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The Critical Significance of Middle Class America for a Collective U.S. Prosperity and Socioeconomic Sustainability

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The shrinking size of middle class in the U.S. has motivated this research work. The focus of this research has been on sustainability of society through middle-class promoting public policy. We have estimated three various regression equations to test the significance of several socio-economic variables on what would define some desirable indices of healthier nations such as mean years of schooling, human development, and quality of life. Quality of life in certain countries such as Norway, Denmark, etc., is highlighted as best, compared to many other nations of the world. We have introduced a better measure of quality of life and estimated the empirical impacts of some explanatory variables, such as healthcare, property price to income ratio, and pollution on that index of life quality. An implication of this study for public policy would be revealed in clear needs for reducing pollution, more income creating innovative objectives, while healthcare accessibility and the corresponding costs to citizens must be brought down.

Keywords: socio-economic policy, middle class, income inequality, human development

Introduction

The shrinking middle class has become a growing concern in the United States not just in the 21st century, but in the late 20th century also. Being a part of the middle class means you have income stability and the drive for a better future for yourself, your children, and generations to come (Weston, 2016). Current wealth income inequality has the top 1% of income earners holding more wealth than the lower 90% (Facts and Figures in 99 to 1, n.d.). The American middle class is the backbone of our economy, and it is slowly being cracked through the stratification of income inequality. Life is becoming more prosperous for the rich, while the rest seems to suffer for that prosperity (Obama & Biden, 2009).

Opportunities are not as easily available and one’s birth circumstances can affect how one’s life will turn out to be. According to ChildFund International (2016) in its *Poverty and Education*, when one grows up in poverty, one is more likely to receive an inadequate education resulting in a generational poverty pattern. It is a cycle that becomes more difficult to escape as the gap between the wealthy and the middle class. Not only will this affect our children, this stratification will destroy the infrastructure, roads, highways, parks, libraries, and

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other middle class funded entities. If we let this trend continue, we are throwing away not only our future, but wasting our potential which has increasingly been getting worse for the last 40 years.

Beginning in the 80s, the U.S. government began to reduce the tax burden, lessen government regulations, and slashed social spending programs because it was thought they reduced economic growth (Reaganomics, 2016). As more neoconservative policies were enforced, taxes were cut for corporations and the rich, and regulations became limited, but social spending did not get cut. Not only did social spending not get cut, there was also a great increase in military spending. Consequently, the national deficit rose from \$997 billion in 1981 to \$2.857 trillion in 1989, which is a 186% increase (Amadeo, 2016). As the deficit rose and the vast hole between the highest earners and the lowest earners widened, the middle class slowly disappears. History has shown to repeat itself, and the facts point to inequality being a primary contributing factor to not only the Great Recession of 2007-2009, but also the 1928 collapse of the stock market, followed by the Great Depression of 1929-1933. This kind of severe income inequality has not been experienced since then (Monaghan, 2014).

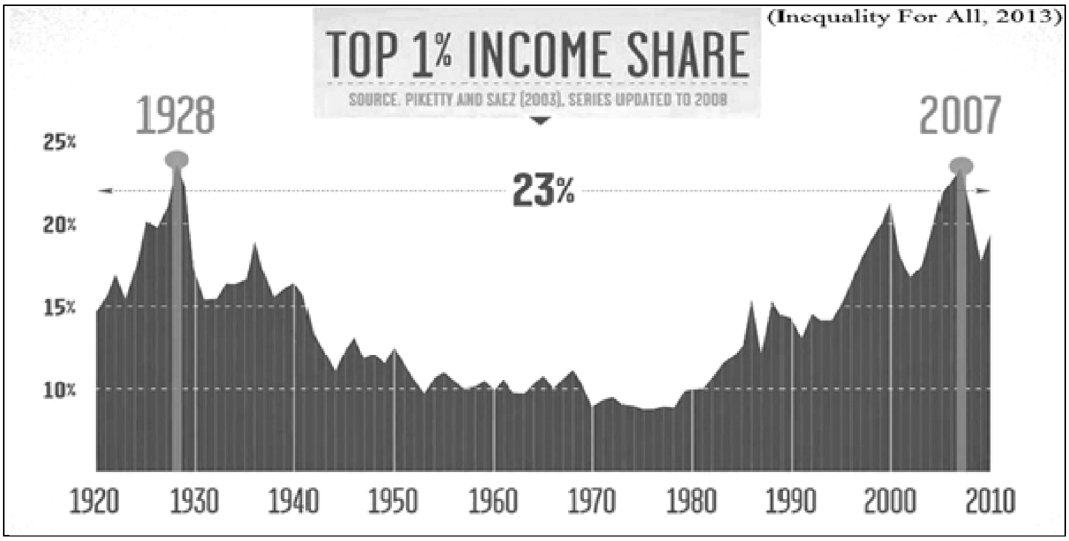

Figure 1. U.S. income share of top 1%.

The middle-class citizens are the largest consumers in our nation. The middle class, however, has been increasingly restricted from buying goods and services due to their decreasing income. The natural consequences of the middle class's less consumption would be a reduced economic growth (Rogel, 2016). The social safety nets that have given Americans the ability to make something on themselves dwindle ever more. The finding of one person's own job as more valuable to society as a whole also plays a large role in demonizing the creation a living wage by raising the federal minimum wage. Realizing this, the real threat to our economy is income inequality, which will come with a cost as the service jobs grow more and more while manufacturing jobs stay steady. As our work force grows, raising the minimum wage can stimulate the needed growth. Income inequality has not only led to a stall in the rise of the minimum wage, it has silenced the middle classes voices leaving them to fade within our system. Consequently, this has been a primary factor in the current economic political polarization we see plaguing our country today (Brittain, 2012). In this research, we will display examples on how exactly the middle class has begun to fade. Economic inequality is a real threat to U.S., which could result in disastrous outcomes for its prosperity and sustainability. This issue needs to be firmly addressed. In the following texts we will introduce further research into this subject and possibly long term solutions that can lead to opportunities for increased wealth to all Americans and not just a selected few.

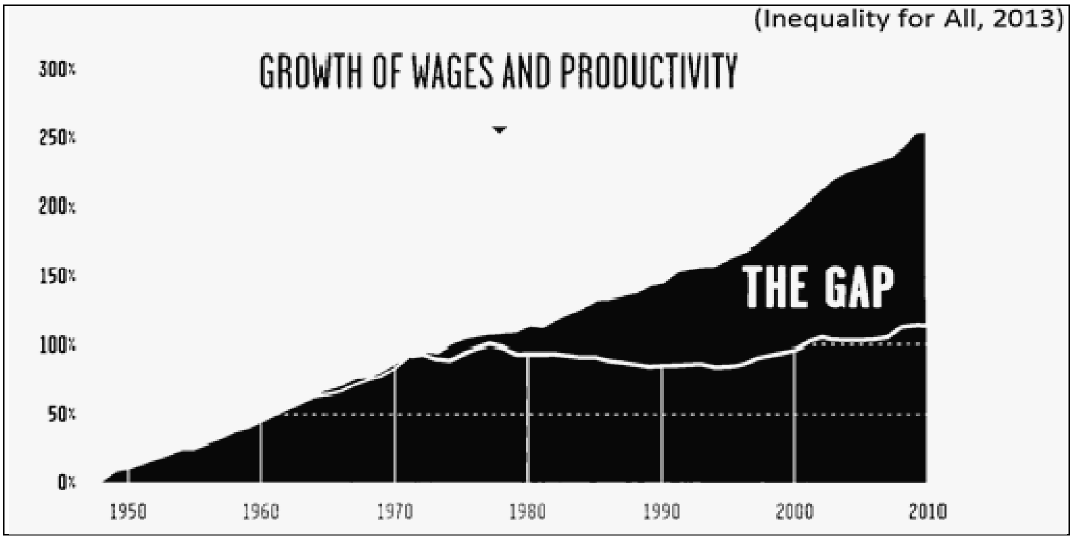

Figure 2. Increasing gap between the U.S. growth rates of wages, productivity, and prosperity.

Literature Review

In less than half a century, as income inequality becomes an increasing issue in the United States, overwhelming evidence shows that the circulation of wealth in this country has been funneling to the top 1%. Statistical evidence is displayed showing that in 1980 the top 1% controlled 8% of the U.S. national income while the bottom 50% shared 18%; in comparison with 2014 when the top 1% shared 20% of the national income while the bottom 50% of the population had theirs decreased to 12%. These statistics are followed by the suggestion that our society is becoming less and less capitalistic with each day while the income gap widens and is causing us to slip back into a feudalistic society (Hanauer, 2014).

A significant problem correlated to the shrinkage of the middle class is a result of stagnated wages. Robert Reich (2014) makes a very strong case why income inequality is a huge problem in our country and the data show that as wealth and income increase for the top 1% of earners, the middle class shrinks, and creates an uneven distribution of wealth. He continues by displaying information that correlates the 1928 stock market crash with the 2008 housing meltdown. Furthermore, during the period of 1947-1979 real family income growth between his five classifications of wealth distribution grew at an average of 2.3%; during the period of 1979-2010 the average growth between the bottom three classifications of wealth distribution had no growth on average; while the top 4th grew at 0.6% and the top 5th grew at an average rate of 1.2%. Robert Reich (2014) suggested, “We cannot have a growing economy without a growing and buoyant middle class. We cannot have a growing middle class if almost all economic gains go to the 1%” (p. 12).

Wealth should flow like a river and form estuaries from the inside and branch out, not from the top to the bottom. Reich’s main reasoning for the problem of income inequality is the stagnation of wages not keeping up with productivity and manufacturing due to exponential increases in technology since the 1980s. The main solutions are outlined as making the service industry, and other jobs that pay very little increase in wages (Reich, 2014).

There is an ongoing argument on whether an increase in the minimum wage will destroy the economy but evidence shows otherwise. Seattle, Washington is an excellent example as a strong economy that recently upped their minimum wage to $15 an hour incrementally (Mayor Murray, n.d.). Allowing the middle class higher wages results in more consumers therefore businesses need more employees and that also means less of taxpayers' money is going towards government assistance programs. In addition to the shrinkage of government, revenues from payroll and sales taxes would increase, and the deficit would reduce (Volsky, 2013; West & Reich, 2014). In contrast to the cities with the highest minimum wage opposed to those whom abide by Federal Minimum Wage Regulation, stark differences begin to become apparent. Both San Francisco and Seattle pay their workers higher than the federal minimum wage and both cities have the highest job growth by small business and Seattle whose wages are higher than San Francisco is the fastest growing city (Hanauer, 2014). The middle class leads a nation to its growth and prosperity; having a strong middle class means there are stable consumers, which leads to more investments, which in turn sparks more entrepreneurship and innovation (Madland, 2011). In order for this to occur, proper wages need to be introduced.

Majority of low paying jobs fall into the customer service sector. Ruetschlin (2012) reported that retail business would rank the second largest job creating segment of the U.S. economy within the next decade. The fact of the matter is these jobs pay very little in comparison to other industries that are not growing at a rate even close to that of retail. Ruetschlin (2012) claims that a new wage floor for workers at $25,000 a year could lift as many as 700,000 Americans out of poverty, and as many as 1.5 million retail workers and their families that are in or near poverty up out of financial distress.

She goes on to explain the economic gains that could be attributed to such a wage increase by explaining the multiplier effect of bringing these retail workers out of poverty. These individuals are more likely to spend their spare income than higher earners. This puts more money into the economy, creating more jobs in the process (Ruetschlin, 2012). The same arguments can be applied not only to retail but to fast food and other service industry jobs that make up a significant portion of middle class and lower class employment. A hike in the minimum wage will increase the income for low wage job workers, with the average age of these workers being 35 and 55% being full-time employees (Essrow & Cooper, 2013). This further solidifies the idea that lower and middle class workers are the true breadwinners, job creators of the economy, who cannot enhance total growth due to low consumption as a result of little disposable income.

With the middle class slowly but surely shrinking in size, issues arise between the obvious classes of the lower income and the elitist. This has created a polarized society. As the income gap widens, the concept of the rich getting richer and the poor getting poorer becomes more prevalent. It has become undeniable that the rich can capitalize on these policies. Due to this critical fact, voter turnout rates shrink significantly, but political policies and the voices of the people should be incorporated equally regardless of income (Brittain, 2012). The middle class is fighting to be heard and we've seen a lot of these events come to pass in the coming election in November; whether it's Bernie Sanders supporters on the far left, or Donald Trump on the far right. The polarization effect has happened and there is an era of distrust of the wealthy, and our own government.

Good governance is an important factor to all who accept income inequality as the true threat to our society (Madland, 2011). Policies that are put into place can and have widely only benefited those with special interests rather than benefited society as a whole. With policies executed that would simply assist those not in more need than others, the government becomes an inefficient system running into corruption. An efficient government works for all of its citizens, and consequently, a strong middle class, as a societal solid backbone, can guarantee more efficiency and equitable policy directions.

According to Stiglitz (2014), the rise of inequality in such an advanced nation is something that can be contained. He recognizes today's capitalism as ersatz capitalism, where profits are privatized and losses are socialized. The reasoning behind the inequality gap widening over the last few decades in Stiglitz opinion is because of our politics and policies. He indicated that, "The American political system is overrun by money. Economic inequality translates into political inequality and political inequality yields increasing economic inequality" (p. 10).

Reich (2014) predicted before the rise of some individuals like Donald Trump or even Bernie Sanders that extreme polarization such as this would occur. He continued to argue some will begin to believe that the whole system is rigged with government acting in corporate interests, while others will think that the government by itself is too bloated. Others may blame the super-rich and big corporations. Either way, the main argument is that this polarization, while still partisan, is rooted in anti-establishment populism from both of the extreme sides of the left and the right. The actions taken by the government in recent years have proven to be ineffective at benefiting those in need. Stiglitz (2014) advises we fix the corrupt democracy that has been bought, stop the rent-seeking society, and make markets act like real markets to reduce any further income inequalities. Hanauer (2014) suggests that capitalism is not a lost cause and it can be maintained properly, even if many people feel neglected by what has occurred over the last decades, and in turn it will create a new form of capitalism. The middle class is the source of growth and prosperity in a capitalist society. This new capitalism needs to be more inclusive, effective, and secured for the future because if you look throughout history, no society has prospered with such severe income disparity (De Chant, 2011).

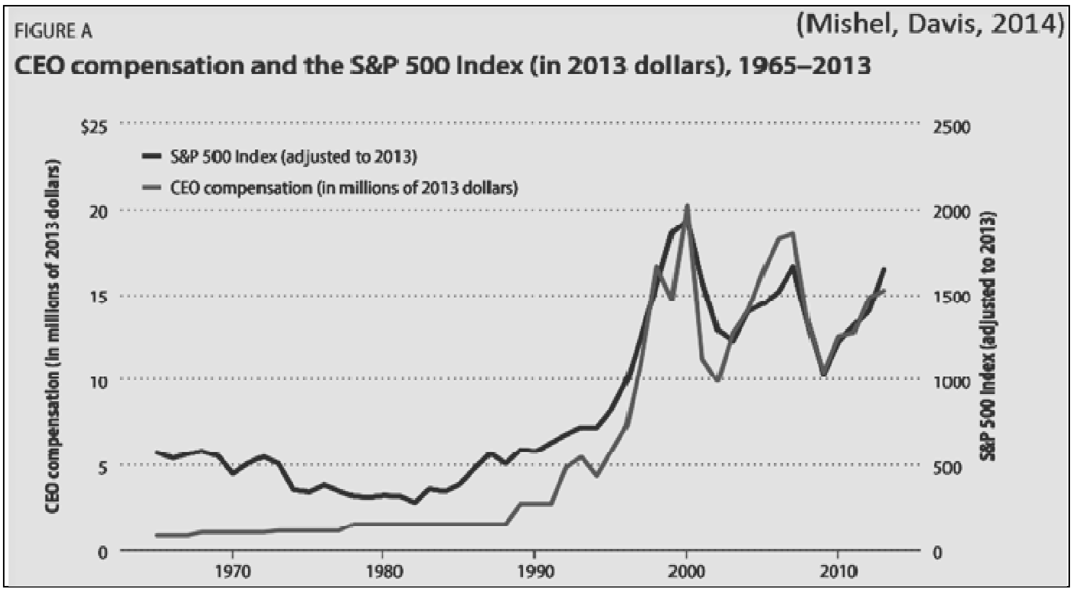

Figure 3. Covariation of CEO's compensations and S&P 500 index variations.

Theoretical Justification and Framework

In the previous text we discussed how certain actions have enlarged the gap between the rich and the poor, ultimately resulting in the middle class shrinkage. To refresh, beginning in the 1980s specific policies were enforced that gave the rich and corporations tax cuts as well as a reduction in regulations for said corporations. Due to these policies, it has resulted in arguments for why the minimum wage should not be increased for the money will trickle down, and has caused evident polarization. If you use any social media, watch television, open a newspaper, or communicate with literally any individual, you will become very aware of the chaos in our nation today. You could say, they are a direct result of the income inequality. As the middle class slowly fades, each aspect of capitalism is being broken apart and Adam Smith's "invisible hand" truly has become hidden and lost within the market. Income inequality creates an inequality that affects the entire future of the United States of America. The impacts that income inequality and poverty causes include: crime rates soar, the education system fails, children go hungry, seniors struggle to get by, society is less trusting, growth diminishes and so much more. In this section we will be exploring the effects that growing income inequality unfolds on our nation and what trends will persist if majority of the population find themselves sinking further down the middle class.

Poverty has always been a concern in our nation and with the middle-class shrinking, more individuals and families are falling into the poverty stricken pit. Although those who are struck by poverty tend to perform more violent crimes, income inequality can have its outcomes. Those who suffer from income inequality are more likely to act on more property-related crimes such as arson, burglary, larceny, and shoplifting (Berrebi, 2015). Although, these crimes may not be as heinous, if the income stratification continues, more individuals will be considered impoverished. According to the Bureau of Justice Statistics, in 2013, as reported by Harrell, Langton, Berzofsky, Couzens, and Smiley-Mcdonald (2014), 39.8 per 1,000 violent crimes were committed by persons living in poor households that were at or below the Federal Poverty Level (FPL), which was more than double the comparable rate of 16.9 per 1,000, recorded for those living in a high-income household (Langton, Berzofsky, Couzens, & Smiley-Mcdonald, 2014). The correlation between income and crime is apparent; social class can easily influence and determine lifestyle. For crimes to significantly reduce, the middle class needs a comeback.

To continue the movement on what impacts income inequality has on our nation, we must look at children and the education system. A growing concern for the dwindling middle class is that more children are being raised by parents who are struggling to survive the financial limitations. It is reported that about 15 million children, about 21% of all children in the nation, live below the Federal Poverty Level (Child Poverty, 2016). Nearly a quarter of all children are being subjected to one of their greatest threats to their overall well-being, and it is an issue that is uncontrollable to them. The children troubled from these circumstances can suffer from malnourishment because they are not eating enough or getting healthy food. Healthy food is typically more expensive, and therefore, skipped by families with low incomes, who would buy less nutritious foods leading to children's limited learning ability (Cleveland, 2014). In addition to this, lack of proper income can lead to social, emotional, health, behavioral, and mental problems. Each of these issues can contribute to a generational poverty pattern. Generational poverty can dissuade those affected by it to be less focused on education in contrast to the middle class's strong focus on things such as hard work and perseverance for the American Dream (Facts About Poverty, 2016). Despite this being for those struggling with poverty, the middle class is heading down this road with less income going into their pockets each day.

Not only are children suffering due to the lack of income provided to their parents, but the education system is failing then. With education being a public good it is funded by 45% local government, 45% from the state, and only 10% from the federal government. Furthermore, of the 90% paid from state and local governments, majority of the funds towards education come from individuals' property taxes (Turner, 2016).

The US data (Turner, 2016) reveal a reality that there are extraordinary differences between those who live in a more prosperous neighborhood and those who live in more modest areas with less property taxes to be paid. The location of a school can determine whether a child has enough attention from the teacher because of the sizes of classrooms, staff, and the appropriate resources provided by the school, such as books and technology.

Obtaining the proper education can greatly benefit a person's life and society overall. When receiving an education, students acquire special skills and knowledge that are valuable in many ways. Excellent education leads to students' seeking a higher education, which makes them more productive and marketable. As a result, higher income, less dependence on government-assisted programs, and a much lower probability of crime would be the end result. All that would serve as an engine to higher economic growth through their higher propensity to consume. It is well-known that consumer consumption has been consistent within the 60% to 70% of GDP. Overall, the majority of funding by public school being from property taxes has resulted in deciding which schools would help in contributing more productive members of society.

While the burden of income inequality is ultimately realized by everyone, the effects on those who need more parity and just some income adequacy, can be catastrophic. There are over 25 million Americans, 60 and older living at or below the Federal Poverty Level, according to the Wall Street Journal, one of the demographics being hit the hardest by income inequality is seniors who are being forced to work long hours, for low wages to supplement their social security benefits (Adamy, 2015). This is very frightening due to the fact that the cost of housing, medical care, diminishing savings, and inadequate nutrition are increasing. Also 22% of married recipients and 47% of single recipients aged 65 and older receive 90% or more of their income from Social Security. The average amount received from Social Security is just a measly $433 a month. With the average income $433 a month you would expect there to be debt. A third of senior households has no money left, or is in debt after paying for their essential needs. As of 2013, 61.3% of households had a median total debt that was $40,900 (National Council on Aging, 2015).

Because of the extent of the issues above, many in our nation are feeling neglected and untrustworthy of what capitalism has become. Trust will help create a better society all together because people become more optimistic and aren't discouraged despite being deceived. When the middle class feels as if they can trust each other and other groups in different income ranges, they're more likely to work together to achieve common goals, and bi-partisanship would be encouraged more than otherwise. Due to the unity in society it creates more pleasant business outcomes which can reduce transaction costs and people are more inclined to become risk takers, which is a stepping stone to successful business and entrepreneurship (Madland, 2011). In a study done by Kauffman Foundation, nearly 90% of all entrepreneurs come from middle class families while only 44% of the population is in the middle class range (The Anatomy of an Entrepreneur, 2009).

When it comes down to it, income disparity has a major effect on the diminishing size of the middle class and reducing economic growth. This is because the inequality can dampen overall demand, create social instabilities, and reduce the incentives for people to work hard. According to a study done by Equitable Growth, long term inequality is inversely related to economic growth and countries with less disparity and a larger middle class has stronger and more stable growth (Price & Boushey, 2014). The middle-class citizens hold the title for the largest consumers in our nation yet and they are forced to suffer from limited purchasing power. Growth in the economy raises the standard of living which greatly influences the lifestyle an individual can live. Sustained economic growth increases our capabilities as a whole, even as an individualistic nation, but at what cost when a majority of us are disenfranchised (Boushey & Hersh, 2012).

Essential macro socioeconomic policies targeting crime, child poverty, underprivileged education system, failing social security, lack of trust, and declining growth are most critical in bringing trust, real optimism, and sustainability to society. Although some studies do show that income inequality may spur growth in the short run during the long run although income inequality hinders the economic growth through all kinds of detrimental effects on the low-income and the middle classes who would encounter all kinds of impediments in coping with increasing costs of living in a country. President Abraham Lincoln once said that a house divided against itself cannot stand (Lincoln, 1858). The widening gap in wealth and income has led to terms: the rich get richer and the poor get poorer, which becomes more relevant. The American middle class is the foundation of our economy, and is slowly being cracked through the stratification of income inequality. We have the tools to fix it. Now we just have to put in the work.

As indicated in Table 1 and Figure 4 below, the world income Gini coefficients for some selected years have been growing, indicating growing income inequality at the global level. Despite some recent improvement, this is a serious concern for the futurists about a global potential instability.

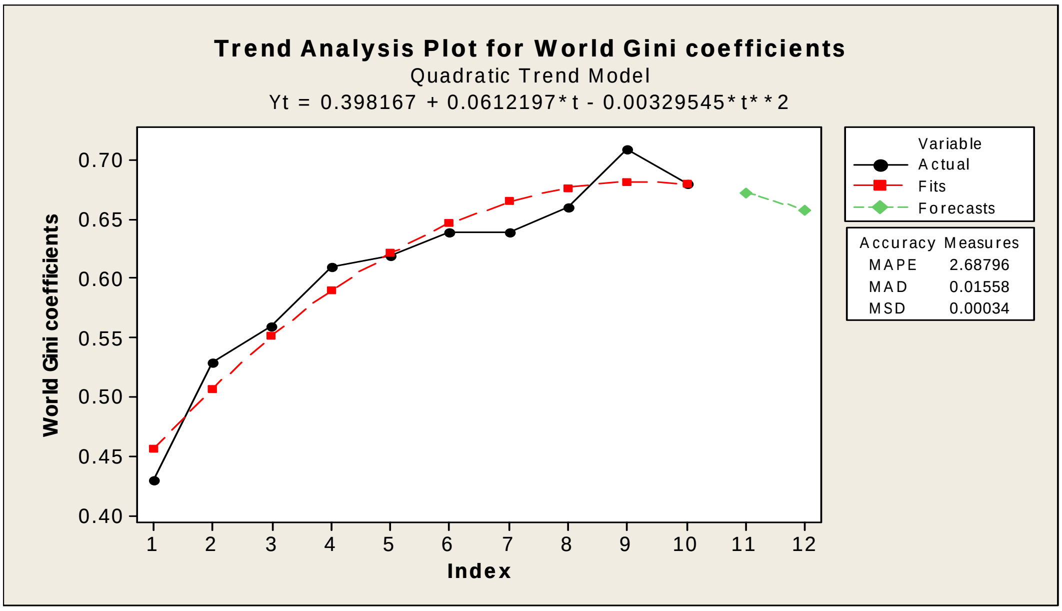

Figure 4. The upward trend of world Gini coefficients. Source: The authors' estimation based on the data from: https://en.wikipedia.org/wiki/Gini_coefficient#Gini_coefficient_of_education.

Table 1
World Income Gini Coefficient, 1820-2005

World income Gini coefficient					
Years	1820	1850	1870	1913	1929
World Gini coefficients	0.43	0.53	0.56	0.61	0.62
Years	1950	1960	1980	2002	2005
World Gini coefficients	0.64	0.64	0.66	0.71	0.68

Source: https://en.wikipedia.org/wiki/Gini_coefficient#Gini_coefficient_of_education.

In the following Figures 5 and 6, the world's Gini coefficients are demonstrated, in which the smaller coefficients indicate more equal income distribution than the larger ones.

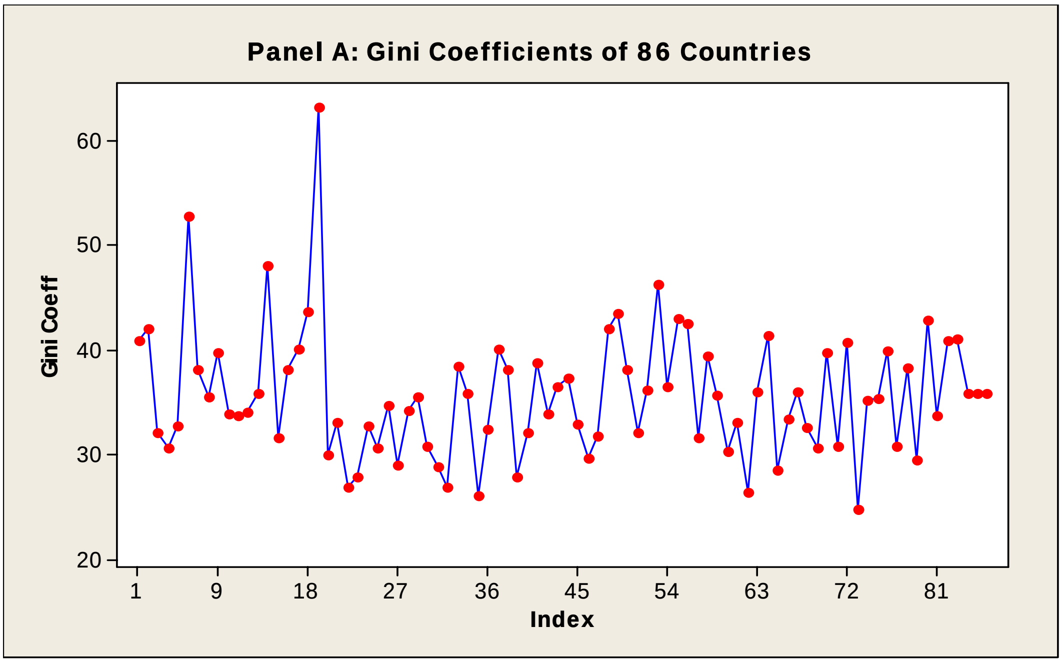

Figure 5. Gini coefficients for 86 countries of the world. Source: The authors' statistical exhibits & estimations based on the data from https://en.wikipedia.org/wiki/Gini_coefficient#Gini_coefficient_of_education.

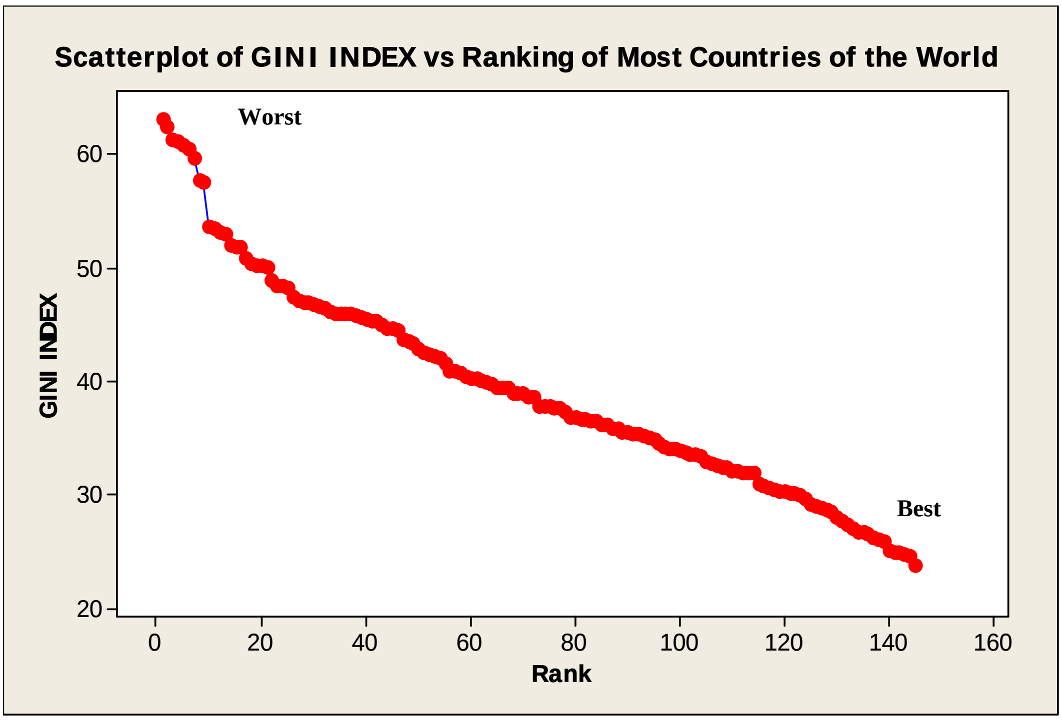

Figure 6. Gini index ranking of the most countries of the world, worst with highest coefficients to the lowest (best). Source: The authors' estimation based on the data from https://en.wikipedia.org/wiki/Gini_coefficient#Gini_coefficient_of_education.

In Figure 7, it is clear that economic growth is more sustainable in countries with more equally-distributed incomes. More specifically, a 10 percentile increase in equality, as represented by a change in the Gini index value from 40 to 37, would increase the expected length of economic growth by 50 percent. Percentage changes in GDP growth duration, shown in various vertical bars, for each factor moving from 50th to 60th percentile, while all other listed factors are held constant.

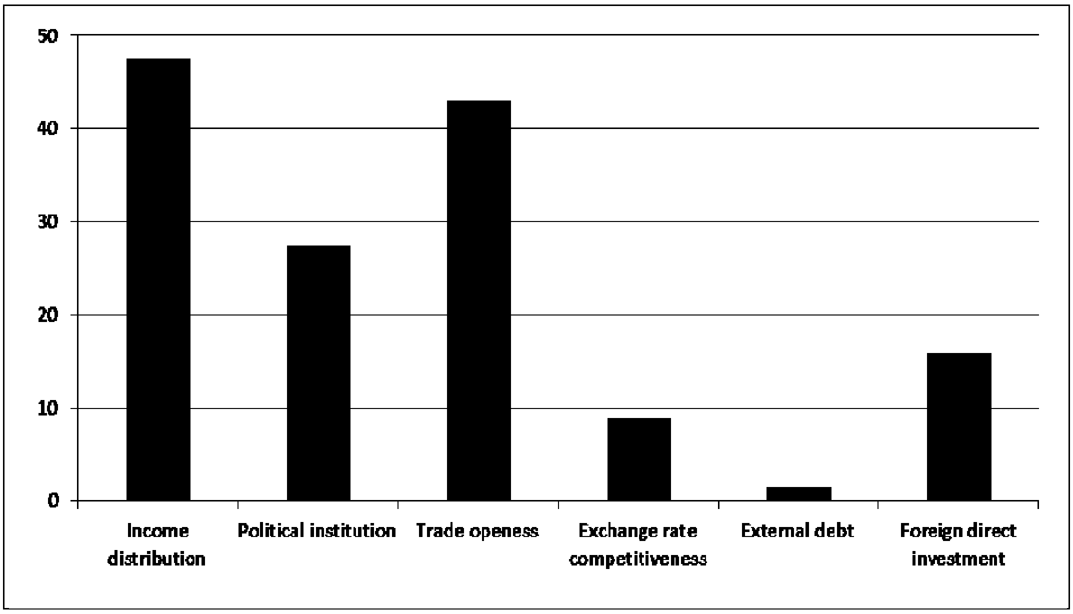

Figure 7. The comparative impacts of an identical change in six selected economic factors on the change in the duration of expected economic growth. Source: Berg and Ostry (2011).

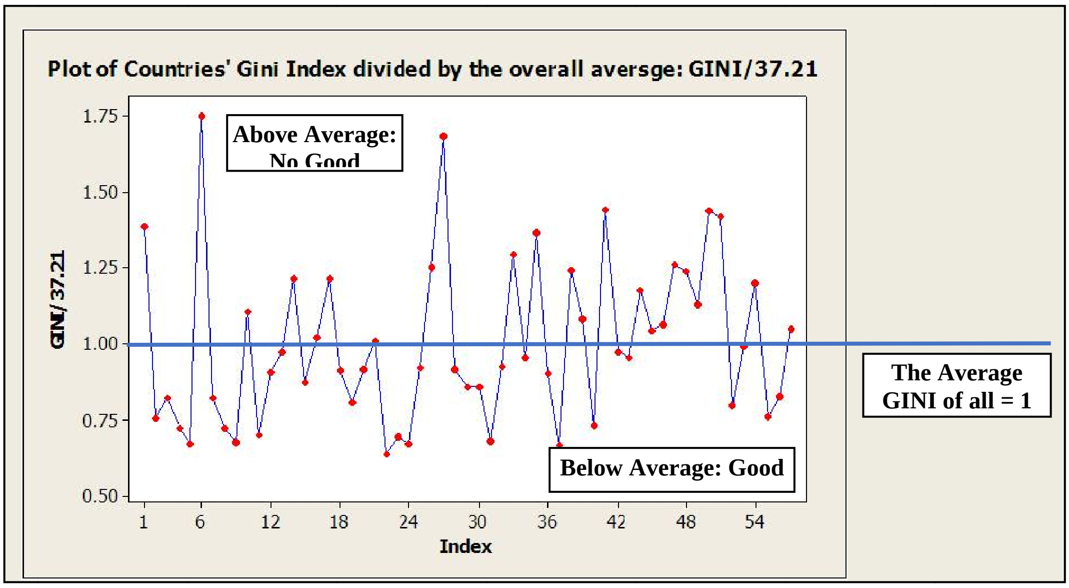

Figure 8. Thirty-four countries of 56 enjoyed more income equality than the overall average (37.21%).

The Applied, Theoretical, and Empirical Framework

Appropriate socio-economic policy will hinge on an empirically effective framework, in which an ultimate concern is supposed to be about sustainability of a nation. Profitability of business, responsible public budgeting, and manageability of life by all classes and groups in an economy must be appropriately secured and promoted. In absence of a healthy business environment and incentives for businesses to adopt risk, all nations would be limited to far below its potentials and inevitably heavily constrained economy. Capitalism doesn't need to be revolted, but rather appropriately regulated in a more democratically-designed method than driven by the most affluent and their lobbyists through corruption and legitimization of legally—yet inequitably—feasible controls.

Among several economically-sound methods, we are proposing the following structural equations in explanation of one of the indicators of quality of life, human development:

$$HDI = \beta_0 + \beta_1 GIN + \beta_2 PPI + \beta_3 SI + \xi \tag{1}$$

The corresponding estimated regression equation is listed below:

$$HDI = 0.694 - 0.00229\ GIN - 0.00132\ PPI + 0.00126\ SI \tag{2}$$

Table 2

Estimated Regression of Human Development Index, HDI

Predictor	Coef.	SE Coef.	T	P	VIF
Constant	0.694	0.052	13.33	0.00	NA
GIN	-0.002	0.001	-2.65	0.01	1.1
PPI	0.001	0.0002	6.22	0.00	1.3
SI	0.0013	0.00065	1.93	0.059	1.4
S = 0.0603433, R-Sq = 59.6%, R-Sq (adj) =57.3%, F = 26.09; P = 0.00					

Notes. HDI = Human Development Index; GIN = Gini Index; PPI = Purchasing Power Index; SI = Safety Index; ξ = random error term.

This empirical model is a confirmation of the significant and theoretically predicted impacts of Gini Index, Purchasing Power Index, and Safety Index on the adopted dependent variable and Human Development Index. The more equal the income distribution, the higher the human development across the selected countries. Moreover, for higher purchasing power and higher safety index, each has revealed some direct impact on human development. The results have been statistically significant at all levels with an exception of SI (Safety Index), which has turned out to be significant at better than 6%.

We also estimated the regression model, in which MYS (Mean Years of Schooling) is explained by GNI_{pc} (Per Capita Gross National Income) and LEX (Life Expectancy):

$$MYS = \alpha_0 + \alpha_1 GNI_{pc} + \alpha_3 LEX + \xi \tag{3}$$

It is estimated with a confirmation of the theoretical hypotheses that each of GNI_{pc} and LEX would impact MYS directly with a statistical significance at all levels, as summarized below:

$$MYS = -4.05 + 0.0001\ GNI_{pc} + 0.153\ LEX \tag{4}$$

We introduce a revised definition of quality of life, in which Quality of Life Index is either discounted or enhanced by Gini Index: Let’s divide the corresponding index of quality of life by Gini Index. If GIN is low QLG will be even larger, and otherwise, it would be discounted (a lower quality of life, QLG).

$$QLG = \alpha_0 - \alpha_1 PPIR + \alpha_2 HCI - \alpha_3 POL \tag{5}$$

$$QLG = 6.10 - 0.120\ PPIR + 0.0562\ HCI - 0.0827\ POL \quad (6)$$

$$\text{Q-life/Gini} = 6.10 - 0.120\ \text{Property Price to Income Ratio} + 0.0562\ \text{Health Care Index} - 0.0827\ \text{Pollution Index} \quad (7)$$

QLF = Quality of Life, QLG = Quality of Life to Gini Index Ratio, PPIR = Property Price to Income Ratio, HCI = Healthcare Index, and POL = Pollution Index.

Table 3

Estimated Regression for Mean Years of Schooling (MYS) for 109 Countries

Predictor	Coef.	SE Coef.	T	P	VIF
Constant	-4.045	2.010	-2.01	0.047	
GNIpc	0.0001	0.00002	4.95	0.00	2.2
LEX	0.15	0.031	4.96	0.00	2.2
S = 1.82223, R-Sq = 64.0%, R-Sq(adj) = 63.3%, F = 95.03, P = 0.00, ξ= Random error term					

Notes. MYS = Mean (Average) Years of Schooling; GNI_{pc} = Gross National Income Per Capita; LEX = Life Expectancy.

Table 4

QLG Regression

Predictor	Coef.	SE Coef.	T	P	VIF
Constant	6.096	1.196	5.10	0.000	
Property PRice to income ratio	-0.12001	0.02757	-4.35	0.000	1.2
Healthcare index	0.05623	0.01485	3.79	0.000	1.2
Pollution index	-0.082739	0.008682	-9.53	0.000	1.4
S = 1.09624, R-Sq = 82.8%, R-Sq(adj) = 81.9%, F = 85.26, P = 0.00					

The results are all significant at all levels and in conformity with the theoretical explanation: The higher property price to income ratio and separately Pollution Index would reduce our quality of life. Also, Healthcare Index has a direct impact on the quality of life. The policy implications are as clear: public policy needs to be focused on reducing pollution, more income creating objectives, while healthcare accessibility and the corresponding costs to citizens must be reduced.

Conclusion

The focus of this research has been on sustainability of society through middle-class promoting public policy. We have estimated three various regression models to test the significance of several socio-economic variables on what would define some desirable indices of socioeconomically healthier nations, such as mean years of schooling, human development, and quality of life. Quality of life in certain countries, such as Norway, Denmark, etc., is highlighted as high compared to many other nations of the world. We have introduced a better measure of quality of life and estimated the empirical impacts of some explanatory variables such as healthcare, property price to income ratio, and pollution on that index of life quality. As an implication of this study, public policy needs to be focused on reducing pollution, more income creating innovative objectives, while healthcare accessibility and the corresponding costs to citizens must be brought down.

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