

Measuring Economic Well-being in the UK: Past Experiences & Future Challenges

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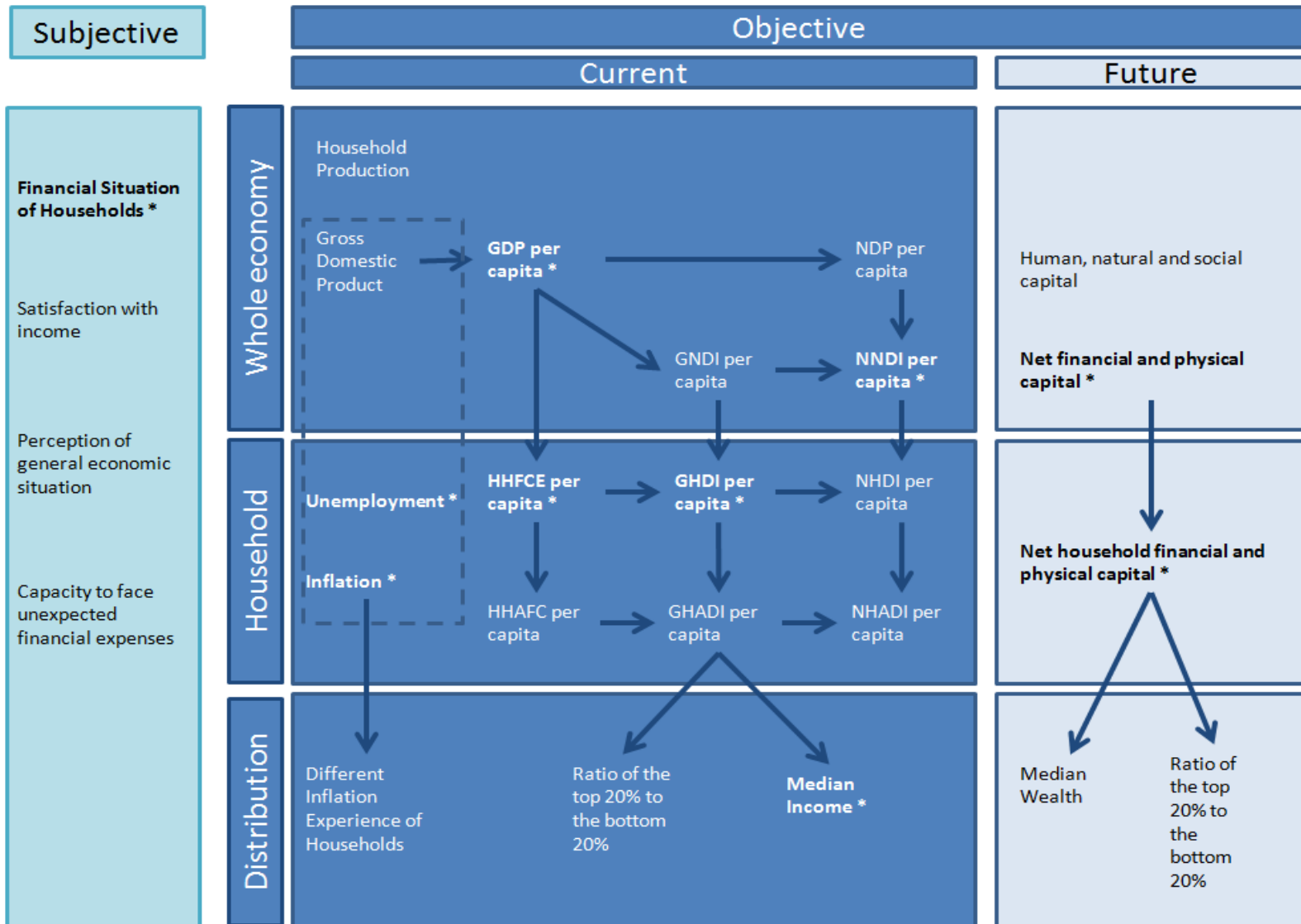
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IARIW-BOK Conference, 26-28 April 2017

Overview

- UK economic well-being framework
- ONS reporting on economic well-being
- Analysis:
 - Economic well-being in the UK
 - International comparisons
- Ongoing developments: Improving the measurement of economic well-being

UK Economic Well-being framework

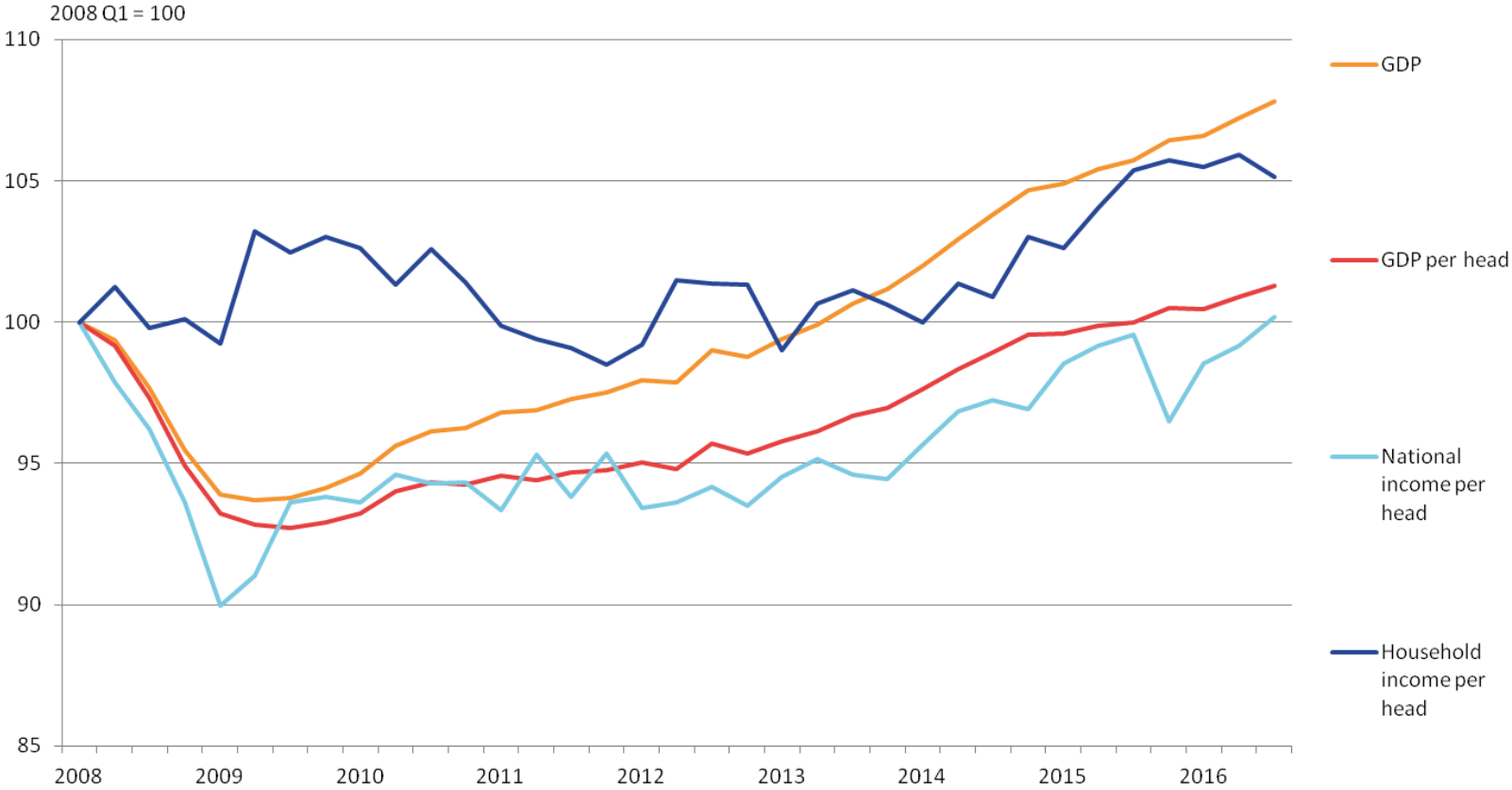


Reporting on Economic Well-being

- Quarterly EWB Statistical Bulletin
 - Published alongside National Accounts... for now
- 10 headline indicators
 - Selection criteria include coverage of framework, timeliness & frequency
- No composite index
- Infographic to be replaced by interactive dashboard June 2017

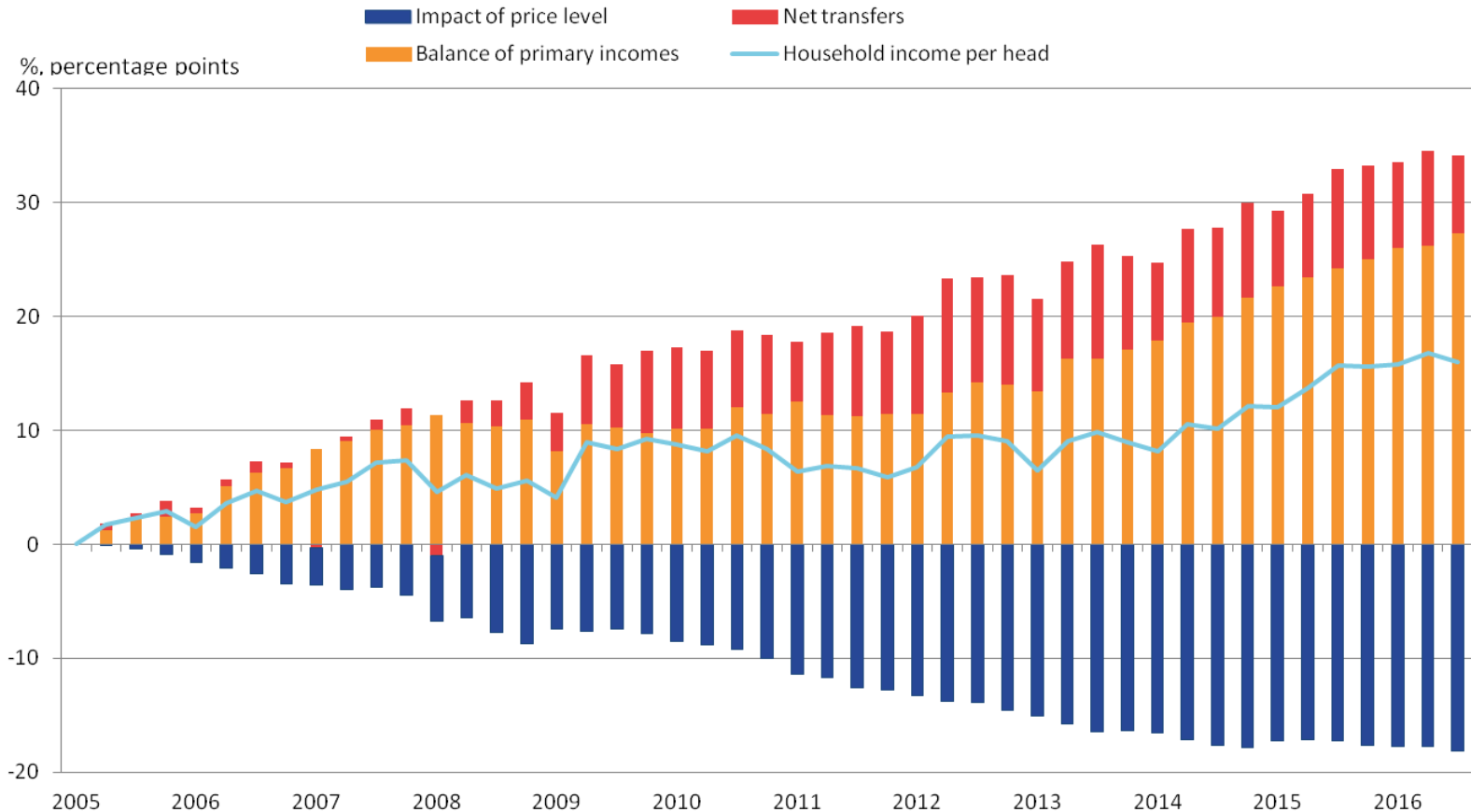


Three measures of EWB (GDP per head, national income per head, and household income per head) compared with GDP, UK, Q1 2008 – Q3 2016



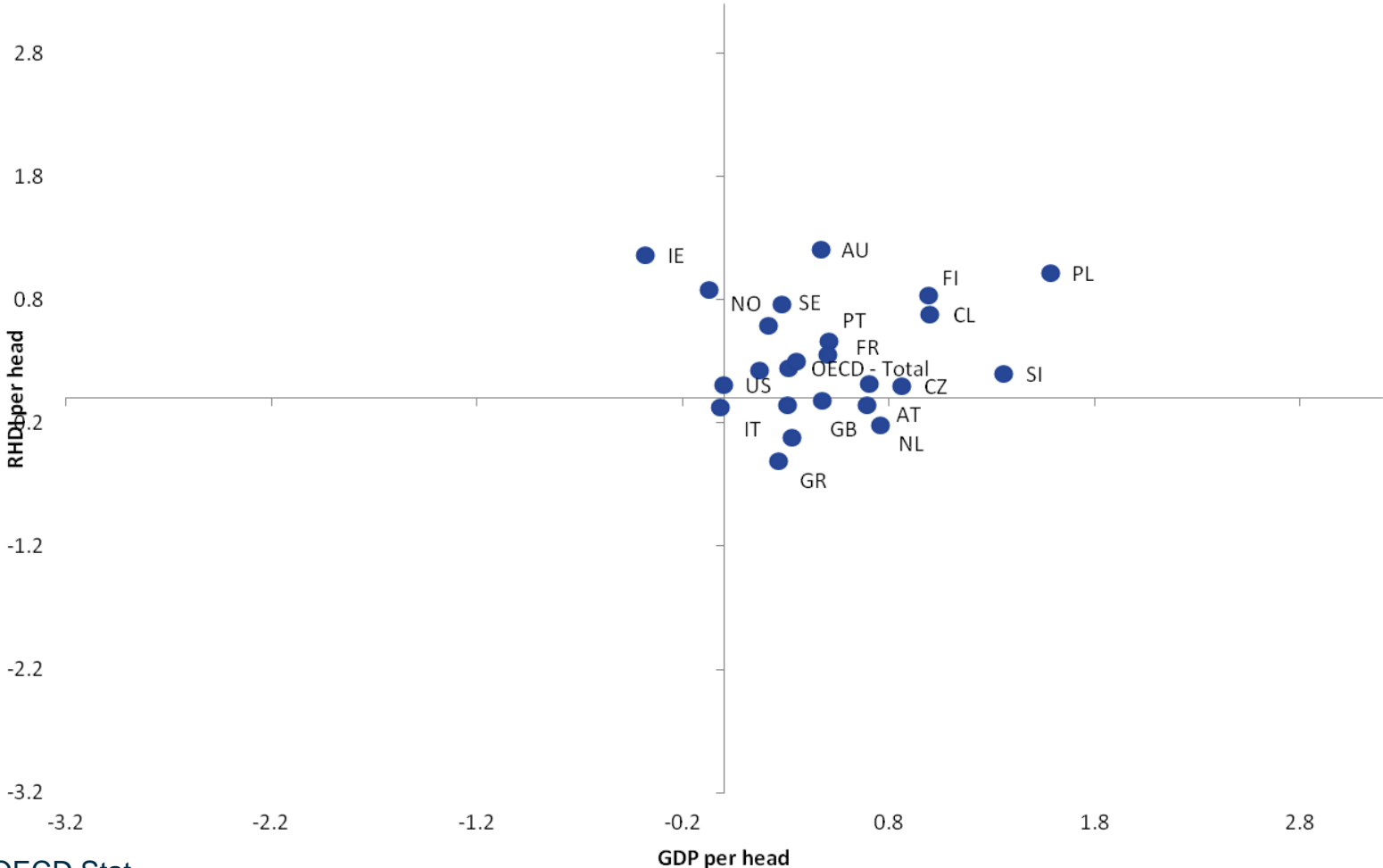
Source: Office for National Statistics

Contributions to cumulative growth in household income per head relative to 2005 Q1 levels, Q1 2005 to Q3 2016.



Changes in household income per head (including NPISH) per head and GDP per head, OECD, Q1 2007 to Q3 2016

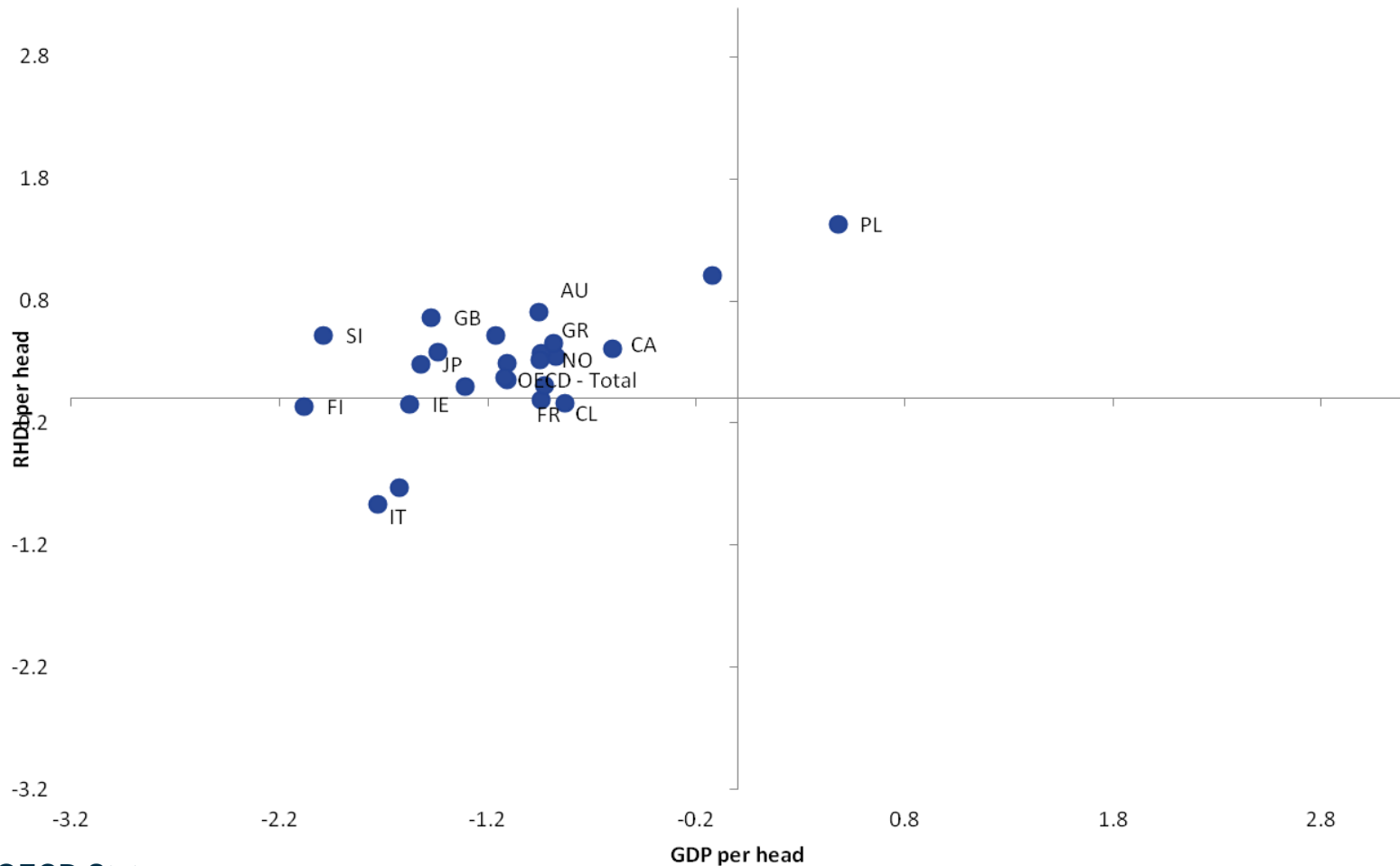
Q1 2007-Q1 2008



Source: OECD.Stat

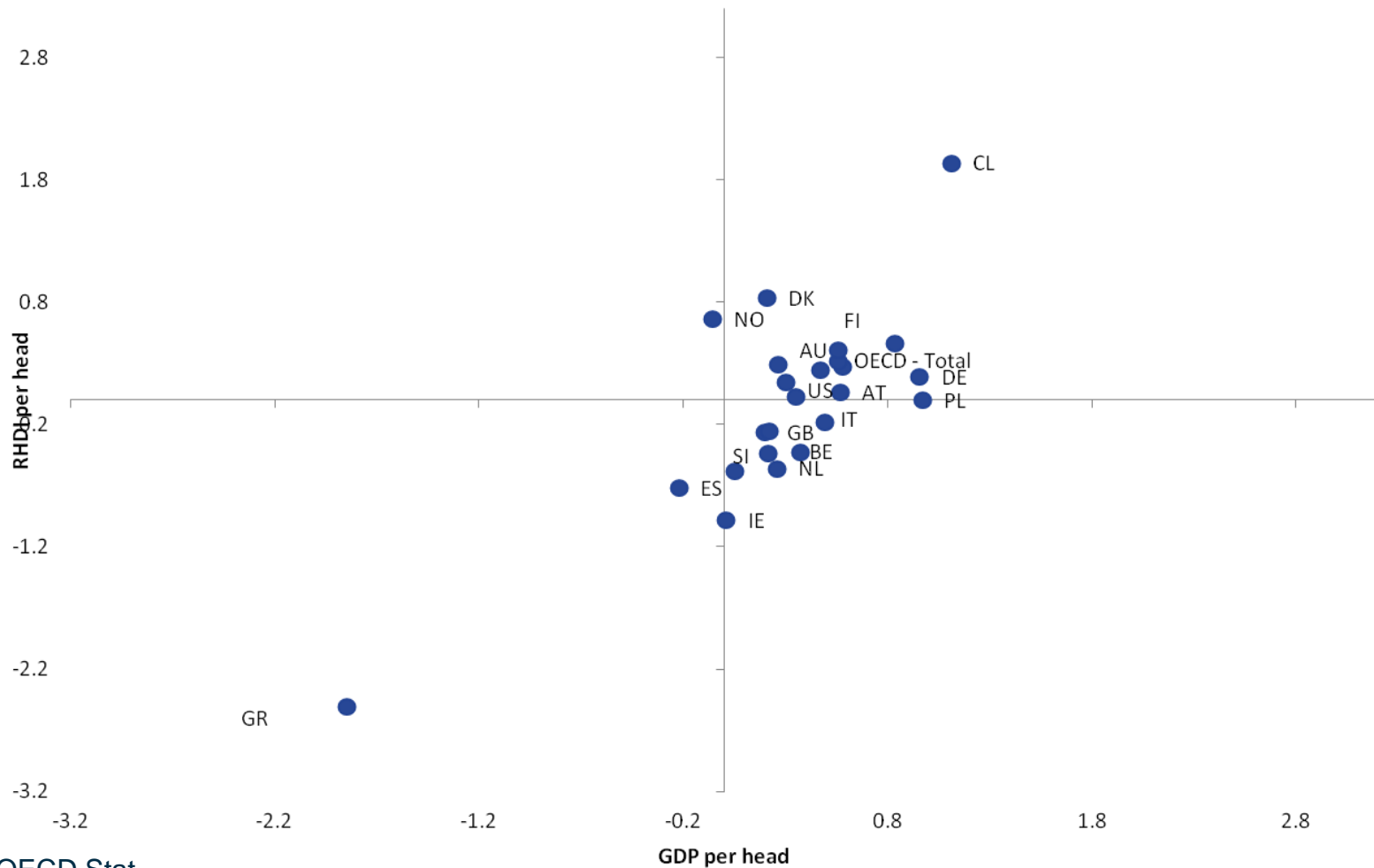
Changes in household income per head (including NPISH) per head and GDP per head, OECD, Q1 2007 to Q3 2016

Q2 2008 - Q2 2009



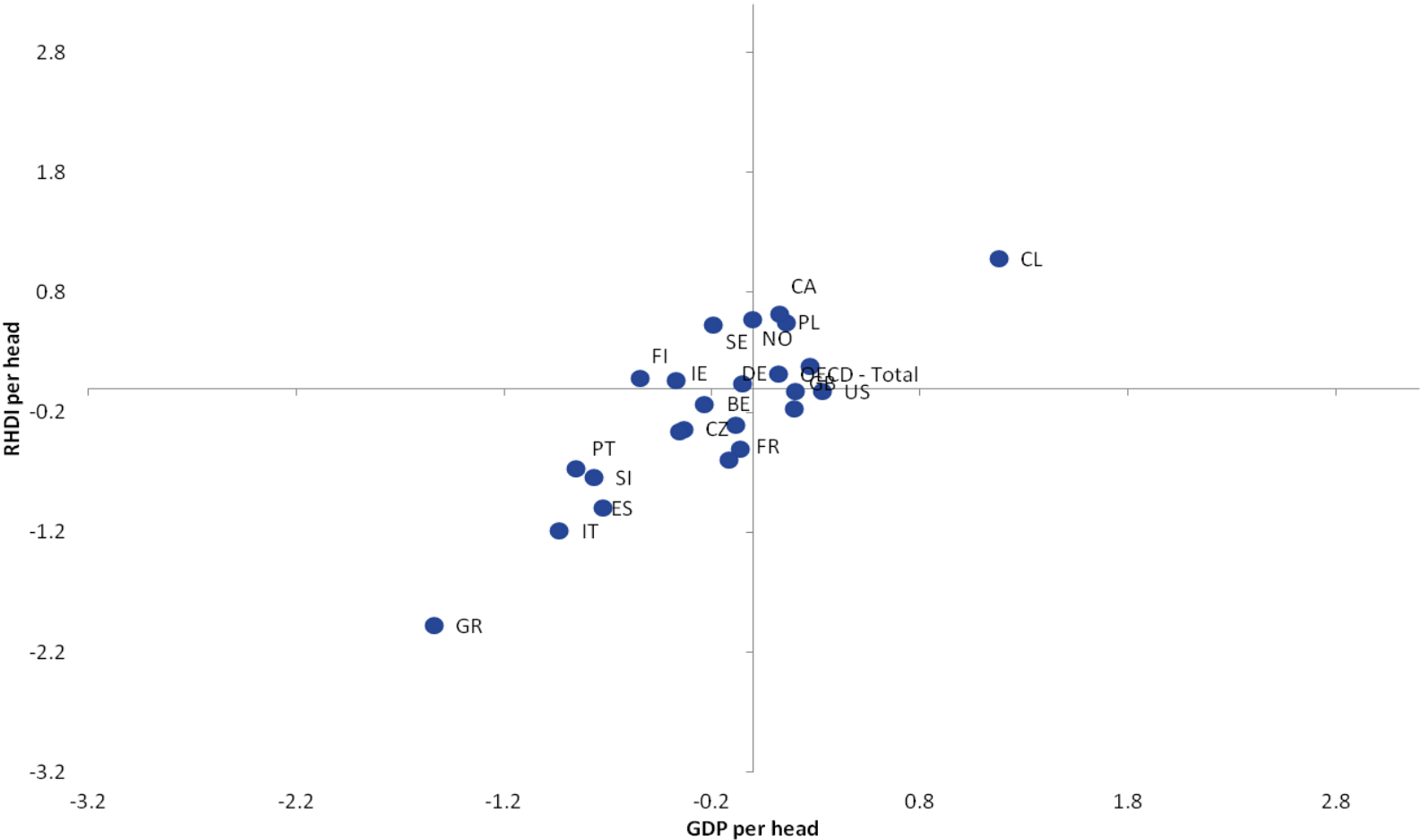
Changes in household income per head (including NPISH) per head and GDP per head, OECD, Q1 2007 to Q3 2016

Q3 2009 - Q3 2011



Changes in household income per head (including NPISH) per head and GDP per head, OECD, Q1 2007 to Q3 2016

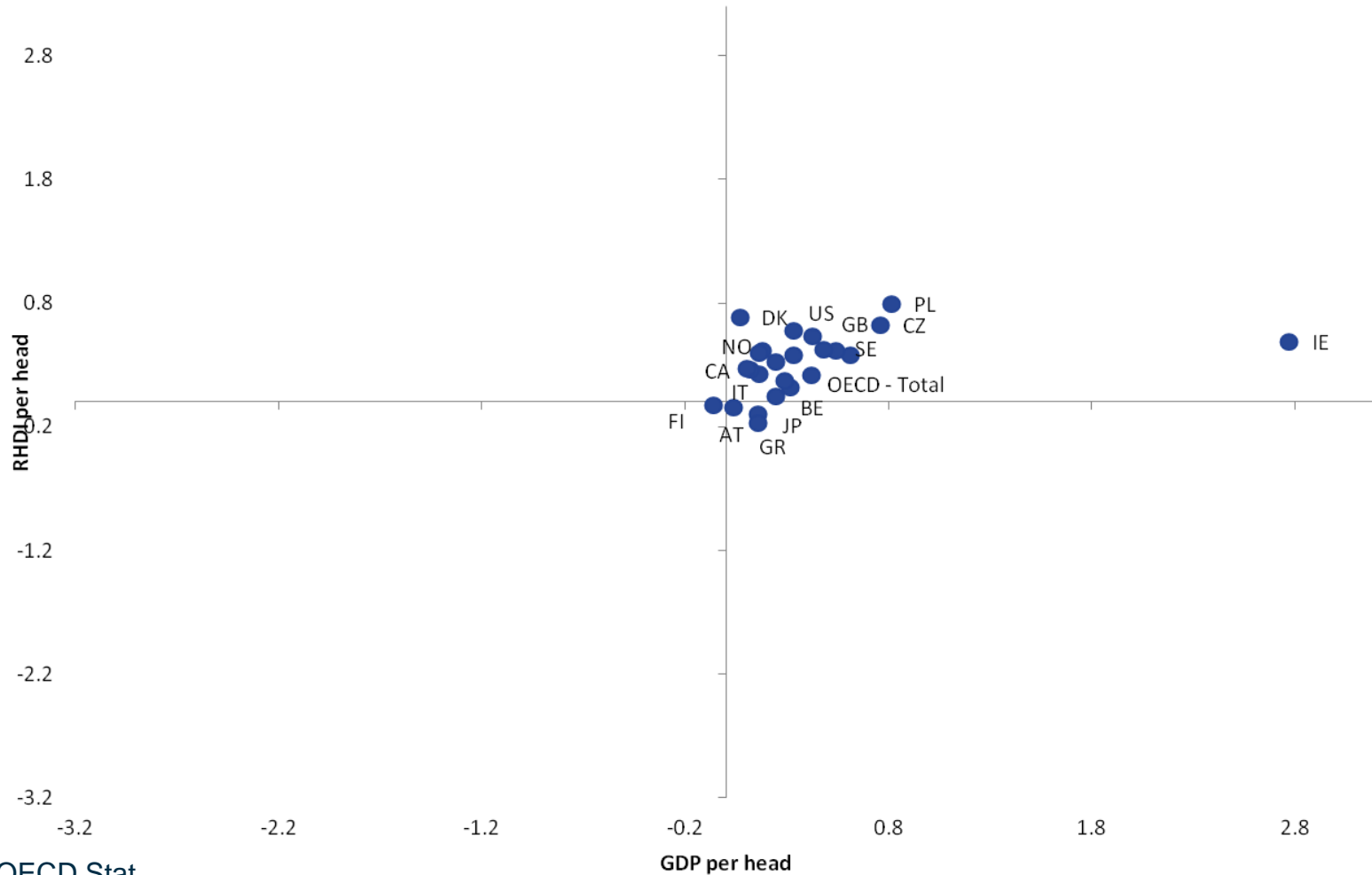
Q4 2011 - Q1 2013



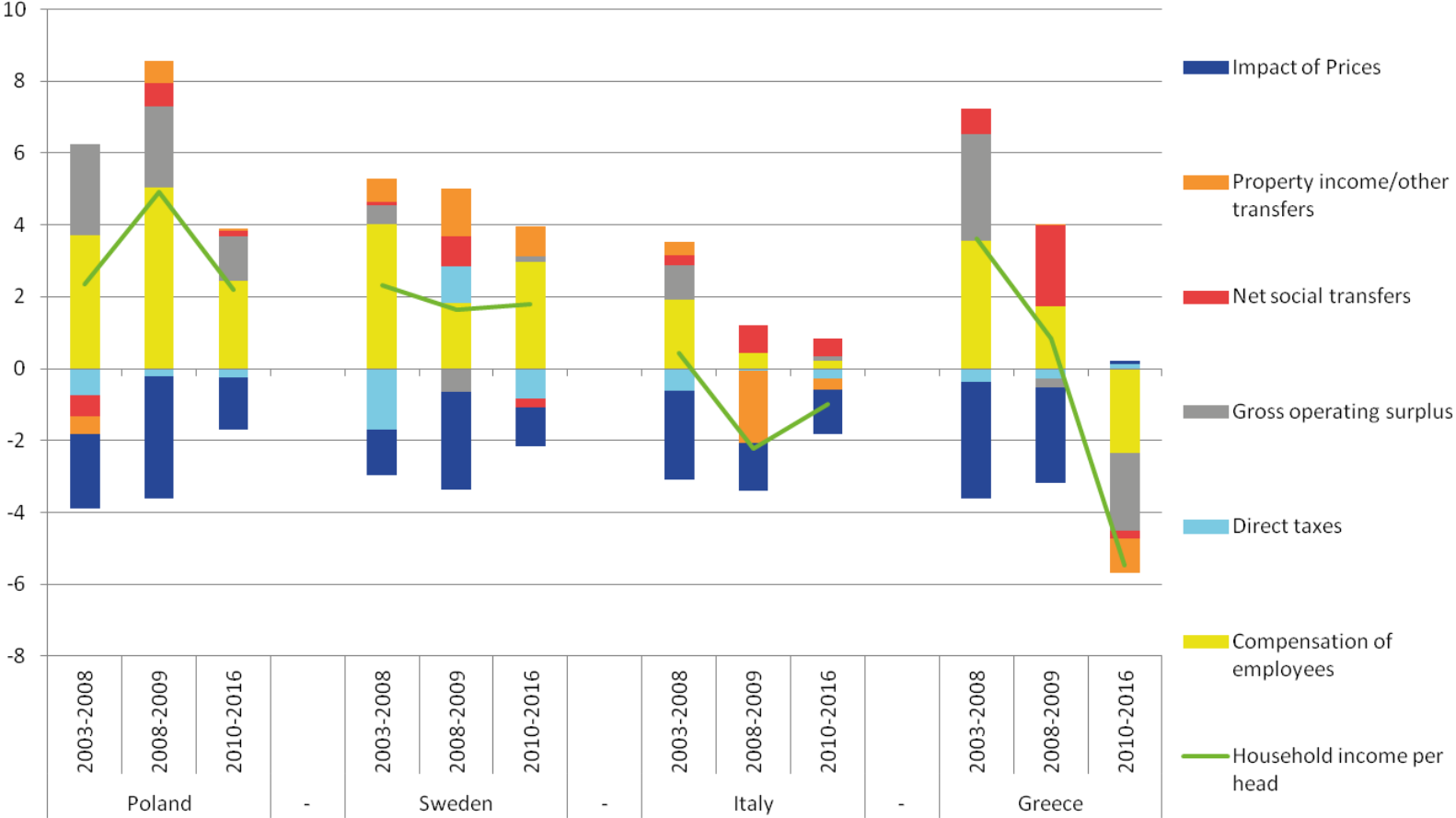
Source: OECD.Stat

Changes in household income per head (including NPISH) per head and GDP per head, OECD, Q1 2007 to Q3 2016

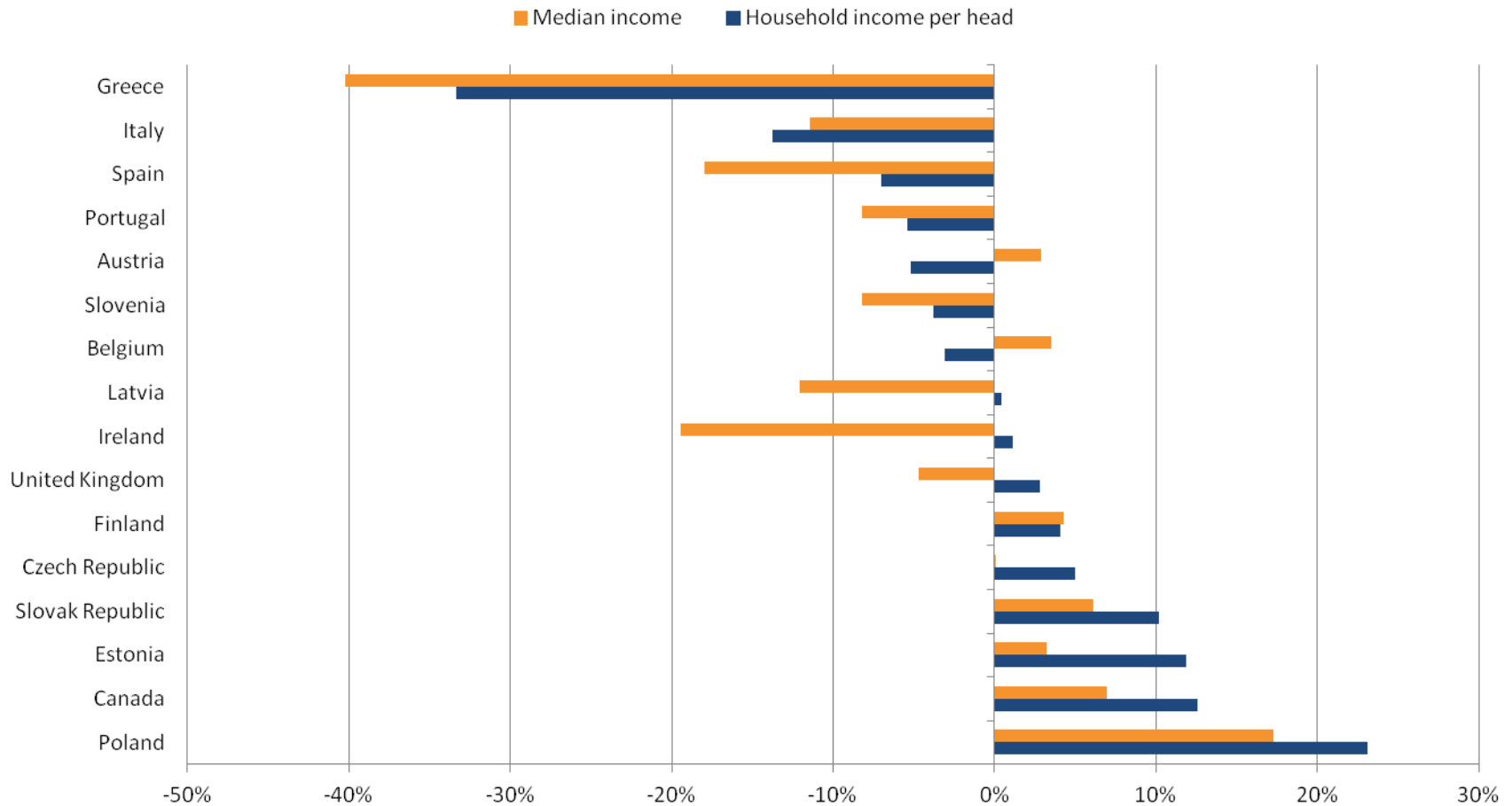
Q2 2013- Q2 2016



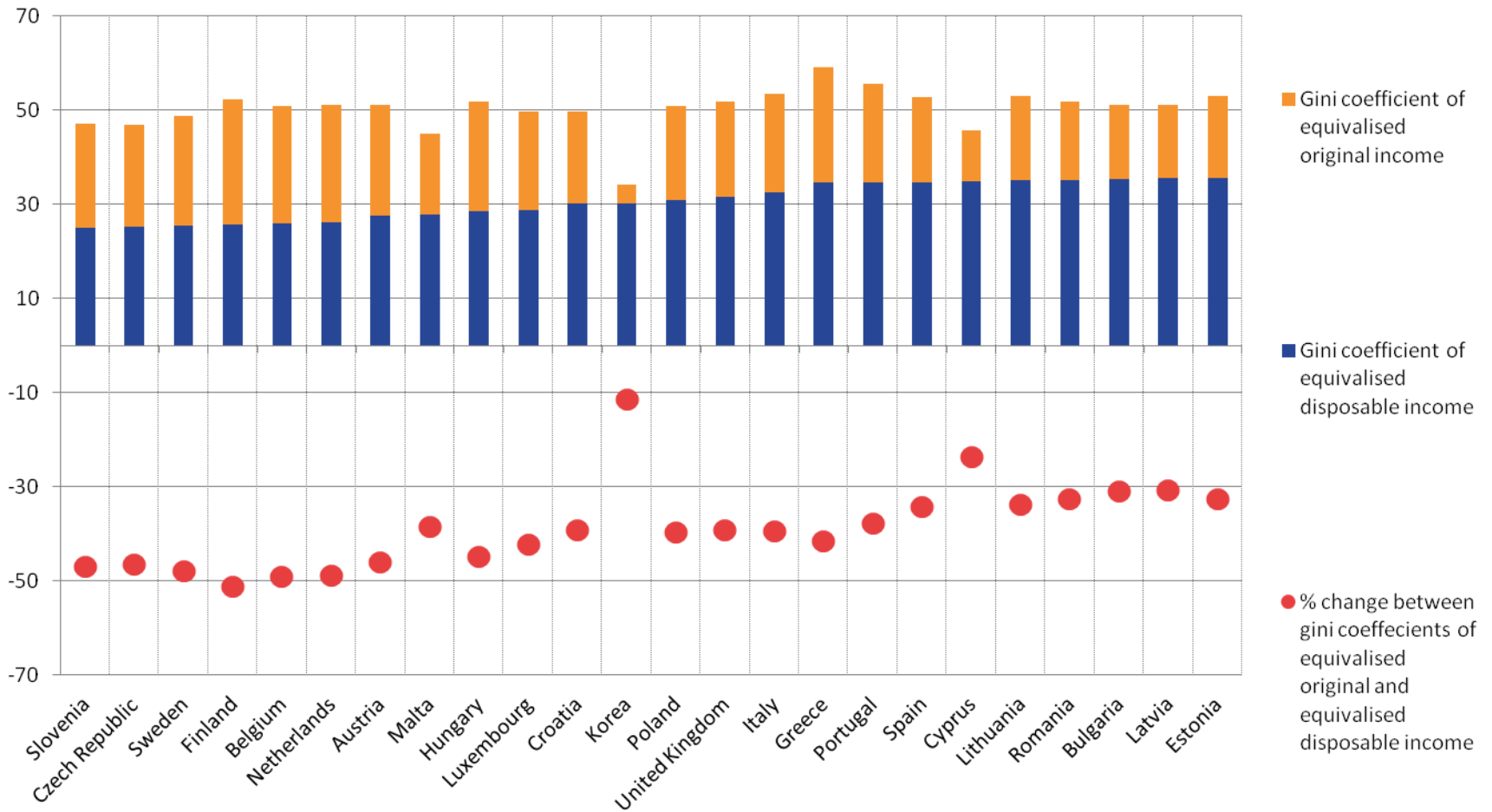
Contributions to growth in household income per head in selected countries, 2003 to 2016



Changes in household income (RHDI) per head, and median disposable income, selected countries, 2007 to 2013



Gini coefficient of equivalised original (market) and disposable income, and change between the two, selected countries, 2014



Improving the measurement of UK EWB



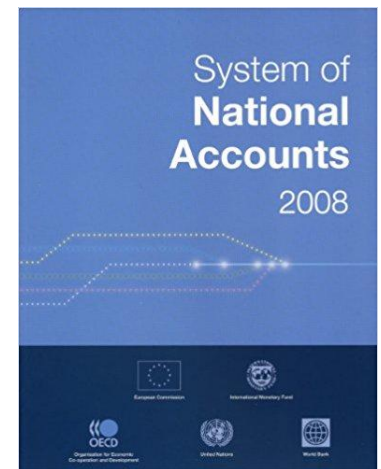
1. Improved timeliness of income distribution analysis

- ‘Nowcasting’ techniques used to publish initial estimates of median disposable income / inequality at T+4 months

2. Measuring disparities within a National Accounts framework

3. Alternative measures of RHDI

- New ‘Cash RHDI’ measure excluding imputed rentals, FISIM, etc.

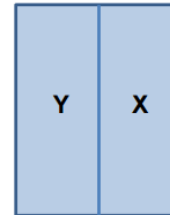


Improving the measurement of UK EWB

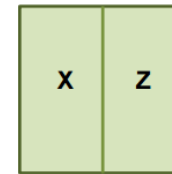
4. Joint analysis of income, consumption & wealth

- Statistical matching of different sources
- Survey harmonisation & potential integration

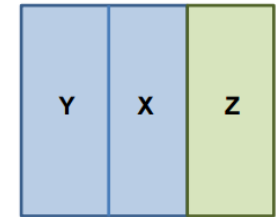
Recipient dataset (EU-SILC)



Donor dataset (HBS)



Matched dataset



5. Measuring price change for different household groups

6. Developing measures of human, natural & social capital

- Natural capital integrated into UK Environmental Accounts by 2020

7. Continuing to develop measures of household production

