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Can Money Buy Happiness?

Yes, If You Put Your Core Beliefs First

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Published: April 22, 2005 [Related Links](#)

By David Whitemyer

Can money buy happiness? Of course not. That's a silly notion. But money can give you an extra edge in getting your hands on some of the things that make you happy -- whether that be status, security, serenity, or just lots of cool stuff.

That's why you're working -- to bump up your salary and plant money into a retirement plan or perhaps a rainy day fund. Saving money is as much a financial investment as it is a "happiness credit." You're banking on future satisfaction, while having a bit of fun right now.

What's bewildering, however, is that although the average American income has more than doubled in the last five decades, and total U.S. retirement assets have jumped 500% in just two decades, we tend to be a much gloomier lot than in the good old days. For example, 35% of folks in a 1957 poll claimed to be "very happy," according to a survey done by the National Opinion Research Center at the University of Chicago. Today, that number has dropped to 30%.

The drop in individual happiness doesn't seem to make sense. Many of today's workers have three-car garages, electronic gizmos galore, hordes of leisure time, and grocery stores bursting with almost any food or delicacy you could want. In essence, Americans are living like kings. A new house built today is around 2,250 square feet, compared to a measly 1,100 square feet in the post-World War II era. We should be in constant state of bliss. Yet, unlike years gone by, frighteningly large numbers of people are taking anti-depressant drugs and reading books about how to reduce stress.

The magic number

"Money doesn't always bring happiness," artist and hippie Hobart Brown once half joked. "People with \$10 million are no happier than people with \$9 nine million." The logic is that having nine or ten million bucks is pretty much the same thing in terms of what goodies it can buy: homes, boats, and vacations in Fiji.

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We like to think there's a magic number that will make us happy. Nine or \$10 million sounds good, but maybe less is plenty. Having a substantial sum of money to count on is why some people play the lottery. Or why so many of us keep climbing that ladder at work.

A person with piles of cash can go out for a nice dinner, fly to see family, or receive medical care without worrying about next month's heating bill. This kind of contentment can breed happiness. Your goal should be to prioritize what gives you peace of mind, and then figure out your own magic number.

In his book, *The Progress of Paradox: How Life Gets Better While People Feel Worse*, author Gregg Easterbrook suggests, "Society is undergoing a fundamental shift from 'material wealth' to 'meaning want,' with ever larger numbers of people reasonably secure in terms of living standards, but feeling they lack significance in their lives."

The disappointing paradox, though, is that the difference between "meaning" and "meaningful achievement," often costs money.

Don't worry, be Happy

Lynne Hornyak, psychologist and executive coach, suggests that people tend to be happier when their finances are in harmony with their life values. Hornyak specializes in helping folks recognize their emotional relationship with money. "Many people live with a disconnect between their actions and their money," Hornyak says. "Living purposefully is about knowing your core values -- 'what's really important to me?' -- and then acting in accordance with those."

Values are deeply personal. To some, it's a commitment to community; to others it's a focus on weekend recreation; and to a few it's a new pair of shoes. But, if what someone truly values is time with friends and family, he might be a bit dissatisfied with life, working his hands to the bone so that he can pay the mortgage of his 2,250-square-foot home.

Evidence shows that when people spend money on items like bigger houses and more expensive cars, they end up no happier than before, according to Robert H. Frank, Professor of Economics at Cornell University. In an article titled, *How Not to Buy Happiness*, Frank writes, "If we use an increase in our income to buy more of certain inconspicuous goods -- such as freedom from a long commute or a stressful job -- then the evidence paints a very different picture."

If you come to a point where your income and savings allow you the luxury of considering such things as core values and the meaning of life, consider yourself

fortunate. Many folks are not yet at that point.

"With money, you can juggle time and afford choices that make you happy," says Hornyak. Paying for a lawn service or cleaning person might shave a few hours of chores off your weekly schedule, giving you more time to do the things that make your heart sing like sharing time with friends, pursuing a hobby, exercising, or even shopping. Lightening your load allows you the flexibility to find and then live within your values.

Chasing happiness

Economists and sociologists have been going around the bush for years asking if income is related to life satisfaction and if wealth is connected to happiness, with little agreement.

Happiness is tough to quantify. Princeton University Psychologist Daniel Kahneman, winner of the 2002 Nobel Prize for Economics, spent years attempting to create an objective scale of "subjective well-being," before giving up. He probably wasn't too happy about that.

Whatever the answer, you do deserve to be happy. America's Founding Fathers said so. They argued passionately about our unalienable human rights. Among life and liberty, they tossed in the pursuit of happiness, and thank goodness for that. The impetus was that King George kept filching their profits through tariffs and taxes, which didn't make Thomas Jefferson very chipper. Even these early revolutionaries saw the connection between having money and leading a joyful life. But, the key word in the Declaration of Independence is "pursuit." No definition for happiness was given, and there was no guarantee that you'd get it.

Perhaps that's the big secret -- it's really the pursuit of happiness that gives us the greatest pleasure of all. Maybe that's why the sociologists and economists can't put a quantifier on it.

If happiness comes from pairing our money actions with our values, it's no wonder that sometimes we're happy, and sometimes we're not. Our values change. Our hopes alter. Our wants get satisfied. Happiness is a moving target -- the eternal chase -- something each of us is striving to improve upon. Life will be nice, though, when those changes do occur and you've got the money in place to enjoy them.

(David Whitemyer lives in Rockland, Massachusetts, where he is happy writing about finance, work culture, and other subjects that fit within his core values. E-

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