

# **The Treadmills of Happiness**

## **Well-Being: Insights of Economics**

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## Die Tretmühlen

Wir haben immer mehr und werden

## des Glücks

nicht glücklicher. Was können wir tun?



HERDER spektrum

# Missionswerk Werner Heukelbach:

## MIT GELD KANN MAN KAUFEN ...

Ein Bett	→	aber nicht Schlaf
Bücher	→	aber nicht Verstand
Essen	→	aber nicht Appetit
Schmuck	→	aber nicht Schönheit
Medizin	→	aber nicht Gesundheit
Bequemlichkeit	→	aber nicht Ruhe
Spielzeug	→	aber nicht Freude
Ein Kruzifix	→	aber nicht den Heiland
Einen Platz in der Kirche	→	aber nicht im Himmel





**„Economics is the art of making  
the most of life “**

(George Bernhard Shaw)

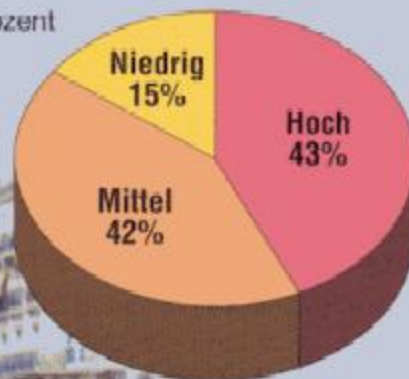
# THE AMISH LIFESTYLE



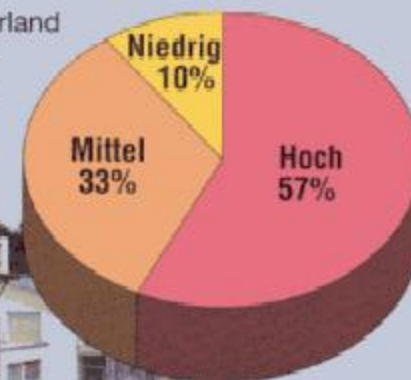


## Die Zufriedenheit der Schweizer Bevölkerung mit...

**... dem Lebensstandard:** 43 Prozent der Schweizer Bevölkerung sind sehr zufrieden mit dem, was sie sich leisten können. Am zufriedensten: die über 65-Jährigen.



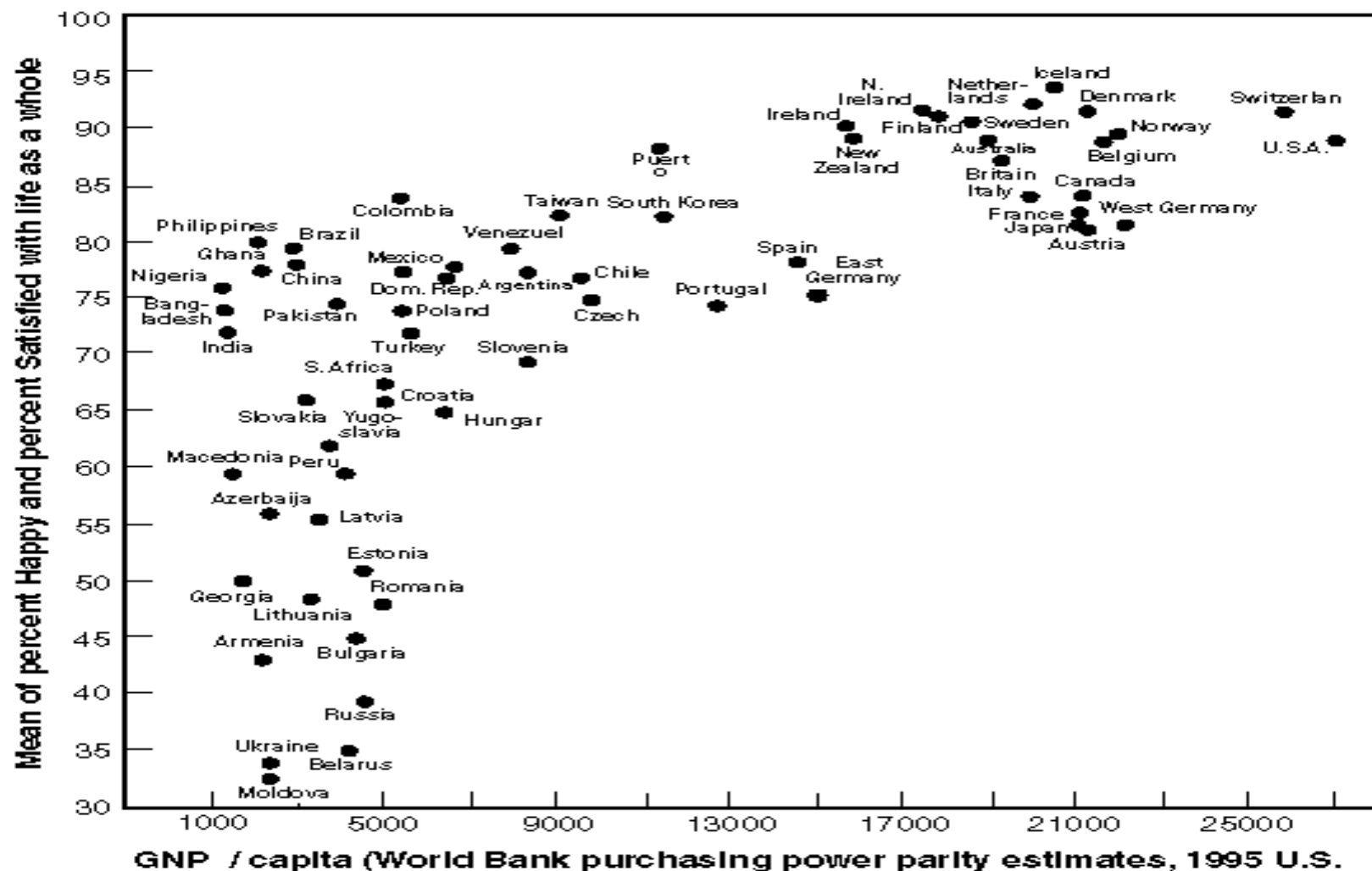
**... der Wohnsituation:** Im Mieterland Schweiz sind erstaunliche 57 Prozent mit ihrer Wohnung zufrieden. Nur 10 Prozent leiden unter den hohen Mieten oder Lärm.



A solid yellow horizontal bar is located on the left side of the slide, extending from the edge towards the right.

# **Empirical Evidence I: Happiness Across Nations**

Are people in rich countries happier than people in poor countries?



**Figure 2. Subjective well-being by level of economic development.**

Source: World Values Surveys; GNP/capita purchasing power estimates from World Bank, World Development Report, 1997.

$R = .70$   $N = 65$   $p < .0000$



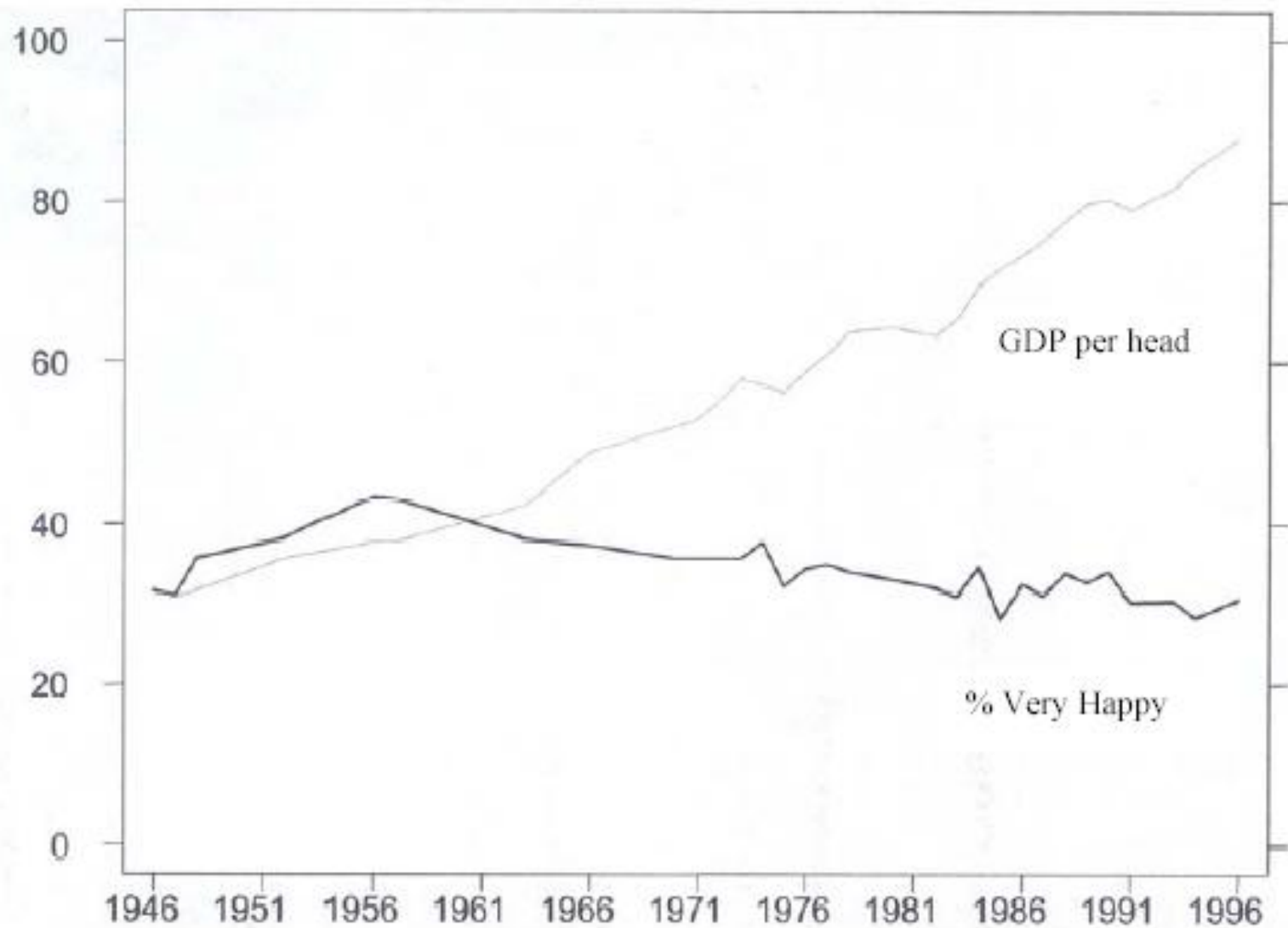
## **Empirical Evidence II: Happiness Over Time**

Is average happiness in a country  
increasing along with income over time?

## Income and happiness in the USA

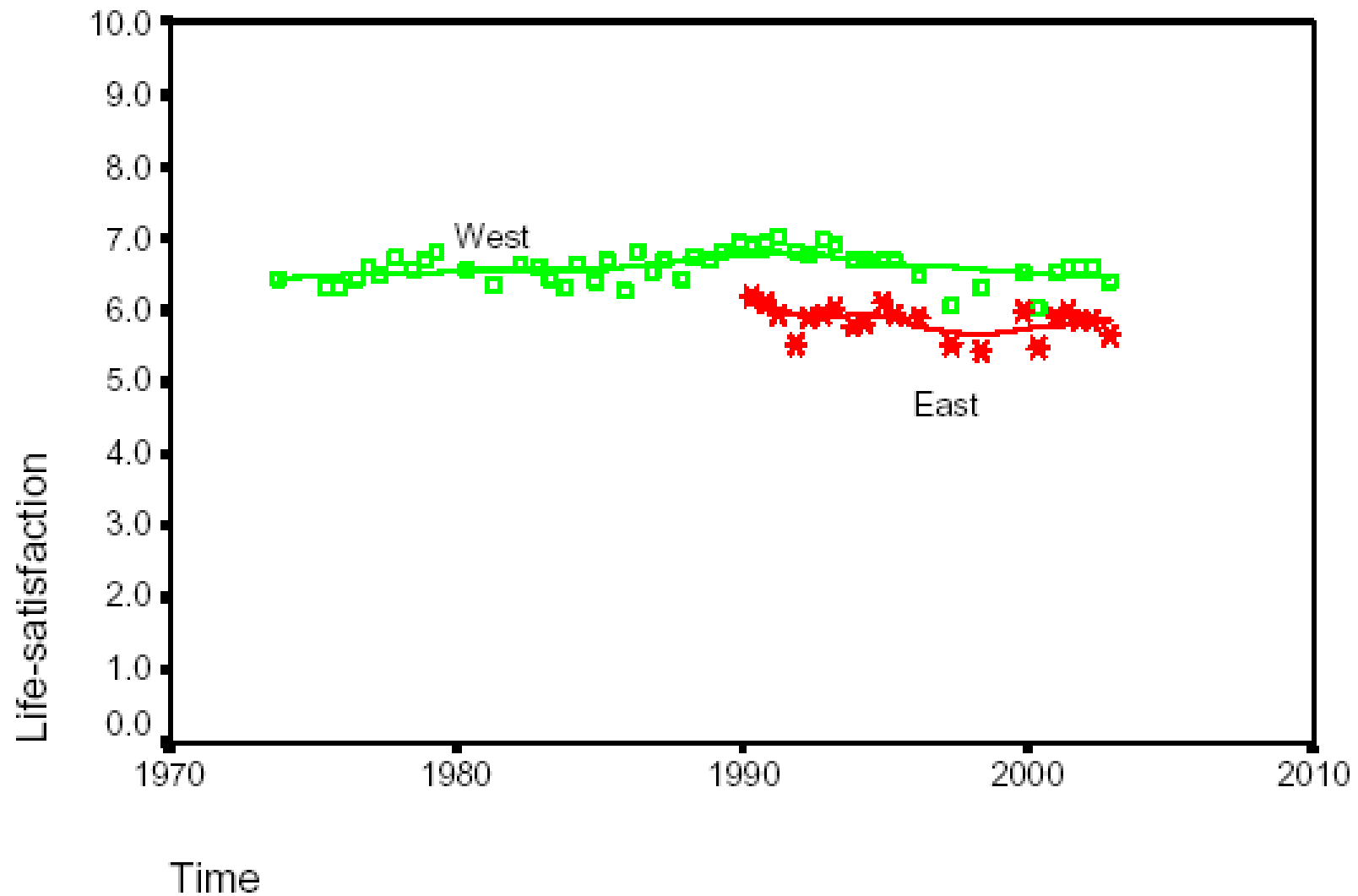
GDP per head  
(\$, 2001 price)

% very happy



# Life-satisfaction in East and West Germany

(seperately)





## **Empirical Evidence III: Happiness within a country**

Are rich people happier than poor people  
in a country at a certain point of time?

# Percent distribution of population by happiness at various levels of income, USA 1994

Total household income (1994 dollars)	Very happy	Pretty happy	Not so happy	Mean happiness rating
All income groups	28	60	12	2.4
Less than 10000	16	62	23	1.8
10000 to 20000	21	64	15	2.1
20000 to 30000	27	61	12	2.3
30000 to 40000	31	61	8	2.5
40000 to 50000	31	59	10	2.4
50000 to 75000	36	58	7	2.6
Over 75000	44	49	6	2.8

# The Paradox of Happiness

Several recent studies have shown that in developed countries, reported levels of happiness do not increase in line with income levels, and people are experiencing more and more time pressure. Together these findings suggest that people do not maximize happiness – they would be better off if they worked less and had less time pressure.



## Questions:

If different economic behavior would make people happier, why don't they change their behavior?

Why do people maximize income instead of happiness?

## **Answer: 4 Treadmill effects**

- **Positional Treadmill**
- **Hedonic Treadmill**
- **Multi Option Treadmill**
- **Time Saving Treadmill**