

Don't forget!

- As there is no title, look at the last question and skim the questions to get the gist of the passage. Then skim the text.

READING PASSAGE

You should spend about 20 minutes on **Questions 1–13**, which are based on the reading passage below.



- A** All in all, it was probably a mistake to look for the answer to the eternal question – ‘Does money buy happiness’ – from people who practice what’s called the dismal science. For when economists tackled the question, they started from the observation that when people put something up for sale they try to get as much for it as they can, and when people buy something they try to pay as little for it as they can. Both sides in the transaction, the economists noticed, are therefore behaving as if they would be more satisfied (happier, dare we say) if they wound up receiving more money (the seller) or holding on to more money (the buyer). Hence, more money must be better than less, and the only way more of something can be better than less of it is if it brings you greater contentment. The economists’ conclusion: the more money you have, the happier you must be.
- B** Psychologists have spent decades studying the relation between wealth and happiness,’ writes Harvard University psychologist Daniel Gilbert in his best-selling ‘Stumbling on Happiness,’ and they have generally concluded that wealth increases human happiness when it lifts people out of abject poverty and into the middle class, but that it does little to increase happiness thereafter.
- C** That flies in the face of intuition, not to mention economic theory. According to standard economics, the most important commodity you can buy with additional wealth is choice. If you have \$20 in your pocket, you can decide between steak and peanut butter for dinner, but if you have only \$1 you’d better hope you already have a jar of jelly at home. Additional wealth also lets you satisfy additional needs and wants, and the more of those you satisfy the happier you are supposed to be.
- D** The trouble is choice is not all it’s claimed to be. Studies show that people like selecting from among maybe half a dozen kinds of pasta at the grocery store but find 27 choices overwhelming, leaving them chronically on edge that they could have chosen a better one than they did. And wants, which are nice to be able to afford, have a bad habit of becoming needs (iPod, anyone?), of which an advertising and media-saturated culture create endless numbers. Satisfying needs brings less emotional well-being than satisfying wants.
- E** The nonlinear nature of how much happiness money can buy – lots more happiness when it moves you out of penury and into middle-class comfort, hardly any more when it lifts you from millionaire to decamillionaire – comes through clearly in global surveys that ask people how content they feel with their lives. In a typical survey people are asked to rank their sense of well-being or happiness on a scale of 1 to 7, where 1 means ‘not at all satisfied with my life’ and 7 means ‘completely satisfied.’ Of the American multimillionaires who responded, the average happiness score was 5.8. Homeless people in Calcutta came in at 2.9. But before you assume that money does buy happiness after all, consider who else rated themselves around 5.8: the Inuit of northern Greenland, who do not exactly lead a life of luxury, and the cattle-herding Masai of Kenya, whose dung huts have no electricity or running water. And proving Gilbert’s point about money buying happiness only when it lifts you out of abject poverty, slum dwellers in Calcutta – one economic rung above the homeless – rate themselves at 4.6.
- F** Studies tracking changes in a population’s reported level of happiness over time have also dealt a death blow to the ‘money buys happiness’ claim. Since World War II the gross domestic product per capita has tripled in the United States. But people’s sense of well-being, as measured by surveys asking some variation of ‘Overall, how satisfied are you with your life?’, has barely budged. Japan has had an even more meteoric rise in GDP per capita since its postwar misery, but measures of national happiness have been flat, as they have also been in Western Europe during its long postwar boom, according to social psychologist Ruut Veenhoven of Erasmus University in Rotterdam. A 2004 analysis of more than 150 studies on wealth and happiness concluded that ‘economic indicators have glaring shortcomings’ as approximations of well-being across nations, wrote Ed Diener of the University of Illinois, Urbana-Champaign, and Martin E. P. Seligman of the University of Pennsylvania. ‘Although economic output has risen steeply over the past decades, there has been no rise in life satisfaction ... and there has been a substantial increase in depression and distrust.’
- G** If money doesn’t buy happiness, what does? Grandma was right when she told you to value health and friends, not money and stuff. Or as Diener and Seligman put it, once your basic needs are met ‘differences in well-being are less frequently due to income, and are more frequently due to factors such as social relationships and enjoyment at work.’ Other researchers add fulfillment, a sense that life has meaning, belonging to civic and other groups and living in a democracy that respects individual rights and the rule of law. If a nation wants to increase its population’s sense of well-being, says Veenhoven, it should make ‘less investment in economic growth and more in policies that promote good governance, liberties, democracy, trust and public safety.’

Questions 1–5

The reading passage has seven paragraphs, A–G.

Which paragraph contains the following information?

NB You may use any letter more than once.

- 1 a suggestion that less emphasis ought to be placed on economic development
- 2 evidence that the lack of money does not necessarily lead to unhappiness
- 3 some suggested non-monetary grounds for being happy
- 4 an explanation of the monetarist's assumption that wealth breeds happiness
- 5 proof that an increase in a country's wealth does not make people more content

Questions 6–9

Do the following statements agree with the information given in the reading passage?

Write:

TRUE if the statement agrees with the information

FALSE if the statement contradicts the information

NOT GIVEN if there is no information on this

- 6 According to the general conclusion of psychologists, people are not made much happier by an increase in wealth after a certain threshold.
- 7 Research indicates that a narrow range of options increases shopper anxiety.
- 8 More multimillionaires took part in one survey than was expected.
- 9 Up until the Second World War money influenced people's happiness more profoundly.

Questions 10–12

Complete the sentences below.

Choose **NO MORE THAN TWO WORDS** from the passage for each answer.

- 10 Diener and Seligman claimed that there were clear when using the economy to gauge the relationship between money and happiness.
- 11 Despite improvements in the economy in recent years, has not increased.
- 12 People's take-home pay has less impact on happiness than and pleasure derived from employment.

Question 13

Choose the correct letter **A, B, C** or **D**.

Which of the following is the most suitable title for the reading passage?

- A** How self achievement affects happiness
- B** Why money doesn't buy happiness
- C** How happiness has declined since World War II
- D** What economists think about happiness and money