

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 distinction<sup>1</sup> 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)."



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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 well-being, but it is also good to think your life is going well.

- [5] According to the most recent census<sup>2</sup> data, the median U.S. household income was \$52,000 in 2008, with about a third of households making above \$75,000.

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1. **Distinction (noun):** a difference or contrast between similar things  
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 well-being 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 well-being, but it is also good to think your life is going well." (Paragraph 4)
  - D. "the median U.S. 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 well-being" of an individual with the median household income in 2008?
  - A. The average household in the U.S. 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, which is harmful to average Americans.
  - D. Increasing the average household's income would decrease the country's overall emotional well-being.
  
4. PART B: Which section from the text best supports the answer to Part A?
  - A. "that 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?

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