

Happiness and Wealth:

Does Wealth Lead to Happiness, Happiness Lead to Wealth, or Does a Reciprocal Relationship Exist Between the Two?

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I. Introduction

Does wealth lead to happiness? Richard Easterlin, professor of Economics at University of Southern California, would agree that richer nations are happier than poorer nations suggesting that wealth plays a role in a person's happiness. Other sociologists such as Jonathan Turner and Jan Stets use sociological theories to prove this. However, there are others who believe happiness comes from personal relationships, such as psychologist Ed Diener, and find other factors that lead to happiness to be more important. Whether or not a person's well-being can be properly measured is a concern in any topic related to happiness, and the believers of this debate feel that it can be measured through the amount in their bank account.

Does happiness lead to wealth? Professional psychologists such as Sonja Lyubomirsky and Laura King have conducted studies that show happy individuals in the work place attain higher levels of success and in return wealth. In addition, spiritualist Shilpan Patel would agree that it is happiness that leads to wealth, for positive attitudes contribute to better performance. This side of the debate is a crucial component in our investigation of wealth and happiness.

Finally, is there a reciprocal relationship between happiness and wealth? Opposing this position are those who believe money can impact a person's life for the better, and thus be the only way to lead them to a state of happiness. There are those as well who believe that a state of happiness will further lead them to success, and in many instances to wealth, such as the sociologists previously mentioned. Those who support this stance are the people who understand that maybe wealth is not the only factor that can contribute to a state of happiness, but rather there are other variables in life that are perhaps more relevant than wealth. In addition, wealth might be an extremely weak factor of happiness and the relationship between the two is not as strong as it might seem. Ed Diener as previously mentioned is a supporter of this relationship in finding other non-economical factors of happiness.

Examining these three positions of the debate will aid us in developing a better understanding of what leads us to a state of happiness.

Working Definition on Happiness

"The degree to which individuals judge the overall quality of his/her life favorably".

II. Wealth Leads to Happiness

With Wealth Comes Happiness

Sufficient evidence suggests that wealth does not lead to a state of happiness. However, the contrary can be argued. Happiness is a subjective well-being open to interpretation, with many factors contributing to such a malleable state. With variables ranging from health, personality, personal relationships, freedom, and more, wealth always appears to be one of the smallest factors associated with affecting levels of happiness, yet wealth is a part of our everyday lives and should be weighed with a more heavy bearing.

Living within a capitalist society places assorted expectations on the people within such a society. The culture exposes certain preconceived notions that wealth and money account for a great portion. This introduces the concept of the Dramaturgical Model in the debate on the correlation between wealth and happiness (Turner, Stets). We as the people in the society, are actors, in which we ultimately follow a cultural script of money equals status, equals success, which engraved in our minds will equal happiness, and so on. Because of this, people generally have the motivational urge to increase their income. (Kahneman, Krueger, Schkade). Those with incomes over \$90,000 are nearly twice as likely to report being “very happy” as are those with incomes below \$20,000 (Kahneman, Krueger, Schkade). With this comes perspective on the ongoing debate. For what purpose will the increased income serve the individual and in what ways will it possibly play a role in their subjective well-being?

Wealth at the Country Level

Gains in happiness are greater in poorer than richer nations as noted by the Easterlin Paradox (Veenhoven, Hagerty). This is primarily due to the fact that poorer people have more to gain from the initial rise in money: health benefits, human rights associated with wealth, distribution equality, food, etc. Wealthier countries tend to have happier people, more so than nonindustrialized countries. This is due to the simple fact that with more money comes better utilities and needs. (Diener). The wealth is a causal practice of giving the people the necessities to live. If you are stricken with poverty, the gain of wealth up to the set point, or the average minimum income, leads to happiness. However, a plateau does exist in that once its reached, an increase of wealth does not lead to an increase in happiness, but the initial barrier broken from the addition of wealth into a “comfort zone” allows reason to believe that wealth has an impact on happiness, even if it may be considered short term happiness.

Wealth at the Individual Level

Rather than being categorized by how much income a person has, it has been found that the importance lies more heavily on the position they hold in class structure (Day, L., P.). In a capitalist society, greater income assumes a level of higher position or status in the workplace, which introduces the Power and Status Theory (Turner, Stets). Individuals have the capacity to understand what it means to be content with their status/position, even if they have a difficult time relating that same feeling of contentment to the writing on a check. The value of money has the tendency to change and is seen to be very subjective. It can mean one thing one point in time, and a different thing another time. Society views happiness without achievement as inferior primarily because we live in a capitalist society. This concept all stems from the social comparison theory, stating that you’re only better when satisfied because you’re better than others (Arthaud-Day, Near). A sociologists perspective on the matter is based around happiness on the individual level in which they are “socially grounded”, based on how they are viewed by society. If people find they are superior in their fields over others, they find themselves more content, like H.L. Mencken’s model that the happy man was one who earned \$100 more than his wife’s sister’s husband. In this case, it isn’t about the specific number of earnings, but about the comparison of who generally makes more, which allots to the assumption that they must be a more valued

member of society. With this in mind, if people tend to base our happiness off of the comparison of others, then a higher income (assuming with higher income comes higher status/higher position) will lead to an increase in happiness.

Immediate Increase in Wealth

Numerous researchers have been intrigued over the clear-cut example of winning the lottery, the ultimate increase in wealth. How does it affect the individual's life, in a positive or negative aspect, and will this new increase in wealth lead to happiness? With winning the lottery, people have initial bursts of exhilaration, some even may describe their emotional state as being on "cloud 9". The consequence of gaining large sums of money comes the imagining of all the potentials their life could possibly lead to. With this in mind, winning the lottery does cause happiness. People can experience many set points of happiness throughout their lifetime, it may not last a long period of time, but the person still experiences it. The process of moving toward one's aspirations may be more important to well-being than the end-state of goal attainment (Carver, Lawrence, & Scheier, 1996; Csikszentmihalyi, 1990). Excessive amounts of money will not increase happiness, but an initial increase in wealth is enough to cause happiness (Diener, Lucas, Scollon). Looking at a case such as this, if a country experiences a constant GDP growth while simultaneously an individual experiences frequent pay raises, that person will not experience happiness because of an increase in wealth. This is because compared to everybody else they are not considered wealthier, although at the same time, they are meeting their necessary means of living. Overall happiness is basically your overall level of living keeping in mind social comparisons. With this said, wealth leads to both.

Improvement in a person's quality of life (QOL) seems to come hand in hand with growing or accustomed wealth, which in turn will lead to happiness at both the individual level as well as at the country level, with minor exceptions.

III. Happiness Leads to Wealth

With Happiness Comes Wealth

The debate concerning the correlation between wealth and happiness is evenly weighted; there is no clear cut answer of which leads and which follows, and why? Answering such a question relies heavily on personal opinion, and as we know, opinion fluctuates from individual to individual. However, research strategically conducted by various scientists has provided sufficient evidence to support the fact that it is indeed happiness that leads to wealth.

The Confidence Booster

Happier people are in general more successful in many aspects of their life domains, including income and wealth. (American Psychological Association). Due to this, there is reason to believe it is actually happiness that leads to wealth, rather than the conjugate. Happiness is attributed as a psychological factor, one that shapes the mood and attitude of an individual. Once happy, he or she will be able to pursue any goals or achieve any ideals that is deemed fit, including success in the workplace. Happiness increases self-esteem, a confidence booster that encourages focus and determination in tasks at hand, therefore contributing to future success (for success in the future relies on success in the present). We also become optimistic, not only chasing opportunities we would otherwise neglect, but extending our reach to others as well, creating friendships and in turn, resources to aid us in our pursuits. However most importantly, happiness allows us to disregard past failures, and instead creates positive energy that allows us to devote all of our attention into achieving our goals (Shilpan Patel). Seldom have negative people ridden the road to success, rather it is people who endure the struggle with a positive mind-set that reap the benefits in the end.

Happiness in the Work Place

With better status and position in the workplace comes more money made, and in turn, higher levels of wealth. Evidence shows that happier workers do indeed reap more benefits than their lesser happy colleagues, and why? As stated above, happiness promotes a higher subjective well-being; higher self-esteem, more confidence and focus, and a better capability to use others as resources. In a study by Lyubomirsky, King, and Diener (Professors from the University of California, University of Missouri, and University of Illinois at Urbana) entitled The Benefits of Frequent Positive Affect: Does Happiness Lead to Success?, happiness across nine levels of subjective wellbeing domains were examined: "social relationships, health, positive perceptions of self and others, sociability and activity, likeability and cooperation, prosocial behavior, physical well-being and coping, creativity and problem solving; and work life". Under the category of "work life", the study gathered, that said "individuals high in subjective well-being are more likely to secure job interviews, to be evaluated more positively by supervisors once they obtain a job, to show superior performance and productivity, and to handle managerial jobs better. Happy individuals also appear to secure "better" jobs" (Lyubomirsky, King, and Diener). A better job means a higher status, and a higher status leads to higher levels of wealth. Many other studies similar to this were conducted, and the results showed to be consistent, even outside the United States. In Malaysia, farm workers were examined to see if their subjective well-beings were at all correlated with their income. The results did in fact show that happier farmers gathered more salary than those farmers who thought their work to be stressful (Lyubomirsky, King, and Diener). It is therefore clear that happy individual will attain high levels of wealth, for their state of happiness is a reflection in the type of work they put out.

IV. The Reciprocal Relationship between Wealth and Happiness

We have explored wealth leading to happiness and happiness leading to wealth, but where do we go from here? We would also like to state a controversy that there is a reciprocal relationship between the two. If happiness doesn't lead to wealth and wealth does not lead to happiness then what does?

A country's happiness as a whole is proven to depend on a number of different factors varying from many different situations. Figure 1 shows the GNP per capita and average happiness rating. This data shows that although the higher the GNP the average happiness might correlate, it is not consistent throughout. Brazil has a natural log of GNP per capita of 5.93 and an average happiness rating of 4.6. On the other hand, the Dominican Republic has a natural log of GNP per capita of 5.75 and an average happiness of 1.6. This is not consistent with other countries, which shows that there are factors other than money that affect a country's happiness.

Also, rising income does not make us happier because our happiness comes from what we compare to others and our environment around us (Matthias-Benz). To analyze, it is often difficult to be happy if you are low status compared to others around you. If you were living with people of your same status you would not feel out of place or of lower wealth on a societal scale. Since happiness is continually changing this makes it hard to scale. Figure 2 shows that happiness cannot be measured on an economic level when each country has a different economic status. Egypt has a lower natural log of GNP per capita than West Germany yet the two lie extremely close on the happiness scale. Just because a country is not as developed to another does not mean they will be less happy as a result. If a citizen from Egypt was to go live in West Germany it is possible that due to the fact that we "compare" (Benz), his happiness would decrease because he would be in a higher GNP country.

The "Toxic" Lifestyle

The reason wealthy countries might have happier people than non-industrialized countries is because more money means better utilities and basic needs. If we look past basic needs, money does little to increase happiness. Research on materially simple lifestyles show that they have positive levels of wellbeing, and that overall materialism is "toxic" to happiness (Diener). This can be looked at on a level of syllogism where money is more material possessions, and material possessions or materialism has a negative impact on happiness. Therefore, money does not lead to happiness, and might actually have a negative impact on it. From this evidence it is also clear that basic needs and being able to live comfortably increases a country's happiness and is seen as a factor of happiness as well.

What also has to be taken into account is the fact that we as human beings are incapable of being fully satisfied. It is impossible to have a country of completely happy people. With this being said, a millionaire is always going to want more than he has and will never be satisfied. To avoid this miserable consumption we need to relate back to our basic needs and forget about materialism. There is a syllogism theory to deny that money leads to happiness, which states that high rates of consumption are related to economic success, and that high rates of consumption are causing misery (Durning). Basically, economic success leads to consumption, which leads to misery. We are further finding evidence that wealth does not increase happiness and maybe even has a negative impact on it in this case.

Non-Economical Factors that Lead to Happiness

With the rise of national income, an individual's status will still be unchanged. What rises is personal satisfaction, which is different from wellbeing. You have to be happy with your income to have a good wellbeing, but factors that increase your happiness are not relative to income (Lane). What makes people happier now are their personal relationships and work environment first before their economic gain. Richer nations are rich because of their focus on productivity (Lane). Because of this they have happier citizens than poorer nations, but

a focus on just productivity and wealth yields a reduced individual happiness. Citizens have to be able to live comfortably but also take into account that focusing purely on wealth and not on other important life factors might decrease satisfaction.

A study found that sex has strong effects on highly educated people, but income has no effect (Branchflower, Oswald). Also, it was determined that money can not buy more sexual partners or sex, so there would be no syllogistic relationship between money, sex, and happiness. This goes along with the same idea that you can't "buy" your wellbeing you have to work towards it through these factors. Money isn't everything and there is proof that it has no correlation on someone's happiness. On a country level especially wealth is not what is going to determine that society's happiness. Another finding is that happiness has not changed over the last 40 years, "in spite of large increases in real income per capita" (Kahneman, Krueger, Schkade). With this proof it is evident that happiness doesn't stem from economic success and there are other factors that must be looked at.

Another factor that must be considered is the "Hedonic Treadmill" model. The modified version of this model includes further research and revisions. Among them was the idea that people's "set points" are not "hedonically neutral" (Diener). This means that even though people can adjust to whatever is thrown at them in life, what makes them happy is going to change. There is not one constant factor or path to happiness, there are multiple factors and people always will have different such "set points" that make them happy. Personality also contributes to well-being. Extroversion and being more outgoing make people experience higher levels of emotion such as joy. This tie to emotional experience proves that personality can be linked to happiness (Biswas, Diener, Tamir).

So what are other factors that we must consider? It is often found that predictors of wellbeing, which include "social capital, democratic governance, human rights, and satisfaction in the workplace," will lead to happiness (Diener). This is the idea that such relationships prevail over one's relationship with money first when it comes to wellbeing. Those with wellbeing have good social relationships, which leads them to gaining higher income (Diener). On a national wellbeing scale, wellbeing should be a central measure and the economy relationship more minor and shown to just enhance that wellbeing. As societies grow wealthier their priorities focus less on money and more on personal relationships. A person's wellbeing and happiness are progressively being viewed in a subjective matter versus an objective one and it is becoming increasingly difficult to measure what makes a person happy. It is certain that wealth is not a firsthand measurement of one's satisfaction with life.

V. Conclusion/Summary

Wealth leads to happiness, happiness leads to wealth, or there is a reciprocal relationship between the two. Each side was argued using various relevant studies and proven theories in order to further our inquiry in the wealth and happiness debate.

The position that wealth leads to happiness was supported by multiple factors. If you are particularly poor then you need to reach the average minimum income. Once this is done then money becomes obsolete, but in-reality money does aid in an increase of overall state of well being even though it is only up to a certain plateau. Wealth also leads to happiness in the sense that money equals status and/or power in our capitalist society. People don't necessarily care about how much money they make but more about what they make compared to everybody else which is how wealth plays a factor in happiness. The idea of wealth alone causes people to dream about what their life may be in an optimistic point of view, which causes a form of short-term happiness. In these ways it can be argued that wealth leads to happiness.

The next position that happiness leads to wealth is supported through the example of the workplace. Happiness boosts self-esteem, which allows workers to be more efficient in their duties, by making the person more focused and determined in their work and thus will allow success in the future (success including some form of wealth/money). Those who exert happy emotions or display their levels of happiness openly have also been proven to have a higher probability of gaining job interviews, seen in a better view by their superiors, and are also nominated more for promotions, as they appear to both enjoy their work while at the same time performing at a higher degree than the average worker. With all this in perspective, it is fair to say that many times happiness most certainly does lead to wealth.

The final position is that a reciprocal relationship exists between wealth and happiness, which is demonstrated in previous research used throughout the paper. Due to the ease we had in arguing the two sides of the debate that wealth leads to happiness and happiness leads to wealth, we came to the conclusion that a positive reciprocal relationship does exist between wealth and happiness. With an increase in wealth comes happiness and with an increase in happiness comes wealth. One will equal the other, rather than one is correct over the other, proving both sides to be correct, which is why there is the reciprocal relationship.

This conclusion remains controversial however because although the reciprocal relationship was determined through our investigation, it isn't an outstanding one, and can be deemed weak. In all actuality it was supported that there were numerous other factors that promote happiness besides wealth, and more-so than wealth. Although we do see and understand the sides of the debate which explain that wealth leads to happiness as well as happiness leads to wealth, it is far more apparent that there are other variables/factors involved in the general debate about happiness, so much so that wealth is not a prominent player at all. As a group, we believe the overall state of happiness including variables deriving from status of health, personality, personal relationships, freedom, and more, has a higher standing in a person's life than wealth does, as material wealth is not a long-term player in happiness.

Overall through this investigation, we learned that there is a positive direct reciprocal relationship that exists in the debate on wealth and happiness, while at the same time learning that there is a much smaller correlation between wealth and happiness than we thought, and other factors have a stronger and more relevant relationship to the state of happiness.

While there were definite limitations involved in the paper, they were not so problematic as to skew the integrity of our stance. As our group members are all of young-adult college age, we have never personally felt the fruits of our labor in the workforce (also, none of us have won the lottery and gained wealth in this way). Therefore we are unable to have a personal attachment to the arguments of wealth leading to happiness or

happiness leading to wealth, but rather we have all experienced happiness through other perspectives in our lifetime besides wealth. Another limitation may have been that we were influenced by sociologists who dedicate their lives studying this subject matter, as they have all come up with the same conclusion as us, that wealth does not play a major role in a person's overall happiness. Lastly, another limitation present is that happiness is subjective. It changes from person to person and in each situation, and therefore is difficult in making an overall judgment on what is more significant in terms of happiness levels.

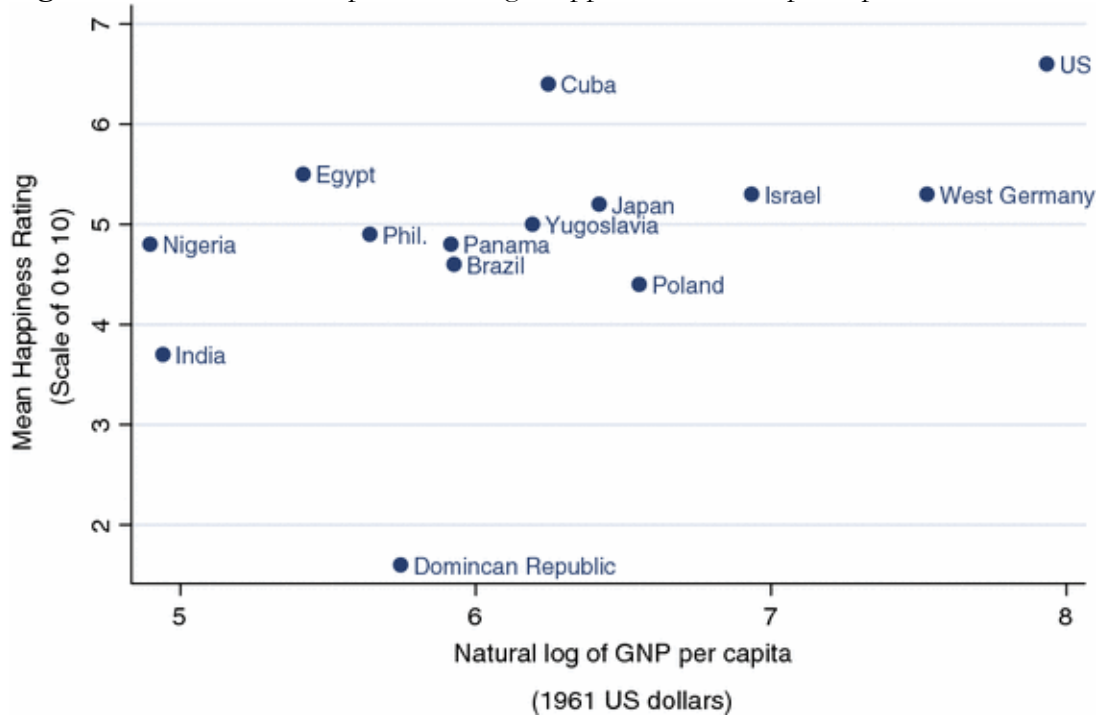
VI. APPENDIX

Tables/Graphs

Figure 1 Easterlin/Cantril data on average happiness and GNP per capita

Country	GNP per capita (1961 US dollars)	Natural log of GNP per capita	Average happiness rating (scale of 0–10)
Brazil	375	5.93	4.6
Cuba	516	6.25	6.4
Dominican Rep	313	5.75	1.6
Egypt	225	5.42	5.5
India	140	4.94	3.7
Israel	1,027	6.93	5.3
Japan	613	6.42	5.2
Nigeria	134	4.90	4.8
Panama	371	5.92	4.8
Philippines	282	5.64	4.9
Poland	702	6.55	4.4
United States	2,790	7.93	6.6
West Germany	1,860	7.53	5.3
Yugoslavia	489	6.19	5

Figure 2 Easterlin/Cantril plot of average happiness on GNP per capita



Ball, Richard J. and Chernova, Kateryna. May 2005. "Absolute Income, Relative Income, and Happiness". *Social Science Research Network*. (<http://ssrn.com/abstract=724501>)

- These two figures examine the correlation between natural log of GNP per capita and an average happiness rating. These allow us to look at examples of wealth and happiness disparities throughout countries. The findings are that it is a random correlation which does not necessarily determine if wealth has a positive or negative relationship in happiness. Some countries are poorer than others as well as happier, and some countries are also richer than others as well as happier. This helps support the non-existing relationship between wealth and happiness.

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LITERATURE REVIEW: (Pros/Cons, Bias, Limitations-all included about each article)

1) Smile for Success - by ABC News

This article from ABC News was not used in our essay because of its legitimacy and lack of specified author, but it still relates to Happiness leads to wealth by introducing research on this important subtopic for our paper. They find that happy people are easier to work with, and this leads to other people being happy around them. He also discusses that happiness comes from "within" which is why wealth could not lead to it.

2) The Wealth of Nations and the Happiness of Nations: Why "Accounting" Matters - by Marne L. Arthaud-Day and Janet P. Near

Arthaud-Day and Near review income analysis as well as happiness research and find that absolute income is weakly related to happiness on an individual level but across countries it can be a strong predictor of happiness. We used this article in our non-existing relationship between wealth and happiness to explain that it's not all about a national level but more a personal, and ultimately for something to be a correlation it must be both national and personal. This article helped prove that absolute income is not a factor of happiness.

3) Happiness Leads to Success in Life - by American Psychological Association

In this article, the side of the debate referring to happiness leading to success is again examined. The article takes much of the evidence it uses from the study conducted by Lyubomirsky, King, and Diener, often quoting their work and describing the studies they conducted. It also summarizes the data they collected in their experiments, very useful for it makes what is very difficult to understand, easier to comprehend. A useful quotation that we used: "Happy people are in general happier in many life domains". A limitation of the article is that summarizes the studies conducted by Lyumbomirsky, King, and Diener too much, and does not present any new evidence of its own.

4) Happiness and Prosperity- An Economic View on Human Aspirations - by Dr. Matthias Benz

In this article, the question of whether happiness can be measured or not is evaluated with respect to income, status, and competition. Work as a *means* of happiness instead of a *road* to happiness is also explored. The role of certain nations and their attempts to measure happiness within their collective population lead political researchers and economists to believe there is a direct correlation between happiness and income. The research also provides useful information for individuals to improve mistakes and increase happiness (if they choose too). Unfortunately, the article does not reach a conclusive decision between one view or the other, but both arguments are well-supported and valid.

5) Psychology of Subjective Well-Being - by Robert Biswas-Diener, Ed Diener, Maya Tamir

This is an article filled with information of studies on happiness and certain factors that do attribute to a persons happiness. This is helpful in our paper because if we discover that wealth does not lead to happiness and happiness does not lead to wealth, then we want to form some type of conclusion on the correlation between the two and this article does a good job of explaining different factors attributed to such a matter. Some useful bits of information include: "One of the main factors contributing to subjective well-being is personality. Extroversion and neuroticism, in particular, are strongly tied to emotional experience. Studies show that people

who are highly extroverted--that is, who are more socially outgoing and exhibit more sensitivity to rewards--tend to experience higher levels of positive emotion such as joy and enthusiasm, even when they are alone.”, other factors include adaptation, social relationships, and also depends on culture to culture. Overall this is an excellent Journal article and should be definitely used in the research paper. One limitation of this article, like among many others, is that happiness is dependent on the person and the factors involved, although many studies have leaned towards this conclusion, cannot be overall conclusive and should still be open for debate and interpretation.

6) Money, Sex, and Happiness: An Empirical Study - by David G. Blanchflower and Andrew J. Oswald

This article explores the degree and the extent thereby of money, sexual intercourse, and the happiness it may bring to all individuals involved. According to the General Social Surveys of the United States, sexual activity enters strong positive values in happiness equations. Sex appears to have stronger effects on the happiness of highly educated people when compared with those with lower levels of education. Homosexuality has no statistically significant effect on happiness, but a strong positive effect on the reported amount of sexual activity. Married people have more sex than those who are single, divorced, widowed, or separated. Studies have also shown money buys more sexual partners but not necessarily more sex. While the relationship between money and sex can be extremely varied and depends on the specific case

7) Can Money Buy Happiness? - by Arthur C. Brooks

This article relates between success, happiness, and wealth. It is interesting that it states that wealth doesn't lead to happiness but success does. This article related more to our original idea to delineate between prosperity and happiness but not so much between wealth and happiness. Because the article dealt more with success than wealth it was insufficient to use.

8) Happiness Comes First, Success Follows - by Dr. Louise Change

By relating such factors of happiness as work experience and personal relationships to success it was shown that when people are happy in these areas this leads to success. However this was a short and shallow article with not much to take from it. We had planned to use it for the sub topic of happiness leads to wealth but it did not suffice.

9) Beyond the Hedonic Treadmill: Revising the Adaptation Theory of Well-being. – by Ed Diener, Richard E. Lucas, and Christie Napa Scollon

The Hedonic Treadmill model that was discussed in class explained that good and bad events happen to people but ultimately they will adjust to whatever is thrown at them and go back to hedonic neutrality. This article suggests revisions that should be made to the model such as recognizing that people have different set points that make them happy, and these set points can change. When discussing the non-existing relationship between wealth and happiness this article was useful to explain that multiple factors lead to happiness and that wealth cannot possibly be the only one, if it even is one. It was useful to explain this model to show that it is difficult to judge what causes well being because everyone is different.

10) Beyond Money: Toward an Economy of Well-being - by Ed Diener and Martin P. Seligman

This article helped us to see different factors that lead to well being. It talks about public policy and the reformed way that we should look at how they effect happiness. This was used in the non-existing relationship between wealth and happiness to talk about factors besides wealth that lead to happiness. These include, "social capital, democratic governance, and human rights. This article definitely was evidence that there are other factors before wealth that lead to happiness.

11) Are we Happy yet? - by Alan Thein Durning

When discussing the "toxic" lifestyle in the non-existing relationship between wealth and happiness this article was extremely useful and enlightening. Durning describes consumption, and states that high rates of consumption are signs of economic success, but not necessary signs of happiness. These high rates are often making people miserable and not seen as universally good. Just because someone has everything doesn't mean they can "buy" happiness. This really relates to materialism and how it is only decreasing an individual's happiness.

12) Can Money buy Happiness? - by David Futrelle

Futrelle is able to state that wealth does lead to happiness if you know the right ways to look at it. He talks about the fact that people are never satisfied and will always compare their lives to other people's. It basically finds that finding happiness is a complicated process and wealth is not directly linked to it. We however did not use this article because we felt it did not analyze enough and repeated a lot of what was said in articles from class.

13) Money Can Make You Happier - by Tim Harford

Tim Harford explores the question of money being a factor in happiness and does a good job exploring both sides. He has evidence and quotes that in every society they've been happier being rich. They have higher-status jobs and don't compare as much to other people. This was able to connect to wealth leads to happiness as well as offer another view on the topic. He also explores other factors that lead to happiness but mainly puts wealth first which is important for our argument. The fact that he explores other factors helped lead us to the reason that wealth doesn't come first and there is a non-existing relationship between wealth and happiness.

14) Children Before Cash - by Oliver James

This article examines another interesting idea of happiness by saying we should focus more on children's well being to create a happier world in the future. James finds that even though our wealth is increasing our happiness isn't. The article itself was more scientific in brain functions and how we should focus more on children so that's why we decided not to use it and focus on more sociological articles.

15) Would You Be Happier if You Were Richer? A Focusing Illusion. - by Daniel Kahneman, Alan B. Krueger, David Schkade, Norbert Schwarz, and Arthur A.

The title alone attracted us to this article, "Would You Be Happier if You Were Richer?". This topic is directly related to the debate we were going to address in our paper. Does happiness lead to wealth, does wealth lead to happiness, or is there not relationship between the two? In this article was very helpful information: "surveys indicated that over a period of decades happiness was relatively stable across countries even with large increases in income", "people exaggerate the importance of factors when asked how it relates to their overall life satisfaction so even if we asked them their responses are not usually an accurate representation", and quotes such as "higher income was associated with more intense negative experienced emotions and arousal, but not greater experienced happiness". A major limitation within this report is that survey questions as spoken about within the article are "counterintuitive" and actually place false emotions inside a persons head, so the results displayed in the article may not really be an accurate representation at all.

16) Are Health, Wealth, and Happiness Linked Worldwide? - by Melissa Lafsky

This article talks about health and life satisfaction related to wealth worldwide. It mentions studies that found that higher income leads to happiness but that when plotted its a scattered correlation much like we found in the figures. After the research we had already done this article did not offer much more new stuff but would

help explain wealth leading to happiness. It would also work for the non-existing relationship because it presents a counter argument and talks about income not increasing life-satisfaction but decreasing it instead.

17) Does money buy happiness? - by Robert E. Lane

This article also examines the Easterlin Paradox and the relationship between wealth and a country's well being. While the article seems to agree with the relationship with wealth and happiness it also mentions some very interesting points. One that was particularly useful for our examination of the non-existing relationship between wealth and happiness was the idea that although a nation's income may rise, on an individual level happiness will be unchanged. Lane also examines that what makes people happy first before wealth are "personal relationships and work environment". This was evidence for non-economical factors that lead to happiness. To further analyze Lane states that "richer nations are rich because they focus on productivity and have happier citizens". However Lane also examines that this focus on productivity for the nation reduces happiness on an individual level. Lane is able to examine both sides of an argument but ultimately give our essay evidence enough to say that there are more important factors than wealth that leads to one's happiness.

18) Maybe Money Buys Happiness After All - by David Leonhardt

The title let us know that this could be a possible article for Wealth leading to happiness. However, it did not dive deep enough into analysis for our paper and repeated a lot of what was already found in other articles such as Veenhoven and Hagerty's. He talks about nations increase in wealth and lack of happiness, and vice versa. The article was good but overall not what we were looking for and too much of an opinion piece.

19) The Benefits of Frequent Positive Affect: Does Happiness Lead to Success? - by Lyubomirsky, King, Diener.

This article was extremely useful in examining the side of whether happiness leads to success. The scientists behind the article used cross-sectional studies, longitudinal studies, and experimental studies to gain a wide variety of data in order to come to accurate conclusions. Nine levels of happiness domains are concentrated on in this article, with work life being the most relevant and useful to our project. A very useful quotation from the article: "individuals high in subjective well-being are more likely to secure job interviews, to be evaluated more positively by supervisors once they obtain a job, to show superior performance and productivity, and to handle managerial jobs better...Furthermore, happy individuals appear to secure "better" jobs". This article also referred to similar studies conducted by other scientists that was very useful to us, for it allowed us to view this side of the debate with a broader perspective, instead of just focusing on this one study's results. In terms of limitations, this article contained almost none. One difficulty, however, was that the data was presented in a way that was very hard to understand.

20) Which Comes First, The Success or The Happiness - by Shilpan Patel

In this article, the author takes the stance that happiness leads to success, and that it is not the other way around. The debate is, however, looked at in a more spiritual sense, asking questions like "which came first, the chicken or the egg" that compare to the happiness debate, rather than focusing only on data analysis and test results. The author uses steps in order to argue his side, with headings such as "Be Confident", or "I am Happy, so I am Healthy", almost like a "how to" guide in order to achieve success. Even so, he provides very useful insight into the debate and argues his side well, a useful quotation: "I've noticed that staying under sun energizes my mood and willingness to pursue my goals. Similarly, with happiness, I get an abundance of confidence in my skills and in my resilience towards temporary failures to achieve success". His way of arguing his side in a spiritual style, however, is also a limitation, for he does not provide any tests or evidence to back his argument, only his personal opinion and experiences. As we know, opinions can change from person to person.

21) Prosperity Outstrips Happiness - by Robert Samuelson

Samuelson examines Easterlin's paradox and states that at a certain point wealth does not lead to happiness anymore. He also relates this to the high consumption rates and increasing quality of life. The article was interesting but we preferred to go with Veenhoven's and Hagerty's reply to Easterlin to talk about different set points and lack of income to lead to wealth in our non-existing relationship with wealth and happiness.

22) Sociology of Emotions - by Jonathan H. Turner and Jan E. Stets

This is an article written to depict the specific theories that have derived out of a sociologist's perspective on human emotions. The five theories include dramaturgical, power/status, exchange theories, symbolic interactionist, and interaction ritual theories. These generalizations on the theories of human emotions are important in any type of research on happiness as happiness is subject to change at any time, just as emotions are in people. With this said it appeared that this article would be use-full in targeting which of the theories has to do with our topic of the correlation between wealth and happiness. Once we determine which theories are applicable this should be able to aid our investigation in trying to determine why these associations are possible and how wealth and happiness are related, or if they are not at all. Some limits included in this article are that it does not discuss how indepth emotions are socially applied or biologically applied, as well as the fact that not every emotion possible is examined within the piece.

23) Return of Inequality in Modern Society? Test by Dispersion of Life-Satisfaction across Time and Nations - by Ruut Veenhoven

This article from class relates to our study on income and wealth. It talks about the inequalities in income disparity that are turning towards a more civilized society. It feels that income can't be compared across time. Basically the article finds that life satisfaction across nations is unequal, and focuses more on these issues rather than the wealth-happiness correlation so our group decided not to use it.

24) Rising Happiness in Nations 1946-2004: A Reply to Easterlin. – Veenhoven, Ruut and Michael Hagerty

This article responds to a claim by Richard Easterlin of the “Easterlin Paradox” which states that an increase in wealth does not lead to the quality of life due to the fact that happiness in nations hasn't increased over time. Veenhoven replies to this claim by finding that happiness has increased in nations, considerably so in poor nations versus rich ones. This article was used in our research to show that wealth leads to happiness at the country level. We analyzed that the poor have more to gain from a rise in wealth such as health benefits, which is why their happiness is higher. This article helped explain that wealth leads to happiness, as well as examine the differences in increase between rich and poor nations.

PROPOSAL

In the upcoming semester our group members will be investigating the relationship between happiness and wealth. This is a common question: Does money buy happiness? We will think about wealth at the individual level as well as at a country level, and globally when information is available. That is, we will look at variations in happiness associated with excessive amounts of money or what is deemed an average amount. We will also explore potential reciprocal causation between money and happiness. Does happiness come after wealth is reached or does happiness lead to wealth? Finally, we will look at cross-cultural variations in the relationship between money and income. Depending on a person's culture (mainly the importance of viewpoints on the debate based on living in a capitalist society), how do people view happiness and wealth in relation to each other? Do people relate overall life satisfaction with wealth, happiness, both or neither?

The relationship between money and happiness has been studied thoroughly, yet important controversies persist. On one side, sociologists may argue that money buys happiness. On the other side, many claim the effects are reversed: happy people are more likely to attain wealth. Yet, a third group of scholars argue that happiness and money do not go together and one does not cause the other. In this essay we will explore these three arguments using theories and findings from literature. Our argument will emphasize potential happiness differentials based on the economic status of the country, happiness on an individual level, whether the gained wealth is in excessive amounts or necessary quantity to live, what factors go into happiness being the primary factor in gaining wealth and vis-versa, and how although they both may have an effect on each other, there may be other factors that influence a person's state of happiness more than wealth. The three sides in the debate are: happiness leads to wealth, wealth leads to happiness, or there is no relationship between the two.

We find that our particular topic is essential in understanding the quest for happiness. Happiness is a realized quality of life and can change depending on the "eye of the beholder", which is why this is a controversial issue in today's society.

OUTLINE

I. Introduction:

- Explain why this is an issue worth investigating
- State the three sides within the debate between the correlation of happiness and wealth (happiness leads to wealth, wealth leads to happiness, no relationship)
- For each of the sides, discuss who opposes and supports that particular side of the debate
- Lastly, explain if wealth is not the factor found, that we will discuss that perhaps other factors influence a person's happiness

Development:

- Formulate enough sources relevant to Happiness and Wealth (15-20)
- Narrow down sources to the ones definitely being used within the paper (making sure that class pdfs are used as first priority when possible)
- With each article used, make sure that we explain the information clearly when we use it for the paper (**important: use the sociological theories whenever possible-dramaturgical, power/status**)
- Make sure we cite sources when using direct quotes in ASA format
- Introduce each particular position for the three different sides of the debate

II. -wealth leads to happiness

III. -happiness leads to wealth

IV. -no relationship exists between the two

- Argue each side of the debate clearly and efficiently to get the most important points across to the reader
- When possible, discuss each side of the debate regarding the individual self as well as at a country level
- Also explain that there are other factors besides wealth that influence happiness (briefly)

V. Conclusion:

- Once again, state the research question, and recite a summary of the evidence supporting each of the three sides of the debate between Happiness and Wealth
- State what side of the debate we feel answers the question, given the information we provided
- Explain our group's reasoning behind backing on particular side of the debate
- Express certain limitations we found either in the articles, our bias on the project given personal experiences or beliefs, or on the authors of the articles
- State the main things we learned during the process of gathering the information for our topic as well as what we learned regarding our conclusion on our topic of wealth and happiness

VI. Appendix:

- Includes whatever tables/figures we decide to include in the paper

VII. References:

- Bibliography set up for articles used within the paper
- Lit Review is developed for all the articles gathered relevant to the paper, even if they were not used in the paper itself
- ASA format (for bibliography and within the paper)