Does Subjective Well-Being Research Have Policy Implications?

Canadian Economics Association
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(joint work with Haifang Huang)
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Part I. Life Satisfaction

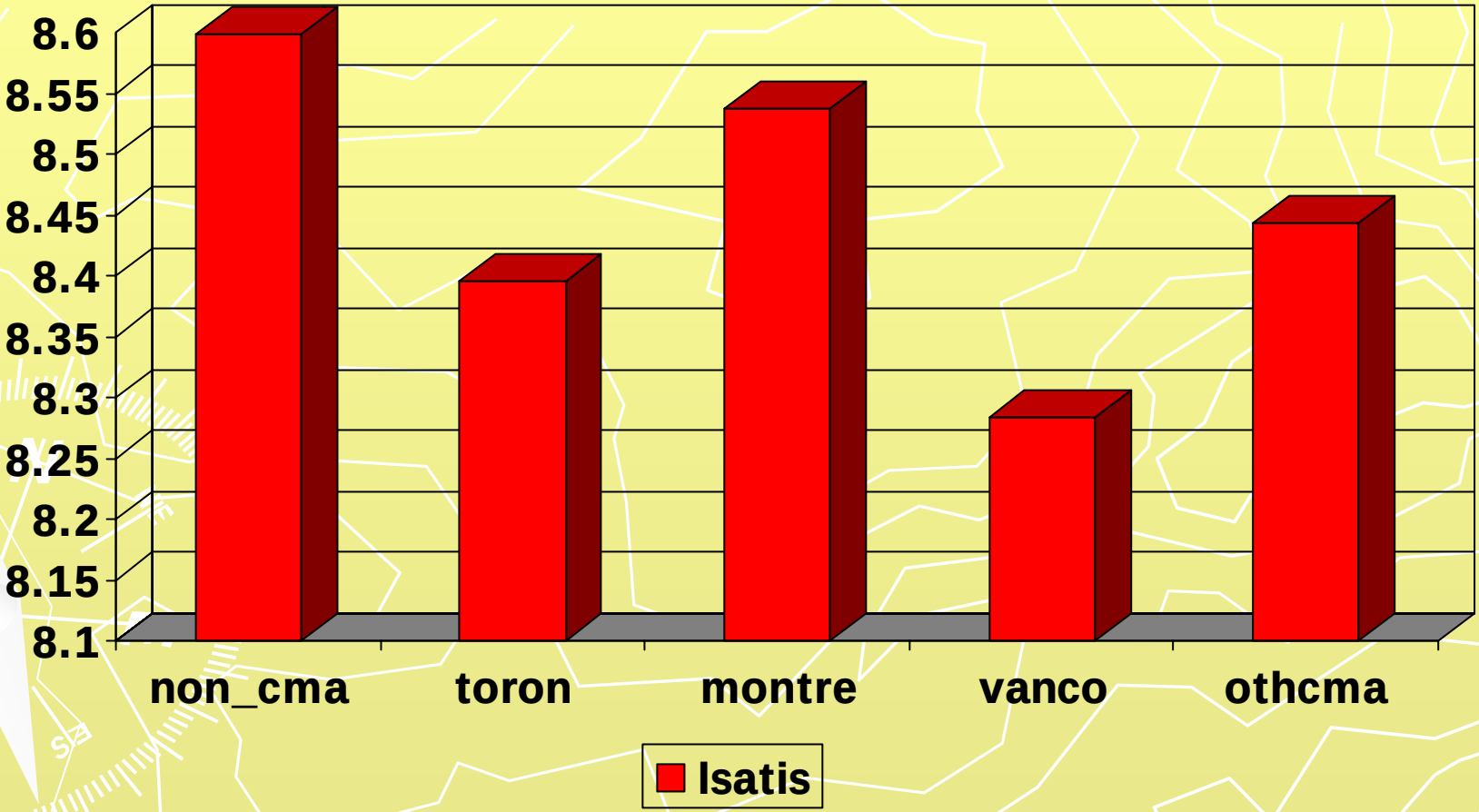
- [Question in EDS] Using a scale of 1 to 5, where 1 means not satisfied at all and 5 means very satisfied. All things considered, how satisfied are you with your life as a whole these days?

- The estimated coefficients have been multiplied by 2 to be comparable with the results from the two-waved Equity, Security and Community SSHRCC Survey, which uses 10-point life satisfaction.

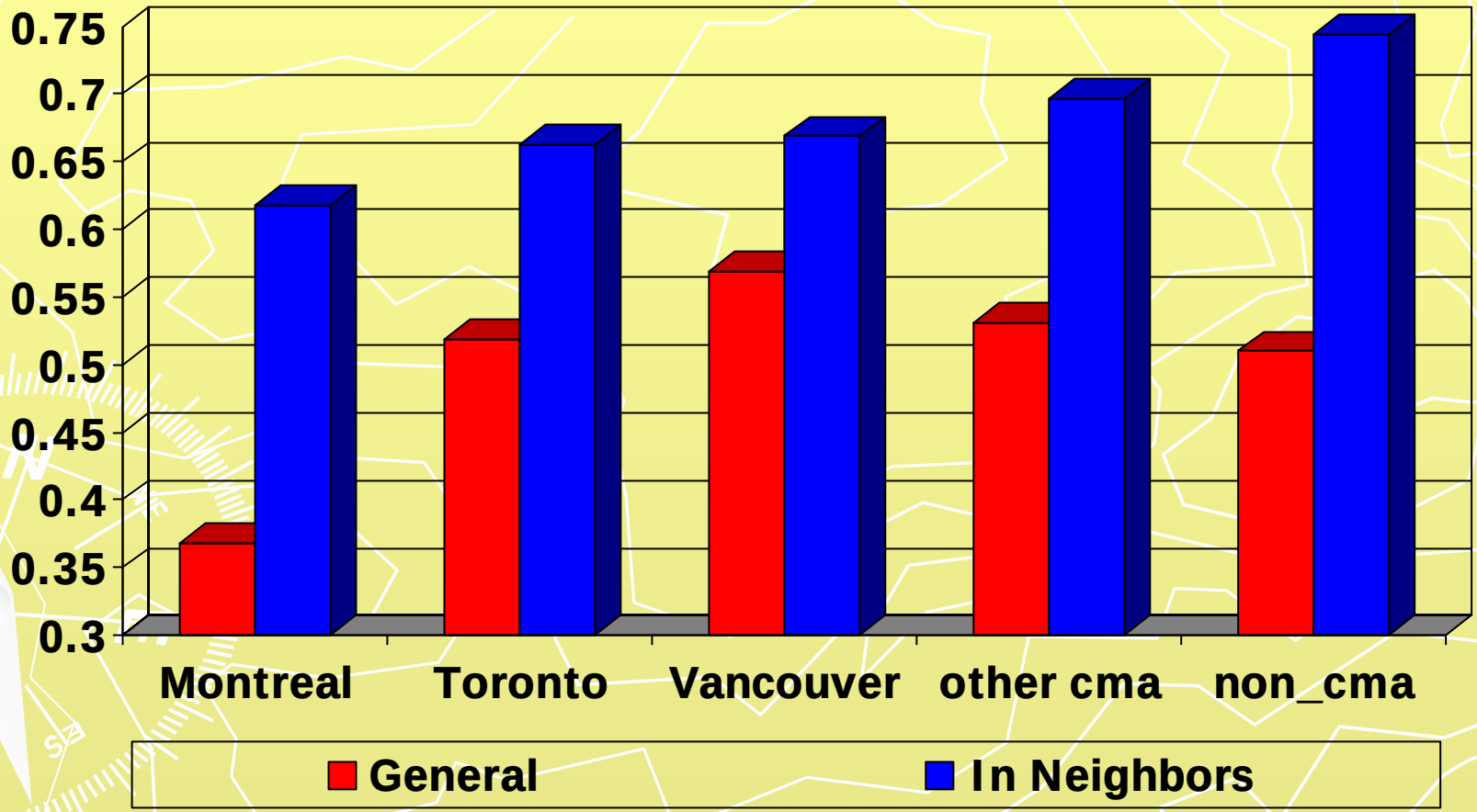
Policy relevance of SWB

- Requires international comparison of credible data to support evaluation of national-level institutions and policies.
- Finer grained application across communities within Canada requires large samples such as those from the EDS.
- Although social trust and SWB are linked in important ways, the underlying data (and equations) reveal a complex pattern: e.g.

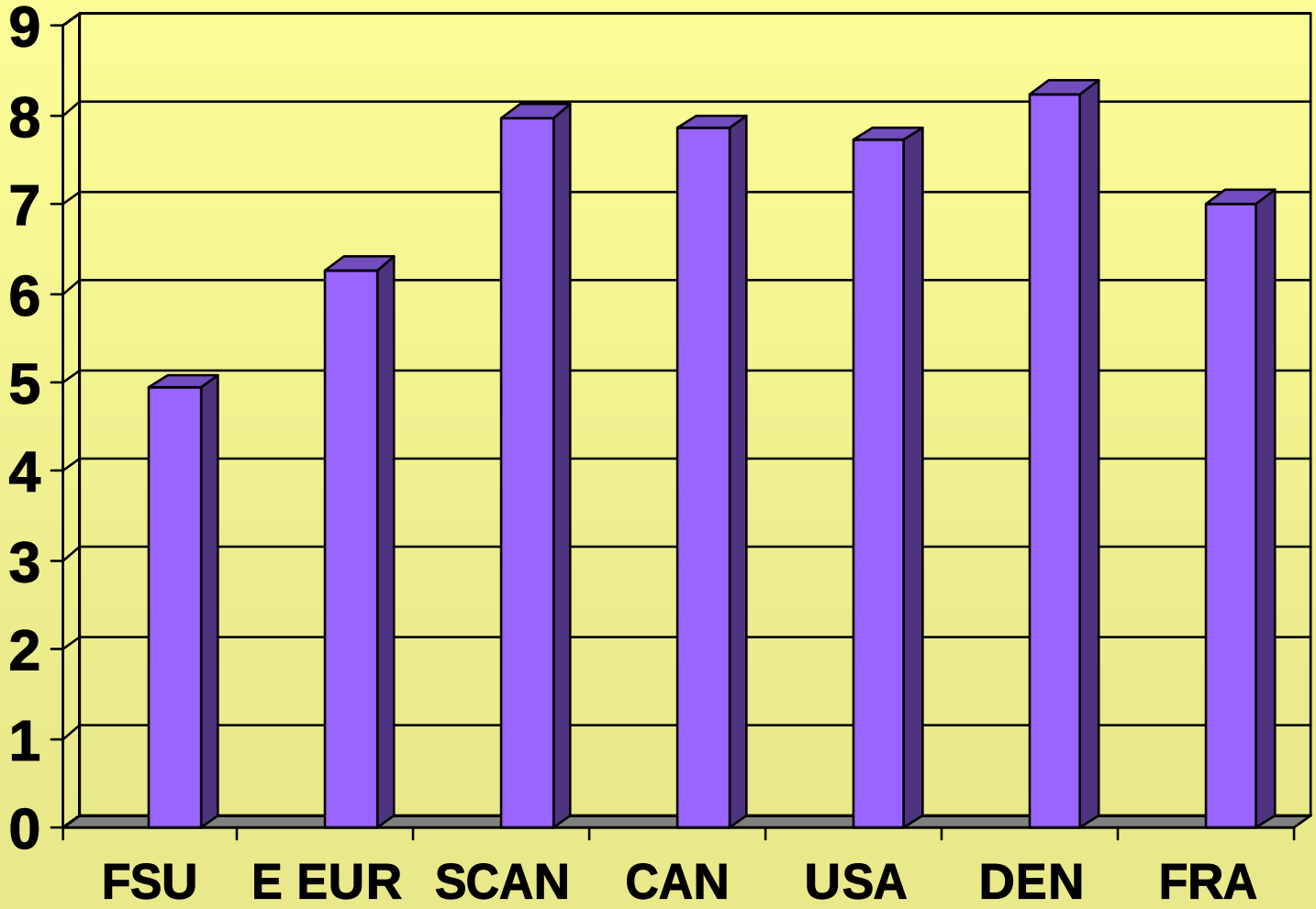
Population Average of the 5-point Life Satisfaction Multiplied by 2, by Major CMA's



Population Average of Selected Trust Measures in Major CMAs

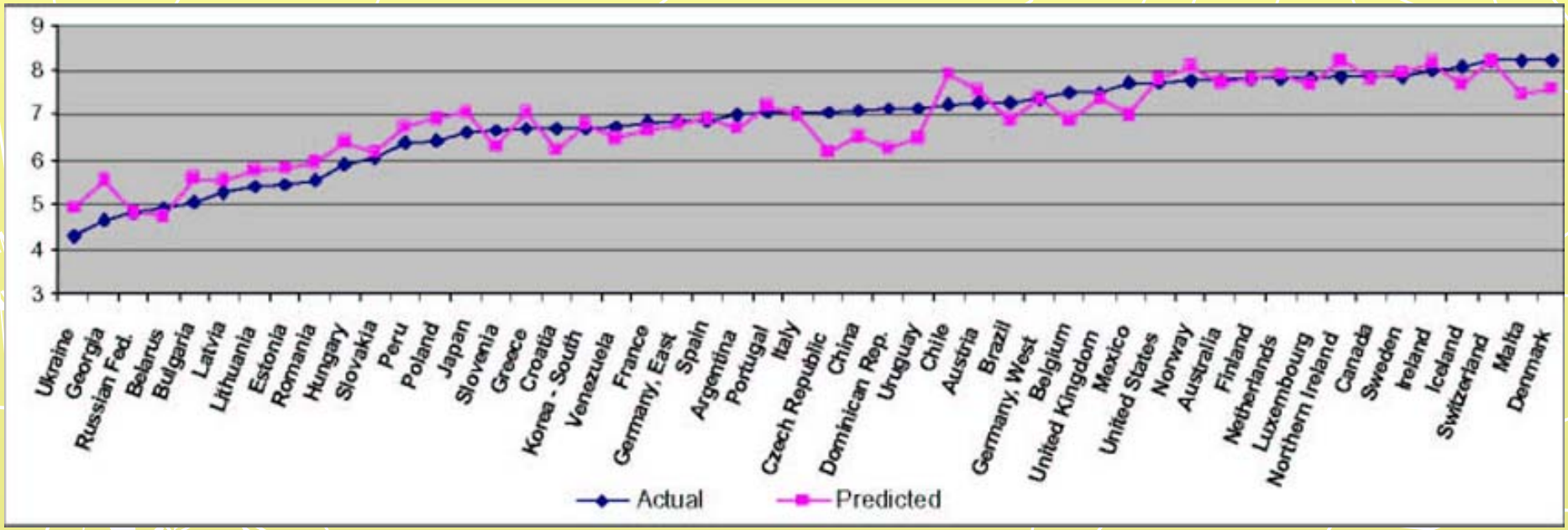


International Life Satisfaction on a scale of 1 to 10



Life satisfaction as measured by the World Values Survey

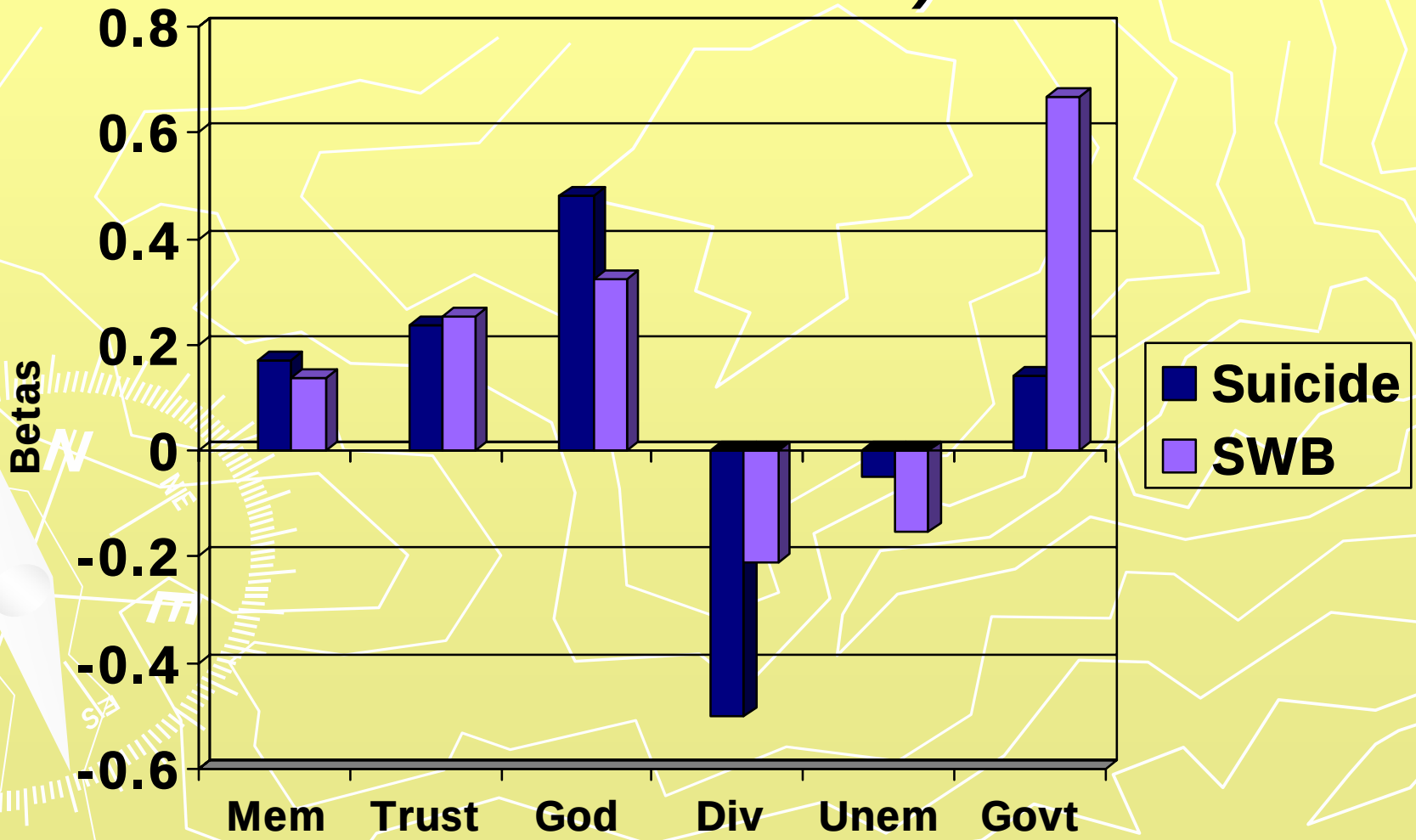
(after taking average across waves for compact presentation)



Are the international SWB differences too large to be credible? (as argued by Kahneman)

- They may be reasonable, because international differences in suicide rates are larger, even after allowing for the fact that suicide is an extreme act.
- National rates of suicide and SWB can be explained well by the same variables.
- Govt quality and social capital are important for increasing SWB and reducing suicide.

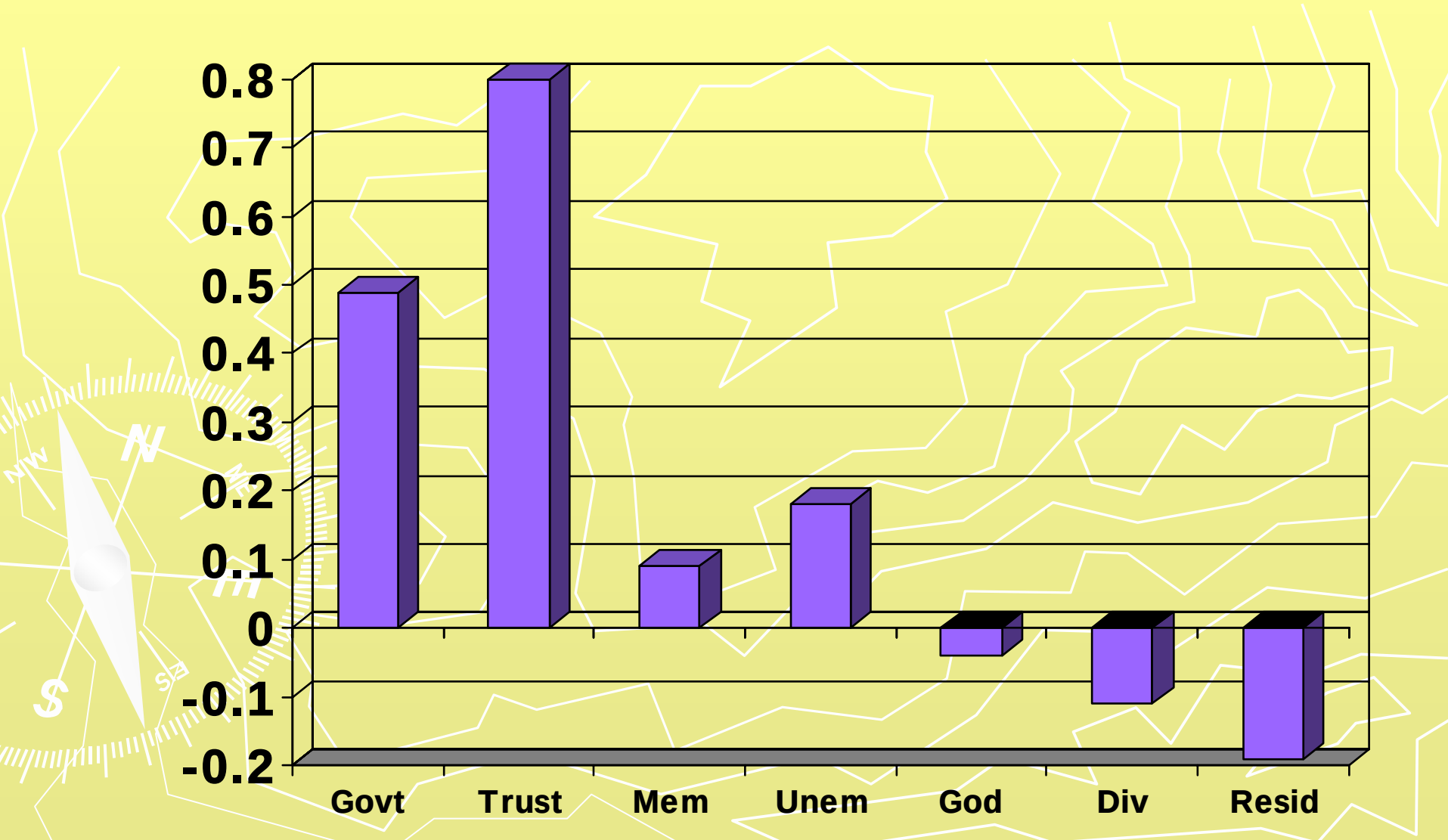
SWB and Suicide Results compared (standardized coefficients, times -1 for suicide)



International SWB Differences continued

- But could an unemployed divorced Dane really be as happy as the average French person?
- The key variables explaining international differences in SWB have different values in France & Denmark.
- These differences are large enough to explain (over-explain in 1999) why Danes are more satisfied with life than the French

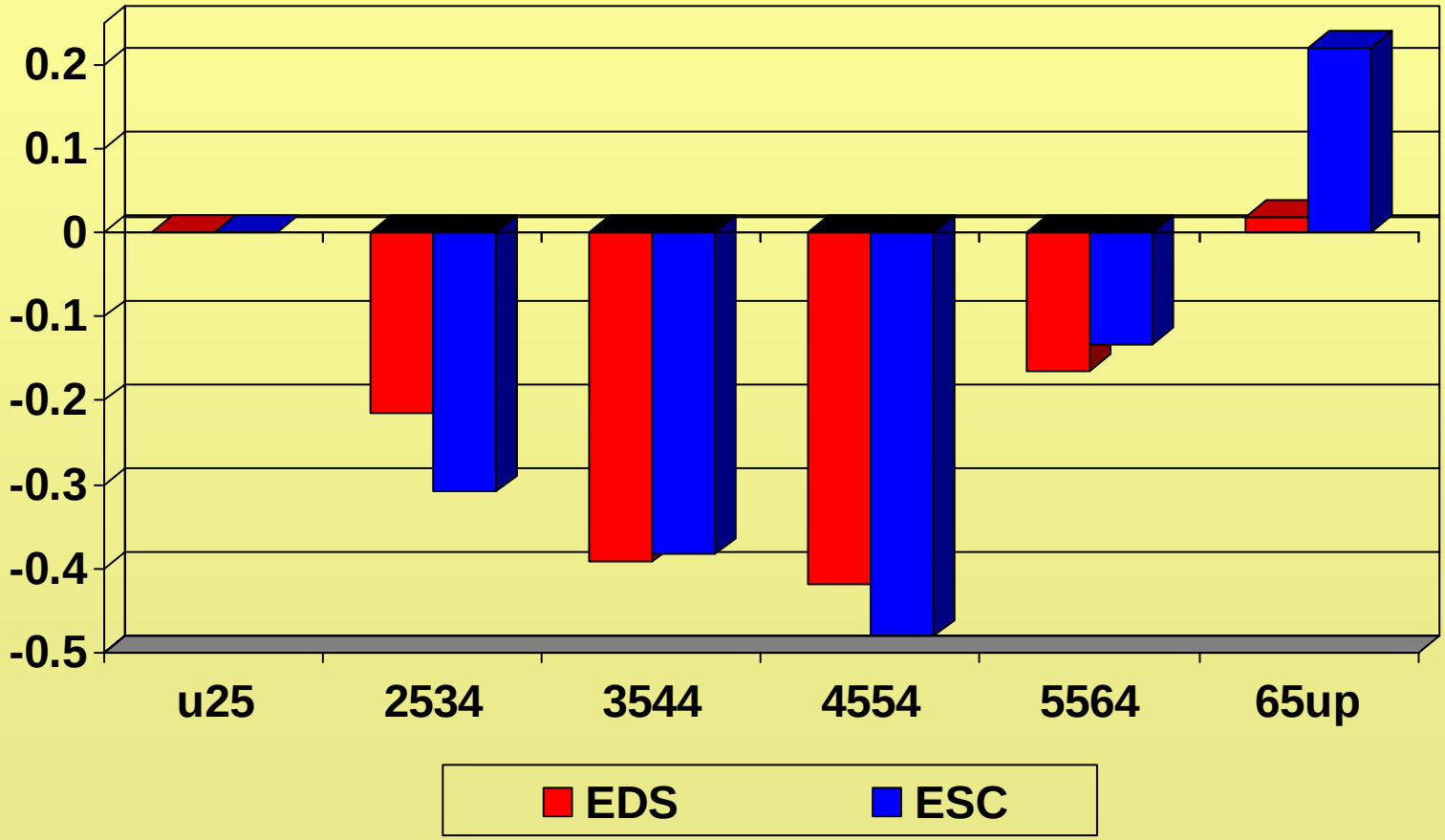
SWB in Denmark and France 1999
Sources of Difference, DK-FR



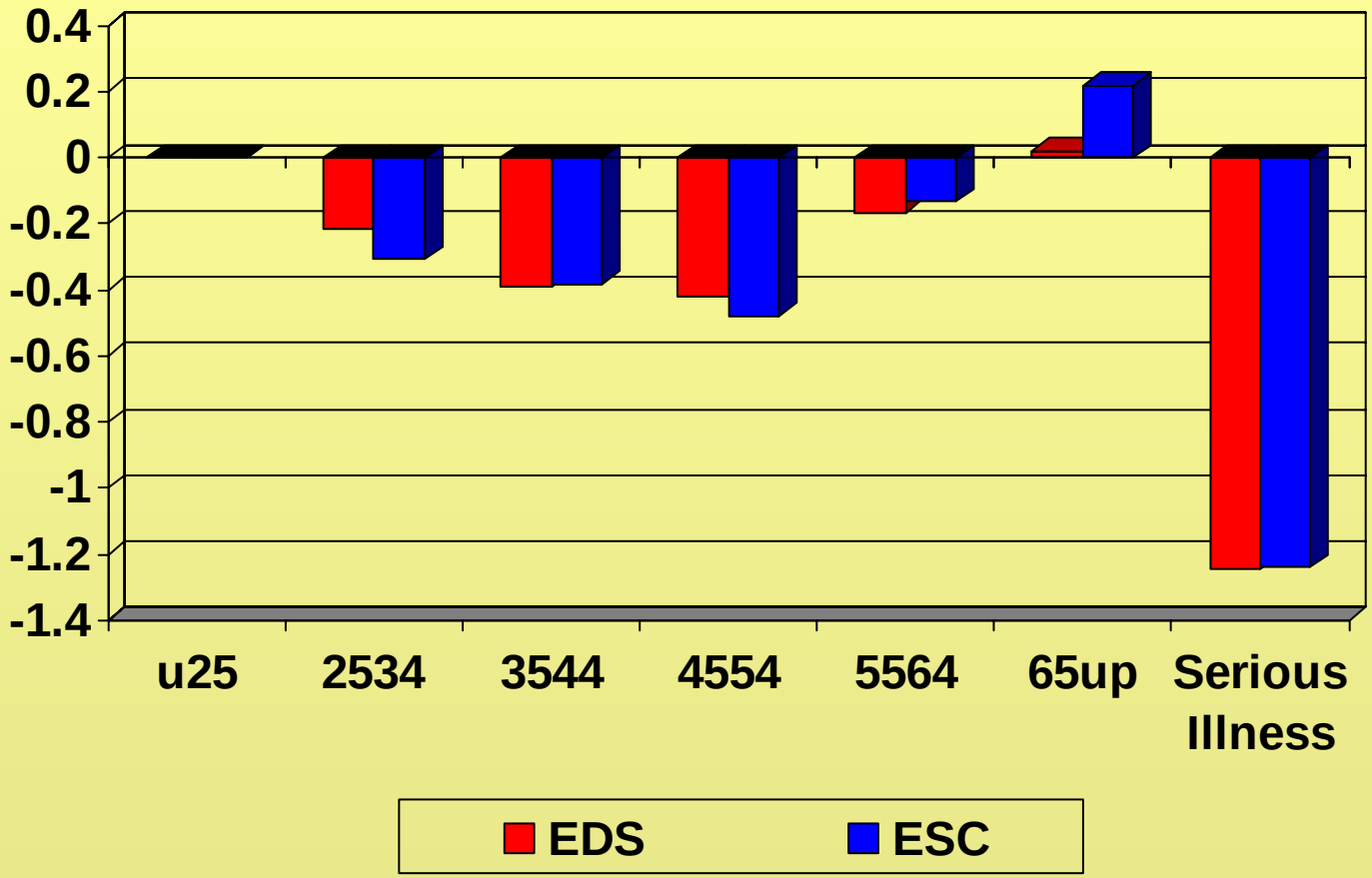
Back to Well-Being in Canada: Independent Variables

- Demographics (esp. age and marital status)
- Health and Education
- Income and Unemployment
- Religion: belief or participation?
- Social capital: family, friends, community
- Trust, both general and specific
- Ethnicity, Migration and Discrimination
- Quality of Government

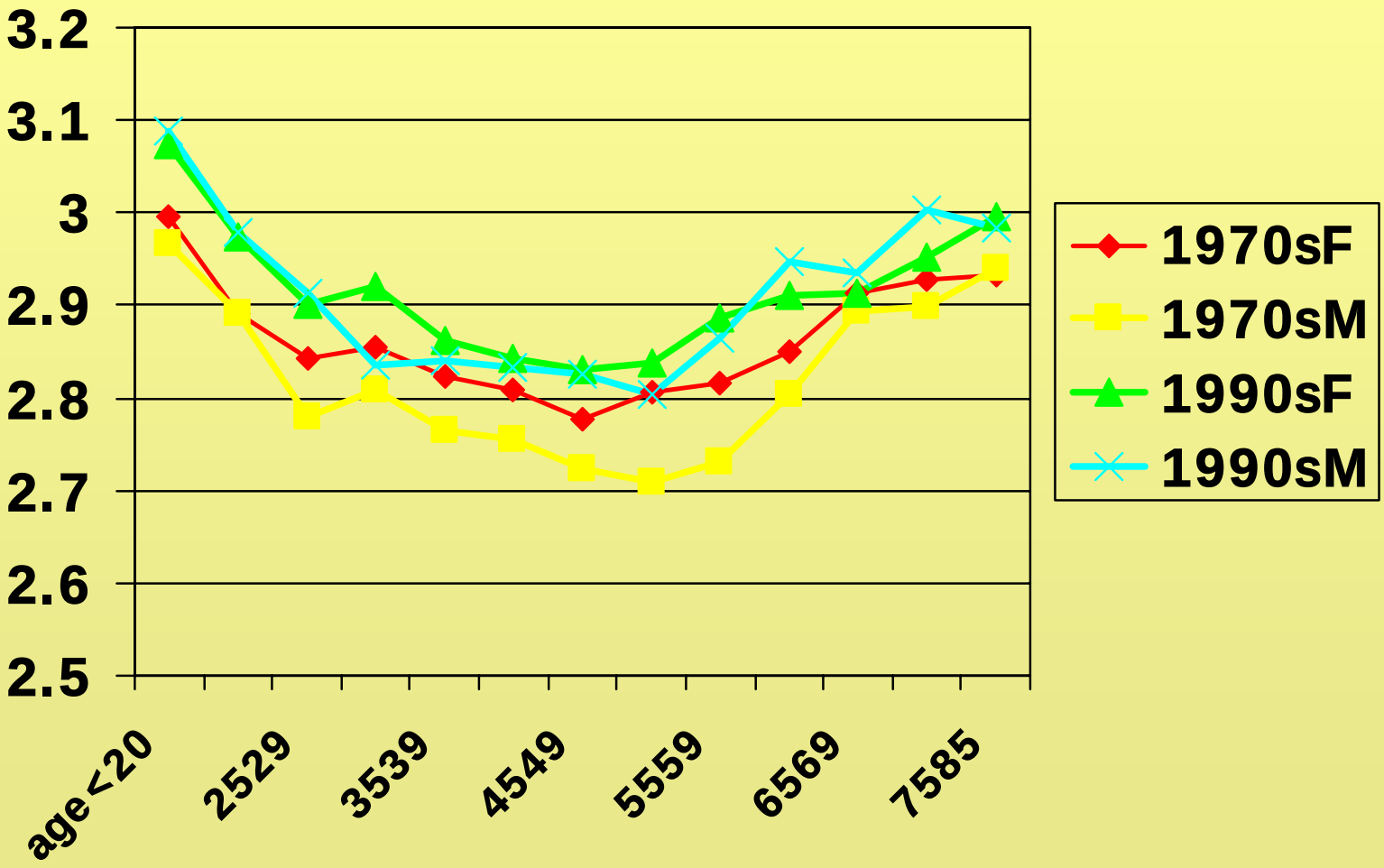
SWB Effects of Age/Cohort, Adjusted by Serious Illness/Poor Health, EDS & ESC



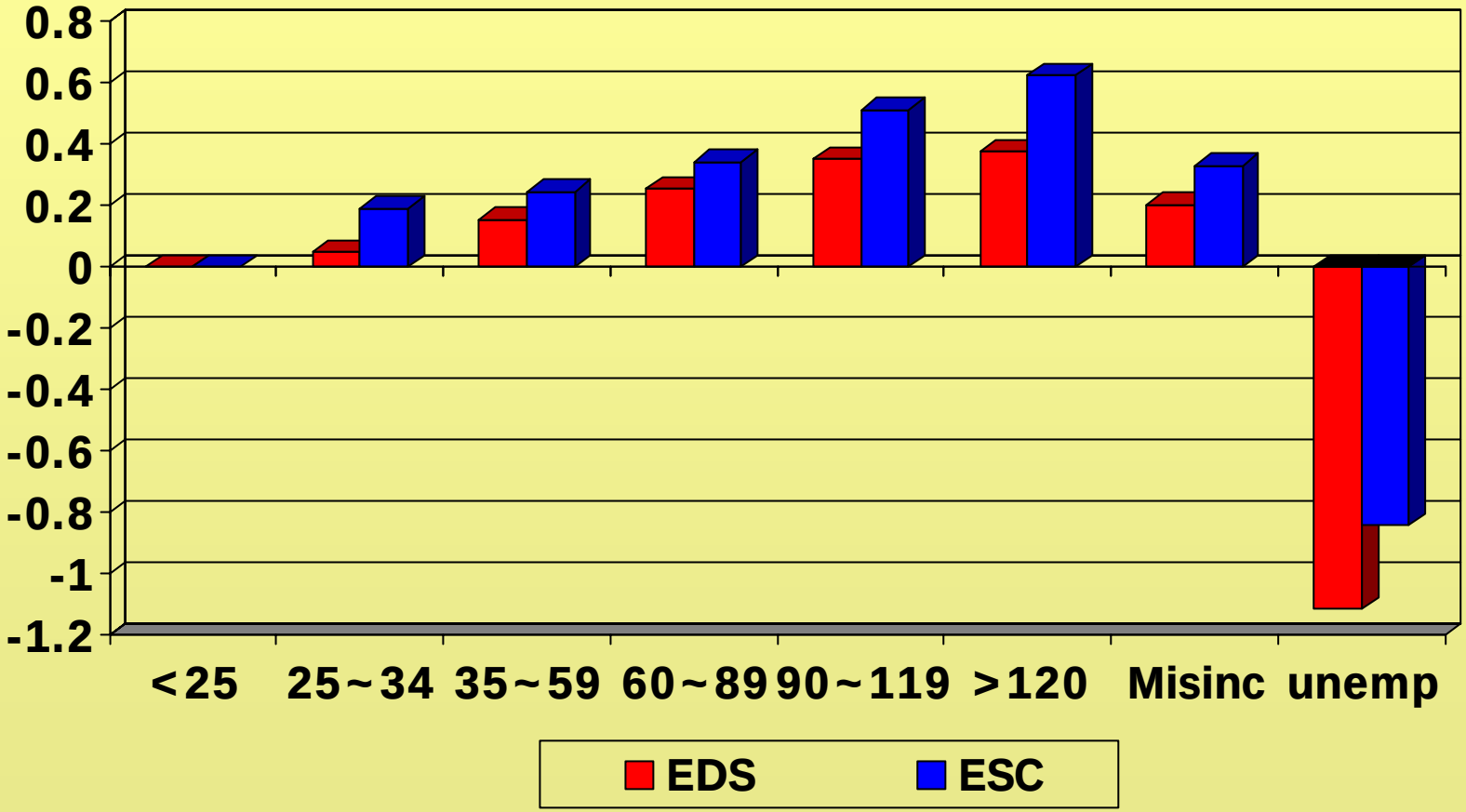
SWB Effects of Age/Cohort, Adjusted by Serious Illness/Poor Health, EDS & ESC



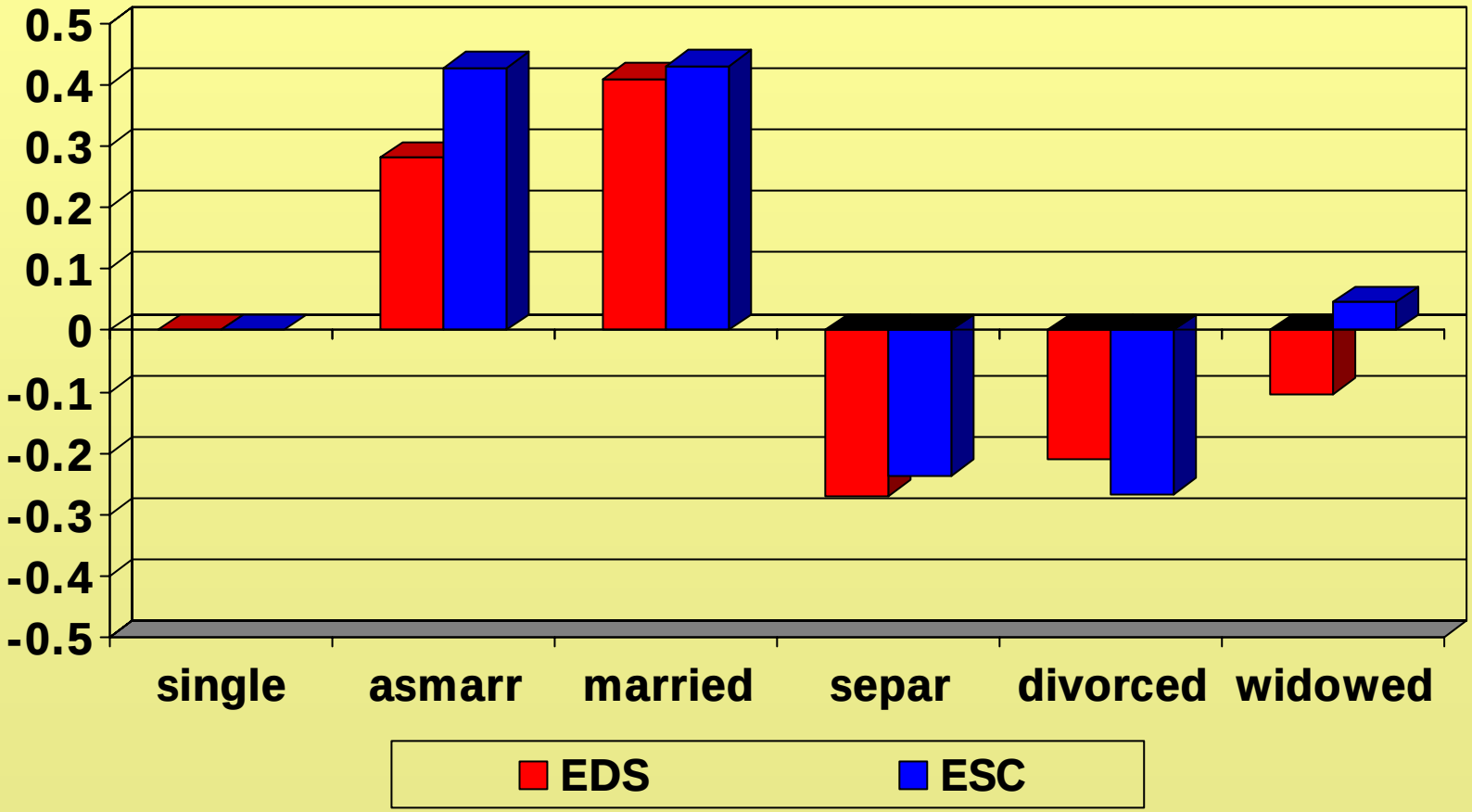
Happiness by age group in Europe by decade, on a 4-point scale



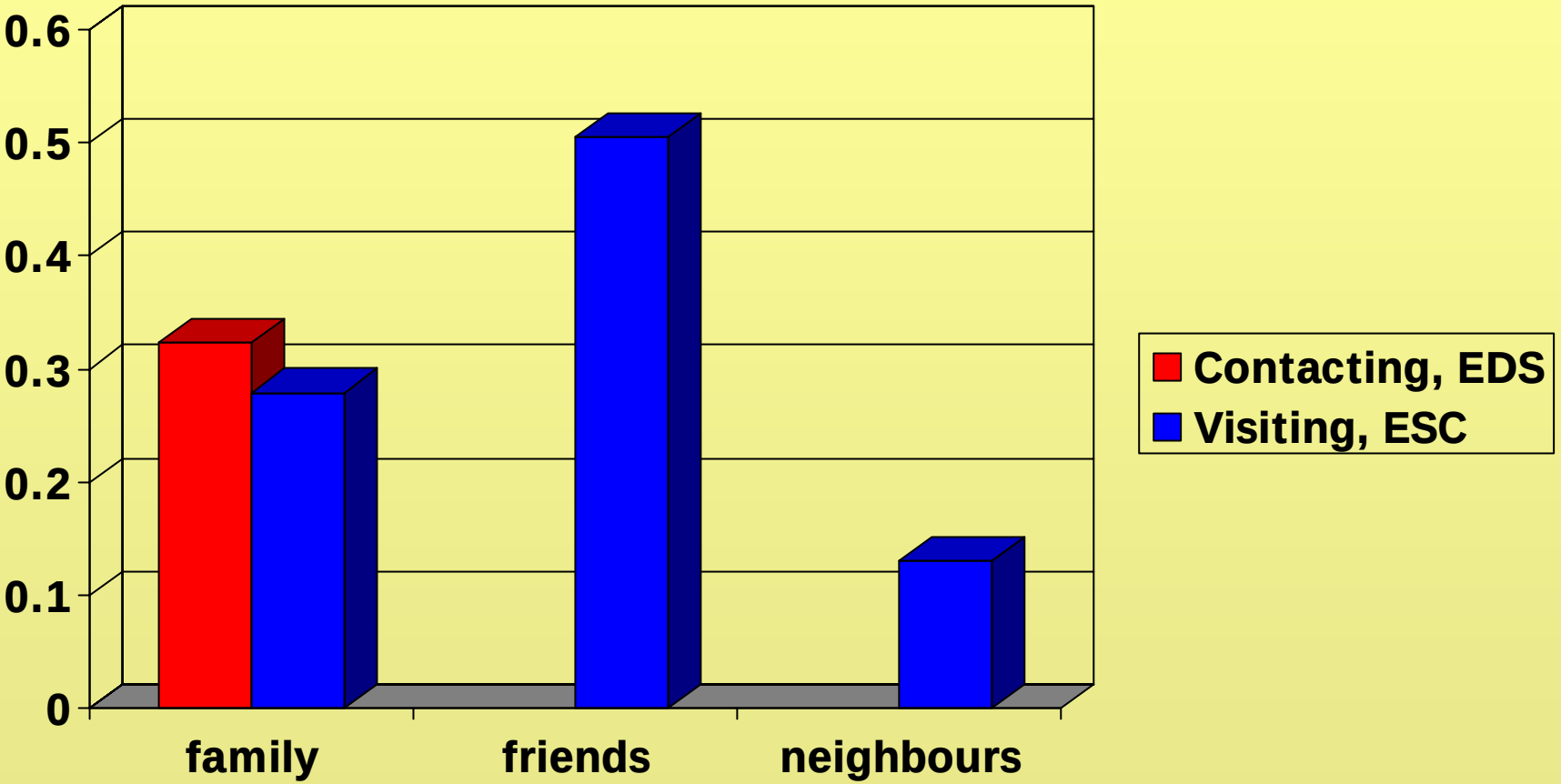
SWB and Household Income & Unemployment, EDS & ESC



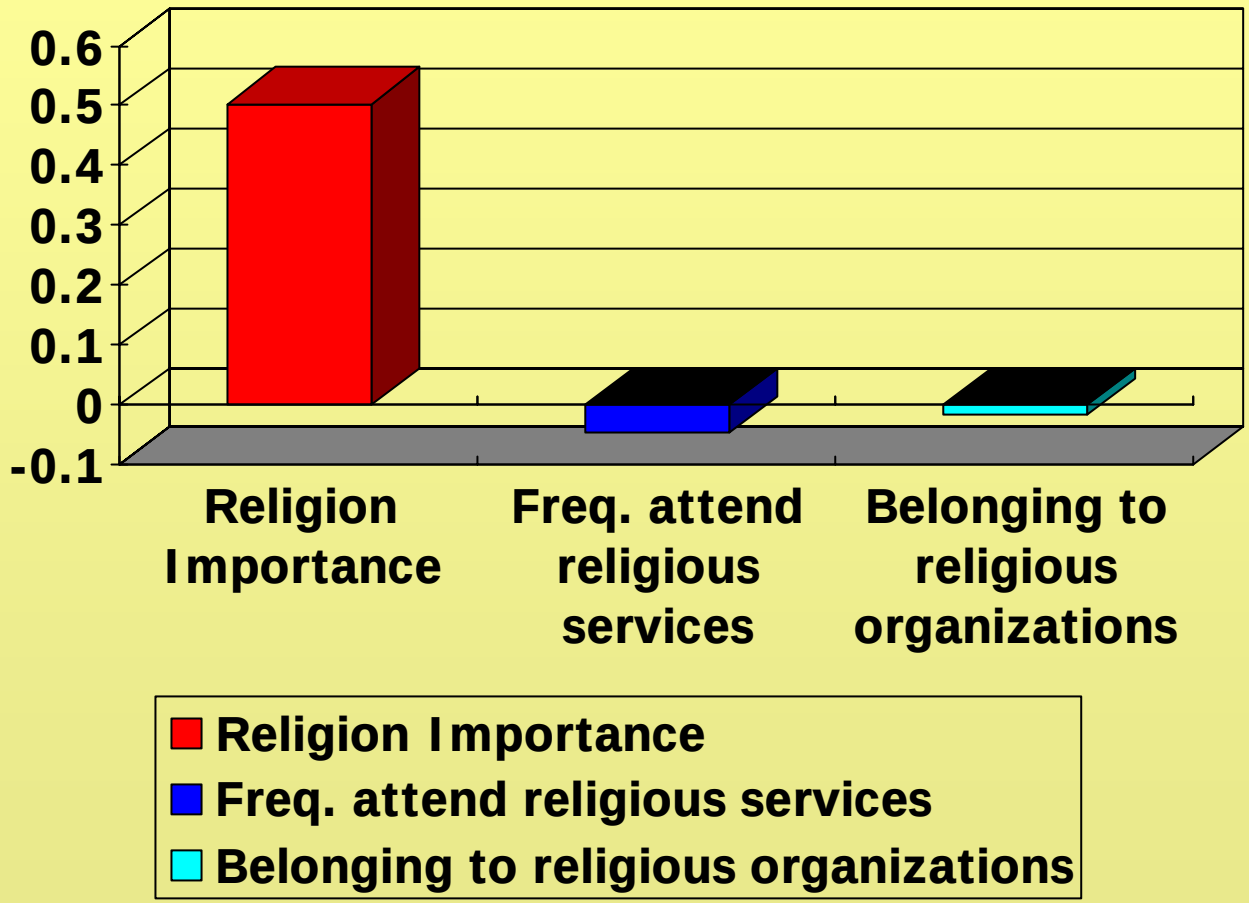
SWB and Family Status, EDS & ESC



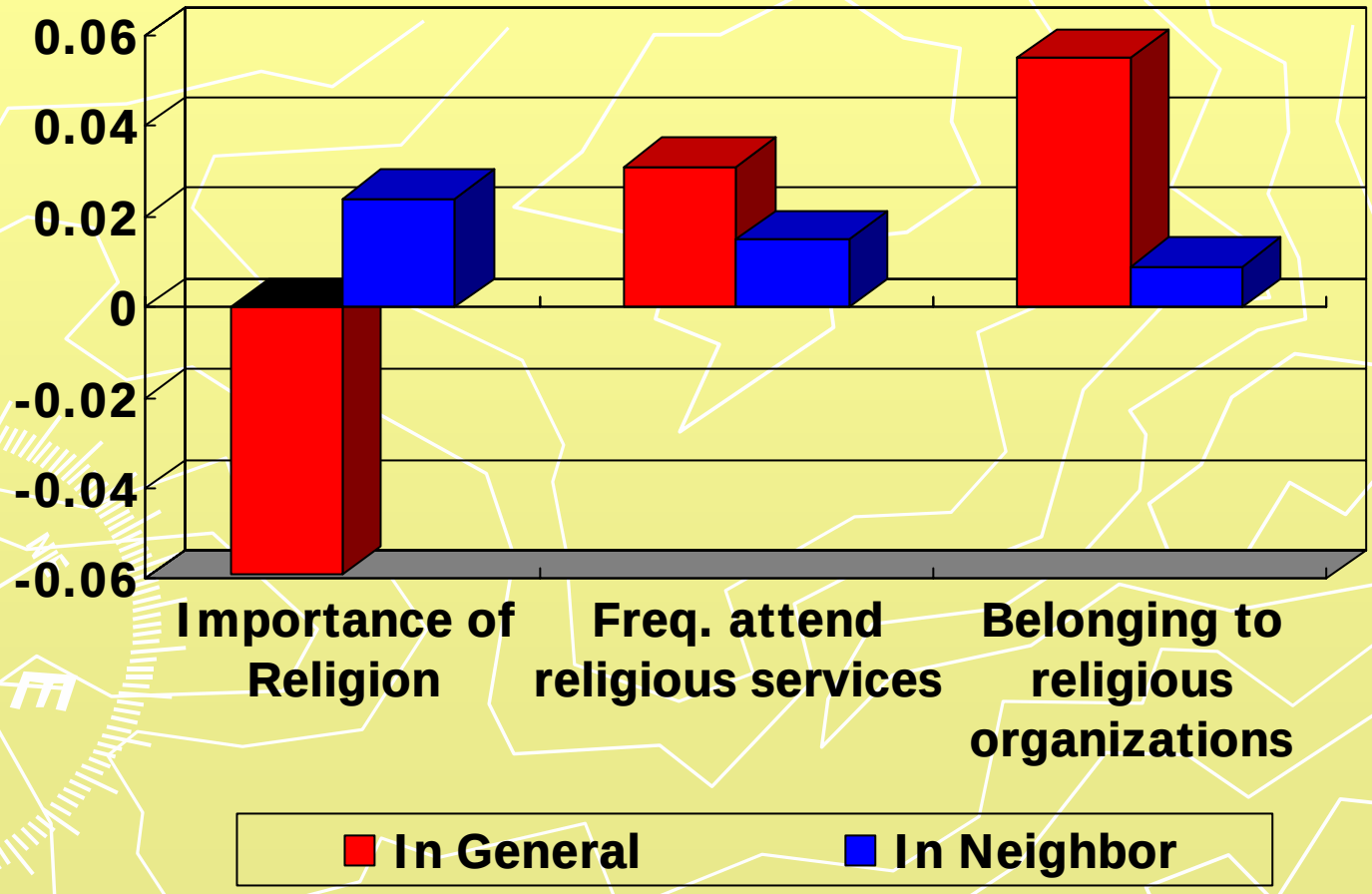
SWB effects of frequent visits/contacts with family, friends and neighbors
EDS & ESC



Life Satisfaction & Religion



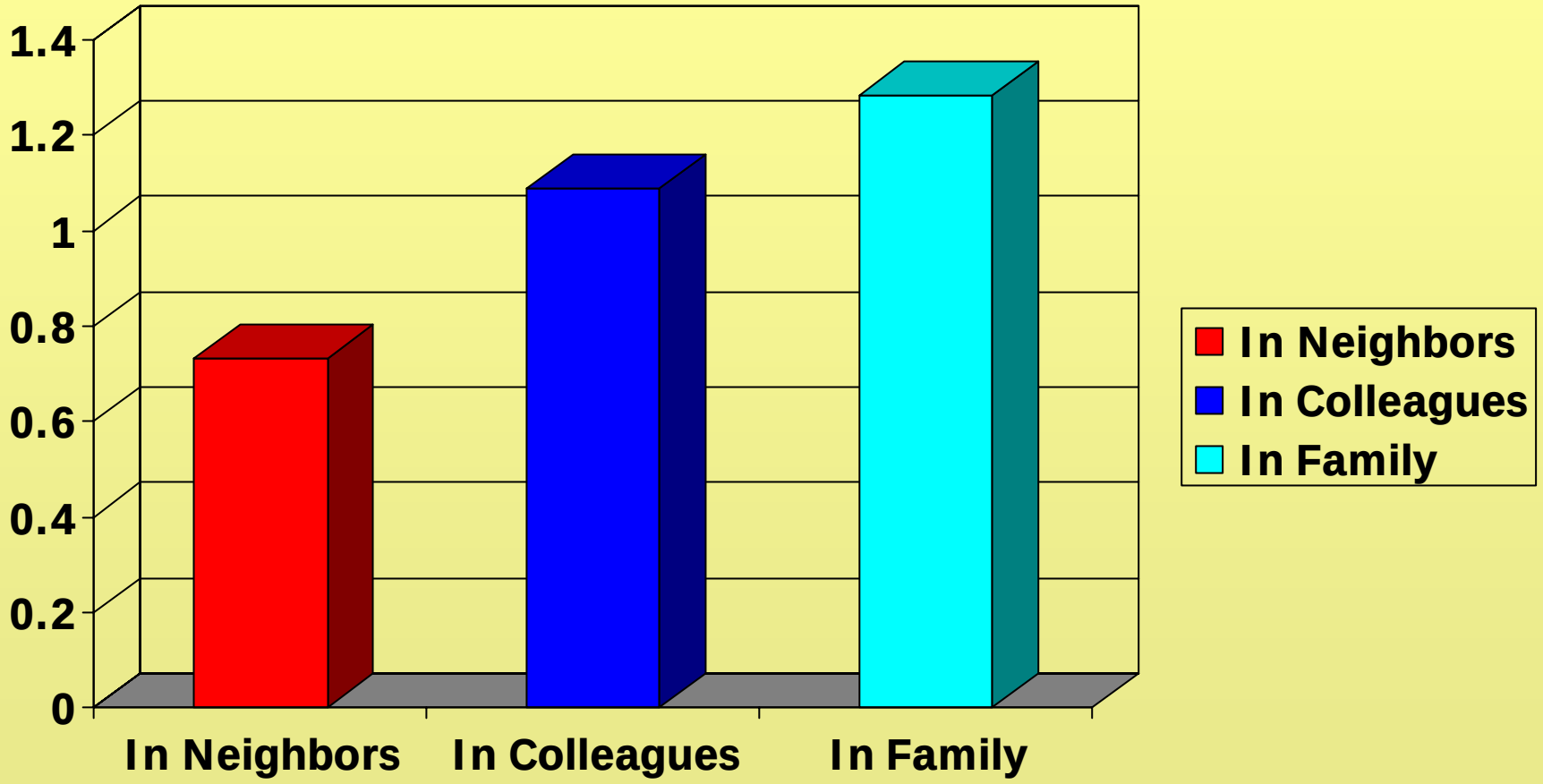
For General Trust & Religion, pattern reversed



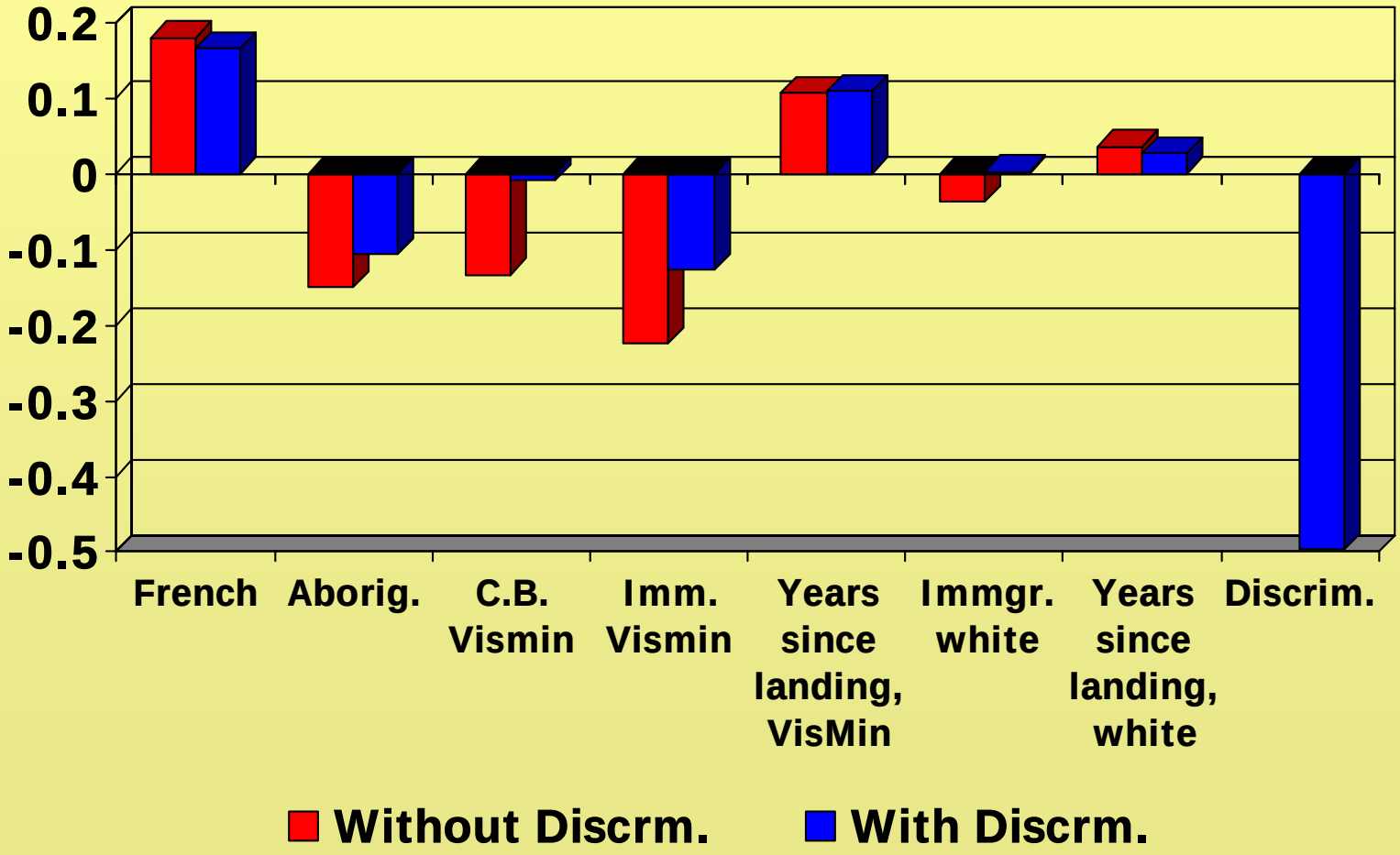
Correlations in EDS

	lsatis	ztrust	Tr_nei	zchurch	relgimp	Org_relg
lsatis	1					
ztrust	0.086	1				
Tr_nei	0.257	0.326	1			
zchurch	0.101	0.009	0.101	1		
Relgimp	0.120	-0.053	0.100	0.723	1	
Org_relg	0.036	0.060	0.066	0.305	0.240	1

SWB and Trust Measures, EDS

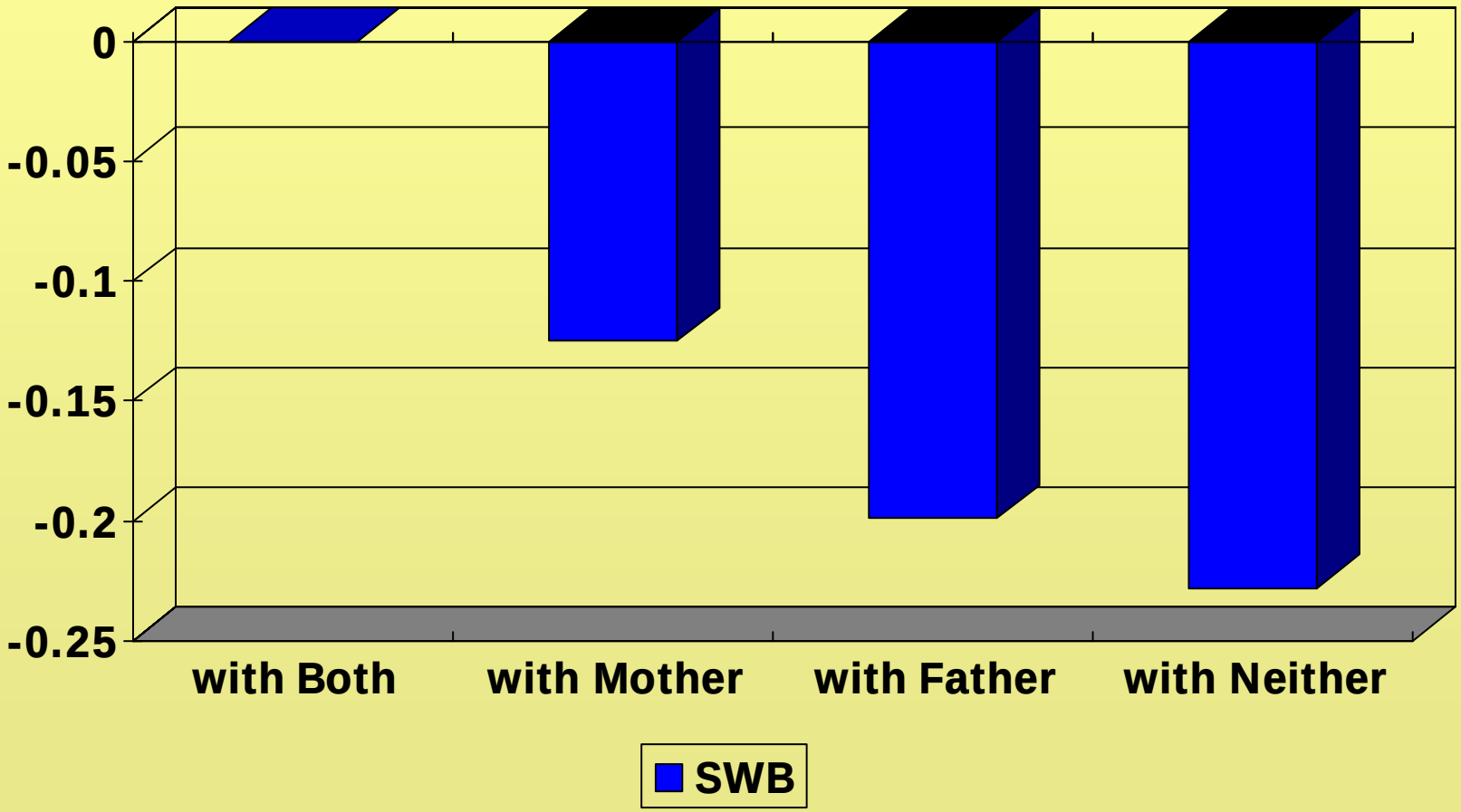


SWB Differences Across Population Groups & the effect of Reported Discrimination Experience. For Immigrants there are extra variables indicating years since landing (in 10s)

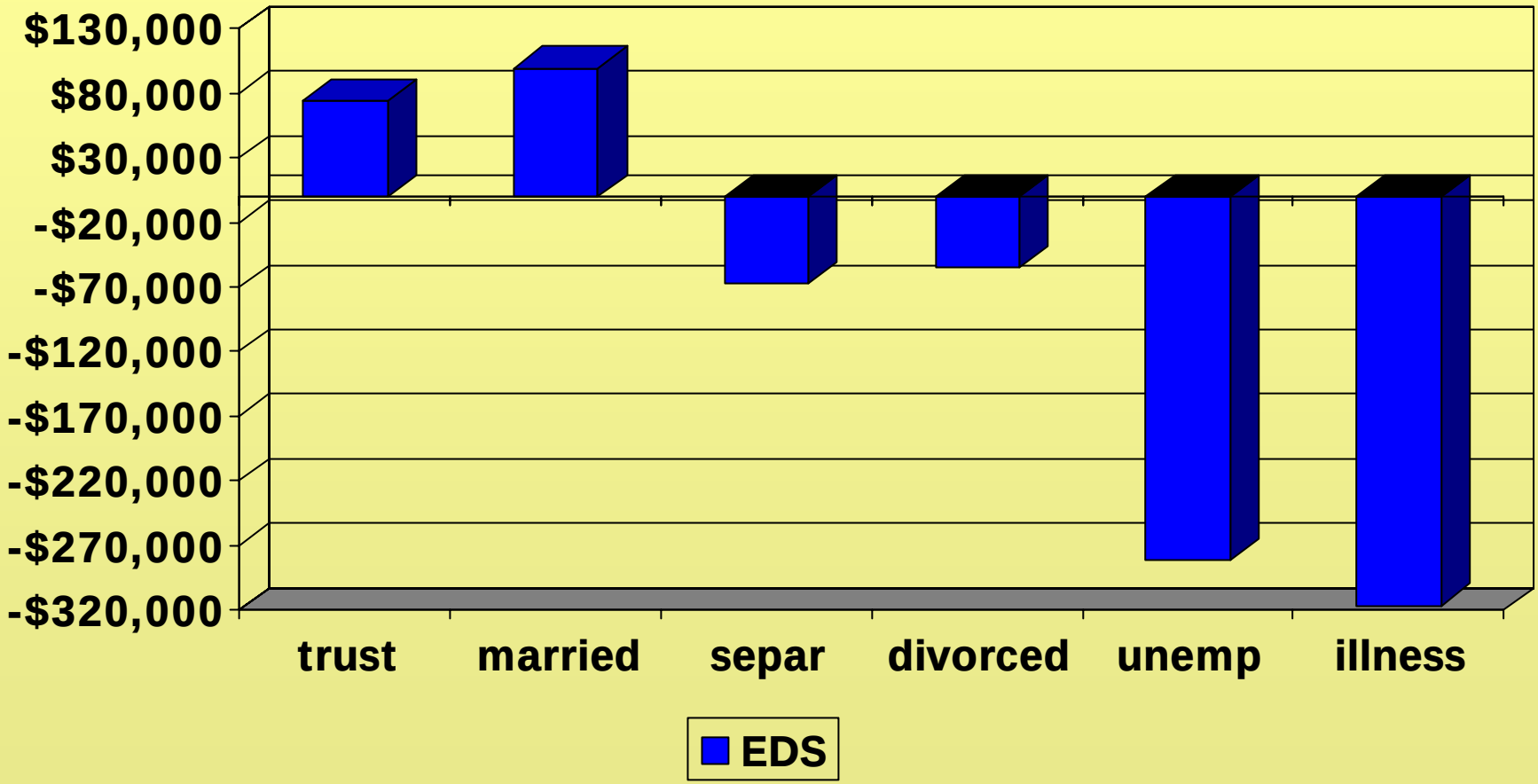


Family Structure in Childhood

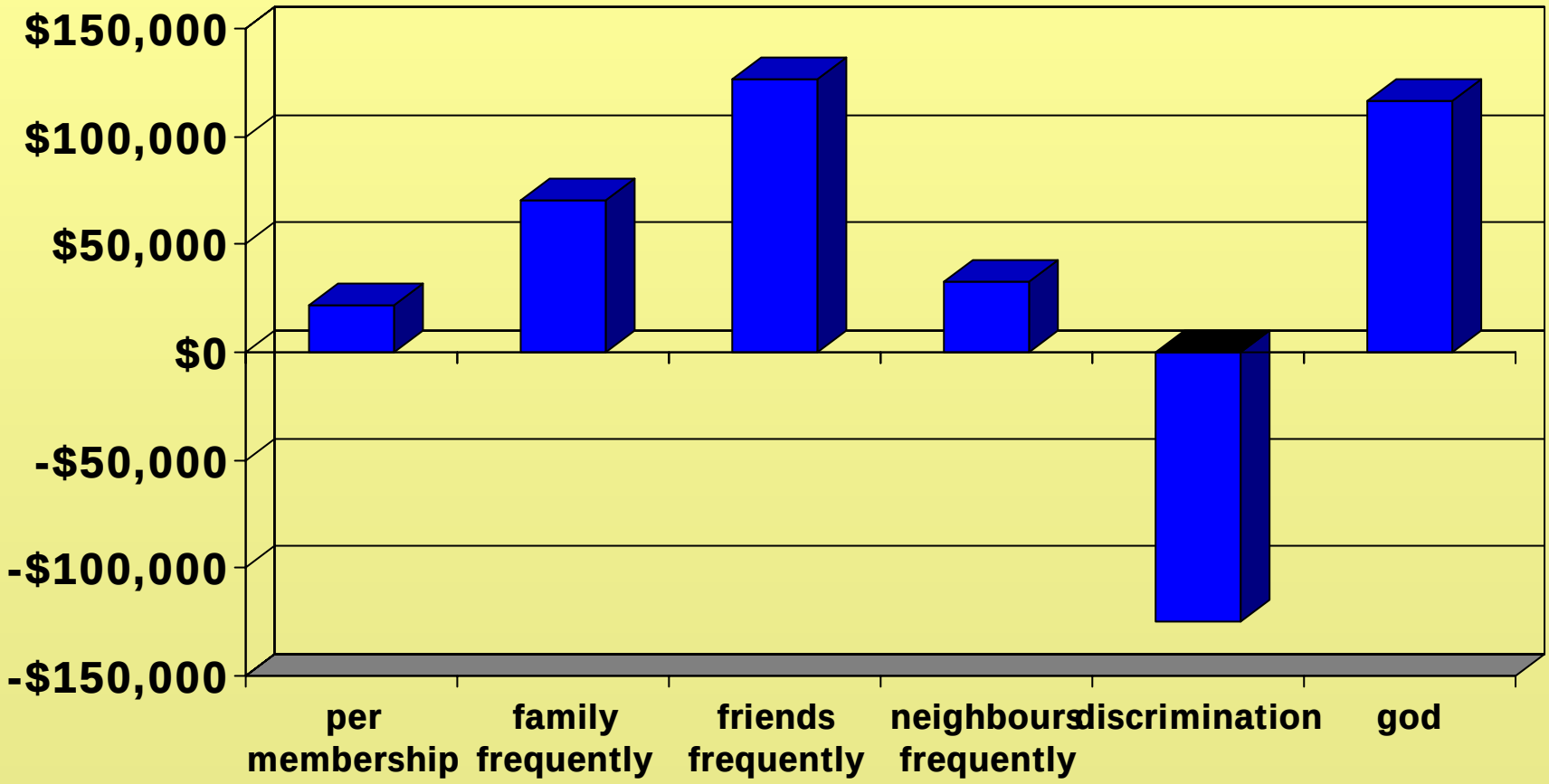
Lived mainly with which birth parent up to age of 15



Bottom line: Income equivalents of factors affecting life satisfaction



More Bottom line: Income equivalents of factors affecting SWB



End of Main Presentation

- The supplementary material to follow deals first with contextual effects on SWB,
- then models the determinants of general trust, trust in neighbours and trust in police.
- Strong contextual effects in the trust equations; trust grows with stability and repeated contacts.
- Finally, results for sense of attachment to Canada, province, local community and ethnic group.

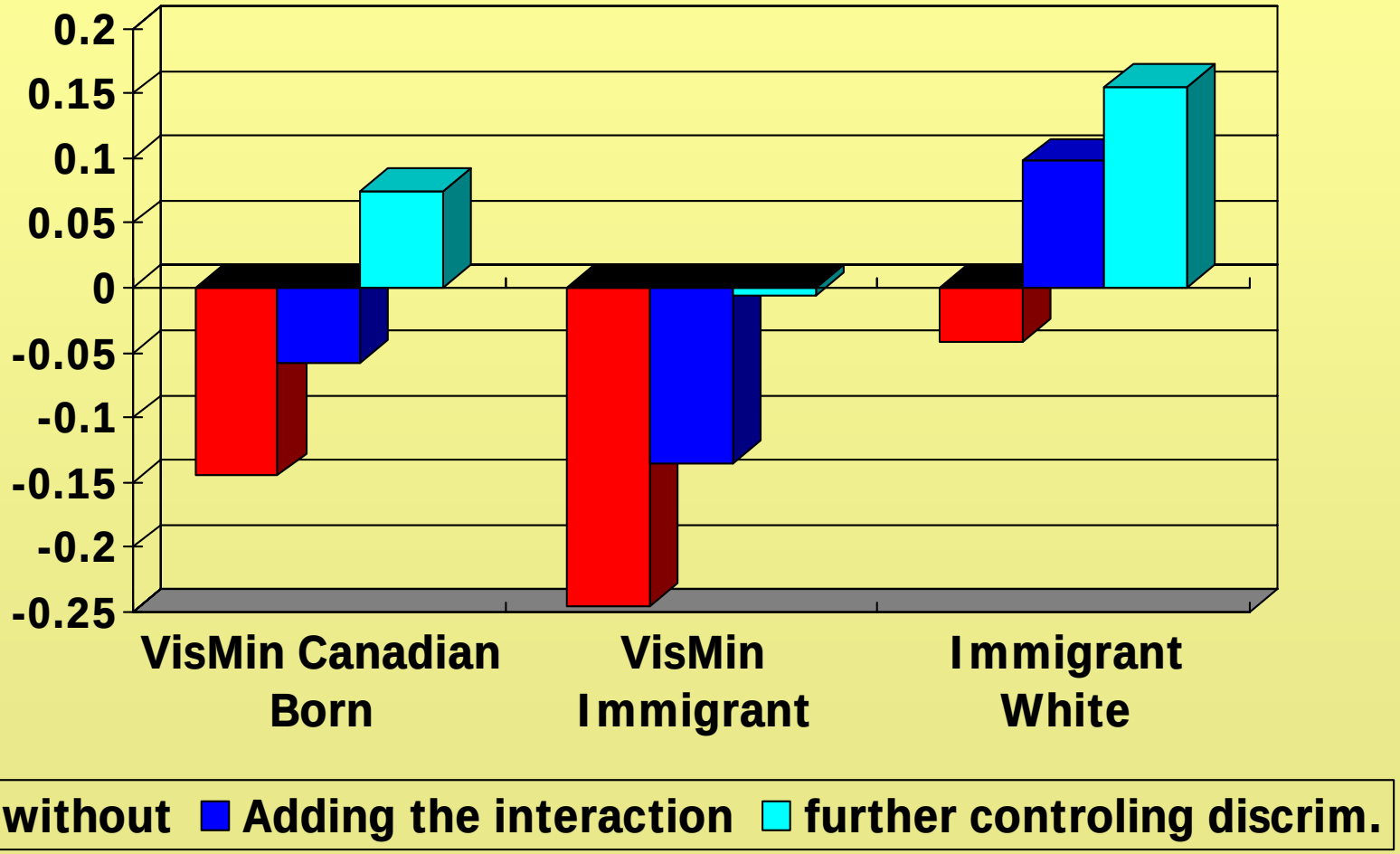
Contextual Effect on SWB

- at the Neighborhood level (CT/CSD)
  - Average Income and Gini
  - Average Schooling Year
  - Unemployment Rate
  - Mobility/Permanency. &
  - Various Diversity Measures
- and at the CSD/CD level
  - Average trust,
  - Average Membership, &
  - Average Importance of Religion

An Overview

Contextual Variables	**Coefficient**	**T-stat**
Average Trust	-0.249	[1.18]
Average Importance of Religion	0.154	[0.70]
Average Membership	0.008	[0.05]
Average Income, in thousands	0.001	[0.39]
Gini	0.109	[0.11]
1-year mobility	-0.243	[0.92]
5-year mobility	-0.048	[0.21]
Self-Owned House, Share	0.119	[1.30]
French Population, Share	0.343	[2.13]
Catholic Population, Share	-0.179	[1.14]

SWB of Minority/Immigrant Population, with and without controlling the interactions with share of minority/immigrants population in the neighborhood



Minority/Immigrant Population, Years Since landing, Reported Discrimination, and interaction with population share of Minority/Immigrant in the neighborhood

	Lsatis	**Lsatis**	**Lsatis**	Self-Reported Experience of Discrimination
Visible Minority_Canadian Born	-0.145*	-0.058	0.075	0.268**
Visible Minority_Immigrant	-0.245**	-0.135	-0.006	0.262**
Immigrant White	-0.041	0.098	0.155	0.114**
VisMin_Canadian Born* VisMin Share		-0.305	-0.36	-0.11
VisMin_Immigrant*(VisMin Share+Immigrant Share)/2		-0.154	-0.205	-0.103**
Immigrant White*Immigrant Share		-0.477*	-0.545**	-0.137**
Maturity of Immigrant Community		0.022	0.022	0
Years (10s) Since Landing_VisImm	0.11**	0.104**	0.105**	0.003
Years Since Landing_White	0.041*	0.032	0.023	-0.02**
Self-Reported Experience of Discrim.			-0.494**	
Visible Minority Population Share		0.029	0.088	0.118
Immigrant Population Share		0.052	0.05	-0.004

Part II-a. General Trust

[Question in EDS] Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people

1 People can be trusted

0 You cannot be too careful

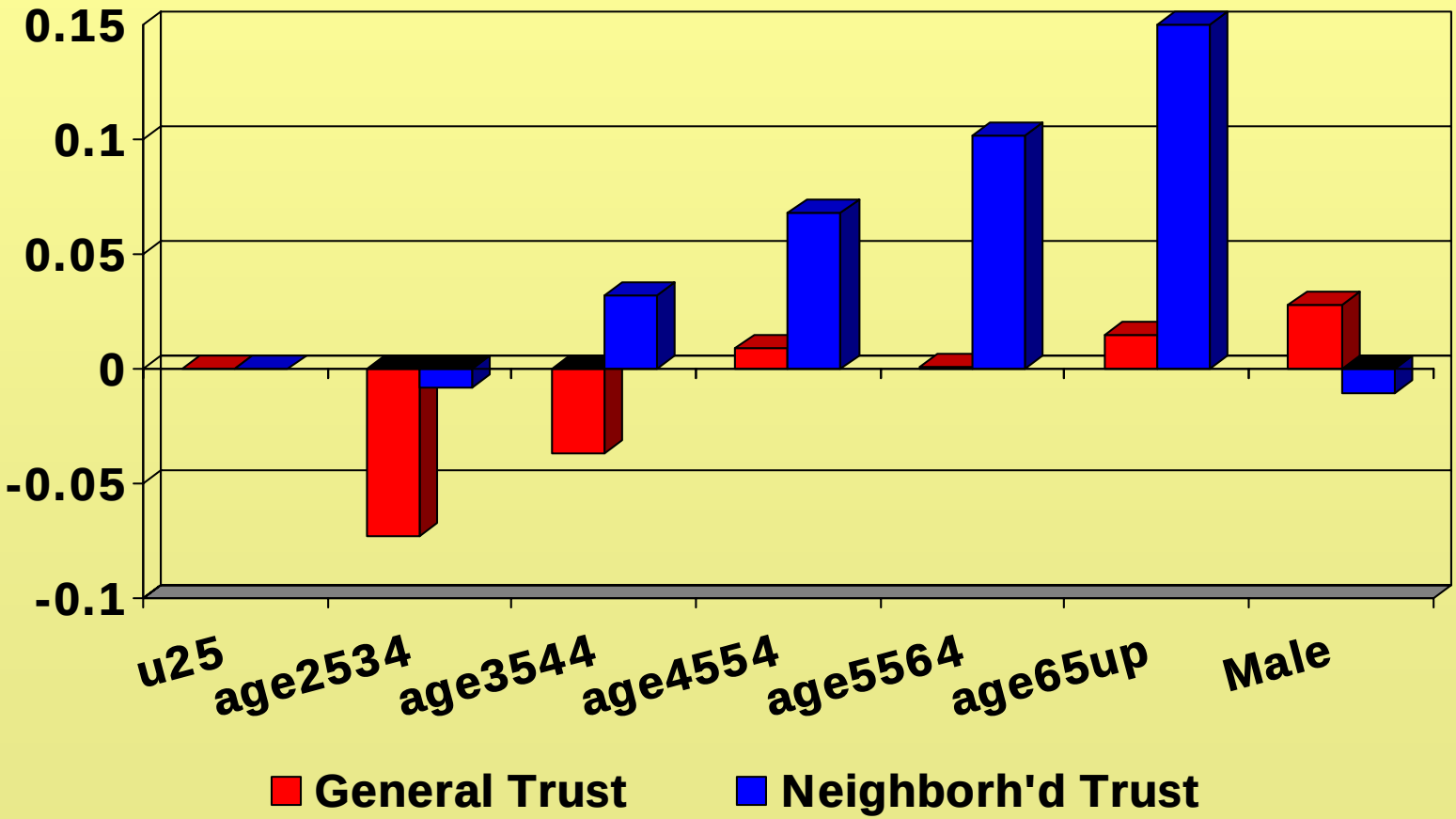
0.5 Don't know (voluntary, small % of the sample)

Part II-b. Trust in Neighbors

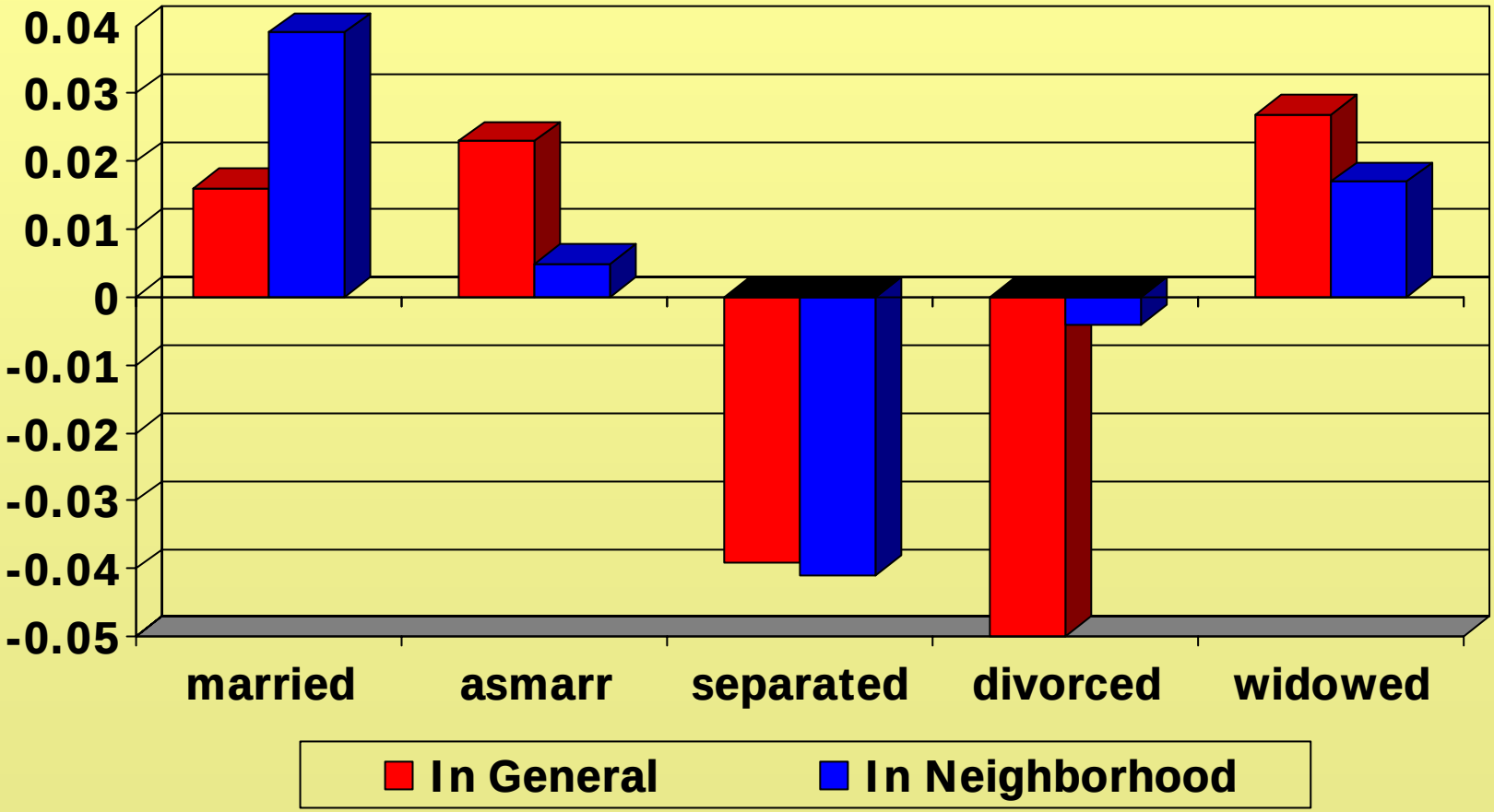
- [Question in EDS]: Using a scale of 1 to 5 where 1 means cannot be trusted at all and 5 means can be trusted a lot, how much do you trust each of the people in your neighborhood

- The measure of trust in neighbors have been recoded in the way that it's within the range of 0~1, so it can be compared to the measure of trust in general

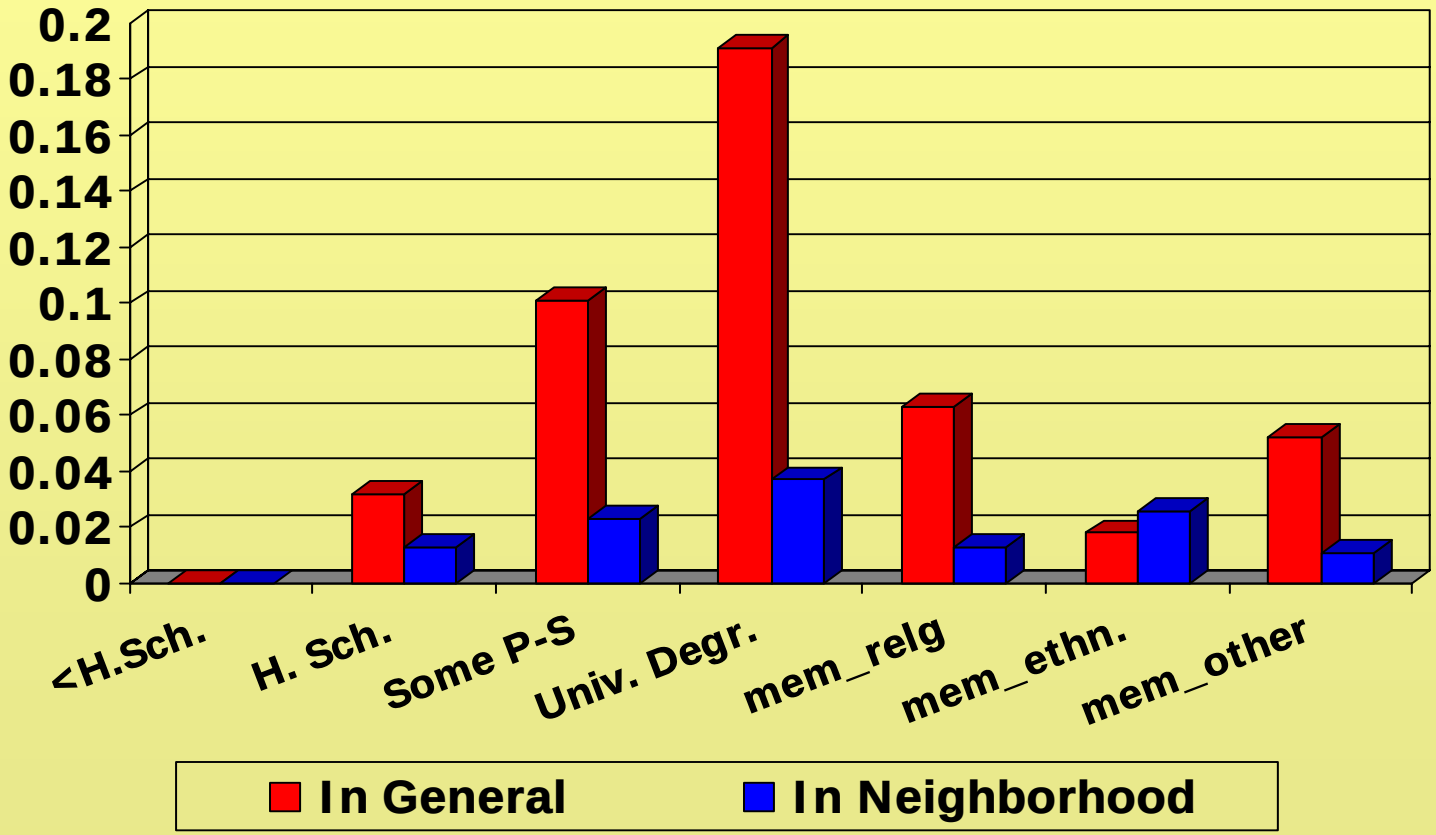
Age/Cohort Effects & Gender Difference in General Trust & Trust in Neighbours



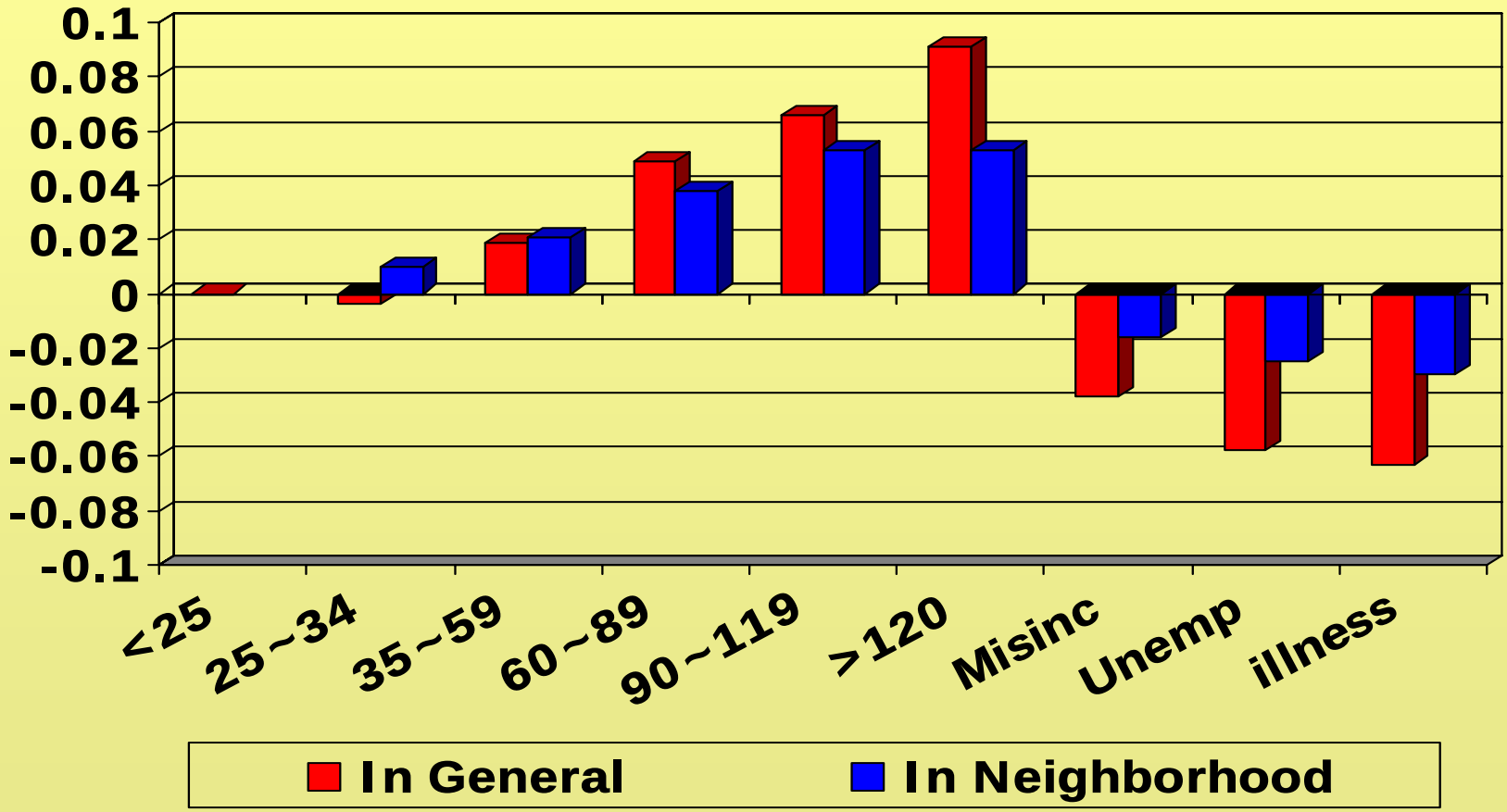
Family Status & the Two Trust Measures



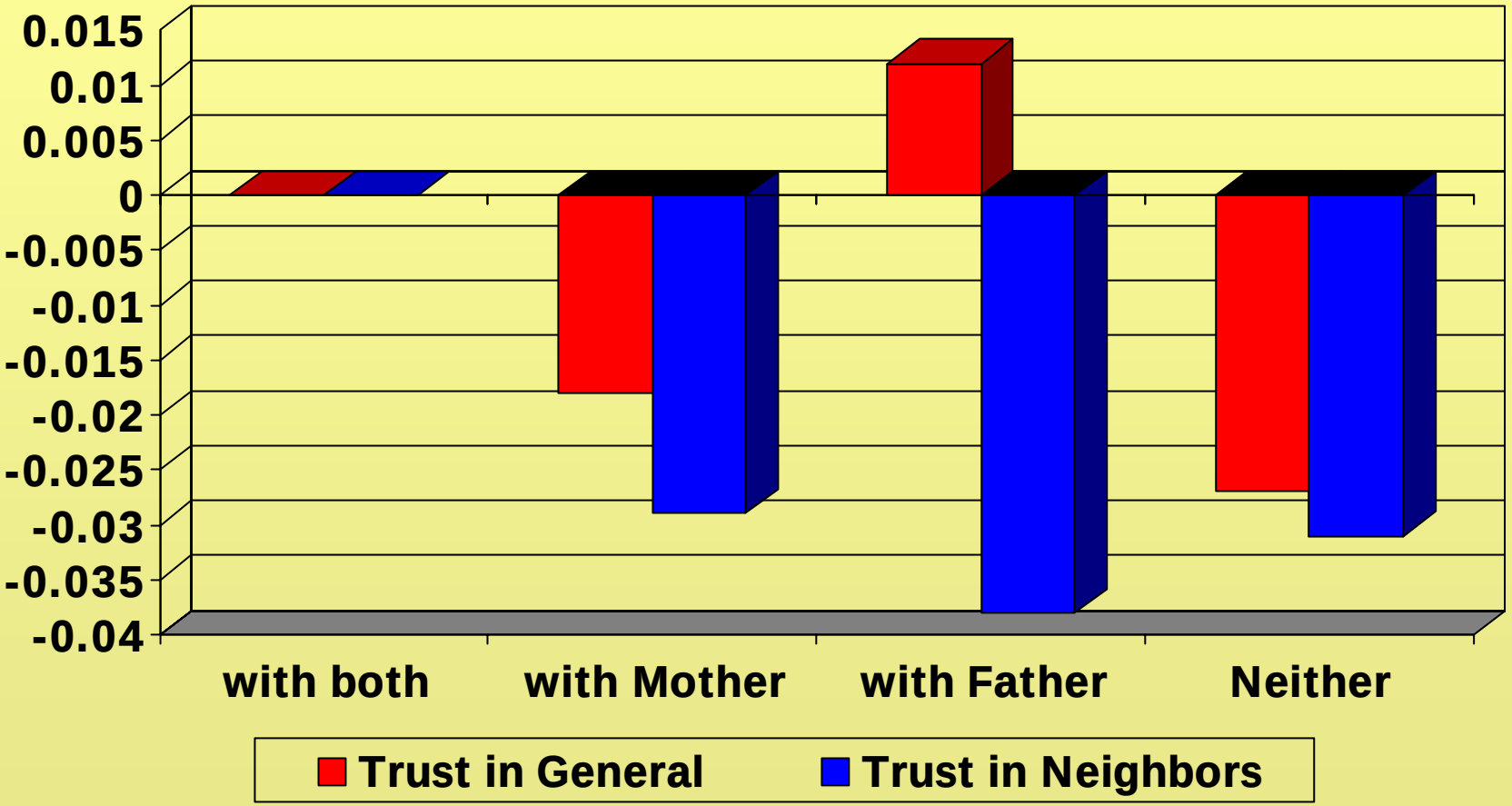
Effects of Educational Attainments & Civic Participation on the Two Trust Measures



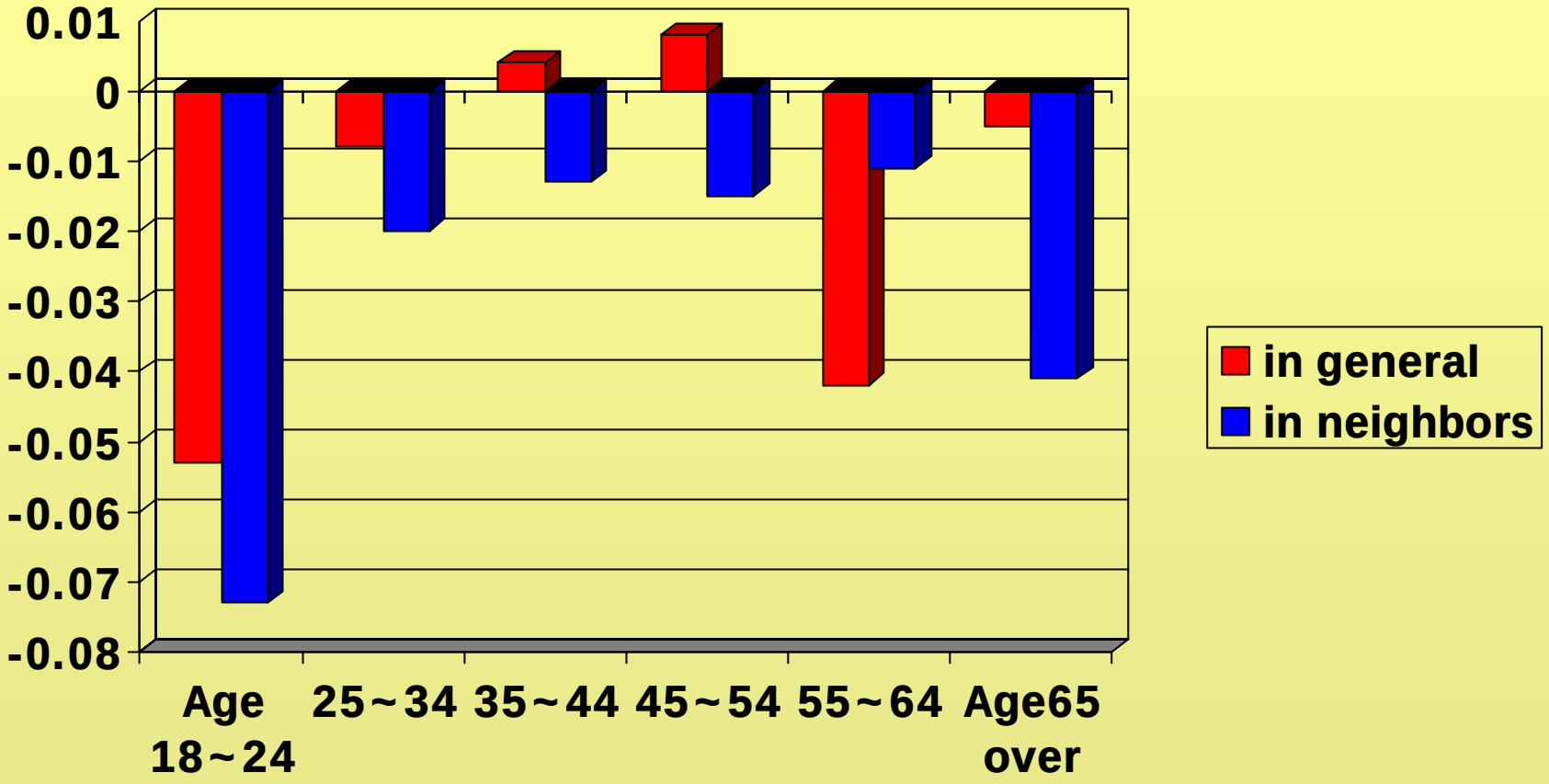
Family Income, Unemployment, Serious Illness on the Two Trust Measures



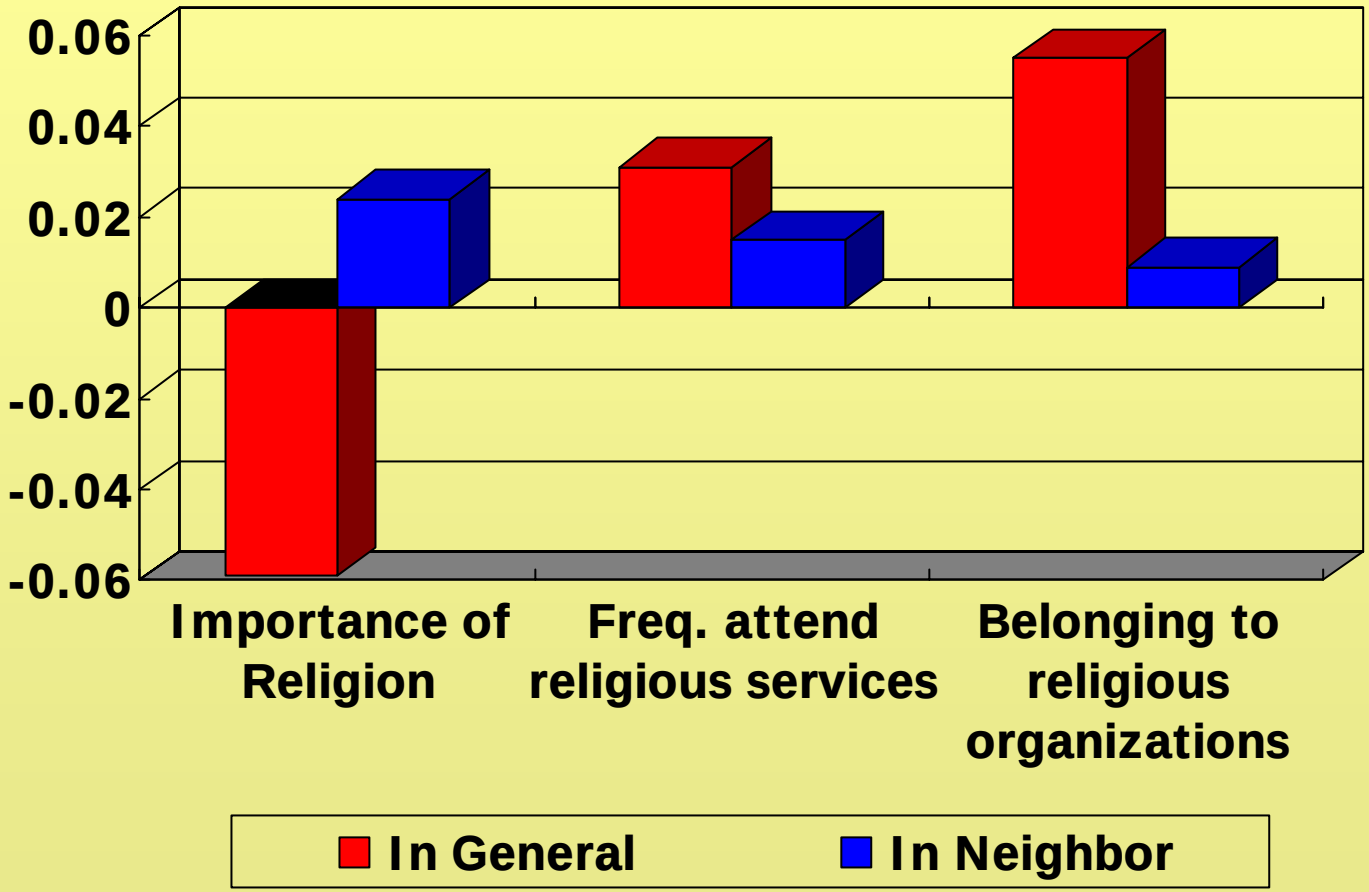
Family Structure, Lived mainly with which birth parent up to age of 15



Lived in Broken Family in Childhood (up to age 15)



Religion & Trust

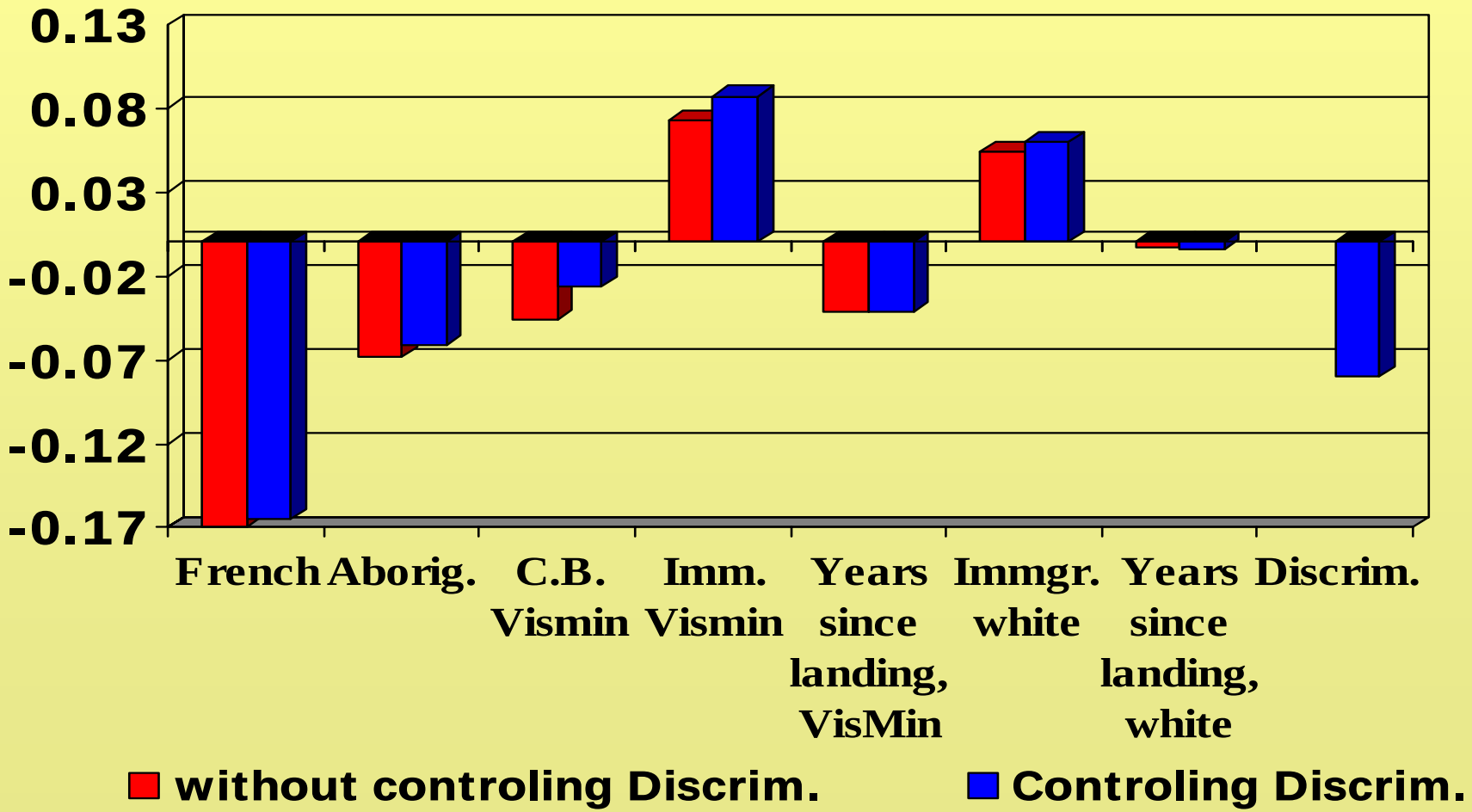


Some Descriptive Statistics

Religion importance	Average Trust	Average Trust in Neighbor
0	0.53	0.65
0.25	0.51	0.68
0.5	0.48	0.69
0.75	0.49	0.71
1	0.46	0.72

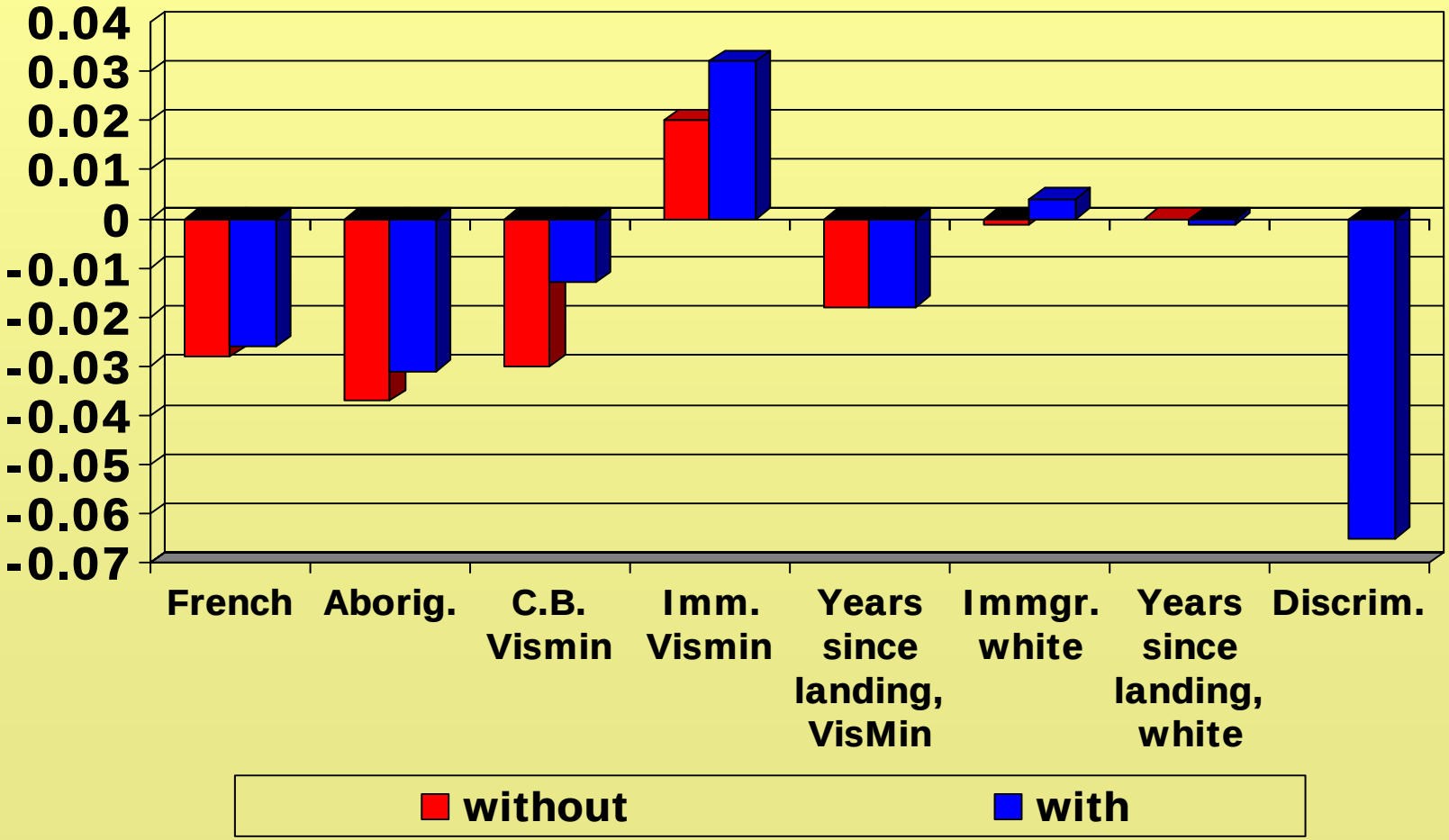
General Trust

Difference Across Population Groups and the Impact from Adding Reported Discrimination Experience



Trust in Neighborhood

Difference Across Population Groups and the Impact from Adding Reported Discrimination Experience



Contextual Effects on Trust

- Here we tested the possible effects from
- at the neighborhood level (CT/CSD)
  - Average Income and Gini
  - Average Schooling Year
  - Unemployment Rate
  - Mobility/Permanency. &
  - Various Diversity Measures
- and at the CSD/CD level
  - Average trust,
  - Average Membership, &
  - Average Importance of Religion

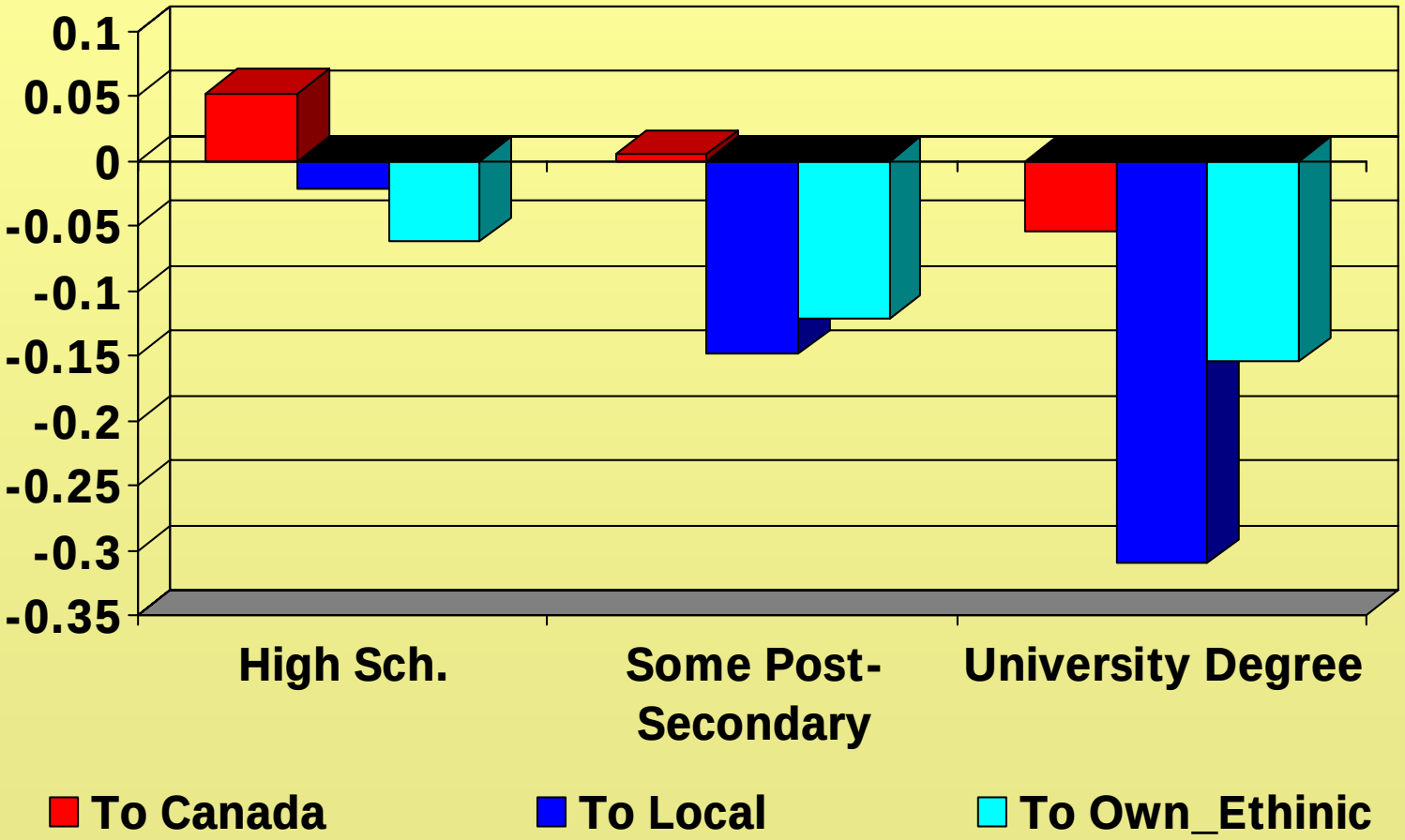
An overview

	Trust in General	Trust in Neighbours
Average religion importance	-1.171* [2.35]	-0.016 [0.44]
membership	0.051 [1.30]	0.036 [1.52]
Average schooling year, yrs	0.017* [2.42]	0.012* [3.09]
Unemployment, share	-0.235 [1.56]	-0.205* [2.59]
Average income, in 1,000$	0.000 [0.16]	0.000 [0.58]
gini	-0.008 [0.03]	-0.024 [0.14]
1-year mobility	0.029 [0.35]	-0.151* [3.56]
5-year mobility	-0.045 [0.88]	-0.093* [2.85]
Share of houses self-owned	0.002 [0.05]	0.08* [3.18]
French-SPK population, share	0.01 [0.22]	0.032 [1.17]
Catholic population, share	-0.152* [3.37]	-0.048 [1.83]

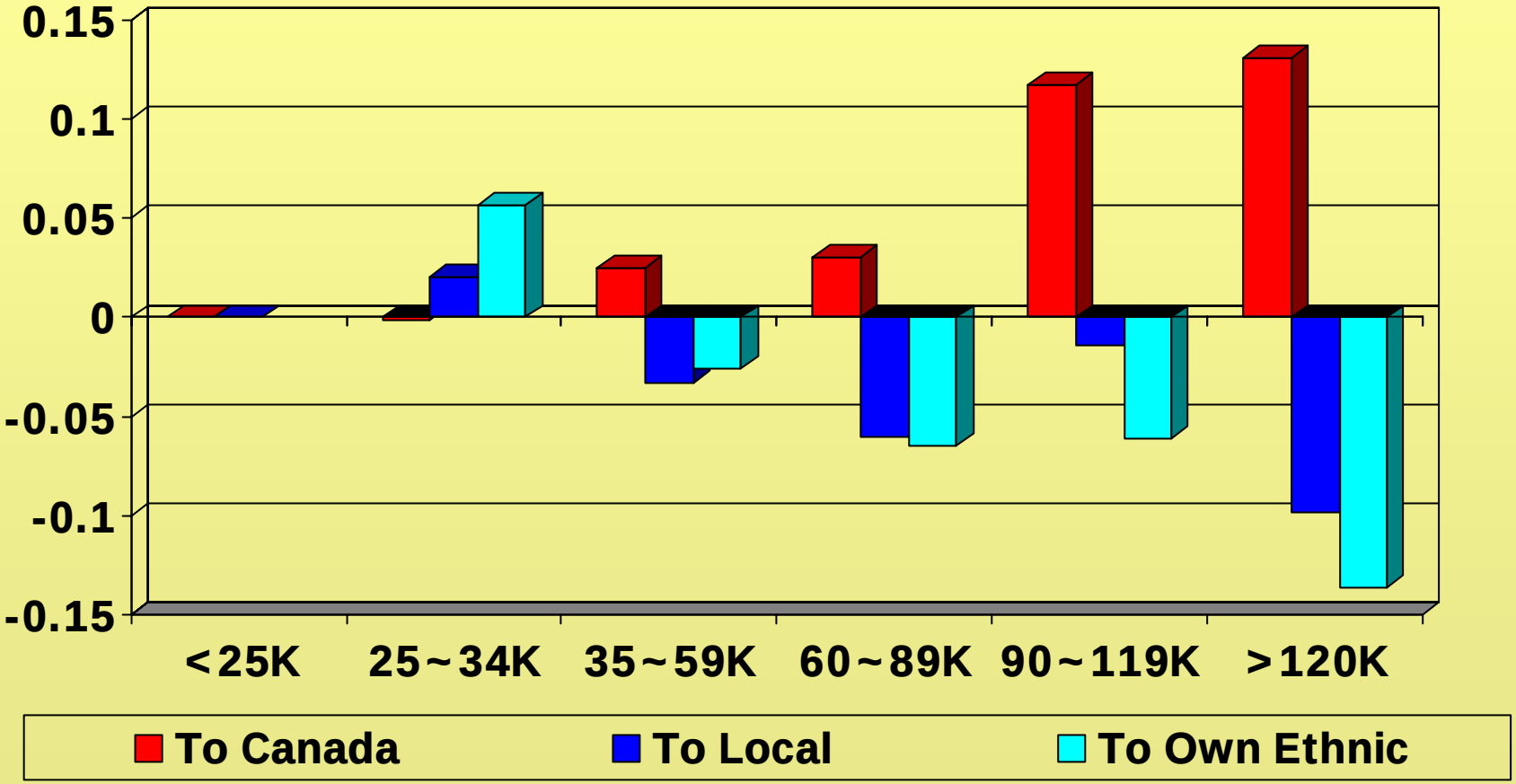
Part IV. Sense of Belonging

- Some people have a stronger sense of belonging to some things than others. Using a scale of 1 to 5, where 1 is not strong at all and 5 is very strong, how strong is your sense of belonging to
  - Canada
  - Your Province
  - Your town, city or municipality
  - Your ethnic or cultural group(s)?

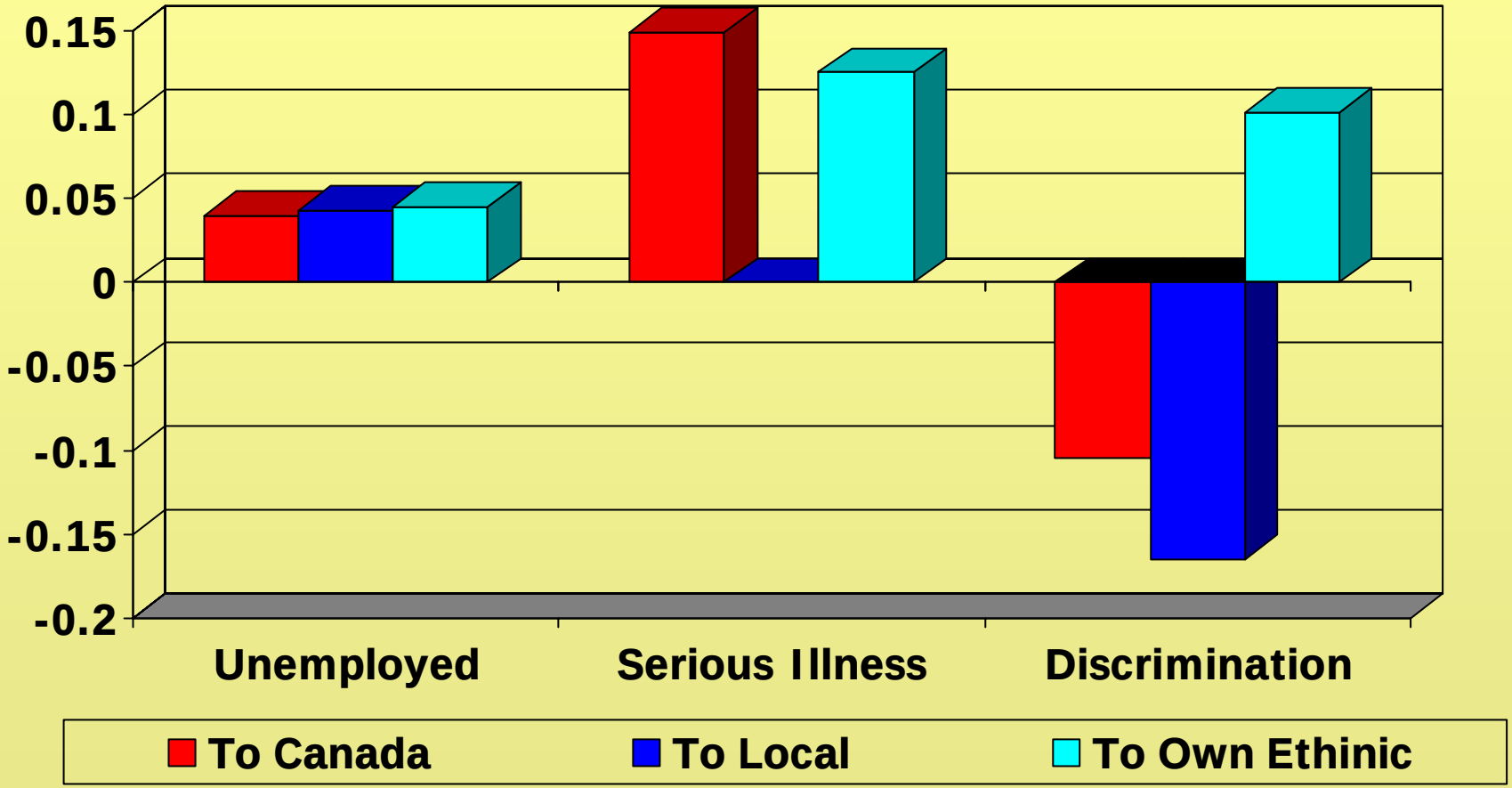
Education Level & Sense of Belonging



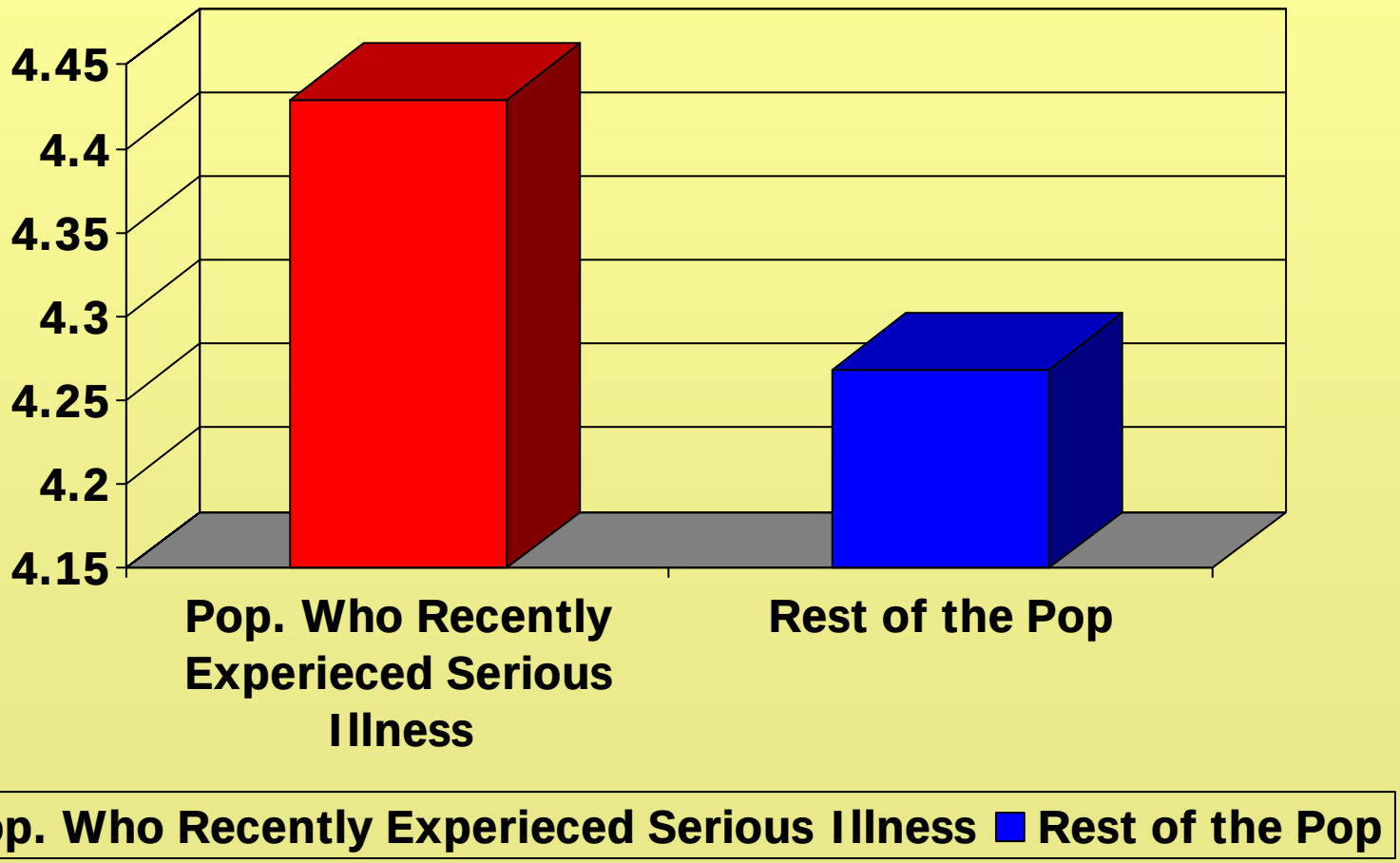
Household Income & Sense of Belonging



Certain Reported Events & Sense of Belonging



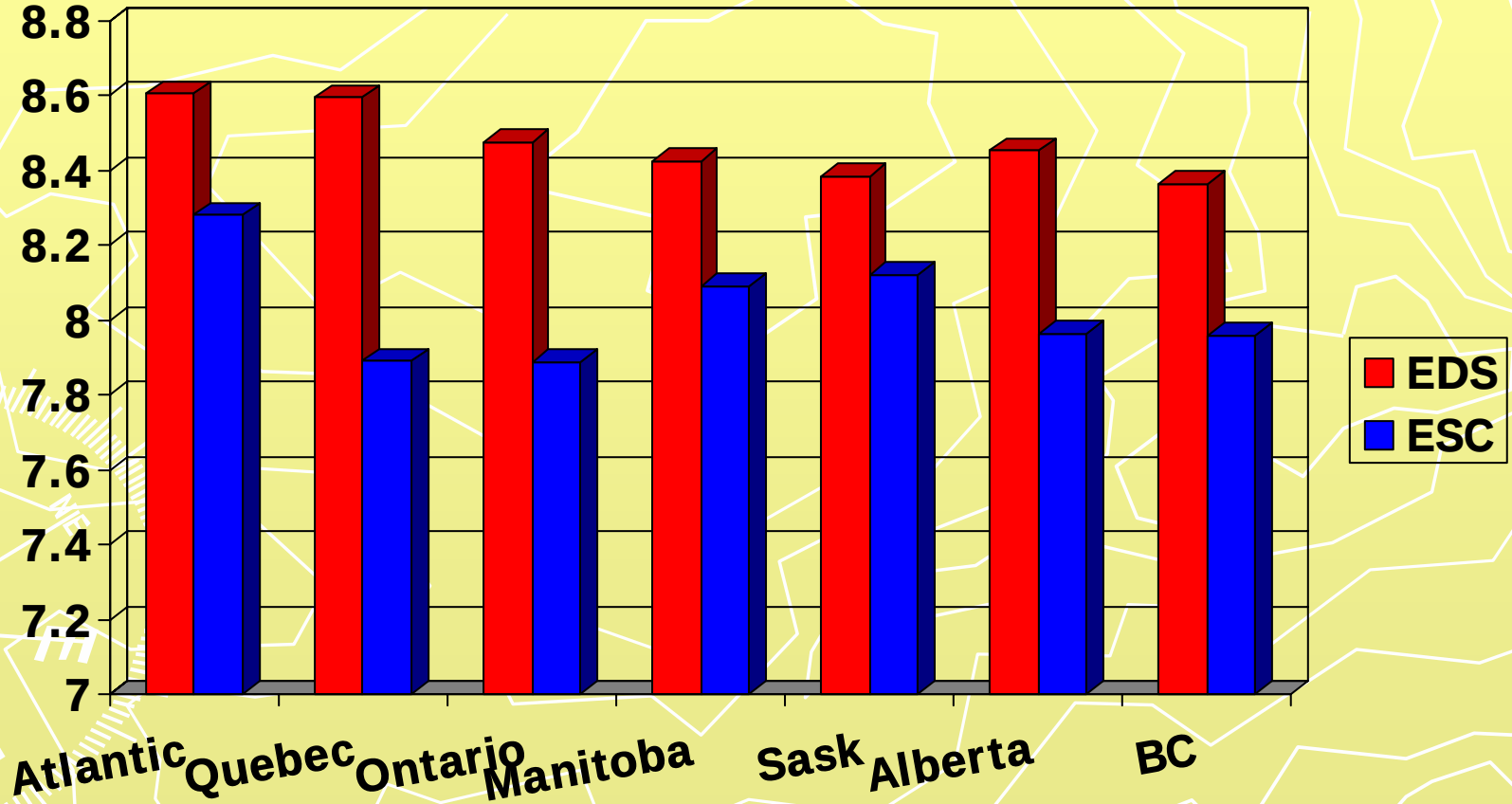
National Attachment & Recent Experience of Serious Illness, Population Average



Part V. Some Descriptive Statistics

- By CMAs: Non_Cma, Toronto, Vancouver, Montreal, Other CMAs (used earlier in file)
- By population groups

Population Average of SWB by Provinces, EDS & ESC



By population Groups, VisMin and Immgr have overlaps in this table's definition

	Base	VisMin	Aborig.
lsatis	8.522	8.318	8.132
ztrust	0.512	0.485	0.359
tr_nei	0.709	0.632	0.618
tr_fam	0.941	0.939	0.915
tr_col	0.724	0.67	0.662
bl_ca	4.272	4.291	4.051
bl_prov	3.793	3.858	3.692
bl_local	3.522	3.79	3.331
bl_eth	3.291	3.807	3.135

	Immigr.	Non Immigr.
lsatis	8.49	8.488
ztrust	0.526	0.5
tr_nei	0.685	0.7
tr_fam	0.946	0.938
tr_col	0.703	0.718
bl_ca	4.407	4.236
bl_prov	3.916	3.769
bl_local	3.805	3.487
bl_eth	3.609	3.291

Correlation tables 2

	inca_g	gini_g	ownhse_g	mov1_g	mov4_g
inca_g	1.0000				
gini_g	0.1822	1.0000			
ownhse_g	0.6836	0.2939	1.0000		
mov1_g	0.1464	0.6071	-0.0132	1.0000	
mov4_g	0.4275	0.6083	0.2861	0.6891	1.0000