

Statistical bulletin

Economic well-being, UK: July to September 2017

Presents a rounded and comprehensive basis for assessing changes in economic well-being through indicators that adjust or supplement more traditional measures such as gross domestic product (GDP).

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1 . Main points

- In line with recent trends, there is a mixed picture among economic well-being indicators in Quarter 3 (July to Sept) 2017; gross domestic product (GDP) per head has grown 1.1% in real terms compared with the same quarter a year ago, but real household disposable income (RHDI) per head has declined 0.2%.
- Net national disposable income (NNDI) per head – which takes account of the depreciation of assets and the UK's foreign income balance – increased by 1.5% between Quarter 3 2016 and Quarter 3 2017, due mainly to a £2.6 billion increase in the balance of income received from the UK's foreign direct investment from abroad.
- Between Quarter 4 (Oct to Dec) 2015 and Quarter 3 2017, NNDI per head increased by 5.4% compared with a contraction in RHDI per head of 1.6%; this divergence is due to an increasing share of national income accounted for by corporations and government, and a lower share to the households sector.
- The fall in RHDI over recent quarters, while expenditure per head has increased slightly, means that the households saving ratio decreased from 6.9 to 5.2 between Quarter 3 2016 and Quarter 3 2017.
- For the first time in over two years, consumers reported a worsening of their perception of their own financial situation for two consecutive quarters.

2 . Economic well-being indicators at-a-glance

This section presents the economic well-being indicators for the UK for Quarter 3 (July to Sept) 2017.

3 . Things you need to know about this release

This release reports measures of economic well-being in the UK. Rather than focusing on traditional measures such as gross domestic product (GDP), these indicators aim to provide a more rounded and comprehensive basis for assessing changes in material well-being.

We prefer to measure economic well-being on a range of measures rather than a composite index. The framework and indicators used in this release were outlined in [Economic Well-being, Framework and Indicators](#), published in November 2014.

Our 10 main economic well-being indicators are:

- gross domestic product (GDP) per head – the value of goods and services produced within the UK economy, divided by the number of people; this helps to remove the effects a growing population has on overall growth figures
- net national disposable income per head – this measure is similar to GDP but it includes the depreciation of assets – such as the day-to-day wear and tear on vehicles and machinery – and the income generated by foreign-owned businesses in the UK, but includes the money made by UK companies based in other countries
- real household disposable income per head – the total amount of money that households have available to spend on consumption, or to save and invest, after taxes, National Insurance, pension contributions and interest have been paid, divided by the number of people
- real household final consumption expenditure per head – the total amount that households spend on goods and services, divided by the number of people
- real median equivalised household income – this is based on survey results and represents the middle of the income distribution and is a good indication of the changing standard of living of the “typical” household in terms of income
- whole economy net wealth per head – the market value of financial and non-financial assets in the UK used to generate output, providing an indication of the sustainability of current levels of production and corresponding income flows
- household net wealth per head – the market value of financial and non-financial assets in the households sector
- perception of financial situation – a subjective assessment of individuals’ own financial situation over the past 12 months
- unemployment rate – the proportion of those out of work who are actively looking for a job as a share of all those working or looking for a job
- inflation – change in prices of goods and services purchased by UK consumers; this is measured using our most comprehensive inflation index, the Consumer Prices Index including owner occupiers’ housing costs (CPIH)

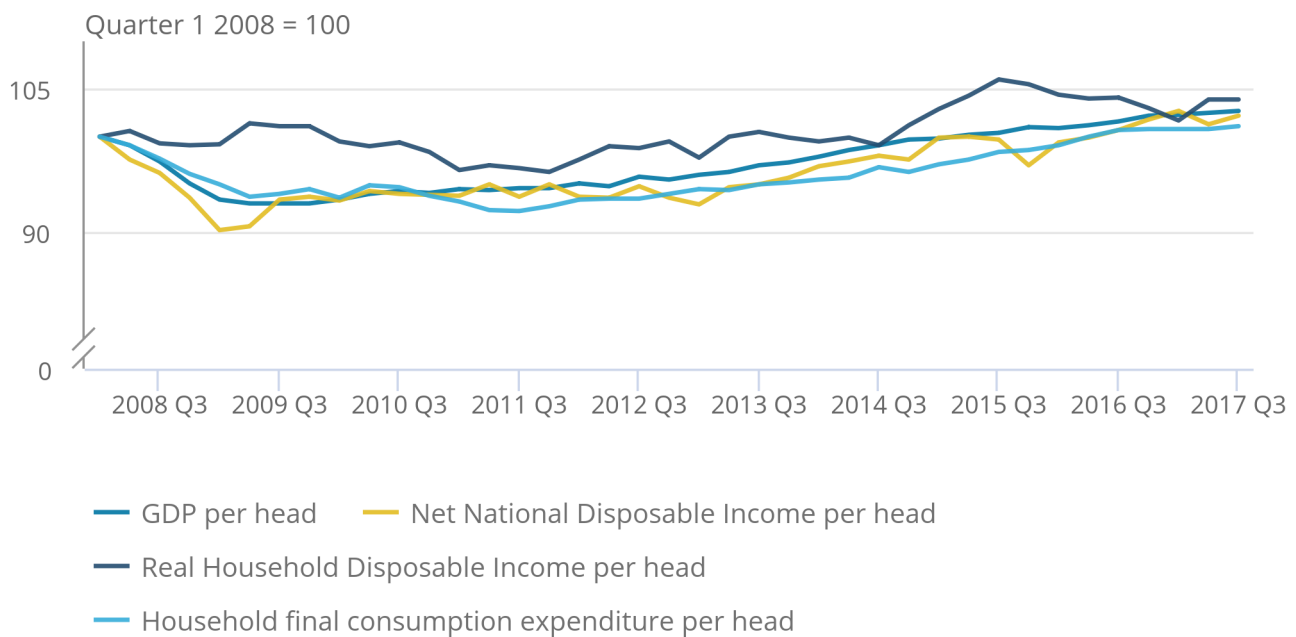
4 . What were the main changes in economic well-being in Quarter 3 (July to Sept) 2017?

Figure 2: Four measures of economic well-being, Quarter 1 (Jan to Mar) 2008 to Quarter 3 (July to Sept) 2017

UK

Figure 2: Four measures of economic well-being, Quarter 1 (Jan to Mar) 2008 to Quarter 3 (July to Sept) 2017

UK



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 (July to September) and Q4 refers to Quarter 4 (October to December).
2. Households do not include non-profit institutions serving households (NPISH).
3. The above indicators are presented in constant prices. GDP per head and NNDI per head are deflated at the individual component level. RHDH per head and HHFCE per head are deflated using the household final consumption expenditure deflator.

Real GDP per head

Growth in real gross domestic product (GDP) per head was 0.2% in Quarter 3 (July to September) 2017 compared with the previous quarter – unchanged from the growth rate in Quarter 2 (Apr to June) 2017. This was a slower growth rate than the 0.4% quarterly increase in GDP, due to population growth over the same period.

Growth in GDP per head in Quarter 3 2017 was 0.1 percentage points lower than the average quarterly growth rate over the past four years.

Real net national disposable income (NNDI) per head

Real net national disposable income (NNDI) per head increased by 1.5% between Quarter 3 2016 and Quarter 3 2017, compared with a 1.1% increase in GDP per head over the same period.

As shown in the “Economic well-being indicators at a glance” section, NNDI per head represents the income available to all residents in the UK to spend or save. There are two main differences between GDP per head and NNDI per head.

First, not all income generated by production in the UK will be payable to UK residents. For example, a country whose firms or assets are predominantly owned by foreign investors may well have high levels of production, but a lower national income once profits and rents flowing abroad are taken into account. As a result, the income available to residents would be less than that implied by measures such as GDP.

Second, NNDI per head is adjusted for capital consumption. GDP is “gross” in the sense that it does not adjust for capital depreciation, that is, the day-to-day wear and tear on vehicles, machinery, buildings and other fixed capital used in the productive process. It treats such consumption of capital as no different from any other form of consumption, but most people would not regard depreciation as adding to their material well-being.

As shown in Figure 2, NNDI per head and GDP per head have followed slightly different growth paths in recent years. The differences between these two series’ growth rates are largely explained by changes in the amount of income earned from UK residents’ investments overseas. For instance, between Quarter 4 (Oct to Dec) 2015 and Quarter 3 2017, NNDI per head grew by 5.4%, compared with 1.7% growth in GDP per head. Over this period, the balance of income earned by UK residents on their foreign direct investments increased, on average, by £1.1 billion per quarter. This is related to the depreciation of sterling over this time period, which creates greater earnings in sterling terms from income earned in foreign currencies – the [Economic Review: July 2017](#) analyses this in more detail.

This contrasts with the period during Quarter 2 2011 and Quarter 4 2015, during which GDP per head and NNDI per head grew by 7.0% and 2.1% respectively. Slower growth in NNDI per head compared with GDP per head is largely accounted for by an average decline of £1.1 billion per quarter in the income that UK residents received from investments abroad.

More detailed analysis on the contributions to growth in NNDI and the relationship with the balance of primary incomes was presented in [Economic well-being, UK: October to December 2016](#).

Divergence in growth rates of NNDI per head and RHDI per head

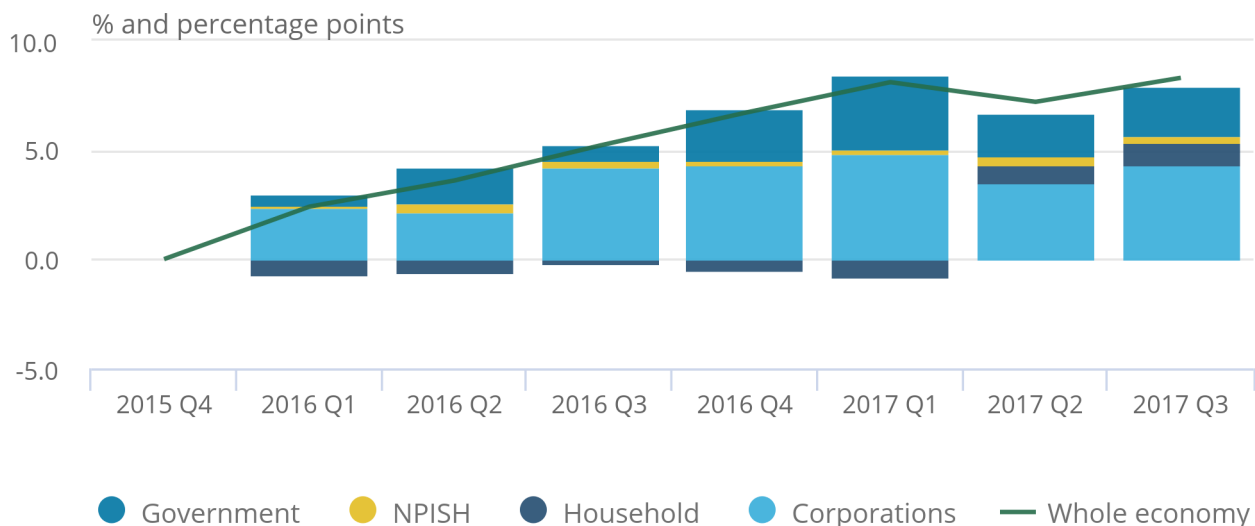
One of the more interesting trends in economic well-being over recent quarters has been a divergence between NNDI per head – the amount of money available to all UK residents to spend or save – and RHDI per head – the amount of money available to the households sector. The latest data show that NNDI per head grew by 5.4% between Quarter 4 2015 and Quarter 3 2017 compared with a 1.6% decline in RHDI per head – a 6.9 percentage points difference.

Figure 3: Cumulative contributions to growth in gross national disposable income per head since Quarter 4 2015, by sector, Quarter 4 (Oct to Dec) 2015 to Quarter 3 (July to Sept) 2017

UK, current prices

Figure 3: Cumulative contributions to growth in gross national disposable income per head since Quarter 4 2015, by sector, Quarter 4 (Oct to Dec) 2015 to Quarter 3 (July to Sept) 2017

UK, current prices



Source: Office for National Statistics

Notes:

1. Estimates are reported in current prices.
2. Contributions to growth will not sum from Quarter 1 (Jan to Mar) 2016 onwards due to statistical discrepancies.

Figure 3 explores this in more detail, examining the cumulative contribution to growth of gross national disposable income (GNDI) by sector between Quarter 4 2015 and Quarter 3 2017. While Office for National Statistics (ONS) reports quarterly estimates of disposable income by sector, these are not on net, or chained volume basis. As a result, this analysis examines changes in gross national disposable national income per head, at the sector level in current prices.

On this basis, growth of GNDI per head and disposable income of the households sector per head was 8.3% and 1.6% respectively – a difference of 6.8 percentage points, which is broadly comparable with difference in growth of NNDI per head and RHDI per head in constant prices over the same period.

The growth of GNDI per head over this period was driven mainly by growth in the corporations and government sectors, contributing 4.3 and 2.2 percentage points respectively. The households sector, on the other hand, contributed 1.1 percentage points. However, this mainly stems from stronger growth in the households sector over the two most recent quarters. Between Quarter 4 2015 and Quarter 1 (Jan to Mar) 2017, the households sector contributed negative 0.8 percentage points towards 8.1% growth in GNDI per head.

Household income

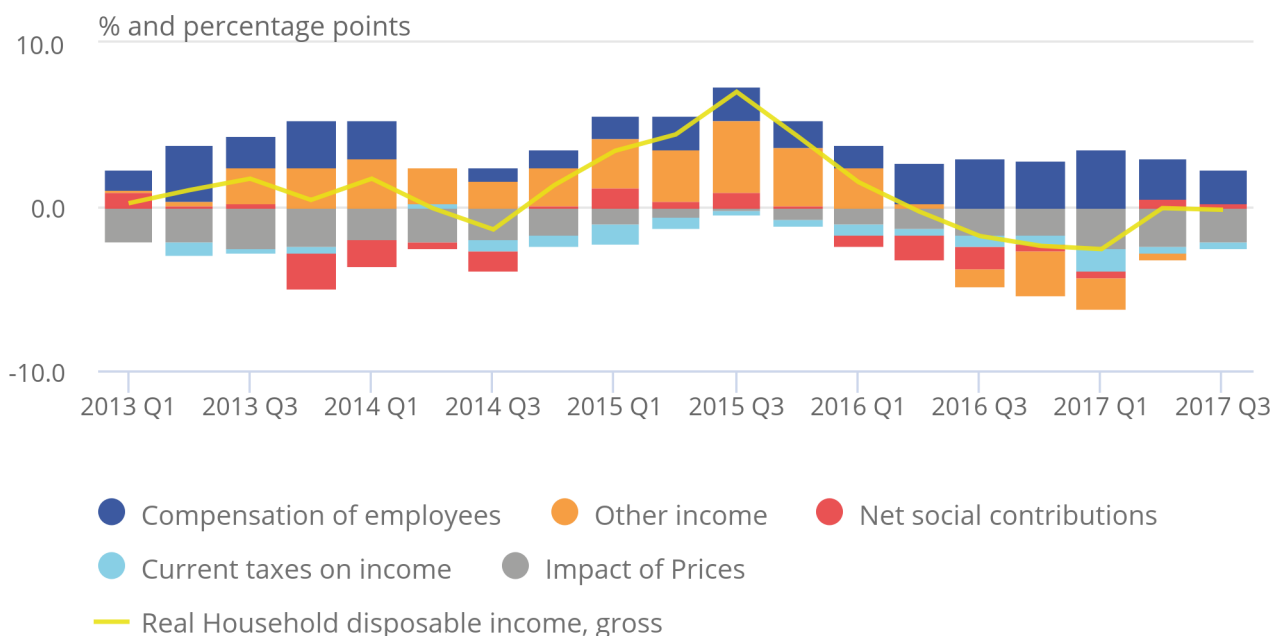
In Quarter 3 2017, RHDH per head declined by 0.2% compared with the same quarter a year ago. Quarter 3 2017 marks the sixth consecutive quarter that RHDH per head has decreased on an annual basis – the longest period of consistent negative growth since the end of 2011. However, over recent quarters, RHDH per head has increased on a quarterly basis, growing by 2.2% between Quarter 1 2017 and Quarter 3 2017. In Quarter 3 2017, RHDH per head still remains 3.9% above its pre-economic downturn level.

Figure 4: Contributions to quarter-on-same-quarter-a-year-ago growth in real household disposable income per head, Quarter 1 (Jan to Mar) 2013 to Quarter 3 (July to Sept) 2017

UK, chained volume measure

Figure 4: Contributions to quarter-on-same-quarter-a-year-ago growth in real household disposable income per head, Quarter 1 (Jan to Mar) 2013 to Quarter 3 (July to Sept) 2017

UK, chained volume measure



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 refers to Quarter 3 (July to September) and Q4 refers to Quarter 4 (October to December).
2. Contributions may not sum due to rounding.
3. Real household disposable income is in constant prices, deflated by the household final consumption expenditure deflator. All other series are in current prices.
4. The category "Other" includes operating surplus and mixed income, net property income, net social benefits other than transfers in kind, and net other current transfers.

Figure 4 highlights the contributions to growth from different components of RHDl. It shows that higher prices (compared with the same quarter a year ago) made a negative contribution to RHDl growth in Quarter 3 2017, contributing negative 2.1 percentage points, more than offsetting growth in compensation of employees (in nominal terms), which contributed 2.0 percentage points. This led to an overall slightly negative position.

Alongside Economic well-being: July to September 2017, we publish [Alternative measures of UK real households disposable income and the saving ratio: July to September 2017](#). These Experimental Statistics demonstrate the impact of removing “imputed” transactions to construct measures of RHDl and the saving ratio to better represent the economic experience of households. Between Quarter 3 2016 and Quarter 3 2017, RHDl per head on a cash basis contracted by 0.7% compared with a 0.2% contraction on a national accounts basis. As highlighted in the article, the main difference between these two measures stems mainly from the removal of transactions in national accounts gross disposable household income (GDHI). In particular, financial intermediation services indirectly measured (FISIM) paid by households and non-life insurance claims both increased by £1.5 billion and £0.9 billion respectively between Quarter 3 2016 and Quarter 3 2017.

Household expenditure

Growth in real household spending per head was 0.3% in Quarter 3 2017 compared with the previous quarter. As highlighted in Figure 1, real household spending per head in Quarter 3 2017 was 1.1% higher than its pre-economic downturn level; while real household disposable income per head in Quarter 3 2017 was 3.9% above its pre-economic downturn level. Nevertheless, the fall in RHDl over recent quarters, while expenditure per head has increased slightly, means that the households saving ratio – the amount of money households have available to save as a percentage of their total disposable income – decreased from 6.9% to 5.2% between Quarter 3 2016 and Quarter 3 2017.

5 . Spotlight: Analysis of real earnings

Alongside the headline economic well-being indicators described previously, it is important to discuss how employment earnings have changed over time. Employment earnings are a significant component of real household disposable income (RHDl), one of the main indicators of the ONS Economic well-being framework. For example, wages and salaries as a proportion of gross household disposable income (GDHI) per capita (in nominal terms) was on average 63.9% between Quarter 1 (Jan to Mar) 2008 and Quarter 3 (July to Sept) 2017.

Our analysis of earnings is based on the Annual Survey of Hours and Earnings (ASHE) published in October 2017, which is the most detailed and comprehensive source of earnings information in the UK. ASHE is based on a 1% sample of employee jobs, drawn from HM Revenue and Customs Pay As You Earn (PAYE) records. To understand changes in earnings in the context of inflation, historic data are adjusted using the Consumer Prices Index including owner occupiers' housing costs (CPIH). This gives a measure of the “real” value of earnings, with a decrease meaning that earnings growth is below inflation.

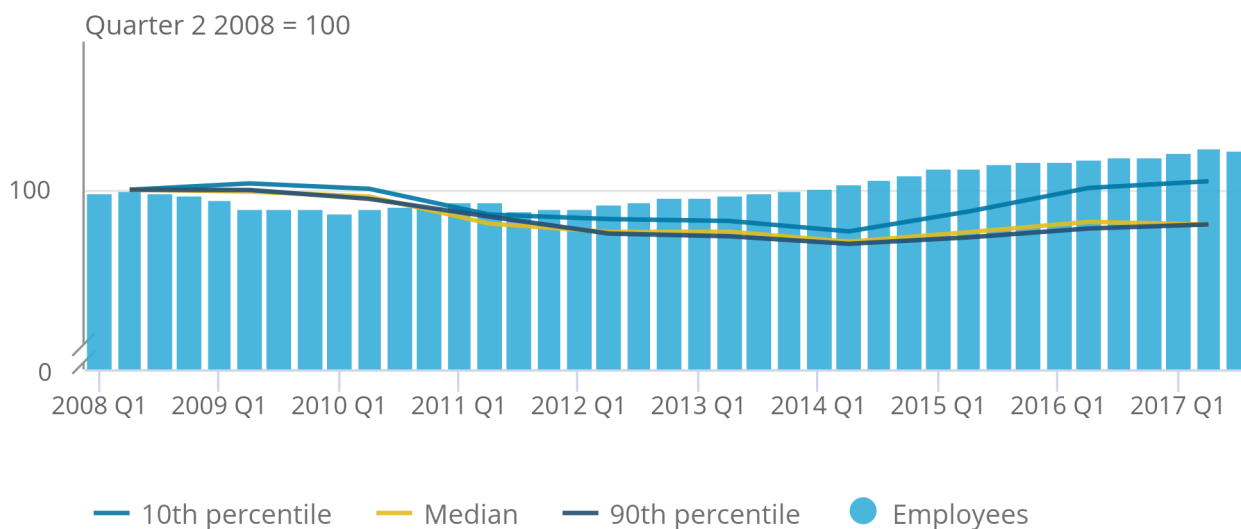
Distribution of earnings

Figure 5: Employment and distribution of full-time weekly earnings from 2008 to 2017, adjusted to April 2015 prices, and number of employed people, index 2008=100, UK

UK

Figure 5: Employment and distribution of full-time weekly earnings from 2008 to 2017, adjusted to April 2015 prices, and number of employed people, index 2008=100, UK

UK



Source: Annual Survey of Hours and Earnings, and Labour Force Survey, Office for National Statistics

Notes:

1. Information on the number of employees is on a quarterly basis, sourced from the Labour Force Survey. Earnings information is sourced from the Annual Survey of Hours and Earnings, and relate to the reference month of April in each year.
2. This analysis compares the median, 10th and 90th percentile weekly earnings of full-time employees in each year from 2008. There is no longitudinal or panel element to this analysis.
3. The deflator used is the Consumer Prices Index including owner occupiers' housing costs (CPIH).

Figure 5 highlights trends in the distribution of real gross weekly earnings for full-time employees between April 2008 and April 2017. Adjusted for inflation, weekly median earnings for full-time employees decreased by 0.4% in 2017 compared with 2016. This is the first decline in median earnings since 2014, reflecting weaker nominal earnings growth compared with inflation (2.2% and 2.6% in April 2017 respectively).

Focusing on the wider distribution of earnings, rather than just the median, shows some interesting trends for the lowest- and highest-paid jobs. For example, between 2016 and 2017, the largest increase for full-time employees was for those at the 10th percentile of the distribution, who saw an increase in their level of real weekly earnings of 0.9%, whilst the level of the real weekly earnings of the 90th percentile increased by 0.6%.

Historically, Figure 5 highlights that real earnings growth for those at the 10th percentile broadly followed the same downward trend as those people at the median and 90thth percentile between 2008 and 2014. However, since 2014, there has been stronger real earnings growth at the 10th percentile compared with those at the median and 90th percentile, who are still experiencing lower real wages than in 2008.

Those at the 10th percentile are the only group to have seen an overall increase in real wages from £306 per week in 2008 to £309 per week in 2017. In contrast, the earnings level of the 90th percentile and the 50th percentile (the median) both decreased by 4.7% between 2008 and 2017. Earnings at the 90th percentile fell from £1,110 per week in 2008 to £1,057 per week in real terms, by 2017. Median earnings decreased from £559 per week to £533 per week in real terms over the same period.

The stronger relative growth of full-time earnings in the most recent periods at the lower end of the income distribution is likely to be affected by increases in the National Minimum Wage and from April 2016, the introduction of the National Living Wage for those aged 25 and over.

Earnings by age group

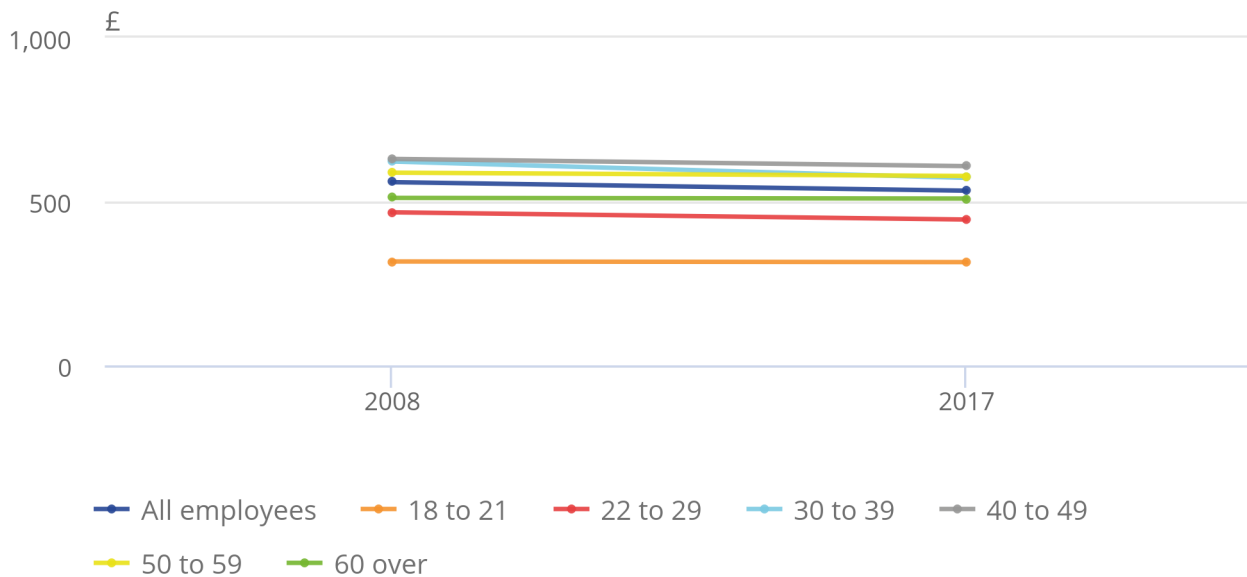
Figure 6 shows the change in real median gross weekly earnings among different age groups of full-time employees between 2008 and 2017. The age group of 30- to 39-year-olds showed the greatest fall in their real weekly earnings' level – a decrease of 7.9%, which is an average decrease of 0.8% per year. In addition, the age group of 22- to 29-year-olds faced a significant decrease in their earnings' level by 4.6% – an average decrease of 0.5% per year.

Figure 6: Full-time weekly earnings by age group, 2008 to 2017, adjusted to April 2015 prices

UK

Figure 6: Full-time weekly earnings by age group, 2008 to 2017, adjusted to April 2015 prices

UK



Source: Annual Survey of Hours and Earnings, Office for National Statistics

Notes:

1. This analysis compares the median weekly earnings of full-time employees in each age bracket in 2008 with the equivalent age group of employees 9 years later. There is no longitudinal or panel element to this analysis.
2. The deflator used is the Consumer Prices Index including owner occupiers' housing costs (CPIH).

Earnings of the continuously employed

The composition of the workforce collected in the ASHE sample changes from year-to-year, reflecting changes in the structure of the workforce. This can affect changes in median earnings. For example, creation of lower-paid jobs, or loss of highly-paid jobs, can both act to reduce the median.

One approach to removing this compositional effect is to look only at those people who appear in consecutive ASHE samples, that is, they are recorded as being employed via the PAYE system in April one year and in April the following year. In addition to this, employees can be identified as being in the same post for at least one year – these are known as the “continuously employed”. If they have not been in the same job for at least a year, but are still employed in the consecutive year, they are assumed to have moved jobs during this period, possibly with a period of unemployment or inactivity in between.

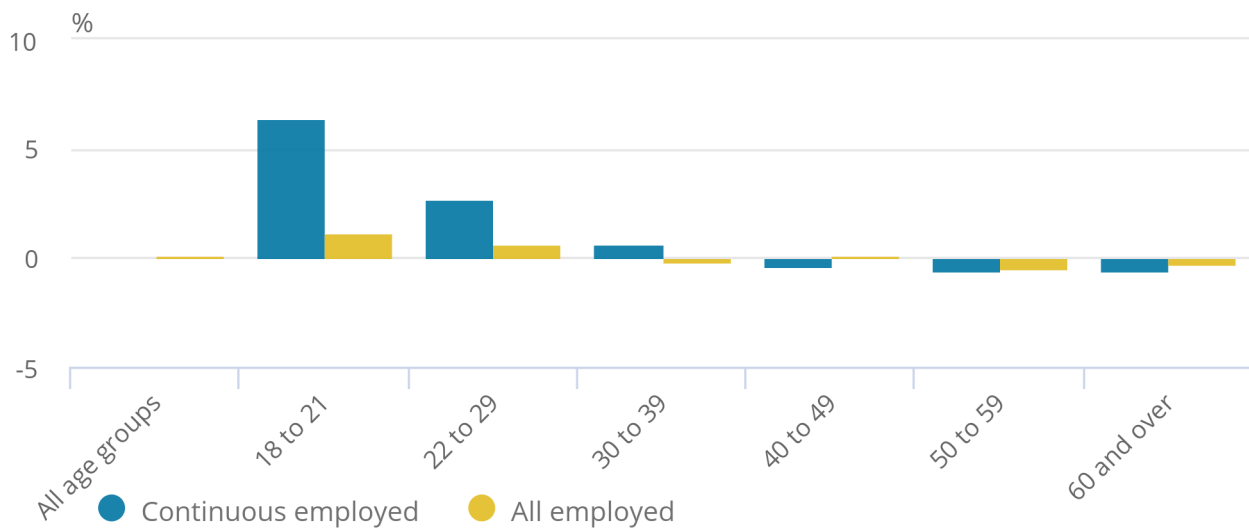
Figure 7 shows the median growth in hourly earnings of all employees who were employed in 2016 and 2017 by age and as a sub-set of these employees, the “continuously employed” group who have stayed in the same job during this time.

Figure 7: Median growth in real hourly earnings of all employees, and those continuously employed in the same job by age group, 2016 to 2017

UK

Figure 7: Median growth in real hourly earnings of all employees, and those continuously employed in the same job by age group, 2016 to 2017

UK



Source: Annual Survey of Hours and Earnings, Office for National Statistics

Notes:

1. All employees are those that identified in the 2016 and 2017 Annual Survey of Hours and Earnings (ASHE) samples.
2. The continuously employed are those in the same job for the last 12 months.
3. The data used in this analysis have been taken from the Annual Survey of Hours and Earnings (ASHE) between 1998 to 2017.
4. There are no longitudinal weights for the ASHE, so cross-sectional weights have been used instead. This means that sample attrition has not been fully accounted for and so estimates should be used with caution.
5. The ASHE dataset includes all employees that are paid either the full adult rate and trainee or junior rate, and has been adjusted for loss of pay (any individual who has had their earnings affected by absence has been dropped from this analysis).
6. The analysis uses individual level data from ASHE to calculate the growth of real hourly earnings for individuals observed in pairs of years.
7. Note that ASHE methodology is not specifically designed to model earnings growth for individuals over time.
8. Analysis includes both full-time and part-time workers.
9. The hourly earnings variable includes overtime.

Figure 7 shows that for all employees, the median growth in hourly earnings between 2016 and 2017 is largely concentrated upon younger age groups: 1.2% and 0.7% for those aged 18 to 21 years and 22 to 29 years respectively. Within these age groups, those that stayed in the same job over the year also saw much higher rates of earnings growth on average. For instance, the difference in growth rates between the continuously employed and all employees is 5.2 percentage points for people aged 18 to 21 years and 2.0 percentage points for those aged 22 to 29 years. There is also an advantage in average earnings growth for those continuously employed in the same job in the 30- to 39-year-olds age group compared with all employees.

However, the earnings growth advantage of remaining in the same job declines with age and becomes negative for those aged 40 and over compared with all employees. In older age groups, average earnings growth is marginally lower (or more negative) for those who have stayed in the same job for more than a year compared with all employees.

This implies that moving jobs in these age groups can benefit typical (median) earnings growth whereas staying in the same job is beneficial for those up to the age of around 39 years old. This is likely to be related to the period of time when skills are being built up and progression within the same organisation is likely to be beneficial to earnings.

6 . Economic sentiment

It is important to consider sentiment, along with other measures of economic well-being, to improve our understanding of how changes in official measures of the economy are perceived by individuals. The Eurobarometer Consumer Survey, conducted by GFK on behalf of the European Commission, provides information regarding perceptions of the economic environment. The “Quality and methodology” section provides more information regarding the Eurobarometer Consumer Survey.

General economic situation and perception of financial situation

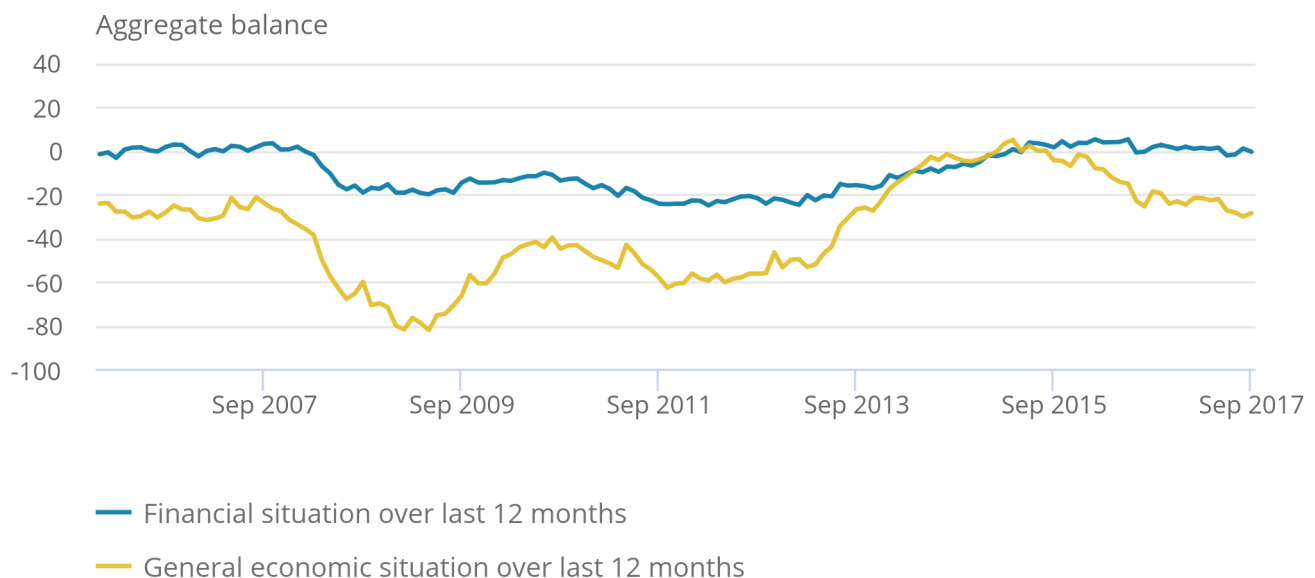
The Eurobarometer Consumer Survey asks consumers their views on the state of the general economic situation over the previous 12 months. A positive balance means that consumers perceived an improvement within the economy, a zero balance indicates no change and a negative balance indicates a perceived worsening.

Figure 8: Consumer perceptions of general economic situation and their own financial situation over last 12 months, January 2006 to September 2017

UK

Figure 8: Consumer perceptions of general economic situation and their own financial situation over last 12 months, January 2006 to September 2017

UK



Source: European Commission

Notes:

1. The source is the Eurobarometer Consumer Survey, which is collected by GFK for the European Commission. Further information can be found in the Quality and methodology section.
2. A negative balance means that, on average, respondents reported the general economic situation worsened. A positive balance means they reported it improved and a zero balance indicates no change.

Between Quarter 2 (Apr to June) 2017 and Quarter 3 (July to Sept) 2017, the perception of the general economic situation declined from a balance of negative 27.5 to negative 28.7. This is the lowest quarterly aggregate balance of the indicator since Quarter 2 (Apr to June) 2013. Analysis by GFK suggests that consumers are in a [mixed state with some areas of confidence indicators up while others have fallen](#).

The survey also asks respondents about their own financial situation over the past 12 months. In Quarter 3 2017, the average aggregate balance was negative 0.6 – an increase from negative 2.3 recorded in the previous quarter. According to analysis by GfK, the increase was due to consumers [continuing to spend using an increased amount saving or borrowing](#) despite having reduced purchasing power due to inflation.

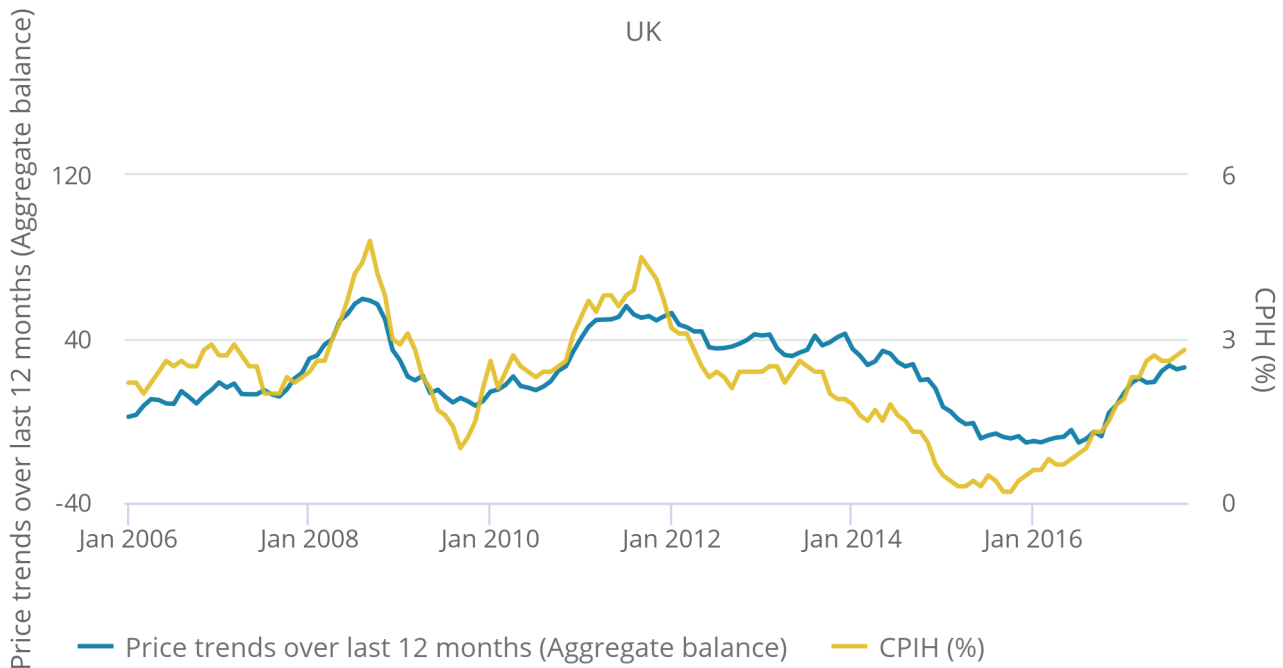
Perception of inflation

The survey also asks respondents about their perception of prices over the previous 12 months. A positive balance suggests that consumers perceive prices to have increased over the previous 12 months, while a negative balance suggest the opposite. In Quarter 3 2017, the balance increased to 26.1 from positive 24.3 in Quarter 2 2017.

Figure 9: Comparison between CPIH and individuals' perception of price trends over the last 12 months, January 2006 to September 2017

UK

Figure 9: Comparison between CPIH and individuals' perception of price trends over the last 12 months, January 2006 to September 2017



Source: Office for National Statistics, European Commission

Notes:

1. The source is the Eurobarometer Consumer Survey, which is collected by GfK for the European Commission. Further information can be found in the Quality and methodology.
2. A negative balance means that, on average, respondents reported that the price level decreased. A positive balance means they reported it increased and a zero-balance indicator no change.

Since November 2016, inflation perceptions have been positive suggesting that consumers believed that there was an increase in the price level. This corresponds with an increased Consumer Prices Index including owner occupiers' housing costs (CPIH) rate during this period – the 12-month rate was 1.5% in November 2016, steadily increasing to 2.8% in September 2017, the highest rate of inflation since March 2012.

7 . Economic well-being indicators already published

Between 2015 and 2016, the [total net wealth per head of the UK economy increased by 8.0%](#). The largest contribution was from the households sector.

Between 2015 and 2016, [household wealth per head increased by 7.2%](#), driven mainly by a £6 billion increase in the wealth of net financial assets and liabilities (for example, household financial assets mainly comprise currency and deposits, equity and investment funds shares, and assets held with life insurance companies and pension funds. Household financial liabilities mainly comprise mortgages and other loans) in 2016.

In September 2017, the Consumer Prices Index including owner occupiers' housing costs (CPIH) inflation 12-month rate increased to 2.8% from 2.6% in June 2017. This is the highest rate since March 2012. The main contributor to the increase in the rate of inflation [was rising prices for food and recreational goods](#).

The unemployment rate in the three months to September 2017 [was 4.3%](#), down 0.1 percentage points from the rate recorded in June 2017. The employment rate (the proportion of people aged from 16 to 64 years who were in work) fell to 75.0% from 75.1% in the three months to June 2017.

The “nowcast” estimate of median UK household [disposable income was £27,170](#) in the financial year ending 2017; this was £487 higher than the previous year and £1,466 higher than the pre-downturn value of £25,704 in the financial year ending 2008 – after accounting for inflation and household composition.

[The wealthiest 10% of households](#) owned 45% of aggregate total wealth in July 2012 to June 2014 and were 2.4 times wealthier than the second wealthiest 10%. Over the same period, the wealthiest 10% of households were 5.2 times wealthier than the bottom 50% of households (the bottom five deciles combined), who owned 9% of aggregate total wealth.

8 . Links to related statistics

More information on the topic of economic well-being is available, including the following publications:

Internal

- [United Kingdom Economic Accounts](#), Table 1.1.5 (ONS)
- [The National Balance Sheet](#) (ONS)
- [Wealth and Assets Survey](#) (ONS)
- [Household disposable income and inequality](#) (ONS)
- [Labour market statistics](#) (ONS)
- [Consumer Price Indices](#) (ONS)

External

- [Eurobarometer Consumer Survey](#) (produced by GFK on behalf of the European Commission)
- International comparisons of [real household \(including NPISH\) disposable income per head index](#) (OECD)
- International comparisons of [Gross domestic product \(GDP\) per head index](#) (OECD)
- [Contributions to growth in real household \(including NPISH\) disposable income per head](#) (European Central Bank)

9 . Quality and methodology

Release policy

The data used in this version of the release are the latest available at 22 December 2017. The UK resident population mid-year estimates used in this publication are those published on 22 June 2017.

Basic quality and methodology information

Basic quality and methodology information for all indicators in this statistical bulletin is available:

- National Accounts [Quality and methodology Information report](#)
- Consumer Price Indices [Quality and methodology Information report](#)
- Wealth and Assets Survey [Quality and methodology Information report](#)
- Effects of taxes and benefits [Quality and methodology information report](#)
- Labour market [Quality and methodology Information reports](#)

These contain important information on:

- the strengths and limitations of the data and how it compares with related data
- users and uses of the data
- how the output was created
- the quality of the output including the accuracy of the data

Revisions and reliability

All data in this release will be subject to revision in accordance with the revisions policies of their original release. Estimates for the most recent quarters are provisional and are subject to revision in the light of updated source information. We currently provide an analysis of past revisions in statistical bulletins, which present time series. Details of the revisions are published in the original statistical bulletins.

Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information, which allows the statistical error of previous estimates to be reduced.

Only rarely are there avoidable “errors”, such as human or system failures and such mistakes are made quite clear when they do occur.

For more information about the revisions policies for indicators in this release, please see:

- [National accounts revisions policy](#) – covers indicators from the quarterly national accounts, UK Economic Accounts and the national balance sheet
- [Wealth and Assets Survey revisions policy](#) – covers indicators on the distribution of wealth
- [Effect of taxes and benefits on household incomes revisions policy](#) – covers indicators on the distribution of income
- [Labour market statistics revisions policy](#) – covers indicators from labour market statistics
- [Consumer Price Inflation – revisions policy](#) – covers indicators from consumer price indices

Our [Revisions policies for economic statistics](#) webpage is dedicated to revisions to economic statistics and brings together our work on revisions analysis, linking to articles, revisions policies and important documentation from the former Statistics Commission's report on revisions.

Data that come from the Eurobarometer Consumer Survey and Understanding Society releases are not subject to revision as all data are available at the time of the original release. These data will only be revised in light of methodological improvements or to correct errors. Any revisions will be made clear in this release.

Interpreting the Eurobarometer Consumer Survey

The Eurobarometer Consumer Survey, sourced from GFK on behalf of the European Commission, asks respondents a series of questions to determine their perceptions on a variety of factors, which collectively give an overall consumer confidence indicator. For each question, an aggregate balance is given, which ranges between negative 100 and positive 100.

Balances are the difference between positive and negative answering options, measured as percentage points of total answers. Values range from negative 100, when all respondents choose the negative option (or the most negative one in the case of five-option questions) to positive 100, when all respondents choose the positive (or the most positive) option.

The questions used in this release are:

Question 1: How has the financial situation of your household changed over the last 12 months? It has...

- got a lot better
- got a little better
- stayed the same
- got a little worse
- got a lot worse
- don't know

Question 3: How do you think the general economic situation in the country has changed over the past 12 months? It has...

- got a lot better
- got a little better
- stayed the same
- got a little worse
- got a lot worse
- don't know

Question 5: How do you think that consumer prices have developed over the last 12 months? They have...

- risen a lot
- risen moderately
- risen slightly
- stayed about the same
- fallen
- don't know

Further information on this consumer survey is available from the Business and Consumer Survey section of the European Commission website.

Measuring national well-being

This article is published as part of our Measuring National Well-being programme. The programme aims to produce accepted and trusted measures of the well-being of the nation – how the UK as a whole is doing. Further information on [Measuring National Well-being](#) is available with a full list of well-being publications.