

What money can't buy

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Don't spend more, spend smarter to be happier



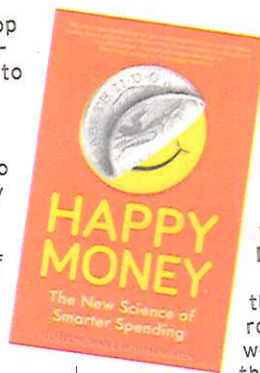
If you walk into a book shop and stroll over to the self-help section you're likely to spy a number of brightly covered books promising to make you mega rich. We're a society that's led to believe more money instantly equals more happiness. However, in their new book, *Happy Money: The Science of Smarter Spending*, psychologists Elizabeth Dunn and Michael Norton argue a different case, stating that after a fairly low threshold, more money does not improve our contentment levels. They claim that if we really want a life full of joy, we should change how we spend the money we do have, instead of trying to make more of it.

Here are their five steps to help you spend more simply, more wisely, and more happily.

Buy experiences

"It's well documented that people get more happiness from buying experiences, like trips, concerts and special meals, than from buying material things, like dresses and houses," says Dunn.

Firstly, we tend to have experiences with other people. Secondly, we tend to compare our material possessions to those of others, making us more likely to regret our purchase. Experiences, however, are unique. Finally, the rush of happiness you feel when you buy a new material possession fades



quicker than experiences. Put it into practice; if you have to choose between buying a belt and going for a day out with friends, opt for the day out. **Make it a treat** "It would seem that the ideal route to happiness would be to have all the things we like

best, all the time, but it turns out that's not true," says Dunn.

When we have something that we love all the time, we no longer get excited about having it.

Put it into practice: Only have your favourite latte two mornings a week, opting for home-made coffee on the other days. Note how much more delicious the lattes taste.

Buy Time

"A fascinating finding from happiness research is that the big things in life, like getting married and having a good job matter - but not as much as people expect," says Dunn.

The little things matter a lot. Dunn explains that if you hate certain small chores like hoovering paying someone else to do it can have a big impact on your happiness levels.

Put it into practice: If you can't stand cleaning the gutter and you

can afford to, pay someone to do it. Spend the extra time doing something you really want to do. **Pay now, consume later**

This is essentially an anti-credit card rule, declaring that paying now and consuming later, rather than consuming now and paying later, will make us happier.

Imagine you've bought a pair of shoes online. When purchasing them, you experienced that dreaded feeling of spending money, but four days later when your new shoes arrive, you only experience the excitement of getting your new item. Dunn explains this is because you have separated the dread of spending from the joy of getting.

Put it into practice: If you want to buy something, rather than sticking it on the credit card, save up for it and only buy it once you've got the money.

Spend on others

"People often think they'd be happier spending more money on themselves, but spending on others is better," says Dunn.

It's not quite as simple as giving your friend a fiver though. Spend in a way that enables you to spend more time with them.

Put it into practice: Buy two cakes and take them as a surprise to your friend at lunchtime, then sit and eat them together.

■ *Happy Money: The New Science of Smarter Spending* by Elizabeth Dunn and Michael Norton (£10.99, Oneworld, out now)