



Generous spending leads to increased happiness: SFU psychologist Lara Aknin in World Happiness Report

BY CINDY LI | March 29, 2019

Generous spending leads to increased well-being, while volunteering shows no clear causal link to happiness, says Lara Aknin, social psychologist and associate professor in the Department of Psychology at Simon Fraser University.

Aknin, along with researchers from Harvard Business School and the University of British Columbia, contributed a chapter to this year's World Happiness Report where she explored the evidence surrounding prosocial behaviours and happiness.

The World Happiness Report, released annually by the United Nations Sustainable Development Solutions Network, is a landmark survey of the state of global happiness. It ranks 156 countries by how happy their citizens perceive themselves to be.

In 2019, Canada came in ninth out of the 156 countries included in the report. Finland found itself at the top of the list for the second year in a row.

“It was an honour to contribute a chapter to the World Happiness Report because the contents of the report reach a wide readership and may be used to impact policy,” says Aknin.

“Knowing that, my co-authors and I tried to provide a clear and critical summary of the existing evidence on the relationship between generosity and happiness. In doing so, we laid out the strengths and limitations of the existing literature.”

One of the topics discussed in the chapter is the question of whether there is a causal link between volunteerism and happiness.

“We were somewhat surprised to see that there wasn’t strong evidence for a causal link between volunteering and happiness,” says Aknin. “Although we often think that volunteering leads to higher levels of happiness, the largest and most conclusive studies conducted to date show little support for this intuition.

“Additional research is needed to take a closer look at when, where and for whom formal volunteering may provide emotional benefits.”

In contrast, prosocial spending—that is to say, using money to benefit others—does present a reliable causal relationship with improved well-being. Prosocial spending can mean charitable giving, or simply treating a friend to coffee or buying flowers for your partner.

“Our findings demonstrate a pretty consistent causal link between generous spending and happiness,” says Aknin. “Although some studies utilize small sample sizes, which is a shortcoming that new research is working to address, the literature shows that spending money on others leads to greater happiness than spending on yourself—and this emerges among adults, young children, in rich or poor countries, and even among ex-offender populations.”

There are certain conditions, however, that are more likely to promote happiness in the context of prosocial spending.

“Specifically, spending money on others is most likely to lead to happiness when spenders choose freely to provide help, when generous spending provides an opportunity to connect with other people, and when spenders see the positive impact of their generosity.”

Aknin, whose research interests revolve around happiness and social relationships, has published numerous papers examining the link between prosocial behaviours and increased happiness.

In recent years, she has been pleasantly surprised to see growing interest in these questions, but was also struck by the need for more evidence—especially large, pre-registered experiments and real-world tests outside the lab.

Aknin earned her BA (Hons.), MA, and PhD in social psychology at the University of British Columbia. She joined SFU in 2012 and teaches courses in social psychology.

Her contributions to the field earned her a fellowship in the Canadian Institute For Advanced Research (CIFAR) in 2016. She was also named one of the Association for Psychological Science’s Rising Stars in the same year.

Next year, Aknin will again be contributing to the World Happiness Report as an associate editor.

The full 2019 World Happiness Report is available online.