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Carol Graham – Annotated Biography for *ARQOL*

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I am extremely lucky to have grown up across several cultures. My mother was of French and Swiss parents and was born in Peru. My father had an American father and a Peruvian mother. I was the last of six siblings and, like all of them, was also born in Peru. Peru and its magical qualities and its challenges, as well as my friends and family there, are an integral part of my life. When I was three years old, we moved to the U.S. – Baltimore – because my father joined the medical school faculty at Johns Hopkins. Yet as he had already founded an institute for the study of infant malnutrition and related diseases in Peru, we spent half the year in each place for my elementary school years.

The contrasts between extreme wealth and extreme poverty in Peru, and the dedication of the doctors, nurses, and others on the team at the Institute, was a formative experience for me. I continue to serve on the academic advisory board there and to conduct many of my field studies with the team there. While malnutrition has

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been replaced by obesity and other public health issues, the long reach of poverty on later life health, education, and labor market outcomes remains a challenge that has been the basis of my work since university.

I went to Princeton University – the Woodrow Wilson School – and focused on development economics and poverty. I then went on to a Master's degree at Johns Hopkins and, equally important, worked as a research assistant at the Brookings Institution at the same time. Brookings is an institution which has played a foundational role in my career and I still work there today. I went to Oxford for my DPhil and conducted field work on the micro-level strategies of the poor in Peru during hyper-inflation and terrorism for my dissertation. At that point, without knowing it, I was already delving into the intersect between psychology and economics that underlies much work on well-being. I was lucky enough to get a dissertation fellowship at Brookings and was drawn in by the dedication that the wonderful economists there had to solving public policy problems, ranging from macro and micro to poverty and public health issues. I always say that I essentially got a second PhD from Brookings!

After a post-doctoral year teaching at Duke, I returned to Brookings and launched a study of safety nets and market transitions around the world, with the generous support of the MacArthur Foundation. After that work project, I began to study poverty, inequality, and income mobility, beginning with field surveys in Peru, and essentially "fell" into my first well-being finding. The "happy peasants and frustrated achievers" that I discovered is a term that is still often cited today (Graham and Pettinato 2002). I found that the reported well-being of upwardly mobility respondents was significantly lower than was that of less mobile and poorer (often rural) respondents. The gap is due in part to the changing expectations and awareness that come with upward mobility, and in part to innate character traits. My collaborators and I have since found that pattern across a range of contexts, including Russia and China and, most recently, in our work on urban-rural gaps in well-being and health in the U.S. A related finding is that of more general progress paradoxes that apply to entire countries, in which rapid growth and poverty reduction at times coexist with deep drops in levels of life satisfaction and even optimism. My work on this, in Graham et al. (2018), finds this paradox in China, India, and most recently the U.S.

I initially did not know how to explain the happy peasant and frustrated achiever findings. I was, yet again, lucky to be at Brookings, where the economists there were more open minded than most. George Akerlof was visiting at the time and took great interest, as did Danny Kahnemen, who came to visit briefly. That initial momentum launched me into a role in helping to pioneer the study of well-being in economics. I was involved in developing the metrics from the early days in which a few economists and psychologists – including Danny as well as Dick Easterlin, Andrew Oswald, and Ed Diener – were collaborating on these topics. We hosted a few of those meetings at Brookings, beginning in 2002.

After deep skepticism from the economics profession, well-being in economics has become mainstream (well, almost) and, as the readers of this journal know well, is increasingly integrated into government statistics, in countries ranging from the UK to New Zealand to Chile and Canada (Graham 2008; Graham and MacLennan forthcoming). We even had a National Academy of Sciences panel on well-being metrics in public policy for the U.S., from 2011 to 2012, and some of our recommendations have gradually been taken up in statistical surveys. The field has blossomed to a point that I could never have imagined at the time! Even some of the initial interested skeptics, such as Angus Deaton, now use well-being metrics regularly in their work.

It is an exciting time for the field, with great progress having been made in refining the precision of the metrics and their links to specific well-being dimensions, and in the application to a remarkable range of topics related to the understanding and betterment of human well-being. My own focus has been framed by my interest in the long reach of poverty and its intersections with well-being. A longstanding interest of mine is the remarkable capacity that the poor have to adapt to difficult circumstances and remain hopeful for the future. A question behind that interest is whether their hopes matter to their outcomes.

As such, in collaboration with Andy Eggers and Sandip Sukhtankar in 2004 (Graham et al. 2004), I published the first paper in economics that explored causality running from well-being to later outcomes rather than the more standard exploration of what factors determine well-being. I have continued to pursue that exploration, and, most recently, Kelsey O'Connor and I (O'COnnor and Graham forthcoming) published a paper showing that optimists have higher longevity than non-optimists. I have also explored the well-being effects of institutional arrangements that individuals often cannot change, such as persistent poverty, inequality, and bad governance, as well as those of health and other behaviors that are not the result of revealed preferences but of strong norms or of addiction and self-control problems, such as smoking or obesity (Graham 2009, Graham et al, 2011). My latest work has extended the range of well-being research to a focus on lack of well-being (specifically hope) and vulnerability to deaths of despair in the context of rising mortality rates in the U.S. (Graham 2017; Graham and Pinto 2018).

My ongoing survey work, meanwhile, seeks to explore the extent to which hope can be learned or restored in communities where it is missing or has been lost. This research will rely on tailored community interventions, with the design informed by what we have learned about the linkages between hope or lack there-of, and premature mortality and related health behaviors. If the findings of this effort are robust enough, I can envision hope becoming a separate and fourth well-being dimension, as it tracks distinctly from life satisfaction and other well-being dimensions and has distinct channels to future oriented behaviors.

The field is going in several interesting directions. I think some of the most interesting – and challenging – issues are in the area of what well-being causes rather than what causes well-being. Fundamental to this question is understanding the role of innate character traits – as well as genes – in interacting with environmental factors to determine individual outcomes. We know that there is a bell-shaped curve in the distribution of well-being across individuals, and that the correlates of factors such as income, creativity, and resilience are different at the tails of the distribution (Graham and Ruiz-Pozuelo 2017). The happiest people care least about money but a lot about creativity, and, are remarkably resilient to negative shocks. Like the scholarly debate on whether genes or the environment determine IQ, I think we will find that there is an intersect between innate character traits (which are in part genetic) and the environment that individual have to navigate, in determining well-being and its channels to longer term outcomes. We have much more to know, and I look forward to being part of, and hopefully contributing to, this set of issues going forward, as well as to working with the wonderful scholars crossing many disciplines that are interested in well-being.

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