



Better Life Index 2017

Definitions and metadata

November 2017

This document defines the indicators included in the OECD Your Better Life Index (BLI). Definitions for each indicator are listed by dimension of well-being, together with indications on the unit of measurement, the source and additional information available on the distribution.

Income and Wealth

Household net adjusted disposable income

It's the maximum amount that a household can afford to consume without having to reduce its assets or to increase its liabilities. It's obtained, as defined by the System of National Accounts – SNA, adding to people's gross income (earnings, self-employment and capital income, as well as current monetary transfers received from other sectors) the social transfers in-kind that households receive from governments (such as education and health care services), and then subtracting the taxes on income and wealth, the social security contributions paid by households as well as the depreciation of capital goods consumed by households. Available data refer to the sum of households and non-profit institutions serving households (S14_S15).

Unit of measurement: US dollars at current PPPs per capita¹

Additional information: Socio-economic inequality (quintile 5 versus quintile 1)

Sources: OECD calculations based on OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/na-data-en> and OECD Income Distribution and Poverty database (for socio-economic inequality) <http://stats.oecd.org/Index.aspx?DataSetCode=IDD>

Household net financial wealth

Net financial wealth consists of: currency and deposits, securities other than share, loans, shares and other equity (including shares issued by investment funds), insurance technical reserves, and other accounts receivable or payable, net of household financial liabilities, as defined by the System of National Accounts – SNA. Data refer to the sum of households and non-profit institutions serving households (S14_S15).

Unit of measurement: US dollars at current PPPs per capita²

Sources: OECD calculations based on OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/na-data-en>

¹ PPPs used are those for actual individual consumption

² PPPs used are those for private consumption

Jobs and earnings

Employment rate

It is the number of employed persons aged 15 to 64 over the population of the same age. Employed people are those aged 15 or more who report that they have worked in gainful employment for at least one hour in the previous week, as defined by the International Labour Organization – ILO.

Unit of measurement: Percentage of the working-age population (aged 15-64).

Additional information: Gender inequality (men versus women); Socio-economic inequality (educational attainment 5/6 ISCED group versus 0/1/2 ISCED group)

Sources: “Labour Force Statistics”, OECD Employment and Labour Market Statistics (database), <http://dx.doi.org/10.1787/lfs-lfs-data-en>; OECD calculations based on “Educational attainment and labour-force status”, OECD Education at a glance (database) http://stats.oecd.org/Index.aspx?DataSetCode=EAG_NEAC (for socio-economic inequality)

Long term unemployment rate

This indicator refers to the number of persons who have been unemployed for one year or more as a percentage of the labour force (the sum of employed and unemployed persons). Unemployed persons are defined as those who are currently not working but are willing to do so and actively searching for work.

Unit of measurement: Percentage of the labour force

Additional information: Gender inequality (men versus women); Socio-economic inequality for the unemployment rate (educational attainment 5/6 ISCED group versus 0/1/2 ISCED group)

Sources: “Labour Force Statistics”, OECD Employment and Labour Market Statistics (database), <http://dx.doi.org/10.1787/lfs-lfs-data-en>; OECD calculations based on “Educational attainment and labour-force status”, OECD Education at a glance (database) http://stats.oecd.org/Index.aspx?DataSetCode=EAG_NEAC (for socio-economic inequality)

Average gross annual earnings of full-time employees/ Personal earnings

This indicator refers to the average annual wages per full-time equivalent dependent employee, which are obtained by dividing the national-accounts-based total wage bill (Wages and salaries – SNA D11) by the average number of employees in the total economy, which is then multiplied by the ratio of average usual weekly hours per full-time employee to average usually weekly hours for all employees (sourced from the Labour Force Surveys). It considers the employees’ gross remuneration, that is, the total before any deductions are made by the employer in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and other obligations of employees.

Unit of measurement: US dollars at current prices

Additional information: Gender inequality (men versus women); Socio-economic inequality (percentile 80 versus percentile 20)

Sources: OECD Average annual wages (database), http://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE and OECD estimates based on OECD National Accounts Database and Labour Force Surveys

Labour market insecurity

This indicator is defined in terms of the expected earnings loss associated with unemployment. This loss depends on the risk of becoming unemployed, the expected duration of unemployment and the degree of mitigation against these losses provided by government transfers to the unemployed (effective insurance).

Unit of measurement: Percentage of previous earnings

Sources: OECD Job quality (database), <http://dotstat.oecd.org/Index.aspx?DataSetCode=JOBQ>

Housing

Number of rooms per person/ Rooms per person

This indicator refers to the number of rooms (excluding kitchenette, scullery/utility room, bathroom, toilet, garage, consulting rooms, office, shop) in a dwelling divided by the number of persons living in the dwelling.

Unit of measurement: Rate (number of rooms divided by the number of people living in the dwelling)

Sources: European Union Statistics on Income and Living Conditions (EU-SILC), National Statistical Offices and OECD's calculations

Dwellings without basic facilities

This indicator refers to the percentage of the population living in a dwelling without indoor flushing toilet for the sole use of the household. Flushing toilets outside the dwelling are not to be considered in this item. Flushing toilets in a room where there is also a shower unit or a bath are also counted.

Unit of measurement: Percentage of the population

Sources: European Union Statistics on Income and Living Conditions (EU-SILC), National Statistical Offices

Housing expenditure

This indicator considers the expenditure of households in housing and maintenance of the house, as defined in the SNA (P31CP040: Housing, water, electricity, gas and other fuels; P31CP050: Furnishings, households' equipment and routine maintenance of the house). It includes actual and imputed rentals for housing, expenditure in maintenance and repair of the dwelling (including miscellaneous services), in water supply, electricity, gas and other fuels, as well as the expenditure in furniture and furnishings and households equipment, and goods and services for routine maintenance of the house as a percentage of the household gross adjusted disposable income. Data refer to the sum of households and non-profit institutions serving households (S14_S15).

Unit of measurement: Percentage of the household gross adjusted disposable income

Sources: OECD calculations based on OECD National Accounts Database

Health Status

Life expectancy at birth

Life expectancy measures how long on average people could expect to live based on the age-specific death rates currently prevailing. This measure refers to people born today and is computed as a weighted average of life expectancy for men and women.

Unit of measurement: Number of years

Additional information: Gender inequality (men versus women)

Sources: "Health status", OECD Health Statistics (database), http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT.

Self-reported health status

This indicator refers to the percentage of the population aged 15 years old and over who report "good" or better health. The WHO³ recommends using a standard health interview survey to measure it, phrasing the question as "How is your health in general?" with response scale "It is very good/ good/ fair/ bad/ very bad"⁴.

Unit of measurement: Percentage of the population

Additional information: Gender inequality (men versus women); Socio-economic inequality (net disposable income⁵ quintile 5 versus quintile 1)

Sources: "Health status", OECD Health Statistics (database), http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT.

Work and Life

Employees working very long hours

This indicator measures the proportion of dependent employed whose usual hours of work per week are 50 hours or more.

Unit of measurement: Percentage of the dependent employed

Additional information: Gender inequality (men versus women)

Sources: OECD, Labour Force Statistics database

³ WHO (1996), "Health Interview Surveys: Towards International Harmonization of Methods and Instruments", *Who Regional Publications*, European Series, No. 58

⁴ Please note that not all OECD countries have adopted this standardised instrument. Differences in the question and response scale used need to be reported.

⁵ If it's not possible for net disposable income (after taxes and transfers), then gross income can be used. Data coming from health surveys relate to individual income, while data coming from household surveys relate to household (equivalised) income.

Time devoted to leisure and personal care

This indicator measures the amount of hours (minutes) per day that, on average, full-time employed people spend on leisure and on personal care activities. Leisure includes a wide range of indoor and outdoor activities such as walking and hiking, sports, entertainment and cultural activities, socializing with friends and family, volunteering, taking a nap, playing games, watching television, using computers, recreational gardening, etc. Personal care activities include sleeping (but not taking a nap), eating and drinking, and other household or medical or personal services (hygiene, visits to the doctor, hairdresser, etc.) consumed by the respondent. Travel time related to personal care is also included. The information is generally collected through national Time Use Surveys, which involve respondents keeping a diary of their activities over one or several representative days for a given period.

Unit of measurement: Number of hours (minutes) per day spent on leisure and personal care.

Additional information: Gender inequality (men versus women)

Sources: OECD Time Use Survey database

Education and skills

Educational attainment

Educational attainment considers the number of adults aged 25 to 64 holding at least an upper secondary degree over the population of the same age, as defined by the ISCED classification.

Unit of measurement: Percentage of the adult population (aged 25 to 64)

Additional information: Gender inequality (men versus women)

Sources: "Educational attainment and labour force status", OECD Education at a glance (database), http://stats.oecd.org/Index.aspx?DataSetCode=EAG_NEAC

Students' cognitive skills

Students' average score in reading, mathematics and science as assessed by the OECD's Programme for International Student Assessment (PISA)

Unit of measurement: Average PISA scores

Additional information: Gender inequality (boys versus girls); Socio-economic inequality (PISA index of economic, social and cultural status (ESCS) top quartile versus bottom quartile)

Sources: OECD PISA at a glance

Expected years in education

This indicator is the average duration of education in which a 5 year old child can expect to enrol during his/her lifetime until the age of 39. It is calculated under the current enrolment conditions by adding the net enrolment rates for each single year of age from the age of five onwards⁶.

Unit of measurement: Number of years

Additional information: Gender inequality (boys versus girls)

Source: OECD Education at a glance

Social connections/Community

Social network support

It's a measure of perceived social network support. The indicator is based on the question: "If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?" and it considers the respondents who respond positively

Unit of measurement: Percentage of people aged 15 and over

Additional information: Gender inequality (men versus women); Socio-economic inequality (educational attainment 5/6 ISCED group versus 0/1 ISCED group)

Source: OECD calculations based on Gallup World Poll

Civic engagement and governance

Stakeholder engagement for developing regulations

This indicator describes the extent to which formal stakeholder engagement is built in the development of primary laws and subordinate regulations. The indicator is calculated as the simple average of two composite indicators (covering respectively primary laws and subordinate regulations) that measure four aspects of stakeholder engagement, namely i) systematic adoption (of formal stakeholder engagement requirements); ii) methodology of consultation and stakeholder engagements; iii), transparency of public consultation processes and open government practices; and iv) oversight and quality control that refers to existence of oversight bodies and publicly available information on the results of stakeholder engagement. The maximum score for each of the four dimensions/categories is one and the maximum aggregate score for the composite indicator is then four. The stakeholder engagement indicator has been computed based on responses to the 2014 OECD's regulatory indicators survey for OECD countries and to the OECD-IDB Survey on Regulatory Policy and Governance 2015 for Brazil, where respondents were government officials.

The scores for primary laws refer exclusively to processes for developing primary laws *initiated by the executive*. There is no score for primary laws for the United States, where all primary laws are initiated by Congress, and Brazil. In the majority of countries, most primary laws are initiated by the executive, except

⁶ For the OECD countries enrolment data by single year of age is only available for the ages of 5 to 29 years. For the ages of 30 to 39, enrolment rates are estimated on the basis of 5 years age bands.

for Mexico and Korea, where a higher share of primary laws are initiated by parliament/congress (respectively 90.6% and 84%).

Source: *OECD Indicators of Regulatory Policy and Governance (iREG)*, <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>

Voter turnout

Voter turnout is here defined as the ratio between the number of individuals that cast a ballot during an election (whether this vote is valid or not) to the population registered to vote. As institutional features of voting systems vary a lot across countries and across types of elections, the indicator refers to the elections (parliamentary or presidential) that have attracted the largest number of voters in each country.

Unit of measurement: Percentage of the population

Additional information: Gender inequality (men versus women); Socio-economic inequality (income quintile 5 versus quintile 1)

Sources: International Institute for Democracy and Electoral Assistance (IDEA); Comparative Studies of Electoral System for inequality data (self-reported voter turnout)

Environmental quality

Air pollution

The indicator is the population weighted average of annual concentrations of particulate matters less than 2.5 microns in diameter (PM2.5) in the air.

Unit of measurement: Micrograms per cubic meter

Source: OECD calculations based on OECD Exposure to air pollution (database), http://stats.oecd.org/Index.aspx?DataSetCode=EXP_PM2_5

Satisfaction with water quality

The indicator captures people's subjective appreciation of the environment where they live, in particular the quality of the water. It is based on the question: "In the city or area where you live, are you satisfied or dissatisfied with the quality of water?" and it considers people who responded they are satisfied

Unit of measurement: Percentage of people aged 15 and over

Additional information: Gender inequality (men versus women)

Sources: OECD calculations based on Gallup World Poll

Personal security/Safety

Homicides rates

Deaths due to assault.

Unit of measurement: Age-standardised rate per 100,000 population

Additional information: Gender inequality (men versus women)

Sources: "OECD Health Data: Causes of Mortality", OECD Health Statistics (database), http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT.

Feeling safe walking alone at night

The indicator is based on the question: "Do you feel safe walking alone at night in the city or area where you live?" and it shows people declaring they feel safe.

Unit of measurement: Percentage of people aged 15 and over

Additional information: Gender inequality (men versus women)

Sources: OECD calculations based on Gallup World Poll

Life satisfaction (Subjective well-being)

Life satisfaction

The indicator considers people's evaluation of their life as a whole. It is a weighted-sum of different response categories based on people's rates of their current life relative to the best and worst possible lives for them on a scale from 0 to 10, using the Cantril Ladder (known also as the "Self-Anchoring Striving Scale")

Unit of measurement: Mean value (Cantril Ladder)

Additional information: Gender inequality (men versus women); Socio-economic inequality (educational attainment 5/6 ISCED group versus 0/1 ISCED group)

Source: OECD calculations based on Gallup World Poll