

[No one should ever get benefits of more than £10,000 a year](#) [1]

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The current government has announced that no family will get more than median income in benefits each year. I'm afraid that they're still being hopelessly over-generous here. And I would call into evidence the Baron Skidelsky to prove it to them as well. No one should ever be able to garner benefits of more than £10,000 a year. For as the Noble Lord [tells us](#) [3]:

The case against making increased GDP per capita the overriding policy objective is that it doesn't deliver the increased happiness or welfare it promises. In 1974, the economist Richard Easterlin published a famous paper, "Does Economic Growth Improve the Human Lot?". The answer, he concluded, after correlating per capita incomes and self-reported happiness levels across a number of countries is probably "no". In a refinement dating from 1995, Easterlin found no relationship between income and happiness above an average per capita income level of between \$15,000 and \$20,000. Other findings confirm Easterlin.

Well, there we have it. Over \$15,000 a year you just don't get any happier. This is usually applied to the idea that people who do make more than that £10,000 a year can have chunks of cash nicked from them to be given to those with less with no loss of human happiness. And let us do our ideological enemies the honour of exploring their own argument. Which is, as we can see, that more than £10,000 a year doesn't make you any happier.

Thus, while those with more than this might have room to lose some income in order to make others happier, those who already have £10,000 a year won't be made any happier by gaining more. Nor will anyone receiving benefits of £10,001 be made happier, indeed, someone currently earning £9,990 currently will be made maximally happy by being provided with only another £10.

That is, that our argument that money doesn't make you happy provides an absolute cap on how much it is that the welfare state should try to supply to the poor. We have in fact reached Nirvana: we know how much money to move around, the maximum amount of money that can possibly be usefully applied to making people happier. And that amount isn't £10,000 per person per year. It is only the amount by which each person receives less than £10,000 through their market activities. Or, compared to what is currently spent, virtually nothing.

All we have to do is rejig the system so that everyone's income is topped up to that £10,000 a year level (and why yes, this would include housing benefit, it would even include services in kind like education and the NHS) and we are all as happy as can possibly be.

The only reason this could not possibly be true is if that you don't get happier having more money isn't true. So which idea do the redistributionists want to give up? For it is either more than £10k doesn't make you happier therefore no one needs more welfare than to provide them with £10k or, if more than £10k does make you happier then, well, more than £10k does make you happier.

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