

When money brings happiness!

Money can buy happiness, but only if it is given away in charity or spent buying things for others, according to a new study.

The study, by researchers at the University of British Columbia, looked at a sample of more than 630 people, more than half of whom were women.

The researchers asked participants to rate their general happiness; report their annual income; and provide a breakdown of their monthly spending, including bills, gifts for themselves, gifts for others and donations to charity.

"We wanted to test our theory that how people spend their money is at least as important as how much money they earn," said Elizabeth Dunn, co-author of the study published in the latest issue of the journal *Science*.

"Regardless of how much income each person made," said Dunn. "Those who spent money on others reported greater happiness, while those who spent more on themselves did not."

The study also measured the happiness levels of employees at a firm in Boston before and after they received their profit-sharing bonus, which ranged between \$3,000 and \$8,000.

What affected the employees' happiness was not so much the size of the bonus but how they spent it, Dunn said.

The employees who devoted more of their bonus on gifts for others or towards charity consistently reported greater benefits than employees who simply spent money on their own needs.

In another experiment, the researchers gave participants a \$5 or a \$20 bill, asking them to spend the money by 5 p.m. that day. Half the participants were instructed to spend the money on self, and half were assigned to spend on others.

Participants who spent the windfall on others reported feeling happier at the end of the day than those who spent the money on themselves.

"These findings suggest that very minor alterations in spending allocations - as little as \$5 - may be enough to produce real gains in happiness on a given day," Dunn said.