

What makes people happy: Money or autonomy?



Main research findings

The societal value of individualism is the best predictor of well-being.

Providing people with more autonomy leads to a reduction in negative psychological symptoms such as anxiety, stress, and depression.

This reduction in psychological symptoms can be seen independently from economic wealth.

Increasing wealth in a society may be beneficial for well-being, however it only enables people to experience more autonomy and freedom.

Money alone does not increase well-being. Rather it can be seen as an 'enabler' of well-being. People feel better because money enables them to have choices and autonomy in their lives.

RESEARCH

'What is more important for national well-being: Money or autonomy? A meta-analysis of well-being, burnout, and anxiety across 63 societies' by Dr Ron Fischer and Diana Boer (2011)

Published in *Journal of Personality and Social Psychology*, 101, 164-184.

Background

For centuries philosophers and researchers have been struggling with the question of what makes people happy.

The answer is complex yet important for policy-makers. Should policy makers focus on economic growth to create more income for citizens, and does increased income lead to greater well-being?

The Centre for Applied Cross-cultural Research, part of Victoria University of Wellington, undertook a study of well-being and what contributes to it. The research utilised data from 420,000 individuals across 63 nations.

Relevance of findings to New Zealand

It is recommended policy makers do not solely focus on economic wealth because money on its own does not lead to greater well-being. It is

important to consider money as leading to greater well-being because it enables people to become more autonomous.

Policy makers need to consider how citizens' autonomous decision making can be supported. Research showed that less regulations and more freedom also increases well-being of individuals.

The extent to which people have choices and autonomy in their lives is a good indicator of their well-being. For example, providing employees with flexible working hours or the opportunity to work from home may be more important than a pay rise.

For employers, it is important to recognise that once the basic needs of their employees have been met, they will value options for autonomy over money.