

LIFESTYLE

Summary

A University of Pennsylvania researcher shares some surprising findings about how money affects happiness.

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Q&A: Research says rich nations offer more paths to happiness

Neil Parmar

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Justin Wolfers is one of the researchers from the University of Pennsylvania who has uncovered some surprising findings about how money affects happiness. Here, the associate professor of business and public policy explains some of their discoveries - and how they might affect you.

What shortcomings did you find with the original research on money and happiness?

When the original researcher compared rich and poor countries, he failed to find evidence that people in richer countries were on average happier than poorer countries. The problem was that he was examining only a dozen countries, and most of them were fairly rich. We now have data on over 150 countries around the world.

And what were your findings?

It's now clear: people in rich countries are happier than people in poor countries. Indeed, it's a remarkably powerful correlation.

How does more money affect how happy people feel?

We don't know exactly how money translates into happiness. In fact, it may not be money. It may be that the levels of economic development that rich countries enjoy give their people wonderful new choices about how to live their lives. So perhaps it is the extra potential that we each have - that we may choose to express in different ways - that makes us happy.

Give an example.

For instance, I didn't choose the job that made me the richest. But being in a rich country, I had some wonderful options, including a very fulfilling life as an economics researcher.

Is there another way to think about this?

The other way is to think about some of the misery that money helps us to avoid. We are rarely sick; we have access to clean water, good food and medication. Child mortality is incredibly rare in rich countries, but tragically common in poor countries. We are free of fear about where our next meal is coming from.

How does money boost your own happiness?

For me, money is helpful because it reduces fear and anxiety. I know my family and I are safe, housed and well fed. The other thing that money allows me to do is to make choices, including the choices to follow my passions.

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