

Most societies are aging. According to the United Nations, population of people 50+ in Poland will increase by more than 3m from 2010 to 2030, and by another 2m from 2030 to 2060. At the same time, population of people 19-50 will decrease by 2.5m and 4m, respectively. People aged 50+ will comprise 42% of Polish population by 2030, and 52% by 2060. There will be more elderly in absolute and relative terms. It is therefore important to study wellbeing of this segment of population. Traditional development indicators such as income or consumption are limited, and often misleading. For instance, Gross Domestic Product increases when there is more traffic or other production or consumption resulting in pollution.

Recently, happiness has been suggested as a broad metric that can overcome problems with traditional development measures. Happiness is simply measured by asking people to rate their overall life satisfaction on some scale, say from 1='very dissatisfied' to 10='very satisfied.' Data has now been collected for several decades, and happiness research has been recently embraced by social scientists who have initially balked at it. Even some mainstream and leading economists such as Amartya Sen, Joseph Stiglitz, and Jefferey Sachs have recently suggested using happiness to study development.

We use the Survey of Health, Aging and Retirement in Europe (SHARE) to investigate happiness among elderly. Our study aims to discover new knowledge, which will hopefully lead to more informed and improved policy making. For instance, we are interested in finding whether social transfers or volunteering are more strongly related to happiness. While both social transfers and volunteering are likely to increase happiness, it may be possible to substitute one for another. There is also a tradeoff in terms of their promotion: limited resources can be used to promote one or another, but we cannot fund everything. Due to population aging, there will be even less economic resources available in the future.

Likewise, we do not know how the above relationships vary across Europe. It is very likely that what works in one country may not work in another country. There are surprising gaps in our understanding of well-being among growing population of elderly. With this project, we aim to understand better the role of social transfers and social capital (especially volunteering) in promoting well-being of the elderly.