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Research on Income Structure and Family Happiness of Chinese Residents

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Abstract: This paper uses Chinese micro survey data to construct a sort selection model. By considering the income level and urban-rural differences, the heterogeneous relationship and influence mechanism between income structure and happiness are systematically studied, and the results of the study pass the test of robustness. The empirical results show that the coverage of operating income is wider, the impact on the happiness of low and middle income families is more significant, and the income of business income and happiness is "U" type; wage income is only certain for the happiness of middle-income families. The significant influence, the relationship shows a "U" type; the transfer income is more likely to affect high-income families, and the relationship between income and happiness is inverted "U" type; property income is not statistically significant under the above circumstances. The policy meaning of this paper is: to improve the happiness of residents, starting from the income level and income structure, focusing on improving the family's operating income and property income.

Keywords: income structure, happiness, ordered probit model, property income

I. INTRODUCTION

The 19th National Congress of the Communist Party pointed out that in the new era, the main contradictions in our society have been transformed into contradictions between the people's growing needs for a better life and the development of inadequate imbalances. Resolving the main contradictions in society and letting the people have more sense of acquisition and happiness have become the fundamental purpose and goal of economic and social development. It is worth noting that whether it is the government, the society or the individual, it has never stopped on the road to improving the happiness of the residents. In order to improve the sense of national happiness, the government has continuously improved and optimized public policies and upgraded the level of social welfare. In order to enhance the sense of well-being of the residents, the society has continuously improved the quality of public services and public facilities. In order to enhance family happiness, the residents continue to create wealth to achieve good life. Regrettably, people have long chosen the maximization of the utility of income levels when evaluating happiness. The emergence of Easterlin's paradox denies the influence of total income on happiness (Easterlin, 1974), which has led scholars to have a broader discussion and research academics on happiness economics. However, most of these research results neglect the fact that the income structure of residents plays an important role in family happiness. Generally speaking, different types of income feedback different individual emotional levels according to their unique characteristics, which will bring different feelings to individuals, and the utility of their happiness will be very different. At the same time, the difference in the type of income and expenditure in the income structure will also affect the individual utility, which in turn affects individual happiness. Therefore, the study of the impact of income structure on family happiness is both subtle and necessary. Then, what is the mechanism of income structure affecting family happiness? What kind of happiness economic logic is contained in income structure? This research gap will become the focus of this paper.

The possible marginal academic contributions of this paper are as follows: First, the research perspective of this paper is novel. It makes up for the research gap that only starts from the total amount and neglects the income structure, so that the full text studies the happiness of the residents from both the total and the structure. Second, this paper fully considers the family heterogeneity and urban-rural differences, and uses the method of classification regression to conduct research. Thirdly, this paper conducts a robust test by changing the form of indicators and establishing a new model setting form, so that the research conclusions have more policy implications and generalization.

The following specific contents are as follows: the second part is literature review; the third part is data processing, variables and model method description; the fourth part is the empirical analysis of the impact of income structure on happiness; the fifth part is to test the robustness; The sixth part is the summary and recommendations.

II. LITERATURE REVIEW

Research on happiness has been around for a long time, and both economists and sociologists interpret it from different angles. In the past 20 years, the literature on the study of happiness can be said to be full of enthusiasm. Among them, there is not only the definition and essence of the study and observation of happiness (Easterlin, 2001; etc.), the detailed analysis of factors affecting happiness (Luo, 2006; etc.), but also the measurement of happiness (Ng,1996) and an exploration of the effective path to improving family well-being (Kahneman and Stone, 2004b). With the level of economic development, the growing gap between the rich and the poor, and people's yearning for a happy and happy life, the analysis of the relevant aspects of happiness has been more focused on the income side, focusing on how the various forms of income affect the family. The sense of well-being, the role behind it shows what kind of theoretical mechanism. In fact, economic theory has given the main role of income to the family from different perspectives. Increased income can reduce household mobility constraints, reduce future uncertainty, and reduce household precautionary savings (Zhang and Liu,2010). In addition, from the perspective of Maslow's demand theory, the increase in income will make the family have more individual and family pursuits. According to this reasoning, it seems that the increase in income will positively affect the happiness of the family, but is this really true?

On the one hand, some scholars support the idea that income can enhance family happiness. Tella et al., (2001) used micro survey data from 12 European countries from 1975 to 1992 and found that income has an increasing effect on happiness; Lelkes (2006) used Hungarian data to find that income can promote happiness. The increase is significantly higher than that of other developed countries; Sack et al., (2012) used Gallup data to study happiness income data from 25 countries around the world, and found that the increase in income can still promote personal well-being. At the same time, it also denied the role of relative income. The above scholars who support positive correlations between income and well-being have more similar results based on data from local countries. On the other hand, however, some scholars believe that there is no significant correlation between income and happiness. Easterlin (1974) found in income and happiness that there is no significant correlation between income and happiness. The increase in income may not enhance the happiness of the nation. This discovery is called “Easterlin Paradox”, also known as "Happiness income paradox." Later, there were two types of followers in the paradox, including using different data to get the same results and an explanation of the happiness income paradox. Kenny and Charles (2005) studied data from the United States and found that for a period of time, economic growth was not accompanied by a growth of happiness, but a constant or minor change. Lu and Yang (2013) used the sample data of some Chinese cities in China in 1990 to analyze and found that happiness paradox exists everywhere.

It is worth noting that the research on the family income structure is lagging behind the acceleration of the research on the mystery of “income happiness”. However, with the increase of domestic research on happiness economics, some scholars have conducted preliminary research on the relationship between income structure and happiness. Although it only starts from a certain type of income in the income structure, it still has important The reference value provides a theoretical basis for our research. Specifically: Cai et al. (2016) used CHFS data to study the impact of property income on residents' well-being. The study found that the increase of risky assets would reduce the family's happiness. Wang

and Yang (2015) studied the relationship between social security and happiness through the perspective of transfer income. The study pointed out that the increase of social security intensity can significantly enhance residents' happiness. The conclusions of Yang and Zhang(2016) are similar. They use CGSS data to find that social insurance can increase family happiness, which means that transfer income can promote happiness. Zhang and Liu (2010) studied the effects of wage income, transfer income, operating income and property income on farmers' consumption level and utility level, which is why we study the income structure's heterogeneity for urban and rural residents' happiness. Sexual influences provide a certain idea.

In summary, we can see that there is a complex mechanism of influence between income and happiness. Most scholars have gradually shifted from the simple income can increase the happiness of residents to the study of the "revenue-happiness" paradox. And a large number of academic literature has emerged, which provides a certain research for this article. Regrettably, from the current point of view, the impact of the overall study on the income structure and the happiness of Chinese residents' families has not been seen until now. This paper aims to make up for this research gap, and analyze the impact of income structure of different income groups on happiness, and explore the mechanism of its impact.

III. DATA, VARIABLES AND METHOD DESCRIPTION

3.1 Data Source

The data in this article is from the 2011 China Family Finance Research and Research Center (CHFS). The sample totaled 29,324, covering 80 cities and counties in 25 provinces across the country. The proportion of the western Middle East was 37%, 30%, and 33% in accordance with the scientific nature of the sample survey. The survey is divided into two parts: family and respondent's personal information, which involves the basic information and subjective attitudes of family members, assets and liabilities, insurance and security, and expenditure and income. This provides sufficient research on income structure and happiness research. Information.

3.2Variable Selection and Explanation

Since the income structure of the family has been divided into four parts: wage income, transfer income, business income and property income in CHFS, the indicators are summarized and organized.

It should be noted that since each of the income structures is composed of different income categories, and different income categories bring different happiness, each one occupies one of the four major categories of income. The share is small, the effect is shared by the family, and it is integrated into the family of one of the four major categories of income, so it is only necessary to consider these four categories of income.

Since income may be skewed, wage income, transfer income, operating income, and property income are all processed in a logarithmic manner. However, since the partial value is 0, if the normal logarithm processing directly causes data loss, the In(1+variable value) is used here, and the four kinds of income are represented by Iw, Is, Io, and Ip, respectively. After the logarithmic processing, ln(Iw), ln(Is), ln(Io), and ln(Ip) are respectively used. The meaning of the letters in the empirical part is the same.

3.3Interpreted Variable

The main body of this paper is happiness. Using Happiness, CHFS is a description of happiness. The way to use it is to ask the respondent “In general, do you feel happy now?”, the option is “1=very happy, 2=happiness , 3 = general, 4 = unhappy, 5 = very unhappy. The order of this option is contrary to common sense, so the order is adjusted here to "1 = very unhappy, 2 = unhappy, 3 = general, 4 = happy, 5 = very happy". In addition, the income structure is composed of the income of all the members of the family as a whole, but in the questionnaire, the head of the household is answering the happiness, then the matchability of the family's income structure and personal happiness can not help but question. The study by Kingdon and Knight (2007) demonstrates that the happiness of the head of the household reflects the overall well-being of the family, which allows the study to proceed.

3.4 Control Variables

This paper refers to the previous literature on the study of happiness, and combined with the propositions to be

studied, selected some important variables as control variables. The control variables are divided into two groups, one group is mainly the variables that reflect personal characteristics, including gender (0=male, 1=female), age, age squared, education (0=no school, 6=primary school, 9= Junior high school, 12=high school, technical secondary school and vocational high school, 15=college, 16=undergraduate, 19=master's degree, 22=doctoral degree), political appearance (0=non-party member, 1=party member), household registration (0=agriculture, 1 = non-agricultural) and the number of years of work; the other group mainly reflects the relevant variables of the family, including housing property rights (0 = no, 1 = yes), whether or not there is a self-owned vehicle (0 = no, 1 = yes) and The marital status of the head of the household (0 = unmarried, 1 = married).

Since many categorical variables are different from the numbers used in the previous literature, and the order is also inconsistent, they are virtualized and standardized according to previous research before being included in the model, in line with common sense. In addition, the conversion of education to the number of years of education is convenient for research. We test the correlation coefficient of the index and find that the absolute value of the coefficient is only 0.33, which is much smaller than the 0.6 threshold, which will greatly reduce the multicollinearity problem of the model, thus reducing the model bias.[①]。

IV. EMPIRICAL DISCUSSION

4.1Model

In the current literature on the relationship between income and well-being, there are different treatments for the setting of the income variable, which are roughly divided into two categories. The first is to directly analyze the three levels of income, high and low, and then observe the impact relationship to verify whether there is income-happiness puzzle (Zhang and Cai, 2011). The other is to conduct a regression analysis directly under the full sample, and then add the income squared term to explore whether the Chinese family really has the Easterlin paradox, to verify whether there is an inverted U-type relationship (Zhao, 2013). This paper combines two mainstream research ideas on the relationship between income structure and happiness. We first add the square of the income structure under the full sample to observe whether there is an inverted U-type relationship in various incomes. Secondly, we By dividing the income group, the square term is also added to study whether there is an inverted U-shaped relationship between income structure and happiness under different income levels, or whether the relationship exists only in high-income groups. In this way, the impact of income structure and happiness from the global and local layers is effectively portrayed, which makes the research conclusion more in-depth and reliable.

In view of the fact that the explanatory variables in this paper are happiness, the total value is 1~5. The larger the value, the stronger the happiness. Therefore, we use the ordered probit model and assume that the empirical model is:

$$Happiness_j = \sum \beta_{ij} \ln(Income_{ij} + 1) + \sum \beta_{ij} [\ln(Income_{ij} + 1)] \wedge 2 + \gamma X_j + \varepsilon_j \qquad (1)$$

Model (1), the explanatory variable $Happiness_j$ Express j Subjective well-being of respondents (ie j The subjective well-being of the sample family), the greater the score, the more happy the individual and the family. $Income_{ij}$ Interpret the variables for the core, respectively j The fourth of the four incomes in the family's income structure i Kind. X_i In order to influence the control variables of residents' happiness, j Relevant microscopic variables of the family, including gender, age, age square, education, political appearance, household registration, working years, marital status, housing property rights, and whether the family has their own car. ε_j For the random perturbation term of the model, β_{ij} as well as γ Is the vector coefficient.

In view of the fact that investigators obtain data on happiness in CHFS, according to the CFPS, five figures of 1~5 are specified, and the happiness of the middle part of happiness represented by five figures is not clear, and it is even more difficult to understand the changes in each stage of happiness. Various thresholds, so we assume four thresholds here C_1、C_2、C_3、C_4.Which is lower than C_1 Very unhappy, C_1 To C_2 Unhappy between the two, C_2 To C_3 For the

[①] In view of the length problem, the correlation coefficient test here is not placed in the text, and interested can be obtained from the author.

general, C_3 To C_4 For happiness, C_4 The above is very happy. which is:

$$\begin{aligned} &Happiness_i = 1, if \quad Happiness_i^* < C_1; \\ &Happiness_i = 2, if \quad C_1 < Happiness_i^* < C_2; \\ &Happiness_i = 3, if \quad C_2 < Happiness_i^* < C_3; \\ &Happiness_i = 4, if \quad C_3 < Happiness_i^* < C_4; \\ &Happiness_i = 5, if \quad C_4 \le Happiness_i^* \end{aligned} \tag{2}$$

Assume model (1) $\varepsilon \square (0, 1)$,which is ε Obey the standard normal distribution, then $\varphi(.)$ The distribution of happiness expressed by the expressed probability distribution function is:

$$\begin{aligned} &P(Happiness = 1 \mid x) = \Phi(C_1 - X\beta) \\ &P(Happiness = 2 \mid x) = \Phi(C_2 - X\beta) - \Phi(C_1 - X\beta) \\ &P(Happiness = 3 \mid x) = \Phi(C_3 - X\beta) - \Phi(C_2 - X\beta) \\ &P(Happiness = 4 \mid x) = \Phi(C_4 - X\beta) - \Phi(C_3 - X\beta) \\ &P(Happiness = 5 \mid x) = 1 - \Phi(C_4 - X\beta) \end{aligned} \tag{3}$$

4.2 Income Structure and Residents' Happiness from Different Income Levels

The values of the various components of the income structure together constitute the total amount of income, and the total amount of income also causes changes in the income structure. When there is a difference in the total income between families, it will affect the change of income structure to a large extent, which will have more or less impact on happiness. Therefore, this section first gives the empirical discussion results under the full sample, and then discusses the relationship between income structure and residents' happiness in the case of different incomes.

In order to better explore the differences in income structure and well-being between different income levels, we first need to divide the income level into three levels: high, medium and low. The empirical results are as follows:

Table 2 Income structure and residents' happiness

	Full sample	Low income	medium income	High income
ln(Iw)	0.0016 (0.0196)	-0.0236 (0.0694)	-0.1186** (0.0516)	0.0338 (0.0464)
ln(Io)	-0.0774*** (0.0124)	-0.1366*** (0.0228)	-0.0713** (0.0336)	0.0105 (0.0384)
ln(Is)	-0.0026 (0.0085)	-0.01687 (0.01589)	0.01476 (0.01858)	0.0603*** (0.0234)
ln(Ip)	0.01080 (0.0124)	-0.0090 (0.0321)	-0.0287 (0.0249)	0.0187 (0.0251)
[ln(Iw)] square	0.0004 (0.0019)	0.0038 (0.0080)	0.01242** (0.0053)	-0.0043 (0.0042)
[ln(Io)] square	0.0101*** (0.0013)	0.01763*** (0.0027)	0.0099*** (0.0037)	0.0001 (0.0034)
[ln(Is)] square	0.0011 (0.0009)	0.0027 (0.0020)	-0.0013 (0.0022)	-0.0052** (0.0022)
[ln(Ip)] square	0.0009 (0.0014)	0.0045 (0.0044)	0.0058 (0.0031)	-0.0009 (0.0025)
gender	0.0566*** (0.0184)	0.0774*** (0.0259)	0.0575** (0.0311)	0.0050 (0.0517)
age	-0.0604*** (0.0042)	-0.0552*** (0.0058)	-0.0709*** (0.0073)	-0.0626*** (0.0115)
Square of age	0.0007*** (0.0000)	0.0006*** (0.0001)	0.0008*** (0.0001)	0.0007*** (0.0001)
Education	0.0038*** (0.0015)	0.0045** (0.0019)	0.0017 (0.0026)	0.0008 (0.0059)
political status	0.1532*** (0.0287)	0.1555*** (0.0524)	0.1814*** (0.0435)	0.0723 (0.0592)
Household registration	0.0268 (0.0235)	0.0172 (0.0319)	0.0886** (0.0438)	-0.0848 (0.0664)

marital status	0.3823*** (0.0341)	0.3519*** (0.0480)	0.3607*** (0.0576)	0.4681*** (0.0921)
Working years	0.0029* (0.0016)	0.0020 (0.0032)	0.0004 (0.0024)	0.0071** (0.0035)
house	0.1891*** (0.0328)	0.1520*** (0.0449)	0.2031*** (0.0557)	0.2707*** (0.0962)
Whether you have your own car	0.2985*** (0.0269)	0.3498*** (0.0407)	0.2849*** (0.0491)	0.2840*** (0.0560)
Observations	15207	7593	5571	2043
Pseudo R^2	0.0245	0.0195	0.0219	0.0354

Note: ***, **, and * are 1%, 5%, and 10%, respectively, and the standard errors in parentheses are the same.

In Table 1, wage income, operating income, transfer income, and property income have different effects on the happiness of full-sample, low-income, middle-income, and high-income families. The empirical results in Table 1 fully illustrate the important role of total income in the income structure affecting residents' well-being. The impact of different income types on well-being varies according to the total amount of income.

In medium-sized families, the positive impact of wage income on happiness is 5% significant. The relationship between income and happiness is "U" type, and wage income only affects the happiness of middle-income families. There is no significant difference in the well-being of low-income families and high-income families. The reasons may be: on the one hand, wage income has a stable characteristics, mainly concentrated in middle-income families, is the main source of income for middle-income families, and is also an important part of its persistent income, which can bring relatively stable income to middle-income families. Income expectations, which reduce liquidity constraints, enable families to produce and live in a safer economic state, so they have strong sensitivity and statistical significance for wage income. On the other hand, the income of middle-income families includes other sources, such as bonuses in the three-level indicator, in-kind subsidies, and income from the second occupation. These will also bring positive effects to the family without exception, thus directly promoting the medium The income family's happiness is enhanced.

The empirical results in Table 1 show that in the whole sample, the operating income has a positive impact on the level of happiness of 1%; in low-income and middle-income families, the operating income is 1% and 5% respectively. The positive impact of the significant level, the income and happiness of these three families have a "U" relationship. The well-being of high-income families is not affected by operating income. Operating income has a high degree of happiness for low-income and middle-income families. The economic logic behind it may be: operating income includes agricultural income and industrial and commercial income. On the one hand, the agricultural income in the operating income is almost the source of all the farmers' income. The income lacks the way to resist inflation and appreciation. Together with the characteristics of the crops relying on the heavens, the harvest will have a gluten-free farmer. The lack of food production caused by climate or environmental problems will directly lead to insufficient income, which makes farmers subject to severe liquidity constraints and total assets. The goal of regular consumption is difficult to achieve and the improvement of happiness cannot be achieved. It also accounts for a large proportion of low- and middle-income families. Therefore, it can be said that agricultural income has become an important source of happiness for farmers' families (Xu et al., 2013). On the other hand, industrial and commercial income, which is also a business income, is the main source of income for industrial and commercial practitioners. Compared with high-income families, low- and middle-income families are more dependent on this income. For every unit of industrial and commercial income, the impact on the happiness of the family will be greater. In summary, the two types of operating income have an increasing effect on the happiness of low- and middle-income families.

The transfer income in Table 1 only affects the happiness of high-income families, and its significance level is 1%. There is an inverted "U" relationship between transfer income and happiness. The empirical results of high-income families can be seen that the transfer income has only a significant impact on the well-being of high-income families, and the transfer income has a declining effect on the happiness of the family, which may be due to the fact that Income families are less dependent on income, Boes and Winkelmann (2004) also mentioned in the study that the impact of income on happiness only exists in low-income families. Once income increases to a certain level, the effect on happiness

is almost No longer significant, so it shows a "U" relationship; secondly, in the transfer income, although the supply is stable, the amount is often small, it is difficult to meet the needs of residents for consumption, while other transfer income is for individual families. Accidental income, so the impact of transfer income on residents' happiness is more reflected in insurance, and the acquisition of insurance requires a certain amount of cash flow in the early stage. The low- and middle-income families are often constrained by the liquidity of survival and mortgage loans. It is difficult to purchase insurance, so the higher the purchase rate, the higher the income. Moreover, insurance in transfer income has the effect of reducing uncertainty, stabilizing income in various periods, and smoothing consumption in various periods. High-income families can gain functional benefits in transfer income and promote their happiness. Therefore, other income types have no significant effect on the happiness of the family, and the effect of transfer income on the promotion of the family is diminished.

The property income in Table 1 is not significant for the happiness of the three high-income families. The reason may be that the income in the financial market is accompanied by risks, and the financial market is unpredictable. It is difficult for ordinary investors to obtain a stable expected return. Even if the property income increases, the increase in the total net income can consume and save. Promote the improvement of residents' happiness, but because the family generally suffers from risk and lack of psychological support, the happiness is reduced, and the two sides are offset, so that property income has no significant impact on happiness.

V. ROBUSTNESS TEST

In order to prove the robustness of the above conclusions, this section uses a method to test the robustness and observe whether the final result is consistent with the above. The original "1 = very unhappy, 2 = unhappy, 3 = general, 4 = happiness, 5 = very happy" is divided into 1 ~ 3 is unhappy, and is represented by 0, 4 ~ 5 is happiness, to 1 indicates that happiness is converted into binary variables of 0 and 1, that is, 0 means unhappiness, 1 means happiness, and probit model method is used to test the result. We have tested the robustness of the model in this way and found that the regression results of the core explanatory variables have not changed substantially, which indicates that our estimation results are robust.

Table 2 Robustness analysis results under the probit model

	Low income	Medium income	High income
ln(Iw)	0.0003(0.0829)	0.1293**(0.0614)	0.0278(0.0575)
ln(Io)	-0.1223***(0.0271)	-0.0950**(0.0400)	0.0284(0.0489)
ln(Is)	-0.0367*(0.0190)	0.0165(0.0222)	0.0566**(0.0288)
ln(Ip)	0.0744*(0.0393)	-0.0049(0.0303)	0.0169(0.0319)
[ln(Iw] square	0.0012(0.0095)	0.0137**(0.0064)	-0.0035(0.0052)
[ln(Io)] square	0.0163***(0.0032)	0.0125***(0.0044)	-0.0009(0.0043)
[ln(Is)] square	0.0061**(0.0024)	-0.0004(0.0026)	0.0044(0.0027)
[ln(Ip)] square	-0.0070(0.0054)	0.0027(0.0038)	-0.0002(0.0032)
Gender	0.0726**(0.0309)	0.0776***(0.0374)	0.0050(0.0647)
Age	-0.0552***(0.0072)	-0.0749***(0.0093)	-0.0644***(0.0158)
Square of age	0.0006***(0.0001)	0.0008***(0.0001)	0.0008***(0.0002)
Education	0.0008(0.0023)	0.0010(0.0032)	0.0027(0.0074)
political status	0.2184***(0.0643)	0.2215***(0.0538)	0.1822**(0.0750)
Household registration	0.0121(0.0381)	0.0344(0.0524)	0.0982(0.0819)
Marital status	0.3325***(0.0576)	0.3279***(0.0689)	0.5831***(0.1100)
Working years	0.0038(0.0038)	0.0033(0.0028)	0.0082*(0.0043)
House	0.2159***(0.0535)	0.2133***(0.0660)	0.1167(0.1177)

Whether you have your own car	0.3161***(0.0492)	0.2992***(0.0606)	0.2118***(0.0701)
Observations	7593	5571	2043
Pseudo R^2	0.0288	0.0316	0.0514

VI. CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1Conclusion

The CHFS data used in this paper uses the orderly probit model method to conduct a group-based empirical analysis of the total income and urban and rural areas, and study the impact of income structure on happiness under the overall sample and different target families, and find wage income and operating income. The effects of four types of income, such as transfer income and property income, on heterogeneity are heterogeneous. Specifically:

First, regardless of the income-generating households, considering the income structure under the whole sample to affect the residents' happiness, it is found that only the operating income has a significant impact on the 1% level. Once the high- and low-income families are classified, the operating income The impact on the well-being of low-income and middle-income families is significantly significant, and among the low- and middle-income families, the households are also included. This shows that in the context of income affecting residents' happiness, the impact of income on happiness is achieved by operating income to a considerable extent. China currently has a single income channel that affects the predicament of happiness. Second, the happiness of middle-income families is affected by wage income, in addition to the impact of operating income. More specifically, the impact of wage income on residents' well-being is only for middle-income families. The preference of middle-income families for wage income, coupled with the unique stability of wage income itself, reflects the relatively stable standard of living of middle-income families. Third, the happiness of high-income families is only affected by transfer income, and the family's happiness not only increases with the increase of transfer income, but also increases less and less. Transferring income has no significant effect on the well-being of low- and middle-income families. Because the transfer income has the function of guaranteeing stability and resisting risks, the low- and middle-income families fail to enjoy the treatment, showing the “Matthew effect” of “the poor are more anxious and the rich are more stable”. Property income has not had a significant impact on the full sample, all types of income-earning households, and the well-being of urban and rural families.

Finally, we test the above main conclusions by changing the setting form of the model, and find that in other cases, although the estimation results have changed, the explanatory power of the core explanatory variables has not changed significantly. This shows that our measurement results and research conclusions are robust and reliable, with strong reference and certain promotion value.

5.2 Policy Decommendations

In order to theoretically enrich the economics of happiness, and to change the negative impact of the overall poor income structure on the happiness of residents, the policy implications of this paper can be summarized from the perspective of residents and government:

From the perspective of households, for low- and middle-income families, first of all, it is necessary to increase the types of income sources and optimize the income structure to prevent the weaker risk resistance of single income types and reduce liquidity constraints. The family's consumption decision-making is further optimized, thereby improving the household consumption effect and improving the family's happiness. Secondly, families with relatively stable living standards should pay attention to risk prevention. Pay attention to the purchase of products that are resistant to risks in a timely and appropriate manner on the basis of the remaining liquidity, so as to resist the impact of future uncertain events and smooth the consumption levels of each period. Guarantee the level of happiness throughout the life cycle. Furthermore, property income is not obvious in promoting the happiness of the family. Therefore, in order to protect the level of happiness of the family, when investing in wealth management products, it is necessary to first assess the level

of financial risk preference and find out on the basis of understanding itself. Financial products with consistent levels of preference to minimize their impact on family life.

From a government perspective, first, given the single source of income for low- and middle-income families, the government needs to connect financial institutions with local farmers. Second, broaden and increase the number of local low- and middle-income families, actively explore the limited expansion of human capital, and reduce the dilemma of family single income sources by increasing the income source of individual households, optimizing the income structure. Improved the income gap. The implementation of this strategy by the government requires efforts to lean toward vulnerable families and the poor to reduce the "Matthew effect". Third, in view of the low sensitivity of happiness to property income and the low coverage of transfer income, the government should appropriately manage financial institutions, not only to help them promote financial products, popularize financial knowledge, help families withstand risks, but also suppress It over-promoted and misleading local families to make speculative investments.

All in all, the impact of income structure on family happiness is unquestionable. This suggests that when we raise happiness and think about the profound meaning of happiness economics in the context of the new economic normal, governments, society and individuals cannot improve family happiness from the perspective of income level, but also start from the income structure of residents. It is conducive to improving the group gap in the current income structure and causing a certain gap in their happiness. It is also conducive to improving the long-term structural distortion caused by the inequality of income as a whole. Improve the dynamic income fairness and enhance the family's sense of acquisition and happiness.

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