

THE WISDOM PANEL

WAVE 2



CENTER FOR WELLBEING,
WELFARE AND HAPPINESS

Highlights

- Among participants, the wellbeing has both improved and worsened since the previous wave.
- Changes in wellbeing show weak correlations with income, age, and gender, and strong correlations with life circumstances.
- Four factors (TACK) explain 98 % of participants' wellbeing.
- Income has a positive effect on wellbeing up to 50 - 60 000 SEK per month, after which the effect decreases.
- The value of a small increase in wellbeing (Value of Wellbeing Increase, VOWI) is on average 3 651 SEK per month.
- Having a partner has a strong positive impact on wellbeing (equivalent to an income increase of about 30 000 SEK per month).
- The three most common themes in participants' reflections on what is most important in life are children and grandchildren, friends and family, and finding one's own path in life.
- The three most common themes in what participants' would like to tell themselves at age 20 are educate yourself, believe in yourself, and understand yourself and others better.

What is the Wisdom Panel?

Center for Wellbeing, Welfare and Happiness (CWWH) at the Stockholm School of Economics, together with Swedbank and Sparbankerna, has launched a panel to follow and learn from people with life experience.

We explore the panel participants' reflections from having lived long lives - through life events, choices, ups and downs. How have their lives been shaped, and what can they teach us?

We study how life unfolds during and after retirement, as finances, health, and relationships change with age.

We collect information regarding participants' future experiences from new phases and stages of life that are yet to be documented. How does life unfold when we live longer and healthier lives?

Starting with the next wave, the panel will give us the unique possibility of connecting life partners' responses, to see how their lives and wellbeing influence each other.

By continuously following the participants, we will also be able to capture how both expected and unexpected events in the world around them affect their lives.

We will survey the panels' participants on a quarterly basis.



The Wisdom Panel wave 2

In this second wave, we follow up on the different dimensions of the participants' wellbeing from the first wave ¹.

We also compile a *wellbeing index* to get a more distinct overview and comparability.

We take a closer look at the foundational factors influencing the participants' current and previously reported wellbeing.

This report presents a unique way to measure the economic value the participants' put on small increases of wellbeing (VOWI).

The wellbeing impact of having a life partner is calculated.

Finally, we use advanced machine learning to analyze the participants' wisdom in regards to what the most important things in life are, and what they would like to say to their 20-year old selves.

¹ The Wisdom Panel wave 1 —

Who is in the panel?

With the help of Norstat, we have recruited a demographically nationally representative sample of Swedes aged 60 and above. In the second wave, just over 2,000 participants from across Sweden are included, aged between 59 and 96. The gender distribution is evenly split between men and women. Of the 2014 participants, 1456 also participated in the first wave.

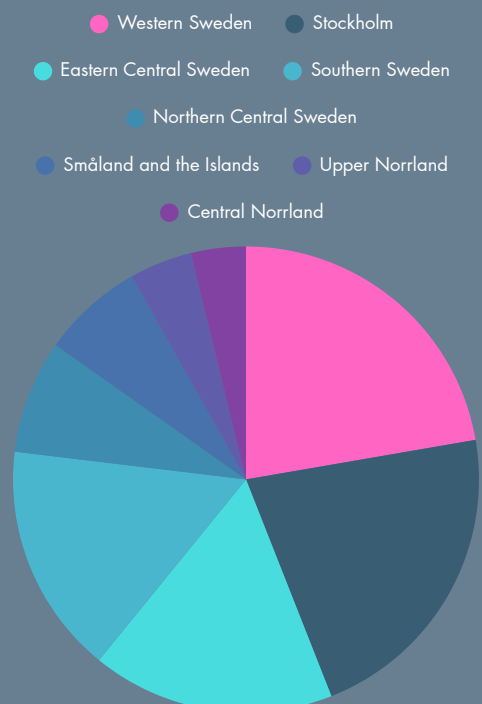
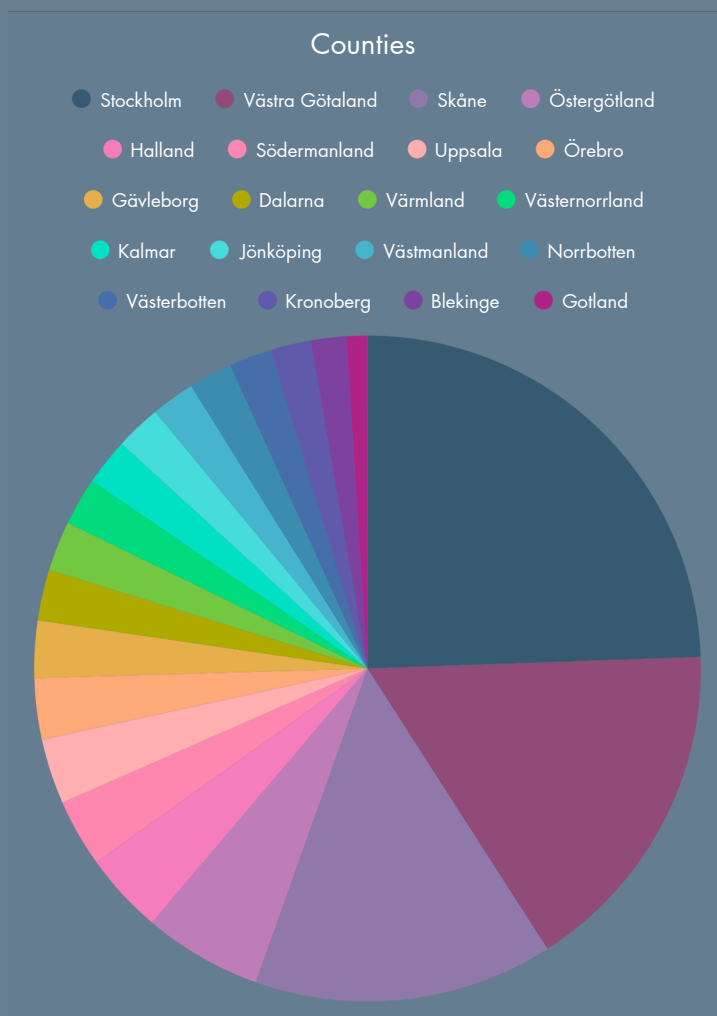
N = 2014

59 - 96

Age

51.4 %, 48.6 %

Men vs women



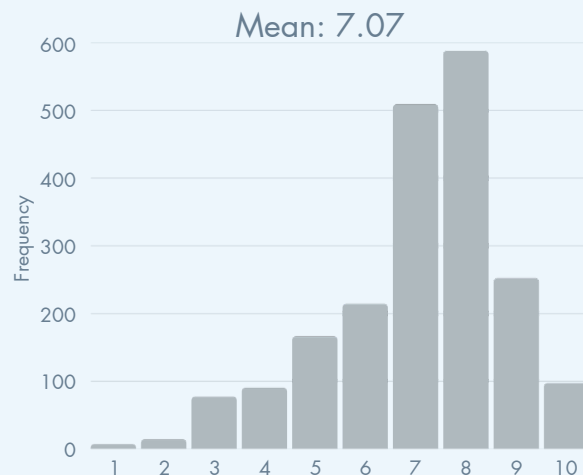
Quality of Life and Wellbeing

We research how participants' quality of life and wellbeing change over time by asking four questions (on a scale of 1 - 10, with 10 being the best possible, and 1 being the worst).

In the second wave, these were the responses:

1

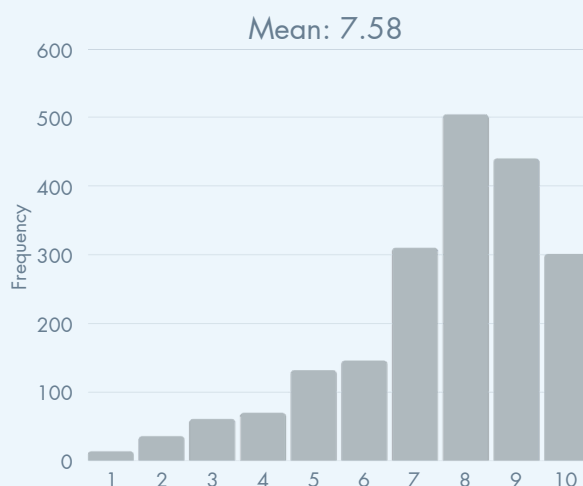
On a scale of 1 - 10, where would you place your life right now?



The three following questions measure the main dimensions of wellbeing, happiness, meaning, and richness of life.

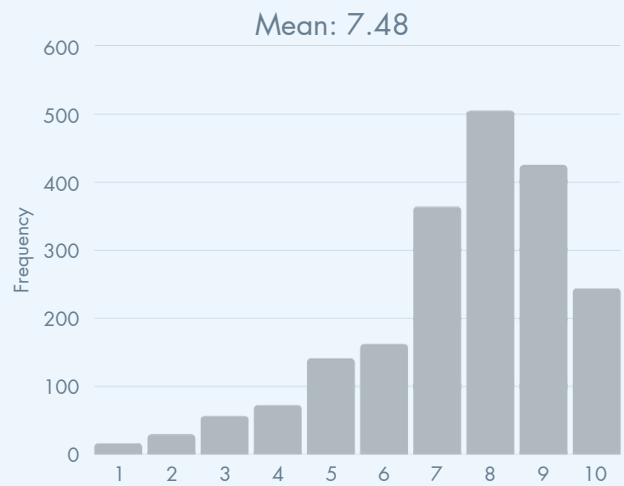
2

Overall, how meaningful does your life feel overall?



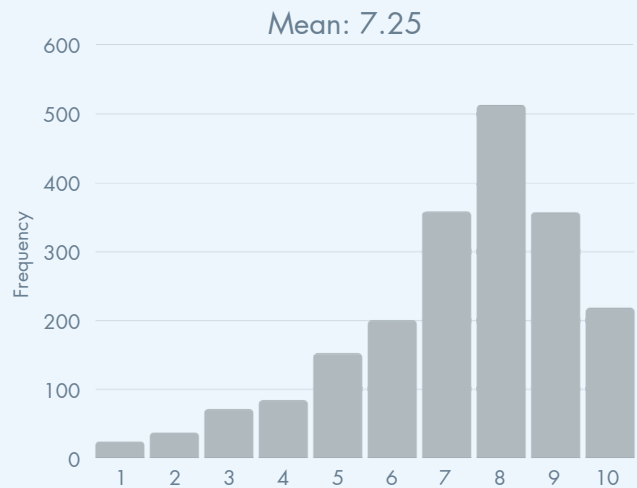
3

Overall, how rich does your life feel overall?



4

How happy do you feel right now?



Compared to the first wave, the participants' quality of life and wellbeing in the different dimensions have had the following changes (are values in the second wave higher or lower compared to the first?):

	Good Life	Meaning	Richness	Happiness
Increase	31%	35%	34%	36%
Decrease	32%	35%	34%	33%
No changes	37%	31%	32%	31%

As shown in the table, changes, both for the better and the worse, have occurred for the majority of participants. This indicates that life and wellbeing are neither constant nor predetermined in direction.

To take a closer look at possible connections between direction and fundamental factors in participants' lives, we first develop a more accessible wellbeing index.

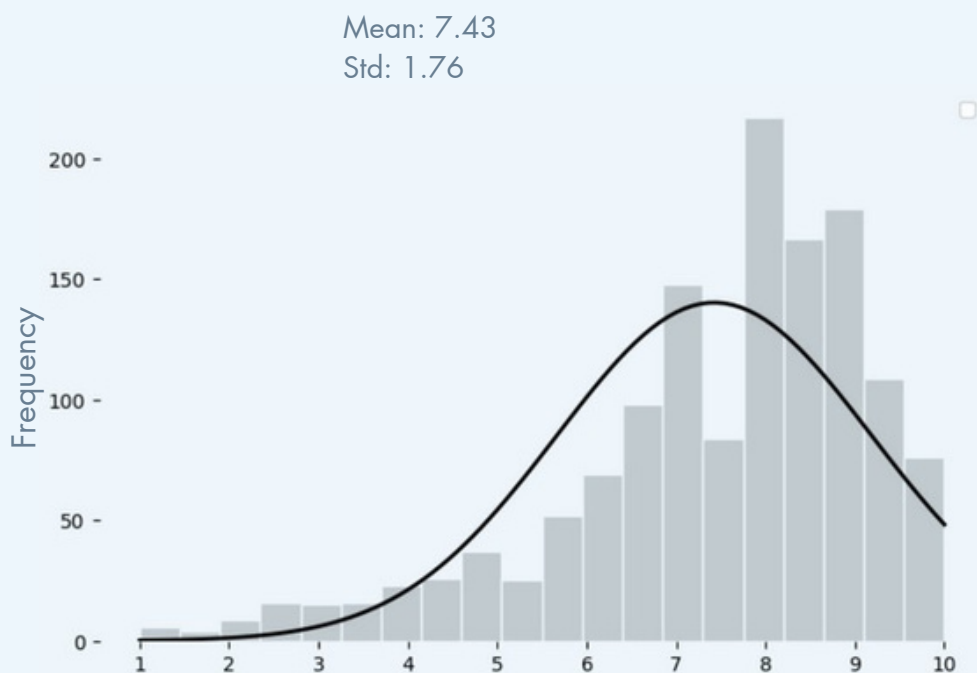
Index of Wellbeing

To gain an overall understanding of participants' wellbeing and its development over time, we construct a *Wellbeing Index* based on the average of life quality and the three dimensions of wellbeing:

Good life + happiness + meaning + richness

According to CWWH's research², the different dimensions frequently develop in different directions, and that an index of wellbeing better can capture the whole picture, as well as the relationship to peoples' circumstances and their effects.

The Wellbeing Index for the participants is as follows:



² Dahlen, M., & Thorbjørnsen, H. (2022). Individuals' assessments of their own wellbeing, subjective welfare, and good life: Four exploratory studies. *International Journal of Environmental Research and Public Health*, 19(19), 11919.

Changes in Levels of Wellbeing

Overall, we are now able to examine how the wellbeing of the panels' participants has evolved in the past three months since the initial wave:

Changes in the index of wellbeing	
Increase	43,80%
Decrease	44%
No changes	12,20%

At this stage, we further inspect the relationships with demographic and socio-economic factors including gender, age and income. As illustrated in the table, the changes of wellbeing are greater when examined considered in aggregate as an index. This indicates that life consists of multiple dimensions developing in different directions, and that wellbeing fluctuates from one quarter to the next for a vast majority of participants.

We observe a minor tendency for women's wellbeing to be somewhat more stable and to have improved slightly more, whereas men show the opposite trend. Age has a weak correlation with changes in wellbeing, with those experiencing an improvement being, on average, one year younger. Income also shows a weak correlation, with the average income being just over 1 000 SEK lower among those who experienced a decline.

Mean age	
Increase	70
Decrease	71
No changes	71

Mean income (before taxes)	
Increase	34 643 SEK
Decrease	33 618 SEK
No changes	34 714 SEK

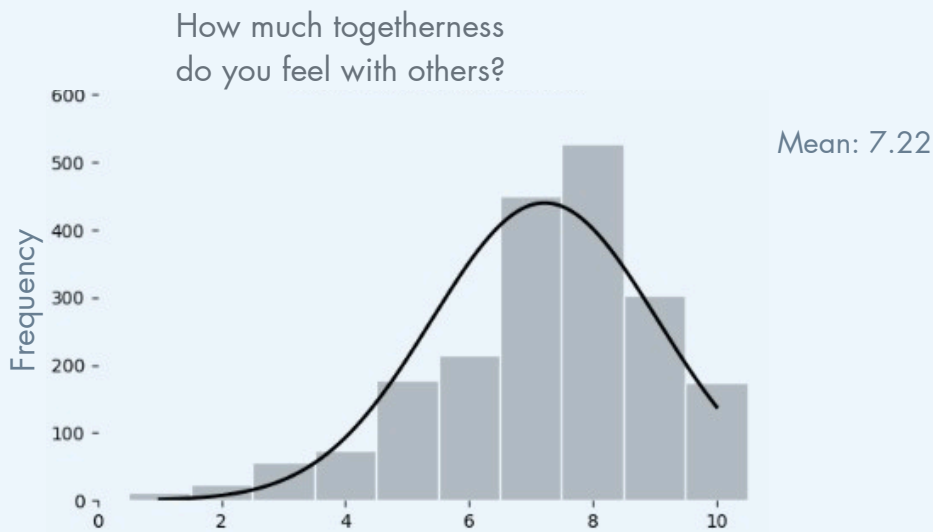
Gender distribution	Men	Women
Increase	42,10%	45,40%
Decrease	44,70%	43,30%
No changes	13,20%	11,30%

TACK: Four foundational factors for wellbeing

CWWH has developed a framework consisting of four factors demonstrated to be foundational for wellbeing³ at both individual and societal levels. This framework enables us to account for current wellbeing levels and their evolution over time.

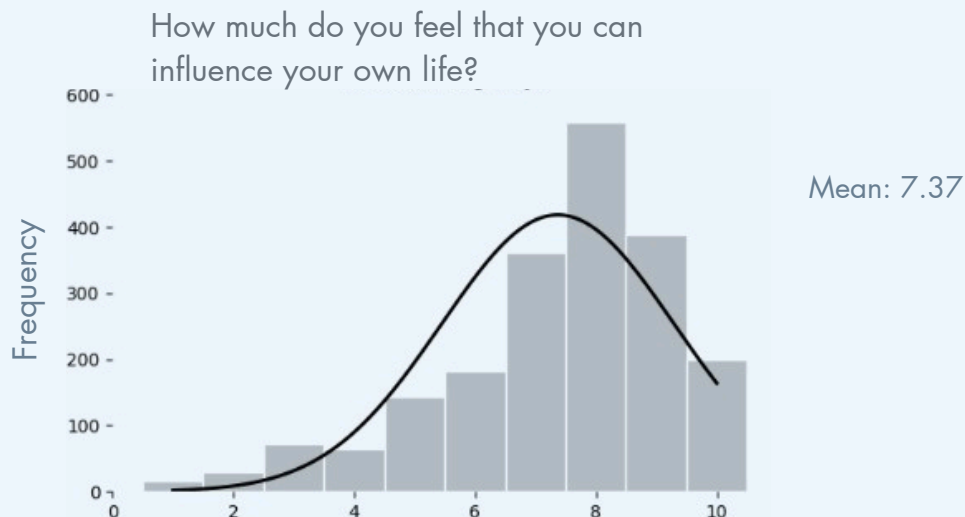
Togetherness

To what extent do individuals feel a sense of togetherness with others?



Agency

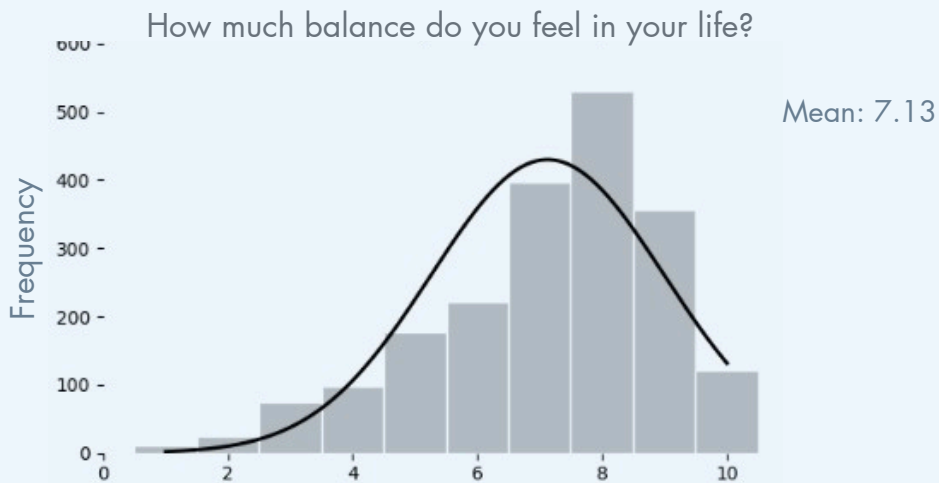
To what extent do people feel that they can influence their own life situation?



³ For a more detailed review, see [Wellbeing Index Stockholm Report](#)

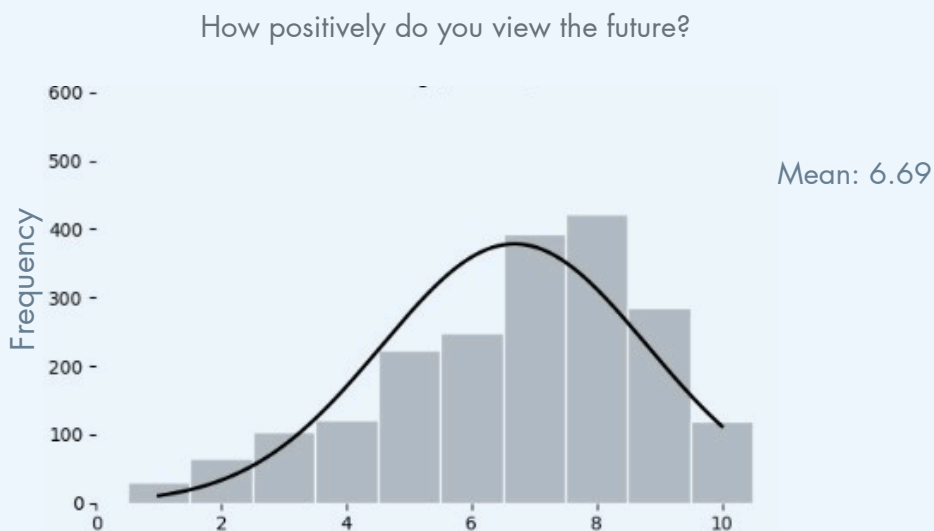
Coherence

To what extent do people feel that the different parts of their lives are connected in a functional and positive way?



Kinetics

To what extent do people feel that their lives are moving in a positive direction?



Combined, the four TACK-factors explain 98 percent of participants' wellbeing:

In a stepwise regression, the factors are introduced in order of the proportion of variance they explain. All four factors are found to have a significant impact and together account for 98 percent of the variance in the Wellbeing Index (age, gender, and income contribute negligibly to the explained variance).

Balance in life – strongest effect ($\beta = 0.358$)

Togetherness ($\beta = 0.277$)

Own influence on life ($\beta = 0.279$)

Positive outlook on the future ($\beta = 0.047$)

$R^2 = 0.981$ ($F = 25360.363$)

Among participants who have experienced improvements in wellbeing, the mean values for all four factors are higher, while those whose wellbeing has declined have lower averages on all factors. The differences in mean values, compared with those who have not experienced changes, are greater among participants with decreased wellbeing, indicating that the TACK factors are particularly important for protecting against, and buffering, negative life events.

Comparisons between groups whose wellbeing has improved or worsened since the previous quarter also show associations with the four factors:

TACK - factors Mean values	Togetherness	Agency	Coherence	Kinetics
Increase	7,74	7,97	7,76	7,38
Decrease	6,62	6,65	6,33	5,84
No changes	7,54	7,81	7,7	7,26

TACK in Sweden

The distribution of the top factors in Sweden is as follows:

Wellbeing

1. Halland county (7.67)
2. Kronoberg county (7.60)
3. Örebro county (7.57)
4. Västmanland county (7.55)
5. Dalarna county (7.50)

Togetherness

1. Halland county (7.44)
2. Västmanland county (7.39)
3. Dalarna county (7.37)
4. Stockholm county (7.35)
5. Västernorrland county (7.29)

Agency

1. Halland county (7.73)
2. Örebro county (7.62)
3. Västmanland county (7.61)
4. Värmland county (7.60)
5. Dalarna county (7.55)

Coherence

1. Västmanland county (7.46)
2. Kronoberg county (7.44)
3. Halland county (7.41)
4. Gotland county (7.40)
5. Västernorrland county (7.38)

Kinetics

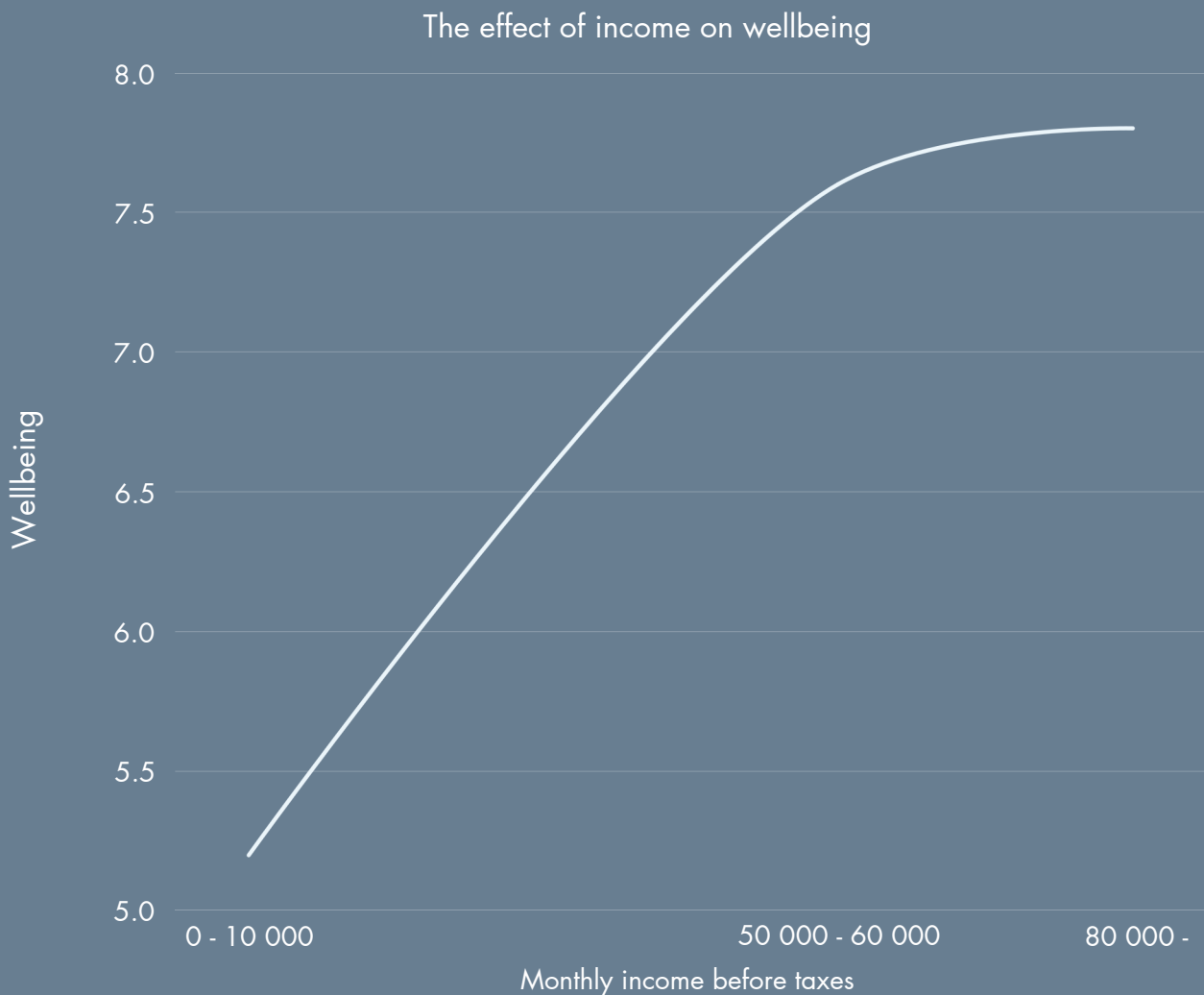
1. Örebro county (7.02)
2. Kalmar county (7.00)
3. Halland county (6.95)
4. Västerbotten county (6.90)
5. Södermanland county (6.89)



Income and Wellbeing

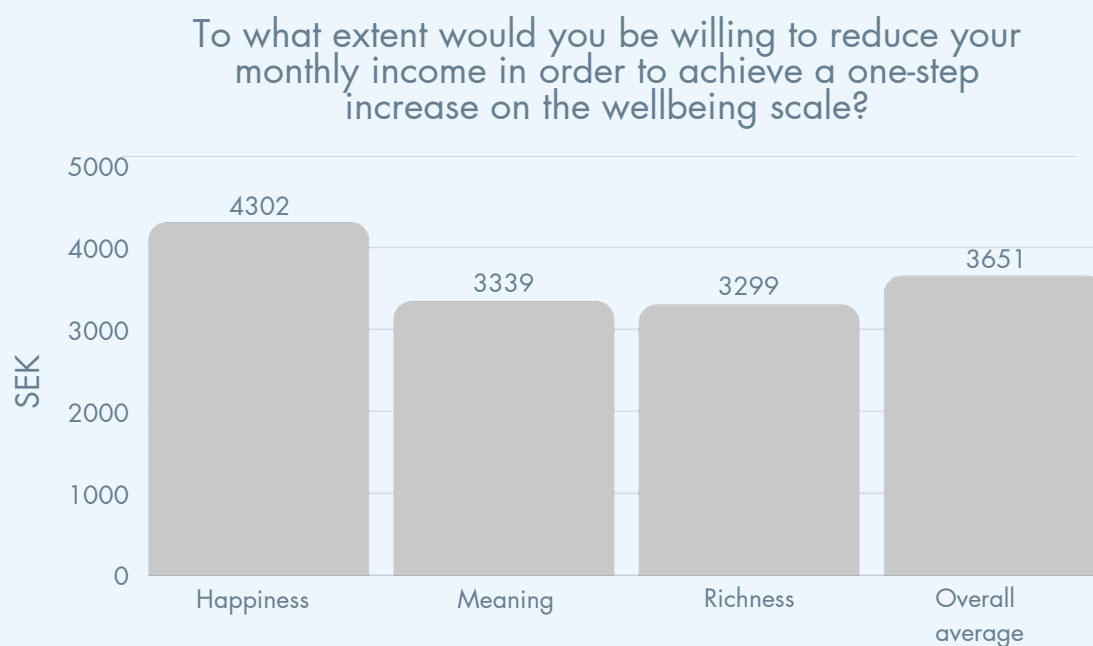
In the previous report, we examined the relationship between age and happiness, which was found to follow an S-shaped pattern. An analysis of the relationship between income and wellbeing, on the other hand, shows a diminishing effect: additional income has a clearly positive impact on wellbeing up to a level of 50 - 60 000 SEK per month. Beyond that level, the positive effect on wellbeing is small.

The conclusion to be drawn is that income positively influences wellbeing, primarily up to a threshold of 50 000 to 60 000 SEK per month.



Value of Wellbeing Increase (VOWI)

Within the fields of economics and public policy, there are well-established methods for calculating the value of human life (Value of Statistical Life, VSL ⁴) and the value of enhanced physical health (Quality-Adjusted Life Year, QALY ⁵). Both approaches involve asking people how much they would be willing to pay to reduce life-threatening risks (VSL) or to experience improved physical health (QALY). We used a similar approach to calculate the value of an increase in wellbeing, referred to as the Value of Wellbeing Increase (VOWI). Participants were asked how much of their monthly income they would be willing to sacrifice to achieve a one-step improvement on the wellbeing scale.



Participants that were willing to reduce their income in order to achieve a higher score in any of the three dimensions were, on average, willing to sacrifice **3 651 SEK** per month.

On a yearly basis this amounts to $3\,651 \times 12 = \mathbf{43\,812\ SEK}$

For a time period or expected lifespan of 20 years, this amounts to $43\,812 \times 20 = \mathbf{876\,240\ SEK}$.

A comparison shows that people place the highest monetary value on happiness, followed to meaningfulness, and then a rich and fulfilling life.

⁴ For a detailed review, see Banzhaf, H. S. (2022). The value of statistical life: a meta-analysis of meta-analyses. *Journal of Benefit-Cost Analysis*, 13(2), 182-197.

⁵ For a detailed review, see Kouakou, C. R., & Pöder, T. G. (2022). Willingness to pay for a quality-adjusted life year: a systematic review with meta-regression. *The European Journal of Health Economics*, 23(2), 277-299.

For all three dimensions of wellbeing, the monetary value increases with income - that is, individuals with higher income are willing to pay more (though this effect is weak, explaining less than five percent). The monetary value also decreases with existing wellbeing: those who are lower on the scales are willing to pay more to move higher, while those already higher on the scale are willing to pay somewhat less (again, the effect is weak, explaining less than five percent).

A similar pattern can be found when looking at the value as a percentage of income:

Happiness	11.97 %
Meaningfulness	10.02 %
Richness	9.71 %

People are willing to pay the highest percentage of their income on happiness, followed by meaningfulness, and lastly, a rich life.

VOWI is interesting as a thought experiment: how much are increases in overall wellbeing, and in its different dimensions, actually worth to people? VOWI could serve as a benchmark for life priorities: how much is it worth to invest in something that raises wellbeing by one step on the scale? At the same time, VOWI can be further developed for use in economics and public policy, in much the same way as calculations of the value of human life or improvements in physical health.

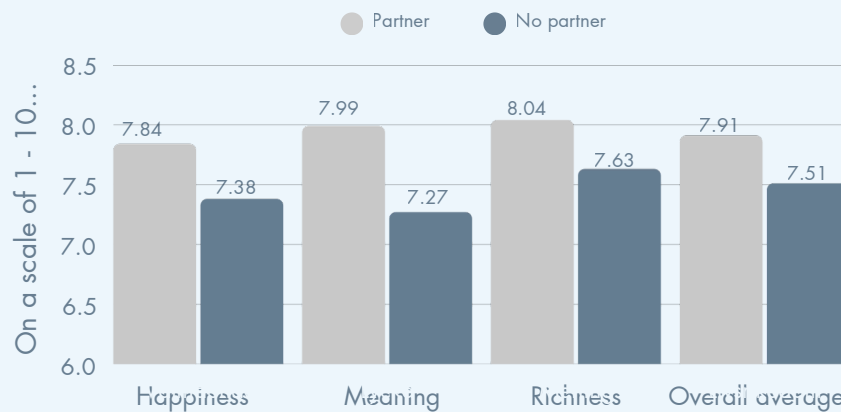
By aggregating the VOWIs of a population or group, it becomes possible to put a *price tag* on and budget for initiatives based on how much they increase average wellbeing on the scale. As a small calculation example using our participants: an initiative that increases people's ability to influence their own lives by one step on the scale would be worth:

$0.279 \text{ (effect on wellbeing)} \times 3\,651 \text{ SEK (their VOWI for the average of the wellbeing dimensions)} \times 240 \text{ (20-year period)} \times 2,000 \text{ (number of panel participants)} = 448\,941\,920 \text{ SEK.}$

In this way, we can compare the value of different initiatives with their costs, whether they pursue the same goals or entirely different ones.

The Value of a Life Partner

In the present wave, participants were asked to indicate whether they have a life partner and, if so, to recruit them into the panel, enabling analyses of how individuals influence one another within relationships. Starting with the next wave, when both partners participate, we will be able to conduct such analyses. However, even at this stage, participants' responses allow us to observe how those reporting a life partner differ in wellbeing from those without one.



As the chart indicates, there is a prevalent difference in terms of the Wellbeing Index, where those who report having a life partner score significantly higher on the scale. The differences are statistically significant across all three dimensions of wellbeing, and strongest with regard to happiness. In other words, having a life partner appears to have substantial value for wellbeing. If we were to place the wellbeing difference (approximately half a scale step) on the income–wellbeing curve, having a life partner would correspond to a difference of about 30 000 SEK per month.



The Panel's Wisdoms

We asked the panel to share their wisdoms by answering two open-ended questions: "What is most important in life to you?" and "If you could say anything to yourself at age 20, what would you say?".

We analyzed the responses using the LDA method, a form of advanced machine learning, in which the most frequently occurring words are identified and grouped into overarching themes. On average, participants wrote 6.4 words in their answers to what is most important in life, and 8.6 words in their responses to what they would tell themselves at age 20. All words were translated into English to enable richer and more precise identification within the algorithm's language model.

The figures below show the five most common themes as word clouds, where the size of each word reflects its centrality to the theme. The larger the word, the greater its importance.

What is most important in life?

What is most important in life to you?



The first theme is children and grandchildren.

Participants' answers emphasize how children and grandchildren keep them young and extend life. They are a continuation of life and of themselves, bringing both joy in the present and deeper meaning. Life is not just one generation in isolation, but several together.

The second theme is friends and family.

Participants highlight that life is short, and therefore we should not postpone spending time with those we love. They also stress how important it is for the health and wellbeing of those close to us, since our own wellbeing depends on theirs. This is often a lesson we learn the hard way when loved ones fall ill or pass away. We must not take them or their health for granted but cherish them here and now.

The third theme is finding your own path.

Work, money, children, and the puzzle of life cannot be solved in one single best way. Be humble and honest with yourself. Be kind and empathetic toward others. Understand what truly makes you happy, and be grateful and positive.

The fourth theme is community.

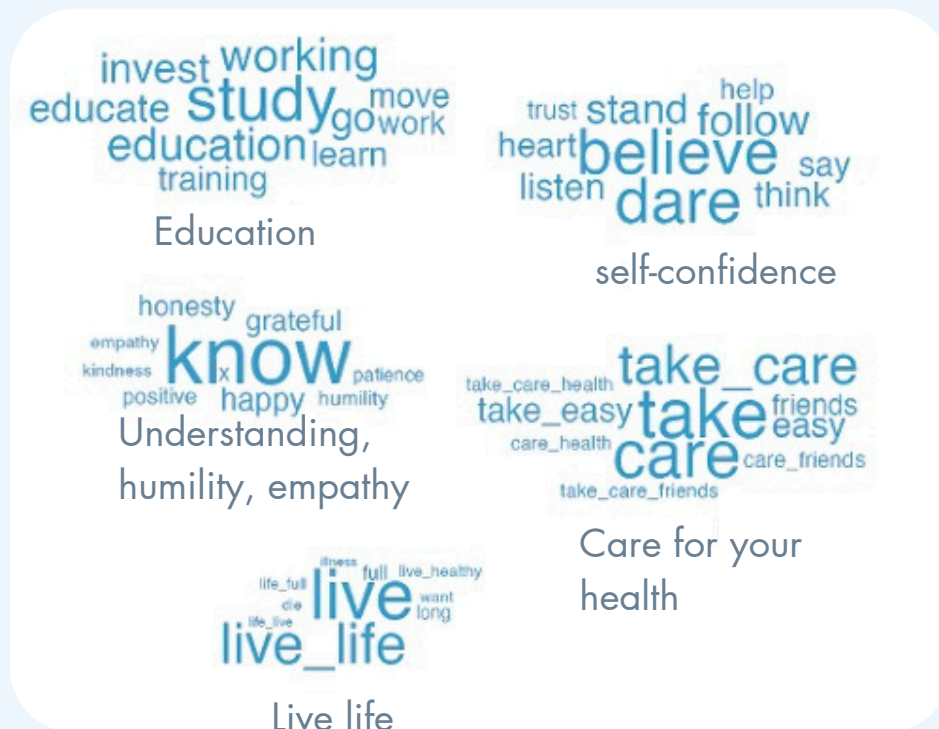
Life is best lived together. But community can take many forms—through nature, music, and shared experiences. Experience things together, dare to come closer, love more, and feel more.

The fifth and most deeply rooted theme is understanding yourself and others.

Be humble and honest with yourself. Be kind and show empathy towards others. Find what truly makes you happy and be thankful and positive.

If you could say anything to yourself at age 20, what would you say?

What would you tell your 20-year-old self?



The first theme is education.

Invest in your learning—both in school and at work. Continue learning throughout life and keep moving forward.

The second theme is to believe in yourself.

Dare to follow your heart and trust that what you are doing is right. Worry less about what others say or think.

The third theme is to understand yourself and others.

This is the same wisdom as in the most deeply rooted theme on what matters most in life. It is therefore a message participants want to give to their 20-year-old selves because that understanding is needed early in life.

The fourth theme is to take care of yourself and your health.

You may live a long and fulfilling life, and for that you need to be sustainable. Life is not a sprint but a marathon—or why not a long and beautiful hike?

The fifth theme is to live life.

You may have a long life ahead of you, but don't postpone living—life is here to be experienced.

Summary

This is the second wave of the quarterly survey of the Wisdom Panel. The main purpose of this report has been both to document changes in participants' wellbeing and to explore new wisdoms.

We have compiled an Index of Wellbeing and tested four foundational factors and their impact on wellbeing, as well as how the wellbeing has changed over time. A vast majority of participants experienced changes in the past quarter, for the better or worse. This indicated that the sense of wellbeing is highly dynamic and ever changing, and moving in multiple dimensions. We found that our four TACK factors are clearly associated with these changes and appear particularly important for protecting against negative life events and declines in wellbeing.

We examined the relationship between participants' income and their wellbeing, finding that income has a positive effect, which is strongest up to approximately 50 - 60 000 SEK per month. The report has presented a unique method to estimate the monetary value of increases in wellbeing, Value of Wellbeing Increase (VOWI).

In this wave, when participants were asked to recruit their life partners, we were able to conduct a preliminary analysis of how a partner influences wellbeing. Our analysis found that the value of having a partner corresponds to an income increase of about 30 000 SEK per month.

Finally, we explored participants' wisdom using advanced machine learning on their open-ended responses to the questions: "What is most important in life?" and "What would you like to tell your 20-year-old self?".

In the next wave, we will delve deeper into the factors influencing changes in participants' wellbeing by asking about specific events during the period. We will be able to analyze the associations between the wellbeing of life partners. In addition, participants will share new insights and wisdom.

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