

## Special points of interest:

- We have a full day so we will start promptly at 8:00 a.m.
- Dress casually. At the end of the day we will adjourn to Pub 500 for our final networking opportunity — friends, food, fun, 'freshments and more!
- If you get a chance during the day, please share your "thanks" with the Old Main Village staff who have treated us so warmly and fed us so well. They deserve to hear our appreciation.

## Inside this issue:

### Work/Life Balance, Happiness & Other Elusives (overview)

#### Money and Happiness Dan Sachau

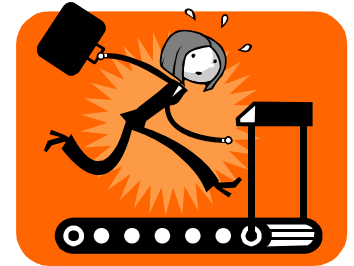
## Day 7: Work/Life Balance, Happiness & Other Elusives

The final session of the 2006-2007 Leadership Institute promises to be a fun and information filled day dealing with how to manage the competing demands of leadership — often the feeling we are on a treadmill with no end in sight.

The day will begin with Provost Scott Olson talking about "The Meaning Of Life Part 8: Work Life Balance, Happiness, and Other Elusives." Dr. Olson will provide his insights into the multiple challenges facing leaders and the difficulty in balancing the same. Next, you will hear from Drs. Amy Wagener and Steve Gilbert from the Counseling Center who will talk about "Burnout Prevention for Professionals." Burnout is a real

phenomenon and learning some important information on the topic will ensure that you can keep on going — even when the going gets rough. After lunch, we will hear from Jen Meyers, from Campus Recreation, who will lead us in a discussion of "Your Personal Wellness Check." Keeping physically healthy is paramount to keeping on the "treadmill." Next, Pauline Genter, Nutrition Educator, will present "Eating Tips to Maximize Your Energy."

The day will end on an even lighter note with a special presentation entitled "Come to Your Senses." We will explore the need for a sense of humor, a sense of purpose, and a sense of well being in a



lighthearted and uplifting manner.

Last but not least, during lunch we will have a graduation ceremony and certificates of completion of the program will be presented. A continued graduation celebration will be held at the end of the day at Pub 500 downtown Mankato.

## Money and Happiness by Dan Sachau

Social scientists tell us two things about the relationship between money and happiness. The first is: *Money can't buy happiness*. The second is: *Poverty stinks*. Although these two statements seem to be based on quite different beliefs about the ability of money to produce happiness, the reality is, both statements are true. The interesting question then becomes:

**How is it that money can't make us happy, but its absence can make us miserable?**

Ronald Inglehart, a political scientist from the University of Michigan, collected family income data and life satisfaction data from citizens of 40 countries (1997). Across the countries, there was virtually no correlation between income and satisfaction. Citizens of wealthy countries were not much happier than citizens of

not-so-wealthy countries. However, when Inglehart examined his data in more detail, he found that there was a relationship between income and happiness among very poor countries. That is, for the countries whose citizens were struggling to find adequate food and shelter, increases in income translated into increases in happiness.

There is a similar pattern of results in satisfaction studies set in the United States. Haring, Stock & Okun (1984) completed a meta-analysis in which the income and satisfaction data from many U.S. studies were compiled into a very large data set. The authors found that the correlation between income and satisfaction is low (typically around .17). However, the correlation is higher when researchers

examine only the poorest segment of the economy (Argyle, 1999).

The implication from the international and U.S. studies is that increases in income can make people in poverty happier (although it might be more accurate to say *less miserable*), but once income rises to the point that basic needs are met, additional dollars do not buy additional happiness. So the absence of money can make us miserable, but excess amounts of money cannot make us happy.

**But what about really large amounts of money; can't big money buy happiness?**

Again, the answer appears to be no. Researchers who surveyed British (Smith & Razell, 1975) and US lottery winners (Brickman, Coates, & Janoff-Bulman, 1978)



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[www.mnsu.edu/  
humanres/profdev/](http://www.mnsu.edu/humanres/profdev/)

#### Additional Leadership Resources:

To take a quiz on your work/life balance, go to:  
[www.quintcareers.com/  
work-life\\_balance\\_quiz.html](http://www.quintcareers.com/work-life_balance_quiz.html)

[www.worklifebalancecentre.  
org/](http://www.worklifebalancecentre.org/)

[http://www.webmd.com/  
balance/guide/5-strategies-  
for-life-balance](http://www.webmd.com/balance/guide/5-strategies-for-life-balance)

[http://  
www.forbes.com/2007/03/19/  
covey-work-life-lead-  
careers-worklife07-  
cz\\_sc\\_0319covey.html](http://www.forbes.com/2007/03/19/covey-work-life-lead-careers-worklife07-cz_sc_0319covey.html)



## Money and Happiness, cont'd

found that immediately after they win, lottery winners were much happier than the average citizen. However, one year later, the winners were only slightly happier than the general population. Similarly, Ed Diener, a Psychology Professor from the University of Illinois, surveyed the richest people in America. He found that the richest Americans are only slightly happier than the typical U.S. citizen (Diener, Horwitz & Emmons, 1985). In fact, thirty-seven percent of the richest Americans were less satisfied than the typical US citizen.

**OK, so money can't buy happiness, but it sure feels like it should. Why doesn't it?**  
The answer is related to raising expectations.

Researchers who study job satisfaction tell us that an individual's satisfaction with income depends on the actual amount of money the person is paid *and* the individual's expectations for how much he or she *should* be paid (Locke, 1976). In general, when pay is greater than we expect, we are satisfied. When pay is lower than we expect, we are dissatisfied. Satisfaction problems arise when expectations escalate faster than income.

Frederick Herzberg, (1966, 1968, 1982) a well known management theorist, pointed out a tendency for employees' pay expectations to escalate right after a pay raise. Herzberg argued that this explains why employees feel good about a raise for a short time, but become less satisfied as time passes. According to Herzberg, this escalation of expectations does not just apply to income, but also to a host of luxury goods. For example, once a consumer has experienced a first-class plane seat, three-car garage, Sub-zero refrigerator, Ranger bass boat, Gucci shoe, or DeWalt power tool, it quickly becomes painful to accept the lower status coun-

terpart to a high status item, even when the lower status item is equally effective.

The problem with rising expectations is that escalation keeps employees from feeling satisfied. According to Daniel Kahneman, psychologist and Nobel Laureate, if expectations escalate as fast as income, people will feel like they are perpetually chasing happiness. Or to use Kahneman's term, people will spin on a *satisfaction treadmill* (1999).

**So, what's the harm in chasing wealth, even if I can't quite get there? It gives me a goal and everyone needs a goal.**  
It turns out that not all goals are good for you.

An interesting set of studies by psychologists Tim Kasser (2002) and Richard Ryan (Kasser & Ryan, 1993, 1996) provide evidence that people who value financial success over psychological growth, autonomy, family, and community experience higher levels of depression, greater anxiety, less positive emotion, higher narcissism, greater drug use, and less all-round happiness than people who value growth more than financial success. Similarly, a number of marketing professors found that materialistic people are less happy (Belk, 1984, 1985) and are less satisfied with their lives, family, income and friends (Richins & Dawson, 1992) than non-materialistic people.

**So where does this leave me? Money can't buy happiness but it can make me miserable. Am I stuck?**

The answer is yes and no. It is not possible to find long-term happiness chasing a larger salary or amassing luxury goods.

Frankly, if money could buy happiness, Americans would own it all. Compared to world standards, Americans are fabulously wealthy. The median household income for the world is \$800 per year. The median household income in the US is about \$40,000.

Americans are wealthy, but American's are not the happiest people on earth; in fact, we rank about 15th behind:  
1. Puerto Rico, 2. Mexico, 3. Denmark, 4. Colombia, 5. Ireland, 6. Iceland, 7. N. Ireland, 8. Switzerland, 9. Netherlands, 10. Canada, 11. Austria, 12. El Salvador, 13. Venezuela, and 14. Luxembourg (Inglehart, Basanez, Deiz-Medrano, Halman, & Luijkx, 2004).

The good news, and an interesting implication of the new research on wealth and happiness, is that we may be able to feel wealthier by dialing down our expectations - by living more simply (Dominguez & Robin, 1992). If satisfaction with income is dependent on the difference between what we have and what we expect, then one way to find satisfaction (one you are much less likely to see promoted by marketers) is to just lower our expectations.

The other bit of good news from this research is that we can stop wasting time doing things we dislike so that we can pay for a more luxurious lifestyle. If you are on the satisfaction treadmill, and you are spending time away from family, friends, hobbies and community so that you can support a high luxury lifestyle, you can get off the treadmill and redirect your energy to the things that really will produce happiness.

~Dan Sachau

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