Radio* explored in August. They asked Jeff Sachs, a professor at Columbia University, who is also a special adviser to the United Nations Secretary General on the Sustainable Development Goals.

The *World Happiness Report* ranks 156 countries by the happiness of their citizens. The countries that top the list tend to have high scores in all six of the variables considered to measure well-being. These include income, healthy life expectancy, social support, freedom, trust, and generosity.

Currently, the happiest countries in the world are:

1. Finland
2. Norway
3. Denmark

4. Iceland
5. Switzerland
6. Netherlands
7. Canada
8. New Zealand
9. Sweden
10. Australia

The United States is ranked number 18. That has something to do with our priorities, according to the interview with Sachs. *“We have the paradox that income per person rises in the United States, but happiness does not...the United States is falling behind other countries, because we are not pursuing dimensions of happiness that are extremely important: our physical health, the mental health in our community, the social support, the honesty in government.”*

Helen Russell, author of *The Year of Living Danishly*, also participated in the interview. She offered this example to illustrate a key difference between the United States and Denmark:

“...there was a story, in New York a few years ago, of a Danish woman who was there, who left her child sleeping outside in a pram (like a

baby stroller), which is what you do in Denmark, and was arrested for child neglect. And lots of people in Denmark didn't understand why it was such a fuss, because in Denmark people trust most people. And this plays into everything. You are not anxious if you trust the people around you, you're not scared they're going to rob you to put food on their table.”

Thankfully, there is a concerted effort right here in Shreveport that if communicated effectively - and embraced by leadership - has the potential to move us above the embarrassing score of 18. It is alive and happening all around you. Embracing it may well be the best investment you ever make.

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