

**WHY
SUBJECTIVE WELL-BEING
IS THE KEY MEASURE**

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PROPOSITION 1

**We need a single over-arching
measure.**

Without it we cannot rationally
balance the claims of different
capabilities.

PROPOSITION 2

Happiness alone is self-evidently good.

Other goods are good because they contribute to human happiness.

By focussing on happiness, we value other goods **as people themselves value them** (not as we outsiders value them).

PROPOSITION 3

Life-satisfaction is the most practicable measure of happiness.

Life-satisfaction in turn is determined by satisfaction with different domains (causal model).

LIFE-SATISFACTION

SATISFACTION
WITH:

PHYSICAL
HEALTH

MENTAL
HEALTH

FAMILY

COMMUNITY

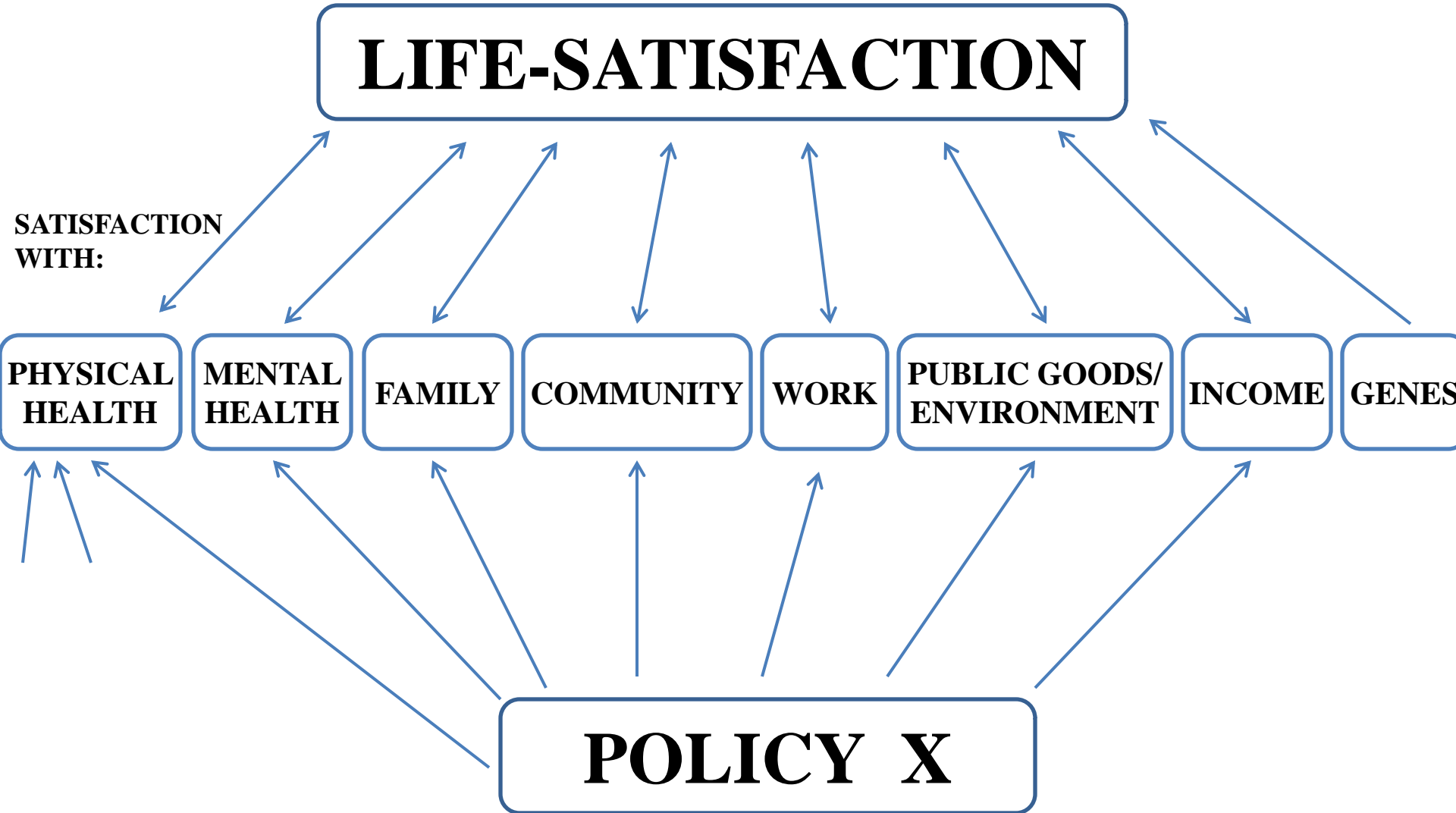
WORK

PUBLIC GOODS/
ENVIRONMENT

INCOME

GENES

POLICY X



PROPOSITION 4

Policy analysis will shift to units of well-being within 25 years – provided we keep focussed.



“ Researchers say I’m not happier for being richer, but do you know how much researchers make?”

Further analysis on:

www.cep.ac.uk/layard