ECONOMIC STATUS, INNER WELLBEING, AND HAPPINESS

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INTRODUCTION:
SUBJECTIVE WELLBEING AS THE DOMINANT WELLBING CONSTRUCT WITHIN PSYCHOLOGY

• Ryan and Deci (2001) noted that within the psychological literature on wellbeing (which they defined as “optimal psychological functioning and experience” [p. 142]), subjective wellbeing (which is comprised of high life satisfaction, high positive affect, and low negative affect; Diener, 1984) is the dominant construct.
OBJECTIVE ECONOMIC CIRCUMSTANCES AS WELL-ESTABLISHED INFLUENCES ON SUBJECTIVE WELLBEING

• According to Diener and colleagues (e.g., Diener, Oishi, & Lucas, 2003), objective economic circumstances (e.g., income and related variables) are well-established influences on subjective wellbeing (although various personality and cultural variables also influence subjective wellbeing).
INFLUENCE OF SUBJECTIVE WELLBEING ON OTHER PSYCHOLOGICAL CONSTRUCTS(?)

• However, even Diener and colleagues have acknowledged that psychologists know very little about the influence of subjective wellbeing on other psychological constructs.

• One problem with the psychological literature on subjective wellbeing is that it is not clear whether subjective wellbeing is best conceptualised or measured as identical to, or (alternatively) is distinguishable from, happiness.
Beyond Subjective Wellbeing: The WPP Project’s Introduction of Inner Wellbeing as Distinct from Happiness

• During the lifetime of the Wellbeing and Poverty Pathways (WPP) Project, White and colleagues not only have advocated moving beyond the construct of subjective wellbeing (White, Gaines, & Jha, 2012) but also have introduced a new construct – namely, inner wellbeing (i.e., individuals’ feelings and thoughts about what they can do or be; White, Gaines, & Jha, 2013) – that is distinct from happiness.
HAPPINESS AS A POSITIVE MOOD THAT MIGHT OR MIGHT NOT BE EXPERIENCED AS LIFE SATISFACTION OVER THE LONG TERM

• One crucial difference between our definition of happiness and Diener’s (e.g., Diener, 1984; Diener, Oishi, & Lucas, 2003) definition of happiness is that, unlike Diener and colleagues, we view happiness as a positive mood that individuals might or might not experience as life satisfaction over the long term.
INNER WELLBEING AS MEDIATING THE INFLUENCE OF OBJECTIVE ECONOMIC CIRCUMSTANCES ON HAPPINESS

• Although we regard inner wellbeing as distinct from happiness, we do believe that inner wellbeing is a positive influence on individuals’ happiness.

• Moreover, we believe that inner wellbeing mediates the impact of objective economic circumstances on individuals’ happiness.
KEY ASSUMPTIONS REGARDING MEDIATION EFFECTS

• In order to conclude that inner wellbeing completely mediates the impact of objective economic circumstances on happiness, we would need to demonstrate empirically that (1) the zero-order correlation between objective economic circumstances and happiness is significant and positive; (2) the zero-order correlation between inner wellbeing and happiness is significant and positive; and (3) in a hierarchical regression analysis, the effect of objective economic circumstances on happiness becomes zero after controlling for inner wellbeing.
GOALS OF STUDY 1

• In Study 1 (Zambia Time 2 of WPP Project), we tested the hypotheses that (1) the significant positive impact of objective economic circumstances on happiness will be rendered nonsignificant after inner wellbeing (which itself is significantly and positively related to objective economic circumstances) is added as a predictor of happiness; and (2) unlike objective economic circumstances, inner wellbeing will emerge as a significant and positive predictor of happiness (for details concerning hierarchical regression analysis, see Baron & Kenny, 1986; Preacher & Hayes, 2005).
STUDY 1 METHOD: PARTICIPANTS

• A total of 370 individuals (152 married men, 162 married women, and 56 single women heading households) participated in Study 1.
• The mean age of participants in Study 1 was 39.29 years ($SD = 11.46$ years).
STUDY 1 METHOD:
MEASURES OF OBJECTIVE ECONOMIC CIRCUMSTANCES

• 5 economic categories were created (as an income proxy) with the main source of survival\(^1\) of participants. The sources of survival were grouped based on local consultation and fieldwork experience and occupations which had similar economic status were joined together.

• Then the main source of survival was compared with the amount of maize harvested, which was also analysed and parallels established with economic groups (e.g. harvesting 750kg of maize or less puts the participant in group 2) if discrepancies in group belonging were found, individuals were placed in the economically better group. This offered a better way to differentiate groups and individuals (particularly for women).

• The groups reflect personal economic status, as inner wellbeing is an individual measure the economic variable should capture personal, rather than household, economic status.

\(^1\) Occupation was first considered but women, and particularly housewives, better indicated their source of income when asked about their source of survival.
STUDY 1 METHOD: MEASURES OF INNER WELLBEING AND HAPPINESS

• Participants in Study 1 completed a 35-item measure of inner wellbeing, including five items measuring each of seven domains (i.e., economic confidence, agency/participation, social connections, close relationships, physical/mental health, competence/self-worth, and values/meaning; Cronbach’s alpha for entire scale = .84).
• Participants in Study 1 also completed a single-item measure of happiness.
STUDY 1 METHOD: ETHICS APPROVAL

• Prior to conducting Study 1, members of the WPP Project team obtained ethics approval from their respective institutions.
• Participation in Study 1 was voluntary; no financial incentives were offered.
STUDY 1 METHOD: RECRUITMENT OF PARTICIPANTS

• Study 1 participants were recruited via snowball sampling, in which two or more members of the research team (at least one of whom usually was a local resident and was fluent in the local language) approached households in a rural area within Chiawa, Zambia.
STUDY 1 METHOD: CONDUCTING THE STUDY

• Members of the research team briefly explained the purpose of Study 1 and obtained informed consent before proceeding with the interview.
• Each spouse answered a series of structured questions (including, but not limited to, the inner wellbeing items) as well as open-ended questions about their objective socioeconomic circumstances and perceptions of those circumstances, outside the presence of the other spouse.
• At the end of each interview, each participant was debriefed in detail regarding the purpose of the study.
STUDY 1 RESULTS

• Consistent with hypotheses (final \( n = 347 \)), the zero-order correlation between objective economic circumstances and happiness was significant and positive (\( r = .18, p < .01 \)); but when inner wellbeing (which itself was positively and significantly correlated with objective economic circumstances; \( r = .37, p < .01 \)) was entered as a predictor of happiness, the beta weight from objective economic circumstances to happiness was not significant (\( B = .06, NS \)); whereas inner wellbeing was a significant positive predictor of happiness (\( B = .34, p < .01 \)).
EVIDENCE FOR COMPLETE MEDIATION EFFECT OF INNER WELLBEING IN STUDY 1

• Results of three separate tests of significance of the mediation effect revealed that inner wellbeing completely mediated the effects of objective economic circumstances on happiness (Sobel’s test = 4.83, Avoian’s test = 4.80, Goodman’s test = 4.85; all p’s < .01).
GOALS OF STUDY 2

• In Study 2 (India Time 2 of WPP Project), we anticipated that we would replicate the following results from Study 1, such that (1) the significant positive impact of objective economic circumstances on happiness will be rendered nonsignificant after inner wellbeing (which itself is significantly and positively related to objective economic circumstances) is added as a predictor of happiness; and (2) unlike objective economic circumstances, inner wellbeing will emerge as a significant and positive predictor of happiness.
STUDY 2 METHOD: PARTICIPANTS

• A total of 371 individuals (177 married men, 171 married women, and 23 single women heading households) participated in Study 2.
• The mean age of participants in Study 2 was 42.32 years ($SD = 12.53$ years).
STUDY 2 METHOD:
MEASURES OF OBJECTIVE ECONOMIC CIRCUMSTANCES

• A scalar variable was created to grade respondents’ economic status on an increasing scale with higher scores for the economic status variable signalling a better/stronger economic position.

• The economic status variable scores are the average of 2 variables: Paddy land and asset variables.

• The result: Six separate levels within the economic status variable, on an increasing scale.

• Average scores were used to mitigate between a lower group in one area (e.g. the amount of paddy harvested) by a higher grouping in another (e.g. a more stable type of work) with less of a risk over overstating a respondent’s economic status or position.
STUDY 2 METHOD: MEASURES OF INNER WELLBEING AND HAPPINESS

• Participants in Study 2 completed a 35-item measure of inner wellbeing, including five items measuring each of seven domains (i.e., economic confidence, agency/participation, social connections, close relationships, physical/mental health, competence/self-worth, and values/meaning; Cronbach’s alpha for entire scale = .81).

• Participants in Study 2 also completed a single-item measure of happiness.
STUDY 2 METHOD: ETHICS APPROVAL

• Prior to conducting Study 2, members of the WPP Project team obtained ethics approval from their respective institutions.

• As was the case in Study 1, participation in Study 2 was voluntary; no financial incentives were offered.
STUDY 2 METHOD:
RECRUITMENT OF PARTICIPANTS

• Study 2 participants were recruited via snowball sampling, in which two or more members of the research team (at least one of whom usually was a local resident and was fluent in the local language) approached households in a rural area within Chhattisgarh, India.
STUDY 2 METHOD:
CONDUCTING THE STUDY

• The procedure for Study 2 was the same as the procedure for Study 1.
• Consistent with hypotheses (final n = 333), the zero-order correlation between objective economic circumstances and happiness was significant and positive ($r = .12, p < .01$); but when inner wellbeing (which itself was positively and significantly correlated with objective economic circumstances; $r = .34, p < .01$) was entered as a predictor of happiness, the beta weight from objective economic circumstances to happiness was not significant ($B = -.04, NS$); whereas inner wellbeing was a significant positive predictor of happiness ($B = .47, p < .01$).
EVIDENCE FOR COMPLETE MEDIATION EFFECT OF INNER WELLBEING IN STUDY 2

• Results of three separate tests of significance of the mediation effect revealed that inner wellbeing completely mediated the effects of objective economic circumstances on happiness (Sobel’s test = 5.36, Avoian’s test = 5.34, Goodman’s test = 5.38; all p’s < .01).
CONCLUSION: THE ADDED VALUE OF INNER WELLBEING TO THE PSYCHOLOGICAL LITERATURE

• We conclude that the results of the present studies attest to the *added value* of the WPP Project’s construct of inner wellbeing to the psychological literature on wellbeing.

• Not only is inner wellbeing distinct from happiness; but any effect of objective economic circumstances on happiness appears to be mediated by inner wellbeing, in Zambia and India.
Thanks!

To the Wellbeing and Poverty Pathways Team whose work this presentation reflects:

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