



THE ROLE OF MONEY IN THE PURSUIT OF HAPPINESS

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Abstract

Whosoever says money cannot buy you happiness does not know where to shop. Your stand concerning this statement will depend on your level of income and the importance of money for your well-being. Since some might argue that having money is not everything, it then raises the question of what does it take to be happy? What is the government's role in this endeavor? And how can happiness be sustained? This study presents some principles about money and happiness. It suggests that while being rich might not necessarily be the main or only path to happiness, having a higher income will guarantee access to homes in safer neighborhoods, better healthcare, and nutrition, provide access to higher education for your family, give you a sense of fulfillment, work satisfaction, and more leisure time. Note that how you spend, save, and think about money shapes how much joy you get from it. Above all, happiness is a subjective experience. It is about the satisfaction you derive from the way your life is going. Happiness is about personal freedom to make important life choices, such as shaping your life the way you want it.

Keywords: achievement, freedom, fulfillment, pleasure, satisfaction, well-being

Introduction

People from around the globe differ in various ways in terms of their looks, interest, behavior, culture, and religious beliefs. But we are united in one especially important way – The Pursuit of Happiness. This is one common trace we all have, whether you are a scientist, philosopher, writer, poet, or spiritualist. This pursuit of happiness is an age-old quest that has been a central focus of human civilization for centuries. From the ancient philosophers to modern-day self-help gurus, people have been trying to understand what happiness is and how we can achieve it. While there is no one-size-fits-all definition of happiness, it is generally understood to be a state of well-being, pleasure, and fulfillment. It is a feeling that comes from within, and it is often influenced by our thoughts, emotions, and actions.

There was a time when happiness was a spiritual experience, today it is an industry worth over \$4.2 trillion. In the last 4 years, about 4.2 million people have enrolled themselves in a happiness course called “The Science of Well-Being” offered by Yale University on Coursera (Santos, 2022). The course intends to engage participants in a series of challenges designed to increase their happiness

and build more productive habits. On the same learning platform, another 454,441 people already enrolled in “A Life of Happiness and Fulfillment”. Instagram posts with #happiness as of 21st Nov 2022 amounted to 169.5 million #happy life posts are 17.6 million and 1.4 million for #happinessisachoice. So, with all the mechanization of happiness, is it possible to find happiness, or where can it be found?

Method

This study adopts mostly a qualitative research design with the support of some quantitative. It aims to explore and understand some principles of money and happiness. The qualitative data is not in the form of statistics, nor involve any forms of calculational. By nature, qualitative research can observe complex details about phenomena which is more difficult to decode through a quantitative method such as the usage of statistics or numerical calculation (Creswell, 2009, p. 19). The qualitative design looks at how social meanings are attributed to people’s experiences. Meanwhile, the quantitative data include General Government Expenditure on Education from Eurostat and World Happiness Index from the World Bank.

Findings and Discussions

What does it take to be happy?

Several Greek philosophers (from Aristotle to Epicurus and from Plato to Socrates) had their views on what it takes to be happy. And of course, we all have our theories about happiness too. The Hindu scriptures say a human can only temporarily find happiness on earth by pursuing the four Purusharthas or the inherent values of the Universe – Artha (economic values), Kama (pleasure), Dharma (righteousness), and Moksha (liberation). These are considered the blueprints for human fulfillment. Permanent happiness according to Hinduism is only possible in the highest heaven, hence we must obtain liberation. Islam says happiness is a lifelong process, which includes peace of mind, tranquility of heart, contentment in the world, and everlasting bliss hereafter. The Christians believe that the only happiness we can have outside of God is temporary, which sets us up for disappointment and even despair when it disappears. The Christians believe that God wants us to be happy but not at any cost. His goals for us are higher, broader, and more lasting than fleeting happiness (Bible - Isaiah 55:9). From a biblical point of view, the pursuit of money can produce feelings of happiness as long as the stock market is up, and thieves stay away (Bible - Hebrews 13:5; Matthew 6:19; 1 Timothy 6:10) – but many who sit enthroned on piles of money attest to a sense of emptiness. Judaism says the pursuit of happiness is a moral duty. This pursuit of happiness is also enshrined in the United States declaration of independence. The subjectiveness of how it has been defined makes it difficult to grasp. The Japanese define it as good luck and social harmony, and the Americans see it as freedom and personal achievement. Meanwhile, the Chinese believe that the relentless pursuit of happiness or too much happiness can bring unhappiness.

Many universities including the Ivy League and the University of Cambridge now have institutes dedicated to happiness research (Bennett Institute for Public Policy, 2023; Center for Sustainable Development, 2023; Emirates Center for Happiness Research, 2023; The Greater Good Science Center, 2023). And yet,

happiness is the least understood and subjective term. Simply put, happiness is those things we take for granted. For some, it could mean getting a university education, a stable job, and retiring in their early 60s – being free of work, stress, and health issues. If you are living in a war zone or terrorist environment, happiness to you would be survival.

What then are the determinants of a happy and fulfilling life?

Even though we all want to be happy, we hardly have what it takes to be. Thanks to scientists for figuring it out in the last 100 years, and most importantly, the studies in the last 20 years have built upon the work of their predecessors so that we can now lead a happy and fulfilling life.

In the book “If You’re So Smart, Why Aren’t You Happy?” Prof Raj Raghunathan hypothesized that happiness is like a balloon; the bigger it gets, the more uplifted you feel. Balloons are such a fun and happy thing associated with positive events. When you hold a balloon; not just you but everyone around you can tell how big it is (Raghunathan, 2016). Happiness is just as similar. What that suggests is that it is not too difficult to measure happiness; however, since it is an object of feelings, it will be reasonable to ask if it can be objectively measured.

Prof Ed Diener from the University of Virginia, who is known around the world as “*Dr. Happiness*” has done an extensive study on this topic (Diener & Seligman, *Beyond Money: Toward an Economy of Well-Being*, 2004; Oishi, Diener, & Lucas, 2007; Diener & Biswas-Diener, *Rethinking happiness: The science of psychological wealth*, 2008; Diener & Diener, *Happiness: Unlocking the Mysteries of Psychological Wealth*, 2008; Pavot & Diener, 2008). His study finds that people’s self-reported happiness levels are correlated with:

- Left prefrontal activity
- Serotonin and cortisol levels
- What family and friends say about happiness
- Reaction times to good and bad things
- Memory for good vs bad things

Prof Ed Diener found that all correspondents of his survey gave the same answers, although they do not converge 100%. Thus, the answer to this question gives predictability to forecast their future behaviors (success, health, and relationship). He argued that happy people make more money, and they are likely to live longer, have better health, and are more likely to get married and stay married. Those that are less happy or unhappy at the age of 18-20, are more likely to be unhappy in their marriage, leaving them with no choice but divorce.

To understand the idea of happiness and therefore alleviate suffering, neuroscientists, and psychologists have started to investigate the brain states associated with happiness components and to consider the relation to well-being. Even though in principle, it is difficult to define and study happiness, psychologists have made substantial progress in mapping its empirical features, and neuroscientists have made comparable progress in investigating the functional neuroanatomy of pleasure, which contributes importantly to happiness and is central to our sense of well-being.

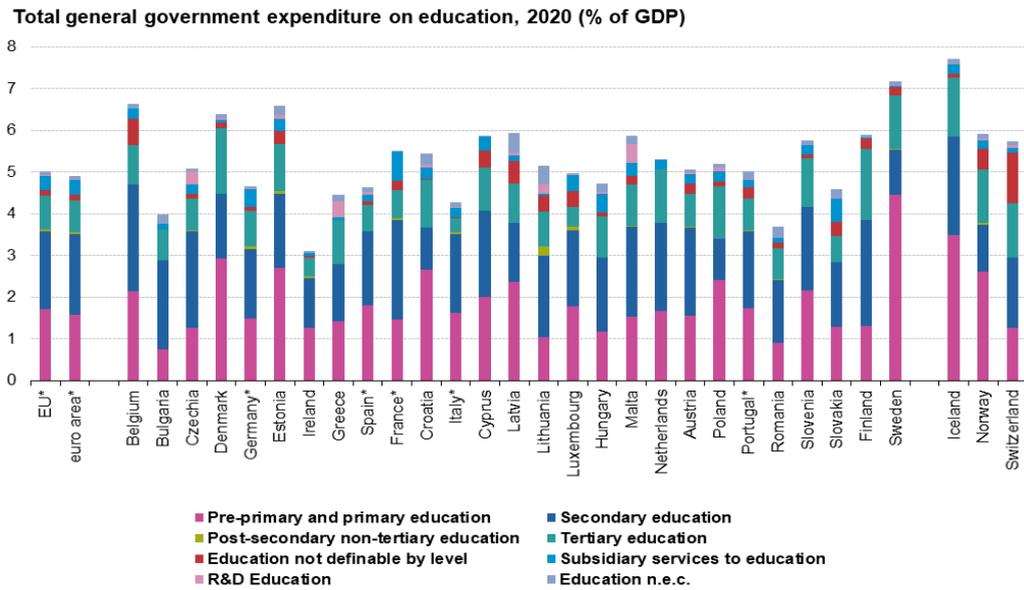
According to modern research, there are 3 basic views when looking at theories of happiness:

- (1) Hedonism – the pursuit of pleasure; sensual self-indulgence. This is an ethical theory that pleasure (in the sense of the satisfaction of desires) is the highest good and proper aim of human life
- (2) Eudaimonia (Life-satisfaction) view – to be happy is to have a favorable attitude about one’s life, either over its entirety or just over a limited period
- (3) Affective state theory – argues that happiness depends on an individual’s overall emotional state.

Sigmund Freud (1930) postulated that people’s endeavor for happiness has two sides, a positive and a negative aim. On one hand, it aims at an absence of pain and displeasure, and, on the other, it aims at the experiencing of strong feelings of pleasure. Kringelbach and Berridge (2010) argue that the neuroscience of both pleasure and happiness can be found by studying hedonic brain circuits. This is because pleasure is an important component of happiness according to most modern perspectives. Other theories of happiness combine the life satisfaction theory with other hedonistic or affective-state theories – Subjective well-being (Haybron, 2003). This subjective well-being is the most widely accepted theory of happiness. Ed Diener is also of the opinion that happiness is subjective. But critics of this theory argued that the main weakness of subjective measures of happiness is that they are affected by cognitive biases such as the effects of expectation and adaptation, so we don’t know how far to believe the scores (Argyle, 2001; Bunton & MacDonald, 2003). White, Gaines Jr, & Jha, (2012) went further to draw on empirical research in Zambia and India to show that context matters and qualitative research is needed to complement quantitative measures of well-being. So, while subjective well-being scholarship has its merits, it is not without its weaknesses. The application of this approach is inappropriate and indeed problematic for applications in public policy. That is why (Fabian, 2022) argued that it is time to replace the method with a more realist epistemology that engages extensively with normativity.

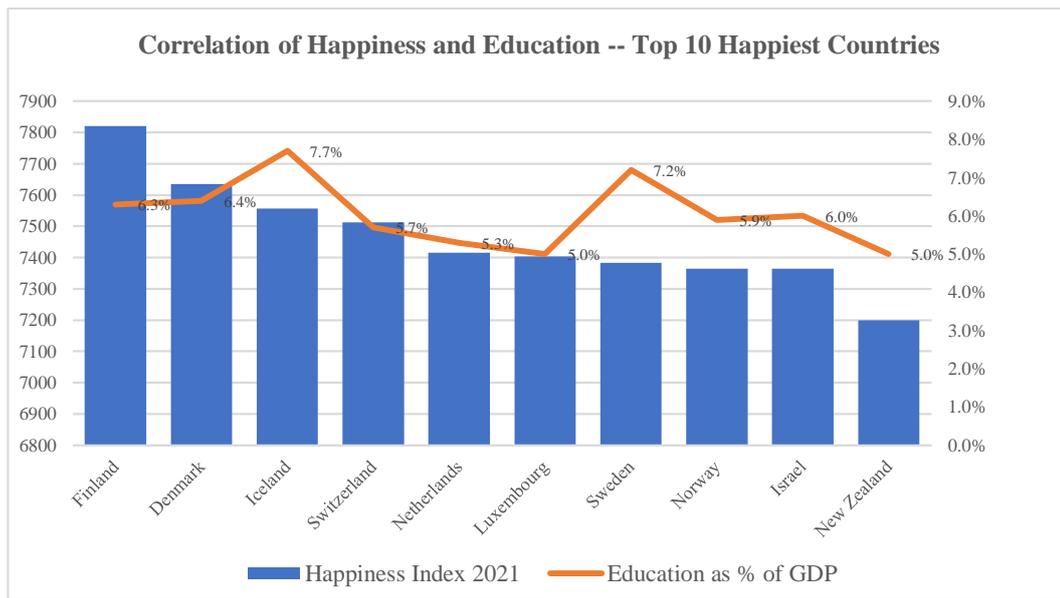
Can money buy happiness?

Even though the importance of money cannot be overemphasized, it would not buy happiness, but it sure would make dreams come true. That is why verse 3 of the Good Life tract (Kanye West, 2007) said that whether you are broke or rich, you must understand that having money is not everything; not having it is. Meanwhile, Kahneman & Deaton (2010) a Princeton University study revealed that people do not report any greater degree of happiness after exceeding an annual \$75,000 in earnings. Low income indeed exacerbates the emotional pain associated with misfortunes such as divorce, ill health, and being alone. However, high income only buys life satisfaction but not happiness. An income is important and should not be discredited, but it should not be the only measure used when making decisions. Sometimes life would offer us fixed variables such as time, and it is up to us to use them to maximize our desired outcome. Therefore, it is not surprising that the government of developed and emerging countries has made education a priority, by going beyond the UN recommendation of 5% of GDP. In the EU, general government expenditure on education amounted to €671 billion (\$720 billion) or 5% of GDP in 2020.



Source: (Eurostat, 2022)

High government investment in education would lead to higher productivity, an increase in income level, and fulfillment in life. Consequently, the 2021 government expenditure on education of the top 10 happiest countries according to the World Happiness Index accounted for 6% of their GDP.



Source: (WHR, 2022; World Bank, 2021)

So, to lead a happy society, the government needs to be making choices for a better direction for the country. These choices should include investment in educational institutions to help foster economic growth, enhance productivity, contribute to personal and social development, and reduce social inequality, among other reasons. Some might argue that there is extraordinarily little correlation between academic and career success and an even lower correlation between career

success and life success. This might get us to then wonder what the purpose of education is. Some will even argue that the ultimate purpose of education is to give students the skills-set and tools required to lead a happy and fulfilling life while helping others to do the same.

The law of diminishing marginal utility

The term Happiness means different things to different people. But one thing that is for sure is that if you earn lower than the industry standard or another colleague doing the same job, or if the income gap between your job stage and the next job stage is significantly large, you are likely to be unhappy, hence reducing your job or career satisfaction. Notwithstanding, happiness could also be subject to the law of diminishing returns. This takes us back to the balloon metaphor; if the bigger the balloon, the happier you are, then the question is what affects the size of the balloon? One thing that can affect the size is whether it has holes in it. If there are holes, the air will gradually get out and the balloon will get deflated. For example, imagine you are extremely hungry, so you order a pizza that arrived in six slices. The first slice of the pizza will give you the highest level of satisfaction you can ever have. You might even feel amazing with the second slice, the third will be good, and the fourth okay. With each slice, your satisfaction will begin to diminish until you get to the final slice which you might not even derive any form of satisfaction from it anymore. This is the law of diminishing marginal utility. It means that the more you have of something, the less satisfaction you derive from it and the less happy you are. The holes in your balloon in economic terms could also be higher expenditure against your income level which will lead to a budget deficit.

We can learn from the law of diminishing marginal utility that as you make more money, your happiness might not grow due to the increase in taste or desire. As a business traveler, I felt amazed the first time I stayed in a five-star hotel. I was still enjoying it after a couple of times, but sooner I literally stopped seeing the beauty of the rooms and the ego attached to the locations. This is because happiness might be subjective, and it will be wrong to assign happiness to what you have or want, but rather to who you are and the people you spend your time with. If you are not happy with who you are and the people you spend your time with, money will not change anything. Money is only an enhancer – if you do not learn how to be happy with the little things you have, there is no way money will teach you how to be happy with more. Instead of blindly engaging in the pursuit of money or wealth in the name of happiness, you should rather make your focus on the people that surround you, a healthy workplace and workforce, the knowledge you can accumulate, and how you can use it to make a difference for good. These are the things that will sustain long-term happiness. No doubt, being poor sucks and money makes the world go around. However, money becomes overrated once you have just enough to have a meaningful life.

Two years ago, my family decided that it is time to upgrade our car from 10 years old plus minivan to a relatively new SUV. The first two weeks were amazing for all of us, my wife in particular found every reason to go for a ride. All the places we previously walked to (corner shops, gym, kids' playgrounds, and next streets) suddenly required driving. She spent time by herself in the car just to enjoy its infotainment system's special features. She was so excited that if she could, she would have slept in the car or just brought it to bed. After 3 months, the excitement

had relatively diminished, and by another 6 months the ego and excitement attached to the SUV have diminished significantly and the car had become a simple tool for mobility.

Even though happiness is found in the deep and abiding satisfaction of our innermost desires, too often we swap happiness with pleasure only to find that it can quickly be deflated like a balloon with holes. Happiness therefore must be much more than merely getting what we want. Some might ask, how then can one continue to live life to the fullest when the reality is painful? The answer lies in having a positive and productive mindset. The three universally important tips to boost your happiness are to be actively engaged; get involved with group activities as simple as going for a walk with friends, colleagues, or neighbors; and do something meaningful.

The government's role in citizens' happiness would be to promote work-life balance, a high level of institutional trust, and ensure low crime rates, stable social support, and high disposable income. We have learned from the Nordic countries that being happy requires a good balance of life. Year after year, Norway, Sweden, Denmark, Iceland, and Finland round up at the top list of the world's happiest countries, although these countries have a high level of prosperity, they are however not the richest countries in the world by any means. They believe that to be happy requires a good balance of life and harmony. Another determinant of well-being is one's sense of personal freedom to make important life choices, such as shaping your life the way you want it. For this reason, it might be reasonable to argue that the American dream is more alive in Nordic countries.

Conclusion

Happiness is what someone feels during one's life. In other words, it is the satisfaction you derive from the way your life is going. We all strive and desire this feeling. It is a feeling of contentment, joy, and satisfaction, and it is often associated with positive emotions and a positive outlook on life. Some factors that might impact someone's happiness include biology, income level, and the city they live in. Money can indeed play an important role in the pursuit of happiness by providing access to basic needs such as food, shelter, and healthcare, as well as providing the means to pursue hobbies and interests. However, it is important to note that money alone cannot guarantee happiness and that other factors such as relationships, personal values, and mental and physical well-being also play important roles in overall life satisfaction. Additionally, research suggests that beyond a certain point, an increase in income does not significantly increase happiness. So, the best predictor to see whether people are happy is to see whether they are satisfied with their relationships. You can ask yourselves these questions: Is there someone you can rely on in time of need? And do you have someone you can share your hopes and worries with? Ultimately, happiness is a state of mind, and it is something that we can cultivate and nurture within ourselves. By focusing on the present moment, building positive relationships, and engaging in activities that bring us joy, we can all learn to be happy and live fulfilling lives. So, do not be tempted to wonder whether happiness can be found because it must be created. You are the architect of your life, therefore do not blame others. Note that the happiest people do not have the best of everything, they make the best of everything. Decide today and take the step. If you realized the power of your thoughts, you would never

nurture negative thoughts again. Remember, thoughts become things. Think, decide, and execute.

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