

Impact case study (REF3)

Institution: London School of Economics and Political Science		
Unit of Assessment: 16 - Economics and Econometrics		
Title of case study: Understanding and improving subjective wellbeing		
Period when the underpinning research was undertaken: 2005-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Richard Layard	Emeritus Professor of Economics; Director of the Wellbeing Programme, Centre for Economic Performance	1999 to present; 2003 to present
Paul Dolan	Professor of Behavioural Science	2010 to present
Period when the claimed impact occurred: 2013-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact (indicative maximum 100 words)		
<p>LSE research has made significant contributions to promoting subjective wellbeing as a central objective of public policy in the UK, and provided new tools to support its measurement. The research has further underpinned major changes in the funding, delivery, and uptake of mental health support services, including new services for children and young people. Every year, some 1.5 million people in England alone access services underpinned by the research. Research insights have also been published in best-selling books and used by new citizens' groups, promoting wide-ranging public participation in wellbeing debates and in efforts to build happier lives and communities.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>Work on subjective wellbeing (SWB) and the new "science of happiness" has been carried out both separately and in collaboration at LSE by Professors Richard Layard and Paul Dolan. Much of it was done within the Wellbeing Programme at LSE's Centre for Economic Performance (CEP). The work draws on multiple disciplines to formulate a theoretical framework for measuring SWB and for understanding how and why SWB should be prioritised as a policy objective. It has shaped the way that economists measure individual utility (using SWB alongside preferences) and social welfare (using national happiness alongside GDP).</p> <p>Establishing wellbeing as a central policy goal: Layard was one of the first economists to work on happiness. His influential 2005 book <i>Happiness: Lessons From a New Science</i> [1] drew on economics, psychology, sociology, and neuroscience to propose new conclusions about the sources and causes of human happiness. Layard argued for the central importance of happiness as a policy goal and proposed that "the progress of national happiness should be measured and analysed as closely as the growth of GDP" [1]. Since joining LSE in 2010, Dolan has built substantially on his own previous work on health economics to develop extensive research on SWB. His research has focused particularly on producing a richer conceptualisation and more nuanced measurement of SWB, grounded in a twin focus on experiences of pleasure and purpose (see, for example, [4]).</p> <p>Improving the measurement of wellbeing: looking beyond GDP to measure what really matters to people requires theoretically rigorous and empirically robust methods to monitor progress, inform policy design, and evaluate interventions intended to improve people's lives. Layard and Dolan have made an important contribution to the development of such methods. In 2008, the UK Office for National Statistics (ONS) commissioned Layard and Dolan (then at Imperial College London) to advise on its national measurement of wellbeing project. Originally, the ONS considered incorporating one "headline indicator" of SWB. With Robert Metcalfe at Oxford University, Layard and Dolan set out a conceptual case for <i>four</i> headline indicators [2]. In making this case, they distinguished between three broad SWB measures: evaluation, experience, and "eudemonic" (reports of purpose and meaning, and worthwhile things in life). The work was published in 2012, by which time Dolan had joined LSE. It</p>		

underpinned the formulation and inclusion in the Annual Population Survey (APS) of four new questions - now known as “the ONS4” - that separately test all three of these SWB measures.

Since joining LSE, Dolan has analysed data generated by the ONS4 to further improve understanding of methods of measuring SWB. This has included work to test, validate, and improve the validity and reliability of such measures in the context of public policy (see, for example, [3], exploring the SWB impacts of the 2012 Olympic Games).

Layard has worked with the What Works Centre for Wellbeing (founded in 2014) to produce guidance for policymakers, providing quantitative indicators of, and methods for analysing where, new wellbeing policy is needed and what its impacts might be. In 2018, he and his co-authors published *The Origins of Happiness* [6], which draws on unique survey data on more than 100,000 individuals in Australia, Germany, the UK, and the USA.

Cost-benefit analysis of mental health service provision: CEP research has consistently shown that mental health is a major determinant of SWB. Research published in [6] provides new evidence that wellbeing, not income, constitutes the fundamental inequality between people. Most human misery is shown to be due more to failed relationships and physical and mental illness than to economic factors. These sorts of findings build on an influential cost-benefit analysis of cognitive behavioural therapy, published in 2007, which showed that wider provision of psychological therapy services would have massive benefits - at zero net cost to the UK Treasury [7].

Promoting public understanding of wellbeing: *Happiness* [1] was written for audiences beyond, as well as within, academia. It sought to help readers become more aware of what they could do to increase their own wellbeing. Work at LSE to make rigorous academic research on wellbeing accessible to broad public audiences has been advanced since 2014 by Dolan’s publication of two best-selling books: *Happiness by Design. Finding pleasure and purpose in everyday life* (2014) [4] and *Happy Ever After. Escaping the myth of the perfect life* (2019) [5]. *Happiness by Design* offers a novel definition of happiness as the flow of *both* pleasure *and* purpose over time. Dolan additionally proposed that happiness is contingent not just on “inputs” (income, work, marital status, age, etc.), but on the allocation of attention (a finite resource in the production process of happiness) to those stimuli. In *Happy Ever After*, he explored the effects of how the stories we are told about the important sources of happiness can, in fact, impede and obscure individual experiences of happiness.

3. References to the research (indicative maximum of six references)

[1] Layard, R. (2005) *Happiness: Lessons from a New Science*. Penguin. ISBN: 9780143037019. Second edition published 2011. Reprinted in 20 languages; more than 150,000 copies sold.

[2] Dolan, P., Layard, R., and Metcalfe, R. (2011). *Measuring Subjective Well-being for Public Policy*. Office for National Statistics. Available at: <http://eprints.lse.ac.uk/35420/>. Also published as Dolan, P. and Metcalfe, R. (2012). *Measuring Subjective Wellbeing: Recommendations on Measures for use by National Governments*. *Journal of Social Policy*, 41(2), pp. 409-427. DOI: 10.1017/S0047279411000833.

[3] Dolan, P., Kavetsos, G., Krekel, C., Mavridis, D., Metcalfe, R., Senik, C., Szymanski, S., and Ziebarth, N. R. (2019). Quantifying the intangible impact of the Olympics using subjective well-being data. *Journal of Public Economics*, 177. DOI: 10.1016/j.jpubeco.2019.07.002.

[4] Dolan, P. (2015). *Happiness by Design. Finding pleasure and purpose in everyday life*. Allen Lane. ISBN: 9780141977539. Also published in Brazil, China, Germany, Greece, Italy, Japan, Korea, Poland, Portugal, Romania, and the USA.

[5] Dolan, P. (2019). *Happy Ever After. Escaping the myth of the perfect life*. Allen Lane. ISBN: 9780241284445. Also published in China, France, Romania, Russia, Slovenia, and Ukraine.

[6] Clark, A. E., Flèche, S., Layard, R., Powdthavee, N., and Ward, G. (2018). *The Origins of Happiness. The Science of Well-Being over the Life Course*. Princeton University Press. ISBN: 9780691177892.

[7] Layard, R., Clark, D., Knapp, M., and Mayraz, G. (2007). Cost-benefit Analysis of Psychological Therapy. *National Institute Economic Review*, 202, pp. 90-98. DOI: 10.1177/0027950107086171.

4. Details of the impact (indicative maximum 750 words)

Research described here has played an important role in ensuring the centrality and viability of SWB as a measure of national wellbeing in public policy in the UK and internationally. It has further underpinned changes to the ways in which mental health services have been financed, designed, delivered, and accessed by millions of people, including supporting the roll-out of services to children and young people in the UK. By improving understanding, particularly of the experiential aspects of happiness, the research has also supported citizens' own efforts to actively improve happiness around the world.

Providing new measures of SWB used in the UK and internationally

Measuring SWB in the UK: the design of practical, cost-effective wellbeing policy and interventions requires robust methods of measuring SWB. Throughout the REF period, the ONS4 questions published in [2] have provided a basis for measuring national wellbeing and for benchmarking and monitoring progress to improve it [A]. Their inclusion in the Annual Population Survey (APS) means that more than two million people have answered the ONS4 since 2013. The questions gained National Statistics status in September 2014 and were fully approved as the standard for measuring SWB within the cross-governmental Harmonisation Programme in September 2017. The ONS4 now appear in more than 30 surveys and evaluations used to inform policy in departments across the UK Government [B]. SWB data generated through these surveys is used to monitor wellbeing, support policymaking, facilitate meaningful international comparison, and help individuals make informed decisions about their lives. A 2020 [Rapid Evidence Assessment](#) by the What Works Centre for Wellbeing provides evidence of the use of the ONS4 in a growing number of UK wellbeing impact evaluations.

Informing the development of new measures of wellbeing around the world: the ONS4 have also been used to develop international measures of wellbeing. The 2013 OECD *Guidelines on Measuring Subjective Well-being* represented the first attempt to provide international recommendations on collecting, publishing, and analysing subjective wellbeing data, providing guidance to national statistics offices in all OECD countries. They refer frequently to work by Layard and Dolan and cite several ONS papers describing the ONS4 and analysing data generated through them. Annex A also cites the ONS4 as examples of appropriate SWB measures [C].

Layard and Dolan have further drawn on their academic research in contributions to widely-used global happiness reports. Layard has been an editor of the [World Happiness Report](#), which provides annual evaluations of quality of life around the world, since its inception in 2012. In 2019, Dolan co-authored a chapter of the [Global Happiness and Wellbeing](#) policy report (Chapter 3, "Priority setting in healthcare through the lens of happiness"). As well as being of general public and policy interest, these reports are used by practitioners involved in resource allocation decisions at macro, meso, and micro levels.

Establishing wellbeing as a central objective of UK policy

One of the principal barriers to using SWB in policy has been a lack of robust quantitative evidence of the effects of policy change on SWB. The ONS4 has been critical in helping to reduce this barrier. *The Origins of Happiness* [6] also contributes to this agenda by providing policymakers with evidence about which factors are more and less important in explaining variations in happiness (and misery) among citizens. Findings of the research published in [6] were presented at an [international conference](#) jointly hosted with the OECD, held at the LSE in December 2016. Attendees included national and international policymakers, epidemiologists, and statisticians, as well as academics.

Layard has also brought his research-based expertise to bear on efforts to prioritise wellbeing through work with the All-Party Parliamentary Group on Wellbeing Economics (APPGWE), of which he is Vice-Chair. In 2014 the APPGWE recommended that: "New policy should be

routinely assessed for its impacts on wellbeing”, using wellbeing analysis in making the case for spending, setting priorities, and evaluating impacts [D]. This has since found its most significant application in the 2018 publication of the Treasury’s Green Book, the first fully revised version since 2003. Both the original Green Book and an updated 2011 version referred to the use of wellbeing data in cost-benefit analysis. However, the 2018 revision was the first to state explicitly that wellbeing should be the *primary* aim of appraisal. Section 2.3, for example, states: “*The appraisal of social value, also known as public value, is based on the principles and ideas of welfare economics and concerns overall social welfare efficiency, not simply economic market efficiency*”. This represents a significant step-change in the emphasis on wellbeing in the Green Book, which provides guidance on how to appraise and evaluate all central government policies, projects, and programmes [E].

Improving and expanding access to mental health services

Expanding the Improving Access to Psychological Therapies programme: increasing provision for mental health services has been a long-term focus of work in the LSE’s Wellbeing Programme. A major impact of the programme’s research - particularly including [7] - was its use to underpin the Improving Access to Psychological Therapies (IAPT) programme initiated in 2008 (early impacts were described in a [REF2014 impact case study](#)). IAPT has since transformed the treatment of adult anxiety disorders and depression in England. With more than 200 services, IAPT is accessed by around 1.25 million people annually, making it the largest publicly-funded and systematic implementation of evidence-based psychological care in the world. There have been some 7.5 million referrals to the programme since national statistics were introduced in 2012, approximately 4.9 million of which resulted in psychological treatment.

Layard made a significant contribution (with David Clark, Oxford University) to the 2015 Spending Review, which dedicated an additional GBP600 million investment in mental health services and included an explicit commitment to the expansion of IAPT in the period to 2020. In its 2016 “Five Year Forward View for Mental Health”, NHS England confirmed this commitment to expanding the IAPT programme to cater for 1.5 million people by 2021 [F, p. 16]. The NHS Long Term Plan (2019) went further still; it aims to increase the number of people with anxiety disorders or depression who can access talking therapies through IAPT by an additional 380,000 per year to reach 1.9 million (approximately 30% of community need) by 2023/24 [J]. The IAPT is widely recognised as the most ambitious programme of talking therapies in the world. Versions of it now exist or are being trialled internationally, including in Australia, Canada, Finland, Israel, Japan, Lithuania, Norway, and Sweden [G].

Increasing the provision of services for child mental health: in 2015, the UK Government committed to investing GBP118 million by 2018/19 to complete the roll-out of the Children and Young People’s IAPT (CYP IAPT) programme. NHS England’s “Implementing the Five Year Forward View for Mental Health” subsequently announced a “significant expansion” in access to high-quality mental health care for children and young people by 2020/21: “*At least 70,000 additional children and young people each year will receive evidence-based treatment - representing an increase in access to NHS-funded community services to meet the needs of at least 35% of those with diagnosable mental health conditions*” [F, p. 6]. Between 2018 and 2019, approximately 380,000 children and young people were treated through NHS-commissioned community services - approximately 36% of those with a diagnosable mental health condition.

Layard has been involved in the development of new mental health support services in schools. In 2016, he co-authored with Stephen Scott (King’s College London) a [paper proposing a programme similar to IAPT](#), but delivered in or close to schools and colleges, rather than via the NHS. This included new Mental Health Support Teams to provide early intervention on some mental health and emotional wellbeing issues, such as mild to moderate anxiety. The paper was read by the then-Health Secretary, Jeremy Hunt, and discussed with him at a small private function. Mental Health Support Teams were subsequently accepted as one of three key proposals included in the 2017 [Green Paper for Transforming children and young people’s mental health](#) and the first Teams were launched in 25 trailblazer areas announced in December 2018. A further 57 sites confirmed in July 2019 are in development

[I]. By 2023/24, at least 345,000 additional children and young people aged 0-25 will be able to access support via NHS-funded mental health services.

Enhancing public understanding of SWB

Happiness has been reprinted in more than 20 languages and sold well in excess of 150,000 copies. *Can We Be Happier?* was published in January 2020 and had sold more than 5,000 copies by September of the same year. Dolan's best-selling books *Happiness by Design* (HBD) [4] and *Happy Ever After* [5] have also reached very large audiences and generated significant public discussion. HBD appeared in both *The Sunday Times* and *The Guardian's* Top 10 books lists and was serialised in *The Sunday Times* in the run-up to its publication in 2014. It was reviewed across the UK's mainstream press, including in *The New Statesman*, which described it as "the book that will make you quit your job". HBD has sold approximately 135,000 copies in the UK alone and has been published in Brazil, China, Germany, Greece, Italy, Japan, Korea, Poland, Portugal, Romania, Russia, Taiwan, and the USA. *Happy Ever After* has been similarly widely read and reviewed, including via its serialisation in *The Observer*. The book has already sold approximately 45,000 copies in the UK. Public engagement with the research published in these books has been extended through interviews with Dolan in publications such as *Wired* and *Men's Fitness*; on popular television shows such as *BBC Breakfast*, *Sunday Brunch*, and *This Morning*; and at festivals such as Hay, Wilderness, Latitude, and How the Light Gets In.

The books have supported public awareness of and engagement with both the science of wellbeing and its relevance to public policy, supporting public advocacy for making wellbeing a key policy goal. As the many unsolicited testimonials from readers attest, they have also helped people to understand and improve their own wellbeing. This has been further supported by the Action for Happiness movement, co-founded by Layard in 2011 to help people create happier lives. The movement now has approximately 200,000 members and a Facebook following of one million. It has delivered more than 400 Action for Happiness courses, which are grounded in the scientific research described here. A full [randomised control trial](#) of the "Exploring What Matters" course showed that it improves subjective wellbeing, reduces symptoms of depression and anxiety, and enhances levels of compassion and trust.

In 2020, Layard's contributions to improving subjective wellbeing were recognised by his receipt of the ESRC's Lifetime Achievement Award and the International Society for Quality of Life Research (ISOQOL) Distinguished Quality of Life Researcher Award.

5. Sources to corroborate the impact (indicative maximum of 10 references)

[A] For corroboration of the use of the LSE research as the basis for the ONS4, see ONS (2012), "[Analysis of Experimental Subjective Wellbeing Data from the Annual Population Survey, April to September 2011](#)", 28 February 2012 (Section 6, p. 40).

[B] ONS, "[Surveys using our four personal well-being questions](#)", 26 September 2018.

[C] OECD (2013). [OECD Guidelines on Measuring Subjective Well-being](#). OECD Publishing. DOI: 10.1787/9789264191655-en.

[D] All-Party Parliamentary Group on Wellbeing Economics, "[Wellbeing in four policy areas](#)", September 2014 (see pp. 3-4).

[E] What Works Centre for Wellbeing, "[Treasury Green Book and wellbeing: the analysis](#)", 6 April 2018. See also Section 2.3 (p. 5) of HM Treasury, [The Green Book: Central Government Guidance on Appraisal and Evaluation](#).

[F] NHS England (2016), "[Implementing the Five Year Forward View for Mental Health](#)".

[G] For international adoption of IAPT, NHS England blog, "[Adult Improving Access to Psychological Therapies programme](#)".

[H] NHS England blog, "[IAPT at 10: Achievements and challenges](#)", 13 February 2019.

[I] For Mental Health Support Teams, NHS England blog, "[New mental health support in schools and colleges and faster access to NHS care](#)".