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Chapter 2
Money for Happiness: The Hedonic Benefits of Thrift

Joseph Chancellor and Sonja Lyubomirsky

In Tolstoy's "How Much Land Does a Man Require?" Pahóm, a nineteenth century Russian peasant, aspires to be a landowner. Yet, after a small plot fails to satiate his hunger, he begins chasing larger and larger acquisitions. Eventually, a wealthy man offers him an unusual "all-you-can-eat" real estate buffet: Pahóm can own as much land as he can circle on foot while the sun is shining. Although Pahóm stakes an enormous claim, after hours of overexertion, he unexpectedly drops dead. As a servant digs a grave for Pahóm's body, Tolstoy concludes, "Six feet from his head to his heels was all he needed."

If Tolstoy's Pahóm had lived in the early twenty-first century, he might have been feverishly flipping houses during the property bubble, carelessly trading stocks on his iPhone while driving, and unexpectedly dying at the wheel of his Mercedes. Whatever the time period, success in commercial business does not always translate into success in the business of life. As preachers, poets, and philosophers throughout history have cautioned, the breathless pursuit of material wealth may leave one disappointed, depressed, or yes, even dead (Kasser and Ahuvia 2002; Kasser and Ryan 1993; Eckersley 2006).

Furthermore, overconsumption is not only deleterious for the individual: the resultant consumption of scarce resources and pollution of the environment harms the collective. As global economic progress affords millions' entry into the middle class, the world can only hope their possessions do not overflow their garages as do those of middle-class Americans (Arnold et al. 2012).

The virtue of thrift, a lifestyle of strategic underconsumption, offers an intriguing alternative: living richly, without being rich. In this chapter, we present the benefits of practicing thrift, a relatively neglected construct in consumer psychology. First, we summarize decades of research on the surprising relationship between money and happiness. Next, we investigate three chief reasons that more money fails to produce more happiness (and can actually detract from it). Then, we discuss the meaning and history of practicing thrift, with an emphasis on how it contrasts with

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modern mindsets and habits. Finally, we draw from decades of research in social and consumer psychology to suggest ten ways that individuals can practice thrift in their daily lives—spending and consuming less, but becoming happier in the process.

2.1 What Money Buys

Money is essential for living, but insufficient for thriving. Hundreds of investigations conducted in almost every country in the world support this simple truth. Altogether, research over the past several decades reveals six major findings, described later, about the nuanced relationship between objective indicators of prosperity (e.g., income and wealth) and subjective measures of well-being (e.g., positive affect, negative affect, and life satisfaction).

2.1.1 Money Buys (Some) Happiness

The first major conclusion from the money and well-being literature is that money matters. Income relates to numerous beneficial outcomes throughout a person's life. Children born to wealthier families are less likely to die as infants (Kramer et al. 2000) and more likely to start kindergarten with better academic performance, even before instruction begins (Lee and Burkam 2002). Richer people are relatively more likely to have good physical health (Furnée et al. 2011; Lynch et al. 2000), and less likely to experience stressful life events (Brady and Matthews 2002), suffer from mental health conditions (Hudson 2005), and be the victims of violent crimes (Levitt 1999). The rich even benefit at the end of life, living longer than everyone else, a finding that persists after accounting for preexisting differences in health behaviors and chronic conditions (Bassuk et al. 2002).

Considering the numerous benefits of extra income, the biggest surprise is that these advantages do not always translate to greater happiness. Although income does correlate with happiness (see Diener and Biswas-Diener 2002, for an exhaustive review), the magnitude of the relationship is relatively weak. Surveys across 19 nations, for example, show that the poor are only 20 % less likely to report being satisfied with their lives than the rich (Diener and Biswas-Diener 2002). Although money buys entrance into better schools, more lucrative careers, and safer neighborhoods, it brings less happiness than people assume.

2.1.2 Earning More but Mattering Less

The second major finding from the money and well-being literature is that income most strongly correlates with happiness when one is poor, but the size of the relationship wanes as income rises (Deaton 2008; Diener et al. 2010; Eckersley 2005; Howell and Howell 2008; Inglehart 2000). In other words, the money that makes a person happiest is that which keeps her out of poverty. Looking at the data another way, as income increases, the relative amounts matter more than their absolute values (Kahneman and Deaton 2010). Researchers have even calculated the dollar amount above which salary ceases to matter: a modest $ 75,000 in the USA (Kahneman and Deaton 2010), which is a surprise to those aspiring to "six-figure" incomes.

2.1.3 Not All Types of Happiness Require Money

Psychologists measure the components of well-being in several different ways, and not all of these measures correlate highly with income. When asked to evaluate their lives as a whole, people often base their answers on their salaries or their savings accounts. As a result, money is more strongly correlated with overall life satisfaction (Diener et al. 2010; Tay and Diener 2011). A moderate income also means not experiencing the misery of lacking basic necessities and freedoms, reflected in its association with less negative affect (Tay and Diener 2011).

But, do the wealthy feel happier than everyone else at every minute of the day? Hardly. Moment-to-moment feelings, especially positive ones, are less strongly related to people's incomes and more strongly related to the extent to which their psychological needs are being met through their daily activities and their immediate context (Diener et al. 2010; Lyubomirsky et al. 2005b; Schwarz et al. 2009). In other words, if researchers picked an individual off the street at random, they could infer more about his present feelings from what he is doing and whom he is with than from rifling through his wallet.

2.1.4 National Prosperity May Not Trickle Down

Political leaders can be forgiven for believing that building a strong economy inevitably breeds happy constituents: A nation's changes in prosperity (as measured by growth in Gross Domestic Product [GDP] or income) correlate with changes in its citizens' life satisfaction. However, as prosperity rises and falls, corresponding shifts in positive or negative emotions fail to materialize (Diener et al. 2011; but see Easterlin et al. 2010; Easterlin and Angelescu 2010; Stevenson and Wolfers 2008, for alternative perspectives). Even when income or GDP does increase, a number of barriers make surges in life satisfaction less likely. For example, GDP makes less of a difference if household material wealth remains unchanged (i.e., the nation's wealth does not "trickle down" to ordinary people; Diener et al. 2011). Additionally, extra income only benefits citizens when they are satisfied with their incomes and optimistic about their futures (Diener et al. 2011).

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increased over time along with their life satisfaction. However, West Germans grew less satisfied with life over time, despite the fact that their incomes were also rising (Easterlin and Zimmerman 2006).

Modern economic development brings its citizens a mixed bag of blessings and curses (Easterlin and Angelescu 2010). National prosperity may mean more jobs and rising incomes, but also increasing urbanization, obesity, job obsolescence, various kinds of pollution, and social upheaval. Also, although the fortunes of many may rise, their relative standing often remains intact. Relative standing matters a great deal to well-being because after positive improvements in their lives, human beings are inclined to increase their expectations (e.g., "My new house needs new furniture") and make social comparisons (e.g., "Everyone else has an iPhone"; Boyce et al. 2010; Clark et al. 2008; Clark and Oswald 1996; Ferrer-i-Carbonell 2005; Luttmer 2005)—two tendencies that serve to undermine such improvements.

2.1.5 *Happiness Attracts Wealth*

An important caveat about the relationship between money and happiness is that this relationship is not solely explained by the fact that money makes people happy. A number of longitudinal studies document that happier people at Time 1 proceed to earn higher incomes at Time 2. For example, self-reported happiness predicted subsequent increases in income in Australians (Marks and Fleming 1999), and higher income and lower unemployment in Russia (Graham et al. 2004). Similarly, cheerfulness in undergraduates was found to predict their incomes 16 years later, even after controlling for parental income (Diener et al. 2002). Optimistic insurance agents (who tend to be happier) sell more insurance (Seligman and Schulman 1986), and optimistic CEOs garner better performance ratings and produce bigger returns on investment for the companies they lead (Pritzker 2002). Although many assume that possessing money precedes and therefore causes subsequent happiness, happiness often precedes the procurement of wealth and explains at least part of the relationship between the two.

2.1.6 *Chasing Possessions but Missing Happiness*

A significant downside of money, however, is the danger that arises from fixating on it. Studies show that materialism means floundering, not flourishing (Kasser 2002). Materialistic individuals report less satisfaction (Richins and Dawson 1992), more unhappiness (Belk 1985), and lower levels of relatedness, competence, autonomy, gratitude, and meaning in life (Kashdan and Breen 2007). Materialists enjoy their relationships less (Kasser and Ryan 2001), an opinion their friends and families share (Nickerson et al. 2003; Solberg et al. 2004). Furthermore, high financial aspirations are associated with lower social functioning and more antisocial behavior in young adults (Kasser and Ryan 1993). Low income materialists report particularly high distress, but even as their incomes rise, wealthy materialists never reach the happiness of everyone else (Nickerson et al. 2003). Even in places that revere financial achievements, such as business schools, students with strong, internalized materialistic values are more anxious, less happy, and have poorer physical health (Kasser and Ahuvia 2002). In experiments, participants exposed to materialistic cues—such as viewing luxury products or playing the role of a consumer in a game—feel worse, display less social involvement, and act more competitively (Bauer et al. 2012). Altogether, the evidence suggests that an overly strong focus on acquiring money and possessions negatively impacts well-being across a broad number of life domains.

2.2 Why Dollars Disappoint

Why does money matter less than people think? Psychologists have identified at least three reasons why possessions and money fail to translate into greater happiness, and can in certain cases even undermine it.

2.2.1 *We Choose Poorly*

Although a Yiddish proverb holds that "the heart is half a prophet," people's accuracy in prophesying what will make them happy routinely disappoints. Individuals often mispredict what pursuits will make them happy, how large of a hedonic boost they will earn, and how long the rewards will last. For example, many suppose that winning the lottery is a ticket to perpetual happiness, but studies suggest that the effects are relatively short-lived (Brickman et al. 1978). To nonmillionaires, the downsides of wealth are hard to imagine, yet they exist—endless appeals for money, worries about children becoming spoiled, and constant suspicions of others' motives (Wood 2011). In general, people overestimate the happiness they can garner from any isolated event, like the purchase of a new home or a raise in salary (Wilson and Gilbert 2005), and underestimate their ability to adapt to negative events, like a financial downturn (Bonanno 2004; see Wilson and Gilbert 2003, for a review). When pursuing happiness, especially by purchasing it, forecasting errors increase the likelihood of feeling buyer's remorse.

2.2.2 *We Adapt Promptly*

No blessing brings perpetual bliss. People quickly reach a point where, as B. B. King memorably belted, "the thrill is gone." Hedonic adaptation, the psychological term for this phenomenon, explains how the happiness that comes from owning a new widget or securing a pay raise erodes via two key pathways: decreased pleasures and increased aspirations (Lyubomirsky 2011; Sheldon and Lyubomirsky 2012; Wilson and Gilbert 2008). As time passes, the pleasures of a positive change evaporate. One enjoys a newly remodeled bathroom for a season, but over time, it becomes less noticeable and produces fewer positive feelings. Eventually, the change becomes unnoticeable, fading into the psychological background. Furthermore, positive changes often increase one's expectations and desires, impeding the full effect of the next positive change. After remodeling the bathroom, one begins noticing the drabness of the den.

Hedonic adaptation explains why constant luxury becomes banality. Faced with chronic surpluses, aspirations can ultimately become so high that they choke off all of life's pleasures, leaving one miserable even in the midst of favorable circumstances. After achieving success in every military campaign he led, Alexander the Great resolved to conquer the entire known world. However, after marching to India, his soldiers almost mutinied and forced him to return home, and he died shortly thereafter. An epitaph summarized his brief, ambitious life: "A tomb now suffices him for whom the whole world was not sufficient" (Benham 1907, p. 686). Only by accounting for rising aspirations is it possible to grasp why continuing positive changes lead to diminishing hedonic returns; and when outcomes fall short of one's expectations, disappointment is the price of presumption.

2.2.3 *We Spend Profligately*

Left unchecked, poor choices and fleeting thrills can drive people to overconsume—provided that their pocketbooks can keep up. Fully 20 % of wealthy American households owning assets of $ 1–10 million spent all of their incomes or more in 2004 (Frank 2008). In 2006, the American personal saving rate, already low by worldwide standards, went negative for the first time since the Great Depression (Danger time for America 2006).

Psychologists call the endless cycle of acquisition and adaptation the *hedonic treadmill* (Brickman and Campbell 1971), and its function provides insight into why people continue to purchase and possess, never reaching a point when their life is sufficiently pleasurable and satisfying. The consequence is runaway materialism, in which more and more money is spent and less and less happiness is derived from it.

In sum, at least three human tendencies—choosing poorly because of affective forecasting errors, adapting quickly to positive experiences, and chronic overspending—conspire to nullify or reverse the hedonic benefits of extra wealth. Given the limited resources of our planet and how easily these resources are wasted, we argue that the practice of thrift offers a unique opportunity to simultaneously reduce consumption while boosting fulfillment.

2.3 Thrift and Frugality: Definition and Brief History

Thrift is an ancient virtue that alludes to the curbing of consumption and boosting of fulfillment (Chancellor and Lyubomirsky 2011). It is highly relevant both in times of scarcity (when resources must be conserved) and in times of surplus (when temptations for unsatisfying pursuits abound). Although many associate *thrift* with being miserly or stingy, the word actually originates from the term *thrive* (Skeat 1993). We define thrift as "a voluntary lifestyle choice involving the careful stewardship of finite resources, such as time, money, and possessions, with optimal long-term material and psychological gain." Thrift has close associations with the virtues of industry (as the harder one labors for benefits, the less likely one is to squander them), generosity (to use one's surplus to benefit others), temperance (consuming in moderation), and wisdom (to avoid wasting resources on frivolous pursuits).

In the consumer literature, thrift is often called frugality, which researchers define as consumer restraint in the acquisition of goods, and resourcefulness in using them to achieve long-term goals (Lastovicka et al. 1999). Voluntary simplicity, a related concept, is an intention to reduce expenditures to focus on nonmaterialistic satisfaction and meaning (Craig-Lees and Hill 2002). Thrift is conceptually distinct from tightwadism (the reluctance to spend money at all, even on the necessities; Rick et al. 2008) and hyperopia (a tendency to overwork and deprive oneself of any enjoyable experiences; Kivetz and Simonson 2002). Throughout this chapter, we use the terms thrift and frugality interchangeably, but always in the sense of managing time, money, and possessions with optimal long-term results.

The practice of thrift spans history and cultures. Almost 2,500 years ago, Socrates saw his life mission as persuading people to pay less attention to the pursuit of money, reputation, and honors and more attention to seeking truth, wisdom, and self-improvement. King Solomon, the richest man of his day, noticed that people who loved money were never satisfied with their incomes and lost sleep because they worried about losing their wealth (Ecc. 5:10, 12). Buddhist texts recount how monks practiced extreme thrift by squeezing maximum utility out of their meager possessions: they recycled old robes into quilts, old quilts into covers, old covers into rugs, old rugs into dusters, and eventually, old dusters into a mixture of clay and cloth to repair the monastery's walls (de Silva 2010).

Thrift arose as a key virtue in North American culture, arising from a combination of religious tradition and practical circumstances (Witkowski 2010). The survival of early colonists, for example, depended entirely on their own competence in managing scarce resources. Puritan and Quaker communities encouraged hard, productive labor for the common good and strongly discouraged wasteful and excess consumption (Shi 1985; Witkowski 2010).

As American history unfolded, thrift and frugality came in and out of fashion depending on the economic, political, and social climate (Witkowski 2010). For example, during the American Revolution, the Civil War, World War I, and World War II, frugality campaigns redirected scarce resources to the war effort. At these crucial moments in history, governments sanctioned thrift, citizens widely practiced it, and it contributed to wartime success. In the modern era, however, due to the overdependence of the American economy on consumer spending, government leaders often steer citizens away from the widespread practice of thrift. For example, following the terrorist attacks of September 11, 2001, President Bush, fearing an economic recession, encouraged Americans to "go shopping" instead

(Kasser 2011). In fact, according to Keynesian economic theory, which enjoyed a resurgence during recent global recessions and drove policy decisions in both the Bush and Obama administrations (The Keynes comeback 2009), excessive saving actually prolongs depressions, and governments can spur growth by discouraging thrift in favor of consumption and investment (Tucker 1990). Ironically, those feeling the sting of economic depressions come to the opposite conclusion; they wish they had been better prepared for tough times by having saved more and spent less (Tucker 1990).

In times of scarcity, thrift ensures physical survival. But even in times of plenty, thrift aids in psychological survival, by helping individuals avoid unfulfilling distractions and orient their lives toward need-satisfying pursuits. However, even when shunned by the masses, a wealth of research suggests that under the right conditions, thrift provides a number of financial and psychological benefits to its practitioners.

2.4 Practicing Thrift to Earn Hedonic Dividends

How can people manage to squeeze more happiness out of less money? The consequences of practicing thrift have not been well documented in extant psychological research, and the few studies that do exist report conflicting outcomes (see Kasser 2011, for a brief review). Thus, whether individuals derive benefits from conserving more or spending less depends on a number of intervening factors, such as their motivation, goals, expectations, specific practices, and social support. We survey a broader literature on well-being, emotions, economics, and consumer psychology to offer ten psychologically and financially sound principles on how to increase happiness without spending much money, and in many cases substantially less.

2.4.1 *Cure Ills Before Seeking Thrills*

In one of Aesop's fables, a pair of mice samples each other's lifestyles. Although the country mouse subsides on crumbs, the city mouse serves fine wines and cheeses stolen from his homeowners' cupboards. But their sumptuous dinner ends abruptly when the drunken homeowners return and ravenous dogs give chase. As the country mouse heads home, he confesses to his friend, "I'd rather have a crust in peace and safety than all your fine things in the midst of such alarm and terror."

Happiness is not just about feeling good—it is also about seldom feeling bad (Diener et al. 1999). Hence, one can become happier by either increasing positive affect or decreasing negative affect. Although maximizing positive affect is the most obvious strategy, minimizing negative affect has one strong but overlooked advantage: pain is much more potent than pleasure. As the country mouse discovers, even bland is better than best with bad.

Decades of research supports that, indeed, bad is stronger than good (Baumeister et al. 2001; Taylor 1991). All else being equal, preventing or halting a negative experience provides a three- to fivefold return on investment over adding a positive one (Fredrickson and Losada 2005). Negative experiences and emotions affect people more than do positive experiences and emotions when they perform different kinds of tasks, including being subconsciously primed with photos (e.g., Smith et al. 2006), memorizing information (e.g., Bless et al. 1992; Ohira et al. 1998; Porter and Peace 2007), filtering information (e.g., Pratto and John 1991), and detecting emotions (e.g., Oehman et al. 2001). Also, negative information attracts more attention and relative importance in interpersonal interactions (e.g., Gottman and Krokoff 1989), first impressions (e.g., Peeters and Czapinski 1990), and when decoding nonverbal messages (e.g., Frodi et al. 1978). Daily diary studies demonstrate that positive changes are weaker than negative changes, and that their effects also evaporate more quickly (e.g., Nezlek and Gable 2001; Sheldon et al. 1996; see also Oishi et al. 2007). In a daily diary study of college students, a bad day lowered well-being on the following day (Sheldon et al. 1996); the effects of a good day, however, did not transfer to the next.

Likewise, pleasure fades, but misery lingers. Humans adapt to positive stimuli more quickly and completely, but to negative stimuli more slowly and partially. For example, lottery winners were no happier from less than 1 month to 18 months after news of their prize than those who had experienced no such windfall (Brickman et al. 1978). During an unprecedented economic expansion in the USA lasting over 50 years, mean happiness levels barely budged (Lane 2000)—if anything, they slightly decreased. In prospective longitudinal investigations, those who marry receive a boost in their happiness, but revert to their baseline after 2 years on average (Lucas et al. 2003; see also Lucas and Clark 2006), and high-level managers who purposely change jobs experience a burst of satisfaction immediately after the move, but bounce back within a year (Boswell et al. 2005). By contrast, studies of negative experiences such as disability, unemployment, widowhood, and divorce indicate that their levels of well-being take a "hit" from the negative occurrence and, on average, never fully rebound (Lucas 2005; Lucas et al. 2003, 2004).

When shopping, people err when they fixate only on thrilling or life-enhancing products. However, the relative strength of bad over good suggests that a product that relieves pain or discomfort could be a more hedonically potent purchase. For example, a troubled couple might try counseling before cruising, or when shoe shopping, a wise consumer might consider bunions first and fashion second. Although less suffering and more pleasure both lead to greater happiness, the pain-relieving path offers the biggest payoff. Thomas Fuller observed that "one cloud is enough to eclipse all the sun." If clouds do appear, a most satisfying purchase could be an umbrella.

2.4.2 *Meet Needs Before Indulging Desires*

"Our necessities are few," wrote George Bernard Shaw, "but our wants are endless." Because of the finitude of human needs, the meager financial cost of meeting them, and the misery of doing without, utilitarian products, more than luxurious ones, garner the most happiness for the dollar. Mindful of these reasons, thrifty people prefer products that meet practical needs, rather than superfluous ones (Craig-Lees and Hill 2002).

Studies have enumerated a set of limited but important biological, psychological, and social conditions necessary for optimal human functioning (Hill and Buss 2008; Sheldon et al. 2001; Kenrick et al. 2010; Maslow 1954; Ryan and Deci 2000; Ryff and Keyes 1995). Physically, people need food, water, clothing, shelter, and safety. Psychologically, people need to feel competent, autonomous, and fulfilled. Socially, people need to feel respected and connected with others. Altogether, the fulfillment (or deprivation) of this short list of human needs explains 10–23 % of variation in happiness across countries and cultures (Tay and Diener 2011). Spending money to meet a need offers an immediate benefit to happiness because human needs are neither mysterious nor insatiable. In fact, Kasser (2011) proposes that the degree to which thrifty behavior meets core psychological needs likely explains differences in the outcomes of apparently thrifty practices.

A necessity is generally more effective at boosting well-being because of the subjective strength of bad over good. A utilitarian purchase, by definition, meets a practical need, without which one presumably would be wanting, whereas a luxurious purchase aims for extra (but nonessential) enjoyment. Thus, a utility prevents continual suffering, while a luxury only bestows a momentary pleasure. For example, a polio vaccine prevents paralysis. A Botox shot removes fine lines and wrinkles (ironically, through paralysis). Even if both injections are later taken for granted, by preventing the more negative outcome, the vaccine is of greater objective benefit. Similarly, although a five-course meal at a trendy restaurant makes an enjoyable evening, even rice gruel eliminates the pangs of hunger. The poor spend the highest percentage of their income on basic necessities, needs that are most strongly related to life satisfaction and negative affect (Tay and Diener 2011).

Utilities are also the best bargains. The difference between the lowest and highest price offerings of the same kind of product can be 10–1,000-fold. A bowl of soup can cost pennies (in Africa) or $ 215 (at a tony restaurant in London). The world's cheapest mass-produced car (from India's Tata Motors) retails for $ 2,500, while the world's most expensive (the Bugatti Veyron from Germany's Volkswagen) sells for $ 2.4 million. Despite the differences in cost, feature-for-feature drivers obtain more hedonic benefit from the motor than the moon roof. In sum, buyers benefit more when they direct their dollars to no-frills utilities rather than frivolous purchases.

However, two caveats should be mentioned. First, the distinction between utilities and luxuries is not clear-cut and abounds with ambiguities (Alba and Williams 2013). Luxury cars can commute and economy cars feature stereos. Real-world purchases are subtle gradations of utility and luxury. Also, two people may buy the same product with different motivations: a fisherman buys a boat for labor, but the yuppie for leisure. Complicating matters further is the tendency of people to conflate their needs and desires. Ask a materialist or spendthrift about a recent purchase, and he/she may overstate the utility of his/her acquisitions. Conversely, a tightwad may even forgo necessities to the detriment of his own well-being.

Second, a few (but not all) of today's luxuries are tomorrow's necessities, especially in the realm of new technologies. Charles Fay, General Manager of the Chicago Telephone Exchange, argued in 1887 that, "the telephone, like the telegraph, post office, and the railroad, is only upon extraordinary occasions used or needed by the poor" (Lasar 2011). But today, people of all classes depend on former luxuries such as cars, cell phones, and computers to participate in the modern economy. New technologies have a way of becoming ubiquitous and essential. Although frugal billionaire Warren Buffett routinely decried the wastefulness of corporate jets, he eventually bought a used airplane in 1986 (Bianco 1999). Trading up to a more expensive jet in 1989, he named it The Indefensible. "Whether Berkshire will get its money's worth from the plane is an open question," Buffett later wrote to shareholders, "but I will work at achieving some business triumph that I can (no matter how dubiously) attribute to it." Although his humility made it difficult to admit, if any CEO could justify such an expense on purely economic grounds, Buffet could. The happiest shoppers are likely those who can set their preferences aside and approach such matters rationally.

In sum, our happiness and wallets are generally best served by seeking utilities and shunning luxuries. A need-meeting product saves people from suffering and can often be obtained at a bargain, provided that one honestly considers all the options. Frugal shoppers happily visit thrift stores, garage sales, and used car lots to buy functional products at a fraction of the original cost. Benjamin Franklin wrote, "Poverty wants some things, luxury many things, avarice all things." Heeding needs shortens shopping lists, but without sacrificing happiness.

2.4.3 *Do Not Borrow. Buy It Outright*

The Book of Proverbs warns, "The borrower becomes the lender's slave" (22:7). How an individual pays for a purchase can affect how much he enjoys it, especially if he goes into debt to procure it. The thrifty boost their happiness and build their wealth by paying in advance, avoiding long-term financing, and profiting from their financial acumen (Rick et al. 2008).

Spending hurts. When shoppers say "Ouch!" after finding the price tag, they are feeling the activation of their insula (Knutson et al. 2007), the same brain area associated with noxious odors (Wicker et al. 2003), being treated unfairly (Sanfey et al. 2003), and experiencing social exclusion (Eisenberger et al. 2003). Of course, retailers know that spending hurts and scheme to sell more by lessening the pain of paying. Two common techniques are postponing a payment or financing it over time. For example, consumers brandishing credit cards, the most popular way of postponing payments, spend more than they would if they were paying by cash or check (Prelec and Loewenstein 1998; Prelec and Simester 2001; Soman 2001).

Shrewd shoppers use credit cards to accrue perks like cash rebates, points, or airline miles, and then promptly pay off the balance. In general, financing only becomes advantageous when the loaned capital produces more than the premium paid to obtain it. Frugal shoppers may borrow money because they can use it cheaply (e.g., taking out a zero-percent auto loan), while investing their own money at a higher rate of return (e.g., in a money market fund). Although these shoppers borrow money, they are actually earning rewards, and undoubtedly enjoying them. Any pain they may feel parting with their cash is offset by the product and the perks. For this class of disciplined and savvy shopper, debt is not distressing. Any borrower who can pay off a debt instantly has little reason to worry. Even if frugal shoppers do pay upfront (most likely while procuring a discount for using cash), they finish the unpleasant, painful part of the transaction at the beginning (i.e., decoupling payment and enjoyment, see Prelec and Loewenstein 1998), and are now free to fully enjoy their purchase.

Impulsive shoppers, however, borrow because they covet the goods, but cannot otherwise currently afford them. Financing lessens the immediate pain of paying, but with accumulating long-term consequences (Brown et al. 2005). Debtors live in financial servitude. Borrowers who owe more than they own worry constantly about keeping up with payments and the disastrous implications of losing their jobs (Price et al. 2002). When they do miss payments, penalties proliferate and creditors call. An actual default on a loan can lead to further unpleasant—unpleasantly variable and unanticipated (cf. Lyubomirsky 2011)—experiences, such as having one's credit ruined, utilities shut off, automobiles repossessed, or homes foreclosed. Altogether, 48 % of US residents confess worrying some of the time or most of the time about the debts they owe (GfK Roper Public Affairs & Media and Associated Press 2010), and, in 2010, almost 13 % of all mortgages in the USA were behind on payments, seriously delinquent, or in the process of foreclosure (Comptroller of the Currency and Office of Thrift Supervision 2010). Debt also adds stress and conflict in families (Conger and Elder 1994). Dollar for dollar, debt has a higher psychological cost than saving has a psychological benefit (Brown et al. 2005).

Troublingly, over many decades in the USA and other Western nations, financing options that were once reserved for shrewd investments (e.g., a business loan, a college education, or rental property) have become the norm for all kinds of frivolous and fleeting purchases (e.g., cars, furniture, jewelry, vacations, and fancy dinners). Ironically, debt and reoccurring payments can drain the enjoyment out of a hedonic purchase (Prelec and Loewenstein 1998). In some cases, governmental policy actively encourages the accumulation of debt (e.g., mortgage interest tax deduction), while punishing savers with low interest rates and fewer tax benefits for having planned ahead.

Some intriguing studies suggest that debt, by itself, is not psychologically harmful. Instead, one's dissatisfaction with debt may be the culprit that actually engenders stress, anxiety, and emotional instability (Kasser 2011). This line of thinking implicates thrifty attitudes in working *against* well-being in cases where accumulating debt is unavoidable (e.g., financing a university education or purchasing a house). Along the same lines (but at the opposite end of the spectrum), satisfaction with one's level of savings predicts higher well-being and less stress in samples of Germans and among women (Barnes et al. 1999; Berger et al. 1988; Bergermaier et al. 1984). Taken together, these findings suggest that greater well-being arises as one's financial aspirations match one's present financial circumstances. However, given the real stress posed by people facing financial problems (Addler et al. 1994) and that simply lowering one's aspirations in response to money problems predicts lower well-being across the lifespan (Wrosch et al. 2000), we hesitate to simply advise debtors to "be happy and not worry." Financial difficulties are probably best solved by setting realistic goals and working to achieve them (Wrosch et al. 2000).

Debt is a powerful financial tool, and much like a circular saw, it requires expertise and an abundance of caution. Used correctly, a saw can build a house, but placed in the wrong hands, it may sever them. If a purchase price is higher than the available funds, one would do well to consider a cheaper alternative in lieu of borrowing or reexamine whether the purchase is truly necessary. Those carrying debt would gain far more happiness by reducing or eliminating it (Prelec and Loewenstein 1998) rather than spending money on new purchases. Although crawling out of a financial hole is not glamorous, the benefits of living life without the crippling weight of debt cannot be overemphasized. A brief frolic in the sunshine is no substitute for complete financial emancipation.

2.4.4 Postpone Pleasure

"One-half of the troubles of this life can be traced to saying yes too quickly," noted H. W. Shaw, "and not saying no soon enough." Frugal shoppers resist the temptation for instant gratification—they are less impulsive, more self-controlled, and deliberate in their shopping habits (Lastovicka et al. 1999). Delays can actually increase happiness by allowing us time to gather crucial information, consider our future, practice self-control, and experience the joy of anticipation.

When deciding on ostensibly pleasurable purchases, our impulsiveness may lead us to overlook minor but consequential details. As humorist Dave Barry (1992) recounts, only after a hasty boat purchase did he learn the many ways to die on the ocean. After he tired of scrubbing the hull after every voyage, his boat became a permanent fixture in his driveway. Similarly, a study on regretful purchases confirmed that buying impulsively predicted later unmet expectations and social embarrassment when using the product (Trocchia and Janda 2002).

Unless one is an experienced sailor, boating fantasies rarely include shoals, docking fees, or barnacles. In fact, the more distant any event is, whether in time or space, the more abstract and ideal one tends to imagine it (Fujita et al. 2006; Liberman et al. 2002). People also overestimate how much happiness they can squeeze out of any single solitary event (Wilson and Gilbert 2005). Once the boat becomes theirs and the thrill of acquiring it fades, seamanship's mundane details become much more consequential to their enjoyment.

Altogether, happiness is less about life's great peaks and valleys and more about small pleasures and hassles (Diener et al. 1991; Kanner et al. 1981). One's immediate environment, more so than our enduring circumstances, drives moment-to-moment feelings. Enduring circumstances do leave their mark, but only when one is conscious of them (Schwarz et al. 2009). Patriotic Americans may feel happy when pondering the fortune of living in a stable, democratic country. But these thoughts mostly occur while watching *Saving Private Ryan* or grilling burgers on Independence Day. On a normal day, we may be fuming about the driver who just cut us off in traffic, worrying about the next electric bill, or beaming because of saving 50 cents on granola. The little things matter, and individuals ignore them at their peril.

Even when recognizing all the drawbacks does not change a decision to buy, people are better off knowing them in advance. While salivating over a new riding lawn mower, one may not want to read the disappointing *Consumer Reports* reviews. But receiving negative information after buying makes a person more dissatisfied with a purchase than if he/she had simply known beforehand (Cooke et al. 2001). Short on pertinent facts, impulsive buying may leave one more regretful than grateful.

A delay can also boost happiness by bending one's judgment toward virtue and away from vice. For example, when choosing between snacks, participants pick unhealthy treats to eat now, but healthy ones for the future (Read and Van Leeuwen 1998). In choosing between high-brow and low-brow movies, participants tend to select a low-brow movie to watch immediately and high-brow movies for a later time (Read et al. 1999). The movie *Schindler's List*, for example, was selected 13 times when picked days ahead of time, but for immediate viewing only once. St. Augustine, expressing his own mixed feelings about virtue, asked in his memorable prayer, "Grant me chastity … but not yet." By simply distancing the decision from the delivery, one can employ more intellect and less id.

People vary in how they experience and process the flow of time, especially the present and the future. Some people view the world through a microscope—completely focused on the present moment, while the future seems distant, fuzzy, and irrelevant. Other people, by contrast, see the future through binoculars—magnified, prominent, and close. One's time perspective greatly affects decision making. For example, overly present-oriented people tend to make relatively poor short-term decisions that carry negative long-term consequences, such as using drugs (Keough et al. 1999; Wills et al. 2001). Conversely, the frugal, who are more future-focused (Bearden et al. 2006; Lastovicka et al. 1999), use relatively fewer cigarettes (Kasser 2005) and are less likely to abuse alcohol in college (Rose et al. 2010). When buying, present-oriented people want to consume the product now, but pay later (Amyx and Mowen 1995). Future-oriented people, however, are relatively more willing to pay immediately. Developing future-mindedness, therefore, can lead to wiser financial choices and greater long-term happiness.

Another quality relevant to postponing pleasure, the ability to delay gratification, leads to many positive outcomes for children, adolescents, and adults. Adolescents who could delay gratification as children earn higher SAT scores, are more socially competent, and better manage stress (Mischel et al. 1989). Similarly, adults who were better able to delay gratification as children are relatively happier, more socially competent, better goal setters, and more capable of coping with frustration and stress (Ayduk et al. 2000; Mischel and Ayduk 2002).

Fortunately, research suggests that people can learn patience and self-control (Muraven et al. 1999; Oaten and Cheng 2006; Schnitker 2012). The ability to self-regulate, like a muscle, can be strengthened through effortful practice (Muraven et al. 1999; Oaten and Cheng 2006). Strategies that appear to increase patience include perspective taking, practice in emotional regulation, mindfulness exercises, and cognitive reframing (Schnitker 2012). Although resisting an impulse is tiring in the moment, regular practice builds a greater capacity for self-regulation in the future (Muraven and Baumeister 2000). The more one practices waiting, the better at it one gets.

Finally, postponing pleasure offers an underappreciated, but pleasurable side benefit—the joy of anticipation (Dunn et al. 2011). People who practice anticipation are happier than those who do not (Bryant 2003). In a longitudinal study, vacationers wrote more positively in their diaries about their vacations before the trip than during it (Mitchell et al. 1998). As discussed earlier, people tend to hold overly abstract and general views of future events, and most construe upcoming vacations quite positively. However, people often find that the actual trip does not live up to their rosy expectations. They still enjoy their vacations, of course, but they enjoy them slightly less positively and in a more nuanced way than they initially expected (Mitchell et al. 1998). Anticipation, therefore, is a free and enjoyable ride, "unsullied by reality" (Dunn et al. 2011, p. 15).

As Carrie Fisher (1987) bemoaned in her semiautobiographical novel, "instant gratification takes too long." For those without self-control, even brief delays are excruciating. Conversely, by using time to our advantage, we can spend money wisely, armed with relevant facts, resolute future-mindedness, stronger self-control, and more anticipatory pleasure.

2.4.5 *Learn the Thrill of Saving*

When Nathan Engels, an "extreme couponer," buys groceries, he boasts of his 90% discount (Jervis 2011). Though hyperfrugal shoppers have risen to prominence through reality television, gleeful frugality is as old as bartering and commerce. The Bible records how ancient buyers disparaged products as a bargaining tool, and then bragged about their acquisition to others (Proverbs 20:14). Nonthrifty people, by contrast, do not enjoy frugal practices. Instead, they may feel self-conscious when asking for a discount, whipping out a stack of coupons, or perusing a thrift store. Frugal shoppers, on the other hand, are happier precisely because they obtain such a rush out of scavenging for bargains and saving money.

Shoppers can be classified on the spendthrift–tightwad scale according to the pain they feel when spending money (Rick et al. 2008). Spendthrifts feel less purchasing pain. They are captivated by the prize and not dissuaded by the price. They buy more luxuries, break more budgets, and carry more debt. By contrast, tightwads are oversensitive to the pain of paying, and desperately avoid spending, even on what they need or might enjoy. Frugal shoppers are like tightwads—they also spend less—but for an entirely different reason: while pain motivates a tightwad, the thrill of saving drives a frugal shopper (De Young 1996; Jin and Sternquist 2004; Rick et al. 2008). Misers mope, but savers smile.

Frugal shoppers describe saving money as "a hobby," "a treasure hunt," or "playing a game" (Bardhi and Arnould 2005). They enjoy searching for good deals (Babin et al. 1994; Mano and Elliott 1997; Price et al. 1988; Schindler 1989) and describe stumbling upon a one-of-a-kind bargain as "thrilling" and "surprising" (Bardhi 2003; Wergin 2009). Unlike a tightwad, they can enjoy spending money on trivial pleasures. But unlike a spendthrift, they are deliberate and controlled in their extravagance. Frugal shoppers can indulge their fantasies precisely because they spend so carefully everywhere else (Bardhi and Arnould 2005). Because they also carry less debt, they feel freer than consumers with highly leveraged lifestyles (Bernthal et al. 2005). Ironically (and distressingly), spendthrifts find saving money more painful than spending it (Rick 2008). To a spendthrift, every penny saved is a lost consumption opportunity—a meal that cannot be ordered or a gadget that cannot be acquired. Tightwads also do not find spending to be especially enjoyable. They find all spending painful, and thus holding on to money is simply the least painful option.

In sum, the practice of thrift can be pleasurable and profitable. Although wanton spending surely has its own short-term pleasures, frugality involves feeling the rush of both spending and saving. The name of a popular extreme couponing website, The Grocery Store Game, aptly captures the thrill of frugal shopping. Bargain hunting can be as engrossing and enjoyable as a board game, but the advantage of thrift is that when the game is finished, one can keep the winnings.

2.4.6 *Do Not Impress. Enjoy*

Some people show up for the feast, but fill up on the garnish. Modern life is like an endless buffet overflowing with alternatives, but what people actually chose determines how much (and how long) of a boost they enjoy. Psychologists make a distinction between two types of goals that produce radically different outcomes—intrinsic and extrinsic pursuits (Kasser and Ryan 1993, 1996; see Ryan and Deci 2000, for a review). Intrinsic goals involve activities that are personally rewarding and meaningful, such as spending time with friends or taking a ceramics class. They are "soul food"—activities that satisfy our core psychological and social needs for competence, connection, and autonomy. When one's life is full of activities that meet these needs, one feels happy and fulfilled—in other words, psychologically satiated.

By contrast, extrinsic goals, such as strivings for fame, money, or favorable outward appearances, are merely food-like substances. Like a bowl of wax fruit, extrinsic goals look edible, but offer no nutritional value. In fact, some may even be harmful. Just as a junk food addict starves his body of proper nutrients, extrinsic goals lead to ever-increasing desires for psychologically unfulfilling commodities (Myers 2000). The relentless pursuit of wealth or fame, for example, appears to be fundamentally incompatible with close relationships. People may spend so much time and money chasing fame and fortune that they neglect intrinsic pursuits

altogether owing to limits on their attention, time, energy, and money (Vohs et al. 2006). An entrepreneur investing in a new company with the aim of striking it rich might neglect his true interests and hobbies to invest all his energy into his business, and thus miss the need-satisfying personal growth, flow, and joy derived from more authentic pursuits. Finally, any overreliance on external contingencies such as becoming famous, wealthy, or attractive may lead to having a fragile self-worth (Sheldon et al. 2004), rendering one psychologically feeble and frail.

Research suggests that positive events generated by the fulfillment of intrinsic goals produce more happiness than those generated by extrinsic goals (Dunn et al. 2008; see also Kasser 2002; cf. Dunn et al. 2011). Even simply reflecting on intrinsic values can boost happiness 1 month later (Lekes et al. 2012). Building close relationships, making new self-discoveries, and investing in the community directly activate feelings of satisfaction and contentment. Intrinsic goals can also trigger "upward spirals"—for example, streams of positive moods and prosocial behavior that gain momentum and reinforce one another as they unfold (Aknin et al. 2011; Lyubomirsky et al. 2005a; Norton et al. 2009; Otake et al. 2006). Also, intrinsic pursuits are likely to be cheaper. Learning a new skill or spending time with others costs little or nothing.

When people simply pursue what they enjoy, regardless of what is trendy or popular, their pocketbooks may also benefit. For example, social pressure drives a majority of purchasing decisions among young adults (Penman and McNeill 2008). Thrifty people can resist spending money to follow expensive trends because they are less subject to social influence (Bearden et al. 2006; Lastovicka et al. 1999) and care less about how they appear to others (Stammerjohan and Webster 2002). Happy people also use social comparisons very selectively, in adaptive ways that make them feel better (e.g., Ahrens 1991; Buunk et al. 1990; Gibbons 1986; Lyubomirsky 2001; Lyubomirsky and Ross 1997; Lyubomirsky et al. 2001; Taylor and Lobel 1989). They are less negatively affected when others do well and tend to rely on their own personal, internal standards.

Conversely, chronically unhappy people monitor others carefully and are especially sensitive to relative comparisons (Lyubomirsky 2001; Lyubomirsky and Ross 1997; Lyubomirsky et al. 2001). In one study, unhappy people felt better after receiving poor personal feedback than after receiving favorable feedback, provided that a peer's evaluation was even worse (Lyubomirsky and Ross 1997). Relative comparisons are a pernicious trap because one can always find someone else who appears better off. A notorious New York tabloid editor confessed that he was "part of that strange race of people aptly described as spending their lives doing things they detest to make money they don't want to buy things they don't need to impress people they dislike" (Gauvreau 1941).

In sum, evidence suggests that when looking to spend money, the most satisfying pursuits involve learning new skills (e.g., mastering a new instrument or learning a foreign language), spending time with others (e.g., taking out one's family to dinner or having coffee with a friend), or doing something good for someone else (e.g., buying Christmas decorations for an elderly neighbor or sending a care package to a sick friend). Fortunately, many of these kinds of activities are inexpensive and can satisfy several needs simultaneously. Donating time and money to a local nonprofit, for instance, is a service to the community, but is also an opportunity to make new friends. A trip can be a social activity, but is often educational—especially the further one ventures from home and the more one wanders off the beaten path.

2.4.7 Do Not Hoard. Share

"The true source of cheerfulness," wrote William Goodwin "is benevolence." Generosity can be both enjoyable and inexpensive. Prosocial behavior is associated with a number of positive outcomes, such as well-being, life satisfaction, and positive affect. For example, in studies of adolescents and university students, helping behavior toward siblings, parents, and friends correlates with higher well-being (Deci et al. 2006; Telzer and Fuligni 2009; Weinstein and Ryan 2010). Similarly, adults who volunteer or help their families are happier than those who do not (Piliavin and Siegl 2007; Stevens 1992). Philanthropic acts even activate brain areas associated with euphoria and pleasure (Moll et al. 2006).

Controlled, experimental studies of generosity reveal that generosity not only accompanies happiness but also produces it. In one study, participants received either $ 5 or $ 20 to spend on themselves or on others before the end of the day (Dunn et al. 2008). Those who spent the money on others, such as buying a toy for a sibling or purchasing a meal for a friend, reported feeling happier than those who spent the money on themselves. The actual amount of money did not actually matter—the benefits of generosity were the same regardless of the amount spent. Also, helping others does not only mean spending money but also spending time or performing a service. In two studies, college students who practiced different acts of kindness, for example, holding doors open for strangers or doing a roommate's dishes, became happier as a result (Lyubomirsky et al. 2005b; Sheldon et al. 2012).

The benefits of kindness even linger past the activity's conclusion to its recollection. Individuals who simply kept track of their kind behaviors for 1 week became happier up to 1 month later (Otake et al. 2006), and the more kind acts they reported, the greater benefit they received. These results suggest that one way acts of kindness boost happiness is by helping people gain more confidence in their ability to enact positive changes and improve their relationships with others (Lyubomirsky et al. 2005b; Otake et al. 2006). Similarly, generous children maintain a more internal locus of control (Fincham and Barling 1978) and higher self-esteem (Miller et al. 1981), and preadolescents prompted to be kind to friends and family become more popular with their peers (Layous et al. 2012).

A simple act of kindness could be to share something one has enjoyed but is not using—a book, novel, or movie—with another. Sharing a known pleasure with a new person draws on social interaction and empathy to overcome hedonic adaptation. For example, even though one has watched *A New Hope* dozens of times, seeing it with a *Star Wars* neophyte feels like a first-time experience. When shared with friends, things already owned, but adapted to, become doorways to new and pleasurable experiences.

Finally, sharing with the less fortunate is not just a moral good but also a shrewd investment in the well-being of others. Given that money impacts happiness less as wealth increases, directing money downward increases its hedonic "purchasing power." For example, to a middle-class family in America, $ 100 buys an enjoyable dinner at a favorite restaurant. But to a rural family in a developing country, $ 100 buys a semester of school or the launch of a microenterprise. Investing and improving the lives of other people builds happiness in others that may ultimately spill over to us.

In sum, the benefits of generosity show that people can live on less, but enjoy their earnings more. According to Andrew Carnegie, the second wealthiest man in history, "The man who dies rich … dies disgraced." Rather than hoarding his enormous wealth, he funded libraries, schools, and universities. By the time of his death, Carnegie had already given away over $ 4 billion (in today's dollars)—almost 90 % of his wealth. Sharing from our abundance—whether it is money, time, or skills—to those who lack it means multiplying the impact of what one gives and boosting one's own happiness in the process.

2.4.8 Do Not Have. Do

Although his lavish later years appeared to diverge from his earlier puritanical simplicity, Benjamin Franklin always maintained that "wealth is not his that has it, but his that enjoys it." Happy people are happy from the abundance of their experiences, not their possessions (Carter and Gilovich 2010; Howell and Hill 2009; Howell et al. 2012; Van Boven 2005; Van Boven and Gilovich 2003), a finding that even holds for highly materialistic people (Millar and Thomas 2009).

The potency of experiences over possessions is simultaneously obvious and counterintuitive. Straightforwardly, when most people look back on their lives, they value their life experiences—even the difficult ones. Lying on their deathbeds, few pine for a final look at a luxury car. Instead most yearn for more time—more experiences—with people and causes that they care about. And yet when shopping, people underestimate how satisfied they will be with having spent money on an experiential purchase (Pchelin 2011). People gravitate toward buying possessions, even though in the end, they will be less happy about them.

Why do experiences eclipse possessions in producing happiness? Psychologists posit seven major reasons why experiences are superior.

A possession is a potential pleasure, but an experience is active enjoyment. People can only experience something when they actually use it, by touching, seeing, hearing, tasting, and smelling. A Rembrandt inspires no one if never beheld. A tennis racket serves no purpose buried in the closet. Enjoyment arises as one squeezes positive experiences out of possessions. The best possessions to own, undoubtedly, are those that foster the greatest quantity and variety of positive experiences. Rather than constantly buying new possessions, a thrifty strategy is taking what one already owns and doing something new with it. For example, one could take along family and friends in an adventure in one's car, throw a party on a new deck, or download a new app for one's smartphone.

Possessions are predictable, but experiences are full of surprises. In general, people adapt to possessions much more quickly than to experiences (Nicolao et al. 2009). A key reason is that variable stimuli resist adaptation longer then unchanging ones (Leventhal et al. 2007; Wilson and Gilbert 2008). Variety, in both thoughts and behaviors, appears to be innately stimulating and rewarding (Berlyne 1971; Rolls et al. 1981). An ocean cruise to the same island varies substantially each time, but a decorative vase only manages to accumulate dust. Of course people can add variety to possessions, too. Simply rearranging the furniture makes it stand out again, just like when it was first acquired, if only for a short time.

Possessions break, but memories keep getting better. In the same way that a family story gets more exaggerated and funny each time grandpa tells it, memories become more positive as time passes—a phenomenon known as "rosy recollection" (Mitchell et al. 1997). When recalling college, people may fondly remember cherished friends and zany weekend adventures, but not the homesickness or the stress of term papers. When replaying experiences in our mind's eye, like a zealous movie editor, we often leave the boring and forgettable scenes on the cutting room floor to produce a more enjoyable flick. But possessions, such as cars and gizmos, just accumulate scratches and dents, until they end up in a junkyard or landfill.

Many experiences are free. Nearby historical markers, hiking trails, city parks, and beaches cost practically nothing to visit. Enjoying the view from a beachside hotel lobby requires no room reservation. Browsing an ethnic grocery store feels like a jaunt to a foreign country. Creative people can make an adventure out of almost anything. Of course, frugal people can acquire possessions cheaply too, by shopping at thrift stores, garage sales, and online websites. But even then, the thrill arises as much from the experience of bargain hunting as the bargain itself.

Possessions do not satisfy our deepest needs, but the right experiences do. Even when basic physical needs are met, people still crave competence, autonomy, and connections with other people. An experience, rather than a possession, is more likely to address one or more of these needs. For example, even the most mundane activity, such as buying groceries or visiting the doctor, becomes fun when a friend comes along. Activities are more naturally shared, anticipated, and relived with others, and doing so can build and strengthen relationships. Experiences often involve unexpected challenges or adventures, which can help us learn and build competence. Conversely, once bought, continuing to possess something is rarely a challenge, unless one has overspent and a creditor is repossessing.

Products invite comparisons, but experiences stand apart. No sooner does one buy a 30 GB iPod than a 40 GB version hits the market at the same price. But trips, adventures, and excursions, because they are richer, more variable, and more individualized, resist comparisons to a larger degree. One pair of newlyweds explores a California beach, while another jets to a Costa Rican rainforest. Unless one works as a travel agent, equating the two vacations takes a good deal of effort and imagination. Also, the crucial aspects of any memorable experience may be the most difficult to compare. Even if Sally had gone scuba diving like her roommate, she

would not have had the same awe-inspiring glimpse of a whale shark. Althou Ben's honeymoon was shorter than that of his friends, only he enjoyed the compa of his wife.

We are the sum of our experiences, not our possessions. People identify w their experiences far more than their possessions (Carter and Gilovich 2012; V Boven and Gilovich 2003). Possessions always remain apart from us—tucked aw on a shelf or in storage. But experiences are encoded into our existence and o "affective endowments" (Liberman et al. 2009; Tversky and Griffin 1991). Th become a part of us—in our minds and memories. One cannot help but carry the everywhere.

For all of these reasons, experiencers are happier than collectors. With a lit creativity, pleasurable experiences can be obtained without spending much mone However, experiences have one major disadvantage: They can be easily forgotte Forgetfulness, of course, is why travelers take snapshots and collect souvenirs. physical reminder increases the likelihood of triggering pleasant memories. Acti remembering, as we are about to see, is a critical part of maintaining happiness.

2.4.9 *Do Not Forget. Focus*

"Every blessing ignored becomes a curse," wrote novelist Paulo Coelho. Rath than spending money on something new, gratitude and reminiscence allow peop to continue to enjoy what they already have longer. William James noted that "M experience is what I agree to attend to." When one focuses attention on somethin it becomes something one remembers, feels, and factors into one's judgments an decisions (cf. Wilson and Gilbert 2008). By contrast, when something fails to attra attention and fades into the background, one has adapted to it. Therefore, atte tion can be intentionally focused to forestall adaptation to any positive change For example, owners of luxury sedans are no happier during car trips than owne of compact two-door coupes, unless their cars' attributes are on their minds whi driving (Schwarz et al. 2009). Similarly, people who continue to be aware of a pos tive activity change in their lives have been shown to be less likely to adapt to th change (Sheldon and Lyubomirsky 2009).

Another term for focused, positive attention is appreciation or gratitude, whic aims to extract the maximum possible satisfaction from positive circumstance Grateful people are happier, more hopeful, more self-actualized, and maintain mor fulfilling interpersonal relationships (Emmons and Shelton 2002). The practice o gratitude helps practitioners relish the good aspects of their lives and keep the from being taken for granted. Furthermore, experiments have demonstrated that th regular practice of gratitude can boost happiness (e.g., Boehm et al. 2011; Lyubo mirsky et al. 2011; Seligman et al. 2005).

Even when positive experiences, such as family trips, memorable vacation wedding days, or very first homes, have long since passed, one can still extra positive feelings from them rather than perpetually anticipating (and paying for) th next adventure. When people reflect and reminisce, perhaps while flipping through a photo album or watching smartphone videos, they relive the positive experience and the associated positive feelings (e.g., Havighurst and Glasser 1972; Pasupathi and Carstensen 2003). As they reminisce, a photo might remind them of a pleasant detail that they had forgotten, such as how much they liked the lobster at the seaside restaurant or a funny misunderstanding that happened along the way. Reminiscing allows the past to enhance the flavor of the present.

Another cognitive exercise that directs attention toward existing positive changes or events is counterfactual thinking. This strategy involves mentally subtracting a purchased positive experience from ever having taken place and enumerating all the subsequent blessings that also would have disappeared (Koo et al. 2008). For example, a happily married man who met his wife while studying abroad might contemplate how a minor change (such as missing the university's deadline) would have kept him from ever encountering her. After imagining all the rewarding experiences he would have missed (e.g., romantic dates, memorable vacations, births of children, and other special moments), his return to reality will be accompanied by newfound appreciation for having spent the money on a semester in a foreign land and how things actually worked out.

2.4.10 *Do Not Binge. Savor*

"If you taste something, you're not at the maximum of your ability" advises world champion hot dog eater Takeru Kobayashi, who derives his satisfaction from competing and not consuming. Although few have swallowed a frankfurter without chewing, most have scarfed down a sweet desert in a few bites. Kierkegaard observed that "most men pursue pleasure with such breathless haste that they hurry past it." Savoring means slowing down, focusing on the present moment and taking breaks to more fully enjoy what one has.

Speed is a saboteur of savoring. Slowing down a positive experience naturally heightens enjoyment of it and slows satiation (Galak et al. in press). One experiences little of Germany by flying over it in a 747, seeing only what flashes by an airplane window. A train ride is better, allowing extended views of the countryside. But to really experience Germany, one must walk the streets, taking in the sights and smelling the fragrances. In the same way, savoring life means slowing down, living in the moment, and consciously focusing on the pleasure one is experiencing in order to heighten and prolong it (Bryant and Veroff 2007). Multiple studies have now shown that the practice of savoring promotes happiness (Bryant 1989, 2003; Bryant et al. 2005; Jose et al. 2012; Meehan et al. 1993; Quoidbach 2009; Tugade and Fredrickson 2007), and does so economically, because it squeezes more pleasure out of what one already has.

Interestingly, unlimited access to positive experiences actually undermines the enjoyment of any one of them. Why make the most of a single experience, when the next one is around the corner? Wealth is negatively correlated with savoring, and even being primed with money reduces the enjoyment of a simple pleasant experience, like consuming a chocolate bar (Quoidbach et al. 2010). People's awareness of the ease of attaining things—through past experiences or the expectation of future ones—makes them treat the present as though it is less precious. Savoring helps combat this tendency, by treating every bite as though it is one's last.

"Sleep, riches, and health, to be truly enjoyed, must be interrupted," wrote novelist Jean Paul. Who would actually want to stop something they were enjoying? Counterintuitively, however, interrupting a positive experience actually increases its enjoyment. Research supports the idea that breaks are beneficial for positive experiences, such as being amused by a television program, but detrimental for negative experiences, such as enduring a dental drill (Nelson et al. 2009). While in the midst of a movie, mystery novel, or massage, hedonic adaptation has already begun working to undermine pleasure. What began as an extra boost has quickly become the norm. Taking even a short break resets adaptation so that when people return to their activity, they enjoy it more than they did before they left it.

Similarly, because the frequency of positive experiences boosts well-being more than their intensity (Diener et al. 1991), segregating pleasurable experiences is a simple, thrifty strategy that can reduce consumption and increase pleasure. When relishing a positive experience—whether it's a thrilling movie, a sensuous massage, or a delicious piece of lemon cake—"the banquet is in the first bite" (Pollan 2009). Dividing doses over time multiplies such "first bites," and subsequently, one's enjoyment. But watch out for oversegregation: a cookie divided into too many pieces becomes a pile of crumbs (Morewedge et al. 2007).

Fasting heightens feasting—or so say its practitioners. Consider that five of the world's major religions, Judaism, Christianity, Islam, Buddhism, and Hinduism, all promote temporary abstinence from food, sex, or other common pleasurable activities for periods of time. In the month of Ramadan, for example, during daylight hours, adherents abstain from eating, drinking, and sexual relations in order to cultivate humility, enhance spiritual strength, practice self-control, identify with the poor, and express devotion to God (Tamney 1980). In Orthodox Judaism, married couples abstain from even touching while the wives are menstruating. To accomplish this unnatural feat, couples must take careful, deliberate steps to avoid inadvertent touching while eating, doing housework, and otherwise going about their day. To modern readers, voluntarily abstaining from any natural desire may appear hopelessly antiquated. However, considering the benefits of interrupting positive experiences, building anticipation, exercising self-control, and practicing gratitude, fasting may be an ancient practice with special relevance in cultures of abundance.

2.5 Limitations and Future Directions

Thrift is comparatively understudied in consumer psychology (Chancellor and Lyubomirsky 2011; Kasser 2005, 2011; Lastovicka et al. 1999). Consumer psychologists often apply their craft to selling products, refining pitches, and increasing profits. Although many consumer research findings have implications for improving consumers' welfare, researchers often overlook those implications. For example, an oft-cited study on self-limiting purchases found that when consumers buy unhealthy products (e.g., potato chips, alcohol, or cigarettes), they purposefully reduce the quantity they buy as a way of exerting self-control (Wertenbroch 1998). If one cannot muster the willpower to quit smoking altogether, buying a pack instead of a carton shrewdly limits the damage. Regrettably, the article's practical applications reflect the themes of consumerism: Charge a premium price for small quantities of unhealthy products (i.e., earn more profit) or offer price discounts instead of quantity bonuses (i.e., spur more consumption). Despite the weighty life-and-death implications of smoking, alcoholism, and obesity, only three sentences in the 30-page article (winner of the American Marketing Association Dissertation Award) discuss ideas for limiting consumption: easily tempted individuals should carry less cash and policymakers might consider protecting consumers from being price gouged for self-rationing. In sum, consumer psychology could benefit from a broader aim to improve the well-being of consumers, even if getting there means less consumption rather than more.

Toward this lofty goal, consumer research would do well to target life improvement by measuring and predicting more global outcomes (e.g., life satisfaction instead of product satisfaction) and tracking participants over longer periods of time (e.g., months instead of minutes). A great deal of consumer research takes place in laboratories where participants sample music or morsels (Alba and Williams 2013). Although such controlled approaches are valid for specific research questions, they may have limited generalizability to naturalistic settings and may neglect broad domains that are relevant to ordinary people (Rozin 2006).

We envision future naturalistic longitudinal studies employing a more macro level of analysis. For example, what consumer choices affect the enjoyment of a summer vacation? Is a faraway cruise actually better than a staycation (i.e., not venturing far from home)? What is the best way to spend a hundred dollars? When purchasing a car, what factors affect one's quality of life 5 years later? What are the implications of radically simplifying and de-cluttering one's life (e.g., cleaning out the garage and divesting oneself of unneeded possession)? Questions such as these are on the minds of consumers, and consumer psychologists have the tools to answer them.

Lest we sound like naïve do-gooders, we expect answers to these broader research questions to also have enormous product, pitch, and profit implications. For example, if a tennis racket bestows more happiness than a decorative vase, sporting goods stores will want to know. If a staycation confers 80% of the relaxation of a visit to a faraway land, but at a fraction of the cost, consumers will be hearing from their neighborhood hotels. As individuals cope with rising rates of depression, obesity, and continuing economic uncertainty, they need (and will reward) companies who are looking out for their customers' best interests. Consumers and corporations can thrive together, and the right kinds of consumer research can spur these mutually beneficial relationships.

Finally, is thrift a personality trait or a learned skill? Can anyone learn to save more and enjoy it and, if yes, how? Research into the practice of thrift remains in its embryonic phase and has not progressed far past the preliminary stages of refining measures, investigating differences between known groups, and identifying correlates. Future researchers should aim to develop relevant theoretical models and, ultimately, well-designed longitudinal interventions to increase thrift and thrifty practices. Much of the extant research on thrift has been purely descriptive, and no experiments to promote thrift have been conducted. An open question remains about the extent to which differences in individuals' spending habits reflect static dispositions or practices that are amenable to change. Given the success of interventions aimed at increasing happiness and self-control (for reviews, see Baumeister et al. 2006; Lyubomirsky and Layous 2013) and the considerable overlap in the practices of happy, self-controlled, and frugal individuals, we feel confident that thriftiness can be implemented with success by those wishing to practice it.

2.6 Concluding Remarks

Although income and happiness are related, a large proportion of happiness is independent of wealth. Even considering the influence of both genetic and circumstantial factors, a large portion of the differences in individuals' levels of happiness are unexplained and thus potentially amenable to change (Lyubomirsky et al. 2005b). The virtue of thrift in particular holds special relevance to the modern era. In a world of unlimited resources, the choice to consume or conserve might be strictly philosophical. However, in an increasingly populated and interconnected world, one's lifestyle choices not only affect neighbors down the street but also across the ocean. Promoting sustainable happiness means helping people transcend set points and setbacks to live more rewarding lives. Thrift can complement this endeavor by extending the meaning of sustainability, ensuring that the collective can flourish as well as the individual.

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