



Podcast Episode 108: Does Money Buy Happiness?

Keith Matthews: Welcome to The Empowered Investor. My name is Keith Matthews, and I'm joined by my cohost, **Marcelo Taboada**. Marcelo, how are you today?

Marcelo Taboada: Keith, I'm super good. I'm excited about today's episode. We've had, as you know, a lot of guests on The Empowered Investor podcast—people with fascinating stories—but today is a special interview for me. **Daniel Crosby** is, I wouldn't say a hero, but he's someone I admire tremendously in the industry because of the subjects he writes about. I think people will love this episode.

Keith Matthews: Well, I remember a few months back when you said, "I'm reaching out to Daniel Crosby to see if he can be a guest." I remember how excited you were. You said, "Keith, he's got three or four great books." You had read two of them and were researching his most recent one. You were so excited about the content—behavioral psychology, how to make smart decisions with money, how the mind and money come together. So, we're thrilled to have Daniel on the show. Tell us a little bit about his background.

Marcelo Taboada: He's a PhD, a former psychotherapist, a clinician—so he used to deal with people just like any psychotherapist. Then he made a complete 180-degree change in his career. He followed in the footsteps of his father, who was a financial advisor, and decided to enter that world. Now, he specializes in behavioral finance and behavioral economics. His first two books are about the intersection between money and the mind—how people make decisions and the different behavioral biases that exist in this world. Then he completely pivoted and wrote *The Soul of Wealth*, which explores what comes next—what drives meaning for people once they have wealth. The book is fantastic. It's broken down into 50 short essays, making it an easy, engaging, and research-based read.

Keith Matthews: So, in 10-15 minutes, you can read a story, maybe even less. You take in a couple of stories here and there, learn something, appreciate it, and move on feeling inspired.

Marcelo Taboada: Right. One of the things we discuss is: Does money buy happiness? He answers that question based on research, but I won't give it away because I want people to listen to the episode. He looks at things like how important one's social circle is for happiness, how "keeping up with the Joneses" affects people, and the difference between material goods and experiential happiness. He talks about the "hedonic treadmill," something many have heard of.

This interview is really for people who already have a grip on their financial life, who have achieved a great career and a certain level of wealth or are getting there, and have questions like: Is there more to money? Is accumulating wealth just something we do for its own sake, or is there more to it?

Keith Matthews: Well, I'd challenge you a little there. I think it's probably broader than that. It sounds a bit like a "meaning of life" type book, so it's applicable to a much larger audience.

Marcelo Taboada: Agreed. It's a short interview but packed with insights. I hope people read the book. We'll order some copies to give to our clients and listeners. If you're interested, reach out!

Keith Matthews: That's a great point. For those interested, we'll send five books out. Please email me at keith@TMA-invest.com, and we'll send you a complimentary copy of *The Soul of Wealth* by Daniel Crosby.



Marcelo Taboada: Please enjoy the show.

Marcelo Taboada: Daniel Crosby, thank you so much for taking the time. Welcome to *The Empowered Investor* podcast. How are you today?

Daniel Crosby: Good, Marcelo. Good to be with you.

Marcelo Taboada: Honestly, Daniel, I'm a huge fan. I'm a bit starstruck, not going to lie. I've been following you since 2016, and some insiders here asked me to ask you about Diet Coke. Apparently, you love it a lot.

Daniel Crosby: Yes, I am a huge Diet Coke fan. I wish I could tell you how many I've had today, but it would be too embarrassing for me.

Marcelo Taboada: By the way, I'm not calling you fat, just for the record, but I did realize that you've lost a lot of weight.

Daniel Crosby: Yeah, I lost like 60 pounds. You can't call me fat now, but you probably could have called me fat a few months ago. So yeah, I've lost like 60 pounds. That's amazing. And Diet Coke was the secret to that success. I was on the Diet Coke diet.

Marcelo Taboada: Okay, yeah, I saw your tweet that went viral, but I was never a big drinker. But I quit drinking, and I always felt like those people who tweet, "Oh, I quit alcohol and it's amazing." It's not. It sucks.

Daniel Crosby: I never started drinking, so I don't know what I'm missing.

Marcelo Taboada: Yeah.

Daniel Crosby: But I do drink a lot of Diet Coke.

Marcelo Taboada: You're originally from Alabama, right?

Daniel Crosby: I am.

Marcelo Taboada: And you currently live in?

Daniel Crosby: Atlanta.

Marcelo Taboada: Okay, I also hear you're a big baseball fan. So, who do you cheer for?

Daniel Crosby: This is true. I am a Cardinals fan, actually. So, I'm a third-generation St. Louis Cardinals fan. How about you?

Marcelo Taboada: That's hilarious. So, I am a Boston Red Sox fan, but one of my favorite players of all time is Yadier Molina.

Daniel Crosby: Oh, Yadi is the greatest catcher of all time. Yadi, the absolute GOAT. Such a great guy.



Marcelo Taboada: Who's your favorite Cardinal of all time?

Daniel Crosby: I have to go with Ozzie Smith as my favorite of all time, just because he was my favorite from when I was a kid. But as an adult, definitely Albert Pujols, Yadier Molina, and Adam Wainwright. Probably my top three.

Marcelo Taboada: Yeah, those are great choices. I always loved their teams and the way they played baseball. It's a great baseball team. I've never been, but both my wife and I are super into baseball. We've always appreciated the team. I don't hate the Cardinals, but I do hate the Yankees, I will tell you that.

Daniel Crosby: Well, I hate the Yankees too. And I think we all have to hate the Dodgers now, as it turns out, after they dropped \$450 million on the payroll. I think they're the new Yankees, and I think we must all band together to hate them.

Marcelo Taboada: I'm with you there. So, listen, let's get right into it. I just want to start—I read your three books. They're amazing. I always tell people those are must-reads. *The Laws of Wealth* and *The Behavioral Investor*. But your new book is quite a pivot from the first books you wrote. So, I just wanted to ask you, how does a psychologist who's a clinician end up in investing? And how does a behavioral psychologist then turn into something so philosophical and so deep about money?

Daniel Crosby: Yeah, that's a great question. Like you suggested, I trained to be a clinical psychologist, but about three-quarters of the way through my PhD program, I started to burn out pretty severely.

Doing the work of a therapist is very important, but I was 23 years old when I started doing therapy, and my boundaries were bad. I was taking work home with me, and I was so concerned about my clients that I couldn't leave work at work. It became overwhelming at that young age.

So, I went to my father and said, "Look, Dad, what should I do? Because I love thinking about why people do the things they do, but I don't want to do it in a medical or clinical context." That's when he said something that changed my life: "There's a ton of psychology in my work."

And my dad is a financial advisor.

Marcelo Taboada: Oh, interesting.

Daniel Crosby: Yeah. I had never thought of my dad's work as involving much psychology. He didn't know what behavioral finance or behavioral economics was 17 years ago, but that simple comment put me on a path. It led me to explore the work of Richard Thaler and Daniel Kahneman, and I saw the importance of what they were doing.

That's where I saw my opportunity—to say, "Wow, this is incredible work. This is something I could do that would truly benefit the world and allow me to think about human behavior in a meaningful way, without having to work with people who are struggling with severe emotional distress."

Marcelo Taboada: I'll tell you something—I consume a tremendous number of books every year. It's one of my passions. Your books, Daniel, are extremely well-researched, very relatable, and funny. How did you become such a prolific writer?



Daniel Crosby: It's just one of those things—I love it. If it paid better, I'd do it all the time. That's all I would do. If I could figure out a way to make a better living from it, I would. So, I love it.

And for me, Marcelo, it's how I figure out what I think.

Marcelo Taboada: Interesting.

Daniel Crosby: It's how I earn the right to have an opinion. The world is full of people with half-baked opinions that they share very freely. It's important to me not to be that person. Writing helps me arrive at what I truly believe about these topics.

Marcelo Taboada: That's a great answer. But going back to *The Soul of Wealth*—one of the things I love in life, and I think you articulated well, is the idea of money and meaning and how we merge those two.

I think your book did a fantastic job. Unequivocally, it's probably the best book I've read in 2024 because it was so relatable, and it's bite sized. Every single essay is powerful and easy to absorb.

But what inspired you to transition from writing about behavioral finance to tackling such deep questions about life, prosperity, and how we ascribe meaning to wealth?

Daniel Crosby: Thank you! I'm really glad you enjoyed it. The feedback has been great, and it's very gratifying to hear.

There were two main factors—one personal and one broader.

Marcelo Taboada: It was your tooth, right?

Daniel Crosby: Yeah, it ended up just being a tooth problem, but through a series of medical missteps, I thought it was something far more serious. I was having migraines and other issues, and at one point, my wife was driving me to the hospital. I was in immense pain, crying, convinced I had a brain tumor or something life-threatening.

In that moment, I would have given every penny I had for answers and relief. I love money—I work hard for it, save it, invest it, and enjoy spending it—but if you had asked me then, "Would you trade all your money to make this go away?" I wouldn't have hesitated.

That experience changed me.

On a macro level, we live in the richest moment in human history. When the U.S. was founded, 85% of the world lived in poverty. Today, that number is 9%. The rising global middle class is at its peak, and wealth levels in the developed world are unprecedented.

Yet, we have a mental health crisis—epidemics of loneliness, anxiety, and even suicide. How can we have so much material wealth yet experience so much spiritual poverty? That contradiction fascinated me.

I've written about stock-picking, asset allocation, and wealth accumulation, but what's the point if you don't use that wealth to live a fulfilling life? That's what this book is about.



Marcelo Taboada: That’s amazing. And I noticed the book is heavily researched and incorporates a lot of philosophy. You reference Marcus Aurelius and Viktor Frankl. Are you naturally inclined toward philosophy, or was that something you developed over time?

Daniel Crosby: No, to my own great detriment, I’m naturally inclined to be a philosopher!

My next book will include even more philosophy. People forget that the "Ph" in PhD stands for "philosophy." If you study psychology at the doctoral level, you read a lot of philosophy because philosophers and theologians were essentially the first psychologists.

Marcelo Taboada: That definitely comes through in your writing. So, I must ask—can money buy happiness?

Daniel Crosby: Sort of.

Research shows that a lack of money can buy misery. If you don’t have enough for a safe home, nutritious food, or education, that’s a pretty miserable existence. So, up to a certain level, money can absolutely buy happiness.

New studies suggest that income’s impact on happiness plateaus much higher than previously thought—well beyond \$100,000.

But how we spend money matters. Spending on others, gaining freedom from unpleasant work, and seeking novel experiences tend to buy more happiness than material goods.

Interestingly, for about 15% of people, money barely affects happiness at all. These individuals may have other underlying factors—mental health issues or life circumstances—that money alone can't fix.

So, while money can eliminate misery and provide comfort, true happiness comes from how we allocate and use it.

Marcelo Taboada: That’s a great point. Many of our clients are financially well-off, with solid retirement plans. What would you say to someone who asks, “I make a good income and save—so what? Why should I care about meaning and purpose?”

Daniel Crosby: Most people don’t need to be told to care about meaning and happiness—it’s something we naturally seek.

The research shows five key predictors of a fulfilling life:

- **Leisure & enjoyment** – Fun activities, vacations, hobbies.
- **Deep work** – Meaningful work, even in retirement.
- **Relationships** – The strongest predictor of happiness.
- **Meaning & purpose** – Contributing to something beyond yourself.
- **Personal growth** – Continual learning and improvement.

A great financial plan should ensure that wealth supports these areas—not just fund a life of passive leisure.



Marcelo Taboada: Yeah, I think that Perma model was something that stuck with me for a few reasons. It's very encompassing of everything that goes on in someone's life. I had this realization with my mom over the holidays because she's coming to Canada.

We're originally from El Salvador, so it's a big shock. I told her, "Mom, look, you need to think about when you retire, not just what you're going to do on the weekends with your grandkids. You need to think about what you're going to do on a Tuesday at 10 AM because there's a lot more to retirement than that." We see it sometimes as advisors—people retire and then they're lost.

There's this lack of meaning that's simply not there. I think you mentioned it—older generations were more about the pursuit of money and not thinking about these things. But you're seeing that trend shift with younger people. I'm living that myself now, where my wife and I, thankfully, don't have the materialistic bug. We don't care much about things, but we do spend money on experiences, hosting parties with friends. For me, having a short commute adds a tremendous amount of value to my life—it's huge.

Why do you think younger generations are more attuned to the things you discuss in the book? And why do you think the older generation didn't place as much importance on these things?

Daniel Crosby: One reason I think younger people are more into this is because they have more wealth.

Gandhi has this quote: "To a poor person, bread is God." What he means is, if you don't have enough to eat, you're not worried about finding the meaning of life or achieving transcendence and self-actualization. You're just trying to live to see tomorrow. A consequence of wealth growth in the developed world is that younger generations are increasingly wealthy and secure, allowing them to focus on meaning and purpose.

If you look at the U.S., some of the most productive times in history were simply because people had to work. Post-World War II, people just needed to work. So, part of it is affluence, but part of it is also having seen their parents work for 40 years at thankless jobs that left them burned out. Seeing that, they say, "There has to be more than this."

So, it's a combination of those two things: witnessing negative models of work-life balance and having the financial security to contemplate the meaning of life.

Marcelo Taboada: There's definitely that paradox of prosperity, which we mentioned earlier.

I'm originally from El Salvador, as I said, and I notice this a lot when I go back. My friends may not have the level of wealth we have here because it's a poorer country, but they worry less about the future. There's this element of more happiness, more letting go, less stress. Then, you come to the developed world, and we see those statistics—more prosperity correlates with more mental health issues, loneliness, and isolation.

Why do you think that is? And what's the antidote?

Daniel Crosby: That's a good point. I lived in the Philippines for a couple of years as a missionary and saw a great deal of poverty. It's a country I love very much because the people there—no disrespect to El Salvador—are some of the nicest people in the world. They're incredibly kind and happy.

The Philippines is the size of Arizona but has a larger population than California. It's packed with people and a lot of poverty, yet they're happy. Why? Because they focus on today and relationships. If you think about



Maslow's hierarchy of needs, once the bottom two rungs—basic and safety needs—are met, your problems don't disappear; they just shift. Instead of physical survival, you start grappling with existential, psychological, and spiritual concerns. That's what we're seeing in North America right now.

Marcelo Taboada: Are you familiar with the work of George Steiner?

Daniel Crosby: I'm not.

Marcelo Taboada: He wrote a book called *The Nostalgia for the Absolute*, which talks about how the absence of religion leaves a hole in society for purpose. I come from a religious background, and I sense that you do too. If someone decides not to be religious, are there strategies from your book that can help them find happiness and escape the endless pursuit of money?

Daniel Crosby: Yeah. When Nietzsche famously said, "God is dead, and we have killed him," he wasn't sad about it because he believed in God. He was deeply atheistic. But he understood that people need meaning and purpose. If it's not God, then what is it?

In my research for my next book, I found that people need three things for a life of purpose. I call them the "Three B's":

- **Believing** – We need something to believe in. For some, it's religion. For others, philosophy. Even politics has become a belief system for some people.
- **Belonging** – We need relationships. We need to give and receive love. Studies show relationships are the biggest predictor of a well-lived life.
- **Becoming** – We need a vision of our future self, something to work toward.

If you figure out those three things—believing, belonging, and becoming—you're doing pretty well.

Marcelo Taboada: Yeah, and organized religion historically provided all three in a structured way.

Daniel Crosby: Exactly. Religion has proven behavioral benefits—people who attend church are happier, have more friends, and live longer. That's been well documented. But it's also fair to say organized religion has made significant mistakes, which has led some to seek their own path.

Marcelo Taboada: As advisors, we have the privilege of guiding people to define what money means to them. It's not just about accumulating wealth but about using it for meaningful experiences and relationships.

Daniel Crosby: Absolutely. Think about the Three B's. Ask yourself: What do I believe? Who do I love? Who do I want to become? Identify the one that needs the most work and take a small step in that direction over the next few months.

Marcelo Taboada: Do you have any daily rituals?

Daniel Crosby: I work out every morning and read with my kids every night. If I get those two things right, even if other things go wrong, it's still a good day.



Marcelo Taboada: That ties into your book—how we spend our time shows our priorities. Daniel, thank you so much for your time. I'll be recommending your book to clients, and I look forward to your next one. When is it expected?

Daniel Crosby: Summer 2026, if I had to guess.

Marcelo Taboada: Great! Thanks again for your time.

Daniel Crosby: Appreciate you!