

Impact of Annual Income on Subjective Well-Being for U.S Men and Women

Research Questions

- Does the annual income an individual makes have an effect on their perceived well-being and happiness levels?
- Does it vary depending on gender?

Significance

- Happiness can lead to a better quality of life. It has been an important research topic for sociologists to study because people who report being happier tend to have better mental health, better physical health, overall less stress, and greater longevity (Diener & Biswas-Diener, 2001).

Background

- Previous studies found that income is positively correlated with higher levels of well-being (Diener, Sandvik, Seidlitz, & Diener, 1992).
- There is a strong, positive correlation between SWB and income, especially for wealthy individuals who are living in low-income nations (Dolan, Peasgood, & White, 2007).
- High income women tend to report higher happiness levels compared to men, although differences may be small (Dolan, Peasgood, & White, 2007).

Hypotheses

- Overall, individuals earning an upper-class income will be happier compared to those earning a lower-class income.
- The effect of annual household income on perceived happiness will be similar for men and women.

Data

- 2016 General Social Survey (GSS)
- N = 2,867
- U.S adults, ages 18 and older

Dependent Measure

Perceived happiness

- "Taken all together, how would you say things are these days, would you say that you are very happy, pretty happy, or not too happy?"
 - Very happy 30.4%
 - Pretty happy 55.2%
 - Not too happy 14.4%

Independent Measure

Family Annual Income

- Lower class (under \$1,000 – \$34,999): 31.7%
- Middle class (\$35,000 – \$109,999): 47.8%
- Upper class (\$110,000 – \$170,000 or over): 20.7%

Control Measure

Gender of participant

- 1 = male 45.2%
- 2 = female 54.8%

Analysis

- Cross tabulation
- Chi-Square test
- Used SPSS

Results

Figure 1. Distributions For Happiness Levels and For Three Income Levels in 2016 for U.S. Adults (N=2,565)

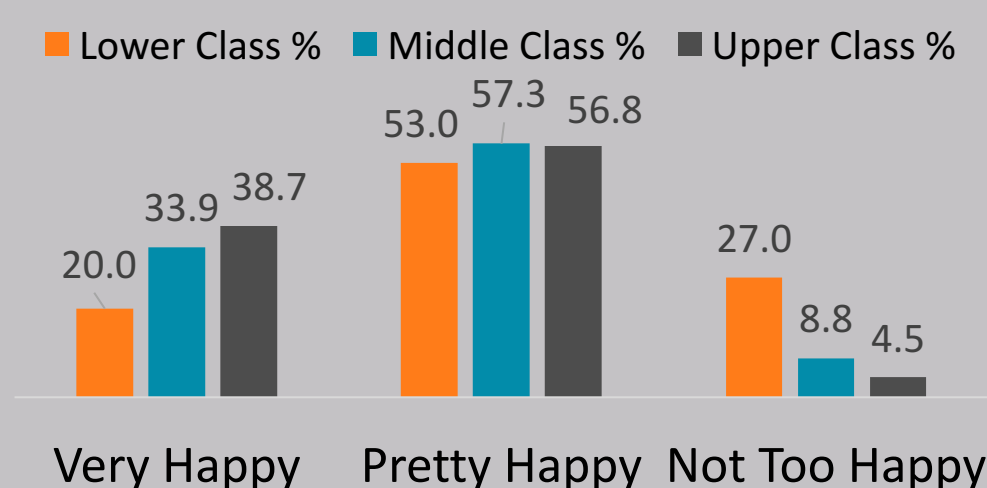


Figure 2. Distributions for Happiness Levels and For Three Income Levels in 2016 for U.S. Men (N=1431)

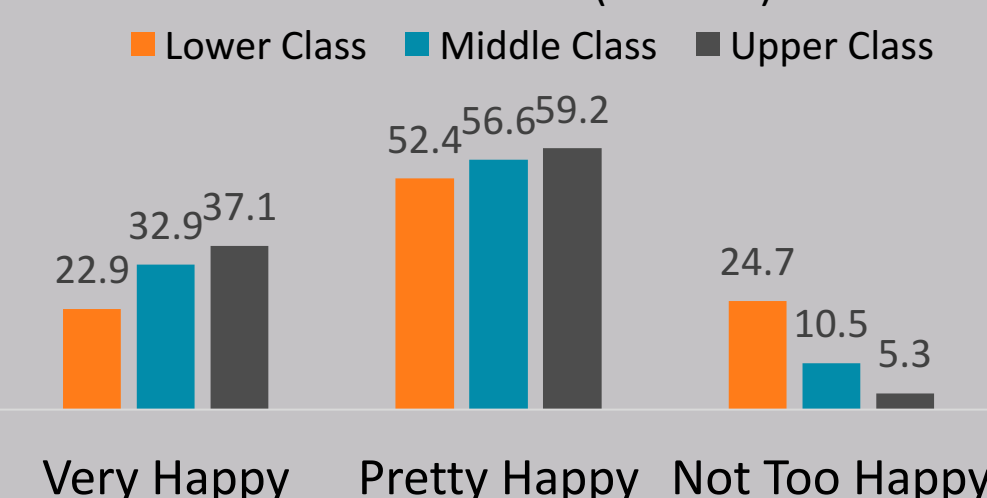
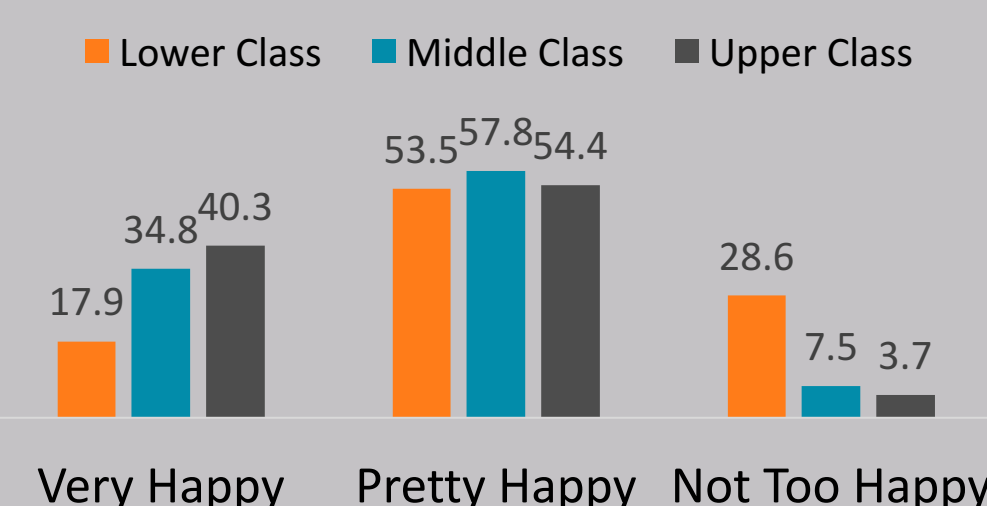


Figure 3. Distributions for Happiness Levels and For Three Income Levels in 2016 for U.S. Women (N=1134)



Summary of Results

- Overall, both men and women who have higher levels of income are more likely to report being very happy, and less likely to report being not too happy ($p < 0.01$).
- The effects of income on happiness are very similar for men and women, except that the association between lower income and "not too happy" seems to be greater for women than men, and association between higher income and "very happy" seems to be greater for women than men.

Conclusion

- Those who have a lower SES will have higher levels of depression, possibly due to stress, strain, and lack of health resources.
- Positive association between SES and SWB could be reverse causation, where higher well-being can lead to higher income in the future (Dolan, Peasgood, & White, 2007).
- Further research should look at married couples and the relationship between relative income and subjective well-being.

References

- Diener, E., & Biswas-Diener, R. (2001). Will Money Increase Subjective Well-Being? *Social Indicators Research*, 57, pp. 119-169.
- Diener, E., Sandvik, E., Seidlitz, L., Diener, M. (1992). The Relationship Between Income and Subjective Well-Being: Relative or Absolute? *Social Indicators Research*, 28, pp. 195-223.
- Dolan, P., Peasgood, T., White, M. (2007). Do we Really Know What Makes Us Happy? A Review of the Economic Literature on the Factors Associated with Subjective Well-Being. *Journal of Economic Psychology*, 29, pp. 94-122.