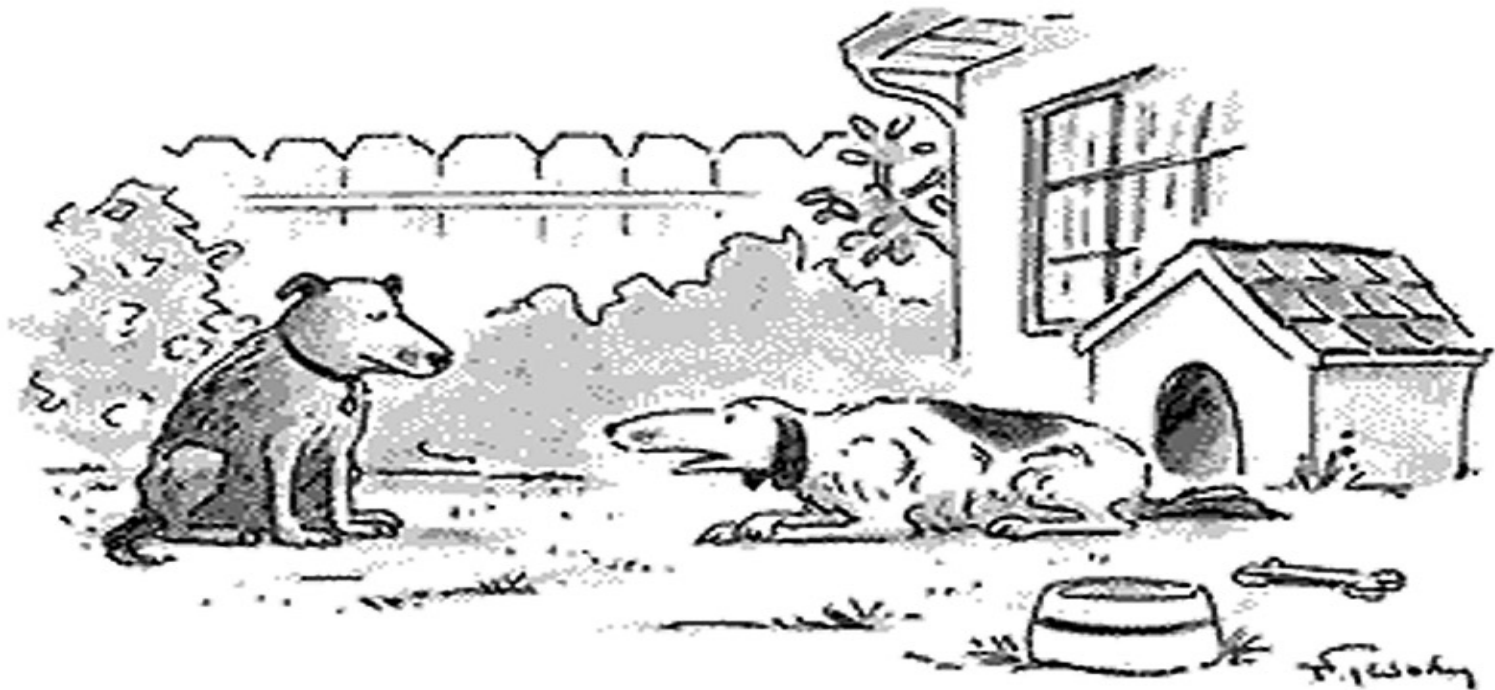


From Wealth to Well-being:
Spending Money on Others
Promotes Happiness

RUUT VEENHOVEN TALK 2017

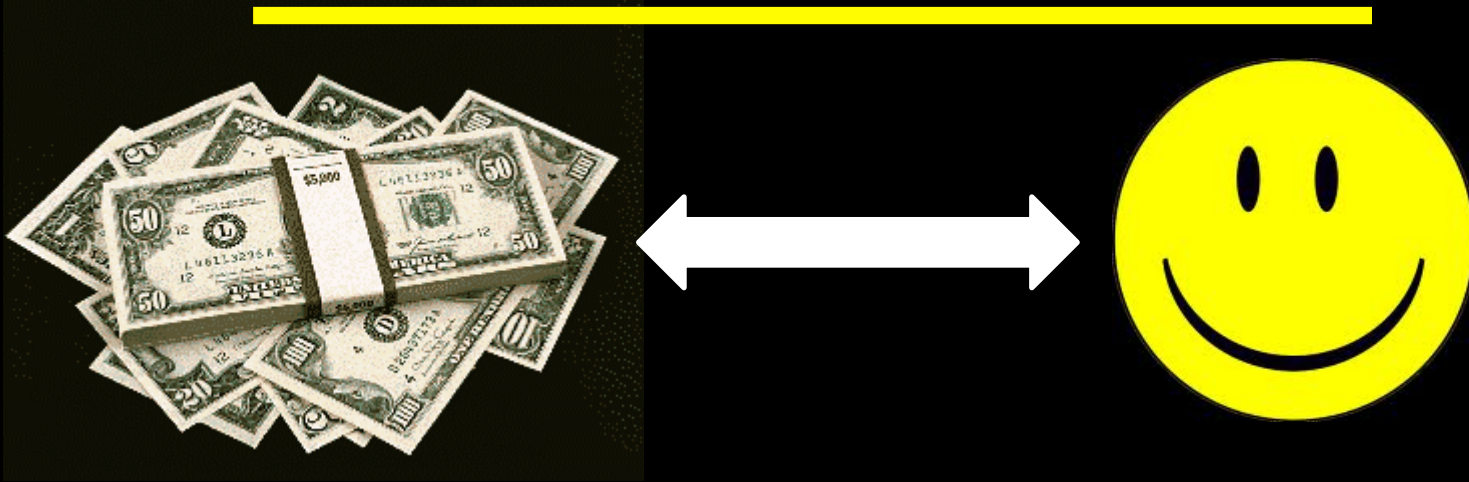
Lara B. Aknin
Simon Fraser University

Relationship Between Money and Happiness



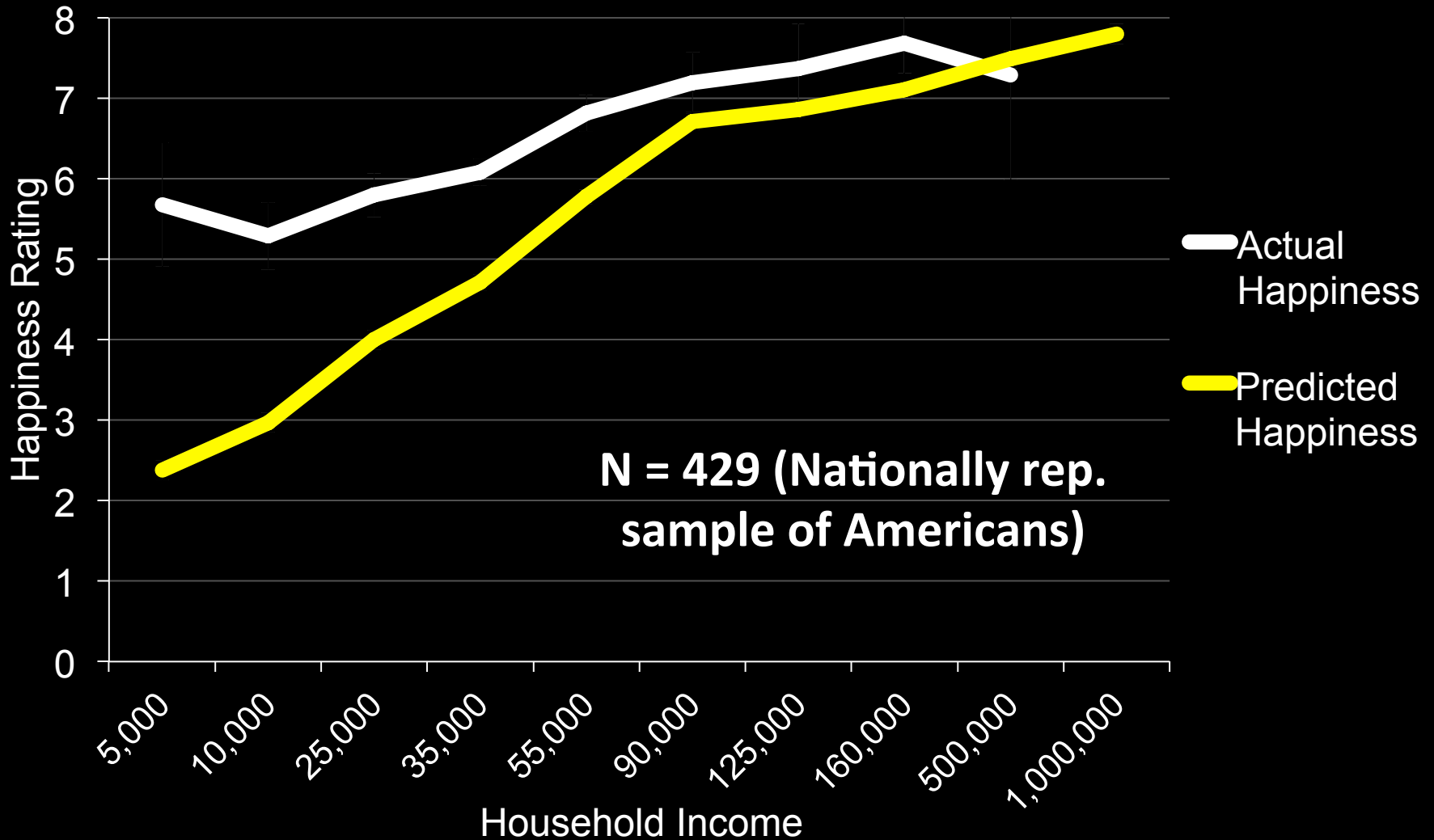
*"I've got the bowl, the bone, the big yard, I know I **should** be happy."*

Introduction



- Large literature examining link between money and happiness
 - Correlation fluctuates around .20 (Diener et al, 2010; Lucas & Dyrenforth, 2006)
 - Relationship is weaker than most people expect (Aknin, Norton, & Dunn, 2009; Kahneman, et al., 2006)

Real vs. Predicted Relationship between Money and Happiness



Spending Choices Matter



“People do not spend their extra money in ways that yield significant and lasting increases in measured satisfaction.”

- Robert Frank (2004), *How Not to Buy Happiness*

So if people are spending their money on the *wrong* things, what are the *right* things they should be spending their money on?

Other Predictors of Well-Being

Growing evidence suggest that prosocial behavior increases well-being

- Helping stranger find lost item (Harris, 1977)
- Volunteer work (Thoits & Hewitt, 2001)
- Random Acts of Kindness (Lyubomirsky, et al., 2005)



Hypothesis

Money can buy happiness...

if it is spent **prosocially**

(i.e., on others rather than oneself)

Talk Outline

- Does prosocial spending lead to happiness?
- Are the emotional benefits of prosocial spending universal?
- When are the emotional rewards of prosocial spending most likely?
- Downstream consequences

Talk Outline

- **Does prosocial spending lead to happiness?**
- Are the emotional benefits of prosocial spending universal?
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Correlational Survey

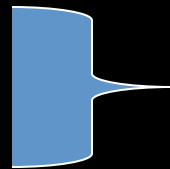
- N = 632 Nationally Rep. sample of Americans
- How much do you spend in a typical month on:
 - Expenses/rent/bills/debts
 - Gifts for Self
 - Gifts for Others
 - Charity donations
- DV: General Happiness Question
“Do you feel happy in general?”

Correlational Survey

- Summed categories into two spending indices:

- Bills /expenses

- Gifts for Self

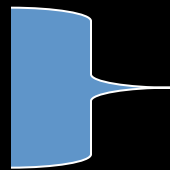


Personal Spending

$M = \$1714, SD = 1896$

- Gifts for Others

- Donations to Charity



Prosocial Spending

$M = \$146, SD = 306$

Correlational Survey

Personal
Spending

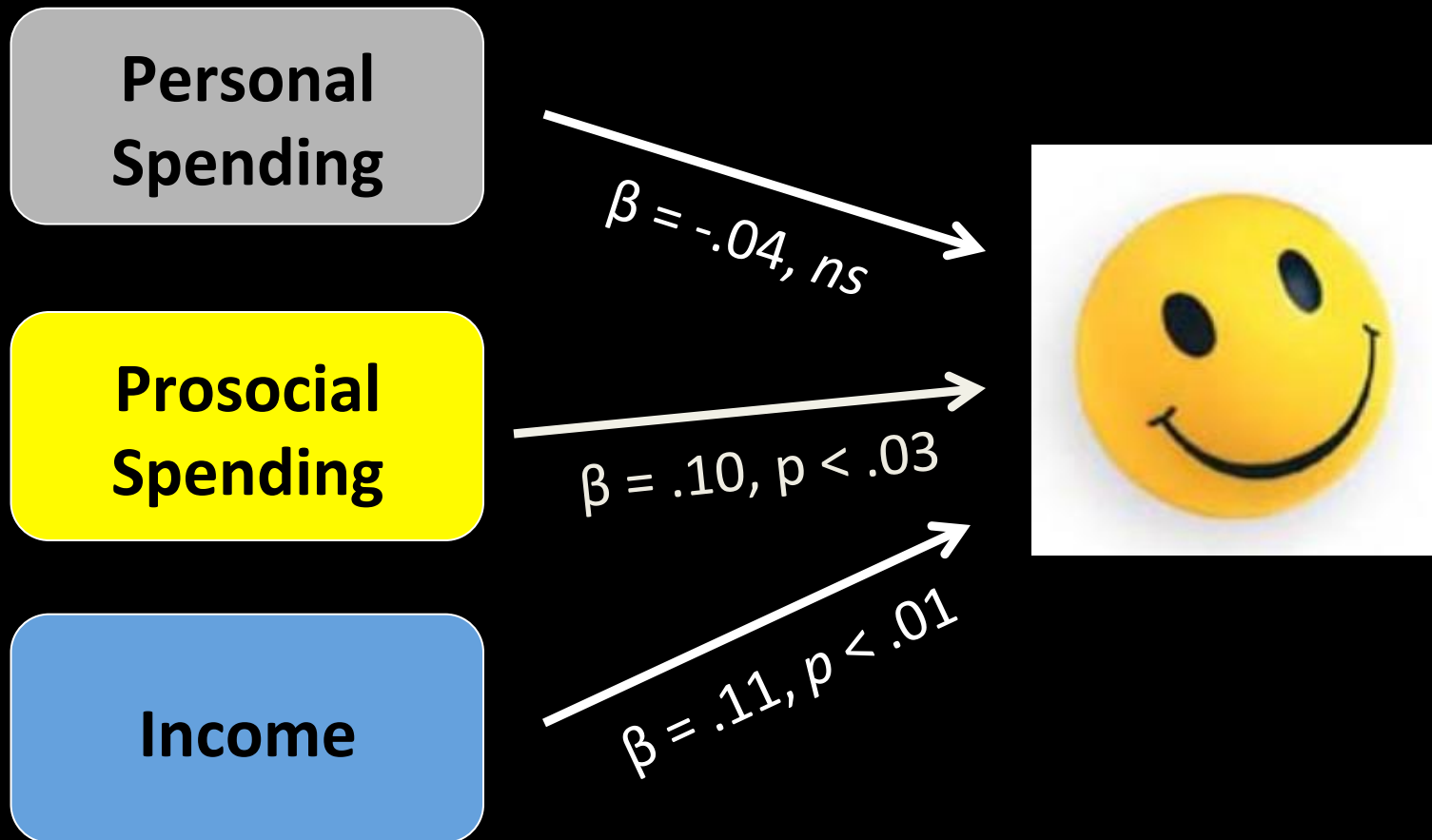
$\beta = -.02, ns$

Prosocial
Spending

$\beta = .11, p < .01$



Correlational Survey



Summary of Correlational Survey

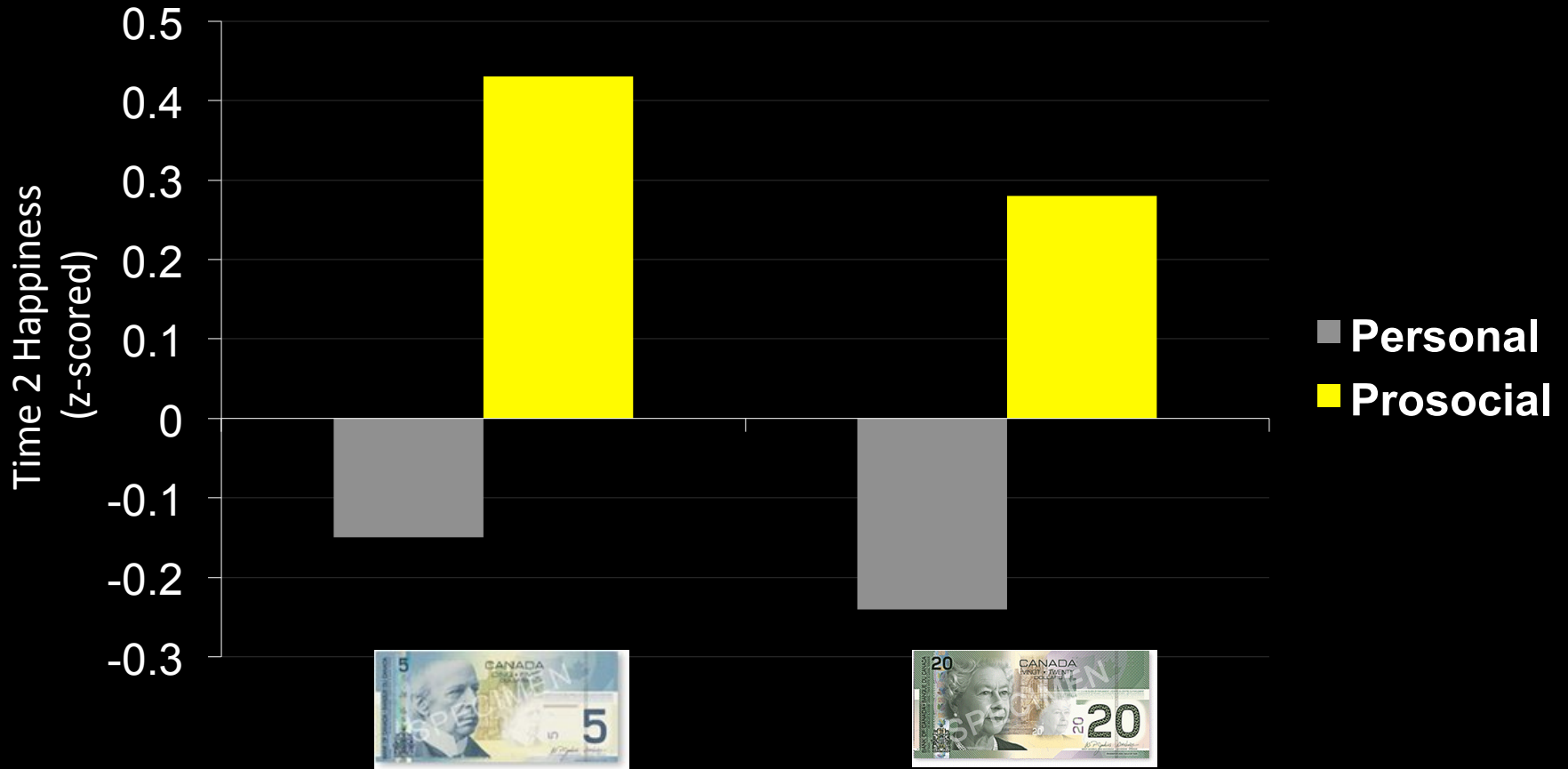
- People who spend more on prosocial spending report higher happiness
- Strengths:
 - Initial evidence
 - Large nationally representative sample
- Limitations:
 - Strictly correlational

Windfall Study

- 46 UBC students
- Windfall size
 - \$5
 - \$20
- Spending instructions
 - **Personal**: bill, expense, or gift for self
 - **Prosocial**: gift for someone else or charitable donation
- Pre & Post Happiness
 - Single Item + PANAS



Windfall Study



Main effect of spending direction(controlling for T1 happiness) $p < .05$

Summary of Windfall Study

- Participants assigned to spend on others were happier
- Strengths:
 - Direct support for causal claim
- Limitations:
 - Student sample

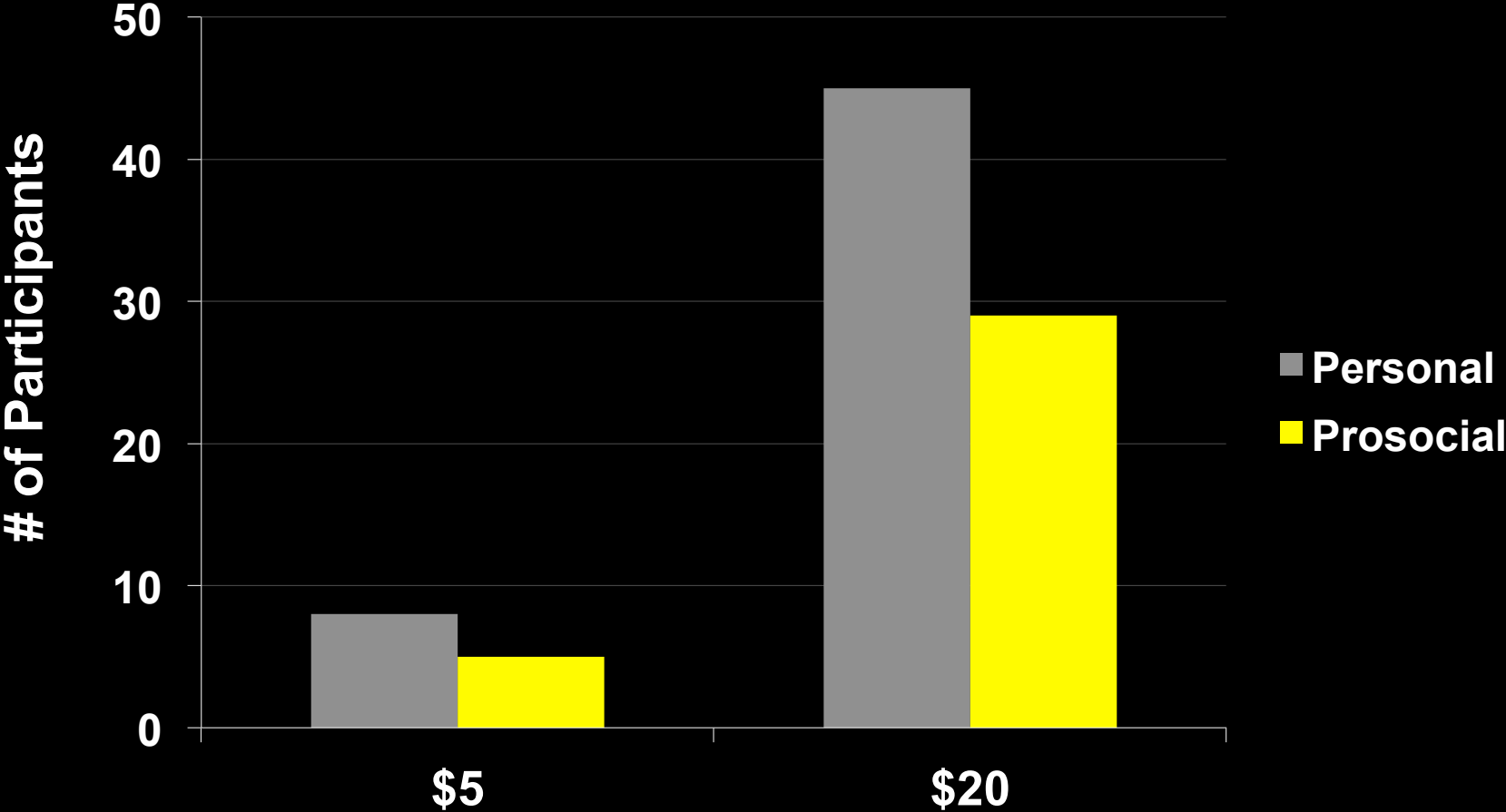
Why Don't People Spend on Others?

- Converging evidence: *Why don't people spend on others?*
- Reality of personal expenses
- Are hedonic benefits of prosocial spending overlooked?

Intuitions Study

- 109 UBC students
- Read descriptions of the 4 experimental conditions
 - \$5/personal
 - \$5/prosocial
 - \$20/personal
 - \$20/prosocial
- “Which condition would make you happiest?”

Intuitions Study



Dunn, Aknin & Norton, 2008, *Science*

Intuitions Study



Intuitions Study



Intuitions Study

- Participants thought spending *more* money ($p < .0005$) on *themselves* ($p < .05$) would make them happier
- Fail to see the benefits of prosocial spending for well-being

Talk Outline

- **Does prosocial spending lead to happiness?**
 - Correlational Study
 - Windfall Study
 - Intuitions
- Are the emotional benefits of prosocial spending universal?
- When are the emotional rewards of prosocial spending most likely?
- Downstream consequences

Talk Outline

- Does prosocial spending lead to happiness?
- **Are the emotional benefits of prosocial spending universal?**
- When are the emotional rewards of prosocial spending most likely?
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Limited to North America?

- Original data from North America
- Do people around the world feel happier after spending money on others?
- Fundamental to human nature?

Examining Universality

- Apply Norenzayan and Heine's (2005) recommendations:
 - Cross cultural survey
 - Experimental study in two diverse cultural contexts



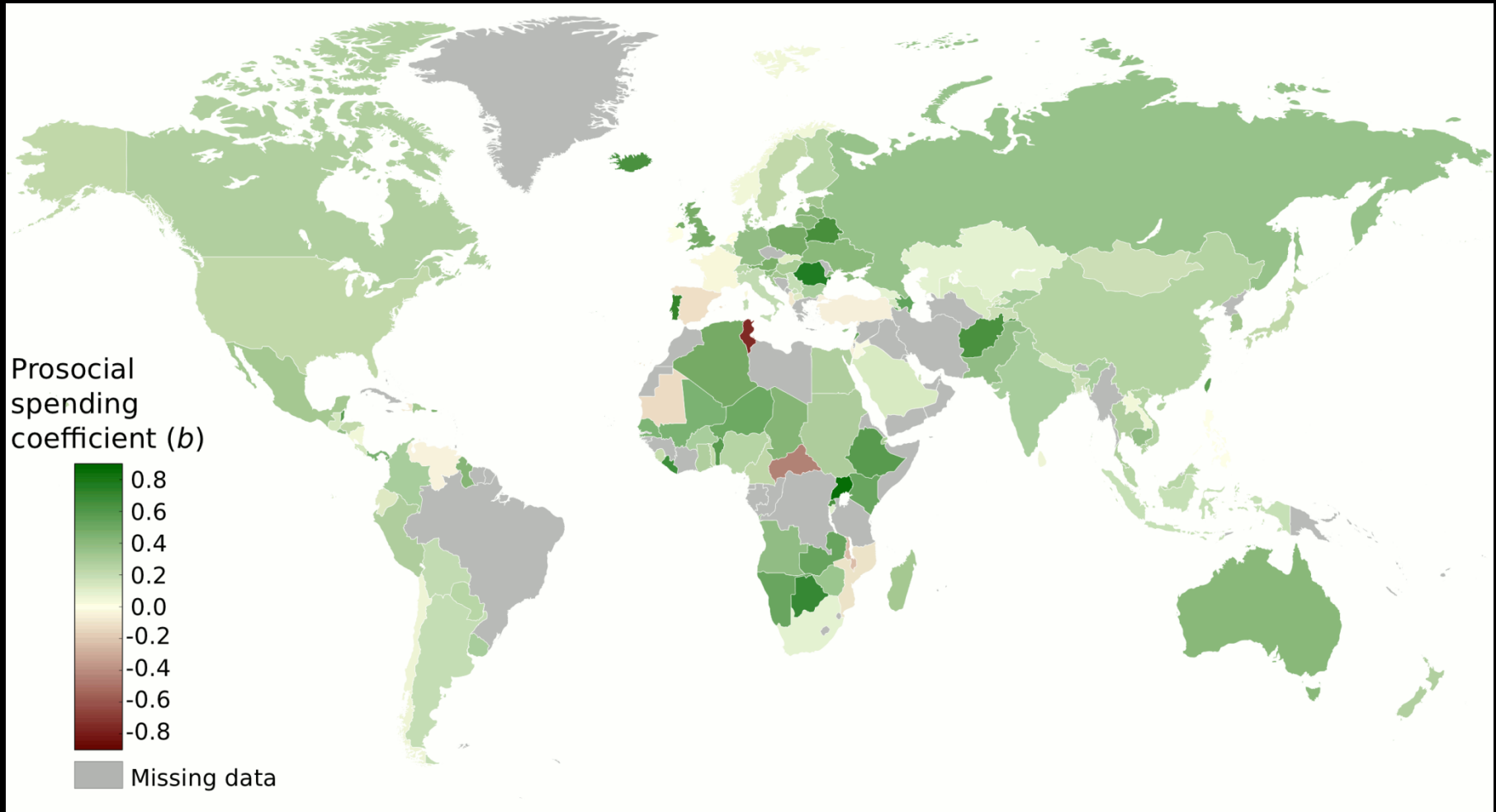
Examining the Gallup World Poll

- 234,000+ participants from 136 countries sampled during 2006-2008 Gallup World Poll
- Donated to charity in the last month (yes/no)
- Reported happiness



Relationship positive in 120 of 136 countries while controlling for income and additional control variables

Examining the Gallup World Poll



Examining the Gallup World Poll

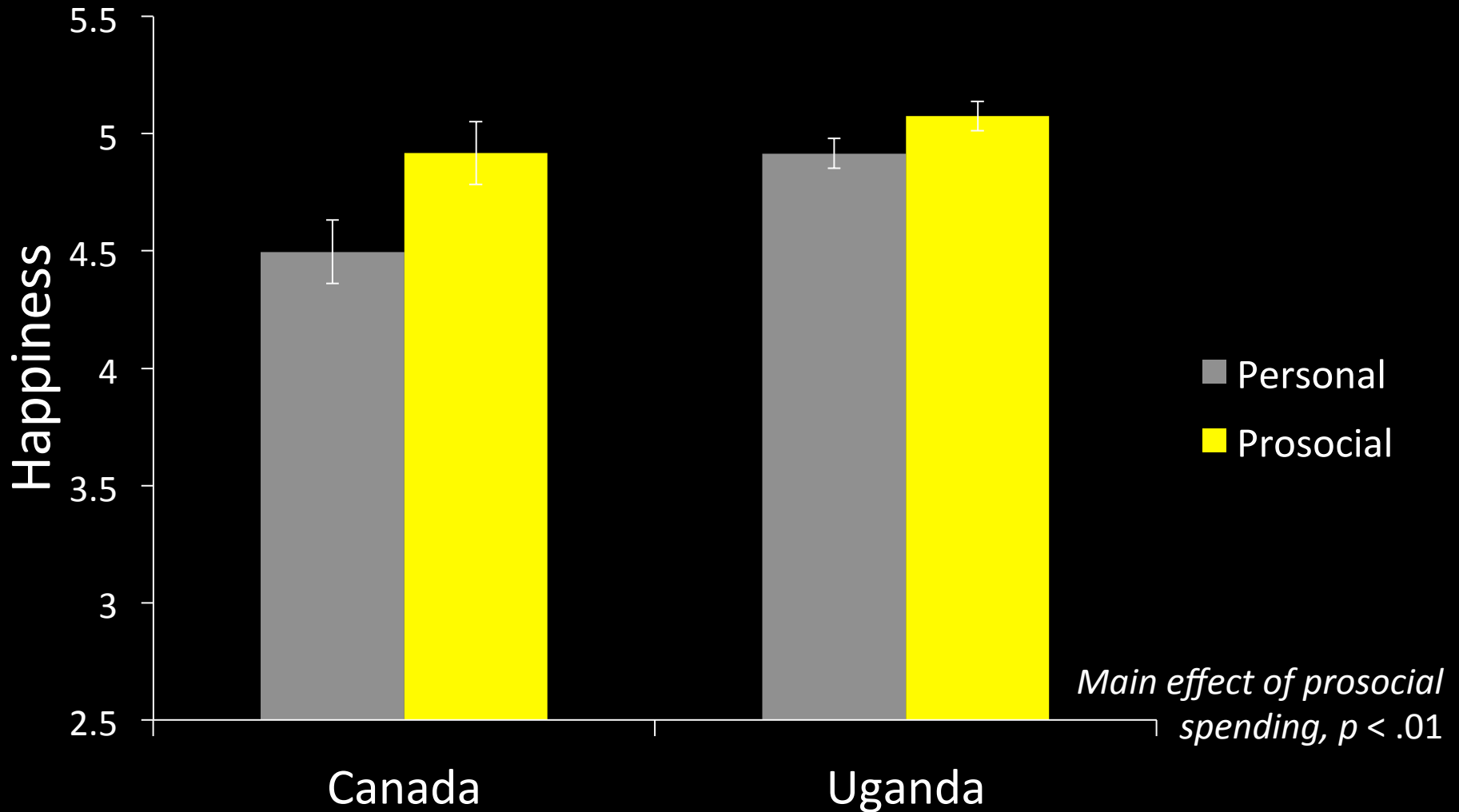
- Global estimate ($b = .27, p < .03$), controlling for income and other demographics
- Significant in all 7 geo-political world regions
- Substantial variability but consistent support

Recollection Study: Canada & Uganda

- 820 people from Canada and Uganda
 - Students in rural Uganda (n = 105)
 - Students from urban Uganda (n = 382)
 - Community sample in Uganda (n = 193)
 - Canadian students (n = 140)
- Recall spending
 - Canada (\$20) or Uganda (10,000 Ush)
 - Self or someone else
- Report happiness



Recollection Study: Canada & Uganda



Recollection Study: Canada & Uganda

- Participants in Canada and Uganda assigned to recall a time they spent on others report higher happiness
- Strengths:
 - Direct support for causal claim
- Replication and extension:
 - Another relatively poor country
 - Immediate emotional consequences

Goody Bag Study: Canada & South Africa

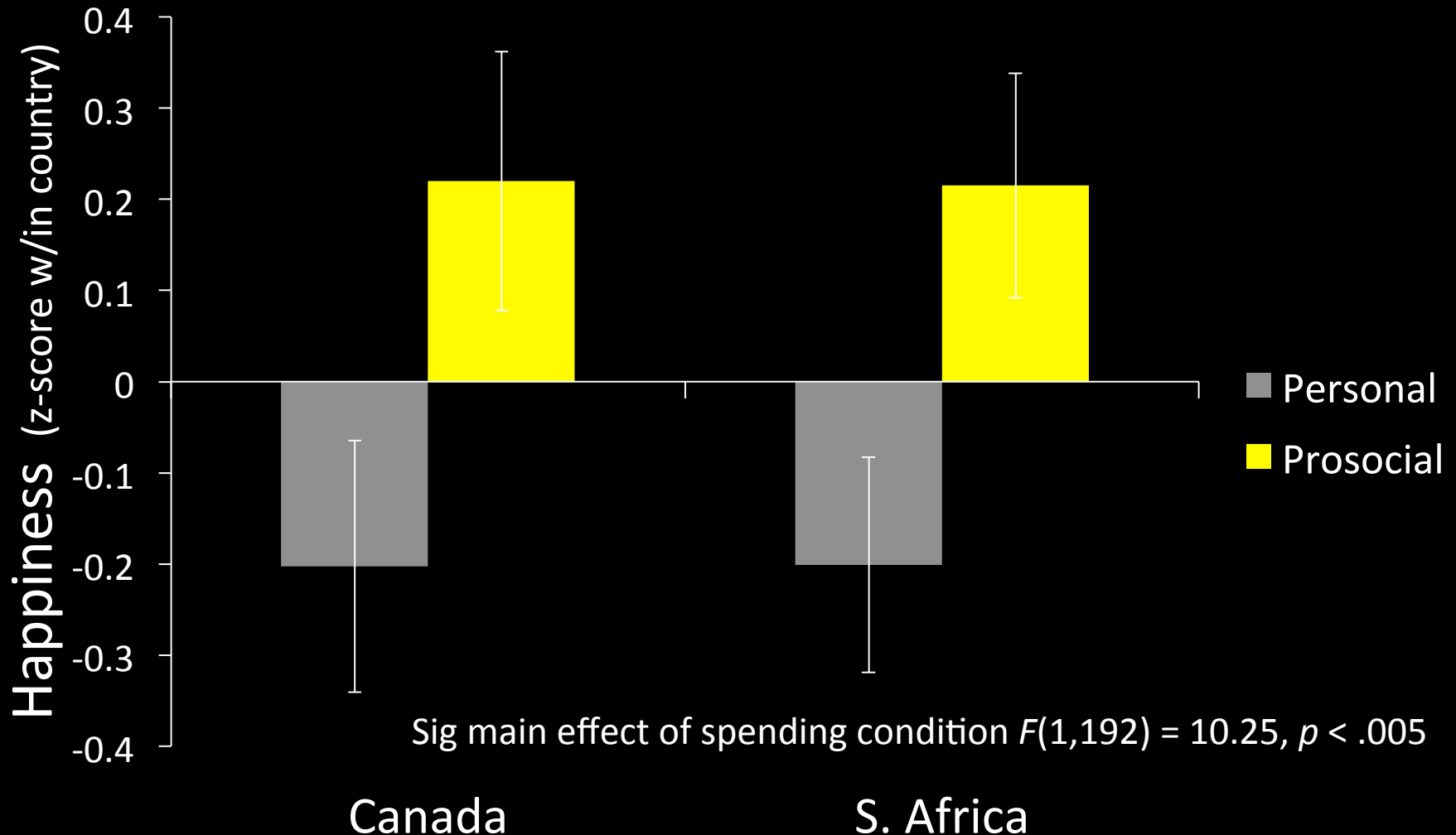
- 207 students (86 UBC, 121 U Cape Town)
- Baseline happiness
- Additional study payment \$2.50 (20 Rand)
 - Buy goody bag valued at \$3 (25 Rand)
 - Self (*personal*) vs. sick child at hospital (*prosocial*)
- Report happiness after (PA+happy)



Goody Bag Study: Canada & South Africa

- Ruling out social relationships
 - Lab delivered gift to sick child → *no contact with recipient*
 - Researchers and fellow Ps were unaware of spending condition → *no social praise*

Goody Bag Study: Canada & South Africa



Goody Bag Study: Canada & South Africa

- Prosocial spending leads to happiness in poor (S. Africa) and rich (Canada) nations, even with no praise or contact with beneficiary
- Strengths:
 - Captures immediate emotional reward
 - Controls for social relationship building

Going further?

- Even in South Africa students attend university
- Same outcomes even when people have very little money?
- Summer 2013 – Vanuatu

Vanuatu



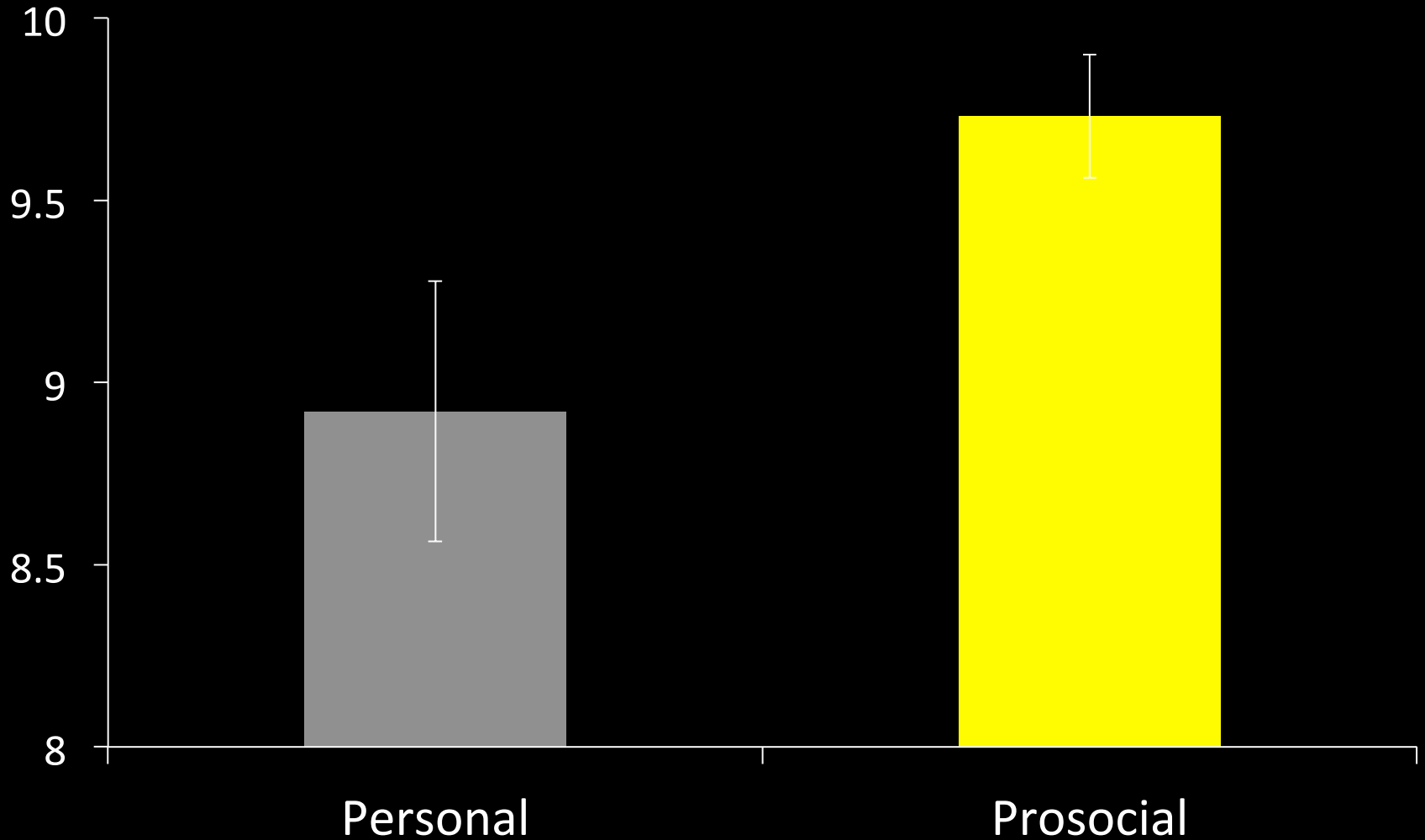


Vanuatu Replication

- 26 adults in Lunikavik village ($X_{\text{age}} = 46$; 15 fem.)
- Given additional study payment (100 vatu) to keep or:
 - Purchase candy for self (personal spending)
 - Purchase candy for others (prosocial spending)
- Report emotion
using →
*(happy, excited, strong,
proud)*



Vanuatu Replication



Aknin, Broesch, Hamlin & Van de Vondervoort, 2015 *JEPG*

Goody Bag Study: Vanuatu

- Prosocial spending leads to higher happiness than self directed spending, even in small scale traditional society
- Weakness:
 - Less experimental control
- Strength:
 - Very different cultural context provides a strong test of universality

Looking further?

- Overall, humans are exceptionally prosocial
- But not all...
- Disproportionate harm by individuals high in antisocial and psychopathic tendencies

Do criminal offenders experience emotional rewards from giving?

Fundamental Feature?

- Many human adults around the world experience happiness from sharing resources with others

When do humans pair good deeds with good feelings?

Toddler Study



- Supporting evidence
 - Early cooperative and prosocial behavior in human infants
(Warneken & Tomasello, 2006; 2008; Zahn-Waxler et al., 1992)
 - Sometimes costly (Warneken & Tomasello, 2008)
- Why?
 - Evolved to find prosocial behaviour rewarding
- If so, emotional benefits before substantial learning and socialization

Toddler Study

- 20 toddlers (22-24 months) came into lab with parent and:
 - a) Meet puppet (touch, pet, interact)
 - b) Child given 8 treats
 - c) **OBSERVE PROSOCIAL ACT:** Child watch E's give treat to puppet*
 - d) **NON- COSTLY PROSOCIAL ACT:** Child gives one of E's treats to puppet*
 - e) **COSTLY PROSOCIAL ACT:** Child gives own treat to puppet*
- * counterbalanced

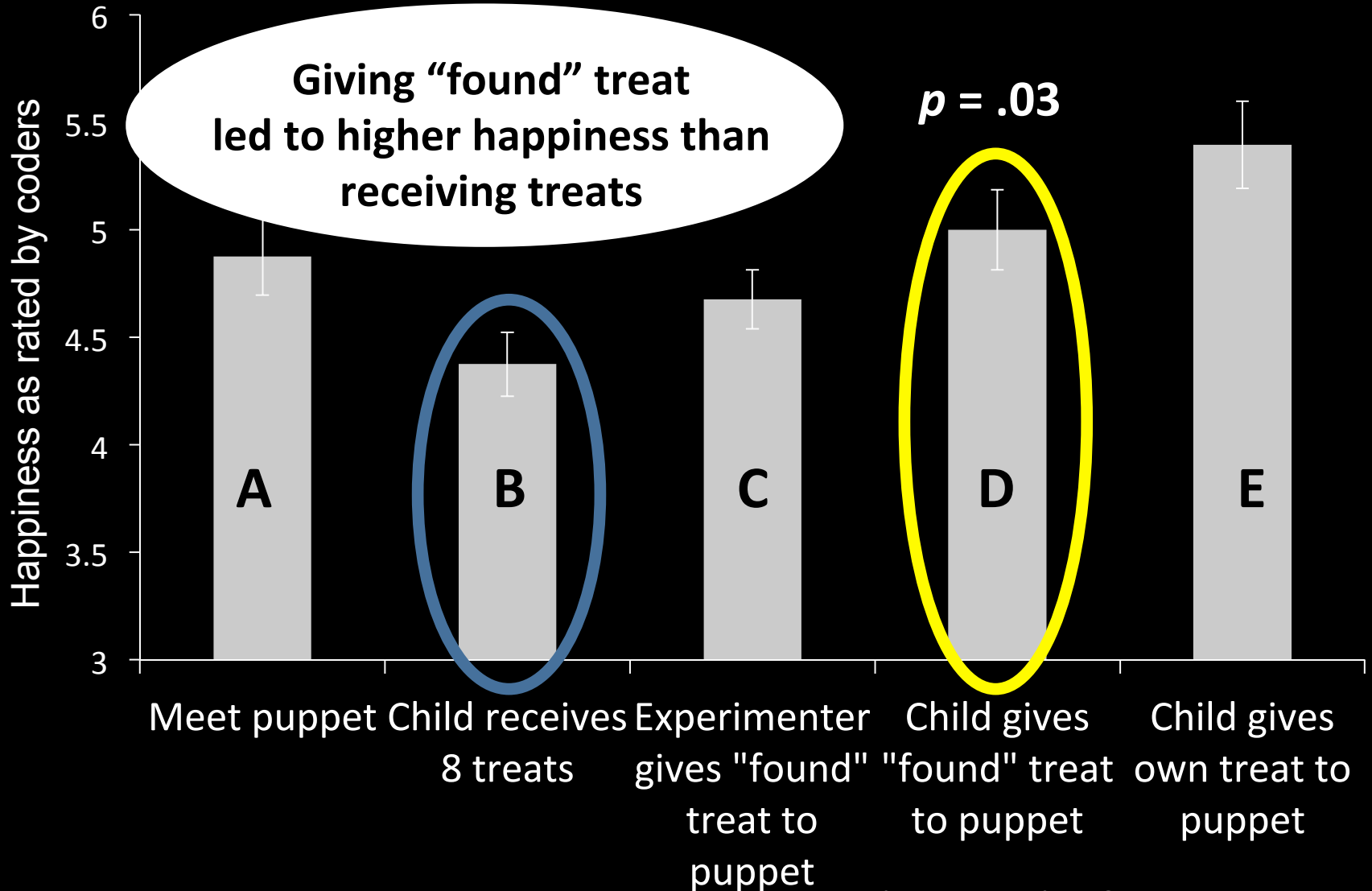
Toddler Study



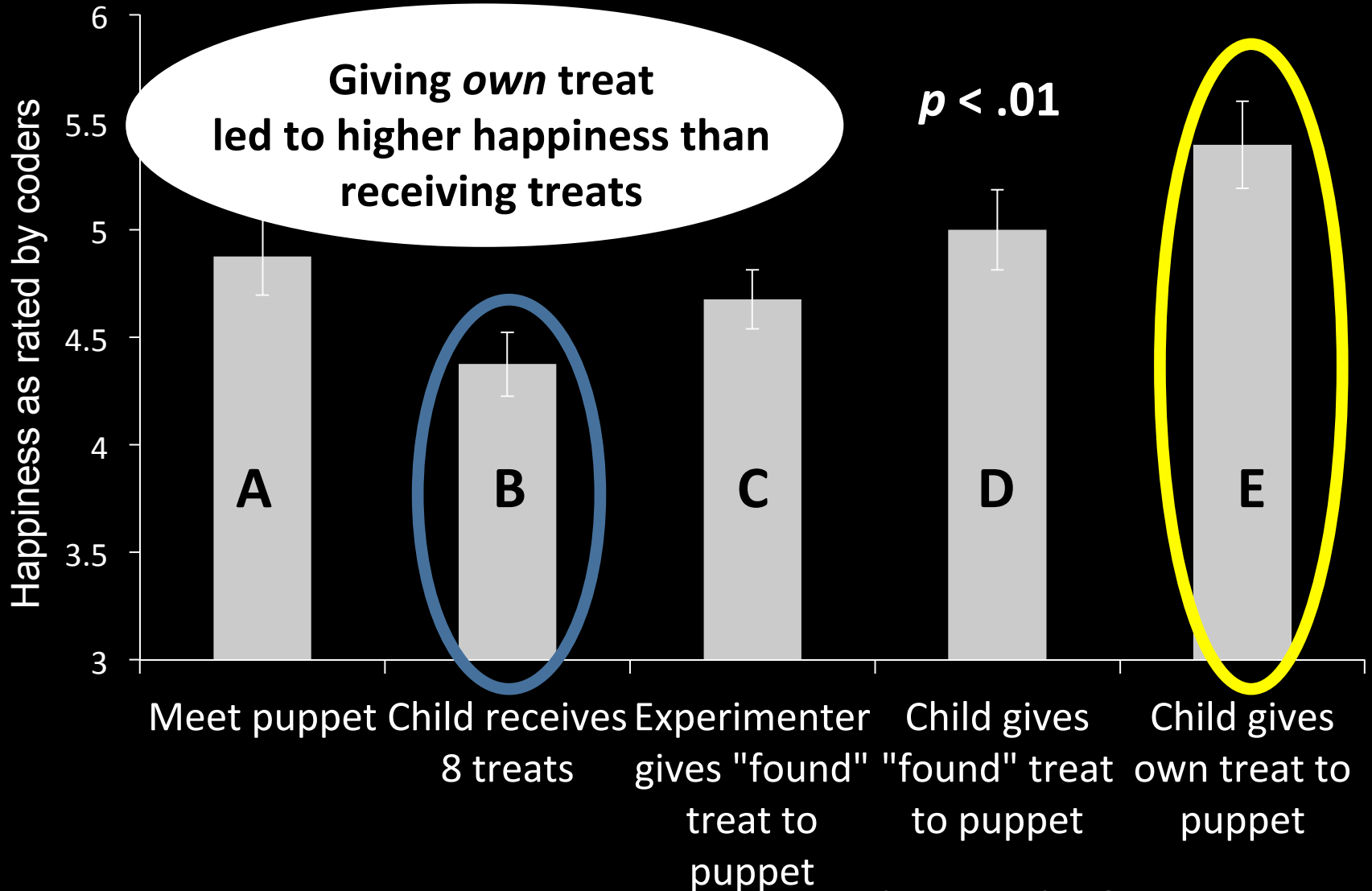
Toddler Study

- Emotional reactions videotaped
- Coded for happiness on 7-point scale
 - 2 coders (avg. alpha = .84)
- Were children happier giving treats than receiving treats?
- Differ based on whether treats belong to oneself or other resource pool?

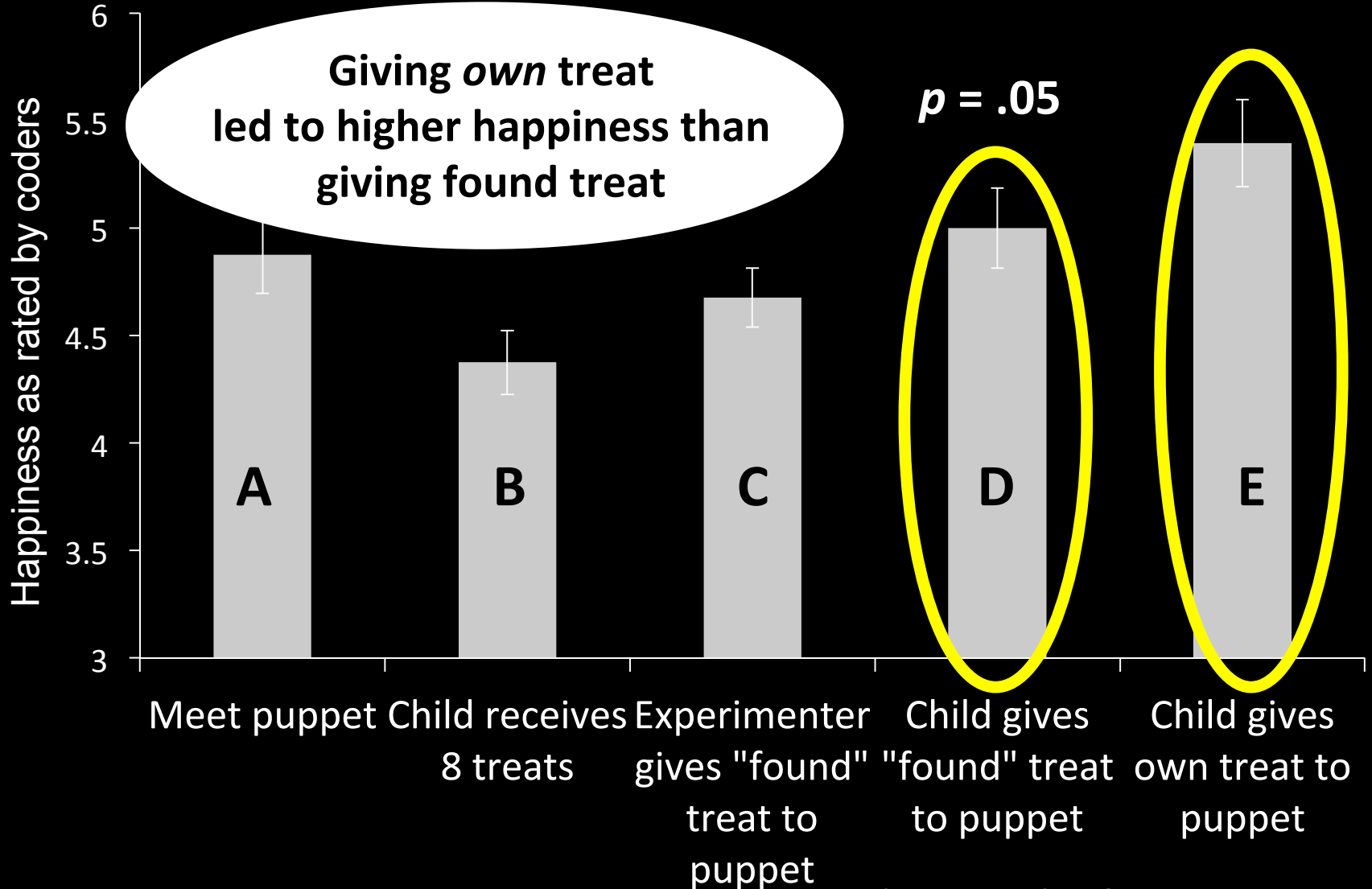
Toddler Study



Toddler Study



Toddler Study



Summary of Toddler Study

- Emotional benefits of (costly) prosocial behavior in the early years of life
- First evidence that giving makes young children happy

Talk Outline

- Does prosocial spending lead to happiness?
- **Are the emotional benefits of prosocial spending universal?**
 - **Rich & Poor: GWP, Recall, Actual spending**
 - **Small scale, traditional society**
 - **Criminal offenders**
 - **Toddlers**
- When are the emotional rewards of prosocial spending most likely?
- Downstream consequences

Talk Outline

- Does prosocial spending lead to happiness?
- Are the emotional benefits of prosocial spending universal?
- **When are the emotional rewards of prosocial spending most likely?**
- Downstream consequences







The logo features the text "YOU CHOOSE" in a bold, sans-serif font. "YOU" is blue and "CHOOSE" is red. The text is centered on a light gray, torn-edge rectangular background. On either side of the text, there are decorative blue dot patterns that resemble a stylized arrow or starburst.

YOU CHOOSE



Aknin, Dunn, Whillans, Grant & Norton, 2013 *JEBO*

Talk Outline

- Does prosocial spending lead to happiness?
- Are the emotional benefits of prosocial spending universal?
- **When are the emotional rewards of prosocial spending most likely?**
 - **Social connection**
 - **Volition**
 - **Impact**
- Downstream consequences

Talk Outline

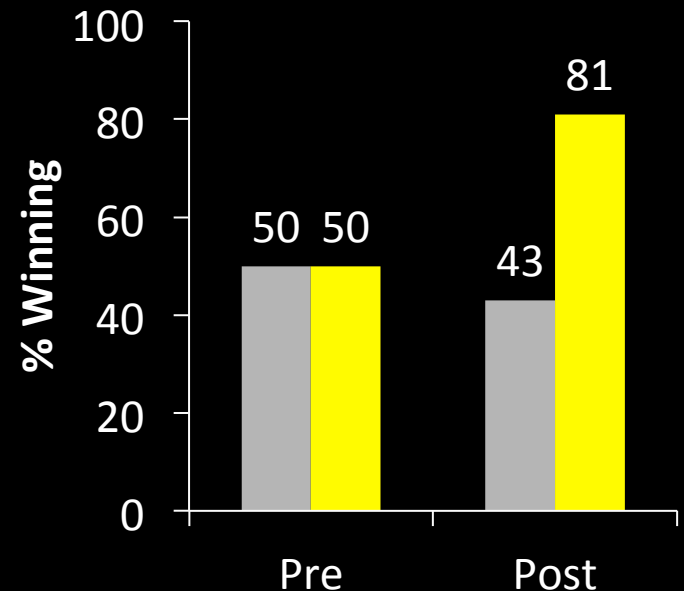
- Does prosocial spending lead to happiness?
- Are the emotional benefits of prosocial spending universal?
- When are the emotional rewards of prosocial spending most likely?
- **Downstream consequences**

Generosity and Health

- Prosocial spending
 - predicts lower blood pressure 2 years later in sample of older adults diagnosed with high bp
 - Leads to lower systolic and diastolic blood pressure in older adults after 3 weeks of consecutive spending (vs. personal spending)

Generosity and Success

- Business and sports teams randomly assigned to engage in prosocial (vs. personal) spending:
 - Business: \$10 → \$3 on personal, \$52 on prosocial
 - Sports: Increased winnings



Conclusions

- **Money can buy happiness if spent on others**
 - Correlational Survey
 - Windfall Study
 - Intuitions Study
- **Support for Universality**
 - Rich and poor countries
 - Small-scale traditional societies
 - Toddlers
- **Moderators and downstream consequences**
 - Social connection, volition, impact
 - Health and performance

Conclusion

- Prosocial spending leads to happiness
- Contributions to psychology, economics, judgment and decision making...
- Happier spending choices





Thank You!

