# 1 Finding key points

You have been told to write an essay on the title: Can money buy happiness?

You have found the following text which seems relevant to this topic. It is part of an article by A. Penec in a journal called *Applied Econometrics* (volume 44, pages 18 – 27) published in 2008.

## Read it and underline the key points.

### The measurement of happiness

Economists have recently begun to pay more attention to studying happiness, instead of just using the more traditional GDP per person. They have found that in the last 50 years there has been no apparent increase in personal happiness in Western nations, despite steadily growing economic wealth. In both Europe and the USA surveys have found no rise in the level of happiness since the 1950s, which seems surprising given that wealthier people generally claim to be happier than poorer people. In America, for example, more than a third of the richest group said they were 'very happy', while only one sixth of the poorest made the same claim. Although it would be logical to expect that rising national wealth would lead to greater general happiness, this has not happened. Individually, more money does seem to increase happiness, but when the whole society becomes richer, individuals do not appear to feel better off.

One possible explanation has been that people rapidly get used to improvements, and therefore devalue them because they are taken for granted. Central heating is a good example: whereas 50 years ago it was a luxury item, today it is standard in nearly every home. Another theory is that the figures for GDP per person, used to assess national wealth, do not take into account quality of life factors such as environmental damage or levels of stress, which must affect people's feelings of happiness. The report of a commission set up by the French president recently claimed that the French were comparatively better off than had been previously thought, due to their generous holidays and effective health care system, factors which basic GDP figures had ignored.

The text contains five key points:

- (a) Economists have recently begun to pay more attention to studying happiness, instead of just using the more traditional GDP per person.
- (b) In the last 50 years there has been no apparent increase in personal happiness in Western nations, despite steadily growing economic wealth.
- (c) ... which seems surprising given that wealthier people generally claim to be happier than poorer people.
- (d) One possible explanation has been that people rapidly get used to improvements, and therefore devalue them because they are taken for granted.
- (e) Another theory is that the figures for GDP per person, used to assess national wealth, do not take into account quality of life factors such as environmental damage or levels of stress ...

#### 2 Note-making

The next step is to make notes of these points, using paraphrase:

- (a) Economists have begun to research happiness, rather than rely on GDP.
- (b) Although W. economies expanded since 1950s, no parallel growth in happiness.
- (c) But more rich people say they are happy than poor.
- (d) Seems that people soon get accustomed to gains, so don't appreciate them.
- (e) GDP does not measure environmental or social factors that affect individuals.

### 3 Writing a paragraph from notes

These points can now be combined into one paragraph of your essay, using conjunctions where necessary, and including a reference to your source:

A recent development in economics is the study of personal happiness. Penec (2008) argues that although Western economies have expanded since the 1950s, there has been no parallel growth in happiness. Surveys indicate that rich people generally say they are happier than poor people, but this does not apply to the whole society. One explanation is that people soon become accustomed to gains and so do not appreciate them. It also seems likely that GDP measurement ignores significant social and environmental factors which affect personal well-being.

#### 4 Practice A

Continue the same process with the next section of the text by underlining the key points.

A further explanation for the failure of wealth to increase happiness is the tendency for people to compare their own position to that of their neighbours. Studies show that people would prefer to have a lower income, if their colleagues got less, rather than a higher income while colleagues got more. In other words, happiness seems to depend on feeling better off than other people, rather than on any absolute measure of wealth. Further research suggests that having free time is also closely linked to happiness, so that the pattern of working harder in order to buy more goods is unlikely to increase well-being. Yet Western societies generally encourage employees to spend as much time at work as possible.

nappliness, so that the pattern of working harder in order to buy more goods is unlikely to increase
well-being. Yet Western societies generally encourage employees to spend as much time at work as
possible.
5 Practice B  Make notes on the key points.
(a)
(b)
6 Practice C
Link the notes together to conclude this section of your essay.