



Socio-Economic and Psychological Well-Being: An Analytical Study for Sustainable Policy-Making



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<https://doi.org/10.18280/ijstdp.190116>

ABSTRACT

Received: 15 September 2023

Revised: 14 December 2023

Accepted: 19 December 2023

Available online: 31 January 2024

Keywords:

economic well-being, multidisciplinary, psychological well-being, social well-being, sustainable behaviour, sustainable development goals, sustainable policy

This study aims to create an integrated framework for assessing socio-economic and psychological well-being to guide sustainable policy-making. Researchers surveyed 300 individuals across various income brackets, evaluating their well-being based on their responses to 53 items measuring economic, social, and psychological factors. Analysis of the collected data revealed that while financial well-being scored the lowest at 49%, psychological well-being ranked highest at 65%, with social well-being at 61%. The study's findings challenge the traditional emphasis on income as a sole indicator of well-being and highlight the necessity for policies that foster a holistic sense of well-being. This research contributes significantly to the development of sustainable policies by proposing a comprehensive approach to evaluating and enhancing the well-being of different social echelons.

1. INTRODUCTION

It is in the heart of human existence to be happy and the sole purpose of human communities is to work towards reaching for the highest of people's well-being. A detailed analysis of the historical foundations of the concept of "well-being" demonstrates that how people perceive it depends on the development and needs of the period. From the Greeks to Enlightenment to Industrialization the self-understanding of well-being changed from being virtuous to knowledgeable to finding happiness in wealth. Malleable time brings changing perceptions and therefore, a need for novel interpretation has arisen. The world must redefine development while taking sustainability into account as a result of growing industrialization, unchecked resource extraction, unmet human needs and desires, and a lack of logical rationale. To do so, a balanced and multidimensional well-being approach is the need of the hour. There are two perspectives which are prevalent even today one is, Behavioural Economics/welfare economics (Hedonic), and other is socio-psychological approach (Eudaimonia), but are researched separately. The present paper tries to link both by assuming that, on the one hand, hedonic well-being (Income and Financial well-being) keeps people materialistically happy and, on the other hand, eudaimonic (Socio-psychological well-being) makes them live a satisfactory and mentally sound life. Our aim is to provide a simple way to measure holistic well-being for knowledgeable and sustainable policy-making, as the time demands. Knowledgeable policymaking means understanding

the state of total well-being before designing policies. Sustainable policy-making means after a deep understanding of what people want (to feel satisfied in life) building policies that take care of people's quality of life, future generation needs and environmental concern [1]. The present paper tries to distinguish social, psychological and financial well-being clearly and distinctly. The hedonic perspective is measured by income level and financial well-being scale, whereas the eudaimonic perspective is measured by social and psychological well-being scales. As the question of life satisfaction and happiness became the main agenda of many major Governments of the world, the need to define more realistic social and psychological well-being indicators surfaced. From the 1960s to the 1980s a major upsurge in the empirical study of subjective well-being, with both the social and psychological elements was seen [2-5]. At around 1990 there was a minute thrust in economic research on subjective well-being. Both interests are still prevalent and expanding exponentially.

The concept of economic well-being was first introduced in the academic literature by Easterlin et al. [6] in their 1990 paper titled "How have American baby boomers fared? Earning and economic well-being of young adults, 1964-1987". There was shift from an objective approach to a subjective approach, which focused on the behavioural aspects of financial well-being [7]. It was not until 2009 that the topic of financial well-being research became widespread, and researchers began studying its impact on overall life satisfaction, academic success, psychological and physical

health, and normative expectations [8, 9]. Subsequently, many different studies have attempted to define and measure financial well-being, financial capabilities, and financial behaviours among different groups, including college students, American women, Malaysian college students, and consumers [10-13].

Bradburn attempted to differentiate psychological wellbeing from social/general wellbeing, despite there being many locus classicus that define and measure human wellbeing in general and social wellbeing in particular [14]. Subsequent researchers built on Bradburn's work and added new dimensions to the concept. However, it was Ryff [15] who first presented a six-variable model for calculating psychological well-being, which she further refined in 1995, 1996, 1997, and 1999. In this paper, we will use Ryff's model to calculate psychological well-being.

Keyes in 1998 proposed a five-dimensional scale (social contribution, social integration, social coherence, social acceptance, and social actualization) and it was theoretically authenticated. Gallagher et al. [14] studied hedonic, eudaimonic and social well-being to explain sound mental health. There have been numerous socio-psychological studies previously discussed that take a multidisciplinary approach, resulting in overlapping concepts of social and psychological well-being.

In the contemporary, where need of well-being well realized and recognized, researchers are studying the several aspects of well-being starting from social well-being to financial well-being.

2. RESEARCH METHOD

2.1 Sample consideration

Sample design is used for data collection. The questionnaire is converted into Google form and emailed to 800 participants from different income backgrounds and out of which 300 responses have been received. 14 participants are removed due to inconsistency. All participants have a reading ability of grade 9. Following are the details of age, gender, monthly income, education and marital status of the participants. Description of sample is mentioned in Table 1.

Table 1. Average score by income groups

AVG.	Low Income	Middle Income	Upper Middle Income	Higher Income	Total Avg.
PWB	65.60	64.32	66.15	65.34	65
SWB	60.52	59.92	62.07	60.60	61
FWB	48.90	49.74	49.99	48.47	49

2.2 Tools used

The Financial Well-being Scale designed by the Consumer Financial Protection Bureau of America provides a reliable, standard and freely available measure of individual financial well-being. The five-point Likert scale is developed by asking consumers about what financial well-being means to them. Most of them perceived financial well-being as a feeling of security and freedom of choice in the present and future. There is a total of ten questions, the first six measures financial security and rest four measures financial freedom. The following four elements constitute a person's financial well-

being: Present Security, Future Security, Present Freedom of Choice and Future Freedom of Choice.

To assess the validity, the scores from the financial well-being scale and other questions whose answers authors expected to have positive or negative associations with financial well-being was correlated and it was good validity of scale was ensured.

The Social Well-being Scale developed by Keyes (1998) is a standardized five-dimensional Likert seven-point scale that measures: *Social integration, Social contribution, Social coherence, Social actualization, Social acceptance* is used in the present research.

The Psychological Well-being Scale (18 items version) developed by Ryff [15], is used for this study. It is a five-point scale which consists of six elements: Self-acceptance, Positive relationship with others, Environmental Mastery, Purpose in Life, Personal Growth and Autonomy.

All the scales have been widely used globally and proved the excellent reliability and validity. The financial well-being scale is measured on a five-point scale and Social and psychological well-being are measured on a seven-point scale. To bring all measurements at par, scores are converted into percentages.

2.3 Ethical statement

In the present study, subjects gave their consent to participate in the research. Field investigators explained about the research objectives, procedure and the commitment to maintain confidentiality to all the participants in Hindi language as it was their mother tongue and they were the most comfortable with Hindi. Participants were also assured that their responses would be used for research purposes only. Participants' personal information as their name, address and contact no. was not collected. Their email IDs were collected and they were assured that they would not be shared with anyone irrespective of purpose.

3. ANALYSIS OF RESULTS

The empirical examination of the data provides compelling evidence against the set notions regarding money and its relationship to overall well-being. The particular data set reveals hidden patterns portraying well-being as a multi-dimensional phenomenon and policymaking cannot solely rely on financial growth and development.

It is interesting to note that the highest average scores in all three categories of well-being are observed in the upper middle-income group. The lowest financial well-being is surprisingly of the higher income group. The lowest social well-being is of the middle-income group. And the lowest psychological well-being is also of the middle-income group.

The total average psychological well-being is highest, followed by social and financial well-being. This result shows that although the economic models are based on financial prosperity the financial well-being scores the lowest among all three types of well-being. Even income-wise categorisation doesn't change the result. The higher income group's financial well-being is the lowest among all.

Table 2 describes the sample nature. The participants from 15-30 years of age participated more than other age categories. Furthermore, percentage of students was higher than other categories. Subjects whose income was below than 20000,

their percentage was higher and post graduate subjects participated more than other mentioned categories.

Table 2. Sample description

Gender	Male	Female	
	53.50%	46.50%	
Age in years	%	Gender	
15-30	53.50%	M	40%
		F	60%
31-40	25.60%	M	65%
		F	35%
41-50	14%	M	33%
		F	67%
50+	7%	M	33%
		F	67%
Employment	%	Gender	
Business Owner	4.70%	M	100%
		F	0
Self-employed	7%	M	70%
		F	30%
Unemployed	2.30%	M	0
		F	100%
Employed (service)	46.50%	M	45%
		F	55%
Retired	4.20%	M	100%
		F	0
Student	34.90%	M	20%
		F	80%
Monthly Income	%	Gender	
Below 20000	34.90%	M	33%
		F	67%
20000-50000	23.30%	M	10%
		F	90%
50000-100000	23.30%	M	78%
		F	22%
100000+	18.60%	M	75%
		F	25%
Education	%	Gender	
12 th	7%	M	33%
		F	67%
Graduate	25.60%	M	73%
		F	27%
Post-graduate	48.80%	M	43%
		F	57%
Ph.D.	18.60%	M	26%
		F	74%

3.1 The well-being equation and well-being score calculation for each income group

The well-being equation is comprised of:

$$W = f(S, P, F, I) \tag{a}$$

Wi=Well-being
 f=function of
 SWi=Social Well-being
 PWi=Psychological Well-being
 FWi=Financial Well-being
 InWi=Income Well-being
 Well-being=Income Well-being+Social well-being+Psychological well-being+Financial well-being
 Or

$$Wi = \beta_0 + \beta_1 InWi + \beta_2 SWi + \beta_3 PWi + \beta_4 FWi + \epsilon_i \tag{b}$$

(Annexure II)

Wi: This is the dependent variable, representing the outcome or response variable for the ith observation or unit in the dataset.

β0: This is the intercept term, the value of Wi when all the independent variables (InWi, SWi, PWi, FWi) are zero.

β1, β2, β3, β4: These are the coefficients associated with the respective independent variables (InWi, SWi, PWi, FWi). They represent the estimated impact or contribution of each independent variable to the dependent variable.

InWi, SWi, PWi, FWi: These are the independent variables or predictors. They are the factors that may influence or explain the variation in the dependent variable Wi.

εi: It includes all the unobserved factors or errors that affect the dependent variable but are not captured by the model.

In other words, the equation is a linear regression model, where the researchers are trying to predict Wi as a linear combination of the intercept and the weighted sum of the independent variables, each multiplied by its respective coefficient. The error term accounts for any unexplained variability in Wi that is not captured by the model.

First, we have to calculate the specific values for β0, β1, β2, β3, and β4, and then independent variables (InWi, SWi, PWi, FWi) that can be used to calculate an estimated value for Wi.

β2, β3 and β4 are the coefficients associated with the variables SWi (Social well-being), PWi (Psychological well-being) and FWi (Financial well-being). The estimated values of β2, β3 and β4 are assumed to be 1 initially to simplify the equations. This suggests that in a society a one-unit increase in each of the Social Well-being, Psychological well-being and financial well-being is associated with a one-unit increase in overall well-being (W). This shows a direct and linear positive relationship between Social Well-being/Psychological well-being/financial well-being and overall well-being.

If we substitute the income values in the equation, we can get the individual's total well-being. Depending upon the need we can set an income limit for comparison. Say for the present data maximum income could be ₹1,50,000/-per month for the higher income group, ₹1,20,000/-for the upper-middle income group, ₹90,000/-for the middle-income group and ₹60,000/-for lower income group and the total of social, psychological and financial wellbeing is 300 (100 for each variable).

Solving the equations:

Given:
 (Annexure-II)

According to the set maximum income limits for different income groups following categories are drawn:

- Higher-income group: ₹1,50,000/-per month
- Upper-middle income group: ₹1,20,000/-per month
- Middle-income group: ₹90,000/-per month
- Lower income group: ₹60,000/-per month

$$\beta_2 = \beta_3 = \beta_4 = 1 \tag{c}$$

Lower income group (maximum income: ₹60,000/-per month):

$$\left. \begin{matrix} SWi = 60.52 \\ PWi = 65.6 \\ FWi = 48.9 \end{matrix} \right\} \text{(Average values from Table 2)}$$

Substituting the given values:

$$\begin{aligned}
 W &= \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i \\
 W &= \beta_0 + \beta_1(60,000) + 60.52(1) + 65.6(1) + 48.9(1) \\
 W &= \beta_0 + 60,000\beta_1 + 60.52 + 65.6 + 48.9 \\
 W &= \beta_0 + 60,000\beta_1 + 175.02
 \end{aligned} \tag{i}$$

Middle-income group (maximum income: ₹90,000/-per month):

$$\left. \begin{aligned}
 S W_i &= 59.92 \\
 P W_i &= 64.32 \\
 F W_i &= 49.7
 \end{aligned} \right\} \text{(Average values from Table 2)}$$

$$\begin{aligned}
 W &= \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i \\
 W &= \beta_0 + \beta_1(90,000) + 59.92(1) + 64.32(1) + 49.7(1) \\
 W &= \beta_0 + 90,000\beta_1 + 59.92 + 64.32 + 49.7 \\
 W &= \beta_0 + 90,000\beta_1 + 173.94
 \end{aligned} \tag{ii}$$

Upper-middle income group (maximum income: ₹1,20,000/-per month):

$$\left. \begin{aligned}
 S W_i &= 62.07 \\
 P W_i &= 66.15 \\
 F W_i &= 50
 \end{aligned} \right\} \text{(Average values from Table 2)}$$

$$\begin{aligned}
 W &= \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i \\
 W &= \beta_0 + \beta_1(1,20,000) + 62.07(1) + 66.15(1) + 50(1) \\
 W &= \beta_0 + 1,20,000\beta_1 + 62.07 + 66.15 + 50 \\
 W &= \beta_0 + 1,20,000\beta_1 + 178.22
 \end{aligned} \tag{iii}$$

Higher income group (maximum income: ₹1,50,000/-per month):

$$\left. \begin{aligned}
 S W_i &= 60.6 \\
 P W_i &= 65.34 \\
 F W_i &= 45.58
 \end{aligned} \right\} \text{(Average values from Table 2)}$$

$$\begin{aligned}
 W &= \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i \\
 W &= \beta_0 + \beta_1(1,50,000) + 60.6(1) + 65.34(1) + 45.58(1) \\
 W &= \beta_0 + 1,50,000\beta_1 + 60.6 + 65.34 + 45.58 \\
 W &= \beta_0 + 1,50,000\beta_1 + 170.92
 \end{aligned} \tag{iv}$$

To solve for β_0 and β_1 substitution method is used. First, we solved one equation for one variable and then substituted that expression into the other equations. Let's start by solving Eq. (i) for β_0 :

$$\beta_0 + 60,000\beta_1 = 175.02 \tag{v}$$

The left-hand side equation represents the total of zero social, psychological and financial well-being and maximum income for a particular income group. The right-hand side of the equation is the total average social, psychological and

financial well-being according to the data collected. We are equating both sides because we are testing the notion that income equals total well-being.

Rearranging the equation, we have:

$$\beta_0 = -175.02 - 60,000\beta_1$$

Now we can substitute this expression for β_0 in the other two equations.

Substituting in Eq. (ii):

$$\beta_0 + 90,000\beta_1 = -173.94$$

Simplifying, we get:

$$\begin{aligned}
 (-175.02 - 60,000\beta_1) + 90,000\beta_1 &= -173.94 \\
 -175.02 + 30,000\beta_1 &= -173.94 \\
 30,000\beta_1 &= -173.94 + 175.02 \\
 \beta_1 &\approx 0.00003
 \end{aligned}$$

Now substitute this value of β_1 into Eq. (i) or Eq. (ii) to find β_0 . Let's use Eq. (i):

$$\beta_0 + 60,000\beta_1 = -175.02$$

Simplifying, we have:

$$\begin{aligned}
 \beta_0 + 60000(0.00003) &= -175.02 \\
 \beta_0 - 175.02 - 1.8 & \\
 \beta_0 &\approx -176.82
 \end{aligned}$$

Therefore, the solution for β_0 is approximately **-176.82** (is the estimated value of total well-being when all other variables are zero), and the solution for β_1 is approximately 0.00003 (indicates for every unit increase in income, total well-being is estimated to increase by 0.00003, which is negligible).

Now, substitute the values of β_0 and β_1 in Eq. (b), we get the following:

$$W_i = \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i$$

$$W = (-176.82) + (0.00003) \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \varepsilon_i$$

Now, putting values of W_i , $S W_i$, $P W_i$ and $F W_i$ for all income groups, we get the following four equations.

Lower Income Group:

$$\begin{aligned}
 (-176.82) + (0.00003)(60000) &= 60.52\beta_2 + 65.6\beta_3 + 48.9\beta_4 \\
 60.52\beta_2 + 65.6\beta_3 + 48.9\beta_4 &= -175.02
 \end{aligned} \tag{e}$$

Middle-income Group:

$$\begin{aligned}
 (-176.82) + (0.00003)(90000) &= \\
 59.92\beta_2 + 64.32\beta_3 + 49.7\beta_4 & \\
 59.92\beta_2 + 64.32\beta_3 + 49.7\beta_4 &= -174.12
 \end{aligned} \tag{f}$$

Upper-Middle Income Group:

$$\begin{aligned}
 (-176.82) + (0.00003)(120000) &= \\
 62.07\beta_2 + 66.15\beta_3 + 50\beta_4 &
 \end{aligned} \tag{g}$$

$$62.07\beta_2 + 66.15\beta_3 + 50\beta_4 = -173.22$$

Higher Income Group:

$$\begin{aligned} &(-176.82) + (0.00003)(1500000) = \\ &62.6\beta_2 + 65.34\beta_3 + 45.58\beta_4 \quad (h) \\ &60.6\beta_2 + 65.34\beta_3 + 45.58\beta_4 = -172.32 \end{aligned}$$

Any three equations can be used to find the values of β_2 , β_3 and β_4 , so we are using equations e, f and g.

Both Substitution and matrix Methods are used and the following values are derived:

$$\begin{aligned} \beta_1 &\approx 0.00003 \\ \beta_2 &\approx 5.22876, \\ \beta_3 &\approx -5.13238, \text{ and} \\ \beta_4 &\approx -3.16524 \end{aligned}$$

This indicates for every unit increase in income, total well-being is estimated to increase by 0.00003, for every unit increase in social well-being the total income well-being is estimated to increase by **5.22876**, for every unit increase in psychological well-being the total income well-being is estimated to decrease by **5.13238** and for every unit increase in total financial well-being the total income well-being is estimated to decrease by **3.16524**.

We can derive total well-being for each group by substituting the above values in equations e, f, g and h:

$$\begin{aligned} W_1 &= 60.52\beta_2 + 65.6\beta_3 + 48.9\beta_4 + 175.02 \\ W_2 &= 59.92\beta_2 + 64.32\beta_3 + 49.7\beta_4 + 174.12 \\ W_3 &= 62.07\beta_2 + 66.15\beta_3 + 50\beta_4 + 173.22 \\ W_4 &= 60.6\beta_2 + 65.34\beta_3 + 45.58\beta_4 + 172.32 \end{aligned}$$

We get Total Well-being for each income group:

$$\begin{aligned} W_1 &\approx -0.785 \\ W_2 &\approx -1.49 \\ W_3 &\approx 0.65 \\ W_4 &\approx 8.035 \end{aligned}$$

$$\begin{aligned} W_1 &= \text{Lower Income Group} \\ W_2 &= \text{Middle Income Group} \\ W_3 &= \text{Upper Middle-Income Group} \\ W_4 &= \text{Higher Income Group} \end{aligned}$$

The result for this particular data set shows that lower- and middle-income groups have negative total well-being and the middle-income group is the lowest among them. Upper middle- and higher-income groups both have positive total well-being, in which higher higher-income group scores the highest.

4. INTERPRETATION AND POLICY IMPLICATIONS

The idea that rising GDP leads to increased life satisfaction and happiness has been proven wrong by many research, as cited by Easterlin [6].

The present data analysis of the average scores of social, psychological and financial well-being concerning the four income groups, support this conclusion and suggests that people who focus only on income security miss out on

enjoying the socio-psychological aspects of life, in fact the data shows that the financial well-being is the lowest even in the higher income group and, as opposed to the traditional belief that higher income brings happiness, psychological well-being resulted as the highest scorer in upper middle and lowest income groups and not in the higher income groups. Thus, it proves that income improvement does not guarantee sound financial well-being. It improves slightly up to the upper-middle income group and then it starts declining. Therefore, the policymakers must also make sure that people feel financially safe while getting ahead in the social strata. It is interesting to note that the upper-middle income groups enjoy the highest of all the well-being. Thus, focusing on getting the maximum population at the upper-middle income level would be beneficial for reaching the maximum well-being state.

The result of the regression equation $W_i = \beta_0 + \beta_1 \ln W_i + \beta_2 S W_i + \beta_3 P W_i + \beta_4 F W_i + \epsilon_i$ gives β_0 is approximately **-176.82**. This means when all three (socio-psychological and financial well-being) categories of well-being are absent the total well-being stands way low irrespective of the income category. This proves how much weight non-monetary well-being has. Moreover, β_1 is approximately 0.00003, which indicates for every unit increase in income, total well-being is estimated to increase by 0.00003, which is negligible.

The estimated values of **β_2 , β_3 and β_4** for this particular data suggest that for every unit increase in social well-being, the total income well-being is estimated to increase by **5.22876**, for every unit increase in psychological well-being the total income well-being is estimated to decrease by **5.13238** and for every unit increase in total financial well-being the total income well-being is estimated to decrease by 3.16524. This means, that only social well-being is positively related to the increase in income, whereas psychological and financial well-being share a negative relationship. These results agree with the fact that an increment in income does not ensure overall well-being. All three well-being must be in a positive relation with the income increase. Thus, there should be a healthy balance between hedonic (Income and Financial well-being) and eudaimonic (Socio-psychological well-being) well-being.

A comparison of Table 3 and Table 4 shows two situations. Table 3 is the total of social, psychological and financial well-being where income is not included. Table 4 shows the total well-being including income. It is noted that the first three income groups, that are, lower, middle and upper-middle income groups, reduced in their ranking when incomes are included. It is only the higher income group that improved from lowest to the highest in ranking when incomes are included. This means that except for higher income groups, all three income groups are losing in overall well-being.

But, at the same time, we must consider that aspiring for everyone to reach a higher income group is illogical and not feasible, hence, a balanced approach towards having a mixed method development that focuses on targeting policies including all types of well-being is the need of the time for sustainable growth and development.

Although the study does not explicitly include sustainability indicators, by sustainable policy-making the researchers mean a balanced approach that reaches for a holistic societal development. A blend of policies that include both hedonic (Income and Financial well-being) and eudaimonic (Socio-psychological well-being) well-being while planning. This ensures long-term stability in a society where everyone's

needs are met, be it social, psychological or financial and not just substitute all well-being with income well-being.

Governments can plan to have a separate multi-dimensional research unit to filter all policies through the net of this holistic perspective. It is possible to check in advance the ripple effects of each policy on the people’s social, psychological and financial well-being. Once the policymakers are aware of the effects, they have the choice to modify the policies according to what people feel about them and it becomes easier to implement these policies.

Table 3. Social, Psychological and Financial Well-being (average) for all Income Groups

Income Groups	Total Social, Psychological and Financial Well-Being (Average)
Lower Income Group	175.02
Middle-Income Group	173.94
Upper-Middle-Income Group	178.22
Higher-Income Group	170.92

Table 4. Total Well-being of all income groups

Income Groups	Total Well-Being
Lower Income Group	-0.785
Middle-Income Group	-1.49
Upper-Middle-Income Group	0.65
Higher-Income Group	8.035

5. CONCLUSION

In conclusion, the analysis of results illuminates the multifarious relationship between income and overall well-being, questioning the traditional notions that associate higher income solely with increased well-being. The data collected a multi-dimensional nature of well-being, comprising social, psychological and financial dimensions. Notably, the highest average score in all three categories (excluding income) of well-being is observed in the upper-middle income group, while the higher-income group surprisingly exhibits the lowest financial well-being.

The well-being equation emphasizes the significance of including various factors in determining overall well-being, these factors are social, psychological and financial aspects. The regression analysis shows a positive relationship between social well-being with income, while psychological and financial well-being unveils negative associations. Policy implications comprised of the findings enunciate the need for a holistic approach to societal development and enforce the need to shift focus beyond income and financial well-being to socio-psychological well-being. The study proves that an exclusive emphasis on income generation is not a sure-shot guarantee for overall well-being as the total well-being (including income) of lower- and middle-income groups experience a negative relationship.

The results advocate a balanced approach that keeps in frame both hedonic and eudaimonic well-being aspects while drafting policy. Furthermore, it is suggested that sustainable policy-making integrates a comprehensive understanding of societal development. Governments are advised to establish multi-dimensional research units to assess the potential effects

of policies on the social, psychological and financial well-being prior to policy implementation. This will ensure a holistic sustainable growth and development.

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