7. SOCIAL COHESION INDICATORS

Life satisfaction

Life satisfaction is determined not only by economic development, but also by people's diverse experiences and living conditions. People in Norway and Switzerland are most satisfied with their lives (Figure 7.1, Panel A). The measured level in these countries was 3 steps higher than in Hungary, the country at the bottom of the 11-step ladder in 2012.

There are broad regional or cultural country groupings of life satisfaction. Four of the top five countries are Nordic. Continental Western and Eastern European OECD members are not particularly satisfied with their lives, with the notable exceptions of Switzerland and, to a lesser extent, Austria and the Netherlands. Predominantly Anglophone OECD countries are all in the top half of the list when measuring life satisfaction, and follow in a tight group after the predominately Nordic top cluster.

Life satisfaction deteriorated during the first years of the crisis between 2007 and 2012, particularly in European Mediterranean countries. Indeed life satisfaction dropped mostly in Greece, Italy, Portugal and Spain, followed by the United States (Figure 7.1, Panel B). On the other hand, life satisfaction improved most in non-European countries, in Chile and Mexico, and to a lesser extent in Nordic and Eastern European countries.

Life satisfaction levels for men and women across OECD countries are highly correlated (Figure 7.2). In countries where life satisfaction is high, both men and women tend to have higher life satisfaction than in countries where the levels are lower. On average across OECD countries, women report slightly higher levels of life satisfaction than men do.

On average, the level of life satisfaction decreases with age (Figure 7.3). Beyond the OECD average, life satisfaction is "u-shaped" in some countries, increasing from about the age of 55. It is not surprising to see that on average 25-34 year-olds (entering the labour market) and 50+ (leaving the labour market) reported lower levels of life satisfaction in 2012 than in 2007. According to related data for Europe, groups who tended to see the greatest deterioration in incomes and labour-market prospects are more likely to have low levels of subjective well-being.

As for emerging economies, life satisfaction also varies between them, from above 6 in Argentina, Brazil and Saudi Arabia, to below 5 in India and South Africa. Between 2007 and 2012, it increased in five countries (Argentina, Brazil, China, Indonesia and the Russian Federation), and it decreased in three countries (India, Saudi Arabia and South Africa).

Definition and measurement

Data on life satisfaction comes from the Gallup World Poll. The Gallup World Poll is conducted in more than 150 countries around the world based on a common questionnaire, translated into the predominant languages of each country. With few exceptions, all

Definition and measurement (cont.)

samples are probability based and nationally representative of the resident population aged 15 years and over in the entire country, including rural areas. While this ensures a high degree of comparability across countries, results may be affected by sampling and non-sampling errors, and variation in response rates; for example, data, especially for youth, should be interpreted carefully. Sample sizes vary between around 1 000 and 4 000, depending on the country. These probability surveys are valid within a statistical margin of error, also called a 95% confidence interval. This means that if the survey is conducted 100 times using the exact same procedures, the margin of error would include the "true value" in 95 out of the 100 surveys. With a sample size of 1 000 the margin of error at 50% is ±3 percentage points. Because these surveys use a clustered sample design, the margin of error varies by question.

The Gallup World Poll asked respondents to: "Imagine an eleven-rung ladder where the bottom (0) represents the worst possible life for you and the top (10) represents the best possible life for you. On which step of the ladder do you feel you personally stand at the present time?". The main indicator used in this section is the average country score. Data are also shown by gender and broad age groups.

Further reading

Boarini, R. et al. (2012), "What Makes for a Better Life? The Determinants of Subjective Well-Being in OECD Countries – Evidence from the Gallup World Poll", OECD Statistics Working Papers, No. 2012/03, OECD Publishing, Paris, http://dx.doi.org/10.1787/5k9b9ltjm937-en.

Eurofound (2013), "Quality of life in Europe: Subjective wellbeing", European Commission, Luxembourg.

OECD (2013a), How's Life? Measuring Well-being, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264121164-en.

OECD (2013b), OECD Guidelines on Measuring Subjective Wellbeing, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264191655-en.

Figure notes

Figure 7.1: Data refer to 2011 for Chile instead of 2012; and instead of 2007: 2006 for Slovak Republic and Slovenia, average between 2006 and 2008 for Austria, Finland, Ireland, Norway and Portugal, and 2008 for Iceland and Luxembourg.

Figures 7.2 and 7.3: Data refer to 2011 for Brazil and Chile and 2009 for Switzerland; and instead of 2007: 2006 for Slovak Republic, Slovenia and Switzerland; average between 2006 and 2008 for Austria, Finland, France, Ireland, Norway, Portugal; 2008 for Iceland and Portugal; and 2009 for Luxembourg.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.

7.1. Life satisfaction varies across countries and deteriorated in several European OECD countries during the crisis

Switzerland Norway Iceland

Sweden Denmark Netherlands Austria Canada Finland Australia New Zealand Israel Mexico

Ireland Luxembourg United States

Germany

OFCD

France

Chile

Spain Slovenia

Japan

Korea

Poland

Italy Estonia

Turkey Greece

Portugal Hungary

Brazil

Saudi Arabia Argentina

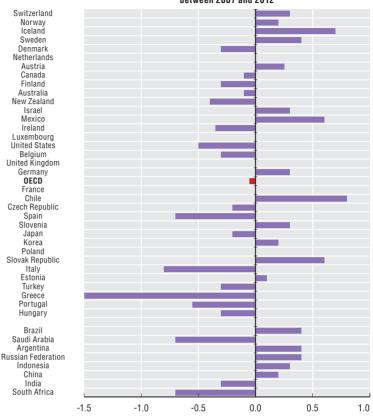
Indonesia

China India South Africa

Panel A. Average points of life satisfaction on an 11-step ladder from 0-10, 2012

7.8 7.7 7.6 7.6 7.5 7.5 7.4 7.4 7.2 7.2 7.1 7.1 7.0 7.0 7.0 6.9 6.8 6.7 6.6 6.6 6.5 6.3 6.3 6.1 6.0 6.0 5.9 5.9 5.8 5.3 5.1 5.0 4.7 6.6 5.6 5.1 4.5 10 9 8 7 6 5 4 3 2 1 0

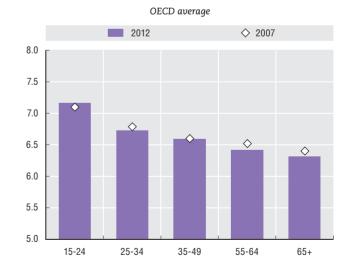
Panel B. Changes in points of life satisfaction between 2007 and 2012



7.2. Women report slightly higher levels of life satisfaction on average across OECD countries

Women 8 AUT Higher level of life satisfaction among women N7i IRI 📤 CHE AUS GBF OECD ARG SAU 7 GBR BRA ISR KOR FRA DFU **◆**CHL JPN 6 POL 4 SVN SVK TUR ITA RUS GRC **PRT** 5 CHN IND Higher level of life satisfaction ZAF **4 HUN** among men 4 5 6 7 4 8 Men

7.3. Life satisfaction decreases with age on average, despite an increase from 55 years and more in some countries



Source: Gallup World Poll (www.gallup.com).

StatLink http://dx.doi.org/10.1787/888932966656



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