

Societal wellbeing: US vs EU

A comparison of sustainable and inclusive wellbeing across the Atlantic

2026

HIGHLIGHTS

- ▶ **GDP (or household income) alone is insufficient to measure wellbeing.** Adopting new, distribution- and sustainability-sensitive welfare metrics, fully in line with the provisions of the EU Treaty, could help to shape more inclusive and balanced economic and social policies that also respect planetary boundaries.
- ▶ **A broader look on societal wellbeing can modify the EU-US comparison substantially** and yield very different conclusions on the relative performances over time. From 2010-2023, GDP per capita rose 25% in the United States (vs 17% in the EU). Yet the EU's overall current wellbeing index increased by 9.5 percentage points while the US moved up by only 1.2 points.
- ▶ **In terms of sustainable and inclusive wellbeing, the EU index improved by 4.0 percentage points in 2010-2023, while the US index declined by 0.5**, highlighting the importance of factors like resources for the future, societal resilience, nature, inequalities, and institutional quality.
- ▶ **The resources for the future index, however, is much higher in the US than in the EU**, helped by the higher economic growth of the US.
- ▶ **When GDP is adjusted for health and inequality, the EU comes out ahead:** using an 'equivalent income' metric that incorporates life expectancy and income inequality, the EU surpassed the US by 2022.

GDP does not measure everything

GDP per capita remains the dominant yardstick for comparing competitiveness and social progress across the Atlantic, though the US performed worse than the EU in delivering overall wellbeing to people.

For example, in 2022, the United States had an average income nearly 30% higher than that of the European Union. Yet, Americans lived shorter and less equal lives than Europeans: life expectancy in the EU stood at 80.5 years, while in the US it was just 78.0 years, and the disparity in mortality was far greater in the US.

Moreover, income inequality in the US reached an Atkinson index of 0.36, double that of the EU's 0.18. Using a different measure, the top 20% of the EU income distribution had 5.3 times the income of the bottom 20%; this ratio was 9 in the US.

Competitiveness requires using resources efficiently to deliver sustainable and inclusive wellbeing. Many societal outputs (like domestic production, health, equality, and environmental quality), however, are excluded from standard economic accounts.

When a nation prioritizes these unmeasured elements of societal welfare more than its peers, a purely GDP-based comparison of progress or prosperity becomes misleading.

Since wellbeing is multidimensional, one may present a host of indicator figures for its various ingredients, some of which may favour one, and others may favour the other country in a comparison. An advantage of GDP is that it offers a 'single number' that synthesises (sums up) various parts of the economy. Responding further to the imperative from the 2023 Strategic Foresight Report, this brief presents three approaches that aggregate various ingredients of wellbeing, sustainability, and inclusiveness, and demonstrates

that such a broad assessment can yield very different conclusions than a purely GDP based comparison.

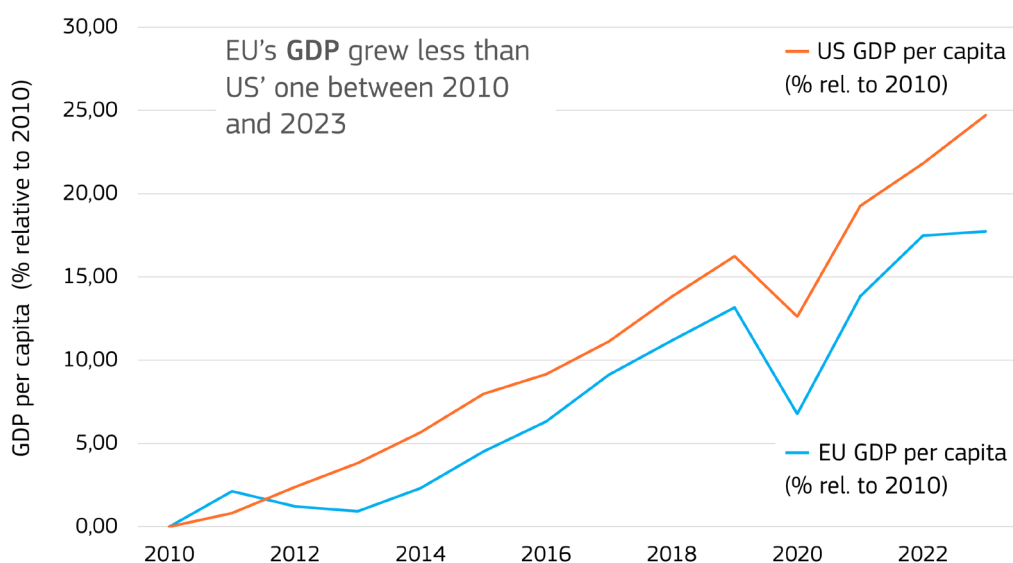
The first uses synthetic summary indices based on a dashboard of 42 indicators (transformed in a way that a higher value always indicates a more favourable situation). The second employs self-reported subjective life satisfaction scores, a summary measure on its own. The third approach is a monetary, adjusted-GDP type measure, reflecting income, life expectancy, and their distribution.

Who holds the aces, US or EU? [1]

In 2010-23, GDP per capita grew 17% in the EU (Figure 1, — blue line). In the US, during the same period, GDP per capita grew 25% (— orange line).

When looking at the evolution of an index [2] based on ten major aspects of 'wellbeing today' of the two entities, the situation looks very different: in the EU, this index has improved by 9.5 percentage points (Figure 2, — blue line), while for the US, it improved only by 1.2 percentage points (— orange line).

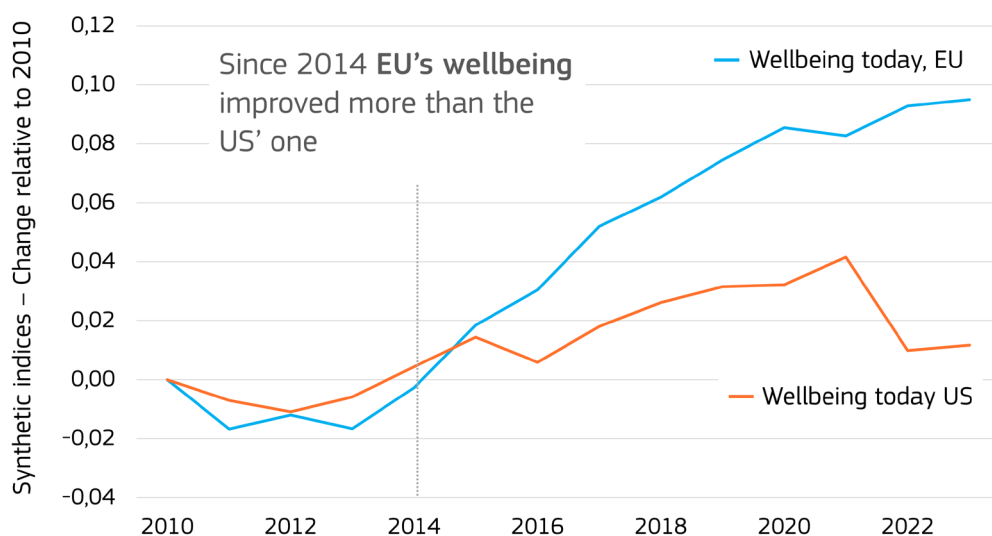
Figure 1 – GDP per capita growth (in 2015 PPP) since 2010, EU and US



Source: JRC compilation of data from the World Bank.

In 2010-23, GDP per capita grew 17% in the EU (Figure 1, — blue line). In the US, during the same period, GDP per capita grew 25% (— orange line).

Figure 2 – Wellbeing today since 2010, EU and US



Source: JRC compilation of data from the OECD, World Bank, UN, ILO, World Happiness Report, Eurostat.

Looking at an index that considers ten major aspects of wellbeing today (beyond household income), in the period of 2010-2023:

- in the EU, wellbeing has improved by 9.5 percentage points.
- In the US, wellbeing only improved by 1.2 percentage points

In the same period, the previously major advantage of the US in subjective life satisfaction measures (0.84 higher in 2010) has also decreased to 0.15 (Figure 3, — blue versus — orange lines).

When broadening the scope of wellbeing from today to include components like resources for the future, resilience, but also nature, inequalities and institutional quality, we get a similar, though less pronounced comparison.

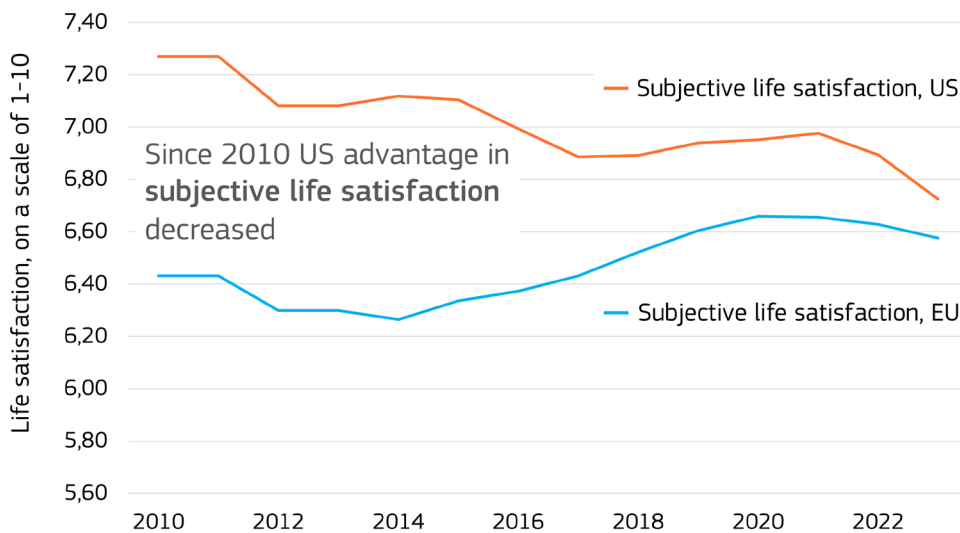
The ‘sustainable and inclusive wellbeing’ (SIWB) aggregate index improved by 4 percentage points

for the EU (Figure 4, — blue line), while it declined by 0.5 percentage points in the US (— orange line).

Therefore, societal developments as measured by GDP alone overestimate the improvement in both short- and long-term wellbeing in the US and underestimate them in the EU.

Looking only at the EU’s situation in the 2019-23 period, wellbeing and the overall SIWB index have increased, despite the pandemic, the energy price hike and the Russian aggression to Ukraine.

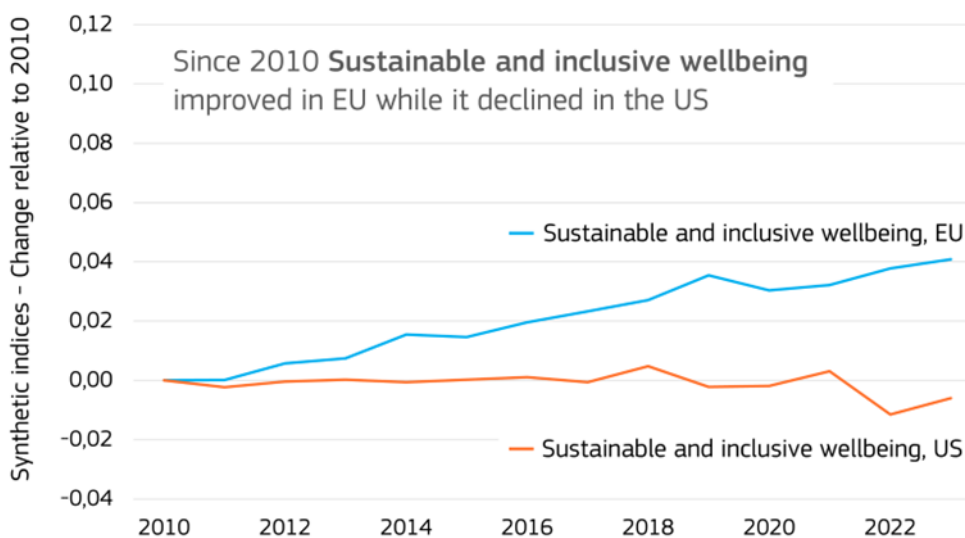
Figure 3 – Subjective life satisfaction since 2010, EU and US



The gap in subjective life satisfaction that previously favoured the US has narrowed from 0.84 in 2010 to 0.15 in 2023.

Source: JRC compilation of data from the World Happiness Report.

Figure 4 – Sustainable and inclusive wellbeing since 2010, EU and US



A broad index of wellbeing (42 indicators, covering also resources for the future, resilience, nature, inequalities and institutions) shows a similar comparison:

- The EU improved by 4 percentage points
- The US declined by 0.5 percentage points.

Source: JRC compilation of data from the OECD, World Bank, UN, ILO, World Happiness Report, AMECO, Eurostat, IMF, Global Material Flows Database, EM-DAT.

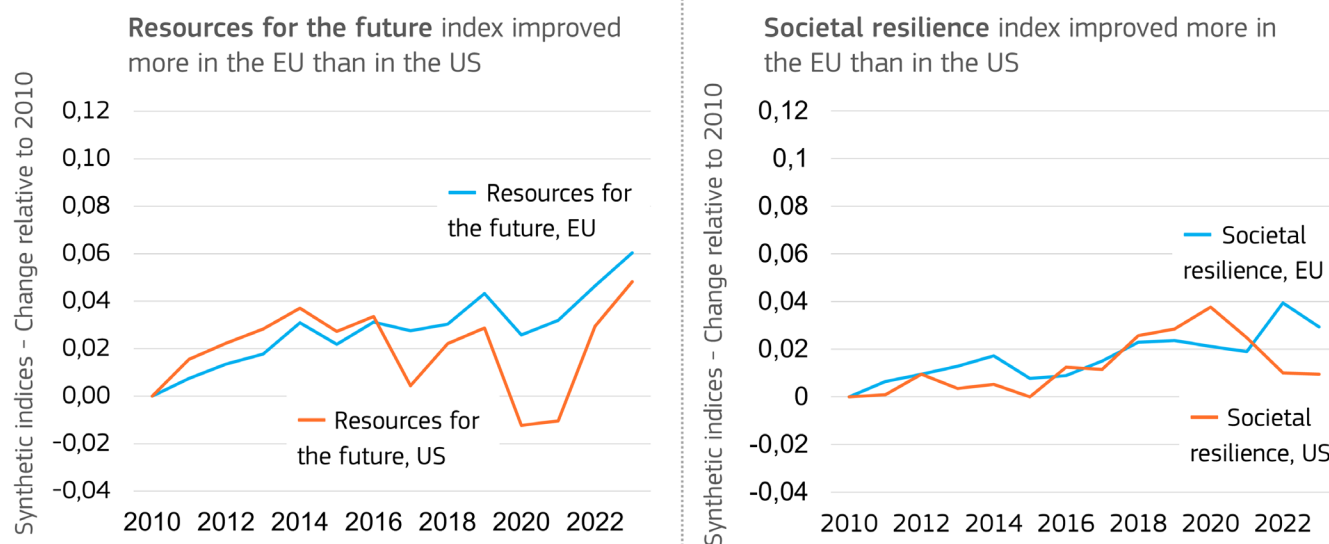
Though the **resources for the future** index has improved more in the EU than in the US (see the **Figure 5**, left panel, — blue for the EU, — orange for the US), this has closed the original gap only marginally: from 12.6 to 11.4 (for the values, see **Figure 8**).

Societal resilience (**Figure 5**, right panel) has been evolving in a fairly parallel fashion, with the EU values starting slightly higher and improving marginally more than the US values (see also **Figure 8**).

From the remaining SIWB components (namely: 'nature', 'inequalities' and 'quality of institutions'): the **EU** (**Figure 6**, — blue lines) recorded a **larger improvement** (and from a higher position) than the US in the

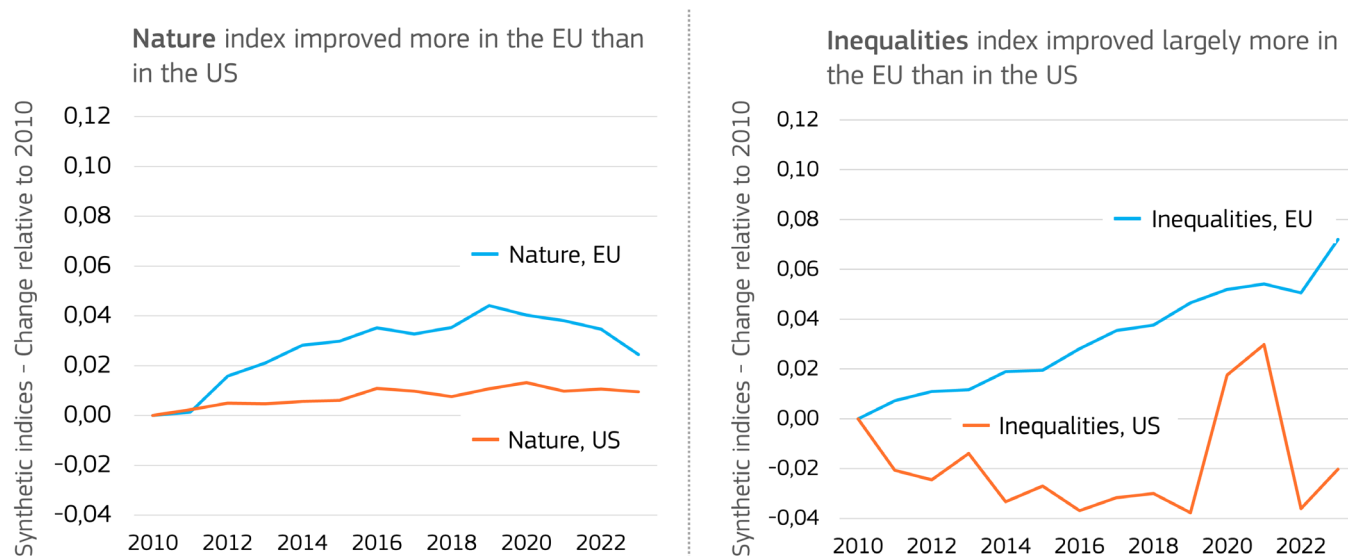
- **nature** component (**Figure 6**, left panel) and also in the
- **inequalities** component (**Figure 6**, right panel) and
- is in a higher position in the '**spillovers**' subcomponent (not shown here).

Figure 5 – Resources for the future and resilience since 2010, EU and US



Source: JRC compilation of data from the OECD, World Bank, UN, ILO, AMECO, Eurostat, IMF, Global Material Flows Database.

Figure 6 – Nature, inequalities since 2010, EU and US

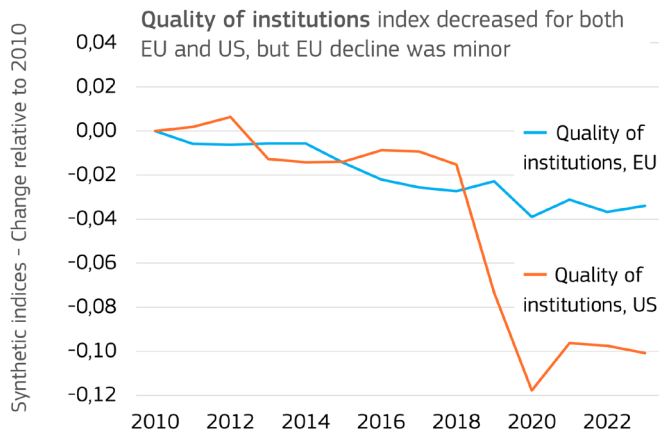


Source: JRC compilation of data from the OECD, World Bank, UN, Eurostat, IMF, Global Material Flows Database, EM-DAT.

The **quality of institutions** (see [Figure 7](#)) decreased for both entities, though the EU decline was a bit smaller, decreasing the advantage of the US in this component (see also [Figure 8-c](#)).

It is worth noting that some of the underlying indicators and components, societal resilience and especially resources for the future need further reinforcements.

Figure 7 – Quality of the institutions since 2010, EU and US



Source: JRC compilation of data from the World Bank.

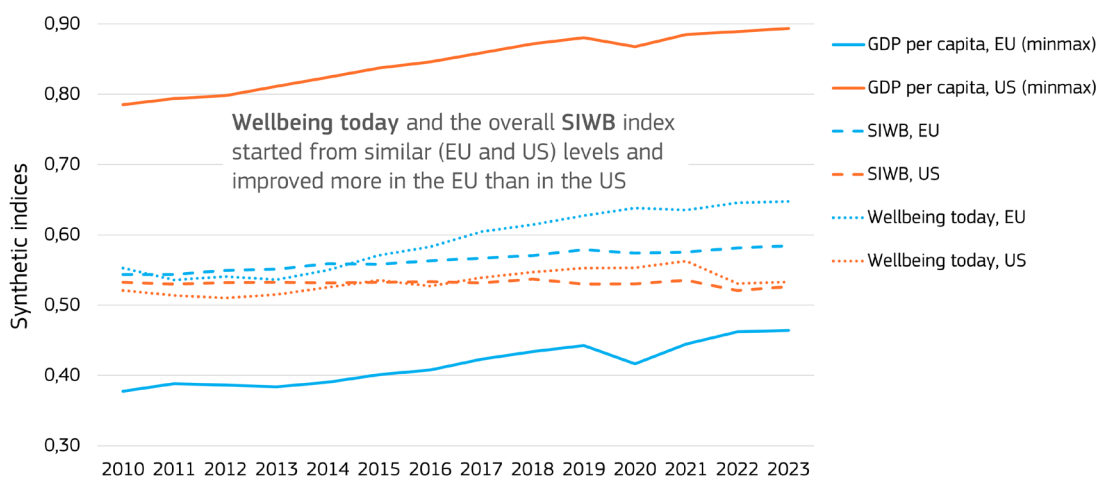
Where does the EU enjoy higher levels of wellbeing than the US?

- **GDP per capita is systematically higher in the US than in the EU** [3] and has improved more.
- **Wellbeing today and the overall SIWB index**, instead, have started from very similar levels, and **have improved more in the EU than in the US** ([Figure 8-a](#) below, — blue for the EU, — orange for the US).
- At the same time, the resources for the future index is much higher (though improved slightly less) in the US than in the EU ([Figure 8-b](#), next page, dashed lines).
- Societal resilience (dotted lines) has started from a slightly higher level in the EU, and has improved a bit more than in the US.

It is important to note, however, that while the EU indices for wellbeing today, resources for the future, societal resilience and overall SIWB are in line or even better than the GDP per capita positions (solid lines), it is not the case for the US.

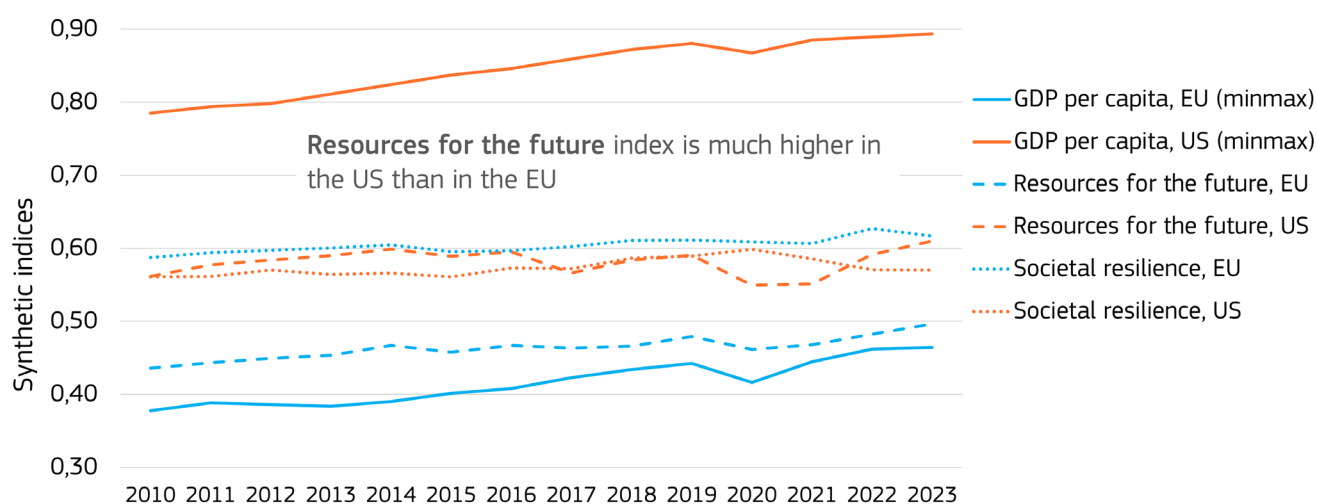
From the remaining SIWB components ([Figure 8-c](#), next page), EU records higher index values in both the nature and inequalities components, indicating better outcomes relative to the US and a somewhat lower value for the quality of institutions. The underlying inequality indicators are particularly high in the US (both in terms of income and life expectancy, while the gender employment gap of the US and the EU has been very close since 2015).

Figure 8 (a) – GDP, SIWB, and wellbeing today since 2010, EU and US, in levels



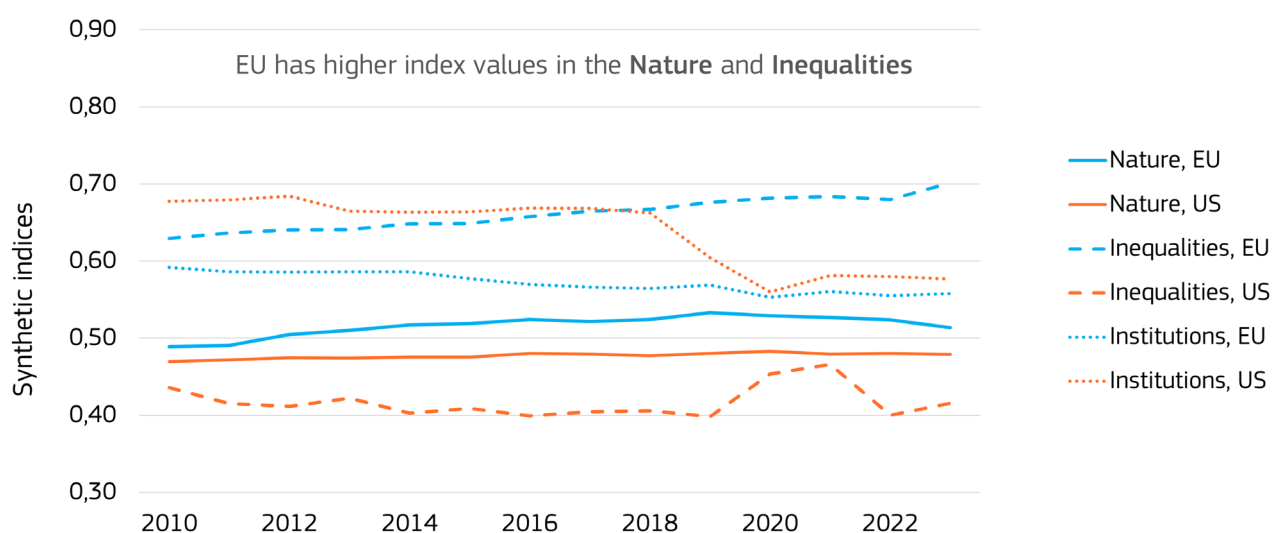
Source: JRC compilation of data from the OECD, World Bank, UN, ILO, World Happiness Report, AMECO, Eurostat, IMF, Global Material Flows Database, EM-DAT.

Figure 8 (b) – GDP, resources for the future and societal resilience since 2010, EU and US, in levels



Source: JRC compilation of data from the OECD, World Bank, UN, ILO, AMECO, Eurostat, IMF, Global Material Flows Database.

Figure 8 (c) – Nature, inequalities and institutions components since 2010, EU and US, in levels



Source: JRC compilation of data from the OECD, World Bank, UN, Eurostat, IMF, Global Material Flows Database, EM-DAT.
Note: The indices are constructed in a way that a higher value always corresponds to a more favourable situation.

Looking inside: what is under the summary measures?

Without the aim of completeness, some specific indicator values can illustrate the underlying heterogeneity of the comparisons and unpack the compactness of the summary measures.

- In 2022, the United States reported an *average income* nearly 30% higher (net disposable income even 50% higher) than that of the European Union.
- In contrast, *life expectancy* in the EU stood at 80.5 years, while in the US it was just 78.0 years—and the *disparity in mortality* was far greater in the US.
- At the same time, *income inequality* in the US reached an S80-S20 income share ratio of 8.9, with an EU value of 5.3.
- *Road accidents* in 2023 cost the life of 4.4 of every 100,000 EU citizen, while in the US, 12.2.
- The *suicide mortality* of the two countries was almost identical in 2010: 13.43 (per 100,000 person) in the EU, 13.20 in the US. By 2021

(latest available year), the EU value has declined to 12.07, while the US number has increased to 15.60.

- While *life satisfaction* was and has remained higher in the US, the gap has narrowed substantially: EU 2010 6.43, US 2010 7.27, EU 2023 6.58, US 2023 6.72.
- In the **resources for the future** component, the comparison is typically reversed:
 - *Net fixed capital formation* was higher in the EU in 2010, but it has reversed by 2023.
 - *Produced assets* per capita are around 30% higher in the US.
 - *Tertiary education attainment* is around 10 percentage points higher in the US.
 - *Volunteering* is almost twice as frequent in the US than in the EU.
- In **resilience**,
 - **US strengths** are *internet use, material import dependence, net migration, and projected old-age dependency*;
 - **EU strengths** are *adult participation in learning, impact of transfers on poverty reduction, and treatable mortality*.
- In **nature**, the US has better figures in the *share of natural land, exposure to air pollution, and fatalities from climate related extreme events*.

The EU fares better in *GHG per capita, material footprint, the red list index of endangered species, the share of renewables, and sustainable transport*.

Money talks: a monetary measure for beyond GDP

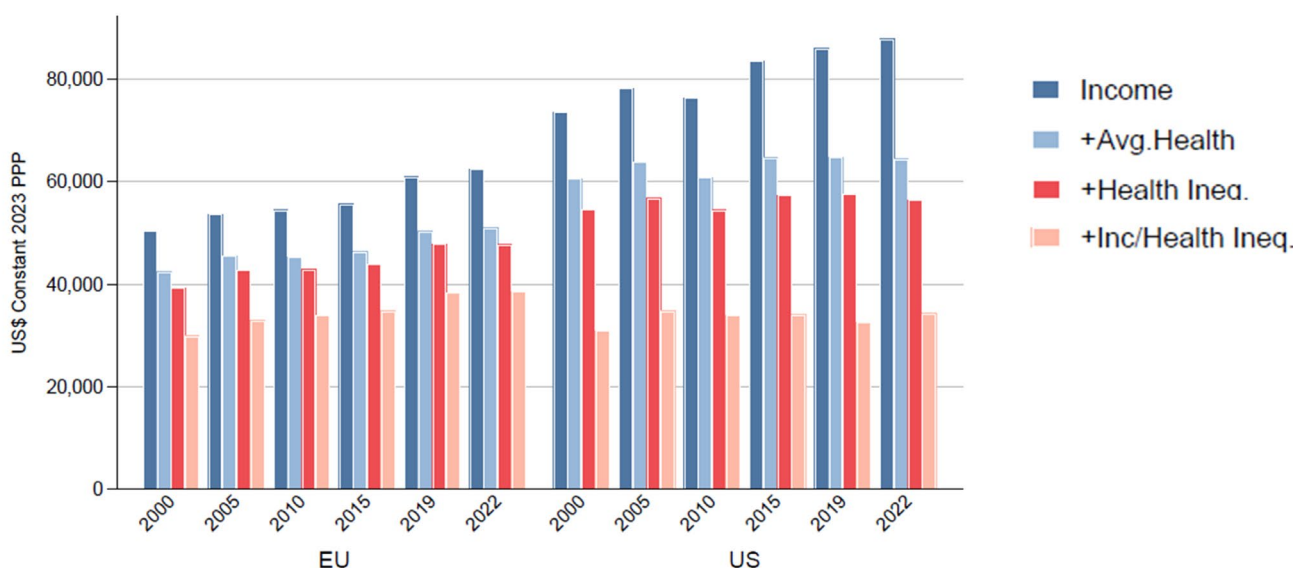
As a more condensed, experimental way to compare wellbeing between the EU and the US, **Figure 9** uses the equivalent income: a recently proposed monetary wellbeing metric that is sensitive to differences not only in average income and life expectancy, but also in the underlying distributions of income and lifespan.

While income per capita is higher in the US in the 2000-2022 period (dark blue bars), much of this advantage disappears once wellbeing is measured more broadly to reflect both life expectancy and its inequality (light blue and red bars).

Together with income inequality (light orange bars), the comparison already reverses in around 2010, even for a moderate level of societal inequality-aversion: wellbeing is higher in the EU than in the US.

Being an experimental measure, some of the underlying details of this approach may be further refined in the future. Still, the results are relatively robust to several plausible combinations of the underlying parameters.

Figure 9 – An equivalent-income-based comparison of wellbeing in the EU and the US, 2000-2022



Source: Da Costa (2026), based on data from the World Inequality Database and UN demographic statistics.

Some broad conclusions

- The lower GDP per capita levels and growth did not prevent the EU from delivering sustainable and inclusive wellbeing to its citizens. It is nevertheless likely that stronger economic performance could have allowed even higher levels of societal wellbeing.
- While resources for the future (levels of capital stocks and investment flows in economic, human, and social capital) of the EU are in line with its GDP performance, they are substantially lower than in the US. This may point to future challenges and the need for investment and reforms, so that the EU model can remain competitive and deliver also in the future.

Box 1: The SIWB indices

The SIWB component-wise and overall indices are constructed the following way.

The 42 indicators (a global variant of the 50 indicators from Benczur et al, 2025) are scaled into the range of [0,1], using the minimum and maximum of all their available values for the 22 EU countries, the EU, and the 10 non-EU countries, 2010-23 (min-max transformation).

The component level indices are the arithmetic average of these normalised values, while the overall SIWB index is the geometric average of the component indices (omitting spillovers). The components are the following: wellbeing today, resources for the future, resilience, nature, inequalities, and institutional quality.

Further details, the list of indicators, and a comparison with the previous methodology are available in a documentation at the [JRC SIWB database collection page](#)

Box 2: Subjective life satisfaction measures

Subjective wellbeing, i.e., self-reported happiness and life satisfaction scores, can

- A broader look on societal wellbeing than just GDP or income can modify the EU-US comparison substantially. The EU's health- and inequality-adjusted income appears to have surpassed that of the US by 2022.
- In the context of the UN initiative on beyond GDP, and the approaching post-2030 agenda, Europe could lead the way in adopting new, distribution- and sustainability-sensitive welfare metrics, shaping more inclusive and balanced economic policies that also respect planetary boundaries.

also be used as an aggregate of the different components and dimensions of wellbeing. For instance, the World Happiness Report, published annually since 2012, reports average levels of life satisfaction by country.

The Gallup World Poll, the principal global source of such data, asks respondents to evaluate their current life as a whole using the image of a ladder, with the best possible life for them as a 10 and the worst possible as a 0.

Box 3: Equivalent income

Equivalent income (the variant employed in this brief) is the level of income a society would need, under ideal health and equality conditions, to reach the same level of social welfare it actually has.

The first step is to integrate the value of non-monetary dimensions of wellbeing, such as life expectancy at birth, along the lines of Fleurbaey and Blanchet (2013) and Decancq et al (2015).

The next step (Da Costa, 2026) is to extend such a comparison to the societal level: what is the level of income that would yield the same societal wellbeing under a fully equal

distribution of income and lifespan than the current unequal one?

To get a sense of lifespan inequality, imagine two hypothetical societies. In the first society, all individuals live until age 50; while in the second, one half lives until age 10 and the other half lives until age 90. Although both societies have the same average lifespan (life expectancy), the second society is inherently more unequal.

Notes

[1] Roger Waters: The Tide is Turning. https://en.wikipedia.org/wiki/The_Tide_Is_Turning: “Who is the strongest / Who is the best / Who holds the aces / The East or the West / This is the crap our children are learning”

[2] The index values are averages of the ‘min-max’ transformation of the underlying indicators (see Box 1 for details on the averaging methods). For every indicator, its normal value is scaled into the range of [0,1], using the minimum and maximum of all available values of the 22 EU countries, the EU, and the 10 non-EU countries, 2010-23.

[3] The values for GDP refer to the same min-max transformation as explained in note 2, using all available GDP values of the countries in the sample, 2010-23.

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