$$\text{happiness}_{ij} = \beta_0 + \beta_1 \text{income}_{ij} + \beta_2 \text{av\_income}_j + e_{ij}$$

$$e_{ij} \sim N(0, \sigma_e^2)$$

$$\hat{\beta}_0 = 5.772(0.492)$$

$$\hat{\beta}_1 = 1.128(0.122)$$

$$\hat{\beta}_2 = -2.332(0.207)$$