The Impact of Socio-Economic Status on the Subjective Well-Being of Indonesian Households

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ABSTRACT: Subjective well-being (SWB) refers to people who have a positive emotion, high life satisfaction, and low negative sentiments. The socioeconomic condition of households plays a very important role in determining the level of SWB. Apart from economic factors, it is believed that there are some other factors affecting SWB of household. This research examines how socio-economic factors can affect SWB households using the Indonesia Family Life Survey (IFLS-5) microdata, this research will analyse both descriptive and inferential statistics. Applying descriptive analysis, we found that the number of happier households were much higher than those that were not. While, the logistic regression showed that economic status, education, health, marital status and stated feeling significantly affect to SWB. The study found no association among SWB, the number of dependents, and location of respondents. These findings showed that economic factors did not solely determine household welfare.

Keywords: Subjective well-being, IFLS, logistic regression, households, Indonesia


Kata Kunci: Kesejahteraan Subjektif, IFLS, Regresi Logistik, rumah tangga, Indonesia.
INTRODUCTION

Macroeconomic indicators, like Gross Domestic Product (GDP) and income per capita, are typically used to accelerate economic development which contributes to an improved standard of living (Todaro and Smith, 2015). Classical economists agree that income levels can measure the welfare condition. GDP and income per capita are only partially effective in gauging welfare and are unable to depict income inequality. According to the data, many countries’ significant economic growth does not correspond to an increase in community life satisfaction (Diener & Seligman, 2004). Apart from economic side, the level of family welfare also consists of: economic, social, physical, and psychological/mental well-being. According to Aryogi (2016), Diener posits that happiness and income are positively correlated in Germany. This state is present both at the individual and household levels, even though it only occurs in low-income households.

Indonesia’s Central Statistics Agency (BPS) published happiness index data since 2014, Figure 1 shows the happiness index difference between rich and poor-status residents from 2014 to 2021. This clearly shows that the significant difference in satisfaction between Indonesian from different socioeconomic backgrounds is caused by the country's unfair wealth distribution. Economy and family closely correlate each other. Family can be classified as having a low, medium, or high economic status based on the total earned income of all working family members, which is also used to meet the family's needs.

The families with higher level of welfare tend to have a better quality of life (Gustyarini, 2019). The head of the household is responsible for regulating and determining the family's fate, including its socio-economic status. However, being the head of the household who works is not an easy task, as it carries a burden of responsibility for meeting the family’s needs and creating prosperity. This, in turn, affects the happiness levels of the head of household. According to the data, the household-mate achieved a higher happiness index than the head of the household.
The UNDP has introduced the Human Development Index (HDI) as an indicator of welfare for developing countries. The HDI is comprised of the three factors: health, education, and economy. Although educational and health factors have been incorporated into the HDI, some nations continue to deem it unsuitable for measuring the overall well-being of the people. To address this issue, more precise measurement techniques are required. Since subjective well-being or happiness is an intangible concept, economists employ various methods or techniques to quantify it. In economics, happiness research is conducted as part of a subjective well-being framework in which utility is a measurable construct that can be assessed using information-gathering methods. Easterlin was the first to look into the research on happiness and economics; his research findings are referred to as the Easterlin Paradox. It indicates that one's income does not influence individual happiness and welfare, and other factors affect an individual's well-being.

Currently, social scientists can measure happiness using questions relating to life satisfaction (Veenhoven, 2011). There are two approaches to measure more precisely in determining the level of happiness/well-being, namely (1) the capabilities approach and (2) subjective well-being (SWB) (Dowling & Yap, 2012). The first approach focuses on providing public and economic goods and people’s capabilities to increase their happiness and well-being. Meanwhile, the second approach sees that individuals are the ones who best assess their level of well-being and happiness. Subjective well-being results from how individuals evaluate experiences and positive and negative feelings, such as happiness, comfort, wanting to be friends with others, depression, frustration, and anger (Kahneman & Krueger, 2006). In determining the degree of individual happiness, the SWB method employs the outcomes of in-depth interviews with tens of thousands of respondents across the globe. Diener (2000) classifies the affective and cognitive components of subjective well-being.

The literature frequently defines subjective well-being as happiness (Seligman, 2005). For over ten years, economists have examined this phenomenon using the subjective well-being framework called the Economics of Happiness. Economic happiness is a method of evaluating well-being that combines elements of economics and psychology (Graham, 2009). Economic happiness is fundamentally grounded in the classical theory of economics, which posits that every individual strives to maximize their utility to attain satisfaction. Social and individual quality of life are both reflected in subjective welfare. Dolan, Peasgood and White (2008) have reviewed factors associated to SWB, in general the factors include: income, personal characteristics, socially developed characteristics, the way we spend time, attitudes and belief towards self/other/life, relationship, and the wider economic, social and political environment.
Specific variables related to household SWB are the level of income, education, health, marital status, number of family members, and mental health condition. Economic status is the position of a person or family in society based on monthly income. The higher the income rate or the richer a family, the better the family’s living needs will be met (Karl E. & Fair, 2003). Aryogi, (2016) also found that income strongly influences subjective well-being.

Education becomes the primary measurement of whether a country can prosper, protect, and meet all the needs of its people (Sujatmoko, 2010). Lekobane, (2014) and Ndayambaje et al., (2020) show that education is crucial in improving the quality of resources and has a significant and positive impact on household well-being. The higher the level of education associated with productivity, the higher the chance of getting a better job to increase income or improve socio-economic status, which will bring well-being to the family (Astrian A Widyastuti, 2012). Gerdtham & Johannesson (2001) stated that education has an influence on one's happiness. Becchetti et al. (2007) further argues that the level of education in both high school and college has a positive influence on happiness.

Devitasari (2010) stated that health is a human right and, at the same time, an investment of human resources, thus becoming a must for everyone to maintain, protect, and enhance health for the entire society's well-being. Health is an important indicator of a region's quality of human development. The healthier the conditions of the people, the more the process and dynamics of development in the region will improve well-being and happiness (Aryogi, 2016).

Gender type has a correlation with subjective well-being; a study by (Sujawoto et al., 2017) showed that men have lower levels of life satisfaction than women. This aligns with a study by (Graham & Soumya, 2012) that found that women generally feel more satisfied than men. Marriage is a predictor that has a strong influence on happiness (Aryogi (2016); ; and Ngo et al. (2015)). A married person tends to be happier than an unmarried person, indicating that a married and quality-of-life individual achieves higher happiness than a divorced, widowed, or widower. So, a married person has a higher level of well-being than a non-married one because married individuals tend to receive more social support. Gove, Style, and Hughes, cited in (Fatimah & Nuqul, 2018), marriage promotes longevity, well-being, and contentment. These advantages are extended to both males and females. The number of household members positively influences social support in life and increases happiness. At the end the number of family dependents will affect to family expenditure. The more family members, the more needs to be met, which makes the head of household must work harder to meet their family's economic needs.

Mental health is a state of physical, mental, and social well-being and is related to psychological well-being. Happy and positive feelings increase the individual's chances of success, improving the community's well-being (Hassan & Singh, 2020). In addition, the relationship between health and daily productivity is direct (Setyanti & Wicesa, 2021). Health can serve as a significant indicator of a region's level of human development. Quality of life is the result of a healthy society. Mental health conditions also play a decisive role in happiness for individuals who have realized their potential, can cope with the stresses of living normally, work productively, and contribute to themselves or their communities. Psychological and emotional well-being are also mental health components (Levine et al., 2021).

Based on the explanation above, this study aims to investigate the impact of socio-economic determinants on subjective well-being in Indonesia by using Indonesia Family Life Survey (IFLS) 5th data. The paper consists of four parts: introduction, methods, results and discussions and also conclusions.
METHODS

This study uses quantitative method to test certain theories by examining relationships between variables (Creswell, 2012), from the Indonesian Family Life Survey (IFLS 5th) in 2014 form RAND (Strauss et al., 2016) The population of this study was 50,000 individuals and 15,900 households who participated in the 2014 survey. Using the purposive sampling we define our sample criteria is a working head of households, and we obtain 6,330 households as our observation.

The aim of this research is to determine the impact of independent variables to the condition of subjective well-being of the head of households (Table 1). The dependent variable is subjective well-being (SWB) that stated as a dummy variable, if the response of sample answer is very happy and happy equal to 1 (welfare) and 0 for other. A set of independent variables consist of economic status, education, health, gender, marital status, number of dependents, location of respondent, and stated feeling, the detail of each these variables explained in Table 1.

This study uses descriptive and inferential analysis methods using logistic regression to achieve the research objectives. Logistics Regression is a statistical analysis method that show the relationship between the dependent variable (dummy/binary data) with several independent variables (Hosmer et al., 2013). To test the hypothesis, we employ simultaneous test (Likelihood Ratio-test), partial test (Wald-test), odds ratio, Hosmer-Lemeshow test, and marginal effect.

**Equation 1 – Logistic Equation**

\[
Ln \left( \frac{P}{1-P} \right) (SWB) = \alpha + \beta_1 econ + \beta_2 high\_educ + \beta_3 health + \beta_4 male + \beta_5 married + \beta_6 house\_mem + \beta_7 happy + e
\]

where:
- \(Ln\) = logit or log of the probability ratio;
- \(\alpha\) = Intercept;
- \(\beta_{1-7}\) = coefficient of independent variables;
- \(e\) = Error term.

Table 1 illustrates how each variable is measured and also the source of data and questionnaires, the response of each questions, data treatment and final data for the dependent and independent variables.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Source and questions</th>
<th>Data treatments</th>
<th>Scale of Data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dependent variable</td>
<td>Book 3A: SW12 “Taken all things together how would you say things are these days – would you say you were very happy, happy, unhappy or very unhappy?”</td>
<td>Recode: 1 = welfare (1 and 2) 0 = other (3 and 4)</td>
<td>Dummy: 1 = welfare 0 = other</td>
</tr>
<tr>
<td>1</td>
<td>SWB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independent variables</td>
<td>Book 3A: SW01 “Please imagine a six-step ladder where on the bottom (the first step), stand the poorest people, and on the highest step (the sixth step), stand the richest people. On which step are you today?”</td>
<td>Response: 1 Poorest 2 3 4 5 6 Richest</td>
<td>Dummy: 1 = rich 0 = poor</td>
</tr>
<tr>
<td>2</td>
<td>Economic condition (econ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Variables</td>
<td>Source and questions</td>
<td>Data treatments</td>
<td>Scale of Data</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>----------------------</td>
<td>----------------</td>
<td>--------------</td>
</tr>
<tr>
<td>3</td>
<td>Education (high_educ)</td>
<td>Book 3A: DL06 “What is the highest education level attended?”</td>
<td>Dummy: 1 = higher education, if had education more than 12 years 0 = other</td>
<td>Dummy: 1 = higher education 0 = other</td>
</tr>
<tr>
<td>4</td>
<td>Health condition (health)</td>
<td>Book 3B: KK01 “In general, how is your health?”</td>
<td>Response: 1. Very healthy 2. Somewhat healthy 3. Somewhat unhealthy 4. Unhealthy</td>
<td>Dummy: 1 = healthy 0 = other</td>
</tr>
<tr>
<td>5</td>
<td>Gender (male)</td>
<td>Book 3A: COV3 “Sex:”</td>
<td>Sex of respondent</td>
<td>Dummy: 1 = male 0 = female</td>
</tr>
<tr>
<td>6</td>
<td>Marital status (married)</td>
<td>Book 3A: COV4 “Marital status?”</td>
<td>Recode: 1 = married (2) 0 = other (except 2)</td>
<td>Dummy: 1 = married 0 = other</td>
</tr>
<tr>
<td>7</td>
<td>Number of dependents (house_mems)</td>
<td>Book K: AR15A “Did [...] work in the last 12 months? (&gt;5 years)”</td>
<td>Number of household members that unemployed/dependent (person)</td>
<td>Nominal</td>
</tr>
<tr>
<td>8</td>
<td>Stated-feeling (happy)</td>
<td>Book 3B: KP02H “how you feel in the past week – I was happy”</td>
<td>Response: 1. Rarely or none (&lt;=1 day) 2. Some days (1-2 days) 3. Occasionally (3-4 days) 4. Most of the time (5-7 days)</td>
<td>Dummy: 1 = happy 0 = other</td>
</tr>
</tbody>
</table>

Source: Author (2022)

RESULTS AND DISCUSSIONS
Descriptive analysis

The data used are secondary data from the Indonesian Family Life Survey Wave 5 (IFLS 5). The scope is as many as 13 provinces in Indonesia. The provinces include North Sumatra, West Sumatra, South Sumatra, Lampung, Banten, DKI Jakarta, West Java, Central Java, East Java, Bali, West Nusa Tenggara, South Kalimantan, and South Sulawesi. The results of data collection that have been adjusted to the required variables obtained observations of 6,330 heads of households as respondents who can be examined in this study to represent household conditions in Indonesia. Table 2 shows the summary of descriptive analysis of variables.

The phenomenon of economic inequality that occurs in Indonesia needs to be considered because it is related to the success of economic development. Based on the frequency distribution, the head of household felt more subjective well-being as much as 5776 or 91.25%. According to the economic status obtained by households, more welfare is felt by households with poor economic status as many as 4,390 households. A total of 4,990 household heads who completed their last
primary and secondary education are more prosperous. The health condition of the head of household in Indonesia is mostly in good health as much as 4,785 households. Based on the socio-demographic classification, the head of the household who feels prosperous is dominated by the male head of the household, marital status is married, has 1 dependent person, and resides in the city area.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWB</td>
<td>6,330</td>
<td>0.912</td>
<td>0.283</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Econ</td>
<td>6,330</td>
<td>0.228</td>
<td>0.419</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Educ</td>
<td>6,330</td>
<td>0.128</td>
<td>0.334</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Health</td>
<td>6,330</td>
<td>0.810</td>
<td>0.392</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Male</td>
<td>6,330</td>
<td>0.932</td>
<td>0.252</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Married</td>
<td>6,330</td>
<td>0.930</td>
<td>0.255</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>House_mem</td>
<td>6,330</td>
<td>1,521</td>
<td>0.746</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Happy</td>
<td>6,330</td>
<td>0.735</td>
<td>0.441</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: IFLS- (data analysed, 2022)

We also analyse the data using crosstabulation analysis to understand the relationship between dependent and independent variables on this research as shown in Table 3. From a total sample of 6,330 gender respondents, 5,900 were men and 430 women. A total of 5,776 households (91.25%) were happy and 554 (8.75%) were unhappy. Subjective well-being is most felt by economically poor households. Households with rich economic status achieved welfare as many as 1,386, while those who were not prosperous as many as 55 households. Economic status comes from respondents' statements regarding what they feel at the time the question is submitted, from the sample it is shown that the number of rich respondents is 1,441 while the poor are 4,889 respondents. Of the respondents who said they were poor, 4,390 and 1,386 rich respondents said they felt happy.

<table>
<thead>
<tr>
<th>No</th>
<th>Descriptions</th>
<th>Happy</th>
<th>Unhappy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of respondents</td>
<td>5.776 (91.25%)</td>
<td>554 (8.75%)</td>
</tr>
<tr>
<td>2</td>
<td>Economic status</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Rich</td>
<td>1386 (24%)</td>
<td>55 (9.93%)</td>
</tr>
<tr>
<td></td>
<td>b) Poor</td>
<td>4390 (76%)</td>
<td>499 (90.07%)</td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Higher education</td>
<td>786 (13.61%)</td>
<td>22 (3.97%)</td>
</tr>
<tr>
<td></td>
<td>b) Primary and secondary education</td>
<td>4,990 (86.39%)</td>
<td>532 (96.03%)</td>
</tr>
<tr>
<td>4</td>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Health</td>
<td>4,785 (82.84%)</td>
<td>345 (62.27%)</td>
</tr>
<tr>
<td></td>
<td>b) Unhealthy</td>
<td>991 (17.16%)</td>
<td>209 (37.73%)</td>
</tr>
<tr>
<td>5</td>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Male</td>
<td>5,422 (93.87%)</td>
<td>478 (86.28%)</td>
</tr>
<tr>
<td></td>
<td>b) Female</td>
<td>354 (6.13%)</td>
<td>76 (13.72%)</td>
</tr>
<tr>
<td>6</td>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Married</td>
<td>5,424 (93.91%)</td>
<td>463 (83.57%)</td>
</tr>
</tbody>
</table>
The purpose of this study is to analyze the variables that affect the subjective well-being of the head of household in Indonesia. So, to be able to know the results, an analytical method is needed, namely logistic regression analysis. This type of analysis is used to determine the relationship between variables in which the dependent variable is binary. The following are the results of logistic regression analysis.

**Logistic regression Analysis**

The logit regression result is showed on Table 4. We employ Likelihood Ratio (LR) test to analyze the relationship of the independent variable simultaneously to the dependent variable. The results of the test obtained a statistical LR of 365.36 and a probability of LR worth 0.0000 less than α, this shows that there is at least one independent variable that can significantly explain the dependent variable together or in part the independent variable used in this study affects the subjective welfare of households in Indonesia. The Hosmer-Lemeshow test showed that the null hypothesis is fail to reject due to the probability value is larger than 0.05, it indicated that the model is good.

We also use Wald test to check the influence of the independent variables on the dependent variable, it can be seen the variables that significantly affect to SWB consist of economic status, education, health, marital status and stated feeling. While, variables such as gender, number of dependent and location of respondent are insignificant to affect of SWB. The results obtained from the goodness of fit in this study showed prob>chi2 smaller than α (0.000 < 0.01). As for pseudo R-square, it is 0.0972 or 9.7%. So that the dependent variable can be described by an independent variable of 9.7%. Marginal effect shows the effect of a change in each unit of the independent variable on the probability of the dependent variable at each level of subjective well-being. The overall marginal effect reached 0.933.

<table>
<thead>
<tr>
<th>No</th>
<th>Descriptions</th>
<th>Happy</th>
<th>Unhappy</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Number of dependents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a)</td>
<td>1 person(s)</td>
<td>3.535 (61.20%)</td>
<td>317 (57.22%)</td>
</tr>
<tr>
<td>b)</td>
<td>2 person(s)</td>
<td>1.630 (28.22%)</td>
<td>160 (28.88%)</td>
</tr>
<tr>
<td>c)</td>
<td>3 person(s)</td>
<td>507 (8.78%)</td>
<td>69 (12.45%)</td>
</tr>
<tr>
<td>d)</td>
<td>4 person(s)</td>
<td>84 (1.45%)</td>
<td>8 (1.44%)</td>
</tr>
<tr>
<td>e)</td>
<td>5 person(s)</td>
<td>20 (0.35%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>8</td>
<td>Stated feelings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a)</td>
<td>Happy</td>
<td>4.375 (75.74%)</td>
<td>281 (50.72%)</td>
</tr>
<tr>
<td>b)</td>
<td>Unhappy</td>
<td>1.401 (24.26%)</td>
<td>273 (49.28%)</td>
</tr>
</tbody>
</table>

Source: IFLS- (data analysed, 2022)
After calculating the logistic model, we found that gender and number of family members variables were insignificant to subjective well-being. The Hosmer-Lemeshow test also revealed that the goodness fit of previous model was to reject the null hypothesis indicating that the model wasn’t good. To solve the problem, we dropped the variable that had a higher probability value. This make the Hosmer-Lemeshow test accept the null hypothesis (0.0701 > 0.05). According to the gender identity hypothesis, there is a concept of personality that is shared by everyone. The concept of male family heads should focus on earning a living and male income should be higher than female income. This view makes men as heads of households have a greater burden of thought and obligations. However, the results of the analysis in this study indicate that gender, both male and female, does not have a significant effect on subjective well-being.

The significance value of the economic status variable is 0.000 and to predict the probability of a household achieving subjective well-being, the regression coefficient can be used to calculate the odds ratio. The odd ratio of economic status 0.429 shows that rich people is likely prosper by 0.429 times than poor people. The results of this study indicate that in the economy in Indonesia there is no Easterlin Paradox. So that economic status is still an important element in life to increase welfare. This is related to Todaro’s quality of life theory and Maslow’s theory of basic needs. With the fulfillment of needs, it will reduce feelings of worry in living life so as to achieve prosperity (Graham, 2009).

The education variable has a significant positive effect on subjective well-being. The result of the odd ratio of the education variable is 2.689, shows that people with higher education have 2.689 times higher than people with other level of education. There are direct and indirect effects. The direct influence of education is that it can increase feelings of pleasure and self-confidence as found in Sirgy’s research in (Putri & Prasetyani, 2021). Education has a positive influence because it can help achieve life goals and feel self-confidence or self-estimation due to the knowledge possessed. While the indirect effect of education if someone takes higher education is the number of job opportunities, getting a better and suitable job, and high wages. So that overall education can improve the quality of work for the better and improve their economic status so that they can achieve life satisfaction. Rahayu (2016) and Gerdtham & Johannesson (2001) stated that education has an influence on one’s happiness. Becchetti et al. (2007) further argues that the level of education in both high school and college has a positive influence on happiness.
The results of the analysis of health variables in this study have a positive and significant effect on the subjective welfare of households in Indonesia. The odds ratio of the health is 2.301, it means that the healthy households have higher welfare (SWB) than unhealthy one by 2.301 times. In several studies show that health factors have a positive influence on happiness (Becchetti et al., 2007; Gerdtham & Johannesson, 2001; Rahayu, 2016; Sujarwoto, 2019). This is because if the head of the household is in good health, he can carry out daily activities well, carry out responsibilities in a trust worthy manner, take care of his family well, and eliminate financial worries. The results of other studies also state that health is closely related to human daily activities so that if the human condition is in good health, it will increase subjective well-being (Aryogi, 2016; Ndayambaje et al., 2020; Setyanti & Wicesa, 2021).

The marital status has a positive and significant effect on the subjective welfare of households in Indonesia. The odds ratio of the marital status is 3.032, explaining that married households have more possibility to prosper by 3.032 times than others. This is because there will be a social support among family members (husband, wife, and children). Humans definitely need other people to meet both emotional and physical needs. In addition, marriage will increase financial or financial support. Kharisma et al., (2020) and Sujarwoto, (2019) stated that if someone has a married status and a low probability of divorce, then the SWB is higher compared to those who are not married or divorced. This is because if someone is married, then the burden of life in a family both financially and morally that is felt is not too heavy compared to if you have to bear the consequences of divorce yourself.

The number of dependents is the number of household members who depend on other members such as the head of the household who work to meet their needs. The results of the logistical analysis prove that there is no significant relationship between the number of dependents and the subjective welfare of Indonesian households. No matter how many dependents you have, it will not affect your welfare. However, even though in this study the number of dependents does not have an effect, the households must pay attention to balance the large number of dependents with the amount of income, this is related to expenditures for meeting the necessities of life (Purwanto & Taftazani, 2018). This is because the increase in the number of household members can increase consumption to meet needs, reduce a lot of time, reduce income and savings, and so on (Hairunisa, 2021)

Psychological (stated-feeling) has a positive and significant effect on the subjective well-being of households in Indonesia. The odds ratio of psychological is 2.462, meaning that happier households will feel 2.462 times prosper than others. Individuals who are in a positive or happy psychological state can affect daily activities such as economic activity. A strong mentality can make good economic policy decisions. In addition, households with happy of stated-feeling tends to have a good mental condition to create innovative ideas.

CONCLUSIONS
The subjective welfare of the head of household is significantly affected by several variables, such as economic status, education, health, marital status, and stated-feeling (psychology). The gender variable was dropped for fulfilling the Hosmer-Lemeshow test condition. Even though, the number of dependents is insignificant to SWB, the head of households still need pay attention to the size of their family because the bigger the size of family the more the income is needed. Considering the aforementioned above, we recommend that policy makers (government) endorse and enhance programmes aimed at elevating the economic position by increasing the labour market. Furthermore, we strongly urge all stakeholders to actively contribute in enhancing the quality of education and healthcare, as well as expanding access to ensure that more individuals in Indonesia can avail the benefits of these services.
The Impact of Socio-Economic Status (Athoillah & Muharromah)

REFERENCES


