

MONEY, SUCCESS AND HAPPINESS



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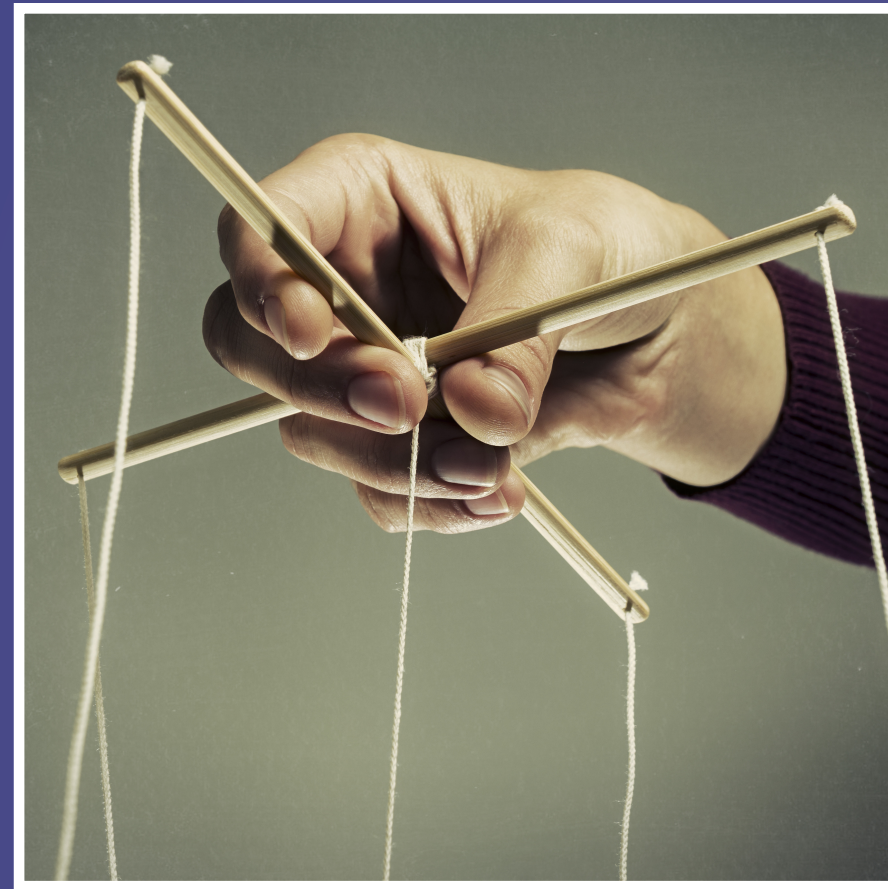
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FOUR IDOLS, COURTESY OF THE MEDIEVAL PHILOSOPHERS

Four attractive idols



MONEY



POWER



PLEASURE

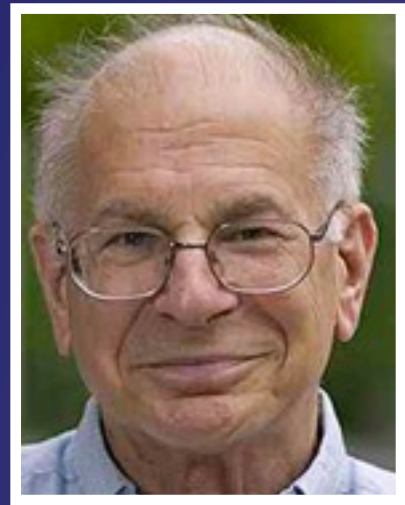


HONOR

- All have “divine characteristics”
 - But none will ever satisfy

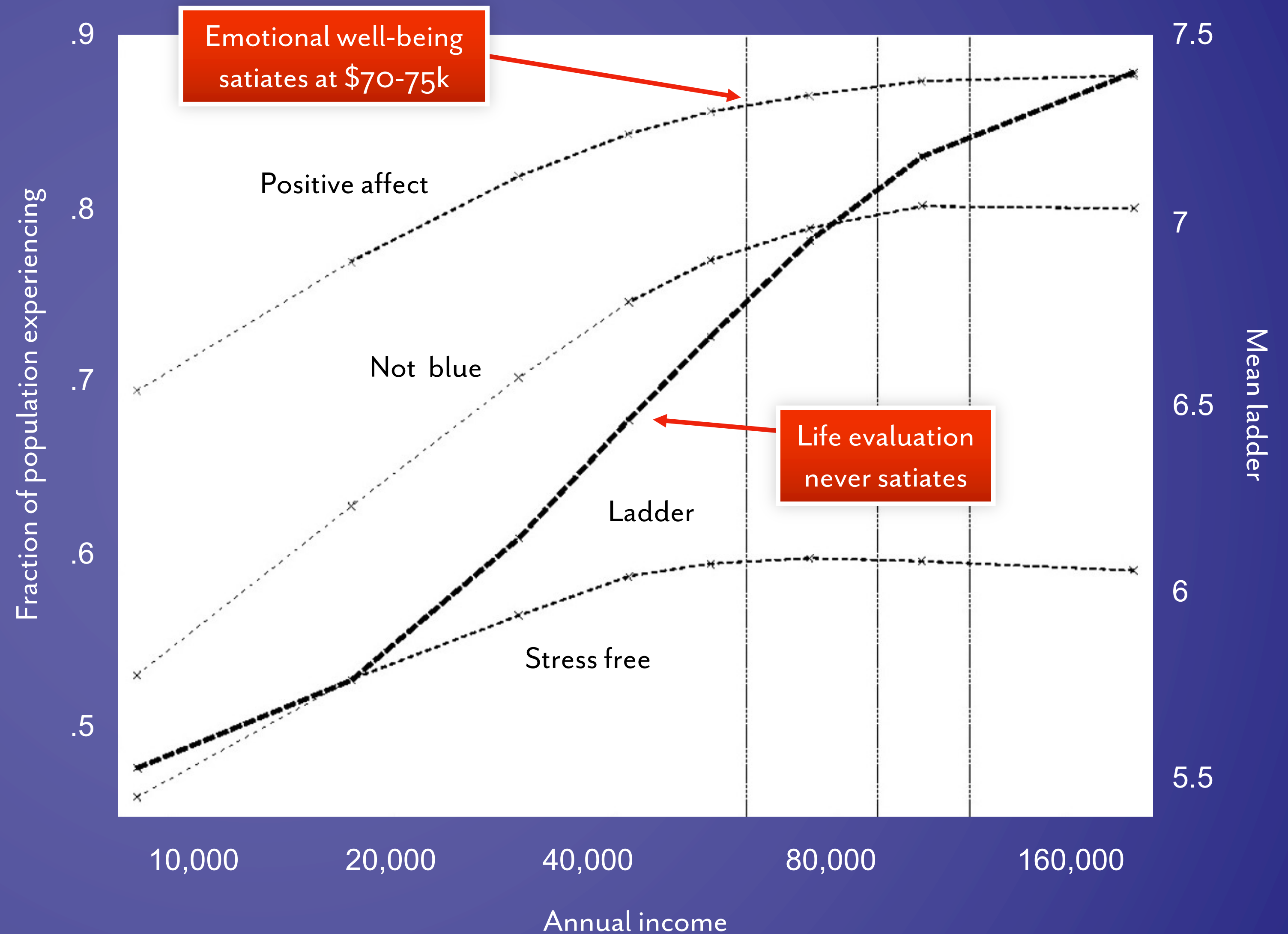
- Exercise
 - Rank your idols; guess your friends’

MONEY AND HAPPINESS



Daniel Kahneman
& Angus Deaton,
Princeton

- Emotional well-being: The presence of various emotions in the experience of yesterday (e.g., enjoyment, happiness, anger, sadness, stress, worry)
- Life evaluation measured with Cantril's Self-Anchoring Scale: Respondent rates current life on a ladder scale in which 0 is “the worst possible life for you” and 10 is “the best possible life for you.”



A THEORY ABOUT MONEY AND (UN)HAPPINESS

- Money doesn't raise happiness, it just alleviates unhappiness
 - It allows us to avoid the sources of unhappiness
 - But effect is depleted at 75k, or 100, or 150
- Early on, money alleviates unhappiness.
 - We interpret this as increasing happiness
 - So we chase it fruitlessly for the rest of our lives

BEACH OR COUCH?

WHAT CAN YOU DO WITH EXTRA MONEY?

-  Buy stuff
-  Buy time
-  Buy experiences
-  Give it away

In experiments,
B, C, and D dominate A
for
“buying happiness.”

Yet most people choose A.