

Decision Processes Colloquia

Monday, October 3, 2022

Where: JMHH 260

When: 12:00 – 1:00 pm

Ori Heffetz

Associate Professor of Economics
Cornell University, SC Johnson College of Business

What Do Happiness Data Mean? Theory and Survey Evidence

ABSTRACT:

What utility notion—e.g., flow/lifetime, self/family-centered—do self-reported well-being (SWB) questions measure? First, we clarify the theoretical assumptions underlying existing applications regarding the (i) life domains, (ii) time horizons, and (iii) other-regarding preferences captured by SWB data. Second, we document inconsistency in assumptions across papers, sometimes using the same SWB dataset. Third, we ask survey respondents what they had in mind regarding (i)–(iii) when answering commonly used—life satisfaction, happiness, ladder—and new SWB questions. We find that respondents’ self-reports differ from researchers’ assumptions, and differ across SWB questions and sociodemographic groups. We outline actionable suggestions for SWB researchers.