



Young Adults 2020

IF Index of young adults' wellbeing



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Executive summary

- The Intergenerational Foundation (IF) attempted to measure how the wellbeing of young adults aged 18 to 26 in the UK changed over the period between 1991 and 2017-18 (the most recent year for which data were available) by looking at changes in 17 separate statistical indicators using data from the British Household Panel Survey/Understanding Society harmonised dataset.
- These indicators were grouped into five “domains” of wellbeing to give a score for each of these separate areas of life, and then the average score across all 17 indicators represents the average overall level of wellbeing for this age group.
- All 17 indicators began with a score of 100 in 1991, and increases in these scores represent wellbeing getting worse, while a reduction in the score for an indicator represents an improvement in young adults’ wellbeing.
- The five domains of wellbeing, which were chosen on the basis of previous research into this subject, were Economic Wellbeing, Work Wellbeing, Physical and Mental Wellbeing, Social Wellbeing and Belonging Wellbeing.
- Overall, our Index suggests that average wellbeing declined by 8% for the members of this age group between 1991 and 2017-18.
- However, the overall score in our Wellbeing Index was actually improving between 1991 and 1999; it then worsened by 19% between the turn of the Millennium and the height of the post-financial crisis economic downturn in 2012-13, and has since staged a faltering recovery.
- Given that the Millennium corresponded with the period when the oldest Millennials turned 18, this can be seen as further evidence that the Millennial generation has endured a worse standard of living since reaching maturity than was the case for previous generations.
- Social Wellbeing is the domain which has worsened the most since 1991, as it rose by 70% between 1991 and 2017-18.
- This was largely because of a decline in the indicator which measures young adults’ relationship statuses: a large amount of previous research into wellbeing suggests that being in a successful long-term relationship is strongly associated with higher wellbeing, yet the proportion of young adults who are either married or living with a partner has fallen from 36% to 13% since 1991.
- Another variable which measures the closeness of relationships between family members has also declined significantly: the proportion of young adults who say that one of their three closest friends is also a relative has fallen from 34% in 1991 to 16% in the most recent year for which data was available.
- Belonging Wellbeing - which attempts to measure the extent to which young adults are participating in social and political causes - worsened by 43% between 1991 and 2013-14.

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- However, it appears to have undergone a large improvement during the four most recent years covered by the Index, which was primarily driven by a higher proportion of young adults saying that they support a political party.
 - Physical and Mental Wellbeing attempts to measure subjective changes in young adults' physical and mental health. The indicator which measures mental wellbeing suggests that around one in five young adults reports suffering from symptoms of moderate mental distress.
 - Work Wellbeing was improving over the course of the Index, although this was accompanied by some significant caveats.
 - Both shares of adults in this age group who had a university degree and who did not have NEET status had reached their highest ever levels in the most recent year of the Index, but this had been accompanied by high levels of student debt and a significant increase in the proportion of them who were doing temporary jobs. Moreover, this was prior to the COVID-19 crisis, which we know hit especially hard the sectors of the economy which disproportionately employ younger workers.
 - Economic Wellbeing has improved by a small amount since 1991, but the average working member of this age group is earning only 1% more in real terms than their counterpart in 1991 was, despite being much more likely to have a university degree.
 - The average income of a worker in this age group is still 11% below its pre-2008 level in real terms, and this was before the economic fallout from the COVID-19 crisis, which is likely to have set their earnings back even further.
 - Overall, the results of the IF Index suggest that today's young adults were already falling behind the level of wellbeing which previous generations enjoyed when they were at the same stage in life, and this was before the COVID-19 crisis almost certainly significantly reduced their standard of living yet further.

1. What is “wellbeing”?

“All [people] want is someone to love, somewhere to live, somewhere to work, and something to hope for.”

Norman Kirk, Former Prime Minister of New Zealand (1972–74)

Humans are complicated creatures, who harbour a wide range of different wants, needs and desires. This fact should be self-evident to most people, yet the vast majority of the public debate surrounding living standards and prosperity in 21st-century Britain is relentlessly focused on using narrow economic indicators such as GDP growth, employment, wage levels and house prices as measures of societal progress or stagnation. While these factors are obviously important to people’s quality of life, it is widely recognised that money is far from the only thing which has a large bearing on how good or bad people perceive their lives to be.

A growing awareness of the limitations of using purely economic metrics to assess quality of life has given rise to the field of interdisciplinary wellbeing studies over the past three decades. “Wellbeing” is actually a term for which no single, comprehensive definition has ever been agreed upon,¹ but it essentially relates to a set of different ways of measuring human progress which take account of the broad spectrum of human needs, rather than looking only at economic measures; it is often used interchangeably with similar terms such as “happiness” or “quality of life” which mean broadly the same thing.

The growth of interest in wellbeing has seen many different bodies launch research projects which attempt to measure wellbeing, either among whole populations or for particular groups of people, while others have sought to compare wellbeing between different countries or regions. Some prominent examples include the OECD’s Better Life Index, which compares quality of life across the 34 OECD member states; the United Nation’s Human Development Index, which measures progress on a range of developmental metrics; and the European Quality of Life Surveys. In the UK, the Office for National Statistics (ONS) launched its own programme to measure national wellbeing in 2011, which has now produced a number of studies that analyse both the state of wellbeing in general and how it varies between different population sub-groups.

However, no other organisation has undertaken to attempt to measure the wellbeing of young adults as a specific group. Given that a large amount of recent research by IF and other organisations has shown that the current generation of young adults is enduring economic disadvantages compared to previous cohorts² (for example in the form of lower real wages, higher housing costs and fewer opportunities to build up wealth through saving) IF was also interested in investigating how they are doing in other areas of their lives.

The fact that some evidence has already emerged which suggests that young adults are being disproportionately harmed by the negative impacts of the COVID-19³ crisis makes measuring their wellbeing particularly important, because if they were already doing badly prior to COVID-19, this makes implementing policy interventions which are targeted at helping young adults seem even more urgent.

¹ ONS (2011) Developing a framework for understanding and measuring national well-being Newport: ONS

² House of Lords (2019) Report: Tackling intergenerational unfairness London: House of Lords

³ Institute for Fiscal Studies (2020) Sector shutdowns during the coronavirus crisis: which workers are most exposed? London: IFS



This is the gap which the IF Index of Young Adults' Wellbeing has been designed to fill, by providing a quantitative measure of how young adults' lives today compare to those of previous generations when they were at the same stage in life. The Index's multiple dimensions which cover most of the important areas of life, going beyond economic factors to also look at how satisfied young adults are with their working lives, their health and their relationships with other people. By using a long-running data source, we are able to make comparisons which go back over almost 30 years worth of data, and we are planning to repeat this exercise annually to build-up an ongoing picture of how their wellbeing changes in the future.

The subsequent sections of this report will each address in detail a different aspect of how we undertook this project in detail; Section 2 will examine the previous research on wellbeing and its relationship with age to explain how we conceived the subject and why we chose the particular domains of wellbeing that we eventually decided to focus on; Section 3 will contain a discussion of our results; and Section 4 presents our conclusions and the next steps forward for this area of research. A detailed guide to the methodology is provided in Appendix 1.

2. Wellbeing - what do we already know?

How can you measure wellbeing?

What makes us happy? Since wellbeing first became a widely-researched topic in the early 1990s, various theoretical models have been proposed which attempt to identify why certain things make either a positive or negative contribution to people's wellbeing, and to suggest causal mechanisms which explain why they have these effects.

There are three types of wellbeing model which have been particularly influential in wellbeing research.^{4,5}

First, what's often referred to as the "preference satisfaction" account of wellbeing is the one which has tended to enjoy pre-eminence among governments and policy-makers over recent decades. This view of wellbeing asserts that people's wellbeing increases when they are able to get what they think they want ("satisfying their preferences"), almost regardless of what that is. Therefore, wellbeing across the population will be highest if the economy is continuously expanding so that everyone has more money, because if having more money is what enables people to satisfy more of their desires in a market economy then how much money they have becomes the best proxy for their overall level of wellbeing.

However, there are some fairly obvious criticisms which can be made of taking such a reductionist view of wellbeing. For instance, the preference satisfaction model assumes that people make their preferences rationally, rather than desiring things which will objectively cause harm to their wellbeing over the long term (such as cigarettes and unhealthy food), and it also doesn't account for the negative externalities for wider society if everyone attempts to pursue their personal preferences in a selfish manner (such as the cost which individuals' unhealthy lifestyles impose on everyone else if they mean that more of taxpayers' money has to be spent on the NHS).

Second, an alternative wellbeing model is what's called the "objective lists" approach. This model assumes that wellbeing can be defined according to a reasonably intuitive list of objective characteristics, such as having a job, enjoying political freedom, being in good health and so on, and someone's wellbeing can be measured simply according to the extent to which they satisfy these criteria.

Of course, while this sounds straightforward, it also suffers from a number of significant limitations. Unlike the preference satisfaction model of wellbeing, the objective lists approach could be accused of being paternalistic (or even elitist) because it revolves around experts determining their own set of criteria for what represents a high quality of life, instead of respecting individuals' ability to choose for themselves. It also tends to result in a lot of variation between different researchers' lists of things which lead to higher wellbeing, which makes it harder to compare wellbeing in different places or across time.

Third, "evaluative accounts" of wellbeing are often used to try to measure people's quality of life subjectively. This approach emphasises that people themselves are the best judges of their own wellbeing, so it often revolves around asking them directly how satisfied they are with certain aspects of their lives using instruments like surveys and diaries.

⁴ ONS (2011) *Developing a framework for understanding and measuring national well-being* Newport: ONS

⁵ Dolan, P. et al. (2006) *Review of research on the influences on personal well-being and application to policy making* London: DEFRA



This approach has become very common in wellbeing research because it seems axiomatic that people know more about their own quality of life than anyone else does, but it does also have some limitations. For example, people may tend to compare their own situation either with their own expectations of life or with the situation of other people who are familiar to them; this can lead to people who live in poverty, for example, reporting having higher wellbeing than they would do using an objective lists approach because there could be things which a completely objective assessor would think are extremely important to wellbeing (such as political freedom) that a person who has never experienced them simply doesn't expect to have.

While different theories of wellbeing all have their strengths and limitations, in practice attempting to measure wellbeing in the real world often requires an approach which blends together different aspects from several of them. For the IF Index, we decided that using a combination of an objective lists approach (such as looking at the proportion of young adults who are employed) and an evaluative approach (such as looking at how young adults feel subjectively about their current financial situation) would provide the richest and most well-rounded view of their wellbeing and how it has changed over time.

What determines wellbeing?

Research into wellbeing has dramatically expanded since the early 1990s, and growing interest particularly over the past few years has led to the production of several major reviews of the field which have synthesised what we think we have discovered about personal wellbeing so far.

Importantly, it has been strongly suggested that quite a lot of the variation in wellbeing is created by individual factors which may not be directly modifiable. Most strikingly, heritability studies have suggested that around 50% of the variation in wellbeing between individuals may be the result of genetic factors.⁶ In other words, some people appear to be genetically equipped with ways of dealing with life which makes them feel more positive about their situation, regardless of how an outsider might view it objectively. There are also other factors within the environment, both natural and socio-political, which an individual has no control over but which could be having a strong impact on their quality of life. For example, environmental pollution has been linked to lower wellbeing across several studies, as has the level of income inequality within an individual's environment.⁷

It's important to point out that not everything which could potentially have some impact on wellbeing has actually been investigated, and lots of things have been investigated using different wellbeing models, different datasets or different techniques from study to study which have produced some inconclusive results. However, it is possible to identify a relatively small number of things which are consistently associated with higher wellbeing across multiple studies:

Firstly, multiple studies have suggested that having a job is very important for wellbeing, although there is an important debate about whether having any job is better than no job at all; some research suggests that job satisfaction is very important, as is not working long hours or having an especially arduous commute,⁸ whereas other research has argued that doing any kind of work is better for people's wellbeing than being unemployed.⁹

⁶ Diener, E. (1996) "Traits can be powerful, but are not enough: lessons from subjective wellbeing" *Journal of Research in Personality*, 30, 389–399

⁷ Pickett, K. and Wilkinson, R. (2007) *Child wellbeing and income inequality in rich societies: ecological cross-sectional study* London: British Medical Association

⁸ Chandola, T. (2017) "Is any job really better than no job at all?" *LSE Business Review Blog*, 12 October 2017

⁹ Layard, R. (2004) *Good jobs and bad jobs* London: LSE Centre for Economic Performance



By contrast, much of the research is more ambivalent about the relationship between income and wellbeing: while income is definitely important to wellbeing, there is some evidence that the returns start diminishing beyond a certain level, and it has also been suggested that relative income (i.e. how much you earn in relation to people in your own social environment) is more important than how much you earn overall.¹⁰

Secondly, both physical and mental health have been very strongly associated with higher wellbeing (and poor health has been shown to have a very strong effect on lowering wellbeing) across a wide range of studies. The relationship between mental health and wellbeing is particularly interesting because some researchers have treated positive mental health as an objective measure of wellbeing itself (as in subjective wellbeing research), while others have treated it as one variable among many which may contribute towards overall wellbeing. Both physical and mental health are generally self-assessed by the participants in wellbeing research (for example, using devices such as the Warwick-Edinburgh Mental Wellbeing Scale), rather than being based on official medical diagnoses (which provide a broader range of responses). To some extent, the relationship between health and wellbeing may be explained by people subjectively assessing their overall quality of life to be lower because the world looks bleaker to them when they're in poor health (even if they are relatively successful in other domains of their lives), but this relationship between health and wellbeing appears to be a consistent finding across virtually all models of wellbeing research. Having a disability has been shown to lower people's wellbeing, as has being overweight or obese, and being a smoker.¹¹

Thirdly, satisfying human relationships are one of the areas of life which have been most closely associated with wellbeing by previous research. Enjoying regular social contact with friends, having strong bonds with family members and forming successful intimate relationships are all strongly associated with wellbeing, while living alone or being generally socially isolated have been shown to reduce wellbeing. Being part of a stable couple appears to have a particularly strong association with subjective wellbeing: data from the UK suggest that people who are married or in a civil partnership are likely to report substantially higher happiness, life satisfaction and a sense that life is worthwhile, all things being equal.¹² Additionally, research based on the American Time Use Survey found that life satisfaction among married Americans increases in relation to the amount of time they are able to spend with their spouse, whereas life satisfaction among single Americans decreases the more time they spend alone.¹³ There is also some evidence that being divorced, widowed or separated is very bad for wellbeing, and that people who belong to these groups may have even lower wellbeing than single people who've never been married do on average.¹⁴

Fourthly, the effects of personal environment on wellbeing have also been a persistent finding of wellbeing research. These effects take a variety of different forms, which lend a number of different meanings to the term "environment". It has been strongly suggested that environmental pollution is bad for wellbeing, but so is living in a low-quality domestic environment, such as an overcrowded home,¹⁵ or living in an environment where you don't feel safe and secure.¹⁶ Perhaps unsurprisingly, living in a more affluent neighbourhood has been shown to cause higher wellbeing independently of how affluent individuals are themselves, presumably because wealthier neighbourhoods tend to have, for example, lower crime rates and provide greater access to social resources (e.g. public services) than poorer ones.¹⁷

¹⁰ Op.cit. Dolan et al. (2006)

¹¹ Eurostat (2010) Eurostat Feasibility study for Well-Being Indicators Luxembourg: Eurostat

¹² Bangham, G. (2019) Happy Now? London: Resolution Foundation

¹³ Hamermesh, D. (2020) Lock-downs, Loneliness and Life Satisfaction Cambridge, MA: National Bureau of Economic Research

¹⁴ Op.cit. Dolan et al. (2006)

¹⁵ Ibid.

¹⁶ ONS (2014) Measuring National Well-being: Exploring the Well-being of Young People in the UK, 2014 Newport: ONS

¹⁷ Chanfreau, J. et al. (2013) Predicting Wellbeing London: Natcen



Finally, there is an important strand within wellbeing research which has suggested that personal beliefs, broadly defined, are also important to wellbeing. Research has suggested that trust in political institutions and political participation (which is likely to follow on from the former, as people might be less likely to participate if they distrust the political process) is good for wellbeing, possibly because it contributes to a sense that the society people live in is just and fair.¹⁸ Having religious beliefs has also repeatedly been associated with higher wellbeing, across all the major religions which have been investigated. However, it is still unclear whether this is because of the spiritual and emotional benefits of having something larger than oneself to believe in, or whether it could be explained by more prosaic factors such as the increased social contact which people get from attending religious observances.¹⁹ Additionally, volunteering and doing community work have also been positively associated with wellbeing, which may reflect the psychological benefits of having a cause which is larger than oneself to believe in and contribute towards.²⁰

It's important to emphasise that this summary has some significant limitations. To start with, it is just one interpretation of a vast body of research literature which has been organised around certain key themes that are themselves open to interpretation. Even when a particular attribute or activity has been associated with higher or lower wellbeing, it still requires further research to identify the causal mechanism through which it actually influences wellbeing, which means that our understanding of some of these factors is still quite speculative.

This summary has also omitted many aspects of life which most people would think are very important, either because they haven't been researched extensively or because the research is very inconclusive. Perhaps most strikingly – given what a key decision in life this is for most people – the effect of having children on wellbeing is very inconclusive; some of the best available evidence suggests that the increased burden on time and household finances of having children to look after is to some extent offset by an increased sense of satisfaction and purpose in life from having them, but a strong positive effect on wellbeing from having children has never been conclusively demonstrated.²¹

It's also worth emphasising that the extreme complexity of human behaviour and the social world means that beyond a certain point it is impossible to prove that any individual factor is having a completely independent effect on somebody's wellbeing, because everything is ultimately connected to everything else. However, what this summary has attempted to do is to group together some of the major themes in previous wellbeing research in order to provide a framework for understanding wellbeing, and how this has informed the design of the research project.

If we may be permitted to summarise an entire academic field in one sentence, the salient messages which come out of previous wellbeing research are as follows. Having a job (preferably an enjoyable one), plenty of strong personal relationships and being in good health are the three most important keys to human happiness, while inhabiting a good environment and having things that you believe in are both important to a somewhat lesser extent.²² Or in other words, Norman Kirk was definitely on to something when he spoke the words quoted at the beginning of this report.

¹⁸ Eurostat (2010) Eurostat Feasibility study for Well-Being Indicators Luxembourg: Eurostat

¹⁹ Op.cit. Dolan et al. (2006)

²⁰ Ibid.

²¹ Dolan et al. (2008) "Do we really know what makes us happy? A review of the economic literature on the factors associated with subjective well-being" *Journal of Economic Psychology*, 29, 94–122

²² ONS (2013) *Measuring National Well-being: What matters most to Personal Well-being?* Newport: ONS

What do we already know about young adults' wellbeing?

As the purpose of this research was specifically to look at the wellbeing of young adults, it is useful to look at what we already know about how wellbeing varies by age.

Although there has been virtually no previous research into the wellbeing of young adults as a specific age group, there has been some research into the relationship between subjective wellbeing and age. This has consistently produced the interesting conclusion that subjective wellbeing tends to follow a U-shaped curve over the life course, i.e. subjective wellbeing is generally highest for teenagers and older people, and lowest for those of middle age.

One piece of research which looked at this issue in significant detail found that the pattern is actually slightly more complicated, with a smaller dip in the early teenage years and a large dip among the oldest old, but the U-shaped curve still generally held true.²³ The ONS Measuring National Wellbeing project researched this issue specifically in 2016, finding results which were broadly consistent with the U-shaped pattern.²⁴

The reasons for this pattern are unclear. Possibly, it could be a cohort effect, which would mean that the groups of people who are currently young and old just happen to have a more favourable outlook on life than the age group which is currently middle-aged, in which case you could expect the pattern to change as cohorts move through the age distribution.

On the other hand, explanations which are based on the different amounts of time and stress which different age groups have would also be plausible: teenagers and pensioners both usually have more free time and less responsibility for others than working-age adults do, whereas middle age is often the life stage at which pressure in people's working lives, and their level of responsibility for both children and looking after elderly parents coalesce. It seems pertinent to point out that the rate of suicides by age group appears to mirror this U-shape (i.e. suicide rates peak in middle age and are generally lower among teenagers and older people up to around the age of 80, especially among men).²⁵

One of the few pieces of research which has specifically investigated the subjective wellbeing of young adults was an ONS study that examined the wellbeing of 16 to 24-year-olds in the UK in 2014, using the ONS wellbeing framework (this asks survey respondents to rate their level of life satisfaction, worthwhileness, happiness and anxiety on scales from 0 to 10).

This found that subjective wellbeing among this age group was mostly very high (as you would expect from the hypothesis described above): around 80% of respondents aged 16 to 24 were considered to have "high" or "very high" wellbeing when their responses to the four wellbeing questions were amalgamated.

However, although these data suggest that the majority of young adults have high subjective wellbeing, paradoxically, we also know that there are objective reasons to be concerned about the wellbeing of this age group. The ONS research highlighted some of these: 20% of the participants reported suffering from some symptoms of anxiety or depression during the previous year, one in three were currently overweight or obese, and 10% said they were finding their financial situation "difficult" or "very difficult".²⁶

²³ Op. cit. Chanfreau et al. (2013)

²⁴ ONS (2016) Measuring National Well-being: At what age is Personal Well-being the highest? Newport: ONS

²⁵ ONS (2017) Suicides in the UK: 2016 registrations Newport: ONS

²⁶ Op. cit. ONS (2014)



A recent report by the US National Academy of Sciences²⁷ into the wellbeing of young adults raised similar concerns about this age group suffering disproportionately from a range of economic, physical and psychological problems which receive too little attention from policy-makers.

The authors argued that this is partly a product of how rarely young adults are recognised as a distinct population sub-group, and also because it tends to be tacitly assumed that young adults are naturally fit and healthy, when in fact – they argued – today’s generation of young adults is actually significantly less healthy than previous generations were at the same stage in life, given that a much higher proportion of them are overweight or obese, have other chronic health conditions, or suffer from mental health problems. In addition, the crucial period of transition from youth to adulthood has become more hazardous, with today’s generation of young people experiencing more precarious labour markets, less stable housing and generally taking longer to form long-term relationships. This research argued that ensuring the wellbeing of young adults ought to be much higher political priority, given the extent to which we rely upon young adults being able to make a successful transition to adult life to sustain the economy and become parents to the next generation.

²⁷ National Academy of Sciences (2014) Investing in the Health and Well-Being of Young Adults Washington, D.C National Academy of Sciences

3. Results

The results are presented in two parts: in Part 1, results are presented for the Index as a whole and for the individual wellbeing domains, and then in Part 2, results are presented for each individual indicator one by one, which are grouped according to the domain that they belong to.

Results Part 1: Results by wellbeing Domain

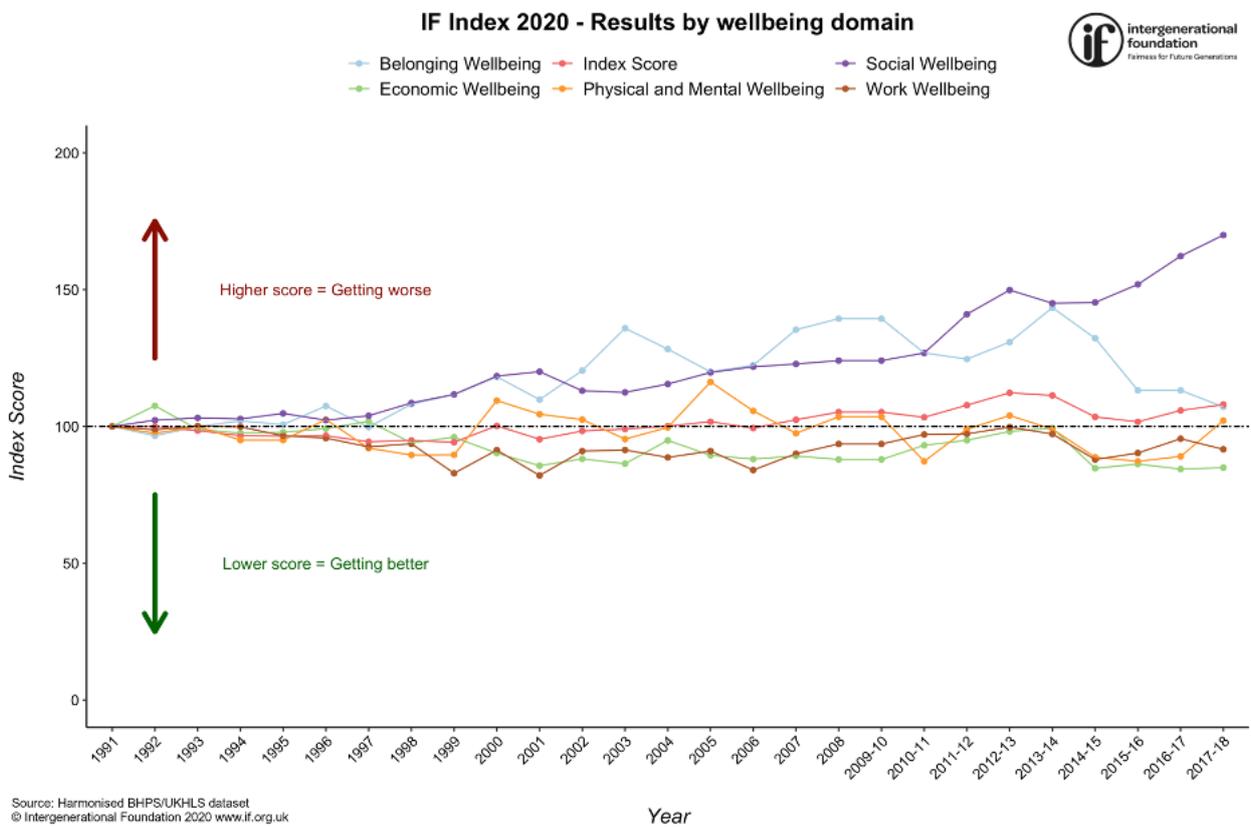


Fig.1 IF Index scores by domain

Fig.1 displays the results for each of the five domains of the IF Index, and the overall Index as a whole (which is the average of score across all of the domains). Our interpretation of these results is discussed below.

1. Index Score

The overall Index appears to have increased by 8% between 1991 and 2017-18; as an increase in the Index is negative for young adults' wellbeing, this means that their quality of life has worsened by about 8% during this period. However, these observed changes can be divided into a series of distinct periods. During the 1990s, the Index fell for a number of consecutive years, dropping to its lowest (i.e. best) score of 94 in 1999, driven by a general improvement in Work Wellbeing, Economic Wellbeing and Physical and Mental Wellbeing, which counterbalanced a modest decline in Social Wellbeing and Belonging Wellbeing.

However, the 2000s then saw a period of consistent year-on-year increases, which culminated with it reaching a score of 112 during the aftermath of the global financial crisis in 2012-13 (this seems to have been driven by a general worsening across the three wellbeing domains which had previously been improving, and further dramatic deterioration in Social Wellbeing and Belonging Wellbeing). This means that the Index worsened by 19% during this period. Since the nadir that was reached in 2012-13, there has been a small improvement which seems to be driven primarily by changes to Belonging Wellbeing, but we can conclude that the situation confronting this age group at the end of the 2010s was still significantly worse than the one enjoyed by their older counterparts during the 1990s.

2. Social Wellbeing

Social Wellbeing is the domain which has worsened by far the greatest extent since 1991, having gone from 100 to 170, and it is the worsening of this indicator which explains a substantial proportion of the decline seen in the Index as a whole. Of the four indicators which comprise this domain, "Satisfaction with amount of leisure time" and "In touch with friends" have remained roughly stable throughout the period covered by the Index, whereas "Family friendships" has worsened somewhat (the proportion of young adults who say that one of their three closest friends is also a relative has fallen from 34% in 1991 to 16% in the most recent year for which data were available, 2014-15), but most of the change in this domain can be ascribed to the fall in "Relationship status". As explained in the literature review in Section 2 above, successful long-term relationships are strongly associated with higher wellbeing, yet the proportion of young adults who are either married or living with a partner has fallen from 36% to 13% since 1991.

3. Belonging Wellbeing

Belonging Wellbeing is the domain which has oscillated most dramatically since the start of the Index in 1991, as it increased to 143 at its highest level in 2013-14, but has since improved to a value of just 107 since then. These dramatic fluctuations can mostly be explained by the changes which have occurred in the "Supports a political party" indicator, which has reversed a lengthy period of deterioration over the past few years, it appears because of either the successful mobilisation of this age group by the Labour Party after Jeremy Corbyn was elected as leader in 2015 and/or the general increase in partisanship which has occurred in UK politics since the 2016 referendum on Britain's membership of the EU. The other two indicators which are used to calculate the score for this domain have behaved very differently during the period covered by the Index: "Likes current neighbourhood" has remained very stable, and "Belongs to social/political/religious organisation" has declined fairly significantly.

4. Physical and Mental Wellbeing

Physical and Mental Wellbeing is another domain which has oscillated quite dramatically since the start of the Index in 1991, as it reached 116 at its worst level in 2005, but five years later it had recovered to a score of just 87, and by 2017-18 it was roughly back where it had started with a score of 102. As this domain only contains two indicators, it appears that this volatility can be traced back to the “Satisfaction with personal health” indicator, which seems to have fluctuated by a relatively large amount from year to year without appearing to follow any discernible underlying pattern.

5. Work Wellbeing

Work Wellbeing has actually got better over the course of the period covered by the Index, having fallen from 100 in 1991 to 91.64 in 2017-18. However, two distinct periods can be observed in the progression of this indicator over time: between 1991 and 2006 it underwent fairly consistent year-on-year improvements that saw its score decrease to 84, whereas since then (roughly the period covered by the global financial crisis and its aftermath), the trend has been in the opposite direction, regressing back towards 100. Of the five indicators which comprise this domain, two have got significantly better since 1991 - “Highest educational qualification”, due to the large increase in the proportion of people among this age group who have a university degree (although this has been accompanied with higher student debts); and “Employment status”, owing to the fall in the proportion of this age group which is considered to be economically inactive. However, one has got significantly worse: “Job security”, a decline which has been driven by an increase in the share of young adults who are doing non-permanent forms of work over this period. As mentioned in Section 1, there is already evidence to suggest that the economic sectors which disproportionately employ young adults are shedding the most jobs in response to the COVID-19 crisis, so the improvements which young adults had enjoyed in Work Wellbeing may now be going into reverse.

6. Economic Wellbeing

Economic Wellbeing appears to have improved over the course of the period covered by the Index, but this counter-intuitive outcome is a consequence of the relatively limited economic data contained within the British Household Panel Study/Understanding Society (BHPS/US) harmonised dataset for which there is a consistent time series that extends back that far, and also the design of the Index. In particular, it’s important to stress that the “Gross monthly income” indicator has fallen by about 11% from its pre-2008 peak, which represents a very significant (and unprecedented) hit to young adults’ living standards during the period covered by the Index, but because this means that it was still slightly higher at the end of the period covered by the Index compared to the beginning in 1991 this indicator appears to have improved. As explained in more detail below, today’s young adults are only earning roughly what their counterparts were in the mid-1990s, despite a much higher proportion of this cohort holding a university degree. Under more normal economic conditions than those which we’ve seen since 2008, you would have expected the incomes of young adults to have increased significantly during the period covered by the Index, when in reality they have only improved slightly, and these gains are now imperilled by the economic impacts of COVID-19 on young adults. This domain also doesn’t include either the higher housing costs which today’s generation of young adults are facing or the decline in final-salary pension scheme membership (because of a lack of comparable data over the period covered by the Index); if it did, then the performance of this indicator would look significantly worse.

Results Part 2: Results by Indicator

1. Economic Wellbeing

Economic Wellbeing is derived from the mean of three different indicators: Gross monthly income, Saving money each month, and Subjective financial situation.

1a. Gross monthly income

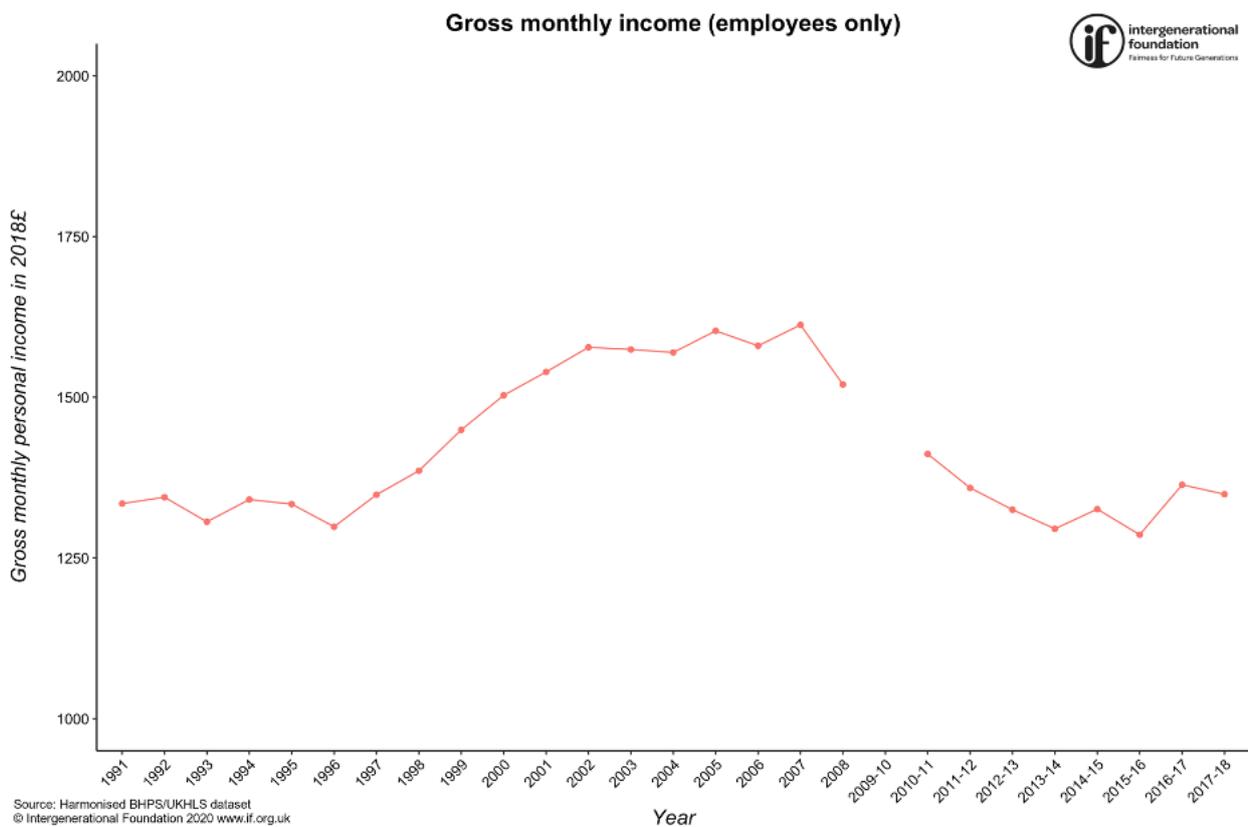


Fig.2 Real gross monthly personal income

This indicator is derived from a question in the BHPS/US dataset which asks participants how much they would normally earn in a typical month. The indicator measures the weighted estimate of the median monthly income reported by all of the respondents in the sample who said that their normal labour market status was being an employee (on either a full-time or part-time basis), adjusted for inflation using the all-items Consumer Prices Index (CPI).

Unsurprisingly, previous research into wellbeing has repeatedly highlighted that having enough money to be able to live comfortably makes a very important contribution to people's quality of life, although there is a threshold beyond which adding additional income does not significantly improve wellbeing.



This indicator demonstrates the extent to which young adults' living standards were harmed by the Great Recession which began in 2008. Between 1991 and 2007, young adults were generally enjoying relatively steady year-on-year improvements in their average incomes, which rose by almost 21% in real terms throughout the whole of this period.

However, this age group then saw their average incomes fall particularly sharply between 2007 and 2010-11, and they have only registered a very gradual improvement since then. The end result of these trends is that the average monthly income of someone aged 18 to 26 was £1,349 in 2017-18, which was still about 11% lower than at the beginning of the global financial crisis in 2008 and only 1% higher than at the beginning of the period covered by the Index in 1991. In other words, the generation of Millennials who are now aged 18 to 26 aren't earning any more in real terms than their counterparts who belonged to Generation X were in the early 1990s, despite being significantly more highly qualified (as the "Highest educational qualification indicator" demonstrates below). This means that incomes represent one of the key dimensions of wellbeing in which young adults today are not enjoying progress in comparison to their predecessors.

1b. Saving money each month

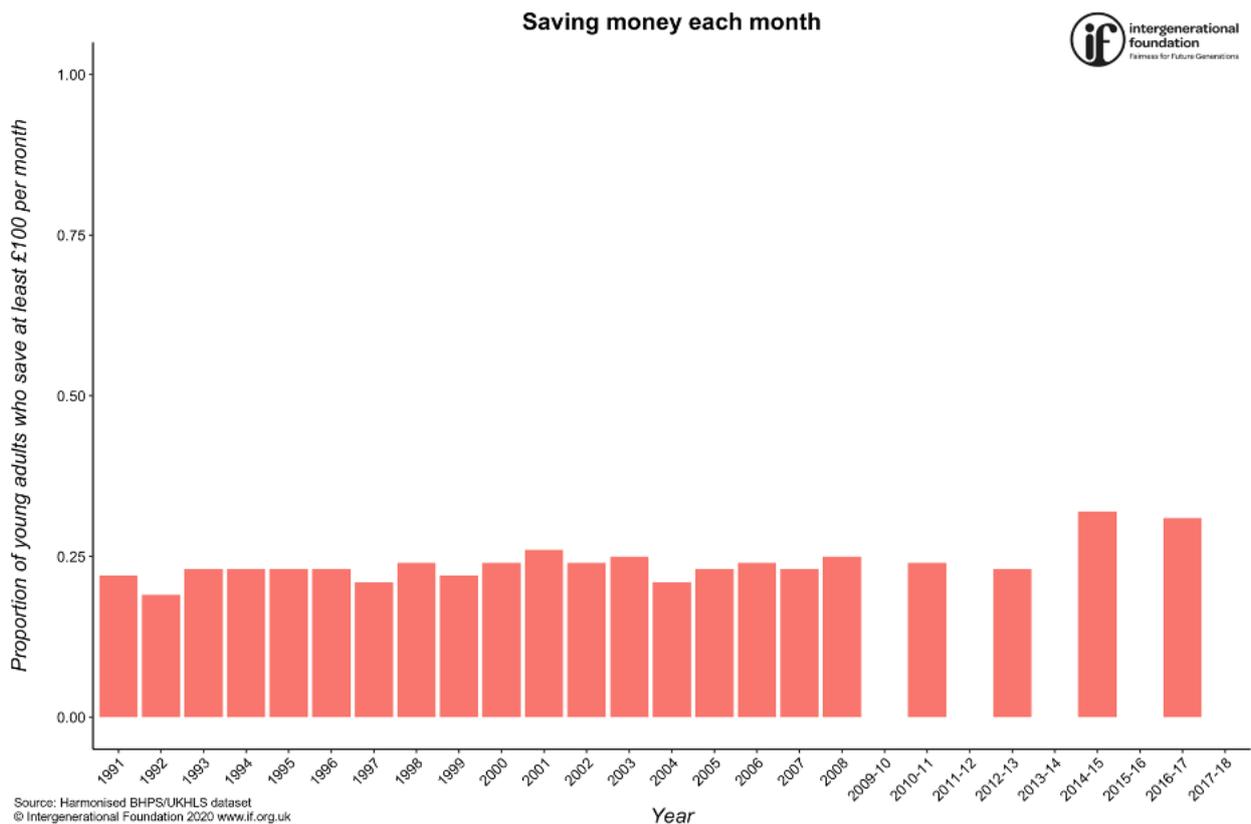


Fig.3 Saving money each month

This indicator is derived from a pair of questions in the BHPS/US dataset: the first question asks the participants if they are regularly saving any of their income into some kind of personal savings vehicle, and then the second question asks those who answered "Yes" how much they are regularly able to save.

The indicator measures the overall proportion of young adults who said that they are regularly able to save at least £100 per month (in 2018£, adjusted for inflation using the all-items CPI index) by combining the information collected from these two questions. It's important to emphasise that this question only asks respondents about savings which are held in cash (such as ISAs or cash savings accounts), rather than other forms of saving which respondents are not able to access easily at short-notice (such as money which is held in pension accounts or in illiquid forms of saving, such as investing in property).

Savings make an important contribution to wellbeing, because having a pool of liquid assets which households can draw upon during times of economic hardship makes them more financially resilient and enables them to maintain the same standard of living more easily. For the same reason, it is also likely to reduce people's levels of financial anxiety and stress. As savings accrue cumulatively, it is also likely to be better for people's financial wellbeing if they are able to start saving early on in their working lives, as this should give them more money later on in life.

However, this indicator suggests that only a minority of young adults are in a financial position where they feel that they are able to save money on a regular basis. In nearly every year throughout the period between 1991 and 2010-11, only around 25% of young adults said that they were regularly adding the equivalent of at least £100 per month in 2018 money to their personal savings, although the figure has been somewhat higher in the past two waves of the data where this question was asked. One possible explanation is that this could represent the impact of new savings vehicles which have appeared in recent years, such as those offered by online-only "challenger banks" and apps which are designed to encourage young adults to save more.

1c. Subjective financial situation

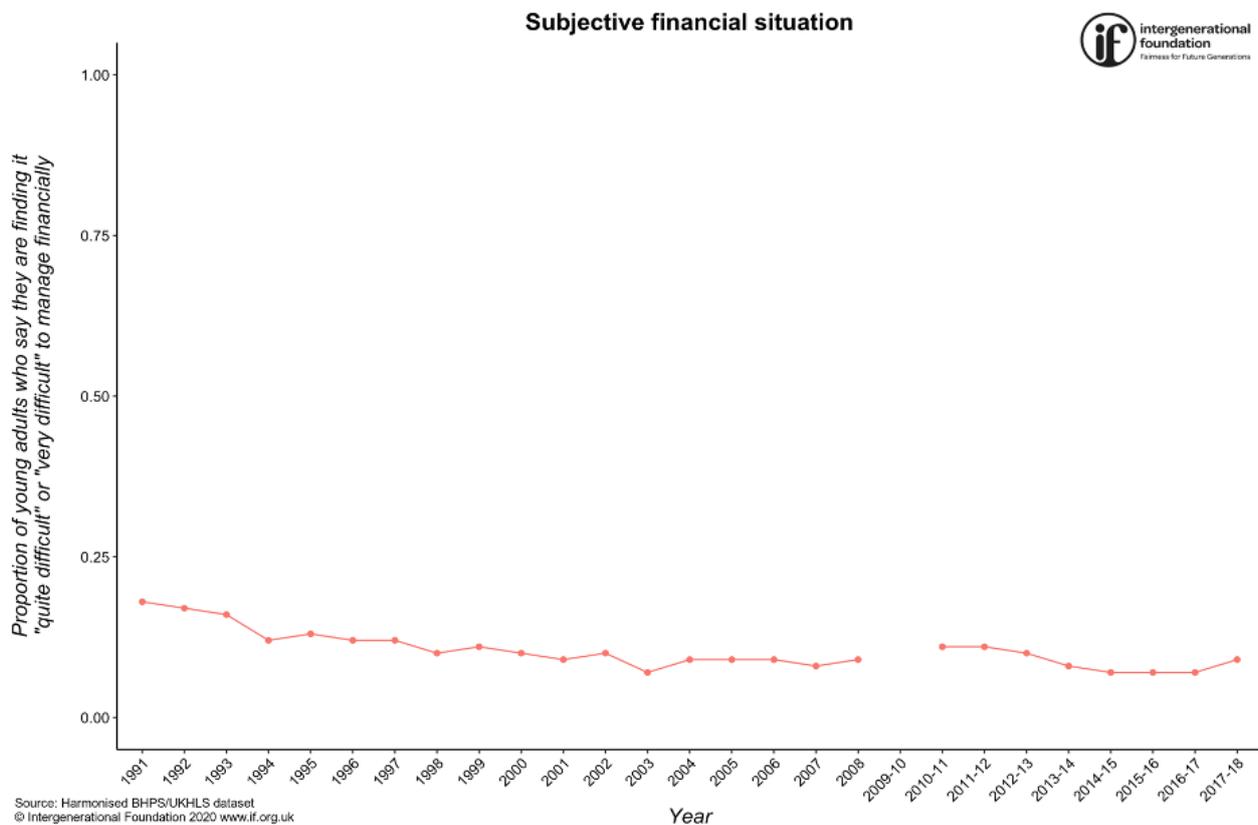


Fig. 3 Subjective financial situation



This indicator is derived from a question in the BHPS/US dataset which asks participants to rate how they feel about their current financial situation on a scale from 1 (“Living comfortably”) to 5 (“Finding it very difficult”). The indicator measures the proportion of young adults who choose a score of either 4 or 5 (“Finding it quite difficult” or “Finding it very difficult”).

In the latest set of data, 12% of young adults fell into this category, which means that this indicator has improved significantly compared with 1991, when it was 18%. Several things are notable about this indicator: firstly, as you would expect, there does appear to have been a small increase in absolute terms following the beginning of the Great Recession in 2008, although this indicator has since retracted to its pre-2008 value.

Secondly, notwithstanding the first point, it’s probably more striking just how consistent the proportion of young adults who’ve fallen into this category has been throughout the period covered by the Index, as it has been hovering at around 10% of all young adults since the late 1990s, which suggests that how young adults subjectively assess their economic circumstances is not necessarily that closely related to the objective performance of the economy.

Thirdly, it is also striking that young adults’ perception of their economic circumstances in more recent years doesn’t seem to be significantly worse than it was for their counterparts in earlier cohorts, despite the objective decline in their living standards on measures such as housing costs, real incomes or student debt; this could be because they tend to compare themselves only to other young adults who are in a similar position to themselves, rather than comparing themselves to either current older generations or people who were in the same age group at previous points in time.

2. Work Wellbeing

Work Wellbeing is derived from the mean of five different indicators: Employment status, Highest educational qualification, Job security, Job satisfaction and Time spent on housework.

2a. Employment status

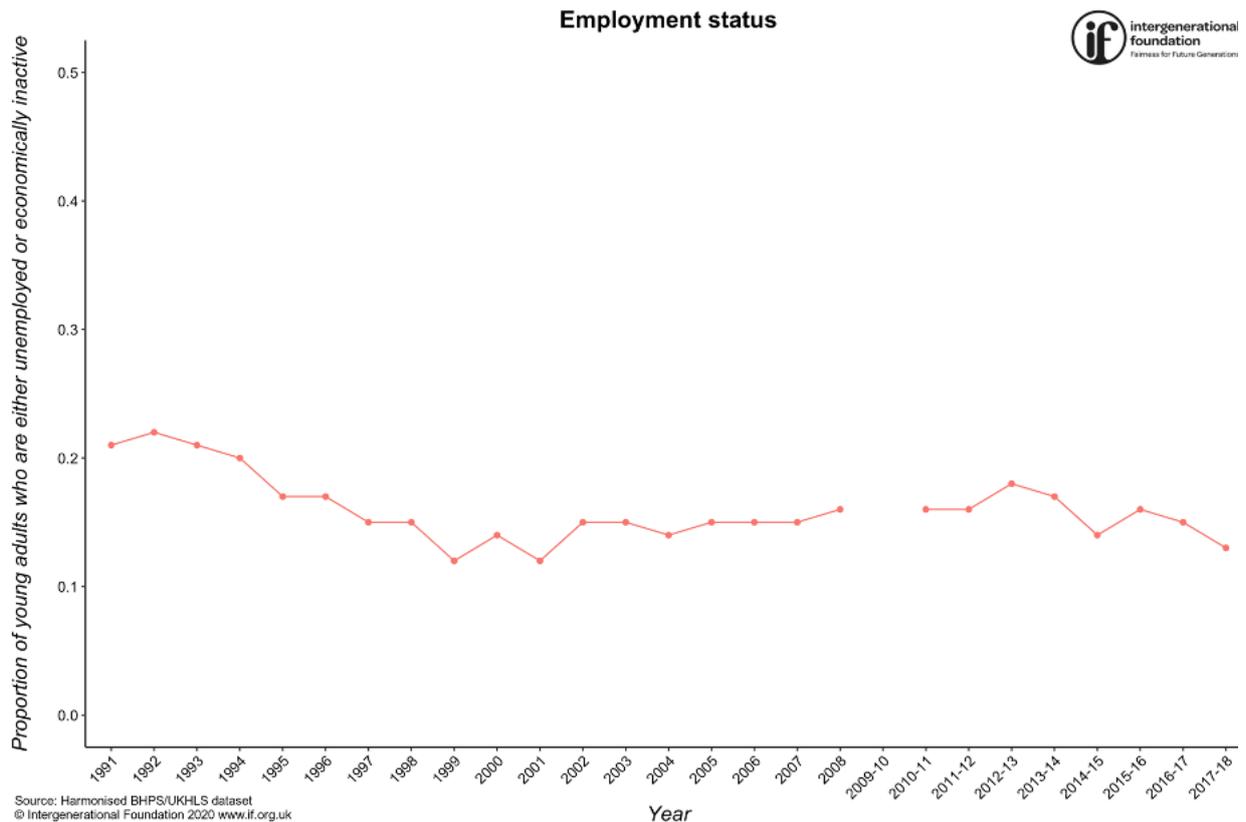


Fig.5 Employment status

This indicator is derived from a question in the BHPS/US dataset which asks respondents about their current economic activity status. The indicator measures the proportion of young adults who are either unemployed or economically inactive (not including people who were studying or undertaking training courses), in order to produce a measure of the number of young adults who aren't either using their current skills productively or acquiring new ones.

This is an indicator which has improved significantly during the period covered by the Index, as just over 1 in 5 young adults was either unemployed or economically inactive in the early 1990s but this has fallen to a new low of 13% in 2017/18. This is fully in accordance with the UK's so-called "jobs miracle" during the post-recession period, which has seen employment rise to extremely high levels among virtually all age groups. It also illustrates the striking contrast for young adults between the previous major recession during the early 1990s, which saw unemployment rise significantly among this age group, and the post-2008 one which did not.

2b. Highest educational qualification

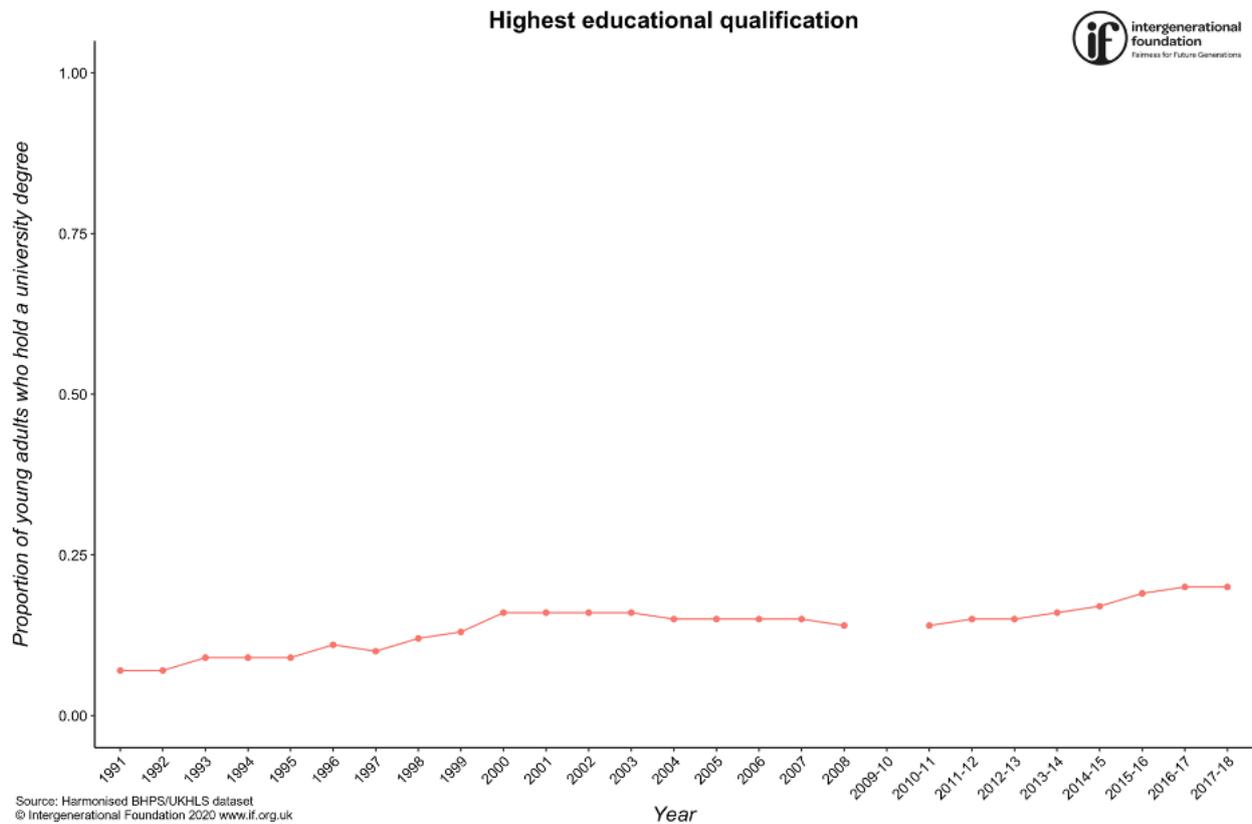


Fig.6 Highest educational qualification

This indicator is based on a variable within the BHPS/US dataset which asks respondents about the highest qualification that they have achieved at the time when the survey was undertaken. The indicator measures the proportion of young adults whose highest qualification is a university degree.

Although the relationship between wellbeing and level of education is somewhat ambiguous, possession of a university degree is associated with a range of positive benefits for the individual, including greater intellectual satisfaction, higher earning power and better health. This indicator reflects a remarkable social transformation which has occurred in the UK during the period covered by the Index that has seen access to higher education expand enormously; only 7% of young adults held a university degree in 1991, but by 2017/18 this had almost trebled to 20%.

However, it should also be emphasised that much of the expansion of higher education in the UK has been funded by burdening the individual students with significantly higher student debts which they are expected to pay off throughout their working lives. Whether the wellbeing of graduates is negatively affected once they begin working by having large student debts to pay off is a question which deserves to be the subject of future research.

2c. Job security

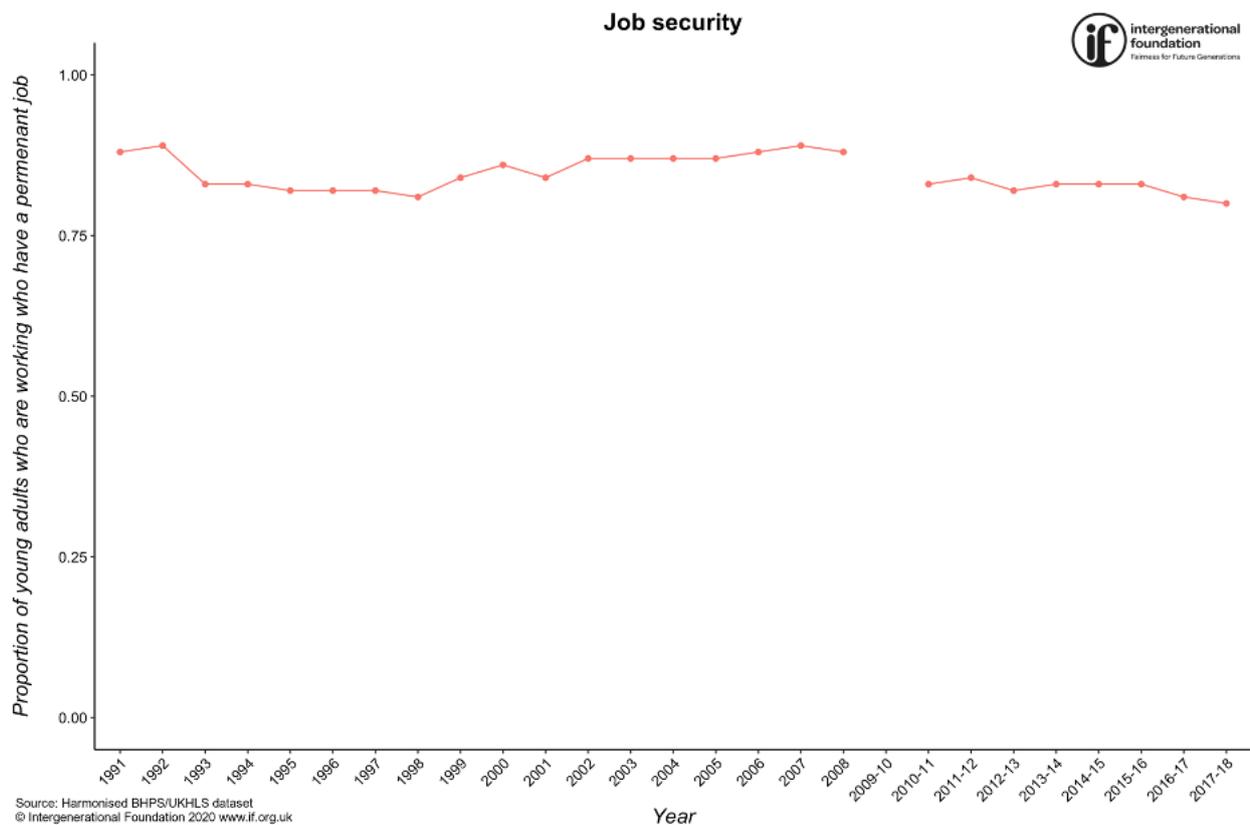


Fig.7 Job security

This indicator is derived from a question in the BHPS/US dataset which asks respondents who are working whether they have a permanent job, or whether there is any way in which their job is not permanent. It is left up to the respondent to gauge what the question means by these terms, although non-permanent jobs are likely to include arrangements such as fixed-term contract work, seasonal occupations and the types of job which are found in the “gig economy”, where workers are paid on a job-by-job basis. The indicator measures the proportion of young adults who described their job as permanent.

Although this is an indicator where we need to be somewhat cautious about assessing the scale of change over time because the wording of the question was changed in Wave 9 of the BHPS, the data do suggest there has been a significant change following the post-2008 recession. In 2017/18, it appears that around 20% of young workers had a job which was not permanent, compared to closer to 10% before the recession.

This would be consistent with the idea that at least some of the improvement in economic participation rates for young workers that has been seen during the post-recession period has been down to young workers being more willing to accept less secure forms of work; it could also represent the increasing ease with which less secure forms of work can be accessed by young workers due the rise of the gig economy and online platforms which facilitate insecure employment, such as Uber and Deliveroo.

2d. Job satisfaction

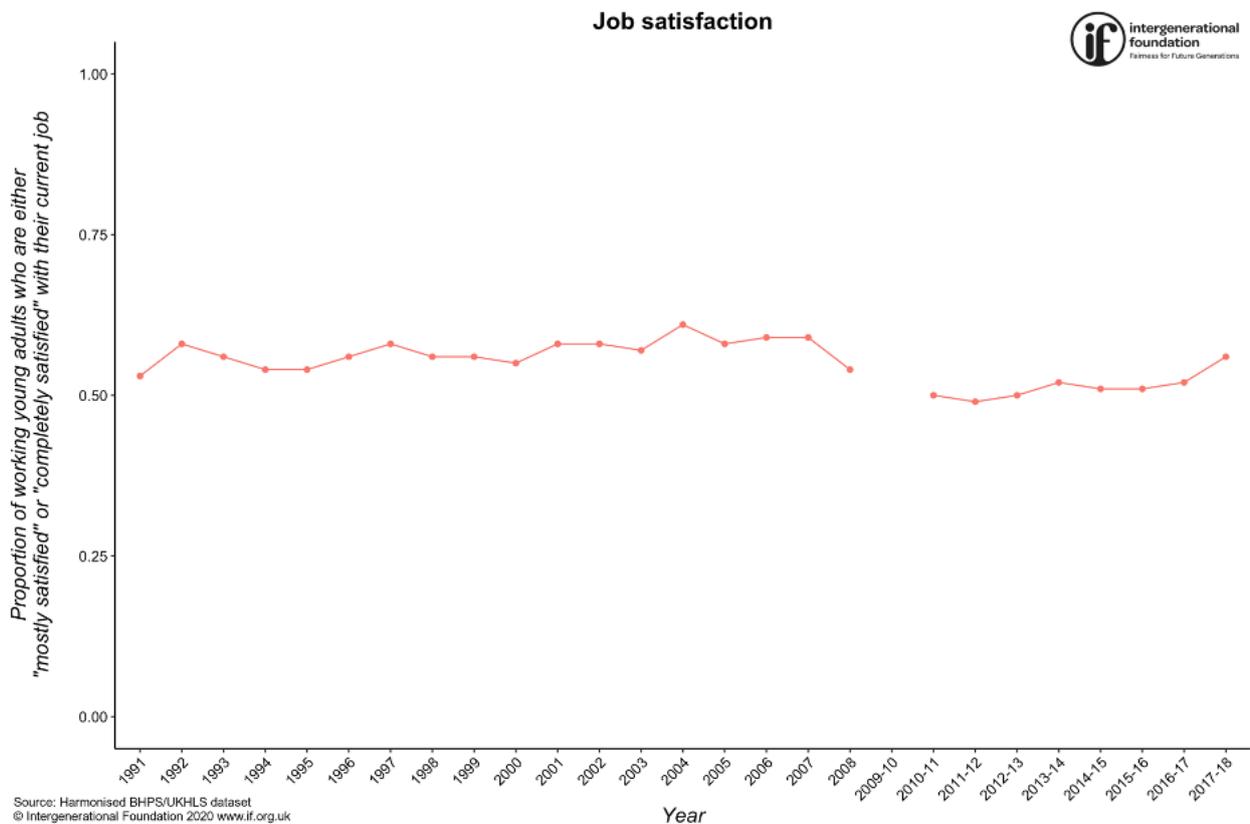


Fig.8 Job satisfaction

This indicator is derived from a question in the BHPS/US dataset which asks respondents who are employed to rate their degree of satisfaction with their present job on a scale from 1 (“Completely dissatisfied”) to 7 (“Completely satisfied”). The indicator measures the proportion of young adults who gave a score of either 6 or 7.

While much of the previous research on wellbeing has highlighted the strong relationship between employment and wellbeing, it is not quite so clear to what extent job satisfaction is important. It is also worth noting that government policy towards employment has historically been almost exclusively focused on getting into work more people who would otherwise be economically inactive, rather than seeking to influence the level of satisfaction which is provided by the jobs that are being created.

The most significant finding from this indicator was that the degree of job satisfaction among young adults appears to have shown remarkably little variation over time: between 50% and 60% of young adults who worked fell into the top two categories for job satisfaction in every year between 1991 and 2017/18.

This finding could be interpreted in either a positive or negative light: on the one hand, the majority of working young adults seem to be highly satisfied with their jobs, but on the other hand, it does also mean that around 40% have consistently reported being less than highly satisfied; given that workers who belong to this age group have become much more likely to hold a university degree during the period covered by the Index, it is perhaps also surprising that being more highly educated does not appear to have led to this cohort taking significantly greater satisfaction in the work that they do.

2e. Time spent on housework

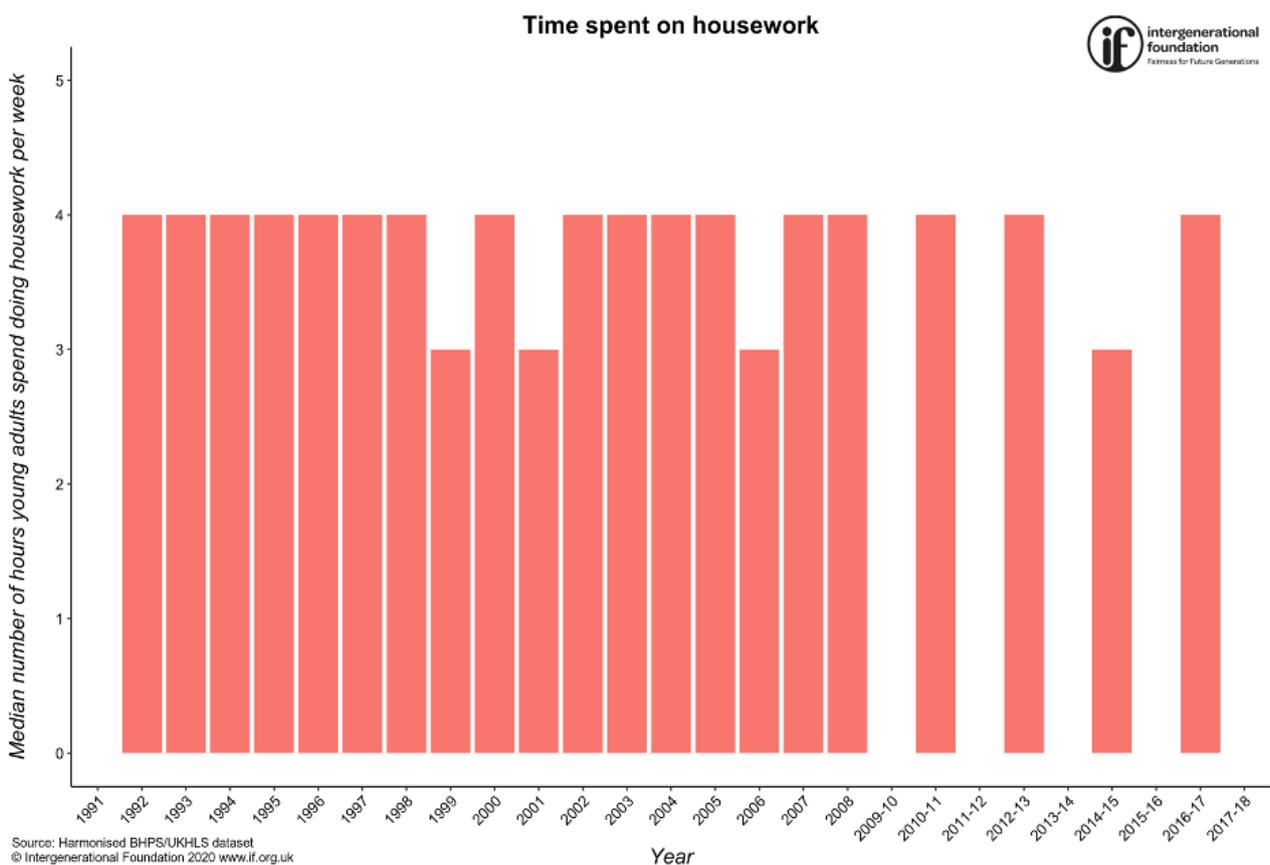


Fig.9 Housework hours

This indicator is derived from a variable in the BHPS/US dataset which asks respondents how much time they spend on housework in a typical week; the indicator itself measures the median number of hours which young adults said they spend on housework each week in each year for which data were available.

Perhaps somewhat surprisingly given advances in labour-saving technology, the median number of hours which young adults spend on doing housework has consistently remained around 4 hours per week, with occasional small fluctuations from year to year which were not statistically significant.

3. Physical and Mental Wellbeing

Physical and Mental Wellbeing is derived from the mean of two indicators: Subjective mental well-being and Satisfaction with personal health.

3a. Subjective mental wellbeing

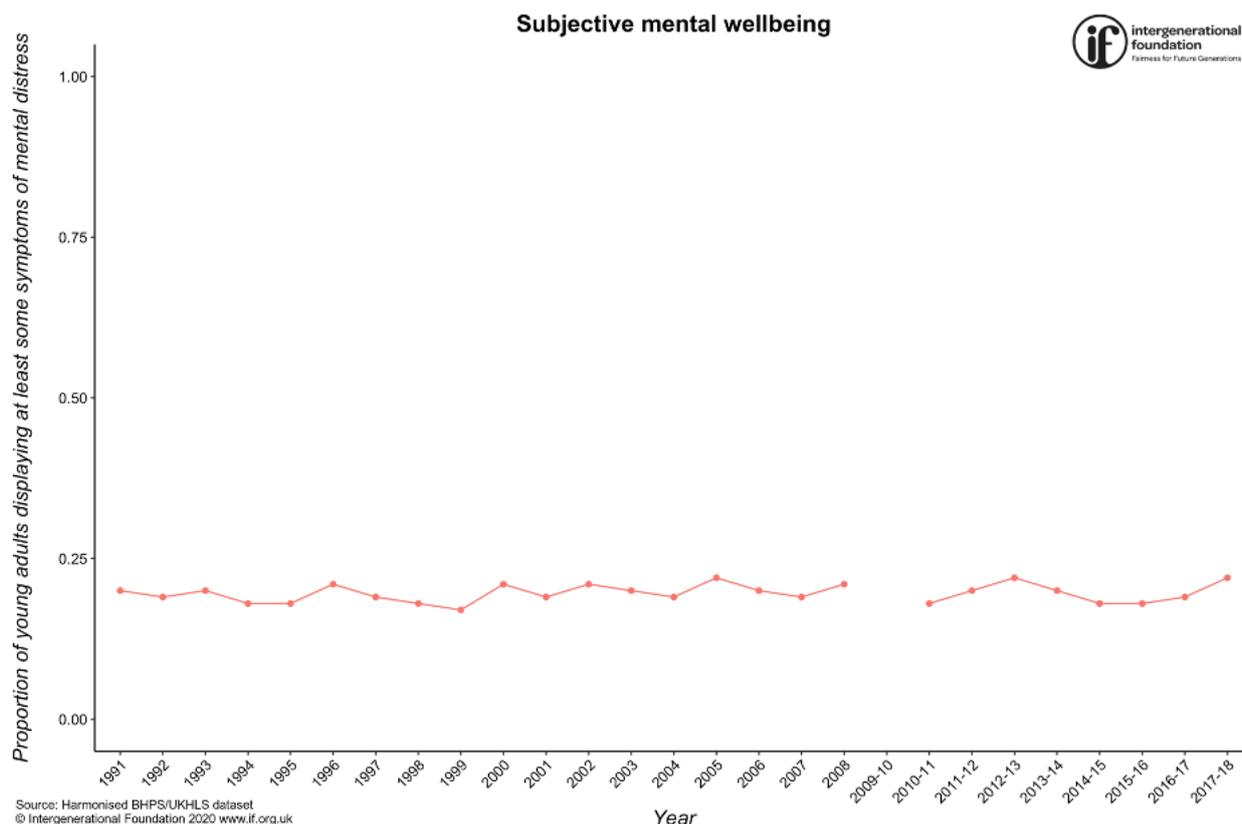


Fig.10 Subjective mental wellbeing

This indicator is derived from a variable in the BHPS/US dataset which is based on respondents' answers to 12 questions of the General Health Questionnaire (GHQ), a widely-used diagnostic tool for assessing respondents' mental health. The responses to the GHQ are converted to a single scale by recoding 1 and 2 values on individual variables to 0, and 3 and 4 values to 1, and then summing, giving a scale running from 0 (the least distressed) to 12 (the most distressed). This indicator measures the proportion of young adults who have a score greater than 4 out of 12 on this scale, which is widely used (including by the ONS Measuring National Wellbeing project) as an indicator for symptoms of moderate anxiety and depression.

Although this indicator only assesses one aspect of mental ill-health, it suggests that the proportion of young adults who report signs of mental distress on this measure has remained remarkably consistent at around 20% throughout the entire period covered by the Index. This indicator does not measure how the incidence of diagnosed mental disorders has changed over time, but it does suggest that the proportion of young adults who are experiencing psychological distress at any given point tends to be quite stable; why it is so consistent at around this level is clearly worthy of further investigation.

3b. Satisfaction with personal health

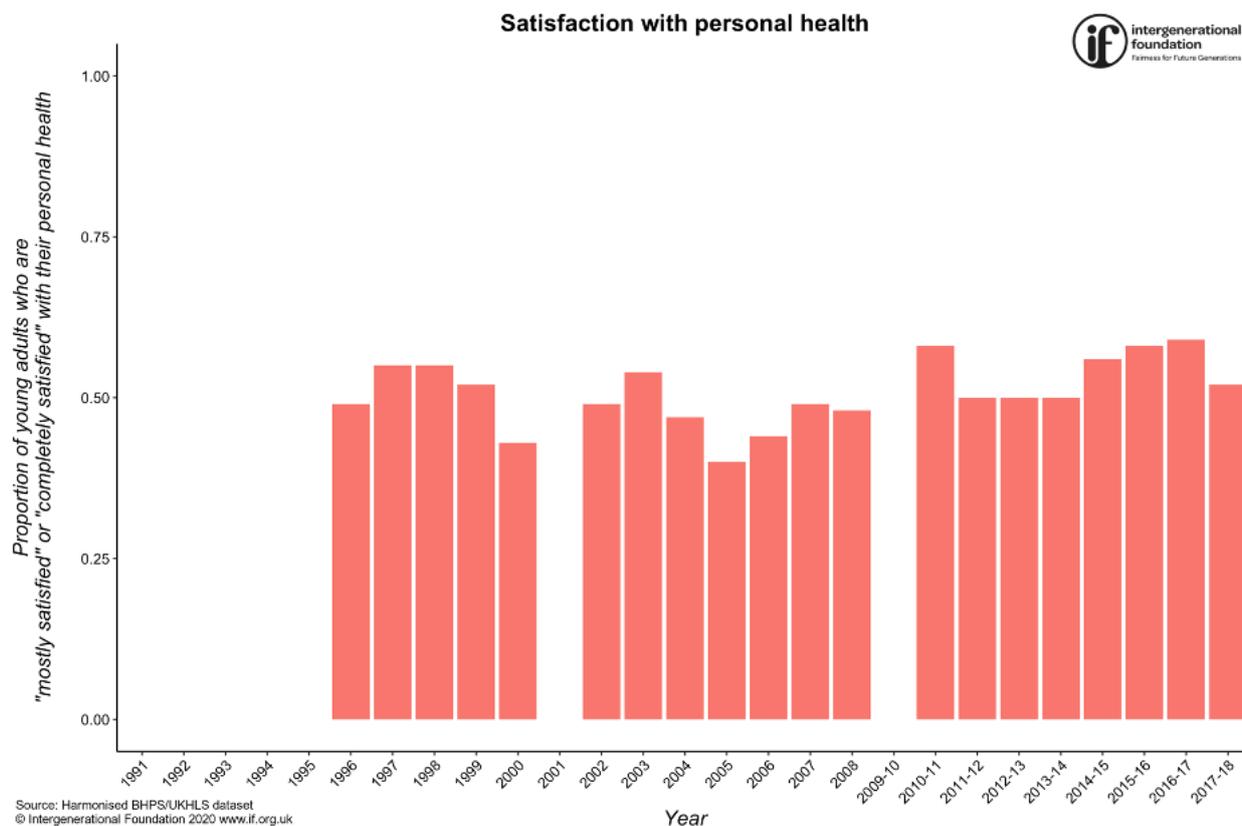


Fig.11 Satisfaction with personal health

This indicator is derived from a question in the BHPS/US dataset which asks respondents to rate their degree of satisfaction with their personal state of health on a scale from 1 (“Completely dissatisfied”) to 7 (“Completely satisfied”). The indicator measures the proportion of young adults who gave a score of either 6 or 7.

What this indicator seems to suggest is that, although there have been some relatively small fluctuations between individual years, overall the proportion of young adults who are highly satisfied with their personal state of health has proved to be extremely consistent at around 50% in most of the years when the relevant question was included in the survey. Unfortunately, it’s difficult to know how much we should read into this finding, as we can’t make too many assumptions about how the participants would have interpreted what being “satisfied” with your personal state of health meant to them, although it does tell us that about half of all young adults probably wished they were in better health.

4. Social Wellbeing

Social wellbeing is derived from the mean of four indicators: Satisfaction with leisure time, Relationship status, In touch with friends, and Family friendships.

4a. Satisfaction with amount of leisure time

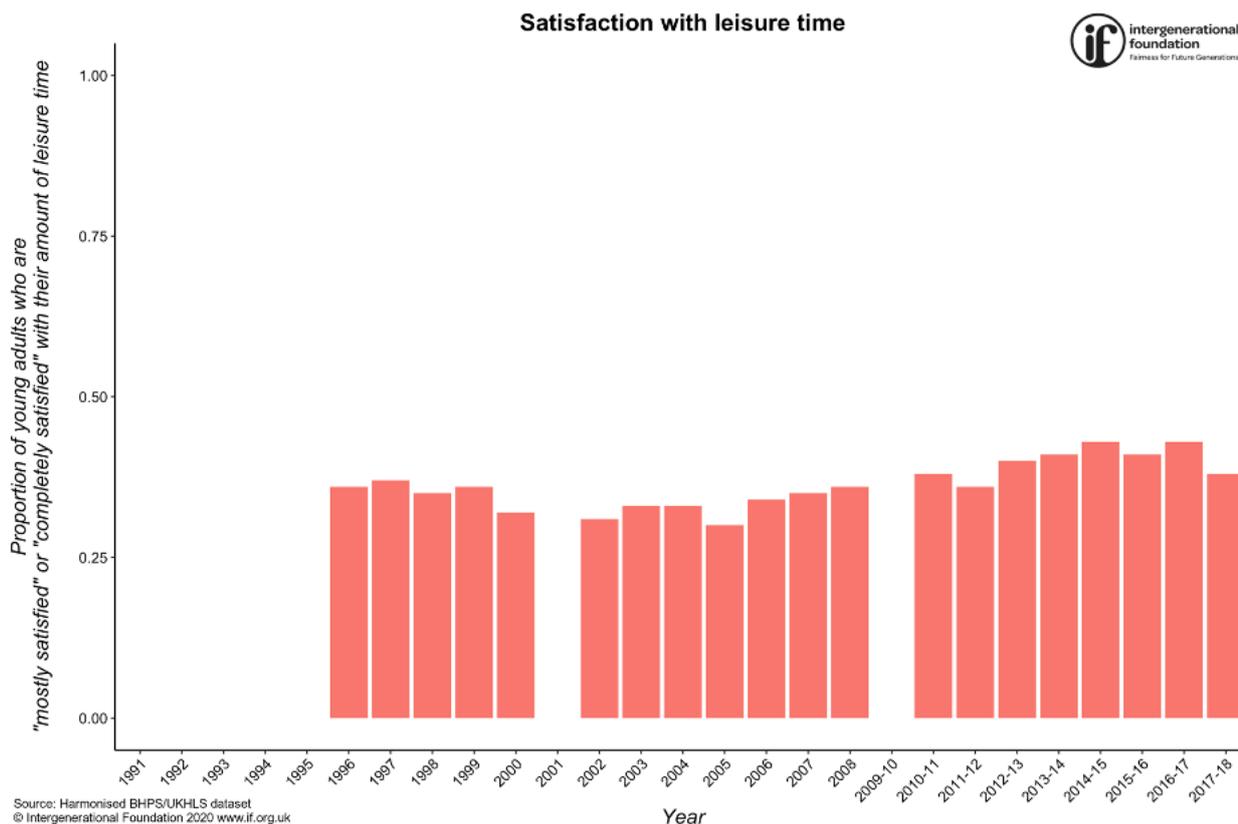


Fig.12 Satisfaction with amount of leisure time

This indicator is derived from a question in the BHPS/US dataset which asks respondents to rate how satisfied they are with the amount of leisure time they have on a scale from 1 ("Completely dissatisfied") to 7 ("Completely satisfied"). The indicator measures the proportion of young adults who gave a score of either 6 or 7. It's worth emphasising that this question only asks people how satisfied they are with the quantity of leisure time, rather than anything to do with how they use their leisure time, which is obviously a separate issue.

It seems intuitive that having a satisfactory amount of leisure time in which to relax from the pressures of work and domestic life should make a significant contribution to someone's overall level of wellbeing. Therefore, it is concerning that only a minority of young adults said that they were satisfied with their amount of leisure time in response to every single wave of the survey where this question was asked, although whether this is because people always instinctively say that they would like to have more leisure time than they actually get is open to question. The data do suggest that young adults in the more recent data have displayed slightly higher levels of satisfaction with their amount of leisure time than they did between 2000 and 2010, although any improvement has been very small.

4b. Relationship status

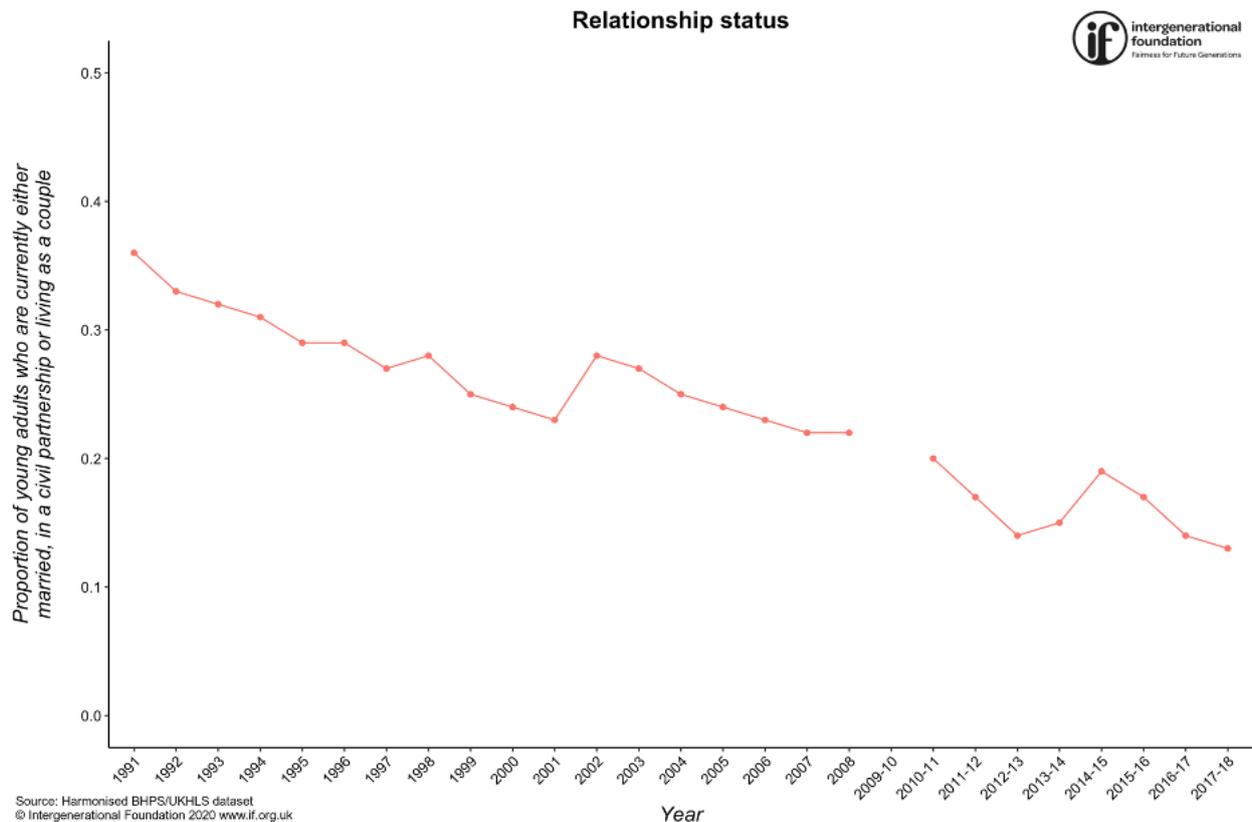


Fig.13 Relationship status

This indicator is derived from a variable in the BHPS/US dataset which asks respondents to select the option which best describes their de facto marital status. The indicator measures the proportion of young adults who said that their de facto marital status was either married or in a civil partnership, or “living as a couple”.

In previous wellbeing research, having successful intimate relationships has consistently been shown to be one of the most significant variables for predicting high wellbeing. Therefore, the idea behind this indicator was to attempt to measure the extent to which young adults are succeeding at forming long-term intimate relationships, although it is limited by the fact that the data on which it is based does not capture people in relationships who were not living together at the time when the question was asked.

This is the single indicator which has changed the most during the period covered by the Index: in 1991, 36% of young adults were either married or living as a couple, whereas the equivalent figure had fallen to 13% by 2017/18 (a decline of almost two-thirds). This is caused by long-term social change in the UK which has seen people become much less likely to get married in early adulthood than they were several decades ago, and represents the fact that young adults now generally take longer to settle down and start a family because of higher levels of education, the prioritisation of having a career, higher housing costs and changing social mores around issues such as pre-marital sex.

4c. In touch with friends

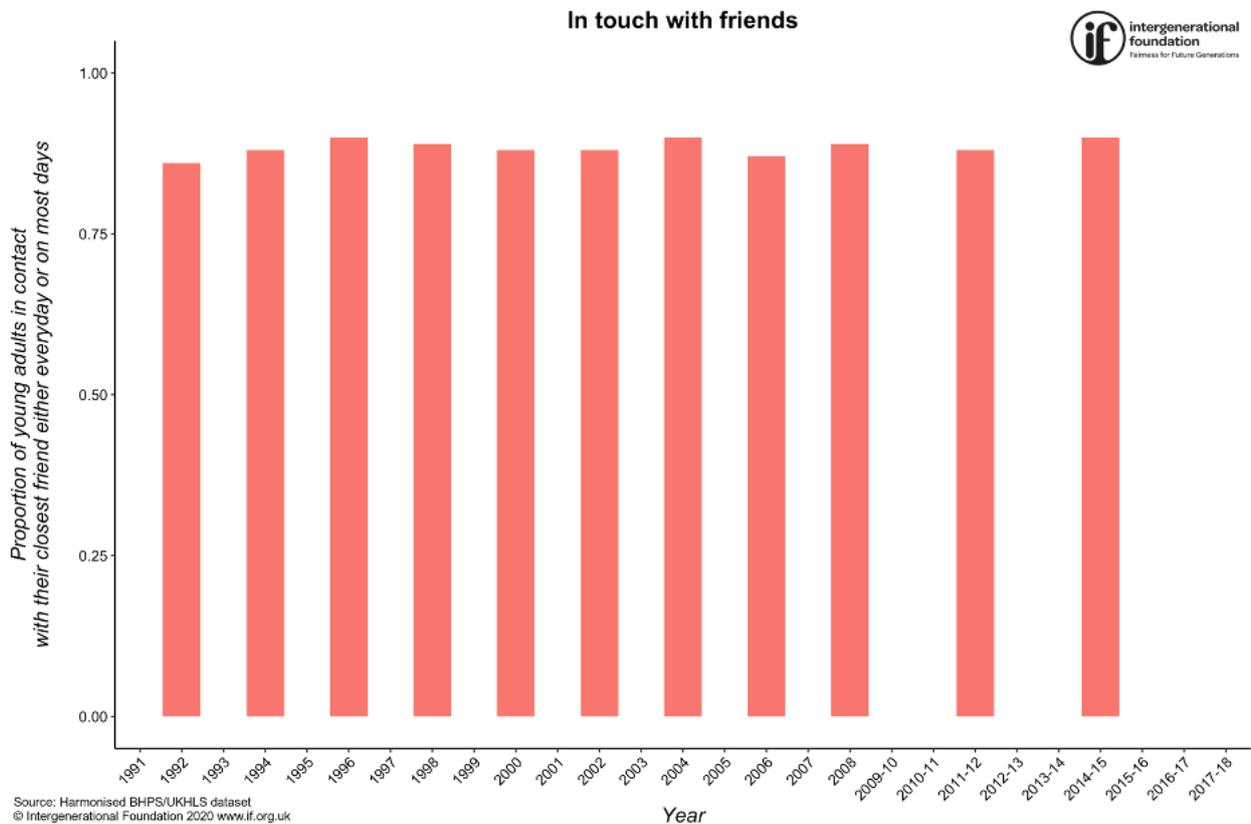


Fig.14 In touch with friends

This indicator is derived from a variable in the BHPS/US dataset which asks respondents to name the person who they think is their best friend, and then to say how often they are in touch with that person by choosing between five available options: “most days”, “at least once a week”, “at least once a month”, “less often [than once a month]” or “don’t know”. This indicator measured the proportion of young adults who said that they see their closest friend either on “most days” or “at least once a week”, in order to measure how the amount of social contact which young adults enjoy has changed over time. It needs to be borne in mind that this question has only been asked in 11 waves of the dataset, so comparisons across time need to be treated with caution.

Most published wellbeing research has strongly emphasised the role which social relationships play in providing a high quality of life. Although the extent to which different individuals require social contact in order to be happy varies from person to person, getting the right amount of social contact to meet an individual’s social needs has consistently been ranked alongside having fulfilling work and enjoying good health as one of the three most important determinants of wellbeing.

The results from this indicator suggest that around 80% of young adults are in contact with their closest friend at least once per week, and there doesn’t seem to have been any significant change in the level of social contact that they get since the Index began, which suggests that most young adults want to have quite a large amount of social contact and are having their need for socialising fulfilled successfully.

4d. Family friendships

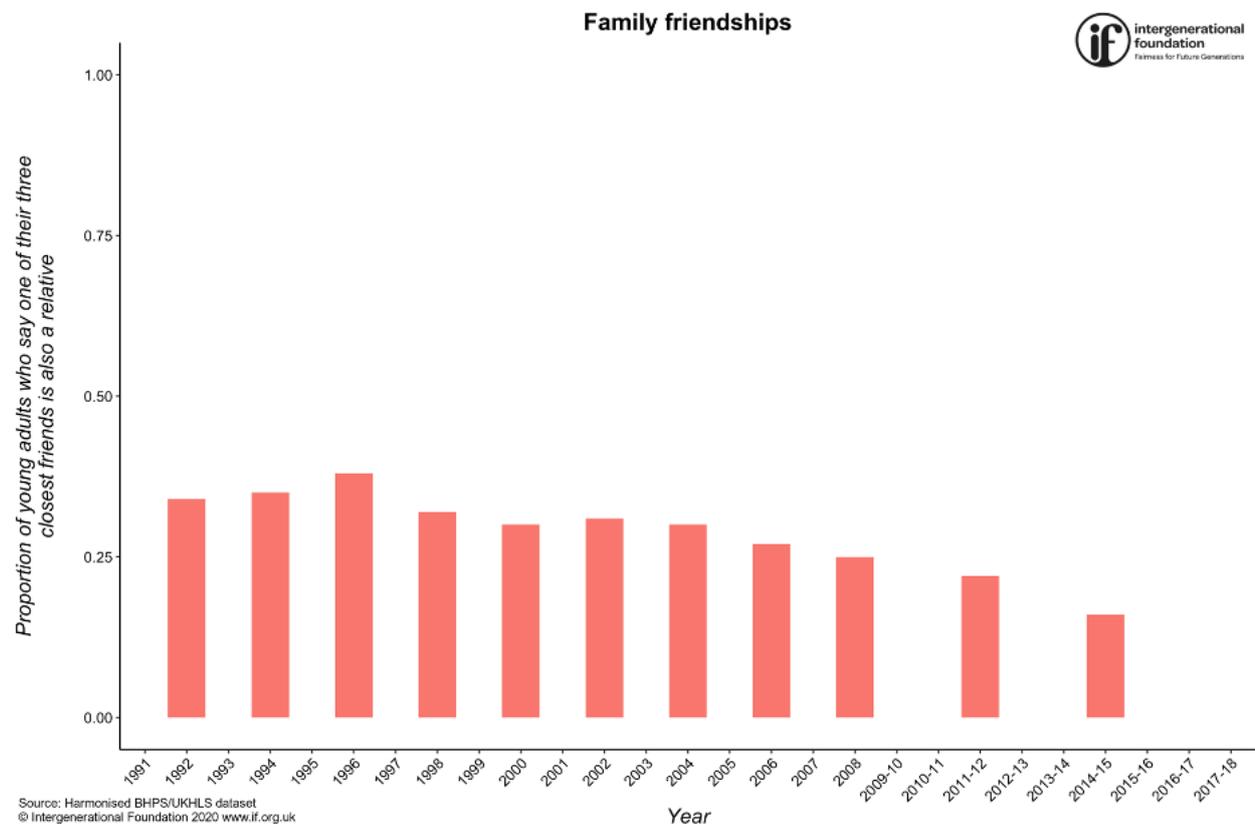


Fig.15 Family friendships

This indicator is derived from a variable in the BHPS/US dataset which asks respondents to name the people who they think are their three closest friends, and then to say whether any of them are also a relative. The indicator itself measured the proportion of young adults who said that at least one of their three closest friends was also a relative, as a proxy measure for how strong their relationships with their family members are. It needs to be borne in mind that this question has only been asked in 11 waves of the dataset, so comparisons across time need to be treated with caution.

As with the previous indicator, wellbeing research has consistently shown that having close relationships with family members is an important component of people's quality of life. This indicator suggests that the proportion of young adults who say that one of their three closest friends is also a relative has declined significantly since the first year that was covered by the Index, falling from 34% in 1991 to 16% in 2014-15. While it is important not to over-interpret an indicator which has only a limited number of data points, this could indicate that the relationships between Millennials and their other family members are less close than they were among previous generations, which could be having a negative impact on their overall quality of life.

5. Belonging Wellbeing

Belonging Wellbeing is derived from the mean of three different indicators: Likes current neighbourhood, Belongs to social/political/religious organisation, and Supports a political party.

5a. Likes current neighbourhood

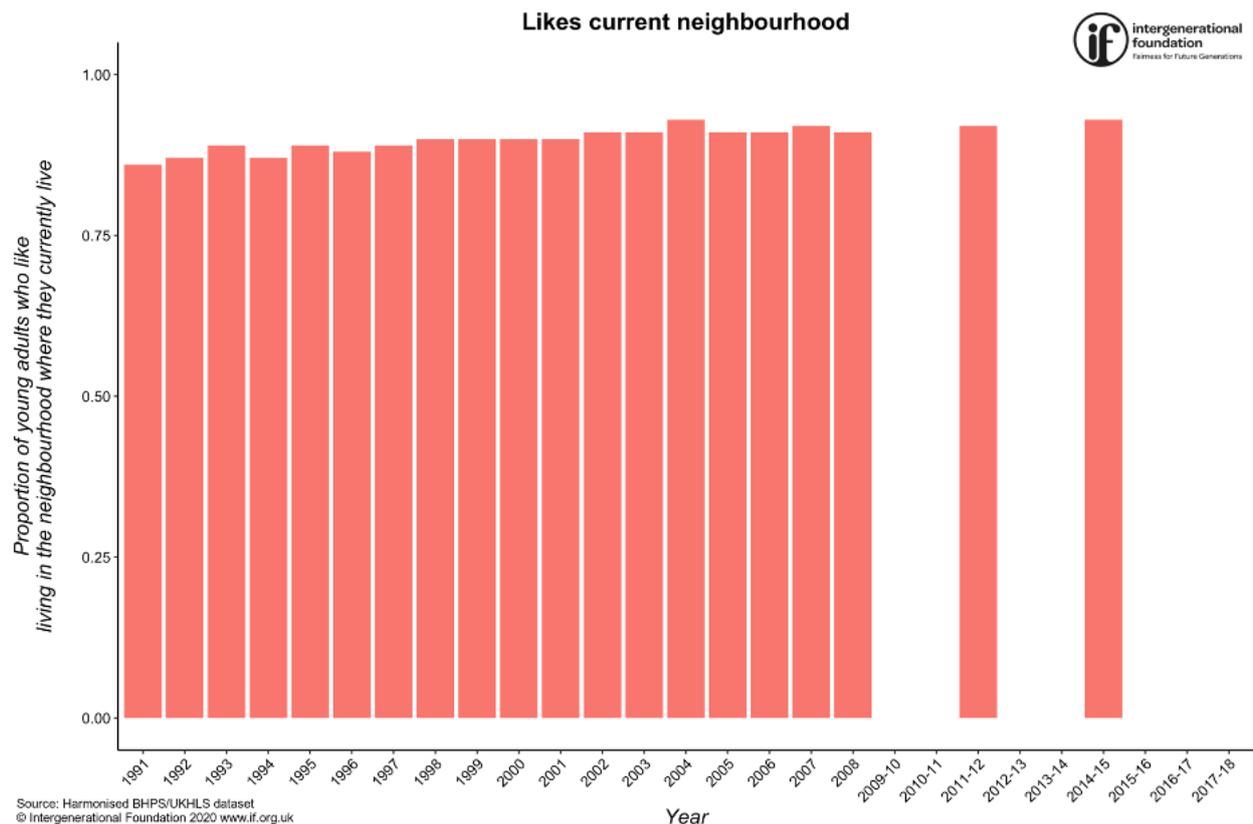


Fig.16 Likes current neighbourhood

This indicator is derived from a variable in the BHPS/US dataset which asked respondents whether they like living in the neighbourhood that they currently live in. The indicator itself measures the proportion of young adults who answered “Yes” to this question. A comparable question to the one that was included in the BHPS has only been asked in two waves of Understanding Society, so this is one of the indicators where what we know about the more recent picture is less reliable than what we knew about it earlier on in the time period covered by the Index.

The environment in which someone lives plays an important role in determining their overall level of wellbeing; for example, it is important that they feel safe from crime and aren't being harmed by local air pollution. The data show that there doesn't seem to have been any statistically significant changes between the first and last years when this question was asked: a remarkably high proportion of young adults have consistently said that they do like living in their local neighbourhood, while the proportion who've said they don't like living in their local environment has always been around one in five.

5b. Belongs to social/political/religious organisation

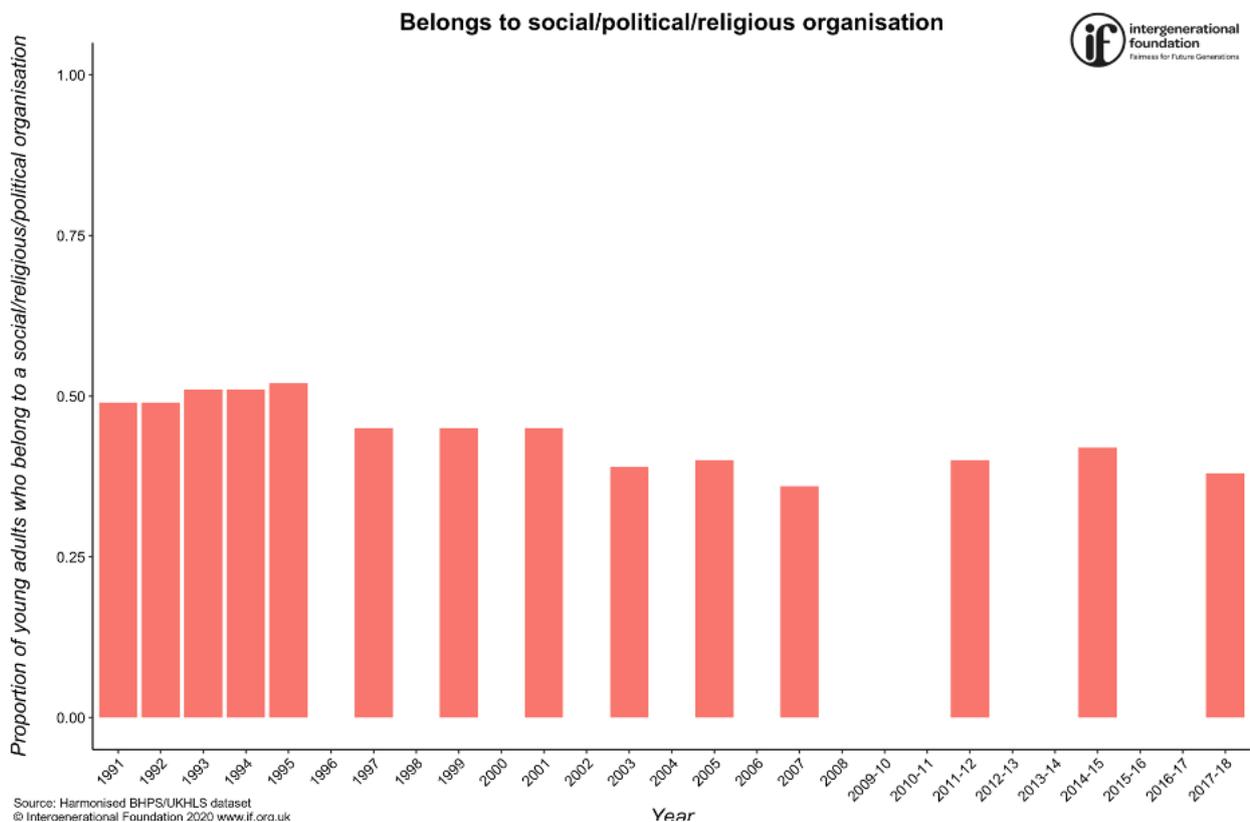


Fig.17 Belongs to social/political/religious organisation

This indicator is derived from a question in the BHPS/US dataset which asked respondents whether they are a member of any of the following types of organisation: political parties, trade unions, environmental groups, parents/school association, residents' society, religious organisations, voluntary service groups, Scouts/Guides, professional societies, social organisations or members' groups, or any types of organisation which have members.

Previous wellbeing research has tended to suggest that belonging to organisations which have members has a generally positive impact on people's overall level of wellbeing, possibly for a couple of different reasons: joining organisations which have members is a way of getting to know other people and providing something interesting for people to do in their spare time, while it may also contribute to people's sense that their lives are worthwhile if feel that they are contributing to some kind of bigger cause, such as belonging to a religion or by performing charitable acts.

Although there are only 14 data points for this indicator because this question has not been asked in every year of the two surveys, the long-term trend does appear to suggest that there has been a significant reduction in the proportion of young adults who belong to these types of organisation since the timeseries began in the early 1990s. Around 50% of young adults said that they belong to at least one of these types of organisation in the early 1990s, compared with 38% in the most recent wave where this question appeared, which would equate to a 22% decline.

5c. Supports a political party

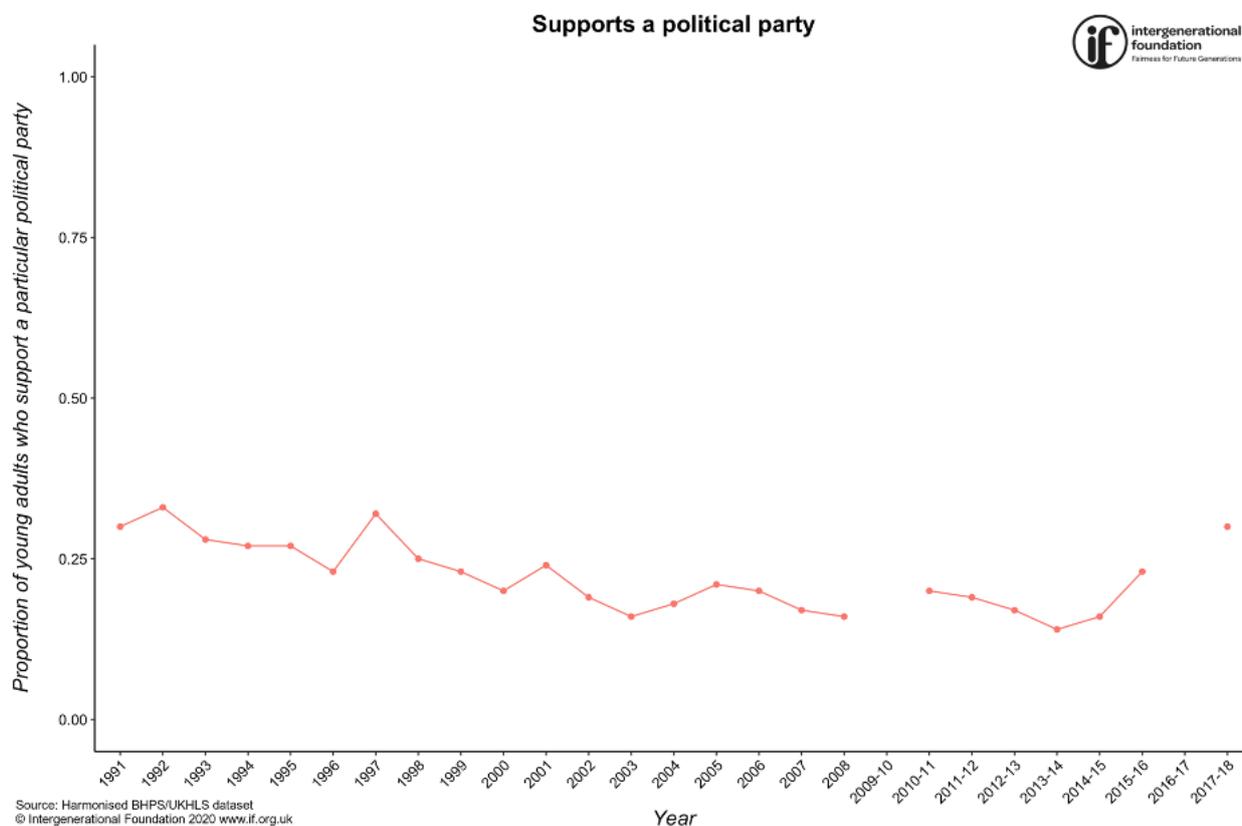


Fig.18 Supports a political party

This indicator is derived from a question in the BHPS/US dataset which asked respondents whether they support a particular political party. The indicator measures the proportion of young adults who answered Yes to this question.

There is some evidence to suggest that having trust in politics makes a significant contribution towards wellbeing. This indicator was chosen as a proxy measure for young people’s general level of interest and belief in politics because the same question had been asked over many different waves of the two surveys, but it does have the limitation that it only measures people who express their involvement in politics through supporting a specific party rather than by taking a general interest in the subject, so it is quite likely to under-represent the true extent of young people’s interest.

This is an indicator which has seen a dramatic improvement in the last few years. Between 1991 and 2013/14 there had been a fairly steady decline in the proportion of young adults who said that they support a particular political party during the years in between general elections (although support has clearly always tended to spike during the years when an election took place: 1992, 1997, 2001, 2005 and 2014-15 (data are missing for 2009-10 for reasons which are discussed in Appendix 1 - Methodology)).

This pattern is consistent with the idea that the UK has generally been moving away from a world in which people’s socio-economic class largely determined which of the two major parties they would vote for towards one in which there is a much larger number of floating voters who are less likely to



express a fixed political identity. However, since 2015 the proportion of young adults who say that they support a particular political party has surged upwards, returning to levels which had not been seen since the beginning of the Index series in 1991.

There are likely to be two main reasons for this: firstly, this period has been tumultuous politically, with two general elections and two major national referenda (on Scottish Independence and EU membership), which have helped to politicise young people; and secondly, this period coincided with Jeremy Corbyn's time as leader of the Labour Party, which is important as young adults became significantly more likely to support Labour under his leadership. Given that there is now unlikely to be another general election for a number of years, it will be interesting to see if this level of interest in politics among young adults is sustained over time. It will also be interesting to see whether the COVID-19 crisis further politicises young adults, given that they are likely to be feeling its economic repercussions for many years to come.



4. Conclusion

The goal of this research is to attempt to provide an indication of how young adults' quality of life in the UK has changed over the course of the past three decades. Unfortunately, the results are not particularly encouraging: they strongly suggested that things have been getting worse for young people across multiple different areas of their lives, with the global financial crisis which occurred in 2008 having done a large amount of damage to young adults' living standards which they are yet to fully recover from.

Although assessing why some of the indicators included in our Index have got worse is far from straightforward, the evidence which we have assembled suggests that things were already heading in the wrong direction for young adults before the current COVID-19 crisis started. Clearly, it is going to be vitally important to ensure that policies which are enacted in the post-COVID-19 period don't result in young adults falling even further behind.

Post-lockdown, we need a new settlement for younger and future generations which will help them to catch up on previous generations in areas such as pay, working conditions and housing, while also ensuring that the natural environment is protected so that their children and grandchildren will still have it to enjoy.

This is intended to be the first part of what will become a series of annual reports looking at changes in wellbeing among this age group, which will enable us to see how the trends we have observed change in the future.

Appendix 1 - Methodology

What did we want to measure?

Our goal was to design a methodology which would enable us to quantitatively measure how the wellbeing of the UK population aged 18 to 26 has changed over time. In light of the different theories of wellbeing that were described in Section 2, we decided that the best way of doing this would be to create a multi-dimensional wellbeing model which included both objective and subjective wellbeing indicators.

These individual indicators could then be grouped into domains that would attempt to act as a measure of how well young adults are doing in a particular area of their lives at a given point in time, and then the average score across all of the indicators would represent young adults' overall level of wellbeing in a particular year.

Which domains and indicators did we decide to include in our wellbeing model?

As explained in Section 2, there is a significant tension in wellbeing research between approaches which are based on subjective methodologies (measuring wellbeing on the basis of how happy people say they are), and objective methodologies (assessing people's quality of life for them on the basis of the presence or absence of certain things that are deemed to be important). As both approaches have different strengths and weaknesses, it's not uncommon for wellbeing models to include both types of indicators.

This was our approach; in other words, we were interested in measuring both how young adults feel about certain aspects of their lives, and taking account of their objective situation. A good example of this would be our selection of indicators to measure work-related wellbeing; we thought it was useful to include a subjective measure (how satisfied young adults say they are with their jobs) and an objective one (how much they are being paid), in order to build up a well-rounded picture of this aspect of their quality of life.

Devising a set of wellbeing domains is as much an art as a science, as it is based on a combination of theoretical justification, policy relevance and the availability of consistent data. This eventually led to us deciding to include a series of five wellbeing domains: Economic Wellbeing, Work Wellbeing, Physical and Mental Wellbeing, Social Wellbeing and Belonging Wellbeing. Between them these five domains contain 17 separate statistical indicators, for which there is a reasonably consistent time series of data going back to the first year of the index in 1991. These five domains are intended to encompass the most important determinants of wellbeing which emerged from the literature review in Section 2: being economically comfortable, having satisfactory employment, enjoying good physical and mental health, having strong personal relationships and feeling a sense of "belonging" to causes and institutions which are greater than yourself.

The 17 statistical indicators which we decided to include in our wellbeing model are summarised in the table below, alongside their definitions and the wellbeing domains into which they've been grouped in the model:

Domain	Indicator	Definition
Economic Wellbeing	Gross monthly income	Gross monthly personal income in 2018£, adjusted for inflation using the all-items CPI index.
Economic Wellbeing	Saving money each month	Proportion of young adults who say they are regularly able to add at least £100 per month in 2018£ to their personal savings, adjusted for inflation using the all-items CPI index.
Economic Wellbeing	Subjective financial situation	Proportion of young adults who say they are finding it “quite difficult” or “very difficult” to manage financially.
Work Wellbeing	Employment status	Proportion of young adults who are either unemployed or economically inactive.
Work Wellbeing	Highest educational qualification	Proportion of young adults who hold a university degree.
Work Wellbeing	Job security	Proportion of young adults who are working who have a permanent job (i.e. as opposed to temporary or fixed-term employment).
Work Wellbeing	Job satisfaction	Proportion of young adults who are working who say they are either “mostly satisfied” or “completely satisfied” with their current job.
Work Wellbeing	Time spent on housework	Median number of hours young adults spend doing housework per week.
Physical and Mental Wellbeing	Subjective mental wellbeing	The proportion of young adults who recorded a score greater than 4 on the 12-item General Health Questionnaire (GHQ-12), which is widely used as a threshold to indicate symptoms of mental distress.
Physical and Mental Wellbeing	Satisfaction with personal health	Proportion of young adults who say they are “mostly satisfied” or “completely satisfied” with their personal health
Social Wellbeing	Satisfaction with leisure time	Proportion of young adults who say they are “mostly satisfied” or “completely satisfied” with their amount of leisure time.
Social Wellbeing	Relationship status	Proportion of young adults who say that they are currently either married, in a civil partnership or living as a couple.
Social Wellbeing	In touch with friends	Proportion of young adults who say that they are in contact with their closest friend either everyday or on most days.
Social Wellbeing	Family friendships	Proportion of young adults who say that a relative is one of their three closest friends
Belonging Wellbeing	Likes current neighbourhood	Proportion of young adults who say that they like living in the neighbourhood where they currently live.
Belonging Wellbeing	Belongs to social/political/religious organisation	Proportion of young adults who belong to at least one of the following organisations: political party, trade union, environmental group, parents’ association, tenants’/residents’ organisation, religious organisation, voluntary group, Scouts/Girl Guides, professional body, community group, social club, sports club, Women’s Institute or any other membership group.
Belonging Wellbeing	Supports a political party	Proportion of young adults who say that they support a particular political party.

What data did we use?

The sheer breadth of the topics which are associated with wellbeing meant that we needed a social survey which contained a very wide range of variables, which is why the British Household Panel Study/Understanding Society harmonised dataset was chosen to provide the data for our wellbeing model.

The British Household Panel Survey (BHPS) is a longitudinal household social survey that was run in conjunction with academics at the University of Essex, reaching a sample of roughly 10,500 individuals living in 5,500 households who were questioned in a series of 18 “waves” between 1991 and 2009.

From then onwards, the existing BHPS sample group was combined into the sample for a newer, much larger social survey called “Understanding Society” (US), which has essentially replaced it. Both surveys are longitudinal, meaning they try to follow the same panel of households across waves, but they can also be used to perform cross-sectional analysis using data from individual waves (and to compare cross-sections from different waves because they contain very similar questions).

In order to obtain the most consistent results from year to year, we only included the BHPS sample in our analysis, although this meant that there was no new data for the first year after the changeover (2009-10) because none of the BHPS sample members were included in Wave 1 of Understanding Society. So that we’d have a complete time series of data, the values from the last year of the BHPS were repeated using the same Last Observation Carried Forward (LOCF) procedure described below that we used to compensate for missing data points in other years. This sample is designed to be representative of the population of Great Britain which was aged 18 to 26 from 1991 to 2001 and then the population of the UK which was aged 18 to 26 from 2001 onwards.

The BHPS/Understanding Society harmonised dataset was ideal for this project because it has a large enough sample size to include a substantial number of people in the target age range, it covers a huge range of variables which capture data on many different topics, and it has been used in a number of previous wellbeing studies.¹

How did we calculate our wellbeing model?

The data from the BHPS/Understanding Society harmonised dataset was filtered to only include the relevant variables and cases for this piece of analysis, and then the variables were cleaned and edited to transform them into the indicators listed above (for example, variables that included monetary amounts, such as Gross monthly income, were adjusted for inflation using the all-items CPI index). These datasets were then weighted using the appropriate cross-sectional weights provided with the data to make them nationally representative.

Although we had attempted to select as many indicators as possible which could provide us with a complete time series of data that went back to the first wave of the BHPS in 1991, there were some indicators where the time series was incomplete, either because the relevant question(s) weren’t introduced until a particular wave of the BHPS or because an indicator relied on a question which gets rotated in and out of the questionnaire every few Waves. Where we did include indicators where there wasn’t data for every single year of the Index, it was because they were designed to measure change in an area of life that we particularly wanted to include in the Index and we decided that using incomplete data was better than having no data at all.

¹ Age UK (2017) A summary of Age UK’s Index of Wellbeing in Later Life London: Age UK



When it came to including indicators which had incomplete data in the Index we presented the data for the indicator itself with gaps in the time series (these are shown in Part 2 of the Results); but in order to include them in the calculation of the scores for each domain and the overall Index as a whole we filled in the missing values using a Last Observation Carried Forward (LOCF) and Next Observation Carried Backward (NOCB) approach. This involved copying the most recent previous year's values for indicators which had missing years, apart from cases where the first year of the time series was missing, where the value from the first year for which we had data was copied backwards. This meant that the results displayed in Part 1 of the Results section are based on a full set of indicators in every single year.

To calculate the scores for each of the five domains of wellbeing and the overall score for the Index as a whole, each indicator was indexed so that its value in 1991 represented 100, and then its indexed score reflected the percentage change from that value in each subsequent year covered by the Index. The score for each domain was the average of the indexed scores across the indicators which fell into that domain, and the score for the Index as a whole represented the average score across all 17 indicators. As you can see from looking at the table above, our wellbeing model contains a mixture of indicators where an increase would be associated with an improvement in young adults' wellbeing (e.g. gross monthly income) and indicators where the opposite is true (e.g. the proportion of young adults who are either unemployed or economically inactive). When it came to calculating the average scores for each of the five domains and for the Index as a whole, we wanted an increasing score to be associated with lower wellbeing, therefore they were transformed as part of the procedure for calculating the Index.

How should we interpret the results?

When interpreting the findings from the Index, it's important not to over-emphasise the significance of relatively small changes between individual years. As the underlying data come from a survey of members of the population, you would naturally expect there to be a certain amount of random fluctuation between each year which does not necessarily represent a statistically significant change in the indicator which is being measured. It is more illuminating to look at the longer-term trends in each indicator, as these are likelier to reveal that a more significant social change has occurred in young adults' living standards over time.



Notes







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