

Can \$500 million make you happy? Not really

Stefanie Graef holds what she hopes is the winning Powerball ticket she just bought at Circle News Stand on Tuesday in Hollywood, Fla. If she's lucky, she won't win.

By Melissa Dahl, NBC News



You surely know by now that the Powerball jackpot is set to hit at least \$500 million tonight. You should also know that your odds of winning the grand prize are somewhere around 1 in 176 million (at least, we really hope you know that). So here's a bit of comfort for you tonight as you stare dejectedly at your losing ticket: Most lottery winners don't end up any happier than the rest of us.

Yeah, yeah, you can probably name 500 million reasons why winning the jackpot tonight will make you happy. But here's the truth: A handful of psychology studies over the years have evaluated the happiness of lottery winners over time, and found that after the initial glee of getting one of those big giant checks has faded away, most winners actually end up no happier than they were before hitting the jackpot.

Arguably the most famous paper on this subject was published the late 1970s, and it's a doozy: Psychologists interviewed winners of the Illinois State Lottery and compared them with non-winners -- and, just for good measure, people who had suffered some terrible accident that left them paraplegic or quadriplegic. (You can find the abstract [here](#), but you'll have to pay to read the full report.) Each group answered a series of questions designed to measure their level of happiness.

What they found was counterintuitive, to say the least: In terms of overall happiness, the lottery winners were not significantly happier than the non-lottery winners. (The accident victims were less happy, but not by much.) But when it came to rating everyday happiness, the lottery winners took "significantly less pleasure" in the simple things like chatting with a friend, reading a magazine or receiving a compliment.

"Humans tend to have a relatively set point of mood," explains Gail Saltz, a New York City psychiatrist and frequent TODAY contributor. Most people tend to bounce back to that set point after a major life event, whether it's something negative or positive. But for some lottery winners, psychologists believe hitting an especially huge jackpot may alter that happiness baseline, making it harder to see the joy in everyday things.

More recently than the '70s research, a 2008 [University of California, Santa Barbara, paper](#) measured people's happiness six months after winning a relatively modest lottery prize -- a lump sum equivalent to about eight months' worth of income. "We found that this had zero detectable effect on happiness at that time," says Peter Kuhn, one of the study authors and a professor of economics at the university.

Andrew Jackson "Jack" Whittaker Jr., his wife Jewell, right, and their granddaughter Brandi Bragg, left, pose for a photograph after being interviewed by TODAY in this December 2002. In his darkest moments, Whittaker has said he sometimes wondered if winning the nearly \$315 million Powerball game was really worth it.

You've heard [the stories of lottery winners](#) whose post-jackpot lives turned sour. There's Jack Whittaker, the West Virginia man who in 2002 won the nearly \$315 million Powerball jackpot. Initially, he generously gave millions to charities, including \$14 million to start his own Jack Whittaker Foundation. But later, the dream turned to nightmare: A briefcase with \$545,000 in cash



and cashier's checks was stolen from his car while it was parked outside of a Cross Lanes, W. Va., strip club. His office and home were broken into, he was arrested twice for drunken-driving -- and the list goes on.

Or there's Alex Toth, a Florida man who in 1990 won \$13 million to be doled out in 20-year-payments of \$666,666. (Seriously.) At his death in 2008, [the Tampa Bay Times reported](#) on the sad direction his life had taken: Years of living it up led to a split from his wife and charges of fraudulent tax returns, among other serious woes.

What gives? Behavior experts have a couple theories. One is simply that we humans just tend to get used to stuff -- the good and the bad. The psychological concept is called "happiness adaptation," and Michael Norton, associate professor at Harvard Business School, [co-authored a 2007 paper](#) that sought to uncover why hitting major life goals -- including the dreamlike goal of winning the lottery and the more down-to-earth goal of getting married -- don't end up making us as happy as we expect them to.

"The idea of adaptation seems like a negative thing -- it's a shame that we have to get used to the good things in our life, from lottery winnings to ice cream. But adaptation also helps us when bad things happen to us, making the impact of losing our job or getting divorced less painful over time," explains Norton, who is also the coauthor of the forthcoming book, "Happy Money: The Science of Smarter Spending."

He continues, "Big positive and negative events can have a lasting impact on our happiness, but this impact tends to decrease over time. In some sense, because people have so many facets of their life - from their job to their friends to their family to their hobbies - the impact of a change in any one of those facets is less extreme than we think, because many of the other things in our lives stay the same. (We win the lottery but we are still stuck with our same siblings, for example.) As a result of this, people tend to adapt to life events and end up closer to where they were than they think they'd be."

This is partially because we are terrible at predicting how happy more money is going to make us. The truth is, money *can* make you happy -- but only up to a point. "Research shows that the impact of additional income on happiness begins to level off around \$75,000 of income - but people keep trying to make more and more money in the mistaken belief that their happiness will continue to increase," Norton says. "As a result of this mistaken belief, people think that big windfalls will change their happiness dramatically - and may end up with less happiness than they expected."

On the other end of the spectrum, landing a windfall that lifts you out of a financial pit really can provide significant, lasting happiness. In 2006, Sandra Hayes, then a 46-year-old social worker making \$25,000 a year, and 12 of her coworkers won the \$224 million Powerball jackpot. After taxes and splitting the money with her coworkers, Hayes had won \$10 million. She bought her dream car (a brand-new Lexus) and her dream home (a half-million dollar house in St. Louis). But first, she paid off her current home and then gave that house to her daughter and grandchildren, who'd been living in a rough neighborhood. She quit her job and now spends her days writing -- she's [already published one book](#) and is working on a second one.

"Yes, my life is different, and it feels good," says Hayes. "This summer I had a \$900 water bill. Six years ago, well, if I had a substantially huge bill, I would've had to make payment arrangements. That's one of the things I like, that I'm able to pay my bills in full and not scuffle."

The first secret, as Hayes tells it, to winning the lottery without losing your mind is to immediately meet with a financial planner you trust and make a plan that works for you. The second is a little simpler. She says, "Just because you win the lottery, it does not change you as a person."