

Be Happier: Spend More Money on Others

A round-up of recent research finds spending money on others can satisfy basic psychological needs and boost happiness.

If you want to feel happier—and who doesn't—what should you do with that \$20 you have in your pocket?

The evidence is clear, according to a [new research paper](#): You should use it to help someone in need.

Psychologists [Elizabeth Dunn](#) and [Lara Aknin](#), along with [Michael Norton](#) of Harvard Business School, report that the benefits of helping others “are evident in givers old and young in countries around the world, and extend to not only subjective well-being, but also objective health.”

Writing in the journal *Current Directions in Psychological Science*, they demonstrate this counter-intuitive thesis by describing a series of studies, many of which they conducted themselves.

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The researchers begin by summarizing [their own 2008 study](#), in which participants were given either \$5 or \$20 to spend by the end of the day. Half were instructed to buy themselves something; the others used it help out somebody else.

“That evening, people who had been assigned to spend the money on someone else reported happier moods over the course of the day than did those people assigned to spend the money on themselves,” they report.

They also point to [a 2012 study](#), co-authored by Aknin, which found evidence that even young children feel happiness giving to others. Toddlers just under the age of two “exhibited more happiness” when they gave away goldfish crackers to a puppet character, compared to when they received the snacks themselves.

What's more, this relationship does not seem to be exclusive to the U.S. or other wealthy nations. Aknin [looked at data for 136 countries](#), and found “a significant relationship between giving and happiness” in 120 of them, “poor and rich alike.”

The researchers concede that [other evidence](#) suggests giving to others does not automatically increase happiness. So under what specific circumstances does this positive dynamic occur?

They find a likely answer in [self-determination theory](#), which states that “human well-being depends upon the satisfaction of three basic needs: relatedness, competence, and autonomy.” Under the right circumstances, giving money can meet all three.

Regarding relatedness, “we found that individuals garner more happiness from pro-social spending when giving provides the opportunity to connect with other people,” they write. The need to demonstrate competence can be met “if people can see how their generous actions have made a difference.” And the “need for autonomy is satisfied when people feel that their actions are freely chosen.”

That last point is supported by [a 2010 study](#) that found “people experienced happier moods when they gave more money away—but only if they had a choice about how much to give.”

The researchers argue that these insights can be of use to charities and other organizations asking for donations. The more they “can maximize the emotional benefits of giving,” the more likely the donor will give additional dollars the next time they are asked.

So non-profits may benefit from promoting helpful activities one can do with a friend, such as a clean-up-the-beach day, or an afternoon accepting pledges at your local public radio station.

And they can help people see the impact of their donation by designating it for a specific, concrete purpose. As [the researchers note](#), the vague notion of “improving children’s health” is far less satisfying than the specific image of buying bed nets to prevent Third-World kids from getting malaria.

An intelligently designed charitable appeal doesn’t guilt us into giving: It provides a framework that allows us to feel good about ourselves while we help others. And that’s a very happy combination.

Staff writer Tom Jacobs is a veteran journalist with more than 20 years experience at daily newspapers. He has served as a staff writer for *The Los Angeles Daily News* and the *Santa Barbara News-Press*. His work has also appeared in *The Los Angeles Times*, *Chicago Tribune*, and *Ventura County Star*.