

Does financial ability affect our happiness?*

Relationship between income and happiness

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This research paper investigates the relationship between income and happiness, specifically examining the impact of family income and personal income on subjective well-being. Through a thorough review of existing literature and empirical analysis, we explore the nuanced relationship between income and happiness, taking into account various factors that may influence this relationship.

1 Introduction

“Life, liberty, and the pursuit of happiness” - these words, enshrined in the Declaration of Independence of the United States, encapsulate a fundamental human aspiration. The pursuit of happiness has been a timeless and universal quest, driving individuals to seek fulfillment and well-being in various facets of their lives. One significant factor that has often been associated with happiness is income, particularly in the context of family and personal finances.

In today’s society, income is often viewed as a crucial determinant of one’s standard of living, social status, and overall well-being. It is widely believed that a higher level of income can lead to increased happiness and satisfaction with life. The idea of financial prosperity as a means to achieving happiness has become deeply ingrained in modern culture, as individuals strive to earn more, save more, and spend more to improve their quality of life.

However, the relationship between income and happiness is complex and multifaceted. While it is evident that money plays a significant role in meeting basic needs such as food, shelter, and education, research on the link between income and happiness has yielded mixed findings. Some studies suggest that higher income levels are indeed associated with higher levels of happiness, as increased financial resources provide opportunities for material comforts, greater access to healthcare and education, and enhanced social experiences. On the other hand, other research indicates that the relationship between income and happiness may not be as

*Code and data are available at: <https://github.com/AnnieYan0807/USGSS-analysis-individual->

straightforward, with diminishing returns on happiness as income levels rise, and other factors such as personal values, social connections, and life circumstances also influencing well-being.

In this research paper, we delve into the intriguing question of whether a higher level of income is related to a higher level of happiness, specifically examining the impact of both family income and personal income on subjective well-being. We seek to explore the nuanced relationship between income and happiness, taking into account various factors that may influence this relationship. Through a thorough review of existing literature and empirical analysis, we aim to shed light on this complex relationship and contribute to the ongoing discourse on the pursuit of happiness in the context of income. By examining both family and personal income, we hope to provide a comprehensive understanding of how different aspects of income may relate to happiness, and whether money does indeed change the pursuit of happiness. Are financial riches the key to unlocking the door to happiness, or is the relationship more nuanced than meets the eye?"

2 Data

3 Model

$$Pr(\theta|y) = \frac{Pr(y|\theta)Pr(\theta)}{Pr(y)} \quad (1)$$

Equation 1 seems useful, eh?

Here's a dumb example of how to use some references: In paper we run our analysis in R (R Core Team 2020). We also use the `tidyverse` which was written by Wickham et al. (2019) If we were interested in baseball data then Friendly et al. (2020) could be useful.

We can use maths by including latex between dollar signs, for instance θ .

4 Results

5 Discussion

5.1 First discussion point

If my paper were 10 pages, then should be at least 2.5 pages. The discussion is a chance to show off what you know and what you learnt from all this.

5.2 Second discussion point

5.3 Third discussion point

5.4 Weaknesses and next steps

Appendix

A Additional details

References

- Friendly, Michael, Chris Dalzell, Martin Monkman, and Dennis Murphy. 2020. *Lahman: Sean “Lahman” Baseball Database*. <https://CRAN.R-project.org/package=Lahman>.
- R Core Team. 2020. *R: A Language and Environment for Statistical Computing*. Vienna, Austria: R Foundation for Statistical Computing. <https://www.R-project.org/>.
- Wickham, Hadley, Mara Averick, Jennifer Bryan, Winston Chang, Lucy D’Agostino McGowan, Romain François, Garrett Golemund, et al. 2019. “Welcome to the tidyverse.” *Journal of Open Source Software* 4 (43): 1686. <https://doi.org/10.21105/joss.01686>.