

“Science Says Money Does Buy Happiness If You Spend It the Right Way”

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There is frequent talk about how much money it takes for someone to truly be happy. Many studies have shown that happiness levels increase with income up to roughly \$75,000 in annual salary. After that, there tends to be little correlation between income and happiness. For me, I think making 1000x more than that seems like the best option in the world. But what I've found is that with more money comes a *lot* more stress in my life. That being said, I still like it.

The studies

These studies are looking at averages, not the experience of any particular individual. There are some people happy making \$30,000 a year and others who believe they need hundreds of thousands to support their lifestyles. These studies are not looking at how people are spending their money. There have been many studies demonstrating that people are happiest when they spend money on certain things. Therefore, money really can buy happiness if you spend it correctly.

Eliminating financial anxiety

The reason that money demonstratively increases happiness levels up until a point is that it takes a certain salary to feel financially secure. Having enough money means no anxiety when shopping at the grocery store, going out to eat or paying your rent. This type of security is overlooked when you are used to it. Remembering and being appreciative of the fact that you are free to purchase things, though, will make you happier even after it has settled in as normal amount of your finances. Fundamentally, having enough money to buy these basic necessities will no doubt increase your happiness levels.

Buy experiences.

Money can lend you the opportunity to have memorable experiences. Although you do not need a lot of money to have certain experiences, to travel the world and do so comfortably, significant amounts of money can go a long way. Therefore, spending money on experiences will give you many moments of happiness as well as positive memories to look back on.

One important point to note is that the experiences you pay for should be ones that you genuinely enjoy, not just things that society values. If you hate going to concerts, for example, then splurging to go to a show is not a good use of your money. This is despite how many others might tell you they are jealous. Instead, you should buy experiences you truly enjoy. The examples are endless but include vacations, sporting events, nice meals, tours and shows.

Money can also enable you to learn new things. You could buy musical instrument lessons or pay for a fitness instructor to get into better shape. Picking up new skills and finding hobbies that we love will make us happier. Consequently, it is worthwhile to spend money to get more out of your hobbies and interests.

Give to charity.

Giving back to others also makes us happier. Sharing your wealth with those who need it can go a far way in others' lives. Being able to see the impact you are making is a warm feeling. Subsequently, wealth gives you a larger opportunity to give to charity and leave an impact that will leave both others and yourself better off. I personally have gotten involved with Open to Hope and Compassionate Friends. Both these organizations help people who are suffering with grief from the loss of someone in their life. We help millions each year, and I'm proud to help. Both organizations give me a peace inside that I'm truly helping give back more from this world than I'm taking. I recommend you get involved with a charity and put your heart into it.

Help loved ones.

Another great way to spend money is on people you care about. Helping a sibling, parent or friend through a tough time can be a great feeling. Even being able to throw extra money into a birthday party for your child or a good friend will make you happier. Without higher levels of wealth, it can be difficult to rationalize putting money into things like this. When you have the opportunity, though, it will make you happier.

Buy things that give you more free time.

An underrated way to spend your money is on saving yourself time. There are many tasks we do throughout the day that we do not enjoy. These differ for everyone, but examples might include doing the laundry, cooking, driving and doing household chores. When you have more money, you can spend it on eliminating these meaningless tasks. You can pay others to do them for you or find ways to automate them with technology. Doing so will free up time so you can do more of what you love.

Some items are also valuable.

One of the largest struggles faced with buying things is that, although they are novel and exciting at first, they become normalized and you forget to appreciate them. That is why, generally, experiences tend to create higher happiness levels than items.

Of course, this is not always the case. Buying things you will be able to frequently appreciate and use often will generally make you happier. One good example is art. If you are

someone who enjoys art, then buying paintings and pictures for your house will make you happier. You will frequently see them and can take the time whenever you would like to appreciate and admire them. While I personally don't enjoy art, many around me do, like my wife and several members of my family. Find what's important to you, then make time on your schedule for it.