

HAPPINESS: THE EFFECTS OF HEALTH, WEALTH, CHILDREN AND A STEADY RELATIONSHIP

Good health unequivocally increases people's happiness. But while richer individuals and those with steady partners tend to be happier than others, the happiness they report does not necessarily come from their incomes and relationships. Rather, happy people tend to become richer and are more likely to find steady partners.

These are among the findings of new research by **Ada Ferrer-i-Carbonell** and **Paul Frijters**, published in the July 2004 *Economic Journal*. Their study of around 7,500 people, who have been questioned repeatedly about their lives during the course of the 1990s, shows that:

- Richer workers have a higher base level of happiness: on a scale of 0-10, those with incomes twice as high have happiness levels 0.25 higher. Those whose income rises also become happier, but by only a very small amount: a doubling of income raises happiness by no more than about 0.1 on the 0-10 scale. In short, it is more the case that happy people become richer than the other way around.
- People with many children are unhappier: those with two children are 0.14 less happy than those without children. But those who get more children do not see their happiness change. So it seems to be those who are already miserable who have (many) children.
- Individuals with steady partners are happier than those without, by 0.23 on the 0-10 scale. In addition, those who find a steady partner become happier, though only by 0.07. Hence, steady partners increase our happiness. At the same time, those already happy are more likely to find steady partners than those who are miserable.
- Health increases happiness. This effect appears entirely causal: an increase in reported health (that is, the answer to the question 'how healthy are you all things considered?' on a 0-10 scale) by 1 increases happiness by 0.35.

The strength of this study is that it uses a very large and detailed sample of individuals to examine the circumstances of happy people and whether changes in living circumstances lead to changes in happiness. Much previous work was based on few individuals and neglected to make the distinction between an association and causality.

For example, it has often too easily been said that 'those with steady partners are happier, therefore steady partnerships make you happy'. This neglects the very real possibility that people with steady partners may have been happy before they found steady partners and that it is indeed relatively happy people for whom it is easier to find steady partners.

These results indeed indicate that most of the difference between people with steady partners and those without is not due to having a steady partner, but due to the happier personalities of those that find steady partners. Similarly, people with happy personalities are more likely to obtain higher incomes rather than the other way around.

The bottom line of this research is thus that personality traits affect not only happiness, but also the world of work and family. So we cannot say much about what makes people happy without taking account of personality traits.

It can be seen as the duty of governments to allow their citizens to be happy and thus to have an interest in what makes them happy. These researchers argue that this means we should be interested in how policies affect the personality traits of citizens.

They conjecture that the main reason that 'modern states' have much happier citizens than other countries is because their citizens are raised to be optimistic and in control of their own lives. The idea is that a positive 'can do' attitude makes citizens in modern states so much happier than citizens of rigid undemocratic states.

ENDS

Note for Editors: 'How Important is Methodology for the Estimates of the Determinants of Happiness?' by Ada Ferrer-i-Carbonell and Paul Frijters is published in the July 2004 issue of the *Economic Journal*.

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