

## **ABSTRACT**

*Happiness studies on economics have increasingly arisen recently. The concept of happiness includes many aspects such as, economic, social, environmental, and demographic characteristics. So that, this topic has become an important issues in economics. With the development of welfare measuring tools, subjective well-being. This study shows the impact of disability conditions on several aspects of life.*

*This study aims to analyze the differences in determinants of happiness in Semarang City and Demak Regency. The sampling technique used snowball sampling for 214 respondents physical disabilities. This study used the Tobit estimation technique to analyze the determinants of happiness.*

*The results confirm the hypothesis that living in rural areas is high enough to create higher levels of well-being. As a result of the analysis, it was seen that marriage, health, jobs, and age have a significant effect on happiness. Generally, these findings support some previous studies findings.*

*Keywords : Economics of Happiness; Subjective Well-Being; Urban-Rural; Tobit; Disability*

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