The Effects of Socioeconomic Inequality

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Abstract

This study seeks to better understand the relationship between happiness and socioeconomic background among college students. The hypothesis states that students of higher socioeconomic backgrounds will be happier than those from lower backgrounds. One hundred undergraduate students from a Midwestern university participated in this study. A twenty-nine item questionnaire was compiled by utilizing the Oxford Happiness Questionnaire and an additional item was added to assess socioeconomic status (Hills & Argyle, 2002). There were two independent variables (socioeconomic status and race), and one dependent variable (level of happiness). In the future, this study can help further research on why there is so much socioeconomic inequality and what programs can be implemented to help improve it.

The Effects of Socioeconomic Inequality

"Richer, better-educated people live longer than poorer, less-educated people" (Deaton, 2003). The inequality of socioeconomic status has an enormous affect on ones quality of life, in both negative and positive ways. Social inequality is not just a problem in the United States but all over the world. A study conducted in Australia set out to investigate the relationship between quality of life and socioeconomic status (Brennan, Williams, Berk, & Pasco 2013). The sample consisted of 917 men that ranged from the ages 24-92 years old; the researchers studied their physical health, psychological health, environment, and social relationships by utilizing the World Health Organization Quality of Life (Brennan et al., 2013). The participants were categorized into lower, middle, and upper class; the data on lifestyle and health information was completely self-reported (Brennan et al., 2013). In the area of physical and psychological health and environment men of the lower socioeconomic status reported significantly lower happiness than their counterparts of higher backgrounds (Brennan et al., 2013).

Not only does socioeconomic status have a negative impact on happiness but it is an important factor to stressful events and mental health issues. In one study, the researchers set out to discover if stressful events and poor mental health had a more detrimental effect on poor couples than those of higher socioeconomic backgrounds (Maisel & Karney, 2012). In order to study their hypothesis, the researchers chose 2,341 participants who were currently in a romantic relationship (Maisel & Karney, 2012). The sample was the following: "65.5% female, 65.7% White, and 11.4% were African American, 16.7% were Hispanic/Latino, and 6.1% were of other races. The mean age was 44.3 years (SD 14.6, Range: 18 –91). Furthermore, 74.9% of these respondents were married, 12.4% were cohabiting, and 12.7% were dating. On average, their relationships had lasted 16.4 years (SD 14.3, Range: less than 1year to 70 years)" (Maisel &

Karney, 2012). The data was collected over the telephone and the survey consisted of 200 questions which took a total of 27 minutes. In order to measure relationship satisfaction, the researchers administered a twelve-item survey that assessed intimacy, commitment, and overall satisfaction (Maisel & Karney, 2012). Mental health was measured by a six-item version of the Kessler's Psychological Distress Questionnaire, the mean was 26.1 (SD = 4.1) of 30 (.82) (Maisel & Karney, 2012). When measuring stressful life events, the participants were asked ten questions about events that could have occurred in the past year, they responded yes or no to each question. The basis for the questions was compatible with studies that focused on assessing stressors for low-income people (Maisel & Karney, 2012). The final measure was socioeconomic status and that was simply studied by asking the yearly income then dividing that number by the amount of children in the household. To conclude, "All three socioeconomic status measures were directly associated with stressful life events and mental health, but the correlations, although significant, were relatively small. As expected, more stressful life events were reported by participants with a lower income (r= .09, p .01), more financial strain (r=.24, p.001), and those below the median income of their zip code (r=.12, p.001). In turn, poorer mental health was reported by participants with a lower income (r=.15, p.001), more financial strain (r=.33, p.001), and those below the median income of their zip code (r=.23, p.001)" (Maisel & Karney, 2012).

Researchers also suggested that as socioeconomic status decreased happiness increased (Yang, 2004). An age-period-cohort analysis was completed by utilizing the General Social Surveys which was gathered between the years of 1972 to 2004 (Yang, 2004). The General Social Survey is considered to be a very good measure of happiness, as it has been measuring adult's attitudes and behaviors longer than any other survey in the United States (Yang, 2004).

The sample ranged from 1500 to 3000 per year and happiness was measured on a single-item scale. Questions based on gender, age, education, income, family size, and relationship status were all factors in determining if there was any social inequality. After correlating all of the facts, the results showed that as happiness decrease social inequality increase (Yang, 2004). There was also a trend that suggests as one grows older their happiness will increase (Yang, 2004).

Unemployment statistics can be considered a direct indicator of socioeconomic status and that researchers sought to determine if the unemployment in Finland had an effect on their citizens' happiness (Bockerman & Ilmakunnas). In order to determine happiness, the researchers chose to utilize the World Values Survey for Finland for the years of 1990, 1996, and 2000 (Bockerman & Ilmakunnas, 2006). The results of the study were very interesting; in Finland, unemployment decreased life satisfaction but had an insignificant affect on happiness. Although low income had a significant effect on both happiness and life satisfaction, results suggested that the people of Finland were so accustomed to the long-term unemployment that they were no longer affected when it consistently decreased (Bockerman & Ilmakunnas, 2006).

The following study set out to explore the phenomena is china that contradicted the notion that as wealth increased happiness did as well. The researchers gathered their data from the Chinese surveys which were conducted through the World Values Survey in 1990 and 2000 (Brockmann, Welzel, & Yuan, 2009). The sample from 1990 included 1,000 people from the Chinese population that was 18 years and older (Brockmann, Welzel, & Yuan, 2009); the sample from 2000 also consisted of 1,000 participants but the age ranged from 18 to 65 years of age (Brockmann, Welzel, & Yuan, 2009).The researcher's goal was to compare the rural area and the city area for each year; in 1990 there were 767 people from the rural area versus 233 in the city

(Brockmann, Welzel, & Yuan, 2009).The same cannot be said for the year 2000 when the rural areas had a sample of 625 compared to the 375 in the city (Brockmann, Welzel, & Yuan, 2009). Life satisfaction was measured on a ten-point scale while happiness was measured on a four-point scale. The researchers also wanted to measure political distress and subjective happiness which is when "people suffering from anomie feel powerless and believe that they have little control over their life"; In the current study, subjective powerlessness was measured on a 1–10 scale with 10 originally meaning complete control over one's life, and 1 meaning no control (Brockmann, Welzel, &Yuan, 2009).The researchers concluded that although the national average of income increased, there is such a huge gap that the lower class was not affected by the change. Finally, the results suggested that the increased financial dissatisfaction had a huge impact on the decreased happiness of the Chinese people (Brockmann, Welzel, & Yuan, 2009).

The following research experiment set out to discover the type of correlation that exist between poverty and quality of life and expands on the fact that money is not the only aspect of socioeconomic status but it does affect the quality of one's life. This study was conducted in Mexico and had a total of 918 participants (Lever, 2004). 346 of the sample were considered extremely poor, 260 moderately poor, and 312 were not poor; 456 were female and 462 male while the ages ranged from 19 to 50 years old (Lever, 2004). Marital status, occupation, family income, education, and the type of home are important factors that were measured. In order to measure subjective well-being, the questionnaire titled Lever which assessed eleven factors of life was administered (Lever, 2004). The eleven factor of life included the following: work, children, economic well-being, couple relationship, family in general, personal development, sociability, personal perception, recreation, social environment, and family of origin (Lever, 2004). The results concluded that the poorer you are, the less happy you will be. The study also

concluded that younger people and men were happier than women and older people (Lever, 2004).

In order to support the theory that socioeconomic inequality negatively affected quality of life, the following study was conducted but it discovered much more than imagined. The participants consisted of over 5,000 people that were randomly selected in Sweden (Gerdtham & Johannesson, 2001). Questions to assess happiness were asked on a three-point scale, an example of one is "daily life is never the source of personal satisfaction" the options are never, sometimes, and always (Gerdtham & Johannesson, 2001). The researchers then asked the participants to give information about their health, income, and socioeconomic factors. After careful analyzing, the results concluded that with the increase of education and income, happiness will increase (Gerdtham & Johannesson, 2001). It was also found that people who are single, male, unemployed, and live in urban areas were less happy (Gerdtham & Johannesson, 2001).

One of the most pertinent studies completed is the following because it supports the theory that wealth is not needed for superficial reasons but basic survival. The researchers set out to discover if wealth and basic needs determine the happiness of low income individuals in Thailand (Guillen-Royo, Velazco, & Camfield, 2013). Thailand was chosen because it is one of the countries that have completely reformed its economic success but there is still a huge gap between the rich and poor. The researchers utilized Sen's Capabilities Approach, Human Development Index, and the Theory of Human Need; the point in analyzing all of these factors was to determine if there was an overall necessity for wealth or if it is a "want" (Guillen-Royo, Velazco, & Camfield, 2013).After analyzing, the researchers concluded that wealth is an important factor and a basic need for survival (Gerdtham & Johannesson, 2001).

Socioeconomic status increase happiness

It is a common belief that income equality affects happiness but the following study shows that overall subjective well-being is higher when there is less economic inequality. The researchers used the General Social Survey to collect data; the participants included 53,043 people from 1972 to 2008 (Oishi, Kesebir, & Diener, 2011). In the sample, 23,368 were female and 43,323 male, the ages ranged from 18 to 89 years old (Oishi, Kesebir, & Diener, 2011). Happiness was measured on a three-point scale that asked questions such as "do you think people would take advantage of you if they had the chance"? After analyzing all of the data the researchers concluded that the people were happier when the nation possessed more income equality (Oishi, Kesebir, & Diener, 2011). The research also suggested that people are less trusting in times of inequality; the results show the higher the gap the less trusting people become (Oishi, Kesebir, & Diener, 2011). The following facts support the researcher's conclusion:

- There is a vast amount of research that suggests countries with higher levels of inequality have lower levels of trust. The lack of trust correlates with various social issues such as happiness, homicides and health (The Equality Trust, 2012)
- Income inequality is dangerous because it creates a hierarchy that causes status opposition which in turn causes stress and that leads to poor health and among other negative aspects (The Equality Trust, 2012)
- U.S. income inequality is the highest it's been since 1928 (Pew Research Center, 2014)
- The U.S. is more unequal than most of its developed-world peers (Pew Research Center, 2014)

- The top 10% of households controlled 68.2 percent of the total wealth in 1983 and 73.1% of the total wealth in 2007 (The Stanford, 2010)
- The bottom 90% has 73% of the debt (Lubin, 2007)

Income inequality is a problem all over the world; the following study was conducted to determine the relationship between socioeconomic status and happiness in Latin America. The researchers set out to measure the relationship by gathering information on each participant's age, sex, socioeconomic status, and educational level (Villarroel, et.al, 2012). The sample includes a total of 520 people, 300 of which are women and the remaining 220 men; the age ranged from 18 to 29 years old (Villarroel, et.al, 2012).Of those participants, 16.3% of them were upper class, 70.7% middle class, and the remaining 12.9% low class (Villarroel, et.al, 2012). Questions about their overall happiness and socio-demographics were asked, and that was presented on a seven-point scale (Villarroel, et.al, 2012). The results concluded that older individuals have a lower level of happiness and the higher the socioeconomic status the happier the happy (Villarroel, et.al, 2012). It was suggested that older people were less happy because they have lost hope that a change will occur.

It is important to realize that there are some things that can be done to increase happiness and socioeconomic status, the following study examined things that can improve one's predicament. In order to determine the impact of education on happiness, the researchers analyzed data from the European Social Survey (Cunado & Gracia, 2012). The survey consists of 2,563 people in Spain from the year 2008; the data focuses on satisfaction, gender, age, income, general health, marital status, children, and education level (Cunado & Gracia, 2012). The education levels ranged from none to the second stage of tertiary; all of the responses were self-reported (Cunado & Gracia, 2012). The results concluded direct and indirect impacts on

happiness; indirect affects included people of higher education and income levels had higher chances of being employed thus had higher levels of happiness (Cunado & Gracia, 2012). The more direct impact concluded income, employment status, and other socioeconomic variables meaning education level had a positive effect on happiness (Cunado & Gracia, 2012).

Not only is education an important to increase subjective well-being but the more goal-orientated and motivated one is, the happier they will become. The following research was conducted to discover ways in which different incentives affect happiness and quality of life. The data was gathered from the World Values Survey (2005-2006) of which focuses on correlations between income, motivation, and satisfaction with life (Jimenez, Artes, & Jimenez, 2010). The sample consisted of 10,800 people from Australia, Britain, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, and the United States of America (Jimenez, Artes, & Jimenez, 2010). From the information gathered, participants were placed in the categories depending on their socioeconomic status which ranged from low, middle, and upper class (Jimenez, Artes, & Jimenez, 2010). The survey assessed their income, marital status, job, family, and goals. The researchers found that various motivations hugely impacted happiness (Jimenez, Artes, & Jimenez, 2010). Moving from extrinsic to intrinsic motivations led to greater elation; overall, goals and intended outcomes affected ones happiness and the more motivated one was the happier they became (Jimenez, Artes, & Jimenez, 2010).

When it comes to increasing happiness there are clearly things that the individual can do but the government also plays a major part. The following study assessed the affects of not having a direct democracy on happiness. The researchers set out to discover the correlations between individual happiness and the way in which the government is set up (Steffen & Vatter, 2012). The 26 Swiss cantons were used for multilevel analysis (Steffen & Vatter, 2012). The

results concluded that there are positive results related to implementing direct democracy; the people felt more in control of their life and therefore became more satisfied (Steffen & Vatter, 2012).

Hypotheses and Operationalized Variables

The following independent variables will be measured by self-reported test-items: Socioeconomic status growing up and race/ethnicity. The dependent variable the happiness level of people from different socioeconomic groups will be measured using the Oxford Happiness Questionnaire (Hills & Argyle, 2002). The hypothesis stated that students with a higher socioeconomic background will be happier than those from a lower background.

Method

Participants

One hundred undergraduates from a midwestern university participated in this study; they did not receive any incentives to complete the survey. Of the one hundred students, 33.7% were men and 66.3% were women; the Caucasians accounted for 72.4% while African Americans covered the remaining 27.6%. Data were collected in accordance with the ethical standards of the American Psychological Association (American Psychological Association, 2010).

Materials

The individual's level of happiness was measured on the 29-item Oxford Happiness Questionnaire with three additional items that measured socioeconomic status, race, and gender (Hills & Argyle, 2002). Of the 29-items on the Oxford Happiness Questionnaire, 12-items were reverse scored; all items scored so that a higher number indicates a high happiness level.

Procedure

        Participants were asked to complete the 32-item survey during class time over a two week period. The researcher explained the general purpose of the research, and that complete honesty would be greatly appreciated. The participants were also informed that their involvement in the survey was completely voluntary, and not to answer any questions they were uncomfortable with. Participants were informed verbally and in written instruction that all responses were anonymous. The completion of the survey took no longer than 15 minutes for the participants to complete. After completion of the surveys, the researcher debriefed the participants and answered any questions regarding the research study.

Results

        There were two independent variables (socioeconomic status and race), and one dependent variable (level of happiness). To test the hypothesis that people from higher socioeconomic backgrounds are happier than those from lower backgrounds, a Pearson Bivariate Correlation was performed between happiness and socioeconomic status. The analysis indicated a significant correlation between happiness (Mean=120.02, SD=15.42) and SES (Mean=3.53, SD=.989), r (DF=99) =.262, p=.004. This correlation means when socioeconomic status increased, happiness did as well.

Other Results: Correlations

        An independent samples t-test analysis was performed to compare the happiness level between blacks and whites, indicated a non-significant difference in happiness based on race. T (98) =-.307, p=.759. In other words, the two races were almost equally as happy.

        An independent samples t-test analysis was performed to compare socioeconomic factor for African Americans and Caucasians at McKendree University, indicated that blacks (M =

2.89, SD = .97) did differ significantly from those of whites (M = 3.76, SD = .90), t (96) = 4.182, p < .001. In other words, Caucasians are from significantly higher backgrounds than African Americans.

Discussion

The original hypothesis stated that: Students at McKendree University from higher socioeconomic backgrounds will be happier than those from lower backgrounds was supported by the significant results of the Pearson Bivariate Correlation. According to the results from an independent sample t test, the African Americans and Caucasians are almost equally as happy. It was also concluded that the Caucasian students on average come from a higher background than the African Americans.

Limitations

If this study was to be repeated in the future, there are a few factors that I would change to increase the quality of the results. I would like a larger, more diverse sample so that every group is equally represented. I do not feel that there were enough African Americans or enough men. I would like to see how men happiness compares to women. Next time, there would need to be a better way to assess socioeconomic status because not everyone was sure about their status.

Implications

In the future, this study can help further research on the reason why there is so much socioeconomic inequality and the type of programs that can be implemented to help improve it. Future research may include the reason why on average Caucasians are from higher

socioeconomic backgrounds than African Americans. At the end of the day, "Richer, better-educated people live longer than poorer, less-educated people" (Deaton, 2003).

Appendix

Attitude Questionnaire

Gender _____Male   ____Female

Race/Ethnicity ___White ____ Black ____Asian American ____Hispanic or Latino ____Native American ____Other

Evaluate the following statements.

1. I don't feel particularly pleased with the way I am

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

2. I am intensely interested in other people

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

3. I feel that life is very rewarding

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

4. I have very warm feelings towards almost everyone

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

5. I rarely wake up feeling rested

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

6. I am not particularly optimistic about the future

 1= Strongly Disagree   2   3   4   5   6=Strongly Agree

7. I find most things amusing

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

8. I am always committed and involved

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

9. Life is good

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

10. I don't think that the world is a good place

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

11. I laugh a lot

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

12. I am well satisfied about everything in my life

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

13. I don't think I look attractive

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

14. There is a gap between what I would like to do and what I have done

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

15. I am very happy

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

16. I find beauty in some things

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

17. I always have a cheerful effect on others

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

18. I can fit in everything I want to

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

19. I feel that I am not especially in control of my life

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

20. I feel able to take anything on

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

21. I feel fully mentally alert

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

22. I often experience joy and elation

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

23. I do not find it easy to make decisions

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

24. I do not have a particular sense of meaning and purpose in my life

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

25. I feel I have a great deal of energy

 1= Strongly Disagree   2   3   4   5   6=Strongly Agree

26. I usually have a good influence on events

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

27. I do not have fun with other people

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

28. I don't feel particularly healthy

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

29. I do not have particularly happy memories of the past

1= Strongly Disagree   2   3   4   5   6=Strongly Agree

Estimate the approximate family income while you were growing up_____

Growing up, I felt that my family's economic status was ____POVERTY LEVEL ____WORKING POOR _____LOWER MIDDLE _____MIDDLE CLASS _____ UPPER MIDDLE _____UPPER

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