



THE ART OF GIVING



*What kind
of gifts make
people happy?*

Every year during the holidays, MDRG's employees participate in a white elephant gift exchange.

We each bring a wrapped gift, and randomly select an order for everyone to choose a gift. Of course, the best gifts are stolen. And of course, we play the game for fun, not necessarily looking to get a good gift. That is, after all, the purpose of white elephant, a gifting game that highlights the experience of gifting rather than the makings of a good gift.

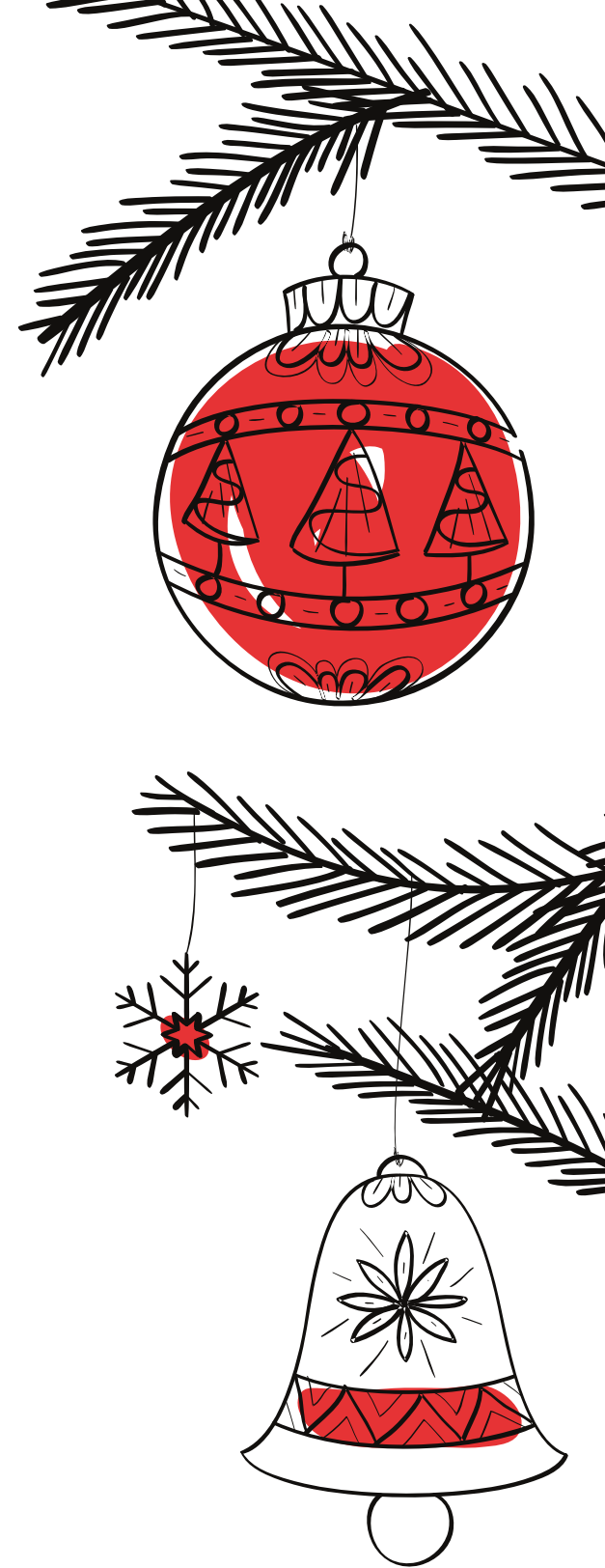
Participating in this annual ritual got us thinking about the social and behavioral nuances of gift-giving.

Last year, some players walked away perfectly happy with a gift basket of chocolate goodies or a bottle of Big Freedia wine, while others seemed less satisfied with comparable gifts, such as homemade limoncello or a set of specialty jams.

This made it clear **the value of a gift depends on the person** – one employee cheerfully left with a large box of chocolate pudding packets.

To better understand how to ensure their gifts would be a hit, a few motivated employees decided to conduct research on the gifts that make people happiest, and perhaps offer a few pointers on how to improve gift-giving.

This report includes what we learned from a literature review and quantitative survey on the types of gifts that make people happiest.



In MDRG's holiday survey, 35% of respondents felt that it was at least somewhat unlikely that they will receive what they want most for the holidays.

Conversely, respondents were confident in their abilities to choose gifts that other people would enjoy, with 82% of respondents feeling somewhat or extremely confident.

When describing the gifts they wanted most for the holidays this year, respondents most often listed electronics, gift cards, or money.

However, the gifts they described as having made them happiest were somewhat different – suggesting a gap between what respondents expect or want in a gift and what they actually value once they receive it.

These are just a few of the findings MDRG uncovered in our holiday research project. Read further to learn more about the types of gifts that make recipients happiest.

35%

**FEEL UNCERTAIN THAT
THEY WILL RECEIVE WHAT
THEY WANT MOST
FOR THE HOLIDAYS**





86%

**OF WOMEN FEEL
CONFIDENT IN THEIR
ABILITIES TO CHOOSE
GIFTS THAT OTHER
PEOPLE WILL ENJOY**



**It is always so pleasant to be generous,
though very vexatious to pay debts. But the
impediment lies in the choosing. If at any
time it comes into my head that a present is
due from me to somebody, I am puzzled what
to give, until the opportunity is gone.**

- Ralph Waldo Emerson

Women tend to be more confident than men in their abilities to choose gifts.

86% of women feel confident in their abilities to choose gifts that other people will enjoy, while only 77% of men feel assured.

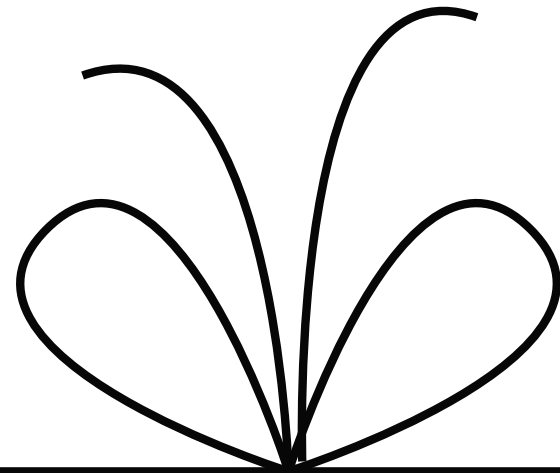
It is possible that with age comes wisdom.

86% of Baby Boomers felt confident in their abilities, compared to 78% of Millennials.

Though most respondents felt it was somewhat or extremely likely they would receive what they want most for the holidays, **35% of respondents felt that it was uncertain, somewhat, or extremely unlikely** that they would receive what they want most for the holidays.

Given this, respondents were perhaps over-confident that they can choose gifts that other people would enjoy, with 82% of respondents feeling somewhat or extremely confident in their abilities.

In addition to our findings on the potential disconnect between expectations and reality, existing research also shows there are differences between the types of gifts people think will make others happy, and the types of gifts that actually make them happy.



Givers tend to focus most on selecting gifts that

surprise and delight

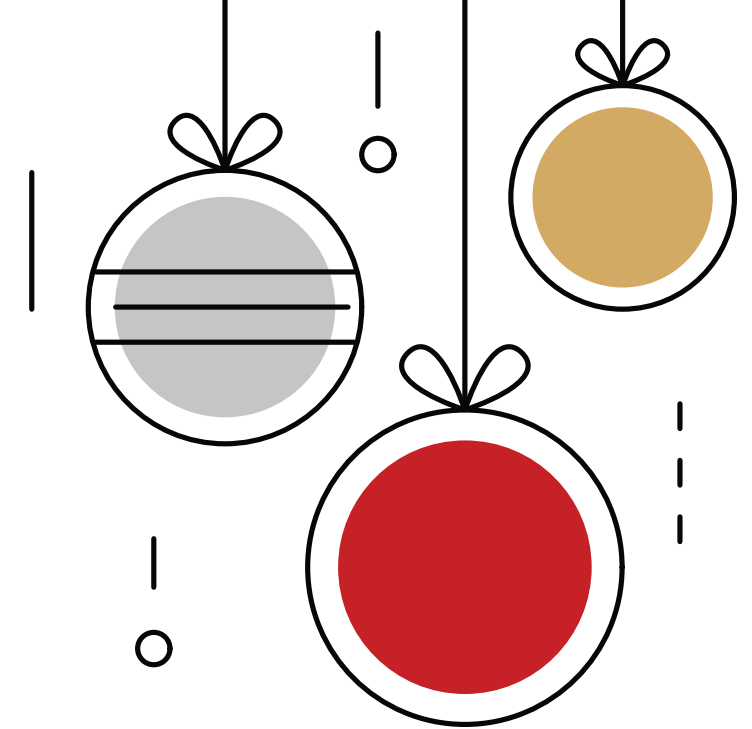
rather than those they believe will offer recipients the greatest satisfaction.¹

Givers also tend to focus mostly on the recipient's display of emotions. They also found that people appeared to derive the most enjoyment from gifts that givers tend to avoid because they do not often generate immediate strong emotional reactions, such as books or money, which offer more sustained enjoyment.

These findings were derived from a series of academic studies. One of those studies involved participants in romantic relationships who were asked to evaluate similarly-priced Valentine's Day gifts: a bouquet of fresh flowers and a bonsai plant.

Recipients were more likely to choose the bonsai plant – which would deliver more long-term satisfaction – **whereas givers were more likely to select the bouquet of fresh flowers.**

Researchers at Carnegie Mellon found that givers choose superficial gifts over sentimental gifts more often than recipients expect. Givers are often unsure of how much a recipient will enjoy a



sentimental gift. Also, givers feel more confident that superficial gifts related to a person's interests and preferences will be enjoyed². Overall, recipients receive fewer sentimental gifts than they would prefer.

For example, researchers provided romantic partners with the opportunity to give either a gift card from their loved one's favorite store or a sentimental gift. Givers gave the sentimental gifts far less often than recipients would have preferred.

Researchers also found that recipients tend to place more value on the practicality of a gift than givers, who tend to focus more on the gifts' desirability. This may be because givers feel fancier gifts will make them better liked and show they care more³.

¹Adelle X. Yang, Oleg Urminsky (2018). The Smile-Seeking Hypothesis: How Immediate Affective Reactions Motivate and Reward Gift Giving. *Psychological Science*, 29(8), p.1221-1233. DOI: 10.1177/0956797618761373.

²Julian Givi, Jeff Galak (2017). Sentimental value and gift giving: Givers' fears of getting it wrong prevents them from getting it right. *Journal of Consumer Psychology*, 27(4), p.437-479. DOI: 10.1016/j.jcps.2017.06.002.

³Ernest Baskin, Cheryl J. Waksak, Yaacov Trope, and Nathan Novemsky (2014). Why Feasibility Matters More to Gift Receivers than Givers: A Construal-Level Approach to Gift Giving. *Journal of Consumer Research*, 31(1), p.169-182. DOI: 10.1086/675737.



Gifts that make people happiest.



When describing the gifts they want most for the holidays this year, respondents most often listed electronics, gift cards, or money.

When describing the gifts that made them happiest last year, respondents again most often listed electronics, gift cards, or money – but were also more likely to mention gifts from other categories, like travel, time with friends/family, or personal/homemade items.

Gift preferences vary somewhat by gender and age.

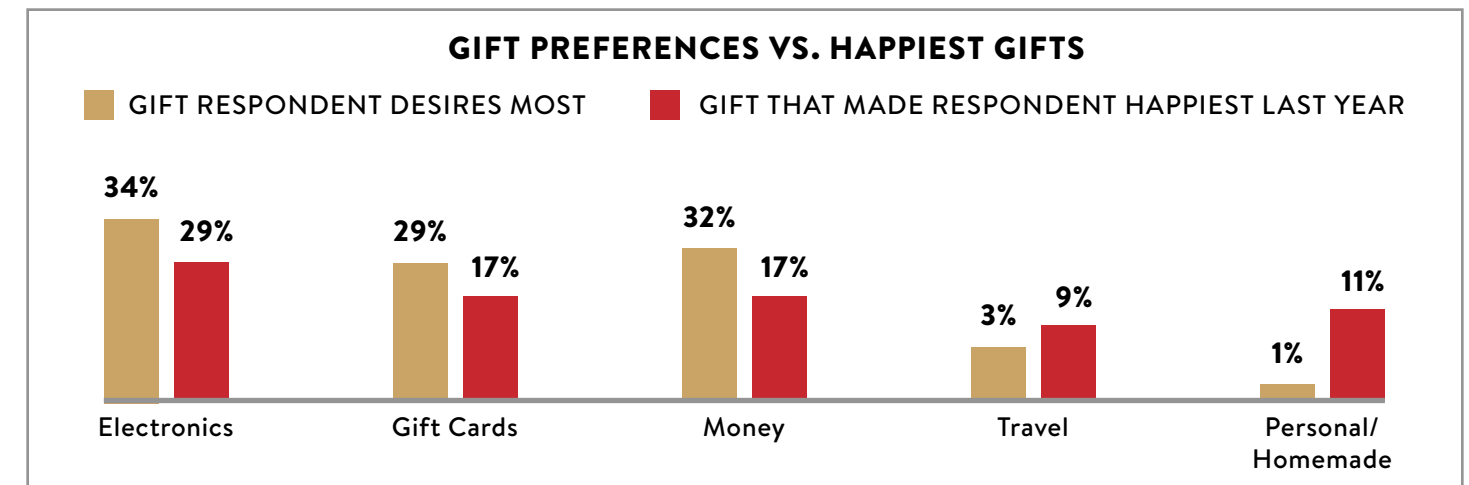
Women were more likely than men to describe their favorite gifts as thoughtful, personal, surprising, unique, and sentimental.

Children under the age of 18 were slightly more likely to consider their favorite gifts practical or useful.

Gifts from last year that made respondents **happiest**

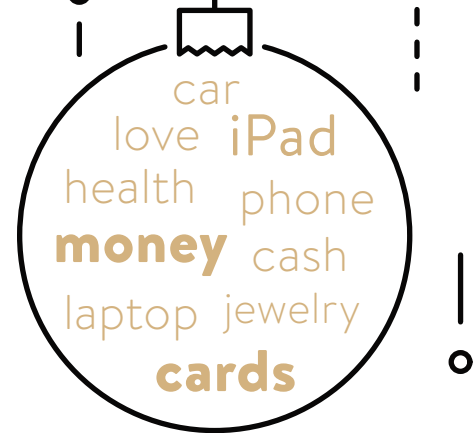
vs.

Gifts recipients **want most** for the holidays this year





GIFTS THAT MADE YOU HAPPIEST



GIFTS YOU WISH TO RECEIVE MOST

Respondents also tended to refer to the gift giver from when describing the gift that made them happiest last year.

According to classic anthropological theory, an element that distinguishes gifts from commodities is that gifts embody the identity of the giver. They often cannot be separated from their original owners, and always carry some essence of that person. This essence – as demonstrated by the survey findings – is highly significant and meaningful to recipients.

The contrast between what respondents described wanting and the gifts that made them happiest shows that perhaps recipients themselves might sometimes have trouble identifying what they value most in a gift.

As a social tradition, we expect gifts from others around the holidays, but many of the most treasured gifts are those we do not expect or anticipate. This lack of expectation makes receiving them all the more meaningful.

Our survey findings also show that many of the gifts that made recipients happiest were experiences or abstract gifts, such as time with friends or family, trips, or good health.

Findings from several studies support the idea that experiences or opportunities to connect with others can sometimes be more meaningful than material goods. For instance, findings from a study published in 2017 show that recipients experience greater happiness when a gift is shared⁴.

The researchers refer to this as a “companionized” gift, which they argue enables the recipient to feel closer to the giver.

Another study published by researchers at UCLA demonstrates that giving experiences rather than material goods tends to enable the growth of stronger relationships. The authors argue that experiences provide more of an opportunity for connecting socially⁵.

FAVORITE GIFTS

PERSONAL

90%
BABY BOOMERS

80%
GEN-XERS

71%
MILLENNIALS

SENTIMENTAL

67%
BABY BOOMERS

75%
GEN-XERS

49%
MILLENNIALS

HAPPIEST GIFTS

PRACTICAL

78%
HOUSEHOLD WITH KIDS

68%
HOUSEHOLD WITHOUT KIDS

PREDICTABLE

41%
HOUSEHOLD WITH KIDS

26%
HOUSEHOLD WITHOUT KIDS

⁴Evan Polman, Sam J. Maglio (2017). Mere Gifting: Liking a Gift More Because It Is Shared. Personality and Social Psychology Bulletin, 43(11), p.1582-1594. DOI: 10.1177/0146167217718525.
⁵Cindy Chan, Cassie Mogilner (2017). Experiential Gifts Foster Stronger Social Relationships than Material Gifts. Journal of Consumer Research, 43(6), p.913-931. DOI: 10.1093/jcr/ucw067.



Money is often characterized to be somewhat impersonal as a gift, particularly as an expression of relationships that are supposed to be personal, caring, and endearing.

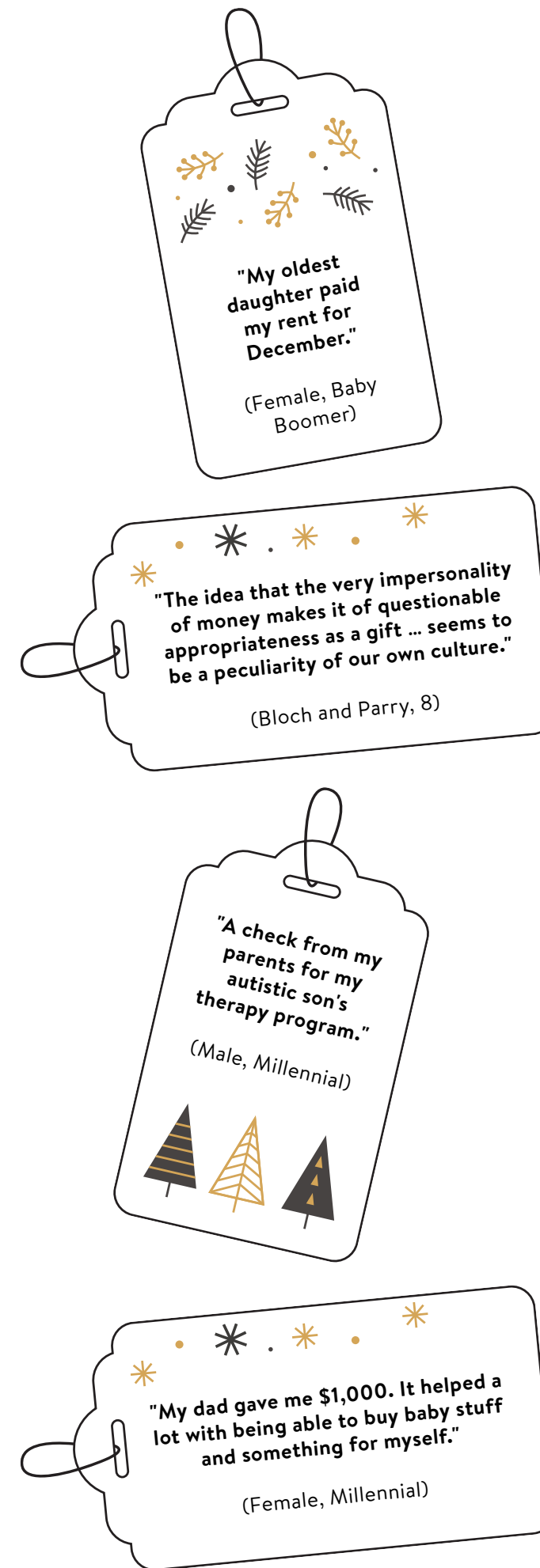
Yet, aside from electronics, respondents most often pointed to money and gift cards as the gifts that made them happiest in the last year.

Anthropologists argue that our discomfort with gifting money stems from how we separate the market economy – where transactions are business-like, and impersonal – from the gift economy, in which exchanges are interpersonal, inalienable, and personal. Societies without this distinction do not consider money, as many Americans do, to be “the antithesis of bonds of kinship and friendship, and there is consequently nothing inappropriate about making gifts of money to cement such bonds” (Bloch and Parry, 9)⁶.

Our respondents' open-ended responses demonstrate how money can be gifted in ways that are personally meaningful and cement social bonds. They describe the gift of money in deeply personal terms as something that either enabled the recipient to fulfill basic necessities or granted the recipient the ability to afford something meaningful that might otherwise be out of reach.

Unsurprisingly, lower income respondents – those for whom the gift of money would presumably have the most significant and meaningful impact on day-to-day life – were more likely to select money as the best gift they received in the last year.

⁶J. Parry, M. Bloch (1989). Introduction. In Money and the Morality of Exchange (pp. 8 – 12). Cambridge: Cambridge University Press.



Money made them happy.

13%

LESS THAN \$50K
HOUSEHOLD INCOME

8%

\$50K - \$80K
HOUSEHOLD INCOME

4%

MORE THAN \$80K
HOUSEHOLD INCOME



Summary of Findings

35% of respondents felt that it was uncertain, somewhat, or extremely unlikely that they would receive what they want most for the holidays.

Conversely, 82% of respondents were confident in their abilities to choose gifts that other people would enjoy. Existing research shows that there is somewhat of a disconnect between the types of gifts people think will make others happy, and the types of gifts that actually make them happy.

Of course, the nature of a good gift is sometimes that it is unexpected – though

35% of respondents might feel they might not receive what they'd like, they might be surprised or have difficulty articulating or conceptualizing what they truly want.

For example, when describing the gifts they want most for the holidays this year, respondents most often listed electronics, gift cards, or money – but the gifts they described as having made them happiest last year were somewhat different. When describing those gifts that made them happiest, respondents were more likely to mention gifts such as travel, time with friends/family, or personal/homemade items.

Recommendations

1

CONSIDER A RECIPIENTS' NEEDS.

If a practical gift – like houseware, baby clothes, or money – would have a significant and positive impact on their day-to-day life, that may be the best way to go.

2

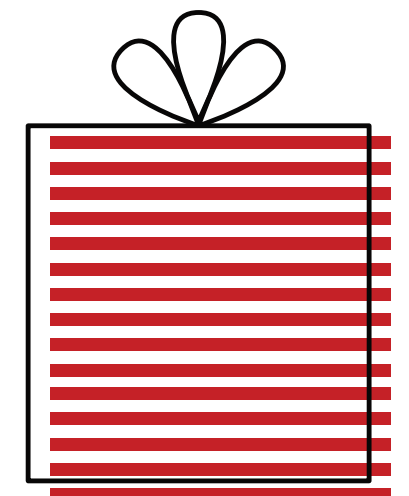
SET ASIDE YOUR EGO.

Think about what will make the recipient happy in the long term, not what will provide the most dramatic response or make you look good.

3

DON'T UNDERVALUE SENTIMENTAL AND NON-MATERIAL GIFTS.

Consider giving something of personal significance that embodies your relationship with the recipient. Sentimental can be captured and conveyed with something as simple as a handwritten card. Shared experiences also create space for nourishing the relationships we seek to sustain through gifting.



METHODOLOGY AND SAMPLE

MDRG conducted a review of findings from research studies over the last ten years. Articles were collected from the following publications: Psychological Science, Journal of Consumer Psychology, Journal of Consumer Research, and the Personality and Social Psychology Bulletin. Classic anthropological texts were also used as a framework of analysis for understanding findings from primary and secondary research.

MDRG also conducted a quantitative survey with 212 respondents, who were screened to ensure a mix of genders, ages, markets, and incomes. Respondents were also screened to ensure they had received a gift within the last year.

