

When the Unexpected Happens: How People React to Unbudgeted Time Savings

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When the Unexpected Happens: How People React to Unbudgeted Time Savings

Abstract

Since people lament that they want more time in their life, one might expect that time windfalls should make people substantially happy. However, in five preregistered studies (N=2,994), we find that whereas finishing a task later than planned strongly decreases people's happiness, finishing a task earlier by the same amount does not substantially increase happiness. This tendency to systematically fail to appreciate time windfalls leads to an extreme asymmetry between unexpected time savings and losses. This pattern holds when controlling for the outcome quality and for actual experiences. Importantly, we find that this extreme asymmetry is specific to time—equivalent monetary savings increase people's happiness sizably and significantly more than comparable time savings. Crucially, people lack insight into this process—they predict that they would feel substantially happier when gaining unexpected time. We hope our findings will encourage people to make better use of time windfalls to maximize daily happiness.

Keywords: *happiness; time windfalls; planning*

Track: Consumer Behaviour