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### **Abstract**

The link between economic inequality and individual well-being has gained increasing attention. This study examines this relationship using data from 71 countries with diverse national incomes, addressing three key research gaps: (1) incorporating both perceived and objective economic inequality, (2) extending analysis to multiple components of well-being beyond happiness, including meaning in life, harmony, and spirituality, and (3) assessing both current and ideal well-being levels. Findings reveal that perceived economic inequality more strongly predicts personal well-being than objective inequality. Additionally, perceived inequality is associated with a wider gap between current and ideal levels of happiness, meaning, harmony, and spirituality, although national income moderate the effects of meaning, harmony and spirituality. We discuss these results highlighting the need for culturally sensitive studies on perceived economic inequality and well-being.

*Keywords:* National income, perceived economic inequality, components of well-being, happiness, meaning, harmony, spirituality.

## **Mind the Gap: Perceived Economic Inequality and the Well-Being Gap around the globe**

The relationship between economic inequality—i.e., the unequal distribution of economic resources, such as income and wealth, among individuals within a society (Jetten et al., 2021)—and well-being has been widely studied, yet findings remain inconsistent. While most research links higher inequality with lower well-being (e.g., Alesina et al., 2004; Diener et al., 1995), some studies find no connection (e.g., Sánchez-Rodríguez et al., 2023), and others suggest a modest positive relationship (e.g., Berg & Veenhoven, 2010). We argue that part of these inconsistent results stems from the fact that the research conducted thus far on the relationship between economic inequality and well-being has been overly simplified, mainly focusing on the relationship between objective economic inequality and reducing well-being to current happiness.

This approach assumes premises that may not necessarily hold, which limits our understanding of this relationship by obscuring its nuances. The first premise is that the inequality that exists is the one that is perceived. Although many studies consistently show that people do not accurately perceive the objective economic inequality in their environment (e.g., Gimpelson & Treisman, 2018), and that inequality mainly affects people when it is perceived (Nishi et al., 2015; Willis et al., 2022), Most research linking economic inequality to well-being relies on objective indicators like the Gini index, yet highlights the crucial role of psychological processes stemming from perceived inequality (e.g., hope for upward mobility, Kelley & Evans, 2017). The second premise is that well-being is equated with happiness/life satisfaction. Although an increasing number of studies highlight that there are other components of well-being beyond happiness, such as meaning in life, harmony, and spirituality (Krys et al., 2024),

most research linking economic inequality to well-being has used happiness/life satisfaction as the measure of well-being (Schneider, 2016). Given that the component of happiness/life satisfaction reflects an individualism-oriented conception of well-being (Krys et al., 2021), expanding the analysis to include other components such as meaning in life, harmony, and spirituality would provide a more culturally sensitive understanding of the relationship between inequality and well-being. Finally, the third premise is that more well-being is always better. Although some research has shown that ideal levels of well-being vary between individuals and cultures (e.g., Hornsey et al., 2018; Krys et al., 2024), the studies linking economic inequality to well-being only measure current levels of well-being, assuming maximum well-being levels as the ideal reference point. The current study addresses these gaps by examining the relationship between perceived economic inequality and multiple components of well-being—happiness, meaning, harmony, and spirituality—both current and ideal, across 71 societies varying widely in their level of income.

### **Perceived economic inequality as a predictor of well-being**

Willis et al. (2022) suggested that perceived economic inequality is a crucial factor for better understanding the link between objective economic inequality and subjective well-being. In line with this, recent empirical research has begun to explore the relationship between perceived economic inequality and well-being. Vezzoli et al. (2023) demonstrated, using a representative sample from Italy, that perceived economic inequality, unlike objective measures, negatively predicts well-being. Similarly, García-Sánchez et al. (2024) found a similar negative relationship between perceived economic inequality and well-being in a national survey from Spain, while Du et al. (2024) reported comparable findings using longitudinal data from China. These earlier findings indicate that perceived economic inequality may be more closely associated with well-

being than objective inequality indicators. However, these findings have limited generalizability as they focus on individual countries. This is a critical gap, as prior research suggests that economic inequality is interpreted differently in wealthy and poorer nations. Beyond examining how perceived inequality predicts well-being, this study explores how this relationship varies by national income.

### **Well-Being as a Broad Concept Predicted by Perceived Economic Inequality: Differences Between Rich and Poor Societies.**

Diener's model of well-being posits that subjective well-being reflects how well individuals believe their lives are going (Diener et al., 2018). This model has dominated research on subjective well-being, with life satisfaction and/or happiness frequently serving as its measure (Diener et al., 1995; Krys et al., 2024). Research on economic inequality and subjective well-being has largely adhered to this framework. Schneider (2016) found that 23 of 27 studies operationalized subjective well-being solely as life satisfaction and/or happiness, with only four combining these measures with others of a similar nature (e.g., mood). Recent studies on perceived economic inequality have similarly employed life satisfaction and/or happiness as measures of well-being (Du et al., 2024; García-Sánchez et al., 2024; Vezzoli et al., 2023). This narrow focus may limit our understanding of how economic inequality relates to other components of well-being, particularly since life satisfaction measures often emphasize the material aspects of a person's circumstances, an issue which may be particularly salient in the context of high economic inequality.

From a broader perspective, happiness is just one component of well-being, coexisting with meaning in life, harmony, and spirituality (Krys et al., 2024). The happiness component of well-being aligns with the hedonic tradition, emphasizing positive affect and life satisfaction while minimizing negative feelings (Diener et al.,

2018). Economic inequality is expected to predict lower life satisfaction and/or happiness due to an increased sense of relative deprivation, and associated stress (Osborne et al., 2015; Pickett & Wilkinson, 2015; Sánchez-Rodríguez et al., 2019), ultimately leading to lower well-being.

In contrast, meaning in life, represents the belief that life has a coherent purpose (Baumeister et al., 2013). Perceived economic inequality might also diminish one's sense of meaning because of an increased sense that one's society is breaking down (i.e., anomie, Sprong et al., 2019). Conversely, some research suggests that in poorer societies, economic inequality fosters hope for future personal improvement (Cheung, 2015; Kelley & Evans, 2016). Thus, national income may serve as a crucial moderator; in poorer countries, perceived economic inequality may be associated with a greater sense of meaning in life driven by hope for improved personal circumstances.

Another line of research suggests that objective economic inequality undermines the social fabric via reduced social capital (Jetten et al., 2021; Putnam, 2016). In highly unequal societies, relationships are often competitive, aggressive, and less trusting, leading to decreased social cohesion and heightened class divides (Elgar & Aitken, 2011; Peters et al., 2021; Sánchez-Rodríguez et al., 2019). These effects likely disturb a person's sense of harmony, a component of well-being that refers to a sense of balance between oneself and one's social environment (Kjell et al., 2016; Kwan et al., 1997).

Finally, spirituality, defined as a sense of connection with a Greater Power, whether conceived as God, Energy, Tao, or Nature (Krys et al., 2024), is deeply embedded in conceptions of the good life for some cultures, including Latin America, Sub-Saharan Africa, the Middle East and North Africa, and non-Confucian Asia (e.g., Amiruddin et al., 2021; Nunes et al., 2023). Spirituality can also be influenced by

perceived economic inequality, though the nature of this relationship is less clear. One's spirituality might mitigate the negative impact of perceived injustice and adverse circumstances typical of high-inequality contexts by providing comfort beyond material concerns (Gebauer et al., 2013; Joshanloo et al., 2021). This positive relationship might be particularly evident in poorer countries, where religiosity—as a form of spirituality—is more prevalent (Inglehart & Baker, 2000) and may serve as a refuge from material adversity.

### **Current versus ideal well-being**

A significant gap in the literature on economic inequality and well-being is its exclusive focus on current well-being, which offers only a partial understanding of their relationship. Current well-being, like other aspects of life, requires points of comparison. This raises the question: What constitutes ideal well-being? A provisional answer is that ideal well-being represents the maximum possible level of wellbeing achievable by that person.

The assumption that “more is better” is prevalent in psychology (Herrnstein, 1990; Howard, 2000). However, this principle of maximization has been challenged. Hornsey et al. (2018) found that fewer than 1 in 10 participants maximized their ideal happiness, with an average score of around 70 on a scale from 0 to 100. Notably, the ideal level of happiness varies by culture, with holistic cultures reporting lower ideal happiness than non-holistic ones (Hornsey et al., 2018). Similarly, members of East Asian cultures often value happiness less than do members of Western cultures (Uchida & Kitayama, 2009). More recently, Krys et al. (2024) demonstrated that the pursuit of maximal happiness is more common in WEIRD societies.

There is indirect evidence suggesting that perceived economic inequality may elevate ideal levels of well-being. High economic inequality raises societal standards

(De Botton, 2004), driven by the substantial wealth of the wealthier classes, which provides evidence of luxurious living conditions that set aspirational benchmarks for less wealthy others. People often engage in upward comparisons (Boyce et al., 2010; Festinger, 1954), leading to increased desire for meeting these elevated standards.

In highly unequal societies, this concern manifests in various ways, including increased searches for luxury brands on Google, more mentions on X (formerly Twitter) (Walasek et al., 2018; Walasek & Brown, 2015, 2016), longer working hours (Alexiou & Kartiyasa, 2020; Filippi et al., 2023), and greater risk-taking to achieve higher economic outcomes (Payne et al., 2017). Furthermore, high economic inequality may elevate hedonistic standards. Hannay et al. (2021) showed that economic inequality can be perceived as hedonic inequality. In this context, individuals may engage in risk-taking not only for economic benefits but also for greater hedonic rewards. Consequently, high economic inequality may increase ideal levels of happiness.

While the relationships are less clear, other components of ideal well-being may also be influenced by perceived economic inequality. Perceived economic inequality contributes to perceptions of societal breakdown (Sprong et al., 2019), which might heighten the drive for finding meaning in one's life, thereby increasing the ideal level of meaning in life. Likewise, as economic inequality undermines social cohesion (Jetten et al., 2021; Wilkinson & Pickett, 2009), the ideal of harmony might be elevated in response to these adverse effects. Finally, spirituality, which can mitigate the negative impact of perceived injustice (Joshi et al., 2021), may be positively associated with perceived economic inequality, serving as a buffer against negative feelings. Conversely, it is also plausible that ideal spirituality may be negatively associated with perceived economic inequality, as one's spirituality could be used to challenge economic disparities (Jost, 2019).



### **The Present Research**

The current study aims to deepen our understanding of the relationship between economic inequality and well-being by examining the association between perceived economic inequality and the well-being components of happiness, meaning, harmony, and spirituality. In addition to measuring these components in their current state, we assessed ideal levels for each component to capture and examine the gap between current and ideal well-being among these components. Data were collected from 71 societies worldwide that thus varied substantially in their level of national income.

To account for potential variations influenced by national income, we explored the interaction between perceived and objective economic inequality and national income in predicting these components of well-being. We investigated perceived economic inequality as a predictor of well-being while controlling for confounding variables such as socio-economic status and ideology. Individuals with lower socio-economic status tend to perceive greater economic inequality due to their increased exposure to societal signals of inequality (Evans & Kelley, 2017; Haddon & Wu, 2022). Additionally, ideology plays a crucial role; those endorsing ideologies justifying high inequality perceive it as lower (Goya-Tocchetto et al., 2024; Kteily et al., 2016). Since both socio-economic status and ideologies justifying inequality positively predict well-being (Diener et al., 2010; Jost & Hunyady, 2002), we controlled for these factors to avoid confounded effects (Wysocky et al., 2022).

### **Method**

#### **Participants and Procedure**

The data were collected from a large cross-cultural survey carried out to elucidate the factors associated with well-being and support for societal development goals. The dataset was collected in a collaborative effort of researchers from 71

countries, trying to cover the greatest diversity of countries around the world. The data were collected between late 2022 and early 2024. The target sample size was set at a minimum of 200 participants per collaborator, with a request to strive for a balanced representation of male and female participants in the sample (60%-40% is acceptable; 70%-30% is uncomfortable; 80%-20% is troublesome). The questionnaire included a comprehensive set of questions. The data were collected by each collaborator using convenience sampling, allowing for student samples. However, collaborators were encouraged to gather data from more general and representative samples. In this regard, the final sample consisted of 55.3% students, 34.6% non-students and 10.1% persons showing missing values. The source questionnaire was prepared in English and the collaborators translated it into their local language using the back-translation method. The study was approved by the research ethics committee of the lead university. A total of 24,112 participants took part in the study. To retain as many participants as possible while ensuring data quality, we excluded participants who failed more than five out of twelve attention checks. The final sample thus consisted of 21,703 participants (age:  $M = 30.40$ ,  $SD = 12.35$ ); 55.2% women, 33.2% men, and 11.6% other persons having missing values). Further details are provided in Supplementary Material (Section S1, S2 and S3).

## Measures<sup>1</sup>

**Perceived economic inequality.** We used two items to measure the general perception of economic inequality adopted by Sommet et al., (2019) e.g., “In [your country], there is a huge gap between rich and poor” Response options ranged from 0 (*doesn't describe my society at all*) to 4 (*describes my society exactly*).

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<sup>1</sup> See Section S2 in Supplementary Material for more details

**Current well-being.** We used five items to measure current happiness (e.g., “You are satisfied with your life”, Diener et al., 1985) and four items to measure current meaning (e.g., “You understand your life’s meaning”, Steger et al., 2006), harmony (e.g., “Most aspects of your life are in balance”, Kjell et al., 2016), and spirituality (e.g., “Your faith in Higher Power lets you live a good life”, as inspired by Delaney, 2005; Underwood & Teresi, 2002). Response options ranged from 0 (*don’t describe me at all*) to 4 (*describes me exactly*)

**Ideal well-being.** We asked participants how much they think an ideal or perfect person would agree that each statement describes him or her. Participants reported on their ideal levels of these four components of well-being (i.e., happiness, meaning, harmony, and spirituality) using the same items of current well-being, adapted to the case of an ideal/perfect person, which ranged from 0 (*doesn’t describe him/her at all*) to 4 (*describes him/her exactly*). It is expected that, by envisioning an ideal person, participants express their utopian abstraction of well-being. Previous research has shown this to be an effective, valid, and reliable method for assessing the idealization of well-being (Diener et al., 2000; Krys et al., 2024).

**Subjective socio-economic status.** We used one item to ask participants about where they would place themselves on a ladder that reflects the hierarchy of their society in terms of socioeconomic status (Adler et al., 2000). The ladder scores ranged from 1 (*the worst off*) to 10 (*the best off*).

**Perceived meritocracy.** We included meritocracy as an ideology that justifies inequality. We used two items to measure the perception of meritocracy in their society inspired by Beattie et al., (2019), e.g., “In [your country], people gain power through fair competition”. Response options ranged from 0 (*doesn’t describe my society at all*) to 4 (*describes my society exactly*)

**Sociodemographic variables.** Participants reported their gender, age, and student status, which were controlled for in the analyses.

**Objective economic inequality.** We utilized the Gini index to express the objective national economic inequality, sourcing the 2022 Gini index or the closest available previous year for each country from the World Bank (2024b).

**National income.** We utilized the log-transformed Gross National Income per capita index, expressed in purchasing power parity (GNIppp per capita), current international \$, to represent the nation's income. The data for each society was sourced from the 2022 index provided by the World Bank (2024a).

## Results

### Analytic strategy

First, we conducted an intercept-only model to check the intraclass correlations (ICC) of the eight components of well-being. The ICC ranged from .05 to .24 (**Table 1**), indicating enough variance between societies and justifying the use of multilevel modeling (Dyer et al., 2005).

**Table 1.**

Interclass correlation of well-being

Variable	Timeframe	ICC
Happiness	Current	.07
	Ideal	.12
Meaning	Current	.07
	Ideal	.10
Harmony	Current	.05
	Ideal	.12
Spirituality	Current	.24
	Ideal	.21

Second, given that we have eight measures of well-being as dependent variables which may exhibit some overlap, and considering the large number of analyses that could increase the risk of Type I errors, we computed a multilevel path model using the *lavaan* package for R software (Rosseel, 2012), treating the participants' responses

(Level 1) clustered in societies (Level 2) to predict the four types of well-being both current and ideal. Maximum likelihood estimation was used. As focal predictors, we included perceived economic inequality, (Level 1), and objective economic inequality (Level 2). We controlled for socio-economic status, perceived meritocracy, age, gender ( $0 = \text{male}$ ,  $1 = \text{female}$ ), and student status ( $\text{students} = 0$  vs.  $\text{non-students} = 1$ ) at Level 1 and national income at Level 2. Age, economic inequality, and national income were grand-mean-centered, while perceived economic inequality, socio-economic status, and perceived meritocracy were group-mean-centered. Missing values are handled by excluding them from mean calculations during centering.

Finally, we examined the interaction between national income and both perceived and objective economic inequality to predict the four components of well-being. We conducted separate multilevel models to analyze each interaction.

### **Economic Inequality as a predictor of Components of Well-being**

The multilevel path model output is summarized in tables 2 (current well-being) and 3 (ideal well-being). The results show that perceived economic inequality negatively predicts four components of current well-being: happiness ( $B = -.09$ ,  $p < .001$ ), meaning in life ( $B = -.02$ ,  $p = .017$ ), harmony ( $B = -.03$ ,  $p < .001$ ), and spirituality ( $B = -.08$ ,  $p < .001$ ). By contrast, perceived economic inequality positively predicts ideal happiness ( $B = .08$ ,  $p < .001$ ), meaning ( $B = .11$ ,  $p < .001$ ) and harmony ( $B = .10$ ,  $p < .001$ ), but negatively predicts ideal spirituality ( $B = -.05$ ,  $p < .001$ , **Figure 1**).

These results persist even when controlling for objective economic inequality (i.e., Gini index), national income, perceived meritocracy, and subjective socio-economic status. However, the Gini index did not predict current or ideal levels of happiness, meaning, and harmony significantly. The Gini index only predicts current (B

= .02,  $p = .008$ ) and ideal spirituality ( $B = .02$ ,  $p = .007$ ) significantly, but unlike the perception of economic inequality, it does so positively.<sup>2</sup>

These results indicate that higher perceived economic inequality correlates with a greater divergence between current and ideal levels of happiness, meaning, harmony, and spirituality. While initial analyses showed patterns across the overall sample, additional analyses were conducted to examine individual-level gaps between current and ideal well-being by computing indices of gaps by subtracting the current score from the ideal score. Findings reveal that perceived economic inequality positively predicts these gaps across all four components: happiness ( $B = .18$ ,  $p < .001$ ), meaning ( $B = .13$ ,  $p < .001$ ), harmony ( $B = .13$ ,  $p < .001$ ), and spirituality ( $B = .03$ ,  $p = .002$ ), indicating that greater perceived inequality is associated with higher differences between ideal and current levels of well-being (see Section S7).

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<sup>2</sup> We conducted four robustness checks (see Section S4, S5, S6 and S8). The results were virtually similar.

**Table 2.**

Multilevel path model output of individual and societies factors predicting the four components of current well-being

	B	Stand. Error	Z-value	p-values	(95% CI)
<b>Level 1 (individual)</b>					
Happiness current ~					
Perceived economic inequality	-.09	.01	-12.64	<.001	(-0.11, -0.08)
Subjective SES	.17	<.01	47.33	<.001	(0.16, 0.18)
Meritocracy	.10	.01	12.49	<.001	(0.08, 0.11)
Meaning current ~					
Perceived economic inequality	-.02	.01	-2.38	.017	(-0.04, -0.01)
Subjective SES	.11	<.01	24.54	<.001	(0.10, 0.12)
Meritocracy	.06	.01	7.02	<.001	(0.05, 0.08)
Harmony current ~					
Perceived economic inequality	-.03	.01	-4.06	<.001	(-0.04, -0.2)
Subjective SES	.11	<.01	32.90	<.001	(0.11, 0.12)
Meritocracy	.08	.01	10.25	<.001	(0.06, 0.09)
Spirituality current ~					
Perceived economic inequality	-.08	.01	-7.47	<.001	(-0.11, -0.06)
Subjective SES	.05	.01	8.36	<.001	(0.04, 0.06)
Meritocracy	.08	.01	6.23	<.001	(0.05, 0.10)
<b>Level 2 (societies)</b>					
Happiness current ~					
Economic inequality (Gini)	-.01	<.01	-0.18	.860	(-0.01, 0.01)
National income	.04	.02	1.53	.126	(-0.01, 0.08)
Meaning current ~					
Economic inequality (Gini)	.01	<.01	0.83	.405	(-0.01, 0.01)
National income	-.07	.02	-3.28	.001	(-0.01, -0.03)
Harmony current ~					
Economic inequality (Gini)	.01	<.01	1.05	.292	(-0.01, 0.01)
National income	-.01	.02	-0.22	.828	(-0.01, 0.03)
Spirituality current ~					
Economic inequality (Gini)	.02	<.01	2.66	.008	(0.01, 0.04)
National income	-.33	.04	-7.41	<.001	(-0.41, -0.24)

Note. SES: Socio-economic status. Control variables: Age, gender and student status (see Table S8 for the model including control variables)

**Table 3.**

Multilevel path model output of individual and societies factors predicting the four components of ideal well-being

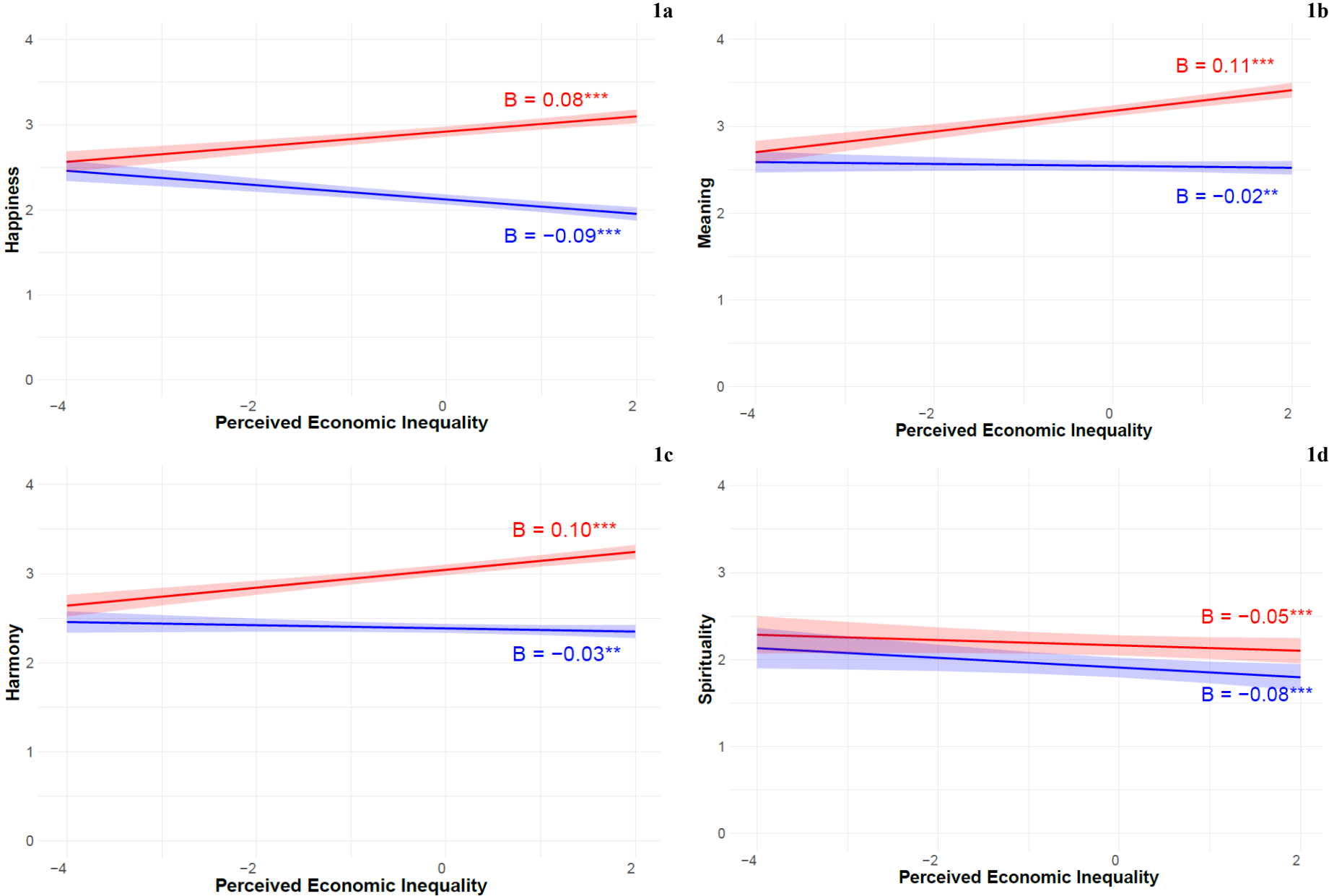
	B	Stand. Error	Z-value	p-values	(95% CI)
<b>Level 1 (individual)</b>					
Happiness ideal ~					
Perceived economic inequality	.08	.01	10.97	<.001	(0.07, 0.10)
Subjective SES	.05	<.01	13.23	<.001	(0.04, 0.06)
Meritocracy	-.01	.01	1.30	.195	(-0.03, 0.01)
Meaning ideal ~					
Perceived economic inequality	.11	.01	15.12	<.001	(0.10, 0.13)
Subjective SES	.04	<.01	10.88	<.001	(0.03, 0.05)
Meritocracy	-.02	.01	-2.46	.014	(-0.03, -0.01)
Harmony ideal ~					
Perceived economic inequality	.10	.01	13.77	<.001	(0.08, 0.11)
Subjective SES	.04	<.01	11.68	<.001	(0.03, 0.05)
Meritocracy	-.01	.01	-1.79	.074	(-0.03, 0.01)
Spirituality ideal ~					
Perceived economic inequality	-.05	.01	-4.90	<.001	(-0.08, -0.03)
Subjective SES	.01	.01	2.09	.037	(<0.01, 0.02)
Meritocracy	.04	.01	3.65	<.001	(0.02, 0.07)
<b>Level 2 (societies)</b>					
Happiness ideal ~					
Economic inequality (Gini)	.01	<.01	0.21	.830	(-0.01, 0.01)
National income	.14	.02	6.16	<.001	(0.10, 0.19)
Meaning ideal ~					
Economic inequality (Gini)	-.01	<.01	-0.10	.920	(-0.01, 0.01)
National income	.10	.02	4.31	<.001	(0.06, 0.15)
Harmony ideal ~					
Economic inequality (Gini)	.01	<.01	0.17	.862	(-0.01, 0.01)
National income	.14	.02	5.94	<.001	(0.09, 0.18)
Spirituality ideal ~					
Economic inequality (Gini)	.02	.01	2.69	.007	(0.01, 0.04)
National income	-.25	.05	-5.44	<.001	(-0.34, -0.16)

*Note.* SES: Socio-economic status. Control variables: Age, gender and student status (see Table S9 for the model including control variables)



**Figure 1.**

Effects of perceived economic inequality on current (blue) and ideal (red) happiness (1a), meaning (1b) harmony (1c) and spirituality (1d)



### **Interactions between National Per Capita Income and Objective and Perceived Economic Inequality to Predict Components of Well-being**

National income did not significantly interact with either perceived economic inequality ( $B = -.01, p = .588$ ) or the Gini index ( $B = -.01, p = .415$ ) in predicting current happiness. Similarly, there was no significant interaction observed between national income and perceived economic inequality ( $B = -.01, p = .243$ ) or the Gini index ( $B = -.01, p = .673$ ) in predicting ideal happiness.

However, perceived economic inequality, but not the Gini index, interacted with national income to predict meaning in life, harmony, and spirituality, both current and ideal. National income interacted with perceived economic inequality ( $B = -.03, p < .001$ ) but not with the Gini index ( $B = .01, p = .102$ ) in predicting current meaning in life. Similarly, national income interacted with perceived economic inequality ( $B = -.04, p < .001$ ) but not with the Gini index ( $B = -.01, p = .249$ ) in predicting ideal meaning in life (**Figure 2**).

Likewise, national income interacted with perceived economic inequality ( $B = -.02, p < .001$ ) but not with the Gini index ( $B = .01, p = .040, [CI\ 95\% = 0.00, 0.01]$ ) in predicting current harmony. Similarly, national income interacted with perceived economic inequality ( $B = -.03, p < .001$ ) but not with the Gini index ( $B = -.01, p = .270$ ) in predicting ideal harmony (**Figure 3**).

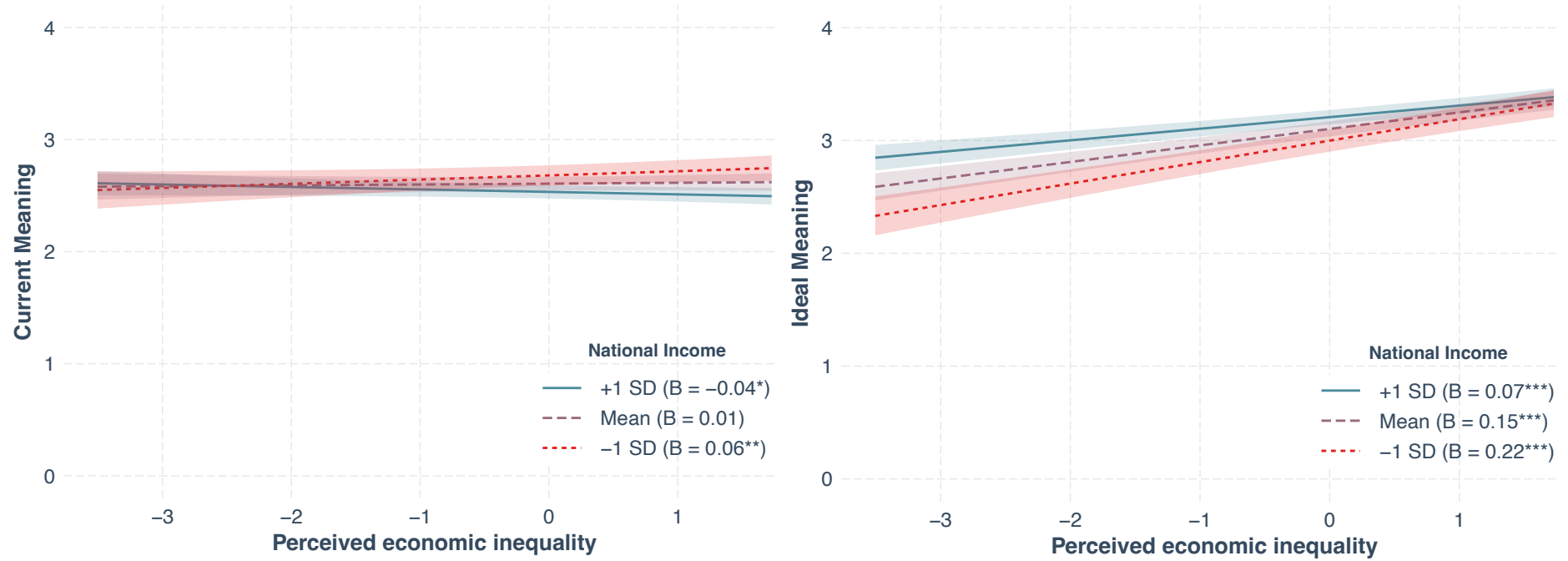
Finally, national income interacted with perceived economic inequality ( $B = -.08, p < .001$ ) but not with the Gini index ( $B = .02, p = .081$ ) in predicting current spirituality. Similarly, national income interacted with perceived economic inequality ( $B = -.06, p < .001$ ) but not with the Gini index ( $B = .01, p = .249$ ) in predicting ideal spirituality (**Figure 4**) (Section S4).

In sum, these findings show that the relationships between current and ideal happiness are not qualified by national income. However, national income moderated the relationship of perceived economic inequality with the other three components of well-being. In rich societies, the relationship between perceived inequality and meaning in life ( $B = -.04, p = .043$ ), harmony ( $B = -.05, p = .040$ ), and spirituality ( $B = -.15, p < .001$ ) is negative, whereas in poor societies that relationship is positive for meaning in life ( $B = .06, p = .006$ ), spirituality ( $B = .14, p < .001$ ), and marginally positive for harmony ( $B = .04, p = .068$ ).

Regarding the ideal, the relationship between perceived inequality and meaning in life and harmony is consistently positive, but it is stronger in poorer societies ( $B_{meaning} = .22, p < .001$ ;  $B_{harmony} = .18, p < .001$ ) than in richer societies ( $B_{meaning} = .07, p = .001$ ;  $B_{harmony} = .06, p = .003$ ). Finally, while in richer societies, the relationship between perceived inequality and spirituality is negative ( $B = -.10, p = .003$ ), in poorer societies, it is positive ( $B = .12, p < .001$ ).

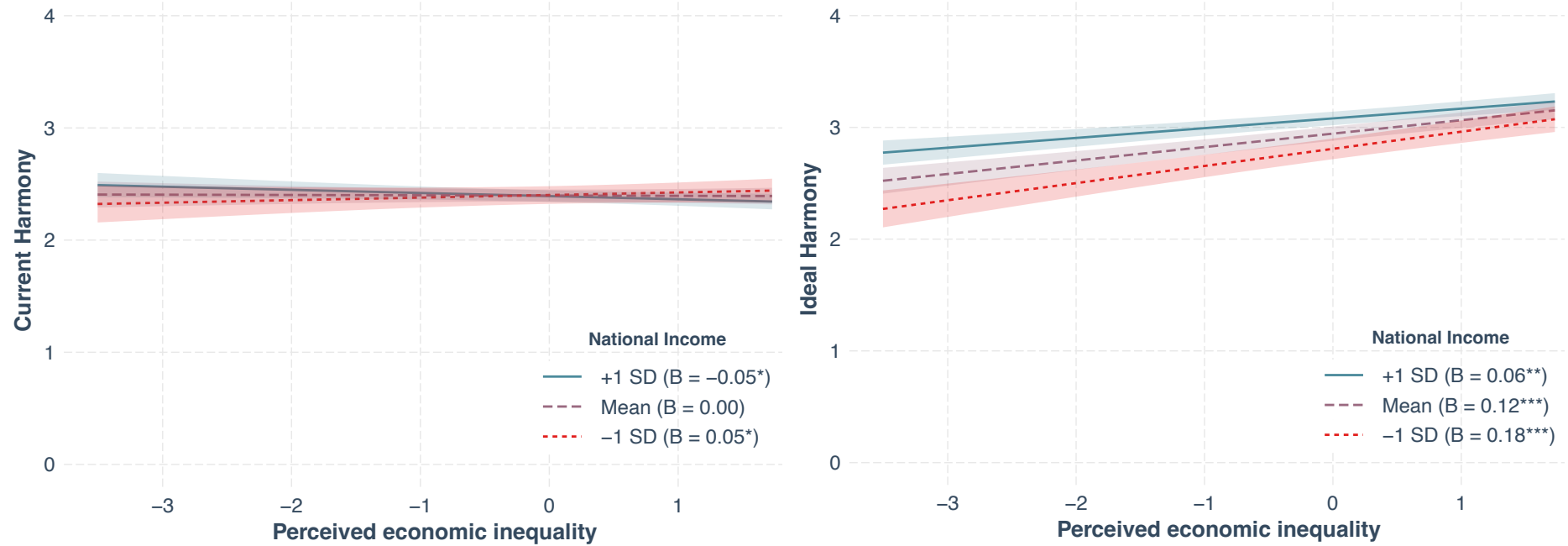
**Figure 2.**

Interaction between perceived economic inequality and national income to predict current (left) and ideal (right) meaning.



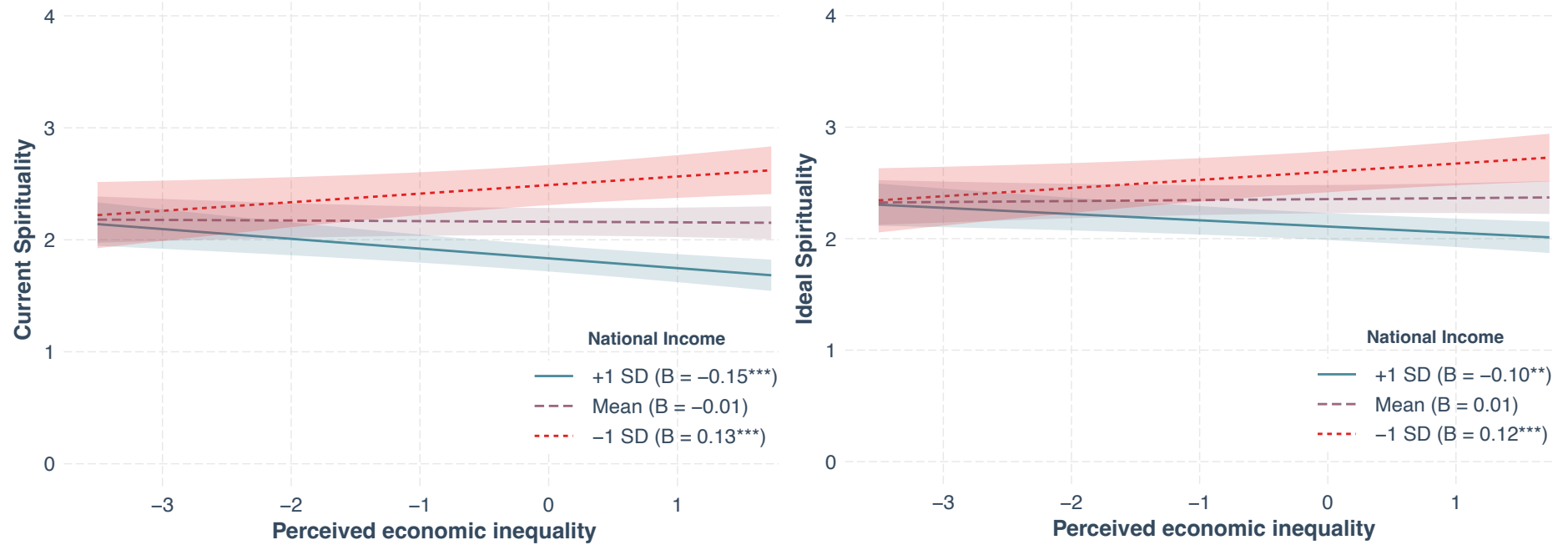
**Figure 3.**

Interaction between perceived economic inequality and national income to predict current (left) and ideal (right) harmony.



**Figure 4.**

Interaction between perceived economic inequality and national income to predict current (left) and ideal (right) spirituality.



## Discussion

Our results indicate that perceived economic inequality is a better predictor of well-being than objective indices, such as the Gini index. Individuals who perceived their society as more unequal were not only less happy but also experienced a decreased sense of meaning in life, harmony, and spiritual well-being. At the same time, they aspired to higher levels of happiness, meaning and harmony, which means that perceived economic inequality increases the distance between people's well-being aspirations and actual experiences.

In contrast, the Gini index did not significantly predict current or ideal happiness, meaning, or harmony. However, it did predict current and ideal spirituality positively, which differs from the effects of perceived economic inequality on the other components of well-being. This finding is consistent with existing literature indicating that more religious countries tend to be more economically unequal (Norris & Inglehart, 2004), suggesting that religiosity might work as a functional adaptation to inequality. Nevertheless, further research is needed to elucidate the mechanisms underlying the relationship between both objective and perceived economic inequality and spirituality. Moreover, spirituality may be a more critical culture-specific aspect of well-being, as indicated by its high ICC. Further cross-cultural exploration is needed to better understand its role as a component of well-being.

Overall, this research indicates that objective measures of economic inequality are less effective in predicting various components of well-being than are subjective perceptions of economic inequality. These findings align with previous evidence that perceived economic inequality predicts happiness and life satisfaction more effectively than objective indices in individual countries, such as Spain (García-Sánchez et al., 2024), Italy (Vezzoli et al., 2023), and China (Du et al., 2024). We extend this research

by demonstrating a similar pattern across 71 nations, applying it to additional components of both current and ideal well-being, and accounting for potential confounding variables. Our findings reinforce the association between higher economic inequality and lower levels of well-being, underscoring the role of perceived inequality as a relevant psychological mechanism in this relationship. Nevertheless, this should not be interpreted as a call for policy efforts to prioritize perceived over objective inequality, as the reduction of objective economic inequality itself is likely the most effective way to reduce perceived inequality.

Moreover, we found that perceived economic inequality negatively predicts happiness, consistent with existing literature identifying a negative relationship between objective economic inequality and life satisfaction and happiness (Diener et al., 1995; Oishi & Kesebir, 2015). However, we extend these findings by showing that perceived economic inequality is also negatively associated with other components of well-being, such as meaning in life, harmony, and spirituality. This suggests that the perception of economic inequality has a broad range of detrimental effects on well-being, impacting multiple components adversely. While national income did not moderate the relationship between perceived economic inequality and happiness, it did moderate the relationships between perceived economic inequality and meaning in life, harmony, and spirituality, both their current and ideal levels. Therefore, it is important to consider these other components of well-being, given that they can interact in distinct ways with other structural variables such as national income.

Our results indicate that perceived economic inequality is negatively related to meaning in life, harmony, and spirituality in wealthier societies, while it is positively related to these components in poorer societies. These interactions, while similar, may be underpinned by different mechanisms for each of the well-being components. For



instance, anomie (Sprong et al., 2019) might explain the negative relationship between perceived economic inequality and meaning in life in wealthier societies, whereas the hope factor (Cheung, 2015) could account for the positive relationship in poorer societies. The erosion of social capital produced by economic inequality (Putnam 2000, 2016) might explain the negative relationship between perceived economic inequality and harmony in the wealthiest societies, where individuals where individuals think of themselves as more different from others (Vignoles et al., 2016). By contrast, in poorer societies, where individuals are more motivated to seek harmony and community bonds are stronger (Henrich et al., 2020; Vignoles et al., 2016), these bonds might buffer against the negative effects of inequality. Lastly, spirituality increased as perceived economic inequality rose in poorer countries, which might be explained by the fact that in these countries, traditional values that promote different forms of spirituality, such as religiosity, are more prevalent (Inglehart & Baker, 2000), providing a source of well-being beyond the material world when inequality is perceived to rise. In contrast, in wealthier countries, where secular and post-material values dominate (Inglehart & Baker, 2000), the increase in perceived economic inequality may reduce the level of spirituality experienced, as individuals place less emphasis on spiritual practices as a means of coping with social tensions or threats. However, it should be noted that this research does not empirically address these underlying mechanisms, and thus this discussion remains speculative. We hope that this analysis will inspire future researchers to explore these mechanisms further.

Finally, we found that perceived economic inequality predicts higher ideal levels of happiness, without interacting with national income. Given that higher economic inequality raises hedonistic standards (Hannay et al., 2021), ideal happiness is also expected to increase; however, whether this notion is directly shaped by individuals'

perception of the wealthiest remains an open question. This effect is notable, considering that previous research has primarily focused on current happiness, suggesting that this effect might underlie the negative impact of inequality on various psychological outcomes, such as substance abuse and mental illness (Pickett & Wilkinson, 2015). However, high levels of ideal happiness may also contribute to similar outcomes (Krys et al., 2024).

Additionally, we find that perceived economic inequality predicts higher ideal levels of meaning in life and harmony. Unlike the findings for current meaning and harmony, the effect of perceived inequality on ideal meaning and harmony remains positive across all levels of national income, though these relationships are more pronounced in poorer societies. In richer societies, perceived economic inequality predicts a larger gap between actual and ideal levels of meaning and harmony by reducing current levels while increasing ideal levels. Conversely, in poorer societies, a paradoxical situation arises: although perceived economic inequality positively predicts current meaning and harmony, it more strongly predicts the ideal standards to aspire to, resulting in a wider gap between current and ideal meaning and harmony.

In contrast, perceived economic inequality predicts both current and ideal spirituality similarly: negatively in the wealthier societies and positively in the poorer, resulting in minimal change in the gap between current and ideal levels. These findings highlight the importance of considering both current and ideal well-being to gain a comprehensive understanding of overall well-being and suggest that spirituality works as a possibly distinctive component of well-being, buffering the impact of material conditions, especially in poorer societies.

These results remained robust even after controlling for potential confounding variables such as socioeconomic status and perceived meritocracy. Although the effects

of these variables were not the focus of the present study, it is worth noting that both socioeconomic status and perceived meritocracy positively predicted the four components of well-being, extending previous research that had primarily examined their positive effects on happiness (Diener et al., 2010; Jost & Hunyady, 2002). An intriguing finding is that socioeconomic status also positively predicted the four forms of ideal well-being, suggesting that individuals with higher status both aspire for and achieve higher levels of well-being.

Several limitations of our research should be acknowledged. First, many nations are not represented in our study, and the sample is not fully representative, as it often consists primarily of undergraduate students. Second, our data are cross-sectional, which leaves the causal pathways unclear. Third, our study utilized a general and abstract measure of perceived economic inequality, which leaves its multifaceted nature, such as living conditions, opportunities, and basic needs, unexplored. Finally, there are additional components of well-being that were not included (e.g., psychological richness, Oishi & Westgate, 2022).

### **Conclusions**

Our results underscore the importance of considering perceived economic inequality in addition to objective economic inequality when predicting a person's well-being. Additionally, we highlighted the need to focus on various components of well-being beyond happiness, including meaning in life, harmony, and spirituality, in both their current and ideal forms. Finally, our findings suggest that an individual's spirituality plays a distinctive role in buffering the material underpinning of other measures of well-being, particularly in poorer societies.

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