

# Memory Vs. Experience: Happiness is Relative

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When we talk about being happy, what do we really mean? We know that happiness comes from a variety of sources, depending upon a person's point of view. But according to APS Fellow Daniel Kahneman, people don't know how happy they are because happiness is so relative. Kahneman, a professor of psychology and public affairs at Princeton University, discussed this and related research findings in a lecture entitled "Memory vs. Experience" as part of the Behavioral and Social Sciences Lecture Series at the National Institutes of Health.

Take, for instance, a study Kahneman conducted in 1998 with his colleague David Schkade, from the University of Texas at Austin. The two researchers asked 2,000 undergraduate students in California and the Midwest to rate their life satisfaction. The result, said Kahneman, was that there was no difference between the students' ratings in the two regions, even though both groups of students predicted Californians would be happier.

The students correctly assumed that Californians would be more satisfied with their climate than Midwesterners, said Kahneman, but failed to realize that the weather does not affect people's overall evaluations of their lives.

The study, he said, illustrates that people cannot imagine what effect adaptation to their circumstances will have on happiness.

## EXPERIENCED UTILITY

In addition to his extensive research into happiness, Kahneman is also widely known for his research on human judgment and decision-making. He has received several awards including the APS William James Fellow Award, the Warren Medal of the Society of Experimental Psychologists, the Hilgard Award for Career Contributions to General Psychology, and the APA Distinguished Scientific Contribution Award.

One of Kahneman's main areas of interest has been hedonic psychology, defined as the study of pleasure and pain, happiness and misery, both as they are experienced in the present and as they are remembered later. Kahneman has been attempting to revive Jeremy Bentham's notion of utility, which is that the hedonic experiences of pleasure and pain govern our lives and tell us both what we ought to do and determine what we actually do. The modern view of utility in decision-making research is more singular, focusing on the influence of utility in making choices. Kahneman's concept – which he calls "experienced utility" – is closer to Bentham's broader concept combining both decision-making and well-being.

During the lecture, Kahneman asserted that his own research indicates that experienced utility could be measured. "The quality of measurement may eventually be good enough to attain measures of well-being and of misery that could serve the needs of policy," he said.

For example, the Princeton professor said it would be useful to measure the quality of life in various health states by measuring what it's actually like to be, for example, visually impaired or to be ill, rather than by having healthy people assign a value to that state, which in fact reflected how afraid they are of having that particular condition. "I'm suggesting that at least in principle there really exists serious problems with QALYs, [quality-adjusted life years](#)<sup>1</sup>," Kahneman. "We could eventually see a future in which measures of experienced utility would replace this measure."

## PREDICTIVE UTILITY

Kahneman's research also draws on research in "affective forecasting," a label coined by researcher Daniel Gilbert which refers to how and how well people predict their emotional reactions to future events. Kahneman terms his concept "predictive utility."

While serving as a psychology professor at University of California, Berkeley, a few years ago, Kahneman and his collaborator Jackie Snell conducted an experiment in which he paid participants to eat their favorite ice cream flavor while listening to music over the course of 7 days. The participants were asked to predict how they would rate their experience the next day and how they would rate their experience at the end of the experiment.

The task, Kahneman said, proved to be extremely difficult. Some participants got addicted to the ice cream, while others tired of it, but the individuals showed no ability to predict their own future responses. "People are just not good at guessing how their tastes in particular will change over a period of time," he explained.

Kahneman believes that experiments such as this have a crucial implication for medical decision-making. If people cannot predict how their own tastes will change, he said, a serious question arises about the adequacy of informed consent when making medical decisions.

## ADAPTATION

Another variable people underestimate is adaptation, Kahneman said. In a study conducted by a Princeton undergraduate under Kahneman's supervision, participants were asked to evaluate the percentage of time paraplegics and lottery winners would be in a good, neutral or bad mood one month and one year after their defining event. Kahneman added a variable omitted by prior researchers on this exact issue, which is whether the participants personally knew any paraplegics or lottery winners.

"If you know a paraplegic personally, then you know it's very bad one month after the accident and it's substantially less bad one year after the accident, so there's a considerable amount of adaptation," he said. "But people who don't know a paraplegic or a lottery winner simply do not discriminate the one month from the one year. They do not predict adaptation."

Unless they know an affected individual, Kahneman said, people imagine the transition to the condition or state, not the actual state itself. In essence, there is confusion between being and becoming, which Kahneman said is a general psychological phenomenon.

## MOMENT UTILITY

Another conclusion Kahneman has drawn from his studies is that the duration of an experience plays essentially no role when evaluating how well it becomes etched in our memories.

Kahneman believes the most direct way to evaluate experienced utility is to ask people how they feel at a certain moment, a notion he calls “moment utility.” This is the concept, Kahneman said, Bentham really had in mind. But because researchers are more interested in extended outcomes, more often the question they ask is memory-based: “How was it?” Kahneman said this is a different question that reflects the individual’s global evaluation of an entire episode in the past and it may not be a direct assessment of the individual’s real-time state. This “remembered utility,” said Kahneman, is not a very good guide when predicting outcomes. The “total utility” of a state is derived from the moment-based approach of measuring the real time pleasure or pain experienced by the individual.

The contrast between remembered and total utility brings up the issue of the two different ways to view experiences, the two selves, Kahneman said. The experiencing self does all the living by going through a succession of moments while the remembering self is the one that gets to keep the memories.

When people make decisions, the remembering self is in control, Kahneman explained. “We make our decisions in terms of our memories and basically, we maximize remembered utility, not the actual total utility,” he said. “The only thing we can learn to maximize through personal experience is remembered utility.”

#### TILTING TOWARD WELL-BEING

These issues all have an effect on a person’s well-being, which most often is measured by satisfaction with life.

Kahneman said another way of determining well-being is to measure affect, the hedonic quality of experiences, which he said should be measured independently of satisfaction. He put the concept into practice during a recently-completed study conducted on 1000 women in Texas. The participants were asked to characterize moment utility for different points of time during a day. Kahneman and his colleagues hope to generate information about the amount of time spent on each daily activity as well as the factors that characterize each experience.

While believing people live in the pursuit of satisfaction, Kahneman predicts that they’ll find stronger correlations of happiness with affect than with satisfaction in the study.

Though he realizes that individuals have little control over their affective dispositions, Kahneman said people do control the variable that can make them happier – allocation of their time.

“One way to improve life is simply by tilting the balance toward more affectively good activities, such as spending more time with friends or reducing commuting time,” he said.

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<sup>1</sup> QALY is a widely-used statistical measurement that attempts to take into account the impact of disease and treatment on daily happiness, self-image, and physical comfort. These are used in determining the effectiveness of health interventions and in making decisions about courses of treatment, as well as many other individual and public policy decisions.