

How can we measure well-being?

Paul Dolan

Imperial College
London

Life goes better for us when we get more of what we ...

- Need
 - Objective list account e.g. education
- Want
 - Preference satisfaction e.g. income
- Enjoy
 - Mental states e.g. thoughts and feelings

The debate

- Why is education good for us?
- “I want you, I need you but there ain’t no way I’m ever gonna love you, but don’t be sad, cos two out of three ain’t bad” (Meatloaf)
- Policy-makers should be sad
 - Or at least care about enjoyment/experiences

How do we measure enjoyment?

- Global assessments of life satisfaction
 - e.g. used in large panel surveys like the BHPS
- More ‘moment-based’ assessments of affect
 - e.g. experience sampling & day reconstruction

Valuing the urban environment



Results

- Difference in life sat across the areas = 6.5%
 - Income required to have the same effect on life satisfaction = £6350
- Big difference – but still not cost-beneficial
 - costs £17,000 per household

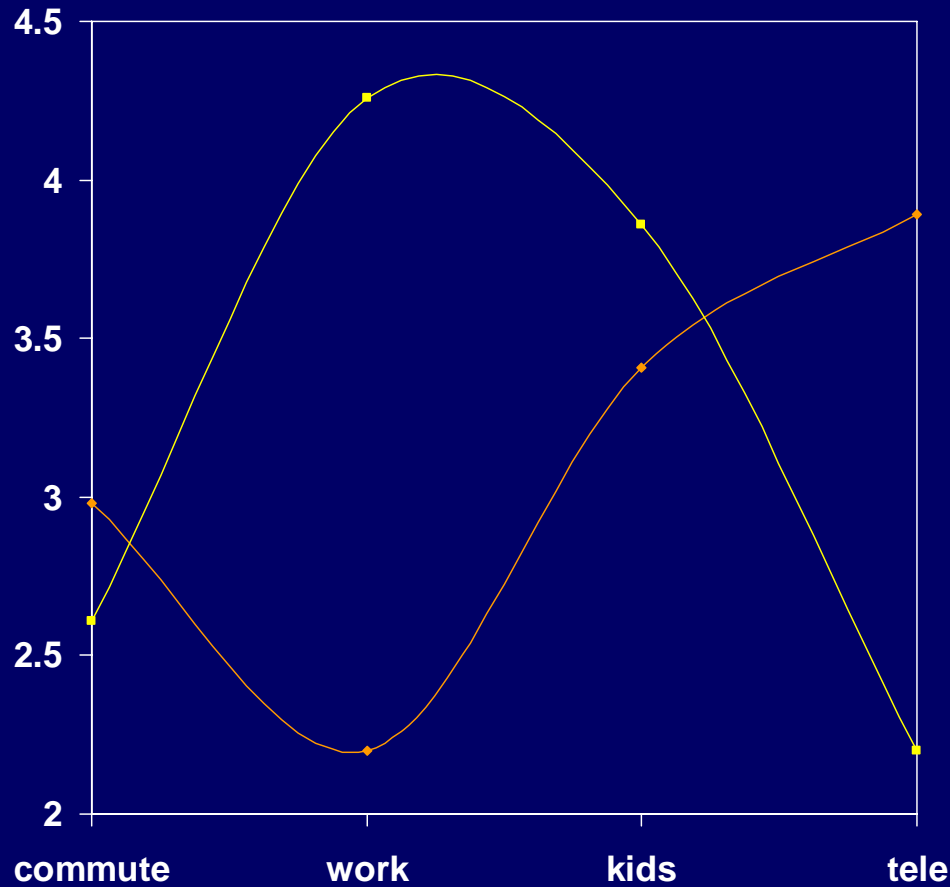
Problems with life satisfaction

- Focussing effects
- Comparison processes
- Time frame

The day reconstruction method

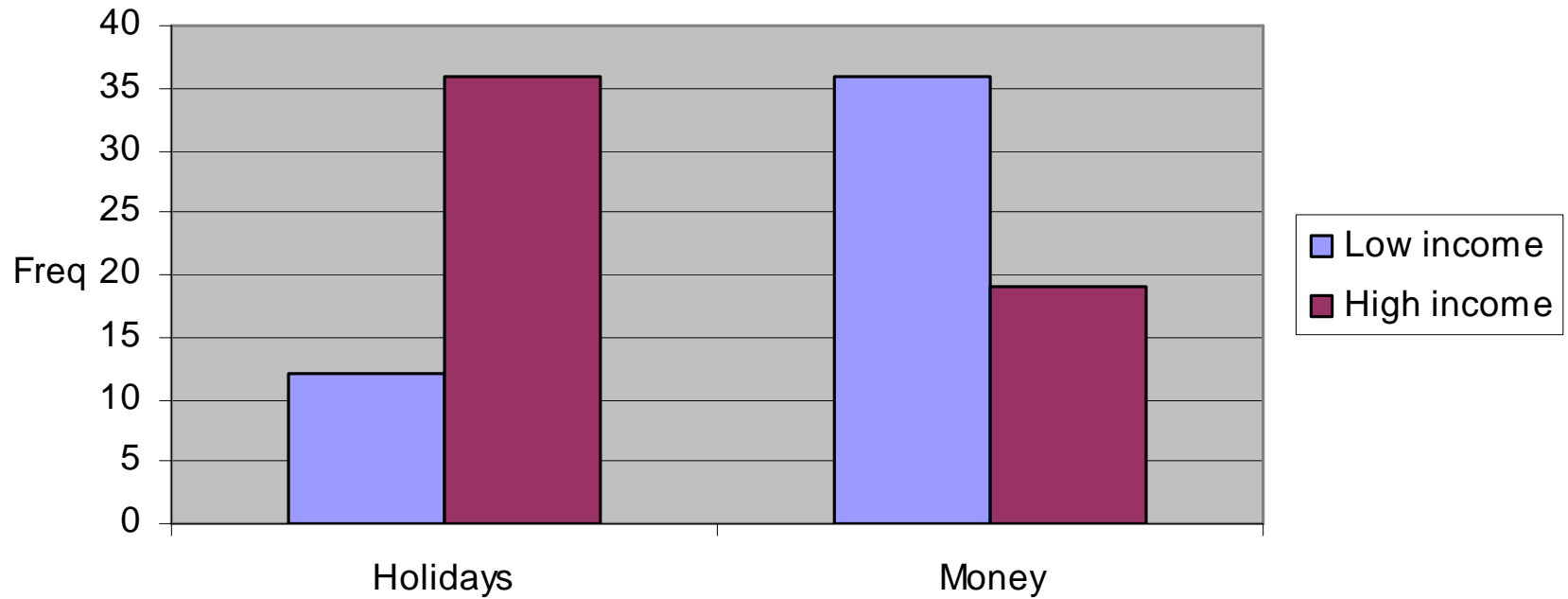
- Developed by Kahneman and colleagues
 - Think of yesterday as a continuous series of episodes in a film, and for each episode:
 - How long did it last; what were you doing; who were you with; and how did you feel?
- Important additional measure of time use
 - But we may value “rewarding” activities as well as “pleasurable” ones
 - And we may be affected by “pop-ups” or intrusive thoughts in ways that are not currently being captured

Some new DRM results



—◆— pleasure
—■— rewarding

Pop-ups



Future research

- Normative debate
- Empirical research
 - Understanding and comparing measures
- Much more (any) work to establish causality
 - Natural experiments
 - Randomised controlled trials

Thank you