Eoghan Gavigan

EuroMillions winners, see me for a guide to happiness

I wrote a column here last summer about the "hedonic treadmill" – the human tendency to revert to a prior level of happiness despite experiencing significant positive or negative events. It's a concept that is relevant to personal finance. The dopamine hit we get from buying new things is generally short-lived. And, like a drug user who needs progressively bigger hits to get high, we become desensitised to the stimulus of acquisition and need progressively larger purchases – like a new car – to achieve the same happiness effect.

On a recent trip to Amsterdam I visited Body Worlds, a museum of human anatomy using bodies donated to medical science. Happiness and its effect on life expectancy is a theme in the museum, which made me reflect on the work I do as a financial planner.

My job is basically to help people engineer their finances to achieve their life objectives, which are based on what they believe will make them happy. Over time I have found myself wondering more about the happiness part, though.

My Body Worlds visit came soon after news broke that someone in Co Cork had won the €250 million EuroMillions jackpot. What would you do with a win like that ? And would it make you happy?

If the winner booked a meeting with me, one of my first recommendations would be to visit Body Worlds to get a handle on the latter question. Each floor of the museum deals with different aspects of the body – the skeleton, muscles, central nervous system and so on – and the influence that happiness has on each of them. The objective is to show the route to a happy, and therefore long and healthy, life.

One exhibit illustrates that pleasure is a reward system that spurs evolution by encouraging us to repeat actions that are good for survival and reproduction. Humankind, however, has found ways to short-circuit this system with cigarettes, alcohol and recreational drugs such as heroin and cocaine, putting us on that

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hedonic treadmill. Even everyday things like television, video games and junk food have the same effect, except at lower pleasure levels, with no survival benefit and possible negative effects. You can see where this is going. Right now you may be thinking that I must be great fun at parties, but stay with me.

What really caught my eye, though, was an exhibit detailing what factors influence happiness. It turns out genetics are responsible for 50 per cent, circumstances for 10 per cent and intentional activities – your attitude and how you handle adversity – make up the remaining 40 per cent. This is known in psychology as the 50-10-40 formula.

I was surprised that circumstances, such as wealth, health and occupation, were pegged at just 10 per cent as it is commonly believed that wealthy people live longer and a great many people certainly believe that rich people are happier. While not wishing to differ with the science, I think that while wealth may not be the most important factor, planning your finances to ensure you have the resources to meet the cost of your life objectives and the freedom to make choices is very important.

Putting wealth at 10 per cent seems to me a bit like a meteorologist saying that it will be -2C outside today but it will feel like -10C due to wind chill. Minus two may be factually correct, but I need to know how heavy a coat to wear.

Towards the end of the tour a display quotes the poet and politician Joseph Addison, who said: "Three grand essentials to happiness in this life are something to do, something to love, and something to hope for." A windfall of EuroMillions proportions can remove the need to work, affect relationships and, in a peculiar way, can make it seem like hope for a better future is lost – how can it get any better than today?

My favourite saying on the subject is that happiness is like a bank robbery: if it's really going to work, it has to be an inside job. It's possible that the winner of EuroMillions may not be any happier as a result of their windfall, so let's hope that they are already happy and that they make good choices. A certain budget airline is selling seats to Amsterdam for only €24.99. I'll pick up the tab for the lucky winner.

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