

## Can Happiness Be Converted to Money?

At Yale University, the most popular course these days is a course on happiness. It is taught to students who are sometimes struggling to find meaning and value in much of what they do and are involved in. The course has been, surprisingly, very popular to all types of students.

According to the *New York Times*' David Shimer, "The course, taught by Laurie Santos, a psychology professor and the head of one of Yale's residential colleges, tries to teach students how to lead a happier, more satisfying life in twice-weekly lectures. Dr. Santos speculated that Yale students are interested in the class because, in high school, they had to deprioritize their happiness to gain admission to the school, adopting harmful life habits that have led to what she called 'the mental health crises we're seeing at places like Yale.' A 2013 report by the Yale College Council found that more than half of undergraduates sought mental healthcare from the university during their time there."<sup>1</sup>

In this case, increased happiness could be linked to mental illness outcomes, such as healthcare costs, absenteeism, and productivity.

Happiness shows up everywhere. Many organizations measure happiness through job satisfaction, which has several components, such as satisfaction with pay, career, supervisor, and the work. Employee engagement focuses more on the fulfilling aspects of the work individuals are doing, such as being more responsible, involved in decisions, accountable for results, and willingness to share information. A person with these characteristics may be a good team member. Engagement has been connected to retention, productivity, and quality, which are all easily converted to money.

The United Nations has entered the happiness trend by having a happiness index, which measures six main components. According to a UN report, the six factors are GDP per capita, healthy years of life expectancy, social support (as measured by having someone to count on in times of trouble), trust (as measured by a perceived absence of corruption in government and business), perceived freedom to make life decisions, and generosity (as measured by three recent donations). The top 10 countries rank highly on all six of these factors. In 2017, Norway was at the top of the happiness index, while the United States ranked 12th.<sup>2</sup>

Should you worry about the happiness index? If you're the Minister of Happiness, as in Dubai, you might want to see the monetary value. For example, the Roads and Transport Authority (RTA) in Dubai is interested in the monetary value of happiness because it has to show the ROI on projects. RTA builds additional roads, bridges, new lanes, transit systems, water taxis, and other kinds of transport processes to keep citizens happy. Until recently, there haven't been ROI studies for a new bridge, canal, or road lane addition. Instead, these changes were implemented because there was a need to eliminate road congestion, accidents, and driving times. Essentially, the RTA wants to make citizens happy with the transportation system.

In our work with RTA, we were surprised to find that there is a happiness department, nestled within this large organization, with some interesting data helpful for the project managers to determine the ROI of new projects. For example, this department found a correlation between happiness with transit and the amount of money citizens spend in the city. If they're happy with transit—it is reliable, takes a short amount of time to travel, and is safe—they're more likely to go to the mall and spend money, and citizens spending money ultimately helps the city.

In short, there is usually a way to develop the monetary value to happiness. We suspect that in Norway, the happiness index has brought in tourists to see what goes on there, as well as some who want to stay there for a long period of time, or even live there. Maybe there is a monetary value to the Happiness Index. The key issue is that it can be done and is being done...if it is needed.

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<sup>1</sup> D. Shimer. "Yale's Most Popular Class Ever: Happiness." *The New York Times*. January 26, 2018.  
<https://www.nytimes.com/2018/01/26/nyregion/at-yale-class-on-happiness-draws-huge-crowd-laurie-santos.html>

<sup>2</sup> World Happiness Report 2017. <http://worldhappiness.report/>