

APPG on Wellbeing Economics: Wellbeing, Growth and the Public Finances

RICHARD LAYARD

Wellbeing as the goal

THE AIM

To maximise wellbeing from a given Budget, choose projects with the higher Benefit/Cost Ratios:

Increase in Public Wellbeing

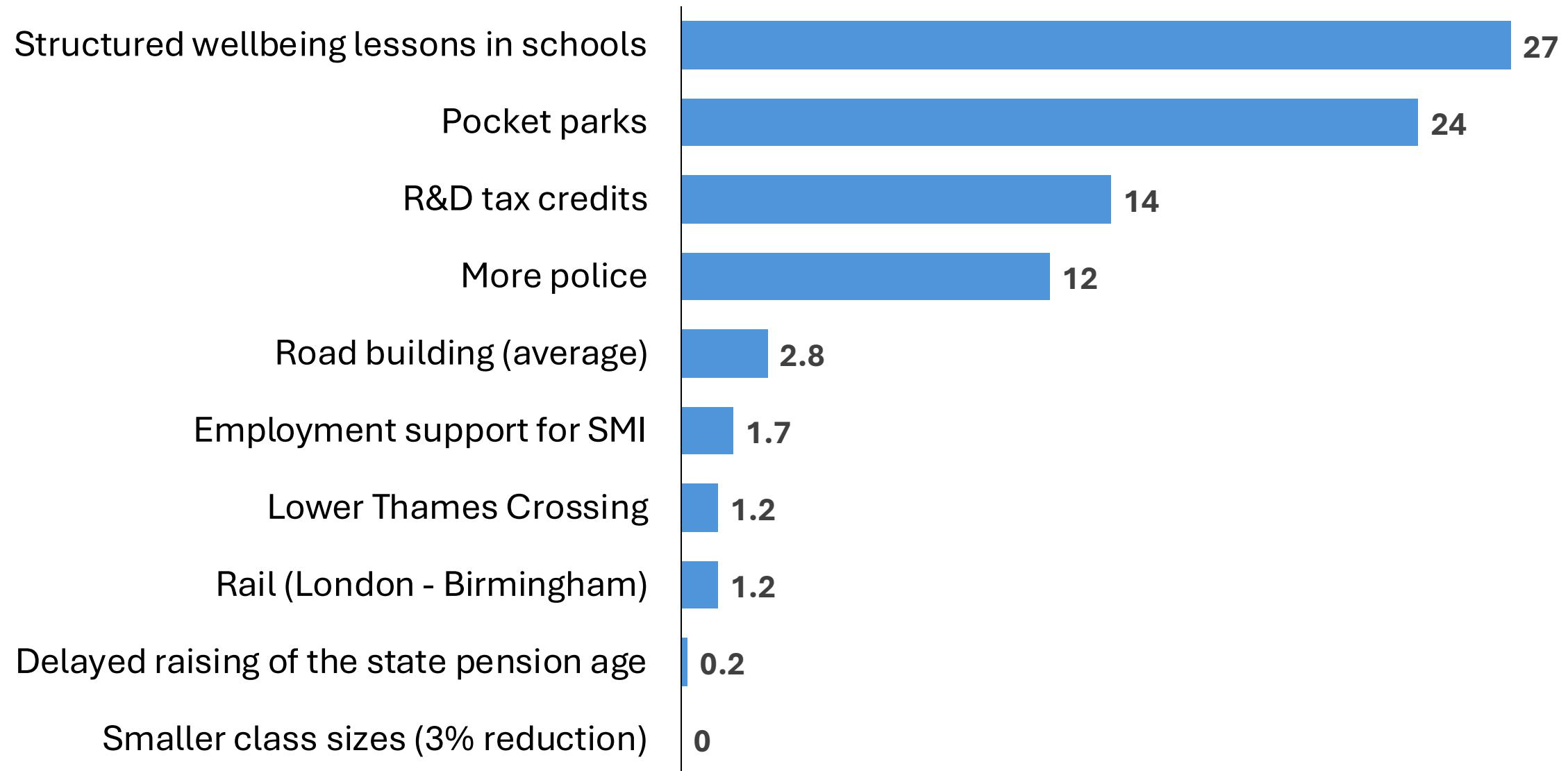
Original cost – Resulting savings to government

POLICIES WITH NO NET COST

These policies save more to the government than the original cost

- **NHS Talking Therapies (2 yrs)**
- **Psychological therapy service for addiction (2 yrs)**
- **Mental Health Support Teams in schools (2 yrs)**
- **Employment support for mild-moderate mental illness (5 yrs)**
- **Apprenticeship guarantee (16 years)**
- **Relaxing green belt near commuter stations**

THE RATIO OF BENEFITS TO NET COSTS





Wellbeing at Work: The evidence we can't afford to ignore



The link between
employee wellbeing and
economic growth

Does Employee Happiness Have an Impact on Productivity?

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Abstract. This paper provides evidence from a natural experiment on the relationship between positive affect and productivity. We link highly detailed administrative data on the behaviors and performance of all telesales workers at a large telecommunications company with survey reports of employee happiness that we collected on a weekly basis. We use variation in worker mood arising from visual exposure to weather—the interaction between call center architecture and outdoor weather conditions—to provide a quasi-experimental test of the effect of happiness on productivity. We find evidence of a positive impact on sales performance, which is driven by changes in labor productivity—largely through workers converting more calls into sales and to a lesser extent by making more calls per hour and adhering more closely to their schedule. We find no evidence in our setting of effects on measures of high-frequency labor supply such as attendance and break-taking.

History: Accepted by Yuval Rottenstreich, behavioral economics and decision analysis.

Supplemental Material: The data files and online appendices are available at <https://doi.org/10.1287/mnsc.2023.4766>.

Keywords: happiness • mood • productivity • sales performance • natural experiment

1. Introduction

A large number of employers are increasingly claiming to care about how their employees feel at work and have begun to invest in management and organizational practices aimed at creating and maintaining a happier workforce. There may be various reasons for this—such as an increased ability to attract and retain high-quality workers—but at least one motivation is a belief that happier workers will be more productive. When surveyed, for example, around 79% of U.S. man-

such that claims surrounding the organizational benefits of worker happiness have frequently been met with skepticism (Wright and Cropanzano 2000).

In this paper, we study the effects of employee positive effect on productivity. We use data on the universe of telesales workers at British Telecom (BT), allowing us to observe objective, granular information about the behaviors and performance of 1,793 workers at one of the United Kingdom's largest private employers. We link this administrative data to a survey instrument

MANAGEMENT SCIENCE

Bellet, C.S., De Neve, J-E., & Ward, G. (2023). Does employee happiness have an impact on productivity? *Management Science*. <https://doi.org/10.1287/mnsc.2023.4766>



From: **BT** hello@butterflyemails.com
Subject: [Butterfly] Overall, how happy did you feel this week?
Date: July 27, 2017 at 4:02 PM
To: jan-emmanuel.deneve@sbs.ox.ac.uk

B



BT would like to know*:

Overall, how happy did you feel this week?



* Your answer will always remain anonymous.

[Find out more](#)

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Subjective Wellbeing

How satisfied people feel with their lives provides valuable information about their overall wellbeing.

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■ Productivity

**British Telecom
Study: wellbeing and
weekly sales:
individuals over time**



Do productivity gains
translate to superior
performance?



Working
Paper
Series

doi.org/10.5287/ora-bpkbjayvk

2304

Workplace Wellbeing and Firm Performance

Jan-Emmanuel De Neve, Micah
Kaats and George Ward

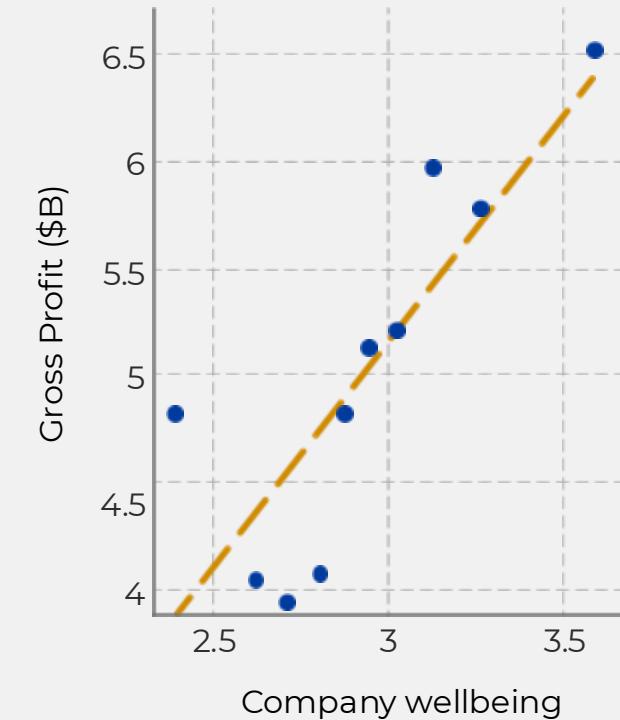
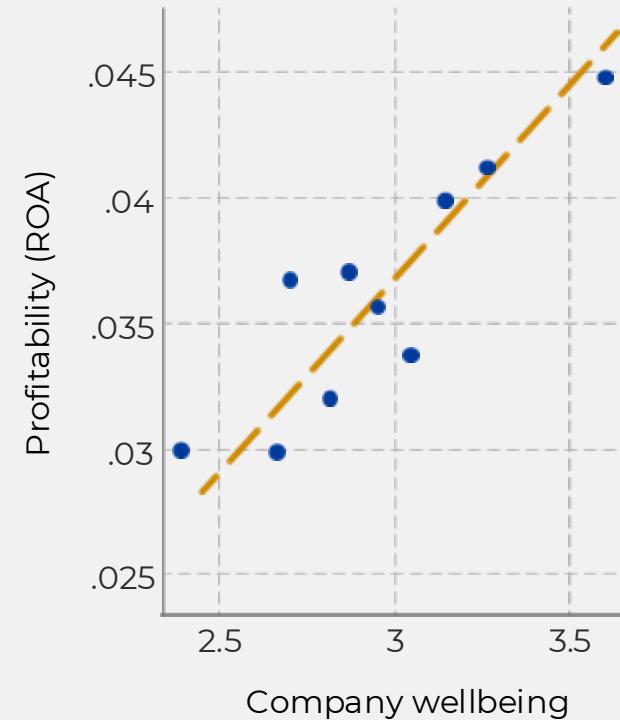
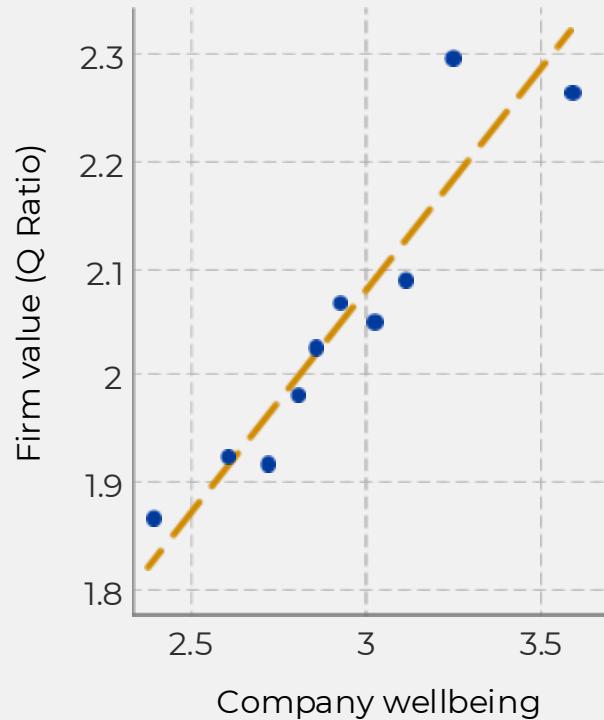
May 2023

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University of Oxford Wellbeing Research
Centre Working Paper 2304.
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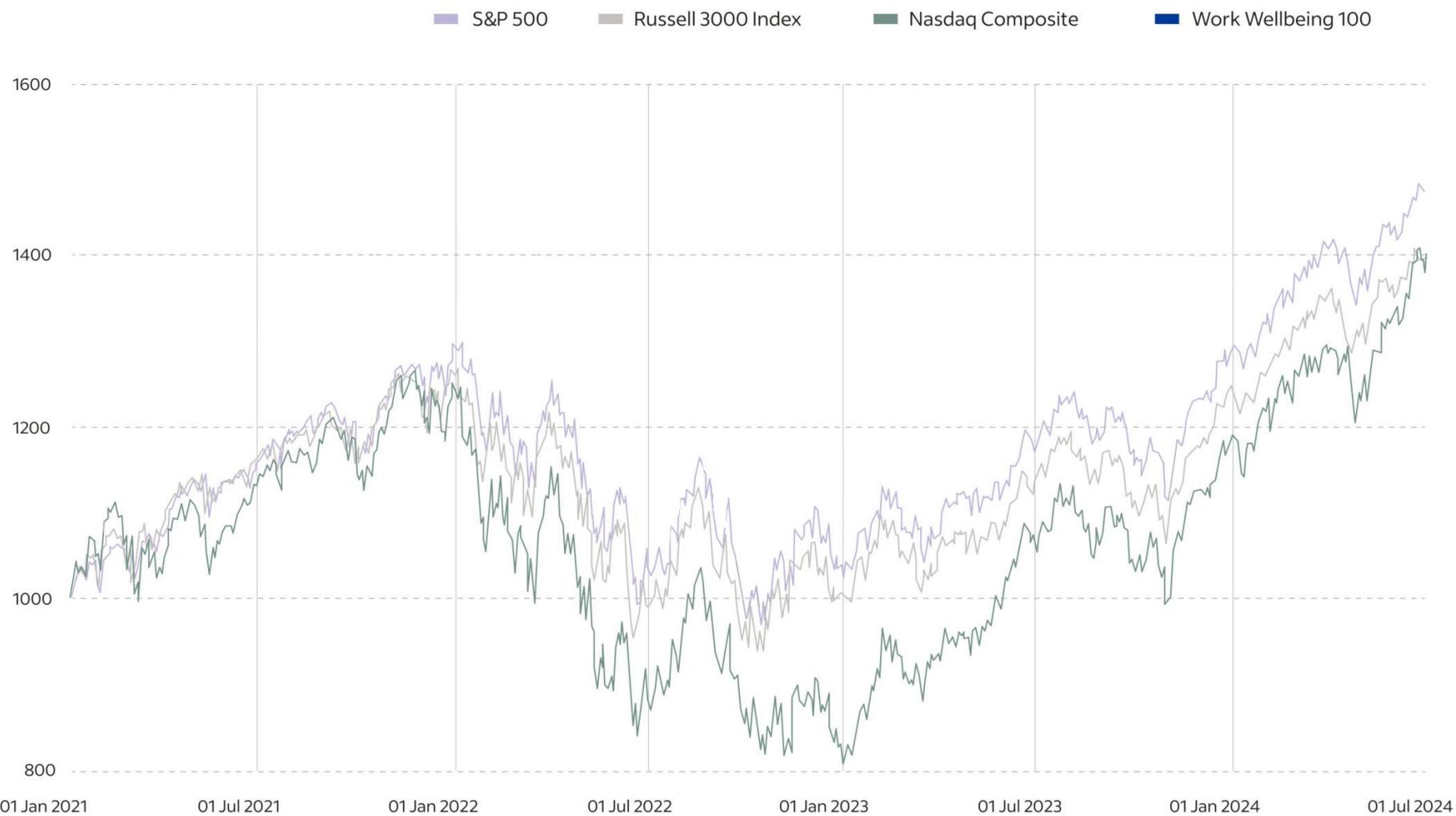
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Greater employee wellbeing is tied to higher company valuation, higher return on assets, and greater profits

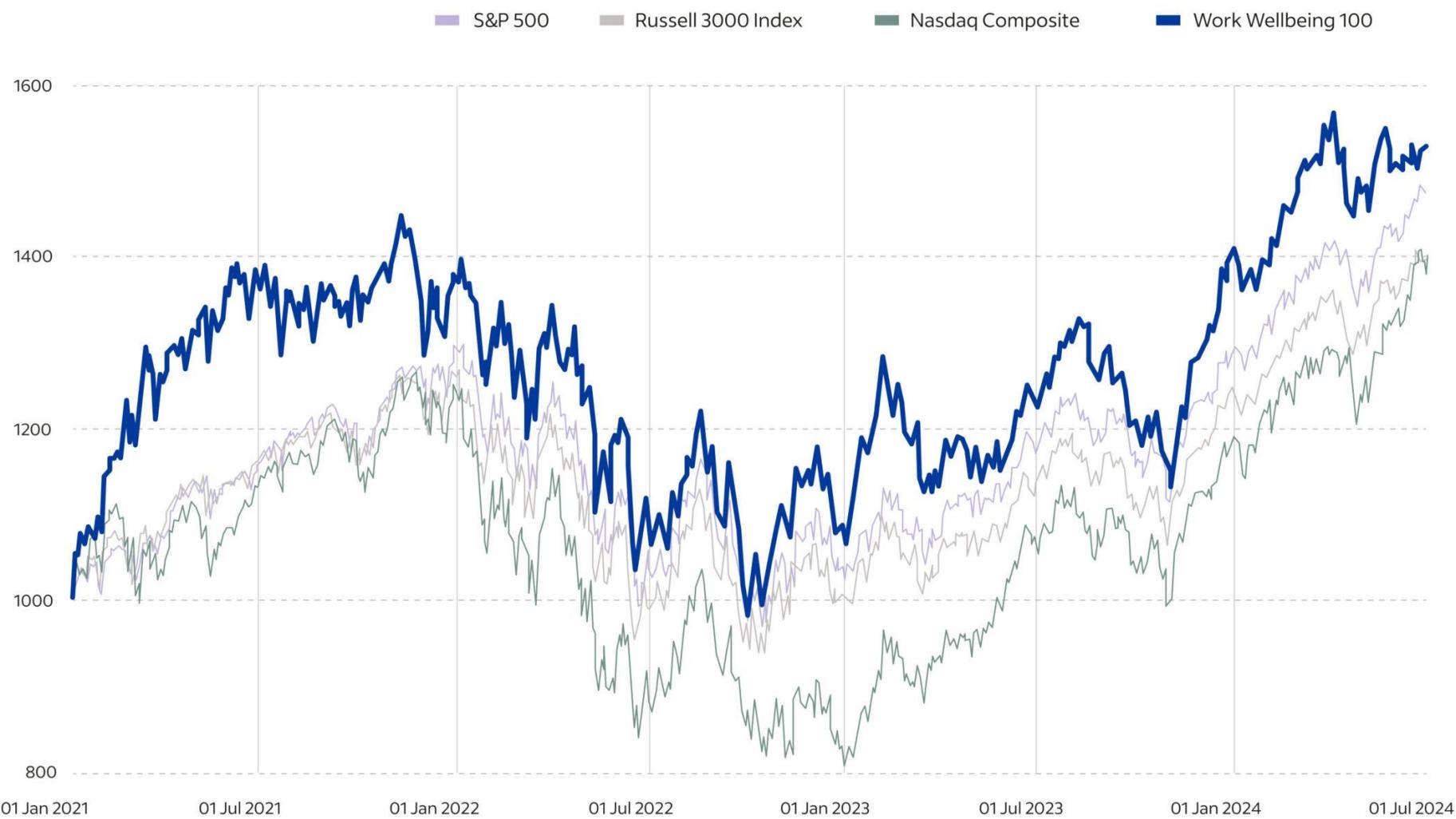


Source: Indeed, [Workplace Wellbeing and Firm Performance](#); University of Oxford, July 2024.

Work Wellbeing 100 and Stock Performance



Work Wellbeing 100 and Stock Performance



Job Satisfaction

“I feel completely satisfied with my work”

Each of these questions can be asked on a scale from 1, ‘strongly disagree’ to 5, ‘strongly agree’

Happiness

“I feel happy at work, most of the time”

Stress

“I feel stressed at work, most of the time”

Purpose

“My work has a clear sense of purpose”

The evidence is clear.

Wellbeing is a critical driver of organisational performance.

Work Wellbeing Playbook



Sarah Cunningham, Dr. William Fleming, Cherise
Regier, Micah Kaats, Prof Jan-Emmanuel De Neve

Cite this resource:

Cunningham, S., Fleming, W., Regier, C., Kaats, M., & De Neve, J. (2024).
Work Wellbeing Playbook: A Systematic Review of Evidence-Based Interventions
to Improve Employee Wellbeing. World Wellbeing Movement.



MacBook Pro

worldwellbeingmovement.org/playbook

Let's put
wellbeing
first.

Wellbeing and Voting: Evidence from the UK

Maria Cotofan*

* Kings's College London and Centre for Economic Performance (LSE)

22nd of October, 2025

Does happiness matter when it comes to voting?

Much of happiness research is about how policy makers can take steps to improve the wellbeing and quality of life of people.

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Much of happiness research is about how policy makers can take steps to improve the wellbeing and quality of life of people.

But less is known about how wellbeing shapes the way people vote, and the extent to which happier people reward politicians at the ballot box.

- Clearly established link between economic indicators (unemployment, inflation, GDP) and voting.
- Strong incentives for incumbent politicians to ensure a healthy economy.

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- Clearly established link between economic indicators (unemployment, inflation, GDP) and voting.
- Strong incentives for incumbent politicians to ensure a healthy economy.
- But are high levels of wellbeing predictive of voting once economic variables are accounted for?

The Evidence on Wellbeing and Voting

- Several studies find evidence consistent with this: happier people seem to be more likely to vote for the incumbent government.
- This seems to be the case in several European countries (Ward, 2020) and in the United Kingdom specifically (Liberini, 2017).

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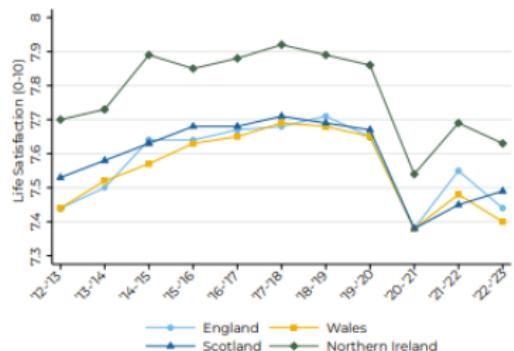
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- And unhappy voters are more likely to support populist parties and anti-establishment candidates in both European countries (Nowakowski, 2021; Burger & Eiselt, 2023;) and in the United States (Ward et al, 2021).

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- And unhappy voters are more likely to support populist parties and anti-establishment candidates in both European countries (Nowakowski, 2021; Burger & Eiselt, 2023;) and in the United States (Ward et al, 2021).
- Wellbeing seems to matter even once we take economic variables into account and is sometimes more predictive of voting than unemployment or GDP.

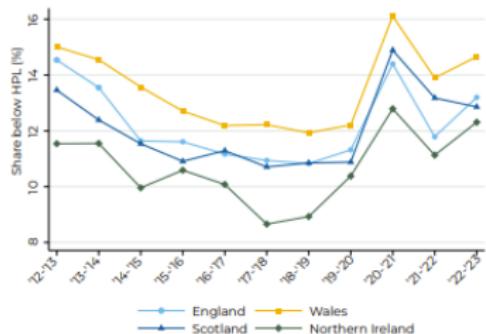
Wellbeing in the UK

Figure 2A: Trends in Life Satisfaction Across the United Kingdom



Source: Annual Population Survey (April 2012- March 2023)
<https://doi.org/10.57906/0qp1-6k77>

Figure 2B: Trends in Happiness Poverty Across the United Kingdom



Source: Annual Population Survey (April 2012- March 2023)
<https://doi.org/10.57906/0qp1-6k77>

Wellbeing in the UK has dropped since its pre-pandemic peak, across all four countries.

And the share of people who live below the Happiness Poverty Line is also increasing.

Wellbeing, Unemployment, and Voting in past elections

Using data from 12 elections in the UK, life satisfaction and the vote share for the incumbent are correlated:

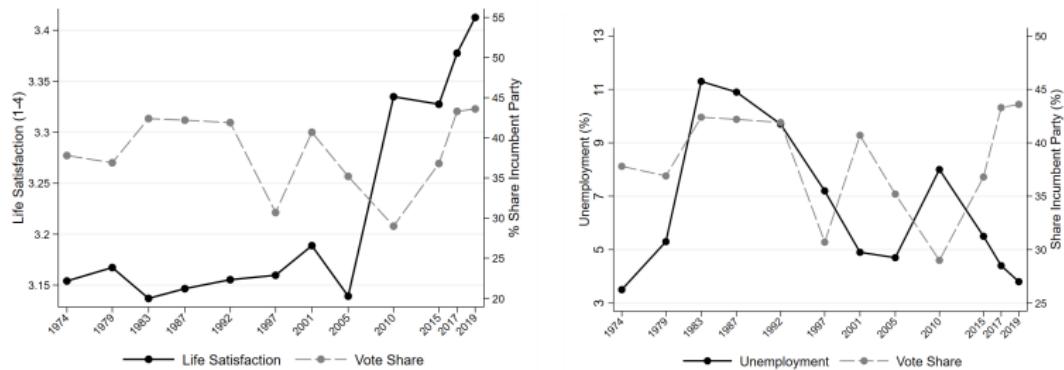


Figure: Life Satisfaction, Unemployment and Voting (Eurobarometer: 1974-2019)

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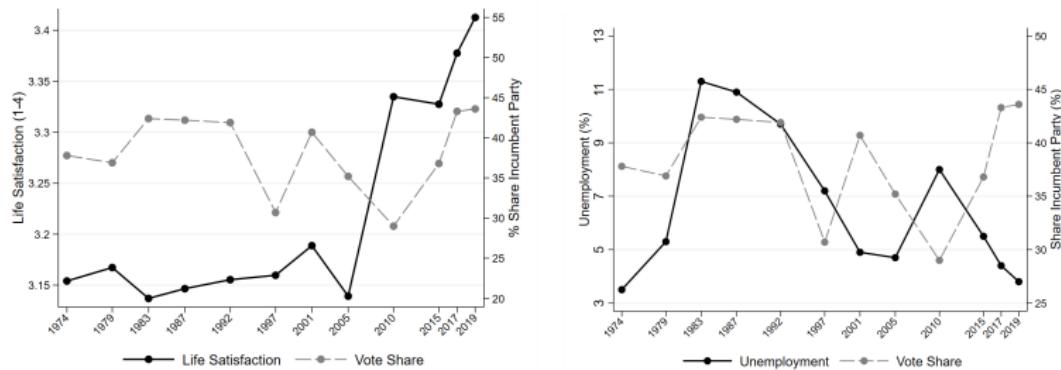


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Just before the 2024 election, the ONS estimates that Life Satisfaction in the UK was 7.5, below the 7.7 estimates in the last three elections.

Recent evidence from survey data

Using three decades of representative survey data from the UK, we track the correlation between:

- (1) People's wellbeing and support for the incumbent party and
- (2) Experiences of unemployment and support for the incumbent party

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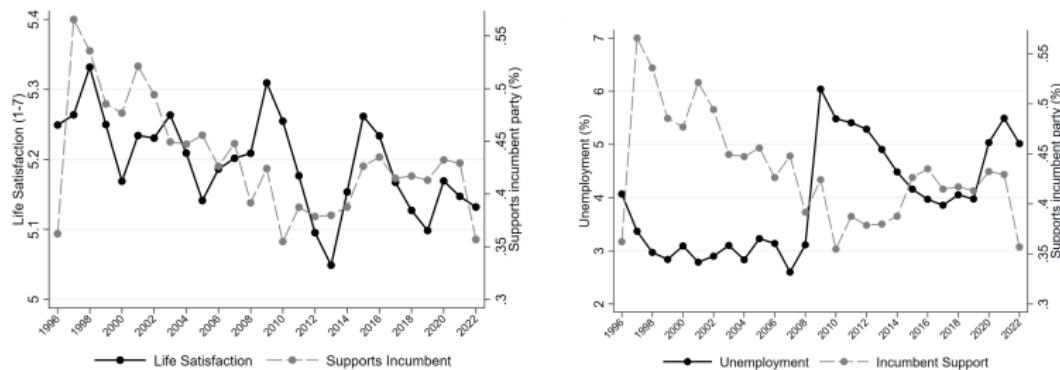


Figure: Life Satisfaction, Unemployment and Voting (UK survey data: 1996-2022)

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And we can compare how wellbeing performs in predicting support for the incumbent, compared with average unemployment.

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Currently working on understanding voting behavior in the last General Election and its link with Wellbeing, Economics indicators, and local amenities.