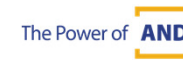


The Source of Happiness: Cross-Country Analysis

EVIDENCE FROM THE WORLD VALUE SURVEY (2011 AND 2013)

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INTRODUCTION

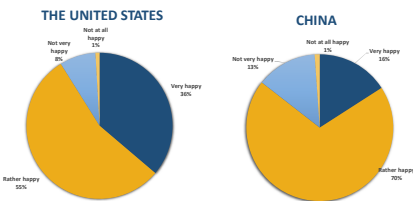
- Happiness (or economic well-being) has become a popular topic in recent years, not only in psychological study but also in the field of behavioral economics.
- The pursuit of happiness affects human behaviors, which will in turn influence the efficiency of the workplace or even the whole labor force. Therefore, our study on happiness is critical and relevant.
- Most happiness research so far has focused on developed countries. Only a handful of studies examine the issue of happiness in developing nations.
- In this project, we use data obtained from the World Value Survey for the United States and China to do a cross-country investigation and identify factors that affect happiness in both countries.

OBJECTIVES AND CONTRIBUTIONS

- Our goal is to examine traditional factors in addition to non-traditional factors which affect happiness in the United States and China.
- The lack of such a comparative study has indicated the importance and relevance of our research. Our results will add new knowledge to the happiness research in the context of developing and developed countries and contribute to the understanding of economic well-being.

DATA SOURCE

- The data is derived from the World Value Survey Wave 6 conducted in the United States in 2011 and China in 2013.
- There were 2,232 respondents for the United States survey and 2,300 respondents for China.
- Each respondent answered 249 questions about their demographic information and their thoughts on specific topics including happiness.



METHODOLOGY

$$H_i = c_i + \sum_{j=1}^8 \alpha_j T_{ij} + \sum_{k=1}^{11} \beta_k N_{ik} + \varepsilon_i$$

- The software package SPSS is used to carry out a *Univariate Linear Regression* on the data.
- The dependent variable is the feeling of happiness, which is a categorical variable with four levels from 1 (very happy) to 4 (not at all happy).
- The independent variables are factors that possibly influence the happiness in China and/or the United States. These factors are either categorical or continuous indicators.

RESULTS-TRADITIONAL FACTORS

Independent Variables	Explanation	Coefficient (U.S.)	Significance (U.S.)	Coefficient (China)	Significance (China)
Age ²	How old are you? (The impact of age on happiness is a U-shape on a graph, which means that people are happier during the middle part of their life)	.007	.043	0.000	0.058
Health	How would you describe your state of health these days? 1. Very good 2. Good 3. Fair 4. Poor	-0.705 -0.465 -0.211 0 ^a	0.000 0.000 0.007 0 ^a	-0.859 -0.488 -0.320 0 ^a	0.000 0.000 0.005 0 ^a
Family	Indicate how important family is in your life. 1. Very important 2. Rather important 3. Not very important 4. Not at all important	-0.626 -0.365 -0.287 0 ^a	0.002 0.069 0.224 0 ^a	-0.445 -0.422 -0.403 0 ^a	0.044 0.060 0.080 0 ^a
Education Level	What is the highest education level you have attained? 1. Incomplete High School Education 2. High School Graduate 3. Some College, No Degree 4. College and Beyond	-0.187 -0.097 -0.062 0 ^a	0.000 0.005 0.082 0 ^a	-0.110 0.169 0.099 0 ^a	0.462 0.016 0.048 0 ^a
Marital Status	Are you currently: 1. Married or living together as married 2. Divorced or separated 3. Widowed 4. Single	-0.101 0.058 0.005 0 ^a	0.010 0.280 0.949 0 ^a	-0.408 -0.527 -0.358 0.015	0.000 0.003 0.015 0.015
Income Level	What group is your household in? 1. Low income 2. Lower middle class 3. Middle class 4. Upper class 5. Highest income	0.342 0.256 0.235 0.175 0 ^a	0.020 0.078 0.107 0.241 0 ^a	0.402 0.333 0.296 0.275 -0.094	0.056 -0.012 -0.051 -0.094 0 ^a
Religion	Indicate how important religion is in your life. 1. Very important 2. Rather important 3. Not very important 4. Not at all important	-0.043 0.008 0.070 0 ^a	0.330 0.846 0.122 0 ^a	-0.469 0.103 0.040 0.335	0.000 0.003 0.335 0.335
Politics	Indicate how important politics are in your life. 1. Very important 2. Rather important 3. Not very important 4. Not at all important	-0.039 -0.018 0.050 0 ^a	0.481 0.697 0.272 0 ^a	-0.183 -0.267 -0.202 0.027	0.063 0.004 0.027 0 ^a

POLICY SUGGESTIONS

- The governments of China and the United States may pay more attention to the happiness study and continue collecting the happiness data in different regions and nationwide on a regular basis.
- Our empirical results suggest that both governments could take certain policy actions to boost happiness. For example, they can take measures to strengthen the feelings of security, reduce unemployment, narrow socioeconomic inequality, create a more healthy and diverse working environment, encourage the self-employed and e-commerce and provide better benefits for the working poor.
- Promote the education of happiness among the youth and call for a more equal, diverse and inclusive society.

MAJOR CONCLUSIONS

- In this research, we verified the impact of traditional factors on happiness. We contributed to the literature by studying new factors which may explain happiness in China, such as environment, family, religion, competition, democracy, and social stratifications.
- In the future, we will continue to explore data collected on happiness in China and the United States. This can be done by tracking the World Value Survey Wave 7 when it is released. With the Wave 7 data we can compare it to the Wave 6 data to understand changes in happiness over time between the two countries.

RESULTS-NON-TRADITIONAL FACTORS

Independent Variables	Explanation	Coefficient (U.S.)	Significance (U.S.)	Coefficient (China)	Significance (China)
Trust	Would you say that most people can be trusted or that you need to be very careful in dealing with people? 1. Most people can be trusted. 2. Need to be very careful.	-0.092 0 ^a	0.001 0 ^a	-0.083 0 ^a	0.023 0 ^a
Safety in Neighborhood	How secure do you feel these days in your neighborhood? 1. Very secure 2. Quite secure 3. Not very secure 4. Not at all secure	-0.447 -0.347 -0.229 0 ^a	0.000 0.000 0.012 0 ^a	0.315 0.414 0.468 0 ^a	0.023 0.002 0.001 0 ^a
World Citizen	I see myself as a world citizen. 1. Strongly Agree 2. Agree 3. Disagree 4. Strongly Disagree	-0.091 -0.039 -0.058 0 ^a	0.108 0.467 0.296 0 ^a	-0.123 -0.085 -0.138 0 ^a	0.186 0.313 0.121 0 ^a
Proud Parents	One of my main goals in life has been to make my parents proud 1. Strongly Agree 2. Agree 3. Disagree 4. Strongly Disagree	-0.110 -0.044 -0.046 0 ^a	0.149 0.548 0.544 0 ^a	0.071 0.263 0.283 0.039	0.586 0.032 0.039 0.039
Housewife vs. Work	Being a housewife is just as fulfilling as working for pay 1. Strongly Agree 2. Agree 3. Disagree 4. Strongly Disagree	-0.061 0.032 0.042 0 ^a	0.369 0.621 0.540 0 ^a	0.239 0.267 0.285 0 ^a	0.024 0.008 0.005 0 ^a
Manual vs. Intellectual work	Are the tasks you do at work mostly manual or intellectual? On a scale of 1 to 10 1. Mostly manual tasks 2 3 4 5 6 7 8 9 10. Mostly intellectual tasks	-0.025 -0.035 -0.012 0.004 -0.104 -0.081 -0.022 0.004 -0.067 0 ^a	0.682 0.648 0.862 0.959 0.058 0.150 0.685 0.935 0.181 0 ^a	0.041 0.292 0.188 0.200 0.044 0.063 0.052 0.172 0.099 0 ^a	0.698 0.003 0.049 0.038 0.637 0.507 0.570 0.047 0.298 0 ^a
Sports or recreation	For the voluntary organization listed, please indicate if you are an active member, an inactive member or not a member of that type of organization? 1. Don't belong 2. Inactive member 3. Active member	0.066 0.098 0 ^a	0.065 0.041 0 ^a	NA NA NA	NA NA NA
Number of Children	Have you had any children? 0-8 Children	NA	NA	0.060	0.015
Boy vs. Girl Education	A university education is more important for a boy than for a girl. 1. Strongly Agree 2. Agree 3. Disagree 4. Strongly Disagree	NA	NA	-0.069 0.001 -0.076 0 ^a	0.499 0.993 0.170 0 ^a
Employment Status	Are you employed now or not? 1. Full time employee (30 hours a week or more) 2. Part time employee (less than 30 hours a week) 3. Self employed 4. Retired/ pensioned 5. Housewife not otherwise employed 6. Student 7. Unemployed 8. Other	NA	NA	0.267 0.242 0.135 0.205 0.115 0.069 0.462 0 ^a	0.177 0.236 0.533 0.336 0.583 0.893 0.034 0 ^a
Gender	Are you male or female? 1. Male 2. Female	NA	NA	0.050 0 ^a	-0.012 0 ^a

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