

Socioeconomic Levels and Happiness: the Mexico 2000 and 2006 Panel Studies,ⁱ and the Pew 2007 Studyⁱⁱ

Laura Randall*

This article examines the Mexican 2000 and 2006 Panel Studies of Voters' characteristics, and uses their data and definitions of socioeconomic status to evaluate the Pew Happiness Survey's assertion that Mexicans are the happiest people of the 47 nations surveyed.

The two Panel Study surveys are not entirely comparable. A problem is that that the surveys use the dwelling of the individual interviewed or the neighborhood where he/she lives to indicate socioeconomic status, and the definition of the categories of socioeconomic level changed between the two surveys.

Table 1 shows the levels as defined by the surveys. In the 2000 survey, there were six categories of socioeconomic levels, while in the 2006 survey, there were only five categories. The definitions of level A (the highest level) and B (the second highest level) were virtually identical in both surveys. There were some differences in the definitions of levels C and D.

The 2000 survey included levels E and F. The 2006 survey appears to combine them into a single category, level E. The changes in definitions lead to worse homes located in more poorly maintained neighborhoods being included in categories C, D and E in 2006 than were included in these categories in 2000.

Table 1: Definitions of Socioeconomic Levels, 2000 and 2006ⁱⁱⁱ

2000	2006
<p>Level A Neighborhoods with large residences, build on plots of 1000 square meters. They may have a pool, tennis court, pediment, or large garden. They have a garage and three or more luxury cars, as well as private security and guardhouse. They are located in areas with trees, paved roads, and sidewalks in good condition, with underground electric cable and without mass transit. (Less than 1% of first round sample.)</p>	<p>Level A Neighborhoods with large residences, built on plots of 1000 square meters. They may have a pool, tennis court, pediment, or large garden. They have a garage and three or more luxury cars, as well as private security and guardhouse. They are located in areas with trees, paved roads, and sidewalks in good condition, with underground electric cable and without mass transit.</p>

Table 1: Definitions of Socioeconomic Levels, 2000 and 2006 continued

2000	2006
<p>Level B Neighborhoods or blocks with large residences on plots of 500-1000 square meters, well finished and solidly build of good materials. They have a garage with new cars and a garden. This category includes luxury condominiums. Level B dwellings are located in areas with good paving and sidewalks, outfitted with above or below ground electric cable and well kept lawns. (Less than 5% of first round sample.)</p>	<p>Level B Residential neighborhoods with large houses on plots of 500-1000 squared meters. They have a garage for two cars and, occasionally, a yard. They are located in paved areas with good sidewalks. They have electric cable above ground and, in some areas, under ground.</p>
<p>Level C Areas with townhouses or medium-sized apartments on individual lots or in condominium buildings, between 150 and 300 square meters in size. The majority have garages with an older automobile, but no garden. This category includes medium-sized homes in subsidized housing developments. Level C dwellings are located in residential zones with paved streets and sidewalks in good condition serviced by public transportation. (Approximately 10% of first round sample.)</p>	<p>Level C Neighborhoods with finished houses or medium-sized apartments, on surfaces of 150-300 squared meters. The majority have garages for one car. Generally, they do not have a yard or it is very small. This includes subsidized housing units. The areas are paved and have sidewalks. Public transportation runs frequently.</p>
<p>Level D Includes company towns, public housing developments (INFONAVIT), and small homes in developments acquired with government-subsidized loans (FOVI). Spotty maintenance of buildings and individual units. Level D homes are located in zones with paved road and sidewalks in fair condition with irregular maintenance. (Approximately 20% of first round sample.)</p>	<p>Level D Public housing developments (for example, INFONAVIT or FOVISSSTE) with small apartments. Irregular maintenance in the buildings and in the housing complex. Not all areas are paved or have sidewalks. If there are any green spaces, these are poorly kept.</p>

Table 1: Definitions of Socioeconomic Levels, 2000 and 2006 continued

2000	2006
<p>Level E Neighborhoods of small dwellings, including unfinished homes without completed exteriors (i.e., exposed cinderblock). Dwellings are located in dirty, working class zones with poorly maintained paving and sidewalks. (Approximately 40% of first round sample.)</p>	<p>Level E Areas with mainly small houses, unfinished. The majority have exposed corrugated metal, wood, cardboard, fiberglass, etc. They are located in poor neighborhoods or in irregular lots. Pavement is lacking or is in poor conditions. They lack any or all public services, such as running water or electricity</p>
<p>Level F All areas with small dwellings of precarious construction built with deficient building materials, such as plastic, wood, cardboard, fiberglass, etc. Level F zones lack some or all public services. Dwellings are located on irregular lots without pavement. Common problems include lack of proper sewage systems, running water, or trash collection. (20-25% of first round sample.)</p>	

There are two aspects of the 2006 definitions to be considered: the distribution of socioeconomic levels in 2006, and the change in their distribution from 2000 to 2006.

Table 2: The Percentage Distribution of Socioeconomic Dwelling Level in 2000 and 2006.

Level	Percent		Percentage Point
	2000	2006	Change
A	0.5	0.8	0.3
B	4.5	4.8	0.3
C	12.9	25.8	12.9
D	23.2	48.5	25.3
E	36.9	19.6	-17.3
F	20.2	---	-20.2
Did not know/answer	1.8	0.5	-1.3

Professor Chappell Lawson reports that for the 2006 survey, “For codings of respondents’ dwelling and neighborhood, the bulk of respondents were classified as category ‘D’, and very few were classified as ‘A’. Interviewing for the Mexico 2006 Panel Survey was conducted by the *Reforma* newspaper group, and the SES scale used was originally devised by *Reforma* for market research purposes (in which it was important to distinguish the small number of people in category ‘A’ from those in category ‘B’). It was retained for the panel despite the skew toward the bottom of the scale because interviewers were more familiar with it.”^{iv}

The redefinition of socioeconomic levels results in an apparent, but not necessarily real, increase in the average socioeconomic level in Mexico; one wonders why. Possibly *Reforma* had a conservative stance in both 2000 and 2006, and the redefinition of categories of socioeconomic levels, that may overstate the improvement in them, could have been undertaken for political reasons.

On the other hand, those who work with time series often change definitions to reflect changing conditions. For example, the size and definition of cities and political districts change intermittently. The content of “baskets of goods” included in price indices changes to reflect changes in the purchasing patterns of consumers. For example, we exclude goods from “the basket” when they become too expensive to purchase; we add newer versions of items when they replace older versions in consumer purchases. Thus, the price index for the newer purchasing pattern is not strictly comparable to the price index for an earlier time period. This shift in conditions may be part of the reason for the elimination of category “F”, although eliminating a category that accounted for 20.2% of the reported socioeconomic levels in 2000 as soon as 2006—when it is hard to believe that so many poor socioeconomic conditions had substantially improved—is a decision that should be examined.

The difference in the definitions of socioeconomic level make it impossible to show directly that the highly publicized housing initiatives and other transfer programs from the Federal, Federal District, State and local governments, as well as private transfers, have had the result of a general increase in the level of socioeconomic conditions in Mexico.

A recent Pew survey on “Happiness”^v provides some evidence that an increase in the level of socioeconomic condition of voters did occur, despite differences between in the Pew Survey the Mexico 2000 and 2006 Panel Surveys. The Pew survey questioned a random sample of all Mexicans, not just voters. Only 60% of those eligible to vote residing in Mexico voted.

In 2007, Mexicans had the highest level of satisfaction of the 47 nations included in the Pew survey. Table 3 indicates that Mexicans were more satisfied with their own life, the state of the nation and the national government than were people in the U.S. This startling result may reflect the fact that those who are most dissatisfied no longer are in Mexico, and may be found among the 10% of the population that was born in Mexico but now lives in the United States. Some 50% of Mexicans considered emigration among the top national problems.

Table 3: Pew 2007 Survey on Satisfaction in the U.S. and Mexico

Satisfied with...*	Own Life	State of Nation	National Government
	%	%	%
U.S.	65	25	51
Mexico	76	30	70

* Percent rating personal life seven or higher on a scale of 0 to 10.

Nonetheless, those Mexicans still in Mexico reported the high increase in personal satisfaction reported above, and Table 4 shows that its increase in satisfaction was second only to that of Brazil.

Table 4: Increase in Personal Satisfaction 2002-2007, Pew Survey

Life Satisfaction*			
Greatest increases...	2002	2007	Change
	%	%	
Mexico	58	76	+18
Brazil	43	63	+20
Argentina	45	59	+14

* Percent rating personal life seven or higher on a scale of 0 to 10.

In comparison, according to the 2006 survey (3rd wave, administered beginning July 15, 2006) reported that 4.3% of individual's economic situation improved a lot under President Fox, 23.7% said it improved a little, 7.2% said it worsened a little, and 6.6% said it worsened a lot: a net gain of 14.2% that said their personal economic situation improved. (2.3% refused to answer). Personal economic situation influences the socioeconomic level and life satisfaction.

The 2006 Mexican Panel Study shows that 9.3% of voters thought that the economy had: improved a lot; a little, 31.6%; stayed the same, 40.7%; worsened a little, 7.4%, and worsened a lot, 8.0; the remaining 3.2% didn't know or refused to answer, for a net gain of 25.4%. More voters thought that the economy improved than thought that their personal situation improved.

Some of the increase in socioeconomic level reflects real improvement. This would have been more convincing if *Reforma* had not changed the definition of socioeconomic levels.

The Mexican outlook for the future was more optimistic than that of the United States,

Table 5: Outlook for the Future, Pew Survey

Will the Next Generation Be Better or Worse Off?			
	Better	Worse	Same
	%	%	%
U.S.	31	60	4
Mexico	41	39	16

For example, those responding to a question about common deprivations stated that they frequently could not afford food, health care, or clothing (see Table 6):

Table 6: Times When Unable to Afford, Pew Survey

	Food	Health Care	Clothing
	%	%	%
U.S.	16	23	16
Mexico	42	47	45

The 2006 Panel Study indicates that 7.9% expected that their personal economic situation would improve a lot in the next 12 months, 26.2% thought it would improve a little, 5.1% thought it would worsen a little, 2.9% said it would worsen a lot, (7.8% refused to answer), for a net gain of 26.1% who thought that their personal economic situation would improve in the next 12 months. This is in striking contrast to the 2% of those in the Pew survey that thought that the next generation would be better off. The Pew survey estimate of future happiness reflects either the fact that an individual's happiness includes more than economic conditions, or the very great uncertainties about any events in more than the immediate future.

The higher rate of Mexican than U.S. satisfaction suggests both that (1) Mexican standards of courtesy require more optimistic responses to questions about happiness than do such standards in the U.S., and (2) that although the socioeconomic level of dwellings increased from 2000 and 2006 in the Mexican Panel surveys, the change in definition of socioeconomic level in the Panel Surveys weakens the support of the Panel data for the Pew survey's statement about Mexican levels of happiness.

*Professor Emerita, Department of Economics, Hunter College, City University of New York, lrاندall@nyc.rr.com

ⁱ Lawson, Chappell, et. al. 2007. *The Mexico 2006 Panel Study*. Senior Project Personnel for the Mexico 2006 Panel Study include in alphabetical order: Andy Baker, Kathleen Bruhn, Roderic Camp, Wayne Cornelius, Jorge Domínguez, Kenneth Greene, Joseph Klesner, Chappell Lawson (Principal Investigator), Beatriz Magaloni, James McCann, Alejandro Moreno, Alejandro Poiré, and David Shirk. Funding for the study was provided by the National Science Foundation (SES-0517971) and *Reforma* newspaper; fieldwork was conducted by *Reforma* newspaper's Polling and Research Team, under the direction of Alejandro Moreno.

<http://web.mit.edu/polisci/research/mexico06>; and Lawson, *The Mexico 2000 Panel Study*. Participants in the Mexico 2000 Panel Study included (in alphabetical order): Miguel Basañez, Roderic Camp, Wayne Cornelius, Jorge Domínguez, Federico Estévez, Joseph Klesner, Chappell Lawson (Principal Investigator), Beatriz Magaloni, James McCann, Alejandro Moreno, and Alejandro Poiré. Funding for the study was provided by the National Science Foundation (SES-9905703) and *Reforma* newspaper. Available online at: <http://web.mit.edu/polisci/faculty/C.Lawson.html>.

ⁱⁱ The Pew Global Attitudes Project, *Global Opinion Trends 2002-2007*:

A Rising tide Lifts Mood in the Developing World, Sharp Decline in Support for Suicide Bombing in Muslim Countries. July 24, 2007, www.pewglobal.org [happiness pewglobal 257.pdf].

ⁱⁱⁱ *Mexico 2006 Panel Study, Criteria for classifying the socioeconomic level of dwellings and neighborhoods*
web.mit.edu/polisci/research/mexico06/Assets/Socioeconomic%20levels.pdf

^{iv} Chappell Lawson, “Interviewer-Coded Items in Survey Research: Lessons from the Mexico 2006 Panel Study, Massachusetts Institute of Technology”. clawson@mit.edu. October 12, 2007, draft.

^v The Pew Global Attitudes Project, *Global Opinion Trends 2002-2007: A Rising tide Lifts Mood in the Developing World, Sharp Decline in Support for Suicide Bombing in Muslim Countries.* July 24, 2007, www.pewglobal.org [happiness pewglobal 257.pdf].