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Money = happiness? That's rich

Here's the science behind the axiom

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NEWHOUSE NEWS SERVICE**

Will you be happier if you make more money?

Psychologists say probably not - assuming you aren't poor, in which case a change in wealth can have a big impact on well-being.

After attaining a certain earnings level - some theorize that's around \$40,000 now in the United States, about double the government-defined poverty level for a family of four - increased affluence hardly affects happiness, according to social scientists who have examined how they are linked.

"I would describe happiness as a certain level of inner peace and feeling satisfaction with the family and friends that you have," said certified financial planner Elisabeth Plax.

"If that's happiness, money is only going to add and subtract some, but it's not going to touch the core."

Research shows that people in rich countries are not happier than those in poorer ones.

"During the 1980s, the West Germans had double the incomes of the poor Irish, who year after year reported more satisfaction with their lives," said David Myers, a sociologist at Hope College in Michigan who authored the 1993 book "The Pursuit of Happiness."

In countries with deep poverty like India, being relatively well off and of a higher caste makes for greater well-being, Myers said.

But in affluent countries like the United States - provided that life's necessities are met - the connection between money and reported happiness is weak.

Ed Diener, a University of Illinois psychologist, found no significant difference when he compared the overall well-being of billionaires and millionaires on the Forbes 400 list of the richest Americans with Maasai herdsman in East Africa.

A sudden windfall such as winning the lottery or coming into an inheritance does deliver a happiness jolt. But it's usually a fleeting passage in the span of life.

Studies of multimillion-dollar lottery winners have shown that negatives prevailed for many of them, with higher rates of divorce, alcoholism, loss of friends and isolation.

A surprising number of them also were broke within a decade after their windfall.

Last month, the only granddaughter of Jack Whittaker, winner of the richest undivided lottery prize in U.S. history, was found dead of an apparent drug overdose. Whittaker said her life careened out of control with drugs and dangerous friends after the doting grandfather showered her with tens of thousands of dollars from his sudden fortune.

Even though the emotional payoff of money is often transitory, people say in surveys that they think more of it will lock in extra happiness.

The sentiment is on the rise among college students. An annual poll by the University of California at Los Angeles and

the American Council on Education found that entering freshmen rated becoming "very well off financially" first on a list of 19 goals, ahead of choices such as helping others, raising a family or becoming proficient in an academic pursuit.

Thrill of the chase

One reason we like to chase money and possessions is because of that temporary rush we get from landing them. But the thrill fades in what economist Richard Easterlin calls "hedonic adaptation and social comparison." In other words, once you get the goodies, they quickly become old hat and you want more.

Easterlin points to 10 big-ticket consumer items on a "good life" list, ranging from house, car and television to travel abroad, a swimming pool and a vacation home. As people acquire more of these items, their aspirations for such possessions rise in proportion to the gains, Easterlin says - leaving them "no happier than before."

Gregg Easterbrook explored this gap in perceptions about money and happiness in his book, "Progress Paradox: How Life Gets Better While People Feel Worse."

"Envy and dissatisfaction come from lacking what others possess, but coming into possession of those things does not confer happiness," Easterbrook explained in an interview published in BookPage.

"Seeing the BMW may make you feel unhappy, but psychological studies show obtaining the BMW would not make you happy."

Happiness just isn't our way

One student of wealth and happiness says the emotional boost from a lodge in Vermont or a sleek Jaguar levels out quickly because human beings aren't designed to be in constant happiness mode. If that happened, we wouldn't keep striving to do things.

"There's amazingly little that will raise your happiness for a long time," Carnegie Mellon University economist George Loewenstein said.

By contrast, some things are well documented as begetters of unhappiness. Not having a job when you want one - even if you're well off - ranks at the top, Loewenstein said. Other prescriptions for unhappiness: having a bad relationship with your significant other or having children beset with problems.

Television producer Jon de Graaf, who made a PBS documentary on "affluenza," would add to the list "the bloated, sluggish and unfulfilled feeling that results from efforts to keep up with the Joneses."

De Graaf notes that the number of Americans calling themselves "very happy" peaked in 1957 at 35 percent and has declined to 30 percent today, according to happiness data from the National Opinion Research Center at the University of Chicago.

Over the same period, average annual after-tax income in constant dollars has more than doubled as the rich got richer and more women entered the labor market.

Where is happiness?

The Institute for Research on Unlimited Love (www.unlimitedloveinstitute.com) is trying to answer the next obvious question: If materialism doesn't bring happiness, what does?

The institute, established in 2001 at Case Western Reserve University's medical school in Cleveland, has directly paid for 21 scientific studies of altruism and the human motivations for altruistic and compassionate behavior.

Happiness is generally not something you can buy or attempt to gain for yourself, Institute President Stephen Post said.

It's a byproduct of helping others.

Financial planner Plax, head of Plax & Associates Financial Services in Beachwood, Ohio, said that for people of means,

that usually entails sharing their wealth.

"What I always say to people is give what you can, but then stretch a little more," she said, laughing. "Because that's how much you can give."

Myers, the "Pursuit of Happiness" author, said happiness, like a cholesterol level, is genetically influenced. But it also is partly under our control. Research shows that some things have high odds of improving mood and increasing life satisfaction: Ranked No. 1 is "Realizing that enduring happiness doesn't come from financial gain.

"Its utter absence brings misery, but having it doesn't guarantee happiness."

In fact, a focus on money can be a formula for depression and anxiety. Richard Ryan, a University of Rochester psychology professor who has studied how the desire for money affects mental health, said surveys of college students show that those putting the most emphasis on materialism scored the highest in measurements of those afflictions.

A different wealth yardstick

That things other than money and possessions have a role in happiness is getting a nationwide test in the tiny country of Bhutan.

The Himalayan Buddhist kingdom has ditched a common measure of national progress - the gross national product - and replaced it with another model based on "gross national happiness," according to an article in the current issue of More than Money (www.morethanmoney.org).

The country's former prime minister, Lyonpo Jigmi Thinley, launched the concept in 1998 with a master plan that described the "Four Pillars of Happiness" - sustainable economic development, conservation of the environment, promotion of national culture and good governance.

Thinley has taken ideas that might once have been dismissed as flaky to audiences around the world, including a United Nations conference in Seoul, South Korea.

"The latest plasma television, SUVs, McMansions and the like have in no way made us happier," Post said.

"It turns out that we probably should have listened to the people who said that money or a \$60,000 Hummer can't buy happiness."

Path of bliss

- 1. Realize that enduring happiness doesn't come from financial success.*
- 2. Take control of your time.*
- 3. Act happy.*
- 4. Seek work and leisure activities that engage your skills.*
- 5. Get regular aerobic exercise.*
- 6. Give your body the sleep it wants.*
- 7. Give priority to close relationships.*
- 8. Focus beyond self.*
- 9. Be grateful.*

10. Nurture your spiritual self.

- *'THE PURSUIT OF HAPPINESS' BY DAVID G. MYERS*

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