

## Handout B: The True Costs of Consumption<sup>1</sup>

<b>Consumer Spending and Population by Region (2000)</b>			
Region	Percentage of the world's population	Percentage of world private consumption expenditures	
United States and Canada	5.2	31.5	
Western Europe	6.4	28.7	
East Asia and Pacific	32.9	21.4	
Latin America and the Caribbean	8.5	6.7	
Eastern Europe and Central Asia	7.9	3.3	
South Asia	22.4	2.0	
Australia and New Zealand	0.4	1.5	
Middle East and North Africa	4.1	1.4	
Sub-Saharan Africa	10.9	1.2	
<b>Spending on luxury items vs. Funding needed to meet selected basic needs</b>			
Product	Annual Expenditure (USD)	Basic Need	Additional Annual Investment to Achieve Goal (USD)
Make-up	18 billion	Reproductive health care for all women	12 billion
Pet food in Europe and the United States	17 billion	Elimination of hunger and malnutrition	19 billion
Perfume	15 billion	Universal literacy	5 billion
Ocean cruises	14 billion	Clean drinking water for all	10 billion
Ice cream in Europe	11 billion	Immunising every child	1.3 billion

### Can money buy happiness?

... Maybe, but only to a certain point. The World Values Survey,<sup>2</sup> which assesses life satisfaction in over 65 countries, indicates that happiness tends to rise with income, until about USD 13,000 of annual income per person (in 1995 purchasing power parity).<sup>3</sup> Beyond that income level, more money appears to yield only modest increases in self-reported happiness.

In the words of evolutionary psychologist Geoffrey Miller, "every hundred dollars that we spend on ourselves will have no detectable effect on our happiness; but the same money, if given to hungry, ill, oppressed developing-world people, would dramatically increase their happiness."<sup>4</sup>

<sup>1</sup> Both tables based on Worldwatch Institute (2004).

<sup>2</sup> [www.worldvaluessurvey.org/](http://www.worldvaluessurvey.org/)

<sup>3</sup> As referenced by the Worldwatch Institute (2004).

<sup>4</sup> For the full article, go to [http://www.edge.org/3rd\\_culture/story/86.html](http://www.edge.org/3rd_culture/story/86.html).