

## How Much is Enough?

Winning the lottery will make you happy, but your happiness level will return to pre-winning levels within months.<sup>i</sup> Beyond a certain income level, where your basic needs of safety, food, shelter, medical care, etc. are met, the belief you would be happier if you were richer is an illusion.<sup>ii</sup> That's because we quickly adapt to our new higher income. It's called **hedonic adaptation**. If you are planning to get rich to become happy or searching for happiness, look inside, not outside. College freshmen who said making money was their primary goal were **less happy** in five life domains (life as a whole, fun, family life, income and relationships with friends) 19 years later than classmates with non-financial goals.<sup>iii</sup> Close, loving social relationships, on the other hand, do not suffer from hedonic adaptation.<sup>iv</sup> Positive emotions from buying things is fleeting, spending money on experiences with other people produces emotions that are more meaningful and long lasting.<sup>v</sup> To some extent we are owned by our possessions.

“Lives based on **having** are less free than lives based either on **being** or **doing**.”  
William James.<sup>vi</sup>

Joseph Heller and Kurt Vonnegut were at a party given by a billionaire on Shelter Island. Kurt said, “Joe, how does it make you feel to know that our host only yesterday may have made more money than your novel ‘Catch-22’ has earned in its entire history?” Joe said, “I’ve got something he can never have.” “What on earth could that be, Joe?” Kurt asked. “The knowledge that I’ve got enough.”<sup>vii</sup>

Never confuse your net worth with your self-worth.

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<sup>i</sup>P. Brickman, et al. Lottery winners and accident victims: Is happiness relative? *Personality and Social Psychology*. 1978 Aug 36(8) 917-927

<sup>ii</sup> D. Kahneman et al. Would You Be Happier If You were Richer? A Focusing Illusion. *Science*, June 2006, Vol. 312

<sup>iii</sup> C. Nickerson et al. Zeroing on the dark side of the American dream. A closer look at the negative consequences of the goal for financial success. *Psychological Science*. (2003) Vol. 14, November pp. 531-536

<sup>iv</sup> R.A. Easterlin, A puzzle for adaptive theory. (2005) *Journal of Economic Behavior and Organization*, 56:513-521

<sup>v</sup> V. Bowen et al. To do or to have? That is the question. (2003) *Journal of Personality and Social Psychology*, 85,(6) pgs. 1193-1202

<sup>vi</sup> William James, *The varieties of religious experience*. (1902) Random House. Pg. 313

<sup>vii</sup> Kurt Vonnegut, *True Story*, *Word of Honor: Joseph Heller...The New Yorker Magazine*: May 16<sup>th</sup>, 2005