SPECIAL ARTICLE

You Only Live Once: Present and future orientations in the time of COVID-19 as related to economics

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ABSTRACT

In this paper, we relate the concepts of "You Only Live Once," delayed gratification, theories of persuasion as used in communication, and economics. We illustrate behavioral changes across generations and seek to explain these changes using a combined framework of communication, psychology, and economics. These concepts are then juxtaposed with the present COVID-19 crisis in terms of both health and economic implications. To provide a human face to the discussion, we describe our experiences as consumers, savers, and investors, thus demonstrating the application of these concepts to our own microeconomies. Philosophically speaking, a decision to do something in the present and a decision to defer something for the future are both acts of faith. We propose the use of theories of persuasion to demonstrate the risk in an overreliance on present orientation. We suggest diversification, not only in investment outlets, but also in temporal orientation, *i.e.*, while people can and should enjoy the present, they should not do so by ignoring the future.

Keywords: *consumer behavior, theories of persuasion, discount factor, time-allocation behavior, financial health*

Introduction to Juxtaposed Disparate Concepts

This paper seeks to fuse seemingly disparate concepts. We begin with a discussion of the prevailing present orientation among young people, more popularly known as "You Only Live Once" (YOLO). We then relate this present orientation to the classic marshmallow experiments of yesteryears, and present the argument that waiting for the marshmallow sometimes is not the better course of action. At the same time, we take into account longer lifespans and higher levels of overall health, and relate these factors to the need to balance the prevailing present orientation with the prudence of future orientation. We briefly discuss persuasion theories in communication and how they can be used to illustrate the advantages and disadvantages of both forms of temporal orientation. We take minimum recourse to formula; instead, we describe our experiences as consumers, savers, and investors in illustrating that microeconomics, *i.e.*, our respective personal economies, may not be judged simply based on future orientation being better than present orientation, or vice-versa. This paper is seen to be of use in the maintenance of financial and mental health regardless of generational differences at the same time that it allows for inter-generational understanding of differing thought processes.

Time Orientations: A Generational Evolution

The phrase "you only live once," better known as YOLO, is a pithy statement that encourages people to live in the present, without paying much heed to the future. Interestingly, the statement existed even before the 1800s, with the exact phrase surfacing in 1896 when French novelist Honoré de Balzac's *La Comédie Humaine* (En. The Human Comedy) was translated into English. It appeared in a passage referring to two characters being spendthrifts because they were well off, with one of them saying "you only live once." Instances predating this novel do not use the exact words but have the same thought. What varies in these accounts are their interpretations. Some have associated it with wasting no time and making the most of the present, while some introduce it as a reason to live in a morally upright manner urging cautious behavior and avoidance of impetuous conduct [1].

The phrase was made more famous years after, when American director Fritz Lang released a 1937 film noir entitled You Only Live Once starring Henry Fonda and Sylvia Sidney. In the 1950's, comedian Joe E Lewis made this phrase famous when he opened his act saying, “You only live once, but if you play your cards right, once is enough.” Frank Sinatra then quoted him in 1965 when he turned 50 and added that he expecting to swing for another five decades [2]. In 2006, the American rock band The Strokes released a song entitled You Only Live Once, marking its resurfacing in popular culture. They even called their song promotion schemes Operation YOLO [3]. Although these events have somehow given the phrase some popularity, what really gave it global fame was Canadian rapper, singer, and songwriter Drake. In 2011, he released a song called The Motto with the lines “Now she want a photo / You already know though / You only live once, that's the motto, nigga YOLO.” He even posted a photograph of himself on a balcony looking to the city with the caption “You only live once…YOLO” [4]. When the music video was released the following year, YOLO became popular among the young, particularly those in secondary school and university. YOLO gained worldwide currency as a result.

In four words, the lifestyle commonly associated with youth—being adventurous and always testing the limits of acceptable behavior—was defined. Whereas a century ago, these four words implied prudence, present-day usage implies a cavalier attitude, a justification for impulsive actions such as promiscuity or buying expensive goods instead of investing in hard assets. Such was the summary of risky and brash behavior, devoid of introspection and rationality [5].

Looked at more positively, YOLO has been associated with *carpe diem* (En. seize the day). Emphasis is placed on fully living in the present day, a manifestation of a fundamental human sentiment, one that aims to live one's life without regret [6].

Lifestyle and Practices

Given that a focus on the here and now is the central tenet of YOLO, it is to be expected that long-term plans are to take a back seat [7]. This focus is manifested in choices such as preferring to spend time and money on hobbies and interests instead of saving and investing [8]. Nonmaterial consumption occupies pride of place on the YOLO table, to the detriment of property or material ownership. The focus is on experiences, with the result that travelling, learning new skills, and engaging in activities have become the preferred expenditures of the youth demographic. It also involves pausing their everyday routine to get out and spend time away from home and work, an idea that is anathema to the values of as early as a generation ago.

The recent economic crises, *i.e.*, the Asian financial crisis of the late 1990s and the meltdown of global financial markets in 2007, may also be looked at as the impetus for the YOLO lifestyle. These crises wiped out household wealth and brought about high levels of unemployment, causing incalculable losses in mental and physical health, in addition to proving that profits are privatized while losses are socialized [9]. While the Philippines was for the most part unaffected by both crises [10], likely and arguably because of a weak connection to the global economy, as well as a lack of depth and sophistication in the financial markets, the increased levels of knowledge of individual investors and availability of investment options will remove such a shield. As such, the idea of delaying pleasure and investing in the future may have lost its appeal. People see that economic problems are outside their control anyhow, with government being ready to bail out institutions that are deemed too big to fail, but hesitant to help the so-called working stiff. The response appears to be one of grudging acceptance, one of conviction that one must look out for oneself.

The discount factor, “a calculation of the present value of future happiness,” [11] is useful not only in the matter of happiness that may be brought by having money, but also in the happiness that is brought about by anything else. Inextricably connected to the discount factor is the time value of money, which implies that having whatever amount of money now is preferable to having the same amount of money in the future, as much a demonstration of “a bird in the hand is better than two in the bush” as it were as it is of inflation. While discount factor and the time value of money are used mainly in pricing loans and receivables, they also carry an implicit message: there are advantages in being sure in the present over being unsure in the future. Even so, the prospect of saving for retirement is ever present.

Generationally speaking, millennials and Generation Z practice the tenets of YOLO. For the purpose of this paper though, we will limit the discussion to millennials. Unlike their parents, the Baby Boomers or Gen Xers, they do not place much stock on marriage, family, and home ownership. Even in the matter of the job market, millennials take more risks, in that they find jobs that interest them, instead of one that just pays well. The idea of lifetime employment is no longer appealing [7].

Millennials' consumption behaviors show that the mindset of only living once translates to “small luxury” and retail therapy [12,7]. “Small luxury” is best exemplified by the frequent purchase of a slice of cake or drink, which would subsequently result in a significant sum when reckoned over a longer period such as a month or a year. On the other hand, retail therapy, also known as anger cost, is an attempt at relief from rage, sadness, or frustration that is done through impulse buying. Other practices include renting one-time luxury car rides or spending money on accommodations. The overarching belief is that doing so is more sensible and affordable than buying one's own car or house. They also tend to buy coffee with a whole meal, wait in long lines to eat gourmet food, and buy sports gear or musical instruments that cost as much as a few months' worth of rent.

These choices have heavily influenced the economy, affecting media, marketing strategies, and material production and consumption. People are more focused on their health and well-being, even as they live alone. Living alone incidentally also gives them more reasons to focus on individual tastes, the lack of money notwithstanding. Because of this, stores have ventured into selling more personal lifestyle products at low cost. The hospitality industry has also adapted to this trend by offering programs for people who travel alone and for people who go on staycations. These programs offer the hotel experience to solo travelers without the high prices [8].

The Marshmallow Experiment: Present and Future Value Compared and Contrasted

The YOLO outlook can also be viewed as a response to the idea of mortality, with studies in psychology finding that people tend to have this outlook when faced with the prospect of a paucity of resources [13]. However, the more evident psychological explanation for this outlook can be found in its defiance of the concept of delayed gratification.

Delayed gratification, tracing its roots in psychology, was an idea made famous by American psychologist Walter Mischel who with his colleagues conducted the Marshmallow Experiment in the 1960s. It was a test designed to study the conditions that promote the delay of gratification, with children of preschool age being asked to choose between a larger treat and a smaller treat. The design of the experiment was such that if they were to ask for the larger treat, they would be asked to wait about ten minutes for the researcher to return and give it to them [14]. While some children were not able to wait longer than a minute, some of them managed to wait for 20 more by using various distraction techniques to avoid giving into the temptation of immediately getting the smaller treat [15].

As it turns out, the children who were able to wait in their preschool years turned out to be more socially and academically successful as high school students. They also obtained higher Scholastic Aptitude Test (SAT) scores than those who had less self-control. They developed into competent adolescents with better cognitive and social skills. Not only were they successful academically, but they were also found to cope better with frustration and stress. The same experiment was repeated by Edelgard Wulfert and her colleagues on middle- and high-school students. Students who could wait for monetary rewards earned higher grades, showed fewer behavioral problems in school, and were less likely to use cigarettes, drink alcohol, and engage in other vices compared to other students who could not wait [16].

The results of these experiments come with a moral imperative, as it were, privileging self-control over acting immediately. More studies followed the initial Marshmallow Experiment, considering other factors that affect the ability of subjects to delay gratification. Further experimentation showed that the subjects' responses to exposure to the reward, whether actual or in thought, are varying. It was harder for them to wait when the actual reward was put in front of them, while keeping it from their sight was associated with increased waiting time. However, some cases showed that even without the actual rewards in sight, but with the experimenter asking them to think of the reward, the subjects still tended to reduce the waiting time. On the other hand, some subjects distracted themselves while exposed to the reward, and thus were able to wait long enough to ultimately receive the reward [15]. Further studies revealed that active efforts were correlated with increased ability to delay gratification. The original marshmallow experiment and its iterations all demonstrate the complexity and specificity of relationships between cognition and self-control [17].

However successful the experiments were in explaining the self-control behavior of people, there were factors that were excluded by design, such as the self-efficacy beliefs of individuals and even the subjective value of the reward [18]. Mischel believed that children who succeeded in the experiment were able to resist temptation because of strategic allocation of attention, avoiding thinking about the reward being the key. However, the environment could also be an explanation. Children could opt to eat the marshmallow in front of them if they believe that they have a reason to be distrustful. It does not always hold that the ones who resist eating are the ones with better self-control; they may have had previous positive experiences with promised rewards given by people surrounding them, while the others who ate the smaller reward did not. Some subjects might also choose not to eat the marshmallow, not because they care about the reward, but because that is what the experimenter asked them to do. This mindset would suggest that it may have been the better choice, given that they were interacting with people they did not know. Not eating the first marshmallow may be a result of fear. Attention, whatever the decision, indeed played a huge role in this test. The children who ate the first marshmallow showed an attention to present reality that overshadows the idea of a seemingly unreal future. The idea of having two marshmallows is temporarily forgotten [19].

Watts, Duncan, and Quan [20] conducted a conceptual replication of the experiment. They found the original test to be limited due to the highly selective sampling of the previous researchers, which involved children from the Stanford University community. There were originally over 600 children, but follow-up investigations only involved 185. The new study examined associations between performance on a modified Marshmallow Test and later outcomes in a larger and more diverse sample of children. They used data from the National Institute of Child Health and Human Development (NICHD) Study of Early Child Care and Youth Development to explore the association between the preschooler's ability to delay gratification and age-15 academic and behavioral outcomes. The analysis was focused on children born to mothers who did not complete college. This was done to allow the researchers to evaluate if the results are generalizable to populations that are of more relevance to researchers and policymakers concerned with developing interventions.

The new study aimed to represent a wider and more general population based on race, ethnicity, parents' education, and the income of the children's households, factors that were hypothesized to affect the child's ability to delay gratification and their long-term success. It explains that the experiment does not directly interpret that being able to delay gratification leads to better outcomes, but that there are various social and economic factors in the children's backgrounds that would greatly affect their decisions. This study also found that children who came from poor families were less motivated to wait for the second marshmallow. For them, there is a risk in waiting since there is no guarantee that the second one will be received. For children of households where the parents were better educated and earned more money, they were able to wait longer because of at least two possible explanations: they have had past experiences with promised rewards with the adults delivering as promised, while the other one is that even if the experimenters end up not giving the second marshmallow, their parents can buy them something else afterwards. These social and economic factors are the explanations for long-term success, not the ability to delay gratification [21].

These experiments can be translated to the prevailing wisdom among youth that promotes pursuing opportunities that the present offers. This prevailing wisdom, in turn, has influenced behaviors regarding saving, spending, and investing [22]. It urges people to buy the things they want to buy, travel to places they have never been to, and try activities heretofore untried. The marshmallow experiment represents the decision-making process of people with the YOLO ideology. They are the ones who chose to eat the marshmallow in front of them instead of waiting for another one. Although some people had positive experiences with resisting immediate gratification because they “saved and invested” for the future, it does not necessarily mean that the ones who chose to take risks experienced negative outcomes.

Another explanation could be that people take present risks because the future anyhow is certainly uncertain due to economic problems. To someone with this line of thinking, it does not make sense to set aside an opportunity for happiness in the present. Alfred Marshall [23] in a 130-year-old tome presciently identified the myopia in this mindset, even as he accepts our inability to predict the future. Those who are well-off can very well take risks in the present because the prospect of future danger is mitigated precisely by perceived access to resources. At any rate, this way of thinking overlooks the importance of responsibilities such as budgeting and saving, which require serious thought and effort [24].

The Balance Between Present and Future Orientation

Spending is a type of practice that promotes instant gratification, while saving requires sacrifice in the present so a reward can be obtained in the far future. People exhibit inconsistencies in both spending and saving [25]. Theories of persuasion in the field of communication could be of help in proving that delaying gratification could be a smart and even complementary way to use one's financial resources. Among the more relevant persuasion theories are Petty and Cacioppo's [26] Elaboration Likelihood Model (ELM) and Leon Festinger's [27] Cognitive Dissonance Theory (CDT). ELM posits that two routes, the central and peripheral, may be used in persuading another person. It emphasizes the importance of knowing the audience or subjects in terms of their motivation in processing objective elaborated messages [28]. The central route is best for subjects who can process facts and are receptive to appeals to logic. On the other hand, when subjects are unable or unwilling to process facts, and appeals to logic appear to be of limited effect, the peripheral route may be better deployed. This is where superficial methods with temporary impact are used. For example, in illustrating the benefits of saving, investing, and obtaining insurance, a central route approach may call for showing how inflation erodes the value of money and computing the future value of regular contributions to a retirement fund. A peripheral route approach may consist of appeals to emotion such as asking the subject to envision his retirement or even describing the scenario of not having enough money in old age before even bringing out a worksheet.

CDT on the other hand, can be used to persuade subjects by proposing solutions that lessen the disparity between beliefs and behaviors that do not complement each other [29]. If a person claims to want to have enough money for the education of his future children and yet has no savings, CDT may illustrate the mismatch between present action and future want. The theory, when applied using a manner that neither preaches nor patronizes, may explain the reduction in the gap between present and future may be narrowed.

In using ELM to encourage people to prepare and invest for the future, they must be well informed on the details they need to understand how the YOLO lifestyle could be detrimental, and how saving and investing work. A possible solution is the arrangement of automatic and regular contributions towards an investment account, an approach that shields them from instant gratification. Employer-matching contributions may positively alter savings behavior, following the dictum that incentives influence behavior [25].

On the other hand, the use of Cognitive Dissonance Theory may show people that however incongruent their beliefs (saving for the future is a smarter lifestyle choice) and their behaviors (engaging in YOLO actions) are, there are still solutions to reduce the incongruity. It is possible to still live the YOLO life but save for the future at the same time. One should budget experiential activities by filtering them and choosing which ones genuinely add value to their life [30].

The Examination of Our Microeconomies

To provide additional context to this discussion, a description of our demographics may be helpful. This paper's lead author is a female in her early 20s, hired by the department where she finished her undergraduate degree right after graduation. While describing herself as thrifty, she has never deprived herself in achieving a comfortable level of personal savings. Apart from her savings, she has funds for her hobbies and the occasional vacation. This paper's corresponding author is a male nearing 40, trained in the social sciences, engaged with the humanities, but with a lasting interest in economics and making money. Starting with a coterie of cottage industries in his youth, he eventually learned to invest in bond, equity, derivative, and foreign exchange markets. In another life, he would have considered being a private banker or a fund manager. It should be noted that both authors were born to middle-class backgrounds, with parents who could never be considered affluent.

Their experiences provide arguments for and against the present orientation that YOLO promotes. While these experiences cannot be expected tomay not be generalizable to people of the same demographic, their experiences are nonetheless still instructive in illustrating the concepts discussed in this paper.

Saving Pays Off, or Does It?

Some years ago, one of the largest foreign banks in the Philippines began an advertising campaign that revolved around “personal economy” [31]. This did not escape the notice of this paper's corresponding author; he is happy to note that this campaign remains active, even in this time of COVID-19. Personal economy in this case is microeconomics that is relevant to individuals, with their varying outlooks on making money, saving, and spending, among others.

In 1998, another foreign bank in the Philippines offered a time deposit product, one that returned double the money invested after five years. This paper's corresponding author put a large chunk of his savings into this product, promptly forgot about it, and then withdrew the proceeds in 2003. For simplicity of analysis, the rule of 72, an estimate of the interest rate required to double an investment in x years, is used. Given the five-year tenor, 14.4% is the resulting compounded annual growth rate. Taking only the 1998 inflation rate of 9.25% into account [32], the real return was 5.15%.

We proceed to compare this to the circumstances of this paper's lead author. The double-your-money time deposit account is all but gone now. Without a similar product, we will assume the nearest equivalent, that is, a one-year time deposit account. We can assume that this time deposit account pays a gross rate of 3.75% per annum [33]. Deducting the government-mandated 20% tax from this yield, the nominal rate is 3% per annum. Given last year's inflation rate of 2.51%, the hypothetical placement of this paper's lead author would have received a real return of 0.49% per annum.

Even in the matter of yields on savings accounts, this paper's corresponding author had the sheer fortune of being born 16 years ahead of the lead author. The gross weighted average interest rate on savings accounts in 1998 was 10.967% per annum [34]. After taxes, this translates to a net nominal return of 8.7736%. Twenty-one years later, December 2019 to be exact, the gross weighted average interest rate on savings accounts was 0.974% per annum [35]. With taxes withheld, this is reduced to a net nominal return of 0.7792% per annum. Using the inflation rates from both 2019 and 1998, the real rates of return for both authors are -1.7308% and -0.4764% per annum, respectively.

From these examples, we can conclude that the corresponding author, by sheer accident of birth, made more than ten times the real rate of return of the second author from time deposit instruments. Even in the matter of losses from savings accounts, being older had its benefits, with the older co-author sustaining a hypothetical loss that was less than a third of that which was experienced by the younger author.

Can the younger generation thus be blamed for their present orientation? The Lucas Critique [36] comes to mind: change the rules of the game and people will decide differently. Saving and investing may have been in vogue two decades ago, but in a time of depressed real returns, it seems entirely passé.

Financial Crises and the Horror of an Ill-Timed Exit

Between the two authors of this paper, it is obviously the corresponding author who is more concerned with retirement. The Asian Financial Crisis happened in his teens, while the sub-prime mortgage crisis bared its fangs while he was in his late 20s. While these crises did not affect his portfolio, they definitely affected the portfolios of those whose retirements coincided with these crises. Target-date funds that had maturities on the years of these crises would likely have suffered horrendous losses, sinking the value of the portfolio of investors who were looking forward to their retirements being taken care of by these investments. There is always a risk of having to liquidate investments at a most inopportune time, not to mention the anxiety and other mental health issues that result from long-established expectations ending up unfulfilled. Diversification and portfolio rebalancing [37] may mitigate this risk, but just how many small investors are familiar with diversification and portfolio rebalancing? How many take an active role in the management of their investments? Interestingly, previous wisdom that bonds are negatively correlated to equities no longer appears to hold [38].

Not Knowing What Hit You

The biggest loss that this paper's corresponding author experienced did not come from equities, derivatives, or foreign exchange. Rather, it came from the closure of a rural bank where he had time deposit accounts for several years running. The initial plan was to let the interest from these accounts serve as funding for discretionary expenditures. As the country's deposit insurance system covered deposits only to a maximum of PHP500,000 (roughly USD10,300 in today's figures), he took a loss.

This painful educational experience was nothing compared to the pain of many other depositors who entrusted their life savings with the shuttered bank. Not one of them was aware of the bank's CAMELS ratings, as capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to risk are not made public [37], a telling example of information asymmetry. Everyone who had to contend with that rural bank's closure must have thought of the prospect of just using their money instead of leaving it with the bank. In another universe, they could have lived in the present by using their money. In this present universe though, their money, minus the deposit insurance coverage, disappeared into the ether. This has happened in a far larger context as well, in the matter of the People's Bank of China decreeing by fiat that depositors pre-report withdrawals that are larger than the yuan equivalent of USD71,000. Such a move throttles ordinary depositors while reifying and protecting an abstract "bigger picture" [39].

Illness, Death, and Insurance

Both authors of this paper took out life insurance policies at a young age. By doing so at 22 and 19, respectively, they are likely to be among the minority in their respective cohorts. Insurance is essentially the antithesis of living in the moment. While it is a recognition of mortality, it is not a nihilistic recognition; rather, it is the recognition that life does turn for the worse when one is older. Given enough time, health declines and everybody dies. The face values of both authors' first life insurance policies are not likely to be enough to defray the costs of the coffin that will house their remains; even so, these policies were a good start.

For more than a decade and a half, the corresponding author never bothered to increase his life insurance coverage, the rationale being that he had more than sufficient liquid assets for the occasional misfortunes of life. Illness changed his perspective, even as his cash flow was unaffected; a series of chronic and debilitating eye diseases threatened not only sight, but sanity as well. Once these diseases were successfully controlled by his medical team, he increased his insurance coverage. The total coverage on his life will no longer cover just the cost of his coffin but ensure that his widow will be a financially independent widow, beholden to no one.

Homeowner's Pride or Renter Forever?

Various sources peg the increase in real estate prices in the Philippines from 10.4% to 12.4% [40,41,42]. When these rates of increase are compared to the yield on traditional, supposedly risk-free investments, we are led to bemusement. Can young people today ever afford their own dwelling when their savings cannot outpace inflation and the cost of living? One of the most bruited about truths in finance is that there is a commensurate increase in risk when one attempts to chase a higher yield. The question, when restated, thus reads: if, assuming for the sake of argument, one has savings, how does these savings' yield match or outpace the increase in real estate prices? The answer would be investing in riskier and more volatile instruments, such as equities. An alternative would be going the entrepreneurship route, which has its attendant risks as well, up to and including bankruptcy.

Among the authors' colleagues, those who are older are homeowners, which is nothing surprising, given that time allows for compound interest to work its magic. Taking into consideration the factors that were mentioned in this paper previously, it can be inferred that those who are younger do not have the benefit of safe and substantial real yields on savings that their older counterparts had. In addition, what Stanley and Danko [43] described as economic outpatient care appears to have figured in home ownership. Those who own their homes did not put up the entire amount; instead, the down payment and even the amortization was paid for partly by their parents or inheritances. Will young people today have access still to intergenerational transfers of wealth or are they to pick themselves up by their bootstraps?

Granted, such an illustration may be considered pessimistic, and so, another approach may be considered, that of renting. Rent appears to be a worthwhile alternative, insofar as there is a Rent Control Law [44,45] in the Philippines. Given the prevailing mentality of today's youth, one that prioritizes experience over possessions, being a renter forever may make sense. Apart from putative savings, there are also added benefits, in that there is no need to pay real estate taxes or spend on home repair costs, apart from the flexibility provided by being able to move to different locales.

This paper's corresponding author is a homeowner who did not receive a transfer of wealth. What he received though was a loan from an uncle. While this loan was on an interest rate similar to what banks offered at the time, there were certain advantages to a loan from a relative, among them flexible repayment terms and the elimination of the risk of foreclosure. While there was no transfer of wealth involved, there was a transfer of privilege as it were. This paper's lead author neither owns a home nor rents one; instead, she lives with her nuclear family, with her extended family nearby, a normal state of affairs in Philippine society. Should she decide to move out of the comfortable shade of the family tree, the foremost question would still be the same: should she own a home or rent one?

In this time of COVID-19 though, it bears considering that both homeowner and renter suffer. The homeowner will surely experience a decline in property values. If this property is mortgaged, he is not much different from the renter, as they run the risk of foreclosure or eviction due to missed payments. The pandemic is democratic, in that it favors no one in how it distributes pain. Even financial institutions are not exempt from the suffering. The effects are systemic; when lessees are unable to pay lessors, the latter may miss their own payments, an event that may lead to foreclosure. Repeat this scenario over tens of thousands of lessee-lessor interactions, and the likely outcome is a financial crisis in some ways similar to the sub-prime crisis of the late 2000s [9,34].

Financial institutions do not appear to be the most scrupulous if we are to go by recent economic history. With sales targets to meet, banks push mortgages to people who are not creditworthy [37,9]. Aggressive selling results in enough mortgages that can then be converted into collateralized debt obligations [46]. With sufficient collusion from credit rating agencies that are wrapped up in conflicts of interest, sub-prime mortgages are given the face of legitimacy and superior repayment prospects [9]. It is not far-fetched to imagine that the pandemic will have long-term effects on housing prices, home ownership, and tenancy. In so many words, we must consider the possibility of pain and loss, both in psyche and pocket. The recovery will be arduous.

These vignettes show the putative advantages of both present and future orientations. We have no assurance that the present holds the best possible outcome for us. Unfortunately, we cannot admit any expectation that the future will indeed have a better outcome than the present. Because everyone implicitly subscribes to the tenet that risk requires compensation, the question to be asked then is if any one of us is compensated enough for taking the risk of waiting for the future. Our interest rate vignette suggests that we are not; the insurance vignette on the other hand suggests that we are, assuming of course that the insurance company makes good on its promises, something that our rural bank did not do. The discipline that a retiree practiced over four decades of his work life does not entitle him to an expected return. Should he have the supreme misfortune of exiting during a bear market, he is likely to rue bad timing and the prospect of a lifetime of saving undone by a recession. We thus propose a middle ground. In the spirit of this paper starting with the creative industries, we cite James Dean: Dream as if you'll live forever. Live as if you'll die today [47].

Final Notes

Our vignettes are but the stories of two persons. We are aware that many others have it worse than we do. Our homes are not encumbered to financial institutions, the same institutions that we expect to be now swimming in a sea of missed payments and foreclosures. While we are unable to interview representatives from these institutions, the Philippine Statistics Authority's report on the country's gross domestic product for the third quarter of 2020 is more than sufficient a taste as it were. The construction and real estate sectors contributed -39.8% and -22.5% respectively to a year-on-year growth rate of -11.5% [48]. Those who have lost their jobs and have had to rely on the transfer of cash and goods from the government certainly are in far worse straits than we are [49].

It can be argued that prior to the pandemic, life was proceeding with some rhythm. This rhythm was rudely interrupted by a potent mélange of idiosyncratic and covariate shocks [50], which is to say a mix of job loss, a breakdown in mental stability [51], and lockdowns, among others, on top of a health crisis at the pandemic level.

We wonder if, in people's quiet moments, they experience buyer's remorse or the regret that comes with not having done something. We daresay that it is more of the latter that occurs in the private spaces of their minds. Because we are unlikely to die today even as nobody lives forever, there must be a fine balance in our personal economies. Whenever possible, we save a portion of our paychecks and invest their proceeds into instruments that we hope will outpace inflation. Because we are likely to be in worse health in the future than we are now, we will need health and life insurance to address that risk. Because science and technology are likely to give us longer lifespans than those born two generations ahead of us, we cannot afford to be penniless and at the mercy of our progeny in our old age. Yet at the same time, our self-respect does not afford us the embarrassment of having to derive economic outpatient care from our parents even in our adulthood. We can and should buy the leisure that we can afford, because in leisure we keep mind, body, and soul intact.

We attempt to find a proverbial silver lining in the middle of misfortune by suggesting areas for future inquiry. Research on financial wellness as it relates to mental and physical wellness would be a fine start, followed by quantitative and qualitative studies on how the pandemic may have affected the quality of life of people who have not been rendered ill by the virus. From philosophical and humanistic standpoints, we may begin to question so-called motherhood statements, the declarations that we accept to be true without much challenge. Is health really wealth when one is precluded from achieving wealth? Why is it society's expectation that we devote some two-thirds of our lives to “work,” only to retire at some arbitrary age such as 60, 65, or 67, running the risk of dying soon after? The rigorous and vigorous examination of the tenuous relationship between health, happiness, and money may very well be the most revelatory of what humanity can and ought to be.

We end this paper with a statement, an article of faith as it were. We can have it all, but only if we plan well enough. Discipline and preparation may give, even as it will not guarantee, us a consistently satisfactory quality of life. Financial literacy, coupled with communication that illustrates rather than preaches, may very well be the balm that eases the pains of living and sustains our health in the years to come.

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