



# Beyond Growth:

## Economic Trends and Life Satisfaction in Liverpool City Region

By  
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## About SERCH:

The Socio Economic Research Center at Hope (SERCH) is one of the three research centres hosted by Liverpool Hope University Business School. SERCH provides independent socio-economic analysis and critical commentary with a focus on the Liverpool City Region and the wider North West England area. The Centre's objective is to:

- a. Informing local and national policy;
- b. Informing business on the current socio-economic trends;
- c. Monitoring and evaluating the impact of local programmes and policies.

## Authors Bibliography



**Dr. Valeria Andreoni** is a macro-economist and lecturer at Liverpool Hope University Business School. Previously working with the European Commission, Valeria has written extensively about macro-economic and environmental indicators, growth, degrowth, and wellbeing. Valeria is one of the co-authors of the report.



**Kevin Peacock** is an associate of the Socio-Economic Research Centre at Hope University and co-author of the published report. He previously worked at the Liverpool City Region Local Enterprise Partnership where he was responsible for economic strategy and analysis, and managed the production of the annual Economic Review. Kevin also a manager at St. Andrew's Community Network (home of the North Liverpool Foodbank) and a trustee of Options for Supported Living.



**Dr. Curtis Ziniel** earned his PhD from the University of California, Riverside in 2009. He moved to Liverpool and began teaching at Hope in 2010. He has teaching experience in research methods, communication, politics, education, and business. His teaching at Liverpool Hope University Business School is focused on research methods for both undergraduates and postgraduates.



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## WELCOME NOTE

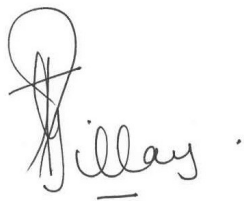


Liverpool's past and present is well documented. From its rise to the second most important City in the empire and global economic powerhouse, to its decline to one of Europe's most economically disadvantaged, (post-industrial revolution compounded by the world wars,) and its subsequent re-emergence as a beacon for cultural and physical regeneration - the City gives insight into the challenges and opportunities facing UK cities in a global economy.

In the context of the post-recession UK economy, however, the question is not about where we have been, but where we must go. This Report provides a useful snapshot of where the Liverpool City Region currently finds itself. What is different and unique about this Report is that it takes account of a much broader set of measures than a typical regional economic analysis. It asks the following important questions:

- How does the current economic situation impact on health, well-being, and the places where people live?
- Who benefits from economic gains and how?
- How do we address the twin challenges of global competition and improving local communities?
- What strategies and policies should be implemented?

By talking to people about how they feel, and comparing this to previous data, we get a sense of the 'real' picture and a platform for changing the nature of the debate about Liverpool's future. Knowing where we really are is crucial to ensuring where we wish to be. This initial Report is the first of an ongoing tracking by Liverpool Hope's Business School of that journey.

A handwritten signature in black ink, reading "Pillay". The signature is stylized, with a large loop at the top and a horizontal line at the bottom.

**Professor Gerald J. Pillay**  
Vice-Chancellor & Rector

## EXECUTIVE SUMMARY

The objective of this report is to make a positive contribution to the development of the Liverpool City Region. The report brings together a broad set of measures to take a snapshot of the overall well-being of the Liverpool City Region, and compare it to the national picture.

The wellbeing approach adopted by this report is important. By bringing together evidence relating to the economy, education, health, local neighbourhoods and life satisfaction of residents it begins the process of developing better, more integrated policies and strategies for the Liverpool City Region. It allows a more relevant measurement of the impact of an economy on individuals and households living within the City Region; whereas conventional growth measures are often impersonal. Finally, the approach identifies gaps in data that provide a platform for further collaborative work.

The report broadly adopts the national approach to well-being research, using conventional statistical data, but merging it with survey evidence across a range of domains. The report presents provisional results from a detailed new survey of 1,555 households across the Liverpool City Region, commissioned by Liverpool Hope University Business School. A legacy of this report is the availability of new household level data for further analysis.

The report presents the following:

- A recognition and update of the economic story of Liverpool City Region that has been analysed and reported widely by the City Region's key authorities. This story is one of strong growth over the past ten years, an improved starting position in the context of recovery from recession; yet chronic and perpetual gaps in performance that have not closed despite successive local growth strategies.
- Provisional findings that employment growth is driven by an increase in part-time work and self-employment, suggesting a fall in overall household income. This also highlights a failure of conventional economic measures to assess the impact of change on households within the Liverpool City Region.
- The gap in performance is not just economic - variables in health, education, and neighbourhoods all show similar gaps. The extent to which these variables drive each other needs to be understood and points to the need for a more holistic development strategy.
- Lower levels of life satisfaction across a range of measures, yet some notable differences to the national norms in terms of higher satisfaction with family life, leisure time, and crisis response.

- Perceptions of individuals do not always mirror what conventional data would suggest. Economic satisfaction survey results are surprisingly upbeat and positive for the future.

The report marks the launch of the Socio-Economic Research Centre at Liverpool Hope University by identifying significant gaps in the availability of local level data which provides a forward programme for SERCH.

## INTRODUCTION AND CONTEXT

### National economic context

The prevailing national economic message is one of increasing confidence. The latest data show that the UK economy is closing in on pre-recession levels. In April 2014, the IMF (International Monetary Fund) predicted that the UK economy would grow at 2.9% in 2014/15, the fastest amongst the world's largest industrialised countries, and government labour market statistics suggest strengthening employment numbers.

There are some strong counter arguments to this position, with a number of UK based influential think-tanks highlighting the following trends:

- Increasing income and wealth inequality
- High levels of youth unemployment
- Lack of impact of economic growth on some individuals and communities
- Deepening chronic and structural poverty
- Unequal distribution of economic growth, including a 'north-south' divide
- Creation of unsustainable 'bubbles' most commonly talked about in terms of housing, but also in certain economic sectors

Alongside this runs the debate about the effectiveness of economic analysis in capturing issues that affect people's lives, which provides a rationale for a national move towards capturing a broader set of measures.

### Liverpool City Region context

The Liverpool City Region Local Enterprise Partnership, a formal collaboration of local authorities and some of the city-region's largest businesses, has recently published its Growth Strategy. The broad based strategy sets out the objectives of creating jobs, enabling private investment, and driving growth. In the process, the plan sets out terms of engagement with the UK government, requesting investment into key priorities and policy flexibility to assist delivery.

In many ways the plan is a progression of previous strategies published over the past ten years. And the story it tells is consistent; Liverpool City Region is in a period of sustained economic growth that is seeing it out-pace many of its comparator areas. Investment in the city region (and especially in the city centre) has done much to provide the conditions to drive further growth. The Growth Plan continues to advocate for investment in key assets, to grow based on specific competitive sectors, and to align public and private investment. This consistency is to be commended, and the growth figures are a justification not just to stay on track, but to do more to accelerate development.

Despite this, there remain some intractable problems. For all of its impressive growth statistics, the City Region lags significantly behind more prosperous areas of the UK and other major European centres. Whether looking at the business numbers, skill levels, or overall economic value; the pattern is entrenched; the gaps that exist are significant and are not changing sufficiently over time. Alongside this, parts of the City Region rank amongst some of the most deprived in the UK, and perhaps more telling, this map of poverty has not changed significantly for thirty years.

In addition, the economic analysis underpinning local strategy is limited.

Firstly, it is limited its independence; much of the analysis presented about the city region is done so by public authorities who also have the responsibility to deliver growth or particular services. Most data presented is driven by national statistics disaggregated at a local level, with associated problems of relevance, comparability, and independence from political influence. There is no 'monitoring' function aside from the Boards of vested interest organisations.

Secondly, it is limited in its breadth and diversity: the economic perspective takes predominance whilst other analyses are undertaken separately (by crime, health or education authorities for example). The separate data and analyses are rarely brought together to form a holistic whole. Whilst steps are being taken to articulate the growth plan to a wider audience, it is appropriate to question the extent to which growth plans align with other relevant strategies; what economic impact would improving health performance make to the economy and vice versa.

Thirdly, the strategy is limited by significant changes in the institutions responsible for gathering information: local authorities, the local enterprise partnerships, and regional development agencies have all lost capacity in these strategic areas.

These points are not made as a criticism of what has gone before; much of the analysis and resulting strategy is comprehensive and credible. It is also delivered against a backdrop of austerity and political change. However, it does provide the context for the journey that this report starts to take, towards a more reliable, holistic, independent monitoring of the Liverpool City Region, and ultimately, plans that have a bigger impact on local people's lives.

## **Well-being Context**

Well-being is a concept difficult to define and eventually harder to quantify. The idea of providing descriptions and metrics to evaluate well-being goes back to Aristotle (1095 B.C.) and from there an increasingly large number of studies have attempted to quantify the well-being of individuals and societies. Well-being is generally perceived as a description of the state of human life. The concept has captured the attention of



sociologists, economists, psychologists, politicians and citizens, making it a largely debated interdisciplinary topic.

For a long time the concept of well-being has been mainly approximated with consumption. The level of GDP (or Gross Value Added) has been used to compare well-being across regions and time. Since the 1970s, however, an increasing concern arose regarding the simplification that reduced well-being to income.

This led to studies that tried to identify correlations between life satisfaction and economic variables. The 'Easterlin paradox' is a famous example. It mainly highlights that once a certain absolute level of income is reached, gains in well-being are obtained by having higher income relative to other people, or by having benefits generated by social relationships or the environment. In addition, the "set point theory of happiness" supports the idea that since people tend to adapt their aspirations to the changing circumstances increasing one's level of income does not increase one's level of well-being in the long term. Based on this evidence, an increasing body of literature has been oriented to reconceptualise well-being as a combination of social, cultural, psychological, and environmental aspirations. Today it is widely accepted that well-being is a multidimensional concept that encompasses all of the aspects of human life.

In recent times, an increasing attention has been devoted to determining integrated descriptions of well-being including different aspects of human life. The largest parts of these studies have been composed by a set of objective data on economic, social or environmental variables plus a series of subjective evaluations of different aspects of life satisfaction.

The report prepared by the "Commission on the Measurement of Economic Performance and Social Progress" promoted in 2008 by a French government's initiative, the "Global Project on Measuring the Progress of Societies", the "Better Life Initiative" of the OECD (Organisation for Economic Co-operation and Development), and the recent E-Frame project financed by the European Commission, are some of the many projects focused on examining levels of well-being.

At a UK level, the ONS (Office for National Statistics) has embarked on a long term programme to provide a fuller picture of the well-being of UK society by supplementing conventional economic measures. ONS has identified 10 domains which provide a more rounded picture, including the economy, personal finance, education, health, where we live, and what we do. Underneath each domain is a series of 40 indicators which measure the UK's performance. An interactive 'wheel' outlining the nationally agreed domains and measures is available at

<http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc146/wrapper.html>



## **ABOUT THIS REPORT**

### **Objective**

The intention of the report is to make a positive contribution to the development of the Liverpool City Region. For the past ten years, the local economic strategy has been dominated by discussions around investment and growth. This report begins the process of independently observing, monitoring and evaluating the Liverpool City Region's economy as part of Liverpool Hope University's commitment to the local area.

The objective of the report is to provide a snapshot of overall well-being in the Liverpool City Region. This is intended to set a framework for further discussion about the strategies and policies that affect the lives of people living, working and investing in the Liverpool City Region.

The report marks the launch of the Socio-Economic Research Centre (SERCH) at Liverpool Hope University. It is therefore intended to provide new data and insight into the Liverpool City Region economy, and to set a platform for further research and independent analysis.

The report also updates national statistics published by ONS for the Liverpool City Region and therefore provides a useful reference resource.

### **Approach**

The report takes as its lead from the National Well-being Survey, an ongoing project within the Office for National Statistics. We have tried, wherever possible, to follow their approach to the domains and measures used to test well-being. Their chosen criteria follow national debate and consultation on which measures are most appropriate to use.

One of the weaknesses of the national approach is that much of the data available nationally is not readily available at a local level – making sub-national well-being very difficult to test. In order to fill in some of the gaps, Liverpool Hope University Business School has commissioned its own household survey, performing 1,555 interviews across the Liverpool City Region. This report presents the initial findings from this survey, which reported in May 2014.

The legacy of this report is a data source that will be used for further analysis, and is also open for application by partner organisations or individuals who may wish to conduct further analysis.

### **Significance**

The examination of a broader range of measures, including the satisfaction of residents with aspects of life, is the first contemporary project of its kind in the Liverpool City

Region. By examining the holistic wellbeing of the Liverpool City Region, the report starts the process of bringing together different strategies and policies relating to health, education, housing, neighbourhoods and the economy – where institutions and strategies are often limited by their own roles, functions and priorities.

The project is also the first of its kind to be undertaken at a City Region level, based on the same domains and methods used at a national level. This allows comparison to the ongoing project by the Office for National Statistics, and the benchmarking of the Liverpool City Region position.

This report is intentionally independent, produced by Liverpool Hope University Business School, with no funding or input from external organisations other than the provision of data. As SERCH develops, we will be engaging within local businesses, social sector organisations and statutory institutions to form and shape our research agenda. We will also form a dedicated scrutiny panel – an independent, high-level group of critical friends from business, third and public sectors to advise, steer and critique this report and any further research.

The analysis provided by the present report will be relevant for business, local authorities, economic institutions, and for society as a whole; anyone interested in the make-up

It will also be relevant for other research centres interested in performing similar analyses in different areas or regions. The report will be an important framework for any further study oriented to investigate well-being, the impact of policies on the Liverpool City Region, or seeking to replicate the national well-being project at a City-Region scale.

## **METHODOLOGY**

### **Primary data: Our household survey**

To gather the survey data used for this report, the SERCH Centre commissioned the services of Vision One, an accredited member of the UK Market Research Society and a leading market research/survey firm located in the heart of Liverpool. Data collection was accomplished through structured telephone and in-person interviews. All respondents were asked the same questions, although some respondents refused to answer particular questions. 1,555 interviews were completed.

The sampling process followed a stratified selection design. This means that participants were selected by gender, age, and location (based on the local authorities of Liverpool, Sefton, Knowsley, St. Helens, Wirral, and Halton). Respondents were selected in this manner to achieve as representative a sample as possible. This design allows data gatherers to identify when some segments of the population appeared to be under-represented in the sample so they can then work to acquire more respondents from among that group. Data collectors still encountered problems with an over-representation of women and an under-representation of youth. For this reason, results have been weighted to better reflect the true proportions of the population.

The responses of participants have been aggregated and the average scores are presented in tables and charts. These results are valid within a particular margin of error (also known as a 95% confidence interval). The overall margin of error, assuming a sufficiently random sample, for 1,555 respondents is roughly  $\pm 2.5$  percentage points.

### **Secondary data: Use of national data at a local level**

Where possible we have attempted to use similar measures to the ONS national well-being survey to allow for comparability. We have drawn statistics from the Annual Population Survey, 2011 census, National and Regional Accounts, as well as topic specific surveys relating to crime, health, sports, and culture. We have always used the latest available data, or gone to a point where UK and LCR figures can be compared.

Some of the measures are national in scale, and are not replicable at a local level. Where this is the case, we have either attempted to reproduce the data through our household survey, or we have identified a suitable proxy measure.

Many of the personal well-being measures are based on the national household survey, Understanding Society, for which local level responses become increasingly unreliable and security restricted. Unless published by ONS, we have not used this data in this study, choosing instead our own survey data. Part of our long term approach to measuring well-being is to work to support the development of restricted data so we can

compare the Liverpool City Region to other areas, but this is not possible at this point in time.

For editing purposes, we have simplified the domain structures used in the national well-being survey into 5 domains - 'Economy', 'Life Satisfaction', 'Health', 'What we do' (which includes education), and 'Where we live'.

## **Reporting**

We have taken a comparative approach in the presentation of the data and commentary. Where possible, we have compared the Liverpool City Region to the national data – drawing out any significant variances. This style is most noticeable in the 'Economy' section, where much has already been done to compare the City Region, the UK and the North West economies.

Where we have reported on our Liverpool City Region household survey, we have tended to report and present data by local authority. This allows us to pick up any local variances, and demonstrates the depth of the data available.

At the start of each section there is a data table that summarises the Liverpool City Region position relative to the UK. A red or green mark indicates a more positive or more negative position respectively.

## **Limitations to our approach**

We recognise that there are weaknesses in the approach we are taking in the analysis and reporting.

Utilising our own Liverpool City Region Household survey means that comparisons to national data are indicative, rather than statistically reliable. Time lapses between our survey (undertaken in April 2014) and national surveys (undertaken at various points over the past three years) means that results can be affected by temporal issues.

Comparisons of national data to Liverpool City Region or local authority data can give important insights, but need to be placed in context. National economic statistics are heavily affected by London's economy, and comparison does not take into account assets, potential or strategic aspiration.

Rates of satisfaction can vary greatly within local areas, and we know from past data that income, crime, and health vary significantly at neighbourhood level. We do not attempt to address these variations.

## ECONOMY

In this section of the report, we provide a snapshot of the strength of the Liverpool City Region's economy. We use a combination of Government data, our household survey, and a range of recent research sources. We have limited our analysis to personal economic data, i.e. data relating to individuals within the City Region, in-keeping with our focus on personal well-being.

**Table 1. Economic Data**

	Time period	National Comparison	Time period	Liverpool City Region	
Total GVA (m£)	2012	1,383,082	2012	25,319	
GVA per head (£)	2012	21,674	2012	16,753	*
GVA per employee (£)	2012	50,527	2012	43,599	*
Inflation rate	2014	1.9%	N/A	N/A	
Average earnings per head (£)	2013	27,126	2013	25,055	*
Median income (£ household)	2013	22,240	2013	20,690	*
Gross Domestic Household Income (£)	2011	16,034	2011	14,305	*
Unemployment (16-64 year olds)	2013	7.5%	2013	9.6%	*
Unemployment (16-24 year olds)	2013	20.1%	2013	23%	*
Economic activity rate	2013	77.3%	2013	74.1%	*

Note: Data from the National Well-Being Survey (ONS), Liverpool City Region Well-Being Survey and Annual Survey of Hours and Earnings (ASHE)

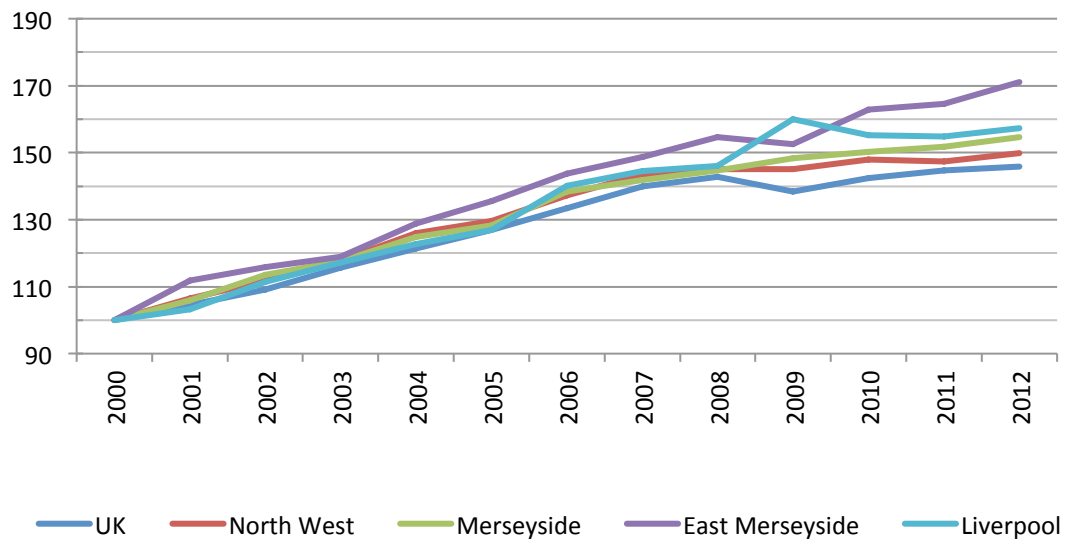
## Economic Growth

The core measure of the Liverpool City Region's economic performance is gross value added (GVA). GVA is a calculation of all of the goods and services produced within the City Region. Much has been written relating to Liverpool City Region's GVA trends over the past ten years, and these trends have largely stayed the same.

GVA growth has been strong in the City Region – often outpacing the UK growth average and those of other comparator cities. Particular parts of the City Region (notably Liverpool and East Merseyside<sup>1</sup>) have shown significantly above average growth.

<sup>1</sup> Defined statistically as Knowsley, St. Helen's and Halton.

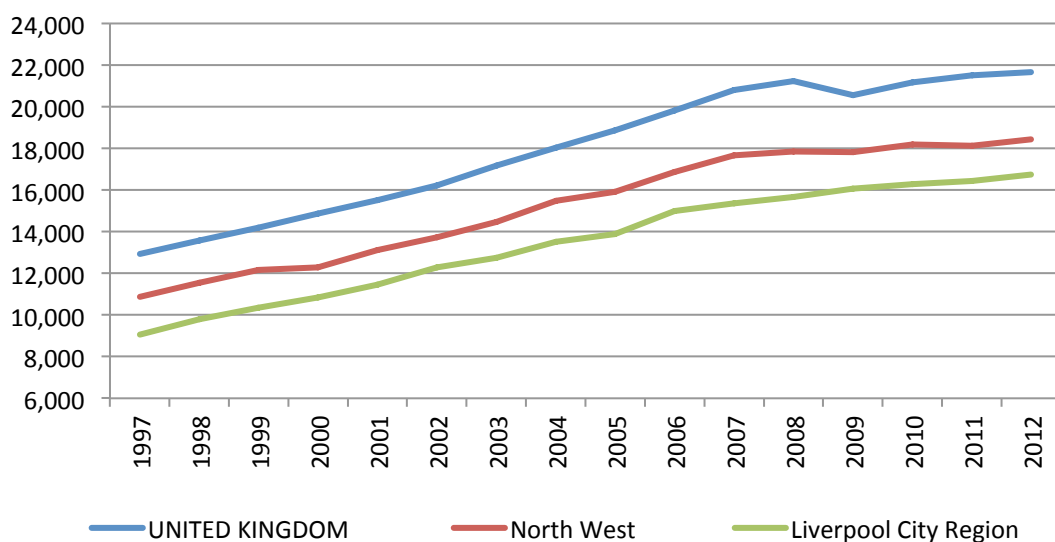
Figure 1. GVA per head, growth - Index (2000=100)



Note: ONS Regional Accounts

This performance is driven by output growth in more 'productive' sectors such as business services and manufacturing. Productivity is driven by a combination of factors, including skills, enterprise, and innovation. It can be viewed as directly related to people's contribution to the economy. It is this relationship that makes high productivity measures important to new business investment.

Figure 2. GVA per head 1997-2013



Note: ONS Regional Accounts

One feature of the Liverpool City Region economy is the gap in performance between the UK and North West. In some ways, such national comparisons are misleading, especially

in the UK, where London is the predominant economic area. In other ways the gaps are an important source of information. The gaps between the UK and Liverpool City Region in terms of output per head is a little over £4,000 per person. Closing the gap would add an estimated £8bn to the economy.

There are a number of weaknesses with the GVA measure. Firstly, it is often delayed in production, so can't give us a truly up-to-date picture. Secondly, and more importantly, it is a production measure reflective of where wealth is produced rather than spent. This means the comparative figures for Liverpool City Region need some caution (Sefton and Wirral districts of Liverpool City Region show comparatively positive income figures but relatively lower GVA values).

### Future growth prospects

The Liverpool City Region Local Enterprise Partnership produces a regular forecast of the performance of the Liverpool City Region. Caution is always required in terms of using forecast data, which tend to be based on historical patterns. However, they do provide a useful comparison of trajectory. They also allow for estimates of the impact of key development projects. The graph below is significant. It shows that the baseline projections for both GVA and employment show that the UK will grow faster than Liverpool City Region. The development projects have a significant impact in closing the gap, although there is no assessment of the impact of development projects across the UK.

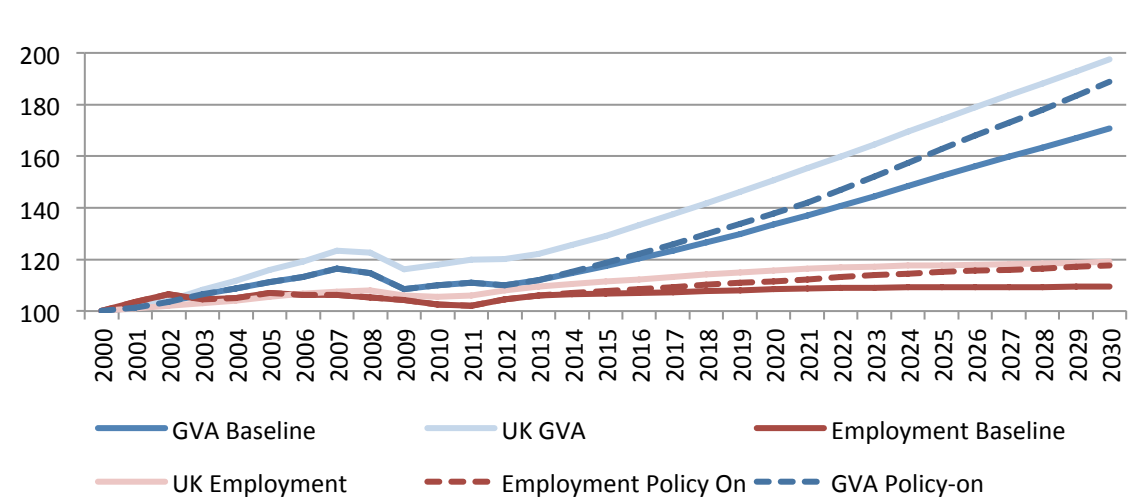
**Table 2. Economic growth forecast**

	2000	2010	2020	2030
<b>GVA Baseline (£m)</b>	21,064	23,148	28,109	35,945
<b>GVA Policy-on (£m)</b>	21,064	23,148	29,006	39,773
<b>Employment Baseline ('000s)</b>	620.7	636.5	672.9	680.1
<b>Employment Policy On ('000s)</b>	620.7	636.5	692.6	730.9
<b>Productivity (£) baseline</b>	33,937	36,370	41,772	52,855
<b>Productivity Policy-on</b>	33,937	36,370	41,879	54,420

Note: Forecast figures provided by Liverpool City Region LEP, produced by Oxford Econometrics



Figure 3. Liverpool City Region Forecasts



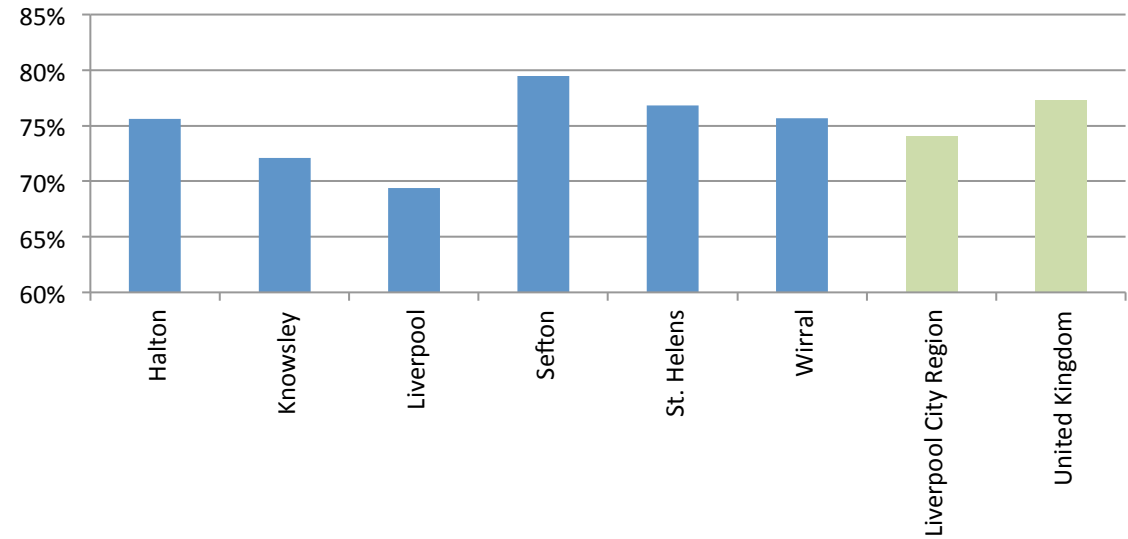
Source: Forecast figures provided by Liverpool City Region LEP, produced by Oxford Econometrics

### Employment

In terms of economic well-being, what matters is how the city region economy impacts on the lives of local people.

The Liverpool City Region has 693,500 economically active people, a rate of 71.4%. This rate is nearly 3.2% below the national average, a gap of over 29,951 people. There are significant variances by local authority district as well.

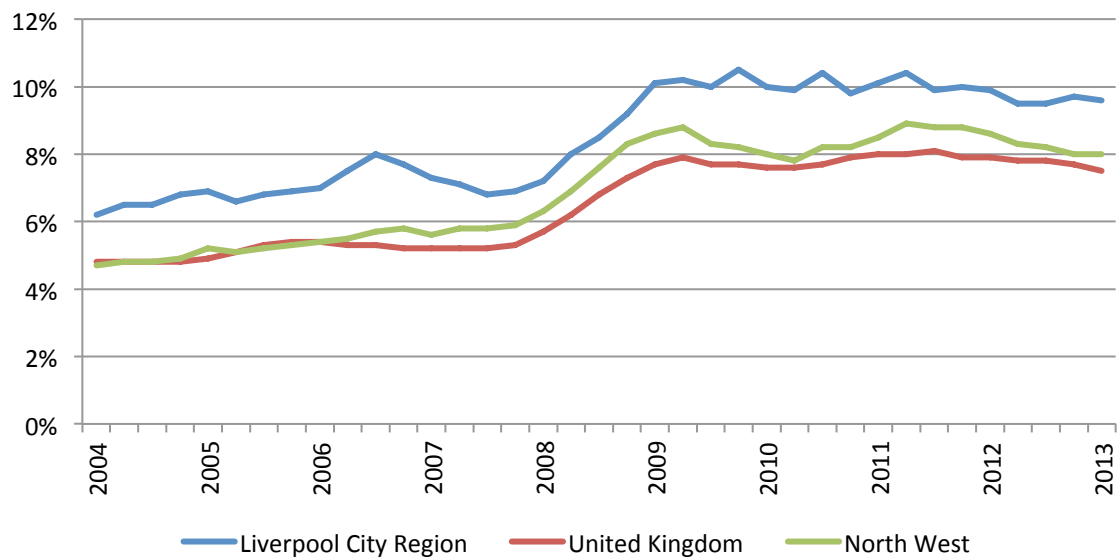
Figure 4. Economic activity rate (16-64)



Note: ONS Annual Population Survey

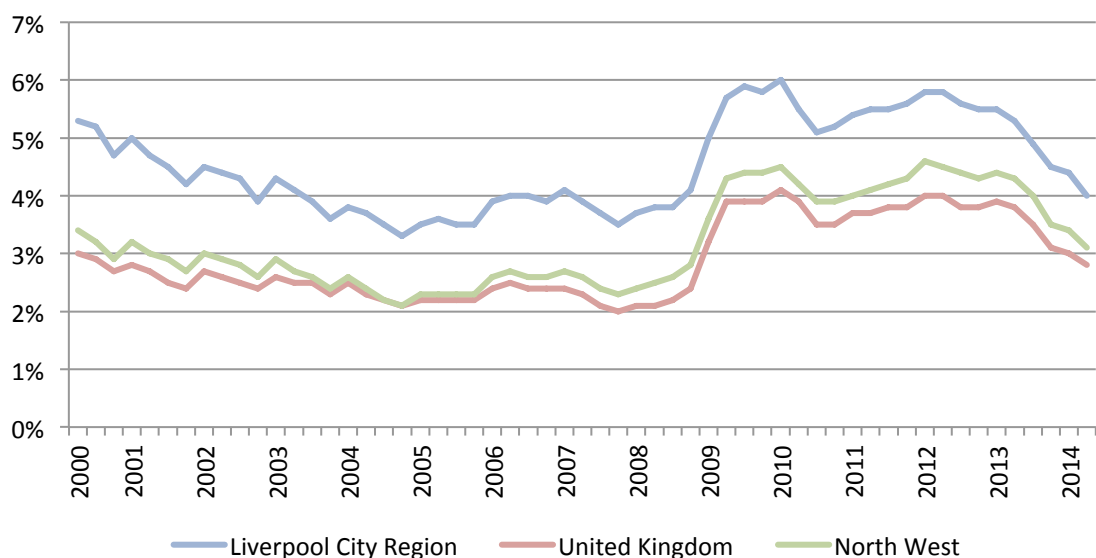
Unemployment remains persistently high, especially when compared with the national average, whether looking at benefit claimants or the national model of unemployment. The impact of the recession is clearly seen in the charts below, with the raise in the unemployment rate that is yet to drop significantly. It is interesting to note that the effect of the recession runs comparably to the UK and North West, whereas previous recessions have tended to be felt more acutely in Liverpool (and other northern industrial cities).

**Figure 5. Unemployment rate**



Note: ONS Model of Unemployment

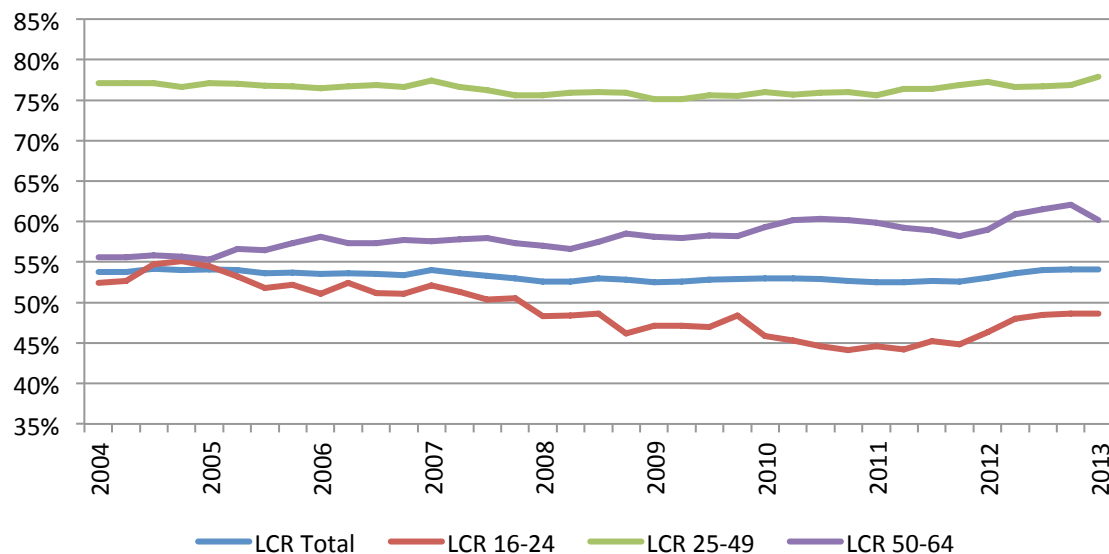
**Figure 6. Claimant count rate (as a % of 16-64 residents)**



Note: ONS Annual Population Survey

One trend worth noting is the levels of unemployment within particular age groups. It will be no surprise to those who observe the economy that the level of youth unemployment runs much higher than other groups, and has been the subject of much policy scrutiny, from the EU and national governments through to specific analysis at the Liverpool City Region level.

**Figure 7. Employment rate by age in the Liverpool City Region (% of 16+ population)**



Source: ONS Annual Population Survey

Much of the coverage of the national economy has focussed on improving jobs numbers – from the beginning of 2012 until the end of 2013, the UK added 721,000 people in employment. This pattern is followed within Liverpool City Region with 20,200 people into work with the employment rate rising.

From a well-being perspective, a key issue is the quality of this new employment. We examine income figures below, but our analysis shows an increase in part-time work and a decrease in full-time work. This is accentuated by a loss of full-time work for men, and more women working full-time. This snapshot suggests a) a decrease in gross earnings and b) changing household dynamics.

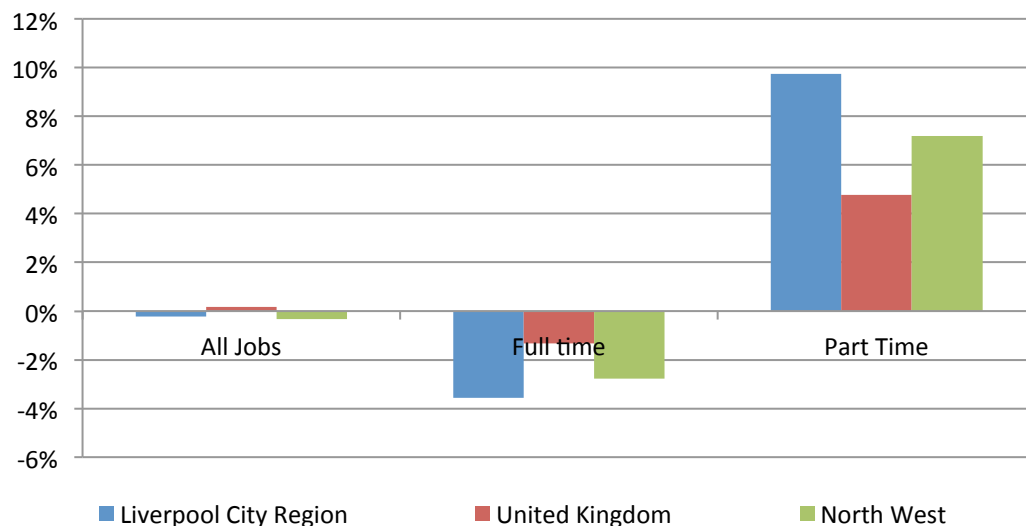
**Table 3. Full-time and Part-time jobs in the Liverpool City Region and UK**

	All			Males			Females		
	2008 ('000)	2013 ('000)	Change ('000)	2008 ('000)	2013 ('000)	Change ('000)	2008 ('000)	2013 ('000)	Change ('000)
<b>LCR</b>									
<b>Full-time</b>	458	456	-2.6	286	275	-11	173	181	8
<b>Part-time</b>	162	164	2.0	34	39	5	128	125	-3
<b>Total</b>	620	620	-0.6	320	314	-6	300	306	6
<b>UK</b>									
<b>Full-Time</b>	21,573	21,268	-306	13,910	13,506	-404	7,664	7,762	98
<b>Part-time</b>	6,977	7,310	333	1,483	1,725	242	5,494	5,585	91
<b>Total</b>	28,550	28,577	27	15,392	15,231	-161	13,158	13,347	189

Note: ONS Annual Population Survey

A similar pattern emerges when analysing the overall number of jobs in the economy. The percentage change towards part-time working is more prevalent in the Liverpool City Region than in the North West or UK more widely.

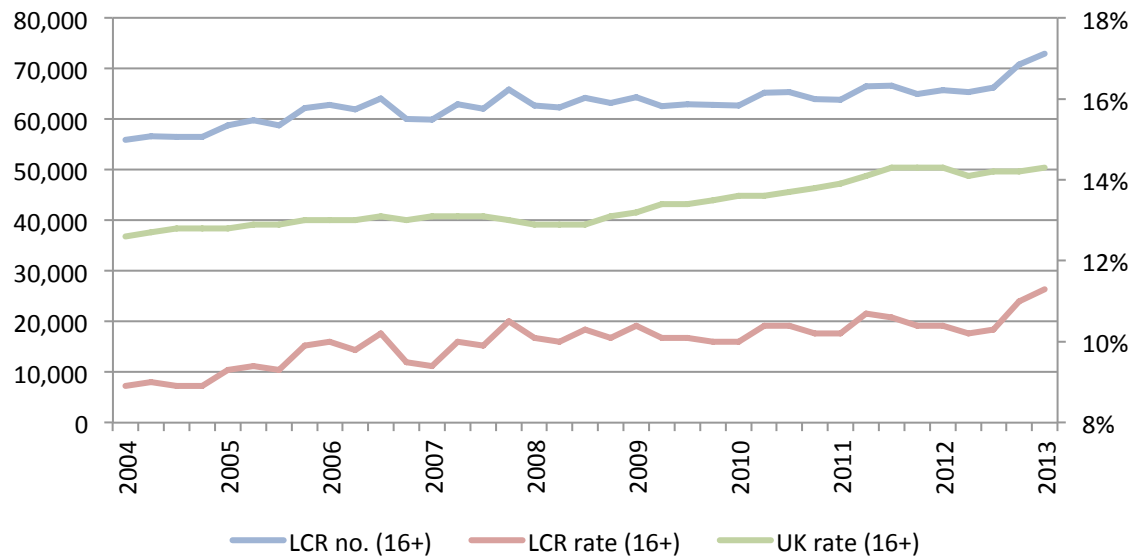
**Figure 8. % change in workplace jobs (2008-2013)**



Note: ONS Annual Population Survey

A further trend, both nationally and within the Liverpool City Region is an increase in self-employment. Over the twelve month period from 2012 -13, over 6,000 new people were added to the self-employment register, which is roughly the same number of new people in employment over this period. There are no definitive data to directly link earnings with self-employment; but conventional wisdom would suggest that earnings for the early years of any newly started business are restricted.

**Figure 9. Self-employment in Liverpool City Region (16+)**



Note: ONS Annual Population Survey

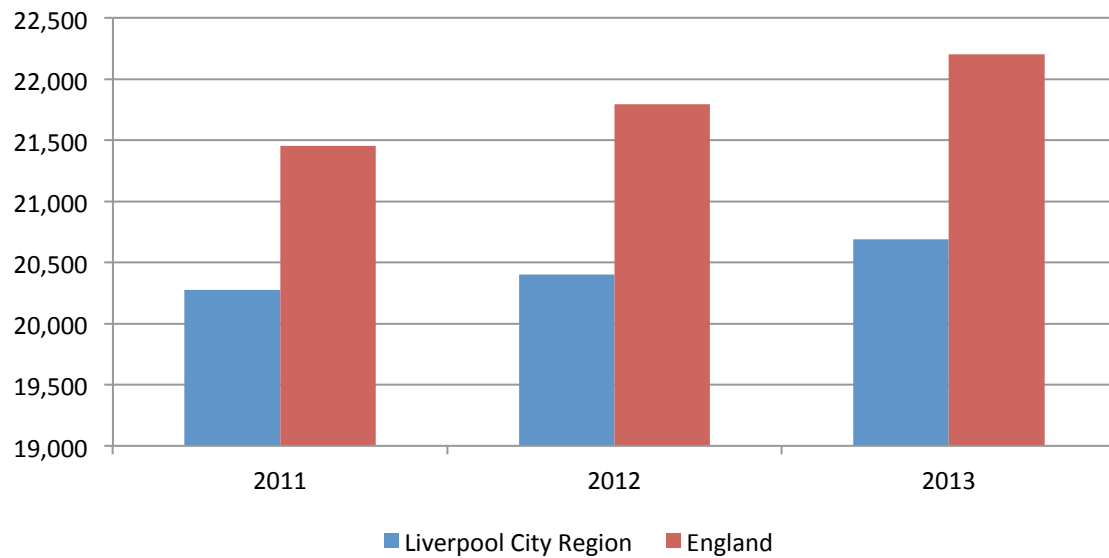
## Income, wealth and economic satisfaction

Gathering reliable data on people's personal economic situation is inherently difficult. Firstly, survey data is fraught with methodological challenges – how honest and knowledgeable are people about their finances? National longitudinal studies have problems with small sample sizes. Private research data does not provide time series that allow comparison. Geographically, earnings are measured in terms of where people live and where people work; and both have weaknesses in terms of reporting.

Yet, of all of the economic measures, individual income and personal wealth perhaps have the most impact on economic well-being. In order to understand patterns of income and wealth, this report provides the best available data, but recognises that there are substantial weaknesses that provide a platform for further research.

Annual income figures, perhaps unsurprisingly, show a significant difference between the UK and Liverpool City Region averages (Figure 10). Over the past three years, UK average earnings have risen sharply, and this is not reflected in the Liverpool City Region.

**Figure 10. Comparison of median income UK / LCR**

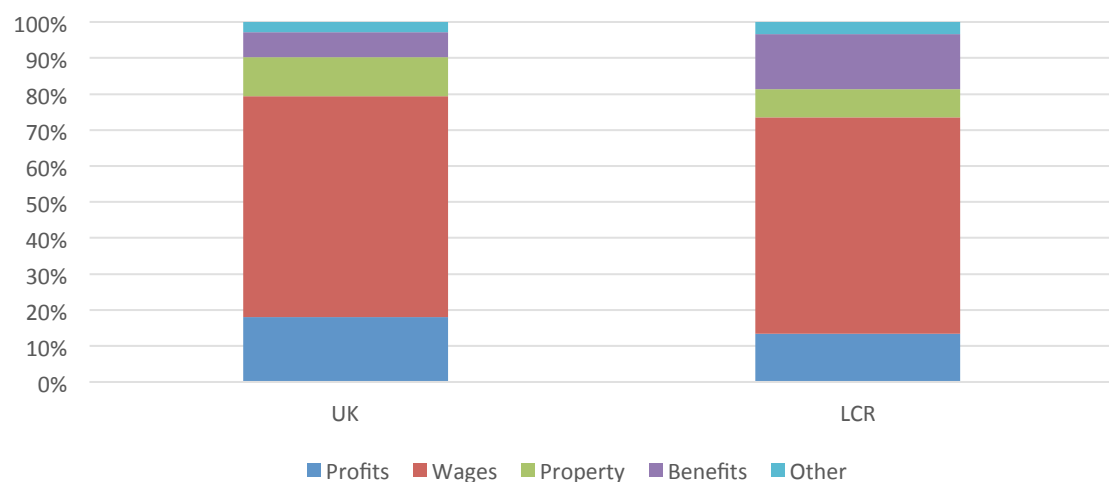


Note: Annual Survey of Hours and Earnings (ASHE)

A different measure of annual income (CACI paycheck data, sourced from Liverpool City Council) shows household income in the Liverpool City Region is £32,366 compared to the UK average of £35,992. Using data from the regional accounts we can see distinct differences in where household income comes from (Figure 11).

The notable differences are the relatively high percentages of property and dividend related income in the UK, and conversely, the higher proportion of benefit related income in the Liverpool City Region.

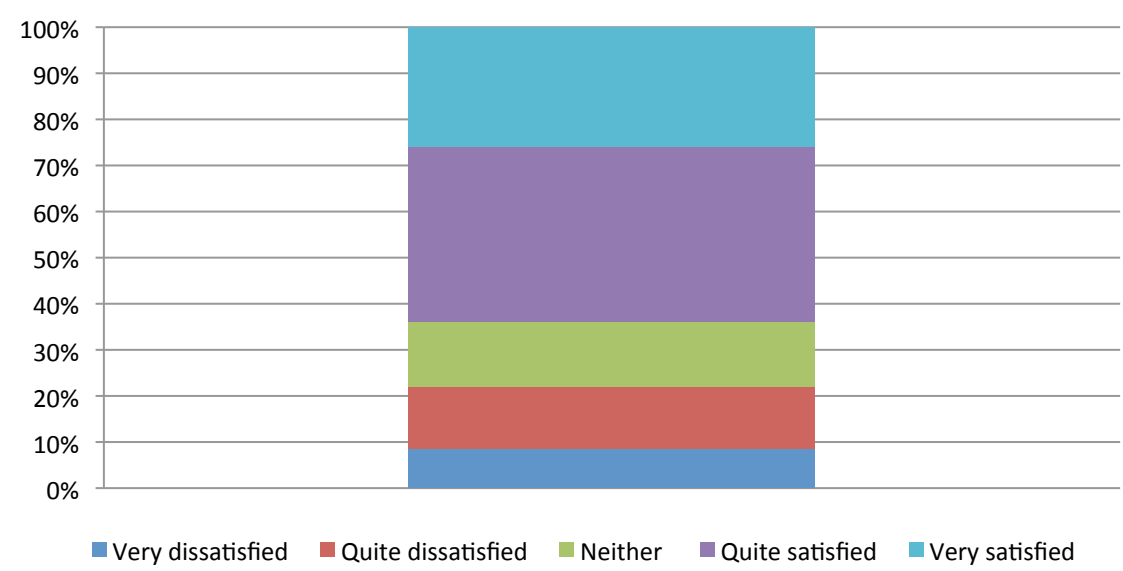
**Figure 11: Sources of Gross Domestic Household Income**



Note: ONS Regional Accounts

Because of the weaknesses in national data related to income and wealth, we used an additional household survey to assess people’s personal views on income. The results need further analysis, but suggest that whilst overall wealth and income are relatively much lower than in other parts of the UK, there seems to be positive attitudes regarding individuals’ own personal finances. 64% of people reported themselves to be positively satisfied with their income at this point in time (Figure 11).

**Figure 12: Satisfaction with earnings**



Note: Liverpool City Region Well-being Survey results

The survey also asked people about changes in their personal financial situation. 40% of people said that their financial situation had worsened over the past 3 years, with 49% saying that they expected their situation to improve over the coming 3years. This is a ‘point-in-time’ survey, but it does suggest that people’s perceptions reflect the current media messages that the worst of the recession is past. 18% of people were not sure about the future, indicating a fairly high degree of uncertainty.

Our survey also tried to quantify personal financial situation. 47% of people estimated their combined household income to be less than £30,000. 19% said less than £20,000 and a further 16% said under £10,000. 60% of respondents said they had no personal debt (excluding mortgages), with 2% estimating their personal debt as above £20,000. In comparison to national figures, people appear to be unrealistic about their debt situation, but income levels seem to be consistent with low income patterns in government data.



## LIFE SATISFACTION

In this section of the report, we utilise both national and our own survey data to provide an opinion based snapshot of where residents view their quality of life, in line with the measures used by the National Well-being Programme. Throughout this section, we disaggregate survey findings by local authority district to establish whether any common patterns or variances occur.

**Table 4. Life satisfaction**

	Time period	UK	Time period	Liverpool City Region	
Medium/high rating of satisfaction with their lives overall	2013	77.0%	2013	73.9%	*
Medium/high rating of how worthwhile the things they do are	2013	80.7%	2013	78.3%	*
Rated their happiness yesterday as medium/high	2013	71.6%	2013	66.3%	*
Rated their anxiety yesterday as medium/low	2013	61.5%	2013	56.1%	*
Average rating of satisfaction with family life	2011	8.2	2014	8.64	*
Average rating of satisfaction with social life	2011	7.0	2014	7.6	*
Has a spouse, family member or friend to rely on if they have a serious problem	2011	87.0%	2014	95.0%	*
Somewhat, mostly or completely satisfied with their job	2012	77.3%	2014	48.0%	*
Somewhat, mostly or completely satisfied with their amount of leisure time	2012	58.8%	2014	70.0%	*
Fairly/very satisfied with their accommodation	2012	91.2%	2014	86.0%	*
Somewhat, mostly or completely satisfied with the income of their household	2012	52.9%	2014	64.0%	*

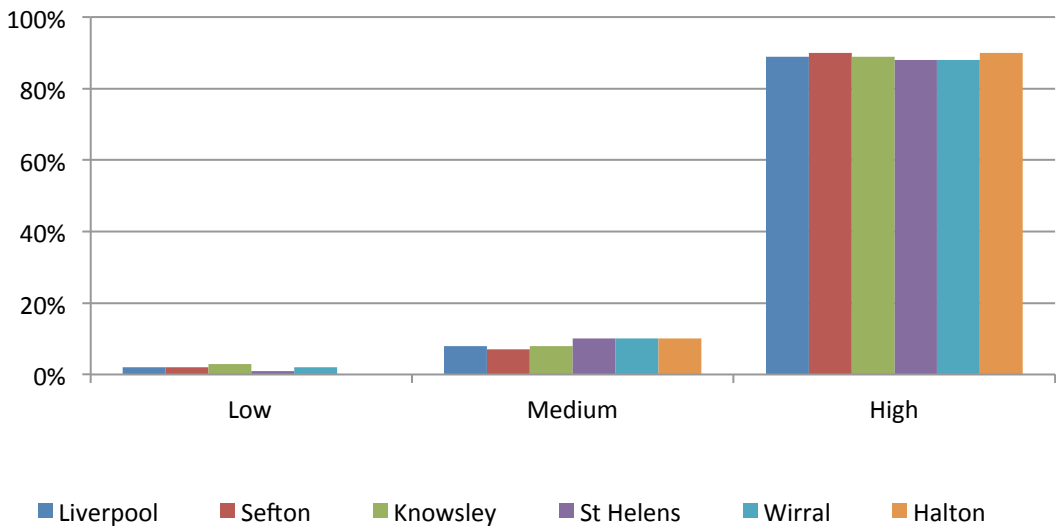
Note: Data from the National Well-Being Survey and from Liverpool City Region Well-Being Survey

In general terms, the results for Liverpool City Region life satisfaction are comparable to the broader UK findings. Liverpool scores a small amount lower on general measures such as overall life satisfaction, worth of personal actions, measures of happiness and anxiety, and satisfaction with accommodation. Notably, the City Region registers as slightly better on measures of satisfaction with family life and social life, and having someone to rely on.

There are more significant differences in satisfaction with leisure time and satisfaction with household income. Liverpool scores much higher than the UK in these two areas. While this may be a quite positive sign for the City Region, these results are more likely a result of the over-representation in the sample of people who are either out of work or not the primary earner in their household.

According to data reported in Figures 13 high rates of family life satisfaction are perceived in all the different local authorities. Our results suggest that the differences in family life satisfaction between local authorities are insubstantial.

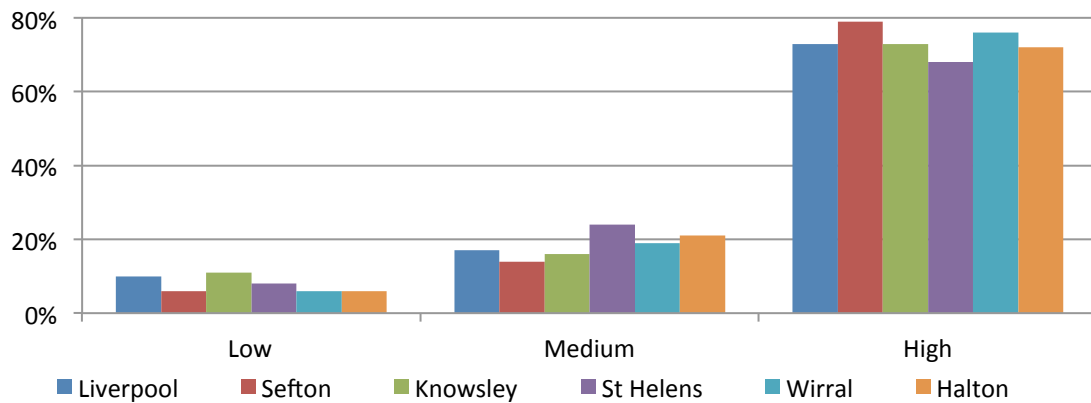
**Figure 13. Family life satisfaction in Liverpool City Region**



Note: Data collected from sample - Using a scale from 1 to 10 - where 1 means you "are very dissatisfied" and 10 means you are "very satisfied" - how satisfied are you with your family life? – "Low" includes ratings from 1 to 3; "Medium" includes ratings from 4 to 6; "High" includes ratings from 7 to 10.

According to data reported in Figure 14, and similar to the previous graph, a high rate of social life satisfaction is perceived in all the different local authorities. Sefton and Wirral reported the highest percentage of people highly satisfied with their social life. The highest percentage of people with low social life satisfaction results are located in Knowsley and Liverpool.

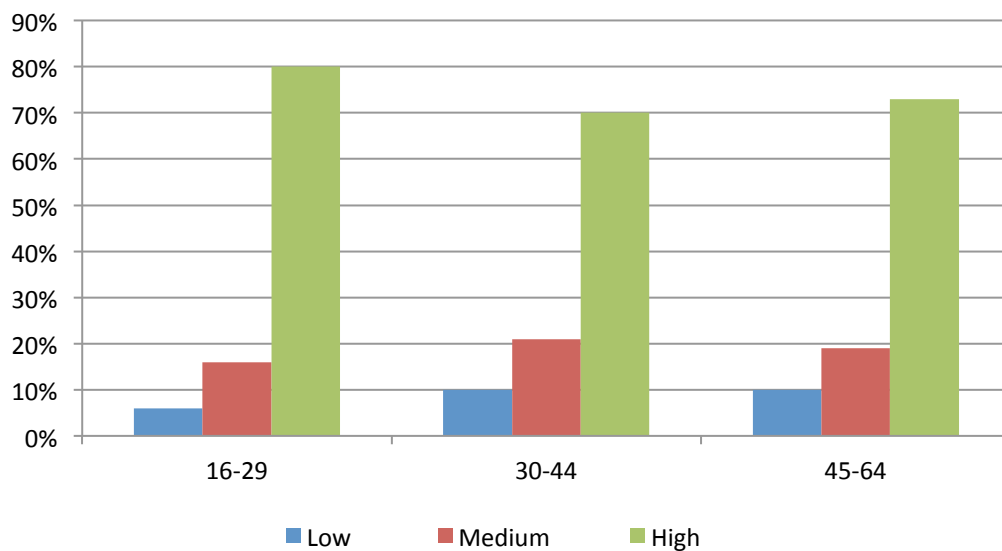
**Figure 14. Social life satisfaction in the different Liverpool City Region**



Note: Data collected from sample - Using a scale from 1 to 10 - where 1 means you "are very dissatisfied" and 10 means you are "very satisfied" - how satisfied are you with your social life? – "Low" includes ratings from 1 to 3; "Medium" includes ratings from 4 to 6; "High" includes ratings from 7 to 10.

When analysing data disaggregated by age groups, the largest number of people reporting a high social life satisfaction is between 16 and 29 year old, followed by people between 45 and 64 year old. The highest rate of people reporting a medium social life satisfaction is aged between 30 and 44 (Figure 15).

**Figure 15. Social life satisfaction disaggregated by age groups**

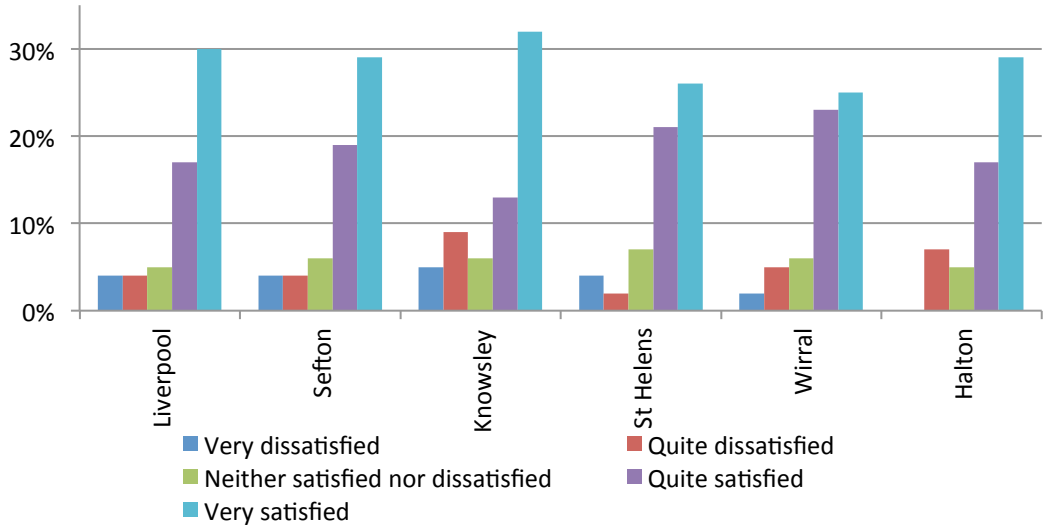


Note: Data collected from sample - Using a scale from 1 to 10. "Low" includes ratings from 1 to 3; "Medium" includes ratings from 4 to 6; "High" includes ratings from 7 to 10.

According to data reported in Figure 16 most people reporting a very high job satisfaction rate are located in Knowsley and Liverpool, followed by Halton and Sefton. Wirral and St. Helens reported the lowest averages of job satisfaction. The largest numbers of people reporting a very high job satisfaction are those between the ages of 16 and 44 (figure 17).

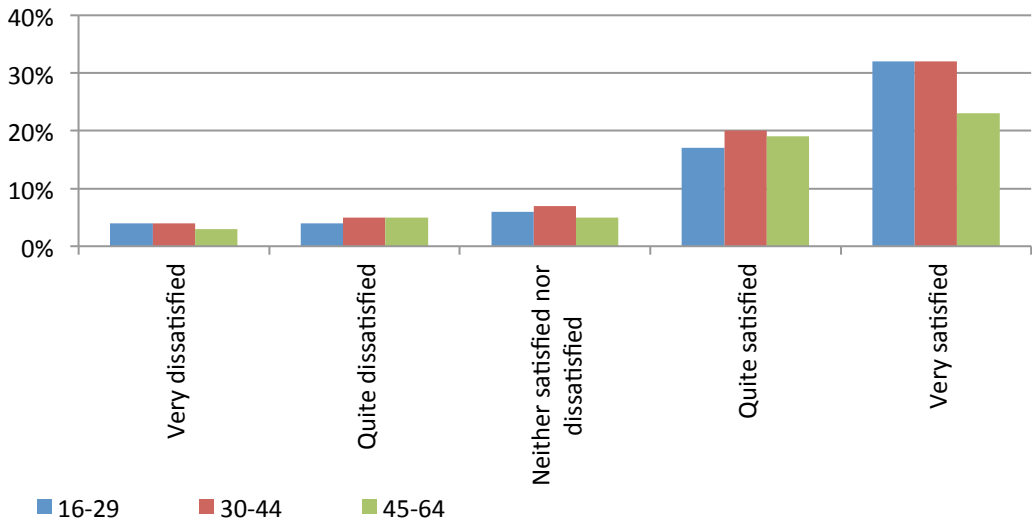
In general, the highest age group, people aged 45 to 64, appears to have lower levels of job satisfaction.

**Figure 16. Job satisfaction in the different Liverpool City Region**



Note: Data collected from sample

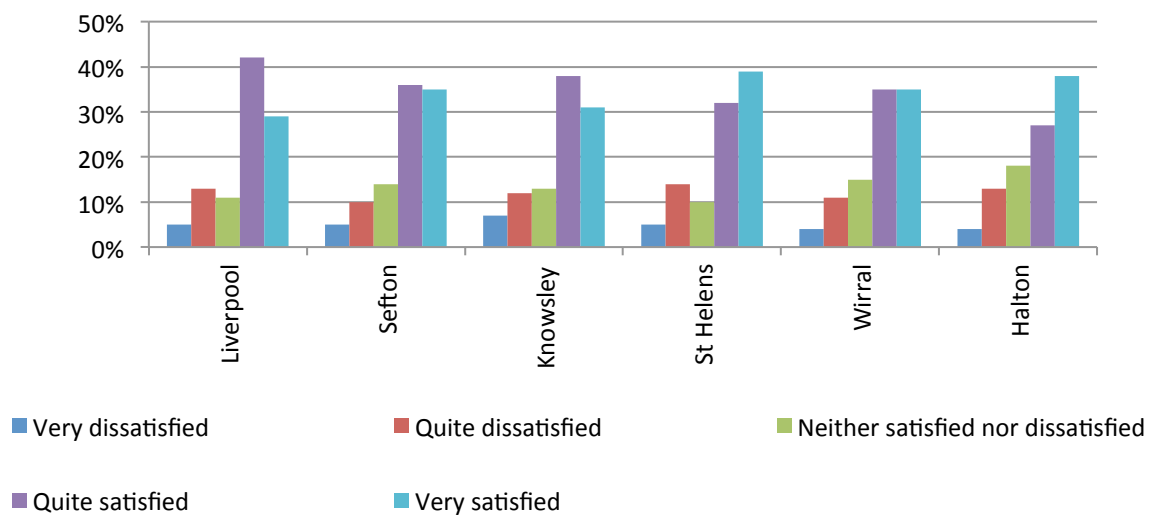
**Figure 17. Job satisfaction disaggregated by age groups**



Note: Data collected from sample

According to data reported in Figure 18 the largest number of people reporting a very high satisfaction rate of leisure time can be found in St. Helen and Halton. People living in Liverpool were found to have a bit lower satisfaction with their leisure time although the overall numbers for each local authority were high.

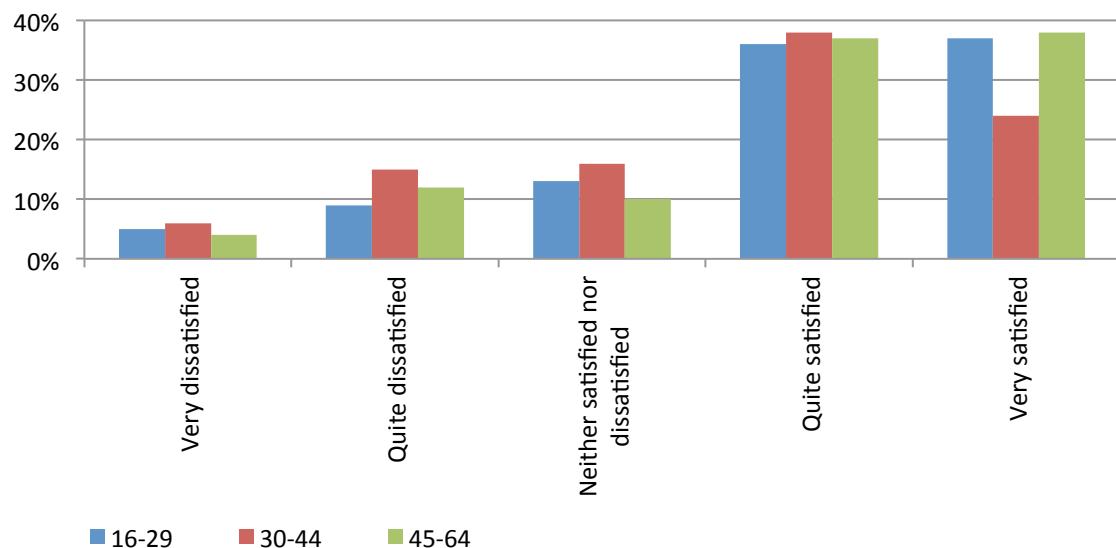
**Figure 18. Satisfaction with leisure time in Liverpool City Region**



Note: Data collected from sample

As the Figure 19 suggests, the youngest and oldest age groups, on average, had the most satisfaction with their leisure time. Those people 30 to 44 years of age reported lower overall satisfaction with leisure time. This result is probably driven by the stresses common to that age group such as raising a family and home ownership and the lack of leisure time that often results.

**Figure 19. Job satisfaction disaggregated by age groups**

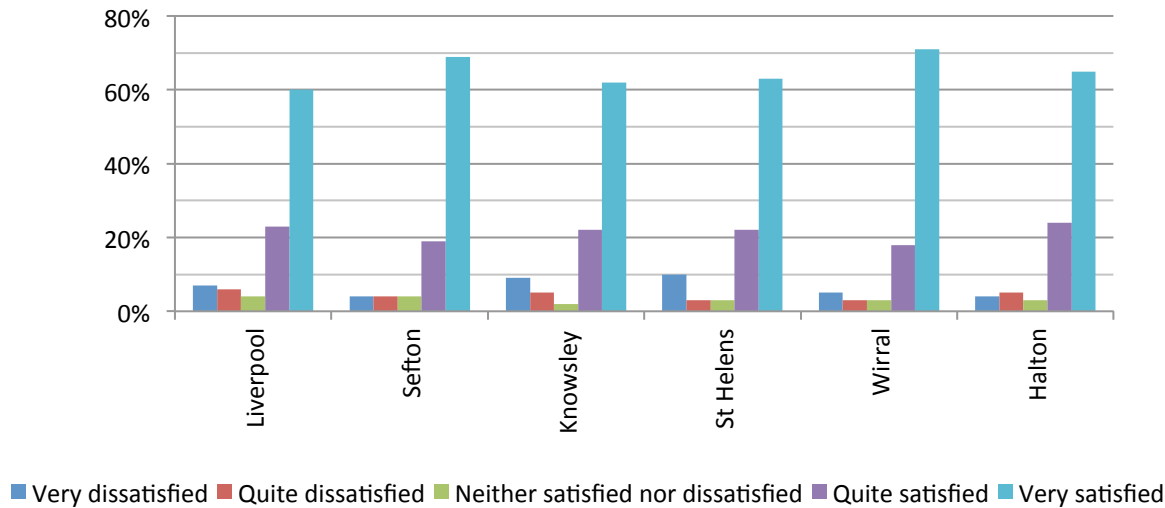


Note: Data collected from sample

On average, people living in Sefton, Wirral, and Halton were more satisfied with their accommodation than people living in Liverpool, Knowsley, and St. Helens (figure 20). Sefton and Wirral reported the highest number of people who were very satisfied with

their accommodation. While there were differences between the local authorities, starker distinctions could probably be made by examining smaller subsections of the local authorities.

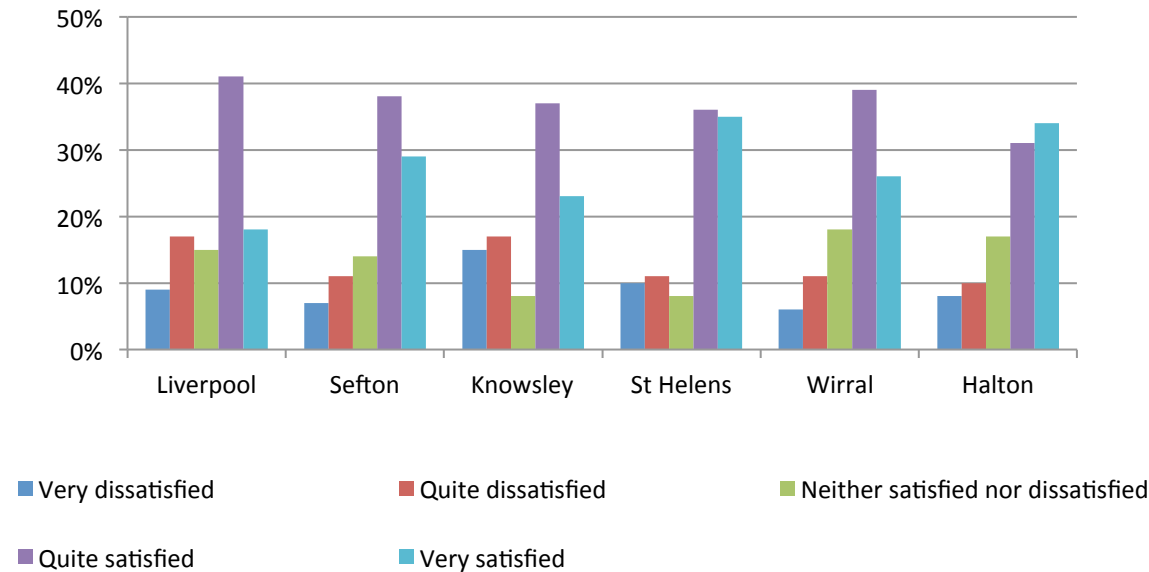
**Figure 20. Satisfaction with accommodation in Liverpool City Region**



Note: Data collected from sample

On average, people living in Liverpool and Knowsley reported lower levels of household income satisfaction than people in the other local authorities. These two areas had the highest numbers of people who reported that they were dissatisfied regarding income. Respondents in Sefton and St. Helens reported the highest percentages of people highly satisfied with their household income (Figure 21).

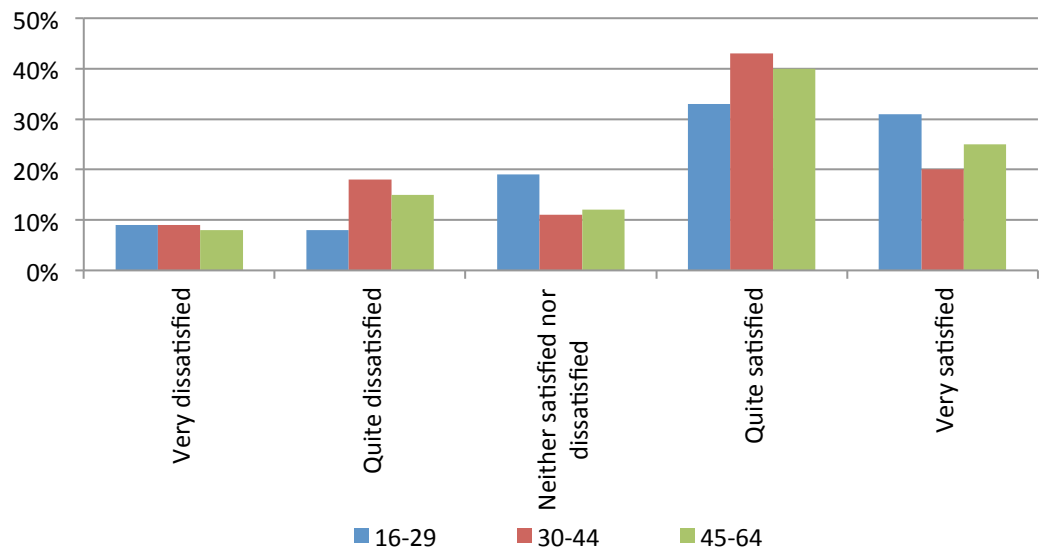
**Figure 21. Satisfaction with income in Liverpool City Region**



Note: Data collected from sample

Similar to satisfaction with leisure time (Figure 22), the highest and lowest age groups showed more satisfaction with household income than those aged 30 to 44. Again, this may have to do with the stresses associated with that age range.

Figure 22. Satisfaction with income disaggregated by age groups



Note: Data collected from sample



## HEALTH

This report adopts a cautious approach to the analysis of health data. There has been much debate over the past five to ten years about the causes and determinants of health, and successive NHS led needs assessments of the Liverpool City Region do a comprehensive job of mapping the City Region's position. Here we mix a limited amount of national health data with benefit data and our own survey to take a snapshot.

**Table 5. Health**

	Time period	UK	Time period	Liverpool City Region	
Healthy Life Expectancy	2011	63.2(m)/64.2(f)	2011	57.9(m)/60.8(f)	*
Long term health problem or disability	2011	17.90%	2011	22.68%	*
Reported a long term illness or disability benefit.	2013	8.2%	2013	11.5%	*
Somewhat, mostly or completely satisfied with their health	2012	58.6%	2014	77.0%	*
Reporting slight, moderate severe or extreme depression or anxiety	2013	31.0%	2013	36.0%	*

Note: Data from National Well-Being Survey, from the Liverpool City Region Well-Being Survey and from NHS GP Patient Survey; Male: m; Female: f

What is clear from needs assessments is the Liverpool City Region ranks poorly in UK terms when it comes to most health measures. Direct indicators such as cancer rates, alcohol related illness, and mental health diagnosis are much higher than the UK averages. Indirect measures, such as benefit related data (incapacity benefits, employment support allowance or disability living allowance) are again significantly higher. The Liverpool Health Commission report, published in 2014, drew direct relationships between health and other determinants such as deprivation and demonstrated recent improvements based on innovative practices.

Table 5 highlights some key figures relating to health, in an attempt to be consistent with the overall national well-being project. Healthy Life Expectancy at birth figures shows on average a male resident of the City Region would live a healthy life 5.3 years less than the UK average. Long term health problems were captured by the UK census in 2011, overcoming some of the methodological issues in benefit related data, and show that 22.68% of the Liverpool City Region population report a long term health problem or disability, compared to 17.9% in the UK overall. Unsurprisingly, welfare benefit figures relating to long-term incapacity or disability are also over 3% higher in the City Region.

Most recently, the GP patient survey provides insights into how people rate their own health. This report uses this information as the best available assessment of mental well-being (other data used by the national well-being survey cannot be replicated locally). This shows that 36% of the Liverpool City Region population have report a level of anxiety or depression.

What is perhaps more surprising is overall satisfaction with health, reported by our household survey (Figure 23). 77% of respondents declared themselves as quite or very satisfied with their health. Whilst not directly comparable, the percentage is significantly higher than the UK average. Younger people generally reported a higher level of health satisfaction

**Figure 23. Satisfaction with health in Liverpool City Region**



Note: Data collected from sample

## WHAT WE DO

This section of the report focusses on our activities and education. Here we are able to be largely consistent with the UK data, as only local volunteering rates require a separate assessment.

**Table 6. What we do data**

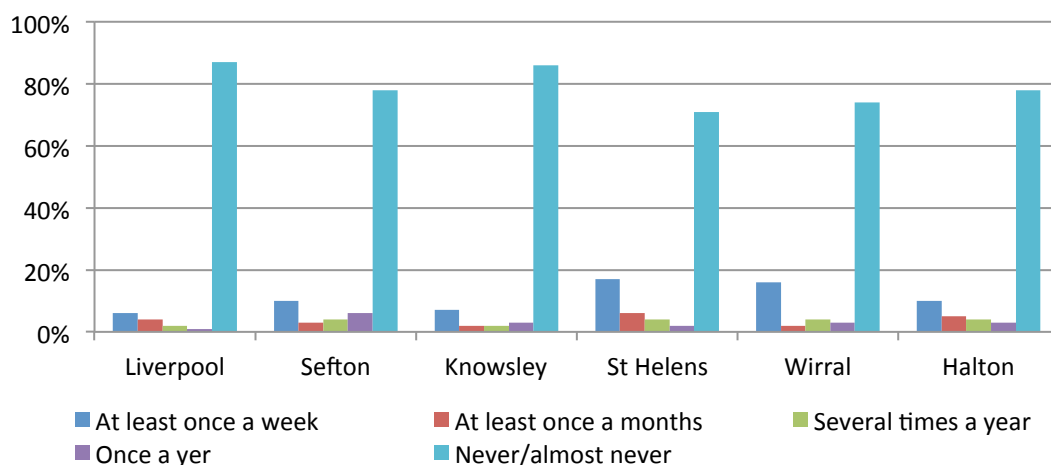
	Time period	UK	Time period	Liverpool city region	
Volunteered more than once in the last 12 months	2011	16.7%	2014	18.0%	*
Adult participation in 30 mins of moderate intensity sport, once per week.	2012	36.0%	2012	35.8%	*
Accessed natural environment at least once a week in the last 12 months	2013	55.0%	2013	48.0%	*
Five or more GCSEs A* to C including English and Maths	2012	59.4%	2012	55.95%	*
UK residents aged 16 to 64 with no qualification	2012	9.7%	2012	13.0%	*

Note: Data from National Well-Being Survey, from the Liverpool City Region Well-Being Survey and from National Statistics

According to data collected in 2014 by the Liverpool City Region Well-Being Survey around 18% of the sample population volunteered more than once in the last 12 months. In 2010/2011 the national average was around 16.7%.

When considering the data disaggregated by local authorities (Figure 24) St. Helens and Wirral are the areas with the highest population rate volunteering at least once a week. Conversely, in the Liverpool and Knowsley areas more than 80% of the sample population never or almost never volunteer.

**Figure 24. Voluntary work participation rate the Liverpool City Region**



Note: Data collected from sample

In terms of sport participation, the Liverpool City Region has a slightly lower rate of people participating in 30 minutes of moderate intensity sport than the national average (35.8% and 36% respectively in 2012).

Based on the data collected in 2012/2013 by the National Well-Being Survey, around 55% of UK population accessed the natural environment at least once a week in the last 12 months. The Liverpool City Region account for 48% highlighting that a lower number of people regularly spent time in the natural environment.

In terms of education, the Liverpool City Region has shown significant improvement over the past ten years. In 2005 the City Region was nearly 9% less than the England average, but by 2010 this had closed to two percentage points, widening slightly in the past two years. According to data collected in 2012, 55.95% of the population has five or more GCSEs A\* to C (including English and Maths).

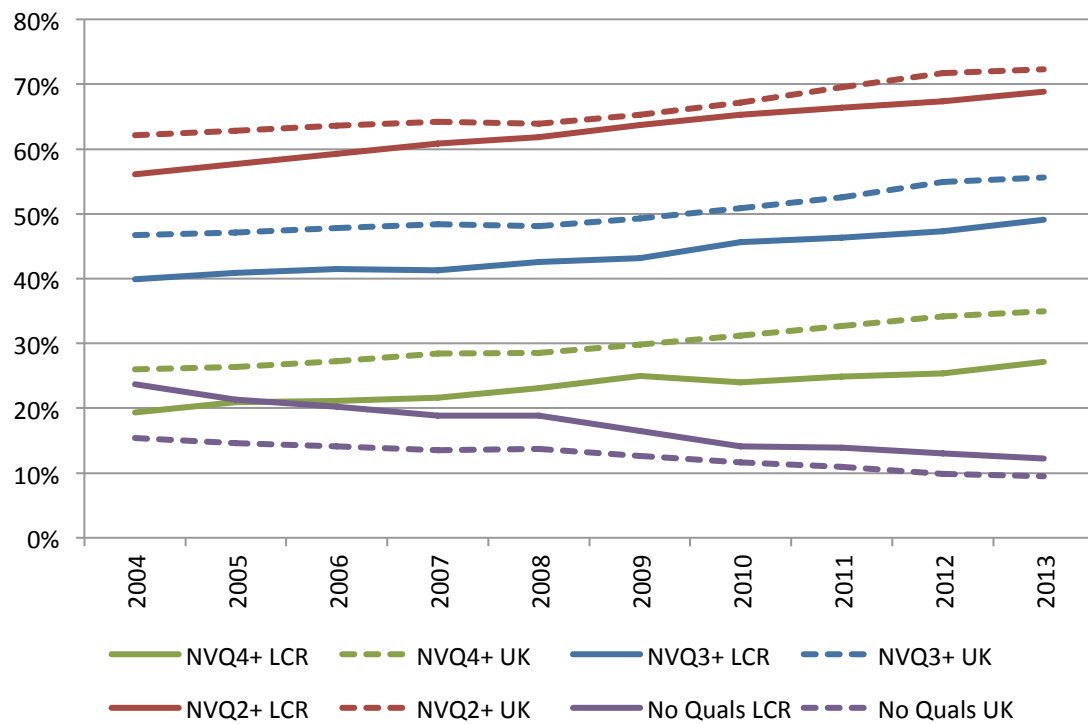
**Figure 25: 5 GCSE A\*-C grades**



Note: Data from National Statistics

In terms of qualifications, the City Region is still some way behind the national average. The number of people aged 16 to 64 with no qualification is more than 3% higher than the national number, accounting for 13% and 9.7% respectively in 2012. Figure 26 shows the gaps between national and Liverpool City Region qualifications levels.

Figure 26: Qualification levels in Liverpool City Region compared to UK



Note: Data from National Statistics

## WHERE WE LIVE

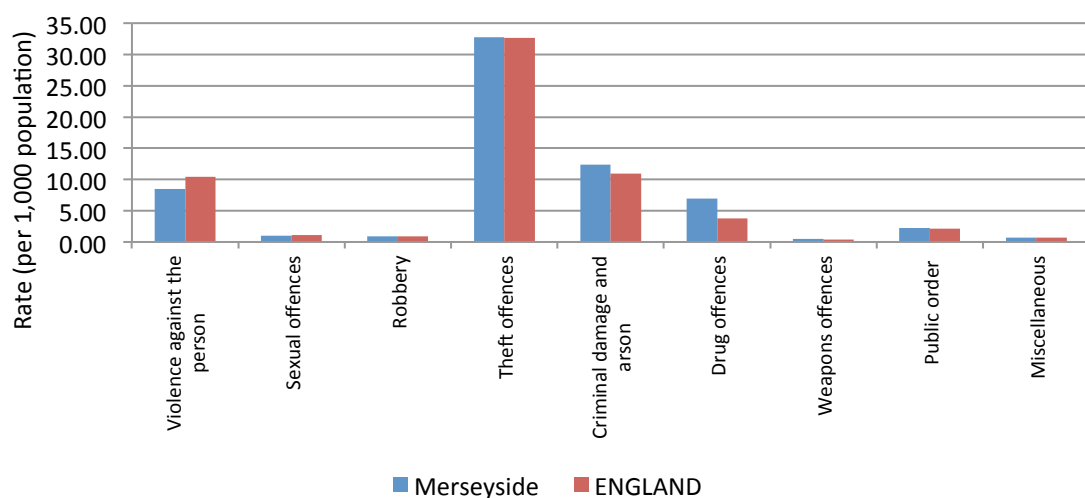
This section of the report focusses on our neighbourhoods and environment. It uses a mixed indicator set, including perceptions of belonging taken from our own household survey.

**Table 7. Where we live data**

	Time period	UK	Time period	Liverpool City Region	
Total Crime Rate (per 1,000 adults)	2012	62.14%	2012	65.84%	*
Felt fairly/very safe walking alone after dark (men/women)	2012	84.8%(m)/56.8%(f)	2012	81%(m)/54%(f)	*
Agreed/agreed strongly they felt they belonged to their neighbourhood	2012	62.9%	2014	78.0%	*
Voter turnout (at UK General Elections)	2010	61.1%	2010	60.7%	*
CO2 emissions per capita (tonnes)	2011	6.9	2011	7.3	*
Household waste that is recycled	2012	42.8%	2012	37.1%	*

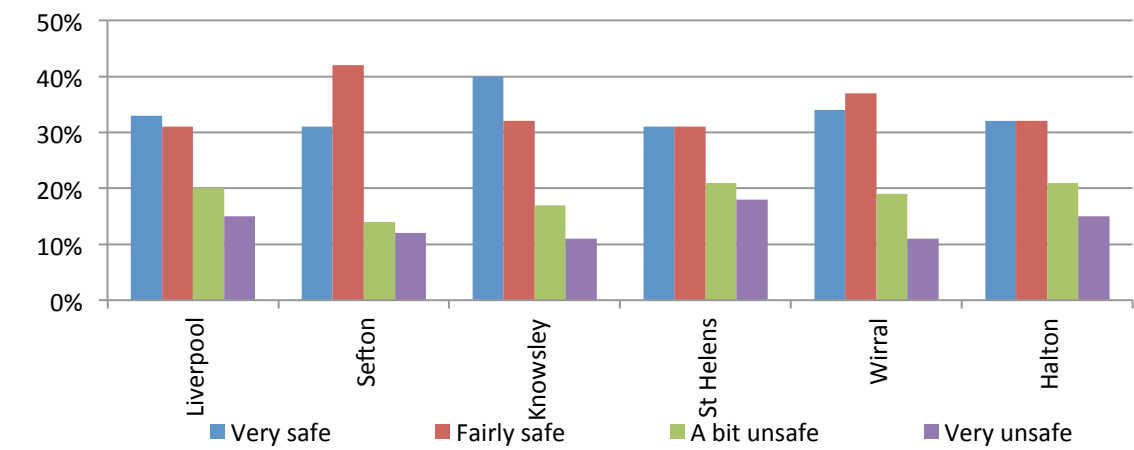
According to data collected in 2012 the total crime rate per 1,000 adults is higher in the Liverpool City Region than in UK (65.84% and 62.14% respectively). Liverpool City Region has a lower rate of crimes against the person. Figure 27 shows categories of statistics compared to the national average

**Figure 27: Crime rates Liverpool City Region vs England**



However, the people living in the Liverpool City Region reported a higher rate of felt security walking alone after dark. The data reported in Figure 28 show that Knowsley and Wirral are the areas with higher percentages of people (more than 34%) feeling a very high security rate. Conversely, St.Helens, Halton and Liverpool are the city regions with the highest rate of people feeling very unsafe walking alone after dark (more than 15%).

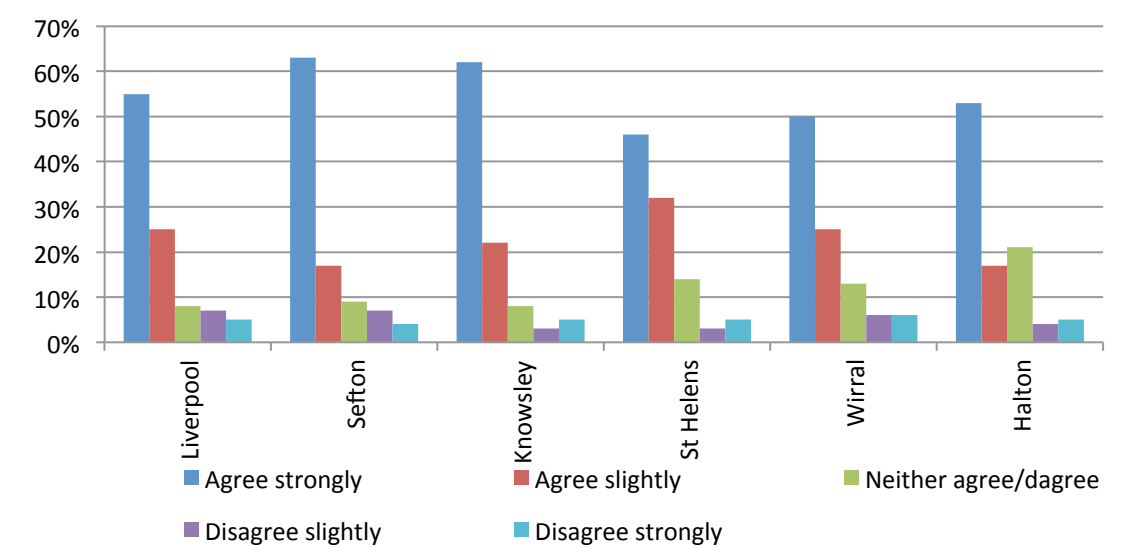
**Figure 28. Safety in Liverpool City Region**



Note: How safe do you feel walking alone after dark? – Data from Liverpool City Region Well-Being Survey

In terms of neighbourhood relationships, Liverpool City Region has a high rate of people who strongly feel they belong to their neighbourhood (78% in the Liverpool City Region compared to 62.9% in UK). Sefton, Knowsley and Liverpool are the local authorities where the largest percentage of people have a strong sense of neighbourhood relationships. St. Helens, Wirral, and Halton scored lower regarding relationships.

**Figure 29. Neighbourhood relationships in Liverpool City Region**

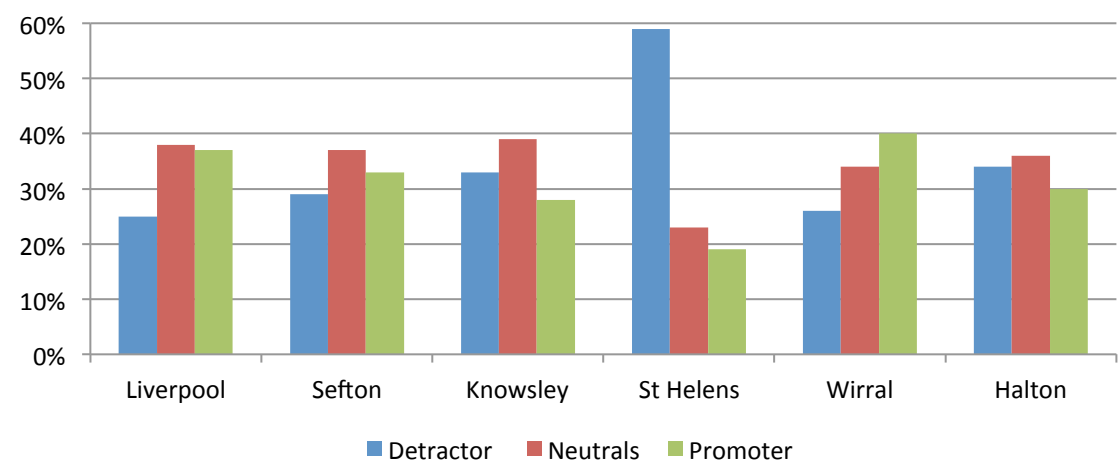


Note: To what extent do you agree on disagree with the following statement: “I feel like I belong in this neighbourhood” – Data from Liverpool City Region Well-Being Survey



In a similar way, St Helens is the area where the highest number of people (almost 60% of the sample) would not recommend their local authority to family and friends. On the opposite side, Wirral had the largest percentage of people who would recommend their local authority as a place to live (Figure 30).

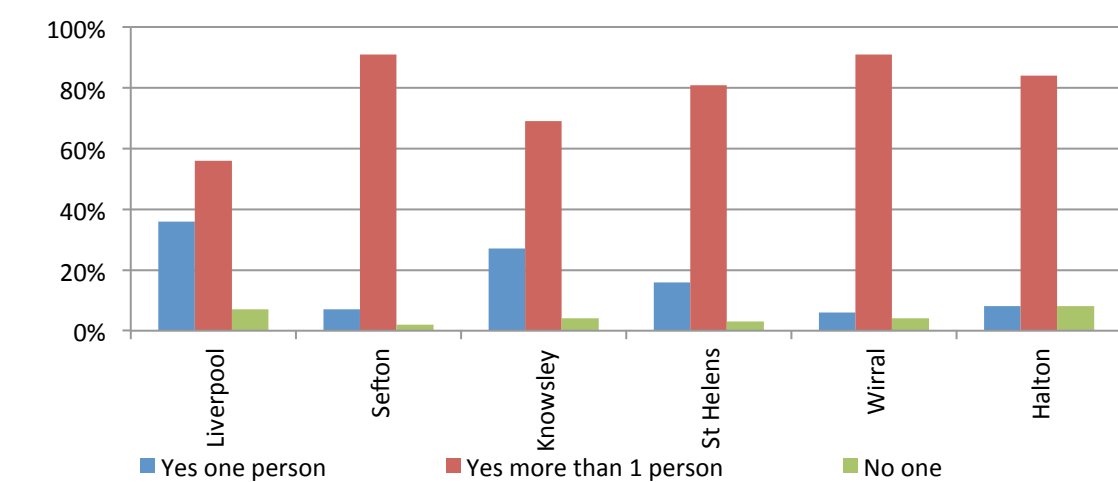
**Figure 30. Would you recommend your local authority? Liverpool City Region**



Note: On a scale of 0 to 10 – where 0 is “not at all likely” and 10 is “extremely likely” – how likely are you to recommend your local authority to family and friends as a place to live? – Data from Liverpool City Region Well-Being Survey

When analysing the data related to social and family relationships, Sefton has the largest percentage of people who have more than 1 person able to help in case of crisis. In general terms, more than 70% of the people living in the different local authorities agreed with this statement, with the exception of Liverpool where less than 60% of the people reported having more than 1 person able to help and where almost 40% declared to have only 1 person to help in case of crisis (Figure 31).

**Figure 31. Help in case of crisis in Liverpool City Region**



Note: Is there anyone who you can really count on to help you out in a crisis? – Data from Liverpool City Region Well-Being Survey

From an environmental perspective, Liverpool City Region is performing at a rate that is lower than the national average. In terms of carbon dioxide emissions, the Liverpool areas are emitting around 0.4 more tons per capita more than the UK average (7.3 and 6.9, respectively). In a similar way, the recycling rate is lower than the national average (37.1% and 42.8%).

## CONCLUSIONS AND FURTHER RESEARCH

This report marks the start of a journey for the Socio-Economic Research Centre (SERCH) at Liverpool Hope University. Our intention was to make a positive contribution to the development of the Liverpool City Region.

For the first time, the report draws together and presents data across a number of issues, providing a snapshot of wellbeing. This was intended as a framework for further discussion about the strategies and policies that affect the lives of people living, working and investing in the Liverpool City Region.

### The story so far

Whilst the report provides a useful baseline perspective, one of the main conclusive reflections is in the scale of the challenge ahead. The lack of reliable, good quality data on which to compare the Liverpool City Region to the UK (and we assume other sub-national areas) made mirroring the national wellbeing study almost impossible.

The economic analysis in this report therefore follows much that has gone before; the Liverpool City Region continues to grow strongly, but significant gaps still remain. These gaps are perpetual and will not change quickly. What is more difficult to establish is the impact that these gaps have on people's lives.

There is a lack of strong and reliable data relating to household income and wealth accumulation. This is a significant gap which makes it currently impossible to examine the impact that economic growth or the recent recession have had on individual financial well-being. This data is important too for local economies, on the premise that income drives spending within local areas or for local small business.

Despite the City Region setting challenging targets for job growth, overall job numbers continue to decline. Growth therefore appears to be driven by output gains. In periods where job numbers have increased, these appear to be in part-time jobs or in self-employment – strongly suggesting that personal and household income is being suppressed.

Individual perceptions of economic well-being were surprisingly upbeat, perhaps mirroring the media presentation of messages relating to the national economy.

Across our household survey there is an underlying positive perception, which runs counter to official data relating to well-being. This is especially true in the health and economic domains, where rates in the Liverpool City Region rank low in UK terms. This perception gap is important, and warrants further investigation; it can be seen as a positive factor pointing to resilience and personal pride, or a negative indicator of a potential lack of knowledge. Or it may be methodologically driven.

## Future work programme

A legacy of this report is the new data that it has produced. This report has merely scratched the surface of a new household survey, providing the views and self-assessment of residents is available, and in the coming months, SERCH will be using this data to analyse and comment further on the wellbeing of the Liverpool City Region.

Perhaps the most useful contribution, aside from the findings above, is to reflect on the limitations of the current data, which we will use to shape and inform the SERCH research programme over the next two years.

Our priorities, in terms of evidence based gaps from the wellbeing perspectives would be:

- Establishing a better measurement for household income, personal income, and wealth and assets for the Liverpool City Region.
- Map and monitor economic inequality within the Liverpool City Region, across both income and wealth metrics (national debate – local implications)
- Understand trends in personal finance, including personal debt levels and income from the informal economy.
- Establish a local inflation measure that allows for cost of living assessment and a comparison with wages and income.
- Investigate and report on growth and well-being – exploring the link between economic growth, personal / household prosperity and overall well-being.
- Analyse business start-up and self-employment trends, and improve the measurement of small business numbers. In particular, attempt to understand the income profile for people starting their own businesses.
- Longitudinal work to break down benefit and employment cycles, to understand labour market churn and the quality of new job opportunities.
- Work with Government to access and analyse the national well-being data for the Liverpool City Region, as a pilot for LEP level measurement.

## Joined-up thinking

The objective of SERCH is to make a wider contribution to the development of the Liverpool City Region, through better informed strategies and policies.

Having established a strong baseline position, SERCH will now work collaboratively with local business and public authorities to shape this programme; to develop new professional networks that will help to create better, more independent analysis and more joined up strategy.

We will build on the wellbeing work started in this report to make this cross-disciplinary and public facing.



**In the wake of the financial crisis there is an increasing national debate about the desirability, sustainability, and equality of economic growth. What is the nature of growth? Who benefits? Can it be sustained? How it is best measured?**

National policies, and in particular austerity measures, are subject to intense scrutiny particularly about rising inequality and regional disparity. Yet recent predictions place the UK well on the road to recovery, returning to pre-recession output levels.

Local economic strategy has focussed on productivity and competitiveness, and the Local Enterprise Partnership has recently published its new Growth Strategy to this end. Behind the strategy lies a range of investment priorities and messages – that the Liverpool City Region is confident and growing, a competitive place to invest and to do business. But the economic evidence behind the strategy has not changed significantly – the City Region still struggles on a number of key economic measures, and still contains some of the most deprived areas of the UK.

In 2012 the UK Government published its first report on measuring national well-being, incorporating a range of social, environmental, and economic performance measures. SERCH's first research programme will mirror the national well-being study, specifically for the Liverpool City Region. We have commissioned a new household survey of 1,555 households to test overall life satisfaction, prosperity, and happiness. We also draw together a set of national and regional data, to present a snapshot of where the Liverpool City Region economy is and how it compares to the national picture.

This report takes an alternative look at the Liverpool City Region economy in terms of the impact on people's everyday lives. It starts a discussion about what makes the local Liverpool economy successful.