Study shows cash transfers from rich to poor can increase happiness of the poor
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A team of researchers at the University of British Columbia, working with two wealthy donors has found that transferring money from rich people to poor people can increase the level of happiness reported by the poor people who receive the money.

In their paper published in Proceedings of the National Academy of Sciences, the group describes experiments they conducted that involved transferring money from rich people to poor people in both rich and poor countries.

There is an old proverb that says "you can't buy happiness." But that may not be true, at least for people living at the lowest levels of modern society. Also, for many years, people have debated the impact of money on levels of happiness. Some studies have shown that the rich are no happier than everyone else.

But what such studies sometimes overlook is the impact of an increase in money on people who can benefit the most—the poor. To measure this impact, the researchers enlisted the assistance of two wealthy donors who together donated $2 million to the study. Portions of that money were then distributed to subjects.

Two hundred people were given $10,000 each with the only stipulation that they report monthly on any changes in the level of happiness they experienced due to the sudden gift. Each was also asked to fill out a final report six months later.

Those chosen to receive the money lived in poor countries such as Kenya and Indonesia, as well as rich countries, such as the U.S., Canada and Australia. Each of the recipients were also asked to spend the entire gift within three months. The researchers also enlisted the assistance of a control group of people from the same places as those who received the money, but received no money themselves.

In studying the reports, the researchers found that the people living at the bottom of the economic scale reported much higher increases in happiness after receiving the cash than did those living much higher up—on average, three times as much. People living on salaries over $123,000, on the other hand, reported little change in their happiness levels. The researchers also found that overall, life satisfaction improved by 0.36 points for the group as a whole.

The researchers suggest their experiment shows that economic plans by communities or governments to transfer wealth from the rich to poor could result in dramatic increases in life satisfaction for most of their constituents.
