

To Do or to Have? That Is the Question

Leaf Van Boven
University of Colorado at Boulder

Thomas Gilovich
Cornell University

Do experiences make people happier than material possessions? In two surveys, respondents from various demographic groups indicated that experiential purchases—those made with the primary intention of acquiring a life experience—made them happier than material purchases. In a follow-up laboratory experiment, participants experienced more positive feelings after pondering an experiential purchase than after pondering a material purchase. In another experiment, participants were more likely to anticipate that experiences would make them happier than material possessions after adopting a temporally distant, versus a temporally proximate, perspective. The discussion focuses on evidence that experiences make people happier because they are more open to positive reinterpretations, are a more meaningful part of one's identity, and contribute more to successful social relationships.

We live in a world of unprecedented abundance. Although few of us can live up to the advertising slogan that invites us to “have it all,” a growing swath of the population in developed countries has more discretionary income than ever before. We devote a considerable portion of our resources to the pursuit of “the good life”—one of contentment, pleasure, and happiness. For many of us, deciding how to invest our resources to maximize happiness is a challenge: We wonder whether we are as happy as we might be, given the resources at our disposal. We wonder whether more money, more leisure, or more stuff would make us happier. These queries may not apply to everyone, of course; individuals with severely limited resources may (rightfully) worry more about satisfying basic needs such as food, shelter, and clothing (Maslow, 1943). But for the fortunate majority in developed countries who enjoy a substantial measure of discretionary income, one can ask whether there is a simple, empirically grounded strategy to guide the allocation of resources in the pursuit of happiness.

The thesis examined in this article is that happiness is advanced more by allocating discretionary income toward the acquisition of life experiences than toward the acquisition of material possessions. “The good life,” in other words, may be better lived by doing things than by having things.

Materialism

Our research follows a humanistic tradition critical of material pursuits. Aristotle observed that “men fancy that external goods

are the cause of happiness” but claimed that “leisure of itself gives pleasure and happiness and enjoyment in life” (trans. 1996, pp. 185 and 197). Some time later, the bible has Jesus admonishing, “one's life does not consist in the abundance of possessions” (Luke 12:15, New King James Version). More recently, Fromm (1976) criticized industrialized societies for neglecting “being” in favor of “having”—an emphasis he believed inhibits self-actualization. Scitovsky (1976) similarly suggested that people in industrialized societies, particularly the United States, have created a “joyless economy” by pursuing “comforts” (which eliminate pains but produce little or no enjoyment) to the detriment of short-lived “pleasures.” Summarizing evidence across the social sciences, Frank (1999) observed that across-the-board “increases in our stocks of material goods produce virtually no measurable gains in our psychological or physical well-being. Bigger houses and faster cars, it seems, don't make us any happier” (p. 6).

Consistent with these ideas, prior research demonstrates that materialistic people tend to report lower subjective well-being than nonmaterialistic people. People who strongly agree with such statements as “Some of the most important achievements in life include acquiring material possessions” and “Buying things gives me a lot of pleasure” report lower levels of satisfaction with life than people who disagree with such statements (Belk, 1985; Richins & Dawson, 1992). More generally, people who endorse such extrinsic aspirations as “You will buy things just because you want them” report lower levels of well-being (Kasser & Ryan, 1993, 1996). According to self-determination theory, focusing on external rewards fails to satisfy needs for autonomy, competence, and relatedness, thereby hindering self-actualization and personal integration (Deci & Ryan, 1985; Kasser, 2002; Ryan & Deci, 2000). Our investigation expands these findings by examining whether investing in experiences generally makes people happier than investing in possessions.

Experiential Versus Material Investments

A central challenge of our research is to delineate a distinction between experiences and possessions that is both theoretically meaningful and intuitively resonant in everyday life. An intuitive,

Leaf Van Boven, Department of Psychology, University of Colorado at Boulder; Thomas Gilovich, Department of Psychology, Cornell University.

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Correspondence concerning this article should be addressed to Leaf Van Boven, University of Colorado at Boulder, Department of Psychology, UCB 345, Boulder, Colorado 80309-0345. E-mail: vanboven@colorado.edu or tdg1@cornell.edu

easily recognized distinction would advance the practical aim of helping individuals decide how to allocate their discretionary resources. The difficulty, of course, is that the distinction is not always clear-cut. Nearly everyone would deem a hike in the Himalayas to be an experience and a new Patek-Phillipe watch to be a possession. But what about a flat-screen TV or an automobile? Are they possessions or vehicles for experiences?

Although such ambiguities create some interpretive difficulties, they do not render the distinction meaningless. At dusk, it can be difficult to discern whether it is really day or night, but that does not undermine the utility of the general distinction between night and day. One way to meet this interpretive challenge is to rely on people's intentions when investing in their happiness. Thus, *experiential purchases* are those made with the primary intention of acquiring a life experience: an event or series of events that one lives through. *Material purchases* are those made with the primary intention of acquiring a material good: a tangible object that is kept in one's possession.

In drawing this intention-based distinction, we were inspired by two related dichotomies. First, consumer behavior researchers have recently distinguished between hedonic goods, those acquired with the primary intention of fostering enjoyment, and utilitarian goods, those acquired with the primary intention of achieving practical aims (Dhar & Wertenbroch, 2000; Kivetz & Strahilovitz, 2000). A second distinction is the one mentioned earlier between extrinsic goals, which "depend on the contingent reactions of others," and intrinsic goals, which express "desires congruent with actualizing and growth tendencies natural to humans" (Kasser & Ryan, 1996, p. 280). Like ours, these distinctions are imprecise. Is installing a "professional" gas stove in one's kitchen hedonic or utilitarian? Does exercising reflect an intrinsic goal to be healthy, or an extrinsic goal to be physically attractive to others? Despite these ambiguities, the distinctions between hedonic and utilitarian purchases and between intrinsic and extrinsic goals have proved useful to researchers. And, as we shall demonstrate, the categorical distinction between experiential and material purchases, imprecise and imperfect though it may be, is readily recognized and widely shared.

The Present Studies

We examined whether investing discretionary income in life experiences makes people happier than investing in material possessions. In an initial survey, we asked people to think of experiences and material possessions they purchased during the past month (Study 1), and to indicate how happy those investments made them. In a larger national survey, we investigated whether people from different demographic groups would report that life experiences made them happier (Study 2). Bringing our investigation into the lab, we examined the impact of thinking about experiential versus material purchases on people's current moods (Study 3). Finally, we examined whether experiences might make people happier than possessions partly because experiences are evaluated more favorably over time. Specifically, we examined whether people who adopted a temporally distant perspective expressed a stronger preference for experiences than people who adopted a temporally proximate perspective (Study 4).

Study 1: Recent Purchases

How can we examine whether experiences make people happier than material possessions? The simplest approach is to ask them. Accordingly, we asked respondents to describe either the most recent experiential purchase or the most recent material purchase they had made for more than \$100, and to rate how happy the purchase made them. We anticipated that respondents would report that experiential purchases made them happier than material purchases.

We also asked respondents to evaluate the wisdom of their purchase from an economic standpoint. If people believe that their experiences make them happier than their material possessions, do they also deem their experiences to be better financial investments than their possessions? Material possessions, after all, are physically retained over time whereas experiences are not. The continued enjoyment of experiences is only indirect—a pleasant memory, a favorable self-perception, or an enjoyable story to tell. People might therefore judge material possessions to be better financial investments, even if they do not make them happier. We examined this possibility by asking respondents to rate the extent to which the money spent on their purchase was "money well-spent" and whether they thought the money could have been better spent on something else.

We also investigated whether people recognize and make consistent distinctions between experiential and material purchases by asking some respondents ("outsiders") to evaluate other people's purchases. Our definition of experiential and material purchases rests on people's ideographic intentions regarding their investment. The same purchase (a car) can have different meanings for some people ("I need better handling on mountain turns") than for others ("I want to add to my collection"). Because people have little or no access to the intentions surrounding a stranger's purchase, they must infer the intentions from the purchase itself. We were therefore interested in whether outsiders would categorize purchases the same as the respondents themselves.

Method

Main survey. Ninety-seven University of British Columbia (UBC) undergraduates completed a survey in exchange for a chocolate bar. The survey concerned "a purchase you have made with the intention of advancing your happiness and enjoyment in life." Respondents randomly assigned to the experiential purchase condition were asked to think of the most recent experiential purchase they made for more than \$100 and that involved "spending money with the primary intention of acquiring a life experience—an event or series of events that you personally encounter or live through." Respondents in the material purchase condition were asked to think of their most recent material purchase of more than \$100 that involved "spending money with the primary intention of acquiring a material possession—a tangible object that you obtain and keep in your possession."

Respondents then indicated how happy their purchase made them. They were asked, "When you think about this purchase, how happy does it make you?" which they answered on a scale ranging from 1 (*not happy*) to 5 (*moderately happy*) to 9 (*extremely happy*). They were also asked, "How much does this purchase contribute to your happiness in life?" which they answered on a scale ranging from 1 (*not at all*) to 5 (*moderately*) to 9 (*very much*). Respondents also answered two questions about the financial wisdom of their purchase: "To what extent would you say this purchase is money well-spent?" which they answered on a scale ranging from 1 (*not well-spent*) to 5 (*moderately well-spent*) to 9 (*very well-spent*); and, "To

what extent do you think the money spent on this purchase would have been better spent on something else—some other type of purchase that would have made you happier?” which they answered on a scale ranging from 1 (*not at all*) to 5 (*moderately*) to 9 (*very much*).

Outsiders. Several weeks after completion of the main survey, 42 UBC undergraduates received a candy bar in exchange for reading short summaries of between 15 and 20 randomly selected purchase descriptions from the main survey, approximately half of which were experiential purchases. The outsiders read the same definition of experiential and material purchases given to the survey respondents, but were not told whether the purchases were originally listed as experiential or material. Outsiders rated the extent to which each purchase was experiential or material on a scale ranging from 1 (*purely material*) to 5 (*equally experiential and material*) to 9 (*purely experiential*). They also rated how happy each purchase would make them on a scale ranging from 1 (*not at all happy*) to 9 (*extremely happy*).

Results and Discussion

As anticipated, respondents asked to evaluate an experiential purchase indicated that it made them happier than did those asked to evaluate a material purchase (see Table 1).¹ Respondents also indicated that experiential purchases were better financial investments than material purchases. Participants indicated that, compared with material purchases, experiential purchases made them happier, $t(95) = 2.91, p = .005$, contributed more to their happiness in life, $t(95) = 2.44, p = .017$, and represented money better spent, $t(95) = 2.26, p = .026$. Respondents were also less inclined to say that the money spent on experiences could have been better spent elsewhere than the money spent on material possessions, $t(95) = -1.94, p = .056$.

Respondents' purchase descriptions suggest that the distinction between experiential and material purchases resonates with people in everyday life (see Table 2). There is very little overlap between the two types of purchase descriptions: The most frequently described category of experiential purchases (fees and admissions) was described by only 1 respondent as a material purchase; the most frequently described category of material purchases (clothing and jewelry) was described by only 1 respondent as an experiential purchase.

Outsiders evaluating other people's purchases—for which outsiders must guess the purchaser's intentions—also recognized this distinction. The parenthetical numbers in Table 2 present outsiders' average ratings of purchase descriptions within each purchase

category. Outsiders rated the experiential purchases as more experiential ($M = 7.34$) than the material purchases ($M = 3.23$), $t(41) = 15.29, p < .001$. Furthermore, outsiders predicted that purchases originally described as experiential would make them happier ($M = 6.78$) than purchases originally described as material ($M = 4.25$), $t(41) = 9.41, p < .001$.

These findings bolster the claim that the distinction between experiential and material purchases is widely shared and readily recognized in everyday life. That this distinction was easily made by outsiders—people who did not themselves acquire the purchases—suggests that the experiential and material properties are somewhat inherent to the purchases themselves, not only to people's idiographic intentions regarding the purchase. The distinction between experiential and material purchases is thus both conceptually meaningful and intuitively compelling to people in everyday life.

The between-respondents design of this study casts doubt on the possibility that our results are an artifact of social desirability concerns. To be sure, people may often be more comfortable saying that they are made happier by their experiences than by their material possessions. Indeed, as we describe later, one reason why experiences tend to make people happier is the negative stereotype associated with being materialistic—a stereotype that could make people reluctant to trumpet the hedonic value of their possessions. However, because respondents in this survey were never asked to compare experiential and material possessions directly, social desirability concerns were less likely to have influenced their responses. We present additional evidence against the social desirability interpretation in Study 3.

Study 2: National Survey

How widespread is this tendency of experiences to provide greater hedonic value than material possessions? Is it true for men and women? Young and old? Black and White? Rich and poor? The relatively small sample of respondents in Study 1 and the reliance on university students do not allow a full examination of these questions. We therefore explored in a national survey whether people from various demographic groups would endorse the hedonic superiority of experiential purchases over possessions.

Method

A nationwide cross-section of 1,279 Americans, aged 21–69, was surveyed between November and December 2000 by Harris Interactive on behalf of Northwestern Mutual Financial Network. The survey was conducted over the telephone, with respondents solicited through random-digit dialing. Respondents were those who identified themselves as the “primary financial decision makers in their households.” Most of the approximately 180-item survey concerned respondents' attitudes and behaviors with respect to financial planning, such as “How much money would you need to feel secure about your financial future?” Toward the end of the survey, respondents were asked to think of an experiential and a material purchase they had made during their lifetime with “the aim of increasing your

Table 1
Study 1: Recent Purchases. Respondents' Evaluations of Experiential and Material Purchases Made During the Preceding Month, and “Outsiders’” Ratings of How Happy Other People’s Purchases Would Make Them

Evaluation	Type of purchase	
	Experiential	Material
Main survey		
How happy does thinking about it make you?	7.51	6.62
Contributed to your overall happiness in life?	6.40	5.42
Money well spent?	7.30	6.42
Better spent on something else?	3.77	4.52
Outsiders' evaluation		
Anticipated happiness	6.78	4.25

¹ There was no reliable difference in the cost of material and experiential purchases (medians = \$150 and \$190, respectively). There was a marginally reliable tendency for material purchases to be purchased more recently ($M = 2.54$ months ago) than experiential purchases ($M = 4.70$ months ago), $t(95) = 1.85, p = .07$. Statistically controlling for this difference did not alter any of the results.

Table 2
Study 1: Recent Purchases. Percentage of Experiential and Material Purchases in Each of 10 Categories

Purchase category	Type of purchase	
	Experiential	Material
Beauty spas and products	4% (2.57)	2% (4.10)
Books and compact discs	—	2% (4.22)
Clothing and jewelry	2% (3.57)	62% (2.86)
Dining	17% (7.60)	—
Fees and admissions (to concerts, ski slopes, etc.)	43% (7.49)	2% (6.00)
Televisions, stereo, and computer equipment	—	26% (3.47)
Travel	32% (7.51)	—
Other	2% (4.77)	6% (4.92)

Note. A dash indicates there was no purchase description in that category. Numbers in parentheses are “outsiders” ratings of the extent to which the purchase was experiential versus material on a scale ranging from 1 (*purely material*) to 5 (*equally material and experiential*) to 9 (*purely experiential*).

happiness.” Respondents were then asked, “When you think about these two purchases, which makes you happier?” They answered by selecting “my experiential purchase,” “my material purchase,” “not sure,” or “decline to answer.”

Results and Discussion

Respondents who declined to answer whether their experiential or material purchase made them happier (1%) were excluded from all analyses (resulting $N = 1,263$).

As expected, respondents were substantially more likely to report that their experiential purchases made them happier than their material purchases (57%, 95% confidence interval = 54%–60%) than they were to report that their material purchases made them happier than their experiential purchases (34%, 95% confidence interval = 31%–37%).

Our primary interest, however, was the relationship between respondents’ demographic profiles and their endorsement of experiential over material purchases. As illustrated in Table 3, across a variety of demographic categories, respondents were more likely to report that their experiential purchases made them happier than they were to report the reverse. That is not to say that there were no demographic differences: Women, younger individuals, and those living in urban or suburban communities were a bit more likely to indicate that experiences made them happier than were men, elderly people, and those living in rural communities. However, even in those categories less likely to favor experiences over possessions, a greater proportion of respondents indicated that their experiences made them happier than the reverse. Reporting that experiences make one happier than possessions is thus the rule not the exception.

A further demographic difference is noteworthy. Respondents’ level of income (see Figure 1) was positively associated with their endorsement of experiential over material possessions—so much so that respondents with the lowest levels of income were equally likely to indicate that material or experiential purchases made them happier. A similar pattern emerged for education, which is highly correlated with income (cf. Witter, Okun, Stock, & Haring, 1984). In fact, people with the lowest levels of education (some high school or less) were slightly more likely to indicate that material possessions made them happier, whereas respondents with at least a high school degree were more likely to indicate that experiences

made them happier. These patterns are perhaps not surprising. Individuals with little or no discretionary income (typically those with the least education) must allocate most of their resources toward the satisfaction of basic needs, and may have fewer opportunities to worry about the relative benefits of experiences and possessions in the pursuit of happiness.

Although one can speculate about potential causes underlying the demographic differences in endorsement of experiential over material purchases, such speculation should be viewed with caution. Because respondents did not provide us with purchase descriptions in this survey, we cannot discern whether the differential endorsement of experiences over material possessions stems from evaluations of different types of purchases or from different evaluations of similar purchases. It is quite likely that younger, wealthier, more educated individuals purchase different types of experiences than older, less educated, and less wealthy individuals. It is also possible that these different groups purchase similar kinds of experiences and possessions, but evaluate them differently. We suspect that wealthier, more educated people may have been acculturated and educated in a system that emphasizes self-actualization, which might help them reap greater psychological benefits from experiences. Establishing causal clarity and unpacking these demographic differences is an important issue for further research.

Study 3: Mood Experiment

Respondents in the previous surveys reported that their experiential purchases made them happier than their material purchases. Our interpretation of these results assumes, as do many subjective well-being researchers, that people can accurately report their own happiness (Larsen, Diener, & Emmons, 1985; Lyubomirsky & Lepper, 1999). This assumption is substantiated by findings indicating that self-reported measures of happiness are internally consistent, stable, and converge with informant and spouse reports (Costa & McCrae, 1980; Lyubomirsky & Lepper, 1999). But critics of this assumption note that transient, contextual factors can influence measures of subjective well-being (e.g., Schwarz & Strack, 1999). And even if people can report their own subjective well-being, they may not be able to accurately report the causes of their well-being. Partly because of these concerns, some research-

Table 3
Study 2: National Survey

Demographic category	Type of purchase	
	Experiential	Material
Age		
21–34 (350)	59%	36%
35–54 (645)	58%	31%
55–69 (268)	49%	38%
Employment		
Employed full or part-time (941)	58%	33%
Retired or unemployed (218)	47%	39%
Students and homemakers (102)	67%	25%
Ethnicity		
White (1,000)	58%	33%
Black/African American (133)	53%	36%
Asian/Pacific Islander (17)	47%	29%
Other/decline to answer (113)	46%	42%
Gender		
Male (591)	51%	38%
Female (672)	62%	30%
Marital status		
Single, separated, or divorced (336)	60%	32%
Married or living together (895)	56%	34%
Political affiliation		
Democrat (418)	55%	35%
Republican (454)	63%	29%
Independent (267)	57%	33%
Region		
East (288)	59%	33%
South (411)	55%	35%
Midwest (295)	57%	32%
West (267)	56%	35%
Residential environment		
Urban (363)	56%	35%
Suburban (654)	59%	31%
Rural (246)	49%	40%

Note. Percentage of respondents in various demographic categories who indicated that their experiential purchase made them happier than their material purchase, and the percentage indicating the reverse. The remaining percentage in each demographic category was unsure whether experiential or material purchases made them happier. Numbers in parentheses represent the number of respondents in each demographic category ($N = 1,263$). Respondents within each demographic category who declined to answer are not included in the table.

ers advocate the abandonment of global assessments of well-being in favor of moment-to-moment reports of feelings (e.g., Kahneman, 1999; Stone, Shiffman, & DeVries, 1999).

We designed an experiment with this critique in mind. We asked participants to describe either an experiential or material purchase. One week later, we asked them to read their description and ponder their purchase. At both times, we measured participants' current feelings. If, as we hypothesize, thinking about experiential purchases makes people happier than thinking about material purchases, pondering an experience should have a more positive effect on participants' current feelings than pondering a material possession. This design thus avoids any limitations inherent in retrospective, more global evaluations of happiness. It also permits a closer examination of the possibility that our earlier results are an artifact of social desirability concerns. A report of one's mood is simply that—a report of how one feels at the moment for whatever reason. It is not a report of how one feels because of one type of purchase or another, and hence there is no need for participants to disguise their true responses because one type of purchase may be more socially desirable than another.

Method

Seventy Cornell University undergraduates were offered course credit to participate in two sessions, approximately 1 week apart.² Upon arrival at the first session, participants completed a "Background Questionnaire" that the experimenter described as a tool that would "assess factors that may or may not affect behavior in experiments." The questionnaire contained two measures of participants' current mood. Participants first rated their current mood on two bipolar scales, one ranging from -4 (*bad*) to $+4$ (*good*), and another ranging from -4 (*sad*) to $+4$ (*happy*; cf. Forgas, 1999). Participants then completed a shortened version of the Affectometer 2 scale, which assesses one's current experience of positive and negative feelings (Kamman & Flett, 1983). Specifically, participants rated how much each of 14 adjectives described how they felt "right now" on 7-point scales ranging from 1 (*not at all*) to 7 (*a great deal*). The adjectives were as follows: *clear-headed, depressed, discontented, enthusiastic, free-and-easy, good-*

² Although participants were required to attend both sessions to receive credit, an additional 15 participants (6 in the experiential purchase condition and 9 in the material purchase condition) did not return for the second session. Their data are not included in the analyses.

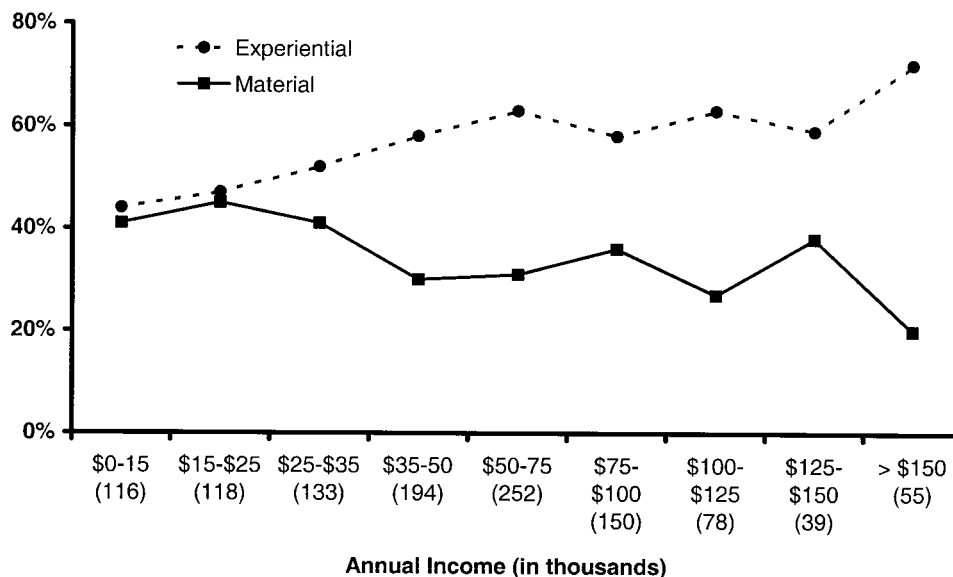


Figure 1. Percentage of respondents with different levels of income who indicated that their experiential or material purchase made them happier. Numbers in parentheses are the number of respondents in each income category; the 127 respondents who either were not sure of their income category or declined to answer are not included in the graph. The remaining percentage of respondents in each category were not sure whether their experiential or material purchase made them happier.

natured, helpless, hopeless, impatient, lonely, loving, optimistic, satisfied, and withdrawn.

Participants were next asked to write a description of a purchase they were happy with and that had been made either by them or for them during their lifetime. Participants were randomly assigned either to the experiential purchase condition or to the material purchase condition. Participants were asked to describe the purchase itself, not the surrounding circumstances. They were asked not to describe a gift they had purchased for someone else, although they were allowed to describe gifts received.

When participants arrived for the second session, approximately 1 week later, they were escorted to private rooms and given 10 min to read and contemplate their description from the first session. Afterward, they were asked, "When thinking about your purchase, how happy does it make you?" which they answered on a scale ranging from 1 (*not happy*) to 9 (*extremely happy*). The experimenter then said that the study was complete. As an apparent afterthought, the experimenter mentioned that, "We'd better have you complete a Background Questionnaire." Participants were then given the same questionnaire they had completed during the first session. After completing the questionnaire, participants were thanked and debriefed.

Results

Consistent with the preceding surveys, participants in the experiential purchase condition reported that thinking about their purchase made them happier ($M = 7.51$) than did participants in the material purchase condition ($M = 6.86$), $t(68) = 2.26$, $p = .027$. Our primary analysis, however, concerned the effects of contemplating experiential versus material purchases on participants' mood. We averaged participants' ratings of their current mood on the good-bad and happy-sad scales from each session into a single measure ($r_s = .92$ and $.82$, for Sessions 1 and 2, respectively). After appropriate reverse scoring, with higher numbers reflecting more positive (and less negative) feelings, participants' 14 responses to the Affectometer 2 were also averaged to create a single

measure for each session (Cronbach's $\alpha = .90$ for each session). These two measures were then standardized and averaged into an overall index for each session. Within Sessions 1 and 2, the two measures were significantly correlated ($r_s = .73$ and $.76$, respectively). The correlation across sessions of the overall index was $.52$.

To examine whether contemplating an experiential purchase placed participants in a relatively better mood than contemplating a material purchase, we conducted an analysis of covariance comparing Session 2 standardized mood scores of participants in the experiential and material purchase conditions, controlling for their standardized mood scores during Session 1. As anticipated, participants in the experiential purchase condition were in a relatively better mood (adjusted $M = 0.20$) than were participants in the material purchase condition (adjusted $M = -0.20$), $F(1, 67) = 4.59$, $p = .036$.³ Furthermore, the correlation between participants' reports of how happy thinking about their purchase made them and their mood during Session 2, controlling for their mood during Session 1, was $.34$ ($p = .04$).

Discussion

These results indicate that the experience of remembering experiential purchases makes people happier than the experience of remembering material purchases, corroborating people's self-reports of how happy thinking about their purchases make them.

³ There was no significant difference in mood during Session 1 ($M_s = -.05$ and $.05$, for experiential and material purchases, respectively; $t < 1$). Analyzing Session 2 moods without including the Session 1 scores as a covariate yields a marginally significant difference in the expected direction, $F(1, 68) = 2.50$, $p = .12$.

Some researchers (e.g., Kahneman, 1999) recommend that measures of happiness incorporate not only the valence and intensity of feelings, but also the frequency with which individuals experience those feelings. The results of this experiment indicate that thinking about experiential purchases gives people more pleasure than thinking about material purchases; but do people also think about their experiential purchases more often? As an initial examination of this possibility, we administered a short, anonymous survey to 40 Cornell University students, asking them to think of one experiential purchase and one material purchase they had made and were happy with. When asked which purchase they thought about more often, a clear majority (83%, 95% confidence interval = 71%–94%) indicated that they “mentally revisited” their experiential purchase more often than their material purchase. This suggests that thinking about experiences not only makes people happier than thinking about material possessions, they also think about their experiences more often.

Study 4: Temporal Perspectives

Experiences may make people happier than material possessions in part because experiences are more open to increasingly favorable interpretations over time. One reason (of several) for this difference is that experiences may have more favorable abstract, higher level features than material possessions. Visiting a museum, for example, may have more favorable higher level meanings (“learning,” “becoming cultured”) than a new shirt, and these deeper meanings may figure more prominently in people’s construal of the museum visit over time. Indeed, people generally construe objects in terms of their central, higher level features when adopting a temporally distal perspective, but construe them in terms of peripheral, low-level features when adopting a temporally proximal perspective (Trope & Liberman, 2003). Academic conferences, for instance, are often construed more favorably in the psychologically distant past or future than in the psychologically near past or future because the abstract, high-level features (visiting interesting places and advancing science) are more favorable than the peripheral, low-level features (packing suitcases and preparing talks; Liberman & Trope, 1998). Analogously, if experiences have more favorable abstract, high-level features than material possessions, but equally or less appealing peripheral, low-level features, then experiences should be relatively more desirable from a temporally distant perspective than from a temporally proximate perspective. Study 4 tested this prediction.

Method

Building on a procedure used by Liberman and Trope (1998), we asked 84 Cornell University undergraduates, who participated in exchange for course credit, to imagine facing four choices, each between an experience and a material possession. The experiences and possessions were culled from purchase descriptions in other surveys. The purchases were selected to be gender neutral and, for each choice, were matched as well as possible for cost. The four choices were between a new watch or going to a Broadway show, a pair of leather boots or dinner and a comedy show, a compact disk of one’s choice or going to a pool hall, and a new jacket or spending an evening in a café with a friend. Some participants were randomly assigned to imagine they had confronted the choices 1 year ago (distant past); others imagined they would confront the choices 1 year in the future (distant future); and a third group imagined they would confront the choices the following day (near future). For each pair, participants

indicated which they would choose (would have chosen), and which would make (have made) them happier.

Results and Discussion

Of the four choices, we calculated the percentage of experiences that each participant indicated he or she would actually choose and would make the participant happier. As expected, participants were more likely to indicate that they would choose and be made happier by experiences when adopting a temporally distal perspective—either past or future—than when adopting a temporally proximate perspective (see Table 4). A planned contrast revealed that participants in the two temporally distant conditions were significantly more likely to choose the experiences than participants in the near future condition, $t(82) = 1.99, p = .05$. (The two distant conditions did not differ from each other, $t(82) = 1.21, ns$.) Another planned contrast revealed that participants in the two distant conditions were more likely to indicate that the experiences would make them happier than participants in the immediate future condition, $t(82) = 2.54, p = .013$. (Again, the two distant conditions did not differ from each other, $t < 1$.) These results suggest that experiences have particular appeal when construed from the higher level of abstraction that comes with temporal distance, implying that experiences are more open to favorable interpretations over time.

General Discussion

Evidence from a variety of sources suggests that people derive more enjoyment from discretionary experiential purchases than from discretionary material purchases. In Study 1, a sample of university students indicated that a gratifying experiential purchase from the recent past made them happier and was more valuable to them than a gratifying material purchase. Study 2 established the same pattern of results, albeit to different degrees, in a nationwide sample of respondents with widely divergent demographic profiles: young and old, Black and White, even Democrats and Republicans. Our contention that people enjoy a greater hedonic return from experiences than from possessions was reinforced by the results of Study 3, in which reminding participants of an earlier experiential purchase put them in a better mood than reminding them of an earlier material purchase.

A couple elements of these different studies rule out the possibility that people are not really made happier by their experiences than their possessions, they just say that they are because it is more socially acceptable to wax enthusiastic about one’s experiences than about one’s possessions. In Study 1, experiences were rated more favorably than possessions in a between-respondents design in which each type of purchase was evaluated on its own terms, not in relation to the other. In Study 3, participants did not render an assessment of either an experiential or material purchase; they merely contemplated one type or the other and filled out mood scales, which revealed that contemplating an experience made them happier than contemplating a material possession.

These findings were foreshadowed by earlier research demonstrating that individuals who value the acquisition of material possessions and who endorse extrinsic material goals are less satisfied with life than those who value material possessions less (Belk, 1985; Richins & Dawson, 1992) and who do not endorse extrinsic goals (Kasser & Ryan, 1996). The methods used in this

Table 4
Study 4: Temporal Perspectives

Temporal perspective	Evaluation	
	Choice	Happiness
Distant past	64%	72%
Near future	50%	58%
Distant future	57%	68%

Note. Average percentage of respondents' choices favoring an experience over a matched possession and average percentage of participants' responses indicating that the experience would make them happier than the possession, from three temporal perspectives.

earlier work make it impossible to know whether the pursuit of materialistic goals makes people less happy or whether people who are less happy tend to pursue materialistic goals. Such is not the case with the present research: Here the methods strongly suggest that experiential purchases yield greater happiness than material purchases.

Three Causes

Why do experiential purchases make people happier than material purchases? There are at least three possibilities, each of which may be a phenomenon worthy of further investigation in its own right.

Experiences are more open to positive reinterpretation. Experiences are more open than material possessions to increasingly favorable interpretations and evaluations with the passage of time. In Study 4, participants were more likely to prefer experiences over possessions when thinking about having one or the other in either the distant past or the distant future as opposed to the near future. Because people who adopt temporally distant perspectives construe objects in terms of higher level features (Trope & Liberman, 2003), this pattern suggests that the higher level features of experiences are more favorable than the higher level features of material possessions.

Another reason why experiences may be viewed more favorably over time is that people are less constrained in their retrospective evaluations of experiences. One of the core findings of subjective well-being research is that people adapt to material advances, requiring continued increases to achieve the same level of satisfaction (Brickman, Coates, & Janoff-Bulman, 1978; Frederick & Loewenstein, 1999). Previous experiences, in contrast, exist only as mental representations. As one forgets incidental annoyances and distractions that detract from online enjoyment, these mental representations can be sharpened, leveled, embellished, and reconfigured to create a much rosier retrospective view than the event enjoyed originally (Mitchell, Thompson, Peterson, & Cronk, 1997). A hiker may view a grueling trip through Alaskan wilderness more favorably with the passage of time (and the healing of blisters) than while bushwhacking, in the here-and-now, through patches of devil's club. As one of our survey respondents realized, "material possessions, they sort of become part of the background; experiences just get better with time."

Experiences are more central to one's identity. A person's life is quite literally the sum of his or her experiences. The accumulation of rich experiences thus creates a richer life. The same cannot be said of material possessions. As important and gratifying

as they sometimes are, they usually remain "out there," separate from the individual who attained them. Experiences, then, can provide greater hedonic value because they contribute so much more to the construction of the self than material possessions.

Even when both experiences and possessions contribute to a person's identity, they tend to do so in different ways and to different effect. People's acquisitions can say a great deal about who they are (Belk, 1988), and people often display purchases as a signal to others (and to themselves) of desired identities (Richins, 1994). Because there is a negative stereotype of "materialistic" people (Fournier & Richins, 1991), the acquisition and display of material possessions may lead people to apply this negative stereotype to themselves. And because there is a positive stereotype associated with "experiential" people (Van Boven & Gilovich, 2003), the acquisition of experiences may lead people to view themselves in a favorable light. Furthermore, experiences may contribute more favorably to one's identity because they satisfy intrinsic goals relating to personal growth (Kasser & Ryan, 1996) more than material possessions do and are therefore more self-actualizing (Maslow, 1943).

As an initial examination of whether experiences are more closely associated with people's identity, we asked 76 adults (42% male; M age = 36.25 years) at shopping malls in upstate New York and in New Jersey, and professors and staff at Cornell University, to think of one experiential purchase and one material purchase they had been happy with. We asked respondents whether their experiential or material purchases had played a greater role in defining "who you are" in life. Most (89%, 95% confidence interval = 82%–96%) indicated that their experiential purchases were more self-defining than their material purchases.

Experiences have greater "social value." A final reason that experiences make people happier than possessions is that they are more pleasurable to talk about and they more effectively foster successful social relationships, which are closely associated with happiness (e.g., Diener & Seligman, 2002). For one thing, experiences may be inherently more social than material possessions (consider dining, dancing, and dating vs. shirts, sweaters, and silverware). Furthermore, because experiences are more likely to have a typical narrative structure with a beginning, middle, and end, both listeners and storytellers may enjoy conversing about experiences more than about possessions. And because being "materialistic" is viewed negatively whereas being "experiential" is viewed positively, telling stories about experiences one has acquired may portray the storyteller in a more favorable light than telling stories about acquired possessions.

In one examination of these possibilities, university students had a conversation with another student regarding either experiential or material purchases they had made and were happy with. Those who had been asked to discuss experiential purchases were more likely than those who discussed material purchases to say that they liked each other more, that they enjoyed talking to each other more, and were more interested in pursuing a friendship with the other discussant (Van Boven & Gilovich, 2003).

Limitations

Although the present research tests ideas advanced by philosophers and social theorists for some time, it is also preliminary. Our theorizing and research doubtless overlooks important complexities that future research will discover about the relationship be-

tween the allocation of discretionary resources and well-being. In any attempt to apply our findings to daily life, then, at least five boundaries and limitations should be kept in mind.

First, as mentioned earlier, the distinction between experiential and material purchases is not always clear-cut. Many material purchases, such as patios, pianos, and Porsches, enable gratifying experiences. And even some that do not, such as washing machines, dishwashers, and sprinkling systems, nonetheless free up time for experiences that would otherwise be spent on drudgery. It should be noted, however, that material purchases often merely replace fully functioning existing items with a newer version of the same—buying yet another new pair of slacks, tearing up the bathroom linoleum to put in tile, or trading in the 3-year-old family sedan for this year's model. It is unclear what experiential gain purchases such as these provide. Still, the existence of such ambiguous cases does raise some important questions for future research. Is it the case, for example, that material possessions that afford new life experiences tend to make people happier than those that do not? Or, do material possessions that are instrumental in the achievement of experiences make people happier than those "terminal" possessions, such as jewelry and most clothing, that tend to be ends in themselves (Csikszentmihalyi & Rochberg-Halton, 1981; Fournier & Richins, 1991)?

Second, there may be important exceptions to the rule that experiences make people happier than material possessions. Some possessions, for example, might be imbued with sentimental value (an heirloom or wedding ring) that provides many of the same gratifications as most experiences. And some experiences (eating out frequently or going to the movies regularly) might be prone to the same adaptation processes that limit the hedonic value of most possessions.

Third, our results do not indicate that material possessions do not make people happy. Although many social critics have noted the futility of trying to achieve happiness through the narrow pursuit of material gain (Frank, 1999; Schor, 2000), the careful and measured acquisition of material possessions can no doubt advance one's happiness. Our findings suggest, simply, that a person would be made happier by investing in life experiences more than material possessions.

Fourth, we wish to reiterate that our research concerns the allocation of discretionary resources in the pursuit of happiness. Our findings do not imply that people should forgo basic needs such as adequate clothing, housing, or nourishment in pursuit of life experiences. The present topic may thus be most relevant to those with the resources to meet their basic needs, and the luxury of pondering whether to spend the surplus on experiences or possessions. Still, it is worth considering where, exactly, to draw the line between necessities and luxuries. Are new automobiles, name brand clothing, and home entertainment systems necessary? Or should these possessions be forgone to allow for more experiential acquisitions? The answers to these questions may shed light on how best to pursue "the good life" and maximize well-being.

Finally, much of the evidence we have presented involves people's summary judgments of the happiness they have derived from their experiences and possessions. What people recall about their enjoyment of an object or an event, of course, may not map on perfectly to their actual "online" enjoyment. Kahneman (1999) has shown, for example, that recollections of earlier hedonic experiences are dominated by a "peak-end" rule—that is, by what the experience was like at its best (or worst) and what it was like

at the end. If experiences offer a higher peak experience, and possessions provide more sustained gratification with a lesser peak, then people may mistakenly recall that their experiences gave them greater overall pleasure. This is a viable possibility that should be examined in subsequent research. It should be noted, however, that the pleasure we derive from our anticipations and recollections of events are a substantial part of our online experience (Elster & Loewenstein, 1992). Our enjoyment of both experiences and possessions extend in time: We enjoy their anticipation, and, as illustrated by Study 3, further "consume" their recollection. If, as Study 4 suggests, experiences are more enjoyable than possessions with foresight and hindsight, that fact should not be brushed aside as a distortion of our true experience: It is our experience.

Conclusion

Psychological research can inform our understanding of everyday life and suggest ways to improve it. We believe that the present research does both. We have shown that, for a variety of reasons, experiential purchases make people happier than material purchases. These findings have implications both for individuals' resource allocations, and for the allocation of resources by communities. Experiences cannot be acquired if they are not available: One cannot ski if there are no slopes, hike if there are no trails, or enjoy the arts if they are not funded. Our research suggests that individuals will live happier lives if they invest in experiences more than material possessions. By the same token, communities will have happier citizens if they make available an abundance of experiences to be acquired. Both individuals and communities would thus do well to heed the slogan of the Center for the New American Dream: "More fun, less stuff!"

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