Statistical bulletin

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

Estimates of the combined findings for personal well-being (October 2017 to September 2018) and economic well-being (July to September 2018) in the UK. This is part of a new series on people and prosperity.

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Next release:
To be announced

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1 . Main points

- This is the first time Office for National Statistics (ONS) has brought together its data on both personal and economic well-being to give a fuller picture on the well-being of UK households.

- In the latest quarter, economic indicators such as income and spending continue to increase, however, longer term, there is a slowdown of household conditions, also seen in a levelling off of people's personal well-being and people's perception of the future has been worsening.

- In Quarter 3 (July to Sept) 2018, there was an increase in real household disposable income per head, up 0.7% compared with a year ago, alongside similar rises in earnings, employment and household spending and improved anxiety ratings.

- Since the end of 2017, improvements have levelled off in average happiness, life satisfaction and worthwhile ratings, similar to recent trends in net household financial wealth and household disposable income per head.

- Since Quarter 1 (Jan to Mar) 2013, household debt per head has been increasing, and is now 133% of disposable income; combined with spending per person outgrowing disposable income by £119 since Quarter 2 (Apr to June) 2016, it supports previous analysis suggesting that some households may be living beyond their means.

- People perceive the economy and their personal financial situation will worsen over the next 12 months, continuing more pessimistic views seen since the beginning of 2018.

- These trends may not necessarily be equally distributed across different parts of society; for example, between 2011 and 2016 financial years, average income for the bottom 20% of households increased by 4.8% or £589 while for the top 20% it increased by 6.7% or £4,123.

2 . Dashboard of well-being indicators

3 . Statistician's comment

Commenting, Head of Inequalities Glenn Everett said:

"Despite high levels of employment, rising incomes and spending across UK households, people are not reporting increases in their well-being. This may be due to worries about rising debt repayments, which could be driving concerns about their future financial situation."

4 . Things you need to know about this release

Measuring "people and prosperity"

Gross domestic product (GDP) is an important economic indicator telling us about the size and shape of national economic output. However, it was never designed to be an all-encompassing measure of social progress and well-being. To better inform policy and public debate, we have developed and analysed a wider range of measures, capturing important aspects of life not included within GDP. This is the basis of our "Beyond GDP" initiative which focuses on sustainable economic, human and environmental well-being. Fundamentally, we define "well-being" as "how we are doing" as individuals, as communities and as a nation, and how sustainable this is for the future. The goal is to support better decision making among policymakers, individuals, communities, businesses and civil society.

In November 2010, we set up the Measuring National Well-being Programme with the aim to monitor and report UK progress by producing accepted and trusted measures of the well-being of the nation. Since then, we have been measuring personal well-being – for example, how people assess their own life satisfaction and happiness, alongside a wider range of other aspects of life. In terms of the economy, we monitor economic well-being, which assesses how households are faring using measures of household wealth and disposable income.

We have pioneered the measurement of well-being in the UK in addition to traditional measures of prosperity, enabling policymakers to make better, more well-informed decisions. As the work matures, its scope is being expanded to better reflect the well-being of the whole population. Traditionally, we have 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, factors most associated with well-being, and an interest in how the UK's exit from the EU may impact on people's well-being.

To increase the value of our work to decision-makers and in keeping with our aspiration to "leave no one behind", this release aims to provide a fuller picture of well-being in the UK by looking at people's experiences from different perspectives to better understand who is struggling and who is thriving. This will enable us to assess current well-being as well as to monitor changes in the future as we move towards the UK's exit from the EU and beyond.

Quality and methodology

This release is based on the most recent available data as of February 2019. It is important to note that the data underpinning the well-being indicators are often from different sources with different timeliness and coverage. Personal well-being estimates are mainly taken from household surveys and they help understand the well-being of those living in private residential households. People living in communal establishments (such as care homes) or other situations are not represented in these surveys and this may be important in interpreting the findings in relation to those people reporting lower personal well-being.

The Personal well-being in the UK Quality and Methodology Information report contains important information on the strengths and limitations of the data and how it compares with related data, uses and users of the data, how outputs are created and the quality of the output including the accuracy of the data. Also, for more information on personal well-being, please see Personal well-being user guide 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. Also, basic quality and methodology information for all economic well-being indicators included in this statistical bulletin is available from National accounts 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 Quality and Methodology information report and Labour market Quality and Methodology Information reports.

Your feedback and our next publications

You can help inform our work by sharing your opinions in this short survey: Personal and Economic well-being: Your feedback.

Your feedback will be very valuable in making our results useful and accessible. If you have any questions, please contact us via email at PeopleAndProsperity@ons.gov.uk.

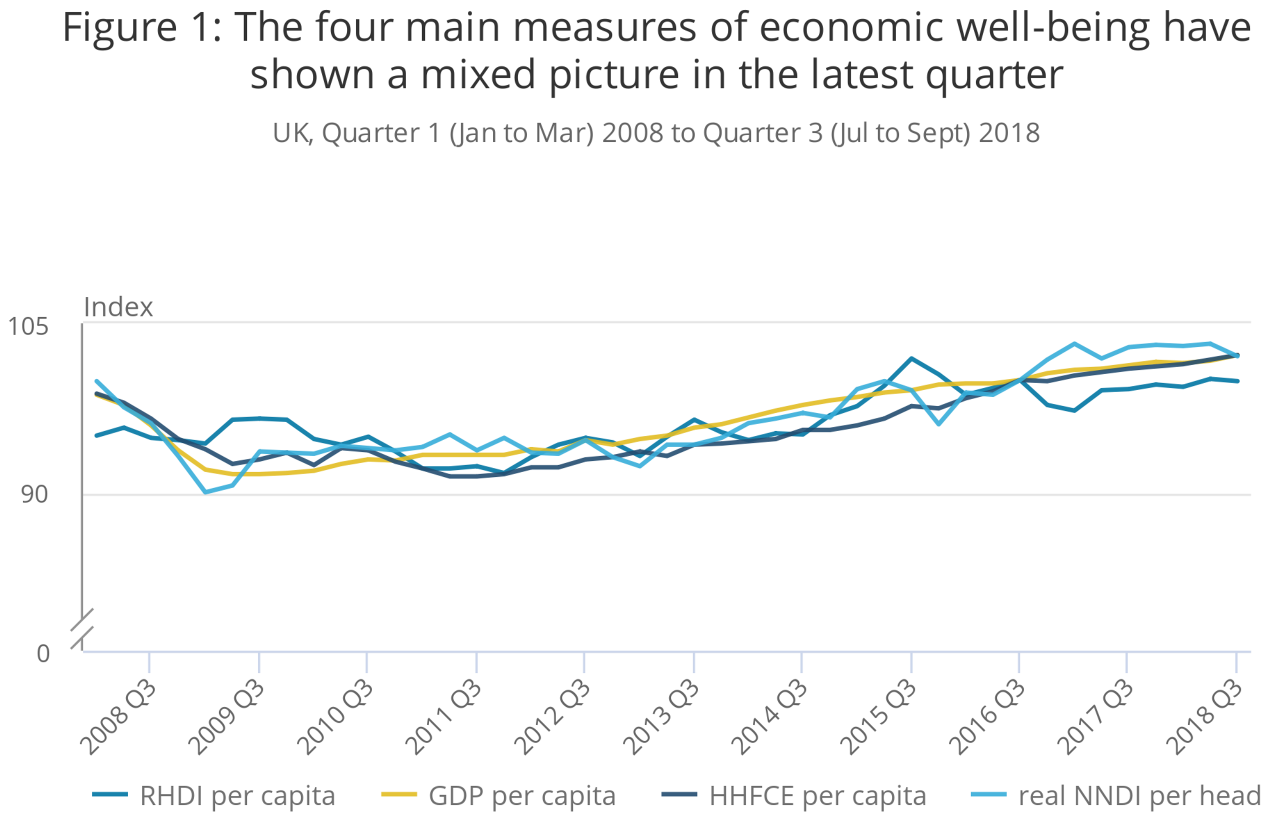
Thank you for taking part!

5 . A mixed well-being picture over the last quarter up to September 2018

The latest quarter's results, looking at both economic and personal well-being indicators, presents a mixed picture for people in the UK.

Figure 1: The four main measures of economic well-being have shown a mixed picture in the latest quarter

UK, Quarter 1 (Jan to Mar) 2008 to Quarter 3 (Jul to Sept) 2018



Source: Office for National Statistics - UK National Accounts

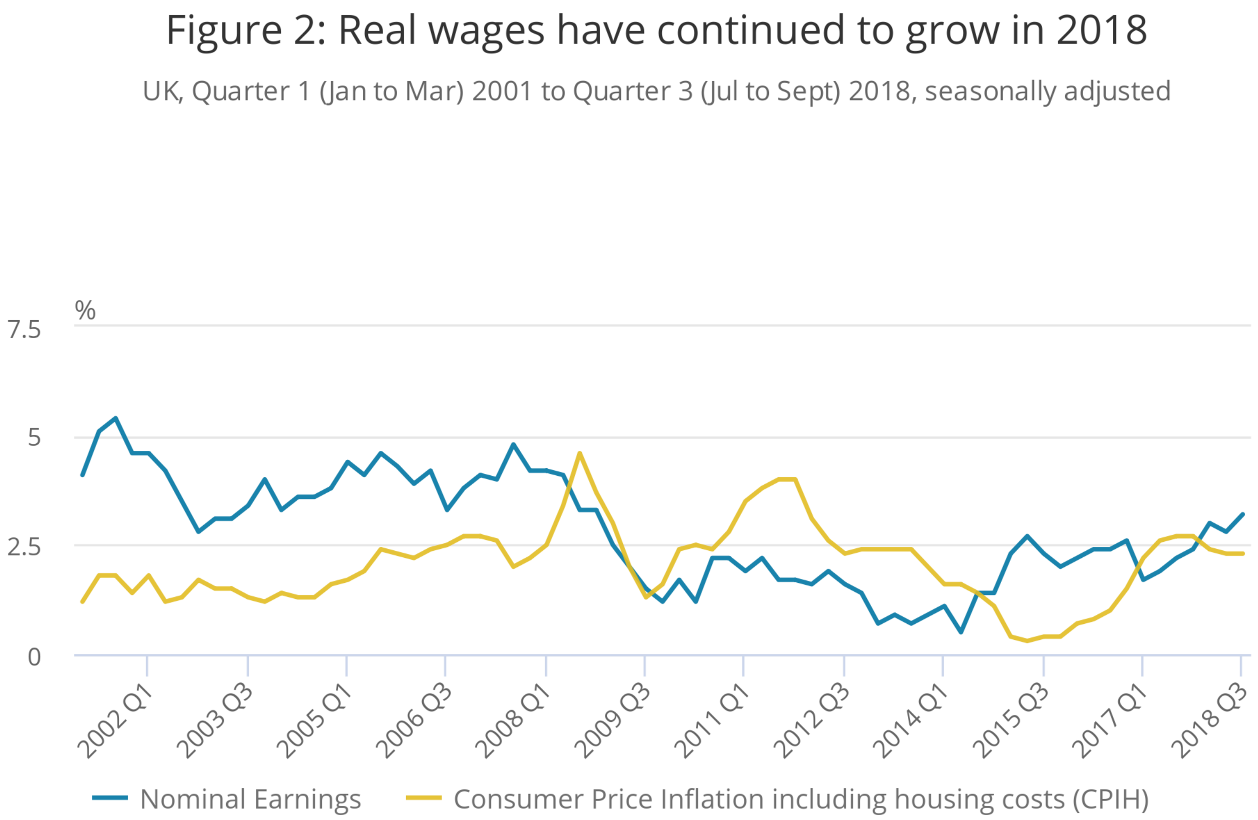
Notes:

1. Quarter 3 (July to Sept) 2016 = 100 is the base period
2. Real net national disposable income per head adjusts total domestic output (GDP per head) to account for flows in and out of the country, as well as removing wear and tear in the nation's capital used up in production
3. Household final consumption expenditure (HHFCE) is the amount of expenditure made by households to meet their everyday needs.
4. Real household disposable income (RHDI) is money households have to spend on consumption, or to save and invest after taxes, national insurance, pension contributions and interests have been paid.
5. Chart axis has a break in it.

Real household spending per head increased again, growing by 0.4% in Quarter 3 (July to Sept) 2018 compared with the previous quarter, to be equal to £19,251 per person for the year to September 2018. This has been followed by continued increases in gross domestic product (GDP) per head and is also seen in other household finance data, such as real earnings.

Figure 2: Real wages have continued to grow in 2018

UK, Quarter 1 (Jan to Mar) 2001 to Quarter 3 (Jul to Sept) 2018, seasonally adjusted



Source: Office for National Statistics

Notes:

1. Nominal earnings is Average Weekly Earnings (regular pay)

2. Consumer Price Inflation including housing costs (CPIH)

3. Annual change in nominal earnings and consumer price inflation including housing costs.

Real earnings grew by 0.8% in the year to Quarter 3 2018. An increase in real earnings – which is nominal earnings adjusted for the rise in the costs of goods and services – allows you to spend more on goods and services such as restaurants and recreation activities then you could previously.

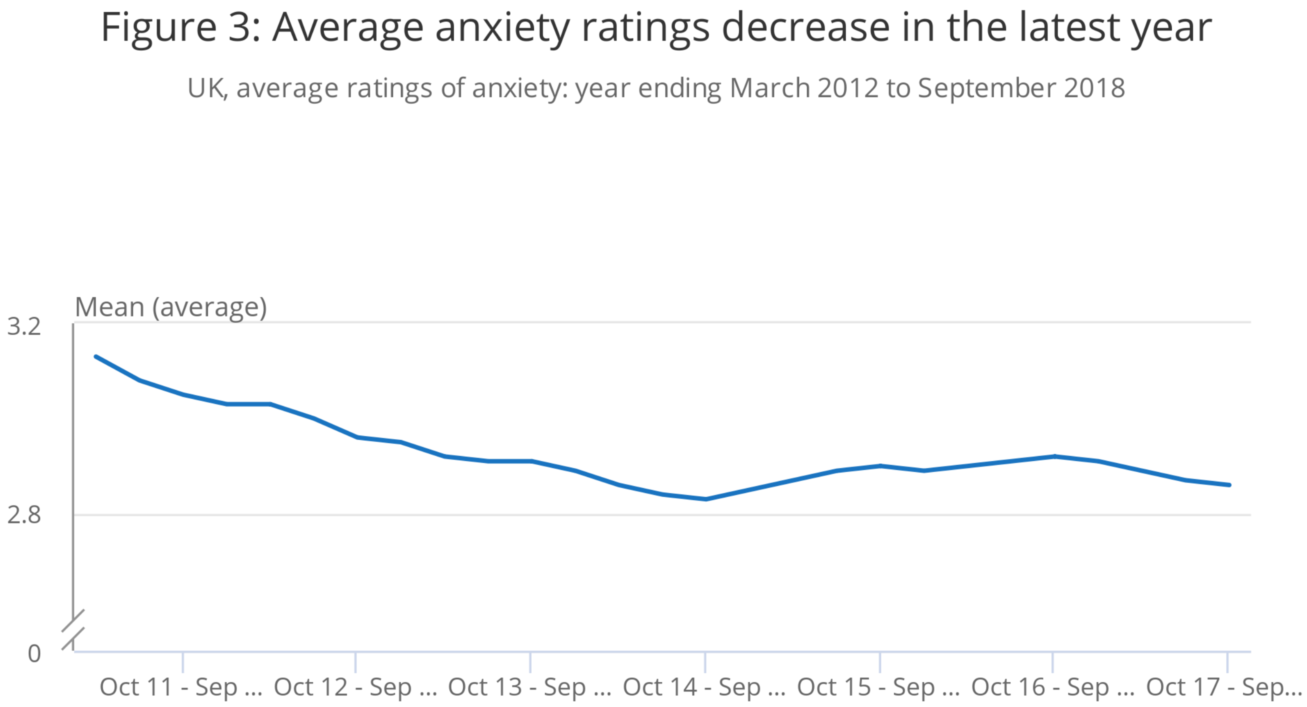
Before the economic downturn, real earnings increased by 0.9% on average, as nominal earnings grew faster than prices over the same period. However, after the economic downturn, nominal earnings growth remained relatively subdued compared with the pre-downturn period, while growth in prices remained volatile and higher than nominal earnings growth for most of the period, leading to a fall in real earnings.

Average anxiety ratings decrease across the UK

Comparing the years ending September 2017 and September 2018, average anxiety ratings decreased across the UK; this replicates the last quarter's release, which also showed an improvement of anxiety ratings. However, this is the only measure of personal well-being to show any significant change during this period.

Figure 3: Average anxiety ratings decrease in the latest year

UK, average ratings of anxiety: year ending March 2012 to September 2018



Source: Office for National Statistics - Annual Population Survey

Notes:

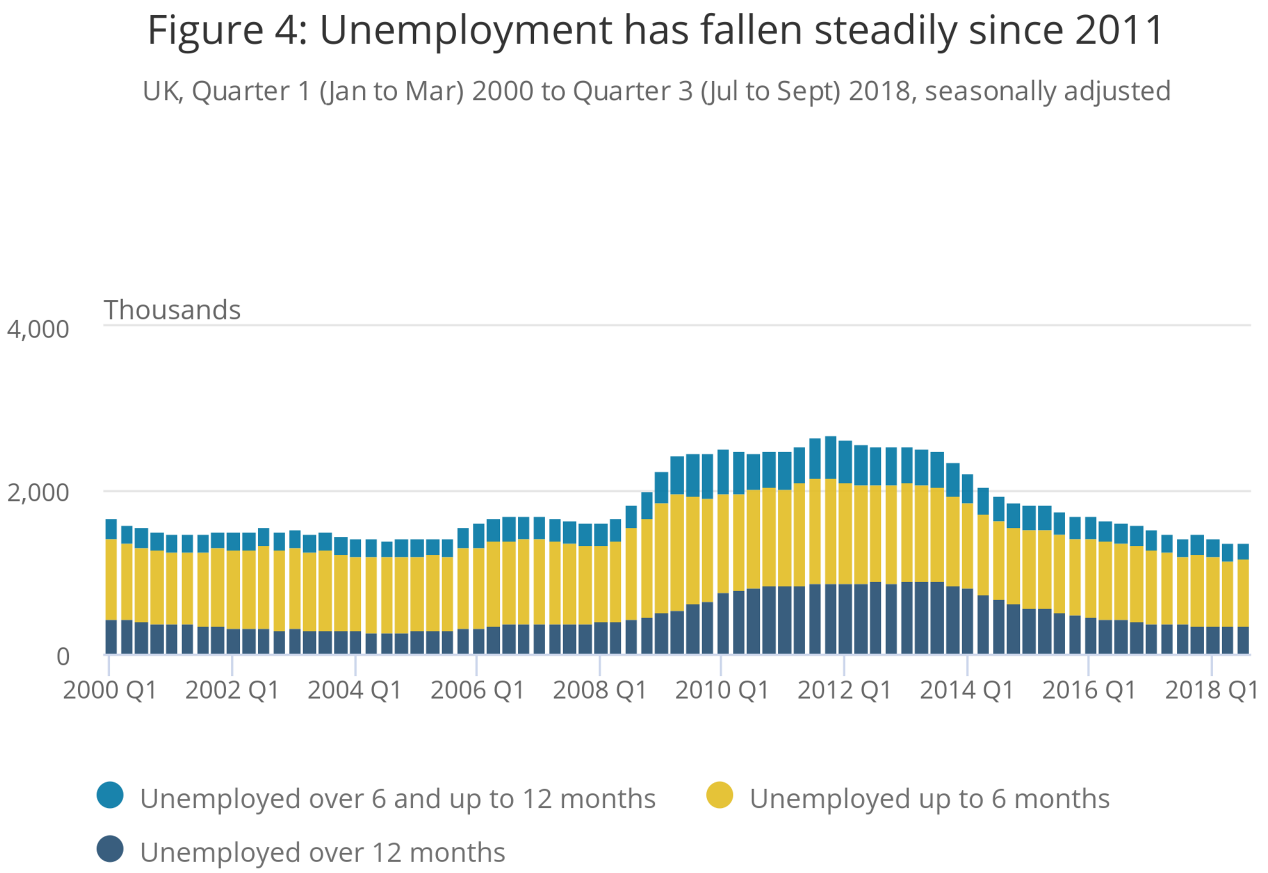
1. Chart axis has a break in it.

Among the things that may have been associated with the recent fall in anxiety, the unemployment rate has been falling since Quarter 4 (Oct to Dec) 2011 (as shown in Figure 4). The decline in the unemployment rate slowed in Quarter 1 (Jan to Mar) 2015 but has still largely been falling; it fell 0.2 percentage points in Quarter 3 2018 compared with a year ago. Considering this trend over time, we can see that, on the 0 to 10 scale, the average anxiety rating in the UK has been generally decreasing and has dropped significantly from 3.13 out of 10 in the year ending March 2012 to 2.86 out of 10 in the year ending September 2018. Similarly, looking at unemployment from Quarter 1 2012 to Quarter 3 in 2018, the unemployment rate has been consistently dropping, decreasing from 8.2% to 4.1%.

Considering the wider well-being measures, we have also seen improvements over time in other factors that are strongly associated with personal well-being, such as good health and being in positive relationships. For example, in 2015 to 2016, fewer people reported being in unhappy relationships and more people in the UK reported being “mostly or completely” satisfied with their general health, compared with the previous period.

Figure 4: Unemployment has fallen steadily since 2011

UK, Quarter 1 (Jan to Mar) 2000 to Quarter 3 (Jul to Sept) 2018, seasonally adjusted



Source: Office for National Statistics – Labour Force Survey

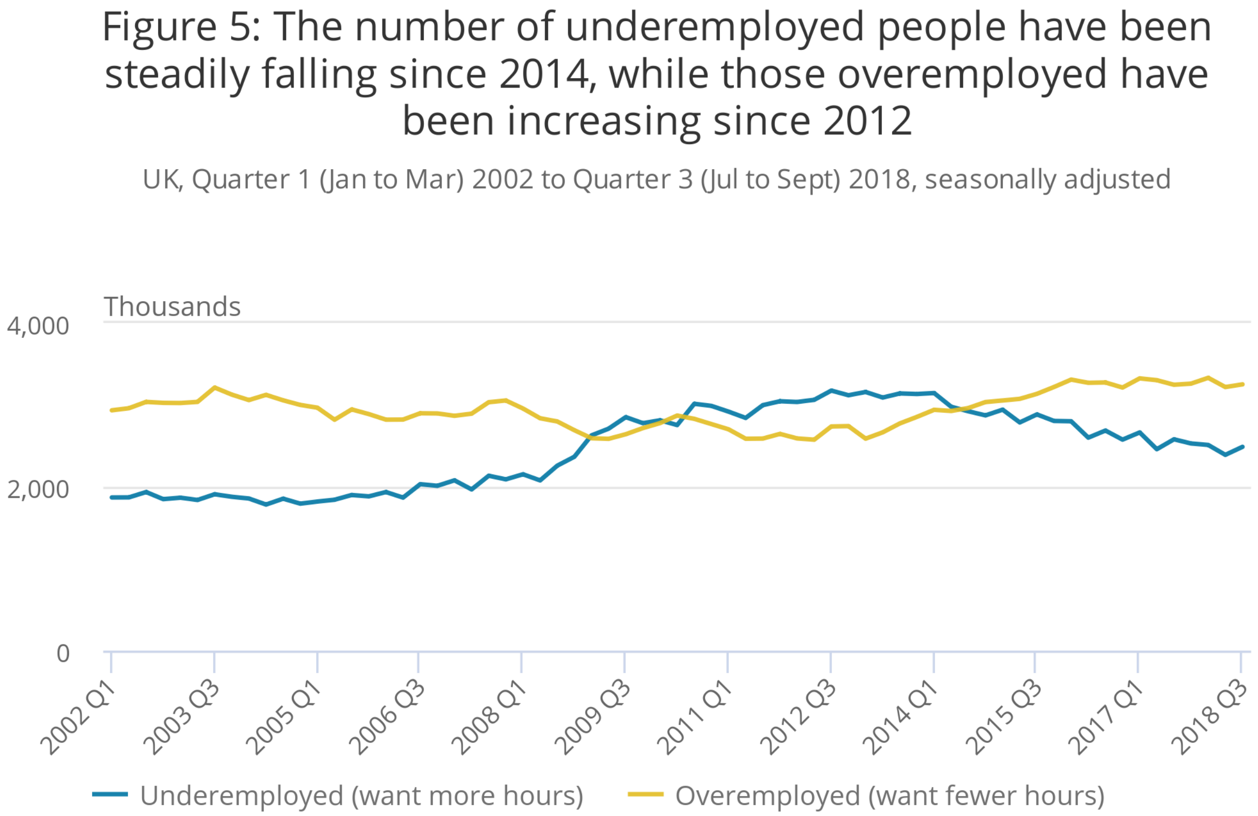
Notes:

1. Aged 16 years and over.

The unemployment rate has continued to fall since 2011, as the labour market continues to strengthen since the economic downturn (Figure 4). Unemployment fell from 2.6 million in 2011 to 1.4 million in Quarter 3 (July to Sept) 2018, where those who have been unemployed for over a year have seen the largest fall (57.2%). As employment is closely associated with a positive personal well-being, an increase in employment and a corresponding fall in unemployment could be partly attributed to the increase in personal well-being indicators between 2011 and 2018. However, in the latest quarter, unemployment rose by 0.1 percentage point, which was led by a 3.7% increase in the number of people unemployed over a year – the first time it increased since Quarter 3 2017.

Figure 5: The number of underemployed people have been steadily falling since 2014, while those overemployed have been increasing since 2012

UK, Quarter 1 (Jan to Mar) 2002 to Quarter 3 (Jul to Sept) 2018, seasonally adjusted



Source: Office for National Statistics – Labour Force Survey

Notes:

1. Underemployment - workers wanting to work more hours than they currently do and available to start in 2 weeks.

2. Overemployment - workers wanting to work less hours than they currently do, even with less pay.

Along with the longer-term fall in the unemployment rate, the number of people saying they would like to work more hours (the underemployed), remained relatively flat between 2011 and 2014, before falling after 2014. In comparison, the number of people saying they would like to work fewer hours even with less pay (overemployed), has been increasing steadily since 2013. By Quarter 3 (July to Sept) 2018, the number of underemployed decreased to 2.5 million, while the number of overemployed increased to 3.3 million. This increase in overemployment and fall in the underemployment rate can be partly attributed to an improvement in the labour market conditions, as firms could be increasing the number of hours worked of their existing workforce, instead of hiring new staff.

While previous analysis has shown that being unemployed has a negative association with personal well-being, the quality of the job may also have a part to play .

The average life satisfaction has increased since September 2012 from 7.45 to 7.69 out of 10, in line with the strengthening of the labour market over the same period.

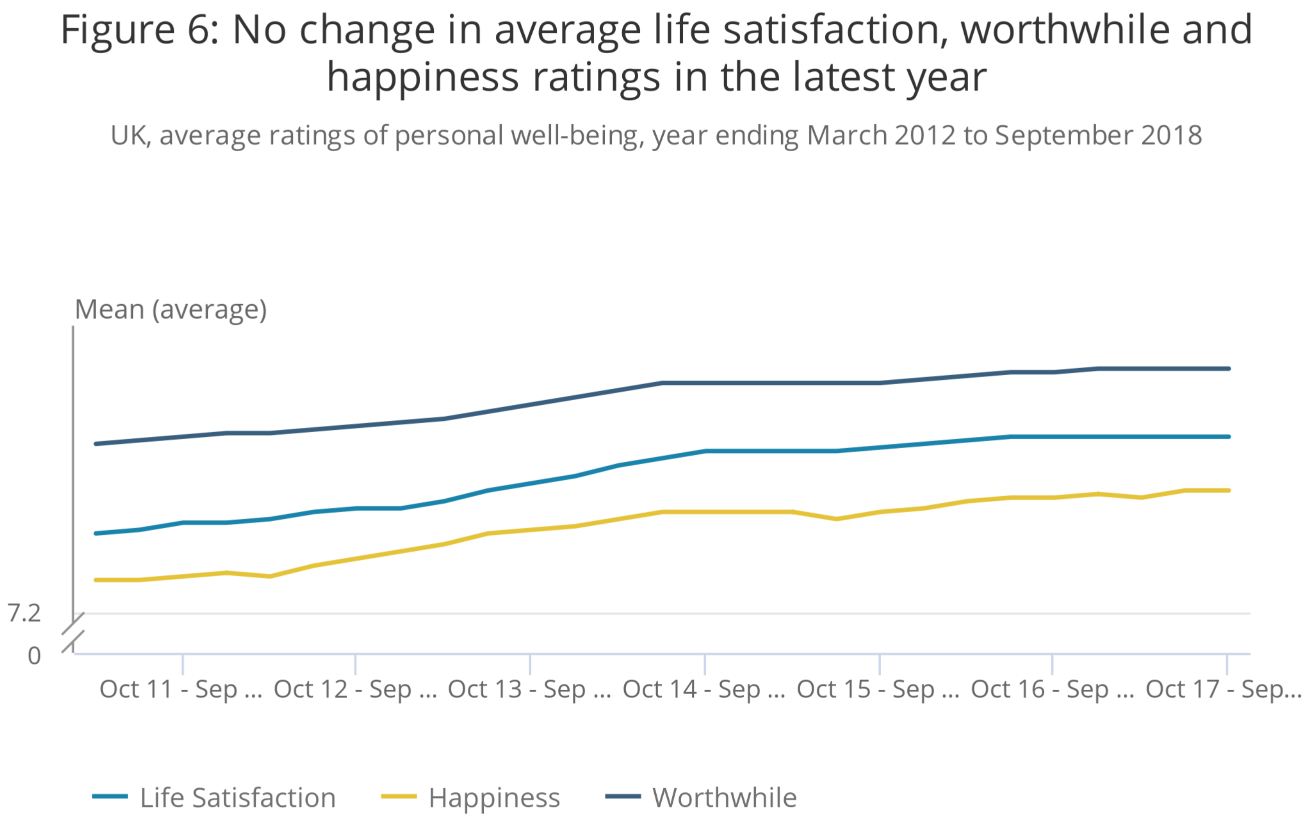
The rate of change for average happiness, life satisfaction and worthwhile has levelled off recently

The average ratings of the other three measures of personal well-being – life satisfaction, happiness and worthwhileness – have been levelling off, as is seen in Figure 6. The average worthwhile rating (out of 10) across the UK in the year ending March 2012 was 7.67, with this increasing significantly to its highest level of 7.88 for the year ending September 2018.

Similarly to net financial wealth and income, we have seen national ratings of life satisfaction beginning to level off in recent years. Average ratings of life satisfaction in the UK have now been at 7.69 since June 2017. Before this, life satisfaction had been steadily increasing since March 2012, where the average rating was at 7.42. In the same way, increases in worthwhile ratings have slowed down over recent years. Also, self-employment income in the form of mixed income and gross operating surplus has positively contributed to the rise in income over the last year, contributing 1.2 percentage points to growth in the last quarter.

Figure 6: No change in average life satisfaction, worthwhile and happiness ratings in the latest year

UK, average ratings of personal well-being, year ending March 2012 to September 2018



Source: Office for National Statistics - Annual Population Survey

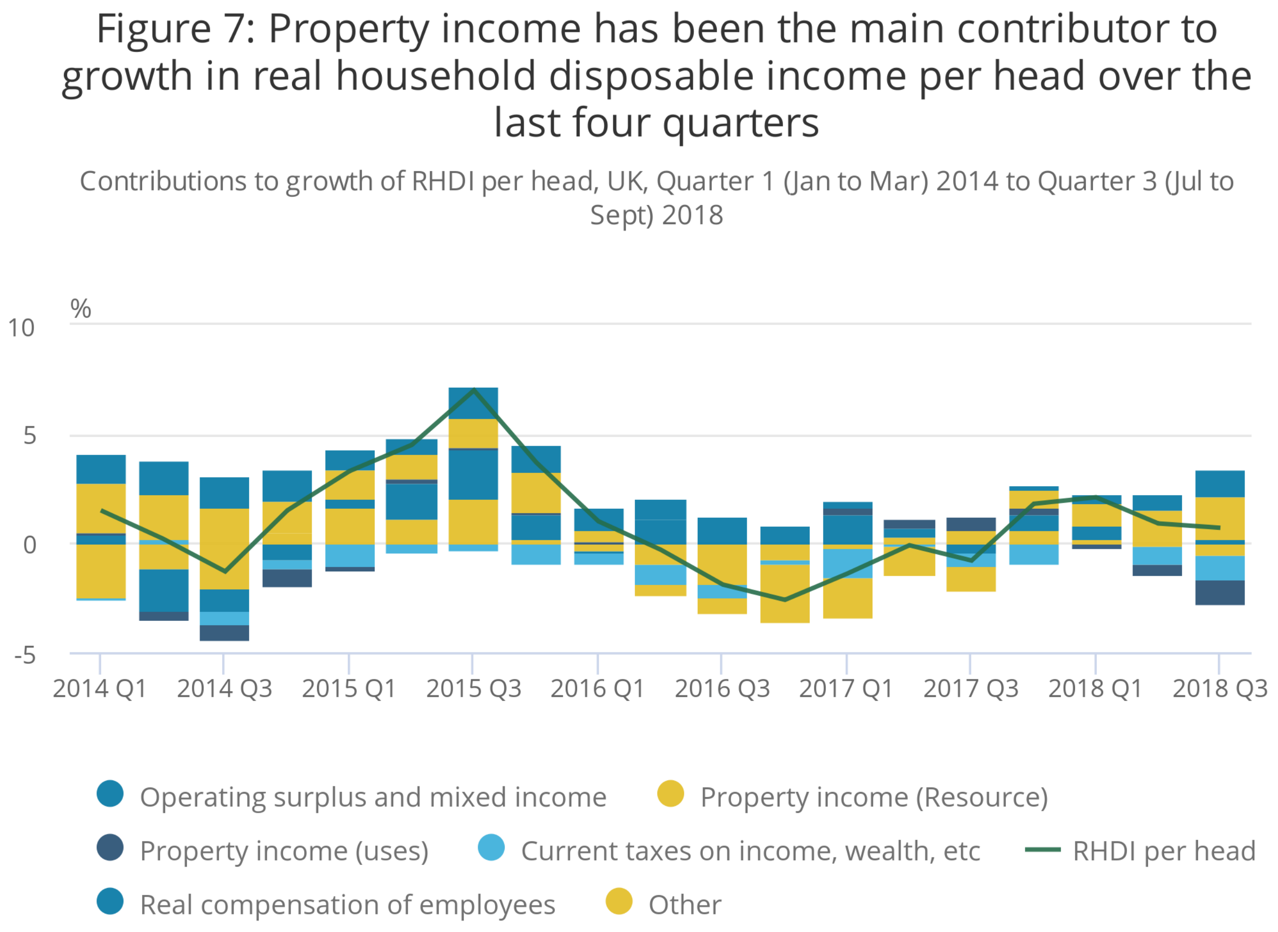
Notes:

1. Chart axis has a break in it.

Considering the recent slowdown in real household disposable income per head next, we show the contributions to growth by different household incomings and outgoings in Figure 7.

Figure 7: Property income has been the main contributor to growth in real household disposable income per head over the last four quarters

Contributions to growth of RHDI per head, UK, Quarter 1 (Jan to Mar) 2014 to Quarter 3 (Jul to Sept) 2018



Source: Office for National Statistics - UK National Accounts

Notes:

1. Contributions may not sum due to rounding.
2. Contributions to growth compared with same quarter a year ago.
3. "Other" includes net other current transfers and net social benefits minus contributions.

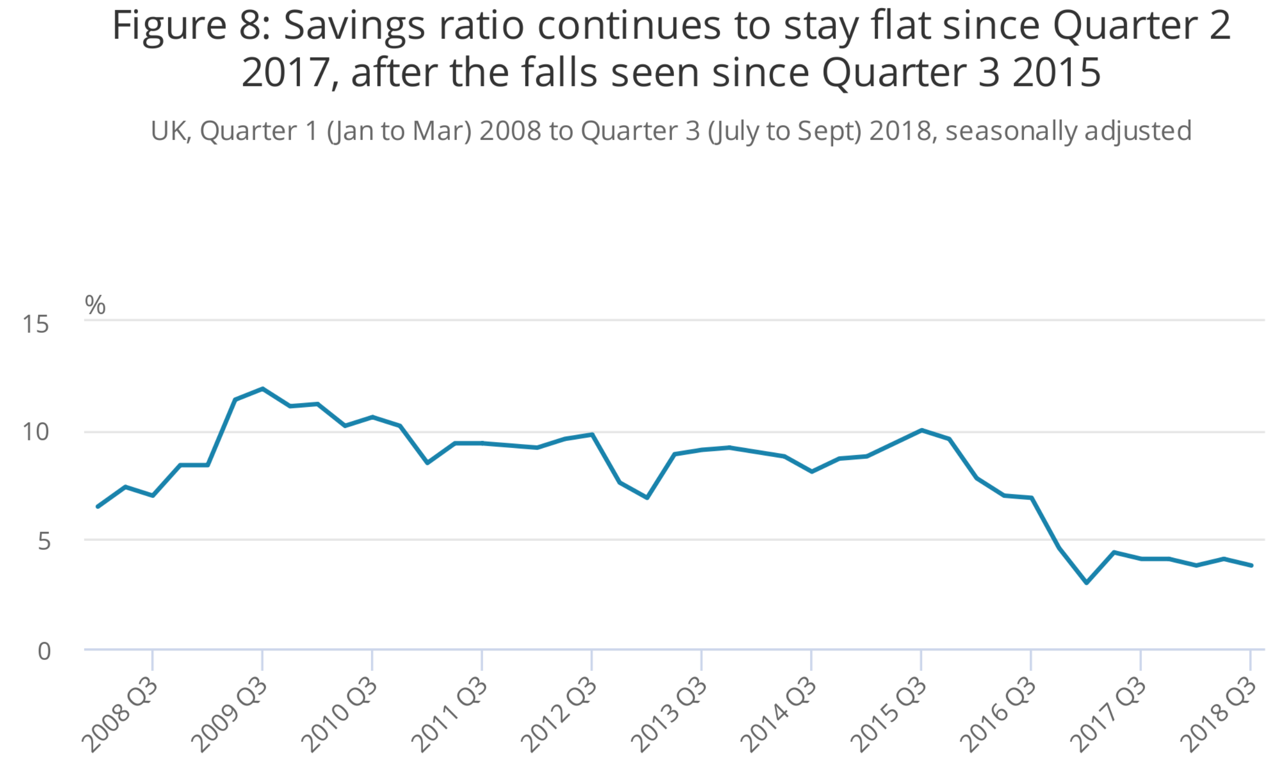
Over the last four quarters, property income received has been the main contributor to positive growth in household income per head. Property income includes investment income from interest and dividends. The biggest contributor was from dividend receipts (which contributed 36% to the growth in total property income in Quarter 3 2018 compared with the same quarter a year ago), followed closely by the income payable from pensions, which contributed 31% in the latest quarter compared to Quarter 3 2017. Also, self-employment income in the form of mixed income and gross operating surplus has positively contributed to the rise in income over the last quarters, contributing 1.2 percentage points to the growth.

At the same time, there are some continuing pulls on household income growth. The biggest is current taxes on income and wealth, which includes taxes for employment, which have now reached £3538 per person in the UK for the year ending September 2018. This is the highest amount ever recorded. This reflects a larger number of people in work than at any point since records began in 1971, contributing their employment taxes. In addition, income paid out on loans (property income paid out) is continuing to rise. The amount we pay out for interest is now the highest seen since Quarter 1 2009. Over the last four quarters, these increases in the amount of interest paid has been due to the interest on unsecured loans such as on credit cards and overdrafts, as opposed to increases in mortgage interest payments, despite mortgage interest being a large proportion of total interest paid.

As seen in Figure 8, since Quarter 2 2016 spending has outgrown income (by £119 per head in real terms). This links to previous analysis showing households are spending beyond their means, and is also reflected in a low household savings ratio, the joint third lowest ratio seen since 1963.

Figure 8: Savings ratio continues to stay flat since Quarter 2 2017, after the falls seen since Quarter 3 2015

UK, Quarter 1 (Jan to Mar) 2008 to Quarter 3 (July to Sept) 2018, seasonally adjusted



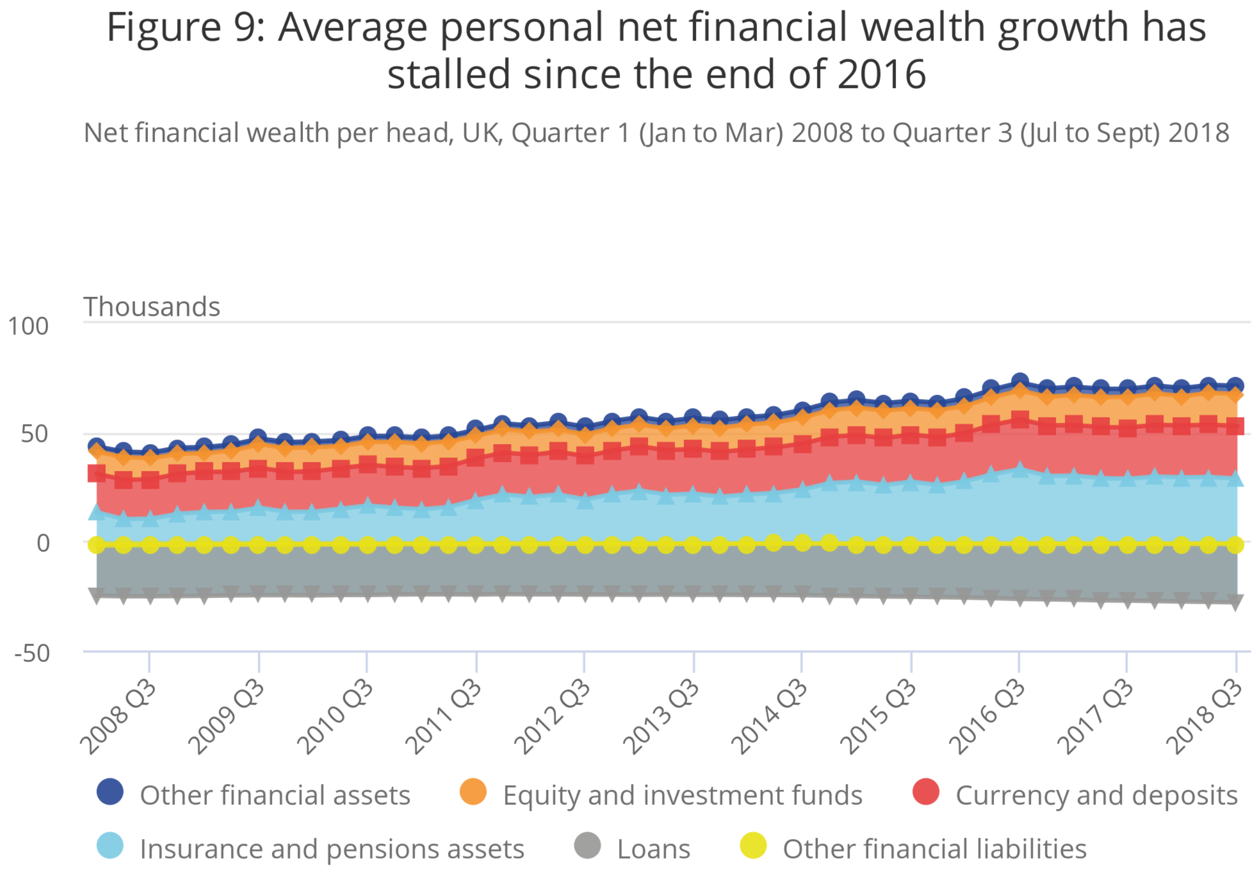
Source: Office for National Statistics - UK National Accounts

Another indicator of economic well-being is net financial wealth per head. This is calculated as 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. This is one of the types of wealth people hold, along with property and physical wealth, such as cars and jewellery. In the latest quarter, net financial wealth per head fell by 0.6%. This follows eight quarters of a slowdown, which has been observed since Quarter 3 2016. Previously, average wealth per head grew consistently. It is important to note that financial wealth is unequally distributed across society, with 61% of net financial wealth held by 10% of the population in the [latest period known](#).

The growths of the types of assets and types of liabilities can be seen in Figure 9. Since Quarter 3 2016, insurance, pension and standardised guarantee schemes per head has largely remained at a similar level. This includes the current value of assets held by pension funds. This is a trend similar to that seen in the equity and investment fund shares (shares people hold as well as investment individual savings accounts (ISAs)) and currency and deposits (current and savings accounts). Liabilities (including loans) have, however, shown a general increase since 2013 – from £23,280 per head in Quarter 3 2013 to £26,800 per head in Quarter 3 2018. So, as well as higher interest payments, household debt for the average person continues to rise.

Figure 9: Average personal net financial wealth growth has stalled since the end of 2016

Net financial wealth per head, UK, Quarter 1 (Jan to Mar) 2008 to Quarter 3 (Jul to Sept) 2018

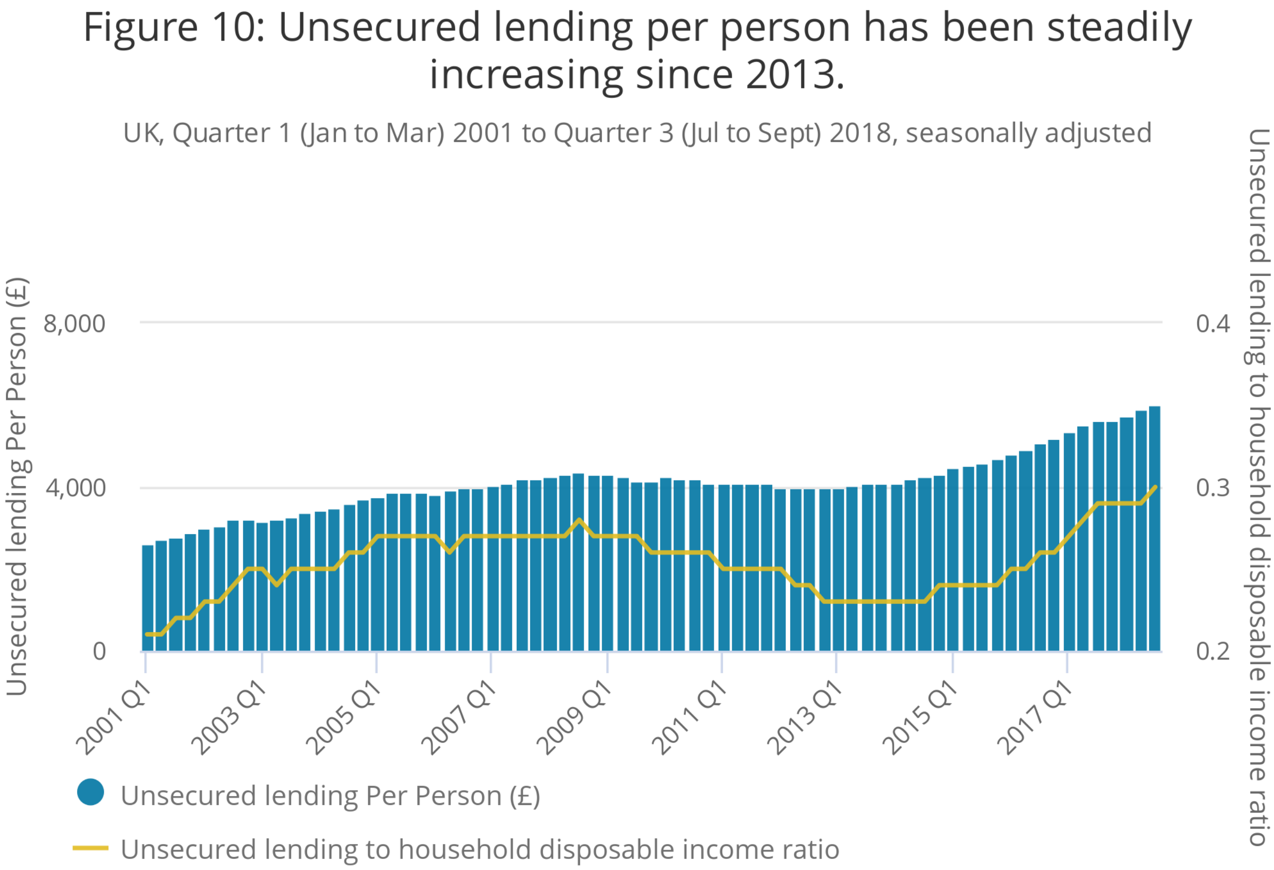


Source: Office for National Statistics - UK National Accounts

Household debt – which is comprised of secured (mortgages) and unsecured lending (credit cards and overdrafts) – has been increasing steadily since 2013. Because of this, the unsecured lending to household disposable income ratio increased by 27.2% between Quarter 1 (Jan to Mar) 2013 and Quarter 3 (July to Sept) 2018, as growth in unsecured lending grew faster (1.9%) than household disposable income (0.8%) over the period.

Figure 10: Unsecured lending per person has been steadily increasing since 2013.

UK, Quarter 1 (Jan to Mar) 2001 to Quarter 3 (Jul to Sept) 2018, seasonally adjusted



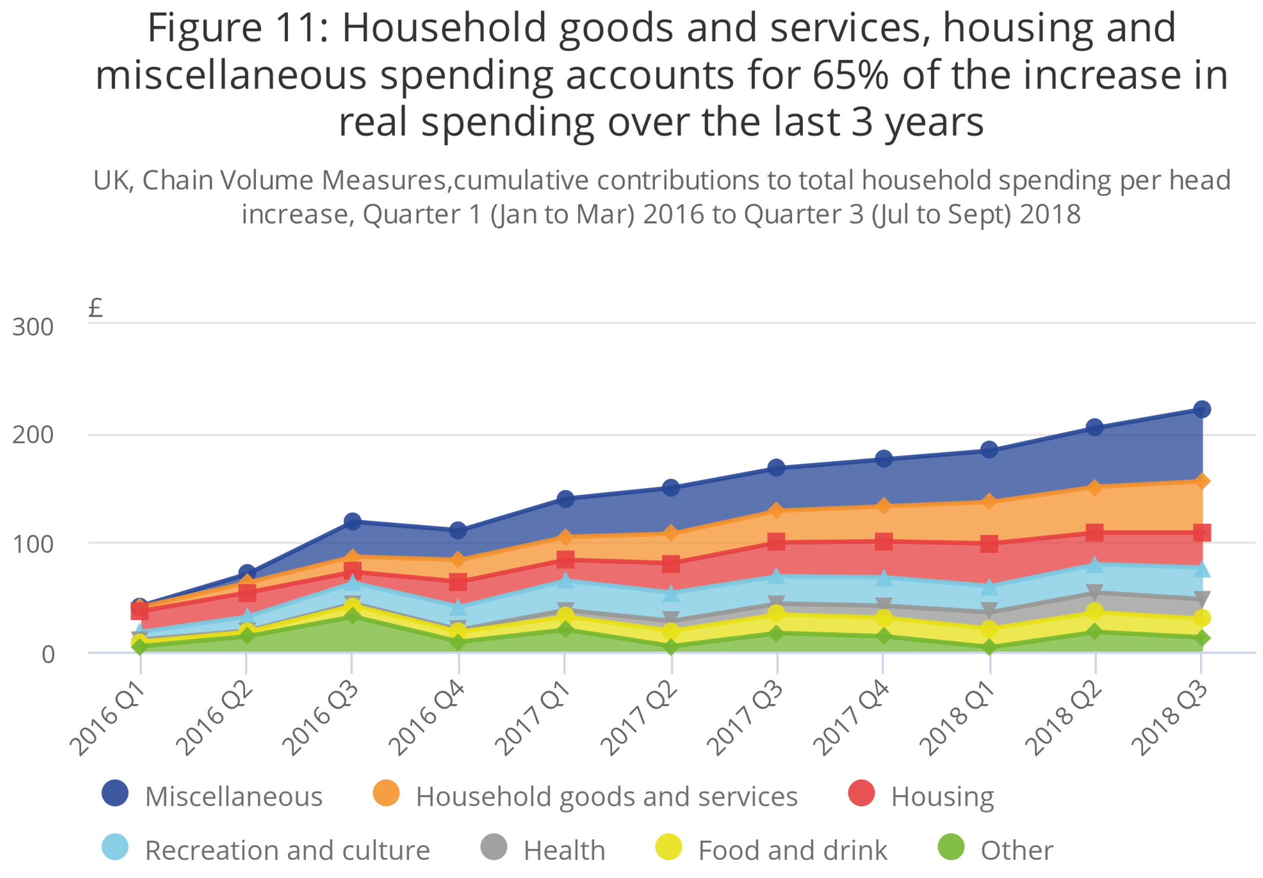
Source: Office for National Statistics

What are we spending our money on?

Figure 11 shows the cumulative increases in different types of spending since 2016.

Figure 11: Household goods and services, housing and miscellaneous spending accounts for 65% of the increase in real spending over the last 3 years

UK, Chain Volume Measures,cumulative contributions to total household spending per head increase, Quarter 1 (Jan to Mar) 2016 to Quarter 3 (Jul to Sept) 2018



Source: Office for National Statistics

Notes:

1. Other includes: net tourism, alcohol, tobacco and narcotics, clothing and footwear, transport, communication, education, restaurants and hotels.

The increase in real spending is largely accounted for through a selection of goods and services, such as furniture and furnishings, personal care products, major household appliances and jewellery, clocks and watches, while also due to increasing average home rentals and financial services excluding insurance. This is in contrast to the small real increases in food and drink spending, accounting for 8% of the increase in spending since Quarter 4 2015.

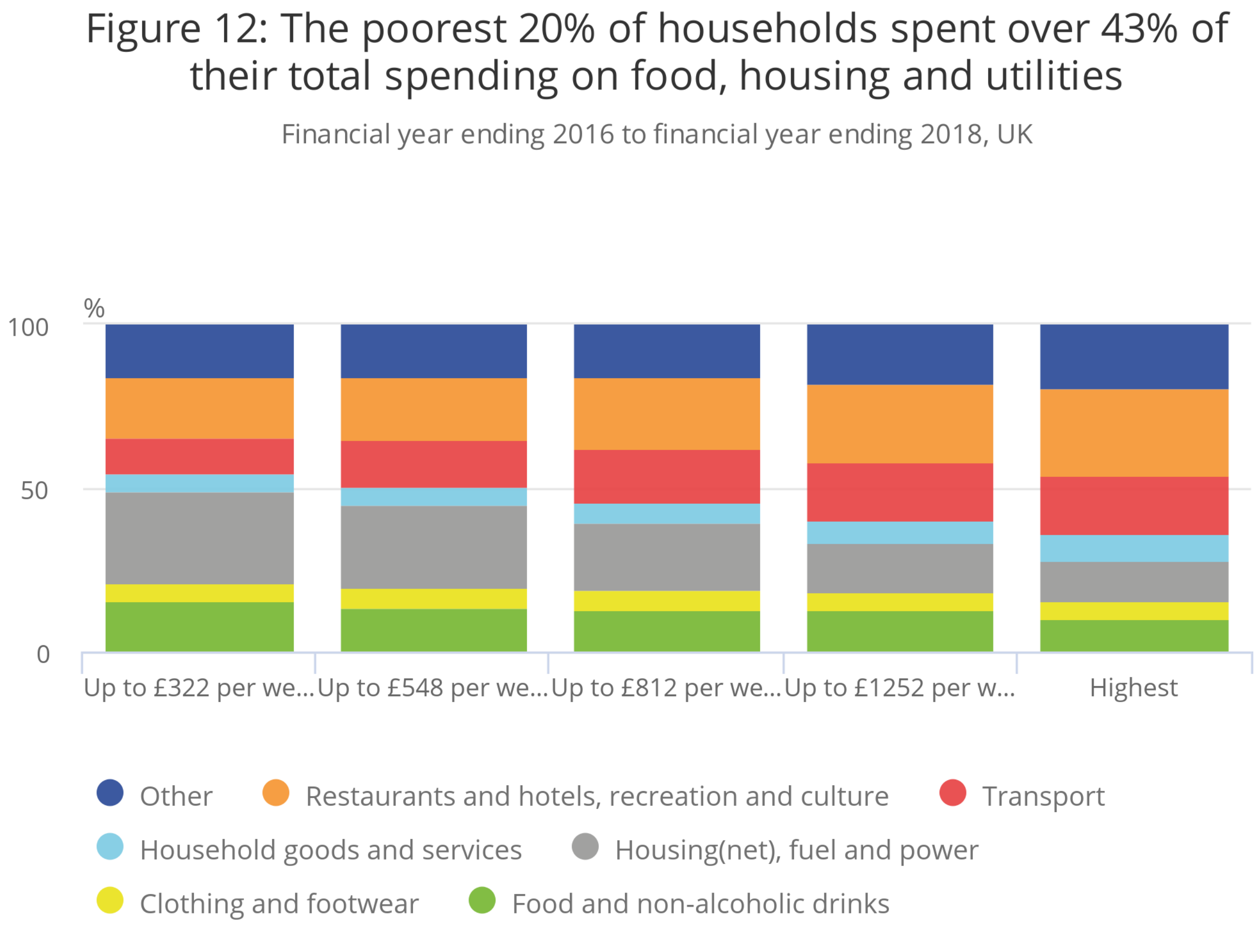
Putting all this evidence together, since Quarter 2 2016, household spending has been increasing, helped by all-time-high unsecured borrowing, while household income has stayed flat. This is reflected in flatter life satisfaction, happiness and worthwhile ratings in the UK.

6 . What’s the situation for different parts of society?

It is important to highlight that national economic indicators may mask different experiences for different parts of the population. Types of spending differ depending on the gross income of the household. As can be seen in Figure 12, those in the poorest 20% of households spend over 43% of their total spending on food, housing and utilities, much more than other categories. In contrast, those in the top 20% of households spend over 26% on recreation and culture, as well as hotels and restaurants.

Figure 12: The poorest 20% of households spent over 43% of their total spending on food, housing and utilities

Financial year ending 2016 to financial year ending 2018, UK



Source: Office for National Statistics

Notes:

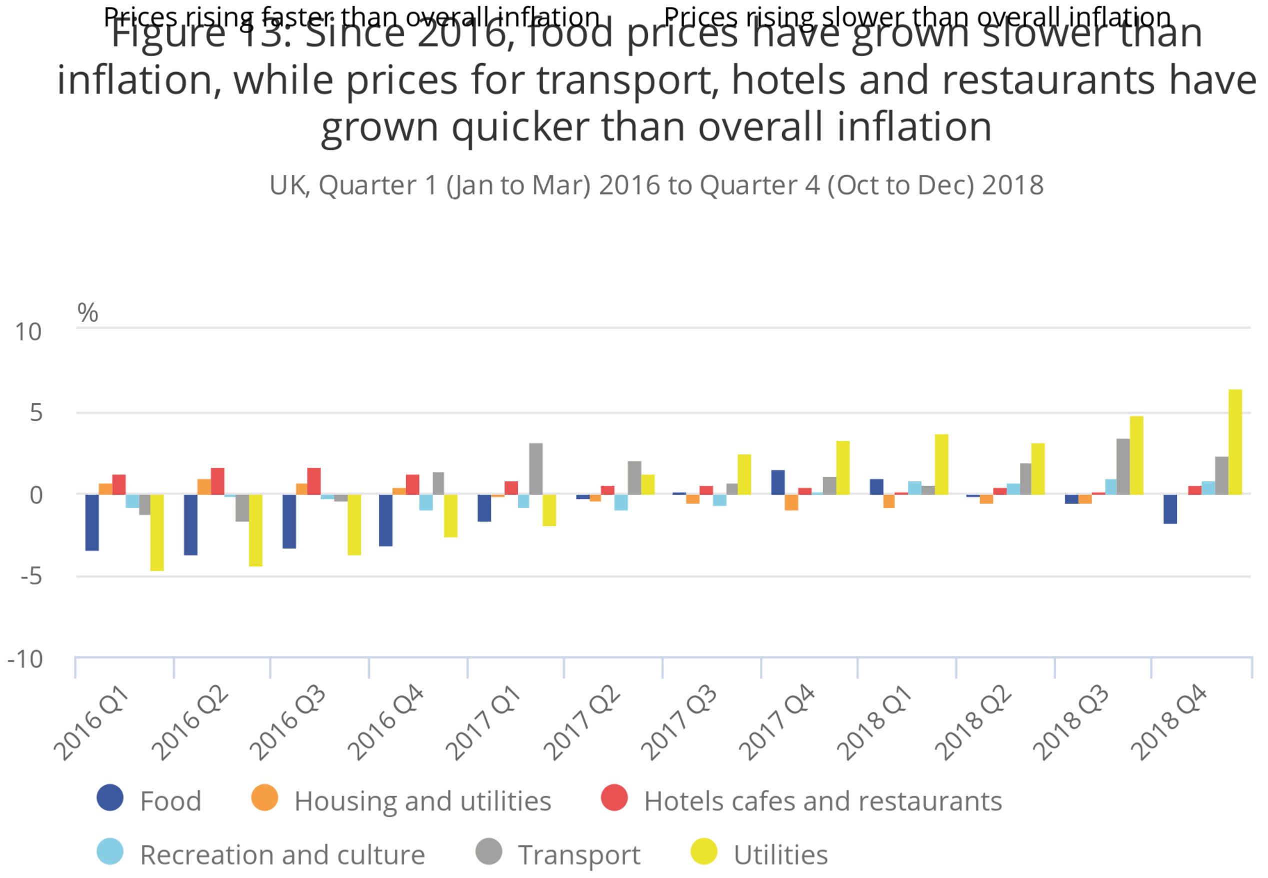
1. Three-year average across 2016 – 2018 financial years
2. The income measure used to create the deciles or quintiles is consistent with previous Family Spending reports. However, this differs from our preferred measure of income. For more details please see the methodology section of the Family Spending bulletin.
3. Lower boundary of 2017 to 2018 gross income quintile groups (£ per week).
4. Housing spending excluding mortgage interest payments, council tax and Northern Ireland rates.
5. X-axis represents maximum weekly income per quintile of household income.

The growth in spending (and unsecured debt) at the national level may reflect important disparities in daily life for people in households across the income distribution.

Additionally, recent inflation changes will be experienced differently by households which spend on different categories. For example, food prices have generally grown slower than overall inflation, though some categories, such as bread, have grown quicker. Some of these price changes can be seen in the next graph.

Figure 13: Since 2016, food prices have grown slower than inflation, while prices for transport, hotels and restaurants have grown quicker than overall inflation

UK, Quarter 1 (Jan to Mar) 2016 to Quarter 4 (Oct to Dec) 2018



Source: Consumer Prices Index including owner occupiers' housing costs (CPIH)

Notes:

1. A positive figure means the price of the good or service has increased more than overall inflation. A negative figure means the price of the good or service has increased slower than overall inflation.
2. Latest bulletin can be found [here](#)
3. Housing and utilities refers to Classification of individual consumption by purpose (COICOP) item 04, which includes housing, water and fuel
4. Values are calculated as annual changes minus the annual change of CPIH.

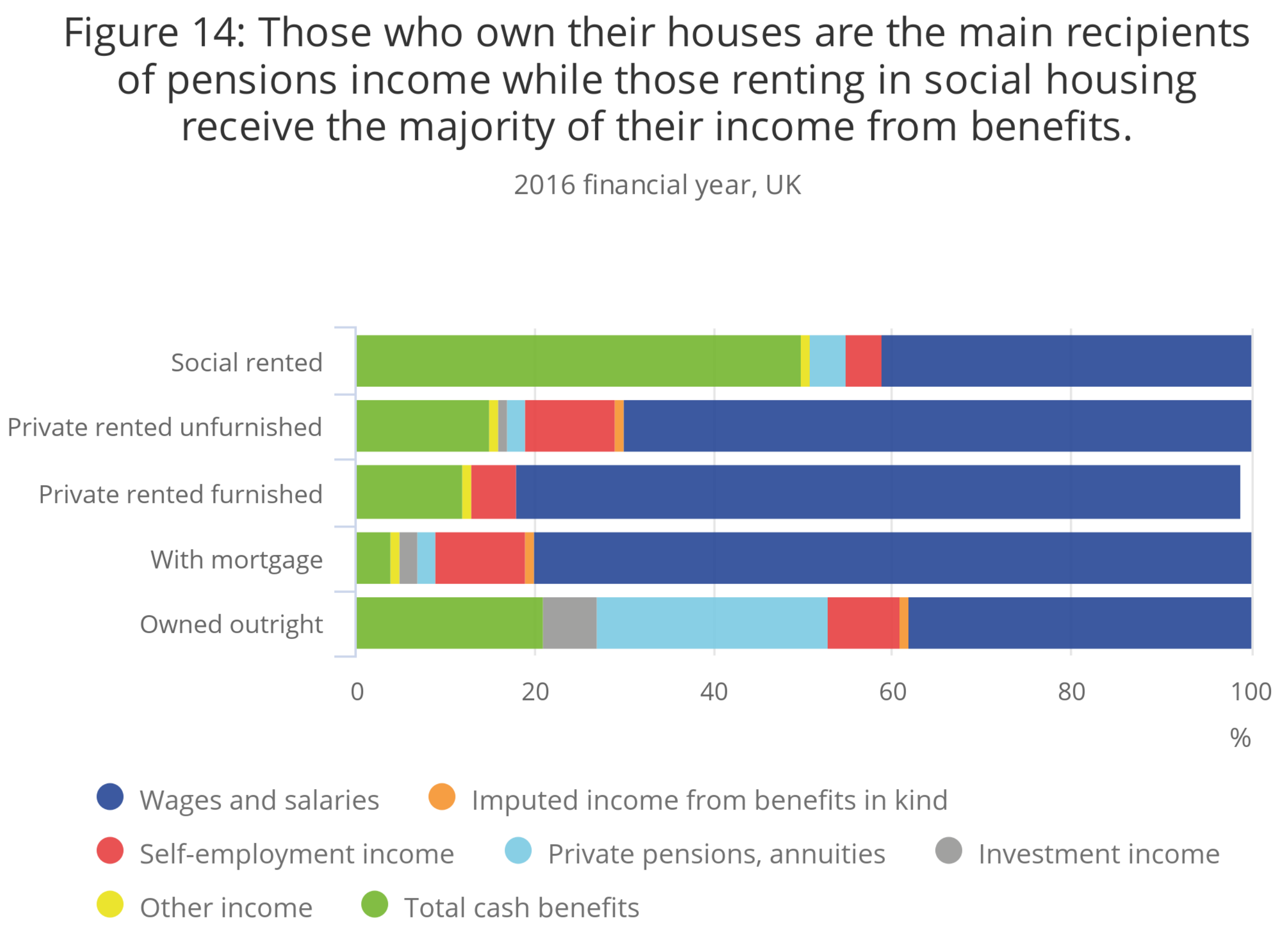
Generally, prices for hotels and restaurants have been increasing higher than overall inflation. Since Quarter 3 2017, recreational and culture goods and services have also grown more quickly, while food has grown slower than overall inflation, as has housing and utilities. Hence, inflation may be affecting the richest households more than the poorest, though it is important to note that within these higher level spending categories, there is a lot of variation in price changes reflecting people's wide spending habits. For example, there has been a sharp rise in utility prices, such as for electricity and gas, since Quarter 2 2017, which will likely affect the poorest the most adversely, as they spend a larger proportion of their spending on utilities.

Similarly, seeing average household income per head grow might not apply for people across the income distribution. This is why we show median disposable income, which for financial year 2018 grew by 1.2%. Median disposable income reflects the income received by the household in the middle of the distribution, that is, 50% of households have higher disposable income in the UK, while 50% have less. Looking within the distribution shows further differences in experiences. For example, between 2011 to 2012 and 2016 to 2017, average income for the bottom 20% of households has increased by £589, while for the top 20% it has increased by £4,123. Further detail can be found in the last analysis published on household income.

In addition to this, it is worth seeing which types of income are more likely to be received by poorer and richer households.

Figure 14: Those who own their houses are the main recipients of pensions income while those renting in social housing receive the majority of their income from benefits.

2016 financial year, UK



Source: Office for National Statistics

Notes:

1.May not sum to 100 due to rounding.

As can be seen in Figure 14, people in different types of households receive their income from very different sources. Those in social renting households received 50% of their income from cash benefits in 2016 financial year and we have seen much slower increases in total benefit income since then. In contrast, those who own their house outright receive 25% of their income from private pensions and annuities, which has seen a rise in the last four quarters.

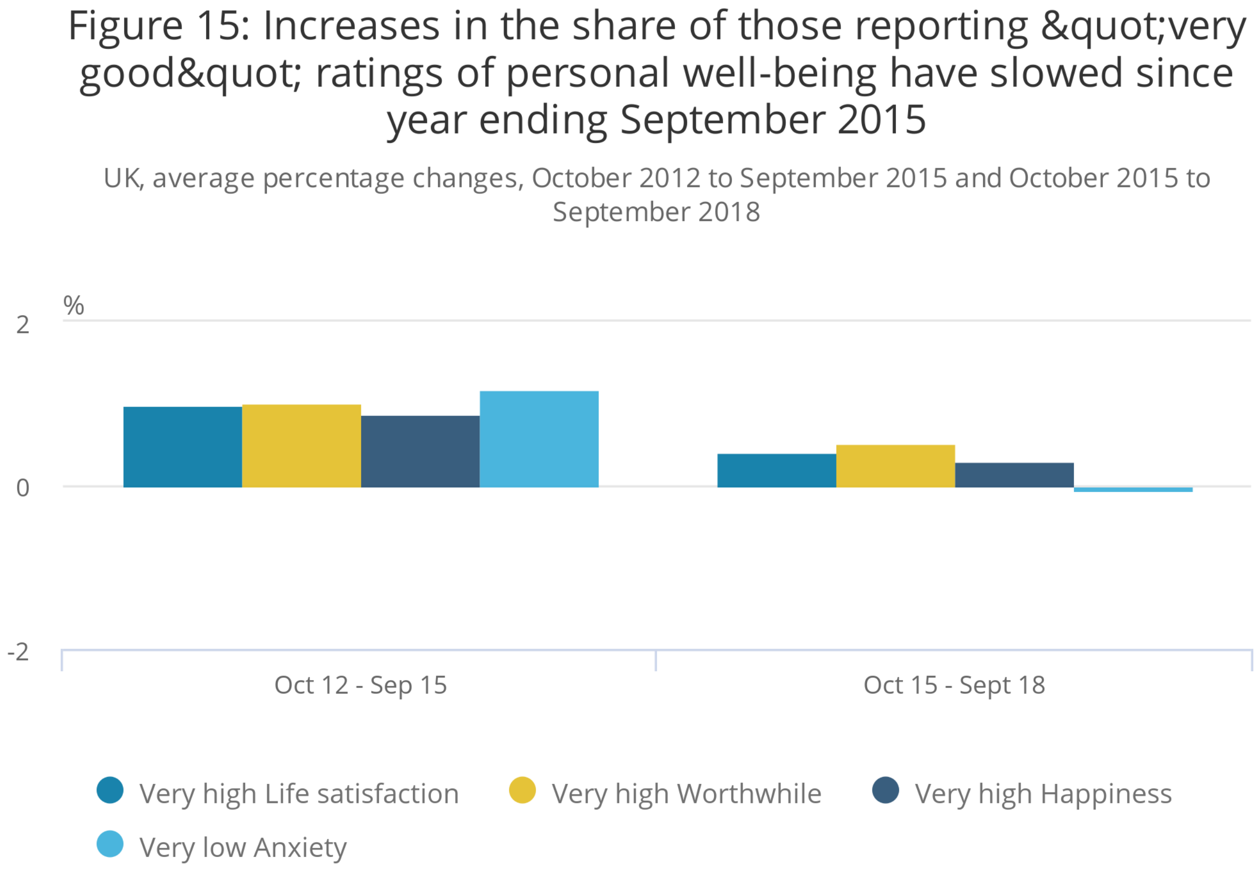
People’s personal well-being ratings may also vary across parts of the population, even if average national-level scores are remaining flat and average anxiety ratings are falling.

Very good” personal well-being ratings have been rising faster than “poor” ratings”, suggesting that the improvement for those people struggling the most has been slower over time.

In addition to looking at average ratings, potential inequalities in personal well-being have also been monitored by comparing those rating each aspect of their well-being at a very high level or very low level within the UK. Observing these inequalities may help to explain some of the variance in the relationship between personal and economic well-being.

Figure 15: Increases in the share of those reporting "very good" ratings of personal well-being have slowed since year ending September 2015

UK, average percentage changes, October 2012 to September 2015 and October 2015 to September 2018



Source: Office for National Statistics - Annual Population Survey

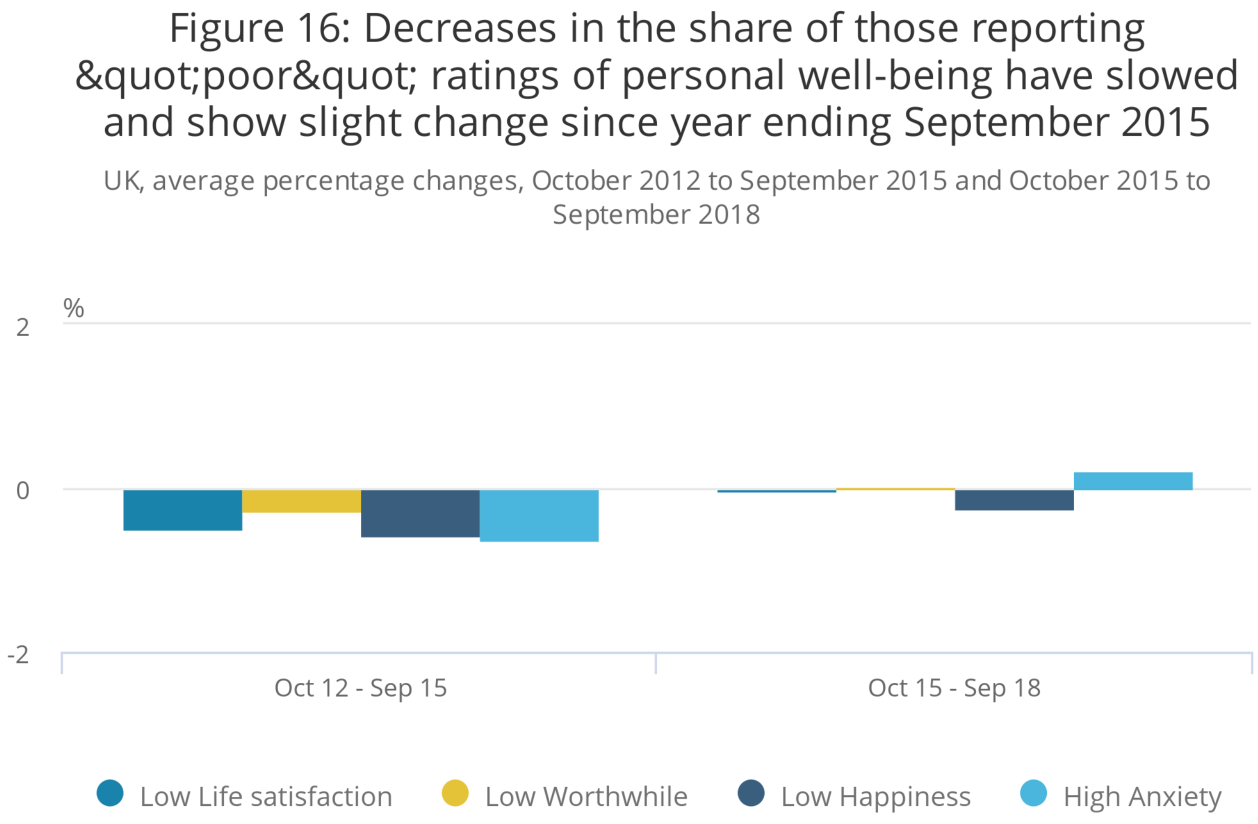
Notes:

1. Statistically significant differences have been determined on the basis of non-overlapping confidence intervals.

2. "Very good" well-being refers to those providing a rating of 0 to 1 for anxiety and 9 to 10 for happiness, life satisfaction and worthwhile.

Figure 16: Decreases in the share of those reporting "poor" ratings of personal well-being have slowed and show slight change since year ending September 2015

UK, average percentage changes, October 2012 to September 2015 and October 2015 to September 2018



Source: Office for National Statistics - Annual Population Survey

Notes:

1. Statistically significant differences have been determined on the basis of non-overlapping confidence intervals.

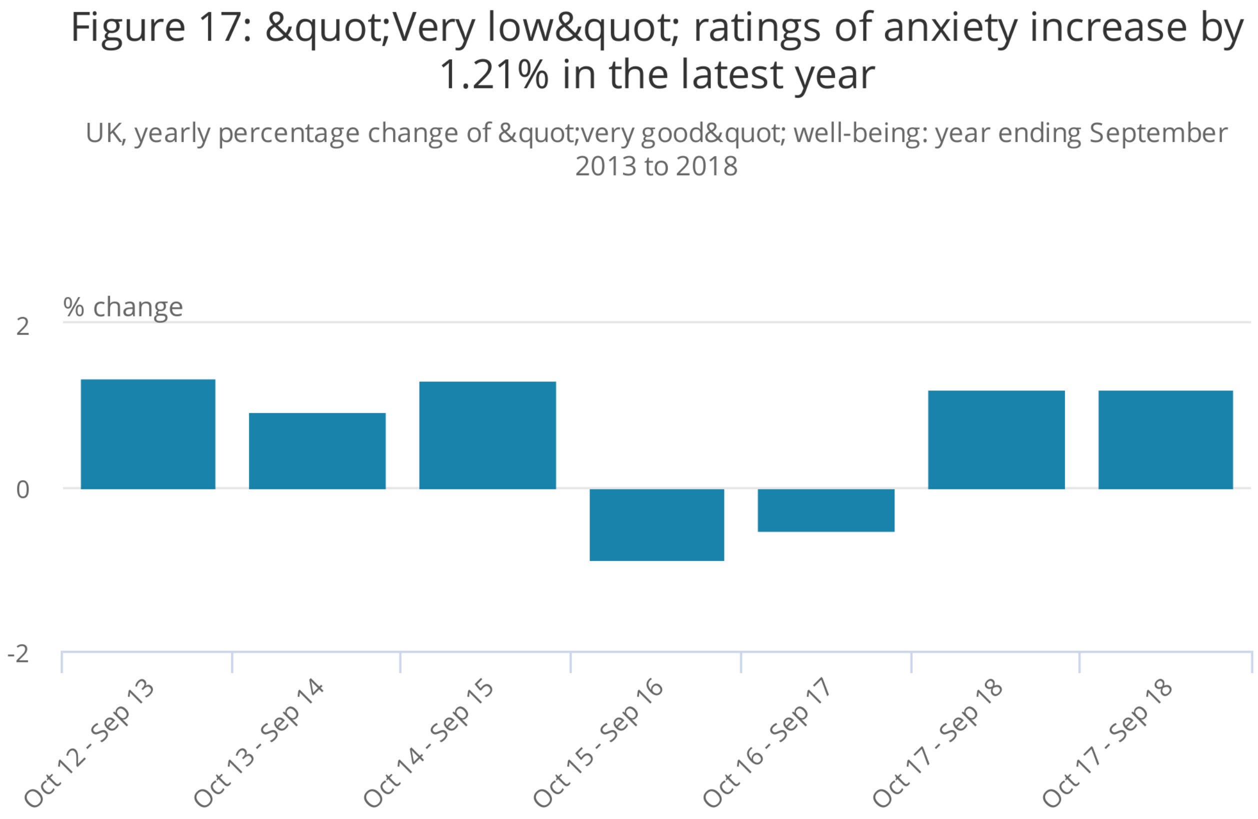
2. "Poor" well-being refers to those providing life satisfaction, worthwhile, and happiness ratings of 0 to 4 on an 11-point scale, and anxiety ratings of 6-10.

In relation to the change over the last six years, the proportion of people reporting “poor” personal well-being (that is, low levels of life satisfaction, worthwhile and happiness ratings, and high anxiety) decreased (Figure 15). The proportion of those reporting “very good” well-being (that is, very high levels of life satisfaction, worthwhile and happiness ratings, and very low anxiety) increased for all measures since the year ending September 2012 (Figure 16). However, the increases at the positive end of the scale are larger than the decreases at the negative end, suggesting that the improvement for those people struggling the most has been slower over time.

Between the years ending September 2017 and 2018, in particular, the proportion of people reporting very low ratings of anxiety has increased from 39.89% to 41.10%, while the proportion of people who reported low levels of happiness decreased from 8.44% to 7.98% across the UK. So, we have seen that “very good” ratings (i.e. very low scores) of anxiety have increased (by 1.21% in the latest year) faster than the decrease in “poor” happiness ratings (by 0.46% in the latest year), as shown in Figures 17 and 18 below.

Figure 17: "Very low" ratings of anxiety increase by 1.21% in the latest year

UK, yearly percentage change of "very good" well-being: year ending September 2013 to 2018



Source: Office for National Statistics - Annual Population Survey

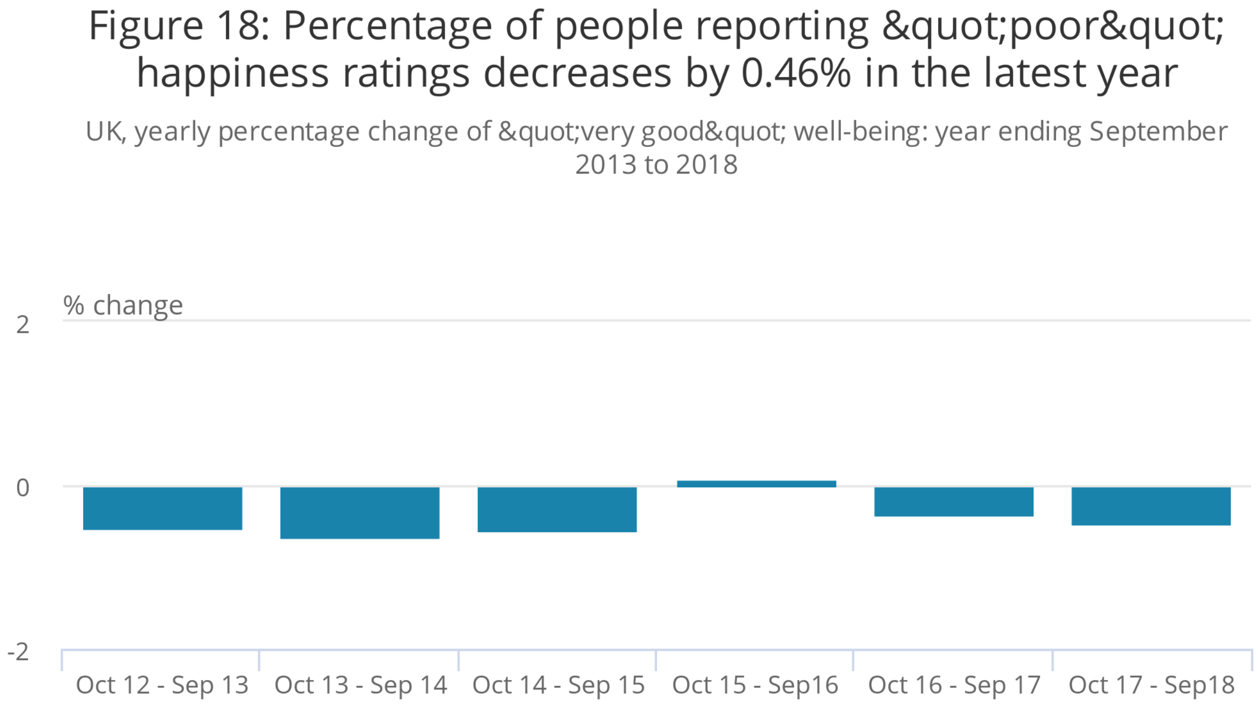
Notes:

1. Statistically significant differences have been determined on the basis of non-overlapping confidence intervals.

2. "Very low" ratings of anxiety refer to ratings of 9 to 10 on an 11-point scale.

Figure 18: Percentage of people reporting "poor" happiness ratings decreases by 0.46% in the latest year

UK, yearly percentage change of "very good" well-being: year ending September 2013 to 2018



Source: Office for National Statistics - Annual Population Survey

Notes:

1. Statistically significant differences have been determined on the basis of non-overlapping confidence intervals.

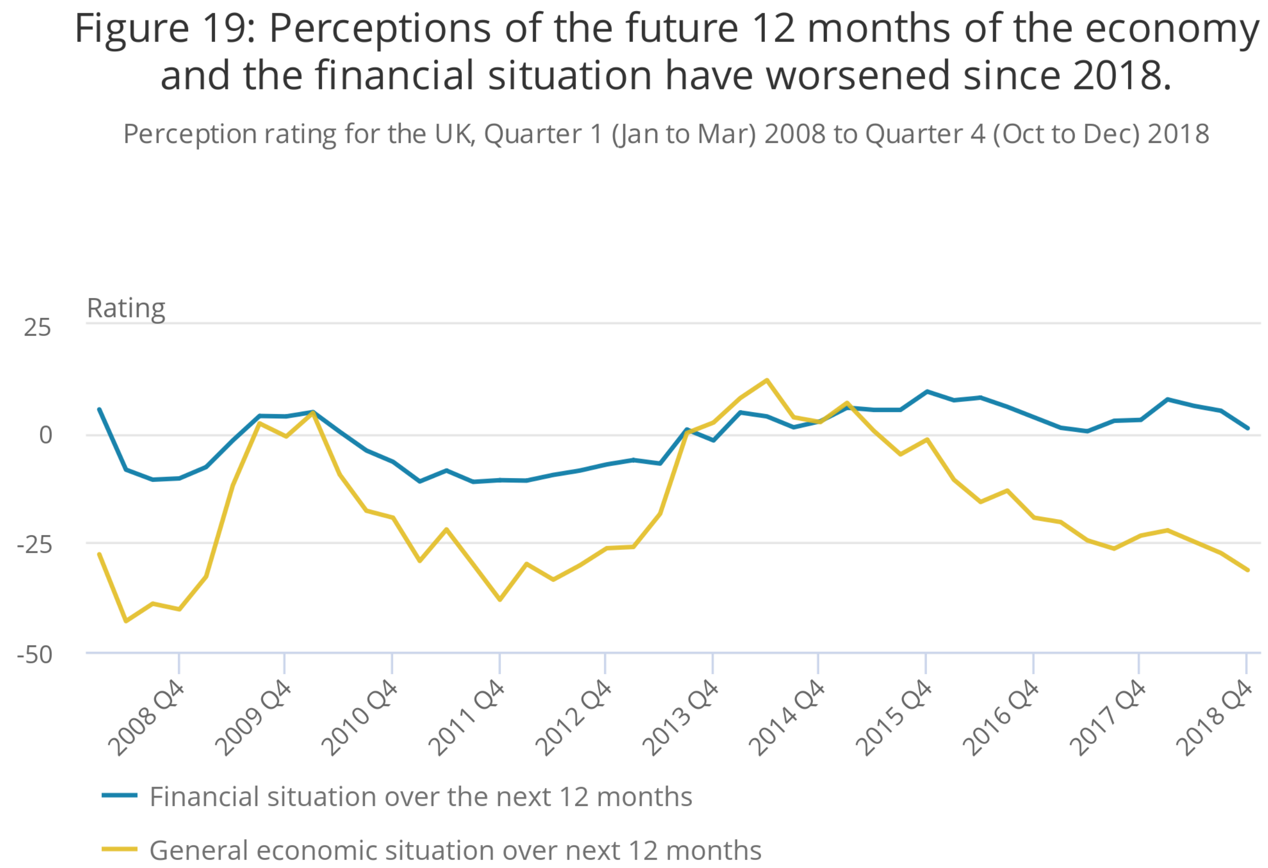
2. "Poor" happiness ratings refer to ratings of 0 to 4 on an 11-point scale.

Looking ahead, people expect the next 12 months to be worse, both for the economy and their personal financial situation

In line with objective economic well-being measures, it is important to consider people's subjective expectations about the economy and their own financial situation. Figure 19 shows that since Quarter 1 2018, people's levels of optimism about perceptions of their future financial situation in the next 12 months declined at its fastest rate since Quarter 2 2016. Also, people's expectations of the general economic situation over the next 12 months are worsening.

Figure 19: Perceptions of the future 12 months of the economy and the financial situation have worsened since 2018.

Perception rating for the UK, Quarter 1 (Jan to Mar) 2008 to Quarter 4 (Oct to Dec) 2018



Source: Eurobarometer Consumer survey, European Commission

Notes:

1. The Eurobarometer Consumer Survey, conducted by GFK on behalf of the European Commission, provides information regarding perceptions of the economic environment. A positive balance means that consumers perceived an improvement within the economy, a zero balance indicates no change and a negative balance indicates a perceived worsening.

2. The Eurobarometer Survey results are also available for Quarter 4 2018 across the measures presented here. The perceived financial situation over the next 12 months drops dramatically whereas the general economic situation perceptions remain at a perceived worsening.

7 . Next steps

This bulletin has aimed to provide a fuller picture of well-being in the UK by looking at the relationship between personal and economic well-being and how households are faring across society.

In the future we plan to provide insights into well-being inequalities and a range of factors that might have an impact on people's personal well-being such as personal characteristics, household circumstances and household income and expenditure. We will also monitor changes in well-being levels going forward, especially assessing whether and how the UK's exit from the EU will have an impact on how we feel about our lives and our daily emotions.

8 . Authors

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