"Class Consciousness and Happiness": A Quantitative Study Interpreting the Relation Between

Happiness and Class Consciousness

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## INTRODUCTION

Research has shown conclusively that those in more affluent classes gain the most opportunity. Income and wealth have been linked to higher paying jobs, better education, and much more. Research has not, however, measured the link between subjective class consciousness, family income, and overall happiness. For the purpose of this study, I will be conducting a quantitative analysis using the General Social Survey (2010) to explore the relationship between family income, subjective income, and general happiness.

## LITERATURE REVIEW

Research regarding the relationship between income and happiness are not uncommon. In fact, researchers in numerous fields of sociology, economics, politics, and philosophy have attempted to interpret this relationship at many different angles. Three of the most common themes found in research regarding income and happiness include Easterlin's income-happiness paradox, inequality, and relativity.

ADAPTATION: THE EASTERLIN PARADOX

One prominent study taken from the 1972 and 1994 General Social Survey was performed by Richard Easterlin, who specifically studied income and happiness as a paradox in the life course. His studies were later expanded upon by additional research. In his research, Easterlin noted that "material circumstances, especially level of living, are mentioned most often" in every country (Easterlin, 2001). Through this evaluation, Easterlin makes the claim that happiness has a positive correlation with income, though it could be spurious when dealing with "personal or family health" or "work" (Easterlin, 2001).

Although the relationship between income and happiness may be spurious, Easterlin found that "very happy" responses to the likert scale question were highest in those who reported to also have a higher income (Ball and Chernova 2016; Easterlin, 2001). His study does not conclude, however, with the objective relationship between these two variables. The main finding in his work is the Easterlin Paradox, also coined as the income-happiness paradox. This paradox states that "while happiness and income are positively related at the individual level, […] level of happiness in a society does not […] increase as average income increases" (Alderson, Katz-Gerro, 2016; Easterlin, 2001). By this it is meant to say that society as a whole does not necessarily increase in happiness corresponding with an increase in average income.

Michael Hout recorded a similar finding after studying the General Social Survey from 1972-2012. In his research, he explains the process of adaptation, where he noted the "tendency to raise expectations as income rises" (2016). He expands on this process with an anecdote about the use of cell phones, explaining that not having one was not bothersome before cell phones became widespread. Once they did begin to spread, they became a symbol of status and wealth (2016). While it can still be argued that "the affluent are happier than the poor", research supports this notion on a widely individual level (Alderson, Katz-Gerro, 2016; Easterlin, 2001; Hout, 2016).

One explanation for this paradox is outlined in research performed by Demancq et al, who argue that "'ideal preferences'", being the preferred life situation, "may change over time and are likely to be different for different individuals" (Demancq, Fleurbaey, and Schokkaert, 2015). Their study measured subjective wellbeing in terms of equivalent incomes, therefore studying the relationship between income equality and happiness using the Russian panel data for 1995-2003. Though this study emphasized the importance of respect in the happiness and

income correlation, they found similar results to previous research, expressing that "life satisfaction could be supplemented with stated preferences at the individual level", maintaining the notion of the Easterlin Paradox that subjective happiness for an entire society does not necessarily increase with average income (Demancq et al., 2015).

INEQUALITY: BOURGEOISIE AND PROLETARIAT

Another important finding in existing literature involving income and happiness is the existence of inequality. Issues of inequality date back to Karl Marx in the mid-1800's with the explanation of the bourgeoisie and proletariat. Though his analysis of the rise of capitalism did not deal with income inequality, it is relevant in discussion about class and inequality in regards to happiness. His theory surrounded the notion that the more affluent big-business owners were happier, or less alienated, than the working and lower classes (Marx and Engels, 1848). His works are cited in an analysis of the relationship between income and the meritocratic or "just world" belief that those who rise to affluence and power did so on merit and achievement. In an analysis by Newman, Johnston, and Lown, it is stated that "this relationship between income and meritocratic beliefs [are the] crux of a […] conception of class conflict" (2015). This notion suggests that happiness with the government and the economic system are reflected upon by class conflict and income, with the most affluent being more likely to be satisfied with the political and governmental sphere.

Newman et al. did not focus primarily on the relationship between income and happiness. Instead, they analyzed the relationship between inequality and meritocratic beliefs. This study examined how happiness and accepting of meritocracy differed in people of low-income based upon their status of equality. Using four national surveys by the Pew Research Center for the People and the Press, they found that "among low income citizens, those residing in highly

unequal contexts are significantly more likely to reject [meritocracy]" (2015). This supports the notion that inequality is a strong supporting factor in the relationship between income and happiness.

Research suggests that inequality has a stronger presence in the relationship between income and happiness that it once did in modern society. Equally distributed incomes are means to a gain for all, though "since 1980 […] increases in gross domestic product per person have been captured by the top 10 percent of the distribution, and even the top 1" (Hout, 2016). It is because of this that many individuals cannot meet the standard of living, which decreases happiness in lost material goods.

RELATIVITY: THE HAVES AND HAVE NOTS

The final theme found commonly in research over happiness and income is relativity, or the notion of an individual's happiness based upon others. This theme claims that it is not always institutionalized inequality that affect's an individual's happiness, it may also be their relative income and happiness. In the GSS study performed by Alderson and Katz-Gerro, it was asserted that "individuals assess themselves relative to others" because in self-assessment, they "[reference] a set of concrete, local referents, rather than by referencing some objective, absolute scale" (2016). This suggestion from Alderson and Katz-Gerro is that happiness with income is a relative measure, based upon socialization and expectations for standard of living.

In the study by Richard Ball and Kateryna Chernova, data from the World Values Survey was used to examine the relationship between happiness and both income in absolute terms and income relative to other people in the country. Their research followed Easterlin's paradox and they found that their hypothesis of relative income was "consistent with Easterlin's failure to find

a strong association between income and happiness across countries" (2016). This analysis was important because it shed light on the idea of relativity: because there was no strong association between the two variables, expectations of income and of happiness differ across countries.

In comparing relative and absolute income, Ball and Chernova also found that "changes in relative income tend to have larger effects on happiness than do comparable changes in absolute income" (2016). This evidence suggests that it is not only income which effects happiness, but satisfaction with the income of other individuals.

## GAPS

While the subject of the relationship between happiness and income has been studied periodically it is an important relationship to continue researching. Sociological theorists throughout history made attempts to understand social class in society, making wild claims of its relationship to alienation, suicide, and revolution. This cycle has perpetually repeated and in the modern capitalist society in the United States it is important to understand levels of satisfaction among the upper, middle, working, and lower classes to prevent unwanted and latent societal changes. Previous research has analyzed the relationship between happiness and income tirelessly, but more research is necessary to view the larger picture and fill the gaps left by prior studies

One important aspect of quality of life and income is subjective class identification, which has not seen attention in previous studies. While past literature touches on inequality and relativity, it does not successfully encompass the entirety of class consciousness. Understanding the level of happiness in relation to class consciousness is important in a capitalist society because it can representation how well, or not well, the system is performing. Past literature

successfully explains that it is not only income which affects the happiness of an individual. Their analyses, however, measure understanding of inequality and relative income in an objective way, ignoring the subjective aspects to the societal class system.

Furthermore, the happiness-income relationship has seldom been researched in recent years. Most studies, including the pivotal work from Easterlin, were drawn from the General Social Survey of 1972. By utilizing the 2010 data set of the general social survey, I will be expanding on previous studies. Between 1972 and 2010, there have been numerous societal changes as well as financial crises. Levels of income, the value of the dollar, and general happiness have changed many times over the course of these few years, and I intend to expand upon the understanding of the happiness-income relationship.

Finally, the income and happiness variables used by previous research were not ideal for the bivariate tests which were used. Income was coded into a categorical variable and happiness was coded into an ordinal variable on a likert scale. The tests completed upon these variables included correlation and chi-square, which are not ideal for analysis of these variables. By using a continuous variable for income, measuring family income in constant dollars, and a nominal dichotomous variable for happiness, I will be able to analyze happiness and income with more precision.

In order to examine the relationship between class consciousness and happiness, I will be testing the following hypotheses:

H1: There is a correlation between subjective class identification and income.

H2: There is a relationship between happiness and income.

H3: There is a relationship between happiness and subjective class identification.

## PROPOSED RESEARCH DESIGN

For the purpose of this study, I will be using secondary data from the 2010 dataset of the General Social Survey. GSS data is collected from a random sample of adults living in households in the United States, from a mix of urban, suburban, and rural areas. This survey is nationally representative and has been conducted every other year since 1994 with a response rate of 85%, which is an important factor to external validity in this study. The 2010 dataset used for this project has a sample size of 2,044 voluntary participants who were randomly selected. For this study, I will be analyzing the variables 'class' or subjective class identification, 'happy' or general happiness, and 'realinc' or family income in constant dollars.

In order to test my hypotheses, I will be using SPSS to run both univariate and bivariate analyses of my selected variables on the 2010 GSS dataset. First, I will re-code the variable 'happy' into the new variable 'happy1'. Conceptually, this variable measures amount of happiness the participant was feeling at the time of the survey. The original question asked "taken all together, how would you say things are these days" and offered a likert scale for "very happy", "pretty happy", "not too happy", and "don't know". This variable will be re-coded into a nominal dichotomous variable, putting 'very happy' and 'pretty happy' together into one category, 'not too happy' into a second, and coding the remaining options listed as missing. The purpose of this will be to compile responses and exclude missing values. Operationally, the variable 'happy1' will be tested for significance with 'class' and 'realinc' using a t-test for both. These t-tests will test my second and third hypotheses.

The variable 'class' is an ordinal variable that also needs to be re-coded to exclude missing values. Conceptually, this variable measured what economic class the participant identified with at the time of the survey. Originally, the question stated for the participant to use

one of four names for their social class with response categories of "lower class", "working class", "middle class", "upper class" and "don't know". The only re-coding for this variable will be to signify "don't know" responses as missing. Operationally, 'class' will be tested in two separate bivariate analyses including a t-test of significance with 'happy1' to test the relationship between happiness and subjective class identification. I will also be operationalizing 'class' in a correlation coefficient with 'realinc' to test the correlation between family income in constant dollars and subjective class identification. These analyses will test my first and third hypotheses.

Finally, the variable 'realinc' measures family income in constant dollars, which is a continuous variable measuring yearly income. Conceptually, this variable measured total family income in constant dollars the participant received at the time of the survey. This question is open-ended and adjusts for inflation, offering an honest value for income, and does not need to be re-coded. For the purpose of my research, the operationalization of this variable will be a test for significance with 'happy1' by utilizing a bivariate t-test for my second hypothesis. 'Realinc' will also be tested against 'class' in a correlation coefficient to find a correlation between subjective class identification and income in constant dollars for the purpose of my first hypothesis. Upon completion of my three tests, I will analyze the data and draw conclusions based upon my hypotheses in order to determine the relationship between class consciousness and happiness. It is important, however, to understand possible weaknesses and strengths on this study.

The General Social Survey offers clear questions and is entirely voluntary for those who wish to participate. Questions regarding income and life satisfaction are also repeated in many forms. These factors are important in creating a reliable study. Using the 2010 GSS dataset offers reliability to this research. This research also has a high sample size at 2,044 and is generalizable

to the broad population due to both the sample size and the response rate of 85%, which offers external validity to this research. With the subject matter being tested, however, internal validity might pose a problem in my final analyses. Due to social desirability bias, participants may have lied about their responses towards happiness, income, and class identity. However, using a 95% confidence level accounts for this. It is understood that some answers may not be honest and the alpha level of .05 should account for this in my final analysis.
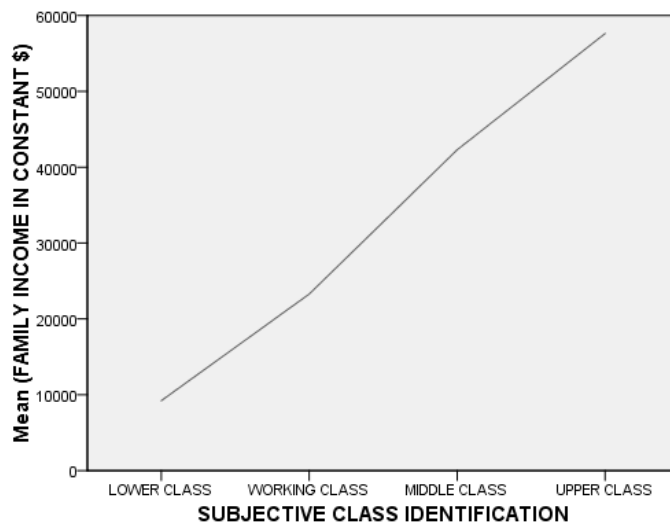
## RESULTS

*Frequencies of Class, Realinc, and Happy*

| X | MEAN | MEDIAN | MODE |
| --- | --- | --- | --- |
| Class | 2.39 | 2.00 | 2 |
| Realinc | $30,813.31 | $23,310 | $34,965 |
| Happy | 1.15 | 1 | 1 |

The table above shows the results of a univariate analysis for the three variables in this study. The first variable is the ordinal variable 'class' which measures subjective class identification. From the sample of 2,044 participants, 2,029 responses were recorded. 'Class' was coded into four categories: 1 = "lower class", 2 = "working class", 3 = "middle class", and 4 = "upper class". The mean response was 2.39, signifying that the average participant was somewhere between the working class and the middle class. The mode, or the most frequent response, as well as the median, the middlemost response, both signified "working class" as well. By this analysis, it can be concluded that the average American straddles the line between working and middle class.

The second variable measured is the continuous variable 'realinc', which measured family income in constant dollars over the course of a year. This variable had a lower response rate, with only 1,805 responses. The average income in constant dollars among those who responded equaled to $30,813.31, which is substantially higher than the middle-most income of $23,310. The most frequent yearly income in constant dollars equaled to $34,965, slightly above average.

Finally, the nominal dichotomous variable 'happy' which measured general happiness on a likert scale was measured. This variable was re-coded into two values: 1 = 'happy' and 2 = 'not happy'. On average, more respondents agreed to being happy with the average falling at 1.15. The mode was 1, signifying that more respondents admitted to being happy than those who admitted to being unhappy.



Pearson's R: .402

Sig. (2-tailed): .000

The graph above shows the results of the correlation coefficient bivariate analysis between the dependent variable 'class', or subjective class identification, and the independent variable 'realinc', or family income in constant dollars. For this bivariate analysis, an alpha level of .05 was used, leaving room for 5% error. As shown above, the significance (or P) value is

equal to .000; because this p-value is less than .05, it can be concluded that this test is significant. In this case, I can accept my first hypothesis that there is a correlation between class and income. However, this correlation is not strong. With a correlation coefficient, or Pearson's R of .402, this is a moderate and positive correlation, signifying that it is not the large majority of the population who are monetarily in the socioeconomic class in which they identify with.

*Bivariate T-Tests: Class, Income, and Happiness*

| X1 | X2 | $\bar{\text{X}}$ | $\sigma^2$ | N | Sig. |
|---|---|---|---|---|---|
| | Happy | 2.44 | .665 | 1710 | .000 |
| Class | Unhappy | 2.13 | .726 | 315 | |
| | Happy | $32,809.88 | 30,150.359 | 1521 | .000 |
| Realinc | Unhappy | $20,122.92 | 21,761.304 | 283 | |

Two bivariate t-tests are shown in the table above, the first being the relationship between subjective class identification and happiness. The results of this t-test show a significant relationship between the independent variable class and the dependent variable happiness with a p-value of .000 and an alpha level of .05. With the values for the variable 'class' being coded as 1 = 'lower class', 2 = 'working class', 3 = 'middle class', and 4 = 'upper class', the average response for participants who admitted to being happy was 2.44. The average response for participants who admitted to being unhappy was slightly lower at 2.13. These results show an increase in happiness at higher levels of class identification. Because the standard deviation for both categories is low, .665 for those who are happy and .726 for those who are unhappy, it can be concluded that the results were not skewed by outliers.

The second bivariate analysis performed was a t-test for significance between the independent variable family income in constant dollars and the dependent variable happiness, which showed similarities with the previous t-test. With the same p-value of .000, it can be concluded that this test is also significant. On average, people who claimed they were happy made $32,809.88 in family income in constant dollars, which is substantially larger than the $20,122.92 made by those who admitted to being unhappy. This is not only a significant relationship, it is also substantive. When dealing with income, the difference of over $12,000 is a rather large amount, indicating that there is an important and real difference in happiness for the affluent and the poor. This bivariate analysis does show a high amount of variation from the mean, however, with a standard deviation of 30,150.359 for those who responded as happy and 21,761.304 for those who responded as unhappy. This shows that there are outliers in the data who positively skew the curve.

## CONCLUSIONS

Theories of the relationship between class consciousness and happiness, in form of alienation or suicide, date back to Emile Durkheim and Karl Marx. Since their conceptions of the relationship, however, emphasis on monetized happiness has fallen primarily on income. Based upon my findings in this study, the importance of class consciousness towards level of happiness is apparent. Past literature neglected to integrate the correlation between subjective class identification and income, which is the main contribution I have made in my research. While the bi-variate t-tests show a significant and substantive relationship between happiness and both income and class identification, it is the correlation between class and income which expands upon prior studies. This research project has shown that happier individuals are not necessarily

the most affluent. Instead, my findings suggest that the happiest individuals are those who are in the working or middle class and know they are in the working or middle class. Due to the external validity offered by the large, random sample of the General Social Survey, this can be generalized to the broader population.

This study is not perfect, however. While it does demonstrate external validity, the use of an in-person survey may have manipulated responses. While this form of survey has the highest response rate, it is difficult to supervise and interviewer bias may have skewed responses. Furthermore, because in-person surveys have the highest rate of social desirability bias and the variables used for this study can be interpreted as personal questions, some responses may have been inaccurate. It is important to mention, as well, that results for level of happiness may have been skewed by the re-coding process. Because 'happy' and 'pretty happy' were combined into one category for the purpose of this study, actual level of happiness was not accurately measured. Happiness is also a difficult variable to measure, as the participant may have taken the survey at a time when they felt more or less happy than they would on a regular basis.

The difficulty with the measurement of happiness could have been tested further with a multivariate analysis to ensure that this variable's relationship to class identification and income was not spurious.  A multivariate analysis would have improved this study in many ways, as I would have had the opportunity to see the effects of one variable while controlling others. This would have added depth and reliability to this study, as I would have been able to assure that I was measuring exactly what it was I was trying to measure. A multivariate analysis could have included variables regarding race, gender, job satisfaction, as well as overall life satisfaction to test for a spurious relationship. Regardless of the weaknesses of this study, the use of three

bivariate tests for three variables chosen from the General Social Survey added strengths in external validity and reliability.

Prior research on this topic explained the happiness-income relationship in terms of relativity, adaptation, and inequality. My research supported claims of relativity and adaptation, though I did not test for inequality. As the results demonstrate a moderate correlation between class identification and income, it can be concluded that it is not a large majority of individuals who understand their socioeconomic class. The levels of happiness for those in the middle to upper class, therefore, could be the result of the relative income of those around them. Furthermore, their level of happiness is not effected insomuch as how much money they make, but how they have adapted to their own monetary situation.

It is important for further research to delve into class consciousness in terms of inequality, as this is the primary source of unhappiness for much of the generalized public in modern society. In order to fully grasp the effects of economic inequality on the human life, researchers must view class consciousness and inequality together with income, to understand the entirety of the effects of a capitalist society on general life satisfaction.

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