Decision Processes Colloquia

Monday, October 3, 2022
Where: JMHH 260
When: 12:00 – 1:00 pm

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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.