Can Money Buy Happiness?

PSY6422 Project

220225410



Background

The World Happiness Report has reviewed the state of happiness across the world since 2011. The report makes use of life evaluations from Gallup World Poll data which provide the basis of the happiness rankings. Life evaluation questions are assessed using the Cantril ladder which asks respondents to think of a ladder, where 10 is the best possible life and 0 is the worst possible life. Six variables are used to explain the variation of happiness levels across the countries. These include, GDP per capita, social support, life expectancy, freedom, generosity, and corruption.

What Makes Us Happy?

The common expression 'money can't buy happiness' has been around for centuries and is a widely accepted notion, but is this true? What if you are living paycheck to paycheck? In this case, winning the lottery would relieve stress and inevitably increase happiness. So, does this imply that this statement is wrong?

This project aims to visualise global happiness ratings, as well as, average national income per capita to assess if there is a relationship between the two variables.

Research Questions

Aims of this data visualisation:

- 1. Which countries are the happiest and the least happy?
- 2. How has happiness changed over the last 10 years?
- 3. Which countries are the richest and the poorest based on average national income per capita?
- 4. Is there a relationship between average income and overall happiness?

Data Origins

Happiness data sourced from World Happiness Report (Accessed on: 01-03-2023)

Average national income sourced from The United Nations Development Programme (Accessed on: 01-03-2023)

Average income data was sourced from the human development index. Gross National Income (GNI) per capita is one measurement of the human development index, a summary measurement of three key dimensions of human development including healthy life, education and standard of living.

Data Preparation

Loading Packages

```
-----LOADING PACKAGES-----
#install.packages(readxl)
#install.packages("countrycode")
#install.packages("scales")
#install.packages("qqiraph")
#install.packages("Hmisc")
#install.packages("kableExtra")
library(readxl) #Read excel file
library(tidyverse) #Transform and better present data
library(dplyr) #Makes data manipulation easier
library(ggplot2) #Create plots from a data frame
library(here) #Finds projects file based on current working directory
library(maps) #Source of geospatial data
library(stringr) #Used for wrapping legend titles
library(gganimate) #Used to create animated GIF
library(gifski) #Used to create animated GIF
library(countrycode) #Converts country names into continent
library(scales) #Used to add dollar sign to labels
library(ggiraph) #Used to create interactive scatterplot with hover text
library(Hmisc) #Used to add labels to variables
library(tibble) #Extract labels from data frame and add into new column
library(kableExtra) #Formatting table for PDF output
```

Loading Happiness Data

```
-----LOADING THE DATA--
#Loading happiness data
Happiness <- read_xls(here("Data", "WorldHappinessReport.xls"))</pre>
#Show first few rows of raw data
head(Happiness)
## # A tibble: 6 x 12
    Countr~1 year Life ~2 Log G~3 Socia~4 Healt~5 Freed~6 Gener~7 Perce~8 Posit~9
##
             <dbl>
                             <dbl>
                                     <dbl>
##
    <chr>
                     <dbl>
                                             <dbl>
                                                     <dbl>
                                                             <dbl>
                                                                     <dbl>
                                                                            <dbl>
## 1 Afghani~
              2008
                      3.72
                              7.30
                                     0.451
                                              50.5
                                                     0.718 0.173
                                                                     0.882
                                                                            0.414
## 2 Afghani~
              2009
                      4.40
                              7.47
                                     0.552
                                              50.8
                                                     0.679 0.195
                                                                     0.850
                                                                            0.481
## 3 Afghani~ 2010
                      4.76
                              7.58 0.539
                                              51.1
                                                     0.600 0.126
                                                                     0.707
                                                                            0.517
## 4 Afghani~
                              7.55 0.521
              2011
                      3.83
                                              51.4
                                                     0.496 0.168
                                                                     0.731
                                                                            0.480
## 5 Afghani~
                      3.78
                              7.64
                                              51.7
              2012
                                     0.521
                                                     0.531 0.241
                                                                     0.776
                                                                            0.614
## 6 Afghani~
              2013
                      3.57
                              7.66
                                     0.484
                                              52
                                                     0.578 0.0663
                                                                     0.823
                                                                            0.547
## # ... with 2 more variables: 'Negative affect' <dbl>,
      'Confidence in national government' <dbl>, and abbreviated variable names
## #
      1: 'Country name', 2: 'Life Ladder', 3: 'Log GDP per capita',
```

Data Wrangling

#

#

#

The data set includes several variables which contribute to the overall measurement of well-being, but for this visualisation the main focus will be the overall life ladder score and the relationship between average national income per capita provided by another data set. Therefore, the variables selected are country, year and life ladder.

4: 'Social support', 5: 'Healthy life expectancy at birth',

6: 'Freedom to make life choices', 7: Generosity,

8: 'Perceptions of corruption', 9: 'Positive affect'

The data was filtered to 2011-2021 to focus on 10 years of happiness ratings. This filtered out many missing data points as more countries joined the World Happiness Report in subsequent years.

```
## Country Year Happiness_Score
## 4 Afghanistan 2011 3.831719
```

```
## 5 Afghanistan 2012 3.782938
## 6 Afghanistan 2013 3.572100
## 7 Afghanistan 2014 3.130896
## 8 Afghanistan 2015 3.982855
## 9 Afghanistan 2016 4.220169
```

Codebook

Variable_ID	Type	Description
Country	character	Country of the happiness rating
Year	numeric	Year that the happiness score was recorded
Happiness_Score	numeric	Happiness score based on the Cantril ladder scale, measuring well
		being as a continuum where 10 is the best possible life, and 0 is the
		worst possible life

Visualisation 1: Happiest and Least Happy Countries on Average Between 2011-2021

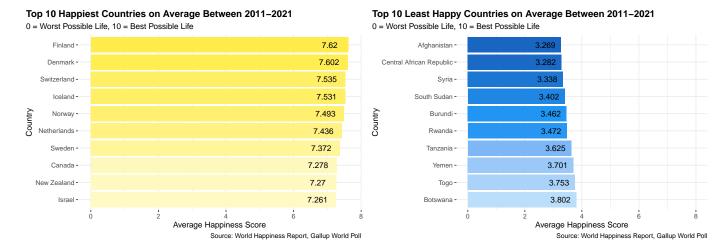
For the first visualisation, the average happiness score was calculated for each country to identify which countries are the happiest and the least happy between 2011-2021.

Creating a Bar Chart of The Top 10 Happiest Countries on Average

```
#Select top 10 happiest countries on average
Top10 <- Average %>%
            arrange(desc(Happiness_Score)) %>% #Arrange happiness score in descending order
            slice(1:10) %>% #Select the first 10 data points
            arrange(Happiness_Score) %>% #Rearranging happiness score so highest score is plotted first
           mutate(Country = factor(Country, levels = Country)) #Mutate country column to display corre
#Plot top 10 happiest countries
p_top10 <- ggplot(Top10, aes(Country, Happiness_Score, fill = Happiness_Score)) #Add mappings to ggplot
p_top10 <- p_top10 +
                               #Add geom layer to ggplot
          geom_col() +
                               #Plot x and y as a bar chart
          coord_flip() +
                               #Making the bars horizontal
           scale_fill_gradient2(low = "#FFF9C4", high = "#FFEB3B", mid = "#FFF176",
          midpoint = median(Top10$Happiness_Score)) + #Fill the bars based on happiness score
          geom_text(aes(label = round(Happiness_Score, 3)),
                     nudge_y = -.55, color = "black") + #Add score on bar
           labs(title = "Top 10 Happiest Countries on Average Between 2011-2021", #Add labels
```

Creating a Bar Chart of The Top 10 Least Happy Countries on Average

```
#Finding top 10 least happy countries
Least10 <- Average %>%
              arrange (Happiness_Score) %>% #Arrange happiness score in ascending order
              slice(1:10) %>% #Select the first 10 data points
  arrange(desc(Happiness_Score)) %>% #Rearranging scores so they are plotted from lowest to highest
              mutate(Country = factor(Country, levels = Country)) #Mutate country column to display cor
#Plotting top 10 least happy countries
p_least10 <- ggplot(Least10, aes(Country, Happiness_Score, fill = Happiness_Score)) #Add mappings to qq
p_least10 <- p_least10 + #Add geom layer to gqplot</pre>
            geom_col() + #Plot x and y as bar chart
            coord_flip() + #Making the bars horizontal
            ylim(0, 8) + #Set y axis scale to match top 10 happiest countries
            scale_fill_gradient2(low = "#0D47A1", high = "#BBDEFB", mid = "#2196F3",
            midpoint = median(Least10$Happiness_Score)) + #Fill bars based on happiness score
            geom_text(aes(label = round(Happiness_Score, 3)),
                       nudge_y = -.55, color = "black") + #Add score on bar
            labs(title = "Top 10 Least Happy Countries on Average Between 2011-2021", #Add labels
            subtitle = "0 = Worst Possible Life, 10 = Best Possible Life",
            y = "Average Happiness Score",
            caption = "Source: World Happiness Report, Gallup World Poll") +
            theme_bw() + #Set plot theme
            theme(plot.title = element_text(face = "bold"), #bold title
                 plot.title.position = "plot", #move title
                 panel.border = element_blank(), #remove background
                 legend.position="none") #remove legend
#Saving the plot
ggsave(here("Figures", "Top 10 Least Happy Countries.png"), plot = p_least10)
#The following was included in the rMarkdown code block to plot each graph side by side
#{r, echo=FALSE, figures-side, fig.show="hold", out.width="50%"}
```



Aim 1 = Which countries are the happiest and the least happy?

This visualisation shows that 7 out of the top 10 happiest countries are located in Europe whereas, 7 out of the top 10 least happy countries are located in Africa, with roughly half the happiness scores of those located in Europe. This already sheds light over the causes of the difference in happiness scores. With Africa being the poorest continent in the world, this could imply a relationship between money and happiness, reinforcing the motivation for this data visualisation.

Visualisation 2: Choropleth Map of World Happiness 2011-2021

The second visualisation focuses on how happiness ratings have changed over time during the 10 year period.

There were several missing data points for various countries, but the decision was made not to create averages for these missing points. It was likely that the data was unable to be collected either due to war or natural disaster etc. and therefore, creating an average of surrounding data points for the missing point would not be a true reflection of the happiness score for that year. Consequently, these points have been left blank and show up as grey on the map.

Loading The World Map

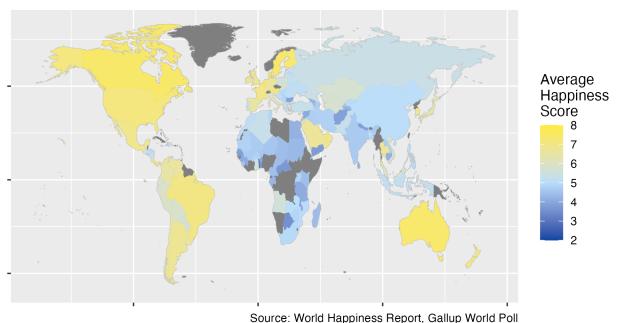
Plotting the Choropleth Map

```
-----PLOTTING CHOROPLETH MAP---
#Wrapping legend title for plotted map
name <- c("Average Happiness Score")</pre>
name <- str wrap(name, width = 5)</pre>
#List containing each year to be used in the title of each map
Year <- list("2011", "2012", "2013", "2014", "2015", "2016",
             "2017", "2018", "2019", "2020", "2021")
#For loop to create choropleth map for each year
my_plots = list()
for(i in 1:11) {
  #Year index starting from 2011 and increasing to 2021
  Year1 = 2010 + i
  #Selecting specific data using the index
  HappinessYear <- filter(HappinessReport, Year == Year1)</pre>
  #Joining country in happiness data to region in world map data
  World Map Joined <- left join(world map, HappinessYear, by = c('region' = 'Country'))
  #Creating the choropleth plot
  p <- ggplot(World_Map_Joined, aes(long, lat)) + #Adding mappings to ggplot</pre>
       geom_map(dat = world_map, map = world_map, #Plotting countries on map
       aes(map_id = region), fill = "white", color = 'grey', linewidth = 0.25) + #Filling in the countr
       labs(title = sprintf("World Happiness Report: %s", Year[i]), #Adding labels
       subtitle = "Life Evaluation based on Cantril Ladder where 0 = Worst Possible Life,
       10 = Best Possible Life",
       caption = "Source: World Happiness Report, Gallup World Poll") +
       theme(plot.title = element_text(face = "bold"),
             axis.title = element_blank(), #Removing x and y labels
             axis.text.x = element_blank(),
             axis.text.y = element_blank())
  #Plotting happiness scores onto the map
  p_out <- p + geom_map(map = World_Map_Joined, aes(map_id = region, fill = Happiness_Score),
           linewidth = 0.25) + #Plotting happiness score onto map
           scale_fill_gradient2(low = "#OD47A1", high = "#FFEB3B", mid = "#BBDEFB",
                                midpoint = 5, name = name, limits = c(2, 8)) + #Filling countries based
           coord_fixed(1.5) #Fixing aspect ratio
 print(p_out)
  #Saving each plot
  ggsave(here("Figures", file=paste0("plot_", 2010 + i,".png")))
```

One of the plots generated by the for loop has been included in this document however, the visualisation has been animated into a GIF which can be seen on my GitHub pages.

World Happiness Report: 2011

Life Evaluation based on Cantril Ladder where 0 = Worst Possible Life, 10 = Best Possible Life



Aim 2 = How has happiness changed over the last 10 years?

The use of the gradient colour scale ranging from blue (representing sadness) to yellow (representing happiness), shows the substantial variation in happiness ratings across the world. The choropleth map shows that North America, Oceania and Europe have had consistently high happiness ratings over the last 10 years. However, the brightness of the yellow decreases throughout the years suggesting happiness has decreased over the 10 years. In contrast, there is a lot of inconsistency in scores for countries located in Africa and Asia, made visible by the blue colours as well as the frequent changes in colour.

Visualisation 3: Top 10 Richest and Poorest Countries on Average in 2021

Next, the average national income per capita data is loaded to visualise the relationship with happiness ratings.

Loading Average Income Data

##

Back Table.1.. Human. Development. Index. and. its. components

```
## 1
## 2
## 3
## 4
## 5 HDI rank
                                                               Country
## 6
##
                                    X X.1
                                                                  X.2 X.3
## 1
                                        NA
## 2
                                        NA
                                                                 SDG3
## 3
                                        NA
## 4 Human Development Index (HDI)
                                        NA Life expectancy at birth
## 5
                                Value
                                       NA
                                                              (years)
## 6
                                 2021
                                                                 2021
                                       NA
                               X.4 X.5
##
                                                             X.6 X.7
## 1
## 2
                            SDG4.3
                                                          SDG4.4
## 3
## 4 Expected years of schooling
                                        Mean years of schooling
## 5
                           (years)
                                                         (years)
## 6
                              2021
                                                             2021
##
                                           X.8 X.9
                                                                                    X.10
## 1
## 2
                                        SDG8.5
## 3
## 4 Gross national income (GNI) per capita
                                                    GNI per capita rank minus HDI rank
                                 (2017 PPP $)
## 6
                                          2021
                                                                                    2021
##
               X.12 X.13 X.14 X.15 X.16 X.17 X.18 X.19 X.20 X.21 X.22 X.23 X.24
     X.11
## 1
                            NA
                                 NA
                                            NA
                                                 NA
                                                       NA
                                                                  NA
                                                                       NA
                                                                             NA
                      NA
                                       NA
                                                            NA
                                                                                  NA
## 2
                      NA
                            NA
                                 NA
                                       NA
                                            NA
                                                 NA
                                                       NA
                                                            NA
                                                                  NA
                                                                       NA
                                                                             NA
                                                                                  NA
## 3
                      NA
                            NA
                                 NA
                                       NA
                                            NA
                                                 NA
                                                       NA
                                                            NA
                                                                  NA
                                                                       NA
                                                                             NA
                                                                                  NA
## 4
          HDI rank
                      NA
                            NA
                                 NA
                                       NA
                                            NA
                                                 NA
                                                       NA
                                                            NA
                                                                  NA
                                                                       NA
                                                                             NA
                                                                                  NA
## 5
                      NA
                            NA
                                 NA
                                       NA
                                            NA
                                                 NA
                                                       NA
                                                            NA
                                                                  NA
                                                                       NA
                                                                             NA
                                                                                  NA
## 6
               2020
                      NA
                            NA
                                 NA
                                       NA
                                            NA
                                                 NA
                                                       NA
                                                            NA
                                                                  NA
                                                                       NA
                                                                             NA
                                                                                  NA
        b
```

Data Wrangling

```
##
        Country Happiness_Score Average.Income
## 1 Afghanistan
                   2.436034
                    5.255482
                                     14131
## 2
       Albania
## 3
        Algeria
                    5.217018
                                     10800
## 4
     Argentina
                   5.908279
                                     20925
## 5
      Armenia
                    5.300569
                                     13158
## 6 Australia
                     7.111599
                                     49238
```

Codebook

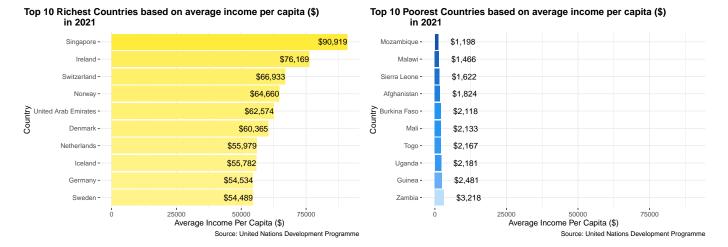
Variable_ID	Type	Description
Country	character	Country of the average income
Average.Income	numeric	Gross National Income (GNI) per capita, measured in American
		dollars (\$). Each income has been corrected using purchasing power
		parity to adjust for the differences in cost of living between countries

Plotting Top 10 Richest Countries on Average in 2021

```
#----PLOTTING RICHEST COUNTRIES--
#Selecting countries with highest incomes
MostRich <- Joined Data %>%
           arrange(desc(Average.Income)) %>% #Arrange data in descending order
           slice(1:10) %>% #Select first 10 data points
           mutate(Country = factor(Country, levels = Country)) #Mutate country column to display corre
#Plotting top 10 richest countries
p_rich <- ggplot(MostRich, aes(x = reorder(Country, Average.Income) , y = Average.Income)) #Addings map
p_rich <- p_rich + #Adding geom layer to ggplot</pre>
         geom_col(aes(fill=Average.Income)) + #Plotting x and y as bar chart
         coord_flip() + #Making bars horizontal
         scale_fill_gradient2(low = "#FFF9C4", high = "#FFEB3B", mid = "#FFF176",
         midpoint = median(MostRich$Average.Income)) + #Filling bars based on average income
         geom_text(aes(label = dollar(Average.Income)), hjust = 1, nudge_y = -0.35,
         color = "black") + #Adding income on top of bar
         labs(title = "Top 10 Richest Countries based on average income per capita ($)
              in 2021", #Adding labels
         x= "Country", y = "Average Income Per Capita ($)",
         caption = "Source: United Nations Development Programme") +
```

Plotting Top 10 Poorest Countries on Average in 2021

```
#-----PLOTTING POOREST COUNTRIES-----
#Arranging data in ascending order and selecting first 10
MostPoor <- Joined_Data %>%
   arrange(Average.Income) %>%
   slice(1:10) %>%
   arrange(desc(Average.Income)) %>%
   mutate(Country = factor(Country, levels = Country)) #Mutate country column to display correct order
#Plotting top 10 poorest countries
p_{poor} \leftarrow ggplot(MostPoor, aes(x = Country, y = Average.Income)) #Adding mappings to qqplot
p_poor <- p_poor +</pre>
         geom_col(aes(fill=Average.Income)) +
         coord_flip() +
         scale fill gradient2(low = "#OD47A1", high = "#BBDEFB", mid = "#2196F3",
         midpoint = median(MostPoor$Average.Income)) +
         geom_text(aes(label = dollar(Average.Income)), hjust = -0.5, color = "black") + #Adding incom
         ylim(0, 90000) + #Setting scale to match top 10 rich countries bar chart
         labs(title = "Top 10 Poorest Countries based on average income per capita ($)
              in 2021",
         x= "Country", y = "Average Income Per Capita ($)",
          caption = "Source: United Nations Development Programme") +
         theme_bw() +
         theme(plot.title = element_text(face = "bold"), #Setting the plot theme
               plot.title.position = "plot",
               panel.border = element_blank(),
               legend.position="none")
#Saving the plot
ggsave(here("Figures", "Top 10 Poorest Countries.png"), plot = p poor)
#The following was included in the rMarkdown code block to plot each graph side by side
#{r, echo=FALSE, figures-side, fig.show="hold", out.width="50%"}
```



Aim 3 = Which countries are the richest and the poorest based on average national income per capita?

The decision was made to make the scale the same for both graphs to show the dramatic difference in average income between the top 10 richest countries and the top 10 poorest countries. This graph again shows that 8 out of the top 10 richest countries are located in Europe, whilst 9 out of the top 10 poorest countries are located in Africa. This is very similar to the happiness rating graphs and therefore, further indicates a potential relationship between the two variables. By matching the axis scales on both graphs, this visualisation shows the striking difference in average income between the richest and poorest countries.

Visualisation 4: The Relationship Between Average Income and Happiness Score

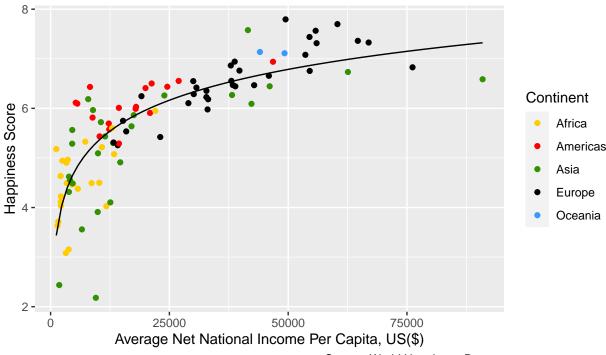
The previous visualisations point towards a potential relationship between average income and happiness score. Therefore, the last visualisation includes a scatterplot of the two variables to help identify if there is a relationship between them.

Creating Scatterplot of Average Income Against Happiness Score

```
#Adding column with continent to display colour coded points on the scatterplot
Joined_Data$continent <- countrycode(sourcevar = Joined_Data$Country,</pre>
                                     origin = "country.name",
                                     destination = "continent")
#Creating tooltip column for hover text
Joined_Data <- Joined_Data %>%
  mutate(tooltip_text = paste0(Country, "\n",
                                "Happiness Score: ", round(Happiness_Score, 3), "\n",
                                "Average Income: ", dollar(Average.Income)))
#Creating scatterplot - ggiraph package is used to make scatterplot interactive - when mouse hovers ove
p_both <- ggplot(Joined_Data, aes(Average.Income, Happiness_Score)) +</pre>
          scale_colour_manual(values=c("#FFCC00", "red", "#339000", "black", "#3999FF")) +
          geom_point_interactive(aes(col = continent, #Make scatterplot with hover text
                                        tooltip = tooltip_text)) +
          geom_smooth(method="lm", formula= y ~ log(x), se = FALSE, color = "black",
                      size = 0.5) + #Add logarithmic regression line
          labs(title = "The Relationship Between Average Income and Happiness Score", #Add labels
```

The Relationship Between Average Income and Happiness Score

Data from 104 countries in 2021



Source: World Happiness Report, United Nations Development Programme

The scatterplot above has been included without the interactive element to support the pdf format. The girafe() function has been used in the html link to create an interactive plot which provides information of each point when the mouse is hovered over it. This version of the scatterplot can be seen on my GitHub pages.

Aim 4 =Is there a relationship between average income and overall happiness?

Using the Olympic colours to represent each continent, the scatterplot confirms what was found in the previous visualisations, African countries have the lowest incomes and relatively low happiness scores. In comparison, European countries mainly have higher incomes and higher happiness scores. However, the relationship between the two variables does not appear to be linear and therefore, a logarithmic regression line was used to show the relationship.

Summary

It would seem that money can buy happiness but only up to a certain point. The regression line shows a rapid initial increase before beginning to plateau, suggesting that money can make you happy up until a certain point but after that, increasing your income will have no further effect on happiness. This finding is in support of Kahneman and Deaton (2010) who found that well-being levels increased with income up until \$75,000 before plateauing. Killingsworth (2021) state that for the most part, larger incomes are associated with greater happiness. However, there is an exception for rich people who are unhappy or depressed, where more money simply does not help.

Limitations and Future Directions

It is important to consider other factors which may also be contributing to the happiness scores as happiness isn't entirely dependent on money. The countries with the lowest happiness ratings are mainly third world countries whilst the highest rated countries are mostly first world countries and consequently, there might be many other factors contributing to the happiness scores. Other contributing factors may include war, quality of life, health etc.

The happiness data set included several variables which contributed to the overall happiness score but due to the time constraints of this module, only the overall happiness score was visualised. Future visualisations using this data could explore the contributors to the happiness score to see which variables had the biggest impact on well-being.

References

Freeland, Z. (2019). Can money buy happiness? It sure can. [Image]. Vox. https://www.vox.com/the-highlight/2019/11/13/20951937/money-experiences-buy-happiness-happy-how-to-spend

Kahneman, D., & Deaton, A. (2010). High income improves evaluation of life but not emotional well-being. *Proceedings of the national academy of sciences*, 107(38), 16489-16493. https://doi.org/10.1073/pnas.1011492107

Suliman, A. (2023, March 8). Can money buy happiness? Scientists say it can. The Washington Post. https://www.washingtonpost.com/business/2023/03/08/money-wealth-happiness-study/

The rMarkdown file along with all the files needed to reproduce this analysis can be found on GitHub