Policy Insights
Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)
OECD

In Brief: How's Life? 2024

November 2024

How have recent global crises impacted well-being across OECD countries? *How's Life? 2024 Well-being and Resilience in Times of Crisis* (OECD, 2024[1]) – the 6th edition of the *How's Life*? report series – presents the latest insights from over 80 indicators in the OECD Well-being Framework, assessing social, economic, and environmental outcomes that matter most to people's lives. It identifies current social, inclusion and sustainability challenges, and highlights key policy areas and emerging risks needing further attention. The main findings of this report are summarised in this policy paper. Detailed well-being results for each OECD country are available in the online country profiles accompanying this report.

KEY MESSAGES

- **Relying on only economic metrics to assess crisis recovery and monitor societal progress – including the outcomes of policy choices – yields an incomplete picture**. Far-reaching government interventions across OECD countries have cushioned the economic impacts of the COVID-19 pandemic and recent high inflation, including mitigating average income and employment shocks. However, data on housing costs and people's assessments of their financial circumstances suggest that cost-of-living pressures may still be widespread, especially for the most vulnerable households. Key non-economic aspects of well-being, in health, social connections and subjective well-being, have either worsened since 2019 or are exhibiting signs of downward risks, should their current trajectory continue.
- **Stronger action is needed to maintain today's well-being for future generations**. Despite accelerated action on climate change, reductions in greenhouse gas emissions are insufficient to keep global warming at bay. Previous progress in recycling rates and the creation of protected areas across OECD countries has slowed since 2019, while population exposure to extreme heat and biodiversity risks have increased. Growth in countries' stock of buildings, machinery, and infrastructure has accelerated in most OECD countries, but trajectories regarding the financial net worth of government are diverging and average trust in institutions is starting to decline from its peak in the early years of the COVID-19 crisis.
- **Inequalities in well-being remain striking, though some gaps have narrowed**. Inequalities in well-being across gender, age and education run deep. Over the past decade, the majority of gender and age gaps have narrowed, often following more sustained improvements for the most disadvantaged. However, in some cases, outcomes worsened especially for those (previously) faring better, for instance in the subjective well-being and social connectedness of youth.
- **A multidimensional, people-focused and forward-looking well-being approach can help navigate an increasingly complex world**. Balanced strategies which consider a range of economic, social and environmental outcomes, and the potential trade-offs and synergies between them, can help direct government action to where it is most needed in the context of the digital, demographic and green transitions. For this, policy makers also need to develop the tools and processes to systematically reflect such well-being evidence in policy decisions.

Are current policies delivering for people, the planet and future generations?

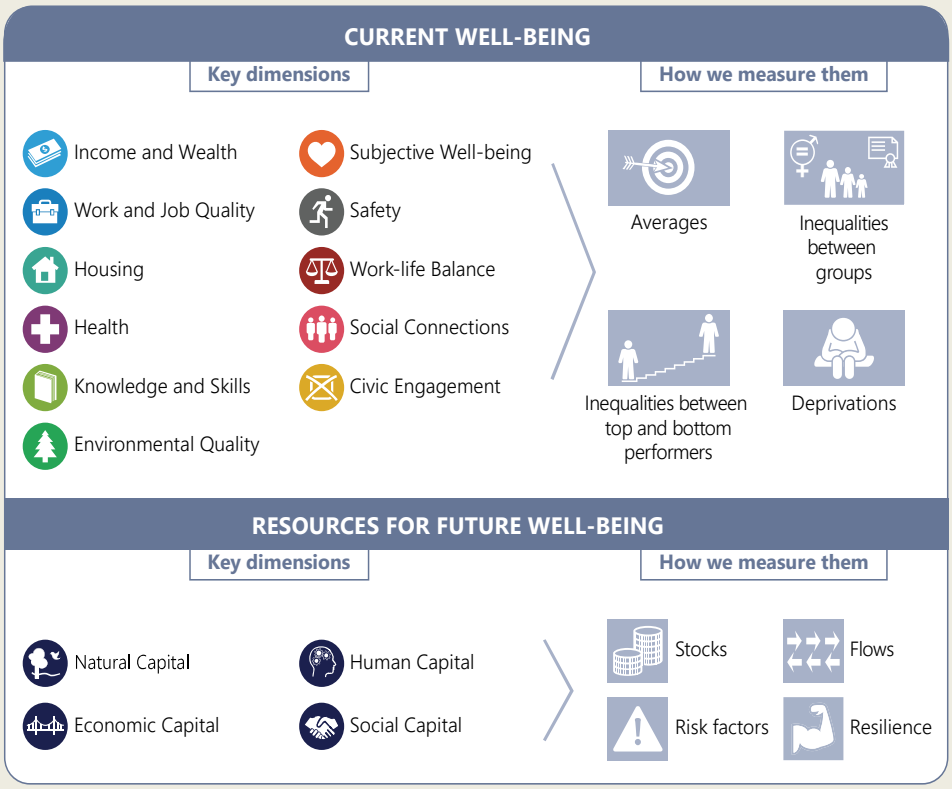
The COVID-19 pandemic, cost-of-living crisis, and emerging geopolitical risks and conflicts have significantly disrupted economies and impacted people's lives. The *How's Life?* series provides a compass to understand how well economies and societies are navigating these interconnected challenges, focusing on the social, economic, and environmental outcomes that matter most to people. Grounded in the OECD's pioneering Well-being Framework (Box 1), this 6th edition highlights areas in need of policy attention by comparing trends in well-being over the medium term (since around 2010) and during the recent period of polycrises (since 2019).

Box 1. The OECD Well-being Framework

Since 2011, the OECD Well-being Framework has guided the Organisation's work to monitor people-focused, inclusive and sustainable progress "beyond GDP". The Framework encompasses (1) well-being outcomes for households and individuals, including their material conditions, quality of life and community relationships; (2) the distribution of these outcomes across the population; and (3) the systemic resources – natural, economic, social and human capital – that support well-being for future generations (Figure 1).

A publicly available dashboard of over 80 indicators underpins this Framework, covering all OECD Member and selected partner countries, with data dating back to 2004 and updated quarterly.

Figure 1. The OECD Well-being Framework

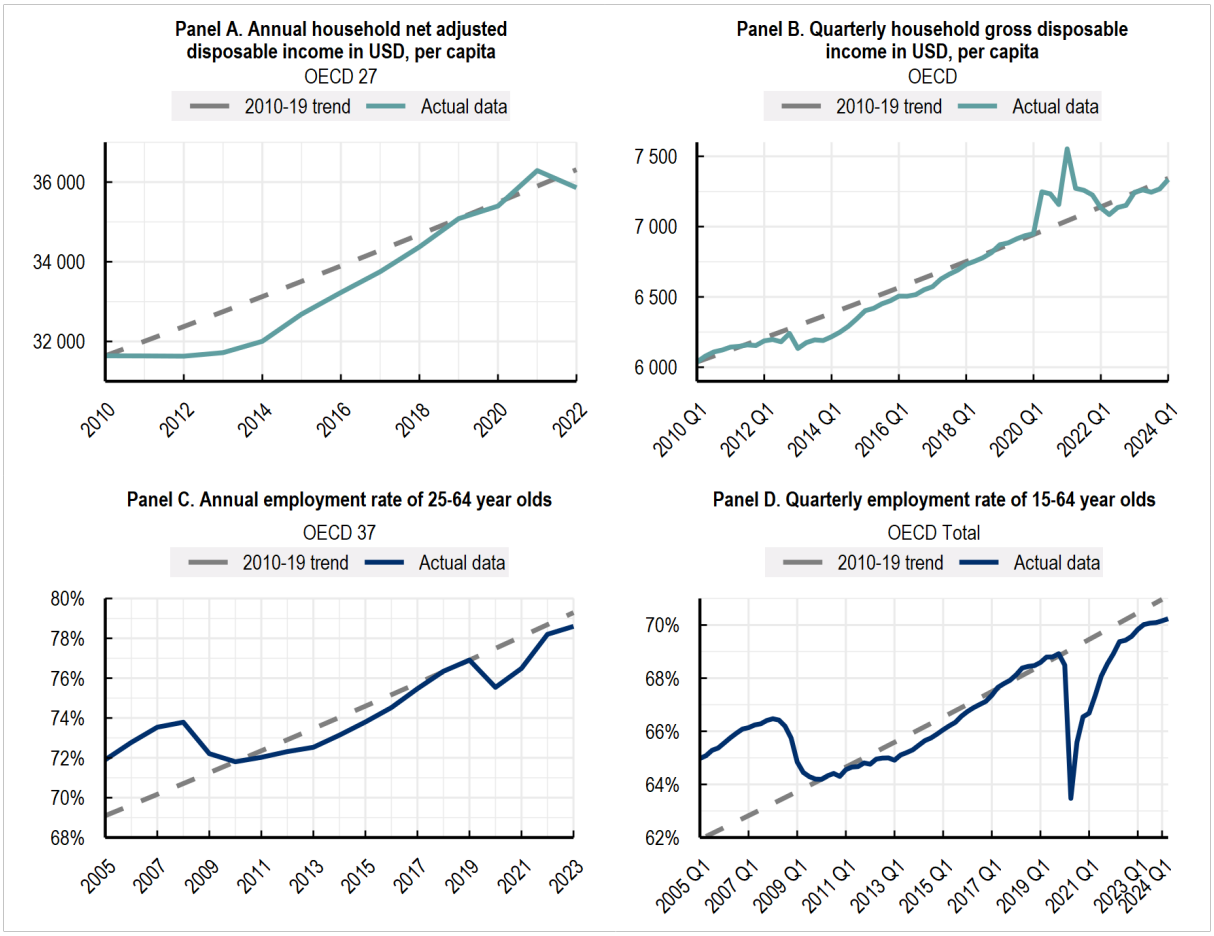


Source: (OECD, 2020[2]) How's Life? 2020: Measuring Well-being, OECD Publishing, Paris, https://doi.org/10.1787/9870c393-en.

Average incomes and employment outcomes have proven resilient to recent crises, but cost-of-living pressures remain significant for many households

OECD governments implemented swift and extensive measures to mitigate the financial shocks to households and business caused by the COVID-19 pandemic and the cost-of-living crisis. As a result of these far-reaching interventions aimed at cushioning the economic impact, average incomes and employment outcomes have shown resilience. Mean disposable household income across OECD countries – which averaged at USD 35 200 per capita in 2022– was sustained in real terms when compared to its trajectory over the past decade (Figure 2, Panel A) and did not decline significantly below pre-COVID levels in any Member country (OECD, 2024[1]). After an initial drop in the first half of 2020, OECD average employment rates were at historical highs in 2023 (Figure 2, Panel C). While not directly comparable with the annual estimates, quarterly data on income and employment through early 2024 further confirm these trends (Figure 2, Panels B and D).

Figure 2. Positive trends in average household incomes and employment

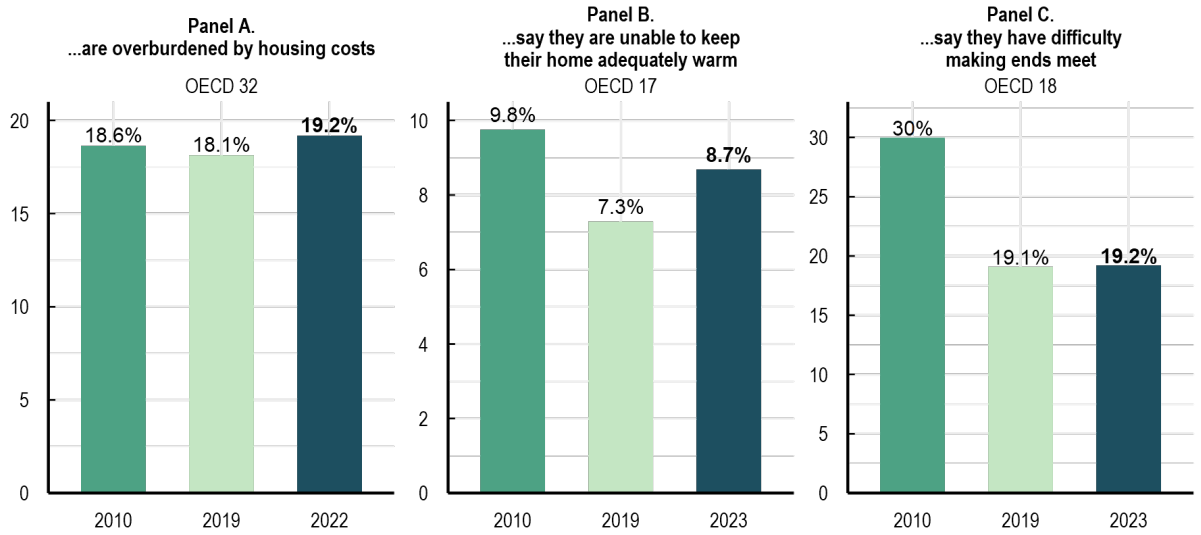


Note: Data are measured in USD at 2021 Purchasing Power Parities (PPPs) for actual individual consumption in Panel A and in USD at 2015 PPPs for private consumption in Panel B. For further details on Panel B OECD Total calculations, refer to this methodological note. In Panels A and C, the 2010-19 trend is the extrapolated 2010-2022/23 series obtained applying the 2010-19 compound average growth rate starting with the 2010 actual value. Annual and quarterly data for both household income and the employment rate shown here are not directly comparable.
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

At the same time, following several years of economic insecurity, cost-of-living pressures remain substantial for many households, particularly the most vulnerable. In 2022, nearly one in five low-income households across OECD countries spent over 40% of their disposable income on housing costs. Compared to 2019, the OECD average for this "housing cost overburden" has started to increase, with a third of OECD countries experiencing a significant worsening of the situation (Figure 3, Panel A) (OECD, 2024[1]). Data that capture how people assess and feel about their own circumstances also indicate the impact of the cost-of-living crisis may be more widespread than suggested by more conventional metrics: by 2023, one in 11 people in European OECD countries reported being unable to keep their homes adequately warm, up from one in 14 in 2019 (Figure 3, Panel B). In the decade prior to the pandemic, the average share of people saying they have difficulty making ends meet fell substantially across OECD countries, from 30% to 19%. This progress has now slowed markedly, and almost 1 in 5 people are still reporting financial difficulties in 2023 (Figure 3, Panel C).

Figure 3. Warning signs in housing costs and people's own experience of their financial situation

Percentage of people across OECD countries that…



Note: Housing cost overburden refers to the percentage of households in the bottom 40% of the income distribution spending over 40% of their disposable income on housing (i.e. rent and mortgage costs).
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

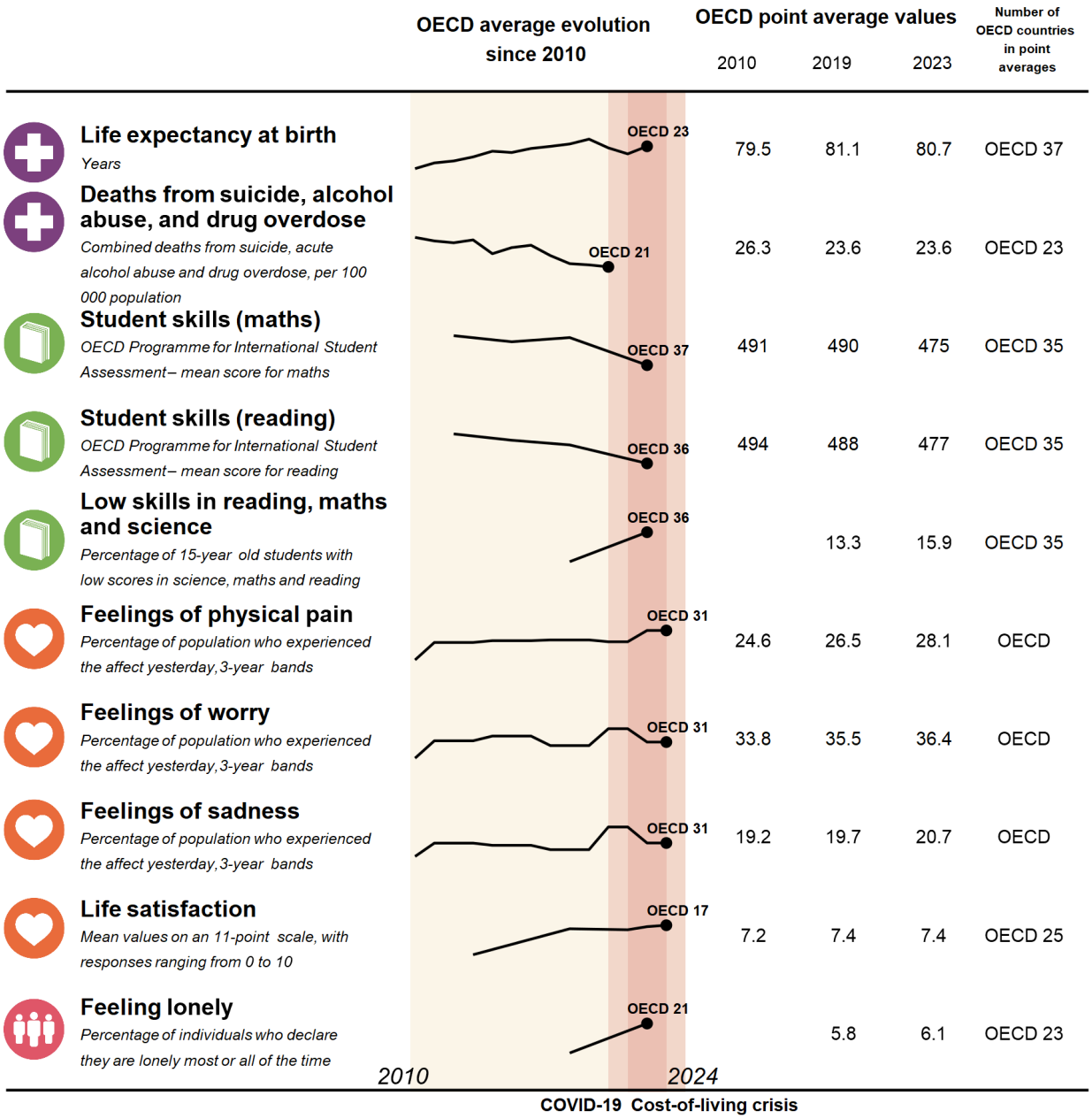
Potential risks are emerging in non-economic aspects of well-being

Key non-economic aspects of people's well-being have either worsened since 2019 or are exhibiting signs of downward risks, should their current trajectory continue.

The COVID-19 pandemic, as widely documented, negatively impacted health outcomes and student performance. Average life expectancy across OECD countries dropped by nearly half a year, from 81.1 to 80.7 years between 2019 and 2022, largely due to excess deaths and, in some countries, increased opioid use (Figure 4). After a decade of sustained reductions, "deaths of despair" – from suicide, acute alcohol abuse, and drug overdoses – have stagnated, with an average of 23.6 deaths per 100 000 people across OECD countries in 2021, matching 2019 levels (Figure 4). Additionally, pandemic-related disruptions to learning environments in schools significantly worsened student math and reading skills, as tested in the PISA study, and the OECD average share of 15-year-olds with low scores in all PISA subjects rose from 13% in 2018 to 16% in 2022 (Figure 4).

Figure 4. Mixed picture on health, student skills, subjective well-being and social connections in recent years

Selected quality of life and community relations indicators, OECD average, 2010-23 or latest available year

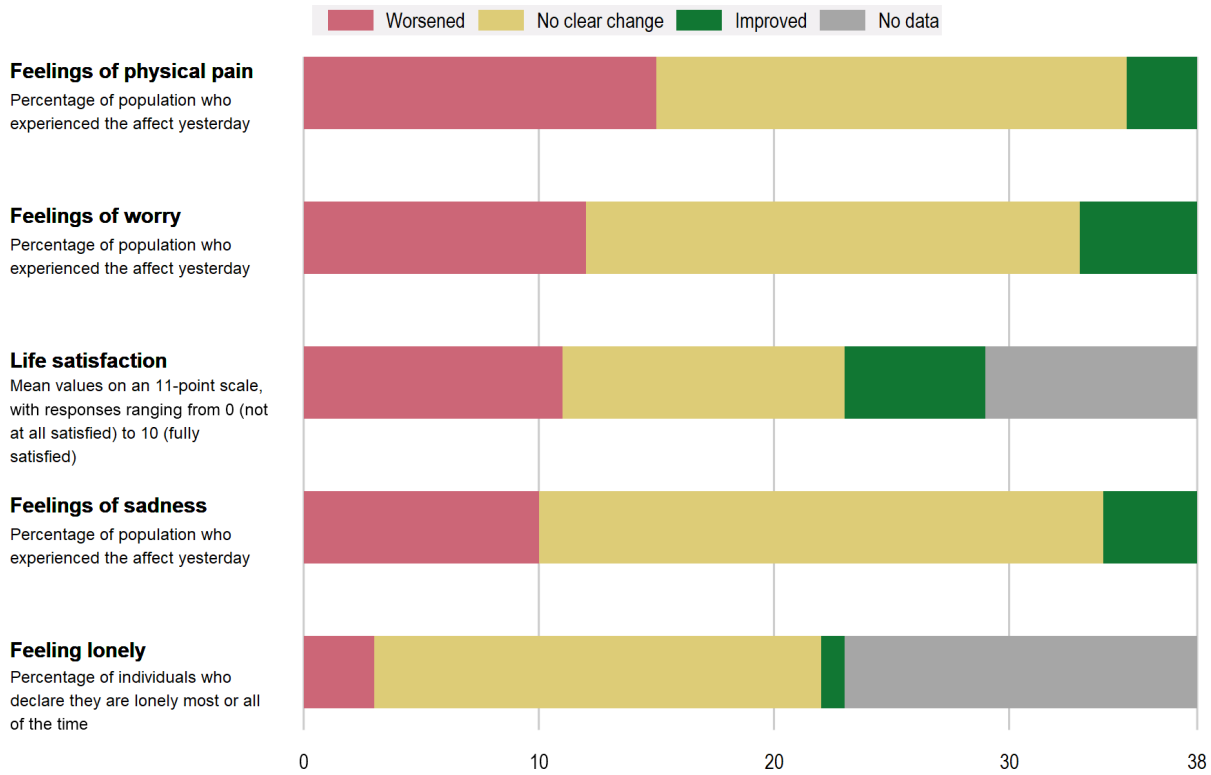


Note: 2010 refers to 2010 or the earliest year available (between 2010-15); 2019 refers to 2019 or the closest pre-pandemic year available (between 2016-19); 2023 refers to 2023 or the latest year available (between 2020-23). The trendlines in the OECD average evolution since 2010 refer to only those countries with data available for every year shown in order to keep the sample constant across all years. This means that only countries with a complete time series are included and the time series are not always directly comparable with the point averages.
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

Warning signs regarding how people feel about their lives and about the quality of their relationships should also be on the radar of policymakers. In 2023, approximately one-third of people across OECD countries reported experiencing a lot of pain or worry on the previous day, while nearly one-fifth indicated feeling considerable sadness (Figure 4). In the same year, the prevalence of loneliness ranged from 4 to 14% in countries with available data (Figure 4). Compared to pre-pandemic levels, feelings of pain, worry, sadness and loneliness worsened in more OECD countries than have seen improvements, and life satisfaction either stagnated or deteriorated in the majority of Member states (Figure 5).

Figure 5. Since 2019, declines in subjective well-being and social connectedness were more common than improvements

Number of OECD countries in which selected well-being indicators "…." between 2019 – latest available year



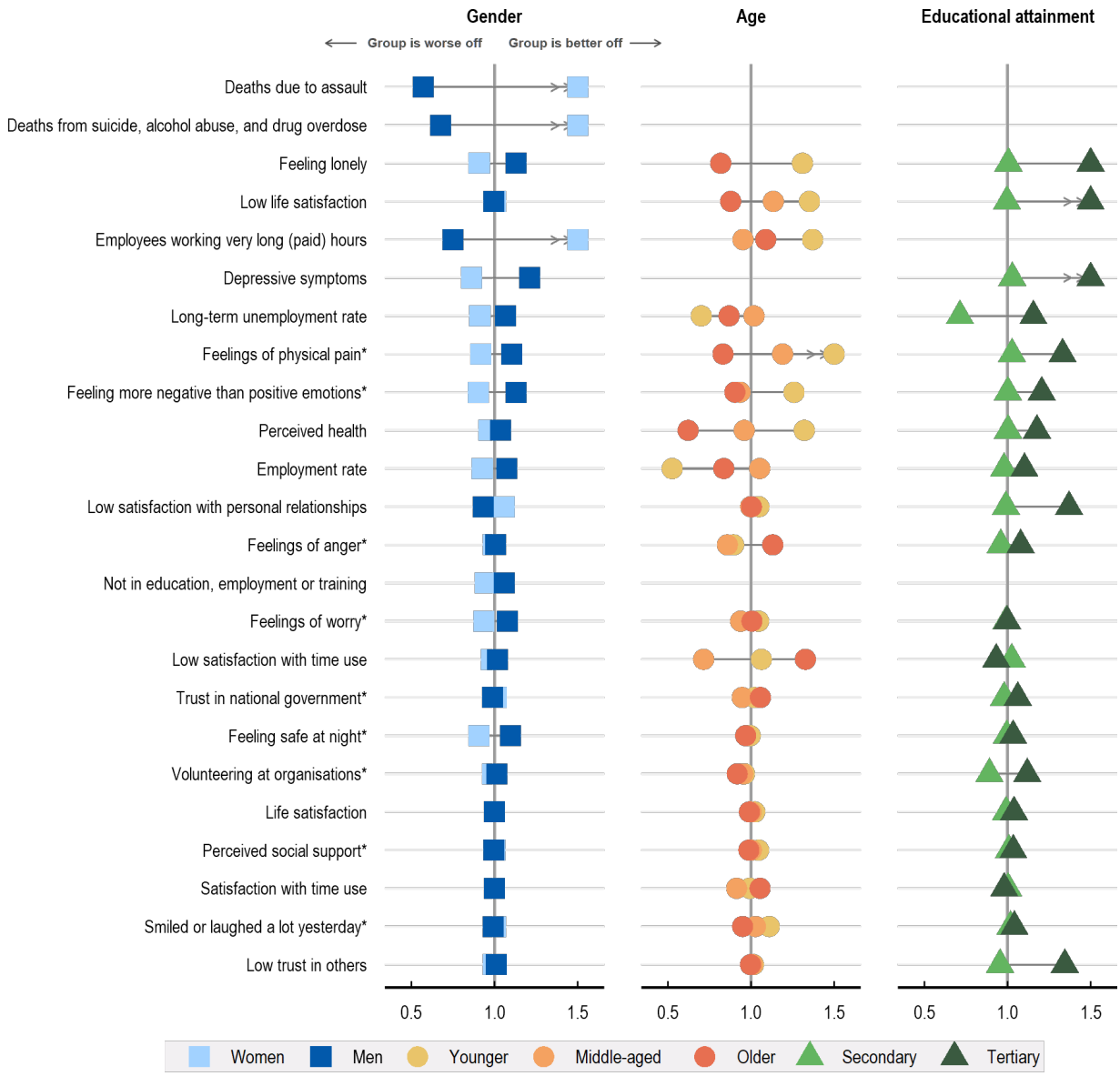
Note: Direction of change is established with respect to indicator-specific thresholds for meaningful change, which are +/- 3 percentage points for feelings of pain, worry and sadness, 1.5 percentage point for loneliness and 0.2 scale points for life satisfaction. See the Reader's Guide of *How's Life? 2024* for more details.
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

Well-being inequalities between population groups remain pronounced, though some gaps have narrowed over the past decade

Focusing solely on averages can mask inequalities in people's circumstances and experiences, and indeed, wide gaps in well-being outcomes exist between population groups. *How's Life? 2024* considers gaps by gender, age and educational attainment (Figure 6).

Figure 6. Well-being inequalities by gender, age and education run deep

Distance from parity with the population average for selected well-being outcomes, by population group, 2023 or latest available year, OECD average



Note: Values refer to the ratio of outcomes for a specific population group relative to the population average. Indicators are scored relative to their direction for well-being. In order to show the gap size for all indicators, ratios that fall outside of the figure's scale are set to 0.5 or 1.5 and are marked by << or >>. Indicators marked with * refer to data pooled over different time periods for gender (2 or 3-year bands), educational attainment (5-year bands) and age (7-year bands). Age ranges differ according to each indicator and are only broadly comparable – they generally refer to 15-24/29 years for younger people, 25/30 to 45/54 years for the middle-aged and 50 years or over for older people. For sample size reasons, people with only a primary level of education are not shown as a separate group in this figure but are included in the calculation of the total population average.
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

Men and women in OECD countries face distinct challenges to their well-being (Figure 6). On average, women are less likely than men to be employed, yet they work longer hours when both paid and unpaid labour are considered. They also tend to experience lower quality of life in several areas: they perceive their health as worse, are more likely to experience more negative than positive emotions (including physical pain), to be lonely, and to feel less safe in their neighbourhoods at night. In contrast, men typically have shorter life expectancies, report lower satisfaction with personal relationships, and are more likely to work long hours in paid employment. Additionally, men are significantly more at risk of death due to homicide, suicide, drug overdose, or acute alcohol abuse.

In terms of well-being across age groups in OECD countries, younger people generally fare better in areas such as health, subjective well-being (with the exception of feeling anger), and certain aspects of social connectedness (Figure 6). Middle-aged adults, meanwhile, are more likely to be employed and feel safer, while older individuals tend to trust their government more and experience less anger. Some of these differences can be functions of age itself, such as health and career trajectories as well as higher likelihood of having experienced major life events. Therefore, it is important to examine trends in age-related gaps, rather than only the absolute level of inequalities per se.

Inequalities in well-being are particularly striking for educational background. Across OECD countries, individuals with tertiary education systematically fare better than those who have achieved up to secondary education in nearly all well-being outcomes examined in *How's Life? 2024* (Figure 6). This is the case not only for employment outcomes, where the benefits of higher education are well known, but also for non-material dimensions of well-being. For example, compared to the general population, those with tertiary education are 1.5 times less likely to be lonely and 1.3 times less likely to experience physical pain.

While education-related inequalities in well-being have been persistent, over the past decade the majority of age and gender gaps in well-being have narrowed (Figure 7). In some cases, this is because outcomes improved for all and comparatively more disadvantaged groups started to catch up. For example, women are closing the gap with men for some labour market outcomes (e.g. the employment rate and the share of young people not in education, employment or training) and the share of women feeling safe walking alone at night increased at a higher rate than men's since 2010. Similarly, improvements in the long-term unemployment rate for young people since 2010 doubled those of older age groups.

Yet in other cases, gaps narrowed because outcomes stagnated or worsened, especially for those (previously) faring better (Figure 7). For example, gender inequalities in deaths from suicide, drug abuse or acute alcohol abuse have decreased since 2010 because of fewer male fatalities, while reductions in these deaths of despair deaths have essentially stalled for women over the past decade. Feelings of worry, pain and loneliness worsened in particular for men.

Several age-related gaps in subjective well-being and social connectedness also narrowed over the past decade because younger people experienced the largest relative declines in these aspects of their lives (Figure 7). For instance, the share of younger people saying they smiled or laughed a lot the previous day dropped by 3 percentage points (from 84% in 2010-16 to 81% in 2017-23), while the corresponding drop was only 1.3 percentage points for the middle-aged and 0.8 percentage points for older adults (OECD, 2024[1]). And although older people have overall fewer and weaker social connections than younger age groups, younger people are an emerging risk group to watch: while changes in social connectedness over the past decade were generally small for all groups, the narrowing of the age gap in loneliness or satisfaction with relationships, particularly since COVID-19, has been almost entirely driven by comparatively larger declines for youth. For detailed statistics on trends in well-being inequalities, see Chapter 3 of the full *How's Life? 2024* report.

Figure 7. Many well-being gaps narrowed over the past decade - but not always for the better

Progress for each group and change in population gaps since 2010 until 2023 or the latest available year, OECD average

Note: The gap change columns show the development of the ratio between population groups since 2010 until the latest available year. It is classified as either widening or narrowing if a change of at least ±0.01 points in the ratio between groups has occurred for a specific indicator. The progress columns show the direction of progress made since 2010 until the latest available year for each population group: ↑ signifies improvement and ↓ signifies deterioration with respect to indicator-specific thresholds for meaningful change (see *How's Life? 2024* Reader's Guide for more details) whereas 45-degree arrows (↗ and ↘) denote the relative direction of progress in cases where change was still below a threshold that would be considered meaningful. A shaded arrow cell means the respective change over time for one group was comparatively larger than for the peer. Indicators marked with * refer to data pooled over different time periods for gender (2 or 3-year bands), educational attainment (5-year bands) and age (7-year bands). For sample size reasons, people with only a primary level of education are not shown as a separate group in this figure, but are included in the calculation of the total population average. Age ranges differ according to each indicator and are only broadly comparable – they generally refer to 15-24/29 years for younger people, 25/30 to 45/54 years for the middle-aged, and 50 years or over for older people.

Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

Prioritising sustainability across natural, economic and social systems is key

Addressing today's well-being challenges and inequalities is crucial, but it must be done sustainably to safeguard and expand the foundations for the prosperity and quality of life of future generations. Stronger, more decisive action is needed to ensure progress going forward remains within natural resource limits and that economic, environmental and social policy agendas are aligned.

Investments in economic capital have, in some cases, expanded in recent years. For instance, the OECD average stock of produced fixed assets – comprising buildings, machinery, and infrastructure – reached USD 150 000 per capita in 2022, with growth accelerating since 2019 (Figure 8). This upward trend was driven by significant rises in two-thirds of member countries (OECD, 2024[1]). Although the financial net worth of OECD countries initially dropped in 2020 due to the economic disruption caused by the COVID-19 pandemic, it has since rebounded the levels last seen more than a decade ago (since 13 years) (Figure 8). However, this average improvement conceals growing economic disparities between countries: for example, over the past four years, financial net worth of governments improved in 19 OECD countries but deteriorated in 14 (OECD, 2024[1]).

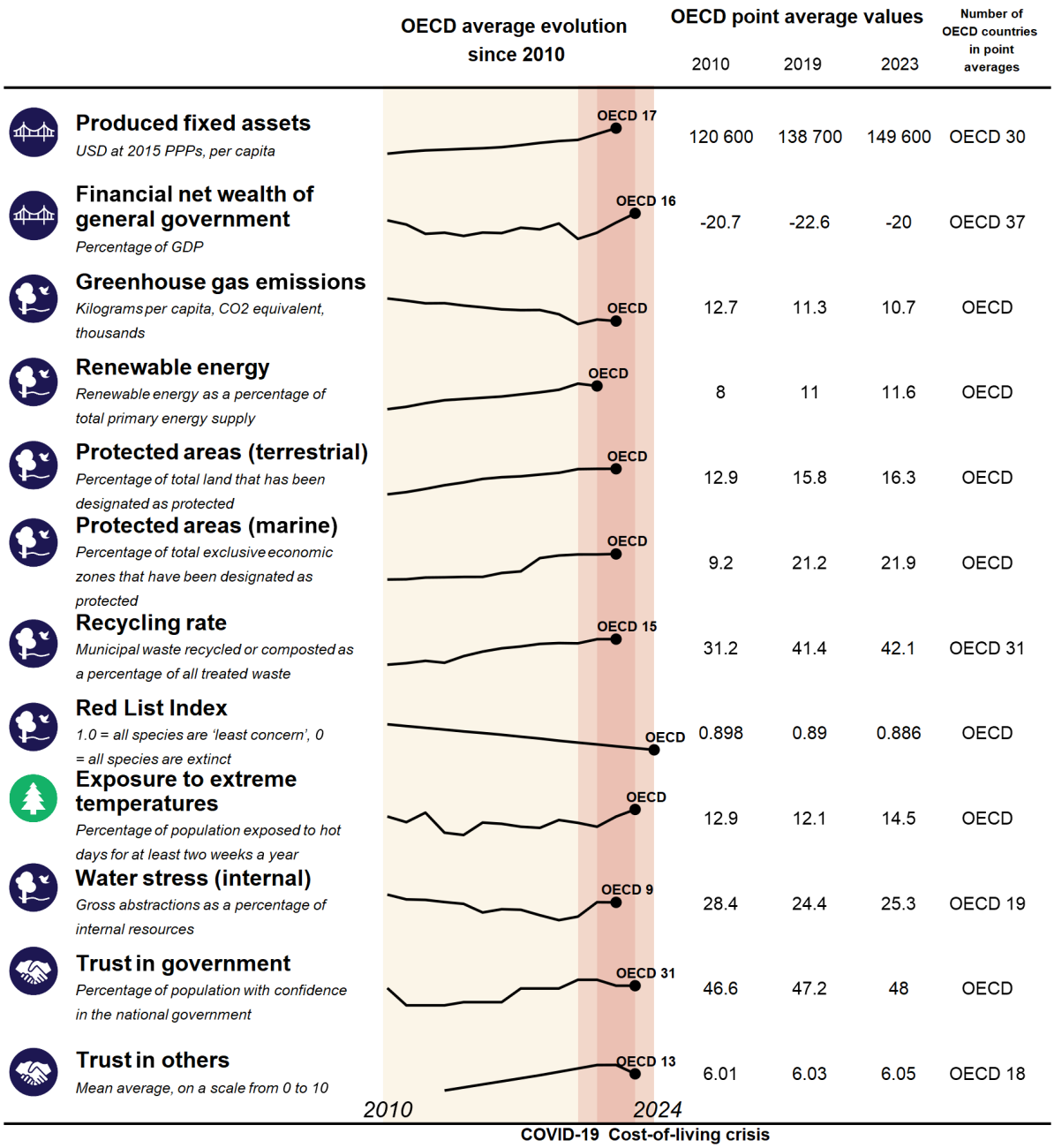
These trends contrast with well-being indicators capturing environmental quality and natural capital stocks (Figure 8). While many OECD governments have accelerated climate action and increased investments in renewable energy, reductions in greenhouse gas emissions are insufficient to meet internationally agreed climate targets and, crucially, to keep global warming at bay. Sustained progress over the past decade in the expansion of both land and marine protected areas and in recovering materials from waste has somewhat slowed compared to 2019.

Meanwhile, in 2023, one in seven people across OECD countries were exposed to extreme heat - meaning days with maximum temperatures over 35°C for at least two weeks a year (Figure 8). Although peaks in temperature vary from year to year, this is significantly higher than a decade ago, when one in eight people experienced extreme heat. In the short-term, since 2019, exposure to extreme heat significantly increased in seven OECD countries and only decreased in one. Almost all increases occurred where exposure to extreme temperature was already above the OECD average (OECD, 2024[1]). Risks to biodiversity, as measured by the Red List Index of threatened species, have risen in the majority of OECD countries compared to both 2010 and to 2019. Average annual water use represented around a fourth of OECD countries' internal water resources in 2022, with water stress (i.e. gross abstractions above 20%) classified as "medium-high" in close to half of the member states with available data (OECD, 2024[1]).

Trust in the public institutions managing the transition to net zero will remove both be necessary to tackle this complex challenge and can only be maintained if this transition also done in a socially sustainable way. In 2022-23, 48% of people across OECD countries said they trusted their national government – a higher share than pre-pandemic levels, but a decline from its peak in the early years of the COVID-19 crisis (Figure 8). Trends over the past four years have been diverging across countries, with trust in government rising in one-third of OECD members and falling in another third between 2017-19 and 2022-23 (OECD, 2024[1]). Levels of trust in other people, another indicator of social capital and known to support positive adaptation to economic and social change, have progressed very little over the past decade across OECD countries (Figure 8).

Figure 8. OECD countries need to do more for – especially environmental – sustainability

Selected economic, natural and social capital indicators, OECD average, 2010-23 or latest available year



Note: 2010 refers to 2010 or the earliest year available (between 2010-15); 2019 refers to 2019 or the closest pre-pandemic year available (between 2016-19); 2023 refers to 2023 or the latest year available (between 2020-23). The trendlines in the OECD average evolution since 2010 refer to only those countries with data available for every year shown in order to keep the sample constant across all years. This means that only countries with a complete time series are included and the time series are not always directly comparable with the point averages. Greenhouse gas emission, renewable energy, protected areas (terrestrial and marine), exposure to extreme temperature and water stress refer to the OECD total.

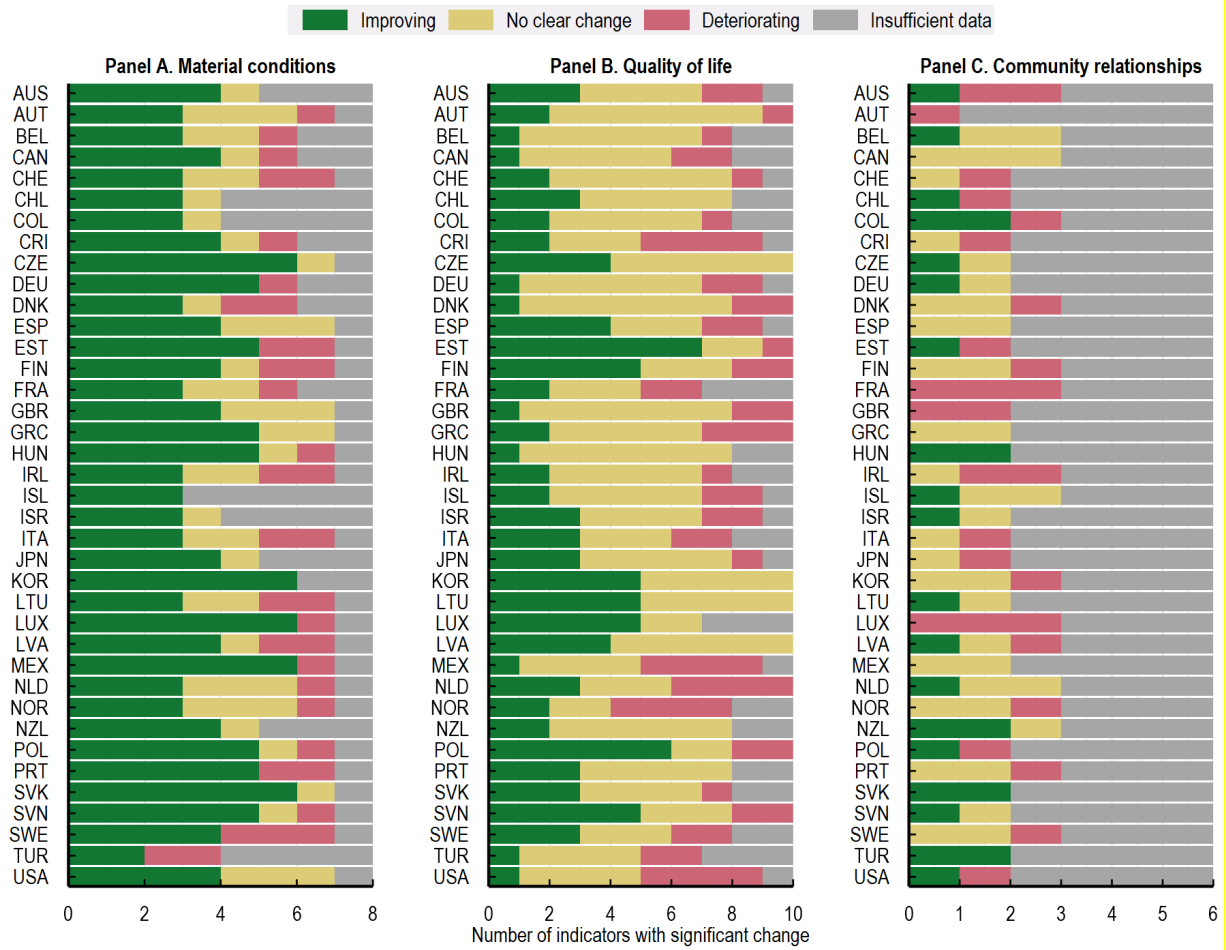
Source: OECD calculations based on the *OECD How's Life? Well-being Database* (n.d.[3]), http://data-explorer.oecd.org/s/fu.

A focus on well-being can help navigate an increasingly complex world

As the findings of *How's Life? 2024* demonstrate, relying on single metrics to assess crisis recovery and monitor societal progress – including the outcomes of policy choices – yields an incomplete picture. This is also visible in country-level data which they show that over the past decade, positive developments did not always translate across the board: OECD countries often improved in one area of well-being but stagnated or worsened in another (Figure 9). This highlights the need for balanced strategies across policy areas which consider a range of economic, social and environmental outcomes, and the potential trade-offs and synergies between them, to help direct government action to where it is most needed.

Figure 9. Uneven progress: OECD countries improving most in material conditions haven't always seen the same progress in quality of life and community relationships, and vice versa

Performance across headline indicators of current well-being, 2010 to 2023 or latest available year, by country



Note: Performance is classified by whether the cumulative change in an indicator is improving, deteriorating or showing no clear change with respect to indicator-specific thresholds (please see *How's Life? 2024* Reader's Guide for more details). Insufficient data refers to indicators that are missing for a country or do not have the necessary time series to calculate trends over time. The latest year refers to the latest available year after 2019. Having no say in the government refers to the change between 2021 and 2023. Within material conditions, no country has sufficient data for household net wealth. Within community relationships, no country has sufficient data for time off, the gender gap in hours worked, and social interactions.

Source: OECD calculations based on the *OECD How's Life? Well-being Database* (OECD, n.d.[3]), http://data-explorer.oecd.org/s/fu.

On the monitoring side, over the past decade national statistical offices across OECD countries have made considerable efforts to improve the international harmonisation of well-being indicators. This includes areas such as subjective well-being and trust, and the 2025 update of the System of National Accounts with a view to reflect unpaid household work, the distribution of income and the depletion of natural capital (OECD, 2023[4]). More recently, the United Nations and the European Parliament have also renewed calls for measures of progress "beyond GDP" in recognition of the multiple and interconnected challenges societies and future generations are facing today (UNECE, 2023[5]; European Parliament, 2023[6]; United Nations, 2024[7]). This will require further investment in core statistical infrastructure to fill remaining well-being data gaps and improve the frequency of its collection.

At the same time, policy makers also need to develop the tools and processes to systematically reflect such well-being evidence in policy decisions, including strategic goal setting, assessing trade-offs and synergies in policy appraisal and impact evaluation, and informing resource allocation. Today, more than two-thirds of OECD countries have developed national frameworks, development plans or surveys with a multidimensional well-being focus, and are increasingly interested in well-being informed policy tools (Barahona, 2023[8]). To better support its members in these efforts, and building on the momentum created in the G7 Finance Track under the Japanese and Italian presidencies in 2023 and 2024, the OECD has created the Knowledge Exchange Platform on Well-being Metrics and Policy Practice (KEP) as a space for peer-learning and innovation sharing for governments (Barahona, 2023[8]). The KEP platform offers an online repository of country well-being initiatives, targeted workshops and substantive research on well-being policy implementation.

Taking a more multidimensional, people-focused and forward-looking approach will be especially important in addressing major societal shifts, from the – as discussed earlier – already very real threat of climate change, to population ageing, to the deep structural transformation of digitalisation and artificial intelligence. Each of these have complex, interactive effects across a wide range of outcomes for people, making integrated evidence on their well-being impacts, and well-coordinated policy responses, essential.

References

Barahona, S. (2023), *Economic Policy Making to Pursue Economic Welfare: OECD Report for the G7 Finance Ministers and Central Bank Governors*, OECD Publishing, Paris, https://doi.org/10.1787/ccc5634c-en. [8]

European Parliament (2023), *Beyond Growth 2023 Conference*, https://www.beyond-growth-2023.eu/ (accessed on 7 May 2024). [6]

OECD (2024), *How's Life? 2024: Well-being and Resilience in Times of Crisis*, OECD Publishing, https://doi.org/10.1787/90ba854a-en. [1]

OECD (2023), *OECD Employment Outlook 2023: Artificial Intelligence and the Labour Market*, OECD Publishing, Paris, https://doi.org/10.1787/08785bba-en. [4]

OECD (2020), *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris, https://doi.org/10.1787/9870c393-en. [2]

OECD (n.d.), *How's Life? Well-being Database*, http://data-explorer.oecd.org/s/fu. [3]

UNECE (2023), *Terms of reference for the Task Force on measurement of well-being*, https://unece.org/statistics/documents/2023/11/working-documents/terms-reference-task-force-measurement-well-being (accessed on 7 May 2024). [5]

United Nations (2024), *Summit of the Future*, https://www.un.org/en/summit-of-the-future. [7]

Resources

Read the report in full: *How's Life? 2024: Well-being and Resilience in Times of Crisis* and find out about well-being in your country in the online detailed *How's Life?* country profiles accompanying this report.

Find out more about the Knowledge Exchange Platform on Well-being Metrics and Policy Practice (KEP).

Contacts

For more information, please contact us: wellbeing@oecd.org

OECD Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)

www.oecd.org/wise

This paper is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and the arguments employed herein do not necessarily reflect the official views of OECD member countries.
This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.
The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at http://www.oecd.org/termsandconditions.