

Living Standards and Wellbeing: Results from the NZLSA 2010 postal survey

**NZLSA 2012 Wellington Policy Seminar
Findings and Policy Implications**

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Peter King

Family Centre Social Policy Research Unit

New Zealand Longitudinal Study of Ageing (NZLSA)



OUTLINE

- **Wellbeing as a multidimensional attribute**
- **Changing composition of wellbeing**
- **To aggregate? Or not?**
- **Monetary and non-monetary measures**
- **Subjective and non-subjective measures**
- **Comparison of selected measures**
- **Changing composition and interaction of subjective and non-subjective measures**
- **Policy significance**
- **Further research**



Wellbeing as a multidimensional attribute

- **Associated with eudaimonic rather than hedonic approaches**
- **Psychological wellbeing rather than subjective wellbeing**
- **Sen's Capabilities approach**
- **Measures multiple aspects of people's lives**
- **Measurements of individual aspects can be aggregated to construct overall measures**
- **Measurements of individual aspects can be treated separately**



To aggregate? Or not?

Aggregation

- **Provides summary measure**
- **Example of Human Development Index**
- **Loss of detail**

Disaggregation (or non-aggregation)

- **Retains detail**
- **Changes in composition can be tracked**
- **Evidence for social policy**



Monetary and non-monetary measures

- **Income and poverty**
- **Non-monetary deprivation measures**
- **Non-monetary living standards measures**
- **Relationships between monetary and non-monetary measures**
 - **Inexact match between the two at the individual level**
 - **Balance of the two changes during the life-course**



Subjective and non-subjective measures

Subjective

- Happiness
- Life satisfaction

Non-subjective

- Living standards
- Quality of life
- Health
- Social connectedness



Comparison of selected measures by age group

(Income)	Living standards
Happiness	Life satisfaction
Quality of life (WHOQoL)	Quality of life (CASP)
Social provisions	Physical health
Mental health	Depression

- **Normalised mean scores – 0 to 100**

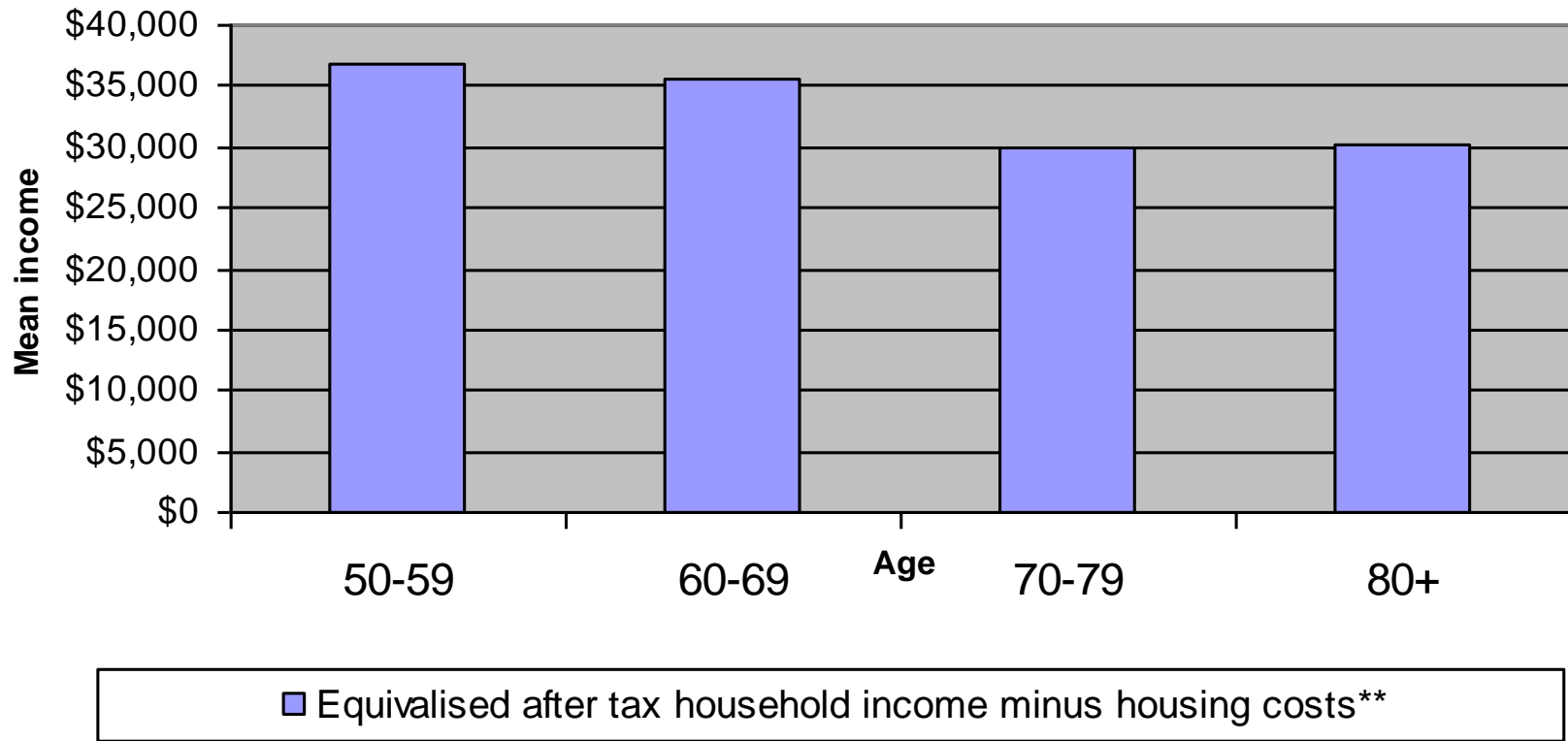
Comparisons of means by 10 year age groups

Correlation coefficients and significance levels (age and measure)

Cross-sectional, not longitudinal



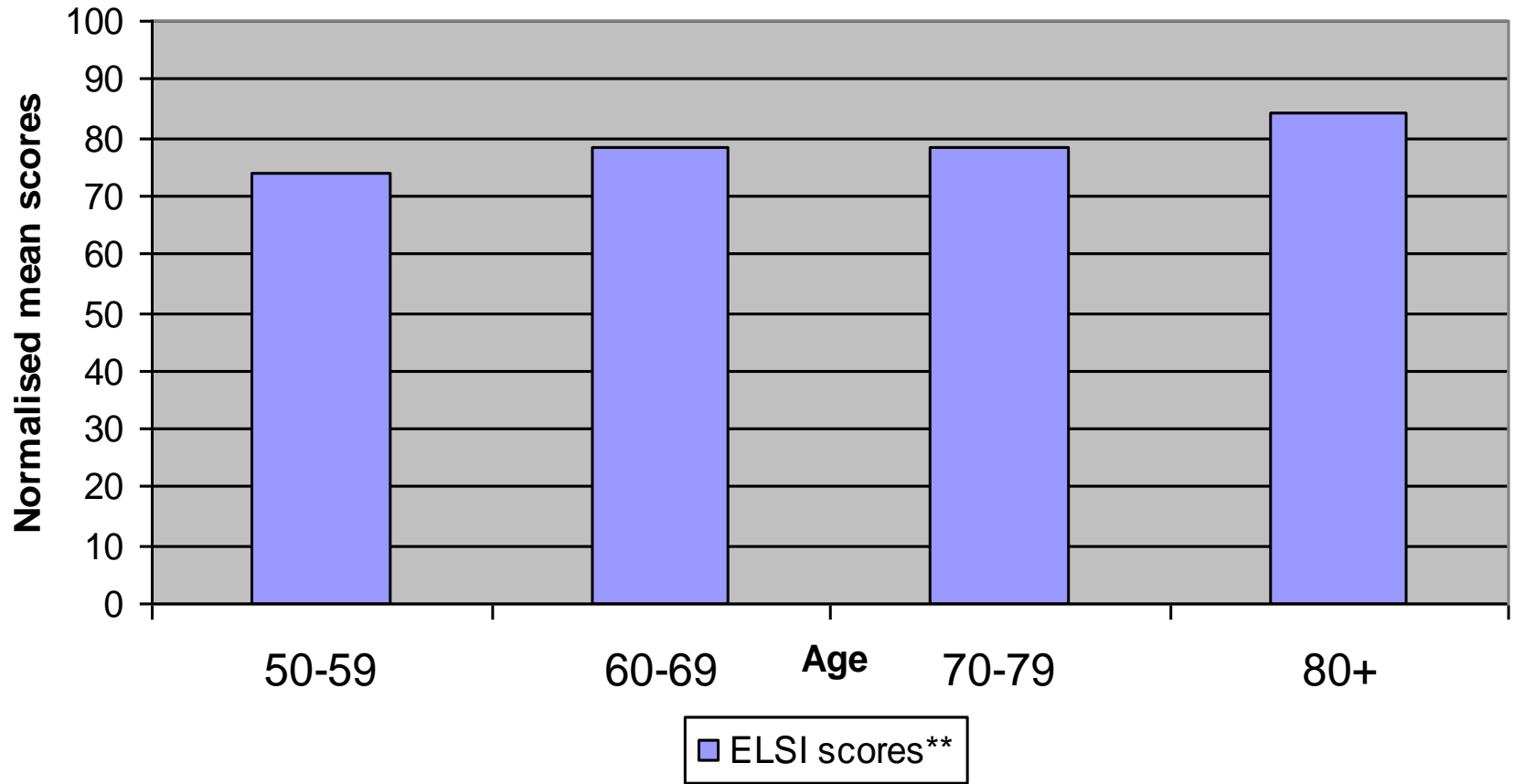
Mean equivalised after tax household income minus housing costs by age group



$r = -0.135, p < 0.001$



ELSI living standards scores by age group



$r = 0.152, p < 0.001$

Std. Dev. = 20.95



Self rated happiness by age group

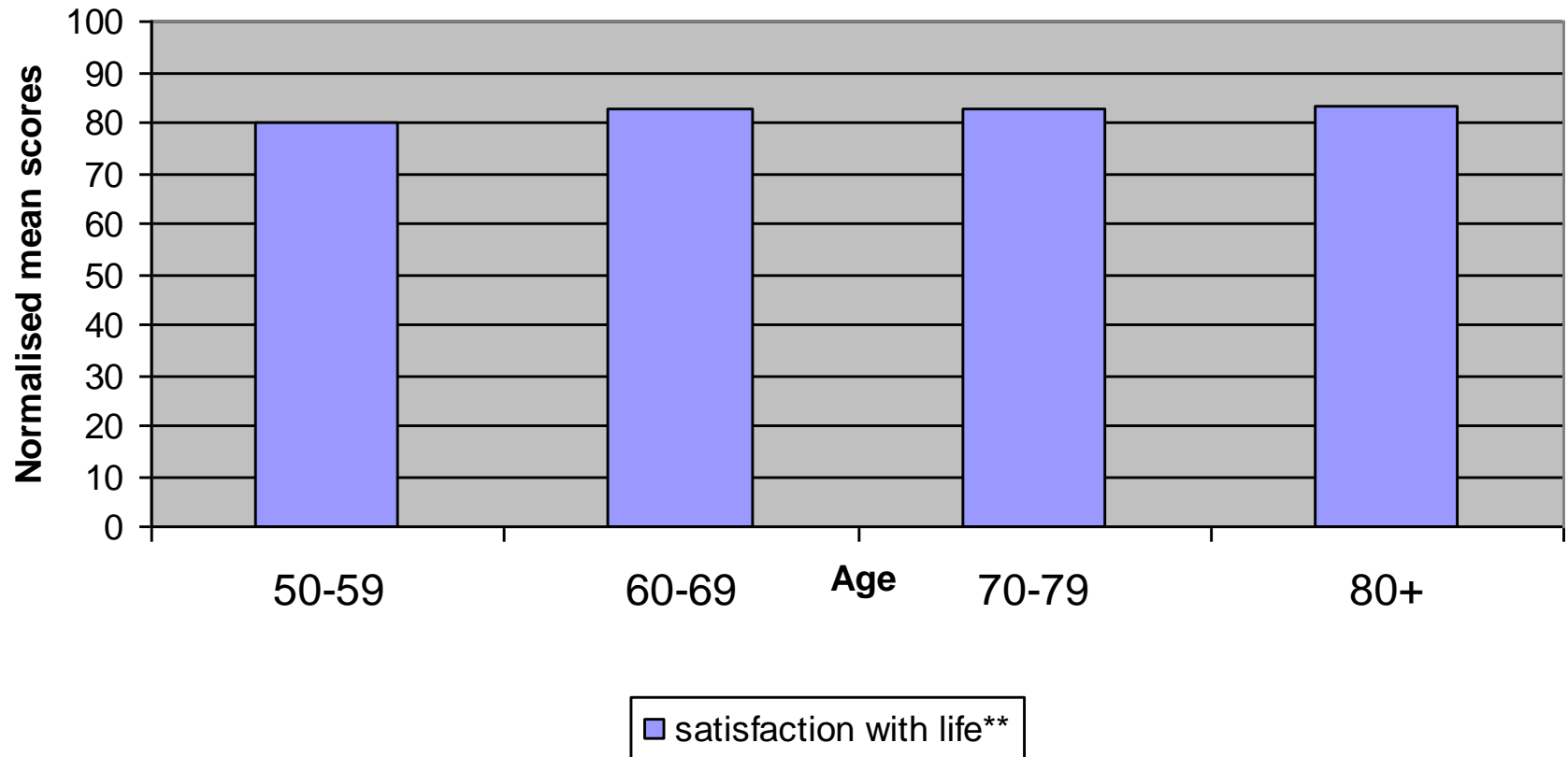


$r = 0.108, p < 0.001$

Std. Dev. = 18.55



Self rated satisfaction with life by age group

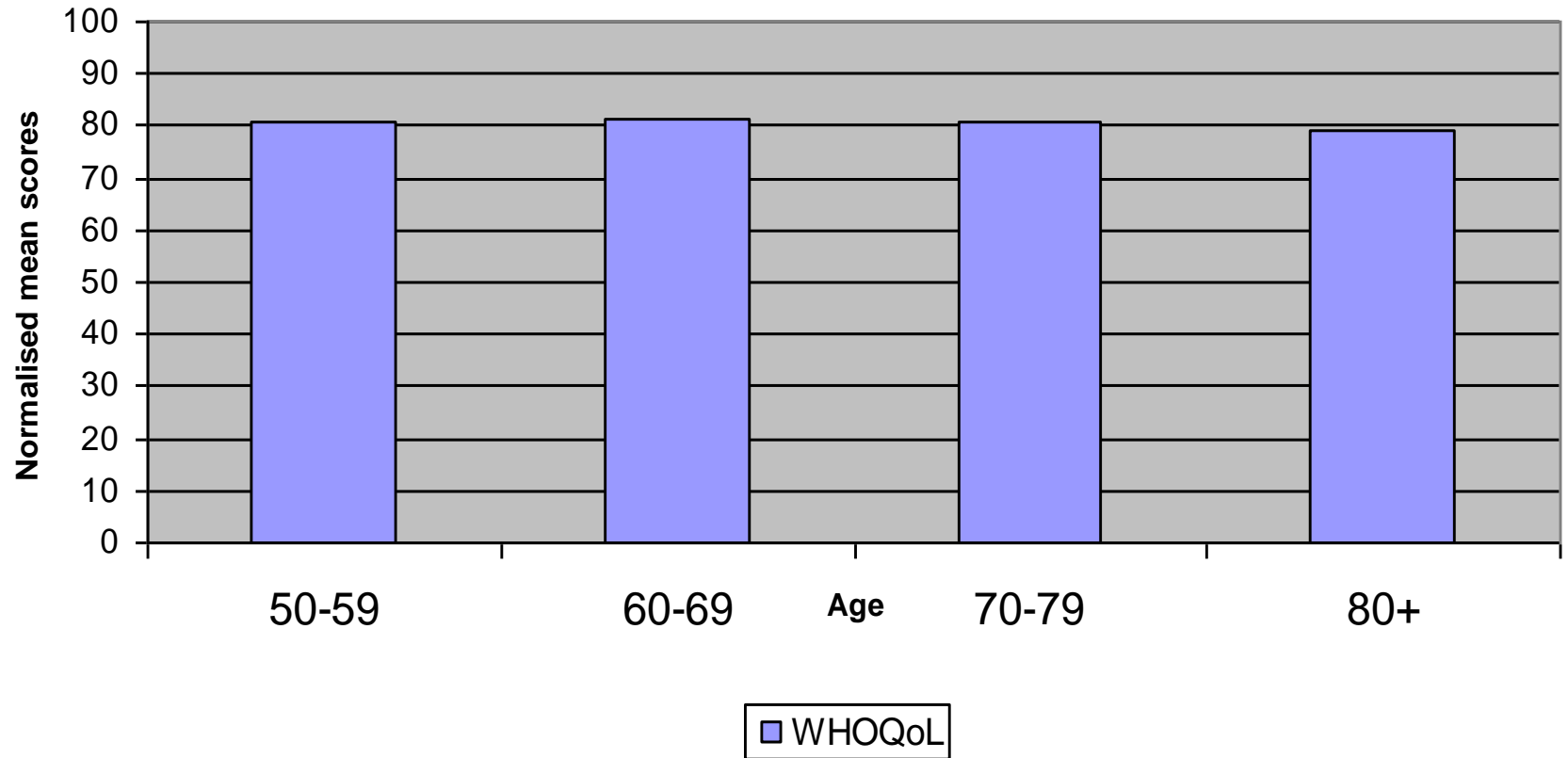


$r = 0.093, p < 0.001$

Std. Dev. = 15.37



WHOQoL 8 Scores by age group

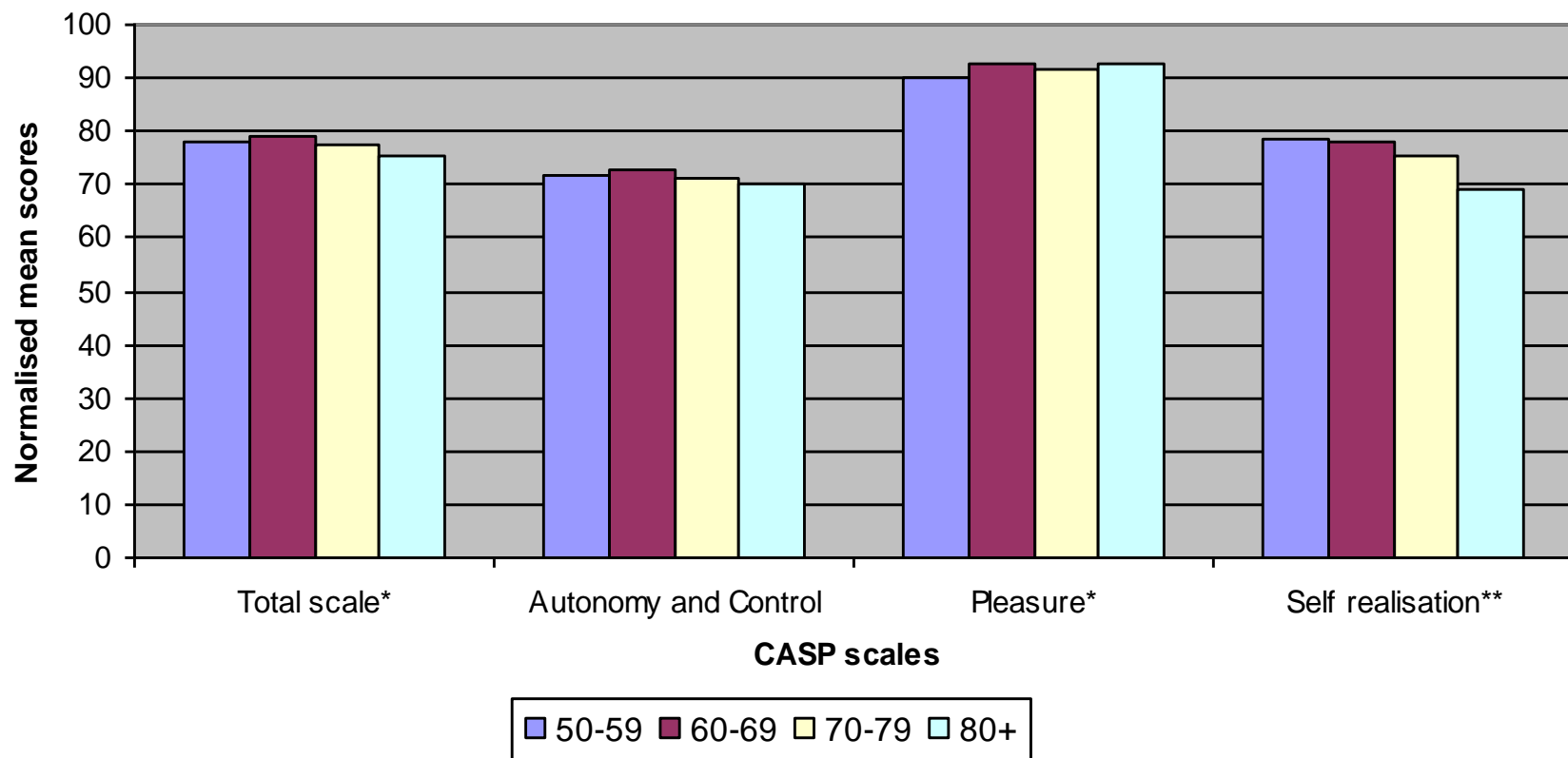


$r = -0.018, p > 0.05$

Std. Dev. = 13.99



CASP scores by age group



Total $r = -0.028$, $p > 0.05$

Autonomy and control $r = -0.007$, $p > 0.05$

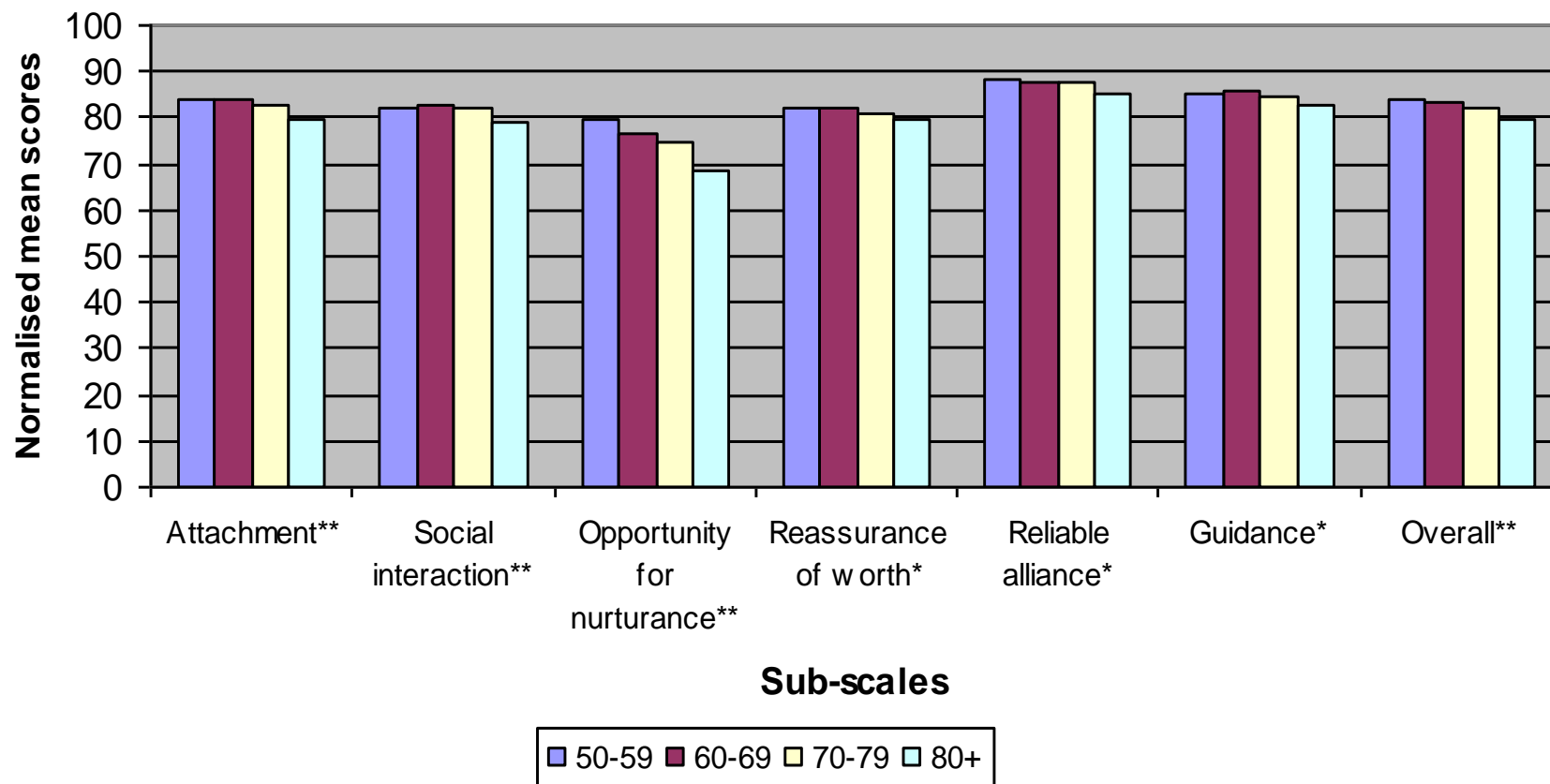
Pleasure $r = 0.056$, $p < 0.01$

Self realisation $r = -0.104$, $p < 0.001$

Std. Dev (Total) = 15.52



Social Provisions scores by age group

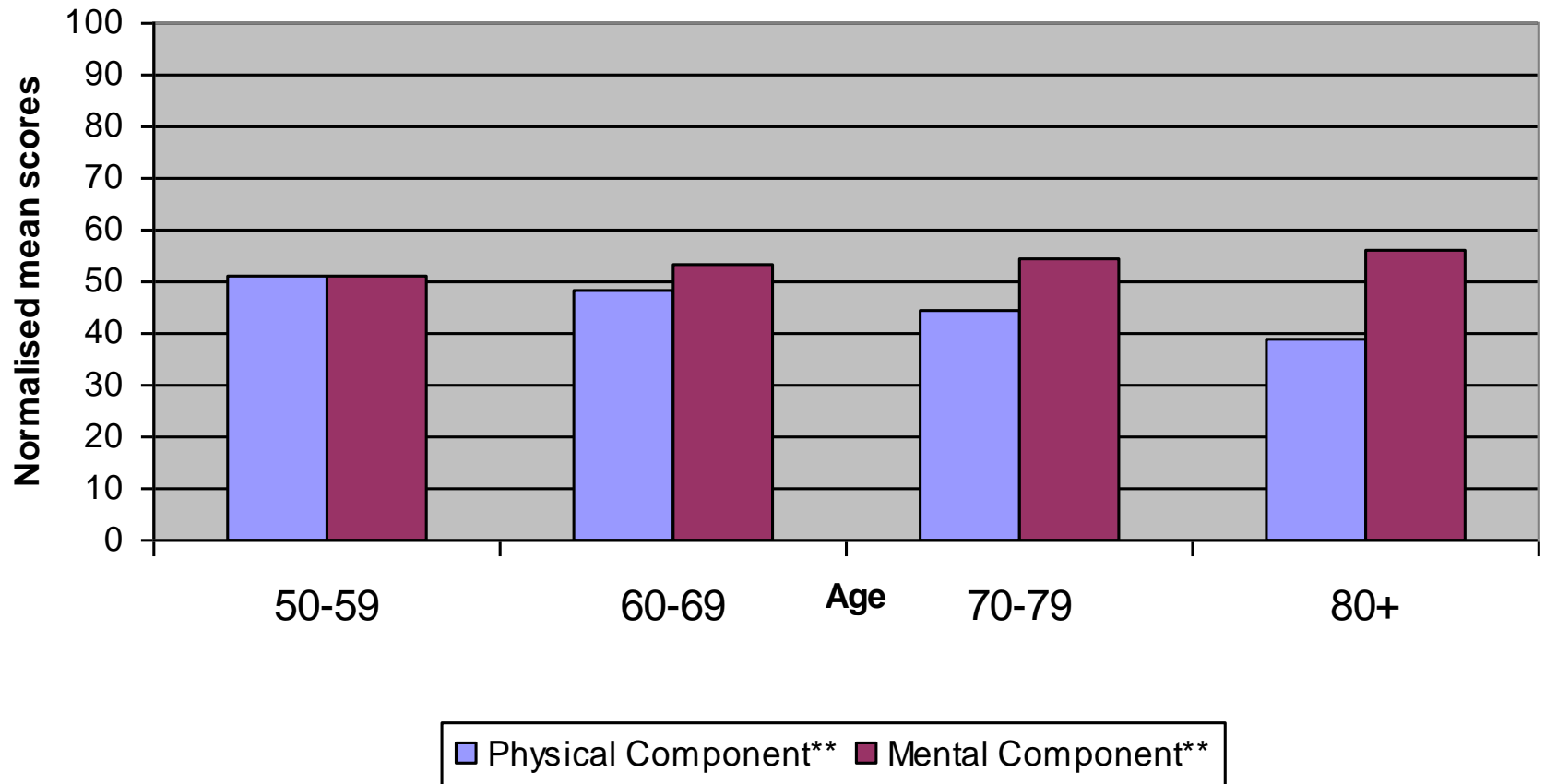


Attachment $r = -0.093, p < 0.001$
 Social interaction $r = -0.063, p < 0.001$
 Opportunity for nurturance $r = -0.224, p < 0.001$
 Reassurance of worth $r = -0.067, p < 0.001$
 Reliable alliance $r = -0.079, p < 0.001$ Guidance $r = -0.055, p < 0.01$
 Overall $r = -0.121, p < 0.001$

Std. Dev. (Overall) = 10.46



SF12 physical and mental health scores



Physical health $r = -0.356, p < 0.001$

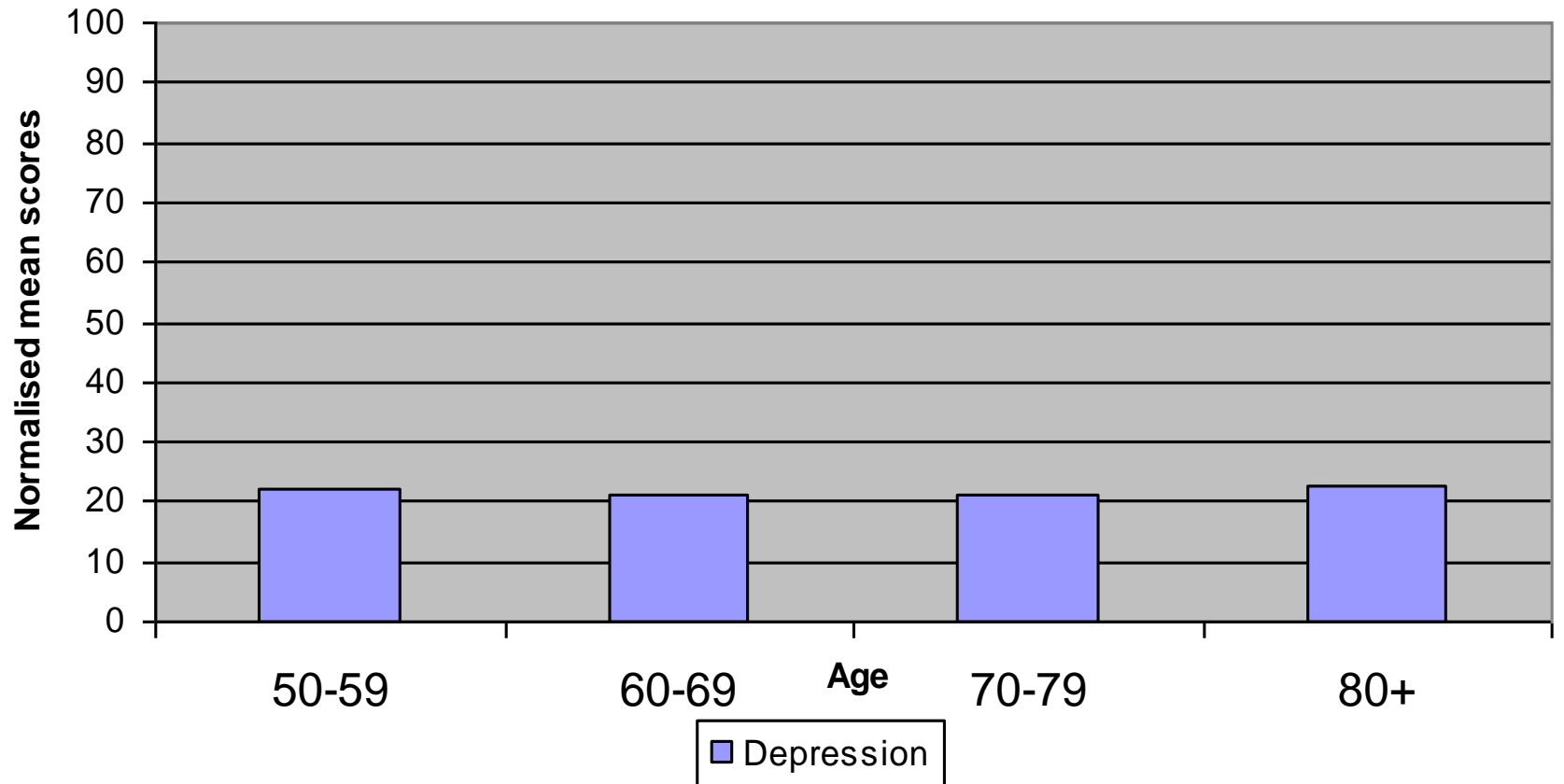
Mental health $r = 0.195, p < 0.001$

Std. Dev. (Physical) = 10.43

Std. Dev. (Mental) = 8.64



Depression score by age



$r = 0.013, p > 0.05$

Std. Dev. = 16.37



Summary of change by age group

Worse	No change	Better
(Income)	WHOQoL	ELSI
CASP	Depression	Happiness
Social provisions	Life satisfaction	
Physical health		Mental health

Overall mean scores calculated



**Overall mean scores calculated (using overall scale scores for multi-scale measures)
weight = 1**

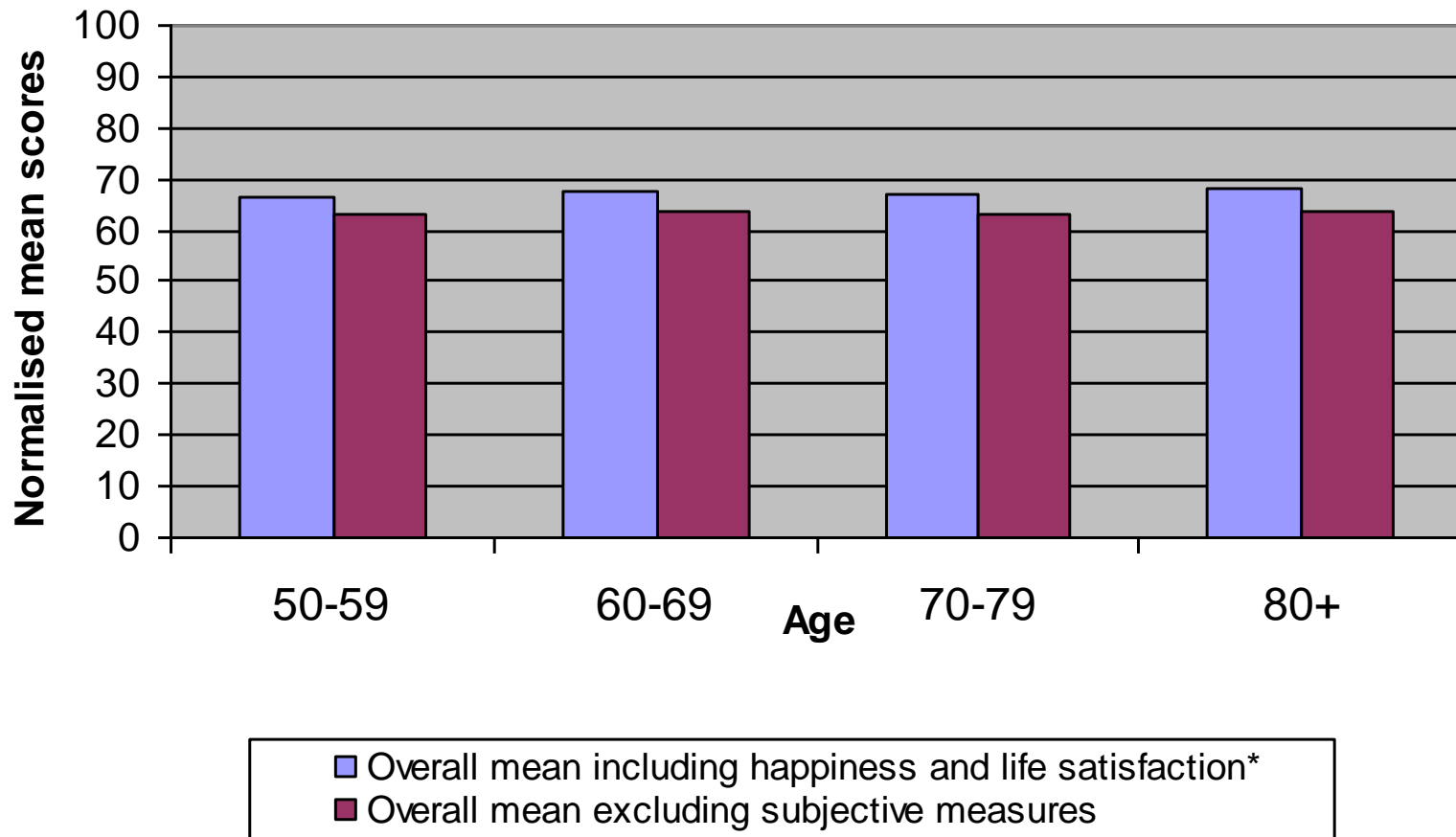
**Calculated for each respondent who completed all relevant measures
(n = 2287)**

When all selected measures included, there is a small but significant increase in the mean over all age groups

When subjective measures excluded, there is no change in the mean over all age groups



Overall mean scores including and excluding happiness and life satisfaction



Including: $r = 0.051$, $p < 0.05$; Excluding: $r = 0.003$, $p > 0.05$

Subjective wellbeing homeostasis? (Cummins and Nistico, 2002)



Subjective wellbeing homeostasis

- **Cummins (e.g. 2002) has referred to the tendency for people to maintain a positive cognitive bias as “subjective wellbeing homeostasis”**
- **This seems to be reflected in the findings presented here, as scores for subjective happiness and satisfaction with life measures tend to increase with age, at the same time as scores for functional measures decline.**



Policy significance

- **Choice of measure(s) matter(s)**
- **Individual measures provide (slightly) different pictures**
- **Disaggregation provides valuable information to inform focused policy responses**
- **Undue reliance on happiness based measures likely to mask needs in other areas of life**
- **Present analysis suggests the CASP and Social Provisions measures point to needs in the social policy area**



Further research

- **Other measures within the NZLSA dataset**
- **Methods of aggregation**
- **Weighting**



Reference

- Cummins, R. A. and Nistico, H. (2002) 'Maintaining life satisfaction: the role of positive cognitive bias', *Journal of Happiness Studies* (3): 37–69.

