DOES MONEY BUY HAPPINESS? THE CONNECTION OF SUBJECTIVE WELL-BEING AND MATERIAL STATE INDICATORS OF THE PENSIONERS

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Introduction. Money is a worldwide fundamental aspect of life, and people spend a lot of time while earning and spending it. The activity of rich and poor country governments aims to increase the economic growth. Thus, researchers from different scientific fields raise several questions, e.g., if traditional notions of rich people as happy are veritable? Does financial prosperity provides people’s experiencing well-being?

The questions of the relationship between subjective well-being and financial security indicators are studied on purpose of understanding of the desired income amount for experiencing happiness and analyzing of personality traits which determine the correlation of these indicators. It is postulated that income level is directly correlated with life satisfaction [2, p. 485]. However, this connection is not absolute, it is determined by a considerable number of factors, both public and personal, constant characteristics and random circumstances.

In particular, the connection of money and well-being is more significant among poor people [5; 6]. They hypothetically experience the lack of finances for the implementation of certain goals which are important for subjective well-being level increasing. More well-off people have these goals achieved in the required degree that’s why there is no direct relationship between their financial aspirations and life satisfaction [2, p. 497].

Several studies analyze the changes of subjective well-being indicators as a reaction on situational factors. Life satisfaction of a considerable number of the lottery winners does not change (or even becomes worse) after receiving a large amount of money. E. Diener explains this result by the intensity of life changes like a new place of living or social surroundings [4] and by returning to a basic level of
well-being after satisfying most important needs with those funds [3, p. 141]. Despite the decrease in income of the retired people, they have no significant changes in the level of life quality subjective assessment that may be explained by pensioners’ readiness to such condition as after retirement [3, p. 134], while the unexpected changes in the financial state are reflected in overall life satisfaction more clearly.

Materialism as a personal enrichment orientation is defined as a negative factor of life satisfaction. The desire of wealth enhancement, great financial success etc. [6] are inversely correlated with the general level of life quality assessment. The aiming search of money as the only life goal does not allow realizing person’s inner needs. People who are not happy in the other areas are looking for the satisfaction in material sphere to compensate for the lack of positive emotions at least to some extent. C. Nickerson et al. found that the materialists are not satisfied primarily with their social relationships [3, p. 144]. Finally, the desire for enrichment is absolutely impossible goal, as it has no established limits, thus a person may never know where ‘enough’ for experiencing happiness is.

The mediators of connection between economic and subjective well-being are also demographic characteristics. The higher the level of education of the person is, the greater is his/her materialistic tendencies and the lower is life satisfaction [7]. The men have more powerful desire for wealth enhancement [2, p. 486] and more tight correlation of life satisfaction and income than women [3, p. 128]. In addition, the level of financial security is distinctive determinant of subjective well-being in adulthood, whereas the results of studies for students [6] and the elderly people [1] show that this factor loses its value.

The question of the relationship between economic indicators and subjective well-being is particularly topical among socially unprotected groups, particularly among pensioners who finished their career by age. On the one hand, they knew about the necessity of starting life for social payment so subjective well-being should not change a lot after retirement. On the other hand, as the members of the low-income society they may suffer from the lack of costs for satisfying their needs that is the direct factor of life satisfaction decreasing. The study was organized to resolve this ambiguity.
**Objectives.** The aim of the article is to clarify the relationships between indicators of financial state of pensioners and their subjective well-being. In addition, it is reasonable to set the value of the pension, financial support of relatives and subjective satisfaction with material side of life for well-being determination.

**Method and procedure.** There were 204 participants involved in the study, of age 60-88, 140 women and 64 men who are retired by age at the time. The participants were the representatives of different social groups (with different marital status, education, pension, residence, etc.). The following questionnaires were used: Satisfaction with Life Scale by E. Diener, Affective Balance Scale by N. Bradburn, QLS by K. Burkhardt, SF-36 and the inventory for the study of indicators of social involvement and financial state.

**Results.** Summarizing the results of 11 studies, E. Diener and R. Biswas-Diener found that people with high incomes are in 17% more likely to declare that they are happy [3, p. 124]. The results of our study revealed that general life satisfaction of the pensioners is higher if they have higher pension, the availability of relatives’ financial support and if they are satisfied with the material benefits (financial situation, living conditions, food, etc.) (r=0,20; r=0,21; r=0,36, respectively; p<0,01). This relationship is less pronounced among men than among women.

Dissatisfaction with the material status or low pension have insignificant impact on the experience of positive emotions, but is inversely correlated with indicators of negative affect (r=-0,27 and r=-0,21, respectively; p<0,01). Intersexual difference is the opposite: men are much more likely to be dispirited by the lack of benefits and dissatisfaction with material things (r=-0,28; r=-0,43, respectively; p<0,01), than women (for pension index r=-0,21; p<0,05). Thus, finance is not a source of joy in late adulthood, however its lack causes negative emotions as is the reason for worrying where to get money for their own needs and surviving. However, the frequency of positive emotions increases if the relatives support pensioners financially (r=0,16; p<0,05), that is mainly important for women as the proof of close people’s attention and care.
Retirees who are satisfied with their financial situation and who have comparatively higher pension payments feel physically healthier \((r=0.16; \ p<0.05)\), and indicate better social functioning \((r=0.16; \ p<0.05)\). It can be noted that the financial resources mediate the process of meeting of the basic needs of this stage of life, e.g. they let a person maintain a positive state of health and establish interaction with the environment.

**Conclusions.** Thus, although the researchers point to the minor role of money during late adulthood, pensioners’ income is correlated with their subjective well-being. In particular, they evaluate life as a good and successful, if gained higher social payments during the employment period of life. For men, this indicator of social status is particularly important. Female pensioners instead experience positive emotions and life satisfaction if they are supported by the closest people. To some extent the financial situation of retirees is associated with the assessment of their own health status, especially the overall physical and social functioning, ability to build relationships with others.

**References:**


