OECD Better Life Initiative

OECD findings on health inequalities and housing

Carlotta Balestra

OECD Statistics Directorate

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Outline

- Context

- Overview of OECD Better Life Initiative:
  - How's Life? and the Better Life Index
  - Selected findings on health and housing

- Multivariate analysis on housing satisfaction

- Next steps

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Context

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The starting point…

- GDP is a key measure to monitor macro- economic activity, productivity, demand for paid-jobs
- GDP is not a metric for people's well-being and is often at variance with people's personal experiences
- Measuring well-being implies confronting values: from "treasuring what you measure" to "measuring what you treasure"

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Well-being: a long-standing focus of OECD work

- Work on environmental and social indicators (1980s-90s)

- Analytic reports on alternative measures of well-being (*The Well-being of Nations*, 2000; *Society at a Glance*, 2006)

- Several OECD World Fora (Palermo, Istanbul, Busan and Delhi) and regional conferences (Africa, Asia, Latin America, Europe)

- Opportunity of OECD 50th Anniversary: Better policies for better lives

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The OECD Better Life Initiative

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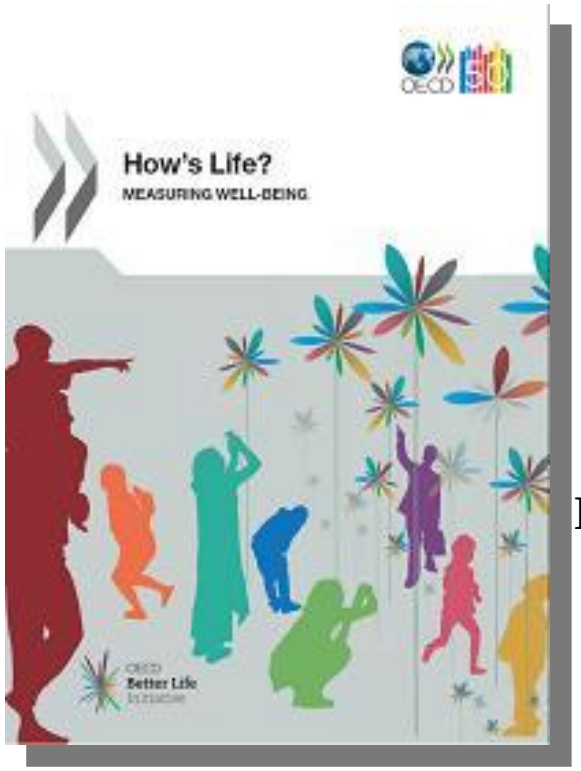
OECD@50 : the OECD Better Life Initiative

How' Life?



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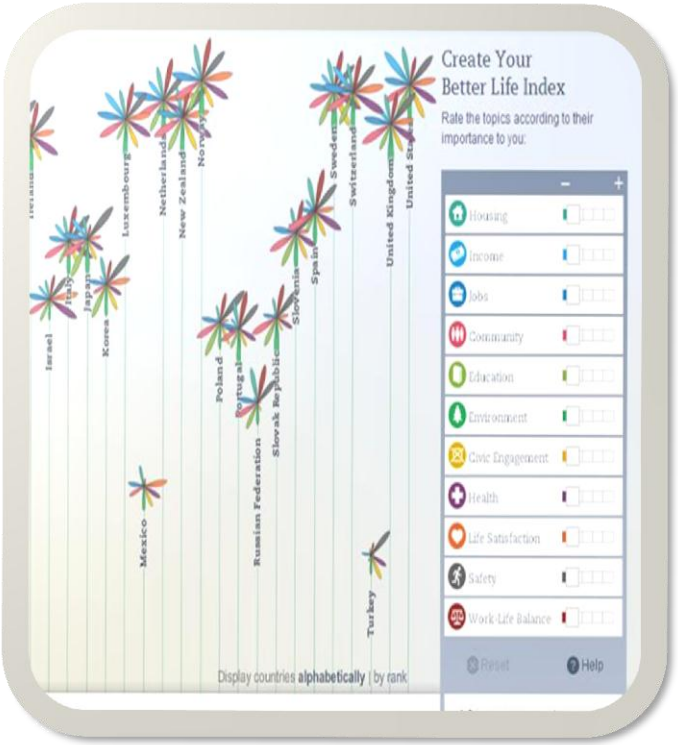
Measures, analysis and future statistical agenda on what matters most in people's life

Your Better Life Index



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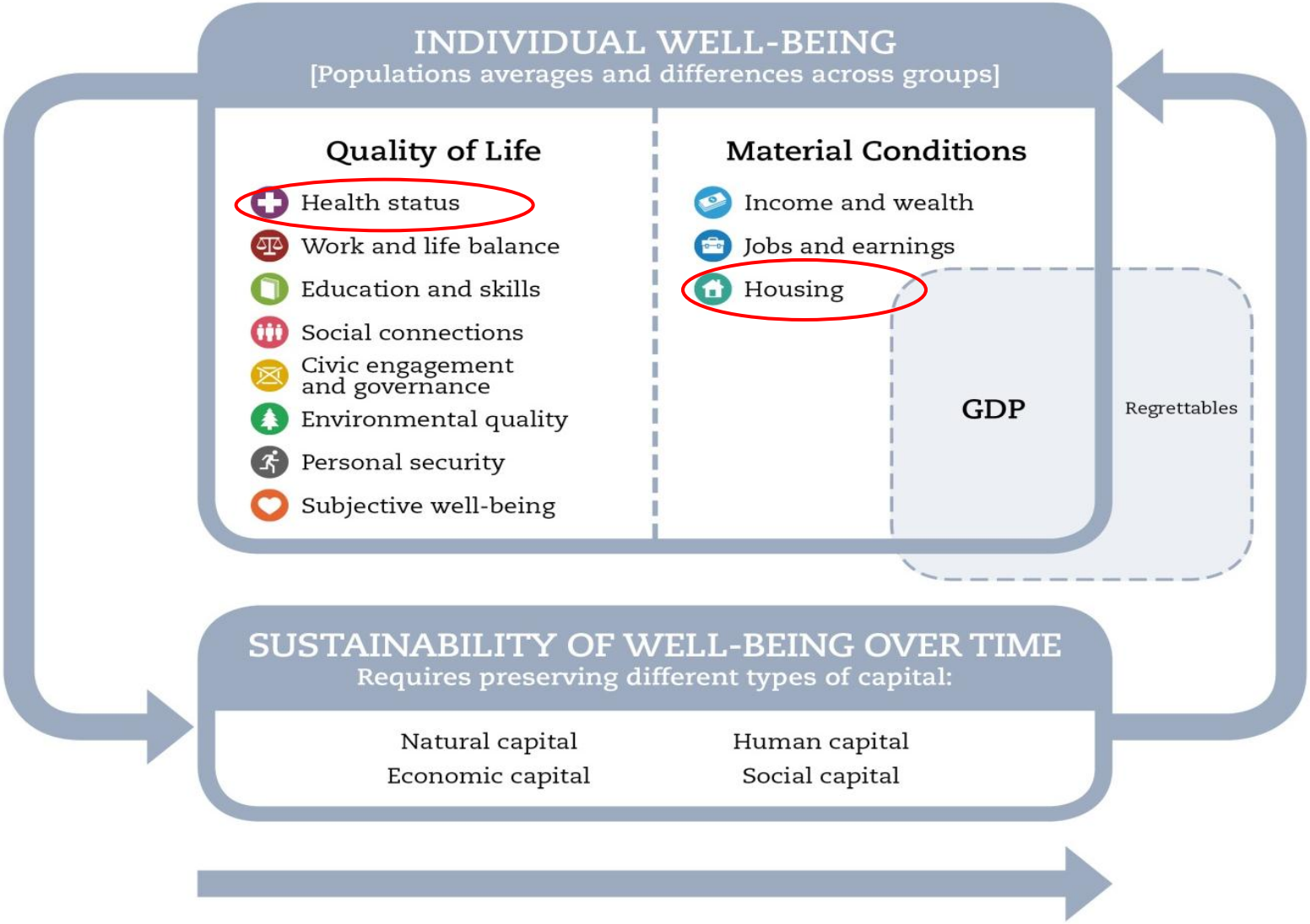
Defining well-being in the OECD Better Life Initiative



Focus

- **Households** and **people**, not just GDP
- **Outcomes**, not inputs or outputs
- Assessing **inequalities** alongside averages
- Including both **objective** and **subjective** aspects of well-being

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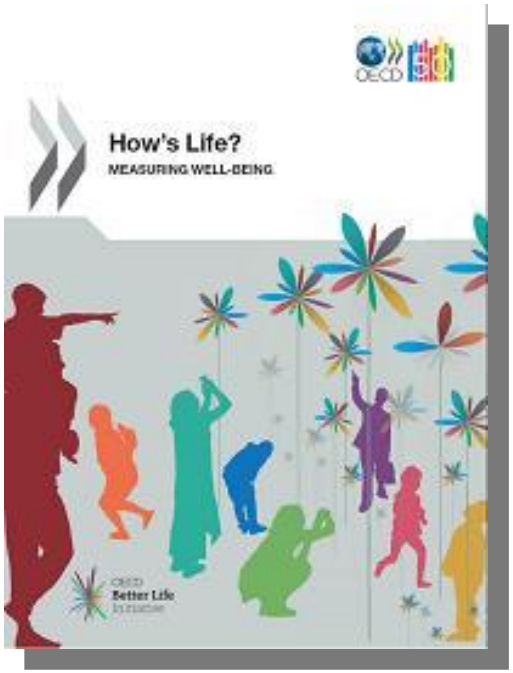
How's Life? 2011

- **Method:**
  - Selection of headline (22) and secondary indicators (55)
  - High quality statistical standards
  - Consultation with experts and NSOs
  - A dashboard with traffic lights, not a composite



- **Findings:**
  - Life in 2011 better than fifteen years ago
  - But some lives are better than others
  - No country is a champion in well-being
  - Friends, family and jobs buy more happiness than money

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Selected findings on health

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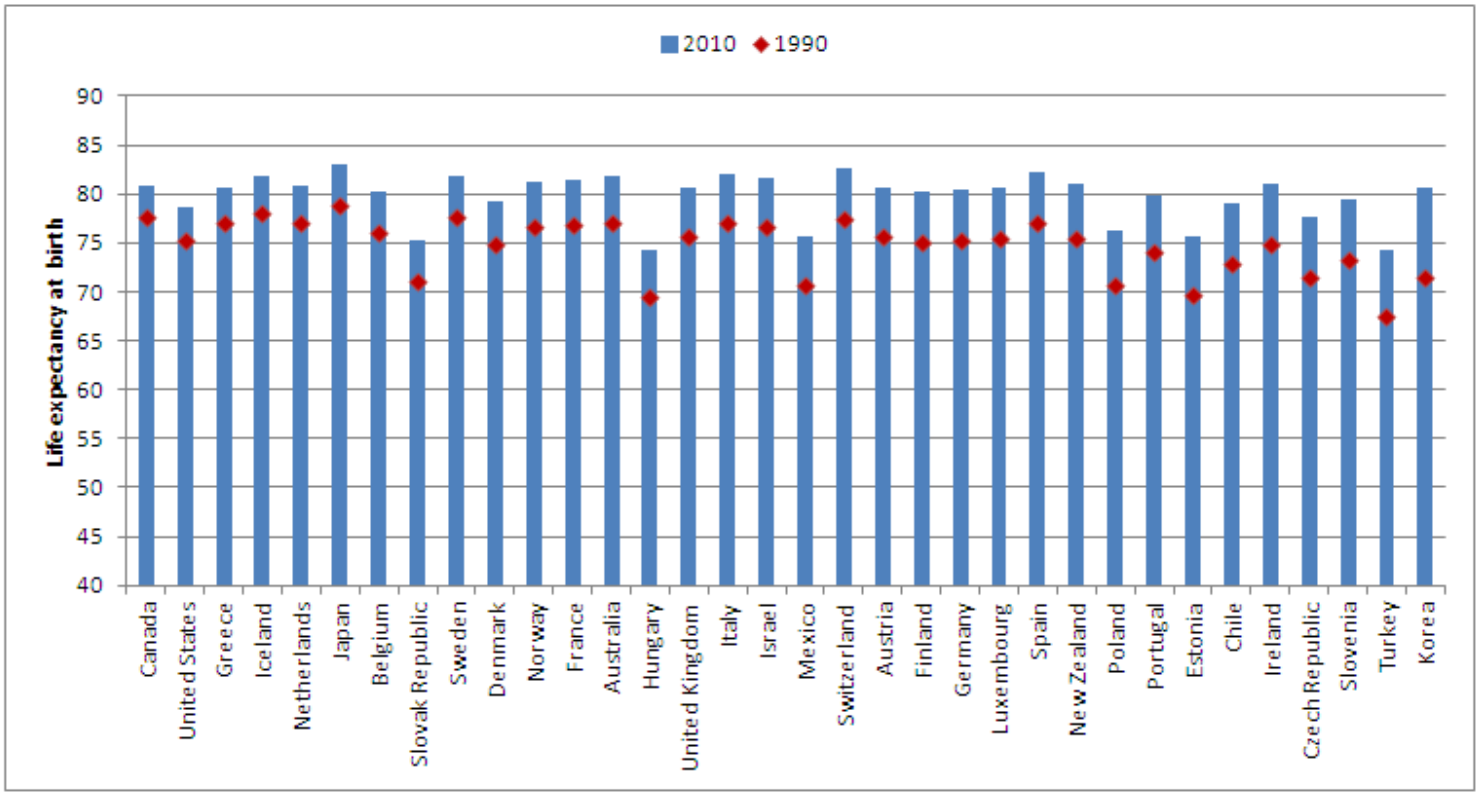
Life got longer…



Source: OECD Health Database

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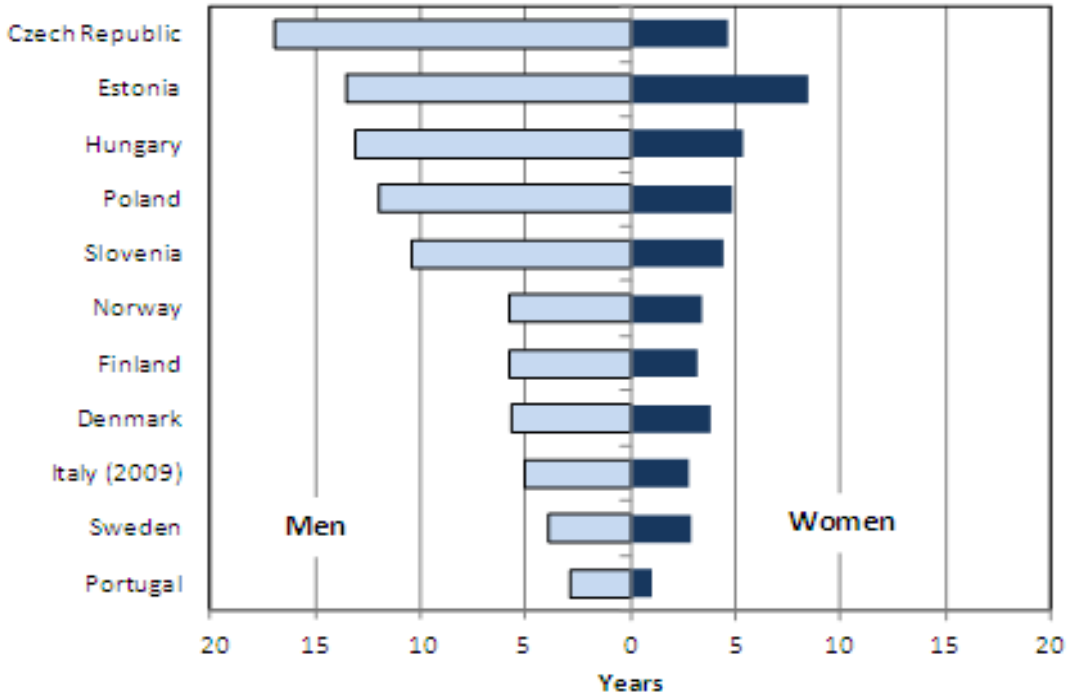
… but large inequalities persist

Life expectancy gaps at age 30 between high and low educational



Source: Eurostat Statistics Database

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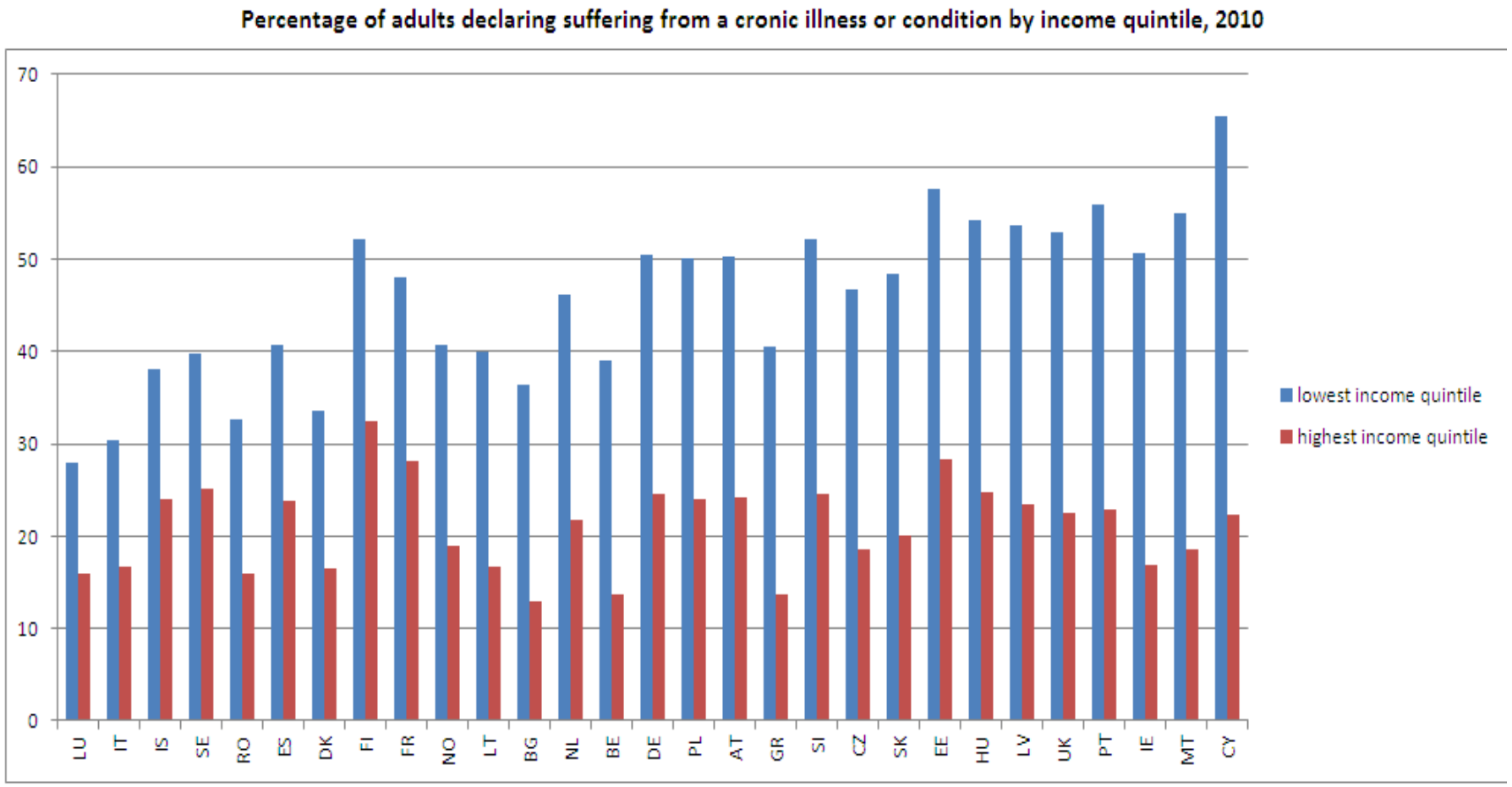
Health is more than living long…



Source: OECD's calculations based on EU-SILC

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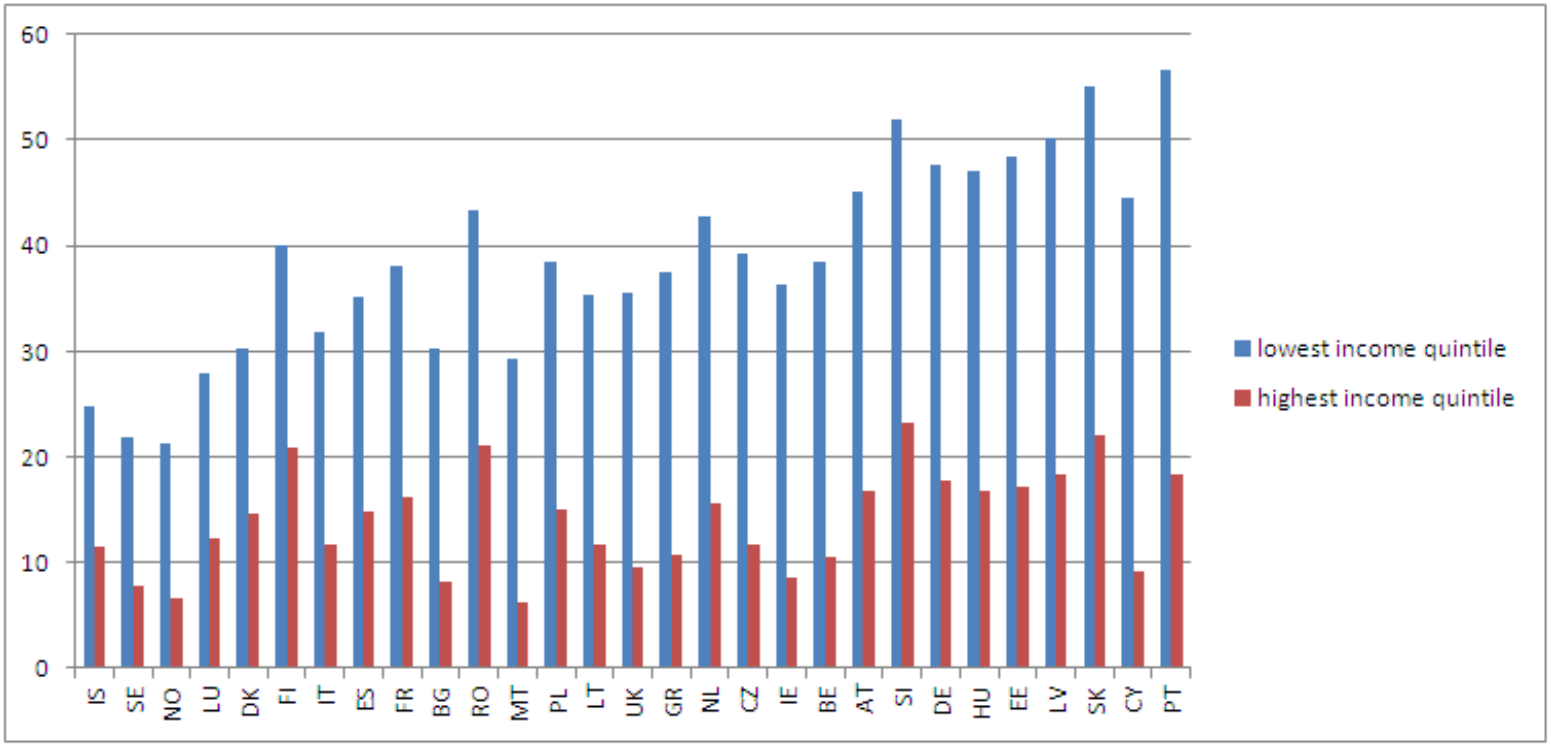
…it is also about being healthy…

Percentage of adults declaring limitation in activities because of health problems by income quintile, 2010



Source: OECD calculations based on EU-SILC.

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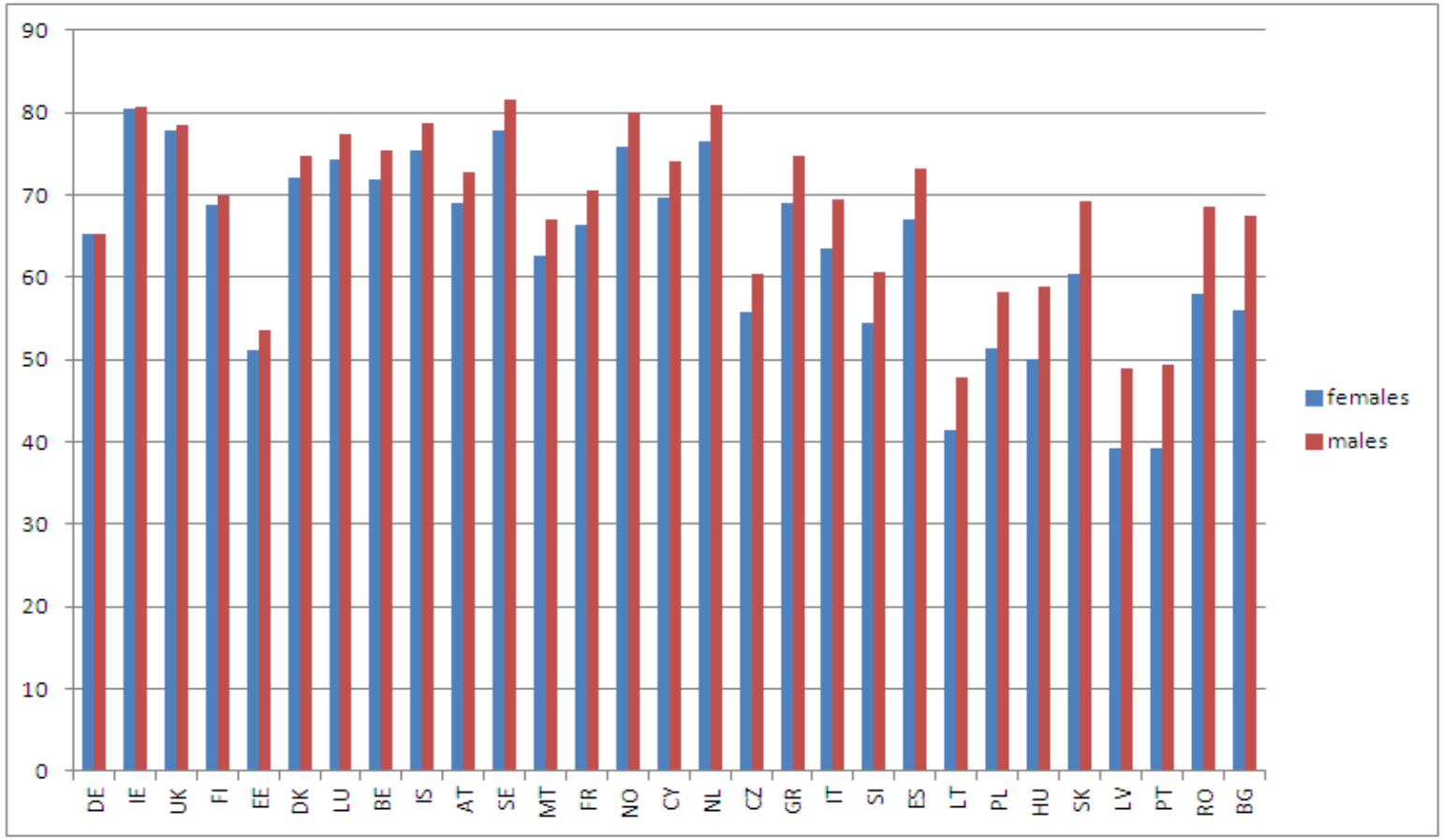
… feeling good…

Percentage of adults declaring being in good or very good health by gender, 2010



Source: OECD's calculations based on EU-SILC.

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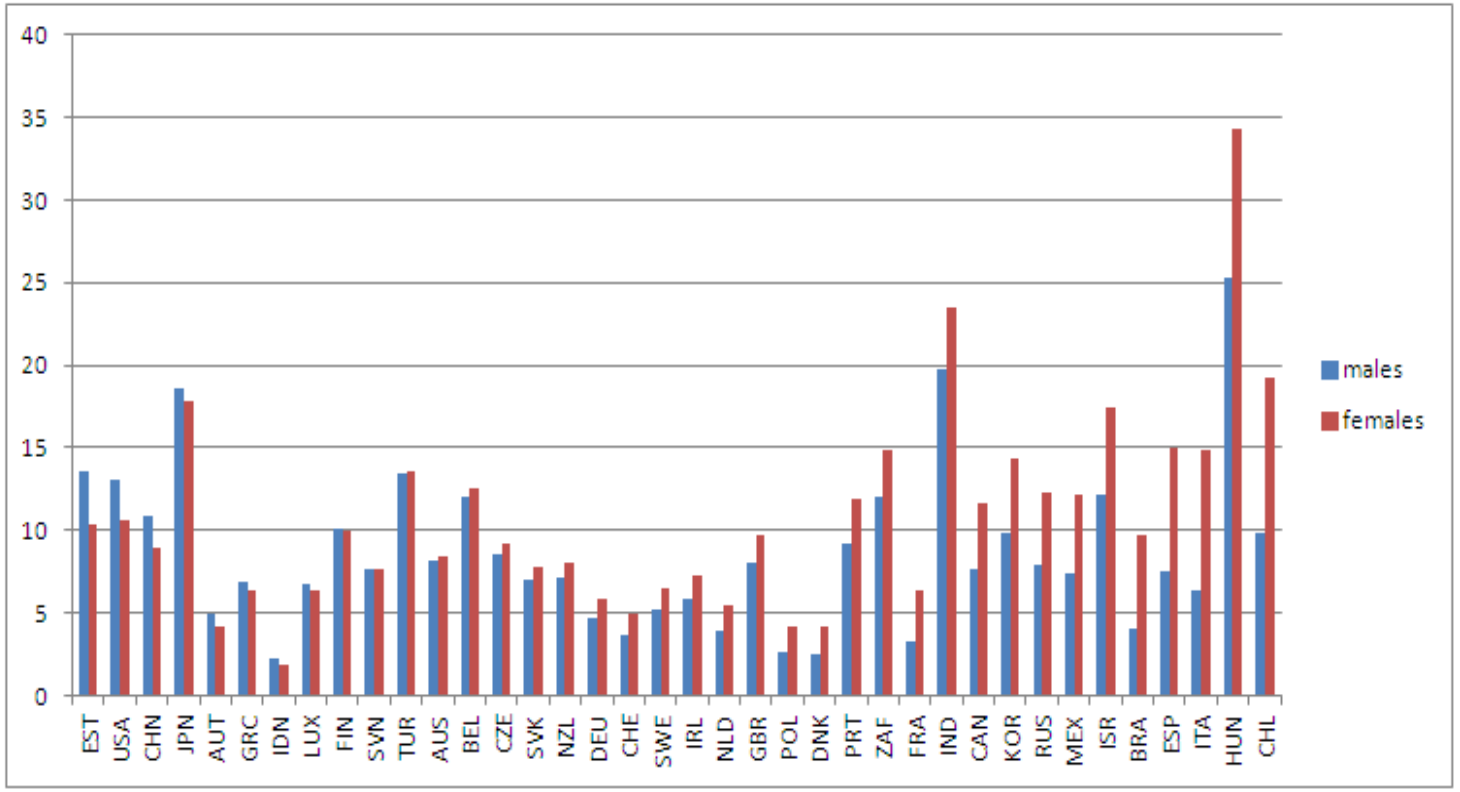
…and experiencing good feelings

Percentage of people declaring having experienced depression yesterday by gender, 2010



Source: OECD calculations based on Gallup World Poll.

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Selected findings on housing

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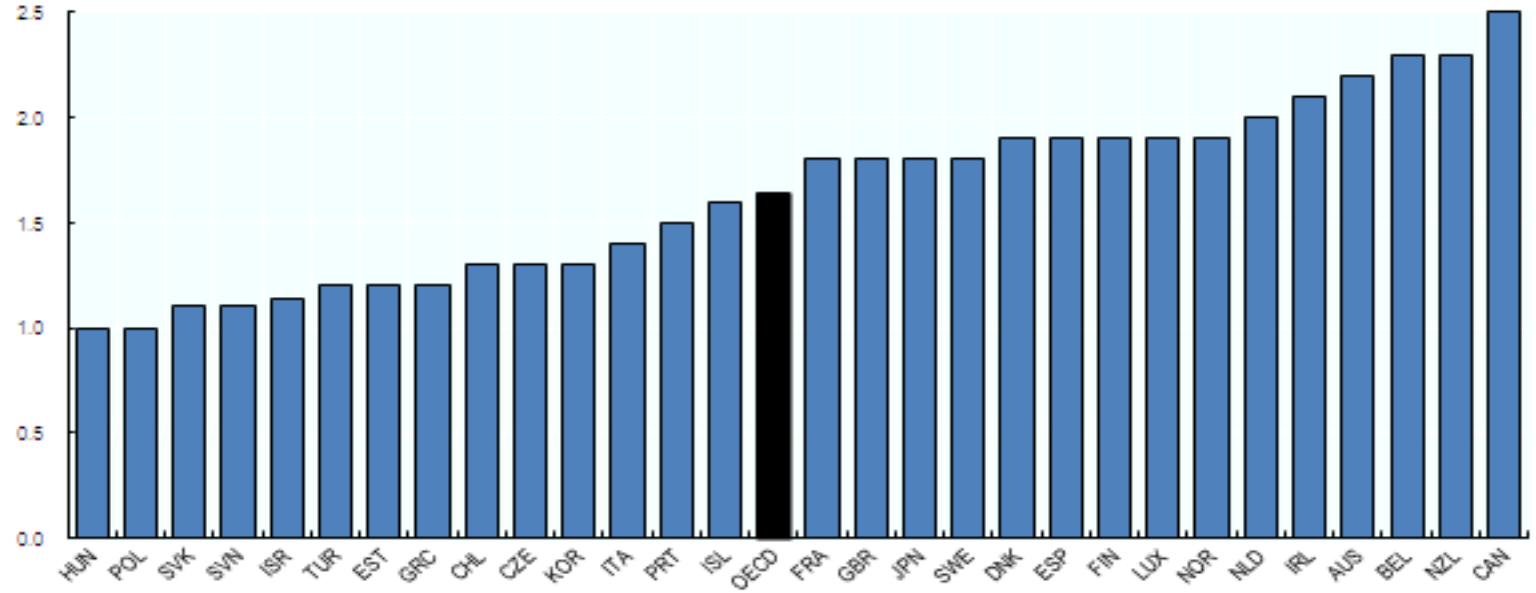
Large variation exists across countries…

Rooms per person

Average number, 2009 or latest available year



Sources: European Union Statistics on Income and Living Conditions (EU-SILC), National Statistical Offices and OECD's calculations.

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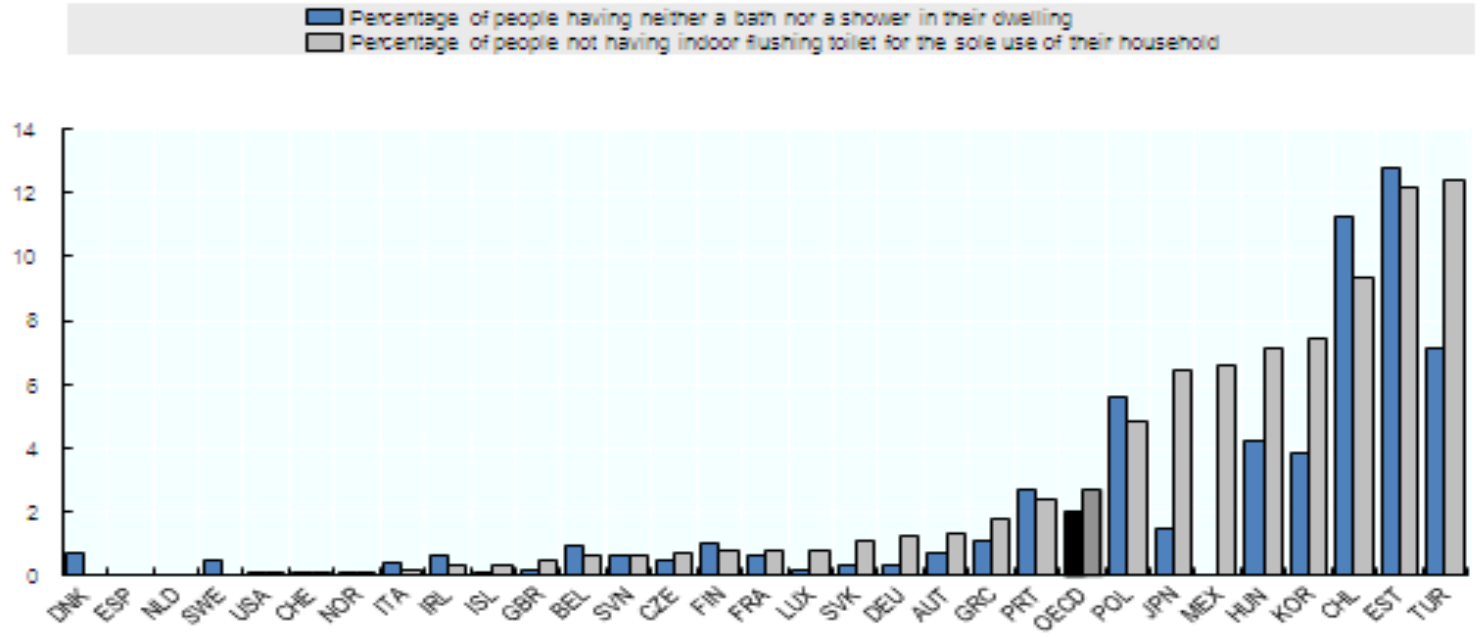
People living in dwellings without basic sanitary facilities

Percentage of total population, 2009 or latest available year



Sources: European Union Statistics on Income and Living Conditions (EU-SILC) and national statistical offices of Chile, Japan, Mexico, Turkey and the United States.

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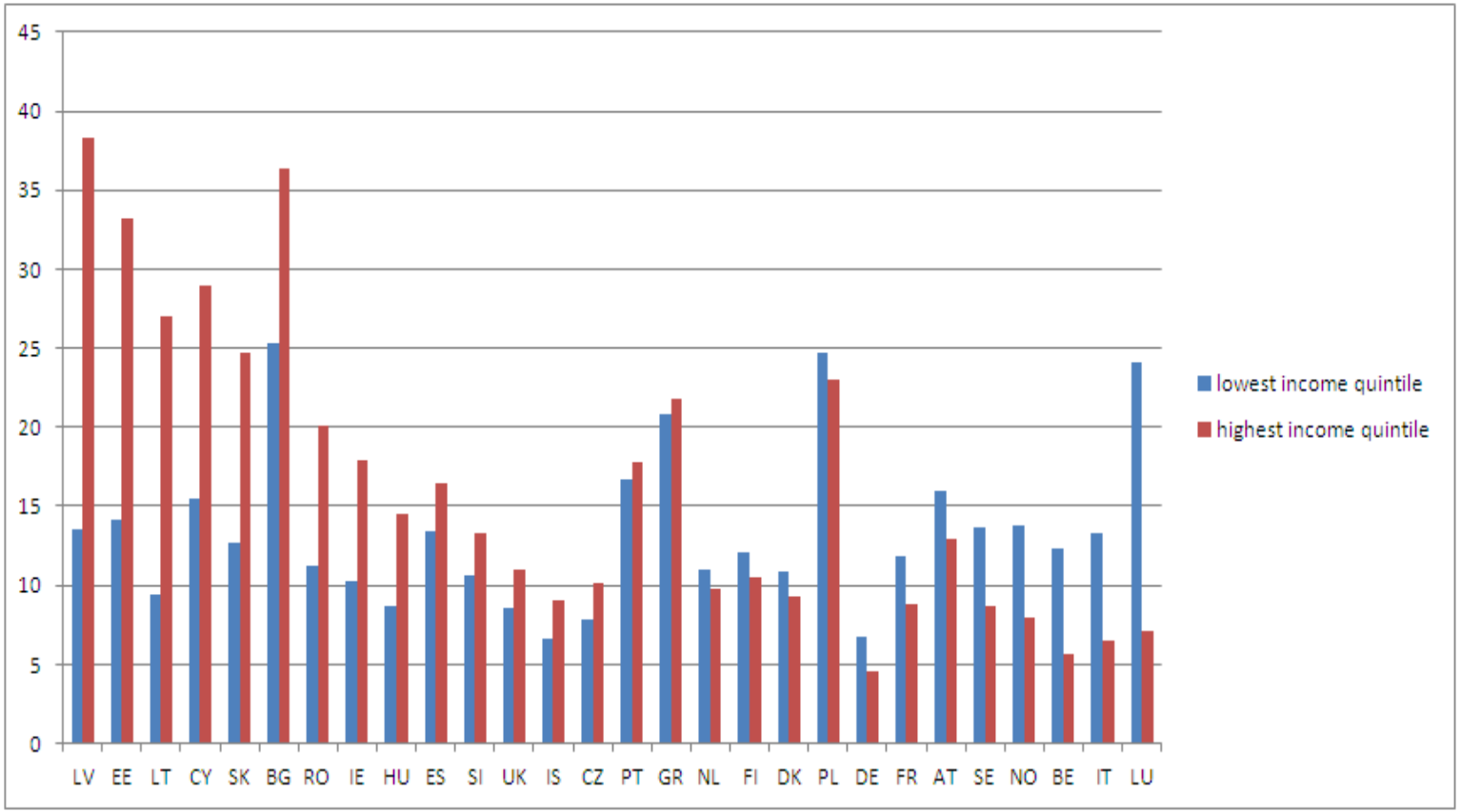
…and across population groups

Percentage of adults declaring shortage of space in the dwelling by income quintile, 2007



Source: OECD calculations based on EU-SILC

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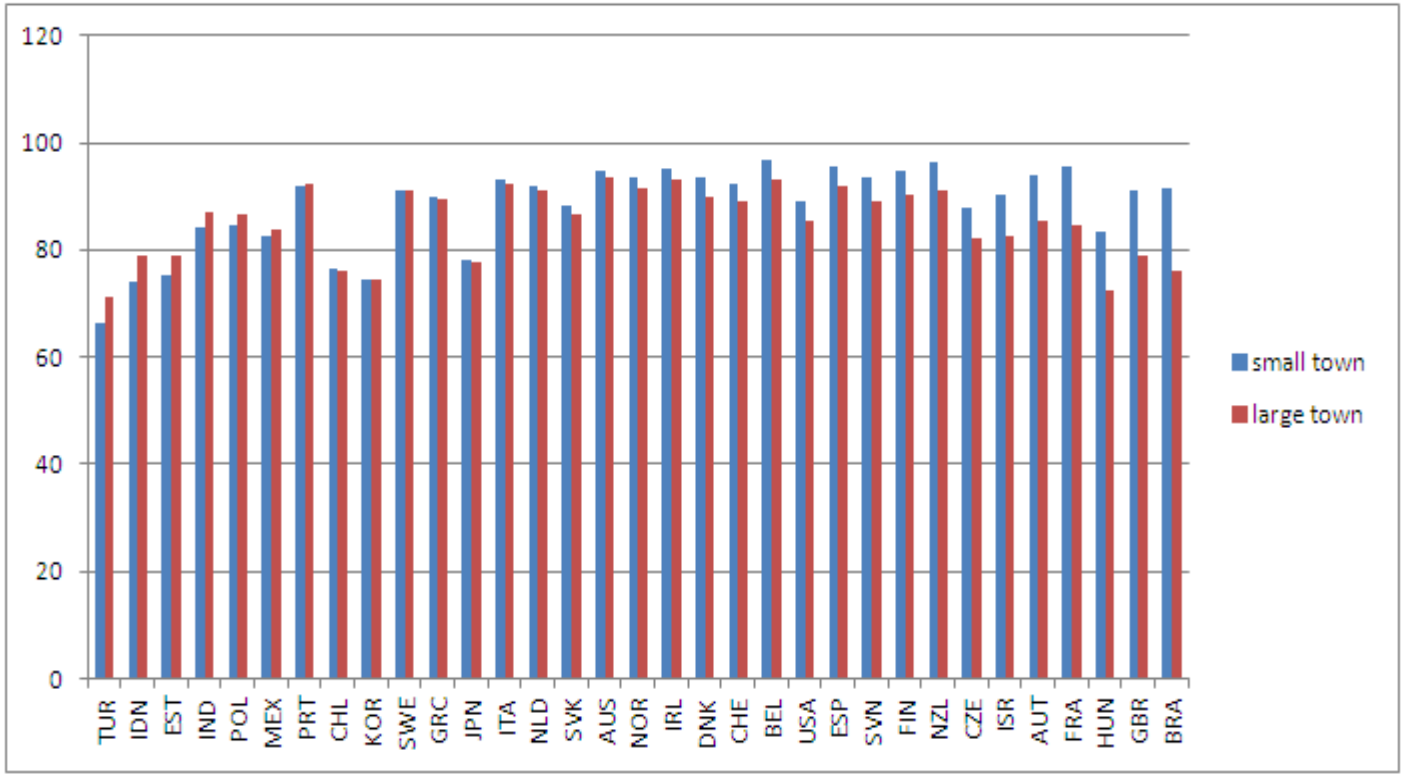
Percentage of adults satisfied with housing by area of residence, 2008



Source: OECD calculations based on Gallup World Poll

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Your Better Life Index

How's life?

What we have learned from users

- Global interest in project and findings
  - Over **one million visits** from **180+ countries**
  - Over 38,00 indexes shared
- Emerging trends
  - **Life satisfaction, Education and Health** leading topics
  - Men and women share priorities
  - **Respondents over 65 prioritise health and housing** while 15-34 year olds focus on jobs
- Cases of **individuals using BLI to spark discussion** and launch own local projects

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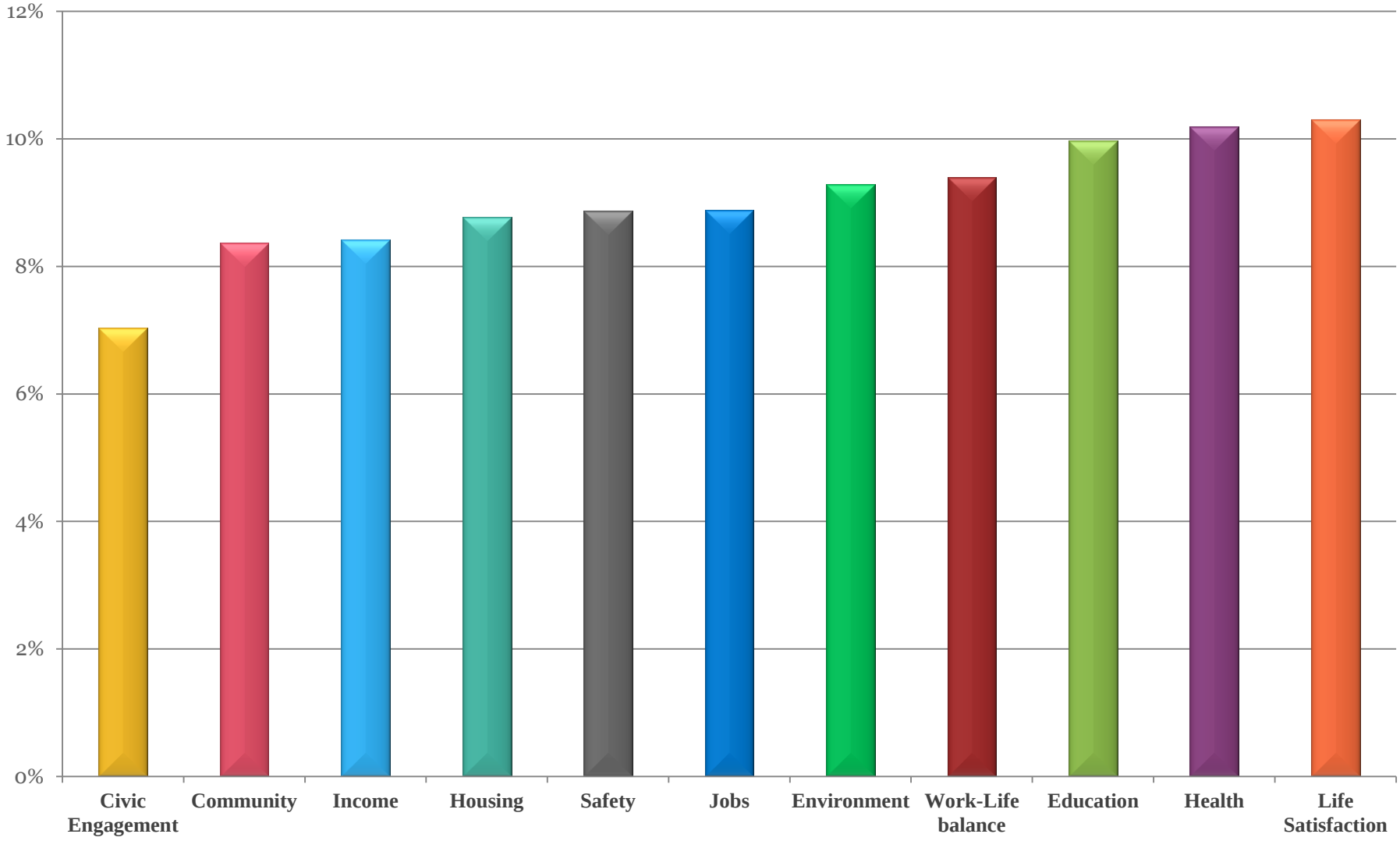
Global preferences for all users (May 2011-October 2012)



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What does make a home a “sweet home”?

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The model

- Context: large literature of the effects of housing/neighbourhood on people's health and well-being
- Goal: Exploring the determinants of housing / neighbourhood satisfaction with micro-data
- Data: EU-SILC, Gallup World Poll
- Method: multivariate analysis

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- Dependent variable:

- EU-SILC: “How satisfied are you with your **dwelling**?” – “Very dissatisfied, Dissatisfied, Satisfied, Very Satisfied”.

- Gallup World Poll: “How satisfied are you with the **area where you live**?” – Yes, No.

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•Explanatory variables:

- Individual and household variables:

Age	Age in years, five different categories: 1 if < 25 (reference category), 2 if 25-34, 3 if 35-54, 4 if 54-65 and 5 if 65 and over
Gender	0 if male, 1 if female (reference category)
Educational attainment	1 if pre-primary or primary schooling (reference category), 2 if lower secondary and secondary schooling, 3 if post-secondary and tertiary schooling
Household type	Four categories were created: 1. married: 1 if married (reference category), 0 otherwise 2. single: 1 if one person household (reference category), 0 otherwise 3. lone parents: 1 if one single parent with one or more children (reference category), 0 otherwise 4. children: 1 if two adults and one dependent child (reference category), 2 if two adults and two dependent children, 3 if two adults and three or more dependent children
Household income	Natural logarithm of the equivalised household disposable income
Health status	Self-reported health status, three different categories: 1 if very bad or bad (reference category), 2 if fair, 3 if good or very good

- Housing variables:

Tenure	Four categories: 1 if owner (reference category), 2 if tenant paying rent at market rate, 3 if accomodation rented at a reduced rate, 4 if accomodation provided for free
Housing costs	Ratio of total housing costs over equivalised household disposable income
Housing burden	Self-reported assessment of the extent to which housing costs are a financial burden, three categories: 1 a heavy burden (reference category), 2 somewhat a burden, 3 not burden at all
Dwelling type	Four categories: 1 if detached house (reference category), 2 if semi-detached house, 3 if apartment in building with less than 10 dwellings, 4 if apartment in building with 10 or more dwellings
Rooms per person	Number of rooms per person
Shortage of space	Respondent's perceptions of shortage of space in dwelling: 1 if yes (reference category), 0 otherwise
Bath or shower	Bath or shower in dwelling: 1 if yes (reference category), 0 otherwise
Flushing toilets	Indoor flushing toilets in dwelling: 1 if yes (reference category), 0 otherwise
Structural damages	Whether, in the judgement of the household respondent, the dwelling has a problem with a leaking roof, damp ceilings, dampness in the walls, floors or foundation or rot in window frames and doors: 1 if yes (reference category), 0 otherwise
Electrical installations	Whether, in the judgement of the household respondent, the dwelling has adequate electrical installations: 1 if yes (reference category), 0 otherwise
Plumbing installations	Whether, in the judgement of the household respondent, the dwelling has adequate plumbing/water installations: 1 if yes (reference category), 0 otherwise
Too dark	Whether the household respondent perceives the dwelling as being too dark: 1 yes (reference category), 0 otherwise
Comfortably warm	Whether the household respondent perceives the dwelling as being comfortably warm during winter time: 1 yes (reference category), 0 otherwise
Heating facilities	Dwelling equipped with adequate heating facilities: 1 if yes (central or other fixed facilities) (reference category), 0 otherwise

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- Neighbourhood variables:

Crime	Whether the household respondent perceives crime as a problem in the neighbourhood: 1 yes (reference category), 0 otherwise
Noise	Whether the household respondent perceives noise from neighbours or the street as a problem: 1 yes (reference category), 0 otherwise
Environmental problems	Whether the household respondent perceives pollution, grime or other environmental problems to be a concern for the household: 1 yes (reference category), 0 otherwise
Access to grocery services	Respondent's assessment of accessability to grocery services: 1 easy or very easy (reference category), 0 difficult or very difficult
Access to public transport	Respondent's assessment of accessability to public transport: 1 easy or very easy (reference category), 0 difficult or very difficult
Access to health care services	Respondent's assessment of accessability to primary health care services: 1 easy or very easy (reference category), 0 difficult or very difficult
Degree of urbanisation	Degree of urbanisation of the area where the dwelling is located, three categories: 1 densely populated area (reference category), 2 intermediate area, 3 thinly populated area

Results

	Western-European countries	Eastern-European countries
Neighbourhood characteristics		
Intermediate populated area	-0.0734**	-0.0752**
Thinly populated area	0.0554**	0.0524**
Crime is a problem in the neighbourhood	-0.1457***	-0.1449***
Environment is a problem in the neighbourhood	-0.0831***	-0.0823***
Noise is a problem in the neighbourhood	-0.0846***	-0.0843***
Access to grocery services	0.1125***	0.1117***
Access to public transport	0.0194	0.0201
Access to health care services	0.1100***	0.1113***
θ_0	-0.4506**	-0.5837***
θ_1	0.4972***	0.3637*
Observations	118,226	55,960

- Results supported by similar analysis on Gallup World Poll data
- Some caution in interpreting the results

- For further information, see;

Balestra, C. and J. Sultan (2013), "Home Sweet Home: The Determinants of Residential Satisfaction and Its Relationship with Well-Being", *OECD Statistics Directorate Working Paper*, OECD, *forthcoming*.

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Next steps

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- Next edition of **How's Life?** in fall 2013: focus on inequalities, one chapter on **gender inequalities**

- **CSTAT committee:** strong interest on housing.

- More and better data on housing are needed: proposal of the OECD Statistics Directorate to collect data from national surveys and **harmonise** data. Special focus on **housing affordability**.

- Better data on **mental health** comparable across countries are needed.

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Thank you!

www.oecd.org/progress

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