

Name: _____ Class: _____

Study: 'High Incomes Don't Bring You Happiness'

By Caitlin Kenney
2010

People often have conflicting ideas about whether or not money can buy happiness. Some believe that the lifestyle that money can offer is equivalent to happiness, while others fear that money can lead to greediness that can never be satisfied. In this study, psychologist Daniel Kahneman and economist Angus Deaton seek the answer to this question. As you read, take notes on the different definitions of happiness that exist and how they are affected by money.

- [1] How much money do you think it would take to make you happy? Would an extra \$10,000 a year do it or would it take a \$100,000 salary bump to improve your mood?

A new study from Princeton economist Angus Deaton and psychologist Daniel Kahneman suggests that number depends on how you define happiness. The authors draw a distinction¹ between emotional well-being, “the quality of a person’s everyday experience such as joy, fascination, anxiety, sadness, anger, and affection” and life evaluation “a person’s thoughts about his or her life (on a longer time scale).”



"Money Wallet" by 401(K) 2012 is licensed under CC BY-SA 2.0.

Their study of data from the Gallup-Healthways Well-Being Index found that while “life evaluations rise steadily with income,” emotional well being drops off at about \$75,000 a year.

Beyond \$75,000, money is important for life evaluation, but does nothing for happiness, enjoyment, sadness, or stress. Both factors are important; it is good to have high emotional wellbeing, but it is also good to think your life is going well.

- [5] According to the most recent census² data, the median US household income was \$52,000 in 2008, with about a third of households making above \$75,000.

©2010 National Public Radio, Inc. News report titled “Study: ‘High Incomes Don’t Bring You Happiness’” by Caitlin Kenney was originally published on NPR.org on September 7, 2010, and is used with the permission of NPR. Any unauthorized duplication is strictly prohibited.

1. **Distinction (noun):** a difference or contrast between similar things or people
2. an official count or survey of the population

Text-Dependent Questions

Directions: For the following questions, choose the best answer or respond in complete sentences.

1. PART A: What statement best identifies the central idea of the text?
 - A. Money makes people happy above anything else.
 - B. "Emotional wellbeing" is solely dependent on wealth.
 - C. Money plays only a very minor role in people's overall happiness.
 - D. Money is able to influence people's happiness to an extent.

2. PART B: Which detail from the text best supports the answer to Part A?
 - A. "would it take a \$100,000 salary bump to improve your mood?" (Paragraph 1)
 - B. "Beyond \$75,000, money is important for life evaluation, but does nothing for happiness," (Paragraph 4)
 - C. "it is good to have high emotional wellbeing, but it is also good to think your life is going well." (Paragraph 4)
 - D. "the median US household income was \$52,000 in 2008, with about a third of households making above \$75,000." (Paragraph 5)

3. PART A: What does paragraph 5 suggest about the "emotional wellbeing"? of an individual with the median household income in 2008?
 - A. The average household in the US would be happier with a higher income.
 - B. Only "life evaluation" would increase with a higher income.
 - C. Some people in the United States make too much money and it's harmful to average Americans.
 - D. Increasing the average household's income would decrease the country's overall "emotional wellbeing."

4. PART B: Which section from the text best supports the answer to Part A?
 - A. "number depends on how you define happiness." (Paragraph 2)
 - B. "life evaluations rise steadily with income," (Paragraph 3)
 - C. "emotional well being drops off at about \$75,000 a year." (Paragraph 3)
 - D. "Beyond \$75,000, money is important for life evaluation," (Paragraph 4)

5. What is the main difference between “emotional well-being” and “life evaluation”, as discussed in paragraph 2?
