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SUBJECTIVE WELL-BEING AND ECONOMIC MAXIMISATION: A CROSS GENERATIONATIONAL EXPLORATION

Ms. Smruti Pooja Dash¹

Research Scholar, School of Economics
Gangadhar Meher University, Sambalpur, Odisha
&

Dr. Uma Charan Pati²

Asst. Professor (S-III) and Head, School of Economics
Gangadhar Meher University, Sambalpur, Odisha

Abstract

This study examines the relationship between life happiness and the maximisation tendency—a decision-making style that aims for the greatest possible outcome—across three generations with different economic behaviours: Millennials, Generation Z, and Baby Boomers. To determine the direction and intensity of this association, we perform independent regression analyses for each cohort using the Maximisation Inventory (MI) and the Satisfaction With Life Scale (SWLS). The research shows that there are considerable generational differences in the relationship between life happiness and maximisation, which has ramifications for financial decision-making. Although SWLS explains little of the variance in MI, baby boomers show a modest to moderate positive connection, indicating that better life satisfaction is weakly connected with larger maximisation inclinations in their economic choices (e.g., investing, purchasing). A similar but less noticeable trend is indicated by Generation Z's weak positive correlation. Interestingly, there is no discernible association among Millennials, indicating that variables other than general life satisfaction influence their maximisation behaviours. These generational disparities have consequences for targeted economic policy and marketing efforts geared at these cohorts, and they emphasise the significance of taking subjective well-being into account when predicting economic conduct.

Key Words: Satisfaction with Life, Maximization Inventory, Happiness, Subjective Well-being.

1. Introduction-

The Latin term "satisfaction" implies "to make or do enough." A person who is satisfied with their life is either satisfied or accepts their current situation, or they have all of their needs and desires met. Life satisfaction is essentially a personal evaluation of one's life's quality. Judgments of life happiness have a significant cognitive component since they are evaluations by nature. Professionals themselves struggle to define the concept of well-being. In general, it entails feeling satisfied, inspired to keep going in the direction one is on, feeling connected to the people and organizations in one's life, and feeling as though different facets of one's life are in balance (Ungvarsky, 2019). A person's view of their life and a comparison of their current situation with societal standards and ideals are both components of well-being, which is defined as feeling good and doing well (Sorribes et al., 2021). People's claimed levels of life satisfaction are frequently not strongly correlated with objective data. For example, it may seem reasonable to assume that a catastrophic injury would significantly lower life satisfaction, yet personal feelings of well-being are much more complex and nuanced than such straightforward assumptions. In essence, feeling content with a life does not always correspond to what makes it "good" on paper (Sousa, L., & Lyubomirsky, S. 2001). People from different generations have different ideas of satisfaction and well-being.

The current paper is an attempt to understand the two coiled aspects of human life. One is Subjective wellbeing and life satisfaction over generations. The research work will provide an idea of how people from three different generations perceive satisfaction and does it affects their maximization capacity. The study is based on Primary data collected for 406 samples from people of Odisha and Jharkhand states of India. The sample includes data from people who are Baby Boomers, Millennials, and Generation Z. The Maximization Inventory Questionnaire by Turner was used for the quantification of the responses.

2. Review of Relevant Literature-

According to the study by Gascó, V. P. et.al., (2018) titled as "Trait emotional intelligence and subjective well-being in adolescents: The moderating role of feelings," reveals that there is a relationship between variables like subjective well-being, EI, and life satisfaction among adolescence. This was studied with the help of 1237 high school students aged 12-16 years through a quantitative indicator. The researcher utilised scales and concluded that there is a direct relationship between EI and the life satisfaction among adolescents providing them clarity and attention aspects. The study goes further and finds that feelings do not have any relationship with these variables.

The study by Botha, F., & Vera-Toscano, E. (2022) named "Generational differences in subjective well-being in Australia. *Applied Research in Quality of Life*," made an attempt to study the relationship between the three generations into consideration born between 1928-1994. The study is aimed to understand their life satisfaction and domain specific satisfaction. The study finds out the baby boomers are the less satisfied when taken into consideration the life satisfaction. In the other hand the employment satisfaction in case of Baby Boomer and Generation X is higher in comparison to Generation

Y that reported the lowest. The study highlights the subjective wellbeing and the life circumstances into consideration while shaping the subjective wellbeing of the individuals.

Yuang et al. (2023) investigated the relationship between environmental quality and subjective well-being (SWB) in China, specifically focusing on the impact of air pollution (AQI) and green coverage on self-reported life satisfaction (LS). Using survey data combined with city-level environmental metrics, the researchers found a significant negative correlation between AQI and LS and a positive correlation between LS and green coverage, suggesting that increased green space and improved air quality contribute to higher life satisfaction. Additionally, they quantified the implied financial value of these environmental factors, showing that a one-unit decrease in AQI or a one-unit increase in green coverage corresponded to significant increases in perceived financially. In conclusion, this study highlights the observable influence of environmental quality on SWB and offers proof of the financial and health advantages of reducing air pollution and enlarging China's green areas.

Whitley and Bickertson (2015) used data from the UK's Understanding Society survey to investigate the connection between subjective well-being (SWB) and involvement in sports, the arts, and culture. The study, which used an ordered probit analysis, found that participation in a variety of cultural activities has a favorable effect on domain-specific (leisure) and overall (life, general happiness) satisfaction. Significant findings showed that frequent participation in sports and the arts has major advantages, and that frequency of participation is important for specific activities. However, regardless of frequency, the impact of arts activities was beneficial.

This study, "Biased, Therefore Unhappy: Disentangling the Collectivism-Happiness Relationship Globally," examines the complex relationship between collectivism and well-being while contesting the conventionally held notion that individualism and happiness are positively correlated. Earlier studies frequently found that collectivist civilizations had lower happiness indices. But the authors contend that this oversimplified perspective ignores important elements like bias, discrimination, and social disputes that are common in many collectivist countries. The authors' findings highlight the importance of taking into account the effects of ingroup prejudice and call for a reevaluation of the connection between cultural orientation and well-being. The study also poses significant queries about the evolutionary causes of ingroup bias and its effects on society pleasure, arguing that promoting intergroup concord may be essential to enhancing well-being in collectivist environments.

In order to overcome the shortcomings of the original Maximization Scale (Schwartz et al., 2002), the study presents and validates the Maximization Inventory, a modified tool that consists of three different scales: satisficing, alternative search, and choice difficulty. With its enhanced psychometric qualities, this new scale provides a more sophisticated explanation of maximize behavior. In contrast to the choice difficulty and alternative search scales, which are linked to ineffective decisional behavior, the satisficing scale, a recent addition to this field of study, notably shows a favorable correlate with positive adaptation. The distinctive contribution of the satisficing dimension, which deviates greatly from conventional conceptualizations of maximize, is further highlighted by comparisons with earlier maximization scales.

As a result, the maximizing Inventory offers researchers a completer and more reliable tool, highlighting the multifaceted character of maximizing and its various implications for wellbeing and decision-making.

3. Research Questions

- a. Do maximization tendencies and life satisfaction significantly correlate among the identified generations (e.g., Baby Boomers, Gen Z, Millennials)?
- b. Do these generations differ substantially in the direction or strength of the association between life happiness and maximization?

4. Research Objectives

- a. To compare the magnitude and direction of the correlation coefficients across the different generations.
- b. To develop an economic model that incorporates generational differences in decision-making processes and their impact on subjective well-being, specifically focusing on the role of maximisation tendencies.

5. Methodology-

The link between Maximisation Inventory (MI) scores and Satisfaction with Life Scale (SWLS) scores was examined in this study using a quantitative, correlational methodology across three age cohorts: Millennials (n=189), Gen Z (n=154), and Baby Boomers (n=63). Both the MI and the SWLS were completed by participants from each generation. To ascertain the intensity, direction, and statistical significance of the link within each group, independent linear regression analyses were performed for each generation, using SWLS scores as the independent variable and MI scores as the dependent variable.

5.1 Sample Profile

Generations	No. of people	Percentage of samples
Gen Z (less than 30)	154	37.93%
Millennials (30-57)	189	46.55%
Baby Boomer (57-77)	63	15.52%

The article focuses on three distinct generations that are Baby Boomers (born roughly 1946-1964) that includes 15.52%, Millennials (born roughly 1965-1996) and constitute 46.55% of our sample, and Generation Z (born roughly 1997-2012) that are 37.93% of our total sample size. These generational cohorts are widely recognized and may have experienced different socio-economic and cultural contexts influencing their decision-making and life satisfaction.

Research Methodology-

- a) Descriptive statistics (e.g., means, standard deviations) for maximisation and SWLS score.

Usually, these first descriptive results would guide later inferential statistical studies that sought to compare the well-being levels of this sample to those of other populations or investigate correlations between SWLS

and other factors. It is essential to comprehend the distribution's skewness and kurtosis to choose the right statistical tests and correctly interpret their findings. Additionally, the minimum/maximum scores and reported range give context for the possible range of well-being that the SWLS in this study was able to capture.

5.2 Descriptive statistics -

<i>SWLS</i>	
Mean	4.472
Standard Error	0.062062
Median	4.6
Mode	5.4
Standard Deviation	1.241236
Sample Variance	1.540668
Kurtosis	-0.45532
Skewness	-0.38797
Range	6
Minimum	1
Maximum	7
Sum	1788.8
Count	406

(Source: Primary data)

The sample distribution with mean of 4.47 (SE = 0.06) is revealed by the descriptive statistics for the SWLS dataset (n = 406) in Column 1, which also shows the central tendency of the self-reported well-being scores in this sample. The modest difference between the mean and median indicates a slight negative skewness (-0.39), suggesting a propensity for a longer tail towards lower well-being scores. The median score of 4.6 further supports this centre placement. This suggests that although the average well-being is approximately 4.47, a significantly higher percentage of people report somewhat lower levels of life satisfaction.

5.3 Descriptive Statistics-

<i>Maximization Inventory</i>	
Mean	4.830147
Standard Error	0.034765
Median	4.882353
Mode	4.882353
Standard Deviation	0.695295
Sample Variance	0.483436
Kurtosis	0.370133
Skewness	-0.2661
Range	4.735294
Minimum	2.264706
Maximum	7
Sum	1932.059
Count	406

(Source: Primary Data)

The sample distribution with a mean of 4.47 (SE = 0.06) is revealed by the descriptive statistics for the SWLS dataset (n = 406) in Column 1, which also shows the central tendency of the self-reported well-being scores in this sample. The modest difference between the mean and median indicates a slight negative skewness (-0.39), suggesting a propensity for a longer tail towards lower well-being scores. The median score of 4.6 further supports this centre placement. This suggests that although the average well-being is approximately 4.47, a significantly higher percentage of people report somewhat lower levels of life satisfaction.

- b) Pearson correlation coefficients to examine the relationship between maximisation and SWLS scores within each generation.

5.4 Combined Correlation Matrix

	SWLS	MI
Baby Boomers	1	0.323064
Baby Boomers	0.323064	1
Gen Z	1	0.228622
Gen Z	0.228622	1
Millennials	1	0.029449
Millennials	0.029449	1

(Source: Primary data)

The connection between SWLS and MI for Baby Boomers is weak to moderately positive (0.323064). Then, there is a slight positive connection (0.228622) between MI and SWLS in the case of Gen Z. There is a very slight or insignificant positive association (0.029449) between SWLS and MI in the case of Millennial data.

- c) Regression analyses to further explore the predictive power of maximisation on life satisfaction within each generation, controlling for potential demographic covariates.

5.5 Baby Boomer's Regression results-

Y= MI and X= SWLS

SUMMARY OUTPUT

<i>Regression Statistics</i>					
Multiple R		0.323064			
R Square		0.10437			
Adjusted R Square		0.089688			
Standard Error		1.119344			
Observations		63			

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	8.906445	8.906445	7.108495	0.009807
Residual	61	76.42872	1.25293		
Total	62	85.33517			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower</i>
Intercept	6.115342	0.495577	12.33984	3.15E-18	5.124374	7.106309	5
X Variable 1	0.2767	0.103781	2.666176	0.009807	0.069176	0.484223	0

(Source: Primary data)

Subjective Well-being (SWLS) and Maximization Inventory (MI) have a modest to moderate positive linear connection that is statistically significant ($r = 0.323064$, $p = 0.009807$) in the case of Baby Boomers. Only roughly 10.44% of the variance in MI scores can be explained by SWLS (R Square = 0.10437). The model predicts a 0.2767-point rise in MI for every one-point increase in SWLS. Although the effect size is tiny, the regression model is statistically significant, indicating that SWLS is a significant predictor of MI.

5.6. Millennial's Regression Analysis-

According to this study, there is virtually no correlation between millennials' stated life satisfaction (SWLS) and their propensity to maximise their options (MI). Finding out a Millennial's life satisfaction score doesn't reveal anything about their propensity to look for the best deal.

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.029449
R Square	0.000867
Adjusted R Square	0.00448
Standard Error	0.986907
Observations	189

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.15809	0.15809	2	0.687497
Residual	187	182.1354	0.97398		
Total	188	182.2935			

	<i>Coefficient</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>
Intercept	7.316403	0.321554	22.7532	9.11E-56	6.682063	7.950742	6.682063
X Variable 1	0.019175	0.047596	0.40288	0.68749	0.07472	0.11307	-0.07472

(Source: Primary data)

SWLS and MI have a very modest positive linear connection that is statistically non-significant ($r = 0.029$, $p = 0.687$). Almost none of the variance in MI scores can be explained by SWLS (R Square < 0.001). Since the regression line's slope is so near to zero, changes in SWLS scores hardly predict changes in MI scores. There is no statistical significance in the regression model as a whole.

. 5.7 Generation Z's Regression Analysis-

There is a small trend for persons in our Gen Z sample who are more satisfied with their lives to also be slightly more inclined to maximise. However, the disparities in how much Gen Zers strive for the "best" option cannot be explained by life satisfaction. Their maximisation inclinations are determined by other factors that have a far greater impact.

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.228622
R Square	0.052268
Adjusted R Square	0.046033
Standard Error	0.425261
Observations	154

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1.516014	1.516014	8.382859	0.004346
Residual	152	27.48873	0.180847		
Total	153	29.00475			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.448664	0.123876	27.83962	1.48E-61	3.203922	3.693405
X Variable 1	0.085804	0.029635	2.895317	0.004346	0.027253	0.144354

(Source: Primary Data)

SWLS and MI for Gen Z have a small but statistically significant positive linear connection ($r = 0.229$, $p = 0.004$). Only 5.23% of the variance in MI scores can be explained by SWLS (R Square = 0.052). According to the model, MI will rise by 0.086 units for every unit increase in SWLS. Although the effect is small, the regression model is statistically significant, indicating that SWLS does have a statistically meaningful impact on predicting MI for Gen Z.

Conclusion

This study examined the correlation between Maximisation Inventory (MI) scores and Satisfaction with Life Scale (SWLS) scores for three generations: Millennials, Gen Z, and Baby Boomers. To ascertain the direction and degree of this link, regression analyses were carried out independently for each generation.

The results showed that the patterns of linkage varied by generation. A mild to moderate positive connection was found among Baby Boomers, indicating a slight tendency for higher maximisation tendencies to be linked to higher life satisfaction. But for this group, SWLS only partially explained the variance in MI.

SWLS and MI were found to have a weak but statistically significant positive connection in Gen Z. Like Baby Boomers, SWLS only explained a small portion of the variation in MI scores, suggesting that other factors have a greater impact on this generation's maximisation tendencies.

The somewhat positive correlation may indicate that Baby Boomers who are happier with their lives are more likely to make thoughtful decisions, which may have an impact on their investing and purchasing habits. The small amount of variance explained, however, suggests that this is not a major contributing factor.

Gen Z when Compared to Baby Boomers, the weak positive relationship points to a similar, albeit weaker, trend. Understanding even minor factors influencing this generation's decision-making may be important for marketing and economic forecasts as they grow in importance as an economic force.

Millennials in the absence of a strong correlation between SWLS and MI suggests that millennials' maximising behaviours in economic contexts are unlikely to be significantly influenced by life satisfaction as measured by the SWLS. Their decision-making processes may be more heavily influenced by other elements, such as personal values, societal influences, and information availability.

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