

Executive summary

What matters most when it comes to people's well-being? The OECD's *Better Life Initiative* aims to answer that question by painting a broad picture of people's lives using 11 key dimensions essential to well-being. These range from traditional measures such as income and jobs, health, education and the local environment, to personal safety and overall satisfaction with life.

But well-being varies among individuals and thus cannot be captured only by measures at national level. So the OECD has also focused on measuring inequality between groups in society for the different well-being outcomes. This shows how well-being, whether in terms of income, education, health or general satisfaction with life is shared across society, for instance what difference gender makes.

The wide range of comparable well-being indicators in *How's Life?* makes it possible to identify relative strengths and weaknesses in countries' well-being. This, in turn, can help governments when drawing up their policy agenda. But there is no clear well-being champion across all the well-being dimensions, and policy priorities in well-being may differ among OECD countries.

How's Life? overall

OECD countries have made considerable progress in many well-being areas over the past 20 years or so; however this trend does not hold for jobs or for voting levels and, more importantly, hides a great diversity of patterns both among and within countries.

For instance low-income countries in the OECD area tend to do relatively well in terms of subjective well-being and work-life balance. Conversely, higher income countries often have more difficulties in reconciling work-life balance. Also, less educated and low-income people tend to fare worse in almost all well-being dimensions; for instance they are less healthy, they participate less in the community and they experience lower subjective well-being.

Significant advances have been made in recent years on measuring income, education, environment and subjective well-being but a lot remains to be done to improve measurement of other dimensions of well-being.

Well-being and the global financial crisis

The crisis has had large implications for the economic well-being of households, as measured by higher unemployment, temporary work incidence, involuntary part-time work, financial insecurity and poverty. However, changes in non-economic aspect of well-being outcomes during the crisis are more ambiguous. Life satisfaction and confidence in institutions declined substantially in countries severely hit by the crisis, while people reported soaring stress levels. However, there was little or no change in health outcomes for the population at large.

These findings may be partly explained by the fact that the effects of the crisis will be visible only in the long-term, such as later health problems, or affect specific groups of the population, thus remaining invisible in nation-wide statistics. However, it is also possible

that some of the short-term consequences of the crisis are not adequately captured by existing measurement tools. This underscores the need for more timely, high-frequency and group-specific indicators that can track short-term movements in well-being. Better knowledge of short-term movements in well-being is crucial for informing policy interventions during and after recessions.

Tackling gender inequality

Policy-makers also need to know whether policies should be targeted at specific groups of the population. A case in point is that of gender differences.

Gender gaps in well-being have narrowed over recent decades, although men still score higher than women in a number of areas. Women live longer than men, but also suffer more often from illness. Girls are now doing better than boys in school, but remain under-represented in key fields of education that provide greater jobs opportunities. Similarly, women are increasingly present in the labour market. Yet, they still earn less than men, spend more hours in unpaid work and find it harder to reach the top of the career ladder or start their own business. Men are more often the victims of homicide and assault, but women are the primary target of intimate partner violence. Finally, although women typically report slightly higher life evaluations than men, they are more likely to experience negative emotions.

It is clear however that gender is not only a women's issue. While traditional disadvantages of women and girls persist in most countries, men and boys are increasingly exposed to uncertain job prospects and need to adapt to changing tasks and social expectations. Measuring well-being with a gender perspective thus requires moving beyond indicators showing the gap between women and men, towards a broader assessment of vulnerabilities, opportunities and inequalities specific to each gender.

Quality jobs for greater well-being

Quality of employment and well-being in the workplace are becoming more prominent issues in many OECD countries.

Measuring the quality of employment is challenging as it covers many different aspects, ranging from earnings to social relationships at work, which interact with each other in complex ways to shape the overall quality of a job. How much autonomy people have, whether they have well-defined goals at work and supportive colleagues all affect quality of employment. The challenge is to develop a set of indicators to capture this broad range of dimensions.

Future well-being

Policy-makers and citizens need to know how actions taken today might affect *future* well-being. Measuring whether well-being is likely to be sustainable over time is especially challenging because it requires an in-depth understanding of what will matter for well-being in the future. As a first step, the OECD brings together what we know about the resources that sustain well-being over time, and considers how they can be measured.

It proposes building on the work of the recent UNECE-Eurostat-OECD *Task Force on Measuring Sustainable Development* as a starting point. It focuses on the stocks of natural, human, social and economic capital thought to be important for sustaining well-being over time, and outlines the types of indicators that would be needed to monitor these stocks effectively. Information about distribution and management of capital stocks at a variety of different spatial levels (local, national, regional and global) may also be important. The next step in the statistical agenda will be to select a set of specific indicators and begin to populate a dashboard with relevant data.