



# Gross Domestic Wellbeing

**2019/20 GDWe score release**

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# Gross Domestic Wellbeing: wellbeing for all

The concept of wellbeing has meant different things to different generations. Right now, the world around us is changing in ways that mean it's the right time to rethink how to help individuals, communities, and society to live well together.

Since the start of the pandemic, discussion about the importance of protecting the collective wellbeing of people living in the UK from the social, economic, environmental and democratic consequences of COVID-19 have increased in prominence: in the media, within civil society, and in political rhetoric. COVID-19 has sparked new and renewed existing conversations about what exactly wellbeing and social progress is, and how a wellbeing approach that includes long-term, preventative policymaking could help to alleviate the multiple impacts of the virus on current and future generations.

In December 2020, Carnegie UK published Gross Domestic Wellbeing (GDWe)<sup>1</sup> as an alternative measure of progress to the dominant measure: GDP. GDWe offers a more rounded, evidence-based approach, which takes into account not just economic concerns, but also how we feel

about our relationships, our environment, our local neighbourhood, and more. Using the framework and data in the Office for National Statistics (hereafter ONS) Measures of National Wellbeing Dashboard<sup>2</sup>, GDWe provides a single figure for collective wellbeing in England. It offers a powerful new way to shift the conversation towards measuring, monitoring – and importantly – taking action to protect and enhance what matters most.

In this short report, we release the updated GDWe score for 2019/20. The score demonstrates how collective wellbeing in England was performing right up until the tipping point: when the COVID-19 pandemic began in March 2020.

Despite being restricted by a time lag in the availability of data in the ONS indicators of wellbeing, we use other available evidence to make predictions for the next GDWe score. What we know for certain is that wellbeing was in decline well before the pandemic began and has been further adversely impacted by COVID-19.

1 Wallace, Ormston, Thurman et al., 2020. *Gross Domestic Wellbeing (GDWe): an alternative measure of social progress*. Available at: <https://www.carnegieuktrust.org.uk/publications/gross-domestic-wellbeing-gdwe-an-alternative-measure-of-social-progress/>.

2 Office for National Statistics., 2021. *Measures of National Wellbeing Dashboard*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuresofnationalwellbeingdashboard/2018-04-25>.

**Carnegie UK Trust SEED Framework of collective wellbeing**

**ONS Wellbeing Domains**

**Social**

We have our basic needs met.



Personal well-being



Our relationships



Health



What we do



Where we live



Education and skills

**Economic**

We all have a decent minimum living standard.



Personal finance



What we do



Economy

**Environmental**

We all live within the planet's natural resources.



Environment

**Democratic**

We all have a voice in decisions made that affect us.



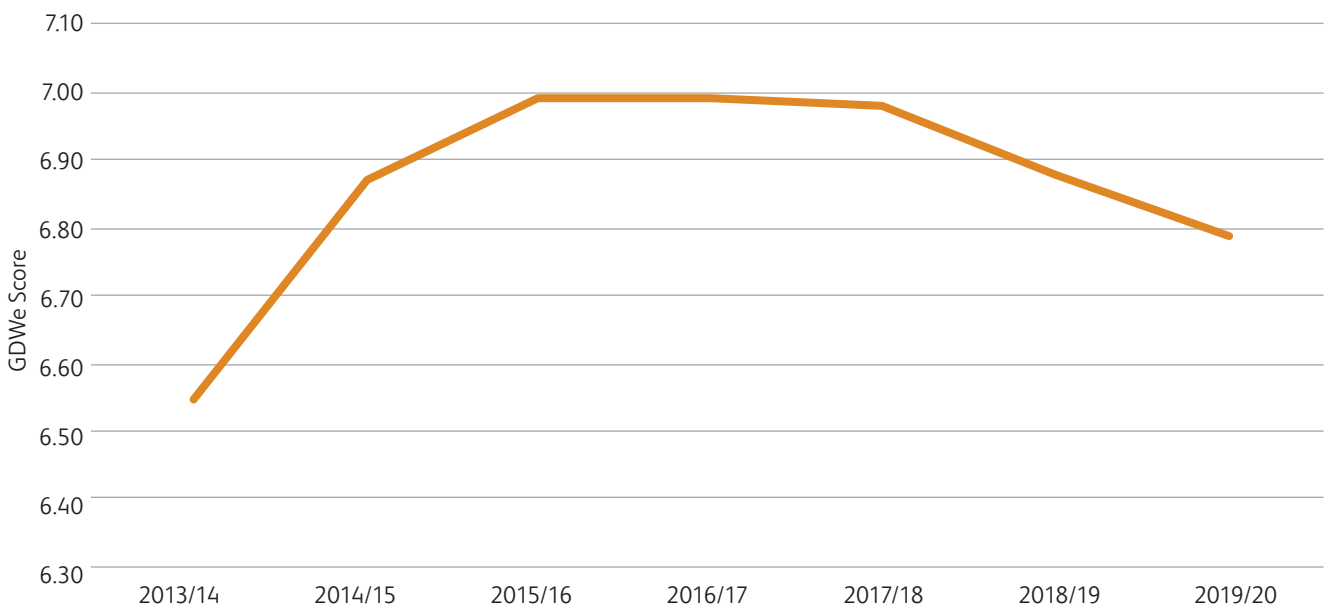
Governance



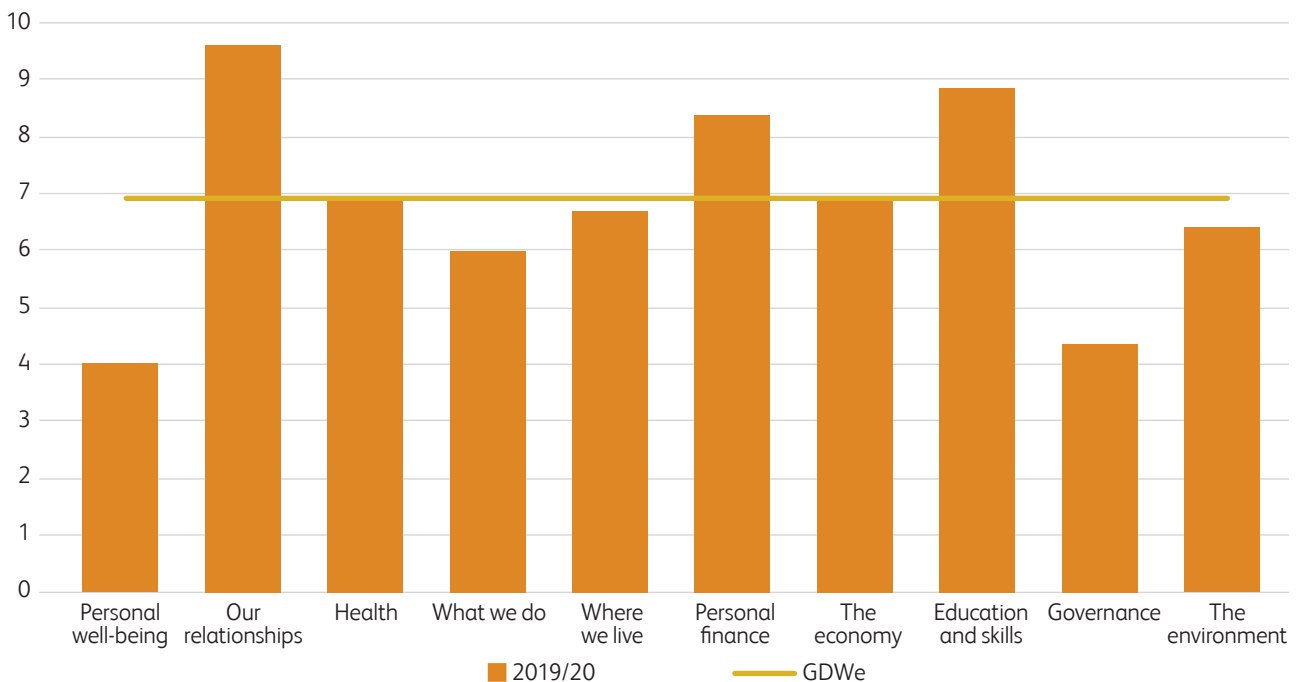
# 2019/20 UPDATE: Gross Domestic Wellbeing is in decline

The GDWe score for the 2019/20 period was **6.79** out of 10. This compares to 6.89 the previous year, demonstrating that wellbeing in England is in decline.

**Figure 1:** Change in GDWe between 2013/14 and 2019/20.



**Figure 2:** 2019/20 GDWe score for each domain of wellbeing in the ONS Dashboard.



There are 10 domains or areas of life critical to wellbeing in the ONS Measures of National Wellbeing dashboard which was chosen as the most suitable framework for creating GDWe. The ONS is the UK's largest independent producer of national statistics, and regularly reports on progress within the UK's economy, society and population to UK Government. While Carnegie UK believes that the indicators within these domains should be urgently reviewed and supplemented; the dashboard provides helpful framing to understand how a variety of different factors, such as what we do, where we live, our health, and our relationships, are intimately linked and influence the collective wellbeing of society.

Our 2019/20 analysis found that for most of the 10 domains, there has been very little overall movement. However, this is largely due to the number of indicators where estimates from previous data points have been used, as the data has not been consistently reported or updated.

The domains that have seen the most significant change over the 2019/20 period are 'The Economy' and 'Governance' domains. Notably, trust in government fell from 31% in 2018 to 19% in 2019.



**Personal well-being**



**Our relationships**



**Health**



**What we do**



**Where we live**



**Personal finance**



**Economy**



**Education and skills**



**Governance**



**Environment**

## The Impact of Covid on Gross Domestic Wellbeing

The analysis for this release is based on available data, which at present is prior to the public health pandemic – COVID-19.

As there is a two-year time lag in data for the ONS indicators for wellbeing becoming available, for analysis purposes (and some data remains missing), we are not yet able to report the impact of COVID-19 on the GDWe score. This will be available in the next release.

This lag does not render the results redundant. The release provides further evidence of the ability to measure wellbeing in England consistently – particularly if the data were easier to access and updated more frequently. It also contributes to the conversation about why we need a broader set of indicators to measure and express social progress.

Where data for the 2020/21 period is known or can be estimated from other similar data sources, this is commented upon and our predictions for GDWe are provided within each domain.



# Domain 1: Personal Wellbeing





Our individual judgements and subjective experiences of life, such as how happy we feel and our overall perceived quality of our life, define our personal wellbeing.

The 2019/20 GDWe domain score for ‘Personal wellbeing’ is 4.00, compared to 4.12 in 2018/19. The domain score has been steady for the 7-year period of analysis, despite being concerningly low.

### Our COVID-19 score predictions

During COVID-19, the ONS Opinions and Lifestyle survey (OPN) has been used to regularly capture data on personal wellbeing from a cross-section of the population, seeking to understand the impact of the pandemic on life in the UK<sup>3</sup>. Although this is a different survey to the one used to calculate life

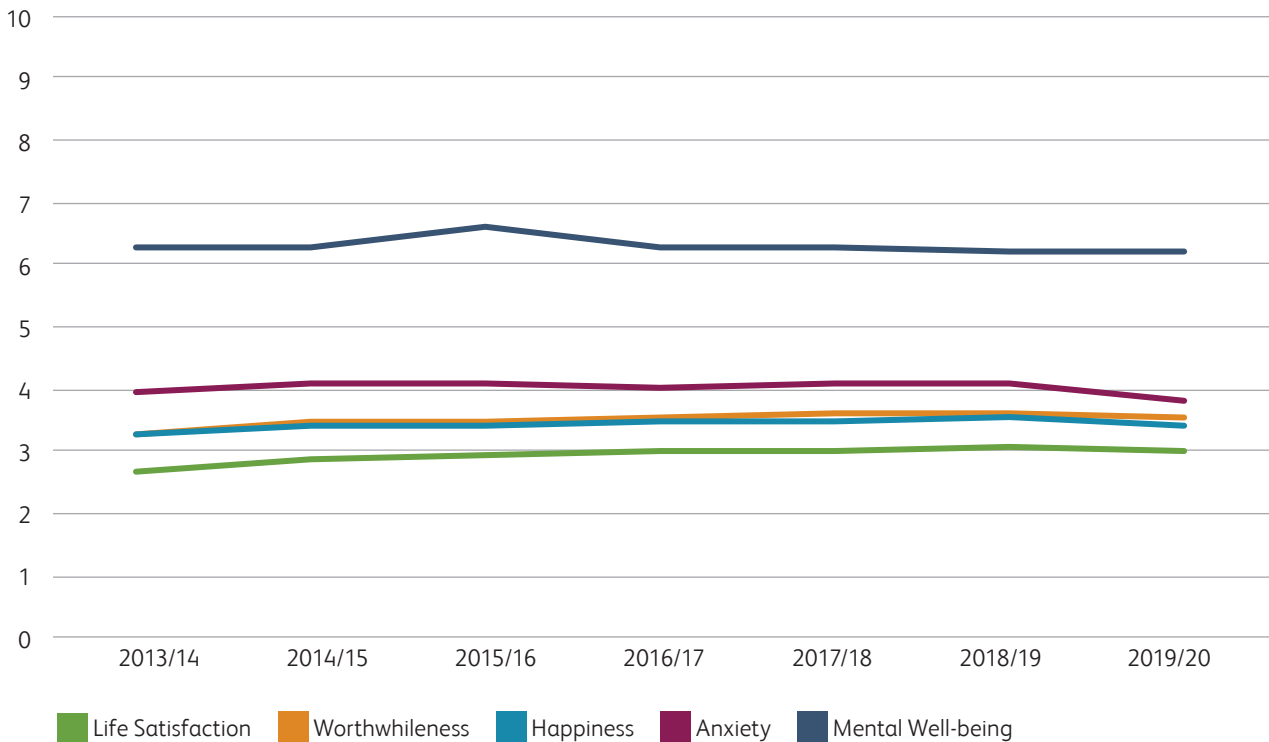
3 Office for National Statistic, 2021. Opinions and Lifestyle Survey. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/methodologies/opinionsandlifestylesurveyqmi>.

satisfaction; worthwhileness; happiness; and levels of anxiety, the findings offer important insights into the potential impact of the pandemic on Gross Domestic Wellbeing, and future GDWe scoring.

Since COVID-19 began, average ratings of life satisfaction have fallen to an all-time low of around 6.5 out of 10. To put this into context, pre-lockdown the average level of life satisfaction was 7.4 out of 10. Likewise, happiness has fallen significantly since February 2020, falling from 7.2 to a low of 6.4 out of 10. Although anxiety has recently returned to its pre-lockdown level of 3.5 out of 10, it spiked dramatically at the beginning of the pandemic rising to 5.25 out of 10.

We anticipate that the personal wellbeing component of GDWe will further suffer as a result of COVID-19.

Figure 3: Personal wellbeing domain analysis time series





# Domain 2: Our Relationships



The quality of our relationships influences our individual and collective wellbeing. Personal connections can provide ‘capital’ that impact a range of different outcomes across the different wellbeing domains. This wellbeing domain aims to measure individuals’ satisfaction with their personal relationships. It includes data on whether individuals have ‘people to rely on’ and indicates where people’s relationships are not as strong as they would like, such as those in ‘unhappy relationships’ and those that report feelings of loneliness.

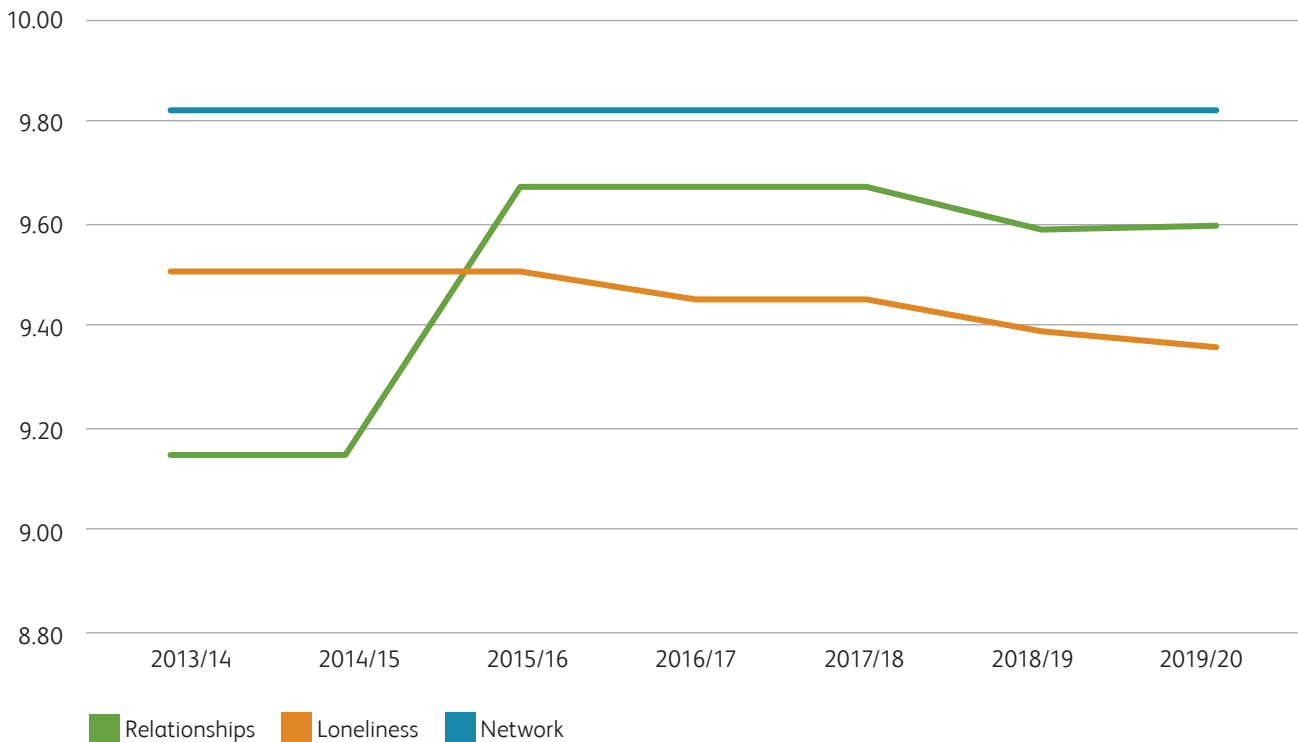
Disappointingly, during the 2019/20 period, only one out of three variables used to measure the quality of our relationships has been recorded. As a result, the 2018/19 figure (9.6) has been used as an estimate.

## Our COVID-19 score predictions

The COVID-19 pandemic will understandably play a role in determining what we can expect to see within this domain next year, as social distancing for prolonged periods of time influenced people’s ability to see family, friends, and colleagues. Around 5% of people in the UK said that they felt lonely ‘often’ or ‘always’ between 3 April 2020 and 3 May 2020, with this rising by 2.2 percentage points in October 2020<sup>4</sup>.

<sup>4</sup> Office for National Statistics, 2021. *Mapping loneliness during the pandemic*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/mappinglonelinessduringthecoronaviruspandemic/2021-04-07>.

**Figure 4: Our relationships domain analysis time series**





# Domain 3: Health



Mental and physical health is influenced by a variety of different factors, such as the environment in which we live and work, our physical surroundings, access to greenspace, the quality of our relationships, employment, and public services.

The ONS ‘Health’ domain measures life expectancy, disability, mental health and health satisfaction.

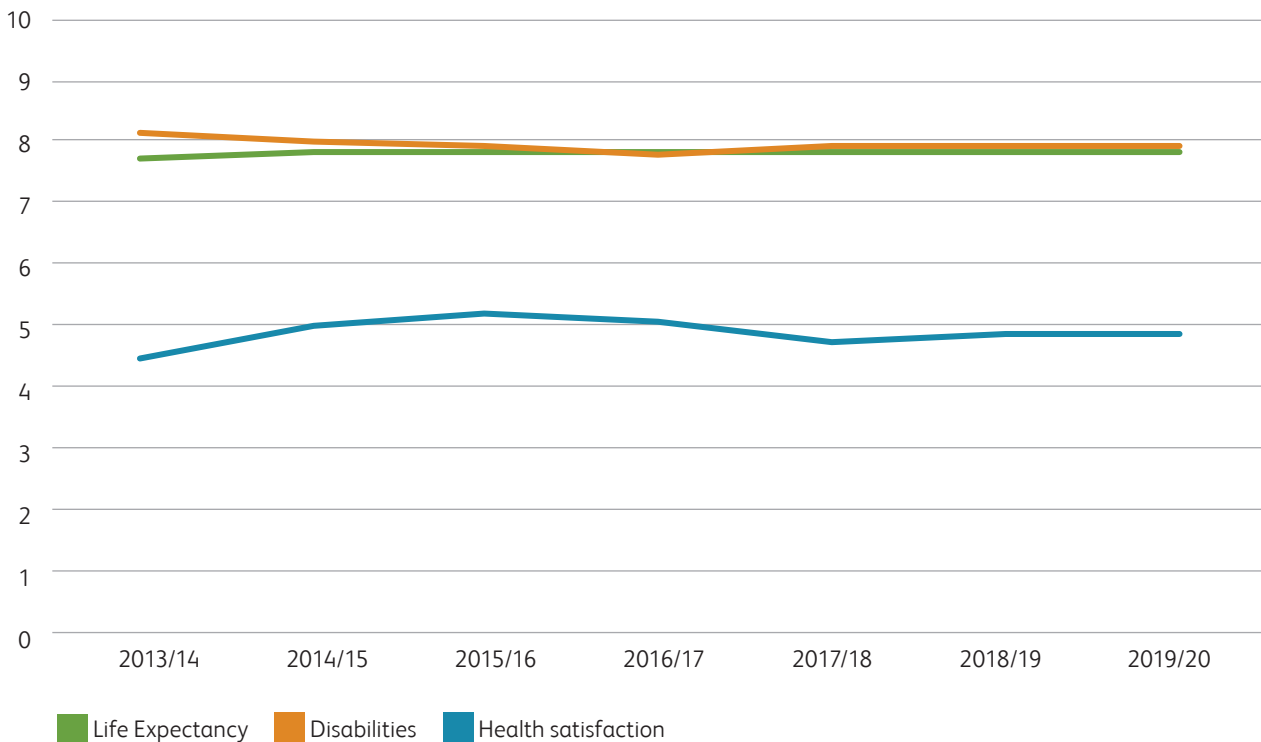
The 2019/20 GDWe domain score for ‘Health’ is 6.86, compared to 6.82 in 2018/19.

## Our COVID-19 score predictions

It has been widely reported that poor health and pre-existing inequalities left many people in England more vulnerable to the impact of COVID-19. Significantly, those younger than age 65 and living in the poorest 10% of regions in England were almost four times more likely to die from COVID-19<sup>5</sup>. Moreover, COVID-19 has had a detrimental impact on mental health outcomes, particularly for young people<sup>6</sup> and those in precarious work<sup>7</sup>. As such, we expect to see a substantial decline in the GDWe domain score in 2019/20.

- 5 The Health Foundation, 2021. *Unequal Pandemic, fairer recovery*. Available at: <https://health.org.uk/publications/reports/unequal-pandemic-fairer-recovery>.
- 6 Young Minds, 2021. *Coronavirus: impact on young people with mental health needs*. Available at: <https://youngminds.org.uk/about-us/reports/coronavirus-impact-on-young-people-with-mental-health-needs/>.
- 7 Matilla-Santander, Ahonen and Albin, 2021. *COVID-19 and precarious employment: consequences of the evolving crisis*. Available at: <https://journals.sagepub.com/doi/full/10.1177/0020731420986694>.

Figure 5: Health domain analysis time series





# Domain 4: What we do



The ONS ‘What we do’ domain covers a range of economic and non-economic activities. It uses both subjective and objective measures and seeks to capture job quantity (unemployment) and job quality (job satisfaction and satisfaction with leisure time).

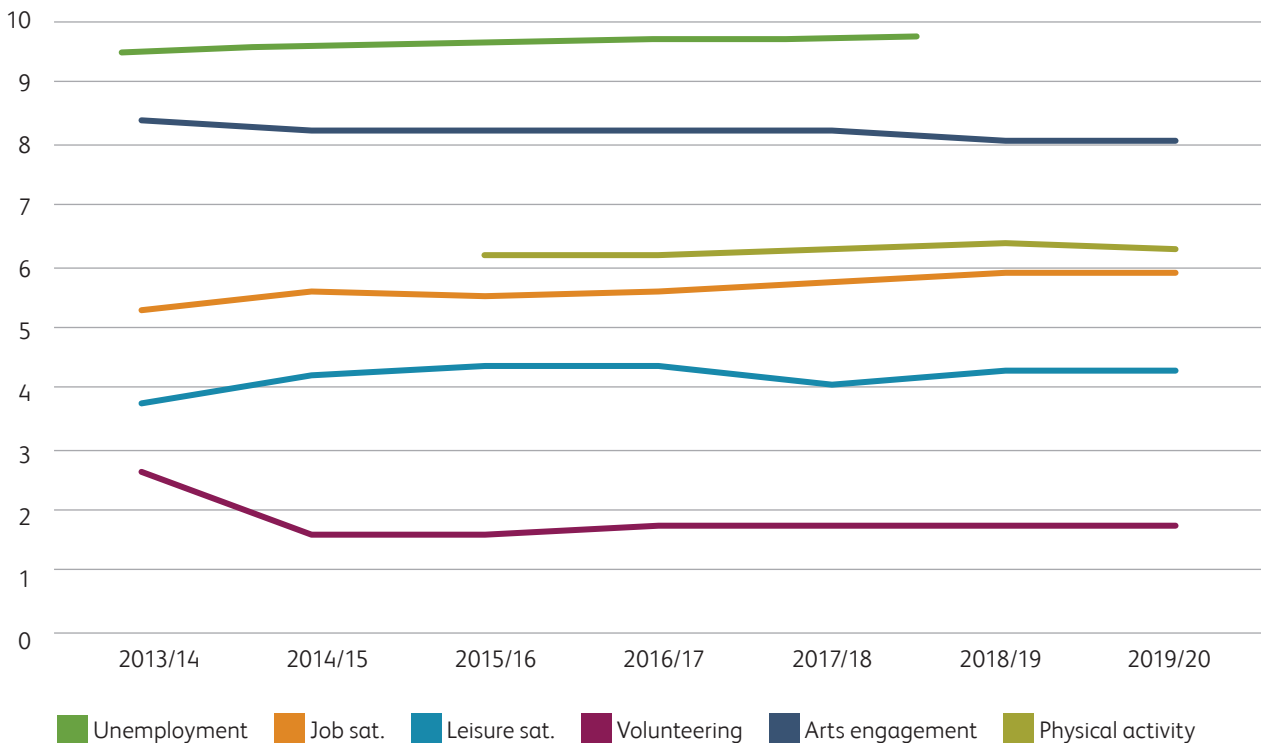
The domain score consistently sits below the overall GDWe score and has risen slightly between the 2018/19 period and the 2019/20 period (from 5.94 to 5.97).

## Our COVID-19 score predictions

It is difficult to predict what will happen within the ‘what we do’ domain in relation to the coronavirus pandemic. The unemployment rate increased during 2020, so we would expect to see a small decline within this indicator. Arts engagement is likely to see a sharp decline in the 2020/2021 release due to restricted movements and most arts venues remaining closed under COVID-19 restrictions. During the first lockdown in March 2020, there was a surge in volunteering as people responded to the emerging crisis<sup>8</sup>, which we would expect to see reflected in the overall indicator score.

<sup>8</sup> Legal and General, 2020. *10 million Brits volunteering as the nation unites in the isolation economy.* Available at: <https://www.legalandgeneralgroup.com/media-centre/press-releases/10-million-brits-volunteering-as-the-nation-unites-in-the-isolation-economy-says-legal-general/>.

Figure 6: What we do domain analysis time series.





# Domain 5: Where we live





The ONS ‘Where we live’ domain considers local crime statistics and how much access people have to green and blue space. It also includes some analysis of subjective measures, such as how safe someone feels in their neighbourhood, and how satisfied they are with their living arrangements.

The 2019/20 GDWe domain score for ‘Where we live’ is 6.68, compared to 6.70 in 2018/19. Despite a small increase in crime rates during the 2019/20 period, the proportion of people who report feeling safe in their neighbourhood has also increased, causing minimal change to the domain score.

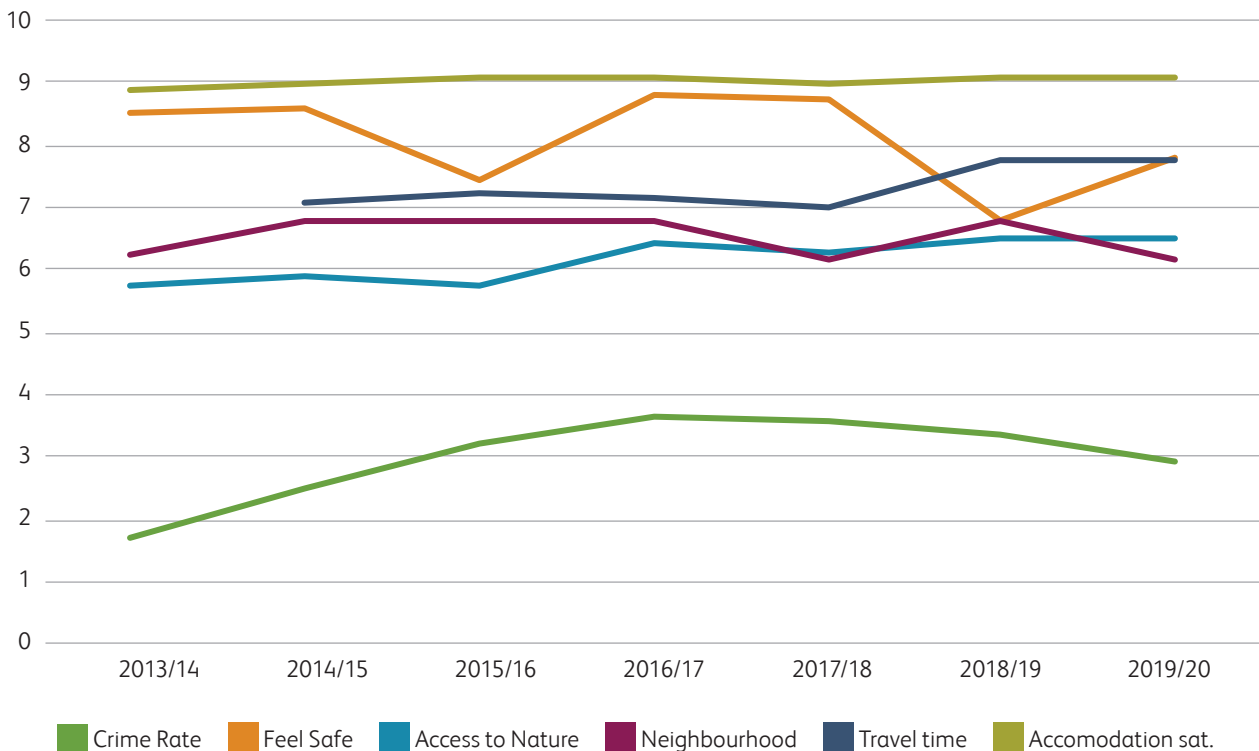
## Our COVID-19 score predictions

In the second quarter of 2020 (April to June), while England was under the strictest restrictions, there was an estimated 32% reduction in total crime<sup>9</sup>, and we would expect to see this reflected in the indicator score when estimations are calculated for the full year.

It is also anticipated that there will be an increase in people feeling a sense of belonging to their neighbourhood, with the pandemic bringing communities together. This is one domain where it could be predicted that the score will improve, although it remains to be seen whether these changes will be sustained.

<sup>9</sup> Office for National Statistics, 2020. *Coronavirus and crime in England and Wales: August 2020*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/coronavirusandcrimeinenglandandwales/august2020>.

**Figure 7: Where we live domain analysis time series**





# Domain 6: Personal Finance



The relationship between wellbeing, personal income, and wealth is well documented and understood. Financial wellbeing includes the ability to attend to basic needs such as through purchasing food, fuel and housing, as well as the ability to cope with essential unexpected purchases.

The ONS ‘Personal Finance’ domain includes a number of key indicators on financial security, including household income and wealth, income satisfaction, and financial management.

The 2019/20 GDWe domain score for ‘Personal Finance’ is 8.34, compared to 8.40 in 2018/19.

### Our COVID-19 score predictions

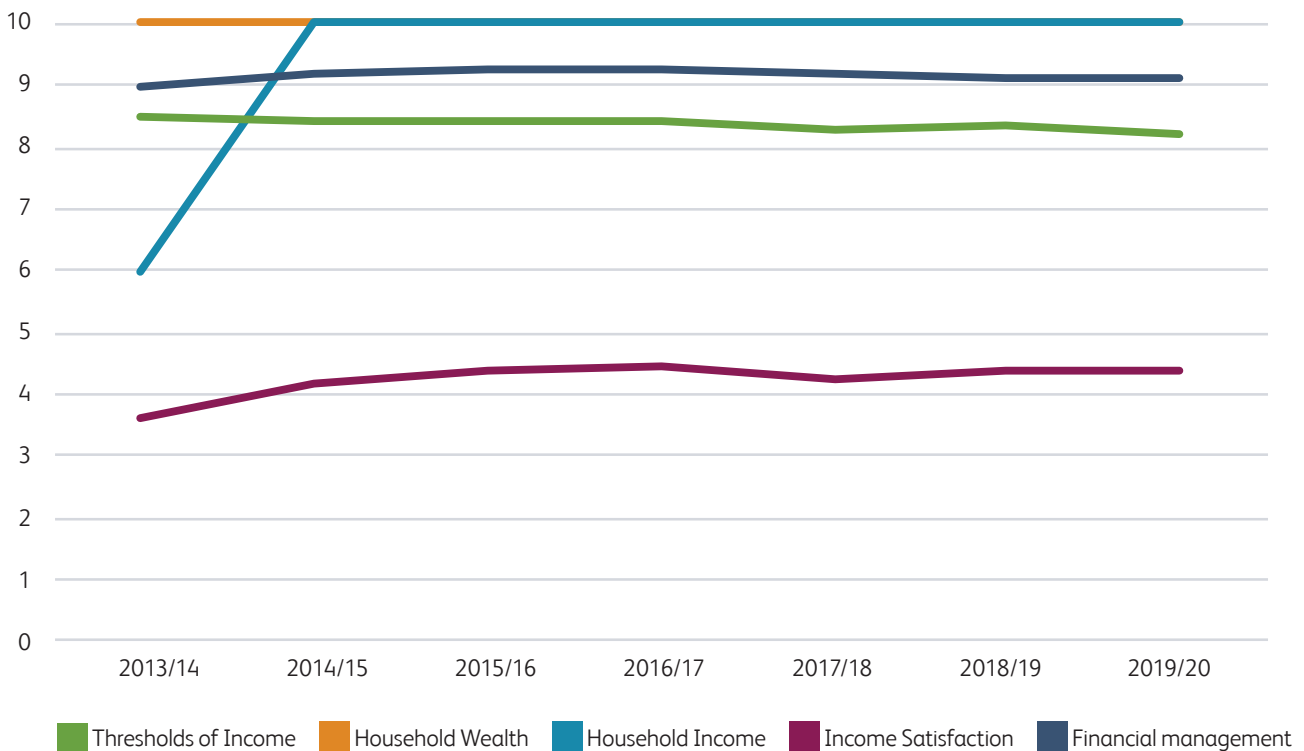
We would expect to see significant changes to the 2020/21 ‘Personal Finance’ domain and GDWe score, due to the impact of COVID-19 on work, and the UK Government’s subsequent Coronavirus

Job Retention Scheme<sup>10</sup>. With an increase in the unemployment rate, we expect to see a decrease in the median wealth per household, and people self-reporting that they are ‘mostly’ or ‘completely’ satisfied with the income of their household.

We anticipate a rise in people expressing difficulty to get by financially, given the lasting COVID-19 restrictions, and known impact they have had on employment which has ‘triggered one of the worst jobs crises since the Great Depression<sup>11</sup>. The FCA’s Financial Lives 2020 Survey: *The impact of Coronavirus* states that three in eight adults (20m) have seen their financial situation overall worsen, while 15% (7.7m) have seen it worsen a lot<sup>12</sup>.

- 10 UK Government, 2020. *Claim for wages through the Coronavirus Job Retention Scheme*. Available at: <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>.
- 11 OECD, 2021. *The impact of COVID-19 on employment and jobs*. Available at: <https://www.oecd.org/employment/covid-19.htm>.
- 12 Financial Conduct Authority, 2021. *Financial Lives 2020 survey: The impact of coronavirus*. Available at: <https://www.fca.org.uk/publications/research/financial-lives-2020-survey-impact-coronavirus>

Figure 8: Personal finance domain analysis time series





# Domain 7: Economy



This domain is perhaps the most distant from people’s everyday lives. It focuses on macroeconomic indicators such as the income which is at the disposal of the nation as a whole (National Net Disposable Income), the level of public debt, and inflation. While the ONS regularly collects and releases GDP data, it is notable that they do not include this data within their own wellbeing dashboard.

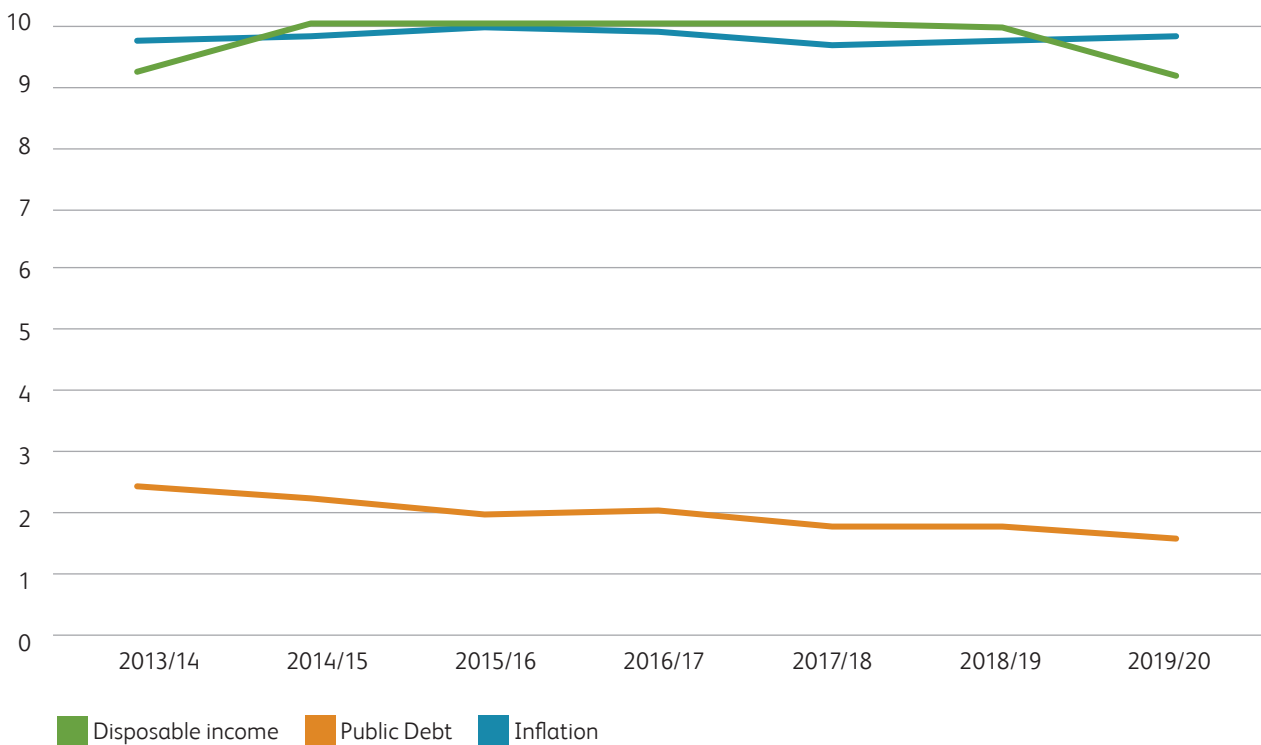
The 2019/20 GDWe domain score for ‘The Economy’ is 6.88, compared to 7.18 in 2018/19. As Figure 9 demonstrates – due to rising public debt – the indicator has been decreasing steadily since 2013/14. As national disposable income has also decreased over the period, it is having a continued impact on the domain score.

## Our COVID-19 score predictions

‘The Economy’ domain will undoubtedly be further affected by the COVID-19 pandemic. In 2020/21, the UK Government’s borrowing has reached a peacetime record: £303 billion, which is equivalent to 14.5% of GDP<sup>13</sup>. This will be reflected within the public debt indicator.

13 UK Parliament, 2021. *Government borrowing: Peacetime record confirmed*. Available at: <https://commonslibrary.parliament.uk/government-borrowing-peacetime-record-confirmed/>.

Figure 9: The Economy domain analysis time series.





# Domain 8: Education and Skills



The ‘Education and skills’ domain contains data on the proportion of young people (aged 16-24) that are not in education, employment, or training (NEET), or that have no qualifications, taken from the Labour Market and Labour Force surveys. It also includes an annual Human Capital Estimate, which measures the value of an individual’s skills, knowledge and competencies within the labour market. In doing so, it provides insight into the level of educational achievement and skills development, which has clear links to the indicators in the ‘What we do’ and ‘Economy’ domains.

The 2019/20 GDWe domain score for ‘Education and Skills’ is 8.85 and has remained the same since 2018/19.

### Our COVID-19 score predictions

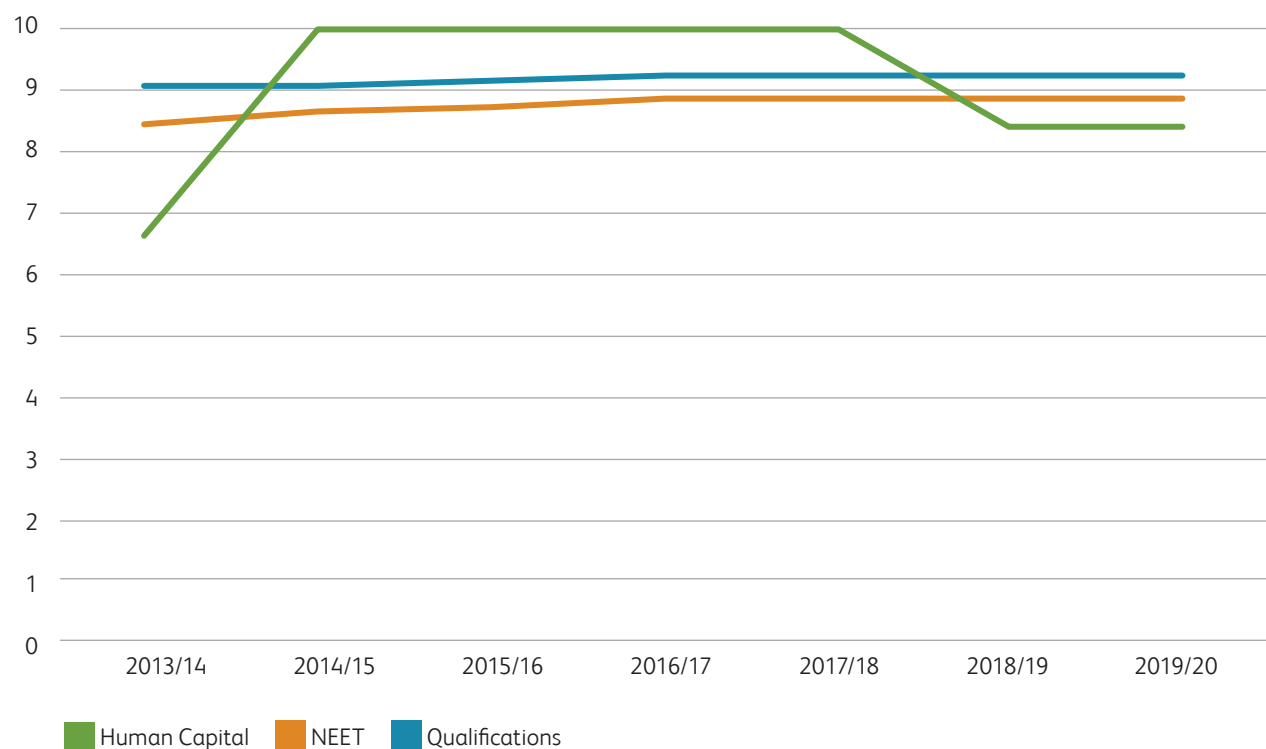
The ‘Education and Skills’ domain is the only one that really considers the wellbeing of children, and even then, many of the indicators are more geared towards the influence of children’s education and skills on the labour market, rather than their wellbeing more widely.

COVID-19 has had a profound impact on children and young people’s learning, the consequences for which we would expect to see reflected in many areas of their lives, such as within their relationships, their mental health, and their personal wellbeing. Yet, the current indicators within the ONS dashboard may not adequately capture the extent of the damage, as much of the data is collected in surveys and statistics based on the adult population.

The pandemic has arguably caused the largest disruption to education in human history<sup>14</sup>. The impact of this disruption to learning through the closures of schools and other educational settings is likely to be widespread and long-lasting. We also know, from the evidence, that many young people already experiencing disadvantage have been disproportionately affected<sup>15</sup>; unable to access the same opportunities digitally and remotely than their more affluent peers<sup>16</sup>.

14 Pokhrel and Chhetri, 2021. *A literature review on impact of COVID-19 pandemic on teaching and learning*. Available at: <https://journals.sagepub.com/doi/full/10.1177/2347631120983481>.  
 15 Children’s Commissioner, 2020. *Children without internet access during lockdown*. Available at: <https://www.childrenscommissioner.gov.uk/2020/08/18/children-without-internet-access-during-lockdown/>.  
 16 UK Parliament, 2020. *Covid-19 and the digital divide*. Available at: <https://post.parliament.uk/covid-19-and-the-digital-divide/>.

Figure 10: Education and skills domain analysis time series





# Domain 9: Governance





The ONS ‘Governance’ domain looks at democracy and trust in institutions. It uses two indicators to measure this: ‘voter turnout’ and ‘trust in government’. In our full GDWe report, we outline why we believe these measures should be supplemented and reviewed<sup>17</sup>.

The 2019/20 GDWe domain score for ‘Governance’ is 4.32, which has declined from 5.01 since 2018/19. As Figure 11 highlights, a decline in trust in government has contributed to this fall. It reduced from 31% in 2018 to 19% in 2019.

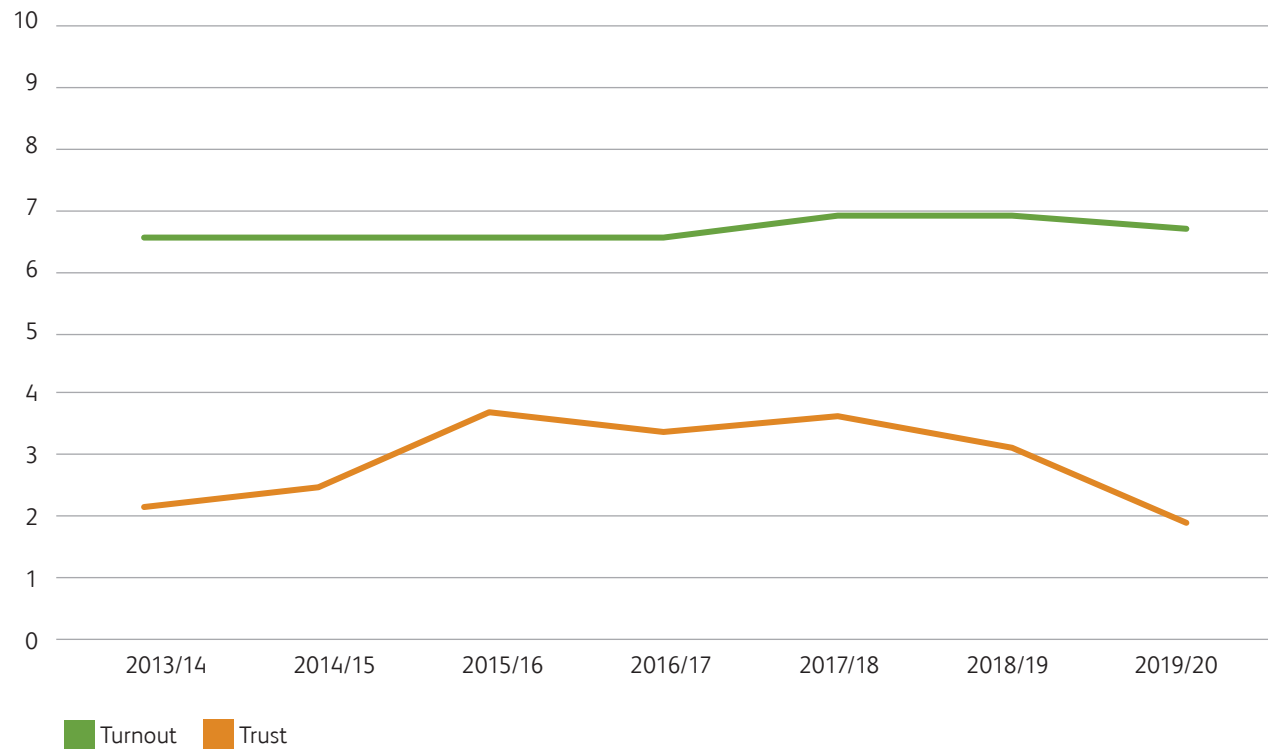
17 Wallace, Ormston and Thurman et al., 2020. *Gross Domestic Wellbeing: an alternative measure of social progress*. Available at: <https://www.carnegieuktrust.org.uk/publications/gross-domestic-wellbeing-gdwe-an-alternative-measure-of-social-progress/>.

## The projected impact of COVID-19

As with the other domains, COVID-19 is likely to influence the next iteration of the GDWe domain score, and we predict that this will reduce further – and perhaps more than other domains – in the next release. Research has highlighted further reductions in trust in government since the pandemic began, which correlates with changes to government advice and behaviour in regard to adhering to COVID-19 restrictions<sup>18</sup>.

18 University College London, 2020. *Trust in government and others during the COVID-19 pandemic: Initial findings during the COVID-19 survey in 5 national longitudinal studies*. Available at: <https://cls.ucl.ac.uk/wp-content/uploads/2020/10/Trust-in-government-and-others-during-the-COVID-19-pandemic-%E2%80%93-initial-findings-from-COVID-19-survey.pdf>.

Figure 11: Governance domain analysis time series





# Domain 10: Environment



The ONS ‘Environment’ domain currently includes four indicators: greenhouse gases, protected areas, renewable energy and household recycling. However, we have previously argued that the indicators used to collect data on environmental wellbeing need to be urgently reviewed. They do not currently reflect the scale of the climate crisis.

The 2019/20 GDWe domain score for ‘Environment’ is 6.40, which has improved slightly from 6.33 in 2018/19.

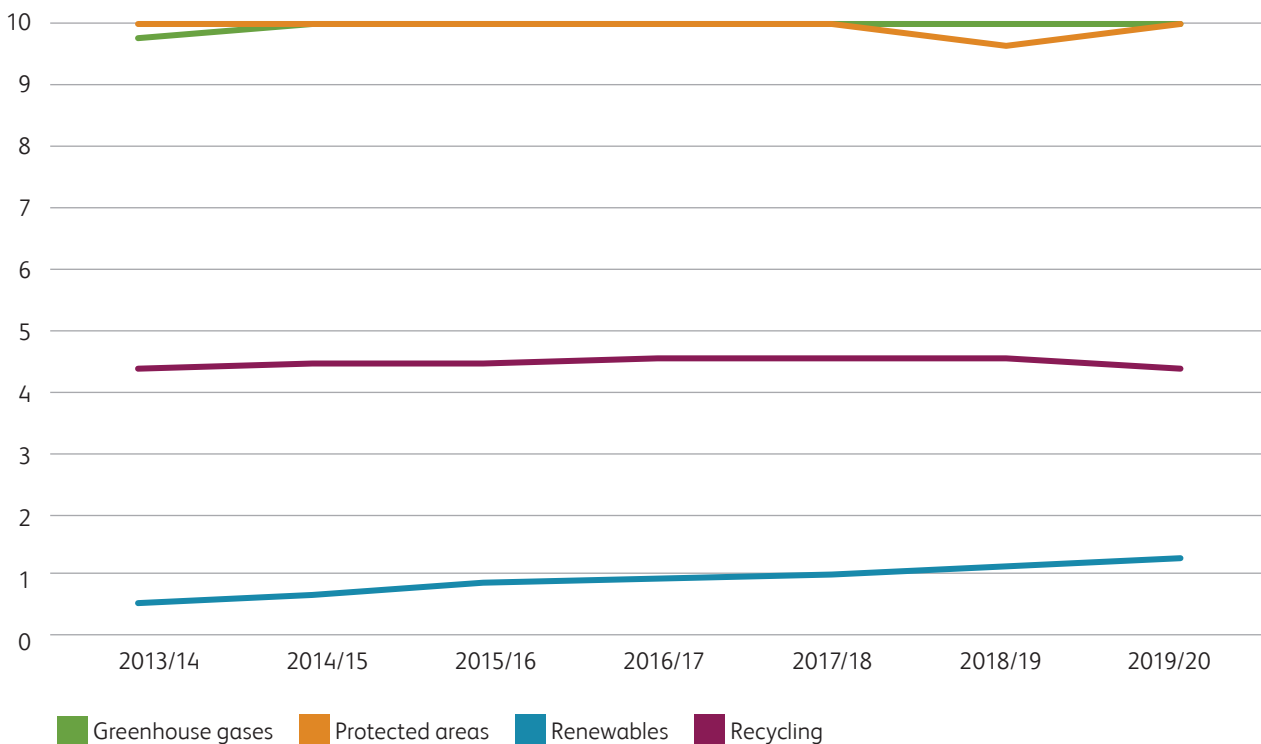
## Our COVID-19 score predictions

There are some promising conversations which have focused on the need for a ‘green recovery’ both in response to COVID-19 – a zoonotic disease – and to tackle the climate crisis. These corresponding crises share commonalities; both are a result of human activity which has caused environmental degradation, and each has resulted in loss of lives which may have been prevented if there was more long-term thinking and planning<sup>19</sup>.

There is evidence of increased use of renewable energy which is likely to have a positive impact on the next ‘Environment’ domain score. However, to obtain a more accurate picture of the scale of the climate crisis, we suggest the addition of more ambitious indicators that reflect the size of the climate crisis and the UK’s ambition – and necessity – to achieve net zero by 2050.

19 The Lancet, 2021. Climate and Covid-19: converging crises.

Figure 12: Environment domain analysis time series



# Conclusion

This GDWe release shows that our collective wellbeing is in decline. This is concerning, especially given that the score does not yet include the impact of COVID-19 which we know to have had a devastating impact on many areas of our lives.

The circumstances created by the COVID-19 pandemic have made us reflect together on our shared future. There is a growing movement<sup>20</sup> of people, communities<sup>21</sup>, organisations and countries<sup>22</sup> around the world challenging the status quo. And there are also some early indicators of progress in England<sup>23</sup>. What is more, Gross Domestic Wellbeing has already received significant cross-party support<sup>24</sup> and our conversations with parliamentarians have demonstrated an appetite for change.

20 UK Government and Parliament petitions, 2021. *Shift to a Wellbeing Economy: put the health of people and planet first*. Available at: <https://petition.parliament.uk/petitions/580646>.

21 North of Tyne Combined Authority, 2021. *Roundtable on wellbeing*. Available at: <https://www.northoftyne-ca.gov.uk/projects/roundtable-on-wellbeing/>.

22 Wellbeing Economy Alliance, 2021. *Two sides of the same coin: New Zealand's 2021 'recovery' and 'wellbeing' budget*. Available at: <https://wellbeingeconomy.org/two-sides-of-the-same-coin-new-zealands-2021-recovery-and-wellbeing-budget>.

23 UK Parliament, 2021. *Parliamentary Bills: Wellbeing of Future Generations Bill*. Available at: <https://bills.parliament.uk/bills/2531>.

24 UK Parliament, 2020. *Early Day Motion: Gross Domestic Wellbeing*. Available at: <https://edm.parliament.uk/early-day-motion/57830/gross-domestic-wellbeing>.

We urgently need the UK Government to prioritise collective wellbeing by pursuing a Wellbeing approach. Rather than using GDP as the primary measure of success, the Treasury should consider social, environmental, economic and democratic goals, using these as a framework to monitor and measure progress. A significant step forward is to invest in reviewing and improving the ONS Measures of National Wellbeing dashboard. The ONS has a rich body of data and evidence that could be better utilised by the UK Government, and it has made promising first steps towards providing a more balanced picture of progress<sup>25</sup>. Building on this momentum will ensure that we are measuring what matters.

The time is right to rethink how to help individuals, communities and society across England – and the rest of the UK – to live well together. GDWe offers the tool with which to do just that: to promote collective wellbeing as the goal of Government, to use it to frame a public conversations about the issues critical to our lives, and to build a framework to measure and report on progress.

25 Office for National Statistics, 2021. *Getting the right tools – how we are creating wider estimates of GDP*. Available at: <https://blog.ons.gov.uk/2021/07/06/getting-the-right-tools-how-we-are-creating-wider-estimates-of-gdp/>.



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August 2021



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