

How Does American Income Inequality Impact Life Satisfaction?

A Study of Finances, Happiness, and Health

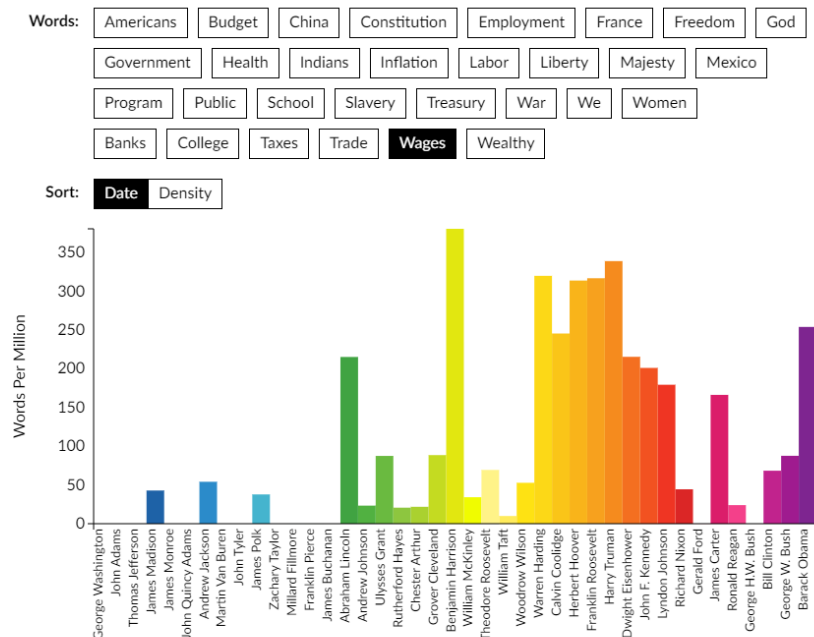
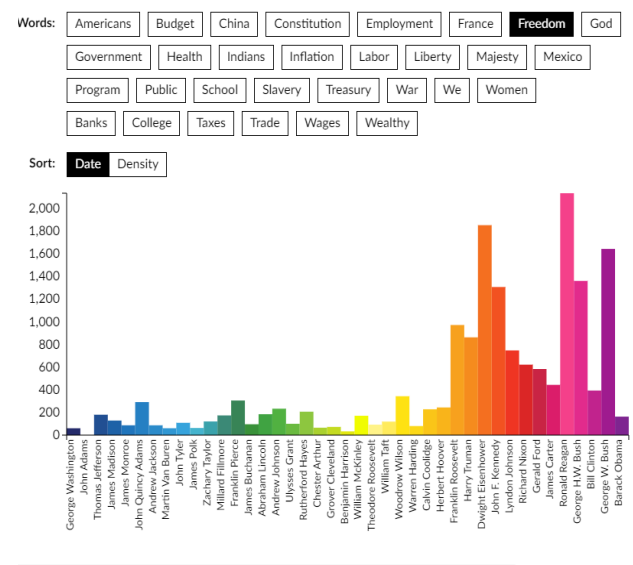
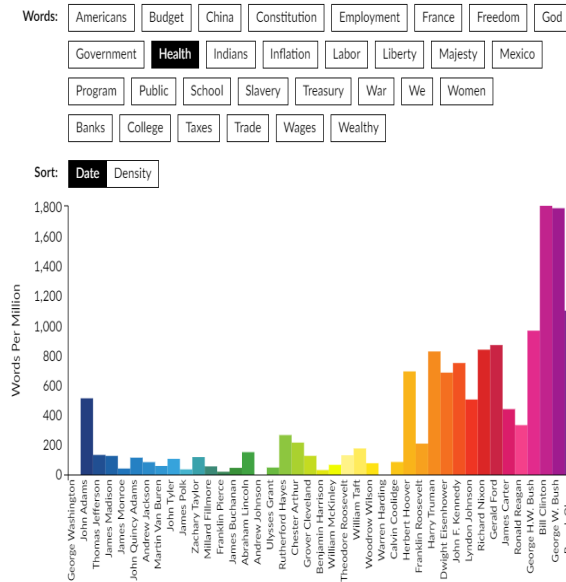
Why is it important: Income inequality is, and always has been, a major point of conversation (and argument) in American society. It can dictate your status, your relationships, and, perhaps, your quality of life. An interesting study from the Atlantic involving

textual analysis and counting went

through the frequency of keywords in presidential states of the union dating back through 224 speeches, and found a

positive growth over time in **'health,'** and **'freedom,'** but a concerning variable frequency in the word **'wages.'** Based on the words of the elected representation of the US, it can be assumed (broadly) that the US has focused very closely on the different factors of quality of life: *health, happiness, freedom,* etc. However, a potential determinant that can have a major effect on those, *income,* seems to be a hot topic that is dismissed as unassociated with

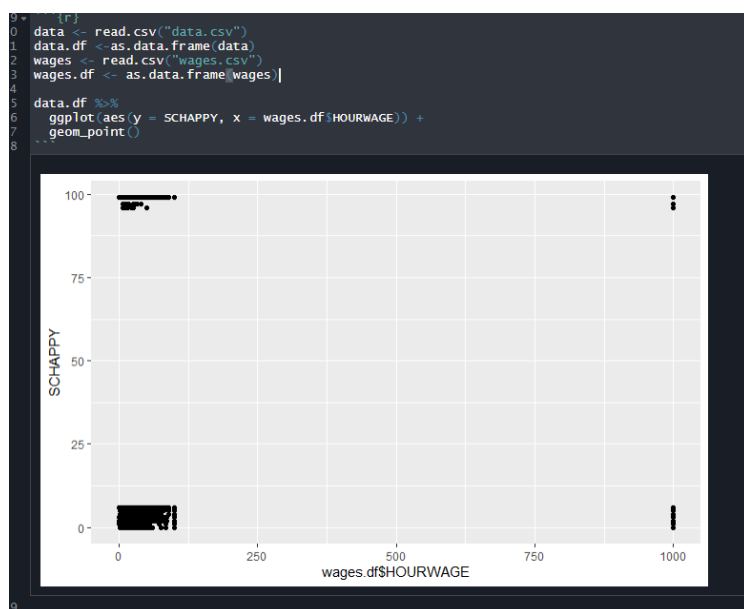
those factors. Another study from the Federal Reserve Bank of San Francisco analyzed relative status and well-being with the rate of US Suicide deaths, used as an alternative measure of unhappiness. While extreme, it showcases that a noticeable loss of relative position leads to a reduction in individual happiness, based on several different analyses. It can be predicted that quality of life and income inequality might have some



association, and it is important to consider as it can be a strong determinant of policy and individual success.

Hypotheses: I personally believe that I will be able to procure evidence in favor of the hypothesis that **income inequality does have an associative relationship with quality of life**. Based solely on prior research, I can see potential links between subjective happiness and income, and sensically, I can presume the same with health (insurance and health costs are very high in today's climate, bringing income into consideration). The question to be seen is its association with life satisfaction (how pleased someone is with their life), as well as how specific American regions with lower incomes react to these problems comparatively to those with higher incomes.

Datasets: I plan on using a variety of information as Quality of Life can be (subjectively) factored into three main aspects of life: Health, Happiness, and Financial Satisfaction. Happiness can be based on the concept of satisfaction with day-to-day existence. For this, I plan on utilizing the IPUMS database for the American Time Use Survey.



I'm still working out the kinks of figuring out how to graph this, but here's a raw graph of hourly wages in respondents to happiness on a scale from 0-6 (the very high happiness responses relate to respondents who gave an unquantifiable answer, or none at all, to the happiness question). IPUMS also has health studies, so I can see myself using a lot of their data for the project, and I'm also searching for financial variables to associate. In general, IPUMS will be utmostly important in my study, as it allows me to connect regions, incomes, and the factors I am studying altogether.

Works:

["Atlantic Article" \(graphs\)](#)

[Relative Status and Well-Being](#)