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‘GETTING USED TO EVERYTHING’: NEW EVIDENCE OF THE PATH OF OUR HAPPINESS BEFORE AND AFTER MAJOR LIFE EVENTS

The happiness we get from marriage or having children tends to fade over time because of ‘adaptation’. On the more positive side, getting divorced or being laid off doesn’t seem to matter that much for our life satisfaction in the long run.

These are among the findings of new research by economists **Andrew Clark** and **Yannis Georgellis** and psychologists **Ed Diener** and **Richard Lucas**, published in the latest issue of the *Economic Journal*.

In a study that combines psychology and economics, the researchers explore the effect of different life events on happiness – and find that most people get used to many ‘life-changing’ events pretty quickly. This might explain why we seem to be getting richer but no happier over time, but the research also provides solid evidence to support the old adage that ‘time heals all wounds’.

The research report shows the path of happiness before and after one of six life-changing events: marriage, childbirth, divorce, widowhood, unemployment and being laid off. Although each of these matters for self-reported life satisfaction at the time, only unemployment has a consistent effect for each of the five years after the event.

A question of growing importance in economics and psychology is: does money make us happier? One reason why it might not is adaptation: that extra thousand pounds may produce a great deal of pleasure initially, but becomes less important as time goes on, even to the extent of retreating into the background humdrum of what makes up our daily lives.

If this is so, then perhaps we'd be better off doing something else instead. But the report raises the possibility that we could ‘get used to anything’. If this were true, then nothing would matter very much, at least not in the longer run, once we have got used to it.

Adaptation is a double-edged sword. While it does mean that the pleasure of a pay rise, or of marriage or children, might fade away over time, it also implies that ‘time heals all wounds’. Here adaptation is welcome, as it takes the edge off initially painful events as time passes.

The report assesses the effect of different life-changing events on self-reported happiness for many thousands of Germans over a 20-year period (using data from the German Socio-Economic Panel). It finds that most events have a strong effect on happiness at the time they occur – but the effects of most of them quickly diminish.

But while there is adaptation, it won't be the same for everyone. For example, the finding that marriage has no effect on happiness after five years actually hides great disparities: some couples are unhappy after five years because they will divorce at six or seven; others will receive a marriage happiness boost for decades.

Some people say that most of the married people they know are happier than the single people they know. But even if married people are happier (on average) than single people, this does not tell you whether marriage makes you happy, or being happy in the first place gives you a better chance of marrying. The report suggests that it is mostly the latter: happier people are more likely to marry.

The research also indicates that children bring happiness – but only up until they are two years old, when the life satisfaction effect turns negative. But perhaps there is more to life than just happiness. The authors suspect that children bring a meaning and purpose to life in a sustained way.

Also, because the work followed individuals as their children were born, and the data cover 20 years, it may only track the ‘difficult’ period of growing up. It is possible that when children move into their twenties and thirties, and when their parents move into old age, that the effect of children on their parents’ life satisfaction turns positive again.

Dr Yannis Georgellis, senior lecturer at Brunel University and co-author of the report, comments:

‘While our research focused on Germans, the findings will be interesting for economists and psychologists worldwide as it reveals new mechanisms to explain what makes us happy.’

‘But similar research among other nationalities in the future could potentially reveal interesting cultural differences that will strengthen our understanding further.’

ENDS

Notes for editors: ‘Lags and Leads in Life Satisfaction: A Test of the Baseline Hypothesis’ by Andrew Clark, Ed Diener, Yannis Georgellis and Richard Lucas is published in the June 2008 issue of the *Economic Journal*.

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