Smarter Spending, Greater Happiness!

Does money bring happiness? According to the results of recent research on the subject, people who earn $55,000 a year are not twice as happy as those who earn $25,000. Similarly, in the United States, studies have shown that once a person earns $75,000 in annual revenue, earning more money has no effect on daily happiness. However, it does seem possible to improve one’s life and be happier through better spending of one’s money. Here are some avenues to explore as you begin thinking about this subject.

Avoid Trying to Earn More and More at Any Cost

In order to spend money, it is first necessary to earn it. But earning more money does not mean being happier. For example, a promotion or a more prestigious new job puts more money in your pocket, but do you really need this surplus? Is money your main motivation? What will this change cost you in terms of happiness or life satisfaction considering, for example, your new daily commute, your different schedule, your increased responsibilities, your new tasks, etc. Everyone needs to ask themselves the right questions and make calculations based on all of the factors that pertain to their respective situation.

Once money is earned (and sometimes even beforehand), people dream of spending at least part of it. But how can this best be done in order to maximize a “happiness return” from these major expenses? In other words, how can people spend their money to become increasingly happy? Here are four proposed approaches.

1. Buy Experiences, Not Material Things

It can be tempting to buy the newest, biggest, or most expensive item, such as a bigger house, the latest electronic gadget, or the designer watch. But the “happiness return” on such expenses is generally very limited. The immediate pleasure derived from the purchase quickly wears off and you take the new object for granted. Then the next day, or the day after, you discover that the new neighbour is building a bigger house, that Apple has just released an even more sophisticated gadget, or that your watch is no longer very popular.

However, it is a totally different dynamic when you buy an experience such as a family vacation, for example. A week at Disney, two weeks in Central America, or three weeks in Europe or Asia will provide you with an opportunity to build something with others, new experiences to share, and collective memories that will last a lifetime. You can also have more simple experiences such as getting the best tickets to see your favourite singer perform, or
going to a great restaurant with a renowned chef.

2. Make It A Treat

Abundance can be the enemy of satisfaction. Whether you like travel, shows, or good restaurants, if your level of enjoyment starts to decrease, it is time to limit your exposure to it. The best sign is anticipation.

For example, if you have the luxury of spending every weekend at Tremblant, this pleasure can quickly become routine and lose its special quality. However, if you space out the frequency of your weekend getaways to this destination, they will once again become unique and exciting.

In short, taking a break from buying a product or service for a certain period of time can renew the enjoyment associated with anticipating the purchase, which prolongs the pleasure.

3. Buy Time

“I can do it myself, I'll save money.” This is a normal reaction, even when you do not have a lot of free time and you hate mowing the lawn or repainting a room on the weekend. Instead, why not hire a student who can use the money, or a part-time worker seeking to earn a little more? Maybe you can finally start reading the novel you've been eyeing for months, or go on the hike you've been thinking about for a while but never have time to do.

4. Spend On Others: Give

Once you are more relaxed and less tense about the quest to accumulate at all costs, you may feel the need to give (money, time, knowledge) to others.

In order to increase your level of happiness or satisfaction, however, the key is not to expect anything in return. In other words, you must find a way to give that feels comfortable, but without expectations of specific short-term return, such as recognition. This is called a gratuitous gesture, and signals, among other things, that you are already on the road to wisdom.

In Conclusion

Despite the fact that most advertisements want us to believe that happiness comes from money and the accumulation of things, it is important to remember that happiness stems from a variety of sources that vary from person to person. For some, it is having a simple life, while for others, it is feeling useful, and for others, still, it is feeling a sense of freedom and autonomy. In addition to all of this, try not to forget that many of the small things that make us happy simply cannot be bought.

If you feel that your relationship with money is getting in the way of your happiness and is a source of stress and problems, do not hesitate to contact your Employee Assistance Program. Professionals are there to help you.

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