Statistical bulletin

Personal and economic well-being in the UK: November 2019

Estimates looking across personal well-being and economic well-being in the UK for Quarter 2 (April to June) 2019. This bulletin is part of a new series on "people and prosperity" introduced in February 2019.

Contact:
Silvia Manclossi, Gueorguie Vassilev, Mark Hamilton, Khloe Evans
PeopleAndProsperity@ons.gov.uk
+44 (0)1633 582486 or +44 (0) 1633 45626

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6 February 2020

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1 . Main points

- All of the economic well-being measures, including real household income, spending and financial wealth per head, grew in the three months to June 2019 compared with the same quarter last year.

- In terms of how we are feeling about our lives, average anxiety ratings increased in Quarter 2 2019 compared with the same quarter last year, while average ratings of life satisfaction, perceptions that the things we do in life are worthwhile, and happiness remained unchanged.

- The proportion of people reporting levels of high anxiety in Quarter 2 2019 was 21.2%, which was an increase of 1.7 percentage points compared with the same quarter last year.

- In the quarter ending June 2019, the household debt to income ratio increased, driven by the value in outstanding long-term loans such as mortgages.

- Although people's views of their own personal finances remained positive, expectations for both the general economic outlook and concerns about unemployment in the year ahead worsened compared with the same quarter last year.

This is the first time that we are publishing quarterly data for the personal well-being figures as Experimental Statistics, providing a more timely picture comparable with economic well-being statistics.

2 . Dashboard of well-being indicators

The dashboard below provides information on the main changes and historical trends over time for the main personal and economic well-being measures.

Notes:

1.p.p refers to percentage point change.

2."Compared with last year" refers to Q2 (Apr to June) 2019 compared with Q2 (Apr to June) 2018.

3."Change in aggregate balance compared with last year" refers to June 2019 compared with June 2018.

4."Compared with previous year" refers to 2018 to 2019 compared with 2017 to 2018.
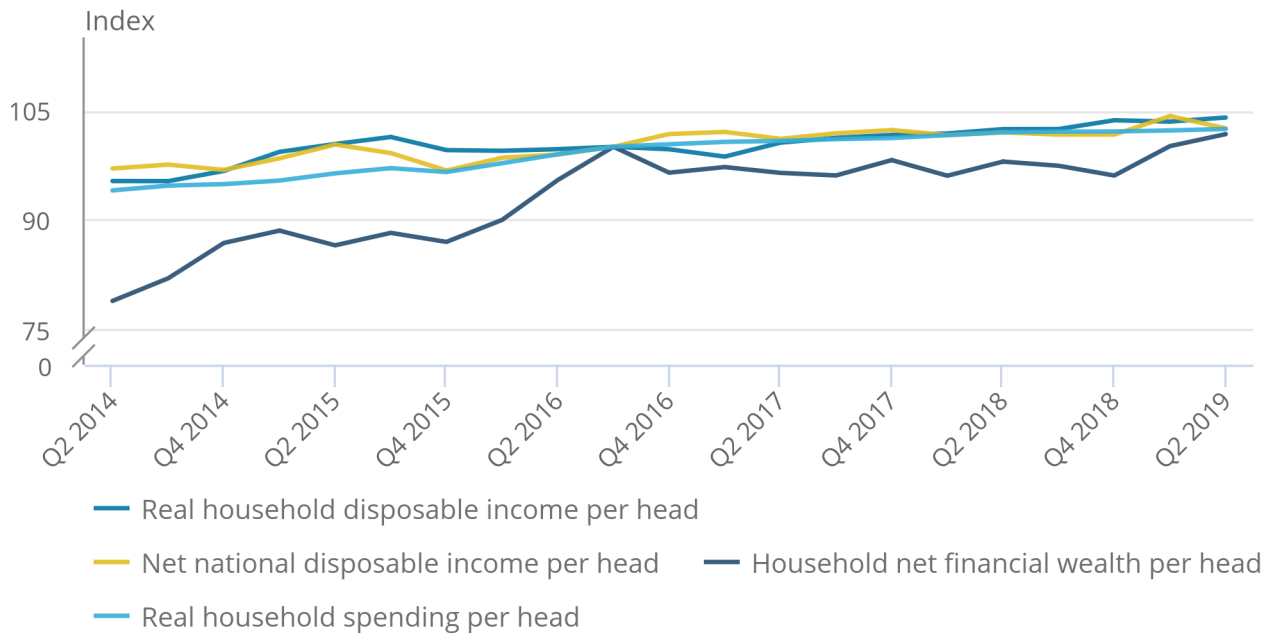
3 . Economic well-being

Figure 1: Most measures of economic well-being increased in the quarter ending June 2019

Index (Quarter 3 2016 = 100), UK, Quarter 2 (April to June) 2014 to Quarter 2 2019

Figure 1: Most measures of economic well-being increased in the quarter ending June 2019

Index (Quarter 3 2016 = 100), UK, Quarter 2 (April to June) 2014 to Quarter 2 2019

Source: Office for National Statistics – UK National Accounts

Notes:

1. Quarter 3 2016 = 100.

2. Net national disposable income per head is similar to GDP but it takes into account 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.

3. Real Household disposable income per head is the total amount of money that households have 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.

4. Real household spending per head is household spending adjusted for the prices of goods and services, divided by the total population.

5. Household net financial wealth per head is the financial assets people hold (such as current and savings accounts and investments) less the liabilities they owe (for example, loans and mortgages) per average person in the UK.

As shown in Figure 1, all main measures of economic well-being increased in Quarter 2 (Apr to June) 2019 when compared with the same quarter a year ago. Net financial wealth per head increased the most, at 3.8%, compared with the same quarter a year ago. This was mostly driven by an increase in holdings of currency and deposits, the value of equity and investment fund shares, and pension schemes. It is worth noting that net financial wealth is more unequally distributed across the UK than income and other types of wealth such as property, physical, or private pension wealth. According to our latest Wealth in Great Britain release, net financial wealth was the wealth component with the highest inequality in the latest period of July 2014 to June 2016, with a Gini coefficient of 0.91. This means that, although this measure increased for UK households as a whole, only a small proportion of households will be impacted directly.

Real household disposable income per head also increased by 0.5% over the same period, and this was predominantly driven by an increase in wages and salaries, in line with recent labour market data.

Household spending per head has grown consecutively over the past fourteen quarters, although at a slower rate in recent periods. The latest quarter's growth, of 0.2% when compared with Quarter 1 (Jan to Mar) 2019, was driven by an increase in real terms spending on household running costs such as utility bills and rent, and an increase in real terms spending on clothes and footwear. These increases were offset by a decrease in spending on restaurants and cafés, which has now decreased for two consecutive quarters. Previous analysis has shown that spending on restaurants and cafés is linked to higher life satisfaction.

Figure 2: Household debt has increased in the quarter ending June 2019

Contribution to quarterly growth in UK debt, UK, Quarter 2 (Apr to Jun) 2011 to Quarter 2 2019

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Contribution to quarterly growth in UK debt, UK, Quarter 2 (Apr to Jun) 2011 to Quarter 2 2019

- Short-term loans
- Other long-term loans
- Long-term loans secured on dwellings
- Total debt
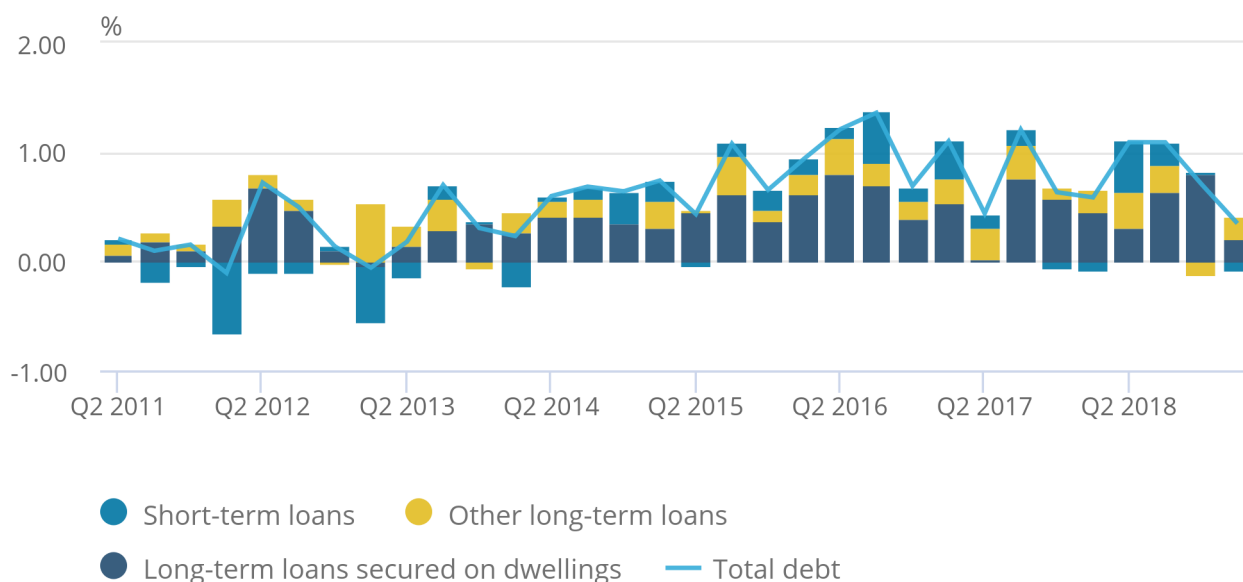
Source: Office for National Statistics - UK National Accounts

Notes:

1. Short-term loans are loans with an original maturity of one year or less.

2. Long-term loans are loans with an original maturity of one year or more.

3. Original maturity is defined as period from the issue date until the final scheduled payment date.

The household debt to income ratio also showed an increase of 0.4% compared with the previous quarter which was driven by an increase in household debt. Figure 2 shows a breakdown of total household debt showing that the increase in the quarter ending June 2019 was driven by an increase in the value of long-term loans secured on dwellings which is predominantly made up of mortgages. Household debt can fluctuate, however this is the first time that the household debt to income ratio has increased since Quarter 3 (July to Sept) 2017. Although it remains in line with the overall trend of the series, we will continue to monitor this measure.
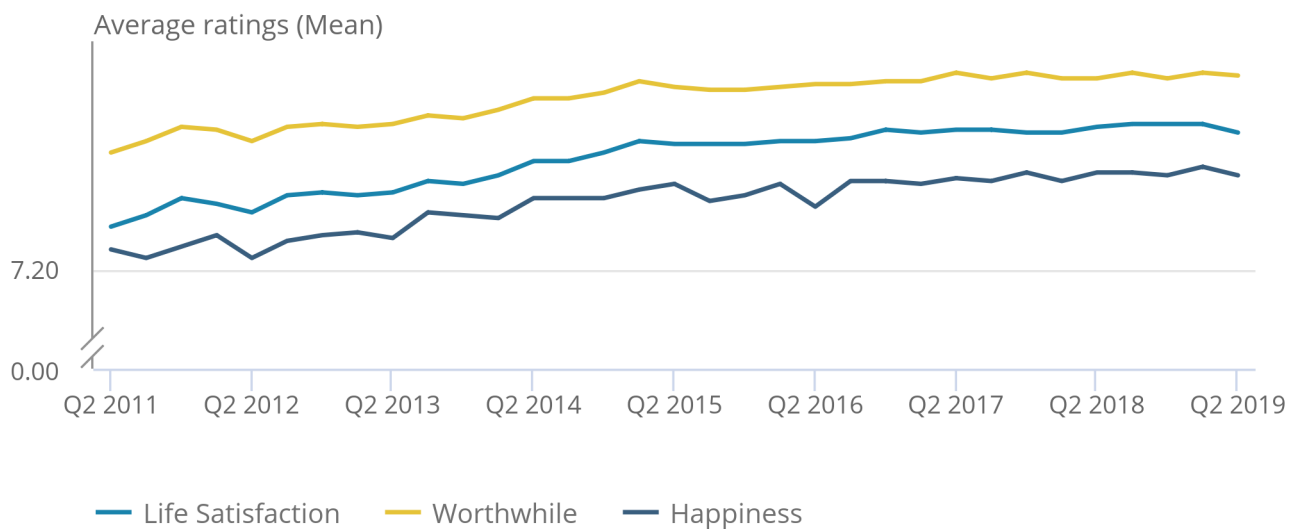
4 . Personal well-being

Figure 3: Most measures of personal well-being showed little change in the quarter ending June 2019

Average ratings of life satisfaction, feeling that the things done in life are worthwhile, and happiness, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019

Figure 3: Most measures of personal well-being showed little change in the quarter ending June 2019

Average ratings of life satisfaction, feeling that the things done in life are worthwhile, and happiness, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019

Source: Office for National Statistics - Annual Population Survey

Notes:

1. Chart axis has a break in it.

2. The data have been seasonally adjusted – see [Personal well-being quarterly estimates technical report](#) for more information.

Although there were improvements in measures of economic well-being in Quarter 2 (Apr to June) 2019, there was little change in ratings of life satisfaction, feeling that things done in life are worthwhile, and happiness in Quarter 2 2019 compared with the same quarter a year ago. Looking at the longer-term trends, average ratings for these three measures continued to improve in the UK up to Quarter 1 (Jan to Mar) 2015. After this period, they reached a plateau, with fluctuations quarter on quarter but no significant changes in Quarter 2 2019 compared with the same quarter a year ago.

In addition to looking at average ratings, we also monitor potential inequalities in personal well-being by comparing those rating each aspect of their well-being either at a very high level or a very low level. In Quarter 2 2019, the proportion of people rating their happiness at a low level increased by 0.6 percentage points (from 7.8% to 8.4%) compared with the same quarter a year ago. None of the other measures showed any significant change over this period.

Figure 4: Average anxiety levels in the UK increased by 4.9% in the quarter ending June 2019

Average anxiety ratings, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019

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Average anxiety ratings, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019
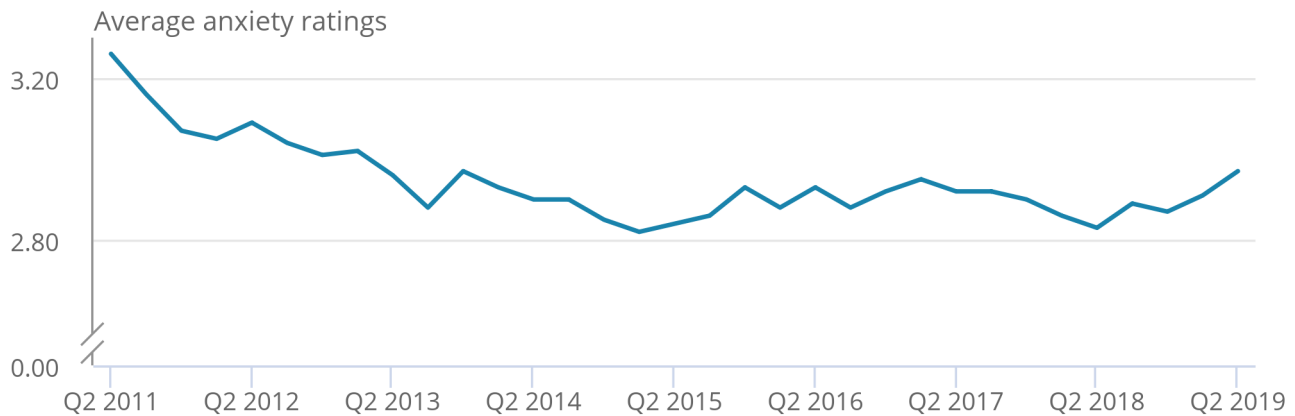
Source: Office for National Statistics - Annual Population Survey

Notes:

1. Chart axis has a break in it.

2. The data have been seasonally adjusted – see Personal well-being quarterly estimates technical report for more information.
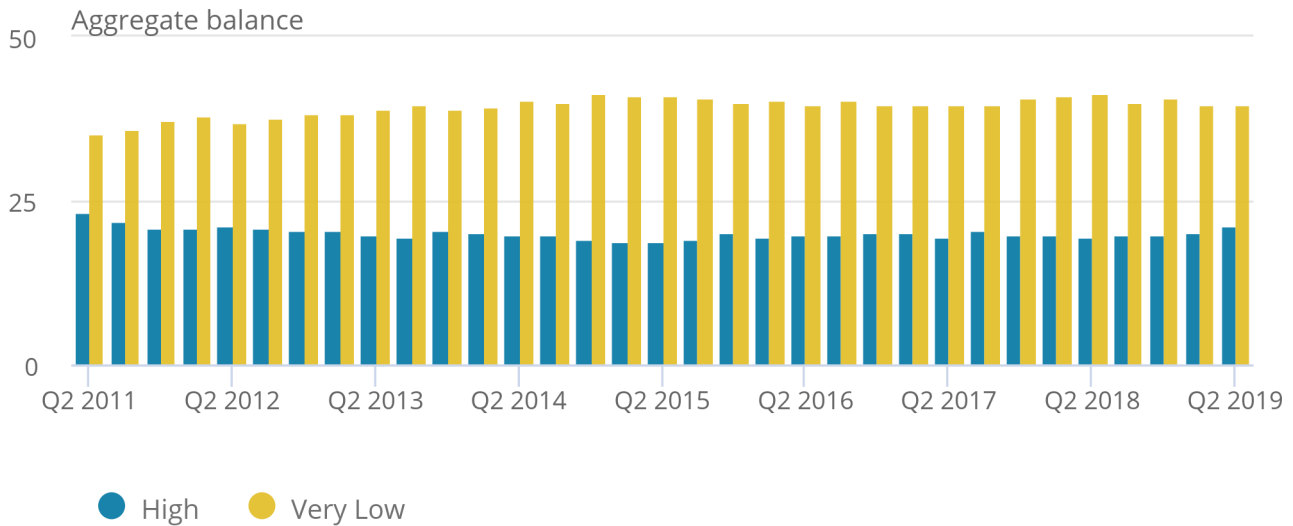
In Quarter 2 2019, average anxiety ratings increased by 4.9% (from 2.83 to 2.97 out of 10) when compared with the same quarter a year ago. Looking at the longer-term, anxiety reached its highest average rating in Quarter 2 2019 in more than five years, since Quarter 4 (Oct to Dec) 2013 at 2.97 out of 10.

Figure 5: More people reported "high" anxiety and fewer people reported "very low" anxiety in the quarter ending June 2019

Proportion of people reporting "low" and "very high" ratings of anxiety, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019

Figure 5: More people reported "high" anxiety and fewer people reported "very low" anxiety in the quarter ending June 2019

Proportion of people reporting "low" and "very high" ratings of anxiety, UK, Quarter 2 (Apr to June) 2011 to Quarter 2 2019

Aggregate balance

[Bar chart showing "High" (blue) and "Very Low" (yellow) anxiety proportions from Q2 2011 to Q2 2019. Y-axis ranges from 0 to 50. High bars are consistently around 20, Very Low bars are consistently around 35-42.]

● High   ● Very Low

Source: Office for National Statistics - Annual Population Survey

Notes:

1. "High" anxiety refers to those reporting a rating of 6 to 10 and "very low" anxiety refers to those reporting a score of 0 to 1 (on an 11-point scale from 0 to 10).

2. The data has been seasonally adjusted – see Personal well-being quarterly estimates technical report for more information.

In Quarter 2 2019, the proportion of people reporting "very low" anxiety decreased from 41.6% to 39.8% compared with the same quarter a year ago. Over the same period, the proportion of people reporting "high" anxiety increased from 19.6% to 21.2%.

5 . Economic expectations for the next 12 months

Figure 6: Expectations for the year ahead for unemployment trends and the general economic situation remained negative

Aggregate balance, UK, Quarter 1 (January to March) 2011 to Quarter 2 (April to June) 2019

Figure 6: Expectations for the year ahead for unemployment trends and the general economic situation remained negative

Aggregate balance, UK, Quarter 1 (January to March) 2011 to Quarter 2 (April to June) 2019
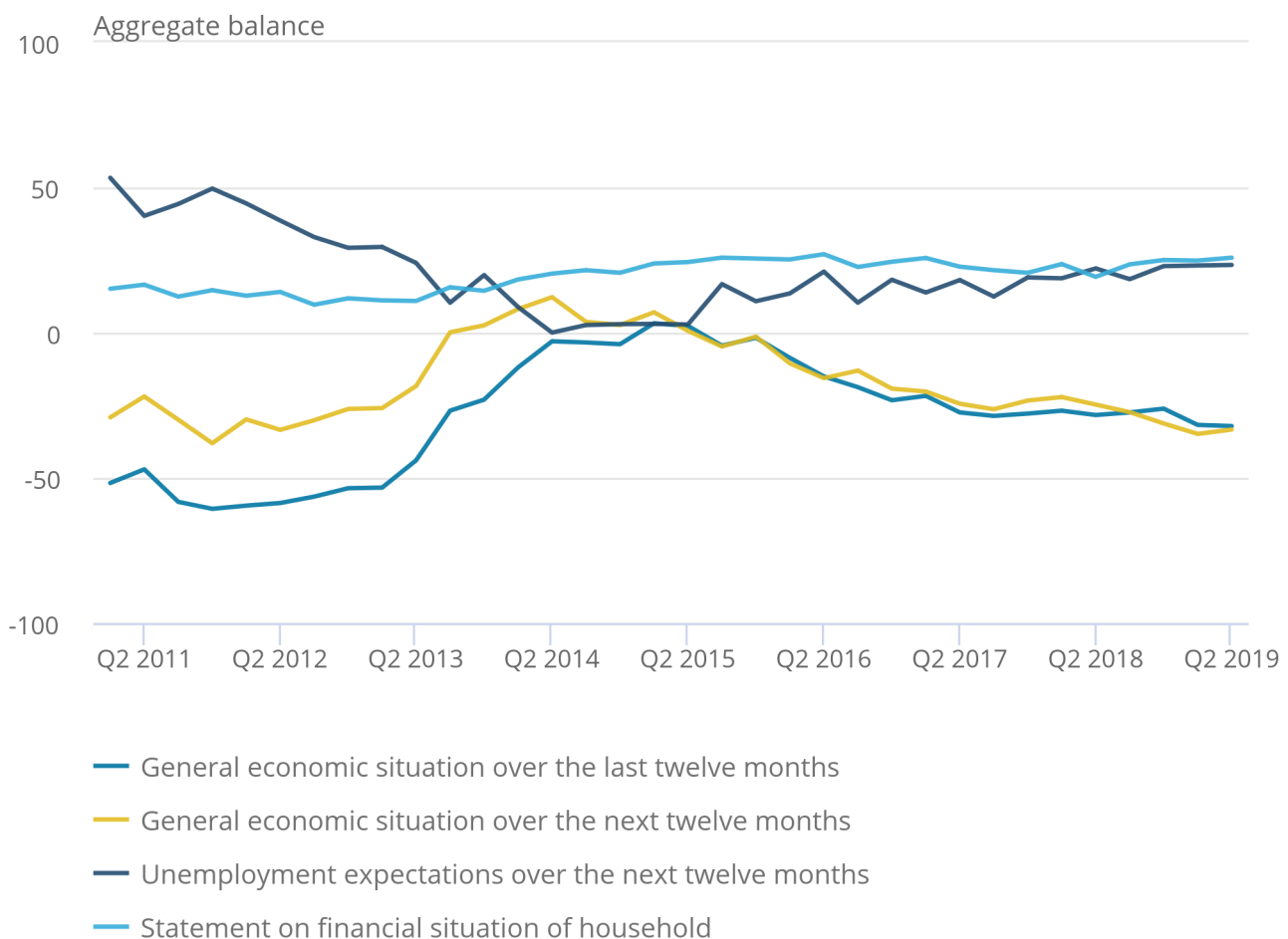
Source: European Commission - Eurobarometer Consumer Survey

Notes:

1. The source is the Eurobarometer Consumer Survey, which is collected by GFK (Growth from Knowledge) for the European Commission.

2. A negative balance means that, on average, respondents expected the general economic situation to worsen. A positive balance means they expect it improved and a zero balance indicates no change.

People's perceptions of their personal financial situation remained positive in the second quarter of 2019. This is in keeping with the continued improvement in a range of household finance measures as seen in Section 3. Despite this, expectations of the general economic situation for the next year continued to be negative as they have been since Quarter 3 (July to Sept) 2015.

Although the unemployment rate increased slightly in Quarter 2 (Apr to June) 2019 compared with the previous quarter (by 0.1 percentage points), it remained at historically low levels. This was not reflected in people's own subjective assessments, as expectations for increasing unemployment in the year ahead continued to climb and reached their highest level since Quarter 2 (Apr to June) 2013.

6 . Personal and economic well-being data

Quarterly personal well-being estimates - Seasonally Adjusted

Dataset | Released 14 November

Experimental seasonally adjusted quarterly estimates of life satisfaction, worthwhile, happiness and anxiety in the UK.

Quarterly personal well-being estimates - Non-seasonally Adjusted

Dataset | Released on 14 November 2019

Experimental quarterly statistics of life satisfaction, feeling that the things done in life are worthwhile, happiness and anxiety in the UK.

Quality information for quarterly personal well-being estimates

Dataset | Released on 14 November 2019

Confidence intervals and sample sizes for experimental quarterly statistics of life satisfaction, feeling that the things done in life are worthwhile, happiness and anxiety in the UK.

Annual personal well-being estimates

Dataset | Released on 14 November 2019

Annual estimates of life satisfaction, feeling that the things done in life are worthwhile, happiness and anxiety in the UK.

Quality information for annual personal well-being estimates

Dataset | Released on 14 November 2019

Confidence intervals and sample sizes for annual estimates of life satisfaction, feeling that the things done in life are worthwhile, happiness and anxiety in the UK.

Economic well-being estimates

Dataset | Released on 14 November 2019

Estimates of economic well-being, including household income, spending and wealth, distribution of wealth and income, whole economy wealth, and unemployment.

7 . Glossary

Economic well-being

Our economic well-being measures present 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).

Personal well-being

Our personal well-being measures ask people to evaluate, on a scale of 0 to 10, how satisfied they are with their life overall, whether they feel they have meaning and purpose in their life, and about their emotions (happiness and anxiety) during a particular period.

Thresholds

Thresholds are used to present dispersion in the data. For the life satisfaction, worthwhile and happiness questions, ratings are grouped in the following way:

- 0 to 4 (low)

- 5 to 6 (medium)

- 7 to 8 (high)

- 9 to 10 (very high)

For the anxiety question, ratings are grouped differently to reflect the fact that higher anxiety is associated with lower personal well-being. The ratings for anxiety are grouped as follows:

- 0 to 1 (very low)

- 2 to 3 (low)

- 4 to 5 (medium)

- 6 to 10 (high)

8 . Measuring the data

Data sources

The data underpinning the personal and economic well-being indicators come from various sources with different timeliness and coverage. This release is based on the most recent data available as of November 2019. The personal well-being estimates are from the Annual Population Survey (APS), which is a continuous household survey, covering the UK, with the aim of providing estimates between censuses of important social and labour market variables at a local area level.

The economic well-being estimates are from the UK Economic Accounts, which aim to provide detailed estimates of national product, income and expenditure, UK sector accounts and UK balance of payments. The economic expectations estimates are sourced from the Eurobarometer Consumer Survey, which is collected by GFK (Growth from Knowledge) for the European Commission. The questions included in the survey (PDF, 285KB) provide information on the general perception of the financial and economic situation.

Measuring "people and prosperity"

In November 2010, we set up the Measuring National Well-being programme to monitor and report UK progress by producing accepted and trusted measures of the well-being of the nation. We have pioneered the measurement of well-being in the UK in addition to traditional measures of prosperity, enabling policymakers to make better, well-informed decisions. We have also been monitoring economic well-being by assessing how households are faring using measures of household wealth and disposable income.

Traditionally, we reported our quarterly updates on personal well-being and economic well-being in separate publications; however, a recent user feedback survey suggested the need for more in-depth analysis on the relationship between personal and economic well-being.

In February 2019, we introduced a new series on "people and prosperity" as part of our "Beyond GDP" initiative bringing together personal and economic well-being for the first time. The aim is to provide timely, quarterly indicators and analysis of household financial health as well as personal well-being. In measuring economic growth, we want to know the extent to which it affects different groups in society. This will make it easier for policymakers and other users to consider questions such as whether changes in the size of the economy, and the distribution of that income, are reflected in our personal well-being.

Quality and methodology information

The Personal well-being in the UK Quality and Methodology Information report contains important information on the strengths and limitations and uses of the data as well as how outputs are created, and the quality and accuracy of those outputs. For more information on personal well-being, please see the Personal well-being user guidance and Harmonised principles of personal well-being.

The framework and indicators for economic well-being used in this release were outlined in Economic Well-being, Framework and Indicators, published in November 2014. Basic quality and methodology information for all economic well-being indicators included in this statistical bulletin is available from:

- Gross domestic product (GDP) 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 on household income Quality and Methodology information report

- Labour Force Survey (LFS) Quality and Methodology Information report

Interpreting the term "aggregate balance"

Aggregate balance is a measure which shows the difference between positive and negative answering options, measured as percentage points of total answers. For example, if there are six options: "very positive", "positive", "stayed the same", "negative", "very negative" and "don't know", with PP, P, S, N, NN and D representing the respective percentages of respondents choosing these options, the aggregate balance (AB) is calculated as follows:

$$AB=(PP+0.5*P)–(0.5*N+NN)$$

Therefore, the aggregate balance is a scale from negative 100 (where all respondents chose "very negative") to positive 100 (where all respondents chose "very positive"). See section 3.3 of the Eurobarometer User Guide for more information.

Feedback and future publications

In February 2019, alongside our previous publication, we launched a survey to gather user feedback about our personal and economic well-being outputs. Users told us that our work fitted their requirements well – the language used, analytical detail and visual analyses met their needs. But the feedback also highlighted ways in which we could improve the quality and usability of our outputs such as shortening the length of bulletins. Additionally, there were requests to focus on more in-depth analysis, such as more insights into regional data and inequalities, and providing more information or explanation of more technical aspects.

Over the coming months, we will continue to address feedback and engage further with our users to improve the usability and usefulness of our work. We also aim to better promote our well-being dashboard and explore opportunities to improve our interactive tools. Your feedback will be very valuable in making our results useful and accessible. If you have any questions, please contact us at PeopleAndProsperity@ons.gov.uk.

9 . Strengths and limitations

Data quality

This is the first time that we are publishing quarterly data for the personal well-being figures as Experimental Statistics. The aim is to use the quarterly data to explore short-term changes in personal well-being by looking at fluctuation over the years and comparisons over quarters one year apart. Additionally, using quarterly estimates has the benefit of being more comparable with the economic well-being estimates which use quarterly data for its indicators.

Seasonal adjustment

The data published for our quarterly personal well-being figures are all seasonally adjusted (although non-seasonally adjusted estimates are also available). This aids interpretation by removing recurring fluctuations caused, for example, by holidays or other seasonal patterns. Further information on the seasonality in the quarterly personal well-being can be found in the accompanying Technical report: personal well-being quarterly estimates.

Annual Population Survey data reweighting

Weighting answers to survey questions ensures that estimates are representative of the target population. Each person in the survey data has a "weight", the number of people that person represents in the population, which is used to produce estimates for the population. More accurate weighting is based on the latest available population estimates for that time period. When new population estimates become available, data can be reweighted to ensure better representation and so precision of estimates. For greater accuracy, it is common practice to revise previously published estimates when new weights become available. Based on new population estimates, new well-being weights have been available for the Annual Population Survey (APS) data since March 2019. We have used this reweighted data to produce our quarterly personal well-being estimates and our annual personal well-being estimates for the years ending June 2012 to 2019 at the UK level. The reweighted data for the years ending September 2012 to 2019 will be available in our upcoming publication early next year.

Statistical significance

Please note that:

- any changes mentioned in this publication are "statistically significant"

- the statistical significance of differences noted within the release are determined based on non-overlapping confidence intervals

- comparisons have been based on unrounded data

10 . Related links

Personal well-being quarterly estimates technical report

Methodology | Released on 14 November 2019

Description of the statistical methods and techniques used to create and analyse quarterly estimates for personal well-being in the UK. This is the first time that we are publishing quarterly data for the personal well-being figures as Experimental Statistics, providing a more timely picture comparable with economic well-being statistics.

Personal well-being in the UK: April 2018 to March 2019

Bulletin | Released on 23 October 2019

Estimates of life satisfaction, feeling that the things done in life are worthwhile, happiness and anxiety at the UK, country, regional, county and local authority level.

Personal and economic well-being: what matters most to our life satisfaction?

Article | Released on 15 May 2019

Examines how socio-demographic and economic factors are associated with life satisfaction. These factors include sex, age, health, marital and economic status as well as household income and expenditure.

[Beyond GDP: How ONS is developing wider measures of well-being](#)

Article | 4 February 2019

A summary of how ONS is continuing to develop new ways of measuring and reporting the UK's economic and social progress and an introduction to the Personal and economic well-being publication.