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**MAKING DO WITH LESS:  
INCREASING THE HAPPINESS-TO-CONSUMPTION RATIO**

**Silvio Borrero**

Icesi University, Cali, Colombia



The pursuit of happiness is an important goal in consumer behavior, but one that many western cultures do not seem to be achieving through their materialistic-oriented consumption (Sujan, 2008). Based on a review of relevant literature, I proposed seven hypotheses on the relationships between happiness, wealth, entropy of consumption, gratitude, materialism, and individualism. To test these hypotheses, I conducted regression analyses, discussed preliminary results, anticipated potential contributions to the field, and suggested future research possibilities.

### **MONEY CAN'T BUY ME LOVE... OR HAPPINESS**

There is significant evidence that a high level of material well-being does not necessarily result in happiness (Csikszentmihalyi, 2000; Myers, 2000; Van Boven, 2005). Even if material goods may add to quality of life, the cost/benefit relation is not linear, and there is a threshold past which accumulating goods ceases to make people happier. Maslow's hierarchy of needs (1968, cited by Csikszentmihalyi, 2000) might explain why there is a limit to the amount of happiness someone can buy. That is, if consuming behavior responds to a desire to satisfy existentialist needs, increases in material well-being might translate into higher happiness only as long as individuals seek to satisfy their lower-order needs. Once these needs are satisfied, satisfaction of higher-order needs become more important, so engaging in purposeful activities will be better in helping people fill their personal voids. Seeking meaningful experiences, having close family relations, and socializing will then translate into a happier existence rather than accumulating more possessions (Csikszentmihalyi, 1990; Russell, 1930; Van Boven, 2005).

On the other hand, highly materialistic consuming patterns result in entropic processes that accelerate the planet's decay. The coincidence of high entropy and low SWB in some materialistic/individualistic countries suggests some fascinating inferences about the relationship

between entropy of consumption and happiness at a national level. That is, collectivist/experientialist people could actually be happier than materialistic/individualist people.

It is also possible that consumers are happy simply by counting their blessings (Emmons & McCullough, 2003). Recent studies suggest that gratitude is a key factor in achieving well-being: a conscious focus on blessings appears to have benefits which in turn translate into happiness.

### **A GRATEFUL, EXPERIENTIAL, AND COLLECTIVIST APPROACH**

Happiness is an important construct in consumer behavior given its role as a driver of many consuming decisions. Based on the above rationale, I argue that whether consumers privilege an individualist/materialist or a social/experientialist consumption, how grateful they are towards their consumption, and how much such consumption contributes to entropy, are important determinants of happiness. The following hypotheses summarize the proposed relationships:

*H<sub>1</sub>: Increasing wealth results in larger increases in happiness for poor countries than for wealthy countries, and there is a point past which wealthy countries cease to increase their happiness despite rising levels of wealth.*

*H<sub>2</sub>: Increasing consumption entropy results in larger increases in happiness for poor countries than for wealthy countries, and there is a point past which wealthy countries cease to increase their happiness despite rising levels of consumption entropy.*

*H<sub>3</sub>: Decreasing returns in happiness, in proportion to wealth, are stronger for non-materialist countries than for materialist countries.*

*H<sub>4</sub>: Decreasing returns in happiness, in proportion to consumption entropy, are stronger for non-materialist countries than for materialist countries.*

*H<sub>5</sub>: Decreasing returns in happiness, in proportion to wealth, are stronger for collectivist countries than for individualist countries.*

*H<sub>6</sub>: Decreasing returns in happiness, in proportion to consumption entropy, are stronger for collectivist countries than for individualist countries.*

*H<sub>7</sub>: More grateful countries are happier than countries that are less grateful.*

### ASSESSING WORLD'S HAPPINESS

Using data for 191 countries from web-based databases, I assessed the proposed relationships, with the exception of the gratitude hypothesis given the absence of appropriate records. I obtained descriptive statistics and pair-wise correlation coefficients for all relevant variables using SPSS, and graphed the relationships between the variables in scatter-plots. The regression equations used to account for the direct and moderation effects were:

$$LS = \beta_0 - \beta_2 (1/GDP) \quad , \text{ and} \quad (1)$$

$$LS = \beta_0 - \beta_2 (1/EF) \quad . \quad (2)$$

where *LS* is the country's life satisfaction, as an indicator of happiness; *GDP* is the country's GDP per capita, as an indicator of wealth; and *EF* is its ecological footprint, as a proxy for entropy. Including the moderator variables and their respective interactions with the predictors resulted in the following models:

$$LS = \beta_0 + \beta_1 (1/GDP) + \beta_2 M + \beta_3 (1/GDP) * M + \varepsilon \quad , \quad (3)$$

$$LS = \beta_0 + \beta_1 (1/GDP) + \beta_2 I + \beta_3 (1/GDP) * I + \varepsilon \quad , \quad (4)$$

$$LS = \beta_0 + \beta_1 (1/EF) + \beta_2 M + \beta_3 (1/EF) * M + \varepsilon \quad , \text{ and} \quad (5)$$

$$LS = \beta_0 + \beta_1 (1/EF) + \beta_2 I + \beta_3 (1/EF) * I + \varepsilon \quad , \quad (6)$$

where  $M$  and  $I$  are the national materialism and individualism indexes.

### **PRELIMINARY RESULTS**

All the pair-wise correlation coefficients between the constructs of interest were significant at the 0.05 level (2-tailed) or more. As predicted, there is a positive relationship between wealth and happiness, and between entropy and happiness, which suggests that wealthier, more entropic countries are happier than poorer, less entropic ones. It must be noted, though, that these significant positive correlations respond to a  $f(x)=a-b/x$  type of function already observed by previous research for the relationship between material possessions and life satisfaction. Positive relationships were also found between wealth and entropy, materialism and individualism, entropy and materialism, wealth and materialism, entropy and materialism, and entropy and individualism, all of which support the basic assumptions leading to our moderation hypotheses. Regression analyses showed a significant  $R^2$  in each model. Significance of the individual terms supported Hypotheses 3, 4, and 5, with the coefficients' signs corresponding to the predicted relationships. Hypothesis 6 was not supported by the results.

The positive relationships between wealth and entropy, materialism and wealth, materialism and entropy, individualism and wealth, and individualism and entropy were to be expected, given the intuitive association of higher economic welfare with predominantly materialistic and individualistic western cultures that use natural resources more intensively.

### **MAKE DO WITH LESS**

As expected, an experientialist behavior results in increased happiness, individualist and materialist behaviors yield higher entropy, and there is a limit to the happiness that can be

achieved by increasing wealth and subsequent entropic yield. However, contrary to what I expected, collectivism does not appear to moderate the relationship between entropy and happiness. Furthermore, results somehow give materialistic consumers a cultural excuse to keep up a highly entropic consumption pattern. Alternative measures of materialism and collectivism should be explored before confirming or discarding these constructs as potential moderators.

Overall, the most important result was confirming a non-linear relationship between entropy and happiness and discovering that materialism can actually help people to be happy. It was also made quite evident that there is a threshold past which happiness ceases to increase, regardless of how many resources are consumed (or wasted) seeking material well-being, and that an experientialist existence should provide high levels of satisfaction. A socially-focused consumption could simultaneously preserve scarce resources and help people live happier, richer, and more fulfilling lives.

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