



## Threshold Income for Quality of Life

This EnviroAtlas map layer estimates the threshold household income for quality of life in each U.S. Census Block Group. This threshold is based on a national value of \$75,000 adjusted to reflect county variations in cost of living. It represents (in 2009 dollars) the base for a positive quality of life and accompanying emotional well-being.

### Why are data on households below the quality of life income threshold important?

Money may not buy happiness, but it may be a necessary ingredient to achieve higher living standards.<sup>1</sup> Higher economic wealth can improve access to quality education, health care, and housing. One might argue that economic wealth influences mental and physical health.<sup>2</sup> While most research has focused on how income affects psychological well-being, some studies have found that happier individuals are more likely to perform better financially.<sup>3</sup>

A recent analysis of U.S. survey data distinguished satisfaction with one's economic position in life (life evaluation) from emotional well-being. Researchers found that life evaluation continued to increase steadily with household income, but emotional well-being stopped increasing once annual income exceeded \$75,000 (in 2009 dollars). These results suggested that a \$75,000 annual household income may represent a threshold to good quality of life in terms of emotional well-being. At such a threshold, the basic needs of life (food, shelter, health care, leisure time) have been met and some of life's major stresses reduced.<sup>4</sup>

Of course, an income threshold may be affected by many variables—family size, inflation, personal debt, and regional cost of living. A more refined income threshold for well-being or happiness can be readily attained by adjusting for the local cost of living, which is highly variable across the country.<sup>5</sup> For example, when adjusted figures are examined, the \$75,000 income equivalent for Mississippi vs. Hawaii is \$61,600 vs. \$107,000 (in 2015 dollars).<sup>5</sup>

### How can I use this information?

This map is one in a group of five EnviroAtlas maps related to annual household incomes surrounding a quality-of-life threshold value of \$75,000, as adjusted by cost-of-living differences by county. Threshold Income for Quality of Life can be used in conjunction with demographic and socioeconomic maps available in EnviroAtlas and from the U.S. Census to explore how cost of living varies across the



Photo: Boston neighborhood, J. Laber

nation with respect to other social factors. This map can also be used to explore correlations between cost of living and indicators of [ecosystem services](#) and environmental quality which are available in EnviroAtlas at block-group and watershed scales; [county health rankings](#); and other data related to geographic disparities which are maintained by organizations at local to federal levels.

Planners may opt to focus on census block groups or tracts with the highest number of people or proportion of vulnerable populations who would be served by additional resources. These strategies can be assessed with overlays of additional socioeconomic and demographic maps available in EnviroAtlas and from the U.S. Census.

### How were the data for this map created?

This EnviroAtlas Threshold Income for Quality of Life metric is based on a \$75,000 annual household income for a positive quality of life suggested by recent studies. This national threshold income value was adjusted by a 2011 county-level cost of living index developed by the Council for Community and Economic Research ([C2ER](#)). The \$75,000 threshold was regionally adjusted by the equation:

$$\text{Adjusted threshold} = \$75,000 \times \text{county cost of living index}$$

### What are the limitations of these data?

The \$75,000 annual household income threshold used for this data layer is based on 2009 dollars. It was not adjusted for family size, inflation, personal debt, or other relevant factors beyond county cost of living.

These data are presented at the census block-group scale to facilitate synthesis with other fine-scale EnviroAtlas maps. While the cost-of-living index was developed at the county scale, EPA developers made the assumption that cost of living does not vary significantly within a county. However, variations may exist, particularly for large counties with both urban and rural populations.

## How can I access these data?

EnviroAtlas data can be viewed in the interactive map, accessed through web services, or downloaded.

## Where can I get more information?

A selection of resources on income, quality of life, and well-being is listed below. For additional information on the data

creation process, access the [metadata](#) for the data layer from the EnviroAtlas layer list drop down menu. To ask specific questions about this data layer, please contact the [EnviroAtlas Team](#).

## Acknowledgments

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## Selected Publications

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  3. De Neve, J.E., and A.J. Oswald. 2012. [Estimating the influence of life satisfaction and positive affect on later income using sibling fixed effects](#). *Proceedings of the National Academy of Sciences* 109(49):19953–19958.
  4. Kahneman, D., and A. Deaton. 2010. [High income improves evaluation of life but not emotional well-being](#). *Proceedings of the National Academy of Sciences* 107(38): 16489–16493.
  5. Short, D. 2016. [Happiness revisited: A household income of \\$75K?](#) Advisor Perspectives Viewpoint, Advisor Perspectives. Accessed May 2021.
- Killingsworth, M.A. 2021. [Experienced well-being rises with income, even above \\$75,000 per year](#). *Proceedings of the National Academy of Sciences*: January 26, 2021 118 (4) e2016976118; <https://doi.org/10.1073/pnas.2016976118>.
- Lenhart, O. 2018. [The effects of income on health: New evidence from the Earned Income Tax Credit](#). *Review of Economics of the Household* 17:377–410.
- Stevenson, B., and J. Wolfers. 2013. [Subjective well-being and income: Is there any evidence of satiation?](#) Brookings Institution Report. Accessed May 2021.