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PANELISTS:

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QUESTION & ANSWER SESSION

P R O C E E D I N G S

MR. EASTERBROOK: Good morning. Thanks for coming. I'm Gregg Easterbrook. We live in a world where living standards are rising, education levels are rising, longevity is increasing, disease is declining, crime is declining, pollution is declining, discrimination is declining. Almost every objective indicator of American and European life is positive, and people are really miserable about it, as far as we can tell.

National happiness levels are not rising, clinical depression is. All of this good news seems to make people really upset and unhappy. I call this "The Progress Paradox," which is a great title for a book. I hope somebody writes that book. It sounds pretty promising.

And we have today with us four leading experts on well-being, happiness theory and the economic research that flows out of it. I'll introduce them very informally, and then we'll just go and let them talk. They'll each talk for about 10 minutes, and then we will take questions from the audience. If any of you are thinking of using the Henny Youngman line, "What good is happiness, it can't buy money," it's already been used.

[Laughter.]

MR. EASTERBROOK: Our first speaker today will be Andrew Oswald. He comes to us from the University of Warwick. He is an expert in the economic theory implications of happiness and well-being research, particularly as it affects people's economic behavior.

Second is Ed Diener of the University of Illinois. He is a professor of psychology and one of the godfathers of the positive psychology movement, which is a recent trend in academic psychological research to try to figure out not what causes people to develop neuroses, but what causes some people to become sane, what factors bring about altruism, and happiness, a sense of well-being, et cetera.

And, Ed, I assume if you ever do figure out what causes sanity, you're not going to tell anybody, right? That'll be carefully held.

[Laughter.]

MR. EASTERBROOK: Our next speaker will be Carol Graham of Brookings, of whom we're very proud. And since Carol I think has to sign off on my new office, I very strongly urge you to clap loudly when Carol stands up.

[Laughter.]

MR. EASTERBROOK: And finally we'll have Jeff Sachs of Columbia, who is one of the world's leading experts and authorities, especially on developing world economics and growth.

Andy, first.

MR. OSWALD: Hi. Thank you for coming. As Gregg said, I work at the University of Warwick in England, and my group has been responsible for a reasonable amount of the statistical work in the last 10 years or so on the study of happiness. Sometimes I'll use the term "the economics of happiness," but of course it's really about social science more generally.

We have data, if I add up all of the data sets, on about one million randomly sampled people, and these individuals come from 20 or 30 countries, and they all fill up forms trying to describe how they feel about their lives, their life satisfaction levels, very often their mental health levels, and certainly simple scores on how happy they feel.

For policymakers, I think there are three implications from all of this:

First, this is going to lead us away from concentrating on GDP, on gross domestic product, on simple counts of things, you might say, and more complicated counts of people's feelings.

A second is that it will allow us to do a true cost-benefit analysis, bearing in mind the factors that really matter to people: If we're deciding whether an airport should be built, whether we should have a tax change, whether we should alter the way the health system functions and so on.

And the third is that happiness data, happiness surveys give us new ways of tackling longstanding, traditional problems, new ways of thinking about old issues.

Let me say just a little bit more about each of those three ideas.

How does happiness data change the focus of policy? Well, I think it's clear that what it indicates is that societies, and certainly politicians, might want to focus on mental health rather than on adding up the number of goods and services produced in economies. In other words, I think this avenue of research, this kind of thinking, takes us to measures of psychological well-being, of psychological health and away from what I think will become viewed as old-fashioned measures of economic prosperity.

One of the famous paradoxes--I'll just say it here, in case there's anyone in the audience who doesn't know--this is due to a man called "Easterlin," Richard Easterlin--is that if we look through time, although countries like mine [England] and the United States get much, much richer, decade after decade, standardized happiness scores don't rise.

There's a twist to that paradox, and that is that if we take a cross-section of people, say, think of all of the people in this room, and we try to measure your happiness levels and your income levels, it will be true that the richer people in the room report themselves as happier, on average, than those who are poorer. We can't square up what you might call this cross-section fact, the pattern across all of us, with the longitudinal evidence on the nature of economies on whole societies through time.

A second thing that happiness economics can do is to allow us to put weights on economic forces and well-being alongside social forces, alongside environmental ones. At the moment, there is no way of comparing apples, and oranges, and pineapples because, in a sense, that's what these sorts of influences are.

Happiness economics can actually put a dollar value on tangible and intangible forces as they act upon human beings. So, for example, we now have dollar values for the happiness from marriage, from health, from equality or inequality, dollar values on the happiness or unhappiness from aircraft noise, fear of crime, unemployment and inflation. And in that sense we are close to being able to do a genuine and general economic and social cost-benefit analysis on well-being across all of these spheres, covering factors that of course don't come automatically with a price tag. I think this is what will one day be used by lawyers a lot because you can see the ramifications for the courts, but today I just want to emphasize that happiness surveys are a natural tool for use by politicians and, ultimately, by societies.

Just before I close, let me say something about how happiness data is telling us new things about old topics. We've now got calculations on how much happiness money can buy, how strong is racial discrimination. There's a calculation in the paper that you have before you, done with Blanchflower at Dartmouth, where we calculate the dollar cost in American society per person in happiness terms, not in wage terms, from racial discrimination.

Is the position of women improving in Britain or in your [American] society? Intriguingly, in American data, the happiness of white women has trended downward secularly. In other words, white women in your country seem to be the strongest losers since the early 1970s, when we started completely consistent happiness surveys. Nobody knows why it's white females that have been in this striking loser category, if I can put it in that way--the demographic group where happiness is trending down. And clearly it's paradoxical because, on the face of it, this has been a much better few decades for women. On the face of it, there's been a dismantling of a lot of discrimination.

How should we set taxes? A recent paper from MIT showed, intriguingly, that when you raise cigarette taxes, you make American smokers happier, and that's a striking thing to an economist because normally if you tax something, life gets nastier for the people consuming the good. But in the case of cigarette taxes, the reverse has been shown. That paper is causing a tremendous amount of controversy, but this style of doing economics I think will become more common and throws up these really dramatic, challenging kinds of findings.

Let me stop there. I'm delighted to take questions about our work. We studied American data, but also you can imagine data on many, many European countries. I'll just close by saying that my honest view is that happiness research is quite close to revolutionizing economic and social policy.

Thank you.

[Applause.]

MR. EASTERBROOK: I think we're going to take questions at the end, so try to remember your questions.

MR. DIENER: So when Carol asked me to talk, she said, "Could you sum up the psychology of happiness in 10 minutes?" And the answer is, no, so what I'm going to do instead is talk about something that Andrew talked about--national accounts of well-being. And I think it's a revolutionary idea, as Andrew said, and I would like to propose that we institute it. If you want to know more about the psychology of well-being, which I've studied for the last 20 years, look at my website, look at the paper I gave you. It has a lot of references. We have a lot of books and so forth on that.

So Kennedy, Robert Kennedy, said something that we're talking about here. "The gross national product does not include the beauty of our poetry, the strength of our marriage, the intelligence of our public debate, the integrity of our officials, neither our wit nor courage, wisdom nor learning, devotion to country. It measures everything, in short, except that which makes life worthwhile."

So I am not quite that strong. I want to propose that the well-being indicators would complement, not supplant, economic indicators. Economic indicators, right now, have reign here in Washington, D.C. It's not just that we hear about them on a daily basis--things like unemployment and gross national product, but when policymakers get analysis of various policy proposals, they are in terms of economics: What are people willing to pay for? How much time are people willing to trade off and so forth?

The well-being indicators, and here's what some of them might be: satisfaction with life, work and marriage, positive feelings, feelings of trust in other people, security, meaning and purpose in life, low levels of depression, stress and so forth, engagement and interest at work. So these are the kind of indicators that we would talk about instituting on a national basis, both in longitudinal surveys, experience sampling, where we catch people at random times across time.

Now, why do we need these indicators? And Andrew referred to this chart that many of you have seen. And what we see here is life satisfaction from 1946 to the present. You'll see it's actually trended down a tiny bit, but it's pretty flat, and here is gross domestic product or gross national product in the United States, and you see that it's about tripled. Our income, in real terms now, these are deflated dollars--this is not inflation money--our income is three times what our grandparents' income was, and yet we're no more satisfied, and in fact our young people are more depressed and more anxious and stressed out. So that's one of the reasons we need these kind of indicators.

Now, here are some data on unemployment in Europe, and these are unemployed men in Germany. Here's the year they become unemployed, here's where they were five years before. And so you can see that they were about average. This is the average line for their people of similar age and sex who didn't get unemployed. And what you see is that these men become unemployed, and then they drift down from there in life satisfaction.

What's interesting to me about these data is that these men are now reemployed and, furthermore, their incomes are now over 90 percent of what they were originally, before they were laid off. In other words, what we see here is that unemployment has scarred these men somehow, that the economic analysis of 'well, you know, people just choose to be unemployed because, if you get laid off, you can always find a job, and you just have to decide if you want to take that job at McDonald's or not, and you're just trading off is your time worth it versus welfare benefits and so forth.' So there is an economic analysis of choice, but it's a very different outcome than this one that suggests that, at least for some people, unemployment is a terrible thing.

Andrew mentioned the kinds of questions that we might ask if our policymakers had systematic well-being indicators to complement the economic ones. And in the paper, "Beyond Money"--it was passed out--we had this table where we say what economists ask about these various domains and then what the well-being approach might ask.

So, for example, how can the government stimulate economic growth? That's an economic question. Myself, as a psychologist might ask, how does economic growth influence well-being? Is it positive or not? How does income inequality influence economic growth? And an economic question: Does income inequality influence well-being? And so forth as you go through here. How does pay influence productivity? What makes a job enjoyable and engaging?

One of the things about this that would be revolutionary is that it would cause us to start asking a separate and additional set of questions in terms of policy. So, for a national set of indicators, what I'd like to do is indicate that they could be helpful at the policy level-- national, state and so forth--they could be helpful to business leaders, and such measures could also be helpful to individuals.

So at the policy level, for example, you might say, okay, Alzheimer's caregiver burden. There's a lot of psychological data to say that taking care of a spouse or a parent with Alzheimer's is very stressful. And the question would be, then, if there is adult day care for an Alzheimer's patient, to what degree--and now an economist is going to say, "How expensive is that? Do people really want to pay?" And I would say, to what degree do we have evidence that suggests that these people's ill-being would go away or their well-being would increase?

In a business organization, if I owned a business, I might say, "Gee, do I want happy workers? Where do they perform the best?" I actually think I know some things about that question.

Now, for you, individually, we could ask things like, "Gee, I could buy a condo down here that costs X or I can go out to Bethesda and buy a bigger house" or, you know, "Is the commute worth it?" Economists analyze that and say, "Gee, with time, I could make this much money. The commute cost this much. Are people willing to make that pay off?"

But we have data, and these are from Danny Kahneman at Princeton, that shows how enjoyable commuting is and how enjoyable other activities. So here we have a thousand Texas women, and if you have a choice between commuting and having sex, you can see which you should prefer.

[Laughter.]

MR. DIENER: For these women, commuting to work was the least fun thing they did, and commuting home was a little more fun--they seemed to be looking forward to coming home--but what you can see is that things like socializing, eating, exercising, praying, watching TV, cooking dinner, et cetera, all of these things are more enjoyable. Does that mean then that we ought to try to quit, you know, having suburbs, and everybody would live in the middle of the city? No. But this is input to the way we think about things. And if you could commute less and spend more time doing this [having sex], these data would suggest that--

[Laughter.]

MR. DIENER: And I don't just mean sex, I mean, you know, some of these, such as exercising--well, I guess those are the same.

[Laughter.]

MR. DIENER: But now one of the things that we encounter, and I'd like to write an article about that, are several of the issues and objections to national indicators. So, if we put these national indicators in, and policymakers are supposed to pay attention to them, the first one comes up: Is happiness really a good thing?

So Sir John Templeton said to me, "I don't think it's good to be satisfied and happy. I think you might not be motivated."

And we now have reviewed the data, and it looks pretty compelling that happy people do better in almost every area of life. You don't have to be uproariously happy, but slightly happy, moderately happy people certainly do better than depressed people, and whether the very happiest people do the best, I doubt, but you have to be in the happy range, right?

So that we show that, in our review, and this is a different paper you don't have, happy people earn more money. I could show you the data on that. They are rated as better workers by their supervisors, they steal less from work, they take fewer sick days, they actually have stronger immune systems. There are some data that they live longer. Those data are still controversial. Happy people are less likely to suffer from psychopathology. They're more likely to get married, stay married, not get divorced, rate their marriage better, et cetera. There are a lot of data, and these data start to suggest causality in the opposite direction because there's longitudinal data, and there are even some experimental data that suggest it's not just that making a lot of money makes you happy, but being a happy college student means that in your thirties you're making more money controlling for other things. So that happiness is causing good things.

The last one I'll mention is the issue of temperament. So a lot of people are saying, "Well, you can't measure happiness. This is all due to your inborn temperament." And it could be that 40 percent, maybe even 50 percent, is due to your inborn temperament of how happy you are, but the other 50 percent is due to real conditions. And I think this shows it pretty clearly. Because here we have widowed women--that's the biggest drop--we have divorced, and we have unemployed people. And you can see that all of them drop, and they tend to come back, but they, in none of these three groups, do they come back to where they originally started out, suggesting that these conditions--and widowhood is the best because it's not due to your personality, hopefully, it's due to the fact that your husband died before you, and yet those women do not come back to where they were when their husband was alive.

And the last one we could talk about, if people are interested, the issue of shifting standards; that happiness, to some degree, is due to people's standards not to the conditions they live in.

Thank you.

[Applause.]

MS. GRAHAM: I'm going to be boring then and talk about poverty and inequality in the Third World and its relationship to happiness rather than sex and commuting. Ed is a tough act to follow.

You've primarily heard about how happiness research can contribute to how we think about policies in the developed world--primarily the United States, but also Europe. My own work concentrates primarily on the developing economies, and

I'm one of the few people that's conducted large-scale happiness surveys in the developing economies.

And, for the most part, what we find is that the determinants of happiness are very similar in the developing economies. So the same things that make people happy here, like good health, stable employment and marital status, education, lower levels of crime and insecurity, matter to people's happiness in the developing world as well. This isn't a big surprise.

I'll tell you a bit more about that in a couple minutes, but what I want to do briefly is frame this by showing how research on happiness can help us explain one of the real policy puzzles in today's development debate, which is the long and very contentious debate on the effects of globalization on poverty and inequality worldwide. And there's a big gap between the assessments by experts, technical economists who assess the aggregate benefits about globalization on poverty and inequality and generally give very positive assessments, and the very negative assessments of the average layman in poor countries and also the very extremely negative view by the much more vocal critics, as witnessed by protestors from Seattle to Prague.

So why the discrepancy? Why, on the one hand, do most technical assessments of the benefits of globalization find that the aggregate benefits for the poor in the Third World are good and yet there's so much negative talk about it?

Well, first of all, our traditional income-base measures miss a lot about what's going on. We have standard poverty head counts or Gini coefficients which measure inequality, and they don't change much over time, particularly Gini coefficients. So, for example, if you think about Chile, which is an example of an economy or country that globalized over the past three decades, it really inserted itself into the world economy, and it's been very successful, and it's changed dramatically in three decades, both the structure of its economy and structure of its society, and yet the Gini coefficient in Chile, in the 1960s and today, is roughly the same.

So what we've been trying to do is look at who's moving up and down the income ladder--what's happening to people. We've been looking at income mobility. Now, why would we do this, and how does it relate to happiness? I'll get to that in a minute.

Well, first of all, here is a hypothetical society with lawyers and bricklayers, and the steep curve is lawyers, and the flat curve is bricklayers. And the point here--this is experience in time, and this is earnings--the point here is that, over time, people with different opportunities have very different returns over a longer period of time than when we just take static measures. And as you know, lawyers, over their life cycle, earn a lot more money than do bricklayers. But if you took the Gini coefficient of this society here, you would think you'd have to redistribute from bricklayers to lawyers. Yet, if you took it at the end of the life cycle, you'd get a very different picture.

So we've been looking at what's been happening to people with globalization in the Third World as they enter the world economy. And what we find is that, in emerging market economies--like Peru, for example, where I've done the most work--that there's more income mobility, more movement up and down the income ladder than there is in the United States for a comparable period.

So the good part of this story, the happy part of this story is that there are more "rags to riches" stories in Peru in a 10-year period than in the United States. The bad part of this story, which really plays out in the happiness data, is that there's a lot of vulnerability to falling into poverty. There's a lot of downward mobility, and a lot of middle-class people are very vulnerable to becoming poor. As you'll see, that doesn't make them happy.

So we also decided to take surveys of the same people, for whom we had longitudinal income data, of what their perceptions were. How was their life or their economic situation today compared to 10 years ago? [The period for which we had objective income data.]

Now, this is Peru over a 10-year period. On this side is objective mobility. So, in other words, percent income change. So it goes up this way, the winners go up that way. On this side, is how people responded. So, from assessing their situation today compared to 10 years ago, from very positive to very negative.

Now, what you see here, if you add up these four bars in this corner, that roughly half, almost half, of the people with the most income gains in our sample said their situation today was negative or very negative compared to the past. We called these people our frustrated achievers.

Down here we had people who did very poorly and said their situation was very positive. We called them the Pollyannas. Most likely, they are quite rural people, for whom income change doesn't matter that much.

But we're interested in these frustrated achievers. Because if you were sitting at the World Bank or the International Monetary Fund and you were trying to assess if a country is doing well, you see the economy is growing and that people are having positive income changes, you think they're satisfied and happy. Well, in our sample, they're not. Almost half of the people doing well are not happy. So maybe it's just Peru. I am from Peru. Peruvians can be a little quirky and weird.

So we actually found we had data from a different country--Russia. This is a smaller period of time--1995 to 1999--and we actually got an even higher percentage of frustrated achievers. So an even higher percent of the people with objective positive income change said their situation today was very negative or negative compared to the past.

So what more do we know about these frustrated achievers? We know they're not the poorest people in the sample. They're roughly in the middle or average income levels. They tend to be more urban. And if you think about if they're more urban, they're more aware of how other people around them live. Their income varies more though over the same period. So, even though they've done well, they've had a lot of income volatility, which might also imply insecurity. They have a higher fear of unemployment. They're more afraid of being unemployed in the future. They place themselves lower on a notional economic ladder.

If you say, "If your society is a 9-step, where the rich are on 9 and the poor are on 1, where would you place yourself?" they place themselves lower than nonfrustrated people of the same income level. They're more likely to want to restrict the income of the rich. They have lower prospects of upward mobility for themselves and their children. And here's--since we're at Brookings and we have to talk about policy-relevant things--they tend to be less satisfied with the market economy, and they are less likely to prefer democracy to any other form of government.

So you're starting to get a policy story here. There's frustration here. It's possibly driven by relative income differences, by fear of insecurity, by actual insecurity, and this translates into views about markets and democracy. So here is, in theory, an example of where happiness research could help us get a better view about very policy-relevant questions.

A skeptic might ask, though, maybe it's just a curmudgeon effect. Maybe there's some percent of every sample that will be in these negative bars no matter what happens to them, right? They're just curmudgeons.

So, to get at this, we decided to at least see if happiness in the developing countries was the same as in the developed economies. And we did the first study I mentioned of happiness in a large sample of developing economies in Latin America. And what we find is that our countries conform to the so-called Easterlin Paradox, which Andrew and Ed have both mentioned, that countries don't grow happier as they grow wealthier over time, at least average happiness level. So what you see here is more clusters of countries. On average the wealthier countries have higher average happiness level, but within the cluster of wealthy countries you see that it's not the richest country--the USA--that's the happiest. In fact, it's the Netherlands. Now, my husband is Dutch, and I go to Holland often. It's a lovely country, but it's freezing cold and raining most of the time. So I'm not sure I understand why they score so high. But, then, I'm from sunny Peru, and we're all the way down here. So, as somebody remarked when they read my book on happiness, that we must have a very interesting marriage.

[Laughter.]

MS. GRAHAM: But, anyway, you'll see here the Latin American economies have the same sort of nonrelationship between income and happiness. So you get the sense that in the developing countries, above subsistence level, more income doesn't necessarily make countries, on average, happier.

There is also an age effect with happiness. Now, this slide will make you happy or side depending on where you put yourself on this age curve. Now, Latin America conforms pretty much to what we know about the developed world, except that the low point on the age curve is slightly later, in the mid-forties. But for those of you that thought your twenties and thirties were it in terms of happiness, you're all wrong. There's a U-shaped age curve, with the low point somewhere in the middle-age years. And as long as people are healthy and married--this is controlling for health and marriage--they get monotonically happier as they get older after that point, and the point is that Latin America conforms.

Now, just a very last slide. Again, don't worry about the numbers here, but this just shows that in Latin America the determinants of happiness are very similar to the U.S. and Europe, but also that happier people in Latin America are more likely to prefer the market as an economic system and that they're more likely to be satisfied with how democracy is working.

In later years, they are also more likely to prefer democracy to any other system of government. So you get a sense, in the same way that Ed said, that there's some positive or virtuous circles with happiness and some policy issues.

Now, then there's also a causality question. Maybe it's just that happy people are more likely to assess whatever system they live in positively, and then we really don't have all that much to talk about. But we've done some work, in addition to what Ed has done, we've done some other work that suggests that happiness pays, that perceptions matter to future outcomes, both to health outcomes and to income outcomes. Happier people perform better in the labor market, and they tend to be healthier in future periods.

So there's some suggestions that happiness does have this causal property in the other direction, as Ed mentioned. It also suggests that the frustrations of our achievers, these people in emerging market economies, that are frustrated about insecurity, volatility, lots of things related to globalization that our income measures don't capture, that these frustrations may lead to worse outcomes in the future.

So the bottom line is that happiness research allowed us to uncover significant amounts of public frustration among precisely those groups that should be satisfied or happy, according to our income base measures.

So, in addition to helping understand some of the public frustration with the globalization process, these survey tools may actually yield insights into latent public frustration and help us understand countries that are more close to instability than we would think by just looking at income measures alone.

I'll stop there.

[Applause.]

MR. SACHS: Good morning. I probably really should be sitting on this side and being maybe the first questioner or discussant. I don't work in this area, but I was delighted to accept the invitation to join the program because I think it's very important work, and I wanted to say a few things about why that is. But maybe it's worthwhile, just for a moment, for those who are not in the particular tribe of economists, to say a word of why economists have strongly shied away from this for a long time. In fact, the whole profession is oriented theoretically towards something quite different from this.

About 200 years ago or a little less than 200 years ago, Bentham set a major course of philosophical thinking with utilitarianism, which still informs most of our social philosophy in this country and I'd say in the Anglo-American tradition, and that was really to add up happiness and take social policies that would somehow raise the sum of happiness in the society.

Economic theory went through a long process of pulling away from that between the 1870s and formalizations, with Samuelson kind of cleaning up all of the mess by the 1940s, where what was taken as the essence of the finding was that you couldn't make comparisons between people about their happiness, you could only observe how individuals behave. And there was a process of about 75 years of formal thinking, quite ingenious actually, to say that you could say a lot about society without, assuming that people do have systematic registers of their own happiness, but without having to make comparisons whether you are three times more happy than I am or whether your increment from the next dollar that you get is going to be worth more than the increment of absolute UTILS, which is what Bentham talked about, than I would get from mine.

So the idea was, in theory, to completely abandon the quest for interpersonal comparisons of well-being and see how much you could base economic reasoning purely on observable choices of individuals, assuming that they have a desire to pursue their own happiness, but without having to make comparisons between individuals about relative degrees of happiness.

And this led to fundamental ideas about efficiency as being the norm that one is after in social policy because the idea of efficiency, and particularly Pareto efficiency in economics, was that you're in a good situation if you can't make anyone else--you can't make anybody happier by their own pace and observed behavior without making someone else worse off.

And most situations are not efficient, so there's a lot of good policy to think about how to make some better off without worsening the situation of others, and there's a lot of ingenious ideas about policy that are based on this idea of Pareto efficiency. And it's not a bad standard to have because making comparisons between individuals is really quite a tough thing to do.

Now, when you take that course of action, you obviously limit a whole range of important discourse in society, and that is that you limit--and this was pretty systematically written out of economics--a lot of considerations about how my happiness depends on my situation relative to you on how our well-beings are interdependent, on distribution, hierarchy and many different aspects of relative standing in society which we know, from happiness studies now, are extremely important and perhaps not only for reported sense of fulfillment and satisfaction, but also with staying alive, for example, at least according to some theories that the pecking order is at least as important, according to some views, as the absolute income or availability of doctors and health care to actual public health or individual health outcomes, I should say.

So the whole tradition of economics, very explicitly from the late 1800s until the last 20 years, went along a path of realizing that you could say a lot if you assume that people pursued their happiness, but you couldn't measure it, and despite not being able to measure absolute measures of happiness, there was still a world of interesting things for economists to teach their students and for policy types to think about in terms of improvement.

What's changed? I think there are two things that have caused us to revisit that strategy from an analytical point of view.

First is measurement, which is usually the most powerful mover of all in change. We have ways to actually measure happiness which were not so clear before. Now, some are rather standard. You ask people, "Are you happy?" And if it were just that, I would say in these surveys I don't think we'd be getting as far as we are in thinking about this, but the fact that people's reported happiness seems to square with what we find is going on in our heads through MRI scans, and PET scans and other things that are being learned about neurophysiology gives us some idea that there are some neurotransmitters that are actually dripping in different places that are correlated with that commute to work or staying home and enjoying the top event on that chart.

So that there seems to be something actually real, at least as real as dollars, and income and GNP measures, to these measurements. So there's both the bursting progress of neurophysiology, on the one hand, psychological studies systematically, and survey data, which all are giving us a lot more evidence about something we thought we couldn't measure very well.

And then the second is this paradoxical feeling that something's not right with the society right now, where the measure that we do use to drive our overall national discourse, in terms of economic objectives, seems to have become disconnected, in many ways, with a sense of satisfaction.

And so this paradox of Gregg's new book and that Easterlin noted a couple of decades ago, strikes people as a quite real thing, not as a symptom of mismeasurement that we really are happier than 30 years ago, but maybe we're not getting all that we could get out of our material well-being or our social organization right now. And this is compounded, I think, by a sense of unease about various measures of real mental health change, the purported epidemic of depression and so forth, as causing a rethinking that maybe this paradox actually has a number of different dimensions to it that are really quite real.

So, for me, as an outsider looking in with some admiration on all of this, what are some of the issues and lessons that I would raise?

First, as a development economist, I would stress that what all of these studies show is that being really poor still really sucks, if I can say it that way--and sorry to use vulgar language. But when you're dealing with a part of the world that is dying, suffering from massive disease, extreme impoverishment, don't think that income isn't real, and don't think for a moment that there isn't a world of good to be done by straightforward economic development, as measured by GNP per capita.

What the data show is that being at the low end of the curve is really bad, in general. Suffering from disease, as well as from extreme poverty, is bad. There are absolute gains to absolute income, and they are very, very important. And I stress this, spending a lot of my time in the poorest of the poor places in the world, and realizing also that if we haven't gotten that much out of that last tens of thousands of dollars in recent decades in this country, a few hundred bucks at the low end of the scale transferred from the rich to the poor could make some of the greatest differences to well-being on the planet and that it's well worth undertaking.

So nothing in these results discounts the idea that poverty is a miserable place to be and that there is such a thing as absolute poverty, and absolute poverty is absolutely bad. So that is Point One that I would stress.

A second issue I think that's very pertinent for us in this country is the whole divergence of approach to life, in some sense, between Europe and the United States, which has really had a very significant institutional divergence in the last 30 years. Economists, almost uniformly and universally, say that the U.S. has the better of it. We have higher incomes per capita. Our institutions are more dynamic. Our institutions are superior. And I think that this is probably wrong, in fact, in terms of outcome, social outcomes, and I think that the happiness data give us some reason to push this argument much more firmly than we do.

What, after all, you could ask theoretically, what is gained in economics if you could actually measure absolute levels of happiness? Given that economic theory went so far in showing that you don't really need to, to get some very, very powerful results, what extra things would you get? And what you find is that a few things go seriously wrong, perhaps, in social outcomes that you might be able to pick up by being able to measure happiness absolutely.

One is the rat-race phenomenon. And that is that to the extent that our well-being depends on our relative position in society, that can lead to a social equilibrium in which everybody is running fast to keep up with the Joneses, and everybody is exhausted all the time. And our society actually is a sleep-deprived society, in absolute terms. But what it means, aside from sleep deprivation, is that one certainly can think, at a theoretical level, that if well-being really is interdependent and determined by hierarchical standing or relative position, that we could really get trapped in the overcompetitive society or the overextended or the overworked society.

And I do think there is a very large difference now between Europe and the United States in this regard. Americans work several hundred hours per year more than Europeans. The biggest difference in GNP per capita is actually number of hours of work and labor force participation rather than productivity levels. And it causes us to think, are we choosing right?

Now, the standard economist answer is we're choosing better than Europe because European wages are taxed so high that that's leading to a choice of leisure, so called, rather than work in a very inefficient way. So an American labor economist would instinctively say, yeah, they work too little because their social outcome is much higher than the private return, and so they don't have the incentive to work.

Whereas, a happiness specialist might say, well, Americans work too much because everybody is competing in a relative position in a strictly negative sum way because that's what a rivalrous, an arms race is or a rivalry is, that everybody runs too fast, a rat race. Whereas, Europe has taxed that away, in a way, by taking away the incentive for that kind of rat race and reinvesting it in public goods.

And so you could view this in very different theoretical ways, and I think we can learn something actually by observing degrees of social well-being that go beyond simply measuring the income levels. But here is a vast difference in two societies that look so much alike in every other way. One chooses not to work as many hours, and the other chooses to work a lot more hours, and it has led to huge, huge differences.

The other differences, of course, are we choose to take our income, overwhelmingly, in the form of private consumption, and Europe chooses to take it, much more substantially, in the form of public consumption. Public spaces in Europe are much better tended to: public investments, infrastructure, common areas.

And what a lot of this theory suggests is that you could perhaps get more general improvements in well-being through investments in public goods, rather than private goods, and Ken Galbraith's ideas from half a century ago of private affluence and public squalor probably have some relevance here as well, in terms of what's going to produce good outcomes.

I haven't seen it in this literature yet, trying to understand the extent to which public goods versus private goods do or don't contribute in differential ways to measured reports of well-being, but I would like to hazard a guess that public goods can provide more general increases of well-being in ways that private goods perhaps cannot, but I'm not sure that that's right or rigorously demonstrable, but I would raise that at least as a hypothesis.

Finally--or not quite finally--last, in terms of analysis, I think there's no doubt that, for this reason, but actually for many other reasons, our GNP accounts need a massive overhaul. We really are driven incredibly in public policy by GNP. That's not just an indicator for the Fed, in terms of monetary policy, it is our national discourse, to a huge extent.

And even if you don't go into interpersonal comparisons of well-being, the GNP accounts are hopelessly miserable in terms of measuring even strictly private notions of well-being. They don't include environmental effects, they don't include tremendous amounts of nonmarket activity. They can't even theoretically come close to being a welfare measure. So, if GNP is rising another 3-percent faster this year or not, we know really nothing on almost anybody's theory about whether we're better off or not better off. And it wouldn't matter if it weren't not only the headline, but the great disproportionate conveyor of our common discussion about where we're heading economically.

So we need a massive overhaul of our national accounts. Having national accounts of well-being can be part of it. Simply including nonmarket items, greening the national accounts, putting in environmental considerations, understanding the difference of income and capital depletion and so forth are also very important--understanding how life longevity and so forth, which does not get measured in an adequate way in annual accounts, can matter would be another aspect.

Finally, let me raise just one major point of concern, which is that there is one advantage in not making interpersonal measures of happiness, and that goes back to Thomas Jefferson and the notion that what we have is a right to the pursuit of happiness not a right to happiness. And we have gained in the society by allowing individual definitions of happiness and not dictating socially that the right way to be happy is to believe in God or to be married in a conventional way or to do this or to do that.

And I do worry a little bit that these studies could say that believing in God, that's worth $3,000, doing this is worth $5,000 and so on. There is a sense, when you start down this road, that you're going to be dictating what is really good for you. And there is a value still which I would not want to give up to the liberal notion that these issues are private issues, to a very important extent, and we should just be careful of how we approach these measures so that they don't become, they don't become a socially domineering, social-engineering mechanism to define what is good for us.

Thanks very much.

[Applause.]

MR. EASTERBROOK: Thanks very much.

I would just like to clear one thing up about your talk. Here at the Brookings Institution, Jeff--

[Tape change.]

MR. EASTERBROOK: We say that they failed to meet expectations.

[Laughter.]

MR. SACHS: You know, it was, actually, I apologize, seriously, except I want to convey how awful life is in some parts of the world, and our country is so blind right now to this, that it was only meant--I actually don't like the language, but I mean it quite seriously, that what's happening at the bottom end of the income in the world is shocking, unbelievable, and a disgrace that this country cannot spend two minutes to think about it.

[Applause.]

MR. EASTERBROOK: I agree with you. Yes, we judge the royalty of Old Europe very harshly for ignoring the social conditions of the peasants, and there are 50 times as many people living under those conditions today than there were a few centuries ago.

I can ask the panelists questions, but I prefer to take questions from the audience. So why don't we just start.

MR. EASTERBROOK: Would you identify yourself.

MR. DILLON: Ken Dillon, Spectrum Bioscience.

I once wrote a poem about happiness that began with these words, "Oh, happiness," and I also have devised, more seriously, a cognitive therapy of depression in children. It's different from some others in that it's a self-help therapy. If anybody is interested in the poem or the therapy, you can see me afterwards.

And the question is for Dr. Diener. You said that chronically happy people have been found to have special roles in business and organizations, and I wonder what those are.

MR. DIENER: We think that happy people will do particularly well in social outgoing leadership, anything that requires self-confidence, sociability, because that's really where happy people shine, and including even extremely happy people.

As you may know, there are some research showing that depressed people can actually be better at some things. Depressed people are eternally vigilant for errors, and that's a bad thing. But in some jobs, being vigilant for errors is probably not such a bad thing. So, if you work in a nuclear power plant, you probably don't want me watching the dials because I'm like, "Well, they were fine yesterday. They're probably fine today."

[Laughter.]

MR. DIENER: Now, actually, truly depressed people do not function well. And we find that truly depressed people do badly in almost every area. But if you're talking about mildly dysphoric to kind of ambiguously happy people, those kinds of people might do better in jobs where catching errors are very important.

MR. EASTERBROOK: Sir?

MR. WASOW: Bernard Wasow of the Century Foundation. I have a quick comment and then a question.

My comment is that, although Professor Sachs almost said so, he didn't explicitly say that life expectancy is highly correlated with per capita income, especially at low levels. And so if part of the total of happiness is the number of days that an individual has to be happy, then surely income is terribly important to aggregate happiness.

My question is--I'm sorry. I forgot the name of the professor of psychology [Ed Diener]--and it sort of derives a little bit from what Professor Sachs said at the end. If people are happier around the home than commuting, beside telling them how long they would have to commute living in a certain place and not subjecting them to shocks such as congestion that they never dreamed about when they bought the house, does public policy really need to do more than let people make their own decisions whether they want to live in the suburbs or in the city?

MR. DIENER: I'm probably the wrong one to answer that, but let me just point out another set of data that's quite interesting. People are not very good right now at predicting how happy things will make them. What people are very good at predicting is whether something is bad or good. Would you rather be tortured or have sex? People are extremely good at making that choice, and it lines up with the data.

What they're not very good at is predicting whether more and more of something will make them happy. So, for example, how much happier will you be \$50,000, \$100,000, \$200,000? People overestimate that badly, that at \$200,000 they will be much happier than at \$50,000. In fact, the increment is there, but it's very slight. So, from my point of view, just having these national accounts to inform individuals would be a justification enough.

Now, in terms of policy, I'd like to comment on another aspect that maybe is a little related, and that is the value aspect. By finding that religious people are happier, and religious people bounce back from widowhood more and so forth, does that mean then that we're going to dictate that everybody ought to go out and join a religion?

I'm an atheist, and I am convinced now that religious people are happier, but I still haven't joined the church. And why is that? Well, I think that some of the benefits of religion I have, because I'm pretty happy, and that is meaning in life and so forth that perhaps a scientific view or a humanistic view has given me.

And so we want to figure out why people--and certainly government will not want to intervene to make everybody then become religious, but on the economics of the thing, of course, governments intervene already. Governments do, in some ways, support religion, and governments do a lot of things in an economic way that impose values on people, whether they reward marriage through taxes and so forth, whether you can get insurance at the intermediate level.

So I think that the happiness research can be objective, in a sense, just as much as economic research can be objective. Whether a government should intervene or not, maybe I'd leave other panelists to talk about that.

MS. GRAHAM: I just wanted to respond to the income and longevity point and maybe also to some of the things Jeff said along the same lines.

There is certainly nothing in my research in the developing economies that shows that growth doesn't matter. Growth matters a lot. I think what we're finding is that countries are trying very hard to get on the sustainable growth path, but there are lots of things that our measures don't catch or that happiness or well-being surveys do catch that undermine people's capacity to get ahead.

So, even if they're doing well in income terms, there's a high risk of falling into poverty, there's a lot of insecurity, even high levels of inequality, can all erode basically the positive gains of income and end up in people supporting policies and doing other things that are likely to get their countries off sustainable growth paths and much more likely to fall into the terrible poverty track that Jeff was talking about.

So growth matters a lot, but the point is that other things, in addition to growth, can either support it or erode its benefits.

MR. EASTERBROOK: Jeff?

MR. SACHS: The income-longevity curve looks a lot like that income-happiness curve, actually, which is that it's very steep at the beginning, and then it tends to be rather gradual and level off. So you get huge gains at $3,000 per capita, as opposed to $300 per capita, going from $3,000 to $30,000 isn't so big, and above that it seems to be dependent on a lot of other considerations. So that is one point.

I think this question about what's the social policy implication is an interesting one, and I wouldn't want to oversimplify it because I don't think that we can fully discern that, but I would point to three things that could potentially come from this.

First, happiness is clearly socially interdependent in ways that our individualistic-based economic theory rules out axiomatically. Once you realize that, then all of these issues about public versus private good, rat race, hierarchy and so forth, which are what markets would lead us to, might not be socially optimal, and even in the efficiency sense.

In other words, we could all end up running a lot faster than we want to, and measuring happiness, rather than income, could teach us about that discrepancy more systematically. So the interdependency of well-being will come out of this research in a way that it can't come out of an income study, and I think that that's one point that's important.

Second, even individual rationality, as it were, we now know is subject to so many violations of basic axioms, in terms of time management, addictive behavior, habituation, hyperbolic discounting. We don't do a very good job of choosing, over time, our own consistency-of-life patterns. And knowing more about that probably would help. This is the "mean genes" idea, that we're carrying around our bag of evolutionary determined genes, and the more we understand our own nature the more we can chart out a fulfilling life path. And I think that there's going to be value to that.

And then the third point is, at some level, with all of the dangers which I very much feel, the idea of social institutions helping in the cultivation of a good life, an old Greek ideal I also believe in, but with all of the endangers that that entails as well. And knowing more about what is consistent with human nature, in terms of producing happy outcomes I think could lead to better public policy just directly in terms of helping the cultivation of one's long-term choices.

MR. EASTERBROOK: Great. Here's something I'd like to--Andy, I'll get to you in a second--I'd like all of the panelists to think about because I'll ask you this at the end of the session, and then we'll go back to questions. Is there a specific piece of legislation that you could pass, based on understanding of happiness or well-being now? Would you mandate six weeks a year of vacation for Americans, whatever it might be. If you were king or you were sitting in the legislature, is there something we could do right now, based on happiness research, that translates into legislation?

And we'll go back to questions, but, Andy, you wanted to say something.

MR. OSWALD: I think it's worth bearing in mind that any government makes choices about how to allocate income. Your government might put, say, $1 billion into some set of activities and, in a sense, that choice is always getting about citizens' happiness. Well, any choice to allocate half a billion here, three-quarters of a billion there is a kind of guess about what makes human beings feel better. And this kind of research can allow us to do that choosing far more effectively.

MR. EASTERBROOK: You may not know this, coming from the U.K., but that would mean, based on our current federal budget, that artificial rain forests in Iowa are what make people feel better, since that's in the current budget.

Yes?

MR. MITCHELL: Gary Mitchell from the Mitchell Report.

I want to ask what is arguably a vocabulary question, but maybe beyond that. And that is, if the title of this panel, instead of being "The Economics of Happiness," was "The Economics of Fulfillment," are those words interchangeable? Is there a significant difference? Would it change the measures?

So, on the one hand, what I'm saying is, is happiness the right word? Are we measuring the right thing? And what about something like fulfillment?

MR. EASTERBROOK: Who wants to take that one?

MR. DIENER: So we've written quit a bit about the different things that happiness means, and it does mean different things. I originally invented this term "subjective well-being" sort of to avoid "happiness" because it is kind of vague, and it can change meaning.

But now, in this context, I think we're using it in this broad way that would include, like I said, all kinds of positive feelings: engagement, fulfillment. Fulfillment might be some kinds of positive feelings that follow from the fact that you're developing your abilities and so forth and using your skills, but that would be, in my mind, one sort of positive thing. Meaning would be related to that and engagement at work, feeling really interested in what you're doing.

So all of these are positive feelings and evaluations that people have in their lives that you could put under the broad rubric. Now, we could come to whether some of those are more important than others, and we show that the things that predict whether you're sort of in a good mood day-to-day are different from whether you're satisfied with your life in the long run, and those things are kind of interesting, and I think they would become part of this discourse.

MR. EASTERBROOK: We've got a lot of--ma'am?

MS. GARNER: Hi. I'm Thesia Garner, Bureau of Labor Statistics. I have two points.

One is the issue about the national accounts. And if you talk to any national, true national account person, they will say national accounts were never used to measure economic well-being of individuals within societies. That's the first point. However, we do use them that way.

And the issue of the green accounts, there's a lot of discussion about the green accounts and accounting for value of home production. So there's something that's going on there.

But in terms of a national account of happiness, I am a bit concerned, too, about the constructs that would be creating those national accounts, how we select those or would the policy suggestion be, to begin with, that there would be a national account based on an overall measure of life satisfaction or whatever satisfaction, economic satisfaction, whatever the satisfaction measure is going to be or we want something that is additively decomposable for various constructs. And it may be the constructs that our policies currently reflect, as Professor Diener was pointing out, that there are many policies that do support various social interactions.

And then, on a totally different issue away from national accounts, is the work that's done on subjective minimum income and subjective spending because I think there's a lot of relationship with this happiness literature. When you ask what is the minimum income that you need to meet your--what is the minimum income that you think you and your family need to meet your basic needs, whatever they are? And they have consistently, around the world, been higher than whatever the official poverty lines are for those countries.

So there's something that these measures are telling us that perhaps would offer some input to policy.

MR. EASTERBROOK: Do you have a question on that for the panelists?

MS. GARNER: It goes to the national accounts.

MR. EASTERBROOK: Well, there have been attempts to redefine national accounts. Does anybody want to talk about that?

MR. SACHS: I'm going to have to apologize. I have a meeting to get to. Thank you very much.

MR. EASTERBROOK: Well, thanks for helping make us happy, Jeff.

[Applause.]

MR. DIENER: Well, I think that we need more than a single number, just as we need more than a single number to reflect the economy and say, well, the economy GNP, sure, that's important, but you could have high unemployment and have growing GNP. So we look at interest rates. We look at all kinds of things.

And I think the same thing would be true, we find a lot of independence between positive and negative affect. I think that was one of the big breakthroughs in this field, that just because you get rid of negative emotions, you get rid of stress and depression, doesn't mean that people are more affectionate, more loving, more joyful. And those two things are not totally separable, but fairly. So I think you've got to measure both of those, both stress and positive feelings. Then, I think we could make a case that we should measure engagement, fulfillment and meaning, these kind of broader terms. So I think that will be a debate that will have to come about. And part of that debate is empirical, though. Which of those terms are really separate? Like we find that life satisfaction and meaning in life are highly correlated. So, empirically, maybe you don't need both. I don't want to say you don't, but maybe you don't because they just kind of go together.

So it's both conceptual, as well as empirical, and I think we can do multiple measures.

MS. GRAHAM: On the national accounts point, sort of subjective measures of how much income is enough, I think all of us that work in this area are very well aware of also the potential flaws and biases in how people answer questions. I know from the surveys done in Peru in the 1960s, when if you ask people, at any income level, how much--we did a little survey--how much money would you need, how much income would you need to have enough? And everybody, regardless of their place on the scale, said two times as much as they have now. Obviously, the people at the very bottom of the scale really did need two, and possibly five, times as much, and people at the top probably maybe less.

So that I think, when you're thinking about how we can use this data to inform national accounting, there are certain kinds of questions that are very informative and useful and others, like asking people how much money they think they need, are not useful at all.

And I think, given that we asked these questions of over thousands and thousands of individuals, we also have a pretty good sense of where there are large biases and which are the kinds of questions that are more useful than others.

MR. EASTERBROOK: We're down to five or six minutes, so I'll ask for quick questions and, panelists, please, quick answers at this point.

Sir?

MR. COHEN: I'm Andrew Cohen, also from the Bureau of Labor Statistics.

My question is how can we be sure that trends in happiness aren't otherwise trends in people's willingness to admit that they're happy or depressed? I know maybe in the past 30 or 50 years it's more accepted to have clinical depression or, even more specifically, women may be more likely today than 30 years ago to admit that they are dissatisfied with the marriage or something.

How do you, other than doing a brain scan, as Dr. Sachs suggested earlier, how do you control for that factor?

MR. EASTERBROOK: Has anybody tried to do that in recent times?

MR. OSWALD: I think it's very hard to do this subjectively. It's always going to be a concern, when you measure something as subtle as human beings' feelings, are you really getting to true concepts that's in their heads?

One thing we can show is that, statistically, the structure of happiness equations have stayed just the same since the early 1970s. In other words, the patterns across different kinds of people at a point in time, those patterns are very stable. They're just the same today, in 2004, as in 1972, which was probably our best earlier data set. So that's some comfort.

And there's stability, too, in a lot of mental health measures that gives me confidence, but I don't think there will ever be a definitive answer to your question because feelings are too subtle for that.

MR. EASTERBROOK: I felt very happy, when we started here, but now that I'm thinking about the work I have to do this afternoon, I don't feel quite so good.

Other questions? Sir?

MR. KINNELL: Tom Kinnell [ph], CSIS.

Related to that, I'm wondering about the relationship between mental health, as you'd be assessed for in a psychiatric ward, and this happiness index. And I'm wondering what a comprehensive and effective mental health program would do to the happiness indices in a country and whether there are any dangers in confounding those two things.

MR. DIENER: I think if you look at that article that I passed out, "Beyond Money," we talked quite a bit about mental health. I think the negative indicators, that is, the stress, unhappiness indicators, really will overlap with mental health measures. Mentally ill people really suffer in terms of the happiness and well-being, but it's more on the negative indicators rather than on the positive indicators.

MR. EASTERBROOK: Ma'am?

MS. MARK: Ms. Mark [ph].

To what degree does your work--and this is for any of the three of you--relate to reference group theory that came out of World War II morale studies of soldiers? Does this work--it seems to relate to that?

MR. OSWALD: I think you immediately learn, when you start to look at happiness surveys, how important reference levels are to people. We have very large literature on the role of relative comparisons and well-being.

MS. GRAHAM: And the same goes for the surveys we did; we actually looked at the reference groups that these frustrated people compared themselves to versus not. It's very clear that their reference group was more urban, it was their country, it was people that were much wealthier than they. When the same people compared themselves to people in their community, they were much more satisfied. So reference groups matter a lot.

With globalization, we think one of the things that's going on is that people all over the world, in these kinds of countries, are much more aware of not only how the very wealthy in their own country live, but how the wealthy people worldwide live because of the Internet, and TV, and global information. So reference groups are changing.

MR. EASTERBROOK: Other questions? Ma'am, way in the back.

MS. MULLEN: Yes, my name is Mary Mullen, and I wanted, I think it was Jeffrey Sachs that said that the Americans are sleep deprived, and I know that the Europeans often say that the Americans feel guilty if they take a vacation.

But what I wanted to ask was about being in control of your own life; if you feel that there is opportunity or you feel that you have some control over your own happiness, and your own life, and you have control over the happiness of your children. I didn't hear--I came a little late, anyway, so I didn't hear this discussed.

But it seems to me that that is what would make me happy, to feel that I had control of my life, other people, the government were not controlling me, that I felt more free and had more freedom, which would make me happy.

MR. EASTERBROOK: Well, presumably, freedom and personal control is rising in Western society. So would we expect this to increase happiness?

MR. OSWALD: There's lots of evidence that autonomy and control matter enormously, yes, especially in the workplace.

MR. DIENER: And, of course, the implication though that control is the key I think is one I would argue with. I would say it is one of the ingredients because I argue that there's lots of things that go into making a happy life. But having control of your life is important, although, interestingly, this recent research on too many choices--Barry Schwartz's book--being a bad thing kind of says, well, having control, but maybe too many choices can not always be positive.

MR. EASTERBROOK: We have time for one more question.

Sir?

MR. GUERRERO: Peter Guerrero, GAO.

This evening, we're all going to be painfully aware of how the Dow Jones industrial average did. What are your suggestions for how we can increase public dialogue on these issues? What kinds of indicators, what kinds of information do we need to increase the public discourse?

MR. EASTERBROOK: I think people should write books and that they should become best sellers. That would be my suggestion.

[Laughter.]

MR. EASTERBROOK: Other panelists?

MR. DIENER: I was over at Gallup, and Jim Clifton there, the CEO, stood up, and he said, "See how this Dow Jones average is on the big screen TV. It's down in the corner all day long, and we want to have this well-being indicator right next to it, and it would be changing from moment-to-moment, right? And the well-being of America."

Well, I'm not sure that I want to go that far, but you can imagine that if these well-being indicators did become more prominent that people would just start thinking about them, individually, and as a group.

MR. EASTERBROOK: Carol?

MS. GRAHAM: I'm going to sort of try and get to that and also thinking about Gregg's question about what kind of legislation.

One of the things that stands out so clearly in the well-being literature is the importance of health to people's well-being. It's huge, and yet in this country we have, whatever, 40 million uninsured people and all kinds of problems with the health system.

I mean, it doesn't take too much creativity to think about how better information on the effects of health and well-being might help change the policy debate, and if we could include that better in terms of how we did our national accounting, I think it would make a difference.

MR. EASTERBROOK: So you would introduce a health care bill.

Ed, you're a member of the United States Senate now, what bill are you going to introduce?

MR. DIENER: It would probably be related to education and what kids need to learn in the schools. I'd like to teach kids about love, and what love means and doesn't mean, instead of them being educated about happiness from movies and television personalities. They would learn some things about feelings about love, happiness, et cetera, and that those courses in high school might be a mandatory core.

MR. EASTERBROOK: Andy, we'll make you a member of Parliament. What would you do?

MR. OSWALD: I don't think I'd want to be heavily interventionist. I think I'd go back to the idea that it would surely be natural for the U.S. to create a GNH index, a gross national happiness index. It would be quite easy to do. We could get standard psychological well-being measures, and I think that's what I would propose if I were some kind of policymaker in America.

MR. EASTERBROOK: I'd like to thank our panel and also thank you in the audience for attending.

[Whereupon, the proceedings were adjourned.]