



Big spender.

Those who donate are happier than those who do not.

Credit: Peter Dazeley/Getty Images

The Secret to Happiness? Giving.

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Think you'd be happier if you won the lottery or just had a few extra bucks in your pocket? Think again. Overturning classic economic wisdom, new research shows that it's not how much you have that matters, it's how you spend it.

People who donate their dollars to charities or splurge on gifts for others are more content than those who squander all the dough on themselves.

Money does seem to buy some happiness--studies show that rich folks are a little more upbeat than the poor (*ScienceNOW*, 15 August 2005). But the wealth-happiness connection is weak, and economists struggle to explain why, for example, the U.S. population has not become happier as it has become more affluent. One possibility is that people simply don't spend their extra money in ways that lead to lasting

cheer.

Social psychologist Elizabeth Dunn of the University of British Columbia (UBC) in Vancouver, Canada, wanted to find out what kind of spending really does make people happy. So she and colleagues surveyed 109 UBC students. Not surprisingly, most said they would be happier with \$20 in their pocket than they would with \$5. They also said they'd rather spend the money on themselves than on someone else. Wrong move. When Dunn's team gave 46 other students envelopes containing a either \$5 bill or a \$20 bill and told them how to spend it, those who shelled out on others (donating to charity or giving a gift) were happier at the end of the day than those who blew it on themselves (to pay a bill or indulge in a treat).

Two more surveys mirrored these results. Dunn's team polled 16 employees of a Boston company before and after they received bonuses of various sizes, and they gathered data on income, spending, and happiness from 632 people across the United States. In both groups, happiness correlated with the amount of money people spent on others rather than the absolute amount of the bonus or income.

Dunn says the results "confirmed our hypothesis more strongly than we dared to dream." The effects of altruistic spending are probably akin to those of exercise, she notes, which can have immediate and long-term effects. Giving once might make a person happy for a day, but "if it becomes a way of living, then it could make a lasting difference," she says. She hopes the finding might someday spur policymakers to promote widespread philanthropy that could make for a more altruistic--and happier--population.

Economist Andrew Oswald of the University of Warwick in the U.K. says Dunn's results will surprise most economists, who would hold that spending money on yourself gives the greatest happiness bang for the buck. "It's an intriguing result you won't find in Economy 101 textbooks," he says. Still, Oswald notes that the work needs to be replicated in larger samples, closer to 1000 people, to be completely convincing.