

# A call to add a well-being index to national economic measures

October 19 2018, by Bob Yirka

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A trio of economists is suggesting that it is time to add a well-being index to national economic measures. Carol Graham with the Brookings

Institution, Kate Laffan with the London School of Economics and Sergio Pinto with the University of Maryland have published a Perspective piece in the journal *Science* outlining their arguments for adding measurements such as degree of happiness to economic indicators.

What if the government of a country, such as the United States, releases glowing economic reports, but fails to include companion documents that outline how happy its residents are? Graham, Laffan and Pinto point out that judging the health of a country by its economic numbers alone does not give a true picture. For example, GDP numbers for the U.S. are currently high, while unemployment numbers are very low. Things must be good, right? If that is the case, why is the country experiencing such a high suicide rate? And why is life expectancy falling? They suggest that national economic reports need to be updated to include a well-being index (as opposed to the notorious misery index once proposed by economist Arthur Okun.) Including such an index would not be a flight of fancy, they note, it would offer policymakers a better frame of reference, or perhaps a warning light. If the powerhouse countries of the world had such an index, perhaps the global economic crises that started in 2008 could have been averted. They suggest that adding measures such as a well-being index is necessary for long-term sustainability.

The authors also note that well-being metrics have come a long way over the past few decades and can offer policy-makers statistics at virtually every level of a society. They can also offer lawmakers pertinent information about social issues, which could come in handy during election cycles. They point out that [economic indicators](#) now present a paradox—some numbers may show prosperity while others indicate something wildly different is going on. They suggest a well-being index could be a tool that helps to resolve such inconsistencies and note that some countries such as Bhutan have already climbed on

board—officials there carry out a survey every five years to test the mood of the country. And the U.K. has been measuring national happiness since 2011. They suggest others follow the lead.

**More information:** Carol Graham et al. Well-being in metrics and policy, *Science* (2018). [DOI: 10.1126/science.aau5234](https://doi.org/10.1126/science.aau5234)

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