World Wellbeing Movement Briefing: Wellbeing and the Budget

October 2026

Summary

At the World Wellbeing Movement (WWM), we believe the Budget matters because of the opportunity it provides to improve the wellbeing of people across the UK. It cannot just be a spreadsheet exercise. Creating a strong economy is essential, but it is not the end destination. The overall goal should be a measurably happier UK – that is our test for the Budget. The briefing sets out arguments, evidence and recommendations for the transition to a new, wellbeing economy.

Key Messages and Recommendations

1. Go beyond GDP to put wellbeing first

GDP is a valuable, albeit limited, metric for assessing the performance of the UK economy. However, it tells us nothing about how people feel about their lives. We have failed to recover to pre-pandemic levels of wellbeing, and 7 million UK people live in happiness poverty. There is also a crisis in youth wellbeing.

Recommendation: A new Annual Wellbeing Statement should be introduced to shine a spotlight on wellbeing statistics, just as the Budget focusses on traditional economic metrics like GDP.

2. Make wellbeing an economic strategy

There is increasing evidence to show the benefits of prioritising employee wellbeing as a lever for boosting performance and productivity – as well as it being morally right – and tools to support effective interventions.

Recommendation: the Government should work proactively with businesses to measure wellbeing across the economy and promote action on the drivers of workplace wellbeing.

3. Utilise wellbeing guidance to deliver value for money

The Treasury's own Green Book supplementary guidance on wellbeing provides a robust approach for assessing policies based upon their effect on wellbeing, but it is used in a limited and inconsistent way.

Recommendation: The Chancellor should write to all departments ahead of the Spending Review requiring the use of wellbeing guidance in their proposals, with training and support provided.

The Evidence

Happiness in the UK – a lost decade?

• The 2020s risk becoming a lost decade for wellbeing. The WWM's UK Wellbeing Report 2026[1] reveals flatlining levels of wellbeing so far in this decade and a failure to recover to pre-pandemic levels.

• Average life satisfaction is 7.51 (out of 10), but around 1 in 8 adults aged 16 and above are estimated to be living below the Happiness Poverty Line. This equates to 7 million people. There are notable differences across between regions and nations[2].

• Our analysis uncovers important implications for voting behaviour. Higher levels of wellbeing increase the vote share for the government at general elections. They also increase support for the government in between elections, and voter turnout at elections.

• Wellbeing is an important predictor of the government vote share. In fact, they are as predictive as – and in many specifications more predictive than – traditional economic metrics like income and employment. So, when it comes to winning elections, "it's the wellbeing, stupid."

• According to The Children's Society, Children and young people's wellbeing remains in decline, with their average life satisfaction and happiness with specific aspects of life significantly lower than in 2009/10. A sizeable proportion (10%) of children and young people continue to have low wellbeing[3].

Wellbeing makes business sense

• A typical adult in the UK can expect to spend about one in five of their waking hours from age 18 onwards in paid work[4].

• Yet workplace stress, burnout and mental illness - now the leading cause of long-term sick leave – are at record highs, as evidenced by research from Gallup, McKinsey, Deloitte, CIPD, The Times Health Commission, and other leading organisations. The scale of this challenge has recently been reinforced by the decision of the Health and Social Care Secretary to launch an independent review into rising demand for mental, ADHD and autism services in England.

• Gallup reports that 41% of employees feel stress at work daily and 76% experience burnout on the job at least sometimes[5], CIPD note that one in eight UK employees feel

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[1]Maria Cotofan, Richard Layard, Jan-Emmanuel De Neve and Ben Wealthy. *UK Wellbeing Report 2026*. World Wellbeing Movement. Available here.
[2]The World Wellbeing Movement defines the Happiness Poverty Line as those who rate their satisfaction with life at 5 or below on the 0-10 scale reported by the Office for National Statistics (ONS).
[3]The *Good Childhood Report 2026*, The Children's Society. Available here.
[4]Economics Observatory (2026), *Nice Work* (blog with analysis of statistics from the ONS, available here).
[5]Gallup (2024). *State of the Global Workplace 2024*. Gallup. Available here.

miserable at work and employee sickness absence has reached its highest level in over a decade[6], and Deloitte finds that the cost of mental health related absences to UK employers alone is circa £51bn a year[7].

The latest research from the University of Oxford's Wellbeing Research Centre, the academic parter of the WWM, indicates that improved wellbeing among employees is reflected in improved productivity and directly and positively affects the bottom line and stock market performance of an organisation:

• In the first field study of its kind, researchers from the Wellbeing Research Centre at the University of Oxford conducted a randomised control trial (RCT) with employees of BT call centres. By comparing self-reported employee wellbeing scores with key performance indicators, they found that a one-point increase in employee happiness (on a 0-10 scale) leads to, on average, a 12% increase in productivity - but the productivity boost was closer to 20% for tasks that required higher levels of social and emotional intelligence. The research team also found a strong correlation between happier employees, and increased customer satisfaction, i.e. customers' perceptions of the quality of job being done[8].

• Investment in the top 100 'happiest' US workplaces would have returned 20% more than the same investment in traditional indices over the same two-year period. This compelling evidence was made possible thanks to data analysis from the world's largest study of employee wellbeing, which is run by Indeed, in collaboration with the University of Oxford and the World Wellbeing Movement. The paper's authors analysed the rich data set from the Indeed Work Wellbeing Score which has crowdsourced over 20 million company reviews from current or past employees on how they feel at work. Using company-level employee wellbeing measures to predict firm performance, De Neve et al found a strong correlation between employee wellbeing, and traditional measures of company performance, including firm value; return on assets; and gross profitability. The researchers then went a step further by simulating an investment portfolio made up of companies with the highest work wellbeing scores. They found that this simulated portfolio outperformed traditional stock indices like the S&P 500, the Nasdaq-100, and the Dow Jones by approximately 20% during the period of the study[9].

• Workplaces with better wellbeing are more likely to attract prospective talent. A workplace wellbeing score that is either average or above average (as compared to low) increases the probability of jobseekers applying to available positions by 14.2%. This study provides the first causal evidence for workplaces with higher employee wellbeing being more attractive employers. Would-be employees are also, on average, willing to give up around 13% of their salary to work at a happier company[10].

• Happier organisations are also more likely to retain their existing talent. Not only are

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[6]CIPD (2023). Health and wellbeing at work. CIPD. Available here.
[7]Deloitte, United Kingdom. (2024, May 17). Available here.
[8]Bellet, C.S., De Neve, J-E., & Ward, G. (2023). *Does employee happiness have an impact on productivity?* Management Science. doi.org/10.1287/mnsc.2023.4766
[9]De Neve, J-E., Kaats, M., Ward, G. (2023). *Workplace Wellbeing and Firm Performance*. University of Oxford Wellbeing Research Centre Working Paper 2304. doi.org/10.5287/ora-bpkbjayvk
[10]Ward, G. (2022). *Workplace Happiness and Job Search Behaviour: Evidence From A Field Experiment*. MIT Sloan School of Management Working Paper 6607-22. doi.org/10.5287/ora-bpkbjayvk

employees with higher wellbeing scores less likely to take mental health absences (which contributed to an estimated cost to UK employers alone of up to £51bn a year[11]), but they are also less likely to look for a job elsewhere.

• Employee wellbeing should be considered a metric when judging the performance of businesses. One of the WWM 's most impactful recent achievements was the provision of insights to S&P Global about the inclusion of a 'Trends in Employee Wellbeing' section within their large-scale Corporate Sustainability Assessment (CSA). This new section incorporates four science-based questions (representing the four key dimensions of workplace wellbeing) that we recommend employers ask to measure employee wellbeing. More than 30,000 of the world's largest companies are now asked to report on whether they track these four measures alongside other indicators of their Environmental, Social and Governance (ESG) performance.

• Developed by the WWM's academic partner, the Wellbeing Research Centre at the University of Oxford, these four evidence-based questions capture the complementary dimensions of wellbeing at work as experienced by the employee (evaluative wellbeing, positive and negative emotions, as well as eudaimonic wellbeing). This approach aligns with how the world's largest study of employee wellbeing, run by the recruitment company Indeed with the University of Oxford, measures workplace wellbeing. Importantly, these questions mirror those used by the OECD, the UK's Office for National Statistics, and other statistical agencies to measure wellbeing in the general population.

• The evidence-based questions are the same across all industries, and it is only the benchmarking that might differ by industry. For a simple infographic with these survey items, see here.

• When advising employer best practice, it is important to take a holistic approach to wellbeing at an organisational level. Research by Dr. William Fleming, a research fellow at the Wellbeing Research Centre at the University of Oxford, backs up the need for organisations to take an holistic, organisational-level approach. Data analysis from >46,000 employees that various individual-level corporate wellbeing initiatives, including some wellness apps and relaxation-based interventions had "no effect" on improving employee wellbeing when done in isolation without other changes at the organisation or team level[12]. These findings are aligned with NICE guidelines on mental health at work[13].

• Practical tools exist to support businesses wishing to act on employee wellbeing. The Work Wellbeing Playbook, published by the WWM with the support of the Wellbeing Research Centre at the University of Oxford and Indeed, is a living review of the evidence behind the best and latest interventions for improving workplace wellbeing.

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[11]Deloitte, United Kingdom. (2024, May 17). Available here.
[12]Ward, G. (2022). *Workplace Happiness and Job Search Behavior: Evidence From A Field Experiment*. MIT Sloan School of Management Working Paper 6607-22. doi.org/10.5287/ora-bpkbjayvk
[13]National Institute for Clinical Excellence. (2022). *Mental wellbeing at work*. Available here.

• Despite of the strong evidence above, the government's current Industrial Strategy does not consider wellbeing. Given the priority being placed on economic growth, we believe this is a missed opportunity. The government should view wellbeing as one of the building blocks of a more successful economy. That is why we welcome many of the measures within the Employment Rights Act which support good working conditions and therefore wellbeing.

Wellbeing delivers value for money

• Public money should be spent on policies that improve wellbeing, especially for those with the lowest levels. A report, Value for money: how to improve wellbeing and reduce misery[14], authored by Professor Lord Richard Layard and colleagues at the LSE, calls for a change so that investment decisions are based on which policies will maximise happiness.

• The top priority for more public spending in terms of wellbeing benefit is calculated to be psychological therapy for adults and children with mental health problems – including a new service for those with addictions. Such services provide massive benefits to patients and their families. And they cost the government nothing overall, because their cost is more than covered by the additional taxes (and reduced income support) paid by people who are helped back into work.

• Most policies do cost the government money. For them the test is how large are wellbeing benefits (in terms of their money equivalent) relative to their cost to the government? In other words, how much benefit do they provide to the community for each pound they cost the government?

• The report shows that some policies yield very high benefits per pound. For example, apprenticeships yield benefits worth 14 times more than what they cost the government. This suggests that qualified applicants for apprenticeships should be guaranteed a place. Similarly, more police officers would produce benefits through reduced crime that are worth over 10 times their cost in terms of their impact on people's wellbeing.

• The Treasury Green Book supplementary guidance on wellbeing[15] outlines how government departments can develop their proposals to maximise the impact on wellbeing. Ministers should require all departments to follow this guidance when developing their bids to the Treasury.

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[14]David Frayman, Christian Krekel, Richard Layard, Sara MacLennan and Isaac Parkes. *Value for Money: how to improve wellbeing and reduce misery.* (2024). Available here.
[15]Treasury Green Book: supplementary guidance on wellbeing (2022). Available here.

About WWM

The WWM is a social impact organisation and registered charity in England and Wales (charity number: 1208699). It was co-founded by leading wellbeing science experts, Prof Lord Richard Layard, and Prof Jan-Emmanuel De Neve. Our aim is to improve the quality of life of people across the world by putting wellbeing at the heart of decision-making in business and public policy.

Our approach to achieving this pivotal mission is strongly evidence-based. That's why our academic partnership with the Wellbeing Research Centre at the University of Oxford is so key. This means all the work we do is backed by high-end academic research, ensuring it is robust enough to drive positive impact in the real-world.

We have also assembled a growing coalition of global leaders from business, civil society, and academia to support us in achieving our mission.