

The Pursuit of Luxury in China

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For the past four decades, China has been on a remarkable path to economic growth and prosperity. Hundreds of millions were lifted from poverty and a growing middle class has created a lucrative market for all kinds of consumer goods, namely luxury goods. This paper examines the relationship between luxury spending and the level of happiness by using data from the 2011 China Household Finance Survey (CHFS). Our preliminary results suggest that the level of luxury spending is positively associated with personal happiness in overall China. In other words, Chinese are happier the more branded goods they consume.

Keywords: luxury goods, happiness, China

INTRODUCTION

Since the start of economic reforms in 1978, China has achieved a remarkable economic performance with a 9.5% average annual growth rate over more than three decades. World Bank Statistics pointed out that, by the end of 2015, China had emerged as a major global player and entered the realm of the upper-middle income countries. The surge in Chinese household income has fueled incremental consumer spending, particularly the thirst for and pursuit of luxury.

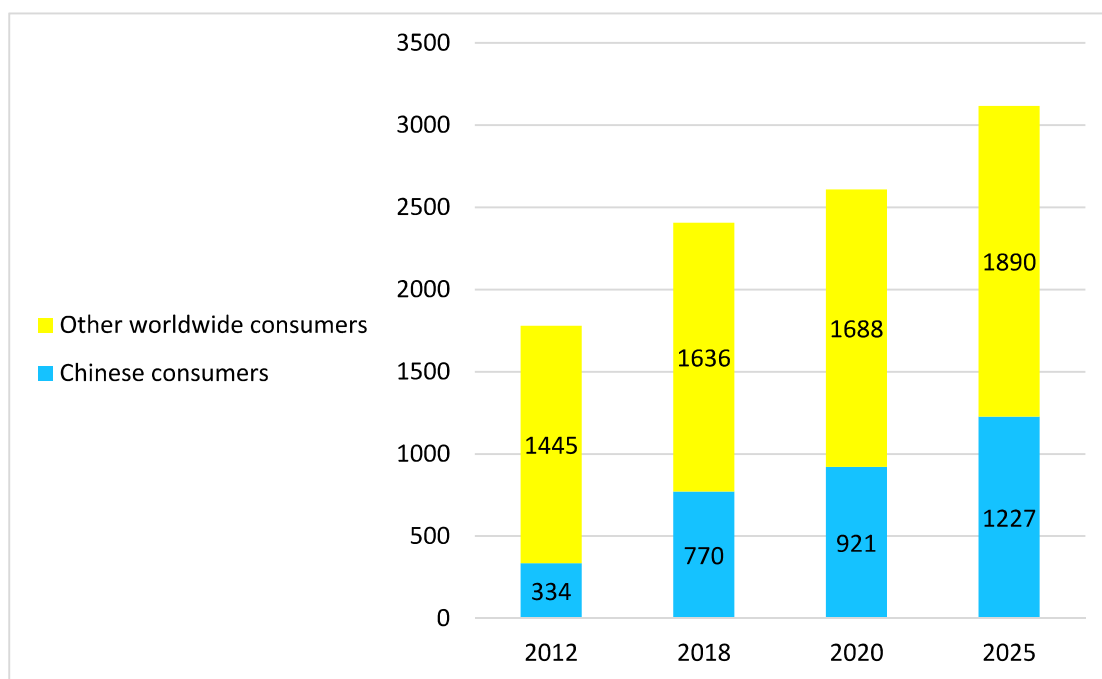
As of 2018, overall Chinese consumers accounted for about 32% of global luxury spending, up from 19% in 2012 (Figure1), where luxury goods include ready to wear, accessories, watches and jewelry, and beauty (China Luxury Report, 2019). In 2018, the total amount spent on luxury goods (ready to wear, accessories, watches and jewelry, and beauty) by Chinese consumers, domestically and abroad, was 770 billion RMB (\$115 billion). It is forecasted to reach an astounding 40% (McKinsey & Company, 2019) and even 46% (Bain & Company, 2018) by 2025.

What is powering Chinese consumers' addiction for luxury shopping? Our empirical results reveal that affiliation with luxury goods may improve a person's subjective well-being (SWB, hereafter) or feelings of happiness in China. Happiness we consider here falls into two categories, affective happiness and evaluative happiness. The former relates to day-to-day life and emotions, which varies a lot depending on how your day is going. The latter is the overall evaluation of your life satisfaction that tends to be more stable. We adopt "evaluative happiness" to be consistent with our data sets.

Easterlin (1974) pioneered happiness research in economics and made a paradoxical observation on the relationship between economic growth and happiness in the United States and nine European

countries between 1946 and 1974. He found that a higher income is not systematically associated with greater happiness since humans are fundamentally creatures of comparison. In judging their happiness, people tend to compare their actual situation with everyone around and ongoing social norms that advance with economic conditions. People may quickly adapt to a higher income level and begin to consider it as normal. Therefore, an absolute rise in national wealth may not increase the overall SWB of people, and relative factors may have an important influence on human happiness. Easterlin's observation was later confirmed by other research findings including Blanchflower and Oswald (2004) and Clark *et al.*, (2008).

FIGURE 1
GLOBAL PERSONAL LUXURY GOODS SPENDING (RMB BILLION)



In this paper, we will contribute to the literature by studying the channel through which the possession of luxury items affects happiness in a transition economy like China. By using data from the China Household Finance Survey (CHFS) conducted in 2011, we will empirically test how various factors, especially luxury spending, impact the overall happiness in China. It will add new knowledge to happiness research in the context of developing countries and contribute to the understanding of the relationship between luxury goods and happiness.

Based on our results, we would like to make policy recommendations to curb the rise of consumerism and materialism in China and help households, especially low-income families, prioritize their consumer expenditures. By doing so, we hope the fast-growing Chinese desire for luxury brands will truly improve individual happiness rather than implicitly widen the existing socioeconomic inequality in China.

The rest of the paper proceeds as follows. Section 2 explains the theoretical background and describes empirical facts. Section 3 introduces the CHFS data set and lays out the regression model. Section 4 summarizes the main statistical findings and focuses on the linkage between luxury spending and happiness. Section 5 discusses policy suggestions. Section 6 concludes.

THEORETICAL BACKGROUND AND EMPIRICAL FACTS

Theoretical Background

Easterlin (1974) found that a higher income does not necessarily contribute to greater happiness. However, with a longer time series from 1946 to 2004, Veenhoven and Hagerty (2003, 2006) found that average happiness rose with economic development and growing national income – slightly in affluent countries and significantly in a few poor countries. Furthermore, Sacks et al. (2013) proposed that richer countries are happier than poor countries and that richer people are happier than poorer people.

That higher income is associated with higher happiness within a country is supported by several studies such as Winkelmann and Winkelmann (1998), Blanchflower and Oswald (2004), and Powdthavee (2010). Overall, it is safe to conclude that, at least within-country, studies agree that income has a positive impact on happiness. Other factors besides income, such as family relationships, health, education, employment, income inequality, and personality traits also help explain differences in happiness.

How does consumption – and more specifically, the types of spending – relate to happiness? First, consumption of goods improves one's life by making it easier and may, thus, increase happiness. Second, spending may lead to better social relationships, which in turn contribute to an individual's happiness (Putnam 2000; Diener and Biswas-Diener 2002). And lastly, consumption of certain types of goods, commonly known as "conspicuous" consumption, may increase happiness by enhancing one's "status" (Charles et al. 2009).

Two U.S. studies offer some support for these sources of happiness. First, DeLeire and Kalil (2010) using data collected on a cohort of individuals born between 1931 and 1941, found that spending on charity and leisure made elderly Americans happier by promoting social connectedness and decreasing loneliness. A second US study, using a more representative sample, found that spending on experiential and conspicuous goods improved subjective well-being (Zimmermann 2014).

A few studies have addressed the relationship between consumption and happiness in China. Cui (2018), building on the two previous studies' methodologies, found a positive relationship between spending on status-related and socially motivated goods and happiness in China, with status-related spending having a larger impact. Cui also examines the role played by education and concludes that individuals with no schooling experience an increase in happiness as a result of basic, materialistic, and material well-being consumption. The reverse is true for educated people, perhaps due to higher consumption ambitions. On the other hand, Wang, Cheng, and Smyth (2019) found that happiness rises with the growth of average consumption of individuals of similar age, education, and gender at the community level. However, their research only provided mixed evidence that an increase in conspicuous consumption and consumption that enhances social connectedness may increase happiness.

Liu and Shang (2012) found that individual well-being in urban China increases with individual income (and consumption) and decreases with a community's average income. Income expectations were also found to have a significant impact on well-being.

Our study will contribute to the literature by investigating various factors which may influence people's perceptions and purchases of luxury products and in turn, how the pursuit of luxury affects the overall happiness in China.

Empirical Facts

According to McKinsey Consumer & Shopper Insights (2012), the luxury phenomenon has been riding a high tide in China for a couple of decades. China is expected to soon overtake Japan to become the second largest luxury market in the world.

In fact, young generations have become the driving force of China's luxury appetite and are expected to propel the growth of the luxury market more than compensating for the decline in demand by older generations. Those consumers born in the 1980s (post-'80s generation) at 10.2 million, account for 43% of all luxury consumers (Figure 2) but account for 56% of total spending in 2018 (Figure 3).

Why are Chinese so enthusiastic in pursuit of luxury? By running a simple OLS regression on CHFS (2011) data, we identified a few variables which might explain Chinese aspirations for luxury brands (see Table 1). Apparently, financial ability goes together with conspicuous consumption such as luxury spending. We found that the purchase of luxury goods is significantly linked with household income, amount of money saved, family size, house ownership, employment status, and the ability to lend to others. Education is another major factor associated with luxury consumers. People with higher educational attainment are more likely to have good jobs, maintain healthy financial conditions and, thus, have enough money to splurge. These elites have become an affluent group of shoppers in Chinese society, who have strong desire to signal their social status and success through ownership of branded goods.

In this paper, we seek insights into the behavior of Chinese consumers and investigate all kinds of factors that may influence Chinese families' spending on luxury items, including demographic characteristics and financial conditions. Most importantly, we fill a paucity in the literature by explicitly examining the association between luxury spending and individual happiness. Happiness we consider here is the overall evaluation of a person's life satisfaction or subjective well-being. These terms will be used interchangeably in the following sections.

FIGURE 2
NUMBER OF LUXURY CONSUMERS BY GENERATION (MILLION)

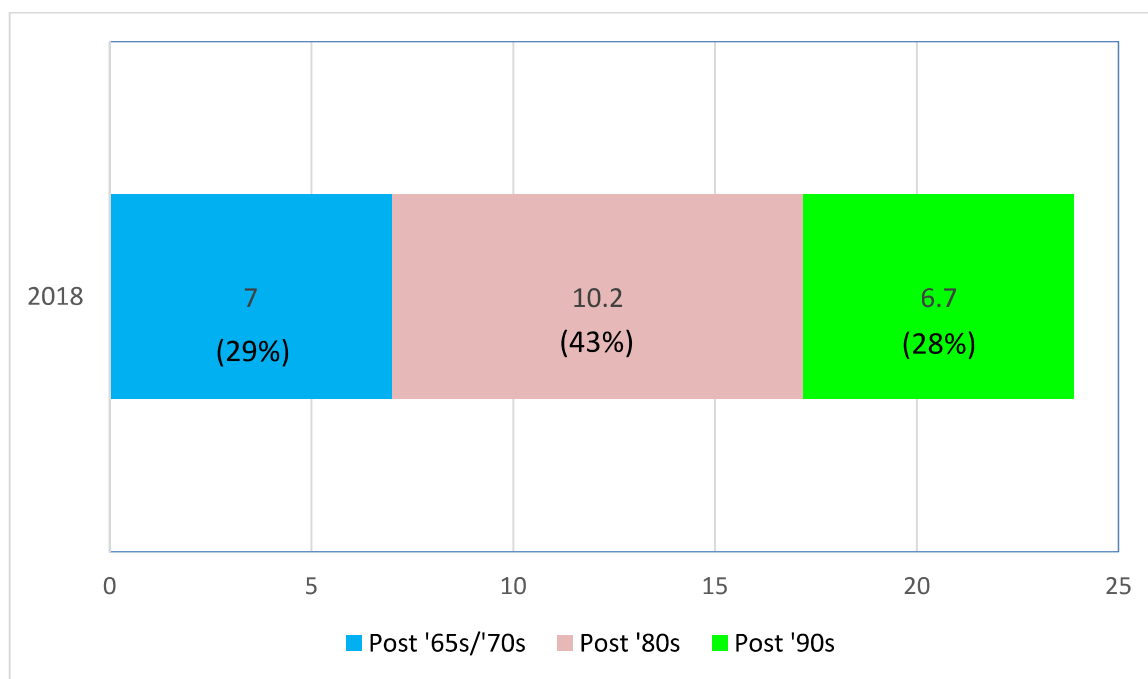
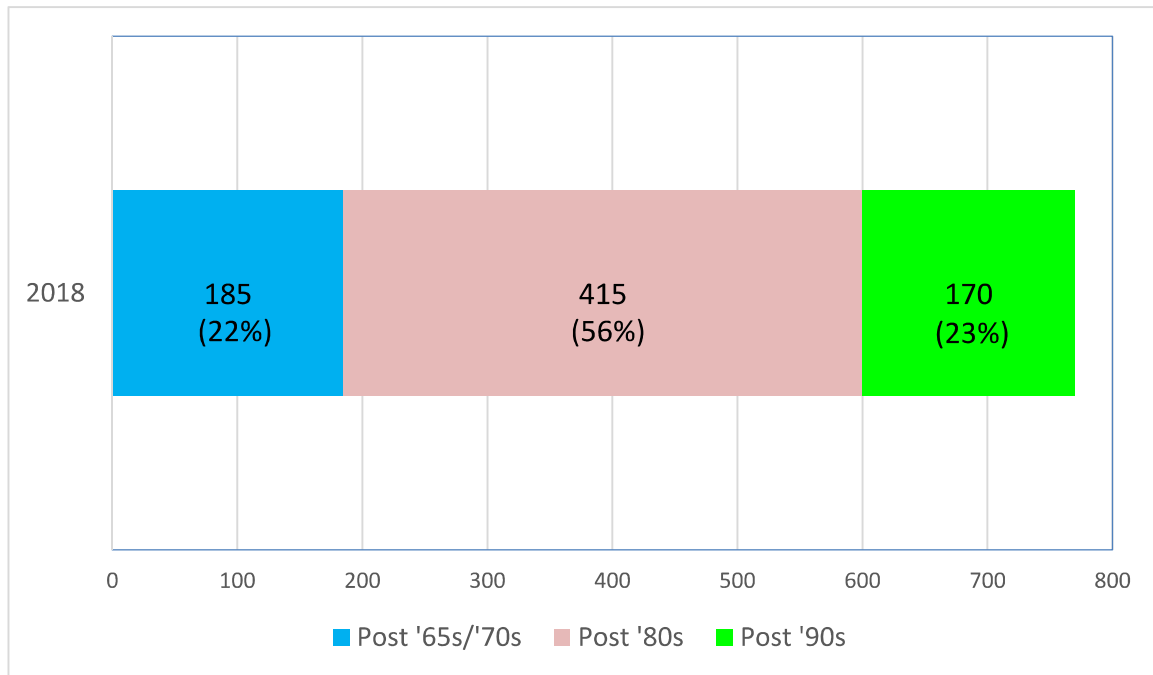


FIGURE 3
ANNUAL LUXURY SPENDING BY GENERATION (RMB BILLION)



DATA AND STATISTICAL METHODOLOGY

Data

The data employed in this study are retrieved from the China Household Finance Survey (CHFS) conducted by the Survey and Research Center at the Southwestern University of Finance and Economics in China. This survey covers 8438 households and 29,500 individuals in 25 provinces of China in the year of 2011, aiming at collecting micro-level information of household finance.

Besides inquiry on households’ demographic characteristics and a focus on their financial conditions, respondents were asked a question about happiness: “generally speaking, do you feel happy?” Their responses are scaled from 1 to 5 as discrete numbers, with “1” indicating “extremely happy”, “2 = happy”, “3 = normal”, “4 = unhappy”, and “5 = extremely unhappy”. As the data reveals, about 15% of respondents answer they are “extremely happy” and another 48.2% say they are “happy”. Only 5.5% think they are “unhappy”, and approximately 1.3% express that they are “extremely unhappy”. It is interesting to note that about 30% report they feel “normal”, a status lying between “happiness” and “unhappiness”. Such a high percentage of “happy neutrality” makes us consider if we should take this phenomenon into account and how we should make appropriate assumptions of subjective well-being in the following modeling.

When the answer to a well-being question such as above is “normal”, we would naturally think that the respondent is just contented with his / her current quality of life but has no aspiration to rate his / her satisfaction with life higher (i.e. happy) or lower (i.e. unhappy) unless there are significant changes taking place. In other words, we may interpret “normal” as “satisfied” or “no complaints” for these respondents. Under this circumstance, how should we model such an indifferent attitude toward life in the study of happiness? Can we make a simple conclusion that these respondents are “happy” or “unhappy”? The answer can certainly go either way. In fact, such “normal” feelings of happiness have been generally dichotomized into the category of “happy” in most of the previous literature, which brings convenience to modeling and interpretation of statistical results.

In this paper, however, we would like to recognize this large share of “happy neutrality” and distinguish the difference between “happy” and “normal”. Thus, we allow each respondent to be in one of the three distinct states of happiness laddered from “unhappy”, “neutral”, and up to “happy”.

TABLE 1
SIGNIFICANT FACTORS ASSOCIATED WITH LUXURY SPENDING IN CHINA

| Variables | Coefficients | Standard Error |
|------------------|----------------------|-----------------------|
| Educ = 1 | -0.126** | 0.107 |
| Educ = 2 | -0.113 | 0.070 |
| Educ = 3 | -0.070 | 0.070 |
| Educ = 4 | -0.050 | 0.069 |
| Educ = 5 | 0^a | . |
| employ = 2 | 0.217*** | 0.1360 |
| employ = 1 | 0^a | . |
| family_home = 1 | 0.066* | 0.031 |
| family_home = 2 | 0^a | . |
| deposit = 1 | 0.039* | 0.022 |
| deposit = 2 | 0^a | . |
| lending = 1 | 0.072* | 0.026 |
| lending = 2 | 0^a | . |

Statistical Methodology

Empirical Model and the Dependent Variable

We consider the following happiness function of the form:

$$H_i = \alpha D_i + \beta S_i + \gamma E_i + \delta L_i + \varepsilon_i \tag{1}$$

The dependent variable (H_i) in Equation (1) describes the happiness of individual i measured by self-reported ratings of life satisfaction. A higher value of H_i implies a higher level of happiness or life satisfaction for a given person. Note that H_i in the model is coded into three categories with “-1 = unhappy and extremely unhappy”, “0 = normal or neutral”, and “1 = happy and extremely happy”. The three-value happiness in Equation (1) implies that an ordinal logistic estimation method is appropriate, which should not produce substantively different results from an ordinary least squares (OLS) estimation.

On the right hand side of Equation (1), D_i mainly describes the respondent’s personal traits and various demographic characteristics, S_i depicts the social profile of person i , for example employment and risk attitudes, E_i is the economic condition of individual i including personal income level, and L_i captures the purchase and ownership of branded items of person i . In the Equation, α, β, γ and δ are the coefficients, but do not carry sub-index i , which means we assume that the dependent variable, i.e. happiness, is comparable across individuals. Thus, a given change in $D, S, E,$ or L generates the same effect on H across i . The “ ε ” is the random error, which might be partly attributed to the unobserved individual characteristics related to happiness (Chyi & Mao, 2012).

Independent Variables

Ferrer-i-Carbonell and Frijters (2004) find that assuming cardinality or ordinality of happiness scores is relatively unimportant to results. What matters to the estimate are the time-invariant factors related to observables and their “fixed effects” on general satisfaction. They advocate more research into the determinants of the personality traits to take account of these fixed effects. In this model, we will include explanatory variables that reflect respondents’ expectations about the future and their attitudes toward risks. These variables are significantly associated with personal traits although might not be accurate

proxies for the fixed effects (Cheng, King, Smyth & Wang, 2016). Besides these variables, we do not have other valid data to directly measure respondents' personality traits. This is one of the limitations of our data sets.

As Table 2 indicates, independent variables in our model mainly fall into four categories: individual characteristics, social profile described by working conditions and institutional factors, household financial conditions including luxury spending, and risk attitudes and expectations.

First, we consider each respondent's personal and family characteristics, including age, gender, ethnicity, marital status, political affiliation, educational attainment, health conditions, and family size. Second, we are interested in examining respondents' working conditions and institutional factors. The respondents were asked to report their working conditions such as employment status, retirement mode, and associated insurances or benefits. The CHFS survey also asked the respondents if they were household heads, and if they were self-employed. In addition, respondents were dichotomized between residents and migrants. By doing so, we hope to examine if Chinese off-farm migrants are happy about their lives.

Third, we investigate the variables that summarize household income and financial conditions. Does the rapid improvement in material living standards raise subjective well-being in China? This objective progress measured by financial satisfaction is presented by the following variables: an absolute income level (logarithmic household income from last year), the amount of household borrowing and lending, the use of credit cards, the growth in income and spending compared to a normal year or inflation. Respondents were also asked if they owned their home or land, or if they had experienced demolition. We focus on variables associated with high-end spending, including purchases of luxury items, spending on vacation, and other related expenses.

Lastly, we explore how respondents' attitudes toward risks and expectations on the future economy and institutional changes may generate impact on life satisfaction in China. Based on the data collected in the CHFS survey, some of the independent variables were coded as dummy variables, and the rest of them are defined as numerical (see Table 2 for details).

TABLE 2
DEFINITION OF VARIABLES AND DESCRIPTIVE STATISTICS

| Variables | Mean | Std | Definition |
|-----------------------------------|---------|---------|--|
| Dependent Variable | | | |
| happiness | 0.56 | 0.618 | -1, unhappy or extremely unhappy; 0, normal; 1, happy or extremely happy |
| Independent Variables | | | |
| <i>Individual Characteristics</i> | | | |
| age | 48.93 | 14.490 | Age of the respondents |
| agesqr | 2603.79 | 1484.95 | Squares of age |
| sex | 1.46 | 0.498 | 1, male; 2, female |
| marriage | 2.12 | 0.608 | 1, single; 2, married; 3, cohabitation; 4, separated, divorced, or widowed |
| political_stat | 2.75 | 0.535 | 1, youth league; 2, communist party; 3, democratic or others or the masses |
| educ | 2.42 | 0.876 | 1, no schooling; 2, primary school and junior high; 3, high school & secondary / vocational school; 4, college, 5, master's degree and above |
| health | 2.86 | 0.975 | Compared to peers, how is your physical condition? 1, very good; 2, good; 3, normal; 4, bad or very poor |
| famsize | 3.48 | 1.550 | How many family members are in your family? |

| <i>Working Conditions and Institutional Factors</i> | | | |
|--|-------|-------|--|
| employ | 1.33 | 0.470 | If having a job, including farming: 1, No; 2, Yes |
| retirement | 2.09 | 0.872 | 1, social welfare; 2, retired/retirement payroll; 3, None |
| unemploy | 1.97 | 0.176 | Did you lose your job last year? 1, Yes, 2, No |
| selfemploy | 0.08 | 0.279 | 1, self-employed; 0, otherwise |
| region | 1.76 | 0.802 | 1, eastern region; 2, middle region; 3, western region |
| migrant | 0.18 | 0.388 | 1, migrant; 0, non-migrant |
| <i>Household Financial Conditions</i> | | | |
| demolition | 1.89 | 0.314 | Has your family been relocated? 1, Yes; 2, No |
| vehiclowner | 1.85 | 0.352 | Does your family have their own cars/buses/trucks? 1, Yes; 2, No |
| lnhhincome | 10.12 | 1.341 | Natural logged value of household income |
| luxury | 0.08 | 0.350 | How much did your family spend on luxury goods and other high-end items last year? Units: 10,000 RMB |
| loans | 1.92 | 0.269 | Do you currently have any agricultural / business related loans? 1, Yes; 2, No |
| borrowing | 1.74 | 0.438 | Aside from bank loans, has your family borrowed any money from other sources to engage in your production operations? 1, Yes; 2, No |
| incomgrow | 2.14 | 0.889 | Last year, was your family's income high or low if compared with a normal year? 1, higher; 2, lower; 3, even |
| spendgrow | 1.64 | 0.897 | Last year, how did your family's total expenditure compare with a normal year? 1, higher; 2, lower; 3, normal |
| homeowner | 1.20 | 0.492 | The house you live in is which of the following? 1, owned by family members; 2, rented; 3, free |
| family_home | | | Does your family own your own home? 1, Yes; 2, No |
| deposit | 1.43 | 0.496 | Does your family currently have RMB denominated checking accounts? 1, Yes; 2, No |
| lending | 1.88 | 0.324 | Currently, does your family have loans given to other people? 1, Yes; 2, No |
| ccard | 1.94 | 0.238 | Does your family have a credit card? 1, Yes; 2, No |
| aliability | 1.94 | 0.239 | In addition to the previously mentioned housing, automotive, commercial, education and credit card financing, has your family taken out any other loans or borrowed? 1, Yes; 2, No |
| <i>Risk Attitudes and Expectations</i> | | | |
| risks | 3.87 | 1.233 | Which investments are you likely to choose? 1, high risk, high return; 2, slightly higher risk, slightly higher return; 3, average risk and return; 4, slightly lower risk and slightly lower return; 5, Not willing to take any risks |
| expecon | 2.13 | 0.892 | How do you expect the China's economy is more likely to change in the next three to five years? 1, much better; 2, better; 3, almost no change; 4, a little worse; 5, much worse |
| expsocial | 2.51 | 0.891 | What do you think of the local social welfare? 1, extremely good; 2, good; 3, average; 4, poor; 5, very poor |

Data source: China Household Finance Survey, 2011; author's computation

EMPIRICAL RESULTS

Our empirical findings as summarized in Table 3 indicate that not every factor proposed above is found to be statistically significant in affecting happiness in current China. We will explain some of the main results below.

Luxury Goods and Happiness

Our results in Table 3 show a positive relationship between luxury spending and individual happiness. Simply speaking, the more luxury products Chinese can afford, the happier they are.

The magnificent economic growth in China since 1990 has not only improved its national wealth but also inspired people's desire for those non-essential but expensive products and services – the luxury goods. The pursuit of luxury in China reflects customers' demand for finest quality as well as a strong desire to make a personal statement of exclusivity and uniqueness. They work as an extension and representation of a person's taste, wealth, and prestige, which in turn is linked with this person's quality of life and ultimately happiness. These pricy items act as a natural selection criterion, separating out those who can "spend top dollars" from those who cannot. Such affordability makes the owners of the luxury feel relatively wealthier, more successful than the rest of the society and, therefore, happier.

As Easterlin (1974) points out, happiness is a relative concept. People perceive and evaluate their situation in relation to others. They may derive satisfaction from being richer than others, but not from simply being rich. Luxury items do generate such kind of relative deprivation suggested by Merton and Kitt (1950), because they are pricy. Therefore, a person's higher spending on luxury implies he or she has a better affordability, more affluence, a higher social status and, thus, a higher satisfaction with life compared to others who are prohibited from these premium goods.

All these comprehensive values associated with luxury fashion brands satisfy Chinese consumers' psychological and social needs, which in turn explains their accelerating spending on luxury products and why it may contribute to a higher level of happiness in contemporary China.

Other Significant Factors and Happiness

It is not surprising to find that employment status matters for happiness. As shown by Table 3, unemployment is usually painful not only financially but also emotionally. It creates frustration and anxiety, which dampens people's feelings of happiness. Our results conform to the findings of Winkelmann and Winkelmann (1998) who point out that unemployment results in an income loss in addition to substantial psychological costs such as the loss of self-esteem and social status. We also found that the self-employed are, in general, happier than those employed by others (see Table 3).

Money may not necessarily buy happiness although wealth or financial status often tops the list of factors affecting people's feeling of contentment. Li, Liu, Ye and Zhang (2014) reported that income does have a large positive effect on happiness in China. In fact, our results in Table 3 concurred with their findings. It shows that logarithmic household income is positively related to people's SWB in China.

Our results in Table 3 also suggest individual characteristics such as age, education, employment conditions, gender, family size, health, and marital status play significant roles in Chinese happiness. It is interesting to see political status is a significant factor in influencing the level of happiness. Being a communist party member gives an upward boost in individual well-being. As a ruling party member, a person may enjoy various explicit or implicit power or convenience in their work and life, which leads to a feeling of being superior to the non-members. This may raise personal happiness.

Another finding that stands out in Table 3 is the positive association between people's expectations on the economy and happiness. A good economy often means more and better job opportunities, steady or even higher salary compensation for the working class, better benefits or welfare, and so on. Thus, it is natural to observe a positive expectation on the economy may boost people's subjective well-being, which concurs with our results in Table 3. Frijters, Liu and Meng (2012) and Liu and Shang (2012) studied the importance of optimistic income expectations for the life satisfaction in China. They found the positive impact of these expectations on the happiness level is significant.

POLICY DISCUSSIONS

Happiness is all about inter-person comparison (Easterlin, 1974). People may feel happier from being richer than others, but not from simply being rich. A person's higher spending on luxury implies he or she has a better affordability, more affluence, a higher social status and, thus, a higher level of happiness compared to others who are prohibited from these premium goods. These comprehensive values associated with luxury fashion brands explain why middle-class Chinese are more likely to buy luxury products for prestige rather than pure consumption.

A key driver for the luxury desire in China is the widening income gap, an unintended consequence of economic growth. The upper-middle-class would like to demonstrate individualism and success through their affiliation with luxury products. In turn, their pursuit and ownership of luxury items may encourage materialistic worship in the society and exacerbate the pre-existing socioeconomic disparity.

China has been advocating for a "harmonious society". Harmony calls for equality and happiness in Chinese culture. This paper fills a gap in the literature by demonstrating the connection between luxury consumption and happiness in China. Our findings imply that a higher spending on luxury goods improves personal happiness. However, the pursuit of luxury may worsen social inequality on the other hand. To achieve a (more) harmonious society, Chinese policymakers should take measures to educate the youth to tackle the prevailing consumerism and hedonism in the country and cultivate appropriate luxury consumer motivation.

CONCLUSIONS

Chinese spending on luxury goods has been increasing and is expected to account for at least 40% of global luxury spending by 2025. Its impact on individual happiness is the focus of our research. This paper examines the relationship between luxury spending and the level of happiness by using data from the 2011 China Household Finance Survey.

Our results show that individual characteristics such as age, education, employment conditions, gender, family size, health, and marital status play significant roles in Chinese happiness. Of singular importance is political status – being a member of the communist party enhances individual well-being.

We also found that employment status contributes to happiness and that self-employed are in general happier than those employed by others in support of previous research findings. Economic expectations are found to be positively related to happiness as well.

Lastly, a significant and positive relationship is identified between luxury spending and individual happiness, suggesting that the more branded products Chinese can buy, the happier they are. However, such desire and pursuit of luxury may not only boost happiness in current China but also cause worship of materialism and exacerbate social inequality. We discussed the appearance and swift growth of consumerism in China during the past three decades and its impact on Chinese society, especially its influence on young generations.

TABLE 3
SIGNIFICANT FACTORS ASSOCIATED WITH HAPPINESS IN CHINA

| Variables | Coefficients | Standard Error | Relative Importance |
|--------------------|---------------------|-----------------------|----------------------------|
| age | -0.79** | 0.0247 | -18.519 |
| agesqr | 0.001** | 0.0002 | 2.403 |
| marriage = 1 | 0.097* | 0.2927 | 0.0954 |
| marriage = 2 | 0.650 | 0.1673 | 0.6395 |
| marriage = 3 | 0.093 | 0.9710 | 0.0915 |
| marriage = 4 | 0 ^a | . | |
| health = 1 | 0.926*** | 0.1583 | 1.4609 |
| health = 2 | 0.767 | 0.1147 | 1.2101 |
| health = 3 | 0.261 | 0.1029 | 0.4118 |
| health = 4 | 0 ^a | . | |
| political_stat = 1 | -0.225* | 0.2149 | -0.1948 |
| political_stat = 2 | 0.462 | 0.1689 | 0.4000 |
| political_stat = 3 | 0 ^a | . | |
| retirement = 1 | 0.302* | 0.0906 | 0.4261 |
| retirement = 2 | 0.239 | 0.2019 | 0.3372 |
| retirement = 3 | 0 ^a | . | |
| unemploy = 1 | -0.600** | 0.2497 | -0.1709 |
| unemploy = 2 | 0 ^a | . | |
| selfemploy = 0 | -0.256* | 0.1230 | -0.1156 |
| selfemploy = 1 | 0 ^a | . | |
| borrowing = 1 | -0.294* | 0.0877 | -0.2084 |
| borrowing = 2 | 0 ^a | . | |
| lending = 1 | 0.220* | 0.1283 | 0.1153 |
| lending = 2 | 0 ^a | . | |
| ccard = 1 | -0.520* | 0.2083 | -0.2003 |
| ccard = 2 | 0 ^a | . | |
| aliability = 1 | -0.317** | 0.1389 | -0.1226 |
| aliability = 2 | 0 ^a | . | |
| homowner = 1 | -0.073** | 0.2631 | -0.0581 |
| homowner = 2 | -0.705 | 0.3075 | -0.5613 |
| homowner = 3 | 0 ^a | . | |
| demolition = 1 | -0.286* | 0.1704 | -0.1453 |
| demolition = 2 | 0 ^a | . | |
| vehiclowner = 1 | 0.443** | 0.1495 | 0.2523 |
| vehiclowner = 2 | 0 ^a | . | |
| lnhhincome | 0.098** | 0.0377 | 0.2127 |
| luxury | 0.510* | 0.2088 | 0.2888 |
| incomgrow = 1 | 0.171* | 0.0893 | 0.2460 |
| incomgrow = 2 | -0.050 | 0.1024 | -0.0719 |
| incomgrow = 3 | 0 ^a | . | |
| expecon = 1 | 1.257* | 0.2928 | 1.8143 |
| expecon = 2 | 0.984 | 0.2862 | 1.4203 |
| expecon = 3 | 0.583 | 0.3032 | 0.8416 |
| expecon = 4 | 0.521 | 0.3339 | 0.7520 |
| expecon = 5 | 0 ^a | . | |

Note: Standard errors are in parenthesis, “***” is statistically significant at the 0.1% level, “**” is statistically significant at the 1%, “*” is statistically significant at 5%, and “.” is statistically significant at the 10% level.

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