

# Happiness and Consumption – experiential or material?

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The Prospectory

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## 1 Introduction

If the combination of climate change and peak oil means we have to adopt more sustainable lifestyles, will our lives be less enjoyable? That depends on the extent to which our sources of pleasure are tied to material consumption or other carbon-intensive activities.

To explore this question, we ran an online survey in January 2011 aimed at identifying the kinds of things people most enjoyed in 2010. What made them happy?

Some lab-based, U.S. studies suggest that the experiences we purchase make us happier (and happier for longer) than material goods<sup>1</sup>. This could be because experiences can actually get better over time (the more you talk about them for example) whereas, with material purchases, we tend to make comparisons with other versions or models we could have purchased or which are newer. Would this hold true in people's everyday lives?<sup>2</sup>

The survey asked people to describe something they had enjoyed in 2010 – it could be a gift or something they bought for themselves or something they experienced. We asked what it cost and who paid. We explored how long the enjoyment lasted and if it had a social dimension.

Finally we looked at the relationship between the rated happiness level at the time, the average happiness during the year and the happiness rating at the moment of completing the survey.

An email invite to take part in the survey was sent to 2500 members of a UK-wide, opt-in consumer directory. A £50 prize draw was offered as an incentive. Over a 5 day period, we received 276 completed surveys.

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<sup>1</sup> 'To Do or to Have? That Is the Question', L. Van Boven & T. Gilovich, *Jnal of Personality and Social Psychology*, Vol 85(6), Dec 2003.

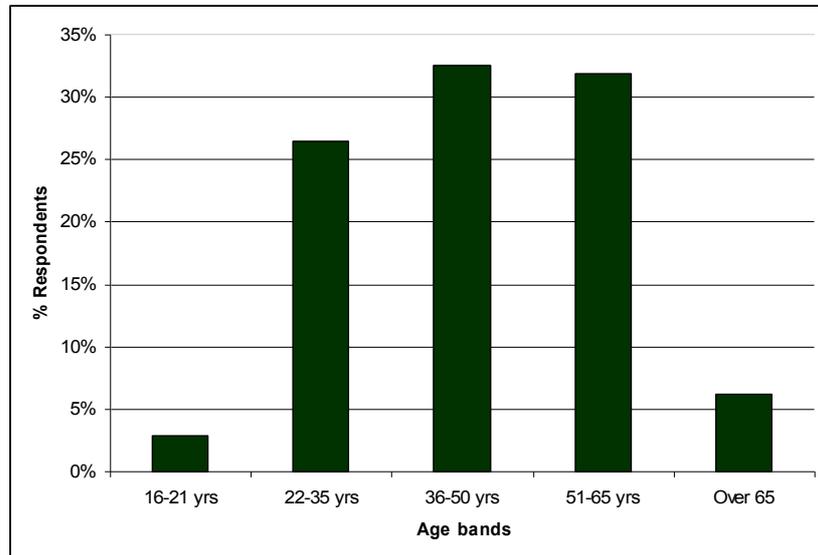
<sup>2</sup> Happiness for sale, do experiential purchases make consumers happier than material purchases?', L. Nicolao, J. Irwin & J. Goodman, *Jnal of Consumer Research*, Vol 36(2), Aug 2009.

## 2 Survey Results

### 2.1 Respondent profile

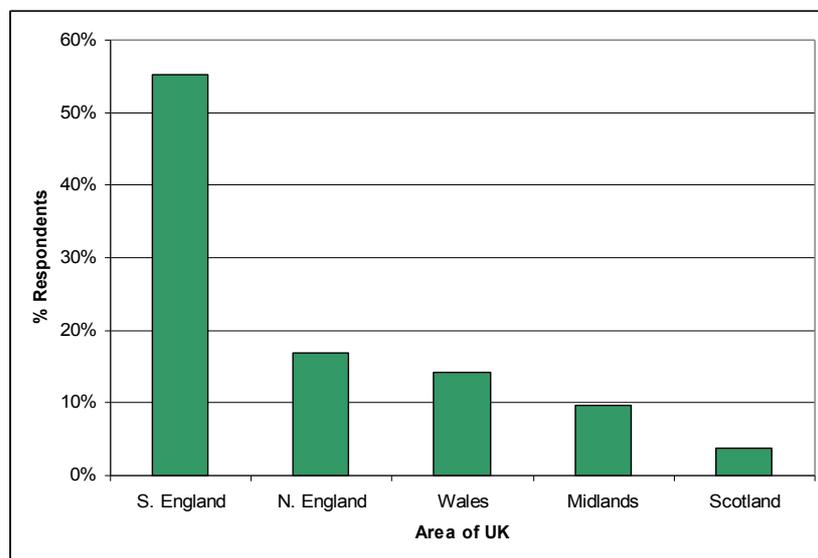
There was a large gender bias in the respondents – 67% female to 33% male.

Figure 1 shows the age profile of respondents.



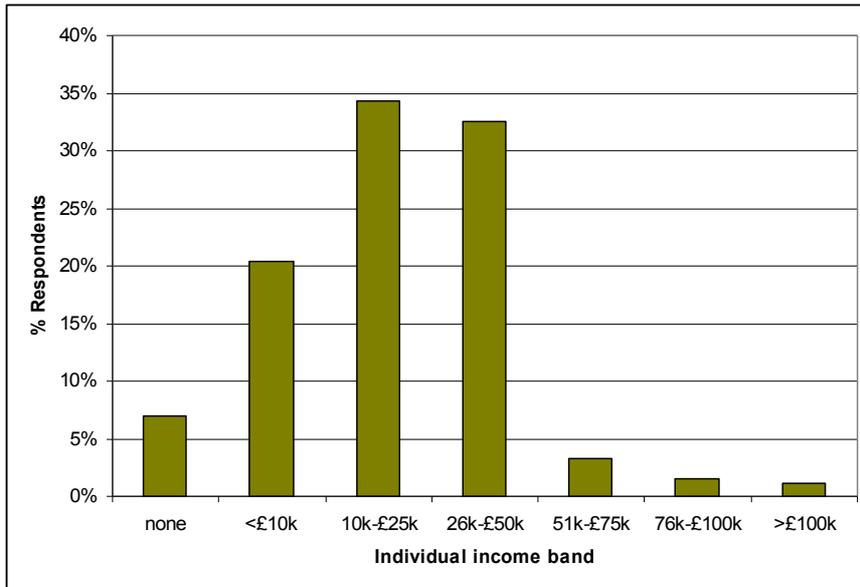
**Figure 1 : Age profile of respondents**

Figure 2 shows their geographic profile:-



**Figure 2 : Residency in the UK**

And Figure 3 shows their income profile:-

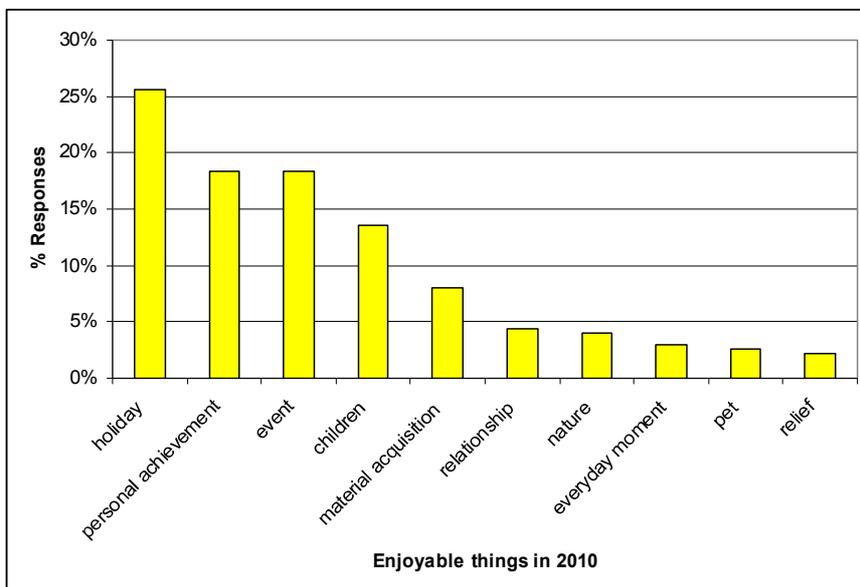


**Figure 3 : Income profile of respondents**

The average income per person in the UK is £23k and the median is £18k<sup>3</sup>. The respondents' profile broadly matches that.

## 2.2 What did they enjoy?

The survey asked people to describe something they had enjoyed in 2010. We took the 276 descriptions and categorised them. Figure 4 shows the 10 categories which emerged and the percentage of responses in each.



**Figure 4 : Things enjoyed in 2010**

<sup>3</sup> [http://en.wikipedia.org/wiki/Income\\_in\\_the\\_United\\_Kingdom](http://en.wikipedia.org/wiki/Income_in_the_United_Kingdom)

92% of the enjoyable things listed concerned experiences or people rather than material acquisitions and 62% involved either holidays, personal achievements or events.

Here are some examples of each category:-

### 1. **Holidays** (26%)

Holidays were the single most dominant category. In many cases these were full-length trips – mostly overseas.

*"Myself, my husband, our two grown up children and our grand-daughter all went to Florida in June. We stayed in a beautiful villa and visited Disney World and Universal Studios."*

*"A holiday in Cyprus with friends. Seeing a new place and meeting a lovely Cypriot family as well as being in a lovely villa."*

*"I went travelling in South America with two friends. This was the most enjoyable experience of my 2010 because I had the opportunity to see some of the most beautiful scenery imaginable."*

Others consisted of a short break away (usually in the UK)

*"an end of November, 3 day break in the Cotswolds with friends and family"*

*"weekend B&B in Yorkshire. Beautiful weather and good walking with wonderful views of countryside."*

*"A family weekend break to Butlins with my husband and my toddler, it was our first family holiday and we all loved it and cried when we had to leave".*

Analysing the vocabulary in the different descriptions suggests the enjoyment stemmed from a combination of the following factors:-

**Break from routine** (*"time to step off the treadmill, "away from the normal day to day routine"*)

**Novelty** (*"going on safari and seeing animals", "the sights and sounds of Barcelona and Madrid,"*

**Time spent with family/friends** (*"to be with people you care about", "spending quality time together"*)

**Beautiful scenery** (*"lovely coastline and beautiful surroundings", "such beautiful scenery"*

### 2. **Personal achievements** (18%)

This category, not surprisingly, was much more varied.

*"I wrote a book, found somebody who designed it for me, self-published it"*

*"Bought a virtual wreck of a house in Languedoc in 2006 and after 4 years of extensive renovations, much of it to my own design, finally brought it to completion in summer of 2010"*

*"I organised a music festival called 'Oxjam' which raised thousands of pounds for Oxfam. This gave me a great feeling of wellbeing and pride."*

*"I completed the Nijmegen 200km march in 4 days with no problems just weeks after I had a leg injury."*

### **3. Events (18%)**

*"A surprise birthday party which was thrown for my 40th. It was completely unexpected, I didn't know I had so many friends .. a totally unique event in my life!"*

*"A performance of an opera written by Haydn, and performed in my favourite music venue"*

*"My son's wedding"*

*"England spanking the Aussies in the Ashes series"*

### **4. Children (14%)**

These responses broke down into 3 subgroups: new births, children and grandchildren.

*"My nephew was born in August. It made me so happy because he is my first nephew/niece."*

*"Finding out my baby sister is going to have a baby of her own, it made me happy because she is happy."*

*"Going to Parents Evening and being told how well my daughter was getting on in her first term at Senior School"*

*"spending time with my two young daughters, see them develop & learn about the world"*

*"the Joy and Laughter that having our granddaughter stay over with us brings to us"*

*"my grandchildren -the joy of seeing their discovery of the world & the experience of loving them"*

### **5. Material acquisitions (8%)**

Material acquisitions came surprisingly low down the list accounting for only 8% of responses.

*"My partner bought me an IPOD TOUCH for my birthday - it is the best gift I ever received. It is so small and neat and yet connects me with the world, and stores all my music and favourite videos!!!"*

*"I bought my own place and am now a homeowner which has filled me with such happiness"*

*"I bought a new HD ready TV. It was so enjoyable as it's modern technology, slimline and wonderful to watch."*

*"Best purchase of 2010 was an iphone which gave me hours of fun."*

The acquisitions were dominated by new technology (mostly iPhones and iPads) with new cars and houses as runners up. There was only 1 mention of clothing.

#### **6. Relationship** (4%)

This nearly always involved the start of a new relationship.

*"Meeting my fantastic boyfriend, the love of my life. He has turned my life around."*

*"I got engaged to my beautiful girlfriend"*

*"I fell in love! It was so enjoyable because meeting him lifted me out of the stressful situation I felt trapped in and reminded me of all the things about myself that I value."*

#### **7. Nature** (4%)

*"... freezing beautiful deep snow on Xmas Eve in the Brecon Beacons up and around a horseshoe of fells to the North of Talybont Reservoir"*

*"Walking along the seashore each morning when I finish an early morning job and seeing the sunrise on the sea and pebble beach"*

*"Having climbed a hill in Shropshire with my husband we took a few minutes to sit and enjoy the view .. stunning, typically English scene and there was nobody else around."*

#### **8. Everyday moments** (3%)

*"Lying in the back garden in the sunshine with the ducks and cats and having tea with my wife"*

*"Spending time with my best friend and having a natter."*

*"waking up in a new bed with clean sheets and a really soft pillow."*

#### **9. Pets** (3%)

*"buying my cat, Frank"*

*"Seeing my horses out in a green paddock in the sunshine"*

*"taking my dog on very long walks – bliss"*

#### **10. Relief** (2%)

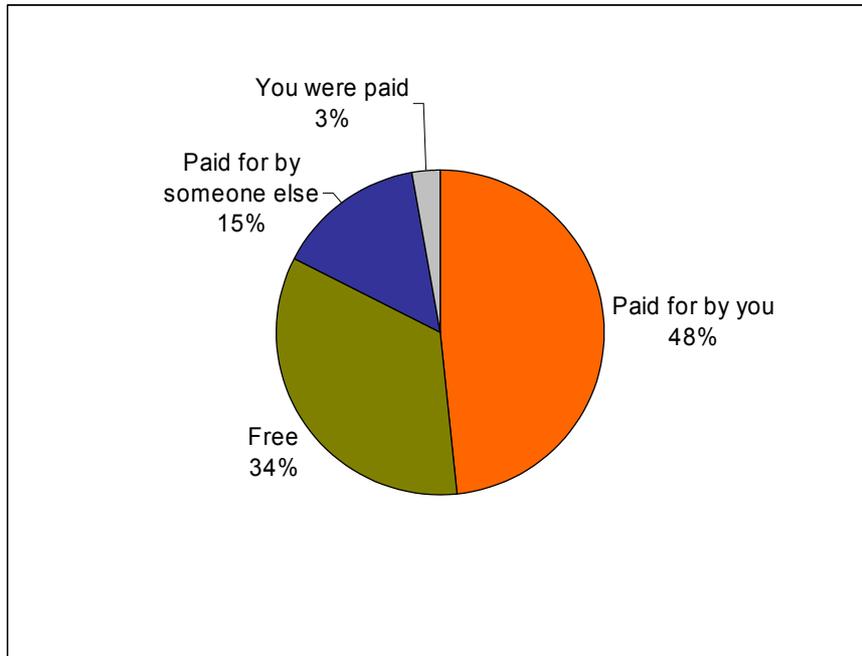
*"Paying of an owed debt. The feeling of becoming closer to being financially stable."*

*"Finding my mother had been wrongly diagnosed with cancer"*

*"A hassle free Christmas because there was no family drama"*

## 2.3 Who paid and how much did the things cost

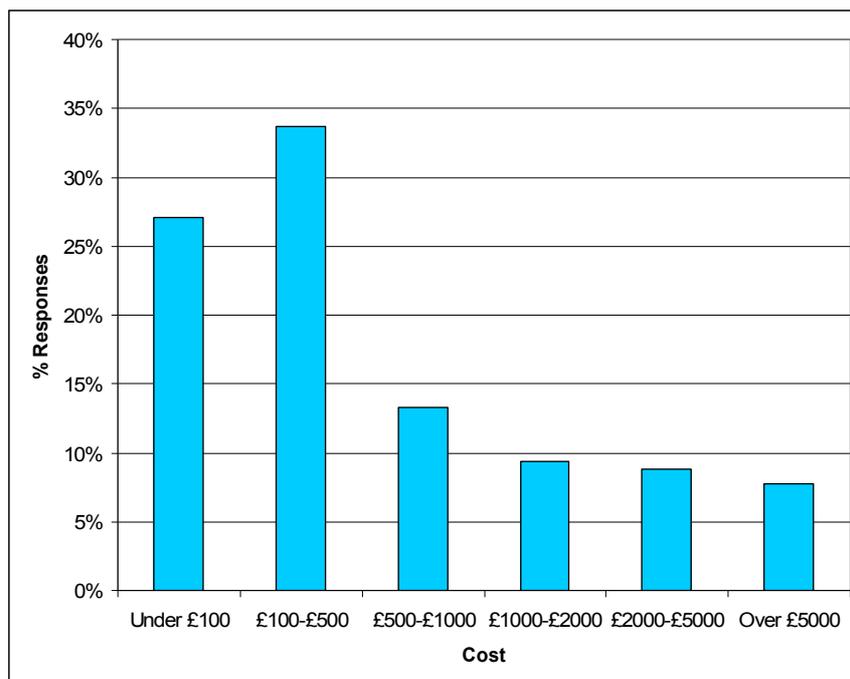
Figure 5 shows who paid for the thing described.



**Figure 5 : Who paid?**

Mostly people had paid themselves for the things which they enjoyed or they were free.

Figure 6 shows the amount that the enjoyable things cost (when they weren't free).



### Figure 6 : Cost of enjoyable things

The majority of things (61%) cost less than £500.

### 2.4 When did the enjoyable things happen

The survey ran in January 2011. Figure 7 shows when the enjoyable things actually happened during 2010.

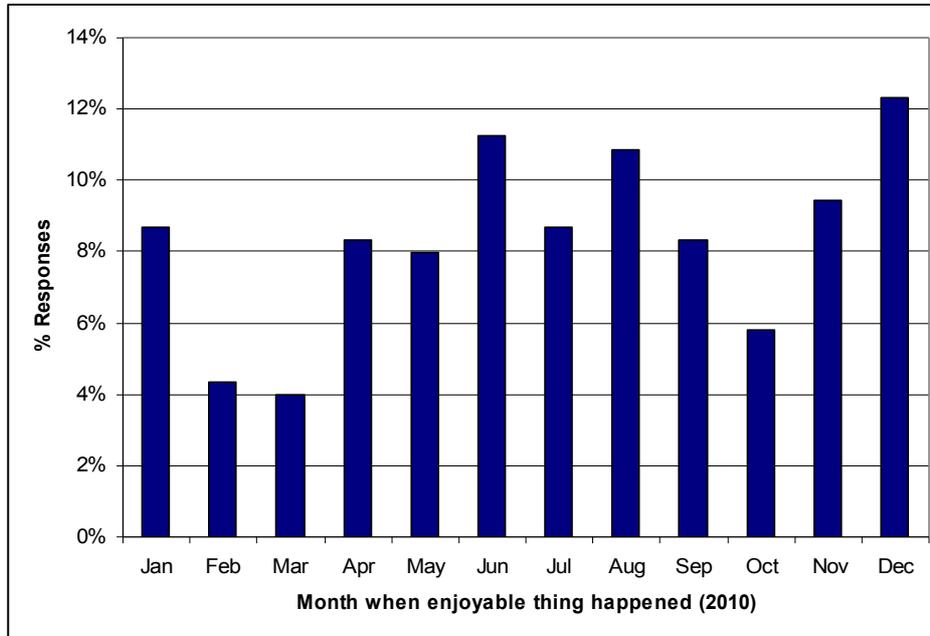


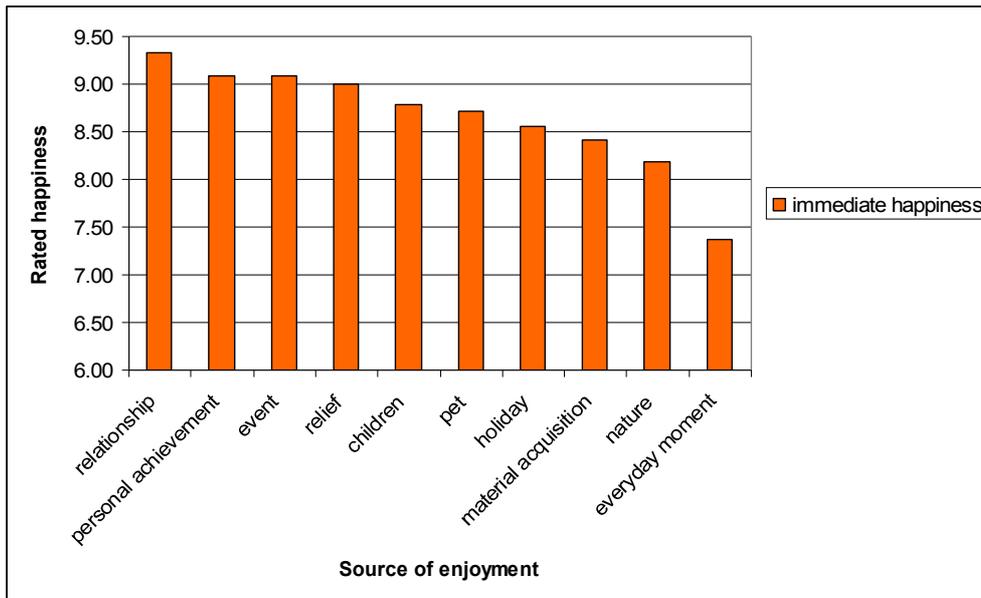
Figure 7 : When did the enjoyable things happen?

Although there is an inevitable recency effect (November/December) and an effect of summer holidays, it's still noteworthy that half the cited things had happened at least 6 months previous to completing the survey.

### 2.5 How much did they enjoy these things

We asked the respondents to rate how happy they felt about that thing at the time, on scale of 0 ('miserable') to 10 ('ecstatic').

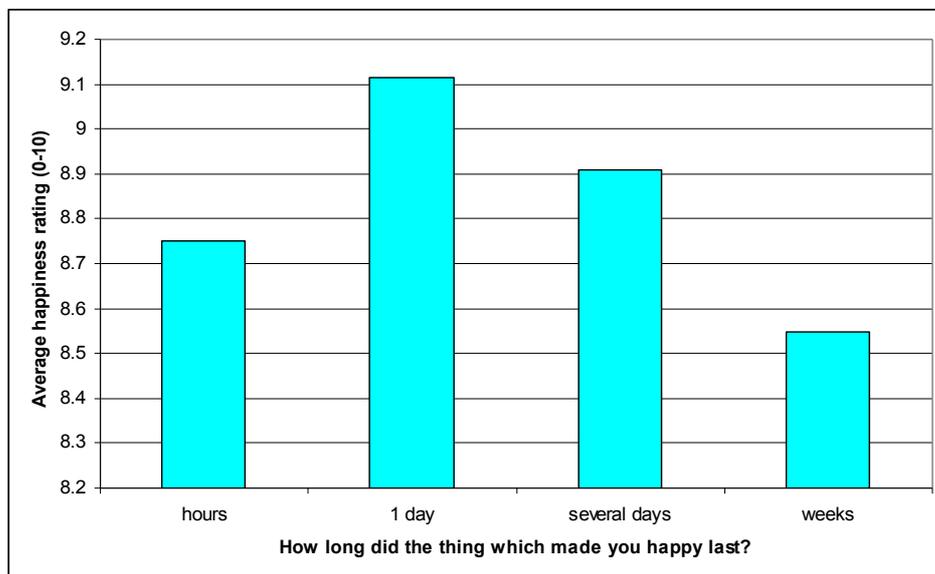
Figure 8 shows the ratings given for the different categories.



**Figure 8 : Happiness ratings**

Because we were asking about things which people had chosen as enjoyable, the happiness ratings only varied a relatively small amount. However, whilst holidays were the most frequently cited source of enjoyment, they didn't record the highest average happiness rating – that was recorded by new relationships, personal achievements and events.

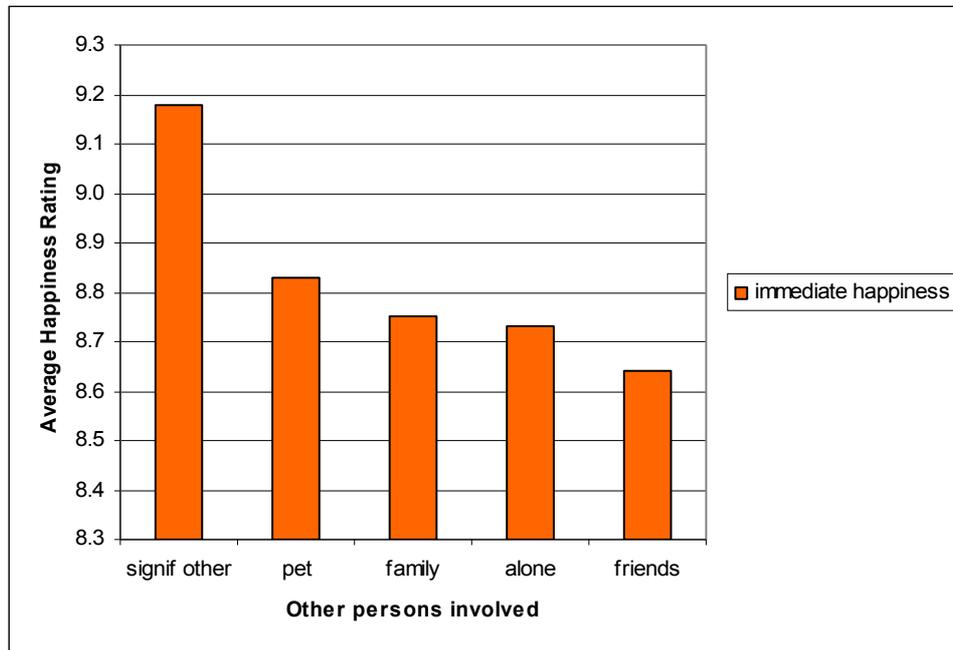
We asked how long the things which made them happy had lasted. Figure 9 shows the results.



**Figure 9 : How long the thing which made them happy lasted**

The highest happiness ratings came from those things which lasted a day. This again is largely the result of the large number of holidays which lasted more than a day. It seems likely that it is difficult for something to continue to produce out-of-the-ordinary happiness levels over a period of more than a day or two.

For each enjoyment description, we categorised which other people or relationships were involved. Figure 10 shows the relationship between average happiness ratings and the other people (or animals) involved.



**Figure 10 : Relationship between others involved and happiness rating**

The things which involved a “significant other” partner achieved a much higher happiness rating than any others. This was followed by pets but for some people, a pet might *be* the significant other.

We looked next at the relationship between the happiness rating and the cost involved. Figure 11 shows the results.



### Figure 11 : relationship between cost and happiness rating

This suggests that things which were free gave as much pleasure (on average) as those which cost up to £2000. There was an increase in rating for those which cost over £2000 but there are fewer data points for these.

### 2.6 Persistence of happiness over time

How long does happiness last? First of all, we looked at whether people rated more highly the happiness afforded by things which had happened recently (in the previous few months) than things which happened earlier in 2010. Figure 12 shows the results. There appears to be no such recency effect. The main dip is in June/July which is when more holidays occurred and these tended to have a slightly lower rating anyway.

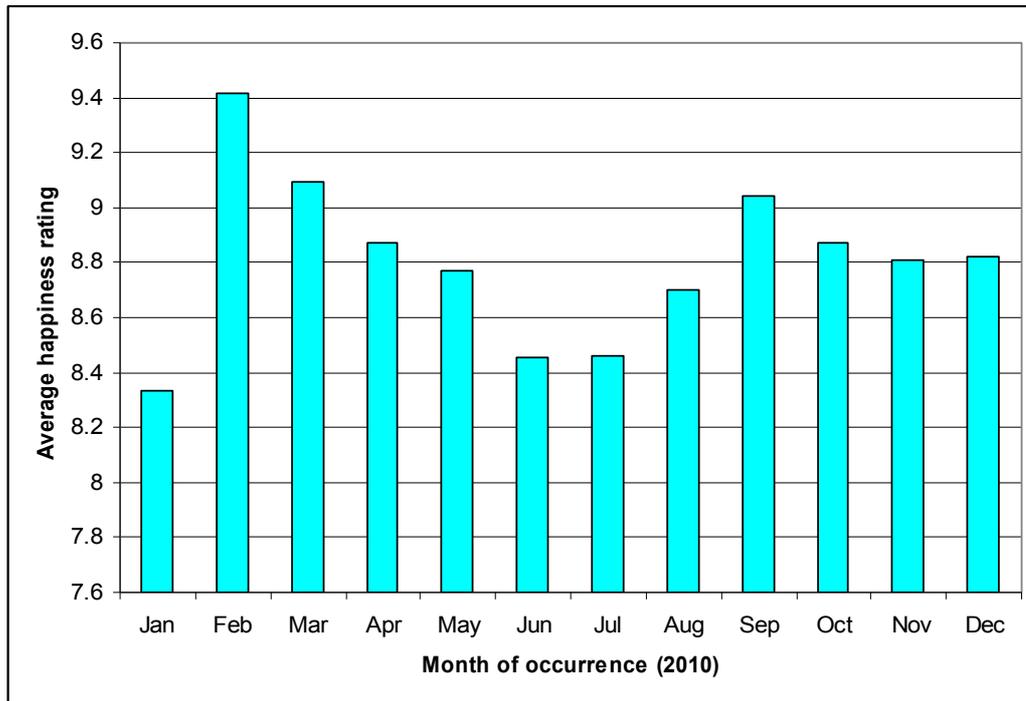
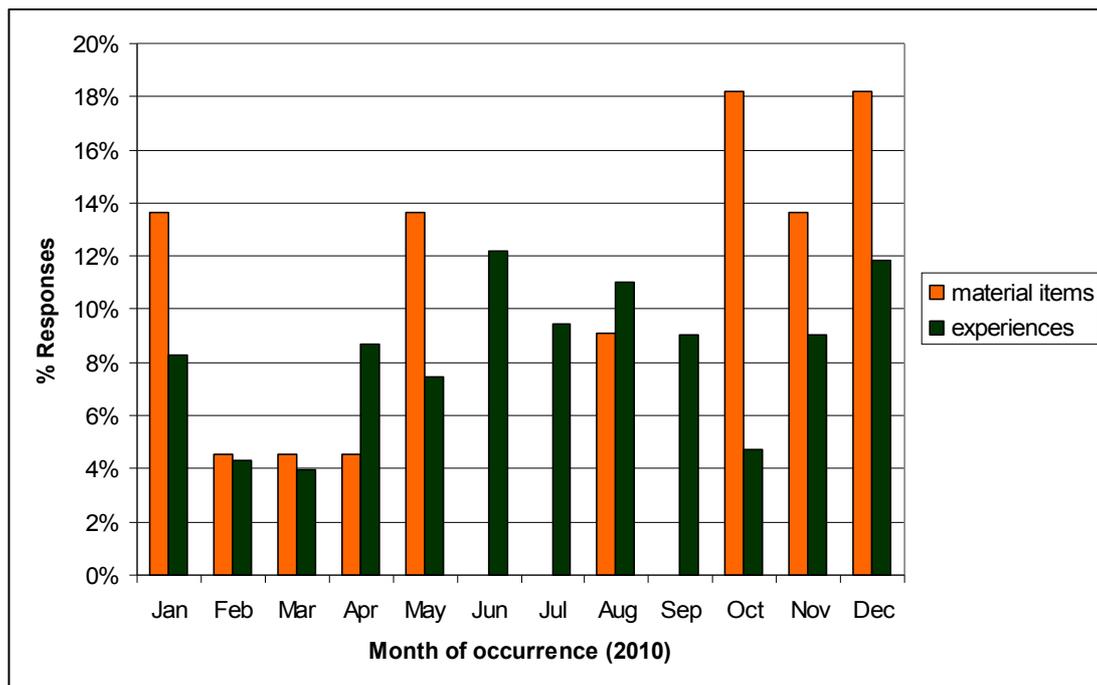


Figure 12 : Happiness rating as a function of recency of occurrence

Previous lab studies have suggested that the happiness afforded by experiences persists longer than that afforded by material acquisitions. In an attempt to explore this, we asked respondents how happy they felt about the thing described now (i.e. at the time of completing the survey) compared to at the time. Unfortunately, this question appeared to confuse people and the results are too messy to report.

However, we can look at whether people were more likely to report material acquisitions as a source of enjoyment *if* they had occurred more recently.

Figure 13 shows the comparative distribution across the year of experiences versus material items.



**Figure 13 : Recency of reporting experiences versus material acquisitions**

Although some people were describing material acquisitions from 6 months to a year earlier, a greater proportion were more recent - 50% occurring in the last 3 months compared to only 25% of experiences reported in that period.<sup>4</sup>

This could be because the enjoyment from a material acquisition is less persistent (as previous research has suggested) but it could be that people are more likely to purchase material goods as compensation during periods of the year when enjoyable experiences are less frequent, e.g. winter months. Even though the numbers are small, it's certainly noteworthy that almost no material acquisitions were cited during the peak holiday months.

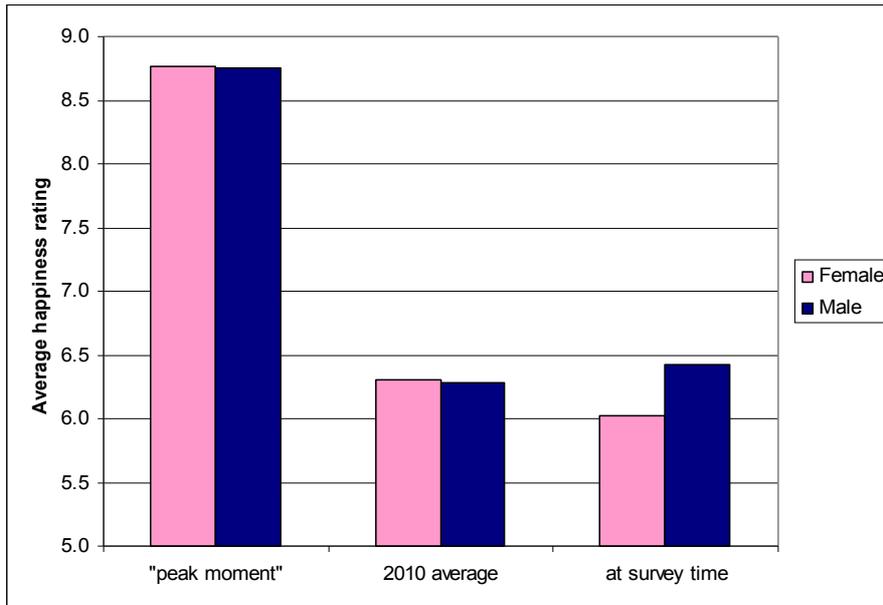
We also found that the age profile of those citing material items was significantly younger - 50% were under 35 yrs compared to 28% of those reporting experiences.

## 2.7 Demographics and happiness

As well as asking the respondents to rate their happiness at their peak moment in the year, we also asked them to rate how happy the year as a whole was and how happy they felt at the moment of completing the survey (in January 2011).

Figure 14 shows the relative happiness ratings for men and women for these 3 samples.

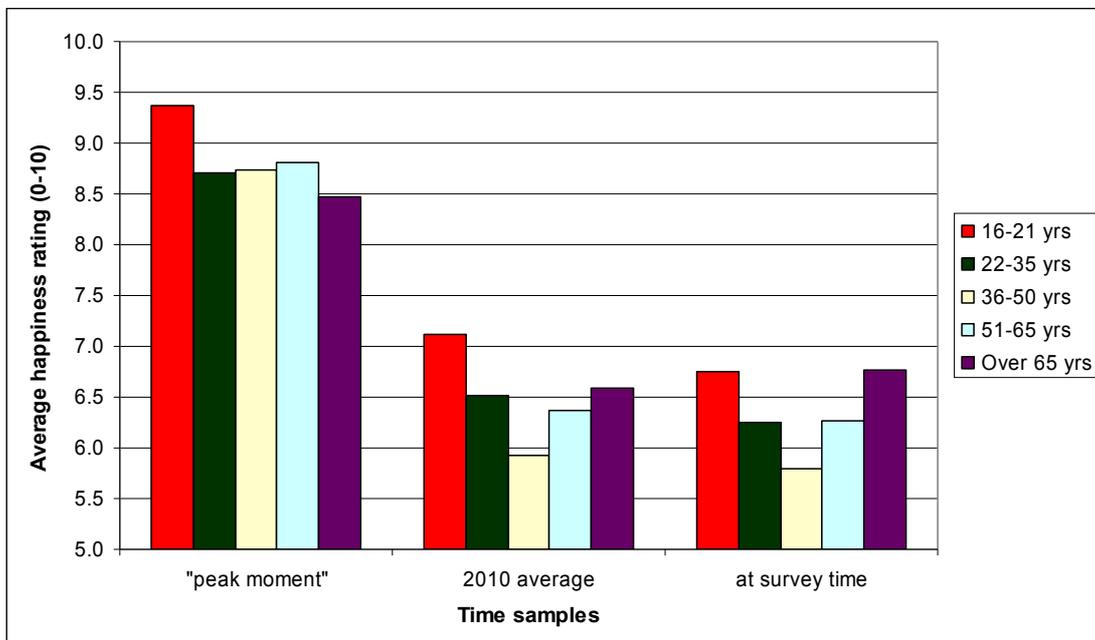
<sup>4</sup> Unfortunately, the small number of material acquisitions cited make it hard to draw reliable conclusions from these data.



**Figure 14 : Comparative happiness for males and females**

Obviously there was a difference between people's happiness rating at their, so-called 'peak moment' in 2010 (8.8) compared to the year as a whole (6.3) but there was no significant gender difference. Men were very slightly happier at the precise time of doing the survey in January 2011 (maybe they were enjoying the survey more?!) but not markedly so.

Figure 15 shows relative happiness ratings for different age groups.

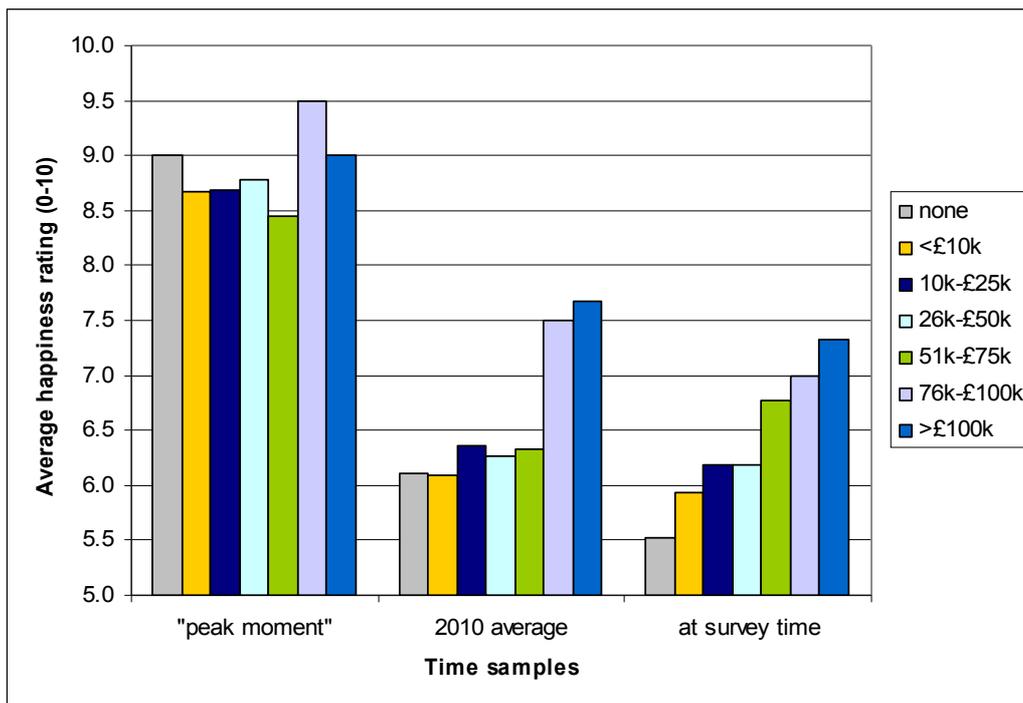


**Figure 15 : Comparative happiness for different age groups**

At the peak moment, the youngest age group (16-21 years) showed the highest ratings with no marked difference between the other ages.

Over the year and at the survey time, the youngsters still had the highest happiness ratings followed by the over 65 year olds. The 36-50 year olds showed the lowest ratings. This is consistent with a recent study by Bert van Landeghem, a Belgian economist showing a substantial dip in happiness during the middle of people's lives between 30 and 50 years<sup>5</sup>. Our study suggest that this age group still experience the same peaks as others but not a sustained level of happiness over time.

Figure 16 looks at whether people's personal income made a difference to their rated happiness levels.



**Figure 16 : Comparative happiness at different income levels**

People's income levels did not appear to make much difference to the happiness they experienced at peak moments in their lives. This is consistent with the finding that things which were free or cost less than £100 could create as much happiness as things costing up to £5000 (see Figure 11).

However personal income levels did make a difference to their rated happiness across the year and at the time surveyed. Averaged over the year, those in the two highest income brackets rated their happiness markedly higher but this effect was not apparent until the income was over £75k. This result runs counter to studies showing that happiness increases with income up to a level of around \$75 but not beyond<sup>6</sup>. I have no explanation for this difference.

<sup>5</sup> <http://ideas.repec.org/p/dgr/umaror/2011008.html>

<sup>6</sup> <http://www.businessweek.com/lifestyle/content/healthday/642850.html>

