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To Do, to Have, Or to Share: the Value of Experiences Over Material Possessions Depends on the Involvement of Others.

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To Do, to Have, or to Share: The Value of Experiences Over Material Possessions Depends on the Involvement of Others

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EXTENDED ABSTRACT

Recent evidence suggests that spending money on experiences makes people happier than spending money on material goods. We propose and test the hypotheses that experiences take place with others more often than not, and that it is the social aspect of experiences that provides value relative to material goods.

Scholars have long questioned how having money affects happiness (Diener, Suh, Lucas, & Smith, 1999; Howell & Howell, 2008). However, little research has examined how *spending* money on different kinds of purchases affects happiness. Those who have distinguished between types of purchases have focused their distinctions on varieties of tangible, material goods (e.g., Dhar & Wertenbroch, 2000), at the exclusion of intangible, experiential purchases, which may have comparable but distinct benefits (Sears, Le Bel, & Dube, 2004).

Van Boven and Gilovich (2003) provided the first empirical test of the effects of buying “life experiences” versus tangible, material goods on happiness. Their data (and those from Nicolao et al.’s, 2009, replication) consistently supported the hypothesis that experiences make people happier than material objects. However, we propose that there may be a key hidden variable in this research: More often than not, experiences involve others, an influential source of happiness (Baumeister & Leary, 1995; Reis & Gable, 2003). Furthermore, Dunn, Aknin, and Norton (2008) showed that spending money on others better promotes happiness than spending money on oneself. Therefore, spending money to do things with others should make people happier than material objects or to do things alone. Conversely, spending money to do things alone should make people *less* happy than material objects.

In Study 1, 33 participants viewed a list of 12 hypothetical experiences and were asked to imagine they “chose to do the following activities,” to “picture yourself doing each of them,” and to “describe each experience in about three sentences.” No other instructions were given. Two coders, blind to hypotheses, viewed the list of spontaneous descriptions and rated each for a social reference (0=“other people were not clearly part of the person’s experience;” 1=“other people were clearly part of the person’s experience;” $\alpha=.88$). Across all descriptions, 179 (49%) were spontaneously described as involving other people. Overall, these results support our assumption that experiences tend to be social insofar as that without any prompting by us, participants spontaneously described many of the experiences in terms of doing things with others nearly half the time. Although there was variability in the degree to which experiences were depicted socially, it seems that including others is a naturally accessible component of most experiences.

In Study 2, 327 participants were randomly assigned to pick between 1 of 2 kinds of purchases—between material objects and social experiences, material objects and solitary experiences, solitary and social experiences, and material objects and experiences in which the presence of others was not explicitly stated. When comparing material purchases to social experiences, participants were significantly more likely to pick the social experience, $M=.64$, $\chi^2(1)=73.61$, $p<.001$, and to indicate it would make them happier, $M=.70$, $\chi^2(1)=151.36$, $p<.001$. When comparing material purchases to solitary experiences, participants were significantly *less* likely to pick the solitary experience, $M=.37$, $\chi^2(1)=65.97$, $p<.001$, and to indicate it would make them happier, $M=.38$, $\chi^2(1)=54.22$, $p<.001$.

When comparing material purchases to ambiguous experiences, participants were equally like to pick both, $M=.51$, $\chi^2(1)=.68$, $p=.41$, but were significantly more likely to indicate that experiences would make them happier, $M=.60$, $\chi^2(1)=35.74$, $p<.001$. Finally, when comparing solitary to social experiences, participants were significantly more likely to pick the social experience, $M=.82$, $\chi^2(1)=411.00$, $p<.001$, and to indicate it would make them happier, $M=.85$, $\chi^2(1)=465.08$, $p<.001$. These results make clear that sharing experiences with others is necessary for deriving happiness from the experience.

In Study 3, as part of a representative panel study, 1,424 German respondents were given definitions of material, solitary, and social purchases, asked to think of a time that they spent money on each kind, reported how happy each of the purchases made them on a scale from 1 (*Neutral*) to 5 (*Exceptionally Happy*), and ranked the 3 purchases in terms of happiness. Consistent with hypotheses, social experiences were rated as making people the happiest ($M=3.55$), material purchases the next happiest ($M=3.33$), and solitary experiences the least happiest ($M=3.24$), $F(2, 2286)=32.59$, $p<.001$, $\chi^2=.03$. On average, social experiential purchases were ranked higher ($M=1.71$) than material purchases ($M=2.12$) and solitary experiences ($M=2.17$), $\chi_r^2(2)=187.80$, $p<.001$. No interactions between happiness ratings and demographic variables were statistically significant, indicating that these effects were not moderated by demographic niche. Thus in Study 3 we again reversed Van Boven and Gilovich’s (2003) effect, by showing that solitary experiences made people *less* happy than material possessions, whereas social experiences made people more happy. Furthermore, participants described the effects on happiness of spending their own money on actual purchases, rather than hypothetical purchases. The results suggest that when you remove others from the experience, its value and potential for providing happiness drops relative to material possessions and social experiences.

These results are consistent with recent data showing that spending money on others makes people happier than spending money on oneself (Dunn et al., 2008). Although evidence suggests that merely reminding people of money distances the self from others (Vohs, Mead, & Goode, 2006), overcoming a self-reliant mindset to spend money to do things with others, rather than to have things, may be an important outlet for promoting sustainable happiness (Lyubomirsky, Sheldon, & Schkade, 2005). Theoretically, these findings hint that social interaction itself may be a “conceptual commodity” that people are motivated to purchase to increase happiness, above and beyond the motivation to acquire life experiences per se (Ariely & Norton, 2009).

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