How can we measure people’s well-being?

The fourth edition How’s Life? was released in November 2017. It provides evidence on well-being in 35 OECD countries and 6 partner countries. To understand people’s current well-being, it looks at 11 dimensions of life:

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

Resources for future well-being include 4 different “capital stocks”:

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

How has life changed for the average OECD resident since 2005?

- Income and earnings have risen cumulatively by 8% and 7% respectively. This is half the growth rate seen between 1995 – 2005.
- The employment rate has gone up by 1.3 percentage points.
- Life expectancy at birth has increased by 1.7 years.
- The share of people who feel safe when walking alone at night has gone up from 66% to 69%.
- Voter turnout has fallen from 72% to 69%.
- Labour-market insecurity has increased by 32%, and long-term unemployment has worsened in half of all OECD countries.
- The share of people with friends or family they can count on has fallen from 92% to 89%.
- Average life satisfaction has fallen from 6.7 (out of 10) to 6.5.

Resources and risks for future well-being:

- OECD average greenhouse gas emissions per capita have fallen by around 14% since 2005. However, forest area per capita has also fallen by around 5%.
- OECD countries invest a higher share of their GDP in R&D than in 2005. However, the financial net worth of OECD governments has fallen by 30 percentage points, and households have experienced rising debt in over half of all OECD countries.
- Since 2005, the share of people who smoke has fallen from 22% to 18%. However, the share of people who are obese has risen from 22% to 24%.
- Voter turnout and trust in government have fallen in more than half of all OECD countries since 2005.

The many faces of inequality

Income and wealth disparities play an important role in shaping people’s opportunities in life:

- More than 1 in 3 people would fall into poverty if they had to forgo 3 months of their income.
- The wealthiest 10% of households own more than half of the average OECD country’s wealth.
- While more than half of households in the top 20% wealth bracket receive inheritances or gifts, only 1 in 10 of those in the bottom 20% bracket do.

But differences in people’s well-being within OECD countries go well beyond the divides between rich and poor. Fault lines of inequality exist in many aspects of people’s lives, and among many groups of people:
Governance and well-being

How public institutions function, what they deliver, and the extent to which people feel engaged in them are important for well-being.

- Only 1 in 3 people in the OECD feel that they have a say in what the government does, and over half believe that corruption is widespread in their government.
- 38% of people say that they have confidence in their national government.
- In 11 OECD countries assessed, manual workers make up 44% of the population, but only 13% of members of parliament.
- Voter turnout is 13 percentage points lower for people in the bottom 20% income bracket than for those in the top 20%.
- Compared to those with a university education, people with only primary education are 40% less likely to feel they have a say in what the government does.

Country profiles: How’s Life in your country?

What is true for the OECD on average is not always true for individual countries. How’s Life? 2017 includes 41 country profiles describing levels of current well-being, change since 2005, and resources for future well-being.

Read at: www.oecd.org/how/life