

Life Goals and Well-Being: Does Financial Status Matter? Evidence from a Representative Hungarian Sample

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Abstract Previous research with the Aspiration Index suggests that the importance of intrinsic life goals (e.g. personal growth and relationships) is in positive association with indicators of well-being, whereas an orientation toward extrinsic life goals (e.g. wealth and appearance) is connected with decreased positive functioning. Our study extended the scope of previous research by analyzing the role of financial status (income and subjective financial status). Examining a nationally representative cross-sectional sample of 4,841 Hungarian adults, we found that after controlling for several sociodemographic variables intrinsic goal importance was in a positive relationship with subjective well-being (SWB) and meaning in life (ML), whereas the contribution of extrinsic life goals was weak to SWB and negative to ML. Moreover, no moderation effects were found for indices of financial status, indicating that the relationship between life goals and well-being is the same for poorer and for richer respondents. Results show that the basic assumptions of the Aspiration Index research are also valid when testing on a societal level.

Keywords Extrinsic and intrinsic life goals · Subjective well-being · Meaning in life · Financial status · Hungary

1 Introduction

Inspired by the work of Kasser and Ryan (1993, 1996), extensive research has examined the association between value orientation of life goals (aspirations) and well-being. Relative importance of intrinsic (e.g. self-acceptance, good relationships, community

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contribution) and extrinsic life goals (e.g. wealth, fame, good appearance) have consistently been found to be connected to higher levels of well-being and better mental health (Kasser and Ryan 2001; Kasser and Ahuvia 2002; Sheldon et al. 2007). Though primarily conceptualized as a North-American concern, life aspirations have been studied in several other countries as well (Kim et al. 2003; Rijavec et al. 2006; Ryan et al. 1999; Schmuck and Kasser 2000), including Hungary (Pikó and Keresztes 2006; Komlósi et al. 2006). These results pointed to the cross-cultural generalizability of the original findings.

In the present study we focus on several important points that have been seldom addressed in previous research. While previous studies relied mostly on relatively small samples of students and young adults, we have used data from a large-scale representative Hungarian survey. Moreover, there are several factors that may confound or moderate the proposed relationship between goal orientation and well-being (e.g. gender, age, education, religiosity, self-rated health and financial status). However, these were rarely controlled for in the previous analyses. Specifically, here we focus on two potential aspects of financial status. First, the financial status of the individual may represent a possible common ground both for value orientation of aspirations (see Kasser et al. 1995; Sheldon and Kasser 2008) and well-being (Diener and Biswas-Diener 2002; Headey et al. 2008). Second, financial status may function as a moderator in the association between values and well-being (c.f., Downie et al. 2007; Nickerson et al. 2003). Therefore, in the present study we examined whether the general assumption on the relationship between aspirations' value orientation and well-being can be affirmed (1) on a non-student, representative Hungarian sample; (2) after controlling for several background variables, including indices of financial status. In addition, we examined the financial status of the individual as a moderator in this relationship.

2 Methods

2.1 Sample and Procedure

Self-report data from 4,841 Hungarian speaking adult residents was assessed in a large representative survey (Hungarostudy Epidemiological Panel, HEP) in 2005/2006. The total sample consisted of 1,993 (41.2%) males and 2,848 (58.8%) females. The age of the respondents ranged from 22 to 100 years (mean = 48.33, SD = 17.50). Educational attainment was classified into three categories: lower than high school ('low', $N = 2,676$, 55.2%), high school ('medium', $N = 1,479$, 30.6%) and college/university or higher ('high', $N = 686$, 14.2%) with one case missing.

2.2 Measures

2.2.1 Background Variables

Personal net income per month was assessed in HUF.¹ Subjective financial status (SFS) was measured by the item "Compared to others in Hungary, how would you rate your financial situation?" (0 = much worse, 10 = much better).

The importance of religion was assessed by the item: "How important is religion in your daily life?" ("not at all important", "somewhat important", "very important" and

¹ 1,000 HUF is approximately 3.5 Euro/5 USD. Skewness and kurtosis statistic (2.67 and 14.74) as well as inspection of histogram and normal probability curve indicated severe departure from normal distribution; therefore we applied log-transformation and used the transformed values in the subsequent analyses.

“influences all my acts”). Since the fourth category was chosen only by a minority of the sample (4.3%), it was included into the third category.

To estimate the participants' self-rated health (SRH), a single item question was used: “On the whole, how would you rate your health status (1 = very bad, 2 = bad, 3 = average, 4 = good, 5 = excellent)?” Since extreme answers were infrequent (‘very bad’ 4.8% and ‘excellent’ 7.5% of the total sample), we recoded the SRH variable into three categories incorporating the extremes into the closest categories.

2.2.2 Shortened Aspiration Index

The importance of life goals was measured by the shortened version (Martos et al. 2006) of the Aspiration Index (Kasser et al. 1995) consisting of 14 items representing seven types of goals by two items each. Intrinsic aspirations are: *self-acceptance*, e.g. “To know and accept who I really am”; *good relationships*, e.g. “To have deep enduring relationships”; and *community contribution*, e.g. “To work to make the world a better place”. Extrinsic aspirations are: *wealth*, e.g. “To be rich”; *fame*, e.g. “To be famous”; and *good appearance*, e.g. “To achieve the “look” I’ve been after” (1 = not important at all, 5 = very important; alpha = 0.81 and 0.83 for intrinsic and extrinsic subscales). Two further items referring to the importance of health goals were not analyzed here.

2.2.3 Self-rated Quality of Life

Two single-item questions were used to estimate the participants' subjective evaluation of their quality of life: “On the whole, how satisfied are you with your life (1 = completely unsatisfied, 10 = completely satisfied)?” and “On the whole, how happy are you (1 = completely unhappy, 10 = completely happy)?”

2.2.4 WHO Well-Being Index

The five-item version (Susánszky et al. 2006) of the WHO (ten) well-being index (Bech et al. 1996) was used to assess occurrence of positive mood states (e.g. cheerful and happy) in the past 2 weeks (0 = not at all true, 3 = completely true, alpha = 0.86).

2.2.5 Meaning in Life

Sense of meaningfulness in life and coherence was assessed by eight items of the Meaning in Life Scale of the Brief Stress and Coping Inventory (BSCI-ML, Konkolý Thege et al. 2008) (“My values and beliefs guide me daily.”, 0 = not true, 1 = sometimes true, 2 = always true, alpha = 0.74).

3 Results

3.1 Preliminary Analyses

Based on a preliminary PCA, z-scores of the WHO Index and ratings of satisfaction and happiness were combined into a composite SWB score, while BSCI-ML score was used separately. Results of bivariate comparisons for the variables in the study are presented in Tables 1 and 2. Because of the high number of cases in the sample, $p = 0.01$ level was used to determine significant relationships.

Generally, our results provided support to the notion that several sociodemographic and personal characteristics may exist that are in connection with both life goals and well-being measures. Most importantly, income and subjective financial status both were in positive association with aspirations and well-being as well. The complexity of the bivariate associations showed also the necessity of building a more complex model where all these factors may collectively be taken into account.

3.2 Multivariable Analysis

Two series of hierarchical multiple regressions were run for the two well-being measures. In the first step outcome variables were regressed on the control variables (gender, age,

Table 1 Group comparisons of aspirations and well-being measures

Grouping variable	<i>N</i>	Dependent			
		<i>E</i>	<i>I</i>	<i>SWB</i>	<i>ML</i>
Gender					
Male	1,993	3.18 (0.81)	3.92 (0.73)	0.22 (2.49)	1.72 (3.42)
Female	2,848	3.12 (0.81)	3.96 (0.74)	-0.15 (2.63)	1.94 (3.40)
<i>t</i>		2.49*	-1.57	4.90***	-2.24*
Cohen's <i>d</i>		0.07	-0.05	0.15	-0.07
Education					
Low	2,676	3.03 (0.83) a	3.76 (0.78) a	-0.47 (2.66) a	1.32 (3.47) a
Medium	1,479	3.31 (0.78) b	4.11 (0.64) b	0.44 (2.37) b	11.25 (3.22) b
High	685	3.26 (0.74) b	4.26 (0.57) c	0.90 (2.27) c	12.03 (3.16) c
<i>F</i>		63.78***	193.98***	112.74***	85.75***
Eta squared		0.026	0.076	0.045	0.034
99% CI		0.015-0.039	0.058-0.096	0.031-0.061	0.022-0.049
Religion (importance)					
No	1,639	3.21 (0.80) a	3.94 (0.73)	0.18 (2.52) a	1.50 (3.43) a
Moderate	1,919	3.20 (0.79) a	3.96 (0.72)	0.02 (2.57) a	1.88 (3.3) b
High	1,205	2.97 (0.85) b	3.90 (0.77)	-0.29 (2.64) b	11.26 (3.51) c
<i>F</i>		38.49***	2.28	11.72***	17.64***
Eta squared		0.016	0.001	0.005	0.007
99% CI		0.008-0.027	0.000-0.005	0.001-0.011	0.002-0.015
SRH					
Bad	783	2.71 (0.84) a	3.52 (0.84) a	-2.53 (2.59) a	9.02 (3.61) a
Average	1,846	3.07 (0.79) b	3.89 (0.72) b	-0.45 (2.21) b	1.57 (3.32) b
Good	2,209	3.36 (0.75) c	4.13 (0.64) c	1.28 (2.02) c	11.72 (3.11) c
<i>F</i>		209.70***	216.21***	929.79***	206.15***
Eta squared		0.081	0.084	0.279	0.079
99% CI		0.062-0.101	0.065-0.104	0.250-0.307	0.061-0.099

SRH self-rated health, *E* importance of extrinsic aspirations, *I* importance of intrinsic aspirations, *SWB* subjective well-being composite, *ML* meaning in life, *N* actual number of respondents may somewhat vary from analysis to analysis according to missing values in the dependent variable

* $p < .05$, ** $p < .01$, *** $p < .001$. Means with the different letters in a row are different at $p < .01$ level using Bonferroni adjustment in post hoc test

Table 2 Descriptive statistic for continuous variables and zero-order correlations

		Mean	SD	Zero-order correlations						
				1	2	3	4	5	6	
1	Age	48.33	17.50							
2	Income	75.32	45.46	–						
				0.08						
3	SFS	5.01	1.88	–	0.39					
				0.06						
4	E	3.15	0.81	–	0.09	0.11				
				0.42						
5	I	3.94	0.74	–	0.16	0.15	0.65			
				0.38						
6	SWB	0.00	2.58	–	0.22	0.35	0.29	0.34		
				0.27						
7	ML	1.85	3.41	–	0.15	0.21	0.21	0.44	0.48	
				0.12						

SFS subjective financial status, *E* importance of extrinsic aspirations, *I* importance of intrinsic aspirations, *SWB* subjective well-being composite, *ML* meaning in life

Mean and SD of income is reported in HUF but log-transformed values were used in the analyses. All correlations are significant at the level of $p = 0.001$

education, religiosity, SRH, income and SFS). Extrinsic and intrinsic aspirations were entered in the second step. Finally, multiple interaction terms were added in the third step in two separate analyses (Income \times Extrinsic and Income \times Intrinsic, as well as SFS \times Extrinsic and SFS \times Intrinsic) by each outcome to check the interaction of aspirations with income and subjective financial status in predicting SWB and ML. Results are presented in Table 3.

For SWB, Step 1 explained 34.0% of variance and Step 2 (extrinsic and intrinsic aspirations) another 2.7% of variance, both steps are significant ($p < 0.001$). Addition of multiple interaction terms resulted in a non-significant increase in explained variance. For income, Step 3 resulted in 0.1% of additional explained variance [$F(2; 4136) = 3.66, p = 0.026$] for income, and only in 0.09% of additional explained variance [$F(2; 4141) = 2.59, p = 0.076$] for SFS. These results were considered trivial, therefore Step 3 was disregarded when presenting the main results. Among the control variables gender (beta = $-0.042, p < 0.01$), SFS (beta = $0.229, p < 0.001$), and SRH (beta = 0.319 and 0.589 for the two dummy variables, both $ps < 0.001$) emerged as significant predictors for SWB. Moreover, extrinsic and intrinsic aspiration were both independent predictors (betas = $0.057, p < 0.01$ and $0.151, p < 0.001$, respectively).

For ML, Step 1 explained 12.5% and Step 2 explained an additional 13.8% of the total variance (both $ps < 0.001$). Again, multiple interaction terms in Step 3 did not result in a significant increase in the explaining power of the model. Interaction terms with income explained 0.09% of variance [$F(2, 4137) = 2.94, p = 0.053$], and interaction terms with SFS explained 0.05% of variance [$F(2, 4141) = 1.50, p = 0.223$]. As non-significant and trivial results, they were omitted from the presentation in Table 3. Age, SFS, religiosity and SRH were significant predictors for ML among the control variables. Furthermore, both extrinsic and intrinsic aspirations predicted ML significantly, extrinsic aspirations negatively, and intrinsic aspirations positively (betas = -0.140 and 0.489 , respectively, both $ps < 0.001$). It is important to note, that, unlike in the bivariate analysis, the association between extrinsic aspirations and ML proved to be negative, when controlled for the other variables.

Table 3 Hierarchical linear regression analysis for SWB and ML

	SWB			ML		
	B	SE	Beta	B	SE	Beta
Step 1						
Gender (0 = male)	-0.223	0.069	-0.042**	0.075	0.098	0.011
Age (years)	0.004	0.002	0.026	0.020	0.003	0.103***
Education (low = 0, medium = 1)	-0.075	0.078	-0.013	-0.085	0.111	-0.011
Education (low = 0, high = 1)	-0.049	0.109	-0.007	0.155	0.156	0.016
Income	-0.003	0.182	0.000	0.097	0.260	0.006
SFS	0.315	0.019	0.229***	0.188	0.027	0.103***
Religiosity (no = 0, moderate = 1)	0.020	0.076	0.004	0.282	0.108	0.040**
Religiosity (no = 0, high = 1)	0.010	0.089	0.002	0.703	0.127	0.090***
SRH (bad = 0, average = 1)	1.689	0.096	0.319***	1.018	0.137	0.145***
SRH (bad = 0, good = 1)	3.064	0.106	0.589***	1.916	0.151	0.278***
R^2 change	0.340			0.125		
F (change)	213.6	$p = 0.000$		59.3	$p = 0.000$	
Step 2						
E	0.182	0.054	0.057**	-0.590	0.077	-0.140***
I	0.532	0.061	0.151***	2.288	0.087	0.489***
R^2 change	0.027			0.138		
F (change)	89.9	$p = 0.000$		388.9	$p = 0.000$	
Full model R^2	0.367			0.263		
Full model F	20.6	$p = 0.000$		123.4	$p = 0.000$	

Parameters are from the final model *SFS* subjective financial status, *SRH* self-rated health, *E* importance of extrinsic aspirations, *I* importance of intrinsic aspirations, *SWB* subjective well-being composite, *ML* meaning in life

** $p < .01$, *** $p < .001$

4 Conclusion

Based on a national representative study in Hungary, we explored how the importance of life aspirations is related to sociodemographic characteristics, financial status and well-being. In summary, our results indicate that intrinsic and extrinsic life goals are unique predictors of SWB and meaning in life, even after controlling for a series of background variables including objective and subjective financial status. First, both kinds of life goals were in positive association with SWB, the importance of intrinsic aspirations being the stronger predictor. In case of ML, however, importance of extrinsic aspirations proved to be a negative predictor, while importance of intrinsic aspirations was one of the most positive predictors. One possible interpretation of these results is that while the orientation toward extrinsic goals may contribute to the present mood and satisfaction, they may bring along personal costs in the long run. In contrast, the pursuit of intrinsic life goals may indiscriminately support well-being. Second, we did not find support for the assumption that financial status would moderate the relationship between life goals and well-being. This may be interpreted in a way such that the above mentioned relationships apply indiscriminately for poorer and richer respondents in our sample. Obviously, our

cross-sectional data do not allow us to assume an explicit 'from goals to well-being' relationship, therefore these speculations need to be further confirmed.

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