Why do people’s perceptions matter, and how can we measure them?
1. When and why are perception data useful? How does the OECD use them?

2. What do we know about good measurement practice?
• It is increasingly recognised that it is important to go **beyond GDP**, in measuring the progress of societies.

• Economic growth is a means to an ends, not an ends in itself.

→ Measuring **well-being** is about capturing the final **outcomes that matter to people**.

• People’s subjective perceptions, evaluations, and experiences of life are a crucial part of that.
OECD Well-Being Framework

CURRENT WELL-BEING

Key dimensions

- Income and Wealth
- Work and Job Quality
- Housing
- Health
- Knowledge and Skills
- Environment Quality

How we measure them

- Subjective Well-being: Averages
- Safety: Inequalities between groups
- Work-life Balance: Inequalities between top and bottom performers
- Social Connections: Deprivations
- Civil Engagement: Deprivations

RESOURCES FOR FUTURE WELL-BEING

Key dimensions

- Natural Capital
- Human Capital
- Economic Capital
- Social Capital

How we measure them

- Stocks
- Flows
- Risk factors
- Resilience
OECD How’s Life? report: examples of perception data

Subjective well-being: life satisfaction; affect balance; feeling life is worthwhile

Civic engagement: feeling you have a say in what the government does

Safety: feeling safe walking alone at night where you live

Social capital: trust in others; trust in institutions
Perceptions vs. self-reported information

- Almost all survey data relies on self-report
  - e.g. construction of unemployment indicators:
    >> Seeking employment within the last 4 weeks
    >> Available to work within the next 2 weeks

- Perceptions could be seen as a specific sub-category of self-reported data
  - People’s feelings about something that might have an objective counterpart (e.g. feelings about safety)
  - Concepts that are inherently subjective (e.g. satisfaction with life; trust in others)
What do perceptions data bring?

• Emphasise the views of citizens, giving them voice

• Help provide a more complete picture of life
  → Often used when no objective data are available (e.g. social connections)
  → How people feel is part of their quality of life

• People’s perceptions affect their behaviour
  (e.g. job satisfaction and job quits; life satisfaction and voting)

• Used as a complement to, but not a replacement for, objective data about living conditions/ well-being
SWB can pick up things other measures miss

Egypt: Recent Trends in Percentage “Thriving” and GDP per Capita (PPP)

Thriving  GDP per capita (PPP)

29%  $4,762
'05

25%  $5,158
'06

25%  $5,508
'07

25%  $5,904
'08

13%  $6,114
'09

12%  $6,367
'10

2005-2010
GDP per capita (ppp) estimates are from the International Monetary Fund’s World Economic Outlook database.
GALLUP
SWB moves with the times...

United States

- Life satisfaction
- Long-term unemployment rate (right hand y-axis)

OECD Euro area (selected countries)

Interpersonal trust matters beyond its intrinsic value...

Positive association with income per capita....

Source: Algan and Cahuc, 2013
Interpersonal trust matters beyond its intrinsic value...

.....Italian provinces with higher social capital adopted COVID-19 social distancing earlier

Source: Durante et al, 2020
Institutional trust is affected by crises

Impact of the Global Financial Crisis on trust in parliament in Europe

Source: Algan et al, 2017
2. What do we know about good measurement practice?
• Key audiences: National Statistical Offices, other data producers, and data users

• Aim to improve the quality and availability of measures of subjective well-being (2013), trust (2017), quality of the working environment (2017) + possibly social connections (forthcoming)

• Essential that official measures are collected in a consistent way to enable comparisons, both between surveys and over time
What do the Guidelines cover?

Concept and validity

Methodological issues

Good practice in data collection
*prototype question modules*

Reporting and analysing the data
Where does self-report survey error come from?

Measurement error

- **Respondent factors**
  - Motivation
  - Fatigue
  - Memory

- **Survey factors**
  - Cognitive demands of questions
  - Survey mode
  - Question order effect
  - Sampling frame and time

- **Situation factors**
  - The weather
  - An election

- **Construct being measured**
  - How interesting/relevant is the topic for a respondent?
There is no “perfect” measure ...

• All measures contain error (also objective ones!)
• The goal is to find a “good enough” one to distinguish meaningful patterns
• We need to understand how survey design can reduce or manage error
  – Question wording
  – Response formats
  – Survey context
  – Survey mode
  – (Cross-cultural) response styles
Guidelines take-aways

• Good **survey design matters** for all measures, but particularly for perceptions!

• We need more controlled experimentation with methods

• **Consistency** is more important than finding the “perfect measure”

• Check out the Guidelines at: https://www.oecd.org/statistics/measuring-well-being-and-progress.htm#publications
OECD WISE Centre: Putting People’s Well-Being at the Top of the Agenda
http://www.oecd.org/wise/

How’s Life? 2020: Measuring Well-being
Read free online at www.oecd.org/howslife

Comments? Questions?
carrie.exton@oecd.org

We need to reconnect
Drawings ©Giulia Sagramola
Box B.1. Core questions

The following question asks how satisfied you feel, on a scale from 0 to 10. Zero means you feel “not at all satisfied” and 10 means you feel “completely satisfied”.

A1. Overall, how satisfied are you with life as a whole these days? [0-10]

The following question asks how worthwhile you feel the things you do in your life are, on a scale from 0 to 10. Zero means you feel the things you do in your life are “not at all worthwhile”, and 10 means “completely worthwhile”.

A2. Overall, to what extent do you feel the things you do in your life are worthwhile? [0-10]

The following questions ask about how you felt yesterday on a scale from 0 to 10. Zero means you did not experience the feeling “at all” yesterday while 10 means you experienced the feeling “all of the time” yesterday. I will now read out a list of ways you might have felt yesterday.

A3. How about happy? [0-10]
A4. How about worried? [0-10]
A5. How about depressed? [0-10]
**Box A.2.1. Core questions**

**A1.** And now a general question about trust. On a scale from zero to ten, where zero is not at all and ten is completely, in general how much do you trust most people?

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<th>Not at all</th>
<th>Completely</th>
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<td>0 1 2 3 4 5 6 7 8 9 10</td>
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**A2.** On a scale from zero to ten, where zero is not at all and ten is completely, in general how much do you trust most people you know personally?

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The next questions are about whether you have trust in various institutions in [COUNTRY].

Even if you have had very little or no contact with these institutions, please base your answer on your general impression of these institutions.

Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly… **READ OUT**

**A3.** [Country’s] Parliament?

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**A4.** The police?

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**A5.** The civil service?

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