

**Sample**

The sample consists of the respondents to the General Social Survey from 1979 to 2004. The sample excludes households whose head is retired, self-employed or has never worked, and households with missing data. The relative income measure is built from the Merged Outgoing Rotation Groups of the Current Population Survey for the period between 1979 and 2004, after excluding from the sample individuals that are retired, self-employed, have never worked, or for whom the earnings information is missing.

Variable	Definition	Source
Happiness	GSS Question "Taken all together, how would you say things are these days? Would you say that you are very happy, pretty happy, or not too happy?"	General Social Survey
	1 - not too happy	General Social Survey
	2 - pretty happy	General Social Survey
	3 - not too happy	General Social Survey
Real Income	logarithm of respondent's income in constant dollars (base=1986)	General Social Survey
Relative Income - 1	(average of logarithm of hourly real wage by education, occupation, state, and year) - (average of logarithm of hourly real wage by state, and year)*	Current Population Survey
Relative Income - 2	(median of logarithm of hourly real wage by education, occupation, state, and year) - (median of logarithm of hourly real wage by state, and year)*	Current Population Survey
Relative Income - 3	(average of logarithm of hourly real wage by education, occupation, state, and year) - (90th percentile of logarithm of hourly real wage by state, and year)*	Current Population Survey
Relative Income - 4	(average of logarithm of hourly real wage by education, industry, state, and year) - (average of logarithm of hourly real wage by state, and year)*	Current Population Survey
Married	dummy variable =1 if married	General Social Survey
Age	age in years	General Social Survey
Male	dummy variable =1 if male	General Social Survey
Race dummies	white, black, other	General Social Survey
Education dummies	head has less than high school	General Social Survey
	head has high school degree	General Social Survey
	head has some college	General Social Survey
	head has college degree	General Social Survey
Family size	number of household's members	General Social Survey
State dummies		General Social Survey

\*in constant dollars (base=1986)