

**THE SUNDAY TIMES**

## Features

**The economist's guide to happiness: don't eat dog food; Analysts are focusing less on financial profits and more on our quality of life, says Tim Harford**

Tim Harford

1,019 words

9 August 2009

The Sunday Times

ST

1

5

English

(c) 2009 Times Newspapers Limited. All rights reserved

Spend less time with your children. Don't underestimate the benefits of a divorce. Never serve dog food at a dinner party. These are some of the unexpected revelations to have emerged from an unlikely combination: happiness and economists.

You might think the "dismal science" has done enough damage for now. Economists have hardly emerged from the banking crisis with their reputations enhanced. But forecasting financial meltdown was never going to be easy, so perhaps it is best if economists stick to simpler questions, such as how we can be happy.

A growing number of economists have been trying to answer this question. Not only are the statistical tools of economics surprisingly well suited to unlocking the secrets of happiness, but the research topic is proving to be popular with the public.

Some of the results sound as though they come from hippies rather than academics. For instance, economic growth does not seem to make the citizens of a rich country such as the UK any happier - which is lucky, because we're not getting any growth at the moment.

Other discoveries are less predictable. Andrew Oswald and Nattavudh Powdthavee, for instance, have found that teenagers and the elderly are actually rather happy. "Your late thirties are the most unhappy period of your life," Oswald tells me. Thanks, professor, from a grateful 35-year-old.

Both these results have been discovered by the simple method of asking people how satisfied they are with their lives and then crossreferencing what they say with a battery of other data such as health, income and age. It's a straight-forward approach, but not everyone is convinced it produces sensible results.

Norbert Schwarz, a psychologist, once conducted an experiment in which he arranged for people to find 10 cents - about 6p - by a photocopier just before they filled in his happiness questionnaire. The ones who found themselves pennies richer then claimed to be substantially happier with their lives as a whole. A sunny day had much the same effect.

Partly for this reason, another group of economists comes at the happiness problem in a different way. (No field of economics would be complete without a schism, would it?)

This alternative clan uses the "day reconstruction method". People would be asked to think about the previous day. What did they do first? (Get up, stumble downstairs for coffee.) How long did it take? How did they feel while they were doing it? What did they do next?

This method produces a satisfyingly detailed picture of the ebb and flow of happiness and misery throughout the day. One study conducted by Schwarz, Daniel Kahneman (a Nobel prize winner in economics) and others asked 900 working women in Texas to reconstruct their days in excruciating detail. Among the choicer discoveries was that apart from working and commuting, nothing is less enjoyable than childcare.

Perhaps we shouldn't be surprised. Children can be more inspiring in the abstract than in person, and while it is beyond the pale to say you hate spending time with your kids, nobody will blame you if you say they acted like brats yesterday evening.

Indeed, of all the people you should expect to enjoy hanging out with, friends come top, children and spouse bottom. And forget what the glossy magazines tell you: shopping is a miserable experience and so is fooling around at home on a computer.

Not every result is a surprise. For instance, having sex is lots of fun. It is also, tragically, the activity that fewest of the 900 Texan working women spent any time doing.

Spending time with your boss is no fun. As to the pros and cons of having sex with your boss, economists can only speculate.

I've been poking about in the odder corners of economics for years and have concluded that some of the best tips for a happier life come not from this happiness research but from more unexpected sources.

When I go to a restaurant, for instance, I make sure never to alter my choice based on what my dining companions choose. Dan Ariely, a professor of behavioural economics, has discovered that people tend to "fit in" in such situations and end up with a choice they enjoy less.

A less appetising discovery comes from the American Association of Wine Economists in a new research paper, *Can People Distinguish Pâté from Dog Food?*. It turns out that they can: even if puréed to look like duck-liver pâté and served chilled with Carr's water biscuits, dog food tastes terrible. Alas, a cost-saving idea discredited.

It's not all silliness, however. Several pieces of serious economic research suggest that divorce is underrated. Andrew Oswald has discovered that people who go through divorce find their lives improve. **Betsy Stevenson** and Justin Wolfers, economists based in the United States, found that as individual American states introduced more liberal divorce laws in the 1970s, domestic violence also fell in those particular states and so did the number of women killed by their husbands.

Silly or sobering, happiness economics is in the ascendancy. The economists conducting this research have influence in high places. Lord Layard, the patron saint of happiness economics in the UK, is a Labour life peer. Alan Krueger, an economist who has been working with Kahneman and Schwarz, has been made a senior Treasury official by President Obama. Before his nomination he was working on a method for producing "happiness accounts" for the United States.

Once an economist, always an economist. Some time ago I spoke to Professor Krueger about his work on happiness. He preferred to speak about "subjective wellbeing", he explained to me, because "happiness sounds a bit frivolous". Oh for goodness' sake, Professor, cheer up.

Tim Harford is a columnist for the Financial Times. His new book, *Dear Undercover Economist*, is published by Little, Brown, priced £12.99

Retail therapy is discredited: shopping makes us miserable

Document ST00000020090810e589000nx