



LifeSearch

Health, Wealth & Happiness

THE INDEX

2022

Intro

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Despite major 2021 progress in managing or even overcoming the pandemic, oscillations through the year haven't moved the dials back to pre-pandemic levels. We might be en route to normality, but many 2020 lows remained.

Wealth fared a little better for much of 2021 as we clawed our way out of the strictest lockdown measures and began to rebuild. But by Q3 the cost-of-living crisis was looming and today we're waist-deep in it.

There are major backlogs in healthcare and big unknowns as to the pandemic's long term impact on our physical and mental health. Meanwhile, careers, finances, education and relationships have been set back and we're trying to recover against a backdrop of war; as prices rise beyond recognition.

This short document features Health, Wealth & Happiness Index data, covering 2021 and 2022 so far. This is the macro picture but the Health, Wealth & Happiness Report is the detail.

The report draws on three separate consumer pulse surveys to shine a light on real people's real experiences and we can see the extent by which the pandemic has changed the outlook - and reality - for individuals, families and communities.

It's not happy reading, but I hope it furthers understanding of people, their perspective and their priorities as we stare down a further period of chaos.

About the Index

Research overview

The Health, Wealth and Happiness Index was compiled and updated by the Centre for Economics and Business Research (Cebr) for LifeSearch in April 2022.

The Index is based on a modelling process taking into account a range of data sources covering health, wealth, and happiness and monitoring changes over time.

Overview

The Health Wealth & Happiness Index 21/22

Completed up to Q1 2022, the latest Health, Wealth & Happiness Index charts 2021 and the first full year under the cosh of the pandemic.

By late 2020, shards of light had been emerging as the first vaccine was administered to British grandmother Margaret Keenan in December.

But fatigue and still-high winter case numbers forced the Index down to a reading of 74.6 at the beginning of the year.

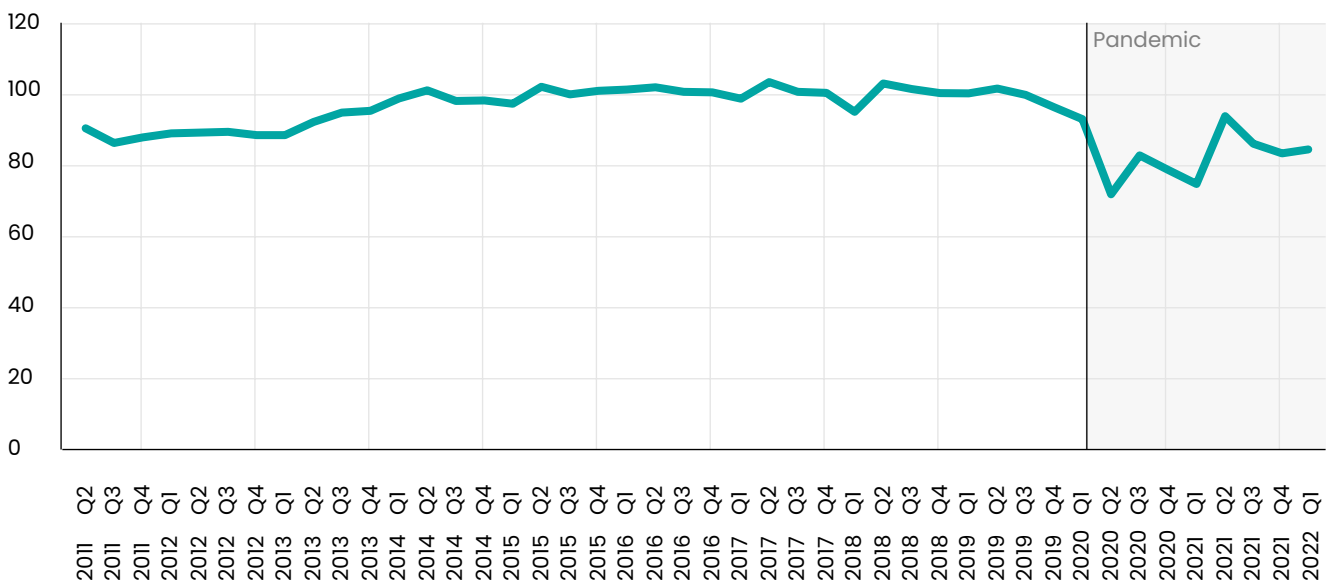
Only the initial shockwave of Q2 2020, when the gravity of the pandemic became clear, marks a lower point in UK Health, Wealth & Happiness since 2011.

From an early low in Q1 2021, the combined Health, Wealth & Happiness Index climbed to a peak of 93.8 in Q2, primarily due to falling case numbers and vaccine optimism boosting the Health Index.

But through Qs 3 and 4 we were back in decline as economic insecurity, rising inflation and a crisis in energy piled it on before the Omicron variant appeared, seemingly shattering illusions that the world was entering some kind of pandemic end-zone.

There were hints of an uptick as 2022 broke, but the sheer reality of the cost-of-living crisis, plus war in Europe pushing a bad situation into a nosedive, have suppressed any sense of recovery in recent days.

HEALTH, WEALTH AND HAPPINESS INDEX (2015=100)



Source: Cebr

The Health Index 21/22

Marginal gains

The year 2021 began in January with very high numbers of coronavirus infections and hospitalisations, reaching a peak of 39,255 on 18th January.

The situation forced an 18.6% drop in the Health Index to 61.7 - the second lowest reading of all time after Q2 2020's 50.4.

But the major low of 61.7 in Q1 2021 rebounded to 97.4 in Q2, marking the largest quarterly improvement in Index history. Vaccine rollout and strict social measures eased excess deaths to a Q2 weekly average of minus 442.

In plain English that means 442 fewer people died per week in Q2, 2021 versus the five-year average.

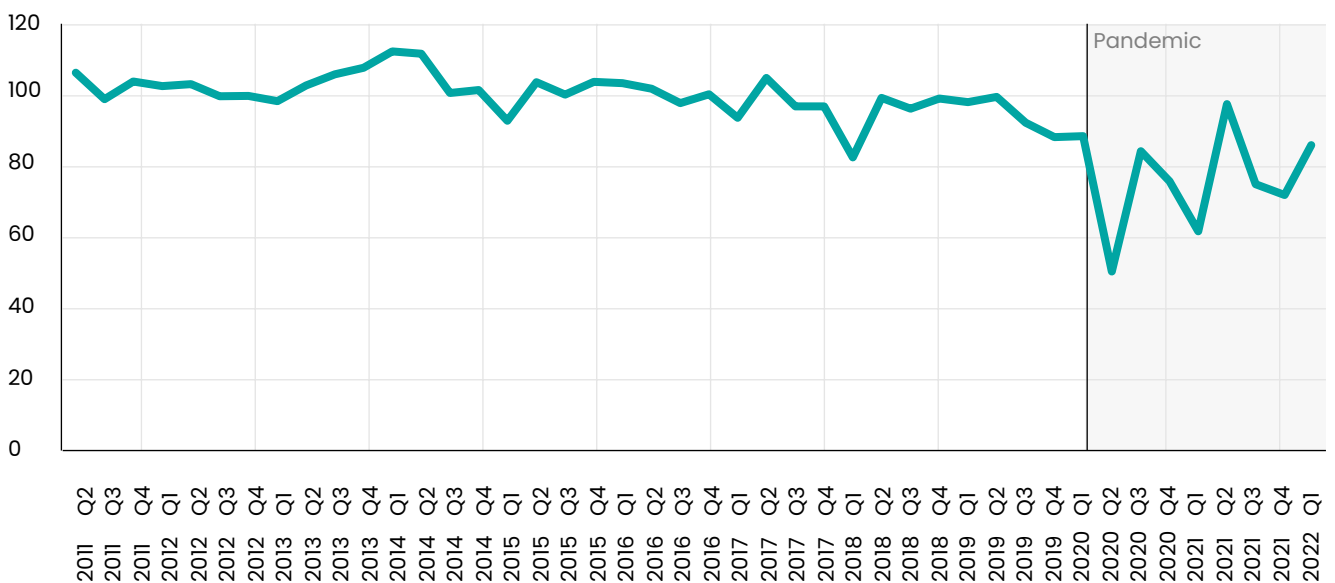
This positive trend might have continued through summer, but the more aggressive Delta variant – which was the dominant strain by June – had other plans.

So with Delta circulating the situation deteriorated. The Health Index fell to 74.9 in Q3 and 72.6 in Q4 2021.

These choppy Health Index readings over 2021 culminate in an average of 76.4, which is only a marginal improvement on 74.7, the Health Index average in 2020.

The initial reading in the Health Index in 2022 shows a little more light as Omicron, despite its faster spread, did not pack the punch that was initially feared, hence an upward trajectory in the most recent data.

HEALTH INDEX (2015=100)



Source: Cebr

The Health Index 21/22

Glimpses of long term impact

Owing to vaccines and otherwise greater immunity, we should see lower mortality numbers related to coronavirus henceforth. That’s obviously good news, but there’s a but.

Although some health metrics improved in 2021 (and through to 2022), others have slipped. The prevalence of sick leave increased to 0.8% in Q3 2021, when “pingdemic” entered the pandemic lexicon. And sick leave increased again to 1.3% in Q4 due to Omicron.

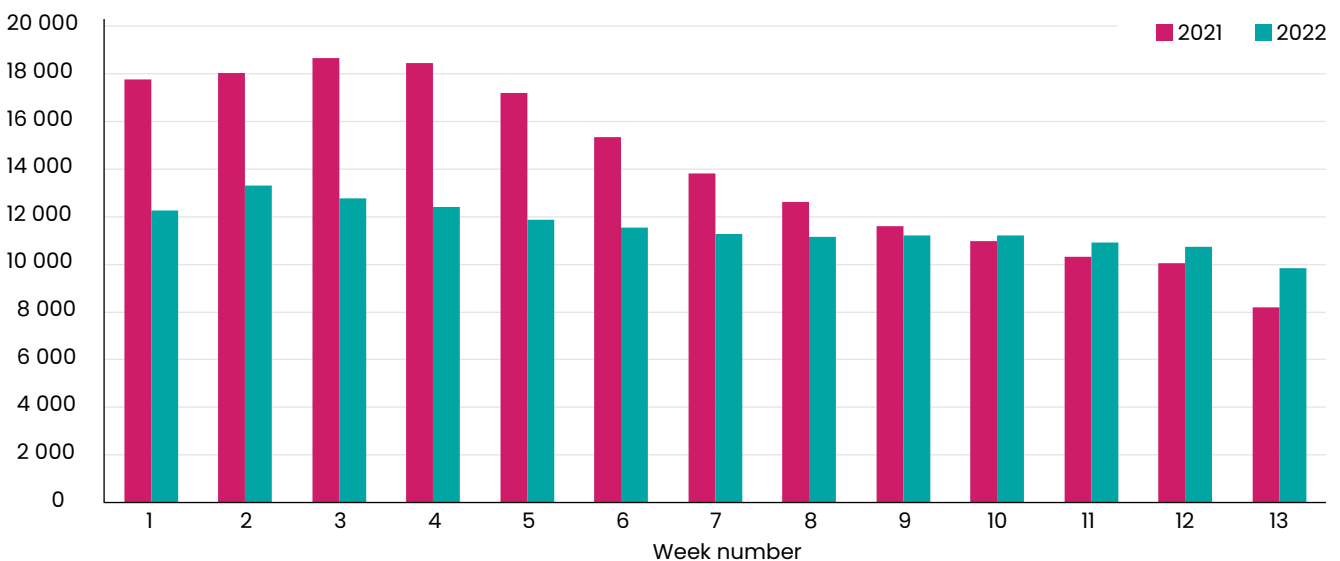
In mental health, we might have looked for improvements as lockdowns eased, social lives resumed and the initial explosion of pandemic fear, anxiety and apathy dissipated. But it wasn’t so. Mental health trends from 2020 largely carried into 2021, with the share of UK adults feeling apathetic at an all-time-high of 26% by March.

Some measures, such as the prevalence of sadness in the adult population, decreased over last year, yet most mental health measures remained somewhat consistent with 2020.

Worryingly, an estimated one third (33.6%) of the UK labour force was suffering long-term health issues in Q4 2021. That’s 3.5 percentage points higher than it was five years ago.

As such, we’re seeing the extent to which, directly and indirectly, the pandemic has disrupted and damaged the nation’s health on a longer timeline. Meanwhile the cost-of-living squeeze and fear tied up in the Russia/ Ukraine war will likely suppress our mental health recovery - and limit the Health Index - well into 2022.

WEEKLY EXCESS DEATHS, ENGLAND AND WALES, 2021



Source: Cebr

The Wealth Index 21/22

Record rises ...

Owing to a winter resurgence in Covid cases, 2021 began under renewed lockdown conditions. More stay-at-home orders, business closures and sector-wide shutdowns kept UK unemployment high at 4.9% in Q1, as GDP fell 1.3% versus Q4 2020.

But the phased exit from lockdown, starting in March and culminating with major restrictions ending in July, brought significant upticks. The economy grew 5.4% in Q2 and 1.1% in Q3 while the unemployment rate dropped to 4.7% in Q2 and to 4.3% in Q3.

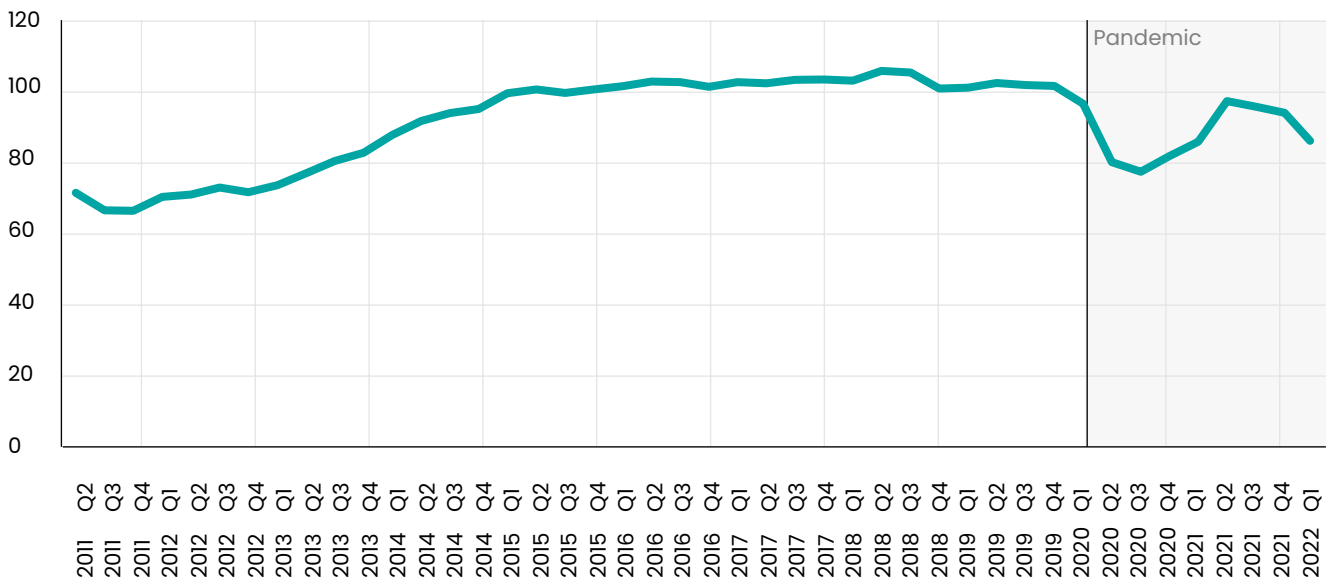
Social security claimants fell from 6.6% in Q1 to 5.7% in Q2 and 5.0% in Q3 as job vacancies increased dramatically.

In the three months to December 2021 vacancies reached a record 1.1 million, with wages rising to match. To incentivise workers, bridge labour gaps and exploit pent up demand, firms dug deeper and real average weekly earnings hit £521 in Q3 - the highest level in the history of the Health, Wealth & Happiness Index.

All that market movement, plus vaccinations protecting people's health (thus earning power) and the Wealth Index took a major turn to the good.

From Q1's 85.8, the Wealth Index shot to 97.2 in Q2, the highest reading since the pandemic began and, at 13.2%, the largest quarter-to-quarter increase in the history of the series. Night and day versus the previous record rise of 6.1% in Q1 2014.

WEALTH INDEX (2015=100)



Source: Cebr

The Wealth Index 21/22

And a looming fallout

The Wealth Index was, perhaps, the biggest winner of the three subindices in 2021, but the good news ended in the autumn and unsurprisingly we're on a downwards trajectory in 2022.

As we reported following the debut of the HWHI in May 2021, the economy has been artificially propped up through government support measures and market phenomena, especially in property, that jar with the wider situation.

As such, the termination of the Coronavirus Job Retention Scheme on 30th September was always going to bite. The scheme's end swelled unemployment and claimant figures into Q4 and, at the same time, surging price growth and rising energy bills squeezed household budgets at a time many uncontracted and casual workers had to isolate - through the "pingdemic" and the Omicron wave.

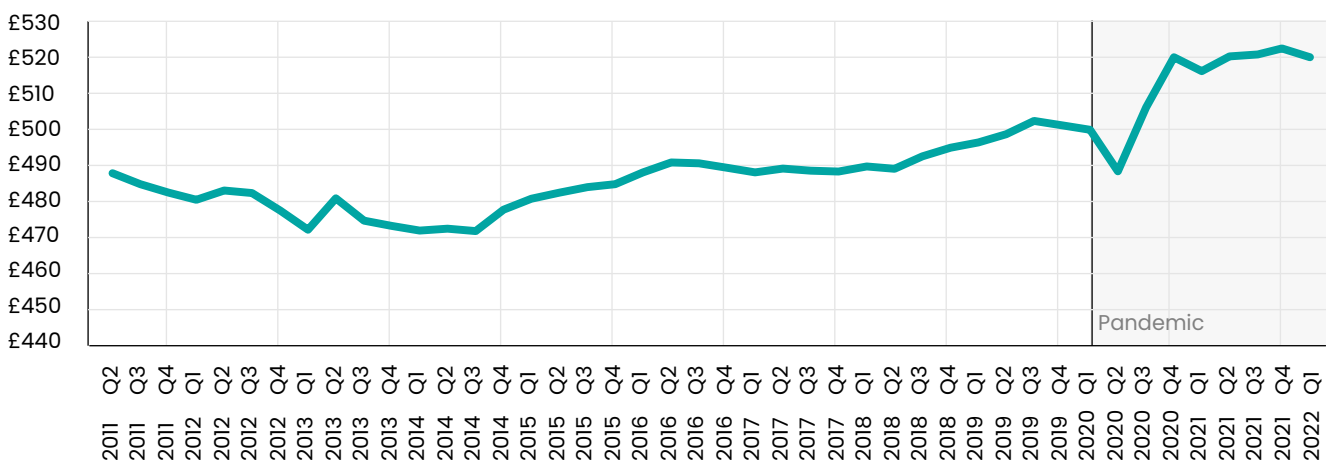
Price growth plus cost-of-living increases and the Q3 high in real average weekly earnings dropped sharply in Q4.

One constant winner through the pandemic has been the UK housing market. As people reassessed what's important in a property, combined with cuts in stamp duty, house prices rose nationally by an average of 2.8% through Qs 1-3 last year.

But the termination of the stamp duty holiday in September, plus surging inflation and rising interest rates, meant volatility in Q4.

Into Q1, 2022 and higher borrowing costs, stagnating / decreasing earnings, price hikes and rising utility costs ... a buoyant property market isn't likely to remain, nor will it be enough to sustain performance in the Wealth Index. It's no revelation to say that we're not feeling great about our wealth in 2022.

REAL AVERAGE WEEKLY EARNINGS, TOTAL PAY, SEASONALLY ADJUSTED (2011 - 2022)



Source: Cebr

The Happiness Index 21/22

Progress? Barely ...

Despite pockets of positivity, 2021 didn't fare much better than 2020 in the happiness stakes. In fact, in Q1 2021, the Happiness Index read 76.4 - the lowest on record: a lower bottom than March 2020 or indeed at any other time in pandemic life.

As more restrictions and a winter surge in Covid cases marked the arrival of 2021, the share of UK adults feeling stressed jumped from 32% in December to 41% in January. Fewer Britons than ever before said they felt 'content', and more than ever before said they felt 'lonely'.

We had to wait until the end of Q1 before improvements registered. In March, as Covid cases fell and the vaccine roadmap was announced, 25% of adults felt optimistic compared to just 18% in January.

The country's anxiety levels showed slight improvements in the same timeframe, as did life satisfaction rates. These slivers of hope hit the Happiness Index in Q2, pushing an 11.4-point improvement to reach 87.8. This marks the 2021 Happiness peak ... and it didn't last long.

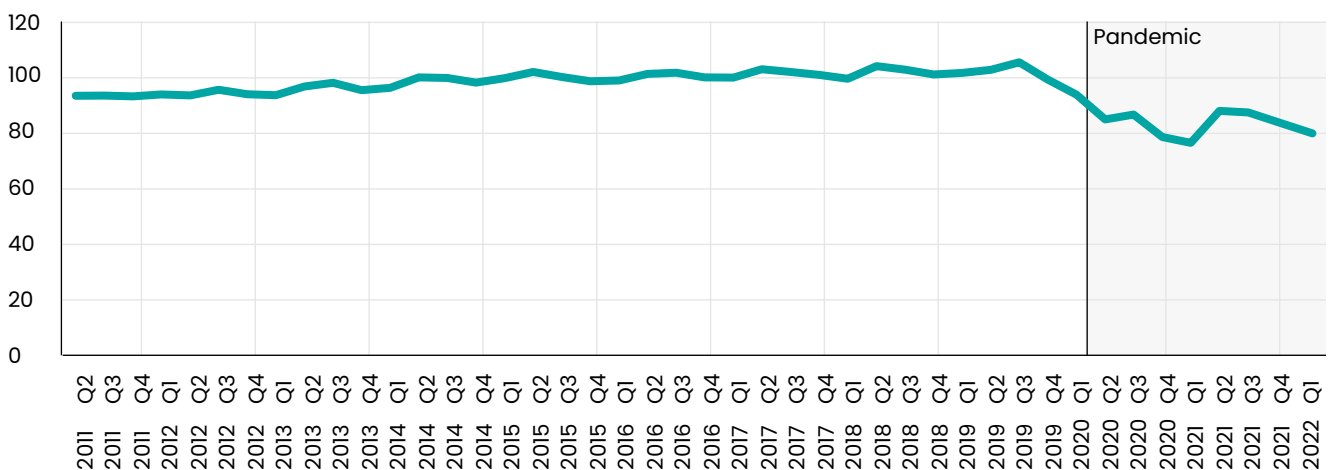
Into Q3 and any increase in national happiness measures were back in reverse. By late summer, the Delta variant stirred up concern and anxiety as optimism levels fell back to where they were in darkest January. One might assume the Euro 2020 tournament brought some joy but it made no discernible difference whatsoever to the nation's happiness.

A further downtick in the Happiness Index came in Q4 as supply chains struggled and prices rose. Inevitably, there was an increase in Brits feeling 'stressed' and 'scared' during that time. Soon Omicron had arrived and the prospect of further restrictions seemed very real. Unsurprisingly, the Index dropped to 83.9.

At the tail end of 2021, we saw signs that Omicron's comparatively mild impact pushed just a little positivity into the mix. With that, the Happiness Index looked set to nudge north into 2022. But any sense of optimism was quickly neutralised.

High inflation, political wrangling, the continuing erosion of households' purchasing power ... and war. It's hard to see the Happiness Index ticking up any time soon.

HAPPINESS INDEX (2015=100)

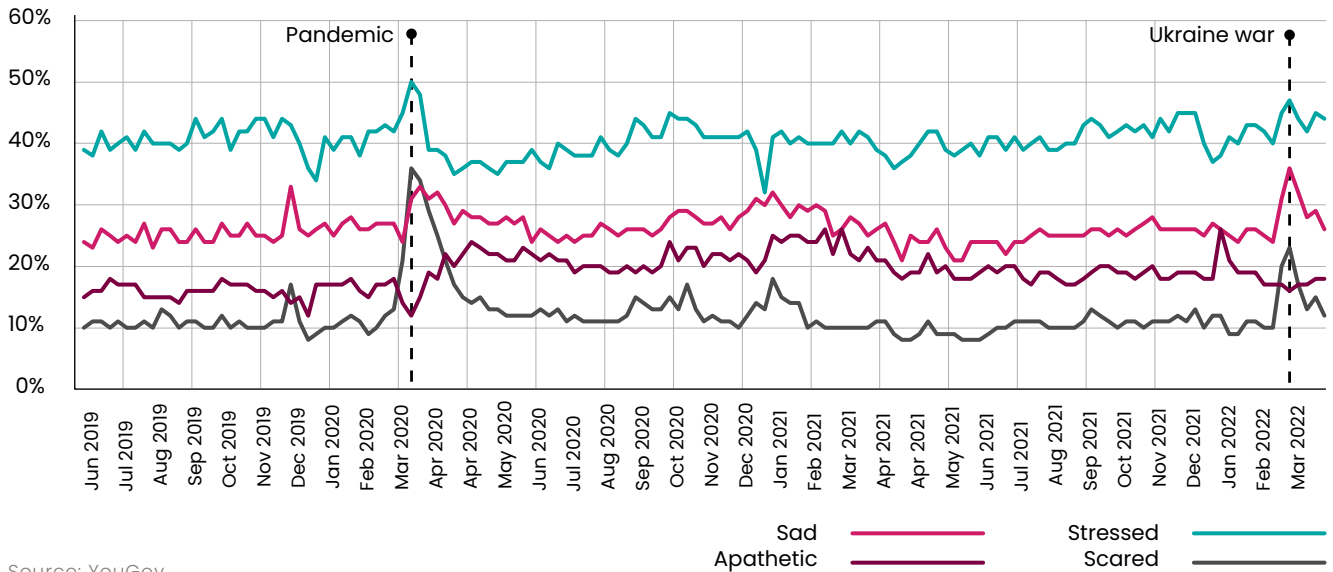


Source: Cebr

The Happiness Index 21/22

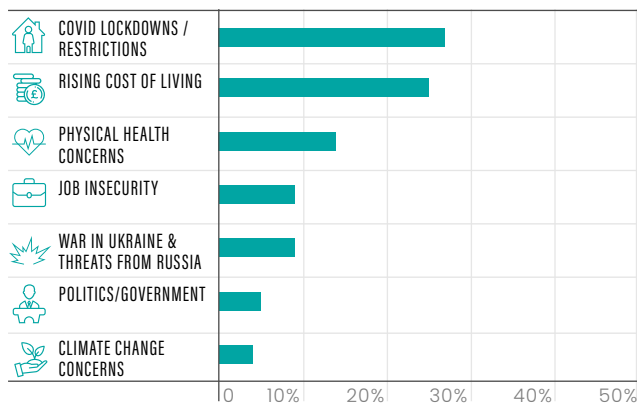
New fears, stress and anguish

UK ADULTS REPORTING FEELINGS OF STRESS, SADNESS, FEAR, AND APATHY (06.2019. - 12.2020.)

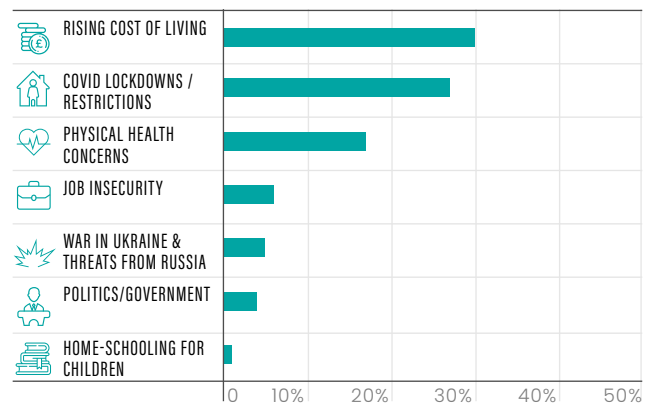


WHAT HAS HIT YOUR MENTAL HEALTH HARDEST IN THE LAST TWO YEARS?

MALE



FEMALE



Source: Opinium Research

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