

GROWTH ISN'T GOOD ENOUGH

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About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five "pathways to poverty", first identified in our ground-breaking 2007 report *Breakthrough Britain*. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in Government thinking and policy. For instance, in March 2013, the CSJ report *It Happens Here* shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century. Our research is informed by experts including prominent academics, practitioners, and policymakers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises, and other grassroots organisations that have a proven track-record of reversing social breakdown across the UK.

The social challenges facing Britain remain serious. In 2025 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

Acknowledgements

We are especially grateful to William Salomon OBE who made this work possible.

Disclaimer: Please note that the views, findings and recommendations presented in this report are those of the CSJ alone, and not necessarily those of any organisation or individual who has fed into or enabled our research. Any errors remain our own.

Foreword

Measures of wellbeing and happiness are often seen as the weaker sibling of the all-powerful GDP: hard to measure, hard to define, too subjective. Cold hard cash will always be king.

But our failure to take this seriously is beginning to fundamentally undermine both politics and policy. Far from leading to a period of happiness and stability in the US, its recent economic growth “miracle”, saw the incumbent decisively and unceremoniously turfed out of office in recent elections. On this side of the Atlantic growth is no less important, with the Prime Minister repeatedly describing it as the number one priority of this government. But in very recent days, the rescue of the British steel industry has highlighted that growth has its limits. It is not growth at any cost. There are other considerations. That is where this paper and the concept of wellbeing matters. Because the data is clear that a healthy, happy, cohesive society will never come about by growth alone, but needs to consider employment, homes, families and relationships - the environment of our day-to-day lives.

It is not that growth doesn't matter, but if it becomes the sole target of all government and the sole metric for its success, we will risk immiserating the country and undermining that goal in the process. One of the startling findings in this paper is that despite being one of the world's wealthiest nations we have some of the least happy children. But it's perfectly probable that the two things are not unrelated. In last year's election manifestos, each political party pledged to increase childcare in some form or other. The Labour party pledged to expand it. The Conservatives pledged “the largest ever expansion”. The Greens then took the Conservative pledge and added 5 hours. It's an arms race currently standing at 30 hours per week from 9 months old.

Our own polling has found that 70 per cent of working parents would like to spend more time caring for their child, and almost half of parents with pre-school children would like to stop working altogether if they could, this is not a popular policy. And the evidence around infant attachment seems to show that this road of travel is actively harming the vast majority of our children, it's certainly not a child-centric policy. But enabling as many parents as possible to get back to work as quickly as possible is pure economic policy, with child-wellbeing and parents' wishes damned in the process. It is the outworking of growth at all costs.

It's why this report highlights initiatives like #BeeWell in Manchester which is trying to measure and understand the wellbeing of children in its schools. It's why other countries, even devolved nations within the UK, are looking more and more at wellbeing metrics. And it's why this report says that the government needs to start regularly measuring, publishing, and promoting a far more holistic vision of what we want the UK to become, rather than measuring GDP alone.

What gets measured gets done. If we don't measure the things that matter to us, we can't expect to get the country we want.



Edward Davies

Director of Research, Centre for Social Justice

Executive summary

Growth is important. But it isn't everything. The data in this report are clear; if we are to see our lives as worthwhile, satisfying, and happy, our relationships, marriages, work, our homes and environment all matter just as much, if not more, for a "Good Life".

There is growing tyranny by treasury. Gross Domestic Product (GDP) is king, queen, and courtiers. The majority of the ensuing political discourse is around pounds and pence. Good news for the NHS is delivered in billions by budget. Poverty is thought to be solved through welfare spending to a line. To address educational problems, we are told to invest more in schools. The monthly measurement and tyrannical hold of GDP means that we perpetuate and increase the reach of this conversation skewing our national priorities. If we don't measure what we value, then we value what we measure.

Even though GDP is rising, the UK's citizens, and especially its youth, are less satisfied with their lives. CSJ calculations combining all four areas of wellbeing (happiness, life satisfaction, worthwhileness and anxiety) show that more people than the population of Sheffield now live in misery in the UK – they score poorly on every count. Although GDP can be a useful measure of growth, GDP is not an efficient measure of life satisfaction nor is it an efficient measure of national wellbeing and thus should not be used as the ultimate barometer of the success of a nation. Furthermore, while GDP has been growing, so have economic inactivity and unemployment rates.

Proposals for alternative metrics that better assess both economic prosperity and wellbeing have been explored internationally. While the Office for National Statistics (ONS) now routinely collects data on life satisfaction as well as happiness, worthwhileness, and anxiety, there is still room for improvement in the measurement and monitoring of wellbeing. The UK stands to learn from Nordic countries and New Zealand who have more developed wellbeing policies and consistently score higher on international comparisons.¹

Despite only having average performance, the UK has a storied history of wellbeing economics, including the formation of an All-Party Parliamentary Group (APPG), David Cameron's prioritisation of wellbeing nationally, and the formation of the What Works Wellbeing Centre. Moreover, the devolved countries each have their own wellbeing framework and within England there are communities aiming to reframe their social systems through a wellbeing lens. Now is the time for the UK to reinvigorate its commitment to wellbeing and long-term policymaking.

Wellbeing is sometimes seen as soft, but the reality of this index is that there are hard, measurable factors that drive it which could drive hard policy solutions. We simply do not value or address them as much. We should, and other countries are starting to.

New Zealand publishes a Wellbeing Budget and a four-yearly Wellbeing Report, while in France, former President Sarkozy commissioned research that suggested the collection of consumption metrics, real household income, and net national product as a starting point.

What gets measured gets done, and if Government is to truly improve the lives of its most deprived citizens, it needs to ensure that it is measuring what matters to them or it will be unable to address it.

¹ OECD, How's Life? 2020: Measuring Well-Being, How's Life? (OECD, 2020), <https://doi.org/10.1787/9870c393-en>.

Need for improvement



Are our children the canary in the coal mine? Sir Keir Starmer has argued that child wellbeing is the most important barometer of a nation's success, but our children are unsatisfied and unhappy. Child wellbeing in the UK has dropped and is low relative to similar countries. Children in the UK may be some of the richest, but also the least happy in the world. Furthermore, child wellbeing predicts adult wellbeing – the future is not bright.

1 in 4 children are unsatisfied with their life.²

But areas to improve go well beyond childhood. We investigate the combined and individual relationships between employment, income, community and relationships, and environment and green space proposing practical solutions. Our policy solutions focus on the areas of employment, family, and school because these are the three main institutions within which people spend their time and predict our future.

- › **The average household in the bottom income quintile may not even have one working person (0.7 working person per household on average) and being in work is associated with higher life satisfaction.³**
- › **People in middle age have the lowest life satisfaction of any age group. This period corresponds to the time of life with the most caring responsibilities.**
- › **75 per cent of students attend schools with inadequate parental involvement.⁴**
- › **The environment a person lives in significantly affects their life satisfaction and 29 per cent of the most deprived felt that there was nothing good about living in their area.⁵**

2 'PISA 2022 Results (Volume I and II) - Country Notes: United Kingdom', OECD, 4 December 2023, https://www.oecd.org/en/publications/pisa-2022-results-volume-i-and-ii-country-notes_ed6fbcc5-en/united-kingdom_9c15db47-en.html.

3 'Average Household Income, UK - Office for National Statistics', accessed 8 October 2024, <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2023>.
"Average Household Income, UK - Office for National Statistics", accessed 8 October 2024, <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2023>.
"noteIndex":3,"citationItems":[{"id":1114,"uris":["http://zotero.org/groups/5403820/items/MITQ7GP4"],"itemData":{"id":1114,"type":"webpage","title":"Average household income, UK - Office for National Statistics","URL":"https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2023","accessed":{"date-parts":[[2024,10,8]]},"schema":"https://github.com/citation-style-language/schema/raw/master/csl-citation.json"}]

4 'PISA 2022 Results (Volume I and II) - Country Notes'.

5 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

This report establishes the current satisfaction levels across the UK, examines models of life satisfaction through a UK lens, and ultimately proposes potential policy to improve the wellbeing of Britain's most vulnerable.

Family, social relationships, labour market participation, job characteristics, health, education, romantic relationships, religious faith, and income inequality have all been shown to be positively correlated with life satisfaction. However, it is also worth noting that many of these key life domains have only a moderate effect. It is the combination of many factors and their compounding effect that most influence people's life satisfaction.⁶ The CSJ has studied the social elements of life satisfaction in order to better inform policy discussions and reinvigorate the conversation surrounding wellbeing in Government.

In a period characterised by limited resources and rising debt, it is now more important than ever to make sure that our spending is directed most appropriately towards high-impact legislation that can improve the lives of the UK's most disadvantaged people.

Summary of recommendations

Key Metric: It is time for the government to collect and publish wellbeing metrics in the same way it does for GDP. This should include metrics that are regularly collected today including income and wealth, but will expand upon these to include a commitment to monitoring the social elements of wellbeing. Government should create a dashboard including the status of families, relationships, employment, housing, education, and environment in a centralised location to allow a better understanding of the wellbeing of the nation. In line with the Government's commitment to expanding combined authority's power, geographic measurements should take place at the combined authority level. The Government should also collaborate with international convening bodies and organisations in order to understand the successes and failures of current policy while engaging with their monitoring services.

Practical recommendations to influence and monitor wellbeing:

RECOMMENDATION 1

Family structure and stability are central to wellbeing, particularly for children, and should be a key metric across government policy. In addition, and in response, the Government should expand family hubs to all local authorities because the support they provide at all stages of life encourages intergenerational contact and acts as a source of wrap-around support. By reducing the number of contact points with the State, it enables a long-term trusted relationship and a 'one stop shop' for families to seek support. Government should commit to monitoring the usage and demographics of family hub users in order to best support them and to understand how family formation and dynamics evolve in the UK.

⁶ Friederike Doerwald et al., 'Domain-Specific Life Satisfaction among Older Adults with and without Children: The Role of Intergenerational Contact', PLoS One 16, no. 9 (2021): e0257048, <https://doi.org/10.1371/journal.pone.0257048>; Zahra Batool, Hamid Hasan, and Ghulam Mustafa Sajid, 'Does Job-Satisfaction Cause Life-Satisfaction? New Evidence Using Lewbel Methodology', The Pakistan Development Review 59, no. 3 (2020): 357–76.

RECOMMENDATION 2

Given the particular decline in childhood wellbeing, the Government should monitor wellbeing in schools. Part of this monitoring should include a national wellbeing metric as has been recommended by #BeeWell and should include longitudinal measurement to demonstrate change every year, beginning in the next school year.

RECOMMENDATION 3

The Government should formally trial the Healthy Minds Programme in a six-year trial following children and young adults through secondary school. This programme has been tested in a Randomised Control Trial and has shown positive results across almost all endpoints, and in particular benefited boys who have been underperforming in schools.

RECOMMENDATION 4

The Department for Education should create a National Parental Participation Strategy, which should create a new duty for schools and multi-academy trusts (MATs) to focus on parental engagement and publish parental participation plans. Trusts and schools should design these plans in consultation with parents and guardians to reflect the needs of local families.

RECOMMENDATION 5

The Government should prioritise Active Labour Market Policies, including job search assistance programmes for older workers and the most deprived, and private sector employment subsidies to improve sustainability in long-term employment. The Working Well programme in Manchester provides a blueprint for how job search assistance programmes might look practically.

RECOMMENDATION 6

The Government should devolve employment services to the combined authority level, adopting the Dutch model, to make support more tailored and relational. A similar model has been trialled with success in Manchester whose precedent can serve as a replicable example for the rest of the UK.

RECOMMENDATION 7

The 2024 Labour party manifesto guaranteed apprenticeships for all those who want them. This was a welcome, but ambitious target. As a first step this Government should complement efforts for job-search assistance for older-workers and the long-term unemployed with ring-fenced funding for apprenticeships for younger people. By tailoring employment assistance and employability schemes to the needs of individual groups, the Government will most efficiently improve rates of inactivity and, by association, improve wellbeing. Furthermore, the Government should earmark 20 per cent of positions at every level of apprenticeship for young people in the bottom income quintile who are underrepresented in higher level apprenticeships and who would offer the greatest return on investment. This figure is proportional to their share of the population based on deprivation groups.

RECOMMENDATION 8

The evidence and impact of income inequality and how it directly and indirectly impacts wellbeing remains complex and contested. The Government should maintain and publish median and mean income data to examine income inequality by measuring the difference between the two, in order to account for outliers and extreme wealth in a few individuals. The Government should regularly publish the share of resources, including but not limited to income, in each deprivation decile group. This allows a holistic understanding of how wealth is shared in society and helps to account for some of the aspects that are neglected by more traditional measures of inequality like the Gini Index. The Government should additionally publish longitudinal data on average income for the top and bottom income quintiles and how it has changed over at least the last decade. This longitudinal data should be continually monitored and published. This aids in understanding how income disparities grow over time compared with reference to a typical basket of goods. This recommendation is informed by the Commission on the Measurement of Economic Performance and Social Progress.⁷

⁷ Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress' (Paris, France, January 2009), www.stiglitz-sen-fitoussi.fr.

Background:

Life satisfaction as the unknown known

If the UK's GDP has increased 50 per cent in the last decade, then why aren't we 50 per cent happier today than we were ten years ago?⁸ According to the World Happiness Report, the UK saw increasing life satisfaction between 2005 and 2018, after which point, the trend reversed. GDP continues to rise, but so do economic inactivity and unemployment. GDP rises while rates of long-term partnership fall. GDP rises while one child in every classroom misses out on 50 per cent of their schooling.⁹ The question then remains, does GDP measure the right things?

UK GDP growth is, however, minimal (0.1 per cent in 2023 compared to 1.7 per cent for all OECD members and 1.6 per cent for high-income countries).¹⁰ Of countries with positive growth, the UK comes in last place, tied with the Netherlands. There are only 32 countries in the world with lower growth rates than the UK – most of which are actively engaged in conflict. If the assumption that sustained GDP growth raises the standard of living is true, then the GDP growth rate is more important to examine than simply GDP. Moreover, if GDP continues to be used as an indicator of economic success, then it is important that it is used in conjunction with more targeted indicators of household level economic success and long-term growth.

People in the UK report lower levels of life satisfaction today than they did 10 years ago. Between 2015 and 2018 the wellbeing of the country's youth (15-18 year olds) fell more than any other OECD state.¹¹ While average life satisfaction was still increasing, the nation's youth predicted the downturn in national life satisfaction that would be seen in years following. Life Satisfaction is the unknown known; that which we do not know we know. Waldinger and Schulz note that we naturally know about happiness and how best to maximise happiness, but we are distracted by competing factors like comparison and income, and we measure the wrong things, like GDP.¹² Wellbeing should be an important goal for the Government.¹³ but government priorities do not reflect this, nor do they always help manifest citizens' wellbeing. A historic over-reliance on GDP leaves "those attempting to guide the economy and our societies... like pilots trying to steering a course without a reliable compass."¹⁴

8 'GDP at Current Prices – Real-Time Database (YBHA) - Office for National Statistics', accessed 10 September 2024, <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/realtimedatabaseforukgdpbybha>.

9 'Absence Tracker Spring 2024' (The Centre for Social Justice, 17 October 2024), https://www.centreforsocialjustice.org.uk/wp-content/uploads/2024/10/CSJ-Absence_Tracker_Oct_24.pdf.

10 'World Bank Open Data', World Bank Open Data, accessed 30 October 2024, <https://data.worldbank.org>.

11 Wellbeing: Science and Policy, 2023, <https://www.youtube.com/watch?v=NgV3NWxtDUU>.

12 Robert Waldinger and Marc Schulz, *The Good Life and How to Live It* (Penguin, 2023).

13 Paul Frijters et al., 'A Happy Choice: Wellbeing as the Goal of Government' (IZA - Institute of Labor Economics, 2019), <https://www.jstor.org/stable/resrep59439>.

14 Stiglitz, Sen, and Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress'.

“It’s not either/or economics and wellbeing” (Nick Carroll, Technical Assistance Advisor at the International Monetary Fund, 2019 Wellbeing Economics APPG).¹⁵ While GDP is useful as a measure of growth in the market and can provide valuable insight, it includes harmful expenditure and thus, does not necessarily reflect national wellbeing or even economic wellbeing.¹⁶ More crime and thus more counter-criminal expenditure, including prisons, would be reflected as growth in GDP. In 2022-2023, the UK spent £4.2 billion on resource expenditure in prisons,¹⁷ but that spending does not reflect positive wellbeing.

Conversely, things we value may not contribute to GDP. The CSJ is concerned with the root causes of disadvantage and protective factors like strong families. Caring responsibilities within a family are not paid for and thus are not reflected in GDP, systematically undervaluing carers. The CSJ previously estimated that 400,000 carers had to leave their jobs to care for older or disabled family members in 2021-22, but none of the work they do in caring for their family would be reflected in GDP and, in fact, their departure from the workforce would actually be reflected by a drop in GDP.¹⁸

The CSJ’s mission is to help the most disadvantaged reach their full potential. The science of wellbeing offers an effective way of evaluating interventions for this group because it adopts a Rawlsian approach to welfare – meaning that a gain to the least well off is worth more than an equivalent sized gain to the most well off. In other words, a pound to someone earning the median salary is worth more than a pound to someone earning in the top 1 per cent income bracket.

Maximising wellbeing

The economics of life satisfaction is now a well-respected field with an impressive roster of academics supporting its development. Nobel Prize winner, Angus Deaton, has sought to answer the question of why increases in income do not translate to improved happiness.¹⁹ Other Nobel prize winners have investigated similar topics; Amartya Sen aimed to measure the general wellbeing of a society, and Daniel Kahneman sought to better understand human behaviour and why we make choices that do not benefit us.²⁰ Researchers, Robert Waldinger and Marc Schulz from the Harvard Study, investigate how to live a good life and have concluded that the single most important message is that ‘positive relationships are essential to human wellbeing.’²¹

When examining how best to maximise life satisfaction across a population, it is important to consider at whom interventions are targeted and how their impact will be felt across different groups. For example, when measuring wellbeing years, a concept which is expanded upon in the later section on WELLBYs, if people live longer and have any wellbeing above 0, then by living longer, the society will have more wellbeing years.²²

15 ‘Implementing Wellbeing: What We Learn from Scotland, Wales, Northern Ireland and New Zealand’, All Party Parliamentary Group on Wellbeing Economics, 11 June 2019, <https://wellbeingeconomics.co.uk/2019/06/11/implementing-wellbeing-what-we-learn-from-scotland-wales-northern-ireland-and-new-zealand/>.

16 Stiglitz, Sen, and Fitoussi, ‘Report by the Commission on the Measurement of Economic Performance and Social Progress’.

17 ‘Costs per Place and Costs per Prisoner by Individual Prison’ (Ministry of Justice, March 2024), <https://assets.publishing.service.gov.uk/media/65f4229810c-d8e001136c655/costs-per-place-per-prisoner-2022-2023-summary.pdf>.

18 ‘Creating a Britain That Works and Cares’, The Centre for Social Justice, 19 February 2024, <https://www.centreforsocialjustice.org.uk/library/a-britain-that-works-and-cares>.

19 Angus Deaton, ‘Measuring and Understanding Behavior, Welfare, and Poverty’, *American Economic Review* 106, no. 6 (1 June 2016): 1221–43, <https://doi.org/10.1257/aer.106.6.1221>.

20 ‘The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 1998’, NobelPrize.org, accessed 12 June 2024, <https://www.nobelprize.org/prizes/economic-sciences/1998/sen/facts/>.

21 Waldinger and Schulz, *The Good Life and How to Live It*.

22 Wellbeing.

Whether we choose to maximise life satisfaction by extending people's lives or instead focus on increasing life satisfaction throughout life, but not affect the length of life, is a choice that should be weighed by policymakers. By examining wellbeing per capita, many scholars argue that we can maximise utility. Additionally, by maximising the utility of the least well-off and in adopting a Rawlsian approach, it is possible to achieve higher average wellbeing across a population. Wellbeing science is a blend of a utilitarian and Rawlsian theories of distribution, aiming to maximise wellbeing for the largest number of people, but also specifically valuing a gain to the least well-off higher than an equivalent sized gain to the most well-off.

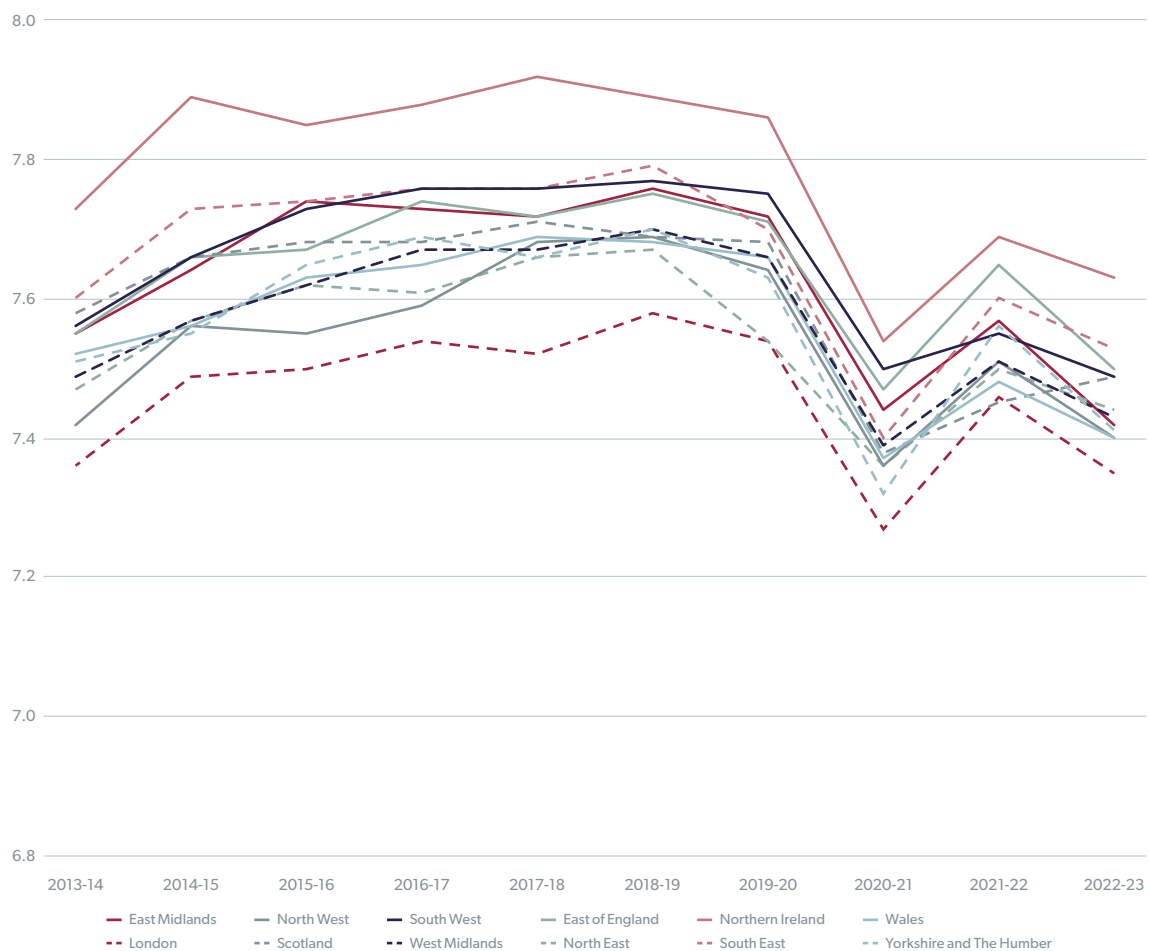
Policymakers should heed the lessons learned from life satisfaction studies and wellbeing economics because these measurements predict life expectancy as well as a medical diagnosis does. Additionally, they provide valuable insights into the health of the labour market predicting both productivity and quitting.²³ However, while life satisfaction measurements do provide insight, any individual statistic should be interpreted with caution because on diplomatic ratings such as these, respondents rate only how the individual event or phenomenon affects their life. They are not able to distinguish confounding and moderation between other phenomenon and any given event or feeling. Further, it is important not to prescribe population level statistics to individuals – the epidemiological fallacy.

23 Antoinette Baujard, 'Ethics and Technique in Welfare Economics: How Welfarism Evolves in the Making', *Revue Économique* 73, no. 6 (2022): 1039–54; David Frayman et al., 'Value for Money: How to Improve Wellbeing and Reduce Misery', September 2024, <https://cep.lse.ac.uk/pubs/download/special/cepsp44.pdf>. "plainCitation": "Antoinette Baujard, 'Ethics and Technique in Welfare Economics: How Welfarism Evolves in the Making', *Revue Économique* 73, no. 6 (2022

Around the UK

While the UK can learn from international comparison, it is most helpful to first focus on existing activity and differences between UK countries. Different regions within the country report drastically different life satisfaction. Figure 1 below demonstrates these differences over the last decade.

Figure 1: Average life satisfaction by region

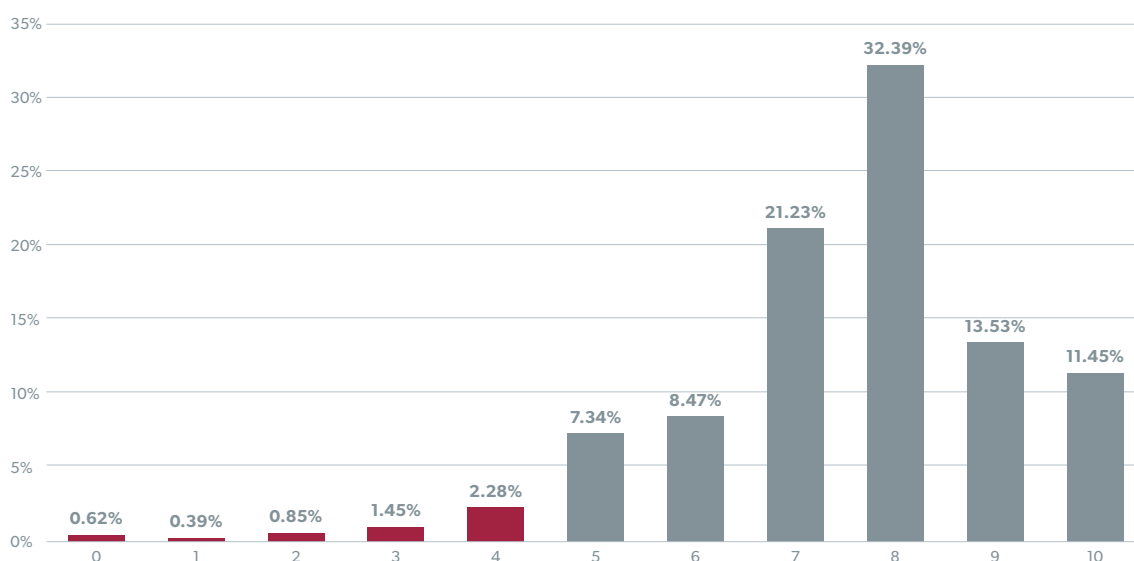


CSJ Analysis of ONS Personal Well-being Estimates²⁴

Moreover, some nations and regions of the United Kingdom have explicit strategies aimed at improving wellbeing that may be able to serve as examples in other parts of the country. Figure 2 shows average life satisfaction across the UK in 2023.

²⁴ 'Personal Well-Being Estimates by Local Authority: Time-Series', Office for National Statistics, accessed 24 September 2024, <https://www.ons.gov.uk/filter-outputs/16ebb59b-f209-4b7f-a35a-d083f3e846d1>.

Figure 2: UK life satisfaction, 2023



CSJ Analysis of Annual Population Survey (APS)

Most respondents ranked their life satisfaction at least an 8 (57.37 per cent) with the average life satisfaction score in the UK rated at 7.48. Despite that, more than 5.59 per cent of respondents reported low life satisfaction (a satisfaction score of 4 or below). Similarly, the average score for worthwhileness of activities in life, another eudemonic measure, was 7.75. An alternative metric used to determine how well-off people are looks only at happiness the day before because the prior day is easier to recreate in people's memories. Average happiness the day prior was 7.40 and finally, on a scale of 1-10, people scored their anxiousness the day before as 3.20 (see Quantitative Analysis Methodology for additional detail).

Paul Dolan and his colleagues proposed using a combined score from all four of these measures, in order to reduce error and identify the people who are the *most miserable*.²⁵ Our analysis revealed that 1.34 per cent of people in the UK are miserable across all four metrics.²⁶ These are the people at whom policy should be targeted to have the greatest impact. So, who are these people? Dolan's analysis suggests that there are two groups of people who are the most miserable. The first group is comprised of the unemployed or inactive over age 30 with severe health problems and/or a disability, who live in rental accommodation, are not in a partnership, and have only up to a compulsory level education. The second group is comprised of 16-59 year olds who are in employment and have General Certification of Secondary Education (GCSE) or above compulsory level education, but are facing some issues with health and disability, are not in a relationship, and who live in rental accommodation or have a mortgage.²⁷ The status of health, relationships, work and housing are key to both.

25 Paul Dolan, Kate Laffan, and Alina Velias, 'Who's Miserable Now? Identifying Clusters of People with the Lowest Subjective Wellbeing in the UK', *Social Choice and Welfare* 58, no. 4 (1 May 2022): 679-710, <https://doi.org/10.1007/s00355-021-01365-4>.

26 Expanded methodology is included in the Annex.

27 Dolan, Laffan, and Velias.

Wellbeing in the devolved nations

Northern Ireland and Scotland both report higher average life satisfaction than most other nations and regions of the United Kingdom consistently over time. Each of these nations has its own strategy for wellbeing that has shown improvement on many of their stated metrics. While Wales does not have higher than average ratings, it too has its own strategy and has made strides towards improving the wellbeing of the nation.

One factor that contributes to life satisfaction is a feeling of political voice and self-determination. In the devolved nations, this manifests as a strong national identity.

Making Life Better, Northern Ireland

Northern Ireland consistently ranks highest for life satisfaction across the UK even after the pandemic (Figure 1). The nation has its own wellbeing framework, Making Life Better (MLB),²⁸ which was originally conceptualised as a 10-year strategy to improve health and wellbeing from 2013-2023 and to reduce inequalities in health through the combined effort of government, local, and regional actors. The CSJ spoke with a representative of the Health Development Policy Branch of the Department of Health in Northern Ireland who helped to elucidate the programme's progress. Facing setbacks at the mid-point due to reprioritisation of capacity during the COVID-19 pandemic, the Department of Health paused this work. However, implementation continued. As a result of limited resources, the MLB department chose to develop a focused action plan instead of reviewing the Framework. Subsequently, impact reports on the Framework are limited.

The official 10-year strategy was conceptualised in 2013 but was not implemented until 2014, making 2024 the final year of the initial plans. MLB collates metrics on fifty-four indicators to track advancements or setbacks to the Northern Irish wellbeing agenda. At the 2024 progress update, thirty-one of their metrics had shown positive change and only six had shown negative change.²⁹ The MLB is also supported by specific public health strategies on issues like substance use, suicide prevention, tobacco use, and obesity prevention. In addition, the Integrated Care System for NI (ICSNI) complements the strategy in adopting a population health and outcomes-based approach. Plans for this workstream are underway, though they have not yet been announced.

28 'Making Life Better - Key Indicators Progress Update 2024 | Department of Health', Health, 7 August 2024, <https://www.health-ni.gov.uk/publications/making-life-better-key-indicators-progress-update-2024>.

29 'Making Life Better - Key Indicators Progress Update 2024 | Department of Health'.

Scotland's National Performance Framework

Scotland, like Northern Ireland, trends higher than other parts of the UK on life satisfaction measurements. It too has its own wellbeing strategy, the National Performance Framework, which “sets out a vision for collective wellbeing.”³⁰ Included in the Framework are eleven National Outcomes regarding topics like Communities, Children and Young People, Economy, Education, Environment, Fair Work and more. Of indicators with confirmed performance metrics, 30 per cent are improving and 50 per cent are maintaining, while only 20 per cent are worsening. Their average Poverty outcomes have shown the most positive change, while their Fair Work outcomes are performing worst.



Source: National Performance Framework

Another demonstration of Scotland's commitment to wellbeing is their Health and Wellbeing Census which asks questions at local authority levels and provides insight that would be lost at greater aggregate levels.

In Scotland, the Community Empowerment Act, passed in June 2015, required ministers to develop these national outcomes through a process requiring consultation of community representatives and the Parliament.³¹ One provision of this act was that the National Outcomes reduce inequality. All public functions must be carried out with regard to achieving these outcomes.³² These requirements mark an unprecedented demonstration of commitment towards national wellbeing and should serve as a model for other areas of the UK.

National government and the Convention on Scottish Local Authorities (COSLA) together are working with the voluntary sector, procurement from the private sector, and individuals to achieve their national outcomes and to divert funds towards their achievement. They provide a baseline to see change in the nation and reflect national priorities.

Both the Making Life Better and National Performance Frameworks give a systematic overview of the nation's wellbeing based on metrics that matter most for people. This type of framework or strategy relying on citizen engagement and statutory footing should be reflected across the devolved countries and in England in order to best influence the policy agenda.

Additionally, both Scotland and Wales are members of the Wellbeing Economy Government (WEGo), a consortium of governments with the aim of achieving Sustainable Development Goal 17 (fostering partnership and cooperation to identify approaches to delivering wellbeing).³³ Scotland is the secretariat member of WEGo.

30 'National Performance Framework | National Performance Framework', accessed 3 October 2024, <https://nationalperformance.gov.scot/>.

31 'Community Empowerment (Scotland) Act: Summary', accessed 8 October 2024, <https://www.gov.scot/publications/community-empowerment-scotland-act-summary/>.

32 'Community Empowerment (Scotland) Act'.

33 'Wellbeing Economy Governments (WEGO): Wellbeing Economy Alliance', accessed 8 October 2024, <https://weall.org/wego>.

Wales's Wellbeing of Future Generations Act

Wales's devolution included sustainable development in every act from the beginning of its devolved powers through its National Assembly. While that dominantly focused on environmental sustainability, it eventually evolved to include all actions of the government and manifested in the Wellbeing of Future Generations Act in 2015.³⁴

The commission that controls the development of this act is responsible for the provision of future generations' wellbeing through the linking of public bodies and long-term decision making. This commission created a 10-year healthcare strategy which included preventative healthcare like social prescribing and has worked to reform GCSEs.³⁵ Wales has explicitly made the switch to measuring performance through 46 wellbeing indicators rather than GDP serving as an effective model for a nation which values people first.



Source: National Performance Framework

Wales is in its second year of a seven-year strategy ending in 2030 which focuses on five main areas that include local autonomy and wellbeing through environment and prevention of ill health. It is the responsibility of this commission under the Wellbeing of Future Generations Act to make sure development is scalable and efficient. This strategy provides an effective example of prioritisation of wellbeing. Such lessons could easily be extracted and implemented across the UK.

Wellbeing in England

Within England, there are some cities, regions, and combined authorities that have made concerted efforts to improve wellbeing. The table below shows a selection of cities' wellbeing scores, as measured by the Centre for Thriving Places. A score of less than 3.5 is considered low, 3.5-4.5 is between low and medium, 4.5-5.5 is medium, 5.5-6.5 is between medium and high, and finally a score of greater than 6.5 is high.

Table 1: Selected examples from Thriving Cities³⁶

Selected cities in the UK	Thriving Cities Index Score		
	Local Conditions	Equality	Sustainability
Birmingham	3.73	5.37	4.68
Liverpool	3.80	4.32	4.17
Leeds	4.71	4.53	4.75
Manchester	3.80	4.85	5.16
Bristol	5.02	5.05	5.83
Bath and North East Somerset	5.86	5.36	5.51

34 'Well-Being of Future Generations (Wales) Act 2015' (King's Printer of Acts of Parliament), accessed 8 October 2024, <https://www.legislation.gov.uk/anaw/2015/2/section/1>.

35 'Derek Walker, Future Generations Commissioner for Wales', Wales, 5 July 2019, <https://www.wales.com/lifestyle/government/future-generations-commissioner>.

36 'Building Pathways to a Thriving Future', Centre for Thriving Places, accessed 3 October 2024, <https://www.centreforthrivingplaces.org/>.

The North of Tyne Combined Authority engaged with the Centre for Thriving Places in 2022 to develop their own framework for wellbeing centred on ten priorities decided upon by residents. Their model gives agency and decision-making power to citizens rather than keeping it only in the hands of officials. Robin Fry, a representative from the Combined Authority remarked that:

“One of the outcomes we’re focused on is access to great education. A trigger-happy approach would see us pour investment into education, but access to education is as much about transport provision, about connection to community and about having good employment paths. The wellbeing framework helps us think differently about how we invest.”³⁷

These individualised and localised approaches help to establish priorities but also help to focus on the areas that most need improvement through democratic processes and engagement, which helps to in turn improve wellbeing. Beyond the Centre for Thriving Places, which applies a generalised systematic approach to individual places, there are also individual efforts in other parts of the country that have shown promising results.

The Wigan Deal

Wigan, part of Greater Manchester, created the Wigan Deal to ‘put people first’, move away from expensive care, and better reflect the needs of the community. It is a partnership between policy makers and National Health Service (NHS) leaders to “nurture the strengths of individuals and communities to build independence and improve health.”³⁸ They reevaluated statutory offerings and combined some to better serve their community while looking towards the third sector to fill in the gaps. Each ‘footprint’ or small area has weekly huddles to evaluate problems and see how services can best work together.

Part of the deal was to create the Confident Futures programme, a 12-month programme that helps care leavers who may have challenges, establish skills and develop independence that can lead to a job. Other parts of the deal include creating safe spaces for children and teenagers to improve community cohesion. The borough has the Aspiring Futures programme, which supports 16–19-year-olds (up to 25 for those with learning difficulties) who are not in employment, education, or training (NEET) with referrals, job trainings, and workshops.

The 10 priorities for the Deal 2030 are:

- › *Best start in life for children and young people.*
- › *Happy, healthy people.*
- › *Communities that care.*
- › *Vibrant town centres.*
- › *An environment to be proud of.*
- › *Embracing culture, heritage and sport.*
- › *Economic growth that benefits everyone.*
- › *A well-connected place.*
- › *Confidently digital.*
- › *A home for all.*

³⁷ ‘North of Tyne Wellbeing Framework’, Centre for Thriving Places (blog), accessed 7 October 2024, <https://www.centreforthrivingplaces.org/thriving-places-index/case-studies/north-of-tyne-wellbeing-framework/>.

³⁸ ‘Lessons from the Wigan Deal’, The King’s Fund, accessed 3 October 2024, <https://www.kingsfund.org.uk/insight-and-analysis/projects/lessons-wigan-deal>.

The plan, as outlined in Box 1, details 10 priorities for the council by 2030. So far, the deal has saved at least £115 million through community engagement with individuals, the third-sector, and statutory services and the borough now boasts the second-lowest council tax rates in Greater Manchester.³⁹

The Wigan Council also reports that Wigan is the happiest place to live in Greater Manchester, perhaps partially owing to their affordable housing which is in the top 20 per cent of affordability in England, higher than average working-age employment (76.4 per cent), and outstanding schools (90 per cent rated good or outstanding).⁴⁰ The council has also seen a reduction in first-time youth offenders that was not seen in geographic or statistical neighbours, an increase in recycling, and a reduction in looked-after children.⁴¹ The council also boasts the highest rate of apprenticeship starts in Greater Manchester and at least 3000 volunteers.⁴² Both volunteering and apprenticeships are good for life satisfaction; affordable housing is a necessity; and wellbeing for many children, starts in schools so it seems that Wigan's plan to improve wellbeing has been successful so far. Beyond these metrics, independent reviewers of the programme from the King's Fund remarked that the Deal likely did provide positive outcomes for the town, but that part of the positive effects come from community buy-in. This supports the idea that community cohesion is of utmost importance for a healthy and functioning society.

Child wellbeing

It is important to look at child wellbeing as distinct from adult wellbeing. The OECD's 2022 PISA Report (conducted in 2021) reveals a decline in life satisfaction amongst children. It is unclear how much of this is a result of the lingering effects of lockdown and school closures in 2021. Across OECD countries, life satisfaction amongst children has been on the decline since 2015 and the UK is no exception. 1 in 4 students in the UK is not satisfied (compared with the OECD average of 18 per cent).⁴³ Efforts should be made to improve this.

The UK conducts its own child wellbeing study, State of the Nation: Children and Young People's Wellbeing. Although this report was published every year between 2019 and 2023, it has not been published for the most recent year (2022-23). So, like the PISA study, the findings are slightly out of date. However, the results of both studies should be comparable because they were done on the same school year. Previous years' reports were published in February of the year following. The lack of a report in 2024 demonstrates shifting priorities and less interest in monitoring child wellbeing. **The CSJ supports the Government's mission to prioritise child wellbeing and recommends reinstating this regular monitoring.**

The State of the Nation report paints a happier picture than the PISA report, but these differences will be explored in more depth later in this report. This underscores the importance of having international benchmarks to understand how the UK's children compare with children in other countries. The Government should collaborate with international convening bodies and organisations, in order to understand the successes and failures of current policy while engaging with their monitoring services.

39 'What Is The Deal?', accessed 3 October 2024, <https://www.wigan.gov.uk/Council/The-Deal/The-Deal.aspx>.

40 'The Deal 2030', 20, accessed 22 October 2024, <https://www.wigan.gov.uk/Council/Strategies-Plans-and-Policies/Deal-2030.aspx>.

41 'The Deal 2030', 203.

42 'The Deal 2030'.

43 'PISA 2022 Results (Volume I and II) - Country Notes'.

Modelling life satisfaction

The CSJ model

The Centre for Social Justice has examined the combined impact of self-reported health, marital status, having children, whether a person was in the bottom 20 per cent of income-earners, employment status, gender, housing tenure, ethnicity and age on misery (see Appendix 1 for details on how we calculated misery) through a multiple logistic regression. We have additionally explored independent relationships between some of these variables and life satisfaction.

Health is a known correlate with life satisfaction, but our statistical model does not include objective measures of health. This is partially due to the potential bidirectionality of health and life satisfaction. Furthermore, because income and health are related, there are third variable issues with the inclusion of both that require controlling. The relationship between health and income is considered two-way and some even consider that better health is causal of higher income or vice versa.⁴⁴ There is also a bidirectional association between physical activity and life satisfaction/happiness. On one hand, improved physical and mental health can increase life satisfaction and happiness. On the other hand, happiness might be a protective factor to health because happier people may participate in more physical activity⁴⁵. Because of the issue of directionality with health and life satisfaction and the unclear nature of which influences which, the inclusion of health is beyond the scope of this analysis, though it should be studied further, especially considering the mounting pressures on the National Health Service (NHS).

That said, according to our polling, improving physical health services was the most common response to the question of what would help people get the most ahead in life. Nationally, 16 per cent of people felt that their life would be most improved by improving the state of physical health services near them. 13 per cent of the most deprived agreed. An equal proportion of the most deprived felt that changing the level of benefit payments would help them get the most ahead and nearly as many (12 per cent) of the most deprived felt that access to improved mental health services would do so.⁴⁶ This is important because both physical and mental health services need to be prioritised, in order to improve the life satisfaction of the most deprived. However, the focus of this report is on the social influencers of life satisfaction.

44 James P. Smith, 'Healthy Bodies and Thick Wallets: The Dual Relation Between Health and Economic Status', *The Journal of Economic Perspectives: A Journal of the American Economic Association* 13, no. 2 (1999): 144–66.

45 Hsin-Yu An et al., 'The Relationships between Physical Activity and Life Satisfaction and Happiness among Young, Middle-Aged, and Older Adults', *International Journal of Environmental Research and Public Health* 17, no. 13 (4 July 2020): 4817, <https://doi.org/10.3390/ijerph17134817>.

46 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

De Neve and Layard have found that health, work, family, income, and education combined only account for 19 per cent of variation in wellbeing. While this is partially due to measurement error and likely these factors account for much more of the true variation, there are still many other characteristics that may affect an individual's wellbeing that are more case-unique.⁴⁷

The CSJ uses misery and life satisfaction as primary outcomes in this analysis. Misery (see Appendix 1 for details) is a binary variable that has been derived to reduce survey error and improve internal reliability. Individual quantitative analyses have also been performed on life satisfaction, which is a 0-10 scale to provide more granularity and insight into life satisfaction.

Community and relationships

Deaths of Despair are on the rise. Anne Case and Angus Deaton coined the phrase 'deaths of despair' in their pivotal book recounting how modern-day capitalism has led to a breakdown of social capital.⁴⁸ Suicide, alcoholism and drug overdoses are on the rise. The CSJ's report on the mental health crisis highlights that suicide rates have increased many-fold in recent decades, and are especially prominent in men.⁴⁹ These types of death are classified as deaths of despair because they are an indication of a tear in our social fabric and are not deaths from natural causes.

The antidote? Better relationships, better community. Unlike income, from which people stop deriving satisfaction after a fixed period, community continues to give people satisfaction over time. People do not habituate to having a sense of community, thus it offers a continual sense of wellbeing.⁵⁰ The CSJ's series of papers examines loneliness through family, in older people, through the built environment, and finally amongst food bank users. This series elucidates the factors that increase loneliness and proposes solutions to alleviate the burden of loneliness in society.

Another way to improve social cohesion and community is through volunteering. During the Covid-19 pandemic, volunteering efforts were widespread and large-scale. One app-based volunteering programme that included tasks like grocery shopping or making deliveries for others in the community showed benefits worth 140 times the costs.⁵¹ Furthermore, volunteers showed significantly higher life satisfaction, feelings of worthwhileness, social connectedness, and belonging in their local community.⁵² The results from this trial may, however, be unique. Because it was a time of crisis, the effect of volunteering may have felt bigger. Nonetheless, the potential for volunteering to increase ties to a community and improve life satisfaction and feelings of worthwhileness remains strong.

This section examines family and school, as the main sources of community but the following sections on environment, homes and employment are also important for wellbeing.

47 Wellbeing.

48 Angus Deaton and Anne Case, *Deaths of Despair* (Princeton University Press, 2020).

49 'Change the Prescription', The Centre for Social Justice, January 2025, <https://www.centreforsocialjustice.org.uk/library/change-the-prescription>.

50 Christian Krekel et al., 'A Local Community Course That Raises Wellbeing and Pro-Sociality: Evidence from a Randomised Controlled Trial', *Journal of Economic Behavior & Organization* 188 (August 2021): 322–36, <https://doi.org/10.1016/j.jebo.2021.05.021>.

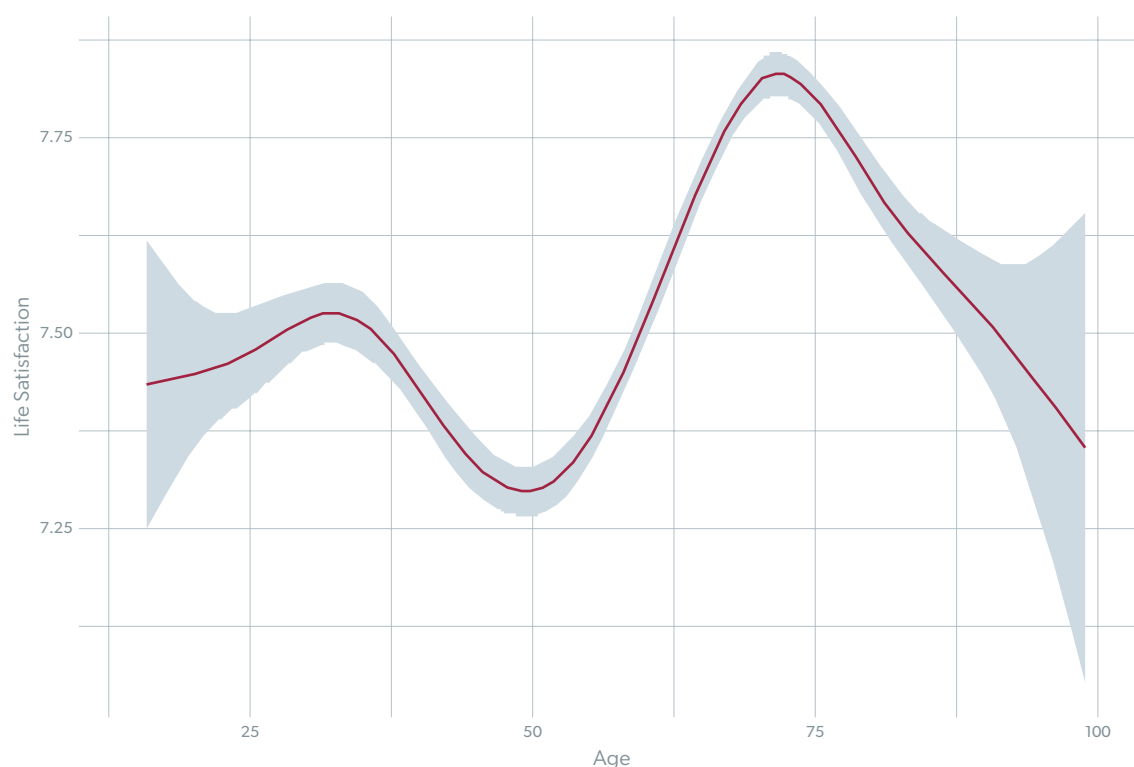
51 Paul Dolan et al., 'Happy to Help: The Welfare Effects of a Nationwide Micro-Volunteering Programme', *SSRN Electronic Journal*, 2021, <https://doi.org/10.2139/ssrn.3865456>.

52 Dolan et al.

Family

Family and family life have significant impacts on satisfaction. Whether or not a relationship with family is positive will impact broader life satisfaction; however, the effect differs depending on gender, age, family makeup and other factors. Family's impact on life satisfaction is intuitive, but how it can be affected is less so.

Figure 3: Average life satisfaction score by age, 95 per cent confidence interval in shaded area



CSJ Analysis of APS

CSJ analysis of life satisfaction finds it to be relatively high through early life with a peak of satisfaction at pension age, but then a precipitous decline as we age. Many studies suggest that life satisfaction tends to have a U-shape throughout the life course where the youngest and oldest are most satisfied.⁵³ Our findings support and demonstrate that shape until pension age; however, CSJ findings demonstrate a decline post-pension. Other studies have shown that it tends to decline throughout the life course in most parts of the world, including Western Europe.⁵⁴ This trend accounts for the decline shown in Figure 8 post-pension age. That decline could be a result of a smaller sample size in that age group, resulting in less accurate results. It could also be a true trend such as the one seen in Western Europe in other research, resulting from a phenomenon like social isolation. CSJ's report "[Lonely Nation: Ending loneliness among older people](#)" further elaborates on this phenomenon. The fluctuation in satisfaction throughout the life course could be to do with life stages and the traditional expectations of people at various points in their life. For example, the increased responsibility that comes with middle age could account for some of the lower life satisfaction seen during this period.

53 Batool, Hasan, and Sajid, 'Does Job-Satisfaction Cause Life-Satisfaction?'; An et al., 'The Relationships between Physical Activity and Life Satisfaction and Happiness among Young, Middle-Aged, and Older Adults'.

54 Nicole Fortin, John Helliwell, and Shun Wang, 'How Does Subjective Well-Being Vary around the World by Gender and Age?', 2015, 42-74.

Good relationships are vital for children's wellbeing and a lack of them is a primary risk factor for children not having good childhoods. Furthermore, children with strong family support have higher wellbeing.⁵⁵ In fact, children with low wellbeing are eight times as likely to report conflict in their family.⁵⁶ According to the Children's Society, children report the highest happiness with their family compared to other life domains, though this too, has fallen since the monitoring began in 2009/10.⁵⁷ Strengthening social bonds and family relationships is important at all stages of life, but many people feel that they do not have strong bonds or access to support services.

Caring responsibilities are often highest around middle age when people could be caring for both children and parents. This work is often challenging and unpaid, even when people engage in caring in line with their preferences. This could contribute to why life satisfaction dips around middle age. Increased responsibility in the mid-twenties and into the thirties could also be associated with the continued decline in life satisfaction through this period. Furthermore, happiness in adolescence has a profound effect on later life. By age 29, a very happy adolescence is associated with an income about 10 per cent higher than average, whereas a very unhappy adolescence is associated with 30 per cent lower income than average.⁵⁸

Family life affects life satisfaction in complex ways. For example, having children is associated with a significantly lower employment probability for women, but a higher part-time employment probability.⁵⁹ This likely reflects both a desire to spend time with children, but also inadequate informal childcare from extended family or friends and a lack of adequate support services. Part-time work can imply lower potential for career progression and/or lower pay, yet women have higher job satisfaction in part-time work, likely because it offers more flexibility.⁶⁰ Thus, it is important that employers ensure part-time work does not penalise women and opportunities reflect the complex needs of families.

CSJ polling showed that only eight per cent of people in the most deprived group felt that the childcare provision in their local area was good and only 11 per cent of people nationally felt that way.⁶¹ This shows an issue indicating that childcare provision is not adequate and that it should be improved in order to reduce the burden on parents. The solution is to provide improved opportunities for support and to ensure that part-time working provides meaningful opportunity. Furthermore, the UK should seek to recreate support for families and to reemploy the model that 'it takes a village.'

Marriage is significantly related to life satisfaction and happiness. This is true in young and middle age but research has found that it is not true in old age.⁶² Marriage or long-term partnership offers people stability and healthy relationships contribute to life satisfaction. By old age, marriage no longer has an effect on life satisfaction, but living alone is significantly and negatively correlated with satisfaction in old age.⁶³ Though marriage has a positive association with life satisfaction, it does not necessarily mean that married people are happier *because* they are married. The inverse is also true: happier people tend to get married more frequently than their less happy peers, especially at young and old ages.⁶⁴

55 'Worlds of Influence: Understanding What Shapes Child Well-Being in Rich Countries | Innocenti Global Office of Research and Foresight', 24 May 2020, <https://www.unicef.org/innocenti/reports/worlds-of-influence>.

56 'The Good Childhood Report 2013 | The Children's Society', 2013, <https://www.childrensociety.org.uk/information/professionals/resources/good-childhood-report-2024>.

57 The Good Childhood Report 2024 | The Children's Society', 29 August 2024, <https://www.childrensociety.org.uk/information/professionals/resources/good-childhood-report-2024>.

58 Jan-Emmanuel De Neve and Andrew J. Oswald, 'Estimating the Influence of Life Satisfaction and Positive Affect on Later Income Using Sibling Fixed Effects', *Proceedings of the National Academy of Sciences of the United States of America* 109, no. 49 (4 December 2012): 19953–58, <https://doi.org/10.1073/pnas.1211437109>.

59 Alison L. Booth and Jan C. van Ours, 'Job Satisfaction and Family Happiness: The Part-Time Work Puzzle', *The Economic Journal* 118, no. 526 (2008): F77–99.

60 ooth and van Ours.

61 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

62 An et al., 'The Relationships between Physical Activity and Life Satisfaction and Happiness among Young, Middle-Aged, and Older Adults'.

63 An et al.

64 Iois Stutzer and Bruno S. Frey, 'Does Marriage Make People Happy, or Do Happy People Get Married?', *The Journal of Socio-Economics, The Socio-Economics of Happiness*, 35, no. 2 (1 April 2006): 326–47, <https://doi.org/10.1016/j.soec.2005.11.043>.

Because of the UK's ageing population, it is critical that the waning life satisfaction of older adults be addressed.⁶⁵ High life satisfaction facilitates successful ageing. An ageing population influences population structure but also relationships within families.⁶⁶ A simple way to improve health related quality of life (HRQOL) is to increase the frequency of intergenerational contact. The frequency of contact with children and grandchildren has a significant effect on HRQOL.⁶⁷ In fact, family support is a stronger contributor to older adults' life satisfaction than support from friends, underscoring the importance of strong family ties.⁶⁸ Government policy should reflect the importance of family and Government should adopt policies that encourage family formation and continued bonds.

Intergenerational bonds are valuable for older adults, but also for parents who need a network of support, and for children who rely on a stable family life to thrive. Ultimately, a positive family life is an important factor of life satisfaction at all stages of life and policy that supports family networks and gives advice and support in a trusted environment are key.

RECOMMENDATION 1

Family stability is central to wellbeing, particularly for children. The Government should expand family hubs to all local authorities because the support they provide at all stages of life encourages intergenerational contact and acts as a source of wrap-around support. By reducing the number of contact points with the State, it enables a long-term trusted relationship and a 'one stop shop' for families to seek support. Government should commit to monitoring the usage and demographics of family hub users to best support them and in order to understand how the concept of family in the UK evolves.

School

The wellbeing of children has been on the decline. Is this our canary in a coal mine? If child wellbeing predicts adult wellbeing, then we are approaching a generation of unhappy adults. As previously discussed, this matters inherently, but it also matters for productivity, a balanced support ratio, and for the social fabric of the country. The evidence on child wellbeing provides somewhat of a paradox. Overall wellbeing has declined, but many specific metrics that should logically be correlated with it have improved.

The results of the OECD's PISA study suggest that there has been some improvement in metrics of wellbeing. For example, fewer children report feeling like an outsider at school than in 2018 (19 per cent), more children feel like they belong (64 per cent), and more children feel like they make friends easily at school (75 per cent). However, almost one in five children still feel like outsiders and one in four children struggle to make friends. Conversely, children report worse outcomes on measures including being well-liked by peers (down one percentage-point) and feeling awkward at school (up two percentage-points). More children in the UK report being the victim of bullying than is average in OECD countries, but importantly, the proportion of students being bullied has fallen since 2018.

65 Doerwald et al., 'Domain-Specific Life Satisfaction among Older Adults with and without Children'.

66 Sylvia Kirchengast and Beatrix Haslinger, 'Intergenerational Contacts Influence Health Related Quality of Life (HRQL) and Subjective Well Being among Austrian Elderly', *Collegium Antropologicum* 39, no. 3 (September 2015): 551–56.

67 Doerwald et al., 'Domain-Specific Life Satisfaction among Older Adults with and without Children'.

68 Doerwald et al.



Mental and emotional health continues to worsen for children, demonstrated by higher rates of eating disorders, higher suspected ill-mental health, and higher rates of emotional problems.⁶⁹ The CSJ's report on mental health examines the rise of mental ill-health in depth.

Secondary-aged children report higher well-being than younger children, but secondary-aged boys report higher wellbeing than secondary-aged girls consistently over time.⁷⁰ In the most recent year of reporting, children with special educational needs (SEN) reported higher anxiety than their peers without SEN. This underscores the importance of properly allocating resources to support children with SEN and the need to evaluate if resources could be better distributed across the school population to accommodate the needs of all children struggling with mental ill-health or if the current allocation is the most suitable.

In a survey administered by the UK Government, children's happiness with their choice in life and with what may happen to them later in life has increased.⁷¹ Because the survey, the State of the Nation, which provides these results, was done in 2022-23, it could reflect increased freedom and choice in life in the recovery period following the pandemic compared to the lockdowns of 2020 and 2021. Thus, the improvement may actually be a result of a false dichotomy between lockdown and recovery. Even though there is improvement, international benchmarking helps to contextualise this improvement and understand that child wellbeing is still suffering in the UK. The State of the Nation showed that while child wellbeing dipped in 2020, it rebounded in all aspects except for anxiety measures which continued to increase. Overall life satisfaction in children has gone down despite improvement in many areas of school life so, the question remains – are we measuring the right things?

Experts have called for a national wellbeing measurement to better understand why wellbeing has decreased in young people despite improvements in many domains. In Greater Manchester, Hampshire, Portsmouth and Isle of Wight, #BeeWell has created a survey and measurement tool that measures wellbeing in schools.⁷² Their survey works over Years 8-10 to provide a longitudinal sample and again in Year 10 to show a more in-depth cross-sectional breakdown.

69 'State of the Nation 2022: Children and Young People's Wellbeing', GOV.UK, accessed 29 October 2024, <https://www.gov.uk/government/publications/state-of-the-nation-2022-children-and-young-peoples-wellbeing>.

70 'State of the Nation 2022'.

71 'State of the Nation 2022'.

72 'Greater Manchester #BeeWell Reports & Briefings - #BeeWell', accessed 29 July 2024, <https://beewellprogramme.org/research/publications/gm-reports-briefings/>.

Part of what makes this survey so valuable and unique is #BeeWell's ability to link their data to school data (SEN, Free School Meals, etc) and demographic data from the local authority. This gives insight to providers into what compounding and moderating effects of multiple characteristics. Without data like this, it is impossible to understand the wellbeing of children and, more importantly, what areas are cause for concern and what actions are needed to address them.

This organisation wants equal weighting of attainment and wellbeing. This is the young person's equivalent to the call to weigh wellbeing alongside GDP. The example provided by #BeeWell shows that despite General Data Protection Regulation (GDPR) restrictions and with protections for child safeguarding, it is possible to track and monitor how well our children are doing while still maintaining young people's anonymity. It is also important to note that, though this data is collected on a school-by-school basis, the data is aggregated so that individual schools are not held accountable, but rather improvements should be made through policy that targets local areas and by concerted action through programmes like #BeeWell. This helps to reduce the burden placed on teachers and removes some of the additional expectations that could be associated with improving wellbeing in schools.

While the State of the Nation report conducted by the Government provides valuable insight it is not enough. The model that #BeeWell presents shows how important it is to look at school level data overtime, and to have a continued and concerted effort across statutory services to see the entire picture and be able to design and implement policy and initiatives that improve children's well-being.

RECOMMENDATION 2

Given the declining wellbeing in children in particular, the Government should monitor wellbeing in schools. Part of this monitoring should include a national wellbeing metric, as has been recommended by #BeeWell and should include longitudinal measurement to demonstrate change every year beginning in the next school year.

Within schools, there is an opportunity not only to measure and monitor wellbeing, but to affect it. From 2020, the health and relationships aspect of Personal, Social, Health and Economic Education (PSHE) became compulsory in schools, but there is significant controversy surrounding what should or should not be taught. The Healthy Minds Programme is an intervention designed to be delivered in schools to improve the resilience and wellbeing of school children based on HRQoL measurements.⁷³ It was trialled and shown to be cost saving. One of the results of this intervention is its ability to improve attainment by improving soft skills.⁷⁴

"The Healthy Minds curriculum is an amalgam of 14 separate educational modules targeted at improving HRQoL, which include elements on building resilience, navigating social media, looking after mental health, developing healthy relationships and understanding the responsibilities of being a parent."⁷⁵ This also places an emphasis on the need for family support, which the CSJ has found to be vital to avoid family breakdown.

Some universal childcare interventions were shown to have negative effects, especially on boys – this means that the quality of care and education matters in order to have positive effects across groups.⁷⁶

73 Grace Lordan and Alistair McGuire, 'Widening the High School Curriculum to Include Soft Skill Training: Impacts on Health, Behaviour, Emotional Wellbeing and Occupational Aspirations', SSRN Electronic Journal, 2019, <https://doi.org/10.2139/ssrn.3415785>.

74 Lordan and McGuire.

75 Lordan and McGuire.

76 Lordan and McGuire.

Programmes like Healthy Minds which are rigorously trialled and evaluated should be the norm in education. The House of Commons Education Committee reported that PSHE needed to be overhauled to provide better outcomes, and this type of programme provides the training and evidence to do just that. Included in the costing and design of this intervention is teacher training. Whereas the current curriculum does not train teachers in PSHE, this initiative offers specific subject training.⁷⁷

In the long term, this programme is cost saving, but the initial funding for training can be taken from the £270 million that Labour has promised to use on teacher training. Over the entire four-year programme, the cost is £7,250 per school or just over £20 per student per year.⁷⁸ Compared to the Watchtower project, a school attendance mentor programme being trialled, whose preliminary rollout will cost approximately £140,000 per student, this programme is very cost effective.

The cost per quality-adjusted life-year (QALY) of this programme is between £426 optimistically and £1,811 pessimistically. However, even at the pessimistic cost per QALY, the National Institute for Health and Care Excellence (NICE) would deem this to be cost-effective at their standard threshold of £20-£30 thousand.⁷⁹

Global health attainment, the primary outcome of this intervention, improved by 0.212 standard deviations. Other positive outcomes included improvements in physical health, emotional wellbeing, and behaviour.⁸⁰ However, it is important to note that evaluators concluded that “HRQoL in mixed sex schools is not straightforward, as we interpret ... that boys and girls learn these skills differently and this results in differential responses to the Healthy Minds curriculum.”⁸¹ While the results were better for boys, girls also benefited from the curriculum and in the future implementation of this programme, it will be necessary to consider the unique needs of both male and female students to achieve the best results.

RECOMMENDATION 3

The Government should formally trial the Healthy Minds Programme in a six-year trial following children and young adults through secondary school. This programme has been tested in a Randomised Control Trial and has shown positive results across almost all endpoints, and in particular benefited boys who have been underperforming in schools in recent years.

Support at home and in school

Parental involvement has plummeted since 2018. In 2022, only 25 per cent of students were in schools where at least half of families discussed their child’s progress with a teacher of their own accord (down 12 percentage-points in four years). Only 53 per cent of families discussed progress on the teacher’s initiative (down 24 percentage-points in four years).⁸² This is a crisis of parental involvement. It is important that the support and improvement felt by children in schools is met with wrap-around support at home and from families. The CSJ believes that many issues require family support, and that attendance and school performance are included in that list. Furthermore, the Department for Education (DfE) should better monitor parental engagement.

Despite higher rates of anxiety and ill-mental health, school largely seems to be a safe space for children.

77 Lordan and McGuire.

78 Lordan and McGuire.

79 Lordan and McGuire.

80 Lordan and McGuire.

81 Lordan and McGuire.

82 ‘PISA 2022 Results (Volume I and II) - Country Notes’.

“In June 2022, most secondary-age children and young people reported being motivated to learn, were managing to concentrate in class, felt safe at school, enjoyed being at school, and felt that they belonged at school.”⁸³

However, school can only provide a feeling of belonging for children who attend. The CSJ has been sounding the alarm on ‘ghost children’ for over two years now and continues to emphasise the growing crisis of school absence. For these children to feel the benefits of any school-based intervention for wellbeing. The CSJ has pushed and will continue to push for expanded rollout of attendance monitors in school and a joint effort between parents and schools to target these vulnerable children.

RECOMMENDATION 4

The Department for Education should create a National Parental Participation Strategy, which should create a new duty for schools and multi-academy trusts (MATs) to focus on parental participation and publish parental participation plans. Trusts and schools should design these plans in consultation with parents and guardians to reflect the needs of local families.

Environment

“The greener, the happier”⁸⁴

The environment in which people live affects their wellbeing in many ways: through access to green space, air pollution levels, crime, and the general quality of the area. Increased access to green space, especially in urban areas, is correlated with higher satisfaction levels.⁸⁵ The inverse is also true – increased waste and abandoned land is negatively associated with life satisfaction and in fact, has a greater effect on life satisfaction than does having access to green space.⁸⁶ Other experiments have shown that greening vacant lots has a multitude of positive effects, like reduced crime, improved self-reported health, lower stress, and increased physical activity.⁸⁷ While green space has direct and positive implications for health and life satisfaction, it also has indirect benefits.

Physical activity is associated with improved life satisfaction at all ages even after controlling for other characteristics.⁸⁸ Furthermore, the CSJ has found that sport is the forgotten weapon in the arsenal against crime. Increased green space and increased physical activity, especially through organised sport will improve community cohesion.

83 ‘State of the Nation 2022’.

84 Christian Krekel, Jens Kolbe, and Henry Wüstemann, ‘The Greener, the Happier? The Effect of Urban Land Use on Residential Well-Being’, *Ecological Economics* 121 (1 January 2016): 117–27, <https://doi.org/10.1016/j.ecolecon.2015.11.005>.

85 Krekel, Kolbe, and Wüstemann.

86 Krekel, Kolbe, and Wüstemann.

87 Charles C. Branas et al., ‘A Difference-in-Differences Analysis of Health, Safety, and Greening Vacant Urban Space’, *American Journal of Epidemiology* 174, no. 11 (1 December 2011): 1296–1306, <https://doi.org/10.1093/aje/kwr273>.

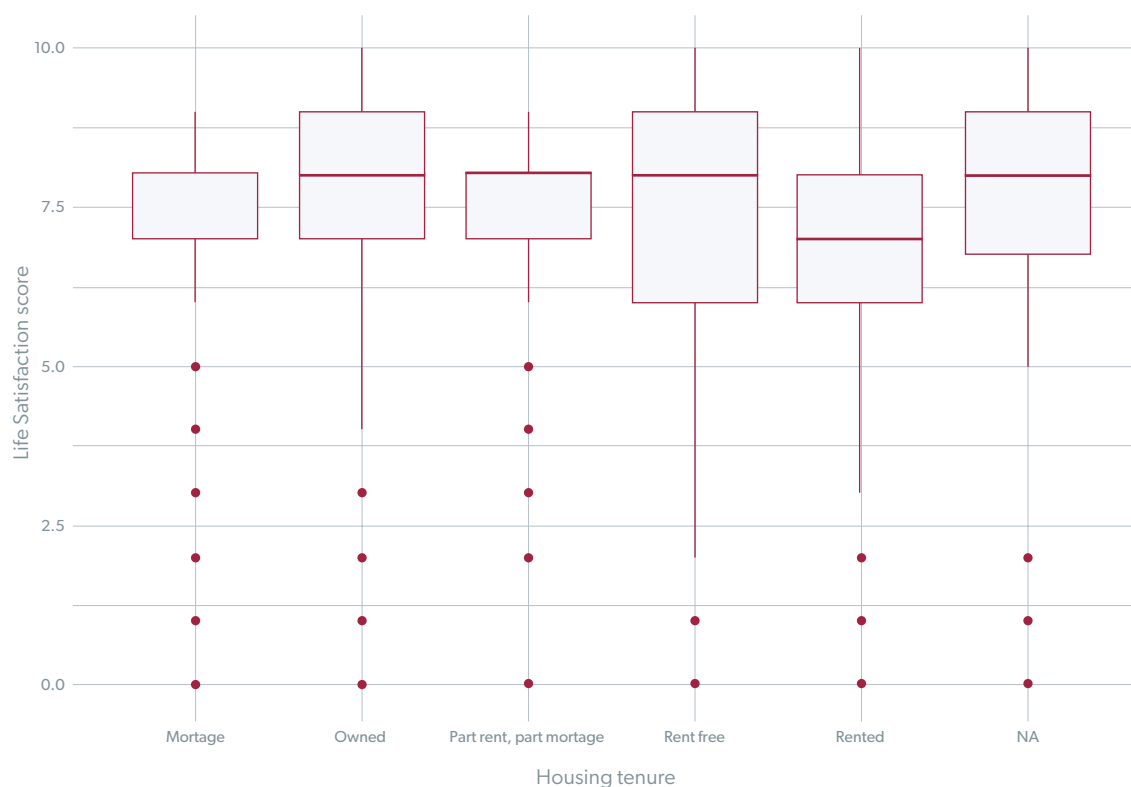
88 An et al., ‘The Relationships between Physical Activity and Life Satisfaction and Happiness among Young, Middle-Aged, and Older Adults’.

The CSJ has found that only 3 per cent of the most deprived felt that their local town or city centre was of very good quality, whereas 7 per cent of the most deprived felt that it was very *bad*. 13 per cent of the most deprived felt that the quality of the public facilities in the area (libraries, leisure centres, parks) was bad, compared with only 7 per cent of people nationally. Most staggeringly, 29 per cent of the most deprived felt that there was nothing good about living in their area. This shows that there is an issue with city planning and the access to green space in many areas around the country. The government should prioritise proper urban planning that places humans at the centre.

Housing

Housing plays an important role in life satisfaction. The quality of the housing, living arrangements, and the stability of the housing all play a part. The CSJ tested the effect of housing tenure of life satisfaction. The results are demonstrated in the figure below. While the average life satisfaction across almost all housing tenures is similar, renters face worse life satisfaction. This is likely due to the instability of this type of housing and poor quality that abounds.

Figure 4: Housing tenure and life satisfaction



27 per cent of the most deprived felt that the housing opportunities in their area were of bad quality, whereas only 16 per cent of people nationally felt their housing opportunities were of poor quality. So, in addition to the general trends which show that rented accommodation is associated with lower life satisfaction, the CSJ has found that housing opportunities are dismal. Housing needs urgent improvement to improve quality of life, especially for the most deprived.

The House of Parliament issued a POSTnote in September of this year, *Housing insecurity in the private rented sector in England: drivers and impacts*. It details types of housing insecurity which may all contribute to the lower average life satisfaction reported by renters.⁸⁹

Table 2: Recreated from House of Parliament POSTnote; Housing insecurity in the private rented sector in England.⁹⁰

Types of housing insecurity issues in the private rented sector	
Security of tenure	Being unaware of rights in fixed term tenancies and feeling obliged to move when they end.
Affordability	Difficulty paying rent or spending a large proportion of household income on housing.
Multiple moves	Forced moves due to intolerable living conditions.
Property quality	Living with hazards such as damp, mould, and excessive cold.
Overcrowding	Living in properties with fewer bedrooms than the household requires.

Furthermore, the social environment around where a person lives significantly effects life satisfaction and wellbeing. For example, the regional effect of unemployment is more important than the individual effect. If unemployment is high, it creates insecurity and instability.⁹¹ This concept will be expanded upon in the next section. The environment surrounding people fosters a sense of wellbeing that is not limited to housing but includes it. Because good quality housing is in short supply, the Government needs to expedite the review of housing stock and investigate new ways to improve the sector. The CSJ is committed to improving housing supply and will investigate ways to improve this dire situation.

Employment

Employment is important, not just for income, but for providing structure, shared experiences, and purpose.⁹² CSJ polling supports this conclusion – 46 per cent of people nationally feel that work is an important part of their life and that they work for the mental health and social benefits, not just the money. However, only 31 per cent of the most deprived felt that was true.⁹³ Higher quality work could be one way to improve life for everyone, especially for the poorest.

Only 60.4 per cent of the working age population is in employment.⁹⁴ That means that 2 in 5 people are not only vulnerable to poverty but are also missing out on the wider life satisfaction benefits of employment.

The CSJ conducted an Analysis of Variance (ANOVA) to examine the variability of satisfaction between different employment groups. The results show a large and statistically significant difference in life satisfaction between groups (F-statistic = 254.38, $p < 0.001$).

89 Xavier McNally and Clare Lally, 'Housing Insecurity in the Private Rented Sector in England' (The UK Parliament, 18 September 2024), <https://researchbriefings.files.parliament.uk/documents/POST-PN-0729/POST-PN-0729.pdf>.

90 McNally and Lally.

91 *Wellbeing*.

92 *Wellbeing*.

93 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

94 'A01: Summary of Labour Market Statistics - Office for National Statistics', accessed 7 October 2024, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics>.

Figure 5: Pairwise comparison of employment status and mean life satisfaction scores.

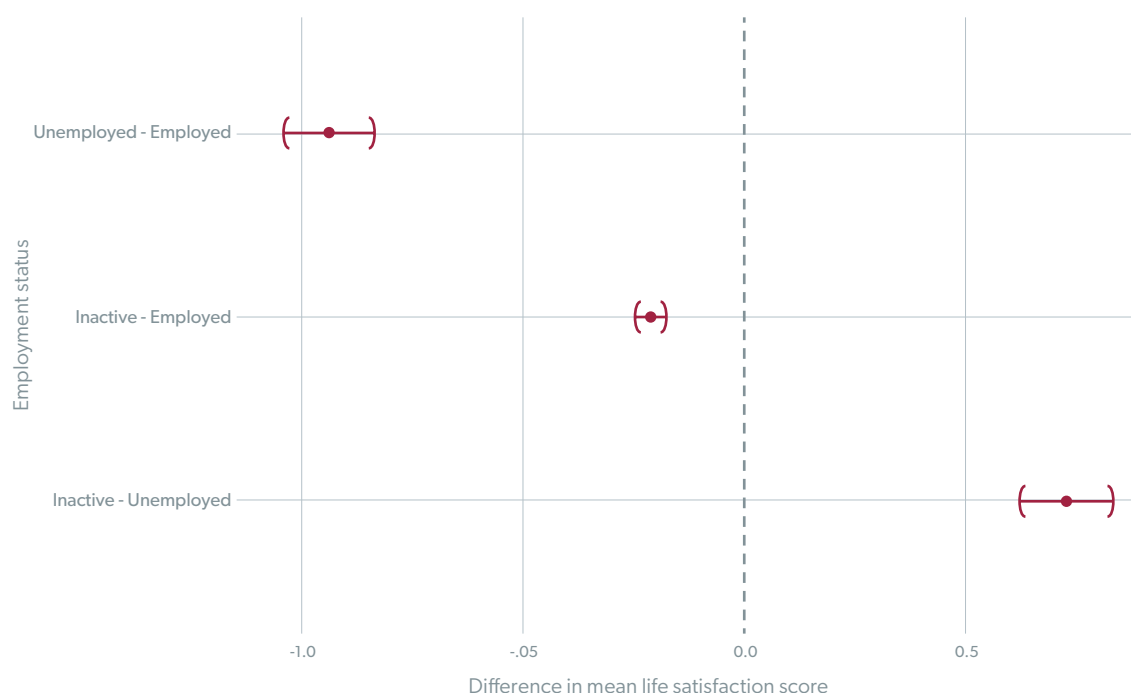


Figure 7 above elucidates the relationship between life satisfaction and employment. Each point in the figure represents the difference in the average (mean) life satisfaction score between groups. The top line in the figure shows that people who are unemployed rate their life satisfaction, on average, 0.94 points lower than those who are employed.

By examining the absolute value of the difference in means (Figure 7), the CSJ shows that those who are employed rate their life satisfaction most differently from those who are unemployed. Since the mean difference between employment versus unemployment is larger than the mean difference between employment versus inactivity, the CSJ concludes that inactivity has less detrimental effects on life satisfaction than does unemployment.

The smaller confidence interval (represented by the brackets around the points) surrounding the mean difference in life satisfaction between employment and inactivity demonstrates less variability in satisfaction between those two statuses than in the employed versus unemployed group. The large confidence interval surrounding the difference in means for employment versus unemployment may be due to the nature of unemployment. Those who are unemployed by choice (voluntary departure from a job, change in career) likely have higher life satisfaction than those who were dismissed from their employment. These findings also show that people who are unemployed are less satisfied than people who are inactive. This relationship is unsurprising since inactivity is a broad category that includes students and caregivers – statuses which be more fulfilling than other forms of inactivity and unemployment.

Employment is important for a healthy support ratio, for the economy, and, most importantly, for people's wellbeing. To improve wellbeing, Government should prioritise people's pathways into work. The Government has proposed "making work pay" as the way to get people into work and both the Conservative Party and the Labour party agree that people who can work, should work.⁹⁵ The CSJ supports the importance of employment for both the societal and personal benefits. Active Labour Market Policies, not subsidised employment, are the best method to target the unemployed and inactive.

1 in 3 people in the most deprived group thinks that the welfare system does a bad job of encouraging people back into work.⁹⁶ This raises the question of whether the welfare system needs to be rehailed in order to improve the employment rate and maximise the benefits from employment across society. 71 per cent of the most deprived – also the most likely to qualify for benefits – think it is uncomfortable to live on benefits.⁹⁷ This shows that a life on benefits is not what people want, but rather that there is a flaw in the design of the welfare system that challenges people's ability to re-enter the labour force.

The Labour Party has promised to make sure that "people can try out a job without fear of an immediate benefit reassessment if it does not work out."⁹⁸ Time and again, CSJ's Alliance of charities who work with the unemployed and inactive echo the problem that people cannot move into work for fear of a benefits reassessment if a job does not work out, losing out on housing benefits, and being without any income for a long time between benefits sanctions and the time the first pay check is issued at a new job. The CSJ supports the call to try out work without the benefits 'cliff edge' because it will facilitate people moving into more long-term and sustainable employment and out of the welfare system.

Active Labour Market Policies benefit all groups, but dedicated strategies should be designed which favour lower income earners to provide more equity in the labour market. The bottom income quintile on average has 0.7 economically active people in a household, whereas the top income quintile has more than double the number of workers per household (1.7 economically active people per household)⁹⁹ The bottom income quintile is the only group that has less than one working person per household on average.¹⁰⁰

Households in the bottom two income quintiles are most frequently supported chiefly by people over age 74 (approximately 20 per cent of households in each of these two quintiles). This likely indicates that these households are living mainly off pensions. 33 per cent of chief economic supporters of households in the lowest 20 per cent are retired or unoccupied, compared with only 10 per cent in the richest income quintile. The remaining three income quintiles are supported chiefly by people aged 34-55.¹⁰¹

Only 12.6 per cent of households in the lowest quintile are supported chiefly by full-time employees compared with 34.4 per cent in the next lowest income quintile and 72.6 per cent in the highest earning income quintile. To balance these ratios, it is worth investigating further how to direct younger workers from disadvantaged backgrounds into gainful employment and how best to make part-time work worthwhile. Additionally, Labour has also promised to 'make work pay', but 5.5 per cent of households in the bottom income quintile are supported by unemployed people.¹⁰²

95 'LABOUR'S PLAN TO MAKE WORK PAY', n.d.; Rachael Burford, 'Sick Note Culture: Rishi Sunak Vows to Get Fit People Back to Work', The Standard, 19 April 2024, <https://www.standard.co.uk/news/politics/rishi-sunak-sick-note-culture-work-benefits-london-speech-b1152502.html>.

96 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

97 Ibid.

98 'Change Labour Party Manifesto 2024', n.d.

99 'The Effects of Taxes and Benefits on Household Income, Disposable Income Estimate - Office for National Statistics', accessed 8 October 2024, <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>.

100 'The Effects of Taxes and Benefits on Household Income, Disposable Income Estimate - Office for National Statistics'.

101 'The Effects of Taxes and Benefits on Household Income, Disposable Income Estimate - Office for National Statistics'.

102 'The Effects of Taxes and Benefits on Household Income, Disposable Income Estimate - Office for National Statistics'.

In order to target the most deprived, there should be a priority on job search assistance programmes because they provide the best outcomes for this group.¹⁰³ The most disadvantaged are often the most under-represented in the traditional labour market so, to improve life satisfaction, it is crucial to create opportunity for this group in particular. Only 7 per cent of the most deprived and only 14 per cent of people nationally felt that the employment opportunities in their area were good. Meanwhile, 21 per cent of the most deprived felt that their employment opportunities were actively bad.¹⁰⁴ This underscores the need for employment reform and the necessity for better localised employment services as recommended by the CSJ in “Going Dutch”.

The long-term unemployed benefit most from training and private sector employment subsidies. While private sector employment is best for the long-term unemployed, public sector employment is more effective in the short-term across groups.¹⁰⁵ A combination of job search assistance programmes, training, and private sector employment subsidies are required to get the hardest to reach groups into employment. If the priority is improving employment rates in the near-term, a premium should be placed on public-sector employment opportunities to “stop the bleeding”. For sustainability and long-term growth, a multi-pronged approach is necessary because, in the long-term, private-sector subsidy has more than triple the effect of the next highest active labour market policy (job search assistance).

An intervention in France, noted that pre-screening applicants reduced time and effort by reducing some of the friction between supply and demand of labour.¹⁰⁶ Active labour market programmes and job-seeking policies should aim to focus on firm demand. This ensures that slack labour markets are reduced and that job seeking support can actually target people based on their qualifications and the needs of the labour market.¹⁰⁷

Job search assistance programmes are, nonetheless, very important because they work well for older workers in addition to the most deprived.¹⁰⁸ With the ageing population in the UK, it is necessary to provide opportunities for older workers to transition back into work and to encourage them to work longer. Reform to employment support services is necessary in order to improve these services – the CSJ has elaborated on the necessary reforms to job search assistance in “Going Dutch”. Furthermore, understanding the needs and demographics of the inactive and unemployed is important to understand how best to transition them into the active labour force. This can best be accomplished by more individualised services and understanding of each person.

103 David Card, Jochen Kluve, and Andrea Weber, ‘What Works? A Meta Analysis of Recent Active Labor Market Program Evaluations’, *Journal of the European Economic Association* 16, no. 3 (2018): 894–831.

104 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

105 Card, Kluve, and Weber.

106 Yann Algan, Bruno Crepon, and Dylan Glover, ‘The Value of a Vacancy: Evidence from a Randomized Evaluation with Local Employment Agencies’, Dropbox, accessed 6 June 2024, <https://www.innovationgrowthlab.org/content/value-vacancy-evidence-randomized-evaluation-local-employment-agencies-france>.

107 Algan, Crepon, and Glover.

108 Card, Kluve, and Weber, ‘What Works?’

CASE STUDY

Manchester Working Well¹⁰⁹

Greater Manchester's Working Well offers an effective and thoroughly trialled model of targeted support to get people into work. By tailoring different programmes to the needs of different groups, it is able to efficiently support people into work by dedicating different levels and types of resource to people as needed.

The JETS programme, which was a COVID-era programme, targeted the unemployed for 3-12 months because they were considered 'work ready'. This support predominantly focused on job search and some skills development. 62 per cent of referrals started a job and 49 per cent of referrals achieved sustained employment.

The Work and Health Programme is an 8-year trial that serves those with health conditions or disabilities, the long-term unemployed, and 'early entrants' (those from special priority groups like ex-offenders, ex-carers and carers, the homeless, ex-armed forced, those with drug/alcohol dependencies, care leavers, and refugees). One of the unique characteristics of this programme is its commitment to offering support for 6-months once a client is in work. Though the programme has achieved lower than target endpoints, it has still found success, particularly in adjusting to the complicated needs of this group.

RECOMMENDATION 5

The Government should prioritise Active Labour Market Policies, including job search assistance programmes for older workers and the most deprived and private sector employment subsidies to improve sustainability in long-term employment. The Working Well programme in Manchester provides a blueprint for how job search assistance programmes might look practically.

RECOMMENDATION 6

The Government should devolve employment services to the combined authority level, adopting the Dutch model. A similar model has been trialled with success in Manchester whose precedent can serve as a UK replicable example.

¹⁰⁹ Greater Manchester Combined Authority, 'Working Well: Work and Health Programme & Job Entry: Targeted Support (JETS) Evaluation Annual Report', 2023, <https://www.greatermanchester-ca.gov.uk/what-we-do/work-and-skills/working-well/>.

Apprenticeships

Apprenticeships offer an efficient way to train people of working age and reduce rates of unemployment and inactivity. Richard Layard has proposed that the UK should apply the Robbins principle to apprenticeships, meaning that there should be a guarantee that one be made available to anyone who wants one.¹¹⁰ However, demand for apprenticeships outstrips supply three-fold.¹¹¹ According to CSJ polling, 17 per cent of the most deprived feel that access to skills, training, and education including digital skills for adults is bad. In comparison, only 9 per cent of the national population feel this way.¹¹² This demonstrates a marked difference between the most deprived and the national population, and a need for improved and equitable access to opportunity.

This disparity between advantage groups should be reconciled through ring-fenced funding for apprenticeships for the most disadvantaged. However, the most deprived are proportionally over-represented in intermediate and advanced apprenticeships, but under-represented in higher level apprenticeships. Despite that, the most deprived have the lowest completion rates across levels. There is an 8 percentage-point difference in completion rates between the most and least deprived groups at intermediate levels and a 7 percentage-point difference at the advanced and higher levels. Thus, funding should be allocated towards higher level apprenticeships for the most deprived to improve representation of this group and adequate training before the start of apprenticeships to reduce the disparity in completion rates since many school-leavers are underqualified for even the lowest level apprenticeships.¹¹³

The current apprenticeship scheme entrenches differences between deprivation levels rather than providing opportunity for social mobility. In their manifesto, the Labour Party promised to deliver more High-Quality Apprenticeships and specialist technical colleges that could help to bridge the completion gap between the most and least deprived. The CSJ supports the aim to upskill the nation's youth by prioritising vocational training and apprenticeships.

Table 3: Apprenticeship starts by deprivation level¹¹⁴

	Intermediate		Advanced		Higher	
	Number	Completion Rate	Number	Completion Rate	Number	Completion Rate
Most deprived	13640	47%	24990	39%	16650	32%
2	11590	50%	24280	42%	19760	37%
3	12120	54%	23880	44%	20530	37%
4	11420	56%	24290	45%	21070	38%
Least deprived	8990	55%	20950	46%	21000	39%

¹¹⁰ Richard Layard, Sandra McNally, and Guglielmo Ventura, 'Applying the Robbins Principle to Further Education and Apprenticeship', n.d.

¹¹¹ Layard, McNally, and Ventura.

¹¹² CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

¹¹³ Layard, McNally, and Ventura.

¹¹⁴ 'Apprenticeships, Academic Year 2023/24', accessed 21 November 2024, <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships>.
<https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships>.

Compared to similar countries, the UK has low rates of 18 year-olds in education or training – only 30 per cent.¹¹⁵ At age 16, the UK compares well with France and Germany, but at 18, young people have hit a cliff’s edge and their rates of employment, training, and education are significantly lower.¹¹⁶ Instead of funding further education to improve these abysmal statistics, real-funding of over-18 further education in 2023 was only half of what it was in 2010-2011.¹¹⁷ At November 2024, 15.1 per cent of young men were not in employment, education, or training (NEET) and 11.2 per cent of women were NEET.¹¹⁸ The rate of young people who are NEET continues to increase quarter-on-quarter and year-on-year. Apprenticeships offer a valuable way to improve the rate of young people who are NEET - an important hurdle to overcome for both individual and societal wellbeing.

The return on apprenticeship is highest for under-25-year-olds.¹¹⁹ The Government should hypothecate funding for young workers to pursue these training opportunities because they are more likely to engage in low-level apprenticeships which are less costly to run but still provide a positive return on investment. However, under-19s represent a challenge. They complete their apprenticeships at a lower rate than 19–24-year-olds and 25+ year-olds. Further exploration into the needs of this cohort and sufficient training prior to beginning will help to improve completion rates. Across all age-groups, the completion rate declines as the apprenticeship level increases. This further emboldens the need for reform and preparation for these courses as well as a better understanding of why people are not completing apprenticeships. Incomplete apprenticeships represent wasted funding and a large opportunity cost.

Table 4: Apprenticeship starts by age¹²⁰

	Intermediate		Advanced		Higher	
	Number	Completion Rate	Number	Completion Rate	Number	Completion Rate
Under 19	28110	45%	35160	37%	6760	26%
19-24	15390	59%	37020	49%	26580	38%
25+	14710	59%	47720	43%	67150	37%

RECOMMENDATION 7

The 2024 Labour party manifesto guaranteed apprenticeships for all those who want them. This was a welcome but ambitious target. As a first step it should complement efforts for job-search assistance for older-workers and the long-term unemployed with ring-fenced funding for apprenticeships for younger people. By tailoring employment assistance and employability schemes to the needs of individual groups, the Government will most efficiently improve rates of inactivity and, by association, improve wellbeing. Furthermore, the Government should earmark 20 per cent of positions at every level of apprenticeship for young people in the bottom income quintile who are underrepresented in higher level apprenticeships and who would offer the greatest return on investment. This figure is proportional to their share of the population based on deprivation groups.

¹¹⁵ Layard, McNally, and Ventura, ‘Applying the Robbins Principle to Further Education and Apprenticeship’.

¹¹⁶ Layard, McNally, and Ventura.

¹¹⁷ Layard, McNally, and Ventura.

¹¹⁸ ‘Young People Not in Education, Employment or Training (NEET) - Office for National Statistics’, accessed 21 November 2024, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/datasets/youngpeoplenotineducationemploymentortrainingneettable1>.

¹¹⁹ Layard, McNally, and Ventura, ‘Applying the Robbins Principle to Further Education and Apprenticeship’.

¹²⁰ ‘Apprenticeships, Academic Year 2023/24’.

Quality of work

Not only does having employment matter for life satisfaction, but so too does the quality of that work. People who value work highly are more affected by the quality of their work.¹²¹ Job satisfaction and life satisfaction have spillover effects. For example, higher pay, promotions, or accolades spill into other parts of life.¹²² However, a different school of thought dictates that positive experiences in one part of life can compensate for negative experiences in another.¹²³ Whether it is a positive, negative, or mediating relationship, it is clear that job satisfaction and quality of work affect life satisfaction.

Though there is a bidirectional relationship, the effect of job satisfaction on life satisfaction is stronger than the inverse.¹²⁴ The bidirectionality of life satisfaction and job satisfaction demonstrate that there can be improvements to productivity with improved life satisfaction.¹²⁵ This shows the importance of quality of work for people's wellbeing.

The Labour Party manifesto placed a premium on "Greater in-work security, better pay, and more autonomy in the workplace [to] improve the lives of working people and bring substantial economic benefits."¹²⁶ Research has shown that, second only to interpersonal relationships, interesting jobs are the most important factor for people's life satisfaction. Following interpersonal relationships and interesting jobs, people value pay, and job security.¹²⁷ Labour's promise to improve in-work security and ensure better pay is important for improving these aspects of work.

Quality of work matters, but people in the most deprived group often feel like they are in dead-end jobs. Only 8 per cent feel that they will progress in the next year and earn a pay rise (compared with 19 per cent nationally).¹²⁸ This shows a need to have better opportunities for career progression in the most deprived communities and localised support in order to improve surroundings. In fact, regional unemployment levels are even more important than individual unemployment.¹²⁹ If unemployment is high in a particular geography, then it is harder to get work if you lose your job, which leads to high competition and high job insecurity. Government should focus employment support efforts on areas of high deprivation in order to have the greatest impact and to tailor employment support services to the needs of each community. This concept is further expanded in the CSJ's report, "Going Dutch".

In summation, employment and quality of work affect life satisfaction. While the Government cannot ensure that people are happy, it can foster an environment in which people can find gainful employment and where workers' rights are protected. It should seek to fulfil its goals of providing improved job security, better pay, and more autonomy in the workplace, through guaranteed apprenticeships, job search assistance and localised employment services.

121 Timothy A. Judge and Shinichiro Watanabe, 'Another Look at the Job Satisfaction-Life Satisfaction Relationship', *Journal of Applied Psychology* 78, no. 6 (1993): 939-48, <https://doi.org/10.1037/0021-9010.78.6.939>.

122 Judge and Watanabe.

123 Judge and Watanabe.

124 Batool, Hasan, and Sajid, 'Does Job-Satisfaction Cause Life-Satisfaction?'

125 Batool, Hasan, and Sajid.

126 'Change Labour Party Manifesto 2024'.

127 *Wellbeing*.

128 CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

129 *Wellbeing*.

Income

Although this report argues there is too much focus on money, income remains significant for wellbeing, partially because it enables people to have more social connection and partially because of the increased status it gives. However, the mechanisms by which this works are complex and contested and it accounts for less of the variance in life satisfaction than partnership, mental health, or quality of work.¹³⁰

There are two theories of behavioural economics that influence income; adaptation and comparison. Adaptation, which causes people to become habituated to their circumstances, is completed after five years with income meaning that a positive income shock (i.e., a pay rise) stops improving wellbeing within that time frame.¹³¹ Comparison, however, allows people to benchmark themselves against their peers meaning that a relatively lower income causes unhappiness, whereas a higher income causes happiness. The deductive conclusion is that higher relative income can provide improved satisfaction, but only at the expense of one's peers.

Rachel Reeves promised to raise the minimum wage to £12.21 per hour next year. Adopting a wellbeing perspective, this will improve people's lives if it better helps them to meet their basic needs. However, simply raising the floor on wages does not effectively improve wellbeing if everyone's wages increase because of the comparison effect. This is not an admonition of raising the minimum wage, but rather a request for improvements across the social spectrum, including to housing, social care, and employment services, and not simply to wages.

Because it is established that income has a downward-sloping indifference curve— with every pound increase in wages, the cost of leisure is higher – logic would indicate that people should work more with higher wages. However, this economic analysis fails to account for the social value of leisure and how that time may be filled otherwise because it assumes that leisure and income are valued the same. In fact, some researchers argue that there is an upper limit to the value of income – US\$75,000 in 2010.¹³²

The Easterlin Paradox

The Easterlin Paradox describes the paradoxical relationship between real income growth on the aggregate in developed countries not translating into improved happiness levels on the country-wide scale, even though there is a positive correlation between individual income and individual measures of subjective well-being.¹³³ The paradox lies within the juxtaposition of individual improvements to life satisfaction caused by increased income and the fact that this is not mirrored by higher happiness levels in the country alongside growth in real income and higher GDP.¹³⁴ One of the alternative measurements proposed for financial accounting, is Gross National Product (GNP) because it is slightly better at measuring things that benefit the country than GDP. However, the paradox remains true - average happiness is roughly the same despite rises in GNP.¹³⁵

130 Richard Layard and Jan-Emmanuel De Neve, *Wellbeing: Science and Policy* (Cambridge, United Kingdom: Cambridge University Press, 2023).

131 Andrew E Clark, Paul Frijters, and Michael A Shields, 'Relative Income, Happiness, and Utility: An Explanation for the Easterlin Paradox and Other Puzzles', *Journal of Economic Literature* 46, no. 1 (1 February 2008): 95–144, <https://doi.org/10.1257/jel.46.1.95>.

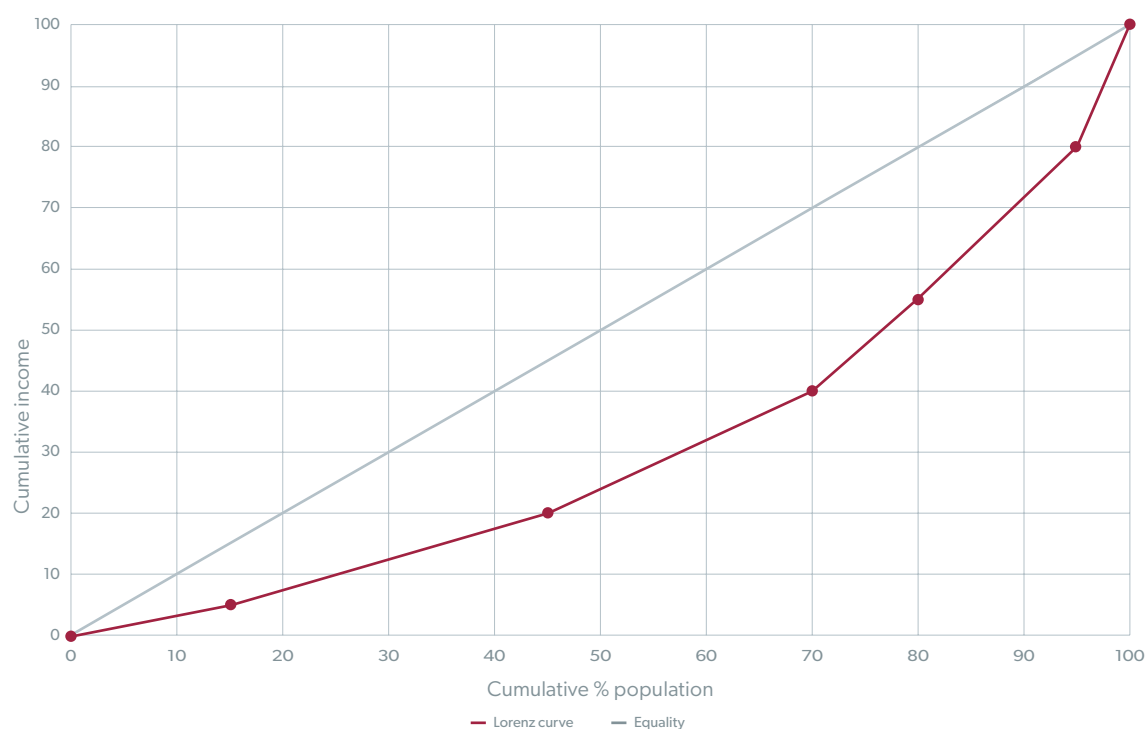
132 Daniel Kahneman and Angus Deaton, 'High Income Improves Evaluation of Life but Not Emotional Well-Being', *Proceedings of the National Academy of Sciences* 107, no. 38 (21 September 2010): 16489–93, <https://doi.org/10.1073/pnas.1011492107>. stress, sadness, anger, and affection that make one's life pleasant or unpleasant. Life evaluation refers to the thoughts that people have about their life when they think about it. We raise the question of whether money buys happiness, separately for these two aspects of well-being. We report an analysis of more than 450,000 responses to the Gallup-Healthways Well-Being Index, a daily survey of 1,000 US residents conducted by the Gallup Organization. We find that emotional well-being (measured by questions about emotional experiences yesterday

133 Clark, Frijters, and Shields, 'Relative Income, Happiness, and Utility'.

134 Mikucka, Malgorzata, Francesco Sarracino, and Joshua K. Dubrow. 'When Does Economic Growth Improve Life Satisfaction? Multilevel Analysis of the Roles of Social Trust and Income Inequality in 46 Countries, 1981–2012'. *World Development* 93 (1 May 2017): 447–59. <https://doi.org/10.1016/j.worlddev.2017.01.002>.

135 Clark, Frijters, and Shields, 'Relative Income, Happiness, and Utility'.

Figure 6: Lorenz curve¹⁴⁶



Aside from any cultural change, the Netherlands can offer examples for the United Kingdom on its ability to shift focus onto wellbeing through the prioritisation of its measurement in schools, but also on its ability to maintain high labour force participation, and improved social cohesion. The UK can learn from the Netherlands' devolution of employment services, which helped them to reach this record-level high labour force participation. The CSJ's report, "Going Dutch," elaborates on the phenomenon further and helps to offer practical policy solutions to improve labour force participation.

There is also an issue of reverse causality between income and life satisfaction. While income can influence life satisfaction, adolescents who report higher life satisfaction earn significantly more than their less satisfied peers later in life.¹⁴⁷ This is true even after controlling for education, intelligence quotient, physical health, height, self-esteem, and later happiness. Because early life happiness affects both later life happiness and income it is even more important that child wellbeing is prioritised, and stability is achieved in early years.

Though equality is an important consideration to income and there are competing factors like the value of leisure, it is nonetheless important to acknowledge that income plays a distinct role in people's lives. CSJ polling showed that nationally, 17 per cent of people felt that low wages held them back from living the life they want, but only 11 per cent of people in the most disadvantaged felt this way. For the poorest, the biggest issue was not low wages, but instead physical ill health, followed by mental ill health.¹⁴⁸ In contrast, low wages were the most frequently cited cause of poverty by both the nationally representative survey and that of the most deprived. Despite low wages being the most important cause of poverty, health was still more important for maximising quality of life.

¹⁴⁶ Abigail McKnight, Magali Duque, and Mark Rucci, 'Double Trouble: A Review of the Relationship between UK Poverty and Economic Inequality' (Oxfam GB; London School of Economics, Centre for Analysis of Social Exclusion, 9 November 2017), <https://doi.org/10.21201/2017.9439.10.7>], "issued": {"date-parts": ["2017", "11", "9"]}], "schema": "https://github.com/citation-style-language/schema/raw/master/csl-citation.json"}]

¹⁴⁷ De Neve and Oswald, 'Estimating the Influence of Life Satisfaction and Positive Affect on Later Income Using Sibling Fixed Effects'.

¹⁴⁸ CSJ polling conducted by J.L. Partners of a nationally representative sample of 3022 people with an additional boost of 3021 people in the most deprived group in October 2023.

Make work pay

The same polling revealed that only 16 per cent of the most deprived and 31 per cent of people nationally felt that anyone in the UK could earn enough to live on, if they worked hard enough. Three quarters of the most deprived felt that sometimes work doesn't pay enough to live on, despite working hard. Perhaps even more shocking is that 63 per cent of people nationally agreed with that statement. Work does not pay, even for those living above the threshold for high deprivation.¹⁴⁹

When asked about who is responsible for 'making work pay' the most frequent response nationally and amongst the most deprived communities was that employers should increase wages even if it means less profits. Fewer people, both nationally (18 per cent) and in the most deprived group (29 per cent), felt that the Government should increase benefits for people in part-time work who struggle to make ends meet. Interestingly, fewer people in the most deprived community felt that the Government should increase benefits to help full-time workers (22 per cent) and more people nationally agreed (28 per cent).¹⁵⁰ This could indicate that people in more deprived communities feel that part-time work is not paying sufficiently, but that there is no alternative to part-time work as a result of other responsibilities like caring, whereas they feel wages for full-time workers should be the responsibility of the employer.

RECOMMENDATION 8

The evidence and impact on income inequality and how it directly and indirectly impacts wellbeing remains complex and contested. The Government should maintain and publish median and mean income data as a way to examine income inequality, by measuring the difference between the two, in order to account for outliers and extreme wealth in a few individuals. The Government should regularly publish the share of resources, including, but not limited to income, in each deprivation decile group. This allows a holistic understanding of how wealth is shared in society and helps to account for some of the aspects that are neglected by more traditional measures of inequality, like the Gini Index. The Government should additionally publish longitudinal data on average income for the top and bottom income quintiles and how it has changed over at least the last decade. This longitudinal data should be continually monitored and published because it aids in understanding how income disparities grow over time compared with reference to a typical basket of goods.

This recommendation is informed by the Commission on the Measurement of Economic Performance and Social Progress.¹⁵¹

¹⁴⁹ Ibid.

¹⁵⁰ Ibid.

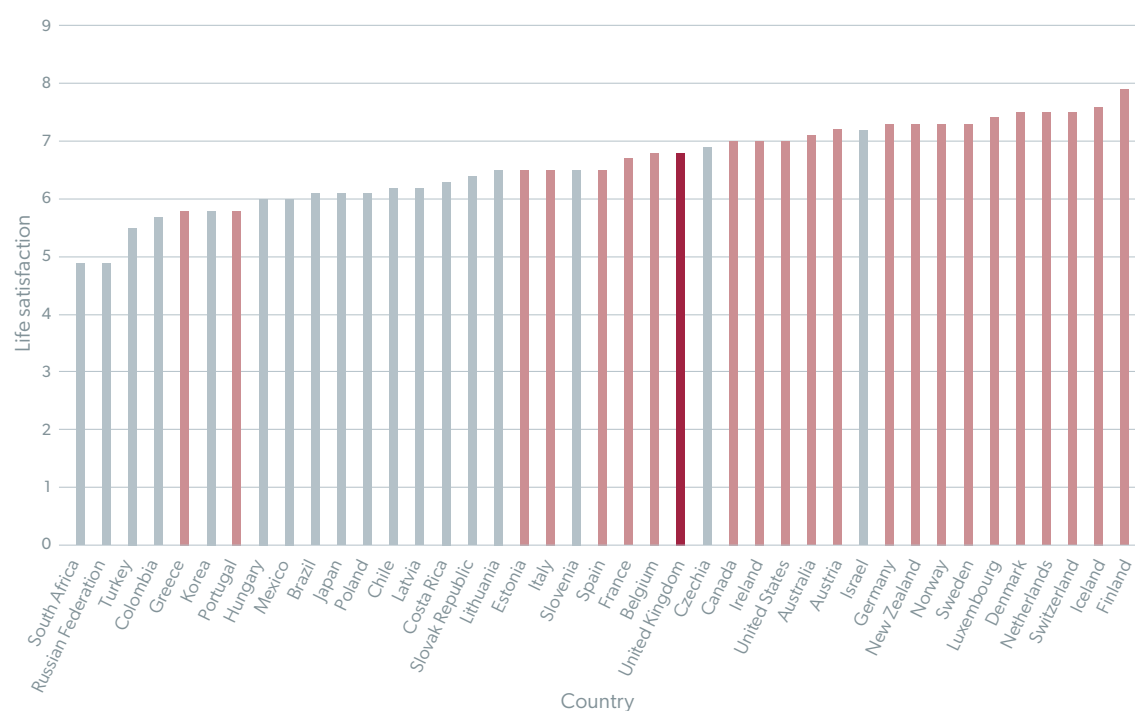
¹⁵¹ Stiglitz, Sen, and Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress'.

Where next?

Cross country comparisons

The United Kingdom ranks well on life satisfaction compared with other G7 countries as demonstrated in Figure 2, second only to the United States, but is about average compared to all OECD countries and falls behind Nordic countries and Germany. Compared to Europe, the UK has low satisfaction and even lower life satisfaction when compared to countries with similar sized economies. While it is useful to understand how the UK compares to similar countries so that policymakers can learn from the examples of higher performing countries, it is more important to understand that within country variation accounts for 78 per cent of all variation in life satisfaction.¹⁵² Within the country there will be a considerable amount of variation in different demographic groups as discussed in earlier sections. Policy should aim to address these differences through tailored approaches, despite the challenges involved in enumerating them when examining average metrics across the nations and regions.

Figure 7: OECD Life satisfaction rankings.¹⁵³ Comparable western and Anglo-Saxon countries in maroon.



152 Wellbeing.

153 OECD, How's Life?

Lessons from Finland

Finland is the top-scoring nation on wellbeing metrics in the OECD survey.¹⁵⁴ While they have decreasing scores in science (a trend that is also seen across OECD countries including the UK) and they need to make further strides towards equality, they do a few things very well. Only a very small number of adults feels that they have no one to turn to in times of need, indicating strong social cohesion. Furthermore, only 18–24-year-olds have population level loneliness more than 15 per cent of the time – this is better than most other OECD countries. Even, the 18–24-year-olds who have a higher rate of loneliness than other Finns are average within the OECD. The UK has high rates of loneliness, especially in its youth. In addition, close to 100 per cent of urban residents have access to green space and there is very little exposure to outdoor air pollution – both of which are proven contributors to positive life satisfaction.¹⁵⁵ In fact, the CSJ’s report *“Lonely Nation: how to tackle loneliness in the built environment”* found that having access to green space is significantly associated with lower rates of loneliness.

The Finnish are more equal than the OECD average on income earnings indicating low vertical inequality. Generally, Finns also have a high standard of living despite rising debt. However, the Finnish still have high rates of deaths of despair, especially for men (more than 60 per 100,000) and a high gender pay gap (women earn significantly less than men).¹⁵⁶ Despite some inequalities, the Finnish are more satisfied with their lives than people in any other country, likely owing to their success on select metrics like access to green space, social cohesion, and standards of living. Not every metric needs to be perfect to attain a high standard of life satisfaction. At least in Finland, metrics that look at social cohesion (like loneliness or having someone to turn to) translate into high life satisfaction.

Lessons from New Zealand

New Zealand has a very well-developed framework for monitoring and evaluating wellbeing in the nation. While work had been done on this area since the 1990s, it was not until 2011 that the Treasury began to develop this work formally. In 2018, they began public engagement to understand what matters to the public. They have also given specific weighting to children, culture, and indigenous populations.

The Treasury is responsible for updating the wellbeing dashboard every April and October. The Living Standards Dashboard is organised into three sections which contain Individual and Collective Wellbeing, Institutions and Governance, and finally, the Wealth of Aotearoa New Zealand. As discussed in the earlier section on alternative measures, these measurements showed trends over time and across different population groups.

These regularly updated metrics inform requirements and guidance for certain agencies in the budget. It is now a statutory requirement that cost-benefit analyses include the impact of any new proposal on the relevant areas of wellbeing.

154 ‘Well-Being in Finland’, OECD, 23 April 2023, https://www.oecd.org/en/publications/well-being-in-finland_ecf06a58-en.html.

155 ‘Well-Being in Finland’, OECD, 23 April 2023, https://www.oecd.org/en/publications/well-being-in-finland_ecf06a58-en.html.

156 ‘Well-Being in Finland’, OECD, 23 April 2023, https://www.oecd.org/en/publications/well-being-in-finland_ecf06a58-en.html.

Informing a key wellbeing metric

In order to make progress on wellbeing, the Government needs to understand how the different factors informing wellbeing are performing. The above sections and their respective recommendations inform ways to improve each of these areas, but also ways to monitor them. The remainder of this report will expand upon the monitoring of wellbeing through a review of cost-effectiveness analysis geared towards wellbeing and an understanding of the alternative metrics.

WELLBYs

The most significant UK legislative change for wellbeing was in 2018 when the Government added wellbeing guidance for appraisal to the Green Book marking a shift in political will and giving legitimacy to wellbeing and life satisfaction as issues for government intervention. This guidance included methodological techniques to evaluate WELLBYs, a metric like QALYs (Quality-Adjusted Life Years). The addition of these metrics to the Green Book allowed for the valuation of "...benefits that affect the welfare and wellbeing of the population, not just market effects."¹⁵⁷

The Greenbook values one wellbeing year at £13,000 in 2019 prices.¹⁵⁸ If inflation were factored in, this would now be equivalent to £16,279.09,¹⁵⁹ however, this is not reflected in the Greenbook.

We value what we measure. Resources are finite and constrained, so it is important to make sure that interventions are cost effective. The use of WELLBYs provides a way to measure the cost-effectiveness of any intervention aimed at improving wellbeing and should be used across government departments. Its recognition in the Green Book is important for policy creation, but when the Government trials new projects, it should do so with an understanding of how wellbeing will be affected.

Scotland's wellbeing legislation has already set the precedent for considering wellbeing across new policies, but this precedent should be expanded across the UK through the use of WELLBYs.

Alternative economic metrics

Even though countries rely on GDP for benchmarking growth, GDP does not always measure what matters. It includes costs of environmental degradation as growth but does not include the contribution of unpaid carers or homemakers to the economy. Further, because it is an aggregate metric, it does not accurately show wealth distribution across a society – a hypothetical change resulting in all wealth being transferred to the top 10 per cent of income-earners may still be represented as growth in GDP, even though that shift in wealth could cause issues with societal cohesion.

157 'The Green Book (2022)', GOV.UK, accessed 24 June 2024, <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>.

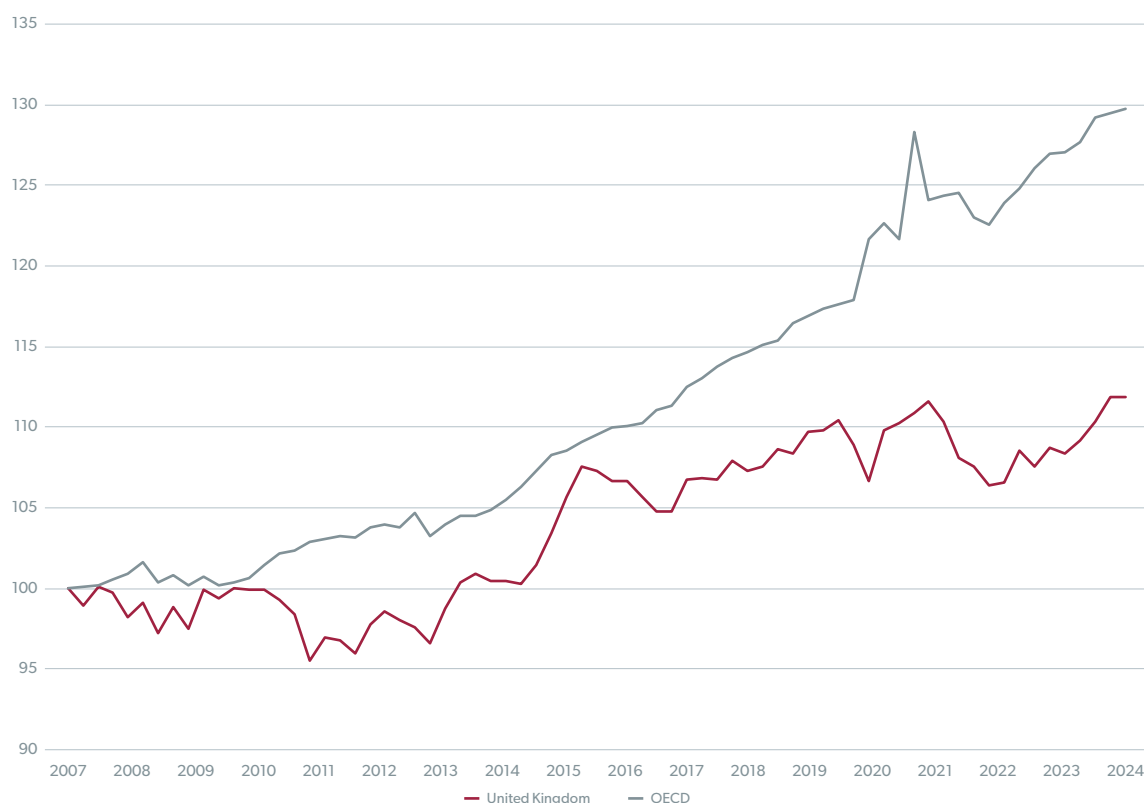
158 'The Green Book (2022)'.

159 Calculated using the Bank of England Inflation Calculator.

Sen, Stiglitz, and Fitoussi suggest that net national product or real household income may be better metrics of growth because respectively, they take into account depreciation and focus on households within the economy rather than the entire economy.¹⁶⁰ Consumption is also a better reflection of living standards than production measures since they give insight into how people spend their money. Furthermore, they suggest that because GDP does not factor sustainability into its calculation, it is sensitive to 'bubbles'. The over-reliance on GDP that signalled economic growth between 2004-2007 could not predict the economic crash of 2008. Alternative metrics that include sustainability and debt may better predict the actual performance of an economy, especially with reference to how it affects humanity.¹⁶¹

The UK is the only country in the Group of Seven (G7) whose growth in GDP per capita outstrips growth in household income. It raises the question of where that growth is going if not into the hands of its citizens (household income per capita).¹⁶² Moreover, since 2007 the UK has had much lower growth than OECD-average for household disposable income per capita as demonstrated by Figure 8. The figure demonstrates real household disposable income per person, indexed with 2007 Q1 set at 100. Overtime, the gap between the OECD average disposable income and the UK's has been growing. This slow growth in disposable income relative to competitors shows that though GDP may be growing, it may not translate to improved conditions for individuals.

Figure 8: Households disposable income per capita; OECD.¹⁶³



160 Stiglitz, Sen, and Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress'.

161 Stiglitz, Sen, and Fitoussi.

162 'Households' Economic Well-Being: The OECD Dashboard', OECD, accessed 08 April 2025, <https://www.oecd.org/en/data/dashboards/households-economic-well-being-the-oecd-dashboard.html>.

163 'Households' Economic Well-Being'.

While it is necessary to track additional metrics, the key to improving measurement is including both change over time and dispersion across different communities. ¹⁶⁴

The CSJ recommends that the Government synthesise existing data on family formation, community cohesion, housing supply and quality, environment including access to green space, school wellbeing and educational attainment, income and wealth, in one centralised location. The Government must also commit themselves to the regular publishing of this data and continually push for an improved understanding of wellbeing in the United Kingdom as has been done in the devolved nations.

Key Metric: It is time for the government to collect and publish wellbeing metrics in the same way it does for GDP. This should include metrics that are regularly collected today including income and wealth, but will expand upon these to include a commitment to monitoring the social elements of wellbeing. Government should create a dashboard including the status of families, relationships, housing, education, and environment in a centralised location to allow a better understanding of the wellbeing of the nation. In line with the Government's commitment to expanding the power of combined authorities, measurements linked to geographies should take place at this level.

- › **Status of families:** The dashboard should include metrics on the percentage of households with children that have one or two parents, the percentage of children living in workless households, and the percentage of families living below the poverty threshold.
- › **Relationships:** The dashboard should contain metrics on the rate of marriage and partnership, as well as dissolution of civil unions and divorce rates.
- › **Housing:** The dashboard should contain metrics on waitlists for Council Housing, the breakdown of citizens living in owned dwellings, private rentals, public rentals, and the rate of homelessness in each geography. Furthermore, it should include an additional metric on new home builds in the area.
- › **Education:** The dashboard should include the National Wellbeing Metric, as well as metrics such as those collected by the PISA study in order to easily lend itself to international comparison. The National Wellbeing Metric is the only metric that will require novel development proposed in this dashboard.
- › **Environment:** The dashboard should include air quality measurements, the percentage of residents of each with adequate access to green space, the percentage of area covered by brown fields.
- › **Employment:** The dashboard should include headline employment rates, but also metrics on the flow of residents entering the workforce in each period, as well as the rate of residents who have been in sustained employment (15 months).

The Government should also collaborate with international convening bodies and organisations in order to understand the successes and failures of current policy while engaging with their monitoring services.

164 Stiglitz, Sen, and Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress'.

Political analysis of wellbeing

The tides of political will in favour of wellbeing have ebbed and flowed since as long as democratic governments, like the one we have today, have existed. Jeremy Bentham discussed the greatest happiness for the greatest number of people in his utilitarian doctrine, *A Fragment on Government* in 1776. Thomas Jefferson wrote that “the care of human life and happiness is the only legitimate object of government.” Benjamin Franklin argued that the pursuit of happiness is a right that should be ensured by government. It is thus the role of government to enable an environment where people can reach their highest wellbeing.

More recently, the UK Government has experimented with different iterations of formalised wellbeing approaches. Adopting Kingdon’s Three Streams framework¹⁶⁵ for analysis, we examine the political changes in the years leading up to and including 2015 that laid the groundwork and opened a policy window for all subsequent wellbeing work in the UK, and the dwindling political support since then, despite an urgent need for continuation of this work. The first window opened in 2010 with a second window opening in 2015. Kingdon’s Three Streams detail three pieces of policy formation which must cross over to create a policy window – the ideal moment to act or initiate policy. These are a problem stream comprised of indicators and key events; a policy stream which is predominantly concerned with acceptability and feasibility; and finally, a politics stream which considers national mood, political ideology, and environment.¹⁶⁶ Ultimately, considering the problems facing the nation, argued in the first section of this report, the political opportunity that a new government provides, and a policy gap, 2025 will be a pivotal year for the wellbeing agenda.

Problem stream

Rising GDP has not translated into improved wellbeing in the UK. Still recovering from the effects of the recession in 2008, the early 2010s were marked by economic uncertainty and hardship, followed by a rolling back of government spending in the coalition Government period from 2010. Unhappiness and misery coloured much of the UK. Voting serves as an effective barometer of wellbeing and life satisfaction. Wellbeing predicts voting patterns¹⁶⁷ and the UK referendum in 2016 on exiting the European Union (EU) reflected a feeling of general dissatisfaction with politics.¹⁶⁸ The least satisfied were also the most likely to vote in favour of leaving the EU.¹⁶⁹

165 John Kingdon, *Agendas, Alternatives, and Public Policies* (Boston, USA, 1984).

166 Kingdon.

167 Wellbeing.

168 Nattavudh Powdthavee et al., ‘Who Got the Brexit Blues? Using a Quasi-Experiment to Show the Effect of Brexit on Subjective Wellbeing in the UK’, *SSRN Electronic Journal*, 2017, <https://doi.org/10.2139/ssrn.3092530>.

169 Powdthavee et al.

All regions of the UK saw a downshift in life satisfaction in 2018-19, which would only be exacerbated by Covid-19. Any remaining gains to life satisfaction from earlier in the decade were lost during the pandemic. Although wellbeing rebounded in 2022, the UK is still struggling to recover the gains made throughout the 2010s. The extremely high inflation rates, which caused a cost-of-living crisis across the country, but especially for those on the lowest incomes, may be a contributor to the inability to rebound. The cost-of-living crisis, Covid pandemic, and again the rise of political dissatisfaction, reflected by the growth of Reform in the 2024 elections, marks a crescendo of problems and a potential second opening of a policy window.

Politics stream

In 2010, entering Government, the newly elected Prime Minister, David Cameron, established a plan to improve the wellbeing of the nation.¹⁷⁰ He clarified that improving wellbeing is not at odds with strengthening the economy, but rather that to improve wellbeing, economic metrics should be improved. He underscored that GDP should not be the only measure of success, but that the Government should continue to report on it. He cited his goals of creating a more family-friendly nation and giving people agency over their own lives. The speech delivered in 2010 provided the impetus for an investigation into the measures of wellbeing and how best to improve it in the UK using the momentum of a new coalition Government. Drawing on the learning of France's President Sarkozy who commissioned a study into wellbeing in his own country, the Stiglitz-Sen-Fitoussi Report (Report on the Commission on the Measurement of Economic Performance and Social Progress),¹⁷¹ Cameron was also able to harness international sentiment and growing support for the idea of wellbeing as a concern of the Government. Further, the goal of this new wellbeing framework was to evaluate the upstream causes of issues like family breakdown and social ill-cohesion. It is thanks to this coalition Government that the ONS still regularly collects data on wellbeing metrics (those included in Appendix 1: Analysis Methodology).

This mixture of political importance, a new government, and international focus on wellbeing culminated in 2014 with the opening of the What Works Centre for Wellbeing. Further, 2015 would increase the international fervour surrounding wellbeing with the establishment of the Sustainable Development Goals (SDG) and in particular, SDG 3. SDG 3 is to "ensure healthy lives and promote well-being for all at all ages."¹⁷² While progress has been made in other areas of government since 2015, there has not been such a clear policy window as that of 2014-15.

In 2023 and into 2024, the politics stream has begun to realign itself with the wellbeing agenda. The UK recommitted itself to achieving SDG 3, though predominantly focussing on the global health and development subgoals included in the 2030 Agenda. The Labour Party Manifesto plainly stated wellbeing as a priority; "Arguably nothing says more about the state of a nation than the wellbeing of its children."¹⁷³ While there is a recommitment both on international policy and domestic policy after a decade of operation, the closure of the What Works Centre in spring of this year marks a hole in the political landscape. However, that hole leaves an opportunity for new policy and an opportunity for Labour to turn their promises into action. The country is once more at a time where Politics, Problems, and Solutions may converge if the policy solution stream is able to fill this gap and meet the convergence of the Politics and Problem stream.

170 'PM Speech on Wellbeing', GOV.UK, 25 November 2010, <https://www.gov.uk/government/speeches/pm-speech-on-wellbeing>.

171 Stiglitz, Sen, and Fitoussi, 'Report by the Commission on the Measurement of Economic Performance and Social Progress'.

172 'Goal 3 | Department of Economic and Social Affairs', 3, accessed 27 June 2024, https://sdgs.un.org/goals/goal3#targets_and_indicators.

173 'Change Labour Party Manifesto 2024'.

Policy stream

The Wellbeing Economics APPG, created in 2009 (last meeting in 2021), reflects the naissance of the policy stream and the ability to garner cross-party support to propose solutions. After four years of study, Cameron opened the “What Works Centre for Wellbeing” in 2014, which would continue to reflect the commitment to wellbeing from the Government of the time. One year later, the United Nations would publish its Sustainable Development Goals (SDGs) which would impress an international recognition of and commitment to the monitoring and improvement of wellbeing. The country committed to reaching this goal alongside the other SDGs by 2030 and regularly updates its progress towards each of the thirteen subgoals.

Furthermore, the OECD conducted a study on *The Distribution of Household Income, Consumption and Savings* in the UK in 2015. This study reflects the importance of inequality measures for wellbeing and follows some of the recommendations of the Stiglitz-Sen-Fitoussi Report, including a call for improved measurements of inequality in a society.¹⁷⁴ While the APPG and the What Works Centre represented national motivation and the OECD’s study and SDG 3 represented international motivation, there was a simultaneous regional swell of effort around the same time.

The Centre for Thriving Places is a third-sector consultancy that aims to improve wellbeing through place-based initiatives. They create an index, called the Thriving Places Index, based on 79 metrics to critically evaluate how well a place is functioning.¹⁷⁵ The centre demonstrates local wellbeing but also offers an opportunity to work with localities who want to improve their wellbeing, so that policy solutions may be proposed and acted upon. Alongside the Centre for Thriving Places are many other independent efforts to improve wellbeing in England, like the Wigan Deal and in the devolved countries, which have their own wellbeing strategies.

¹⁷⁴ Stiglitz, Sen, and Fitoussi, ‘Report by the Commission on the Measurement of Economic Performance and Social Progress’.

¹⁷⁵ ‘Building Pathways to a Thriving Future’.

Conclusion

It is time for a reassessment of wellbeing in the UK. The problem has become too large to ignore. More people live in misery than there are people in Sheffield. Child wellbeing has declined, and we face a breakdown of social fabric. The Labour Government has made promises to improve child wellbeing and many more that align with a wellbeing agenda. However, Prime Minister Sir Keir Starmer's most recent policy guidelines have placed a premium on economic indicators. This report calls for a focus on community, on family through expanded family hubs, improvements to the soft skills and resilience that can be taught in school through the Healthy Minds Programme, and finally, for opportunity through guaranteed apprenticeships.

While GDP will continue to be used, its rightful role should be as an economic indicator and not the exclusive barometer of the wellbeing of a nation. This report has proposed alternative economic metrics that can accompany GDP to better evaluate how well-off the people in this country are. Better monitoring of wellbeing through a universal wellbeing metric and expanded roll-out of wellbeing surveys in schools alongside Ofsted reform will help to achieve a better understanding of the nation's youth wellbeing. Finally, social reform will be necessary to reinvigorate a sense of community because ultimately, it is the interpersonal and intergenerational relationships that give value and meaning to people's lives.

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Appendix 1:

Analysis Methodology

Quantitative Analysis Methodology

All results are based on the Annual Population Survey from year ending March 2023 unless otherwise indicated. The Annual Population Survey is created by combining four successive quarters of the Labour Force Survey (LFS). However, in December of 2024, the Government warned that LFS estimates should be treated with additional caution subsequent to the February 2024 review due to falling response rates and small sample sizes.¹⁷⁶ All results in this report should thus be interpreted with caution, although at the time of writing, the APS still provides the best estimate of personal well-being. We used R to conduct all statistical analyses and removed observations for which respondents answered -9 (Does not apply) or -8 (No answer) to the four wellbeing questions included in the survey. The APS has 146,419 observations and after removing non-responses, our sample was 75,675. All analyses were weighted using the wellbeing weight 2022 included in the dataset.

Miserable people were considered miserable if they scored a 4 or below on the 'Life satisfaction', 'worthwhile', and 'happiness' questions and a 6 or above on the 'anxiety' question. This method of using all four questions in the APS was used by Dolan et al., 2019 in order to reduce the noise associated with such 'fuzzy' questions. These cut-offs are based on the ONS distribution of scores meaning that 'misery' is relative in the population rather than an absolute cut-off.¹⁷⁷ Regional analysis was done on Government Office Regions, which were recoded to reflect the CSJ convention. Yorkshire & Humberside is renamed as Yorkshire & the Humber. Merseyside has been added to North West and Eastern is renamed East of England. The accommodation variable was also recoded to combine 'rent free or squatted' and 'squatting'.

Additional quantitative analysis was done on CSJ polling. The Centre for Social Justice commissioned a nationally representative poll of 3022 people with an additional boost of 3021 people in the most deprived group in October of 2023. Polling was conducted by J.L. Partners. All polling referenced in this report refers to this poll.

¹⁷⁶ Andy Powell and Brigid Francis-Devine, 'UK Labour Market Statistics', 6 January 2025, <https://commonslibrary.parliament.uk/research-briefings/cbp-9366/>.

¹⁷⁷ Dolan, Laffan, and Velias, 'Who's Miserable Now?'

Annual Population Survey Questionnaire on which results are based

Table A: Four measures of personal well-being

Next I would like to ask you four questions about your feelings on aspects of your life. There are no right or wrong answers. For each of these questions I'd like you to give an answer on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely".	
Measure	Question
Life satisfaction	Overall, how satisfied are you with your life nowadays?
Worthwhile	Overall, to what extent do you feel that the things you do in your life are worthwhile?
Happiness	Overall, how happy did you feel yesterday?
Anxiety	On a scale where 0 is "not at all anxious" and 10 is "completely anxious", overall, how anxious did you feel yesterday?

Source: Office for National Statistics

Validity of Questions

The questions included in the dataset measuring wellbeing are valid. The four measures offer cross-validity and produce reliable answers based on retests. Furthermore, these questions are democratic and offer respondents the freedom to decide how to weight individual domains of their life in order to provide an overall picture of their life satisfaction.¹⁷⁸ The validity of these questions has been demonstrated by comparing brain wave activity over time giving reasonable confidence that the results of these questions are interpretable.¹⁷⁹

There are limitations to these questions. Retest measures show that there is a lot of noise with these questions based on how respondents changed their response two weeks later.¹⁸⁰ Additionally, the questions are 'fuzzy' meaning that respondents do not have objective benchmarks as to where to rate themselves. People may rank themselves as miserable some of the time, but just above that cut-off most of the time, reducing the test-retest reliability of these measures.¹⁸¹ However, within and across country comparisons are generally reliable even if that is not the case for individual retests.¹⁸² The combining of all four measures help to reduce the fuzziness of the questions and improve their reliability.

Qualitative Methodology

The CSJ conducted stakeholder interviews with representatives of Northern Ireland's Health Development Policy Branch and the Department of Health, Wales's Making Life Better, and independent evaluators of the Wigan Deal.

¹⁷⁸ Layard and De Neve, Wellbeing: Science and Policy.

¹⁷⁹ Wellbeing.

¹⁸⁰ Wellbeing.

¹⁸¹ Dolan, Laffan, and Velias, 'Who's Miserable Now?'

¹⁸² Wellbeing.

Appendix 2: Mean life satisfaction scores

		Mean (Standard Error)			
		Life Satisfaction	Worthwhile	Happiness	Anxiety
Gender	Total	7.48 (0.01)	7.75 (0.01)	7.40 (0.01)	3.20 (0.02)
	Female	7.47 (0.01)	7.85 (0.01)	7.42 (0.01)	3.44 (0.02)
	Male	7.49 (0.01)	7.72 (0.01)	7.46 (0.01)	2.88 (0.02)
Age	16-17	7.52 (0.18)	7.33 (0.21)	7.64 (0.22)	3.09 (0.28)
	18-25	7.38 (0.05)	7.47 (0.05)	7.17 (0.06)	3.47 (0.08)
	26-30	7.48 (0.03)	7.65 (0.04)	7.24 (0.04)	3.46 (0.06)
	31-35	7.50 (0.03)	7.77 (0.03)	7.32 (0.04)	3.43 (0.05)
	36-40	7.41 (0.03)	7.78 (0.03)	7.33 (0.04)	3.34 (0.05)
	41-45	7.29 (0.03)	7.70 (0.03)	7.27 (0.04)	3.35 (0.05)
	46-50	7.29 (0.03)	7.65 (0.03)	7.27 (0.04)	3.37 (0.05)
	51-55	7.29 (0.03)	7.70 (0.03)	7.30 (0.03)	3.28 (0.05)
	56-60	7.36 (0.03)	7.73 (0.03)	7.31 (0.03)	3.19 (0.04)
	61-65	7.54 (0.03)	7.91 (0.03)	7.56 (0.03)	3.00 (0.04)
	66-70	7.79 (0.03)	8.09 (0.02)	7.82 (0.03)	2.80 (0.04)
	71-75	7.78 (0.03)	8.08 (0.03)	7.80 (0.03)	2.79 (0.04)
	76-80	7.73 (0.03)	8.03 (0.03)	7.77 (0.04)	2.83 (0.05)
	81+	7.60 (0.04)	7.72 (0.04)	7.62 (0.04)	2.84 (0.05)
Region	North East	7.40 (0.05)	7.70 (0.03)	7.37 (0.04)	3.06 (0.05)
	North West	7.37 (0.03)	7.77 (0.03)	7.36 (0.03)	3.22 (0.04)
	Yorkshire & The Humber	7.45 (0.03)	7.80 (0.03)	7.43 (0.03)	3.25 (0.05)
	East Midlands	7.47 (0.04)	7.83 (0.03)	7.49 (0.04)	3.02 (0.05)
	West Midlands	7.46 (0.03)	7.82 (0.03)	7.50 (0.03)	3.11 (0.05)
	East Of England	7.54 (0.04)	7.89 (0.03)	7.48 (0.04)	3.12 (0.05)
	London	7.34 (0.03)	7.64 (0.03)	7.35 (0.04)	3.41 (0.05)
	South East	7.58 (0.03)	7.83 (0.02)	7.45 (0.03)	3.18 (0.04)
	South West	7.52 (0.03)	7.81 (0.03)	7.47 (0.03)	3.09 (0.04)
	Wales	7.46 (0.03)	7.76 (0.03)	7.41 (0.03)	3.23 (0.04)
	Scotland	7.50 (0.03)	7.81 (0.02)	7.44 (0.03)	3.13 (0.04)
	Northern Ireland	7.69 (0.03)	7.97 (0.03)	7.59 (0.03)	2.99 (0.04)

Employment Status	Employed	7.58 (0.01)	7.88 (0.01)	7.47 (0.01)	3.11 (0.02)
	Unemployed	6.56 (0.09)	7.04 (0.09)	6.72 (0.09)	3.88 (0.12)
	Economically Inactive	7.38 (0.02)	7.69 (0.01)	7.42 (0.02)	3.25 (0.02)
Marital Status	Single, Never Married	7.15 (0.02)	7.46 (0.02)	7.07 (0.02)	3.53 (0.03)
	Married, Living with Spouse	7.85 (0.01)	8.10 (0.01)	7.76 (0.01)	2.91 (0.02)
	Married, Separated from Spouse	6.80 (0.06)	7.45 (0.06)	6.91 (0.07)	3.75 (0.08)
	Divorced	7.12 (0.03)	7.59 (0.03)	7.22 (0.03)	3.33 (0.04)
	Widowed	7.26 (0.03)	7.64 (0.03)	7.37 (0.03)	3.00 (0.04)
Housing Tenure	Currently Or Previously in Civil Partnership	7.64 (0.08)	7.88 (0.10)	7.63 (0.11)	3.14 (0.18)
	Owned Outright	7.80 (0.01)	8.05 (0.01)	7.77 (0.01)	2.81 (0.02)
	Being Bought with Mortgage or Loan	7.65 (0.01)	7.92 (0.01)	7.50 (0.02)	3.13 (0.02)
	Part Rent, Part Mortgage	7.41 (0.08)	7.79 (0.09)	7.41 (0.1)	3.48 (0.17)
	Rented	7.02 (0.02)	7.43 (0.02)	7.06 (0.02)	3.58 (0.03)
	Rent Free or Squatted	7.25 (0.11)	7.63 (0.11)	7.28 (0.12)	3.29 (0.15)



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