

# DOLLARS AND SENSE

## MEASURING GROSS NATIONAL HAPPINESS ...

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The tiny kingdom of Bhutan started measuring its country's Gross National Happiness in 1972. This was deemed a more important factor than Gross National Product, the common measure of the economic output of a country.

You'll note that's a theme we have voiced periodically over the last 16 years in this column. The goal of Dollars and Sense has always been to help you do better with your money. More money efficiency means more to spend on you and your goals. We all assume that will lead to more happiness.

But, if it came down to a choice between happy and money, I would probably suggest that you choose happiness over money. I contend that you may have more control over your personal happiness than you do over your income, so it's worth learning about.

Officially recognizing happiness and citizen contentment is a trend that seems to be catching on with other countries.

According to a recent article in The Atlantic, the respected U.S. general interest monthly magazine, France started developing alternatives to GDP that measured national well-being two years ago and, in 2010, British Prime Minister David Cameron directed his government to start measuring psychological and environmental well-being.

These are pretty tough things to measure, but there is research. From what I have read, people in rich countries

are not generally happier than people in countries with lower per capita GDP.

There appears to be a certain level of income above which there is very little direct effect on happiness.

While research shows that having more millions does not make a person proportionately happier – in fact, a recent Boston College study of people with an average net worth of \$78 million showed them to be generally unhappy and dissatisfied with life – the baseline for happiness does require enough to cover the basic necessities, and a few luxuries.

In 2010, Nobel prize-winning economist Daniel Kahneman and Professor Angus Deaton analyzed survey data from 450,000 people and found that above the income level of \$75,000, there was no measurable increase in happiness due to income. They identified this as the "specific dollar number, or income plateau, after which more money had no effect on day-to-day contentment."

This is American research and based on phone surveys, which may be a flawed methodology. Either way, I believe that after a certain amount of income, it is factors other than money which positively affect happiness.

Research (and my observation) suggests that a feeling of progress and improvement is a huge contributor to raising the feeling of deeper satisfaction with how your life is going. When you believe you are moving forward and achieving some of the goals you've set for yourself, your feeling of well-being improves significantly.





Another big factor is **acknowledging** this progress, by measuring it and saying out loud (or writing down) your achievements. The icing on the cake is feeling grateful for everything you have, and that may be the secret of those annoyingly content people you come across from time to time.

So, here are the steps:

1. Make a list of the things you achieved in the last year, no matter how small or large. Focus on those positives.
2. Where appropriate, write down the next step you would like to take in each area. Where do you go from here, ideally?
3. Now, for the future, write down the things you would like to achieve. When you have a list that excites you, set specific, measurable targets or milestones, with dates attached.
4. Then, develop a plan for what you can do each day, week or month to move you toward each of those objectives.

This is a formula that will make you happier, more positive, able to make better choices in your daily life and achieve more, all independent of your income level.

If you think I'm full of beans, then try it for a month and get back to me.

In the meantime, sign up to help with sandbagging, if you're able. Being altruistic and working together with other people toward a common goal is another near-guaranteed way to feel more satisfied with your life.

Being happy is a bit like golf – it's a simple game.



*Dollars and Sense is meant as an introduction to this topic and should not in any way be construed as a replacement for personalized professional advice.*

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