



LIVING STANDARDS AND FINANCIAL RESILIENCE ACROSS EUROPE

ROMINA BOARINI -

WITH MANY THANKS TO CARLOTTA BALESTRA AND LIVA STOKENBERGA

**OECD CENTRE FOR WELL-BEING, INCLUSION, SUSTAINABILITY AND EQUAL
OPPORTUNITY (WISE)**

21 APRIL 2021

OECD WISE Centre (launched in 2021) at a glance

Who

An agile team of **30 economists, policy analysts & statistical experts** with diverse skillsets, backgrounds & nationalities.



What

Generating new evidence, new tools & policy solutions to:

- Improve people's well-being
- Create opportunities
- Promote prosperity, sustainability and inclusion

Advising on effective policies to:

- Achieve strong and people-centred growth
- Address urgent challenges
- Align the recovery with long-term strategic objectives



By...

How

improving statistical measures using innovative methodologies

developing pioneering tools to collect new data on people's perceptions & experiences

leading country reviews using a multi-dimensional approach

exploring the root causes of inequalities & building a framework to support reforms

investigating how to improve childhood experiences, reduce child poverty & promote equal opportunities

providing a forum to foster international debate, and share knowledge & experiences among experts & citizens



Looking at the multiple dimensions of households' economic well-being

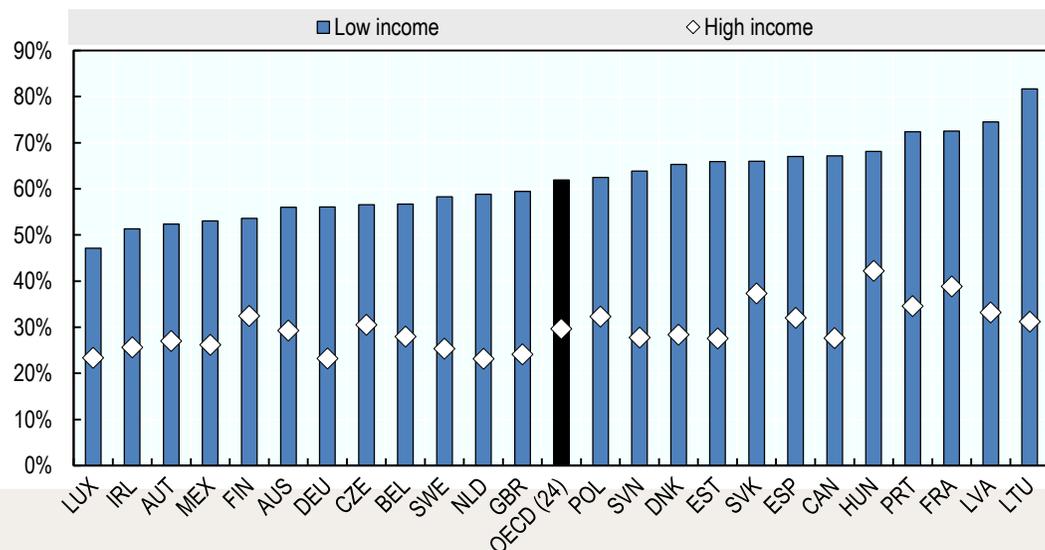
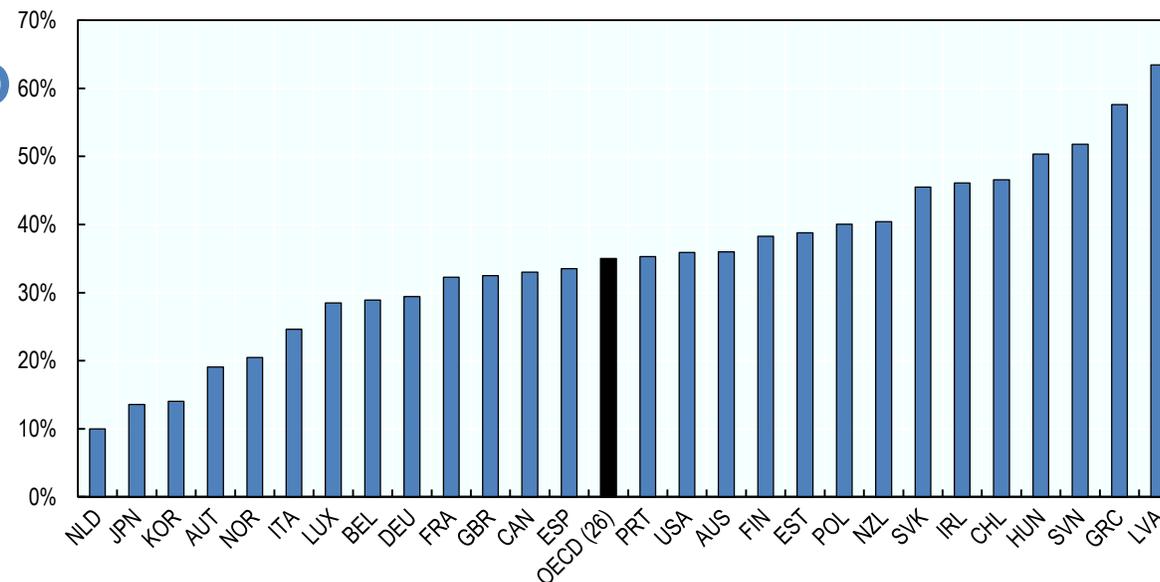
- Going beyond income: necessary to look at consumption and wealth, their joint distribution-> OECD Guidelines and Eurostat-OECD Taskforce on ICW
- Understanding the systemic implications of households' financial resilience, cyclically and structurally :-> Efforts to build forward need to put resilience at the core (OECD-WISE working on the Recovery Dashboard)
- Economic insecurity of households with children has long lasting effects on well-being of the latter



The COVID-19 pandemic is not taking place in a vacuum

One in three individuals risked falling into poverty in the event of a sudden loss of income

Percentage of people that would fall into poverty their income were to stop for 3 months. (Source: OECD Wealth Distribution Database, forthcoming)



Essential expenditures made up almost 60% of disposable income for low-income households

Essential expenditures as share of disposable income, around 2015 (Source: Eurostat-OECD Experimental statistics on ICW, forthcoming)

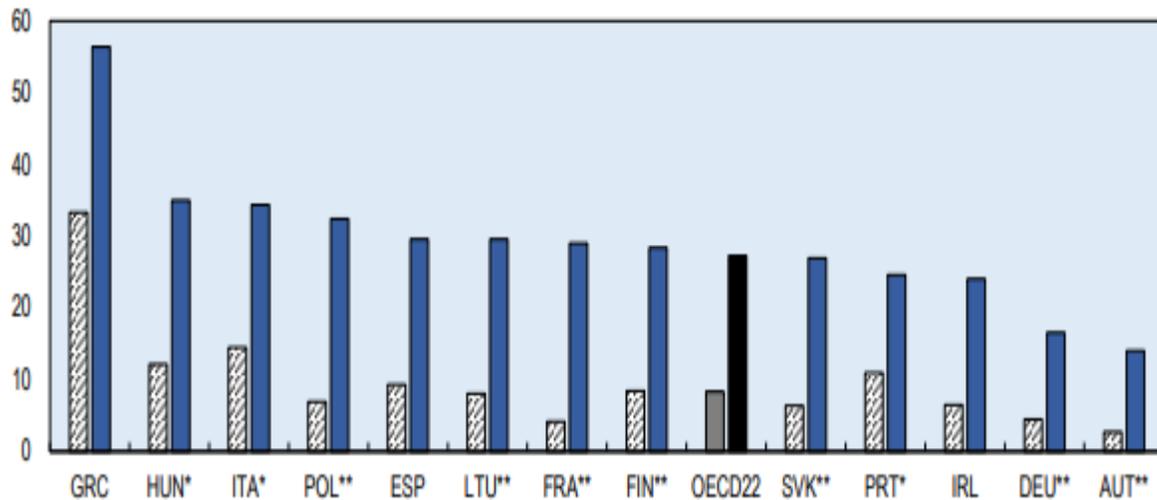


A pandemic of financial insecurity

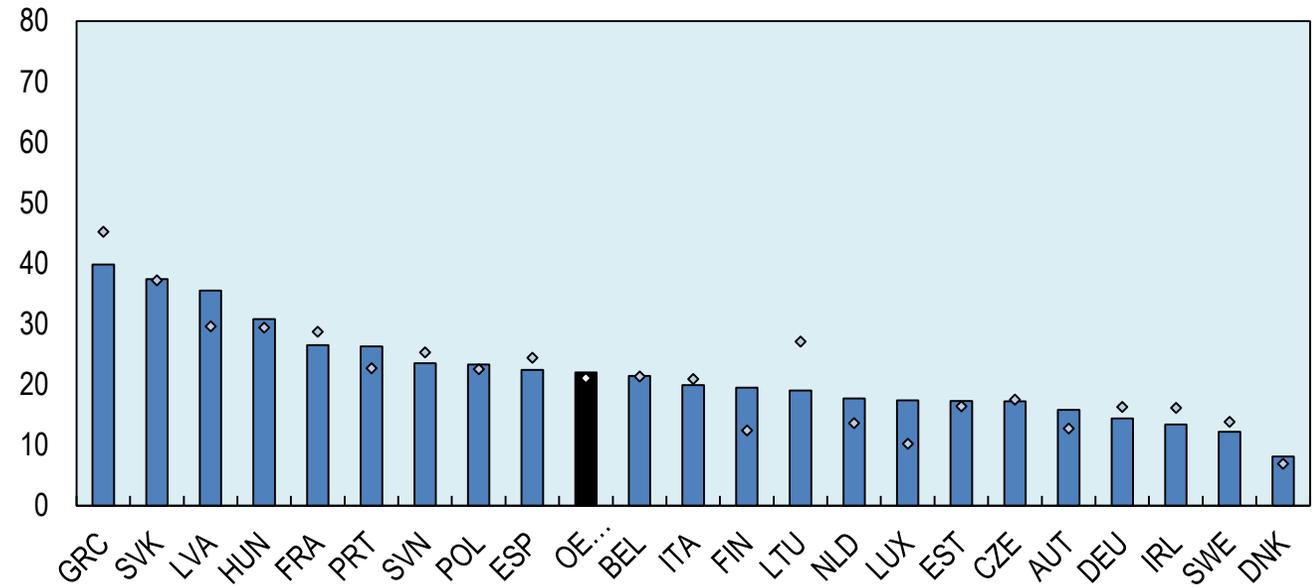
One out of five respondents reported difficulties in making ends meet during the pandemic

Percentage of people stating they have “difficulty” or “great difficulty” to make ends meet. (Source: Eurofound 2020)

▨ Employed ■ Unemployed



■ June-July 2020 ◇ Apr-20



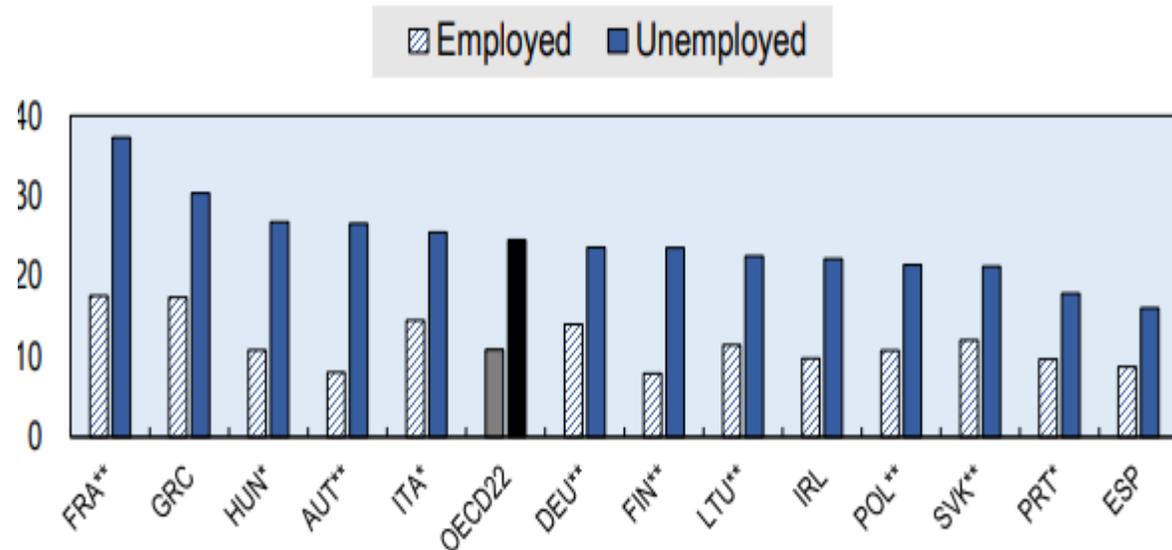
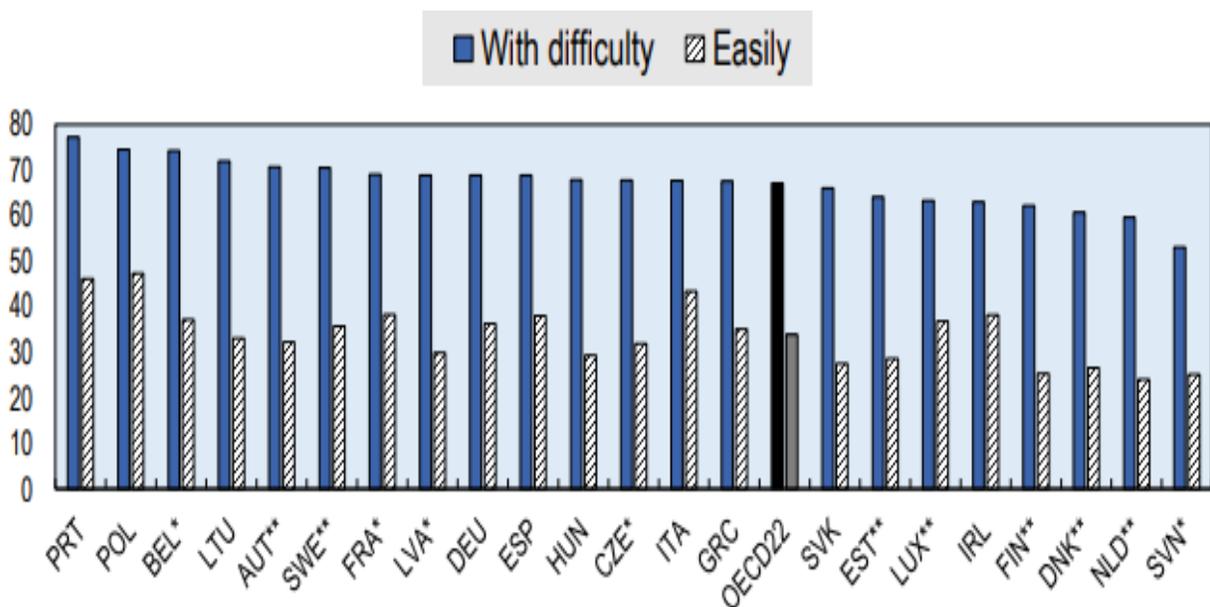
Unemployed people were more likely to be in arrears on housing expenses

Percentage of people in arrears in utility bills, April-July 2020. (Source: Eurofound 2020)

Financial insecurity intersects with other well-being dimensions

Unemployed respondents have been feeling particularly lonely during the pandemic

Percentage of people feeling lonely all or most of the time, April-July 2020 (Source: Eurofound 2020)



Individuals who find it difficult to make ends meet felt depressed more often

Percentage of people at risk of depression, WHO-5 index lower or equal to 50, April-July 2020 (Source: Eurofound 2020)



Holistic policy response boosting financial resilience and well-being in the context of building back better

- Building resilience along three axis – **absorbing** the shock, **adapting** to new circumstances and **transforming**.
- People-centered policy action, building on the *Framework for Policy Action on Inclusive Growth*:
 - Address the **rising cost of living and investing in future well-being**, for instance education, health and housing.
 - Eliminate unfair practices that feed the **poverty premium**.
 - Enhance **financial literacy**.
 - Tackle **vulnerabilities in the labour market** through active labour market and skills policies.
 - Facilitate and sustain **access to benefits**, particularly to vulnerable groups. Support the build up of **private safety nets**.



Thank you for your attention!

Watch out:

WISE COVID-19 and Well-Being Evidence Scan, November 2021

- Emerging evidence on well-being outcomes for OECD countries during the pandemic.
- Holistic picture of how people's lives have been affected, and how these impacts have differed across population groups.
- Evidence of what is happening to the stocks of resources (natural, economic, human and social capital) that help to sustain well-being over time.
- Discussion of implications on recovery and rebuilding strategies.

wellbeing@oecd.org

