

Five financial keys to happiness



IN A WEEKEND of high political drama, let's step back and ask ourselves what we really want from life. We know what we don't want. A study last week by Warwick University showed that Britons were most unhappy during the Winter of Discontent in 1978/79, when strikes by public sector workers led to rubbish piling up in the streets and, notoriously, the dead being unburied.

Clearly we don't like disruption and the social disharmony that goes with it. For those of us who remember the 1970s, it was certainly a miserable time.

Quite aside from the strikes, there was job insecurity with rising unemployment, and financial insecurity with double-digit inflation – 26.9 per cent in August 1975.

And now? Well, happiness has been generally climbing since 1978/9, and despite a blip during the 2009 recession, is back to the levels of the 1950s. We were much poorer in the 1950s than we are now, but it was similar in that

there was low unemployment, low inflation and rising incomes. US happiness indicators show a similar pattern, with a trough in the 1970s during the Vietnam War, and generally rising levels since then.

This gives us some guidance as to priorities: things that we should as a society aim to achieve; things that would make us happier. Here are five, all affecting our economy in different ways.

People have to have economic security, which means creating a country where businesses can prosper: provide goods and services, make profits, and employ more people. The business community has to operate within social norms. Sometimes, I am afraid, it doesn't and when business leaders behave illegally

or unethically, they need to be punished. But we should not take for granted that success; that there are more people employed in the UK than ever before, or that unemployment is the lowest since the early 1970s. A government that is hostile to business could blow that progress to smithereens.

Next, people have to have financial security. That is a responsibility for all of us, not just the Government or our employer, and it means we have to save more. Someone in their 20s starting in the job market now can have no idea what the State pension will be like in 2065. Presumably, there will be some sort of provision, but we don't even know that for sure. That puts a profound responsibility on the financial services industry to behave honourably, efficiently – and cut its costs.

Third, health. We must fund health care properly and support care in old age too. But people must also be nudged towards healthier lifestyles. Of course, that is something we as individuals have to do – but governments and

companies can help. What about the disaster of selling school playing fields, for example?

That leads to number four, education. It is being transformed from being something that young people do at school and university to something we all have to do all

our – hopefully healthier – lives. We must adapt and adjust to a

longer time trying to earn a living and the changing workplace in which we do it. That means reskilling for the new economy – and for the next one.

And the last? That is that we should remain an open society: open to ideas from everywhere, open to talented people from everywhere, and with open

opportunities for everyone, whatever their background, age or gender. It should not need to be said, but perhaps it does.

All this is about being competitive in economic terms in a complex global economy, but it is also about creating a society that functions for all. We need, when all this drama is past, to push our way towards it.

IT HAS been hard these past few days not to be aware of Extinction Rebellion. This is not the place to comment on the ideas behind it, nor its tactics. But I find this thought both relevant and comforting. It comes from Barack Obama.

'If you had to choose one moment in history in which to be born, and you didn't know in advance whether you were going to be male or female, which country you were going to be from, what your status was, you'd choose right now.'

He's right, isn't he?

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‘We must be competitive – and create a society that functions for all’

