

## It is better to give than to receive

Study: Those who spent cash on others felt cheerier than those who didn't

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Those incoming federal tax-rebate checks could do more than boost the economy. They might also boost your mood, with one caveat: You must spend the cash on others, not yourself.

New research reveals that when individuals dole out money for gifts for friends or charitable donations, they get a boost in happiness while those who spend on themselves get no such cheery lift.

Scientists have found evidence that income is linked with a person's satisfaction with their life and other measures of happiness, but less is known about the link between how a person spends their money and happiness.

"We wanted to test our theory that how people spend their money is at least as important as how much money they earn," said Elizabeth Dunn, a psychologist at the University of British Columbia.

The findings, to be detailed in the March 21 issue of the journal *Science*, come as no surprise to some marketing scientists.

"It doesn't surprise me at all that people find giving money away very rewarding," said Aaron Ahuvia, associate professor of marketing at the University of Michigan-Dearborn, who was not involved in the current study.

The research was funded by a Hampton Research Grant.

### Spending habits

Dunn and her colleagues surveyed a nationally representative sample of more than 630 Americans, about evenly split between males and females. Participants indicated their general happiness, annual income and a breakdown of monthly spending, including bills, purchases for themselves and for others, and donations to charity.

Despite the benefits of "prosocial spending" on others, participants spent more than 10 times as much on personal items as they did on charitable options. The researchers note personal purchases included paying bills.

Statistical analyses revealed personal spending had no link with a person's happiness, while spending on others and charity was significantly related to a boost in happiness.

"Regardless of how much income each person made," Dunn said, "those who spent money on others reported greater happiness, while those who spent more on themselves did not."

In a separate study of 13 employees at a Boston-based firm, the researchers found that employees who devoted more of their profit-sharing bonus (which ranged from \$3,000 to \$8,000) to others reported greater overall happiness than those who spent the windfall on their own needs.

### A surge in happiness

A person apparently doesn't need to drop thousands of dollars on others to reap a gleeful reward.

In another experiment, the researchers gave college students a \$5 or \$20 bill, asking them to spend the money by that evening. Half the participants were instructed to spend the money on themselves, and the remaining students to spend on others.

Participants who spent the windfall on others — which included toys for siblings and meals eaten with friends — reported feeling happier at the end of the day than those who spent the money on themselves.

If as little as \$5 spent on others could produce a surge in happiness on a given day, why don't people

make these changes? In another study of more than 100 college students, the researchers found that most thought personal spending would make them happier than prosocial spending.

"Often people, at some implicit level, have this idea that 'buying these things is going to make me happier,'" Ahuvia said. "It does make them momentarily happy," he added, but the warm feelings are short-lived.

### **Buying buzz**

Dunn's team puts forth several possible reasons to explain the charity-happiness link.

"I think it's a lot of factors of prosocial spending that are responsible for these happiness boosts," study researcher Lara Aknin of UBC told LiveScience. "I think it could be that people feel good about themselves when they do it; it could be the fact that it strengthens their social relationships; it could just be the act of spending time with other people."

Perhaps the fuzzy feelings associated with giving last longer than selfish buys. "The happiness 'hit' from giving may last a bit longer if the 'warm glow' from donation lasts longer than the hit from own consumption," said Paul Dolan, an economics professor at the Imperial College London in England. Dolan was not involved in Dunn's study.

Another idea is that charitable spending helps a person express a certain identity.

"People spend a lot of money to make their lives feel meaningful, significant and important," Ahuvia said during a telephone interview. "When you give away money you are making that same kind of purchase, only you are doing it in a more effective way."

He added, "What you're really trying to buy is meaning to life — giving away money to a cause you believe in is a more effective purchase than buying a T-shirt that says "Save a Whale."

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