

Lingnan University “Hong Kong Happiness Index 2009” Survey Happiness Indices Rose Under Economic Recovery

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Lingnan University (the University) Centre for Public Policy Studies (CPPS) today announced the survey findings of the “Hong Kong Happiness Index 2009”. According to the survey, Hong Kong people in 2009 apparently are happier than they were in the previous year, with the overall happiness index rose to 70.6 in 2009, up from 69.3 in 2008. This is the second year in a row marked by a rise in the Lingnan Happiness Index.

The survey was conducted by CPPS from 9-13 November 2009 via randomized phone calls, and sponsored by the University’s Economics Department Master of Science in International Banking and Finance Programme. The research team successfully interviewed 828 Hong Kong residents aged 21 or above. On a scale of 0 to 100, an index above 50 suggests that people are happy and an index below 50 indicating unhappiness.

Director of CPPS Professor Ho Lok-sang said, “the rise of the 2009 happiness index is due mainly to the increase of happiness among households with relatively lower family incomes, people with household income below \$9,999 and those with household income between \$10,000 and \$19,999 recorded a 5.69% and 8.19% increase in the happiness index respectively, while the happiness indices for people with higher household income remained roughly the same.”

He continued, “26% of those interviewed experienced an improvement in their finances, while 20% experienced a decline, the ongoing economic recovery appears to be taking hold, and has changed the mood of many of the lower income people.”

The 2009 sample shows a smaller proportion of respondents over 30,000 dollars monthly household income (39.9% cf 43.7%). The happiness indices for people with monthly household income above \$30,000 show a slight decline. The happiness index of the lowest income group (below \$10,000), rose noticeably from the previous year, but remained the most unhappy group among the various income groups (at 66.6 cf 70.6 for the entire sample).

The report shows that the older, the female, the retired, and housewives tend to be happier. This is consistent with earlier results and those reported by other researchers.

The survey shows that financial stress is one key factor for unhappiness, and that improvement in finance is one key factor for happiness.

The study also found that longer working hours, unsatisfactory working environment and stress at work affect happiness indices adversely and significantly. Those who do voluntary community work as well as those who have stronger religious beliefs are also significantly happier than others.

“Three Happinesses” and the “Happiness Formula”

The study confirmed a theory proposed by Professor Ho on “Three Happinesses” comprising “retrospective happiness,” “process happiness,” and “prospective happiness,” and his “Happiness Formula” based on Love, Insight, Fortitude, and Engagement (LIFE). An important finding is that educated people tend to score lower in the Love and Wisdom Indices, though university graduates tend to be more focused and engaged in their pursuits. University graduates’ low score on wisdom is driven by a competitive notion of success and this explains their relatively lower happiness scores.

Regression results showed that happiness is positively related to the extent of involvement in various activities. In particular, for the “three happinesses” model, “happiness in process” and “retrospective happiness” appear to count more than “prospective happiness”. For the LIFE model, those who have more wisdom of life (Insight) and who have a stronger sense of

purpose (Engagement) tend to be happier.

The study offers an explanation for the commonly observed U-shaped happiness profile through the life cycle. As a young person goes into the prime working age, the prospective happiness score drops, while the coefficient on the prospective happiness score also falls. At the same time the effect of process happiness on total happiness also falls, suggesting excessive preoccupation with the future. When people go past the age of 60, the wisdom score and the love score rise significantly and the effect of the wisdom score on happiness also rises significantly.

Interestingly, females outperform males for all the LIFE scores. This is true of 2009 as of 2008, offering yet another insight to why females tend to be happier and live longer.

Since 2005, Lingnan University's annual Happiness Index Survey aims to study the impacts of economic, political and social factors on Hong Kong people' happiness and to provide a measurable index of happiness. It is hoped that the study will inform policy makers and the public, leading to better policies and ultimately a happier society.