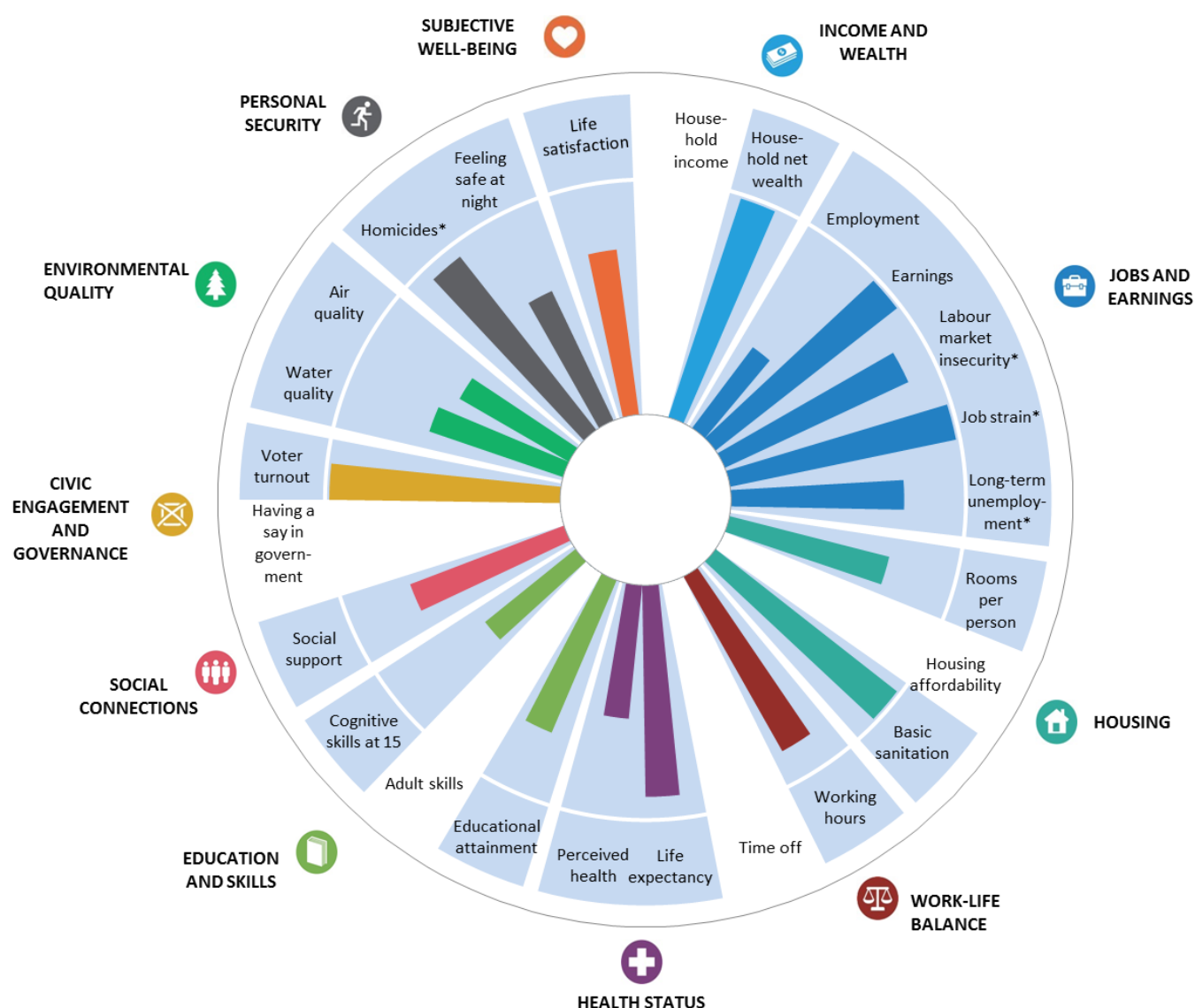


# How's Life in Luxembourg?

In general, Luxembourg performs well in terms of material living conditions relative to the other OECD countries. **Household net wealth** and **average earnings** are the highest in the OECD (respectively, around 790 000 USD in 2014, the latest available year, and 62 600 USD in 2016). **Job strain** is among the lowest in the OECD, and fewer than 4% of employees in Luxembourg regularly **work very long hours**, compared to the OECD average of 13%. Luxembourg also performs well in terms of housing conditions. **Voter turnout** (91.2%) is the highest in the OECD, though this may reflect the practice of compulsory voting. Regarding **social support**, 92% of people report having friends or relatives whom they can count on in times of trouble, which is higher than the OECD average of 89%. As for personal security, the **homicide rate** stood well below the OECD average in 2014 (0.6 compared to 3.6 per 100 000). **Life satisfaction** in Luxembourg is meanwhile close to the OECD average level.

## Luxembourg's average level of current well-being: Comparative strengths and weaknesses














Note: This chart shows Luxembourg's relative strengths and weaknesses in well-being when compared with other OECD countries. For both positive and negative indicators (such as homicides, marked with an "\*"), longer bars always indicate better outcomes (i.e. higher well-being), whereas shorter bars always indicate worse outcomes (i.e. lower well-being). If data are missing for any given indicator, the relevant segment of the circle is shaded in white.

Additional information, including the data used in this country note, can be found at:


[www.oecd.org/statistics/Better-Life-Initiative-2017-country-notes-data.xlsx](http://www.oecd.org/statistics/Better-Life-Initiative-2017-country-notes-data.xlsx)


## Change in Luxembourg's average well-being over the past 10 years

Dimension	Description	Change
 <b>Income and wealth</b>	In Luxembourg, household net wealth was 11% higher in 2014 than it was in 2010, in real terms.	↗
 <b>Jobs and earnings</b>	The employment rate in 2016 was 2 percentage points higher than in 2005, although 1 point below its 2014 peak. Despite minor setbacks in 2008 and 2011-12, real earnings have increased overall in the last decade, and are now 10% higher than in 2005. Labour market insecurity peaked in 2013, and has yet to fall back to its pre-crisis levels. Similarly, long-term unemployment has increased from 1.2% in 2005 to 1.9% in 2015. The share of employees experiencing job strain increased by 5.5 percentage points between 2005 and 2010, but by 2015 it had returned to its previous (2005) levels.	↗ ↗ ↘ ↘ ↔
 <b>Housing conditions</b>	The number of rooms per person has improved over the past decade, and now stands slightly above the OECD average. The percentage of people living without basic sanitary facilities has fallen by two-thirds in the last decade.	↗ ↗
 <b>Work-life balance</b>	Luxembourg is among the few OECD countries where the percentage of employees working 50 hours or more per week has increased over the past decade, peaking at 3.8% in 2016. Although this is 2.5 points higher than in 2005, it is still relatively low compared to the OECD average.	↘
 <b>Health status</b>	Life expectancy at birth has increased by just under a year since 2012 (the earliest year for which comparable data are available). The percentage of adults reporting to be in “good” or “very good” health has remained relatively stable.	↗ ↔
 <b>Education and skills</b>	The 10-year change in upper secondary educational attainment cannot be assessed, due to a recent break in the data. However, between 2014 and 2016, attainment rates in Luxembourg fell by 3.2 percentage points.	↘
 <b>Social connections</b>	The share of people who have relatives or friends whom they can count on to help in case of need has remained broadly stable over the past decade.	↔
 <b>Civic engagement</b>	Voter turnout remained relatively stable between the 2009 and 2013 general elections in Luxembourg. This differs from the OECD average trend, which has seen voter turnout decrease by 2.4 percentage points in the last 10 years.	↔
 <b>Environmental quality</b>	Consistent with the OECD average, satisfaction with local water quality has fallen slightly in the last few years. On the other hand, air pollution levels in 2013 were close to those in 2005.	↘ ↔
 <b>Personal security</b>	The rate of deaths due to assault has more than halved in recent years, from 1.5 to 0.6 deaths per 100 000 people. However, the share of the population who declare that they feel safe when walking alone at night decreased slightly, from 76% to 72%.	↗ ↘
 <b>Subjective well-being</b>	[No time series data available]	..


Note: For each indicator in every dimension: ↗ refers to an improvement; ↔ indicates little or no change; and ↘ signals deterioration. This is based on a comparison of the start year (2005 in most cases) and the latest available year (usually 2015 or 2016). The order of the arrows shown in column three corresponds to that of the indicators mentioned in column two.


## Luxembourg's resources and risks for future well-being: Illustrative indicators

 <b>Natural capital</b>		
Indicator	Tier	Change
Greenhouse gas emissions from domestic production	<b>3</b>	↗ 2005-2015
CO <sub>2</sub> emissions from domestic consumption	<b>3</b>	↔ 2001-2011
Exposure to PM <sub>2.5</sub> air pollution	<b>2</b>	↔ 2005-2013
Forest area	<b>2</b>	↔ 2005-2014
Renewable freshwater resources	<b>3</b>	.. Long-term annual avg
Freshwater abstractions	<b>1</b>	.. 2015
Threatened birds	<b>2</b>	.. Latest available
Threatened plants	<b>3</b>	.. Latest available
No data available on threatened mammals.		

 <b>Economic capital</b>		
Indicator	Tier	Change
Produced fixed assets	<b>1</b>	↗ 2005-2015
Gross fixed capital formation	<b>2</b>	↗ 2005-2016
Financial net worth of total economy	<b>2</b>	↘ 2005-2016
Intellectual property assets	<b>2</b>	↗ 2005-2015
Investment in R&D	<b>3</b>	↗ 2005-2015
Household net wealth	<b>1</b>	↗ 2010-2014
Financial net worth of government	<b>1</b>	↔ 2005-2015
Banking sector leverage	<b>3</b>	↗ 2005-2015
No data available on household debt.		

<b>1</b>	Top-performing OECD tier, latest available year
<b>2</b>	Middle-performing OECD tier, latest available year
<b>3</b>	Bottom-performing OECD tier, latest available year

 <b>Human capital</b>		
Indicator	Tier	Change
Young adult educational attainment	<b>2</b>	↔ 2014-2016
Educational expectancy	<b>3</b>	.. 2015
Cognitive skills at age 15	<b>3</b>	.. 2015
Long-term unemployment	<b>2</b>	↘ 2005-2015
Life expectancy at birth	<b>1</b>	↗ 2012-2015
Smoking prevalence	<b>1</b>	↗ 2009-2014
Obesity prevalence	<b>2</b>	↔ 2009-2014
No data available on adult skills.		

 <b>Social capital</b>		
Indicator	Tier	Change
Trust in others	<b>3</b>	.. 2013
Trust in the police	<b>2</b>	.. 2013
Trust in the national government	<b>1</b>	↘ 2008-2016
Voter turnout	<b>1</b>	↔ 2009-2013
Government stakeholder engagement	<b>3</b>	.. 2014
No data available on volunteering through organisations.		

↗	Improving over time
↘	Worsening over time
↔	No change
..	No data available

## HOW LARGE ARE WELL-BEING INEQUALITIES IN LUXEMBOURG?

**What is inequality and how is it measured?** Measuring inequality means trying to describe **how unevenly distributed** outcomes are in society. *How's Life? 2017* adopts several different approaches:

- Measures of “**vertical**” inequalities address how unequally outcomes are spread across all people in society – for example, by looking at the size of the gap between people at the bottom of the distribution and people at the top.

- Measures of “**horizontal**” inequalities focus on the gap between population groups defined by specific characteristics (such as men and women, young and old, people with higher and lower levels of education).

- Measures of “**deprivation**” report the share of people who live below a certain level of well-being (such as those who face income poverty or live in an overcrowded household).

Compared to most OECD countries, Luxembourg has low levels of **vertical inequality** in terms of income and working hours, while the gap becomes considerably larger for cognitive skills.

Across OECD countries, **women** typically fare worse than **men** on earnings, low pay and employment. In Luxembourg, the unemployment rate among women is 10% lower than among men, but women are more than twice as likely to be employed in low paid jobs - a gap much larger than the OECD average. The Luxembourgish gender divide is narrower than in the OECD on average for outcomes such as feelings of safety, cognitive skills and perceived health status.

Across most OECD countries, **young people** are at disadvantage on the job market, compared to the **middle-aged**. In Luxembourg the employment gap is particularly large, although the divide in terms of unemployment is lower than in most OECD

countries. In other well-being dimensions, however, the age gap is less pronounced – or can even favour the young. For example, the young in Luxembourg have higher levels of educational attainment, are less likely to work long hours, devote more time to social activities, and are more satisfied with the quality of the water in their local area than the middle-aged.

In most OECD countries, people with a **tertiary education** tend to fare better than those with only a **secondary education** across a range of well-being outcomes. In Luxembourg, this gap is often comparatively large, for example in the case of earnings, employment, satisfaction with water quality, and feelings of safety. However, the Luxembourgish educational divide is narrower than in the OECD on average for unemployment, and secondary educated employees are less likely to work very long hours, compared to the tertiary educated.

Regarding **deprivations**, Luxembourg is among the top third (i.e. least deprived) OECD countries in 9 out of 18 available indicators. Poorer outcomes in Luxembourg include the high share of people who struggle with housing affordability, with more than 17% of individuals spending more than 40% of their income on housing costs. There is also a comparatively high share of people with less than a secondary level of educational attainment (25.4%).

**Well-being inequalities in Luxembourg**

	Vertical inequality	Horizontal inequality by			Deprivation
		Gender	Age	Education	
		Women relative to men	Young relative to middle-aged	Secondary relative to tertiary	
Household income	●		●		●
Household net wealth	●		●	●	●
Earnings	●	●	●	●	
Low pay		●			●
Employment		●	●	●	
Unemployment		●	●	●	●
Housing affordability					●
Rooms per person					●
Life expectancy	○				
Perceived health		●	●	●	●
Working hours	●	●	●	●	●
Time off		○	○		
Educational attainment		●	●		●
Cognitive skills at 15	●	●		●	●
Adult skills	○	○	○	○	○
Time spent socialising		○	○		
Social support		●	●	●	●
Voter turnout		○	○	○	●
Having a say in government	○	○	○	○	○
Air quality					●
Water quality		●	●	●	●
Homicides		●			●
Feeling safe at night		●	●	●	●
Life satisfaction	●	●	●	●	●
Negative affect balance					●

Legend:

- top third of OECD countries
- middle third of OECD countries
- bottom third of OECD countries
- data gaps
- no measures

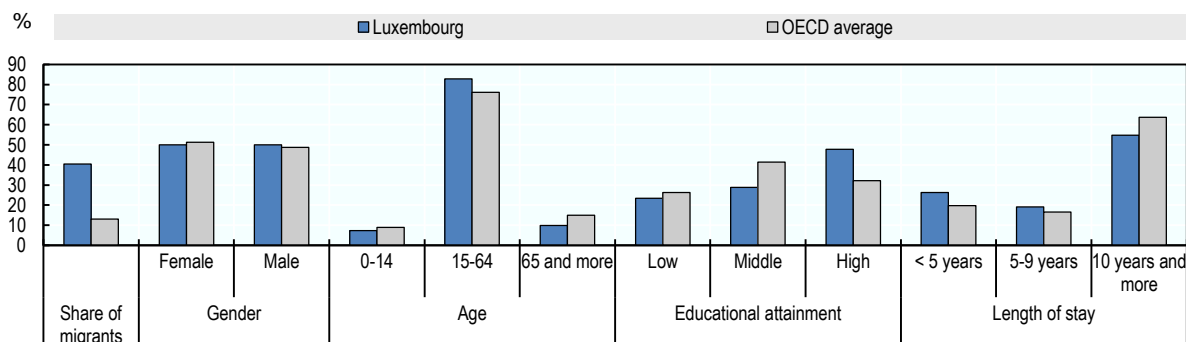
## HOW'S LIFE FOR MIGRANTS IN LUXEMBOURG?

Migrants (defined as people living in a different country from the one in which they were born) represent an important share of the population in most OECD countries. Capturing information about their well-being is critical for gaining a fuller picture of how life is going, and whether it is going equally well for all members of society.

### Who are the migrants in Luxembourg and OECD?

Two in five people living in Luxembourg (40%) were born elsewhere, far above the OECD average (13%), and 50% of them are women (51% for the OECD average). Migrants in Luxembourg are more likely than in the OECD on average to be of working age (83% of them are aged 15 to 64, as compared to 76% across the OECD), and are more likely to have a high educational attainment than a low or a middle level. More than half of migrants arrived in Luxembourg ten years ago or more.

Share of migrants in the total population and selected characteristics

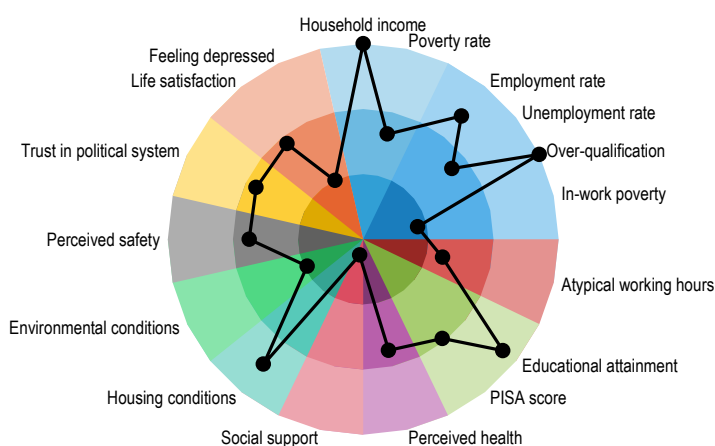


### How is migrants' well-being in Luxembourg?

When compared with the migrant populations of other OECD countries, migrants living in Luxembourg have a relatively good situation regarding household income, employment, over-qualification, educational attainment and housing conditions. Moreover, migrants settled in Luxembourg rank in the middle third of OECD-country migrants for 8 out of 17 selected well-being indicators. They are in the bottom third for in-work poverty, social support, environmental conditions and feeling depressed.

As in many other OECD countries, migrants in Luxembourg tend to experience lower well-being outcomes than the native-born population: in Luxembourg, this is the case for 9 out of 13 selected well-being indicators. However, migrants in Luxembourg report similar situations to the native-born for wealth and physical health risks at work, while they report higher levels of trust than the native-born in the political system and perceived safety.

Comparing well-being outcomes for migrants in Luxembourg with the migrant populations of other OECD countries



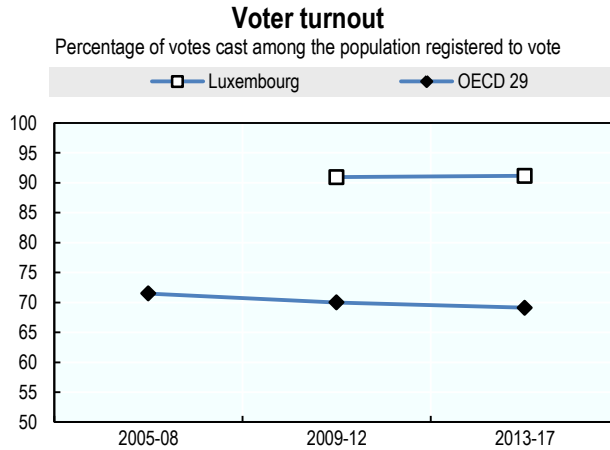
Comparison of migrants' and native-born well-being in Luxembourg

	Migrants have a worse situation	Same situation	Migrants have a better situation
Household income	▲		
Wealth		▲	
Physical health risks at work		▲	
Atypical working hours	▲		
PISA score	▲		
Perceived health	▲		
Social support	▲		
Housing conditions	▲		
Environmental conditions	▲		
Perceived safety			▲
Trust in political system			▲
Life satisfaction	▲		
Feeling depressed	▲		

## GOVERNANCE AND WELL-BEING IN LUXEMBOURG

Public institutions play an important role in well-being, both by guaranteeing that people’s fundamental rights are protected, and by ensuring the provision of goods and services necessary for people to thrive and prosper. How people experience and engage with public institutions also matters: people’s political voice, agency and representation are outcomes of value in their own right.

Luxembourg is one of few OECD countries to enforce compulsory voting, and turnout has remained steady in recent years: around 91% of registered voters cast a ballot in both the 2009 and 2013 elections. When asked about whether or not corruption is widespread across government, 28% of Luxembourg’s population answered "yes", as compared to the OECD average of 56%. Since around 2006, the share of people in the OECD who report that they have confidence in their national government has fallen from 42% to 38%.



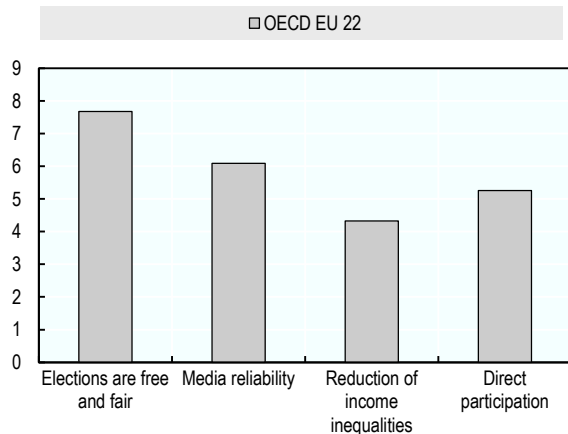
**Note:** Data refers to parliamentary elections. If more than one election took place over the time period indicated, the simple average voter turnout from all elections is shown. The OECD average sums elections that occurred over the time periods shown in 29 OECD countries.

**Source:** IDEA dataset

In the 22 European OECD countries where it can be assessed, satisfaction with democracy varies, depending on which aspect is considered. While Europeans tend to be reasonably satisfied with the way elections are held (7.7 on a 0-10 scale), they are relatively less satisfied with policies to reduce income inequalities (4.3) or the existence of direct participation mechanisms at the local level (5.3). Europeans’ satisfaction with public services varies according to whether people have used those services in the last year. For example, satisfaction with education is higher among those with direct recent experience (6.6 vs 6.2 on average), and this is also true of the health system (6.4 vs 6.2 on average). These data relate to 19 European countries only, but unfortunately no comparable data are available for Luxembourg.

### OECD EU average satisfaction with different elements of democracy

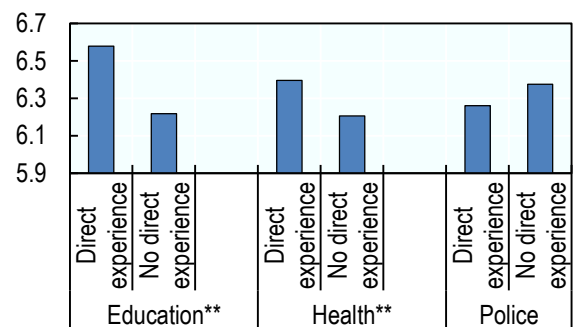
Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2012



**Source:** OECD calculations based on wave 6 of the European Social Survey (ESS), special rotating module on citizens’ valuations of different elements of democracy.

### OECD EU average satisfaction with public services

Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2013



**Note:** \*\* Difference is statistically significant at 95%

**Source:** OECD calculations based on the EU Quality of Government (QoG) for 19 European OECD countries.

## BETTER LIFE INDEX

The **Better Life Index** is an interactive web application that allows users to compare well-being across OECD countries and beyond on the basis of the set of well-being indicators used in *How's Life?*. Users chose what weight to give to each of the eleven dimensions shown below and then see how countries perform, based on their own personal priorities in life.

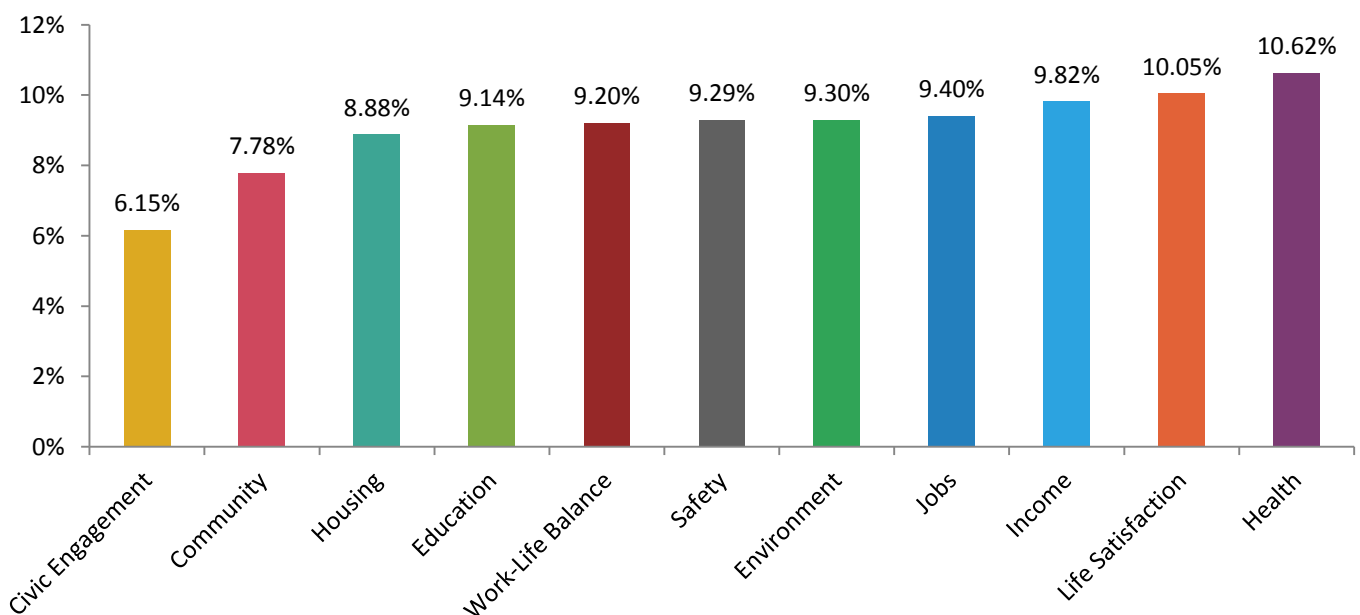


Users can also share their index with other people in their networks, as well as with the OECD. This allows the OECD to gather valuable information on the importance that users attach to various life dimensions, and how these preferences differ across countries and population groups.

## WHAT MATTERS MOST TO PEOPLE IN LUXEMBOURG?

Since its launch in May 2011, the Better Life Index has attracted **over ten million visits from just about every country on the planet** and has received over **22 million page views**. To date, over 18,300 people in Luxembourg have visited the website making Luxembourg the 62<sup>nd</sup> country overall in traffic to the website. The top cities are Luxembourg City (79% of visits), Ehlerange, Sanem and Mamer.

The following country findings reflect the ratings voluntarily shared with the OECD by 262 website visitors in Luxembourg. Findings are only indicative and are not representative of the population at large. **For Luxembourgish users of the Better Life Index, health, life satisfaction and income are the three most important topics** (shown below).<sup>1</sup> Up to date information, including a breakdown of participants in each country by gender and age can be found here: [www.oecdbetterlifeindex.org/responses/#LUX](http://www.oecdbetterlifeindex.org/responses/#LUX).



<sup>1</sup> User information for Luxembourg is based on shared indexes submitted between May 2011 and September 2017.

The **OECD Better Life Initiative**, launched in 2011, focuses on the aspects of life that matter the most to people and that shape the quality of their lives. The Initiative comprises a set of regularly updated well-being indicators and an in-depth analysis of specific topics, published in the *How's Life?* report. It also includes an interactive web application, the *Better Life Index*, and a number of *methodological and research projects* to improve the information base available to understand well-being levels, trends and their drivers.

The OECD Better Life Initiative:

- Helps to inform policy making to improve quality of life.
- Connects policies to people's lives.
- Generates support for needed policy measures.
- Improves civic engagement by encouraging the public to create their own *Better Life Index* and share their preferences about what matters most for well-being
- Empowers the public by improving their understanding of policy-making.

This note presents **selected findings for Luxembourg from the *How's Life? 2017* report** (pages 1-6) and shows what **Luxembourgish users of the Better Life Index** are telling us about their **well-being priorities** (page 7).

## HOW'S LIFE?



*How's Life?*, published every two years, provides a comprehensive picture of well-being in OECD and selected partner countries by bringing together an internationally comparable set of well-being indicators. It considers eleven dimensions of current well-being including: income and wealth; jobs and earnings; housing; health status; work-life balance; education and skills; social connections; civic engagement and governance; environmental quality; personal security; and subjective well-being. It also looks at four types of resources that help to sustain well-being over time: natural, human, economic and social capital.

The *How's Life? 2017* report presents the latest data on well-being in OECD and partner countries, including how lives have changed since 2005. It includes a special focus on inequalities, the well-being of migrants in OECD countries, and the issue of governance – particularly how people experience and engage with public institutions. To read more, visit: [www.oecd.org/howslife](http://www.oecd.org/howslife).

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