Does Consumption Buy Happiness? By Don Crowe PhD

Clinical psychologist Don Crowe, PhD, provides therapy to individuals, couples, and groups at his private practice in Orinda, California. He specializes in helping people learn to recognize and use their strengths while learning to focus less on their flaws. Don Crowe, PhD, also helps people learn how to become less dependent on consumption and feel less hurried and anxious about time.

A standard principle in the economics of [consumption](http://en.wikipedia.org/wiki/Consumption%E2%80%8E) is that there is a positive relationship between consumption of goods and services and level of consumer satisfaction. Studies in recent decades have shown that up to a certain point, money does indeed make people happy because it allows them to fulfill their basic needs more easily.

However, more and more studies also show that increases in consumption and income do not necessarily increase levels of self-reported happiness. In many cases, it may even lead to a loss of happiness. People often indulge in consumption because others are doing the same thing. Conspicuous consumption is often intended to preserve status in the eyes of others and breeds negative emotions such as competition and shame.

Instead of consuming uncritically, people who reduce consumption only to those goods and services that yield lasting satisfaction will lead happier lives. For example, research shows that spending money on an experience that strengthens social bonds – whether a vacation, a concert, hobbies, or classes – provides consumers with more satisfaction than spending money on goods or possessions. Downsizing and living a simpler life that is more oriented to building experiences and personal relationships can be a better recipe for happiness than having the latest gadget or car.