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Happiness Economics. The role of income in subjective well-being.

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Abstract

In the current paper, we focus on the study of the happiness economics. The main objective of the thesis is to discover which are the variables that affect the subjective well-being of the Spanish population and if the variable of income is among them. Firstly, we present a review of the study of happiness or subjective well-being, just like the different systems of measurement. Secondly, we introduce some psychological theories about happiness that are used in economics, and in particular, we focus on the "Easterlin´s paradox". Moreover, we make a logistic analysis, in order to seek which variables explain the subjective well-being in Spain. Proposed logit models show the importance of expected variables such as health state and those related to personal relationships. On the other hand, income appears as explanatory, once we had already dropped variables related with social status, in such a way that the role that income plays is relative. This coincides with the Easterlin's results in cross sectional analysis. Nevertheless, we cannot affirm the evolution of happiness when income increases over time, since we would need panel data to be at our disposal, in order to analyse the happiness behavior in the presence of changes in income.

Keywords: Economics of happiness, Easterlin's paradox, Subjective well-being, Relative income.

Resumen

En el presente trabajo, hacemos hincapié en el estudio de la economía de la felicidad. El principal objetivo del trabajo, es descubrir cuáles son las variables más importantes que afectan al bienestar subjetivo de la población española y si la variable ingreso está entre ellas. En primer lugar, hacemos una revisión del estudio de la felicidad o del bienestar subjetivo, así como de los diferentes sistemas de medida. En segundo lugar, presentamos algunas teorías psicológicas sobre la felicidad que son usadas en economía, y en especial, nos centramos en "La paradoja de Easterlin". Además, hacemos un análisis logístico, para buscar las variables que explican el bienestar subjetivo en España. Los modelos logit propuestos muestran la importancia de variables que ya esperábamos tales como el estado de la salud y aquellas relacionadas con las relaciones personales. Pero por otro lado, el ingreso se muestra como explicativa, una vez que ya hemos eliminado variables relacionadas con el estatus. De esta manera, el papel que juega el ingreso es relativo y concuerda con los resultados de Easterlin en análisis de sección cruzada. Sin embargo, no podemos afirmar la relación existente entre el bienestar subjetivo y el ingreso a través del tiempo, pues para ello necesitaríamos disponer de datos de panel para analizar la evolución de la felicidad en España ante cambios en el ingreso.

Palabras clave: Economía de la felicidad, Paradoja de Easterlin, Bienestar subjetivo, ingreso relativo.

Resumo

No presente traballo, profundamos no estudo da economía da felicidade. O principal obxectivo do traballo é descubrir cales son as variables máis importantes que afectan ao benestar subxectivo da poboación española e se a variable ingreso está entre delas. En primeiro lugar, facemos unha revisión do estudo da felicidade ou do benestar subxectivo, así como dos diferentes sistemas de medición. En segundo lugar, presentamos algunhas teorías psicolóxicas sobre a felicidade que son usadas na economía e en especial, centrámonos no “Paradoxo de Easterlin”. Ademais, facemos unha análise loxística, para buscar as variables que explican o benestar subxectivo en España. Os modelos logit propostos amosan a importancia de variables que xa se esperaban, tales como o estado da saúde e aquelas que teñen que ver coas relacións persoais. Pero por outro lado, o ingreso amósase como explicativa unha vez que xa eliminamos variables relacionadas có status. Deste xeito, o papel que xoga o ingreso é relativo e concorda cós resultados de Easterlin en análises de sección cruzada. Sen embargo, non podemos afirmar a relación existente entre o benestar subxectivo e o ingreso a través do tempo, pois para elo, necesitariamos dispor de datos de panel para analizar como evoluciona o nivel de felicidade en España ante cambios no ingreso.

Palabras clave: Economía da felicidade, Paradoxo de Easterlin, Benestar subxectivo, Ingreso relativo.

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Introduction. The study of happiness through time

"True happiness is to enjoy the present, without anxious dependence upon the future, not to amuse ourselves with either hopes or fears but to rest satisfied with what we have, which is sufficient, for he that is so wants nothing. The greatest blessings of mankind are within us and within our reach. A wise man is content with his lot, whatever it may be, without wishing for what he has not."
— Seneca

Economic performance is not interesting itself. Most people are not fully interested in the level of gross national product, inflation rate and so on. Economic science matters when is used as a mean to make people happier. Happiness is generally considered as the ultimate goal in life, since everybody wants to be happy. Historically, the pursuit of happiness is an ancient philosophical theme. Through the time, the term happiness was largely studied in several disciplines like philosophy, sociology, psychology and to a lesser extent, in economics. One thing that unites these different social sciences is the understanding of the forces that affect people´s well-being: What makes individuals happy? What is the role of happiness in society nowadays? And in the case of economics, what is the relationship between income and happiness? Is wealth or growth sufficient to make us happy? These are some of the questions we will try to clarify in this paper.

The objective of the present paper is to analyse the importance of the variable income in Spain and how it is correlated with life satisfaction. We want to emphasize that in order to avoid critics about the reliability of the measurement of happiness, instead of measuring happiness itself, we measure the ***revealed subjective well-being*** of the participants in the survey that we used in our regression analysis. People are the best indicators to know how they feel, since happiness is totally subjective and it is necessary to ask people how they feel and how satisfied they are with their lives. Although one may think that happiness measures may have some limitations, it has been largely studied by psychologists and it is obvious that human happiness cannot be understood without asking and listening to how one feels since it is a living experience. Also, well-being measures are correlated with observable phenomena, (people who report themselves as happy tend to laugh more and be more optimistic than those who do not). There are also some interconnections between happiness theories in economy and in psychology and we will review some of the most important in the current paper.

The importance of studying happiness can be applied to: (1) *Politics and Government* in order to improve the politics of a country and to discover what are the factors that affect the citizen´s happiness the most; (2) *A personal and individual level,* to discover which are the main variables that influence more the subjective well-being. A good health state, social connections, having a job or earning money are considered important to get a life satisfaction. This will be analysed in section 4 with logistic regression; (3) *To make a progress in economic theories* about happiness science, since there are other disciplines, especially psychology that are more advanced about this topic.

The current paper is organised in four different sections. First of all, in section 1 we offer an introduction of economics of happiness by defining the terms of life satisfaction and happiness and the way to measure them. In section 2, it is analysed the main theories about happiness that are studied in economy and in psychology sciences. In section 3, we expose the relationship of income and happiness, explaining the paradoxical findings and some possible explanations. Finally, in section 4, we move on to a logistic regression analysis, both binary and ordered, in order to clarify what are the most important variables that affect life satisfaction in Spain and also to see if the variable of income is important or not.

1. Economics of happiness review. Meaning and measure.

1.1. What is the meaning of happiness?

There is no doubt at all that happiness is very important for all humans since it is the ultimate objective to achieve in life. Happiness and well-being have been studied in many fields, including philosophy, sociology, psychology, economy, etc. Happiness is a human living experience, each individual experiences different life lessons which can make them happy or unhappy, so happiness is totally subjective since is based on the experiences and assessments of the person (Rojas, 2017). Happiness is related to the experience of positive feelings and the absence of negative ones, as well as with the one's satisfaction with life. According to Frey and Stutzer (2002), there are different factors that affect happiness:

a) Personality Factors: optimism, extraversion, self-esteem, etc.
b) Socio-demographic factors: age, gender, marital status or education
c) Economic factors: inflation, aggregate income or employment level
d) Contextual Factors: Personal working conditions, relationship with colleagues at the job, friends and family and health.
e) Institutional factors: Democracy and citizen´s political rights.

In the pursuit of understanding happiness, there are two main theoretical perspectives (see figure 1), the Eudaimonic Approach and the Hedonic one.

The main reference of the ***Eudaimonic Approach*** is Aristotle. In his view, happiness was the meaning of life and the main objective in human existence. In Eudaimonia, well-being is achieved by fulfilling one´s true nature and by living a virtuous life. Aristotle stated that pleasure does not always lead to happiness and vice versa, stressing that not all desires are worth pursuing (Ryan et al., 2008) He thought that in order to achieve happiness, people should have a virtuous life to develop a self-realization of their own capacities, even if it does not entail satisfaction in the short-term. In Eudaimonia, happiness does not come easily; it is needed effort and concentration and intrinsic motivation in order to realize one´s true nature (Bruni and Porta, 2006).

The following theories co-exist under the concept of eudamonism:

1. <u>*Self-determination theory by Ryan and Deci:*</u> They state that there are three different needs which are universal for all the people. *"The first need is autonomy, meaning that each individual chooses what to do, being the only owner of his/her own life and actions. The second one is competence, the feeling of being confident in what one is doing and the last need has to do with relatedness, this means that humans need to have social connections that are close and secure, whilst still respecting autonomy and facilitating competence"* (Stutzer and Frey, 2002, p.25).

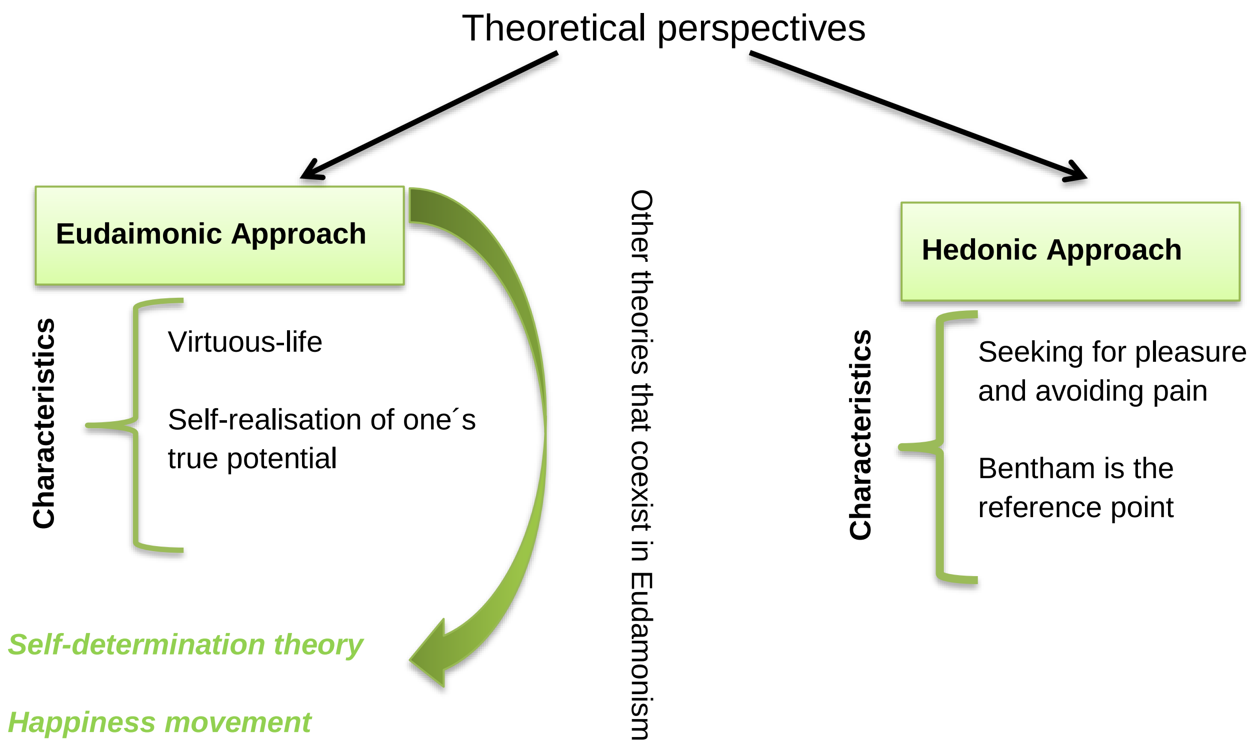
2. <u>*Happiness movement:*</u> This theory was developed by Martin Seligman (2002) and is compound by three aspects the pleasant life, good life and meaningful life. "*The former has to do with pursuing positive emotions and pleasure. It is related in some way with hedonic well-being too. In the good life, the individual should use his own abilities and strengths to obtain rewards. Lastly, the meaningful life is about using these abilities or strengths in the achievement of something greater, fulfilling one's true potential*" (Boniwell, 2008). This theory unites hedonic and eudemonic approaches of happiness, showing that they are not rivals but rather similar instead. When people focus on doing hedonic and pleasant activities, they are happier in the short term than those who focus on eudaimonic pursuits. However in the long run, those who try to develop their potentials and skills and to fulfill their own capacities get to be more satisfied with their lives (Seligman, 2011).

A second philosophical view is the ***Hedonistic Approach*** which is the result of avoiding pain and seeking for pleasant activites (Bruni and Porta, 2006). For Epicure and his followers, the main source of happiness was the feeling of pleasure (hedone). According to this approach, people should seek their own personal pleasure, avoiding tedious or negative experiences. Hedonic concepts are based on the notion of *subjective well-being (SWB).* This term is commonly used to denote the "happy or good life". It comprises an affective component (high positive affect and low negative affect) and a cognitive component (satisfaction with life). The former include emotional reactions and daily emotions experienced by the individual, while the later refers to a long-run life satisfaction and to rational aspects of subjective well-being, including judgements and comparison. The reference point for the hedonic approach is Bentham and according to him, in order to get a happy society, each person must pursuit her or his own happiness whereas the Government should only intervene if a person in order to be happy, does something that affects negatively another person (Frey and Stutzer, 2002).

The subjective happiness can be measured by global self-reports in which individuals evaluate their life satisfaction through single or several questions. On the other hand, we have the objective happiness, which uses brain waves in order to measure subjective well-being although this method is not very common (Frey and Stutzer, 2002).

The economists worried about the “happiness paradox”, are following a hedonistic vision of happiness. If money allows buying “sensations” of happiness then a higher income would mean higher levels of happiness or in other words, higher levels of well-being. “On the contrary, a more Aristotelian vision should include other factors such as socialization, relational goods and developing one´s skills. In a certain sense, the results that Easterlin got could be explained following a eudaimonic concept of happiness” (Caravaggio, 2016, p.108).

Figure 1. Summary of the theoretical perspectives of happiness.



Source: Own elaboration

The World Health Organization defined quality of life as "*an individuals' perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns*" (World Health Organization, 1997, p.1). This concept is affected by the person's health state, psychological state and personal beliefs. However, the problem with this term is that it is used interchangeably with well-being in a variety of disciplines when quality of life is a dimension of well-being rather than a synonym.

Although happiness is something personal and very difficult to measure, Nussbaum (2011) and Sen avoid minimizing the term and they support a more Aristotelian approach of happiness in order to get an "objectification" of the term. The "quality of life movement" emphasizes in objective indicators of a good life such as democracy, social capital, health, etc. Sen widens the concept of happiness and well-being with the "Capability Approach", which is an evaluating frame about wellness and individual freedom. From the concept of "capabilities", he analyses social problems that affect the human well-being, such as inequality, quality of life, human development of a country or poverty. Sen is not interested in the level of satisfaction of the people or about the amount of resources they have but about the capabilities that allow an individual to be or to do the better they can. Sen enquires into the freedom that an individual has in order to get what he or she wants.

1.2. How do we measure happiness?

Happiness or subjective well-being can be measured in terms of life satisfaction, by the presence of positive experiences and feelings, and by the absence of negative ones (Frey and Stutzer, 2002). The measures of happiness are subjective, since each person is the only one who truly knows his level of life satisfaction. A basic principle of the scientific study of happiness is that it is possible to measure by asking an individual about his life evaluation and how he feels (Veenhoven, 2005).

SWB can be captured by:

a) Psychological and neurobiological indicators: Electroencephelogram measures of prefrontal brain activity and brain waves. Although they are not usable indicators nor trustable (Stutzer and Frey, 2002)
b) Observed social behaviour and non-verbal: Happy people is observed to be more friendly, to have more outgoing experiences and to smile more than unhappy persons. Nevertheless, they are not considered as reliable indicators of happiness since sometimes those actions can be undertaken by unhappy persons too.
c) Surveys: Self-reported happiness is the best indicator of happiness and it is the reference point of any empirical study of happiness, since it is believed that people are able to know how they feel and their level of life satisfaction.

1.2.1. Types of well-being and measurement

There are three types of SWB and different ways to measure according to each one of them (see figure 2). Also, it is important to point out that the questions of well-being can be asked “context-free”, evaluating life as a whole or “context-specific”, asking about the well-being associated with a single area in life (Stutzer and Frey, 2002).

1. *Evaluative Well-being*

Evaluative well-being refers to the evaluation that a person does about his or her level of life satisfaction. The measures of evaluative well-being asesses the judgments of a person´s life and they can be use in “context-specifics aspects of life” (such as relationships, health, labor situation) as well as in “context-free aspects” (satisfaction with life as a whole). An example of a question to measure evaluative well-being based on the World Values Survey is ***“Overall, how satisfied are you with life as a whole these days?”*** (Stone and Mackie, 2013).

There are three types of response scales. The first one is formed by numerical options. OECD has proposed a scale from 0 to 10 for this question, although different scales have been used by other surveys such as the British Household Panel Study or the German Socioeconomic Panel (GSOEP) that apply a lower rank between 0 and 7. The second type of scale offers more than two options of answer that the respondent has to choose. The most common options are “very satisfied”, “quite satisfied”, “not very satisfied” or “not at all satisfied” (Caravaggio, 2016, p.103). The last group is formed by two options that the respondent is offered in order to answer the question. For example, for the following question, ***do you consider yourself happy?*** The options are yes or no.

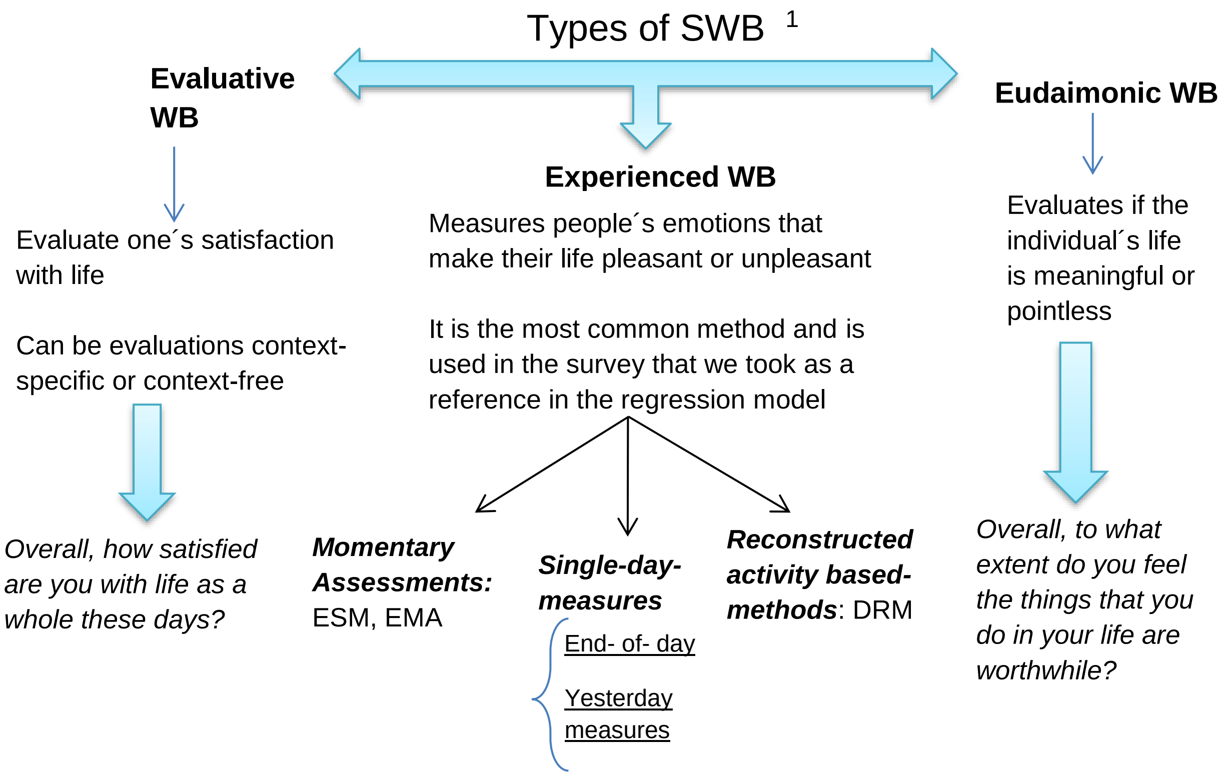
2. *Experienced or Hedonic well-being*

Experienced well-being (ExWB), also known as “hedonic well-being”, studies people’s emotional states (positive and negative) that make their life pleasant or unpleasant. This kind of measure is the most common and the survey that we use in the regression analysis contains questions of this kind. There are three types of evaluations in order to measure ExWB: (Stone and Mackie, 2013)

The single-day measures are the most common although they are criticized because of the variability in the answers (people may have a “good” or “bad” day when being asked). People can be asked in two different ways: (1) about their evaluations of an entire day ***“Overall, how happy would you say your day*** **was?”** (2) about experiences and emotions felt the previous day, ***“How happy did you feel yesterday?***

Moreover there are *the momentary assessments* and the *reconstructed activity-based methods*. The former track emotions and experiences in the moment they occur, such as the Experience Sampling Method (ESM) and the Ecological Momentary Assessment (EMA). The latter refers to the daily reconstruction methods (DRM) in which respondents describe the emotions they felt in different activities of the day (i.e. activities in the job, taking care of children or exercising).

Figure 2. Summary of the types of SWB



Source: Own elaboration

3. Eudaimonic well-being:

Eudaimonic well-being refers to the feeling of living a meaningfulness (or pointlessness) life. In the Eudaimonic approach people achieve happiness if they experience a self-realization of their capacities, challenge themselves and focus on learning and improving. An example of a eudaimonic question is ***"Overall, to what***

[1] It is important to point out that the happiness measures should be reliable and valid. Reliability refers to stability in responses since they should not change due to volatile moods. Validity refers to the ability to reflect true inner feelings of the respondent and to avoid false measurement and false measurement. For more information it should be consulted (Frey and Stutzer, 2002; Veenhoven, 2005).

extent do you feel the things you do in your life are worthwhile?" (Stone and Mackie, 2013).

2. Happiness and well-being in psychology and economics.

From the economics perspective, higher levels of income are associated with higher levels of well-being. This means that as income increases, there is an increase in the number of goods wanted (increment of consumption) too. According to the utility theory, individuals express their preferences with commodities bundles that can be ranked (the higher the position of the bundle, the more preferred it is for the individual). One of the assumptions of the indifference curves is the ***non-satiety*** which assumes that the consumer has not reached the point of satiety and is willing to consume more goods. According to this, the consumer is willing to move to a higher indifference curve seeking for a higher satisfaction level. So, the individual with more income has access to more goods and services and therefore he or she should reveal a greater subjective well-being. However, this assumption collisionates with the happiness studies (López et al, 2016).

Happiness studies reveal paradoxical results:

- As the level of life of a country improved as well as the level of income did, it was found no improvement in life satisfaction. Also, the variable income revealed a low statistical significance (López et al, 2016; Frey and Stutzer 2002).
- At income levels below the breadline, richer countries are happier than the poorer. Happiness has grown in developing countries as income levels have risen (Layard 2005).
- There is no evidence that richer countries are happier than the poorer as long as the physiological needs are satisfied and people is above the breadline. It is believed that once an individual rises above the poverty line, the main source of

life satisfaction has nothing to do with income but rather with other life domains such as friends and family (Clark et al, 2006).

A rational individual maximizes his utility according to his constraints, being the constraints the most important factor. Microeconomic theory assumes that happiness increases with income and that is why economists associate well-being with economic growth and increments in the GDP, which are wanted to be achieved by the Governments of the countries.

We will review some of the main theories about happiness and well-being that are studied in the economics and we also offer a recap of the theories so they can be clearly understood (see figure 3).

2.1. Set point of happiness

In psychology, there is a tendency towards a ***"set point theory"*** meaning that any measure taken to improve economic or social conditions has only a temporal effect on welfare since eventually the individuals will come back to their original level of happiness. Life events, marriage, changes in health, etc., may change the happiness of a person but in time due to a hedonic adaptation the individual will return to the set point level. As Easterlin (2003, p.30) stated *"this implies that any measures taken to improve economic or social conditions will have only a temporary effect on well-being because each individual will in time revert to her initial level of happiness".*

According to the set point theory of SWB there is a level of happiness that remains constant over the life-cycle due to subjective elements such as personality and temperament.

Kahneman (2006) distinguishes two types of treadmill effect, the *hedonic treadmill* and the *satisfaction treadmill*. The former has to do with the adaptation theory whilst the later depends on aspiration.

- **The hedonic treadmill** (also known as hedonic adaptation) occurs when people adapt to different life events and then return to their initial level of well-being that is determined by their respective personalities (Bruni and Porta, 2005). The process of adaptation can be complete *"when individuals return to* *their initial level of happiness after a life event"* or partial, *"when these experiences have a lasting effect on well-being"* [2](Easterlin, 2003, p.31).

- **The satisfaction treadmill** is based on changes in aspiration levels, the idea is that people always want more than they have and compare to others who have achieved more than they had. People once they have reached something adapt to their new situation and aspire to something bigger. The level of happiness is determined by the difference between aspiration and achievement.

Well-being depends on a variety of pecuniary and non-pecuniary domains such as living level, health, work and family. The person has certain aspirations in each domain (such as good health, happy marriage or a big house of his own) and his current achievement in each domain (such as a rented flat or a divorce). The person will report higher level of happiness when the difference between his aspirations and his attainments are significantly low. Also, there are two different strands that recognize the effect of aspirations on well-being:

- *Habit formation* stresses the idea that well-being is affected by past experiences.

- *Interdependent preferences* stresses the idea that well-being depends on comparing to others.[3]

People often think that more money would allow them to achieve a better life and therefore they would increase their well-being. But, while people allocate excessive amount of time to the pursuit of pecuniary goods thinking that they will be happier, they ignore the fact that hedonic adaptation and social comparison will play its part. They will raise their level of aspirations as their income grow and will not feel any happier than before. The explanation of this is that most individuals spend a lot of time working and trying to increase their level of income by sacrificing time with family, friends or free time, domains in which aspirations remain constant even if circumstances change

[2] "Less than complete adaptation means that aspirations change less than one´s circumstances. It can occur in a positive way, if circumstances change for the better then well-being increases or in a negative way when the well-being declines due to a negative change in one´s circumstances. This is what happens with marital status, income and changes in health" (Easterlin, 2003, p.45).

[3] This was stressed by Easterlin (2003) and is explained later in this thesis.

(Easterlin, 2003). Non-pecuniary goods have a lasting effect on happiness, whereas pecuniary one´s do not, due to hedonic adaptation and social comparison[4].

2.2. Two selves of happiness

Daniel Kahneman (2010) focuses on studying the happiness in both economics and psychology sciences. According to him, there are traps that make difficult and confusing the study of happiness economics. One of them is the word "happiness" itself since it is applied to many different things, losing its original meaning. The second trap is the confusion between memory and experiences. It is explained by the existence of "two selves", the experiencing self and the remembering self. [5]

- ***The experiencing-self*** is described as the fast, intuitive and unconscious mode of thinking that only operates in the present moment. The experiencing self seeks the pleasure, the good experiences and to be surrounded by people we like.

- **The remembering-self** is described as a storyteller, a slow, rational and conscious mode of thinking. It generates memories of one's personal experiences and also helps people to make choices about future actions (i.e. thinking about future holidays). The memory self is more interested in seeking for experiences that make good and memorable stories (Aguirre, C. 2017; Daniel Kahneman, 2010).

  Most of the experiences vanish without a trace. On the other hand, the remembering self gets remembered by the individual, especially the significant moments and the ending of an experience (Kahneman, 2010).

The memory self is more complex and unpredictable than our experiencing-self because:

- It can transform painful experiences into happy stories. People can be happy in hardship, or in other words, for overcoming a series of challenging times or one particular challenging moment.

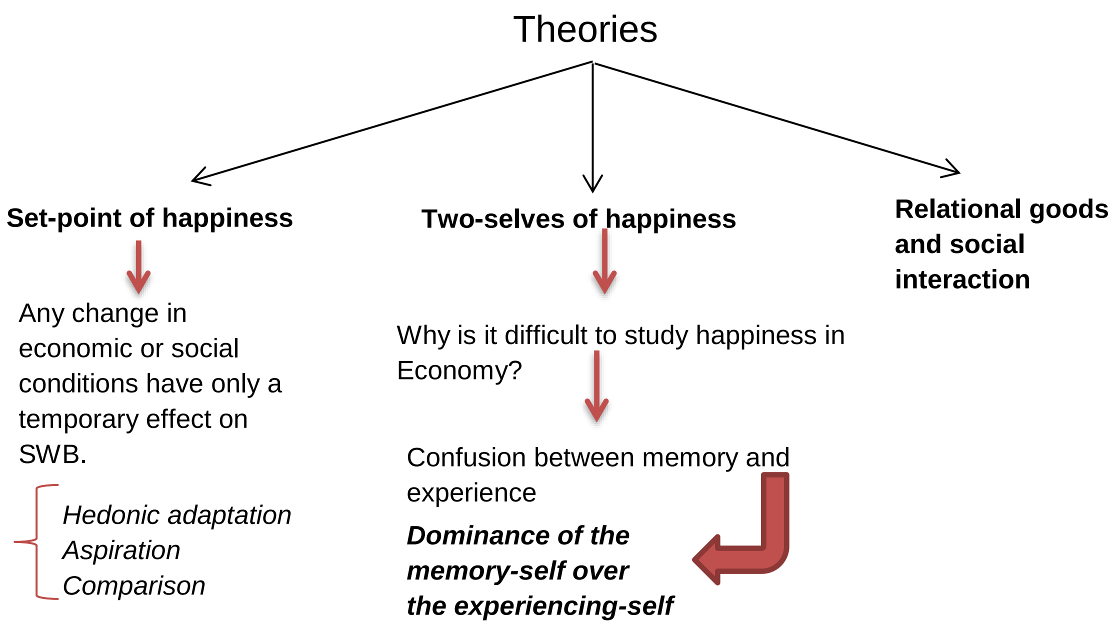
[4] This is related with section 3.2.2. and especially with figure 8.
[5] The two-selves theory was consulted mainly in the TED talks (2010) by Kahneman. For more information check:
https://www.ted.com/talks/daniel_kahneman_the_riddle_of_experience_vs_memory#t-4971

- Only a very small portion of our experiences are recorded in memory. As a result, our memories might not necessarily reflect the balance of happiness and misery we have had over time.
- The ending of events tends to carry greater influence on the memory-self than other parts of the experience. If the event ends well, people are more likely to remember it positively. If it ends poorly, people will remember that experience negatively.
- We make decisions based not on past experiences, but on our memories of them (which aren't always accurate, for reasons just enumerated).

The dominance of the remembering-self over the experiencing-self can be understood in the following example, in which a music lover listens to a symphony and hears absolutely glorious music and at the very end of the performance, there is an annoying sound. People would usually say that the whole experienced was ruined, but it was not. *"What it was ruined were the memories of it (remembering- self)"* (Graham, L, 2017). The individual had the experience of listening half an hour to the music he likes (experiencing –self) and at the very end all that he remembers is the awful sound. The experience does not count at all since the memory was ruined, and the memories are the important factor that people get from their experiences. *"The tricky part is that people make decisions based on memory (the remembering-self) rather than on the experiencing-self"* (Graham, L., 2017). Changes in life such as marriage, declining in health or vacations are felt differently when they are remembered than when they are being lived (Kahneman, 2010). For example if an individual loses the wallet at the end of a vacation, his memories of the holidays will be negative even if the rest of the vacations were just fine.

In another studied of a colonoscopy that Kahneman analysed, patient B was subjected to mild pain for a longer time but experiencing a gentler ending at the end. Patient A experienced pain less time but the pain experienced at the end of the colonoscopy was higher. It is clear that patient B suffered more than patient A since his pain experience lasted longer. But surprisingly, when the patients were asked, patient A had a worse memory of the colonoscopy than patient B. This study shows that even if patient B´s experiencing- self was worse off, the pain remembered was better off than for patien A due to the low pain intensity at the end. This concludes that the important thing is not the experience itself but the memory of it (Kahneman, 2010).

Figure 3. Summary of the SWB theories that are studied in Economics



Source: Own elaboration

2.3. Relational goods

Relational goods are non-material goods that can only be produced and consumed in social interactions. An example of this is the decision of buying goods in a corner shop due to the existence of a bond with the vendor, instead of doing it in a supermarket where the prices of the goods may be lower (Bruni and Stanca, 2005).

On the other hand, relational goods are dependent on the existence of the relationship itself, since they are consumed in the social meeting and therefore dependent on the existence and maintenance of the relationship.

The key-characteristics of the relational goods are: (i) ***genuine*** (the main objective is the relationship and the encounter itself), (ii) ***personalised*** (these goods cannot be enjoyed in solitude, it is needed a social encounter to enjoy these goods), (iii)

motivation-dependent since they are dependent on the encounter (Bruni and Luca Stanca, 2005; p.6).

It was also studied the relationship between television and happiness, and how the over-consumption of TV affects the levels of happiness due to a lack of socialization and the underuse of relational goods. *"Watching television has become one of the most important leisure activities worldwide and the use of it increased through the years. Given the important role played by television in people's life, its influence on individual well-being cannot be neglected (…) High levels of television consumption are found to be negatively related to individual life satisfaction by harming and to some extent replacing relationships with other people"* (Bruni and Stanca, p.7).

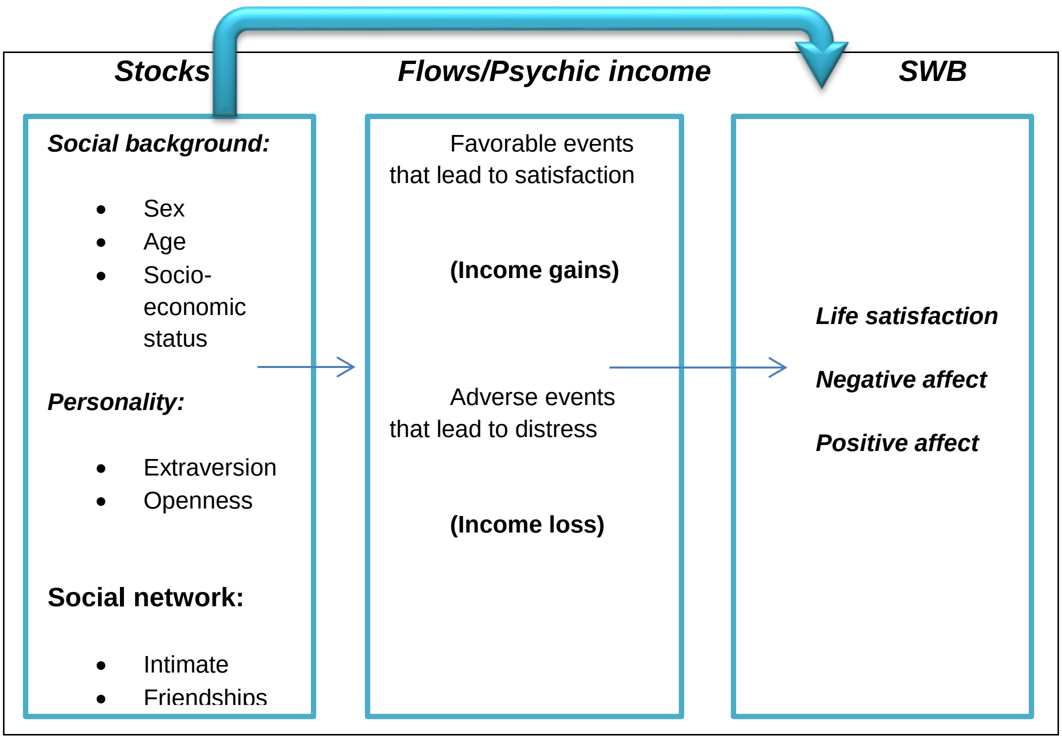
The time used in communicating and socializing with friends and relatives (activities that increase subjective well-being) is now used in watching TV. Moreover, television contributes to material consumption through the advertisement and it raises people´s material aspirations. "*By watching television, people are seeing advertisements of better products than the ones they have and people wealthier than they are, factors that contribute significantly to raise their material aspirations"* (Bruni and Stanca, 2005, p.8).

That is how television leads individuals to underestimate the relative importance of relational goods and to overuse activities and goods that do not increase their level of happiness. People choose television instead of relational activities because in order to meet, people would depend on somebody else´s schedules. On the contrary, television is a relaxing and attractive activity which is available at any time of the day, even for those with a busy schedule (Bruni and Stanca, 2005).

2.4. Stocks and flows of well-being

In psychology, happiness has been largely studied and there are several theories, among them there is Headey and Wearing´s one. They believed that "*for most people subjective well-being is stable because stock levels, psychic income or flows and subjective well-being are in dynamic equilibrium"* (Headey and Wearing, 1991, p.49). Flow (or psychic income) refers to the satisfaction that arises from a particular event, the stocks of happiness refer to personal characteristics like personality, age or to the social backgrounds (Frey and Stutzer, 2002). People usually experience the same kinds of events in their lives due to stable "stocks". *"Some people have many satisfying experiences and few distressing experiences; others keep experiencing just the other way around, a lot of distressing events and a few satisfying ones; a third group experience many satisfying and distressing events; while a fourth group experience few events of both kinds. Each individual has his or her own equilibrium pattern that if it is maintained, it does not affect subjective well-being"* (Headey, 2006, p.4). It is believed that "each person has a level of subjective well-being which represents his/her own "normal" equilibrium level" (Headey and Wearing, 1991, p.57), when this equilibrium is affected, there is a change in SWB.

Figure 4. Headey and Wearing´s stocks and flows theory



Source: Own elaboration with data from Headey and Wearing (1991).

Stocks contribute directly to subjective well-being and help to deal with different life experiences (flows), so that the satisfaction obtained from favorable experiences is increased and the distress arising from adverse experiences is diminished. (Headey and Wearing, 1991).

3. Income and happiness relationship. Easterlin´s Paradox and criticism.

The relationship between happiness and two economic variables generated interest for a lot of economists: (1) the relationship between income and happiness; and (2) the relationship between labor conditions (especially unemployment) and happiness.

Unemployment reduces well-being, not only because the fall in income, but also due to the physical costs and mental it entails. On the other hand, the relationship between income and happiness is not so clear and remains quite paradoxical, being the latter relationship the main focus of this paper.

The general idea is that higher income leads to a higher level of happiness. Money is an instrument that is not consumed directly but used in order to achieve goods and services. The more the money, the more goods and services can be consumed. Consequently, in microeconomics studies there is an agent that simply expresses his or her preferences over goods and services with commodities bundles. According to his or her preferences and acquisition level, the agent ends up buying services and goods, obtaining well-being. So, the society is compound by individual decisions and behaviors of the citizens.

This perspective is known as the ***absolute income***, in which well-being depends only on the level of income of the person. Within this perspective, the social context is only useful in the production and provision of goods and services, but it does not affect the welfare that the subject obtains from the use of his or her income. In the economic theory, income allows the people to buy the goods and services that are needed in order to meet their needs and the social environment appears only as goods and services producers. However, this theory is not realistic, people are social animals and do not live in isolation. People modify their preferences according to society, trends and comparisons to others. What matters is the level of **relative income** according to others in society (Rojas, 2014).

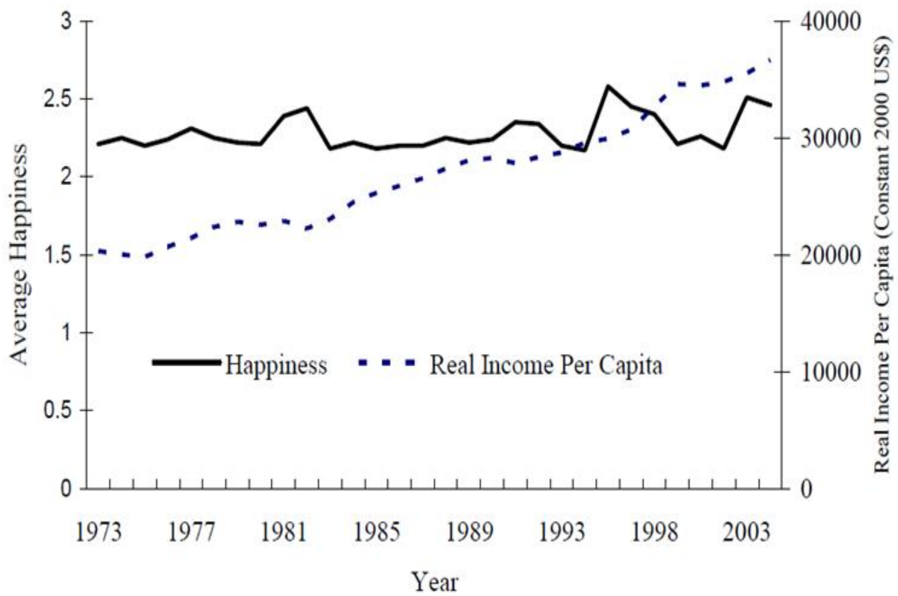
3.1. *Easterlin´s Paradox*

The Easterlin Paradox suggests that there is no connection between the economic development of a society and its level of satisfaction.

Richard Easterlin, in his studies, examined the relationship between happiness and income both across and within countries. In his work from 1974 he used a data base with information of the average happiness for nine different European countries, Japan and United States. His conclusion leads that within-nation correlations between income and SWB are substantial, *"In every single survey, those in the highest status group were happier, on the average, than those in the lowest status group"* (Easterlin, 1974; pag.100) whereas differences in SWB across nations were minimal, *"if there is a positive association between income and happiness, it is certainly not a strong one"* (Easterlin, 1974; p.108).

In the figure below (see figure 5), it can be seen that average happiness was almost the same in the United States even if the real income per capita increased through the time.

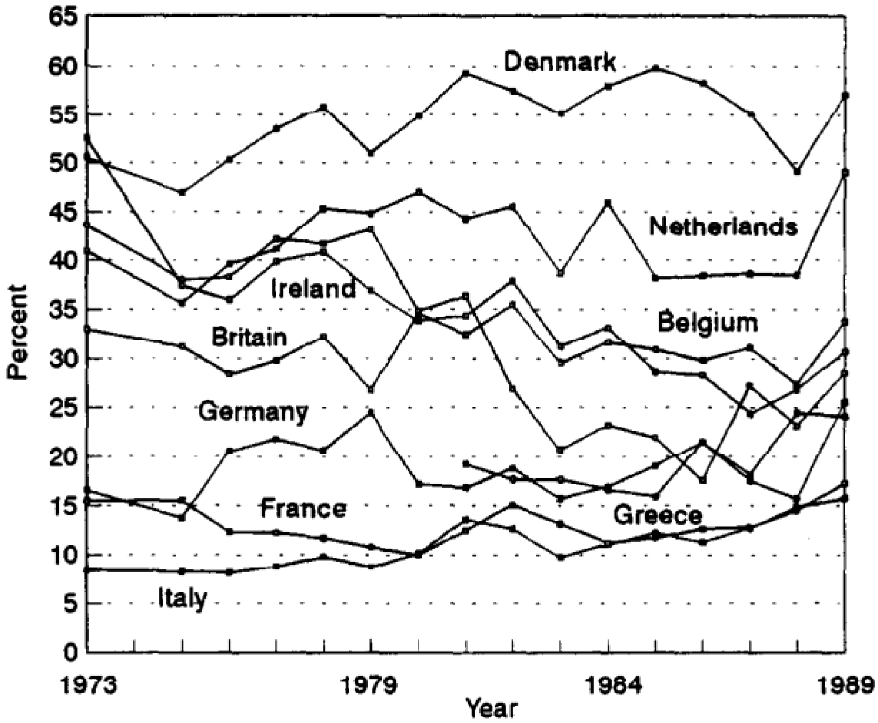
Figure 5. Happiness and real income per capita USS from 1973-2003



Source: Clark, Fritjers and Shields (2006).

Secondly in the European countries from 1973 to 1989, it happens something similar (see figure 6), while life satisfaction increases in some countries and decreases in others, on average, on average changes in life satisfaction are very small in a period in which real GDP per capita rises in all of these countries (Easterlin, 1995).

Figure 6. Percent of life satisfaction in nine European Countries from 1973-1989.



Source: Easterlin (1995).

Incomes in Japan have been increasing since World War II, although there was no improvement in happiness between 1958 and 1986. Even if, the standard of living in the country improved considerably due to electric appliances such as electric washing machines, refrigerators, television, etc., there was no improvement in subjective well-being. Easterlin (1995) classified three income groups. In 1958, average happiness in the highest group of income was greater than for those in the lowest group of income. With the passage of time in 1986, most of the population had incomes equaling or exceeding the highest level of them in 1958 but the average level of satisfaction in Japan remained stable. The better livings conditions did not have an impact on subjective well-being. An explanation for this is that higher incomes lead to increases in aspirations. Another explanation can be due to the importance of relative income instead of absolute income. An study, carried out by Cantril compare responses of those in rich countries with those in poor ones about what was needed for a good life, he concluded that *"people in developed nations have acquired a wider, more sophisticated and expensive range of aspirations than people in less-developed areas whose aspirations concerning the social and material aspects of life are modest"* (Easterlin, 1995, p.41).

3.2. Is there a paradox with income?

How is it explained that when it is studied the evolution of the happiness of a country over time, increments of income do not generate an increase in well-being but that at the same time there is a direct relationship between personal income and subjective well-being in cross section analysis? Why does well-being only increase at the personal level but not for the society as a whole?

There are three kinds of explanations to the paradoxical relationship of income and happiness. On the one hand, it is important the concepts of ***relative income***, ***social comparison and aspirations*****.**

Income has two effects in well-being: the first is to have a greater purchasing power (function of income as a resource to meet needs) and the second is to have a better relative position comparing to others (function of income as status indicator). According to the *relative income*, people are not interested in what their level of income is (absolute income) but in the comparison of their income according to others in society. So, relative income plays a very important role in happiness, since one of the main functions of income is to demarcate the social status of the person (Mariano Rojas, 2014). The role of income as a sign of social status is an explanation for the findings of Easterlin in which income showed a positive relationship with happiness in cross-sectional studies but not in over time studies. In cross-sectional analysis, a higher level of income indicates a better social status and therefore greater well-being. That is the reason why in cross sectional studies, happiness tends to increase with higher levels of income. Nevertheless, in panel data analysis, it is common that the individual's income increases simultaneously with the income of his social circle. So, when the income of all the people increases, the level of well-being is affected due to no improvement in status. This leads to Easterlin's findings in which there is no improvement in the level of happiness of a nation when there are generalized increases in income. The resource function to satisfy needs becomes more important at low levels of income whereas the function of income as an indicator of status is more important at middle and higher levels of income.

On the other hand, people experience a process of adaptation, so eventually after the increase in the level of income, the individual returns to his initial level of well-being ***(hedonic treadmill hypothesis).*** The speed of accommodation to the change in income levels depends on personality and inborn temperament *(Bruni and Porta, 2005).*

Several studies conclude that income is a relevant variable and is correlated with subjective well-being (Clark et al., 2006).

There are three stylized facts studied in happiness- income relationship:

- Income is a significant variable in order to explain life satisfaction in cross-section analysis (Easterlin, 1974). This occurs both in developing and developed countries, although the income-happiness slope is larger in the developing countries than in the developed ones (Blanchflower and Oswald, 2004; Clark et al, 2006).
- Changes in income are correlated with changes in happiness
- Happiness is correlated with other macroeconomic variables including GDP, inflation and growth (Di Tella et al, 2003).

Consider a utility function of the form:

$$U_t = (u_1 (Y_t) + u_2 (y_t/y_{t^*}) + u_3 (T - l_{t,} Z_{1t})) \qquad (1.)$$

Where U_t is a common function over all individuals and is interpreted as individual happiness or life satisfaction. U_1, u_2 and u_3 refer to the subutilities that are combined into the final utility. The utility of an individual depends on his or her level of income (Y_t) and the variable (Y_{t^*}) is the income of the reference group in which the individual compares himself. The ratio of y_t/y_t^* is called relative income. The third subutility function picks up the influence of leisure, (T-l_t), being T the variable of time and l_t denoting hours at work. Z_{1t} refers to socio-economic and demographic variables (López et al, 2016).

3.2.1. Social Comparisons and relative income

To illustrate the main forces when individuals compare to others, the formula explained before has to be changed a little in order to study the relationship between income and happiness across countries (Clark et al, 2006).

Since income would be the only difference between countries, u_3 is constant and can be ignored. (Y_{t*}), the reference income, is going to be considered as the average income within the country. So, the function is:

$$U_i = \beta_1 \frac{y_i}{y_i + A} + \beta_2 \ln(\frac{y_i}{yt_*}) \qquad (2.)$$

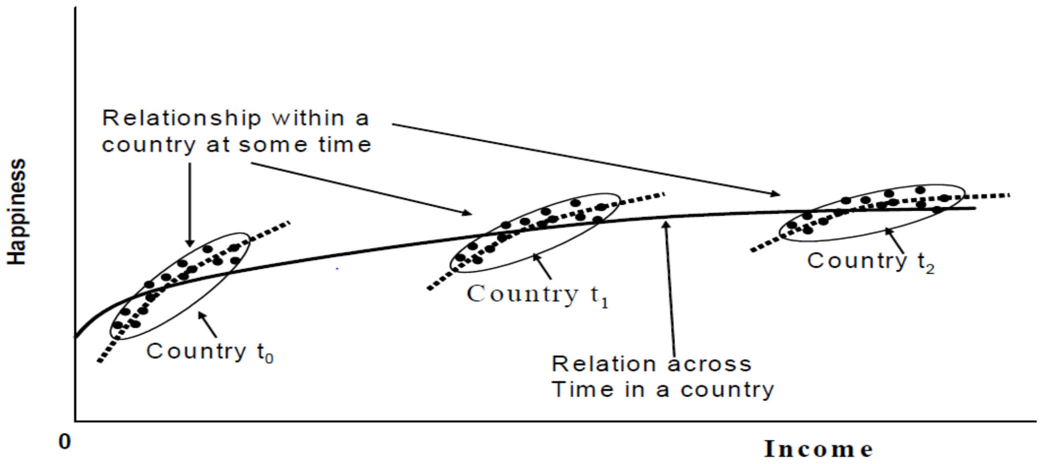
Y_{i*} is the aggregate income in the country where individual i lives, and A is a positive constant. Clark, Fritjers and Shields (2006) conclude that "*the relationship between income and happiness is steeper within a country at a given point in time, than over time".* (Clark et al., 2006, p. 15). This happens due to the gain of status with higher levels income in a given point of time whereas over time the only effect of the increase in income will be via the consumption.

In the figure 7, individuals over time, move from the left to the right (from country in the moment t_0 to country in the moment t_2). In t_0, the population of this country is poor and the slope between individual income and individual happiness (the dotted line) is sharply. In moment t_1, the population has become a little bit richer, and the relationship between income and happiness at the individual level is less steep than at t_0. In the third period, average income increased more than in the previous moments of time so the slope between individual income and individual happiness became flatter. (Clark et al., 2016). In the three periods the dotted line symbolizes the status return that comes from happiness-individual level of income relationship. The thick line refers to the aggregate happiness-aggregate level of income relationship. It can be seen that the dotted line is steeper than the relationship between aggregate income and happiness. *"In the last period, where individuals are relatively rich, there is almost no aggregate benefit at the aggregate level to higher income, but there is still an individual benefit to earning more due to an improvement in status and social positioning"* (Clark et al.,2006, p.8).

"At a point in time, those with higher incomes enjoy higher consumption and higher status (and so are happier) but over time, as everyone becomes richer, as the amount of status is fixed the only benefit to the country comes from higher consumption, so status is a zero-sum game" (Clark et al., 2006, p.9).

This could be a possible explanation for Easterlin's Paradox: In cross sectional studies, at a one point in time, those who enjoy higher levels of income report themselves as happier, nevertheless, when working with panel data, general improvements of income do not increase general levels of happiness in a country. The reason behind this is that people compare themselves to others and try to get a better social position than their social circle. If there is a general raise in the level of income, status remains the same, so subjective well-being is not affected to a large extent. (Clark et al., 2016; Rojas, 2014).

Figure 7. Relationship between income and happiness both at the aggregate and individual level



Source: Clark, Frijters and Shield (2006)

Also, Easterlin (2009) states that people use social comparison to decide whether their income is satisfying or not. If a person of moderate means lived next-door to a rich family, he or she would tend to be dissatisfied whereas the rich family would tend to be satisfied. People are likely to compare with their social circle and other people nearby within their own country but are unlikely to compare themselves to distant individuals from other countries (Diener and Oishi, 2000).

In another study it has been used data of 17 South-American countries to test the importance of relative income. This study (taking advantage of the income differences between these countries) evaluates the situation of welfare of the citizens according to their level of income and the income of their environment. It was found that a person with the same level of absolute income tends to be more satisfied in Bolivia (where the level of income of the citizens is lower) than in Argentina (where the level of income of the citizens is higher). This proves that the same amount of income can be associated with more or less satisfaction and it depends on the income of the reference group. The results lead to the existence of a positional function of the income especially for those with higher levels of income since it allows people to buy goods and services that mark their social position and to acquire status (also known as conspicuous consumption by Veblen). Nevertheless, for those with low levels of income, the income is used to access to basic needs (Rojas, 2014).

It was studied the rationality assumption and the efficient use that individuals make of their level of income. One of the main foundations of the economic theory is the assumption of rationality of the economic agents. This hypothesis means that people make decisions trying to get what is more suitable for them and taking into account their limitations. In microeconomic models it is stated that the utility is dependent on goods and services while the restriction is dependent on the power purchase of the person, or in other words, his or her level of income. This assumption was studied (Kahneman and Thaler, 2006; Rojas, 2014) showing that emotions play an important role in the consumption decisions and that there is an inefficient use of income.

The main errors that individuals make in the purchasing decisions are:

a) <u>Focus error:</u> People overestimate the importance that a specific good would have on their well-being when they do not possess it. They think that “they cannot live without it” which incites them to spend the money in order to acquire this good. Nevertheless, once it is acquired, it loses the importance for the person which is now focusing on other things. This proves the theory of Kahneman and Thaler, in which the decision utility is quite different from the experienced utility (Kahneman and Thaler, 2006).

b) Frame of reference errors: When the agent is buying goods, he faces several options which offer the same function but differ in their characteristics. The different characteristics are posh things that do not interfere in the real function of the item and only make it more appealing to the consumer´s eyes. Once the individual is using the good, these characteristics that made him spend more money, lose importance.

c) Forecast error: People have limitations when they have to outlook the long-term impact of their purchase. People usually buy according to their present situation, ignoring if they really need what they buy. Sometimes they have an outburst and buy according to their mood.

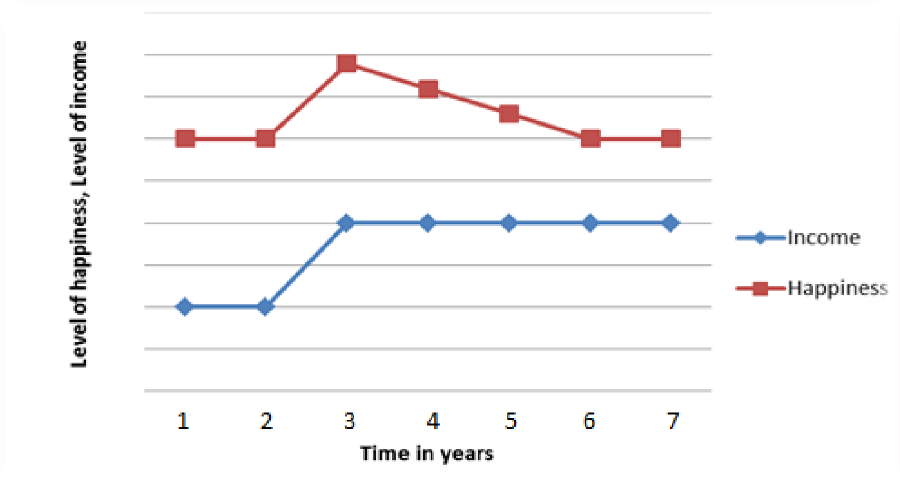
d) Ignored error: People sometimes buy goods that will not end up using.

Finally, an important matter about the studies of the relationship between happiness and income is that in order to obtain a greater purchasing power people have to make important decisions that may affect their well-being. An example of this, are the working decisions: In order to earn more money, people could accept a job in which they have to move geographically or to work in a night shift among other options. This not only affects their purchasing power but also the personal life of the person and therefore their level of happiness. Another example is that people sometimes make decisions about their future labor in order to earn more money not choosing what they like but instead choosing what offers better job prospects. They could end up in a job well-paid but that doesn´t motivate them.

3.2.2. Adaptation to income

The second explanation of the null relationship between income and happiness over time is adaptation, meaning that individuals get used to their circumstances and that any life event has only temporal effects (Clark et al, 2006). The adaptation process does not only happen with changes in income, but also in the presence of other aspects of life, such as marriage, widowhood or unemployment. Nevertheless, the time in which people adapt is totally different depending on the variable and on intrinsic temperament and personality of the person. In the case of widowhood, the process of adaptation is partial and very slow (Easterlin, 2003).

Figure 8. Changes in happiness due to changes in income



Source: Own elaboration based on data from Clark et al (2006)

In figure 8, the top line denotes happiness and the lower line income. Both of them remain constant for the first two years. Income line increases at the beginning of year two to then remain constant thereafter. "*At the time of the change in income, happiness also jumps in year two but due to a process of adaptation to the increase in the level of income, happiness returns to its initial level by the beginning of year six. So, in order to achieve a permanent rise in happiness, income should increase all the time"* (Clark et al., 2016, p.26). Easterlin´s paradox could be explained by hedonic adaptation as well, in over time studies, levels of happiness of a country remain constant because people adapt to the country's development and increments of income (Clark et al., 2006).

Deaton (2011; pag.9) carried out a study about how the financial crisis in 2008 affected the subjective well-being of Americans. The result showed that the financial crisis affected perceived standards of living for those with low levels of income as well as the physical pain, worry and stress feelings. But in 2010, in subjective well-being there was no trace of the crisis even though it continued in terms of lower incomes, unemployment, and stock prices, due to hedonic adaptation.

3.2.3. Aspiration theory

This approach takes into consideration the satisfied needs and desires of the people. Individuals who think their desires are totally satisfied tend to be happier than those who think their desires are not fully satisfied, regardless of their income levels.

Mariano Rojas and Michele Fuentes (2001, p.300) used a simple regression analysis to see the influence of economic variables on happiness for Mexico (see figure 9). It was found that income had a little effect on happiness, less than 5%. However, the perception of material needs satisfied had an explanatory power of 11% which doubles the importance of income. The explanation has to do with the aspiration theory in which it is important the perception of material desires satisfied rather than income per se. It is possible that a person with low income levels is happier than an individual with higher purchasing power just because he or she feels his or her desires are satisfied. Also the perception of material desires satisfied does not reduce as income increases, rather the opposite (the more one has, the more one wants). Although it is important to point out that in the analysis it may occurs a problem of multicollinearity between income and perception of material needs satisfied that is why income does not appear significant.

Figure 9. Economic variables on SWB in Mexico

Variable	Category	Coefficient	R-square
Income	Income	.0474 ***	.0423
Perception of material needs satisfied	Sufficient Sometimes Insufficient	1.3744 *** .07225 *** 6.3646	.1143
Former economic situation	Higher Equal Lower	-.5230 *** -.0309 6.9281	0.212
Concern for economic situation	Never Sometimes Always	1.2182 *** .5389 *** 6.3679	0.536
Future income expectations	Higher Equal Lower	.5458 ** .2458 6.4	0.173

Source: Own elaboration with data from (Rojas and Fuentes, 2001).

Also, it was used a multiple regression analysis to see the impact that income has on Subjective well-being (see figure 10).

Figure 10. Impact of income on SWB: Multiple regression analysis

Variable	Category	Coefficient
Constant		6.4324
Working situation	Student Worker	.9482 *** 1.2003 ***
Nature of job	Blue White	-.9046 *** -.5501
Health Condition	Excellent Good	.8049 *** .7353 ***
Concern for economic situation	Never Sometimes	.9272 *** .4334 ***
Civil status	Single/ Divorced	-.5200 ***
Age	31-40 More than 40	-.7063 *** -.3358
Income		.0188

Source: Own elaboration with data from (Rojas and Fuentes, 2001).

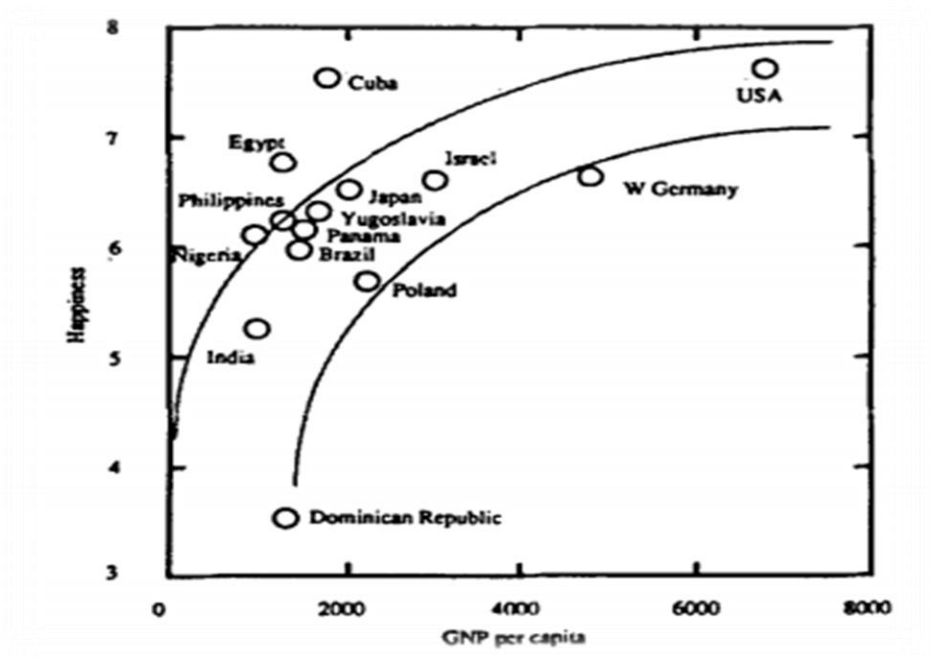
They discovered that the coefficient value of the income is pretty small and that there are other demographic variables such as health or civil status that have a greater impact on happiness (see figure 10). But income may not appear as significant because they have used the variable of working situation as well, which is correlated with income. This multicollinearity problem will be analyse in section 4 with our regression analysis.

3.3. Criticism to Easterlin´s Paradox

Veenhoven, Justin Wolfers and Betsey Stevenson among others criticised Easterlin´s findings. As stated before, Easterlin found that differences of average happiness between rich and poor countries are small and inconsistent but comparisons within a country, show differences in happiness between the richer and he poor. Veenhoven (1991) sees these results as inconsistent and opposed.

He states that when Easterlin compared rich and poor countries he used a scale for national wealth 2.5 times longer than the happiness scale. To prove him wrong, Veenhoven used the same scale and found out that there is a positive and curvilinear relationship that suggests that wealth presents a law of diminishing returns in happiness (see figure 11).

Figure 11. Veenhoven´s analysis of the average happiness in different countries in 1960.



Source: Data from Veenhoven (1991)

Also, Veenhoven states that Easterlin ignored sizable variations in which the difference of well-being between the poor and the rich tend to be smaller in prosperous countries. The positive correlation that Easterlin found appears only in half of the cases of Veenhoven´s.

Veenhoven (1991) states that the economic prosperity of the country is important in order to explain happiness: the higher the GNP, the lower the correlation between individual happiness and relative income (r= -0.35). In the figure 11, even though USA presented higher levels of income compared to other countries, it marked a difference probably because of the social inequality of the country.

Veenhoven´s absolute theory suggests a nonlinear relationship between income and happiness, meaning that beyond a certain level of income, changes in happiness tend to diminish because the satisfaction of basic needs is no longer a problem. Needs are absolute demands for human functioning and mark the limits of human adaptability and should not be mixed up with desires. Wants or desires are products of social comparison but are not vital (Veenhoven, 2005). This is related to the threshold income level in which below that level of income, subjective well-being is low since the basic needs are not being satisfied.

On the other hand, Betsey and Wolfers (2008; p. 3) conclude in his study that “the estimated subjective well-being gradient is not only significant but also remarkably robust across countries, within countries and over time (....) Across world´s population, a variation in income explains a sizable proportion of the variation in subjective well-being. It appears to be a very strong relationship between subjective well-being and income, which holds for both rich and poor countries, falsifying earlier claims of a satiation point in which higher GDP per capita is not associated with greater well-being.” They also stated that Easterlin´s analysis compared a small number of industrialized countries and that now due to new data available, it is possible to compare countries at all levels of development. Their comparisons show that national income is significant in order to explain variations in SWB across countries.

Finally, Oswald and Blancflower criticised Easterlin´s findings about the flat trend of well-being over time in the United States. They pointed out that Americans were becoming happier over time (39% in 1946 to 53% in 1957) but that Easterlin interweaved together surveys with different well-being questions over a long set of years, so it suggested a flat trend in well-being instead of an increase (Blanchflower and Oswald, 2004, p.1363).

4. Happiness and income in Spain. Empirical analysis.

One of the main objectives of the happiness economics is identifying the factors that make people happier so the function of the Government would be to foment the achievement of those variables to improve collective well-being. In order to analyse the variables that affect life satisfaction in Spain, we will use the data from “Encuesta Nacional de satisfacción con la vida en España” (ENSV) conducted in 2014 by Serrano and De Juan. This survey is of national scope and the respondents are individuals of 18 years old and older. 1801 interviews were completed with a statistically representative sample of the national population of both sexes and distributed proportionally in all regions. The information collected was via computer-assisted telephonic interviews carried out by the team of telephone interviewers of Metroscopia. The questionnaire is structured in two parts: In the first part there are 31 questions related to happiness and in the second part there are 12 questions of socio-demographic variables.

Some important question carried out in the survey can be seen in the Appendix[6]. In the case of happiness, the questions can be about life satisfaction in general (P.1.), about a comparison between the happiness felt in the present with the happiness felt in the past (P.2.) and also about happiness in different life domains (from P3.1. to P3.11.). In the case of questions about socio-demographic characteristics, there are questions related to the free time and the frequency of meeting friends and relatives (P.18., P.19.). Moreover, there are questions related to the optimism and the faith in people (P24), or in the future of the young and in the Government (P.24.1., P.25.1.). On the other hand, there are questions related to income (D.8), laboral situation (D.7.) and civil state (D.3).

To begin with our analysis, we will choose some variables that we consider that may affect the levels of well-being in Spain and then we will use a Pearson´s correlation matrix in order to discover the degree of joint between them. Finally, we will do a logistic regression in order to discover the variables that influence well-being in Spain[7].

4.1. Descriptive analysis

It is obvious that there are several aspects that influence people´s happiness. In this section, we present a description of the variables that may influence subjective well-being in Spain, especially because several economists found a direct relationship between them and happiness:

Health: This variable has been examined in several studies in which exerts an obvious influence. For example, according to Layard (2005), one of the most unhappy

[6] We offer a summarized version of the survey with the most important questions in the Appendix.
[7] The data will be analysed using the programs of SPSS Statistics in order to introduce the descriptive analysis of the variables as well as the Gretl program in order to make the logit regressions.

groups is that of the mentally ill. Also, Easterlin (2003) compared the life satisfaction of a national sample of people with disabling conditions and people with non-disabling conditions. He found that life satisfaction of the disabling people was on average, less than those with no disabilities. Secondly, within the disabling ones, happiness was less for those with greater difficulties (physically severe disabilities with limitation of activities). He concluded that an adverse change in health affects life satisfaction in the same direction, and the more severe the change in health is, the bigger the reduction in well-being. These results does not mean there is no adaptation to changes in health. Actually it is logical that when an accident or a grave disease occurs, initially the impact on happiness is greater and eventually it diminishes. The adjustment depends among other things, on personality, support of family and friends and health devices that may facilitate the person´s life. So, as a first impression, this variable should appear as explanatory of life satisfaction in the regression analysis.

Social variables: such as the existence of friends and family or the existence of a romantic relationship. Aristotle referred to humans as “social animals” and actually it is in the nature of the people to be surrounded by others. People who spend more time with family and friends, and in short, have lasting social relationships show higher levels of well-being (Mochón and De Juan, 2017). Also, relational goods are highly linked with the existence of social life since these goods are consumed and are dependent on the existence of the meeting.

The employment situation: There are two points of views towards this field. Some economists claim, following the Keynesian theory, that unemployment is involuntary and that people in that condition lose self-esteem and acquisition power. On the other hand, some economists argue that unemployment is voluntary since people prefer leaving their job if they can be paid the same by the unemployment benefit getting also more leisure time.

It is obvious to think that in general, people don´t like to be unemployed. Job can give people the opportunity to flourish, to fulfill one´s true potential and to feel useful[8]. Several studies showed that unemployment causes unhappiness both mentally and socially. Mentally, because as mentioned before, unemployment may produce

[8] The eudaimonic concept of happiness has to do with this. Job can help citizens to fullfill one´s true nature and to develop their own capabilities.

depression, anxiety and a loss of self-esteem and socially, since job defines one´s position in life. Not having a work leads to isolation and depression and also to losing acquisition power (Frey and Stutzer, 2002).

Also, this variable is highly correlated with other non-financial variables that affect life satisfaction of the people, especially marital status. (Blanchflower, Oswald; 2004). In the analysis, this variable is binary and refers to people who are currently working and to people who are not.

Finally, living in a region with high unemployment rates, generates less life satisfaction (López and Santos, 2017).

The age: Many studies have found that old people are not less happy than younger people. Some reasons why this happen may be :

- The old people have less aspirations and compare themselves less to others
- Older people have had a longer time to adjust to changes in life than younger people
- They have had more experiences in life and have learnt how to react to negative events

The relationship between happiness and age is U-shaped, meaning that the younger and older people report higher levels of well-being and the minimum level is reached around the age of 40 (Blanchflower and Oswald, 2004).

Stability and the political and democratic development of the country: Frey and Stutzer (2002) suggest that direct democracy increases well-being.

Income: It is the most controversial and complex variable due to the Easterlin´s Paradox. Some scholars state that this variable affect the level of happiness whereas others don´t consider the same.

Table 1. Descriptive statistics of the variables

	N	Minimum	Maximum	Mean	Std. Deviation
Region	1801	1	17	8,25	4,665
Age	1801	18	95	47,28	16,649
Life satisfaction	**1795**	**1**	**5**	**3,89**	**,915**
Freq. Family meetings	1795	1	6	4,05	1,325
Free-time spend in social activities	1731	1	5	2,80	1,010
Working situation	1799	0	1	,43	,495
Trust in people	1744	0	1	,44	,497
Percept. future of young	1647	1	3	1,44	,763
Party approval	1801	0	1	,07	,254
Children	1801	0	1	,67	,471
Studies	1801	1	9	6,06	1,264
Household income	1801	1	9	3,63	2,048
Health perception	1789	1	5	3,98	,867
Civil State	1801	0	1	,64	,481
Satisfied	**1801**	**0**	**1**	**,77**	**,421**
Income	1624	500	6000	1755,91	1138,126

Source: Own elaboration with data from Encuesta nacional de satisfacción con la vida en España (ENSV) (2014).

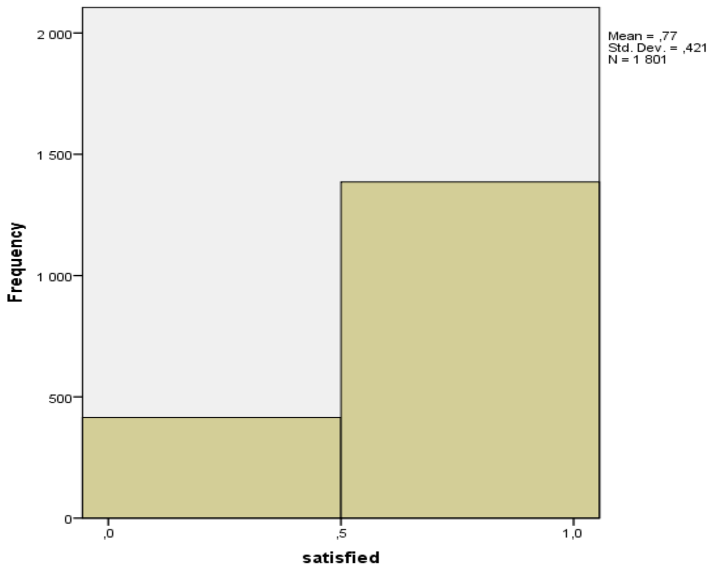
As we can see in Figure 12, life satisfaction is categorized from 1 to 5 being the mean value around 4, so in Spain people consider themselves pretty satisfied with their lives.

Figure 12. Life satisfaction distribution

Source: Own elaboration with data from ENSV de los Españoles (2014).

On the other hand, another variable that is going to be studied in the regression analysis is “satisfied”. People stated themselves on average satisfied with their life (see figure 13).

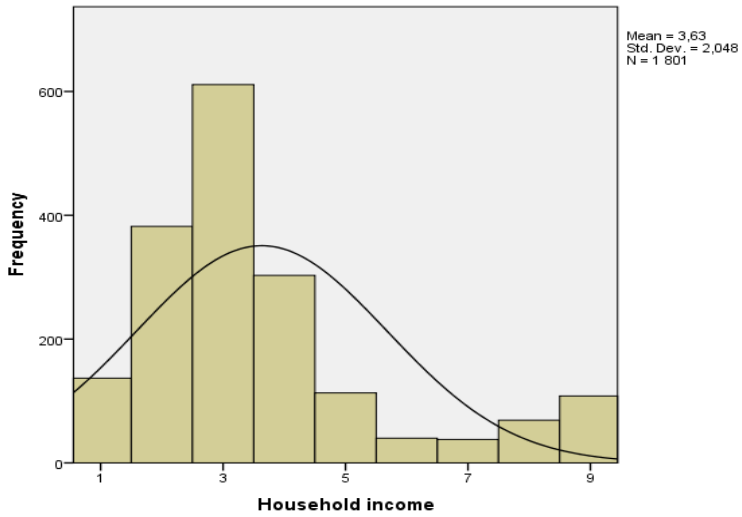
Figure 13. Distribution of the variable satisfied



Source: Own elaboration with data from ENSV de los Españoles (2014)

Furthermore, the average household income in Spain is not considered as high as life satisfaction (see figure 14). This variable will be studied in the regressions to see if it is significant or not.

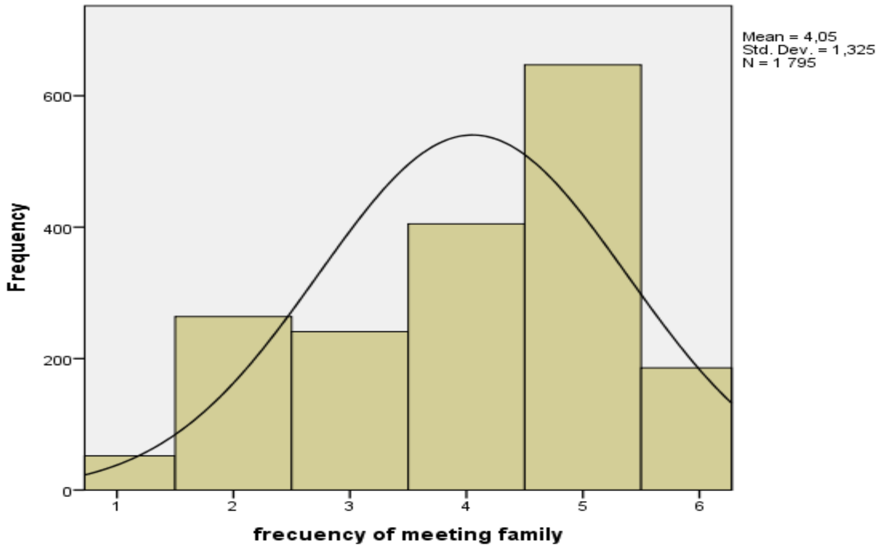
Figure 14. Distribution of household income



Source: Own elaboration with ENSV de los Españoles (2014).

People are social animals and want to be around individuals who care about them such as family and friends. We can say that Spanish people like to meet friends in their free time (see figure 15). The high frequency of spending time with relatives or friends is consistent with the real importance that the family institution has in Spain. Also, life satisfaction is higher in general for those who meet their friends and family more often, than for those who do not have strong family bonds or deep social connections (Mochón and De Juan, 2017).

Figure 15. Distribution of frequency of meeting family



Source: Own elaboration with data ENSV de los Españoles (2014).

For a better understanding of the extra economic variables, we will present a correlation matrix (see table 2) with some of the variables that are going to be analyzed in the regression analysis, just to know which are the most correlated with life satisfaction. We marked in red the variables that are correlated with life satisfaction and in blue the variables that present correlations with income.

By looking at the matrix, we can see that the variables that present a *higher correlation with life satisfaction* are labor situation, income level, household income, government approval, civil state, studies and health perception. This is not a surprise since in the previously mentioned studies, the economists stated that these variables are important in order to explain life satisfaction. So at least for now, we can suppose that they should appear as explanatory in the regression models.

The variables that are correlated with income are labor situation, household income, living with one´s couple[9], studies and health perception. Although it may be a problem of multicollinearity between income, studies, labor situation and household income that we will try to discover in the regression analysis. The explanation for this is that people who is in the labor market generate higher levels of income than those

[9] The variable living with one´s couple is going to be used interchangeable with the variable of civil state. They both refer in this paper to the possibility of living or not with one´s sentimental partner.

who are not working, also people with higher level of studies is thought to get a job better paid and to enter in the labor market easily. It is important to point out, that these variables are highly related to social status, stratification and feelings of prestige. Also, there is a correlation between civil state and income, since money is important in order to flee the nest from the parent's house. So, it seems like money helps the people not only in a consumerist way but also to achieve other important things that are needed for being satisfied with one´s life.

Table 2. Pearson´s Correlations matrix

Correlations								
Variables	Life satisfaction	Laboral situation	Income	Household income	Government approval	Civil State	Studies	Health perception
Life satisfaction	1	,157**	,233**	,156**	,062**	,061**	,184**	,262**
Working situation	,157**	1	,301**	,133**	-,086**	,122**	,308**	,111**
Income	,233**	,301**	1	,978**	-,023	,118**	,455**	,184**
Household Income	,156**	,133**	,978**	1	-,019	,063**	,279**	,103**
Government approval	,062**	-,086**	-,023	-,019	1	,014	-,039	-,060*
Civil State	,061**	,122**	,118**	,063**	,014	1	-,023	,057*
Studies	,184**	,308**	,455**	,279**	-,039	-,023	1	,184**
Health perception	,262**	,111**	,184**	,103**	-,060*	,057*	,184**	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: Own elaboration with data from ENSV de los Españoles (2014).

4.2. Logistic Regression

A logit regression is a model in which the dependent variable is divided in different categories. In the case of a binary logistic regression, the dependent variable is formed by two groups. In our analysis the categorical variable is *"satisfied"* and the group 1 refers to "being satisfied" and the group 0 "to not being satisfied". When the dependent variable has more than two outcome categories, it can be analyzed in a multinomial logistic regression, or, if the categories are ordered, in an ordered logistic regression. The latter is going to be used in this paper as well, being our dependent variable “life satisfaction” which is ordered in 5 ascendant variables.

The results in the first model (see table 3) show that the perception of one´s health state, civil state, the laboral situation (being or not in the laboral market), age, the time spend in social activities, the frequency of meeting family and the government aproval are very important to individuals in order to be happy. This result was expected due to the high correlation that these variables had with life satisfaction (see table 2) and also with the results obtained by the authors mentioned before.

Enjoying a good health state is needed in order to live life plenty since there is less than complete adaptation to an adverse change in health (Easterlin, 2003), being the most unhappy those mentally ill and gravely physically injured (Layard, 2005).

The social variables are very important in everybody´s life. We are social animals and need to establish strong connections with people we admire and love. Having a strong bond with family, friends or with the sentimental partner, help the individual to improve his or her self-esteem. On the other hand, as it was explained before, the theory of the relational goods has much to do with social interactions and we saw before that this kind of goods had a direct effect on subjective well-being (Bruni and Stanca, 2005).

Having a job help people not only in a monetary way but also to accomplish their potential and to keep busy. Also, losing one´s job may produce a decrease of self-esteem, isolation and depression (Frey and Stutzer, 2002).

In the case of age, it can be observed that there is a U-shaped relationship between age and well-being. At low age levels, happiness increases but as people is getting older, happiness levels decrease , reaching its minimun at 40 years old more or less. But then, happiness increases again after the 40´s (Blanchflower and Oswald, 2004).

The variable income is significant at a 10% level, although the household income appears not to be explanatory. What we want to prove if income is significant by itself or if there are other variables that are needed first in order to be satisfied with one´s life. It is important to point out that in the model there is clearly a problem of multicollinearity, in which some variables “hide” the significance of others since some of the regressors are highly linearly related. The variable of studies does not appear as significant but it is highly correlated with the variables of income and working situation which appear significant indeed; people with more studies are believed to earn more money and to enter into the labor market easily. The significance of these variables, which are related to status and used by the people in order to demarcate their social position, could indicate how much social comparisons affect subjective well-being for the Spanish population. So in Model II, these two variables will be dropped, in order to analyse the significance of income itself.

Also, there is a high multicollinearity between income and household income. The former measures the individual level of income of the person whereas the latter measures the level of income of the family. It is obvius that if one of them is relevant in order to explain life satisfaction, then the other should be as well. On the other hand, time spend in social activities is in some way related to the frequency of meeting family which appears less significative. Also the health value can hide the importance of other variables since it can be considered as endogenous of the model.

In Model II, the variables of health, laboral situation, studies and household income are going to be dropped, as well as the variables that did not appear explanatory in Model I which are habitat, the perception of the future of the young and children.

The results of model II (see table 3) show that the variables of age, social variables such as the existence of friends, family or sentimental partner still appearing as significant. Also, income gains explanatory power since we eliminated labor situation and studies, both related with status. With these results we can state that people in Spain do not only care about money in a consumerist way, they have a family, friends, a job, a sentimental partner, etc. All in all, there are different life’s domains, especially the social ones, which are really needed in order to be satisfied with one’s life. These variables have more influence on subjective well-being than just money itself.

Table 3. Regression models

Regression Data	Model 1. Binary regression model	Model 2. Binary regression model	Model 3. Ordered regression model	Model 4. Ordered regression model
Dependent Variable	***Satisfied***	***Satisfied***	***Life satisfaction***	***Life satisfaction***
Represors:				
Const.	0.815001	1.76723 ***		
Cut 1			-2.75086 ***	−4.31886 ***
Cut2			-1.35331 **	−2.95214 ***
Cut 3			-0.199716	−1.83668 ***
Cut 4			-2.58658 ***	0.874253 *
Habitat	-0.0285609		−0.0151044	
Age	**−0.135072 *****	**−0.116432 *****	**−0.100894 *****	**−0.0859289 *****
Age^2	**0.00139639 *****	**0.00973872 *****	**0.000837643 *****	**0.000654158 *****
Freq. Meeting family	**0.102654 ****	**0.120676 ****	**0.0814696 ****	**0.109118 *****
Trust in people	**0.245136 ***	**0.369390 *****		
Government approval	**0.494466 ****	**0.527340 ****	**0.636052 *****	**0.607718 *****
Future young	0.0182898			
Time spend in social activities	**0.201326 *****	**0.207173 *****	**0.118024 ****	**0.136606 *****
Coexistence with couple	**0.618289 *****	**0.505328 *****	**0.497681 *****	**0.578253 *****
Children	0.0774693		0.210073	
Laboral situation	**0.554747 *****		**−0.0797075 ***	
Studies	0.0702771		0.0664866	
Income	**0.000607946 ***	**0.000655579 *****	**6.50986e-05**	**0.000371055 *****
Health perception	**0.376795 *****		**0.438089 *****	
Household income	-0.0810730		0.197234	
N	1407	1523	1563	1565
Incomplete observations	393	278	237	235
R2 McFadden[10]	0.132883	0.106424		
R2 corrected	0.111281	0.095239		
Log-verosimilt.	−642.2525	−719.0420	−1763.608	−1796.33
Number of cases correctly predicted	**1119 (79.5%)**	**1194 (78.4%)**	**866 (55.4%)**	**860 (55%)**

Source: Own elaboration with data from ENSV (2014)

[10] The R^2 that we use in the regression analysis, are pseudo-R^2 and cannot be interpreted in the same way as the R^2 obtained in ordinary least squares. The latter is interpreted as the proportion of the variation in the response that can explained by the regressors. The pseudo-R2 predicts the model fit of the outcome and is smaller than the regular R^2. Values from 0.2-0.3 indicate an excellent model fit. It is useful to compare different McFadden of the same data and predicting the same outcome. In this situation, the higher the pseudo R^2, the better the model prediction of the outcome. Our results predict a valid model fit and are similar to those pseudo- R^2 obtained by Blanchflower and Oswald (2002; 2008).

In Model III, we have made an ordered regression analysis being the dependent variable life satisfaction and as regressors, we have used the variables of age, age^2, civil state, habitat, frequency of meeting family, children, working situation, health perception, income and household income. The results (see table 3) show that civil state, age, age^2, health perception and labor situation are significant at a 0.01 level whereas income is not significant and household income is now significant at a 0.10 level. As it happened with the binary model, there is a problem of multicollinearity again between labor situation, income and household income, so in Model IV, we will drop these variables in order to see if individual income is important or not. Also, the variable of health perception will be removed due to the endogenous problem stated before, as well as the variable of habitat since it does not explain life satisfaction.

In Model IV, income is significant at a 0.01 level, so we can conclude that this variable is important in order to explain happiness and life satisfaction but there are other life domains that are needed too, especially the health state, age and the existence of a social connections in order to be satisfied with one's life.

The obtained results in the regressions analysis confirm the existent relationship in Spain between life satisfaction and the variables of *income, social variables, health perception, working situation, age and the importance of democracy and political stability*. The significance of these variables serves to confirm our suspicions about the importance they may have in order to explain subjective well-being, since they appear as explanatory in other economists' papers. Since this survey was carried out in 2014 and Spain was suffering a financial crisis, it is not a surprise that variables such as income, working situation and trust in government and political stability are important to citizens in order to be happy. In the crisis, the middle and lower classes suffered a decline in the level of income and got worse labor conditions. Also, unemployment rates increased. Spain is still recovering from the crisis nowadays, so there is no doubt that economic variables are important for the Spanish population, since they affect several life domains that are needed in order to be happy. Without money and a stable labor situation, people cannot leave the nest or being independent financially as well as cannot raise a family. To sum up, the uncertainty that characterizes the Spanish labor market explains the high importance the Spanish population gives to this variable.

In the case of age, we could observe a U-shape between age and life satisfaction since the coefficient of the variable age is negative whereas the coefficient of age^2 is positive. This statement was already mentioned by Blanchflower and Oswald (2004), meaning that at young levels of age below 25 life satisfaction is high and then decreases reaching its minimum around 40 years old. People in adulthood have more responsibilities, economically, labor and familiar. Also, if we correlate unemployment with age, the older cohorts of age, have more difficulties to enter into the labor market, so this explains the importance of labor situation in order to be satisfied.

Secondly, the social variables were significant in the four regression models that we have made. In Spain, living with one´s couple increases happiness, as well as enjoying leisure time with relatives and friends. These results are comparable with Easterlin´s (2003) and with Bruni and Stanca (2005).

Another variable that is highly linked with subjective well-being is the health state. This one can be considered as endogenous in the model and exerts an obvious influence on happiness not only in this paper but also in other studies from Layard (2005) and Easterlin (2003).

On the other hand, as it was also confirmed by Frey and Stutzer (2002), there is a direct relationship between well-being and democracy and political stability. In 2014, Spain was suffering great political instability, deflation and high unemployment rates, so it is obvious that in the survey, the Spanish population considered important a political stability in order to be calmer and more optimistic about the future and the continuity of the pensions.

Conclusions

The present work analyses the evolution of the happiness economics through several science fields such as economy, psychology or philosophy. On the other hand, we used the Encuesta Nacional de *Satisfacción de la vida en España* for our regression analysis.

There are two influential perspectives about happiness, eudaimonism and hedonism as well as three different kinds of well-being, the evaluative well-being, the eudaimonic well-being and the experienced one.

The main theories about happiness that are studied in economic science are the *set point theory of happiness* and important terms such as social comparisons, hedonic adaptation and aspirations, Kahneman´s theory of *the two selves of happiness* and the theory of *relational goods*. In psychology, it is important *the stocks and flows theory* in which SWB is stable most of the time for each person due to an individual equilibrium pattern.

Moreover, it is examined the relationship of socio-demographic variables such as age, marital status and health state, as well as economic variables such as income and unemployment with life satisfaction. It is also reviewed the Easterlin's Paradox and the paradoxical relationship between income and happiness. The explanations we offer in the present paper to the paradox have to do with the importance of the relative income over aggregate income, social comparisons and aspirations.

In order to discover which variables are more correlated with subjective well-being we made both a binary and ordered regression analysis. The obtained results showed that variables such as health perception, family meetings, free time spend in social activities or living with a partner are very relevant in explaining happiness.

Socializing is relevant in life satisfaction, the existence of strong connections help individuals to feel accomplished and to improve their self-esteem. In the case of health, this variable has a very strong explanatory power, since life cannot be enjoyed plenty with serious health problems. Also, income appeared as significant but once we have dropped the variable of health state, which is endogenous to the model and variables related with social status such as working situation and level of studies.

We are in a consumerist society so money is seen as something desirable for individuals. It allows us not only to buy new things but to move up socially. In society nowadays, it is important the status and the social stratification. When people is asked about their level of life satisfaction, they usually answer according to how well positioned they are in society rather than to how happy they are feeling. Individuals with higher levels of income are happier than those with low levels of income, not only because they can “buy” more positive experiences but because they have a “better and more accepted position in society”. So, the importance of income is relative, to a large extent, the relationship of income with life satisfaction has to do with social status and comparison with one´s social circle. Nevertheless, we cannot affirm what would happen over time, when the level of income increases in Spain, since we would need to do the analysis with panel data. Even then, we can affirm that at a moment in time, the role of income is relative and has to do with status and social comparison.

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Appendix

ANEXO

ENCUESTA NACIONAL DE SATISFACCIÓN CON LA VIDA EN ESPAÑA

OBJETIVO: Es la primera gran encuesta sobre satisfacción con la vida y felicidad en España, realizada con el apoyo del Ministerio de Economía y Competitividad a un equipo de sociólogos y economistas dirigidos por el catedrático Julio Iglesias de Ussel (Universidad Complutense de Madrid, y de la Real Academia de Ciencias Morales y Políticas). El estudio se realizó entre los años 2012 y 2016, y se analizó desde España, México, Canadá y Taiwán.

ÁMBITO: nacional, de todo el territorio español.

UNIVERSO: individuos de 18 años en adelante, residentes en España.

TAMAÑO Y DISTRIBUCIÓN DE LA MUESTRA: se completaron 1.801 entrevistas, de una muestra estadísticamente representativa de la población nacional de ambos sexos. Estratificada por la intersección región/hábitat. Están distribuidas de manera proporcional al total de la región, con cuotas de sexo y edad aplicadas a la unidad última (persona entrevistada).

ERROR DE MUESTREO: partiendo de los criterios del muestreo aleatorio simple, para un nivel de confianza del 95,5 por 100 (que es el habitualmente adoptado) y en la hipótesis más desfavorable de máxima indeterminación ($p = q = 50$), el margen de error de los datos referidos al total de la muestra es de ±2,4 puntos. Pero esto no tiene en cuenta otros múltiples errores de muestreo y realización complejos de calcular.

MÉTODO DE RECOGIDA DE INFORMACIÓN: entrevista telefónica asistida por ordenador, con cuestionario estructurado y precodificado. El trabajo fue realizado por el equipo de entrevistadores telefónicos de la empresa Metroscopia. El cuestionario aparece a continuación.

TRATAMIENTO DE LA INFORMACIÓN: llevada a cabo íntegramente mediante el sistema Barbwin de TESI. Los datos son anonimizados.

Fechas de realización del trabajo de campo: del 10 al 18 de febrero de 2014. Posteriormente se realizó el análisis de los datos.

Número de variables: 116 variables. El cuestionario está estructurado en dos partes: En la primera parte, se incluyen 31 preguntas relativas al tema de la felicidad. En la segunda parte, se presentan 12 preguntas de clasificación socio-demográfica.

Realización: el trabajo de campo fue realizado por la Empresa Metroscopia, desde Madrid, durante el año 2014, específicamente para el equipo de investigación del presente libro. Se trata del equipo de investigación financiado por el Ministerio de Economía y Competitividad (número CSO 2012-39677, dirigido por el catedrático Julio Iglesias de Ussel para 2013-2016 y titulado «El análisis de la felicidad y el impacto de la crisis: Consideraciones internacionales».

* * *

P.1. Teniendo en cuenta todos los aspectos de su vida, ¿está satisfecho con su vida, en general? *(Leer)*

- Muy satisfecho.
- Bastante.
- Ni satisfecho ni insatisfecho.
- Poco.
- Nada satisfecho.
- No contesta. *(No leer)*
- No sabe. *(No leer)*

P.2. ¿Y en comparación con hace unos años, por ejemplo, cinco, está usted ahora más, igual o menos satisfecho con su vida?

- Más.
- Igual.
- Menos.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.3. Concretamente, ¿cómo está de satisfecho con los siguientes aspectos de su vida? (*Leer*)

- Muy satisfecho.
- Bastante.
- Ni satisfecho ni insatisfecho.
- Poco.
- Nada satisfecho.
- No procede. *(No leer)*
- NS/NC. *(No leer)*

P.3.1. Con su situación económica personal.

P.3.2. Su trabajo (la actividad que realiza o aquello en que emplea su tiempo).

P.3.3. El tiempo de que dispone para actividades de ocio.

P.3.4. Su relación de pareja.

P.3.5. Su relación con sus hijos.

P.3.6. Su relación con sus padres.

P.3.7. Su relación con el resto de su familia.

P.3.8. Su relación con sus amigos.

P.3.9. Su relación con sus vecinos.

P.3.10. Su relación con sus compañeros de trabajo o de estudios.

P.3.11. Su salud.

P.4. En una escala de 0 a 10, en que el 0 equivale a la peor calidad de vida posible y el 10 a la mejor, ¿en qué punto se situaría usted ahora, teniendo en cuenta todos los aspectos de su vida?

0 1 2 3 4 5 6 7 8 9 10 NS NC

P.5. En términos generales, ¿diría que, en comparación con la mayoría de sus familiares, usted se siente más, igual o menos satisfecho con su vida?

P.6. Y en comparación con la mayoría de sus amigos, ¿se siente más, igual o menos satisfecho con su vida?

P.7. Y en comparación con la mayoría de sus compañeros de trabajo o estudios, ¿se siente más, igual o menos satisfecho con su vida?

P.8. Y en comparación con la mayoría de sus vecinos, ¿se siente más, igual o menos satisfecho con su vida?

- Más.
- Igual.
- Menos.
- No procede. *(No leer)*
- NS/NC. *(No leer)*

P.9. Recuerde ahora el día de ayer. ¿Experimentó, en algún momento del mismo, alguna de las siguientes sensaciones *con cierta intensidad*? *(Leer) (Rotar)*

- Sí.
- No.
- NS/NC. *(No leer)*

P.9.1. Malestar físico.

P.9.2. Cansancio.

P.9.3. Entusiasmo.

P.9.4. Tristeza.

P.9.5. Alegría.

P.9.6. Angustia o ansiedad.

P.9.7. Irritación o enfado.

P.9.8. Amor o cariño.

P.9.9. Aburrimiento.

P.9.10. Orgullo o satisfacción por algo que hizo.

P.9.11. Soledad.

P.9.12. Buen humor.

P.10. ¿Está de acuerdo o en desacuerdo con las siguientes afirmaciones? *(Leer) (Rotar)*

- De acuerdo.
- En desacuerdo.
- NS/NC. *(No leer)*

P.10.1. En la mayoría de las cosas, su vida se acerca a lo que idealmente desearía usted que fuera.

P.10.2. Hasta ahora, ha conseguido la mayor parte de las cosas que para usted son importantes en la vida.

P.10.3. Si volviera a nacer, cambiaría todo o casi todo de su vida.

P.11. Por lo que se refiere en concreto a su situación económica personal, ¿diría que es mejor, igual o peor que la de hace un año?

- Mejor.
- Igual.
- Peor.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.12. ¿Y diría que, el año próximo, será mejor, igual o peor que ahora?

- Mejor.
- Igual.
- Peor.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.13. Cuando piensa en su futuro, ¿qué es lo que ante todo le viene a la cabeza: preocupación y sensación de inseguridad o tranquilidad y sensación de seguridad?

- Preocupación y sensación de inseguridad.
- Tranquilidad y sensación de seguridad.
- Ni una cosa ni la otra. *(No leer)*
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.14.A. Como consecuencia de la crisis económica que estamos viviendo, ¿ha tenido, en su hogar, que reducir el gasto en...? *(Leer)*

	Sí	No	NS/NC
• Alimentación.			
• Ropa.			

P.14.B. ¿Y en...? *(Leer)*

	Sí	No	No tiene gastos de ese tipo	NS/NC
• Salidas a comer o cenar o tomar copas.				
• Viajes y vacaciones.				
• Actividades extraescolares.				
• Formación (cursos, idiomas, etc.).				
• Cuidado personal (gimnasio, peluquería, etc.).				

P.15. Y también como consecuencia de la actual crisis económica, ¿se ha producido en su hogar alguna de las siguientes circunstancias? *(Leer)*

- Ha tenido que irse a vivir a casa de algún familiar.
- Ha acogido en su hogar a algún familiar.
- Ninguna de las dos. *(No leer)*
- NS/NC.

P.16. Si en un momento determinado se viese en la necesidad de pedirle dinero prestado a alguien, ¿a quién se lo pediría en primer lugar? *(Leer)*

- A un familiar.
- A un amigo.
- A una entidad financiera.
- Pediría un adelanto a la empresa o al jefe.
- A nadie.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.17. Si tuviera necesidad de que le cuidaran o ayudaran en su casa por enfermedad, ¿a quién acudiría en primer lugar para que le ayudara? *(Leer)*

- A su pareja/cónyuge.
- A sus padres.
- A sus hijos.
- A sus hermanos.
- A sus amigos.
- A un asistente sanitario.
- A nadie.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.18. ¿Con qué frecuencia se reúne con sus amigos? *(Leer)*

- Todos los días.
- Alguna o varias veces a la semana.
- Varias veces al mes.
- Una vez al mes.
- Menos de una vez al mes.
- Nunca.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.19. ¿Y con qué frecuencia se reúne con sus familiares con los que no convive? *(Leer)*

- Todos los días.
- Alguna o varias veces a la semana.
- Varias veces al mes.
- Una vez al mes.
- Menos de una vez al mes.
- Nunca.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.20. ¿Cree usted que las personas, si se les presentara la ocasión de aprovecharse de los demás, lo harían? *(Leer)*

- Todas o casi todas.
- La mayoría.
- Una minoría.
- Ninguna o casi ninguna.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.21. En estos últimos meses... *(Leer)*

Con frecuencia	Alguna vez	Nunca	NS/NC

- Se ha sentido usted tratado de malos modos, con grosería.
- Le han insultado, le han faltado al respeto.
- Ha sido agredido físicamente por alguien.
- Ha sido víctima de algún delito menor (como, por ejemplo, robo de cartera o bolso).
- Ha sido víctima de algún delito grave.

P.22. En conjunto, ¿se definiría básicamente como una persona optimista o pesimista?

- Optimista.
- Pesimista.
- Ni una cosa ni otra/A veces optimista, a veces pesimista. *(No leer)*
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.23. Las siguientes preguntas se refieren a algunos aspectos de la zona donde vive. ¿Hasta qué punto está satisfecho con...? *(Leer)*

- Muy satisfecho.
- Bastante.
- Ni satisfecho ni insatisfecho.
- Poco.
- Nada satisfecho.
- NS/NC. *(No leer)*

P.23.1. El servicio de basuras.

P.23.2. El alumbrado público.

P.23.3. Los parques o zonas verdes.

P.23.4. Zonas para practicar deporte.

P.23.5. El estado de las calles.

P.23.6. El transporte público.

P.23.7. Los ruidos de la calle.

P.23.8. Los ruidos de los vecinos.

P.24. ¿Diría usted que, por lo general, se puede confiar en la mayoría de la gente, o que nunca se es lo bastante prudente en el trato con los demás?

- Se puede confiar en la mayoría de la gente.
- Nunca se es lo bastante prudente en el trato con los demás.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.24.1. ¿Cree que los jóvenes de hoy, cuando sean mayores, vivirán mejor, igual o peor que sus padres ahora?

- Mejor.
- Igual.
- Peor.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.25. ¿Aprueba o desaprueba la forma en que las siguientes instituciones o grupos sociales están desarrollando sus funciones? *(Leer)* *(Rotar)*

	Aprueba	Desaprueba	NS/NC *(No leer)*
P.25.1. El Gobierno de España.			
P.25.2. La prensa, los periódicos.			
P.25.3. La radio.			
P.25.4. La televisión.			
P.25.5. El Poder Judicial.			
P.25.6. La Policía.			
P.25.7. Los partidos políticos.			
P.25.8. La Iglesia Católica.			
P.25.9. Las empresas multinacionales.			
P.25.10. Las pequeñas y medianas empresas.			
P.25.11. Las grandes empresas españolas.			

P.26. ¿Hasta qué punto está de acuerdo con las siguientes afirmaciones? *(Leer)* *(Rotar)*

- Totalmente de acuerdo.
- Bastante de acuerdo.
- Ni de acuerdo ni en desacuerdo.
- Poco de acuerdo.
- Nada de acuerdo.
- NS/NC. *(No leer)*

P.26.1. España necesita una transformación radical de su sistema político.

P.26.2. Hay buenas razones para indignarse y manifestarse en las calles debido a la situación de este país.

P.27. ¿Ha participado alguna vez en una manifestación en los últimos tres años?

- Sí.
- No.
- No contesta.

P.28. ¿Ha presentado alguna queja, reclamación o sugerencia ante la Administración Pública en los últimos tres años?

- Sí.
- No.
- No contesta.

P.29. En comparación con las personas de su edad, ¿cuánto diría que participa en actividades sociales, como, por ejemplo, asociaciones culturales, deportivas, religiosas, políticas, etc.? *(Leer)*

- Mucho más que la mayoría.
- Más que la mayoría.
- Lo mismo que la mayoría.
- Menos que la mayoría.
- Mucho menos que la mayoría.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

P.30. ¿Con qué frecuencia se conecta a Internet? *(Leer)*

- Todos los días. → *Pasar a pregunta 31*
- Ocasionalmente. → *Pasar a pregunta 31*
- Nunca.
- No contesta. *(No leer)*

(Sólo a los que han contestado «todos los días» y «ocasionalmente» en pregunta 30)

P.31. ¿Para qué se conecta a Internet? *(Leer)*

	Sí	No	NS/NC
• Para utilizar el correo electrónico.			
• Para acceder a redes sociales.			
• Para buscar información.			
• Para trabajar.			
• Para hacer trámites.			
• Para hacer compras.			
• Otros.			

PREGUNTAS DE CLASIFICACIÓN SOCIO-DEMOGRÁFICA

D.1. Edad.

D.2. Sexo.

D.3. ¿Cuál es su estado civil actualmente?

- Casado/a.
- Vive en pareja sin estar casado/a.
- Divorciado/a.
- Separado/a.
- Viudo/a.
- Soltero/a.
- No contesta. *(No leer)*

D.4. ¿Tiene hijos/as?

- Sí. → *Pasar a D.4.1*
- No. → *Pasar a D.4.2*
- No contesta. → *Pasar a D.4.2*

D.4.1. ¿Cuántos de sus hijos/as viven con usted en su hogar?

- 0.
- 1.
- 2.
- 3.
- 4.
- 5.
- Más de 5.
- No contesta. *(No leer)*

D.4.2. Incluido usted mismo, ¿cuántas personas viven en su hogar?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- Más de 10.
- No contesta. *(No leer)*

D.5. ¿Qué estudios tiene terminados? *(Los del colegio, el instituto o la universidad. No se incluyen los aprendizajes o cursos laborales)*

- No sabe leer.
- Sin estudios (Sabe leer).
- Primarios incompletos (Preescolar).
- Primer grado (EGB 1.ª etapa, Ingreso, etc. Hasta 10 años).
- Segundo grado/primer ciclo (EGB 2.ª etapa, 1.º y 2.º de ESO, 4.º Bachiller, Graduado Escolar, Auxiliar Administrativo, Cultura General, etc. Hasta 14 años).
- Segundo grado/segundo ciclo (BUP, COU, FP1, FP2, Bachiller Superior, 3.º y 4.º de ESO, Secretariado, Acceso a la universidad, Escuela de idiomas, etc.).
- Tercer grado/medio (Escuelas universitarias, Ingenierías Técnicas/Peritaje, Diplomados, Magisterio, Graduado Social, ATS, 3 años de carrera, etc.).
- Tercer grado/universitario (Facultades, Escuelas Técnicas Superiores, Doctorado, etc., realizados todos los cursos).
- No sabe/No contesta. *(No leer)*

D.6. En el terreno religioso, ¿cómo se definiría usted? *(Leer)*

- Católico/a practicante.
- Católico/a poco practicante.
- Católico/a no practicante.
- Perteneciente o practicante de otra religión.
- No creyente/Ateo.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

D.7. ¿En cuál de estas situaciones se encuentra usted actualmente? *(Leer)*

- Trabaja.
- Jubilado o pensionista.
- Parado → *Pasar a D.7.1, los demás a D.8.*
- Estudiante.
- Trabajo doméstico no remunerado (ama de casa).
- Otra situación.

(Sólo a los que se encuentran en paro)
D.7.1. ¿Cuántos meses lleva en paro?

___ ___

D.7.2. ¿Está cobrando actualmente la prestación por desempleo?

• Sí. → *Pasar a D.7.4*
• No. → *Pasar a D.7.3*
• No contesta.

(Sólo a los que no cobran actualmente la prestación por desempleo)
D.7.3. ¿Ha estado cobrando la prestación por desempleo en este último año o durante el año pasado?

• Sí.
• No.
• No contesta.

D.7.4. ¿Algún miembro de su hogar trabaja actualmente?

• Sí.
• No.
• No contesta.

(A todos)
D.8. ¿Cuáles son los ingresos totales mensuales aproximados de su hogar? *(Leer)*

• Menos de 600 euros.
• Entre 601 y 1.000 euros.
• Entre 1.001 y 2.000 euros.
• Entre 2.001 y 3.000 euros.
• Entre 3.001 y 4.000 euros.
• Entre 4.001 y 5.000 euros.
• 5.001 euros, y más.
• No sabe. *(No leer)*
• No contesta. *(No leer)*

D.9. ¿Cuáles serían los ingresos totales mensuales que cree que serían suficientes para que en su hogar pudieran llevar una vida económicamente desahogada?

• ________ euros al mes.
• Los ingresos actuales.
• No sabe. *(No leer)*
• No contesta. *(No leer)*

D.10. ¿Y cuáles serían los ingresos totales mensuales mínimos que necesitarían en su hogar para vivir?

- ___________
- Los ingresos actuales.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

D.11. ¿Cómo describiría su estado de salud actual? *(Leer)*

- Muy bueno.
- Bueno.
- Regular. *(No leer)*
- Malo.
- Muy malo.
- No sabe. *(No leer)*
- No contesta. *(No leer)*

D.12. Cuando se habla de política se utilizan normalmente las expresiones izquierda y derecha. Imagine una escala de 0 a 10, en la que 0 equivale a una posición de extrema izquierda y el 10 a una de extrema derecha. ¿En qué posición de esta escala se situaría usted?

* * *