

Links between money and happiness uncovered

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Credit: George Hodan/public domain

Changes in income do not affect most peoples' happiness, most of the time, according to a new study led by the University of Stirling.

The research, which examined levels of [life satisfaction](#) and [income](#) changes in more than 18,000 adults over a nine year period, revealed that income change is only important when individuals with specific personality characteristics experience an income loss.

Researchers at the University of Stirling and the University of Nottingham found that for most people happiness is likely to rest on avoiding loss, rather than aiming for continual financial gain.

The study, involving two separate samples from Germany and the UK, asked participants annually about their [income level](#) and how satisfied they were with life. Participants also answered questions on their personality at the start of the study.

Results revealed that regardless of personality, income increases did not affect life satisfaction.

When people lost income, however, there was a reduction in their life satisfaction. This was far greater for those who reported themselves as being conscientious, namely they were thorough in their attitudes to life and work, energetic, and effective and efficient in how they did things.

Leading the research, Dr Christopher Boyce of the Behavioural Science Centre at the University of Stirling, said: "It is often assumed that as our income rises so does our life satisfaction, however, we have discovered this is not the case. What really matters is when income is lost and this is only important for people who are highly conscientious."

The study, which accounted for shifting circumstances such as entering or leaving work, and changes to health and household make up, found that for people that were only even moderately conscientious, a loss of income had a negative impact at least two and a half times greater than less conscientious individuals.

Dr Boyce said: "Continually increasing our income is not an important factor for achieving greater happiness and well-being for most [people](#) living in economically developed countries. Instead, we should aim for financial stability to achieve greater [happiness](#), while protecting those individuals who experience negative income shocks."

Provided by University of Stirling

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