

Standard of Living vs. Quality of Life: What's the Difference?

Standard of Living vs. Quality of Life: An Overview

Standard of living refers to the level of wealth, comfort, material goods, and necessities available to a certain socioeconomic class or geographic area. Quality of life, on the other hand, is a subjective term that can measure happiness.

The two terms are often confused because there may be some perceived overlap in how they are defined. But knowing the different nuances of each can affect how you evaluate a country where you might be looking to invest some money.

Standard of Living

Standard of living is a comparison tool used when describing two different geographic areas. Metrics may include things like wealth levels, comfort, goods, and necessities that are available to people of different socioeconomic classes in those areas. The standard of living is measured by things that are easily quantified, such as income, employment opportunities, cost of goods and services, and poverty. Factors such as life expectancy, the inflation rate, or number of paid vacation days people receive each year are also included.

Other factors commonly associated with the standard of living include:

- Class disparity
- Poverty rate
- Quality and affordability of housing
- Hours of work required to purchase necessities
- Gross domestic product (GDP)
- Affordable access to quality healthcare
- Quality and availability of education
- Incidence of disease
- Infrastructure
- National economic growth
- Economic and political stability
- Political and religious freedom
- Environmental quality
- Climate
- Safety

The standard of living in the United States may be compared to that of Canada's. It may also draw comparisons between smaller geographic areas such as New York City versus Detroit. Standard of living can be used to compare distinct points in time. For example, the standard of living in the U.S. is considered to have greatly improved compared to a century ago. Now, the same amount of work buys a larger quantity of goods and items that were once luxuries such as

refrigerators and automobiles. Leisure time and life expectancy have also increased, while annual hours worked has decreased.

One measure of standard of living is the Human Development Index (HDI), developed by the United Nations in 1990. It considers life expectancy at birth, adult literacy rates, and per capita GDP to measure a country's level of development.

Quality of Life

Quality of life is a more subjective and intangible term than standard of living. As such, it can often be hard to quantify. The factors that affect the overall quality of life vary by people's lifestyles and their personal preferences. Regardless of these factors, this measure plays an important part in the financial decisions in everyone's lives.

Some of the factors that can affect a person's quality of life can include conditions in the workplace, healthcare, education, and material living conditions.

The United Nations' Universal Declaration of Human Rights, adopted in 1948, provides an excellent list of factors that can be considered in evaluating quality of life. It includes many things that citizens of the United States and other developed countries take for granted, which are not available in a significant number of other countries around the world. Although this declaration is more than 70 years old, in many ways it still represents an ideal to be achieved, rather than a baseline. Factors that may be used to measure the quality of life include the following:

- Freedom from slavery and torture
- Equal protection of the law
- Freedom from discrimination
- Freedom of movement
- Freedom of residence within one's home country
- Presumption of innocence unless proved guilty
- Right to marry
- Right to have a family
- Right to be treated equally without regard to gender, race, language, religion, political beliefs, nationality, socioeconomic status, and more
- Right to privacy
- Freedom of thought
- Freedom of religion
- Free choice of employment
- Right to fair pay
- Equal pay for equal work
- Right to vote
- Right to rest and leisure
- Right to education
- Right to human dignity



Standard of Living vs. Quality of Life: Flawed Indicators

Standard of living is somewhat of a flawed indicator. While the United States ranks high in many areas as a nation, the standard of living is very low for some segments of the population. For example, some of the country's poor, urban areas struggle with a lack of quality employment opportunities, short life expectancies, and higher rates of disease and illness.

Similarly, the quality of life can vary between people, making it a flawed indicator as well. There are various segments of the American population that may have a lower quality of life compared to others. They may experience discrimination in society and the workplace or don't have access to clean drinking water, proper healthcare, or education.

Key Takeaways

- *Standard of living is a tangible, quantifiable term that refers to factors available to a certain socioeconomic class or geographic area.*
- *Quality of life is a subjective term that can measure happiness.*
- *Both can be flawed indicators because the factors can vary between people in the same geographic area or socioeconomic class.*