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You may be paid more (or less) than you think

Economists quantify the salary value of four key factors that determine job satisfaction.

By **Jeanne Sahadi, CNNMoney.com senior writer**

March 29, 2006: 10:03 AM EST

NEW YORK (CNNMoney.com) – It's so hard to put a price on happiness, isn't it?

But if you've ever had to choose between a job you like and a better-paying one that you like less, you probably wished some economist would get on the stick and tell you how much job satisfaction is worth.

Well, you're in luck. Economists John Helliwell and Haifang Huang at the University of British Columbia have done just that.

Their estimates are based on an analysis of life satisfaction surveys that consider four key factors of job satisfaction.

Trust in management is by far the biggest component to consider. Say you get a new boss and your trust in management goes up a bit at your job (say, up one point on a 10-point scale). That's like getting a 36 percent pay raise, Helliwell and Huang calculate.

In other words, that increased level of trust will boost your level of overall satisfaction in life by about the same amount as a 36 percent raise would.

Conversely, if you lose some trust in management, the decline in your job satisfaction is like taking a 36 percent pay cut.

Having a job that offers a lot of variety in projects, Helliwell and Huang found, is the equivalent of a 21 percent hike in pay.

Having a position that requires a high level of skill is the equivalent of a 19 percent raise.

And having enough time to finish your work is the equivalent of an 11 percent boost in pay.

The raise equivalents Helliwell and Huang found are certainly impressive. After all, when was the last time you got a 36 percent raise?


But, in fact, while a big raise can make you happier it only does so in small measure. Helliwell notes that moving from the bottom to the top of the income scale is only likely to boost your overall satisfaction with life by less than a point on a 10-point scale.

A 10 percent raise will only boost your inner Dr. Feel Good by a small fraction of one point. And let's not even discuss the infinitesimal effect of a 3.5 percent raise – which employers gave average performers last year.


So, apparently, if you have to work, you might as well do something you like because the money alone won't make you that happy.

But we already knew that, didn't we?

On the other hand, there is evidence to suggest that [if you keep a happy disposition you're likely to do better at work financially](#), regardless of how satisfying your job is.



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Jeanne Sahadi writes about personal finance for CNNMoney.com. For comments on this column or suggestions for future ones, please e-mail her at everydaymoney@cnnmoney.com. ■

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