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Pipelines to Unlimited Well-Being

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“The optimist proclaims that we live in the best of all possible worlds; and the pessimist fears this is true.”

—James Branch Cabell, American author

As they have for centuries, the bells of Saint Sulpice church are beckoning pilgrims to worship. As befits this season of celebrating light, as I write this I am in Paris, originally a nexus of education and ideas during the Enlightenment, now known as the City of Light. Visiting family, friends, and clients enriches my life beyond any measure.

During this month following the American ritual of giving thanks, we turn to acts of giving and honoring the light that glows brightly in all of us. It's a time when joy fills the air, particularly on the winter solstice, when we instinctively celebrate what our ancestors revered for millennia: the start of the astronomical cycle, when our bodies rejoice as we sense the beginning of the season that will bring us longer and warmer days.

This also is the month we shine the light on the last two factors that define well-being: optimism and resilience. As was suggested in this year's February *Asset Class*, well-being is a function of at least four factors:

- **Mindfulness:** focusing on what you're doing and how that informs what is important to you;
- **Generosity:** caring for others;
- **Optimism:** a positive outlook on life; and
- **Resilience:** the ability to rebound from negative experiences and emotions.

In April, we spoke about mastering mindfulness; last month we elaborated on the abundance that flows from generosity and gratitude. This month, when the darkest day of the year gives us reason to revel, I'd like to delve into our resource of resilience, which can help snap us out of disheartening states and return us to the unlimited reservoir of optimism whose endless flow invites us to fully rejoice in our well-being.

As I write this, capital markets continue to bless us with a year of what is normal: appreciation. What

investors have enjoyed is a correction, for markets typically increase—that is their correct trajectory. Some folks call declining markets corrections, but that doesn't honor the markets' natural trend. When they drop again, for most certainly they will, how will our resilience serve us? How disciplined will we be in maintaining our investment plans? How much confidence will we have in the powerful, long-term upwardly sloped capital markets trends that reward investors regardless of economic, political, or social conditions? The more resilient we are, the firmer our commitment to our investment plans will be. The faster we return to feeling optimistic, the more our well-being will flourish and the healthier and wealthier we will be.

Optimism: Nothing but Positive

From children to students to soldiers to investors to octogenarians, research indicates that optimists are healthier and live significantly longer than pessimists. How is this possible? Espyr (formerly EAP Consultants), a leading provider of solutions to improve individual and organizational well-being, offers three reasons:¹

- Optimism is associated with living healthier — more physical activity, less smoking, moderate use of alcohol, following their doctors advice more faithfully, etc. (In other words, they appreciate their physical currency, which we suggested in September, 2014 is one of the components that make life worthwhile.)
- Optimistic people tend to have more friends and a larger social network to rely on during crises. (Friendship is the most significant currency explaining a long and healthy life. We discussed this in February 2014.)
- Optimists handle stress better, a risk factor associated with high blood pressure, heart disease and other risk factors that adversely affect health and longevity. (Related to this, and another factor in making life worthwhile, is appreciating one's emotional currency, a topic we presented in July 2014.)

How do we manifest optimism or, if already there, enhance it? Espyr offers ten ways, which I've related them to our investment experiences:

1. Banish negative sentiments (this means filtering the press's tendency to sensationalize and focus on distressing news).
2. Act positively.
3. Learn from difficulties, don't dwell on them.
4. Emerge from difficult moments with actions that promote forward movement.
5. Plan for the worst, but expect the best in life (and the markets).
6. Focus on what you can control (based on your investment plan); let go of what you can't control (market movements).
7. Set and pursue meaningful goals (as outlined in your investment plan).
8. Persevere—optimists believe they will succeed; it just takes time (as can be the case with positive market returns).
9. Surround yourself with positive folks (we're back to screening what you read and those you listen to).
10. Revel in the positive moments of each day. Better yet, list them each night as you contemplate the gifts of the day.

The above list might appear manageable; however, life tests us. When it does, flexing our resilience muscle helps us return to richer feelings of well-being.

Resilience: Build It and It Will Keep Coming

Martin Seligman, a professor of psychology at the University of Pennsylvania, has researched well-being and resilience extensively.² The U.S. Army engaged him to teach resilience where trauma is constant and severe. Professor Seligman concludes this about resilience: "On one end are the people who fall apart into PTSD [post-traumatic stress disorder], depression, and even suicide. In the middle are most people, who at first react to distress with symptoms of depression and anxiety, but within a month or so are where they were before the trauma. That is resilience. On the other end are people who show post-traumatic growth. They, too, first experience depression and anxiety, often exhibiting full-blown PTSD, but within a year they are better off than before the trauma. These are the people of whom Friedrich Nietzsche said, 'That which does not kill us makes us stronger.'"

There appears to be a characteristic common to those who refuse to let traumatic experiences anchor them in dark places. Seligman observes they "have a habit of interpreting setbacks as temporary, local, and changeable." How might we cultivate habits to reduce anxiety and promote resilience? As referenced in the Seligman article, University of Michigan professor of psychology Christopher Peterson suggests we bolster our emotional, familial, social, and spiritual fitness.

Emotionally fit folks consistently dial up positive emotions and tamp negative ones. How? They recognize when negative triggers are disproportionately greater than the reality of the experience. This speaks to mindfulness, which we addressed in April of this year.

Familial fitness refers to folks who constantly rely on family ties to foster bonds of belonging (a muscle that gets flexed plenty during the holiday season). The absence of those bonds can cause deep grief.

Social fitness leads to being empathetic without taking the same action as the person in pain or anguish (about a market decline, for example). That is a sign of advanced emotional intelligence, although it's challenging to check the tendency to be affected by the chemicals in our brain that naturally replicate the pain of others.

Spiritually fit folks build internal sanctuaries that help them course through life (and investment) experiences, constantly returning to what's important, regardless of the setback(s).

It takes discipline to engage habits of resilience and return to optimism. This is particularly true in investing, where market declines can challenge the commitment to carefully crafted plans. It is at those moments that we at Equius can be of particular service to you in helping you return to a solid state of well-being. Please don't hesitate to call us at any time.

As the remaining time ticks off 2017's clock, may your social, intellectual, emotional, physical, and spiritual currencies offer you a rich 2018. And may you always find ways to shine your light on all that is important to you as your resilience, optimism, mindfulness, and generosity guide you to a wealth of well-being.

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1. *Optimism is Good for Your Health*, EAP Consultants Healthy Exchange, Fall 2013.
 2. *Building Resilience*, Harvard Business Review, April 2011

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