



Available Online  
**Journal of Economic Impact**  
 ISSN: 2664-9764 (Online), 2664-9756 (Print)  
<https://www.scienceimpactpub.com/jei>

## INCOME AND INCOME ASPIRATION: EXPLORING THE IMPACT ON LIFE AND FINANCIAL SATISFACTION

Maliha Abdul Ghaffar<sup>a</sup>, Waqas Shair<sup>b,\*</sup>, Haleema Afzal<sup>c</sup>, Rizwan ul Hassan<sup>d</sup>, Usman Bashir<sup>e</sup>

<sup>a</sup> School Education Department, Government of the Punjab, Pakistan

<sup>b</sup> School of Economics & Finance, Minhaj University, Lahore, Pakistan

<sup>c</sup> Independent Researcher, Pakistan

<sup>d</sup> The Lahore ALMA, Lahore, Pakistan

<sup>e</sup> National College of Business Administration, Lahore, Pakistan

### ARTICLE INFO

#### Article history

Received: August 24, 2024

Revised: December 04, 2024

Accepted: December 13, 2024

#### Keywords

Income

Income aspiration

Social media

Life satisfaction

Financial satisfaction

Subjective well-being

### ABSTRACT

This study examines the impact of income aspiration on subjective well-being, focusing on life satisfaction and financial satisfaction. It uniquely explores social media usage as a source of income aspiration, an aspect not previously studied. The study utilizes the most recent data from the 7th wave of the World Values Survey (WVS), which includes responses from over 92,000 participants across 66 countries. The estimates of the Ordinary Least Square (OLS) model indicate that income positively influences both life and financial satisfaction, with slightly greater benefits for men compared to women. However, income aspiration, amplified by social media usage, negatively impacts satisfaction by fostering unrealistic expectations and upward comparisons. This effect is more pronounced in men, suggesting they are more influenced by social media-driven comparisons, which diminish the psychological benefits of higher income. Social media moderates the relationship between income and satisfaction, reducing the perceived gains from income and increasing dissatisfaction, particularly among those prone to aspirational or comparative behaviors. This research provides guidance for developing interventions to reduce income inequality and promote realistic income expectations while offering insights to help individuals and counselors set achievable income goals, mitigating the negative effects of unattainable aspirations.

\* Email: [waqasshair689@gmail.com](mailto:waqasshair689@gmail.com)

<https://doi.org/10.52223/econimpact.2024.6310>

© The Author(s) 2024.

This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

### INTRODUCTION

Subjective well-being (SWB) is an important predictor of measuring an individual's well-being, health wellness, longevity, and becomes a useful measure of societal health. SWB indicators make it easier to investigate the relationship between a person's general well-being and their economic situation and the variables that affect that well-being. Adopting and using standards is the foundation for satisfaction and happiness, which is the individual's subjective assessment of life. Income aspirations are a significant factor influencing subjective well-being, as they describe the amount of income that individuals aim to make to maintain a particular standard of living. Higher-income expectations have the potential to lower overall satisfaction, as people may become less content with their current circumstances when a community's average income rises (Bruni and Stanca, 2006; Hovi and Laamanen, 2021; Stutzer, 2004). Higher-income can significantly enhance individuals' ability to meet their basic needs, leading to a more stable and comfortable lifestyle. Happiness, engagement, and goals are all components of well-being, and life satisfaction may represent each of these (Seligman, 2002).

The importance of comparison effects is also highlighted by Kahneman and Tversky (1979), as decisions influenced by changes from a basis for comparison. Comparing an individual's

achievement, appearance, and mode of life with the standards other people display on social media can make one feel inadequate or inferior. Activities such as social comparisons might be detrimental to one's individual feelings and SWB. Research on the negative effects of excess on well-being has also been partly related, with higher income goals being partly related to lower well-being as they reflect the pursuit of wealth. Activities such as social comparisons might be detrimental to one's individual feelings and wellbeing (Graciya and Viswam, 2021; Shair et al., 2023). However, there is a lack of available studies regarding the relationship between usage of social media and subjective well-being, as well as how this relationship has an impact on income aspiration.

Income aspiration is the difference between the current income and expected income. The measurement of the expected income is complex in nature. However, the potential source of income aspiration is social media usage. Social media has become the most popular online activity, allowing people to stay in touch and establish patterns and goals on various subjects. However, people may offer an idealized picture of themselves on social media attractions, which may or may not be a real reflection of themselves. This leads to people frequently comparing their social media profiles to those of others, creating high standards and ineffective emotions. Using social media can have unfavorable

effects that lower one's level of life satisfaction. Social media usage can have unfavorable effects, especially over a long time (Kurnaz et al., 2020). For example, individuals with poor self-esteem might find Facebook useful for expressing themselves, but others may react negatively to their low optimism or excessive negativity. Some previous literature suggests that people evaluate their financial status in relation to their comparison groups, leading to a questioning of their own value and skills, which may lower the way they feel about themselves (Festinger, 1954).

Aspiration theory, which investigates how people define and accomplish objectives, has its origins in the early twentieth century. According to aspiration level theory, individual well-being is determined by the gap between aspiration and achievement (Bruni and Stanca, 2006; 2008; Frederick and Loewenstein, 1999). Aspiration plays a unique role in changing an individual's behaviors, subjective well-being, and boosting competitiveness of individuals. According to research, persons who have higher income intentions may have lower levels of life satisfaction because they may place more emphasis on the things they still need to accomplish than on enjoying their existing level of income (Stutzer, 2004; Keller, 2019; Dumludag and Gokdemir, 2022). Research indicates that a decrease in social media addiction may be associated with a decrease in stress and an increase in satisfaction. Likewise, Research by Knight and Gunatilaka (2012), utilizing data from rural China and Switzerland, showed a negative correlation between well-being and aspirations for increased wealth.

Several scholars have investigated a wide variety of study approaches to draw conclusions about the effects of the factors that influence. Income had a positive relationship with life satisfaction, but its influence on life Satisfaction was less for frequent television watchers. Bruni and Stanca (2006) analyzed World Values Survey data on income, television, and happiness, revealing a U-shaped trend. They found that high education levels negatively affect well-being while prioritizing friends, family, religion, or leisure leads to higher satisfaction. Social comparison has been linked to social anxiety and stress, according to an earlier study. Similarly, Hovi and Laamanen (2021) explore income, aspiration, and subjective well-being in low-income countries. They found that financial gaps affect well-being, while higher income goals partially prevent inequalities. The study also found that aspirations have a slight impact on well-being, as individuals struggle to fully utilize personal incomes.

A study by Stutzer (2004) examines the impact of income aspirations on life satisfaction and individual welfare. Results show an inverse relationship between SWB and income aspiration at a given income level. The study suggests that income aspiration negatively influences subjective well-being and happiness, despite accounting for other personal factors. Moreover, Dumludag and Gokdemir (2022) examine the impact of income aspiration, income comparison, and life satisfaction on Turkish migrants in the Netherlands. The results show that individuals with higher aspirations tend to be unhappy, as they believe better income will improve their emotional state. However, the regression results show a significant connection between aspiration and life satisfaction, with a slightly lower coefficient. Castellacci and Tveito (2018) analyze a discussion and theoretical framework of the relationship between internet use and well-being, focusing on social drivers and literature. The paper summarizes the connection using three basic ideas: influence with new possibilities, risk, and inverse impact on individuals. This paper is significant for innovation-related researchers and societal importance. Another, study by Petrescu and Kara (2018)

examines the impact of European consumers' goals on their subjective well-being. It found that materialism and consumerism negatively affect subjective well-being, with 14.63% of the variation in well-being in Europe attributed to cross-cultural variances, with the majority occurring at the individual level.

Hyll and Schneider (2013) investigate if choosing a new beginning point or watching TV influences preferences. Using a u-shaped relationship between income and consumption aspiration as the only certified relationship, the study examines aspiration and the frequency of watching Western TV variables and finds that watching Western German TV positively and statistically significantly affects all three aspirational aspects. Lohmann (2015) investigates the impact of modern ICTs, specifically the Internet, on subjective well-being and material aspiration. The study uses data from different surveys and the results show that happiness with economic situation is negatively correlated with internet access. In communities with advanced technological infrastructure, individuals with computers express larger material expectations than those without computers.

According to FitzRoy et al. (2011) found that comparing income with age, personal happiness, and relative income indicates persistently strong conditions or relative deprivation after an individual has reached a steady position in their professional life and indicates that the impact of comparing income on life happiness varies significantly throughout a person's lifetime, reversing sign and increasing frequency. Frey et al. (2007) study examines the impact of TV on happiness, focusing on the potential negative effects of prolonged TV watching. To analyze the long-term effects of TV usage results, show that extreme TV viewers feel less protected, have lower confidence, and are less satisfied with their financial status. Mayraz et al. (2009) discover differences in the subjective well-being of men and women. For men, income comparisons had a stronger predictive effect, and happier communities are associated with higher levels of contentment and people who value comparisons report lower levels of satisfaction. Income has a small but considerable impact on personal well-being. According to the Ferrer-i-Carbonell (2005) study, which also reveals that East Germans are more affected by low income. The study demonstrates that while happiness levels rise with income, those in poverty experience the opposite impact, suggesting that wealth does not always equate to happiness. Moreover, Schalembier et al. (2020) found that materialism reduces the positive relationship between income and life satisfaction, with desire positioning, possessions, and happiness being the main factors influencing individuals. The study also found that an extravagant attitude significantly influences income and life satisfaction. The study suggests that encouraging thankfulness and discouraging materialistic ideals can improve environmental sustainability and life satisfaction.

Furthermore, Clark and Senik's (2010) study on income disparities in Europe found that income comparisons are significant, with lower levels of happiness linked to higher salaries. The study found that most individuals compare themselves to colleagues and family members, leading to a stronger desire for income redistribution. Similarly, Keller (2019) suggests that high economic expectations can lower life satisfaction, with a negative correlation between income ambitions and happiness in 27 European Union nations, especially for the impoverished. However, an alternative theory suggests that people adjust their goals to fit their material circumstances, increasing aspirations proportionally to their money. This theory emphasizes the importance of living in the present and not striving for more than possible.

Brooks's (2015) study explores the impact of social media usage on efficacy and well-being. It found that higher usage leads to worse task performance and a positive correlation with technostress, while inversely correlated with happiness. The study contributes to the literature on social media's potential problems and its impact on performance and well-being. The study by Manaf et al. (2022) investigates the impact of social media use, personal well-being, and work environment on workplace satisfaction. The results show that job satisfaction is more closely related to an individual's well-being than the working environment. The study also found no connection between social media usage and gender, indicating equal use by both men and women.

The study by Schemer et al. (2021) examines the impact of internet and social media use on well-being among teenagers in Germany. The research found no significant correlation between internet and social media use and subjective well-being, and TV watching had no effect on depression but was inversely correlated with life satisfaction. However, this effect was insufficient to be useful. A study on the connection between social media use and mental health, self-assessed health, and personal well-being was carried out by Bekalu et al. (2019). The findings indicated that the impact of emotional and regular social media use on health indicators may differ. Affection did not correspond with any of the three outcomes, although regular social media use did.

The study by Bao et al. (2019) found that social media consumption significantly impacts users' subjective well-being. High earners are more affected by friend updates, while low earners are more negatively affected by news reading, opinion leaders, and stranger content. The study suggests that social comparison and cultural differences may contribute to these negative effects. Self-interest is important for low-income people, according to Salinas-Jiménez et al. (2010). They investigated the effects of different incentives on life satisfaction. When security and success are prioritized over social connections, people lead happier lives. Subjective motivations and the effects of different goals on wellbeing are highlighted in the study.

This study aims to examine the impact of income aspiration on the subjective well-being of individuals, with a unique focus on deriving sources of aspiration from social media usage, an aspect previously unexplored. Understanding the influence of income aspiration on subjective well-being, particularly in terms of life satisfaction and financial satisfaction, is critically significant across various domains, including individual decision-making, public policy, and organizational development. The findings of this research can guide the development of interventions to reduce income inequality and promote realistic income expectations, thereby enhancing societal well-being. Furthermore, the study offers valuable insights for individuals and counselors in setting achievable income goals aligned with personal values and circumstances, helping to mitigate the negative psychological effects of unattainable aspirations.

## METHODOLOGY

### Econometric Model

The study utilizes the most recent data from the 7th wave of the World Values Survey (WVS), which includes responses from over 92,000 participants across 66 countries. The primary objective is to estimate the impact of income aspiration on the subjective well-being of individuals. Income aspiration in this study is derived using a model proposed by Bruni and Stanca (2006), where income aspiration is calculated by multiplying income with a dummy variable indicating television watching. However, in the current study, income aspiration is measured by multiplying

income with a dummy variable for social media usage. Likewise, Shair et al (2024) also used the same methodology to measure democracy aspiration. For empirical analysis, the study employs the Ordinary Least Squares (OLS) method, as directed by Bruni and Stanca (2006, 2008) and Schalembier et al. (2020). Subjective well-being (SWB), representing both life satisfaction and financial satisfaction, is expressed as a function:

$$LS_i = f(I_i, IA_i, X_i) \quad (1)$$

$$FS_i = f(I_i, IA_i, X_i) \quad (2)$$

Whereas  $LS_i$  is the life satisfaction,  $FS_i$  represents financial satisfaction.  $I_i$  is the income,  $IA_i$  is income aspiration and  $X_i$  is the vector of covariate that affects life satisfaction and financial satisfaction. Following Bruni and Stanca (2006), the econometric model used to measure SWB for this study is:

$$LS_i = \beta_0 + \beta_1 income_i + \beta_2 income\ aspiration_i + \Omega X + \varepsilon_i \quad (3)$$

$$FS_i = \alpha_0 + \alpha_1 income_i + \alpha_2 income\ aspiration_i + \Lambda X + \varepsilon_i \quad (4)$$

In the above subjective well-being equations, life satisfaction and financial satisfaction are dependent variables. While key variables are income and income aspiration.  $X$  is a vector of other covariates which consist of demographics, and socioeconomic variables.  $\Omega$  and  $\Lambda$  are vectors of coefficients on the impact of covariates on life satisfaction and financial satisfaction.

The dependent variable, life satisfaction, is an ordinal variable measured on a scale of 1 to 10, where 1 represents 'not at all satisfied with life,' and 10 represents the 'highest level of life satisfaction.' Similarly, financial satisfaction is also an ordinal variable measured on a scale of 1 to 10, where 1 indicates 'not at all satisfied with life,' and 10 indicates the 'highest level of financial satisfaction.'

The key independent variable, income, is an ordinal variable measured on a scale of 1 to 10, where 1 represents the lowest income level, and 10 represents the highest. Another key variable, income aspiration, is calculated by multiplying income with a dummy variable indicating social media usage. Social media usage is defined as a binary variable coded as 1 if an individual reports using social media daily, weekly, or monthly, and 0 otherwise.

The study includes several covariates to provide a comprehensive analysis of factors influencing subjective well-being. Gender is represented as a dummy variable coded 1 for females and 0 otherwise. Age is categorized into three groups: 18–29 years, 30–49 years, and above 49 years. Urban residence is also a dummy variable coded 1 if the individual resides in an urban area and 0 otherwise. Marital status is represented by a dummy variable coded 1 for married individuals and 0 for others. Education is a categorical variable with three levels: primary, middle, and higher education. Employment status is captured through a dummy variable coded 1 for unemployed individuals and 0 otherwise. Health outcomes are measured as an ordinal variable indicating the state of health, with categories ranging from 1 for 'very poor' to 5 for 'very good.' Additionally, family importance and friends' importance are ordinal variables capturing their significance in an individual's life, with scales ranging from 1 for 'not at all important' to 'very important.' These covariates provide a robust framework for analyzing the various determinants of subjective well-being.

### Descriptive Analysis

The descriptive statistics of the variables used in the study are presented in Figure 1. Life satisfaction's average is 7.062, indicating an overall higher average satisfaction with life. 2.239 is the standard deviation which reflects moderate variability in life

satisfaction across individuals. The mean value of financial satisfaction is 6.209, showing a lower average compared to life satisfaction, indicating that people, on average, feel less satisfied with their financial situation than with life overall. 2.427 standard deviation, slightly higher than for life satisfaction, suggesting more variability in financial satisfaction. Life satisfaction (mean = 7.062) is noticeably higher than financial satisfaction (mean = 6.209). This suggests that people tend to evaluate their overall life more positively than their financial situation, possibly due to factors like relationships, health, or personal achievements contributing more to life satisfaction. Financial satisfaction has a higher standard deviation (2.427) compared to life satisfaction (2.239), indicating greater disparity in how people perceive their financial well-being. This could reflect broader income inequality or differences in financial expectations.

The descriptive statistics provide an overview of several socioeconomic and demographic variables. The average income is 4.91 (on a scale of 1–10) with a moderate variability (SD = 2.09). Among the sample, females constitute about 52.7%. The age distribution shows that 25.2% of respondents are aged 16–29, 39.6% are 30–49, and 35.1% are above 49. Urban residents make up 67.8% of the sample, and 63.2% are married. In terms of education, 31.7% have lower education, 34.9% have middle education, and 33.4% have higher education. The unemployment rate is relatively low at 7.6%. For well-being indicators, the average health rating is 3.81 (on a scale of 1–5), family importance averages 3.89 (on a scale of 1–4), and friends importance is 3.29 (on a scale of 1–4). These statistics highlight variations in income levels, education, and social factors that could influence broader measures of life satisfaction and well-being.

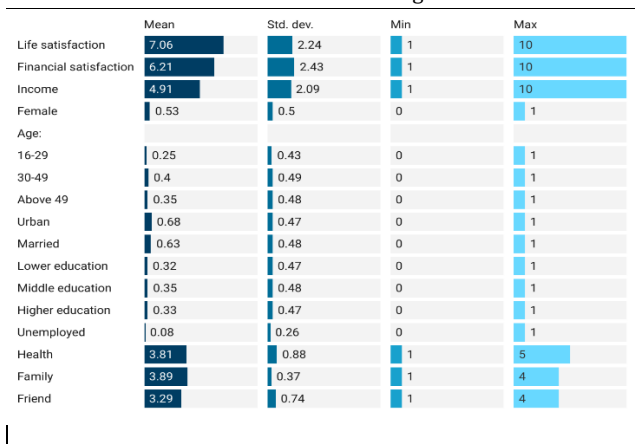


Figure 1. Descriptive statistics of the variables used in the study.

## RESULTS AND DISCUSSION

### Income aspiration and life satisfaction

The coefficients in this OLS model presented in Table 1, explain the relationship between life satisfaction (the dependent variable) and the key variables, income and income aspiration (calculated as income multiplied by social media usage). The analysis is conducted for the whole sample as well as gender-specific subsamples (female and male). The coefficient for income is 0.184 ( $p < 0.01$ ), indicating that a one-unit increase in income is associated with a 0.184-unit increase in life satisfaction on average, holding other factors constant. This positive and statistically significant relationship suggests that higher income generally contributes to greater life satisfaction. For the female sample, the effect of income is slightly smaller (0.174) compared to the whole sample, suggesting that income has a slightly weaker influence on life satisfaction for women. For the male sample: The

coefficient is higher (0.195) for males, implying that men derive slightly more life satisfaction from income compared to women. An increase in income significantly enhances life satisfaction by providing material benefits and fostering economic security. Higher-income enables individuals to meet their basic needs, such as adequate food, housing, healthcare, and education, ensuring a more stable and comfortable lifestyle (Rao and Min, 2018). It also allows access to better resources and opportunities, such as quality education and improved healthcare services, which contribute to long-term well-being (Diener and Seligman, 2004). Additionally, higher income serves as a financial cushion, helping individuals manage unexpected expenses or economic shocks, such as medical emergencies or job losses. This financial stability reduces stress and anxiety, fostering a sense of security and confidence in managing life's challenges. Collectively, these material benefits and economic safeguards lead to greater satisfaction and overall quality of life.

Regarding the impact of income aspiration (Income  $\times$  Social Media) on life satisfaction. In the whole sample, the coefficient for income aspiration is -0.0243 ( $p < 0.01$ ), meaning that for social media users, the interaction between income and social media usage reduces life satisfaction by 0.0243 units for every one-unit increase in income. This suggests that income aspiration, amplified by social media usage, negatively affects life satisfaction. For the female sample, the effect of income aspiration is smaller (-0.0184) for women compared to the whole sample, indicating that social media usage combined with income has a weaker negative effect on women's life satisfaction. For the male sample, the coefficient is larger (-0.0312) for men, meaning that the negative impact of income aspiration on life satisfaction is more pronounced for males.

The negative coefficients for income aspiration highlight a detrimental effect on life satisfaction for social media users. This may be due to the role of social media in fostering upward comparisons, unrealistic expectations, or dissatisfaction with one's current financial status despite higher income levels (Petrescu and Kara, 2018). Women are less negatively impacted by income aspiration compared to men, possibly because of different social media usage patterns or perceptions of income-related comparisons. Men experience a stronger negative relationship between income aspiration and life satisfaction, potentially due to greater exposure to or sensitivity toward income-related social media content. Social media appears to moderate the relationship between income and life satisfaction in a way that decreases the perceived benefits of income. This could be attributed to social comparison theory, where exposure to others' perceived wealth or lifestyles on social media reduces satisfaction with one's own financial situation.

Social media often exposes users to curated content that highlights others' lifestyles, achievements, and material possessions. This can lead to upward social comparisons, where individuals compare themselves to others who appear more successful or affluent, regardless of their own income level (Pleeging et al., 2021). As a result, even if a person's income increases, their life satisfaction may not improve as much as expected because social media amplifies feelings of inadequacy or dissatisfaction. For instance, seeing peers with higher incomes, luxurious possessions, or extravagant vacations on social media can create unrealistic expectations or a sense of falling short, diminishing the psychological benefits typically associated with earning more (Liu et al., 2019).

The results from the OLS model highlight key factors influencing life satisfaction. Women report significantly higher life satisfaction (coefficient = 0.117,  $p < 0.01$ ) compared to men. Age also plays a

role, with individuals aged above 49 reporting higher life satisfaction (0.333,  $p < 0.01$ ), while those aged 30–49 show no significant difference. Urban residents exhibit slightly lower life satisfaction (-0.047,  $p < 0.01$ ) compared to rural residents. Being married has a strong positive association with life satisfaction (0.212,  $p < 0.01$ ). Education levels (middle or higher) have no

significant impact. Unemployment significantly reduces life satisfaction (-0.391,  $p < 0.01$ ), underscoring the critical role of employment in well-being. Health outcomes are the most influential factor, with a substantial positive impact (0.712,  $p < 0.01$ ). The importance of family (0.220,  $p < 0.01$ ) and friends (0.0246,  $p < 0.01$ ) also positively contributes to life satisfaction.

Table 1. Impact of income and income aspiration on life satisfaction

VARIABLES	(1) whole sample	(2) female sample	(3) male sample
Income	0.184*** (0.00410)	0.174*** (0.00562)	0.195*** (0.00601)
Income aspiration = Income * Social media	-0.0243*** (0.00303)	-0.0184*** (0.00416)	-0.0312*** (0.00442)
Female	0.117*** (0.0139)		
Age 30-49 years old	-0.0206 (0.0189)	-0.00372 (0.0253)	-0.0467 (0.0285)
Age above 49	0.333*** (0.0200)	0.340*** (0.0270)	0.308*** (0.0307)
Urban	-0.0470*** (0.0153)	-0.0473** (0.0212)	-0.0483** (0.0221)
Married	0.212*** (0.0156)	0.187*** (0.0209)	0.244*** (0.0243)
Middle education	0.00447 (0.0175)	0.0149 (0.0241)	-0.00927 (0.0255)
Higher education	-0.0120 (0.0186)	-0.0125 (0.0258)	-0.0171 (0.0270)
Unemployed	-0.391*** (0.0264)	-0.388*** (0.0380)	-0.392*** (0.0369)
Health outcomes	0.712*** (0.00825)	0.715*** (0.0113)	0.709*** (0.0121)
Family importance	0.220*** (0.0194)	0.199*** (0.0287)	0.236*** (0.0265)
Friends importance	0.0246*** (0.00954)	0.0326** (0.0130)	0.0149 (0.0140)
Constant	2.350*** (0.0837)	2.541*** (0.122)	2.306*** (0.115)
Observations	92,440	48,481	43,959
R-squared	0.124	0.123	0.126

Standard errors in parentheses, \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

### Income Aspiration and Financial Satisfaction

This OLS model examines the relationship between financial satisfaction (dependent variable) and two key variables: income and income aspiration (measured as the interaction of income and social media usage) is presented in Table 2. The analysis is performed for the whole sample, as well as separately for females and males. Income has a positive and highly significant ( $p < 0.01$ ) effect on financial satisfaction across the entire sample. A one-unit increase in income corresponds to a 0.355-unit increase in financial satisfaction, holding all else constant. This indicates that higher income improves financial satisfaction. Among females, the effect of income is slightly lower (0.351), but it remains significant and positive. This shows that income is an important determinant of financial satisfaction for women. For males, the coefficient is slightly higher (0.360), suggesting that men derive slightly greater financial satisfaction from increased income compared to women. The interaction term is negative and statistically significant ( $p < 0.01$ ) in the whole sample, indicating that social media moderates the positive impact of income on financial satisfaction. Specifically, for social media users, the perceived financial satisfaction gains from income are reduced by 0.00967 units for each one-unit increase in income. Among females, the coefficient for income aspiration is smaller and not statistically significant, suggesting that social media use does not substantially alter the relationship between income and

financial satisfaction for women. For males, the interaction term is larger in magnitude (-0.0183,  $p < 0.01$ ), indicating that social media has a stronger negative moderating effect on the relationship between income and financial satisfaction for men. This suggests that men who use social media are more affected by upward social comparisons or unrealistic financial expectations, which diminish the satisfaction they derive from higher income.

Social media negatively moderates the relationship between income and financial satisfaction, diminishing income's benefits due to comparative or aspirational content, especially for men. While women show no significant impact, men experience stronger negative effects, likely from amplified feelings of inadequacy. Social media negatively moderates the relationship between income and financial satisfaction by reducing the positive impact of income on well-being. This occurs because social media often exposes individuals to curated content showcasing others' wealth, lifestyles, and achievements, leading to upward social comparisons (Chen et al., 2024). These comparisons can create unrealistic expectations or feelings of inadequacy, causing individuals to feel less satisfied with their own financial status, regardless of actual income levels. As a result, the psychological benefits of higher income are diminished for social media users, particularly those more prone to comparison or aspiration-driven dissatisfaction.

In Table 2, women report slightly higher financial satisfaction than men (0.0522,  $p < 0.01$ ). Individuals aged 30–49 show lower satisfaction (-0.134,  $p < 0.01$ ), while those above 49 report significantly higher satisfaction (0.312,  $p < 0.01$ ). Urban residents have lower satisfaction (-0.121,  $p < 0.01$ ) compared to rural residents. Marriage positively impacts satisfaction (0.149,  $p < 0.01$ ), while unemployment significantly reduces it (-0.553,  $p < 0.01$ ). Higher education increases satisfaction (0.0720,  $p < 0.01$ ), and better health outcomes (0.599,  $p < 0.01$ ) and the importance of friends (0.0558,  $p < 0.01$ ) further enhance satisfaction. Middle education and family importance show no significant effects.

The variables consistent in sign and significance across the whole sample, female sample, and male sample are Age 30-49 years old, Age above 49, Urban, Married, Unemployed, Health outcomes, and Friends importance. These variables maintain the same direction (positive or negative) and are statistically significant across all groups. Specifically, age (30–49) negatively impacts financial satisfaction, while age above 49 positively contributes. Urban residents report lower satisfaction, and unemployment strongly decreases it. Married individuals, better health outcomes, and the importance of friends positively enhance financial satisfaction in all samples.

Table 2. Impact of income and income aspiration on financial satisfaction

Variables	(1) Whole sample	(2) Female sample	(3) Male sample
Income	0.355*** (0.00432)	0.351*** (0.00596)	0.360*** (0.00629)
Income aspiration =Income*Social media	-0.00967*** (0.00319)	-0.00191 (0.00441)	-0.0183*** (0.00464)
Female	0.0522*** (0.0146)		
Age 30-49 years old	-0.134*** (0.0199)	-0.123*** (0.0269)	-0.142*** (0.0299)
Age above 49	0.312*** (0.0211)	0.350*** (0.0286)	0.281*** (0.0322)
Urban	-0.121*** (0.0161)	-0.108*** (0.0224)	-0.136*** (0.0232)
Married	0.149*** (0.0165)	0.184*** (0.0221)	0.111*** (0.0254)
Middle education	-0.0198 (0.0185)	-0.0462* (0.0255)	0.00761 (0.0268)
Higher education	0.0720*** (0.0196)	0.0347 (0.0274)	0.114*** (0.0283)
Unemployed	-0.553*** (0.0279)	-0.522*** (0.0403)	-0.586*** (0.0387)
Health outcomes	0.599*** (0.00870)	0.614*** (0.0120)	0.581*** (0.0127)
Family importance	-0.0118 (0.0205)	-0.00545 (0.0305)	-0.0123 (0.0278)
Friends importance	0.0558*** (0.0101)	0.0640*** (0.0138)	0.0456*** (0.0147)
Constant	1.994*** (0.0883)	1.905*** (0.129)	2.133*** (0.121)
Observations	92,385	48,465	43,920
R-squared	0.171	0.172	0.169

Standard errors in parentheses, \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

## CONCLUSIONS

This study aims to examine the impact of income aspiration on subjective well-being, particularly in terms of life satisfaction and financial satisfaction. The Ordinary Least Square (OLS) model suggests that income positively impacts life satisfaction, with coefficients of 0.184 (whole sample), 0.174 (females), and 0.195 (males). However, income aspiration negatively affects life satisfaction (-0.0243 overall, -0.0184 for females, -0.0312 for males), indicating that social media amplifies dissatisfaction through upward comparisons and unrealistic expectations. Men experience a stronger negative effect than women, potentially due to differing social media usage patterns. Social media moderates the benefits of income by fostering comparisons, reducing satisfaction despite higher income levels.

Likewise, the OLS model reveals that income positively impacts financial satisfaction, with coefficients of 0.355 (whole sample), 0.351 (females), and 0.360 (males), showing slightly greater benefits for men. However, income aspiration negatively affects this relationship, reducing financial satisfaction gains from income by 0.00967 units overall, and significantly more for men (-0.0183) than

women (insignificant). This suggests men are more affected by social media-driven comparisons, which amplify feelings of inadequacy. Social media's aspirational content diminishes income's psychological benefits by fostering unrealistic expectations and upward comparisons, particularly among users prone to dissatisfaction with their financial status. To mitigate the negative impact of income aspiration and social media on subjective well-being, several policy measures are recommended. Structural policies aimed at reducing income inequality are also essential, ensuring individuals at lower income levels have access to resources that enhance their life and financial satisfaction. Targeted interventions for men, who are more affected by income aspiration, can include workshops on managing aspirations and fostering self-worth, while further research into women's lesser sensitivity to these effects can guide tailored solutions. Social media platforms can be encouraged to promote balanced content showcasing diverse lifestyles and label aspirational posts to reduce the pressure of unrealistic comparisons. Additionally, initiatives emphasizing non-material sources of well-being, such as community engagement and family values, can promote a balanced approach to satisfaction.



## REFERENCES

- Bao, T., Liang, B., Riyanto, Y.E., 2019. Social media and life satisfaction: Evidence from Chinese time-use survey. Available at: <http://dx.doi.org/10.2139/ssrn.3534633>.
- Bekalu, M.A., McCloud, R.F., Viswanath, K., 2019. Association of social media use with social well-being, positive mental health, and self-rated health: disentangling routine use from emotional connection to use. *Heal. Educ. Behav.* 46, 69S-80S.
- Brooks, S., 2015. Does personal social media usage affect efficiency and well-being? *Comput. Human Behav.* 46, 26-37.
- Bruni, L., Stanca, L., 2006. Income aspirations, television and happiness: Evidence from the world values survey. *Kyklos* 59, 209-225.
- Bruni, L., Stanca, L., 2008. Watching alone: Relational goods, television and happiness. *J. Econ. Behav. Organ.* 65, 506-528.
- Castellacci, F., Tveito, V., 2018. Internet use and well-being: A survey and a theoretical framework. *Res. Policy* 47, 308-325.
- Chen, L., Xu, Y., He, Y., 2024. Social media use in the workplace: The role of social comparison in negative behaviors. *Acta Psychol. (Amst)*. 243, 104144.
- Clark, A.E., Senik, C., 2010. Who compares to whom? The anatomy of income comparisons in Europe. *Econ. J.* 120, 573-594.
- Diener, E., Seligman, M.E.P., 2004. Beyond money: Toward an economy of well-being. *Psychol. Sci. public Interes.* 5, 1-31.
- Dumludag, D., Gokdemir, O., 2022. Income aspiration, income comparison and life satisfaction: the case of Turkish migrants in the Netherlands. *J. Happiness Stud.* 23, 1359-1378.
- Ferrer-i-Carbonell, A., 2005. Income and well-being: an empirical analysis of the comparison income effect. *J. Public Econ.* 89, 997-1019.
- Festinger, L., 1954. A theory of social comparison processes. *Hum. Relations* 7, 117-140.
- FitzRoy, F., Steinhardt, M.F., Nolan, M., 2011. Age, life-satisfaction, and relative income (No. 110). *HWWI Research Paper*. <https://www.econstor.eu/handle/10419/51324>.
- Frederick, S., Loewenstein, G., 1999. 16 Hedonic adaptation. D. Kahneman ED, N. Schwarz. Ed. *Well-Being Found. Hedonic Psychol.* 302-329.
- Frey, B.S., Benesch, C., Stutzer, A., 2007. Does watching TV make us happy? *J. Econ. Psychol.* 28, 283-313.
- Graciyal, D.G., Viswam, D., 2021. Social media and emotional well-being: pursuit of happiness or pleasure. *Asia Pacific Media Educ.* 31, 99-115.
- Hovi, M., Laamanen, J.-P., 2021. Income, aspirations and subjective well-being: International evidence. *J. Econ. Behav. Organ.* 185, 287-302.
- Hyll, W., Schneider, L., 2013. The causal effect of watching TV on material aspirations: Evidence from the "valley of the innocent." *J. Econ. Behav. Organ.* 86, 37-51.
- Kai-Ineman, D., Tversky, A., 1979. Prospect theory: An analysis of decision under risk. *Econometrica*, 47, 363-391.
- Keller, T., 2019. Caught in the monkey trap: Elaborating the hypothesis for why income aspiration decreases life satisfaction. *J. Happiness Stud.* 20, 829-840.
- Knight, J., Gunatilaka, R., 2012. Income, aspirations and the hedonic treadmill in a poor society. *J. Econ. Behav. Organ.* 82, 67-81.
- Kurnaz, M.F., Teke, E., Günaydin, H.A., 2020. Relationship between self-esteem and life satisfaction: a meta-analysis study. *Res. Educ. Psychol.* 4, 236-253.
- Liu, H., Wu, L., Li, X., 2019. Social media envy: How experience sharing on social networking sites drives millennials' aspirational tourism consumption. *J. Travel Res.* 58, 355-369.
- Lohmann, S., 2015. Information technologies and subjective well-being: does the Internet raise material aspirations? *Oxf. Econ. Pap.* 67, 740-759.
- Manaf, A.M.A., Azzman, T.S.A.T., Idid, S.A., 2022. Unravelling the Roles of Social Media Usage, Individual Well-Being, and Working Environment on Happiness at the Workplace. *Intellect. Discourse* 30.
- Mayraz, G., Wagner, G.G., Schupp, J., 2009. Life satisfaction and relative income perceptions and evidence. *SOEPpaper No. 214*. Available at: <http://dx.doi.org/10.2139/ssrn.1476385>.
- Petrescu, M., Kara, A., 2018. Consumer aspirations and subjective well-being. *J. Int. Consum. Mark.* 30, 304-316.
- Pleeging, E., Burger, M., van Exel, J., 2021. Hope mediates the relation between income and subjective well-being. *J. Happiness Stud.* 22, 2075-2102.
- Rao, N.D., Min, J., 2018. Decent living standards: material prerequisites for human wellbeing. *Soc. Indic. Res.* 138, 225-244.
- Salinas-Jiménez, M. del M., Artés, J., Salinas-Jiménez, J., 2010. Income, motivation, and satisfaction with life: An empirical analysis. *J. Happiness Stud.* 11, 779-793.
- Schalembier, B., Bleys, B., Van Ootegem, L., Verhofstadt, E., 2020. How the income of others affects the life satisfaction of materialists. *J. Econ. Behav. Organ.* 174, 64-74.
- Schemer, C., Masur, P.K., Geiß, S., Müller, P., Schäfer, S., 2021. The impact of internet and social media use on well-being: A longitudinal analysis of adolescents across nine years. *J. Comput. Commun.* 26, 1-21.
- Seligman, M.E.P., 2002. *Authentic happiness: Using the new positive psychology to realize your potential for lasting fulfillment*. New York: Free Press.
- Shair, W., Shahzad, K., Tayyab, M., Nadeem, M., Martins, J.N., 2024. The Role of Democracy Aspirations in the Well-being of Individuals. *J. Excell. Soc. Sci.* 3, 215-229.
- Shair, W., Tayyab, M., Nawaz, M., Ahmed, S.-U., 2023. Tax Evasion in Pakistan's Digital Era: An Analysis of Drivers from World Value Survey. *Bus. Rev. Digit. Revolut.* 3, 23-32.
- Stutzer, A., 2004. The role of income aspirations in individual happiness. *J. Econ. Behav. Organ.* 54, 89-109.

**Publisher's note:** Science Impact Publishers remain neutral with regard to jurisdictional claims in published maps and institutional affiliations.



**Open Access** This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made. The images or other third-party material in this article are included in the article's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this license, visit <https://creativecommons.org/licenses/by/4.0/>.