Inequality and Happiness

Shige Oishi
Columbia University
What is a Great Society?
(President Trump, Jan 20, 2017)

“Together, We will make America strong again. We will make wealthy again. We will make America proud again. We will make America safe again. And yes, together, we will make America GREAT again!”
When Were Americans Happiest?
Growing Income Inequality and its Unhappiness?

Oishi, Kesebir, & Diener (2011, Psych Science)

R = -0.37*
Income Inequality & Happiness of Poor and Rich

\[ R = -0.61^{***} \]

\[ R = -0.05 \]
Why is Income Inequality Bad?

Indirect effect = -0.161, S.E. = 0.026, z = -6.25, p < .01

Indirect effect = -0.131, S.E. = 0.026, z = -5.08, p < .01

Oishi, Kesebir, & Diener (2011, Psych Science)
But How to Reduce Income Inequality?

(Oishi, Kushlev, & Schimmack, 2018, American Psychologist)
Why Progressive Taxation?

- Progressive Taxation
- Income Inequality
  - -.739**
  - -.747**
- Happiness
Why Progressive Taxation?
A Psychological Mechanism

Progressive Taxation → Income Inequality → Trust Fairness → Happiness

Indirect Effect, $z = 5.08$, $p < .001$
Why Against Progressive Tax?

Predicted Happiness of the Poor & the Rich

R = .58

R = -.71!
Actual Happiness of the Poor and the Rich

\[ R = 0.43, \ p = 0.018 \]

\[ R = -0.19, \ p = 0.312 \]
Thanks!

E-mail: shigeoishi@gmail.com