To understand whether life is getting better for people, we need to look beyond the functioning of the economic system to consider the diverse experiences and living conditions of people and households. The OECD Better Life Initiative (www.oecd.org/betterlifeinitiative) focuses on developing statistics that can capture aspects of life that matter to people and that help to shape the quality of their lives. Measuring the well-being of people and the progress of societies is a key priority for the OECD, whose overarching mission is to promote “Better Policies for Better Lives”.

This brochure presents the OECD Better Life Initiative and its related projects on measuring well-being. The Initiative has three core elements:

» **Building a better evidence base for policy** – with data, analysis, and insights (e.g. the *How’s Life?* report; *Measuring the Distance to the Sustainable Development Goal Targets*; work on the policy applications of well-being metrics).

» **Developing better measures of people’s well-being** – through methodological work and measurement guidelines, developing better data on well-being inequalities, and exploring innovative methods for the collection of well-being statistics.

» **Stimulating debate and reaching out to broad audiences** – through interactive websites, tools and data explorers (e.g. the *Better Life Index; Compare Your Income*).

*“By underscoring the role of statistics in shaping action, we have driven a re-orientation of policies to look ‘beyond GDP’ to focus on the many aspects of well-being that matter in people’s lives.”*

Angel Gurría, OECD Secretary-General
The OECD well-being framework

To inform policies that can make a positive difference in people’s lives, we need granular information about people’s life circumstances and experiences, how they are changing over time, and how they vary across different population groups.

The OECD well-being framework (below) considers people’s living conditions and quality of life today (current well-being), as well as the resources that will help to sustain people’s well-being over time (natural, economic, human and social capital). It builds on national and international initiatives for measuring well-being and sustainable development, a rich academic literature, the recommendations of the Stiglitz, Sen and Fitoussi (2009) Commission on the Measurement of Economic Performance and Social Progress, and the inputs provided by National Statistical Offices represented in the OECD Committee on Statistics and Statistical Policy.

Our approach to measuring well-being has several important features:

» It puts people (individuals and households) at the centre of the assessment

» It focuses on well-being outcomes – i.e. aspects of life that are directly and intrinsically important to people, rather than the inputs and outputs that might be used to deliver those outcomes

» It considers the distribution of outcomes across the population as an important feature shaping the well-being of societies, including disparities associated with age, gender, education and income.

» It features both objective and subjective data, recognising that to understand people’s well-being you need to know both their objective circumstances and how they feel about their lives.
OECD Framework for Measuring Well-Being and Progress

CURRENT WELL-BEING
[Populations averages and differences across groups]

Quality of Life

- Health status
- Work-life balance
- Education and skills
- Social connections
- Civic engagement and governance
- Environmental quality
- Personal security
- Subjective well-being

Material Conditions

- Income and wealth
- Jobs and earnings
- Housing

RESOURCES FOR FUTURE WELL-BEING
Sustaining well-being over time through preserving:

- Natural capital
- Economic capital
- Human capital
- Social capital

The OECD Better Life Initiative at a glance

**Reporting**
How’s Life? series
reports levels, trends and inequalities in well-being;
Measuring Distance to the SDG Targets

**Adapting**
the framework for new uses:
Well-being for development;
How’s Life in Your Region?;
How Was Life?;
Business Impacts on Well-being

**Communicating**
with citizens and the media:
Better Life Index
www.oecdbetterlifeindex.org
How’s Life? country notes
www.oecd.org/howslife;
Compare your income
www.compareyourincome.org

**Building**
well-being measures into OECD country reviews:
OECD Economic Surveys;
Multi-dimensional Country Reviews

**Understanding**
the distribution of well-being in society:
Health inequalities; Income Distribution Database; Wealth Distribution Database;
How’s Life?

**Developing**
better metrics for those aspects of people’s life that are missing (e.g. life satisfaction, wealth distribution, trust, quality of jobs, governance)
How’s Life?

Since 2011, *How’s Life? Measuring Well-Being* ([www.oecd.org/howslife](http://www.oecd.org/howslife)) has been the OECD’s leading report on well-being, prepared under the oversight of the OECD Committee on Statistics and Statistical Policy. It paints a comprehensive picture of well-being in OECD countries and other major economies.

The fourth (2017) edition of *How’s Life?* charts the promises and pitfalls for people’s well-being in 36 OECD countries and 5 partner countries. It presents the latest evidence from over 50 indicators, covering both current well-being outcomes and the resources (natural, human, social and economic capitals) that contribute to sustaining well-being over time. The analysis includes new data on changes in well-being since 2005, inequalities in well-being, the experiences of migrants, and how governance matters for people’s well-being.

**The many faces of inequality**

*How’s Life? 2017* shows that gaps in people’s achievements and opportunities extend right across the different dimensions of well-being. It also exposes divisions according to education, age, income, gender, and migrant status. For example:

» Women with only primary education live almost 5 years less on average than university-educated women; that gap goes up to almost 8 years for men.

» Younger people are more than twice as likely to be unemployed, compared to those aged over 25.

» Voter turnout is 13 percentage points lower for people in the bottom 20% income bracket, compared to those in the top 20%.

» While 21% of women in OECD countries are in low paid jobs, only 13% of men are.
The share of people living in substandard or overcrowded accommodation is 50% higher among migrants, compared to the native-born population.

Since 2005, life is better for some – but not in every way

The last ten years have posed many challenges for people’s well-being. The financial crisis had a deep and long-lasting impact on several aspects of people’s lives, and particularly on their jobs. So is life now better or worse than it was in 2005, before the crisis took hold? While some things have improved for the average OECD resident, progress has often been slow, and several aspects of well-being are getting left behind:

Cumulative gains and falls in OECD average well-being since 2005

https://doi.org/10.1787/how_life-2017-en
Measuring Distance to the Sustainable Development Goal (SDG) Targets

Improving people’s well-being and its sustainability over time lie at the heart of the SDGs. The OECD Study *Measuring Distance to the SDG Targets* (www.oecd.org/sdd/measuring-distance-to-the-sdgs-targets.htm) aims to assist member countries with their national implementation of the 2030 Agenda for Sustainable Development. Drawing on the official Inter-Agency and Expert Group Global List of indicators, the study provides a high-level overview of strengths and weaknesses in performance across the SDG goals and targets.

The chart shows how far the OECD (on average) is from achieving each target for which data is available. The longer the bars the shorter the distance is to be travelled by 2030. Targets are clustered by goal, and goals are clustered by the “5Ps” of the 2030 Agenda (outer circle).

SDGs for Children and Youth

The OECD Measuring Distance study methodology has also been adapted to assess OECD countries’ performance on the SDG targets for children and young people.

*Child well-being and the Sustainable Development Goals: How far are OECD countries from reaching the targets for children and young people?* https://doi.org/10.1787/18152031.
Policy use of well-being metrics: Describing countries’ experiences

The last decade has seen many advances in the measurement of well-being in national statistics – but what are governments actually doing with these data? A new OECD working paper documents a selection of country experiences in using well-being metrics to inform policy. It describes 13 measurement frameworks that have been adopted, specific mechanisms developed by 10 countries to integrate well-being metrics into policy settings, such as budgetary processes, and 7 detailed case studies. https://doi.org/10.1787/d98eb8ed-en
Other key publications

Developing better measures of people’s well-being is also a core part of the Better Life Initiative – through methodological research and measurement guidelines, work on well-being inequalities, and innovative methods for the collection of new types of well-being statistics.

- OECD Guidelines on Measuring Trust

- OECD Guidelines on Measuring the Quality of the Working Environment

- OECD Guidelines for Micro Statistics on Household Wealth

- OECD Guidelines on Measuring Subjective Well-being


- Inequalities in Household Wealth across OECD Countries
  [https://doi.org/10.1787/7e1bf673-en](https://doi.org/10.1787/7e1bf673-en)
Trustlab

*Trustlab* ([bit.ly/trustlab](https://bit.ly/trustlab)) is an innovative OECD platform that aims to improve existing measures of trust as well as help better understand what drives it. We are partnering with researchers from a set of world-class institutions to disentangle a concept that is still poorly understood. *Trustlab* combines cutting-edge techniques drawn from behavioural science and experimental economics with an extensive survey on the policy and contextual determinants of trust in other people and trust in institutions.

*Trust and its determinants* ([https://doi.org/10.1787/869ef2ec-en](https://doi.org/10.1787/869ef2ec-en)) describes the results of the *Trustlab* data collection implemented in six OECD countries between November 2016 and November 2017: France, Germany, Italy, Korea, Slovenia and the United States.

**What’s your share of the pie? Compare your income**

What’s your perception of income inequality? Statistics on income inequality often make the headlines, but people don't necessarily know how income is truly distributed. The OECD’s interactive *Compare your income* website ([www.compareyourincome.org](http://www.compareyourincome.org)) allows you to see whether your perception is in line with reality. In only a few clicks, you can see where you fit in your country’s income distribution. You can also see how accurately you can guess where your country’s poverty line is, for households of different sizes. Analysis of these crowd-sourced data will be released in 2019.
The Better Life Index: build your own index of well-being

The Better Life Index (www.oecdbetterlifeindex.org), released for the first time in May 2011, has been designed to involve people in the discussion on well-being and, through this process, to learn what matters the most to them. This interactive web-based tool enables citizens to compare well-being across countries by giving their own weight to each of the eleven dimensions explored in the OECD well-being framework. The web application allows users to see how countries’ average achievements compare, based on the user’s own personal priorities across the different dimensions of well-being, and enables users to share their index and choices of weights with other people in their networks, as well as with the OECD.

Since its launch in May 2011, the Better Life Index has attracted over 9.5 million visitors from just about every country on the planet and has received 26 million page views. Nearly 150,000 indexes have been shared with the OECD, generating information on the importance that users attach to various life dimensions and on how these preferences differ across countries and the demographic characteristics of users. A recent analysis of the feedback gathered from these users (What Matters Most to People? http://dx.doi.org/10.1787/edf9a89a-en) shows that, on average, life satisfaction, health status and education are the dimensions deemed as most important, although all dimensions are found to resonate with people’s sense of well-being.

The Better Life Index is regularly updated and enhanced. Since its creation, the tool has been enriched with additional indicators and key measures on inequalities and gender differences. The Better Life Index is currently available in English, French, Italian, Russian, Spanish, German and Portuguese. The tool is also available on portable devices (tablets and smartphones) and can be embedded in website and blogs.
How’s Life in your country? Well-being country profiles

What is true for the OECD on average is not always true for individual countries. A series of 41 country profiles provide an in-depth picture of well-being in all OECD member countries, as well as Brazil, Costa Rica, the Russian Federation and South Africa. They describe how levels of current well-being compare amongst countries, as well as providing information about inequalities across all well-being dimensions (and by age, gender and education). They also feature changes in well-being since 2005, and a dashboard of measures on resources for future well-being.

Read more at www.oecd.org/howslife