

# INCOME LEVEL EFFECTS ON HAPPINESS AND LIFE SATISFACTION

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## 1. INCOME LEVEL HAS SURPRISING DICHOTOMY IN HAPPINESS VERSUS LIFE SATISFACTION

With  $HI$  standing for High Income and  $LI$  for Low Income;  $S$  for life satisfaction,  $H$  for feelings of happiness, we have following empirical estimates from World Values Survey Wave 7.

$$P(H|LI) = 0.8411$$

$$P(H|HI) = 0.914$$

$$P(S|LI) = 0.264$$

$$P(S|HI) = 0.129$$

The first result is interesting but the second is extremely surprising and new as far as I know for global data.