



A MULTIDIMENSIONAL SYNTHETIC MEASURE OF GLOBAL SATISFACTION

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ABSTRACT

In the literature, many methods have been introduced for producing measures of subjective well-being based on citizens' opinions about different aspects of quality of life (elementary indicators). Some of these methods aim to construct synthetic measures that allow us to consider all the aspects simultaneously. This topic often requires a subjective choice about the aggregation formula, the weighting structure and, when the opinions are encoded by means of categorical ordinal values, the eventual quantification of the original variables. Here, starting from the Istat Multipurpose Survey on households' aspects of daily life, we propose an original method for constructing a global satisfaction index. We introduce a variable based on the joint distribution of all the elementary indicators that is able to express the individual degree of global satisfaction. This approach allows us to maintain the original ordinal data scale and to avoid any aggregation formula or other subjective choices too. We propose three indices of global satisfaction. We also implement a simulation study to confirm both the appropriateness and efficacy of our method.

Classification JEL: C46, I31

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