

# Ikigai: Meaning, Well-Being, and Income

A Discussion of Measuring Subjective Well-being through an Important Concept in Japan: The Case of "Ikigai" by Hironobu Ueda, Terumasa Nishihara, Rei Ando

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**IKIGAI**

**A REASON  
TO GET UP  
IN THE MORNING**

# Discussion

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1. Why measure subjective well-being?
2. Will happiness grow with income forever?
3. Is income enough: Eudaimonic well-being.
4. Does Ikigai require paid work?

# Subjective Well-being

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“**Subjective well-being** refers to all of the various types of evaluations, both positive and negative, that people make of their lives. It includes **reflective cognitive evaluations**, such as life satisfaction and work satisfaction, interest and engagement, and **affective reactions** to life events, such as joy and sadness.” [Diener, 2005]

## Typical “happiness” questions:

Evaluative

- ▶ Satisfaction ladder:
  - “Here is a ladder representing the ‘ladder of life’. Let's suppose the top of the ladder represents the best possible life for you, and the bottom, the worse possible life for you. On which step of the ladder do you feel you personally stand at the present time? [0-10 steps].”
- ▶ Life satisfaction
  - “All things considered, how satisfied are you with your life as a whole these days?” [1=Dissatisfied – 10=Satisfied]
- ▶ Happiness
  - “Taken all together, how would you say things are these days—would you say that you are: very happy, pretty happy, or not too happy?”
- ▶ Daily affect
  - Did you experience the following feelings during a lot of the day yesterday? How about: a) Happiness; b) Enjoyment; c) Anger; d) Sadness; e) Stress; f) Worry

Affective

# What is the relationship between happiness & income?

Types of comparisons	1970s view “Easterlin Paradox”	1990s view “Satiation”	New view: Stevenson-Wolfers (2008)
<b>Within country:</b> Rich v. poor people in a country	Big effects	Big effects for income <\$15k - But not for the rich	Strong effects: $\beta^{\text{within}} \approx 0.35$
<b>Between country:</b> Rich v. poor countries	Statistically insignificant effects interpreted to be zero	GDP < \$15k: Strong effects GDP > \$15k: No effects	Strong effects $\beta^{\text{between}} \approx 0.35$
<b>National time series:</b> Country when rich v. poor	No effects (Japan, USA, Europe)	No effects (Available data are for rich countries)	Strong effects $\beta^{\text{time series}} \approx 0.35$
<b>International panel:</b> Countries with fast v. slow growth	Largely unexamined	Largely unexamined	Strong effects $\beta^{\text{panel}} \approx 0.35$
Implications	Relative income determines well- being	Relative income determines well- being... once “basic needs” are met”	There’s no paradox (and never was)
Policy conclusions	De-emphasize growth	Rich countries should de-emphasize growth and tax labor supply	



# Why Measure Subjective Well-Being

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Finding: Subjective Well-Being is tightly linked to GDP

- ❑ It's simpler (Deaton's AEA Presidential address)
- ❑ Measure well-being before & after policy change
- ❑ Understanding the relationships between affect, life evaluations, and utility (Becker and Rayo, 2008)
- ❑ If people make mistakes  
⇒ Revealed preference is a poor welfare metric (Gruber & Mullainathan)
- ❑ Subjective Well-Being and GDP per capita could diverge

# Moving Beyond Well-Being

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- ❑ Much clearer relationship between well-being and income across countries when one focuses on hedonic measures of well-being
- ❑ A much less clear relationship between well-being and income across countries when one focuses on eudaimonic measures
  - ▶ Is this because these measures do a worse job at capturing a consistent concept across countries
  - ▶ Or is it because the ways to improve eudaimonic well-being are less related to the resources to which one has access

# Hedonism versus Eudaimonism

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- ❑ Psychologists describe two distinct concepts of well-being that they describe revolving around distinct philosophies
- ❑ Hedonism is the idea that well-being consists of pleasure or happiness
- ❑ Eudaimonism is the idea that well-being is the actualization of human potentials
- ❑ Most assessments of economic development and well-being have primarily focused on measures of well-being associated with hedonism (OECD better life index moves beyond hedonism toward more concrete measures of health, safety, etc)



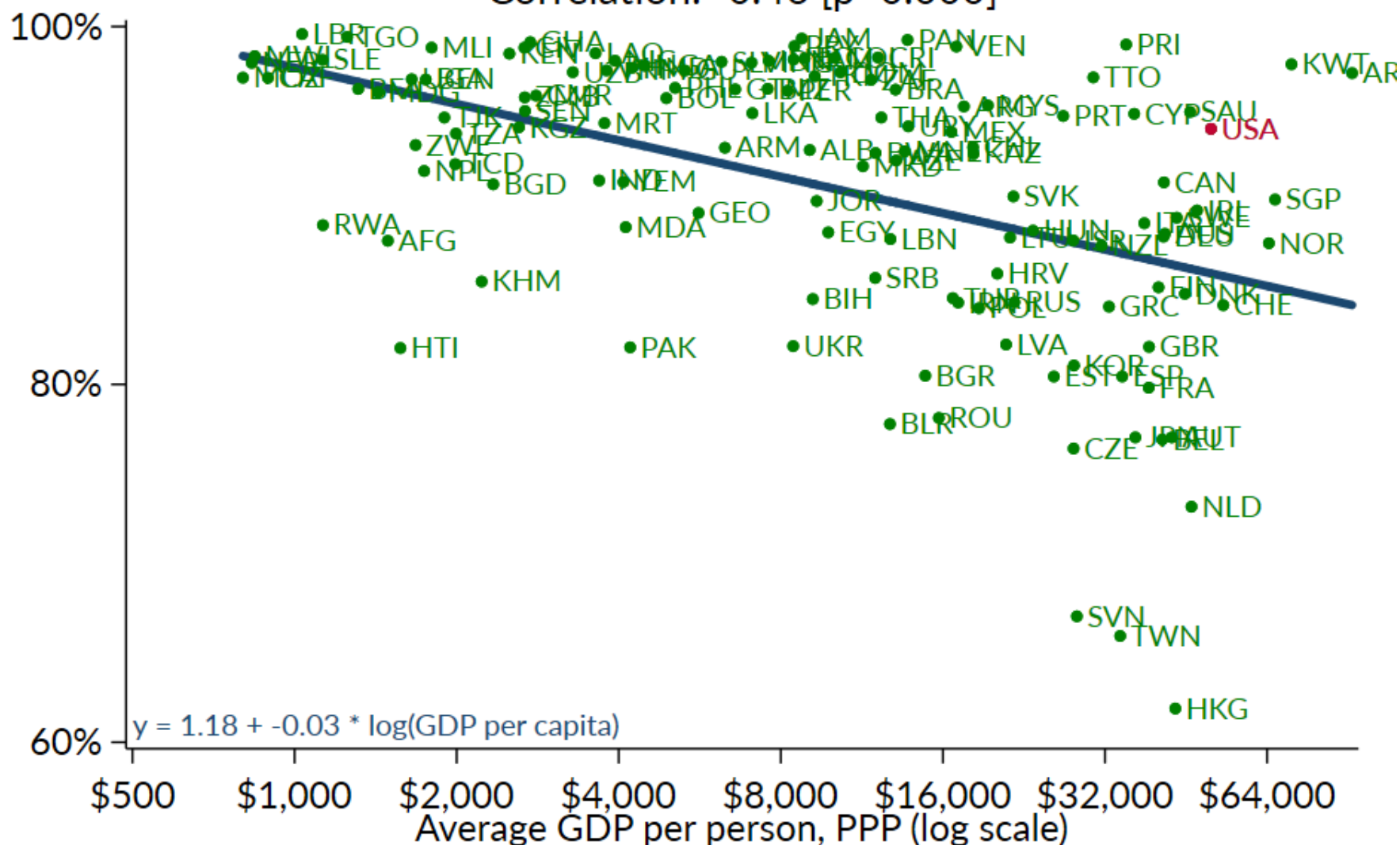
# Life Evaluation

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- ❑ Perhaps the most studied by economists
- ❑ What we know?
  - ▶ Highly correlated ~80 percent
  - ▶ Richer people have greater life satisfaction than poorer people between within a country, richer countries have people with greater average life satisfaction, and on average economic development leads to increases in life satisfaction
  - ▶ What about more eudaimonic measures like meaning, purpose, learning, feeling proud, bored, productive?
  - ▶ These measures are less clearly correlated with income across countries.

# Do you feel your life has an important purpose or meaning

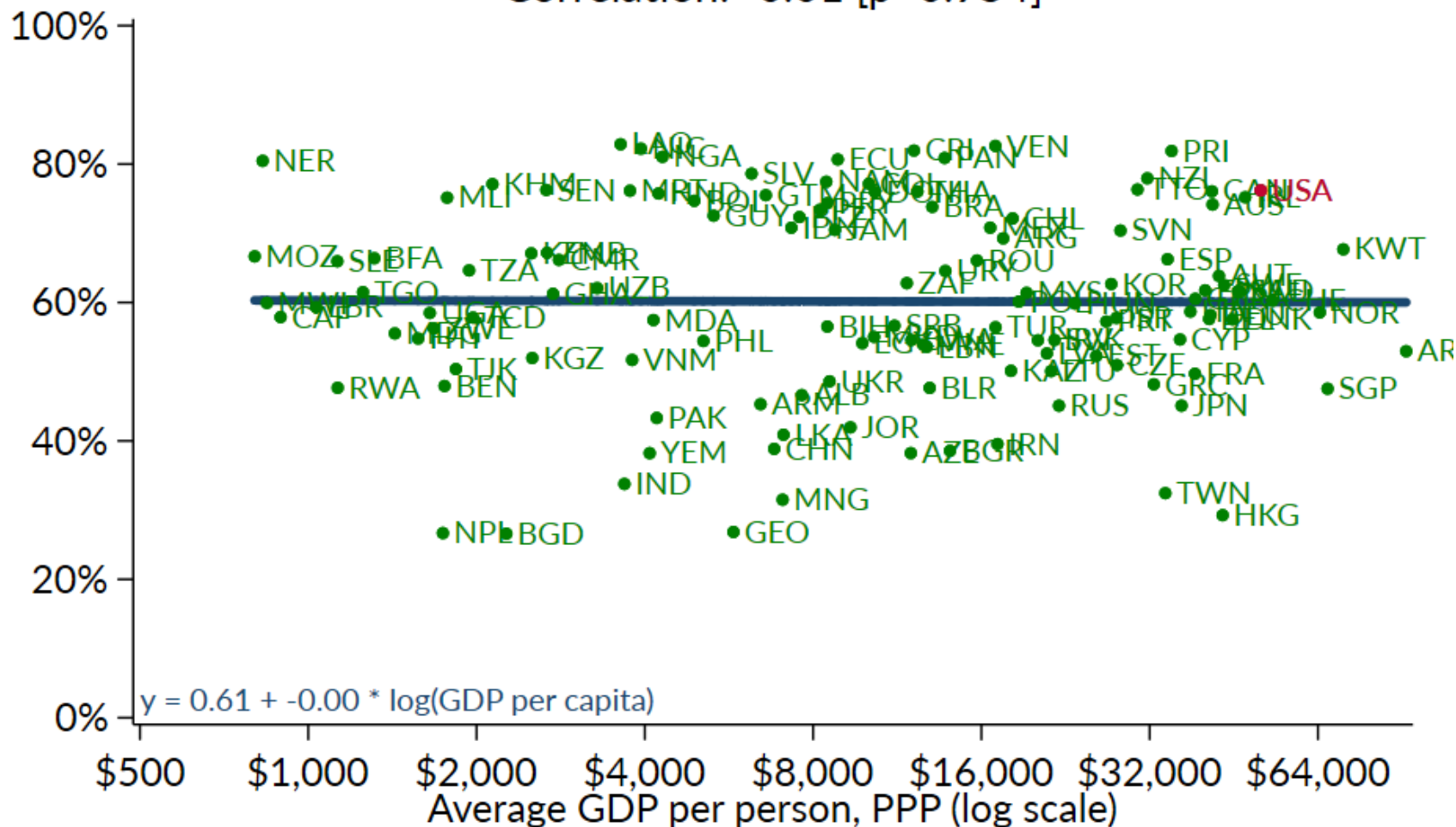
Correlation: -0.46 [p=0.000]



Gallup World Poll, 2006-2011, n=248039 in 129 countries

# Were you proud of something you did yesterday?

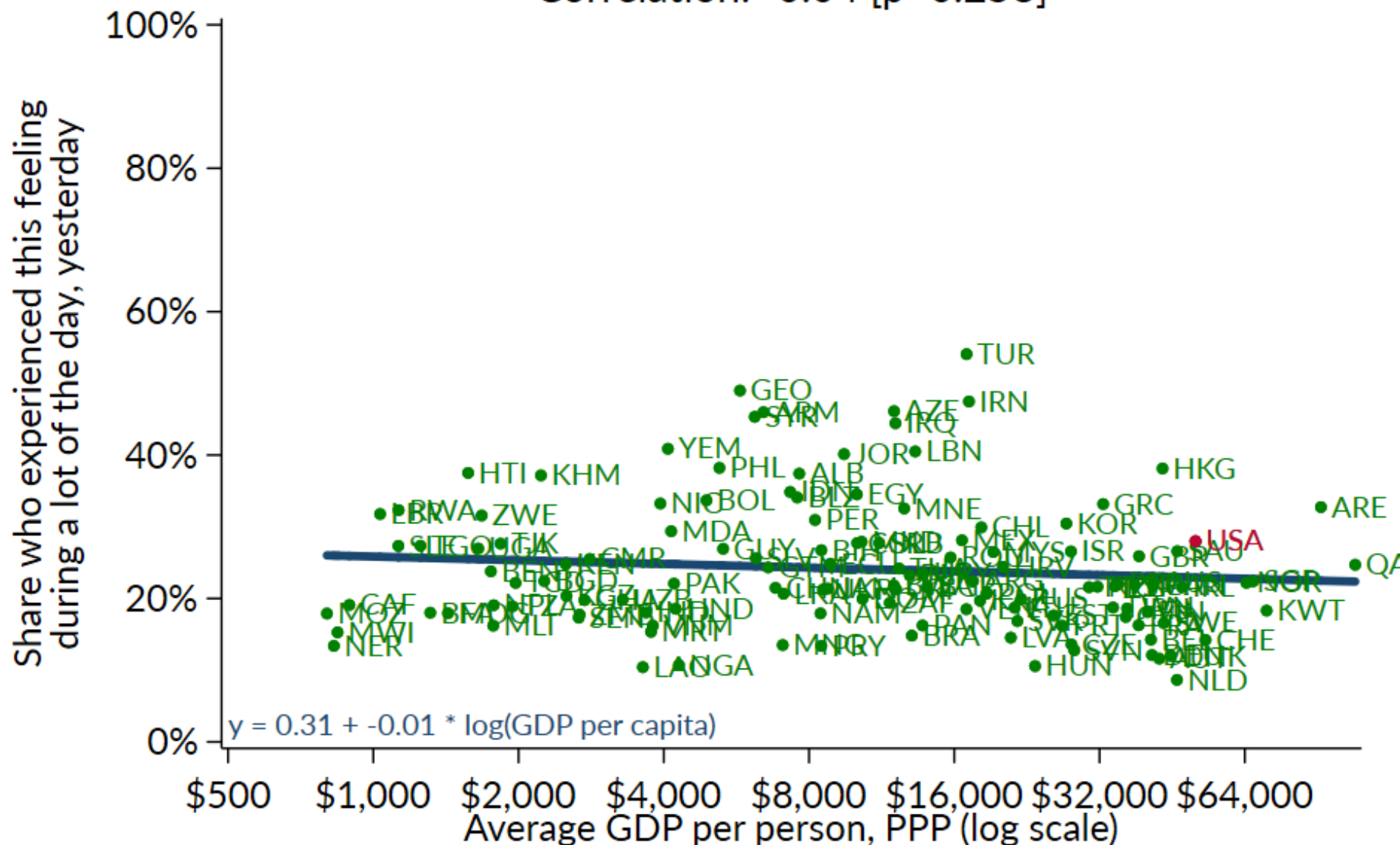
Correlation: -0.01 [p=0.954]



Now, please think about yesterday, from the morning until the end of the day. Think about where you were, what you were doing, who you were with, and how you felt.  
Gallup World Poll, 2006-2008, n=220638 in 127 countries

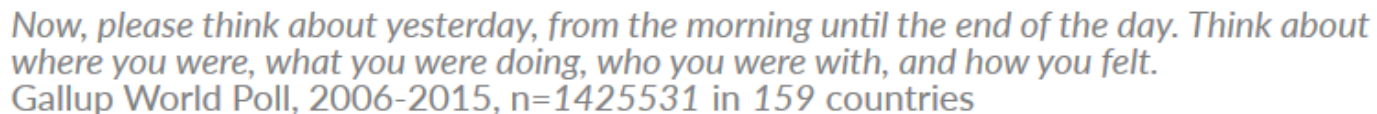
# Boredom

Correlation: -0.04 [p=0.258]



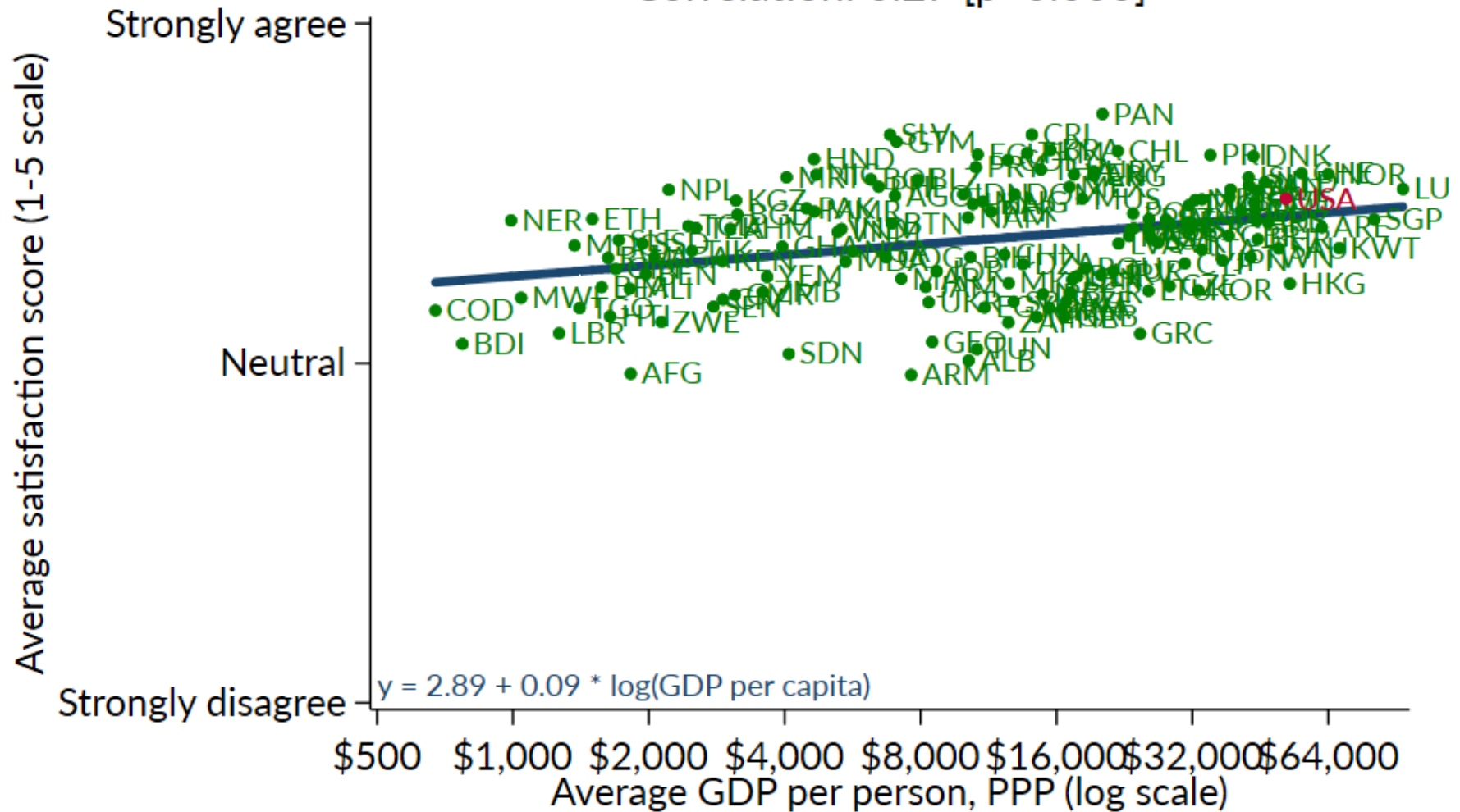
Gallup World Poll, 2006-2008, n=237069 in 130 countries

Correlation: 0.17 [p=0.069]



# Like What You Do Each Day

Correlation: 0.27 [p=0.000]

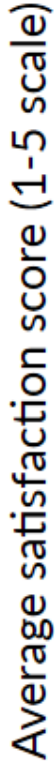


Thinking about your life in general, please rate your level of agreement with each of the following using a 5-point scale.

Gallup World Poll, 2013-2014, n=279427 in 145 countries



Correlation: 0.27 [p=0.000]



Gallup World Poll, 2013-2014, n=278447 in 145 countries

# Eudaimonic well-being

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❑ Does Ikigai require being paid?

“When we asked what their ikigai was, they gave us explicit answers, such as their friends, gardening, and art. Everyone knows what the source of their zest for life is, and is busily engaged in it every day”

Ikigai: The Japanese Secret to a Joyful Life, JapanGov

([https://www.japan.go.jp/kizuna/2022/03/ikigai\\_japanese\\_secret\\_to\\_a\\_joyful\\_life.html](https://www.japan.go.jp/kizuna/2022/03/ikigai_japanese_secret_to_a_joyful_life.html))



# Ikigai for Knowledge Workers

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# Ikigai isn't related to GDP per capita

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- ❑ At least not across countries at a point in time
- ❑ Is it related to income in the cross section?
  - Authors suggest that it is, but much less than life satisfaction
- ❑ Employment isn't statistically significantly related to Ikigai in their data

## Authors find

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- ❑ Frequent participation in Volunteer Activities and Community Events correlate with higher “Ikigai” scores
- ❑ Higher job satisfaction is associated with higher "Ikigai" scores
- ❑ OLS analysis suggests that, while life satisfaction appears to relate to financial and material well-being, “Ikigai” appears to relate to emotional and relational dimensions of well-being.

# Why is Measuring Ikigai Useful?

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Not a substitute for measuring GDP!

An important aspect of a good life, that can be fostered more easily with access to income but may not require either a high income or a job.

Will the world gain income without work from AI? If there is a fair distribution of income, but it comes mostly from capital rather than labor how will people get Ikigai?

# Reconfiguring the Venn Diagram of Ikigai

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Element

Broader Interpretation (Beyond Work)

**What you love**

Hobbies, causes, people, nature, ideas that bring joy

**What you're good at**

Skills like listening, organizing, storytelling, making others laugh, knowledge about plants, patience

**What the world needs**

Emotional labor, community care, mentorship, activism, cultural preservation

**What you can be paid for**

What your community values: non-monetary rewards such as recognition, respect, gratitude, love