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## **“Too Much of Everything is Never Enough\*”**

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When you first got out of school or got married, perhaps you dreamed about your first real job and getting a steady paycheck; or maybe it was a little house of your own. Perhaps it was finally having your own room or bathroom . . . your first baby . . . or a new car. Those were things that would make you very happy once achieved. Now, years later, you’ve got all that. So what’s next? What makes you really happy now?

Finding the answer to that question is an area of serious study for social scientists, psychologists, and economists. Understanding what we do to make ourselves happy and how we spend our money toward that end yields valuable insights into potential strategies for retirement preparation, the study of some addictive behaviors, and even public policy.

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We aspire to be happy as human beings, and the lengths to which we will go to achieve that state sets us apart in the animal kingdom. Most of us, through perseverance, hard work, and occasionally luck, can better our station. We can raise our incomes over time and check off the new luxury car, the first home, the bigger second home, the dream vacation. And when asked what can increase our happiness, most people will give you a whole list of “acquisitions” and experiences that can bump them up to that next happy plateau. Some of us honestly believe that we can dial up our sense of contentment permanently with that \$300 pair of jeans, a home remodel, or a new something from Amazon.

Before we continue, please know that this commentary is not a critique of trying to live a better, more comfortable life. Nor are we saying that happiness comes only from acquiring “stuff”, as opposed to raising wonderful kids, enjoying relationships, and finding spiritual rewards. Our point is far from that, as you’ll see.

The notion that people try to feel better by acquiring something they think they need –making a purchase, shopping- is nothing new (Brickman, Campbell, 1971; Elia, 2005; Lyubomirsky, 2006). We even joke about shopaholics. What is interesting though, is that a number of studies have shown that even after buying that special thing that we really can’t live without . . . our happiness level spikes for only a short

time, and then reverts to the base same level we had prior to the purchase. This is termed “hedonic adaptation”, and consistently over decades research participants report that their levels of happiness are no higher shortly after a purchase than they were before. Buying did *not* make them happier. Hedonic adaptation explains that we have happiness “set points” or ranges (Lyubomirsky, Brickman, Campbell) that we revert to after major positive and negative events. A salary increase may be a reason to celebrate, but after a time we get habituated to our new discretionary income and wonder “what’s next” to move the happiness needle.

In an era of online shopping, credit cards, and advertising of all sorts (Americans see 1,000 + advertisements a day, according to Google) it becomes oh-so-easy to seek gratification through buying things. For some, this becomes a crippling financial addiction . . . for most of the rest of us it doesn’t, but it bears understanding and watching. How many of you have been really excited about a purchase only to see it weeks or months later in the back of a closet? We’ve all done that, it’s normal. But there’s a middle ground that lies between the addictive shopping that compensates for other serious dysfunctions and the occasional bone-head “I really thought I’d use that exercise bike” purchase.

Millions of Americans *do* frequently spend to get a little happiness high, feeling that it will make a long term difference. But what perks them up today becomes part of life’s furniture tomorrow, and then the cycle begins again. You know what we’re talking about; you know these people. How much of what we buy is what we need? For some, too much of everything is never enough. The pursuit of the new and improved, the replacement of things that still have perfect utility can rob retirement and college savings, and potentially place long term plans in jeopardy. The hedonic treadmill is a dangerous place for most of us.

So, think about it as you look on-line, thumb through a magazine, or watch TV ads. Do you need more paraphernalia?

If you had a \$25,000 windfall and the choice of a) buying a new car, b) renovating your home, or c) taking a dream vacation with your family, which would you choose? The car, if what you’re driving isn’t so great? Perhaps you’re tempted by the home renovation to make life a little more enjoyable. You might not choose the vacation because it’ll be pretty short and then over. The car and renovation you’ll enjoy daily, right?

Well, research by psychologist Elizabeth Dunn and social scientist Michael Norton indicates that the family vacation has a much bigger impact on your long term happiness. In fact, there is a great deal of research that points to spending money on experiences (such as

vacations) over commodities, as moving your happiness set point upward for longer periods. You adapt to the commodities you own, but a vacation . . . especially if you are planning it months in advance . . . offers you the opportunity to anticipate, then enjoy, and later savor your memories.

**“ . . . think about ‘buying’ an experience- something that you can share with others that you can anticipate now, and savor later.”**

In another study (DeLeire, Kalil) happiness levels after expenditures on nine major categories of consumption were reported. They included personal care, vehicles, buying durable goods, charity, and more. But only one type of expenditure had a positive correlation with increased happiness . . . spending money on leisure (vacation, golf, fishing). Leisure activities were experiences that promoted connectedness to others and promoted a longer term sense of wellbeing.

And there’s one more expenditure that really makes people happy: money spent on others. As opposed to money you spend on yourself, this type of act, called “prosocial” spending, was the *only predictor of happiness* when compared with other types of spending (Dunn, Akin, Norton). Spending as little as \$5 buying a stranger a Starbucks coffee, or purchasing a small gift for someone made a huge difference. A relatively small act of *personal* giving can change our day.

Look, we all spend money on ourselves. It’s fun. And sometimes we need a new car. Nothing wrong with a nice one. Updating appliances is necessary too, sometimes. Even a new pair of shoes. We just can’t expect spending to change our lives and make for a more contented life. It doesn’t. The joy buying more stuff brings us is fleeting. Think about “wants” versus “needs”. Think about what truly has utility in your life. And just because you have some extra cash in your checking account, you don’t necessarily need to spend it. Saving is always a nice option. But if you do spend it, think about “buying” an experience – something you can share with others that you can anticipate now, and savor later. Or do something unexpectedly nice for someone. Those are the things that can change us.

Sometimes we already have enough.

\*Lyrics from “Love, etc.”

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