

Review of “Wealth (s) and Subjective Well-being” by Gael Brule

Tuesday 20th October, 2020

A much needed book. So much out there about income, so little about wealth. And in most ways it is arguably rather wealth than income that matters for happiness. The book features the top scholars in the field such as Veenhoven, Cummins, and Rojas. That is much needed as well, as there is unfortunately much writing on happiness by people who don't know much about it like Ed Glaeser and Angus Deaton. As income inequality is a key topic, it is nice to see a section on wealth inequality. Some notable topics covered are: negative wealth, debt, threshold effects (a certain amount that's enough). What follows is a very brief description of some of the most useful chapters in my opinion; I conclude by providing ideas for the future research.

Ch2 is informative. In the tradition of Campbell (1976), it's nice to look at wealth domain satisfaction (ch3). Ch4 includes helpful information on homeostasis. Ch7 is useful in 2 ways: draws attention to the relative dimension and limits of absolute; and discusses quite indepth various consumptions using a unique dataset. Ch8 is a useful discussion of Easterlin paradox and the concept of utility. Studies of SWB among adolescents are rare—ch9 is another valuable contribution in this book showing an interesting finding that happiness declines in adolescence. Ch10 discusses a useful dichotomy of mobile and immobile wealth. Ch12 is a comparison of generous US philanthropy v not so generous French one.¹ Part 7 on inequality is important and timely. Ch20 discusses striking inequalities in China. Ch21 makes an interesting point about wealth inequality—it is increasing across countries. Ch22 is an important addition, and it would be even more interesting to extend it in couple years when we know better how covid19 impacted wealth distribution. Likewise, many other chapters would benefit from such an update.

In general: the volume is comprehensive; an impressive breadth of coverage. No book can cover everything for a given topic. The following are rather ideas for future research than criticism.

What's missing is an interaction of the two: income and wealth. Say would be interesting to look at wealthy people with low income, or high income but without wealth. What about minorities, e.g., blacks make less than whites in the US, but their wealth is even lower. What about intergenerational wealth—people from wealthy families and those from poor ones—a self made millionaire should be happier than one who largely inherited it. And how wealth was made? Hard work, rent-seeking, luck, etc? Cost of living should matter—wealth is somewhat relative because cost of living differs widely.

Climate change is the most important challenge of our times. While consumption is the key driver of climate change, it would be useful to have a chapter on how wealth and wealth distribution contribute to climate change. Climate change is related to SWB, as we're arguably reluctant to cut on consumption (and possibly wealth) for the fear of loss in SWB (e.g., Okulicz-Kozaryn and Altman 2019). Regarding consumption: it's critical how wealth is used. How much happiness there is from stock of wealth and how much from consumption of it. Likewise, wealth dynamics may matter—not just intergenerational/family wealth, but wealth change in person's life—people who made it fast, slow, people who lost it, etc. Spatial/ecological patterns—there is some research on income (e.g., Luttmer 2005), how about wealth? (there is some discussion at the end of ch3, but much more would be useful). Values and culture—in some places wealth is a virtue (e.g., the US), in some places it's a vice (e.g., Venezuela).

¹As a sidenote, there is an interesting discussion of philanthropy in Economist (2020).

Last but not least, the happiness theories should be discussed in relation to wealth: there are at least 3 relevant happiness theories: livability, adaptation/adjustment/hedonic treadmill, and comparison/discrepancies.

In conclusion, Brulé and Suter (2019) will be an important reference for happiness scholars, and there are many ways to build upon and extend this useful book. One may often steer away from edited volumes as not as scientific as journals, but this collection is important with multiple solid pieces.

References

- BRULÉ, G. AND C. SUTER (2019): *Wealth (s) and Subjective Well-being*, vol. Social Indicators Research Series 76, Springer.
- CAMPBELL, A., P. E. CONVERSE, AND W. L. RODGERS (1976): *The quality of American life: perceptions, evaluations, and satisfactions*, Russell Sage Foundation, New York NY.
- ECONOMIST, T. (2020): "Charity: how effective is giving?" *The Economist*.
- LUTTMER, E. F. P. (2005): "Neighbors as Negatives: Relative Earnings and Well-Being," *Quarterly Journal of Economics*, 120, 963–02.
- OKULICZ-KOZARYN, A. AND M. ALTMAN (2019): "The Happiness-Energy Paradox: Energy Use is Unrelated to Subjective Well-Being," *Applied Research in Quality of Life*, 1–13.