

Happiness Unlocked: Exploring the Interplay of Wealth, Health, Love, Career, and Social Ties

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Abstract

Subjective well-being (SWB), encompassing life satisfaction, happiness, and emotional stability, is increasingly regarded as a crucial measure of individual and societal progress. Unlike traditional economic indicators like GDP, which reflect material wealth, SWB offers a holistic view of quality of life, integrating factors such as financial stability, health, job satisfaction, and social relationships. This research delves into how financial well-being, alongside other key life dimensions, contributes to SWB. The study draws on data from the General Social Survey (GSS) from 2016 to 2022, focusing on the interconnectedness of financial, career, relationship, and health well-being. Specifically, the research addresses three primary questions: How does financial well-being influence SWB? What are the most significant predictors of happiness and life satisfaction? How do these factors vary across demographic groups? Using ordered logit regression analysis, the findings show that financial satisfaction is a strong predictor of life satisfaction, with job satisfaction, relationship happiness, and physical health also playing substantial roles. The results emphasize the need for a comprehensive approach to improving SWB, providing valuable insights for policymakers, financial planners, and educators.

Keywords: Subjective well-being, financial well-being, life satisfaction, job satisfaction, relationship happiness, community engagement, health, demographic differences

Introduction

Subjective well-being (SWB) is a multifaceted concept that encompasses an individual's life satisfaction, happiness, and emotional health. It has gained prominence as a more comprehensive measure of well-being compared to traditional economic indicators, which focus primarily on material wealth. SWB accounts for both objective factors, like income, and subjective experiences, such as personal health, job satisfaction, and the quality of social relationships. As nations prioritize well-being, with research showing that countries focusing on economic stability, healthcare, and social support tend to report higher life satisfaction (Helliwell et al., 2023), this study examines the complex role of financial well-being in influencing overall SWB.

Motivation and Research Questions

The motivation for this study stems from the increasing recognition of financial well-being as a vital determinant of mental health, especially during economic instability, as demonstrated during the COVID-19 pandemic (Gallup, 2020). The study's primary objective is to understand how financial well-being interacts with other dimensions of SWB. This research seeks to answer the following questions: 1. How does financial well-being contribute to SWB? 2. What are the most significant determinants of happiness and life satisfaction? 3. Are there differences in SWB across demographic groups?

Literature Review

Previous research has demonstrated that financial satisfaction plays a significant role in shaping overall well-being (Ngamaba et al., 2020; Netemeyer et al., 2018). Beyond income, perceptions of financial security and stability are crucial to individuals' emotional health and life satisfaction (Kahneman & Deaton, 2010). Job satisfaction and the fulfillment derived from work contribute to both personal growth and financial security (Bowling et al., 2010). Relationships, particularly those within intimate partnerships, serve as a foundation for emotional stability and stress management (Diener et al., 2018; Dominko & Verbič, 2023). Similarly, health plays a central role in SWB, with individuals in good health reporting higher levels of life satisfaction (Kapteyn et al., 2015). Community engagement also contributes to well-being by fostering a sense of belonging and purpose (Helliwell et al., 2023).

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Methodology

This study uses data from the General Social Survey (GSS) spanning from 2016 to 2022, analyzing variables related to financial satisfaction, job satisfaction, relationship happiness, physical health, and community participation. The analysis employs ordered logit regression models to examine how these factors impact SWB, controlling for demographic variables such as age, gender, marital status, income, and education. Additionally, average marginal effects (AMEs) are calculated to quantify the impact of each factor on the probability of reporting varying levels of happiness.

Results

The regression analysis reveals that financial satisfaction is a significant predictor of SWB. Individuals with higher levels of financial satisfaction report markedly higher life satisfaction, and job satisfaction, relationship happiness, and physical health further enhance life satisfaction. Relationship happiness, in particular, shows the strongest association with SWB, with those in fulfilling relationships reporting significantly higher life satisfaction. Income, marital status, and age also affect SWB, with higher income correlating with greater well-being, while widowed or divorced individuals report lower levels of SWB. The impact of the COVID-19 pandemic on SWB was significant, with a marked decline in life satisfaction in 2020, partially recovering by 2022.

Discussion

The findings of this study emphasize the importance of financial satisfaction in determining SWB. However, non-financial factors, including job satisfaction, relationship happiness, and health, also play crucial roles. The results suggest that interventions to improve SWB should adopt a holistic approach, addressing both financial and non-financial well-being. Policymakers should focus on supporting financial security, promoting job satisfaction, and enhancing relationship health to improve life satisfaction across populations.

Conclusion

This study contributes to the understanding of the determinants of SWB, providing evidence that financial well-being, alongside other dimensions such as job satisfaction, relationship happiness, and physical health, significantly influences life satisfaction. A multifaceted approach to improving SWB is essential, and future research should explore the interactions between these domains across different demographic groups and cultural contexts.

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