

# Spending on experiences versus possessions advances more immediate happiness

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Consumers with piggy banks thinking about purchases. Credit: The University of Texas at Austin

Certain purchases are better than others at sparking people's in-the-moment happiness, according to new research from the McCombs School of Business at The University of Texas at Austin.

Lead author Amit Kumar, assistant professor of marketing, and his research team found that consumers are happier when they spend on experiential purchases versus material ones. The paper, "Spending on Doing Promotes More Moment-to-Moment Happiness than Spending on Having," is published in the May 2020 issue of the *Journal of Experimental Social Psychology*.

"One issue that hasn't really been examined much is what happens in the here and now—are we happier spending our money on an experience or on a material item?" Kumar said. "The basic finding from a lot of experiments is that people derive more [happiness](#) from their experiences than from their possessions."

Kumar and his co-authors, Matthew Killingsworth from the University of Pennsylvania, and Thomas Gilovich from Cornell University, recruited 2,635 adults who were randomly assigned to a material or experiential group. The participants were sent random texts during the day to monitor their emotions and their purchasing behavior. Material purchasers bought things such as jewelry, clothing or furniture, while experiential shoppers attended sporting events, dined at restaurants, or engaged in other experiences. The results: Happiness was higher for participants who consumed experiential purchases versus material ones in every category, regardless of the cost of the item.

"It would be unfair to compare a shirt to a trip, but when we account for price, we still see this result where experiences are associated with more happiness," Kumar said.

To address possible differences in types of consumers, the researchers

conducted a second study in which they asked more than 5,000 participants to first rate their happiness and then report whether they had used, enjoyed, or consumed either a material or experiential [purchase](#) within the past hour. If they responded "yes," participants were asked a series of questions and details about their purchase.

"We still observed the same effect," Kumar said. "When the very same person was consuming an experience, that was associated with more happiness."

The researchers concluded that people are happier with [experiential purchases](#) over material ones irrespective of when you measure happiness: before, during or after consumption. Experiences also provoke more satisfaction even though people typically spend more time using their [material possessions](#). The researchers said a possible explanation is the endurance of experiences in people's memories, while the perceived value of [material goods](#) weakens over time.

"If you want to be happier, it might be wise to shift some of your consumption away from material goods and a bit more toward experiences," Kumar said. "That would likely lead to greater well-being."

**More information:** Amit Kumar et al, Spending on doing promotes more moment-to-moment happiness than spending on having, *Journal of Experimental Social Psychology* (2020). [DOI: 10.1016/j.jesp.2020.103971](#)

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