

Money won't buy happiness: Poverty-reduction programs need to also look at improving people's well-being

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There is more to life satisfaction than money, and public policy programs aiming to tackle poverty need to move beyond simply raising people's income to also improving their quality of life in other areas. These findings¹ by Professor Mariano Rojas from Mexico's Facultad Latinoamericana de Ciencias Sociales are published online in Springer's journal, Applied Research in Quality of Life.

The reduction of poverty is one of the main considerations in the design of both domestic and foreign-aid programs. To date, the focus of these programs has been to get people out of poverty by increasing their buying power and there has been an assumption that raising people's income translates into greater well-being. Professor Rojas challenges this assumption and argues that measures of [life satisfaction](#) should also be taken into account when designing and evaluating poverty-abatement programs.

Professor Rojas used data from a yearly national survey run by the University of Costa Rica covering the years 2004-2006. In addition to questions about household income and dependency on [household income](#), he added more subjective questions about life satisfaction in general, as well as satisfaction with health, job, family relations, friendship and self, as well as the community environment.

The majority of people rated their lives as satisfactory or more than

satisfactory. Not all people who were considered 'poor' experienced low life satisfaction and not all people who were not considered 'poor' were happy with their lives. Professor Rojas observed that only 24 percent of people classified as 'poor' rated their life satisfaction as low.

Furthermore, 18 percent of people in the 'non-poor' category also reported low life satisfaction. It is therefore clear that poverty alone does not define an individual's overall well-being and it is possible for someone to come out of poverty and remain less than satisfied with his life. On the other hand, a person can be satisfied with his life even if his income is low, as long as he is moderately satisfied in other areas of life such as family, self, health, job and economic.

Professor Rojas argues that social programs need to recognize that well-being depends on satisfaction in many domains of life, and that many qualities and attributes need to be considered when designing these programs, including leisure, education, the community and consumer skills (learning to spend higher income sensibly).

Professor Rojas concludes: "This paper has shown that it is possible to jump over the income poverty line with little effect on life satisfaction. Income is not an end but a means to an end. There is a big risk of neglecting and underestimating the importance of well-being-enhancing factors when focusing only on income poverty. It is important to worry about getting people out of income poverty, but it is more beneficial to also worry about the additional skills people need to have a more satisfying life."

More information: Rojas M (2009). Enhancing poverty-abatement programs: a subjective well-being contribution. Applied Research in Quality of Life; [DOI 10.1007/s11482-009-9071-0](https://doi.org/10.1007/s11482-009-9071-0)

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