

PURSUIT OF HAPPINESS

A recent study shows that Singaporeans are getting richer, but less happy. One writer argues that higher expectations are to blame. Another says it's a fixation with material things and we should teach children that more money doesn't always make you happier.

Weighed down by our own expectations, despite money in the pocket



Terence Ho

Researchers from the National University of Singapore (NUS) recently released the findings of the 2022 Quality of Life Survey. They found that Singaporeans have become less happy over the past decade, despite real incomes rising over this period. That said, measures of well-being – such as life satisfaction, happiness, enjoyment, achievement, sense of control and purpose – were all positively correlated with the household incomes of the respondents.

In other words, the richer a household, the greater its sense of well-being tends to be.

These seemingly contrary findings need to be unpacked. They have interesting implications for Singapore's policymakers and for Singaporeans themselves.

As we become richer, is it the case that our expectations rise and we no longer derive that much additional pleasure from more wealth? And if the less well-off have less life satisfaction, should policies be skewed towards raising their income levels – since they are more likely to draw greater joy from a little more wealth?

What about the mindset of Singaporeans? Should we prioritise other sources of happiness beyond material wealth, so that we can lead more fulfilling lives, and is this possible without the nation losing its drive to succeed on the global stage?

HOW HAPPINESS RELATES TO INCOME

While the aim of economic progress is to improve lives, it is widely recognised that income growth is an imperfect yardstick of well-being, given the many intangible aspects of life satisfaction it does not capture. Still, policymakers rely on this

metric as an objective, measurable indicator of progress that can be compared over time and across countries.

Surveys of happiness, on the other hand, are often regarded as too subjective to guide policy. Notwithstanding, a large body of research has found that happiness generally rises with income, at least up to a point. The results of the NUS survey – which has been conducted roughly once every five years since 1996 – broadly accord with this paradigm.

Income may affect happiness, but the implications for policy need unpacking. One conclusion is that policies to uplift the less

well-off can significantly improve their happiness. American researchers Sendhil Mullainathan and Eldar Shafir described the psychological burden of scarcity as a “bandwidth tax” on the poor: Trying to make ends meet takes up considerable mental bandwidth, impairing decision-making and making it harder for those with less financial means to improve their lot.

The case for redistribution is further bolstered by a 2023 Yale School of Management study that found significantly greater variance in happiness among the poor. This is because unhappy people who are poor experience a

much larger happiness boost when their incomes rise, compared with happier, wealthier people. The decline in Singaporeans' happiness over the decade corresponds to the Easterlin Paradox, the finding that in many countries, higher absolute incomes do not necessarily increase happiness over time. Some have suggested that this is because subjective well-being depends more on relative income than absolute income or living standards. It could well be that Singaporeans' perception of their relative socio-economic status – where they stand compared with

their peers – affects their satisfaction levels more than their actual income.

EXPECTATIONS MATTER

What may affect happiness even more is how well one does relative to one's own expectations or mental benchmarks. This applies not only to jobs and incomes, but also to achievements and even relationships. It has implications not just for individuals, but also for society, politics and governance.

In the 1960s and 1970s, real incomes in Singapore grew rapidly in tandem with strong economic growth, transforming living standards. As people moved from zinc-roof houses to Housing Board flats, they acquired modern amenities and conveniences. Parents who had little formal education saw their children advance to tertiary studies and good jobs. The rise in living

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standards contributed in no small part to the People's Action Party's strong showing in elections throughout this period.

Such rapid growth in incomes and living standards is no longer

possible, as Singapore has caught up with advanced economies. Today, there are parents who worry that their children will not be able to maintain the living standards they have become accustomed to. But this depends very much on how good living is defined.

Singapore's land constraints mean that the vision of a good life in material terms has to evolve. Apartments today are better designed and equipped, but may be smaller than the homes of yesteryear. Public transport is more comfortable and convenient than before, but will never be good enough for those who view car ownership as a must.

Not is it easy to temper expectations. Governments cannot seek to “under-promise and over-deliver” in any system where electoral success hinges on selling a compelling vision to the public.

We want our young to shoot for the stars, but what if reality falls short of expectations when they enter the workforce? Young people in many countries have become disillusioned: Witness the phenomena of *tang ping* (lying flat) and *ba bu lai* (let it rot) in China, and the *hikikomori* (social recluses) in Japan. While prospects for the young may be better in Singapore, their outlook and satisfaction will depend on what they expect out of work and life.

LOOKING BEYOND THE MATERIAL

The NUS researchers clustered respondents based on their

inclinations towards family, sustainability, tradition and material consumption. Those who perceived all these aspects as equally important had the greatest life satisfaction. Those who focused on material possessions were the least happy or satisfied with life.

A Harvard study that has tracked adult development since 1928 found that good relationships were the best predictor of human health and happiness. Fortunately, relationships in Singapore are on relatively strong footing.

Quality of Life surveys since 2018 have consistently revealed that Singaporeans are most satisfied with their family relationships, while being least satisfied with their household incomes.

Does this mean that Singaporeans should give up the pursuit of wealth and opt for a slower pace of life?

While individuals should have the leeway to make personal choices, Singapore as a nation cannot take its foot off the pedal, given the need for the country to make a living in a competitive world.

This is why Singapore strives to be at the forefront of global trends and developments, be it in artificial intelligence or clean technology. This strategy will require Singapore to attract top global talent across a range of high-tech domains.

On the flip side, the influx of foreigners imposes social stresses by driving up the cost of living and inviting invidious comparisons, even as the global

talent strategy increases opportunities and lifts incomes for most Singaporeans. What, then, can be done to improve happiness and life satisfaction?

Recent policy moves to strengthen support for the lower-income and enhance financial assurance for Singaporeans will help. However, they will not make everyone happier.

It is also up to us, as members of society, to develop resilience so that we will not become embittered if things do not pan out the way we hope or expect. Our young, in particular, cannot be shielded from competition, but can be given more support to deal with success and failure. We should derive satisfaction not just from wealth and status, but more importantly, from family, relationships and service to society – a consensus that emerged in the Forward Singapore exercise which concluded in 2023.

Finally, we need a spirit of adventure. An interesting finding from the Quality of Life Survey is that those who value “excitement” in their lives tend to be happier and had a greater sense of achievement. So we would all do well to seek new experiences and be ready for exciting opportunities in the year ahead.

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