

While money is important, a recent survey shows your level of happiness is not dependent on how much you earn



**Tan Ooi Boon**  
Invest Editor

Would earning more money make you very happy?

Before you rush to reply “yes”, just pause and ask yourself: What was the last event that left you feeling really good for the whole day?

Chances are it probably had nothing to do with money.

Perhaps it was getting a sweet, loving note from your spouse, your kid scoring top marks in school, receiving a heartfelt thank-you e-mail from a grateful customer or, in today’s context, getting a negative reading from a compulsory Covid-19 test.

Yes, all of us would love to have more money instantly, such as from a lottery win, so that we can splurge on things that we have always fancied.

But as a recent study by the Institute of Policy Studies (IPS) showed, money is certainly not a guarantee of happiness.

In polling over 2,000 people between November 2019 and March last year, it found that the groups with higher incomes had the lowest proportion of people who said they felt “very happy” most of the time.

For instance, only 18 per cent of those earning \$5,000 to \$6,999 a month said that they were very happy most of the time, while the percentage for those earning \$7,000 and more was 22 per cent.

In comparison, those earning \$3,000 to \$4,999 had more happy folk (23 per cent), as did those earning \$1,500 to \$2,999 (about 26 per cent) and those on less than \$1,500 (30 per cent).

The IPS researchers noted that “it is remarkable that respondents in the lowest two income brackets are also most likely to report being ‘very happy’ compared with others”.

Dr Mathew Mathews, the head of IPS Social Lab and one of the authors of the report, noted that those with the lowest incomes in the study tended to be the older folk who were retired.

He said: “They express that they are happy or very happy.

“They do not have to deal with work stress and normally do not have to worry about their children’s educational needs.

“As such, it might have been possible to be contented with their lower incomes, especially if they already have adequate housing and medical care.”

But this should not be taken to suggest that money is not important.

“When people have to deal with many financial responsibilities, having sufficient income is important to maintain a certain level of happiness,” Dr Mathews said.

That said, how you spend your income will also determine whether you will be happy.

Insights from other surveys by financial institutions have consistently found that many people with high salaries face their unique set of woes.

- This is because:
  - Those who live the high life are likely to have loans for private



homes and cars, plus other bills to pay. Even if their salaries have remained intact during this downturn, a drop in their variable bonuses can have a big impact on the ability to maintain their lifestyle.

- Due to the easy access to credit cards and loans, the tendency for those with high salaries to overspend is much greater. Invest had previously reported cases involving high-income earners who had debts amounting to hundreds of

thousands of dollars because they used their credit cards to fund their lifestyles, such as taking regular overseas holidays.

In addition, work plays a big role too: High salaries mean greater responsibilities at work.

Many senior executives can spend hours a day just replying to office e-mails, sometimes just to fend off attacks and to protect their turf at work.

So how can you be happy when

office politics also creeps into your time at home?

But low-income workers will not have such problems because most do not have corporate e-mails or need to reply to any in the course of their work.

In most cases, so long as they clock in for an honest day’s work, they can go home and truly enjoy time with their families.

Yes, keeping up with expenses can be a stretch but so long as they can live within their means, they can still be debt-free.

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In a way, the survey results support the popular saying that the happiest people do not always have everything.

They just make the best of what they have.

Only a small proportion of the lower-income groups complained that they were not happy – 0.3 per cent to 0.9 per cent.

That said, there were also more unhappy higher-income earners – 0.6 per cent to 1.2 per cent.

#### FINANCIAL PLANNING

When it comes to managing money, the survey proves that Singaporeans are a bunch of savers.

Over 57 per cent said they managed to save money in the past year when they were polled.

Singaporeans beat the saving habits of people in nine other economies mentioned in the survey hands down.

The closest contenders were the United States with about 42 per cent and Hong Kong with 40 per cent. The one with the lowest number of savers was Thailand, with just 6 per cent.

Indeed, Singaporeans had made great strides in saving, as the latest figure was an improvement of almost 13 percentage points from the 2012 survey.

Also, fewer people reported that they had to dig into their savings (11.4 per cent) or borrow to get by (2.6 per cent).

The latest Census reported that more Singaporeans are staying single.

A silver lining is that the IPS survey showed most singles here were astute when it came to managing their money – about 64 per cent managed to save in the past year. The rest could still get by with their income and savings, and only 1 per cent reported having to borrow money.

#### MONEY SENSE

As the chances of being robbed or have our belongings stolen in public are relatively low, many Singaporeans have become very complacent when it comes to the security of their money.

About 58 per cent said they would not hesitate to leave their home with a decent amount of cash because they believed no criminals would prey on them.

As a comparison, in Japan, which is known for a low crime rate like Singapore, only about 8 per cent of its people said they would do likewise.

For Hong Kong and Taiwan, just over a third of the folk there would carry more cash.

Naturally, those who earned the most here are the ones who were least afraid to have more cash on them (73 per cent), when compared with those who earned the least (about 45 per cent).

Perhaps it is timely to reiterate the police’s crime prevention message here – low crime does not mean no crime.

It pays to be more vigilant with your money, especially with more cases of scams and financial fraud in the news lately.

Even if having more money may not make you very happy all the time, losing it will certainly make you sad for a long time.

ooiboan@sph.com.sg