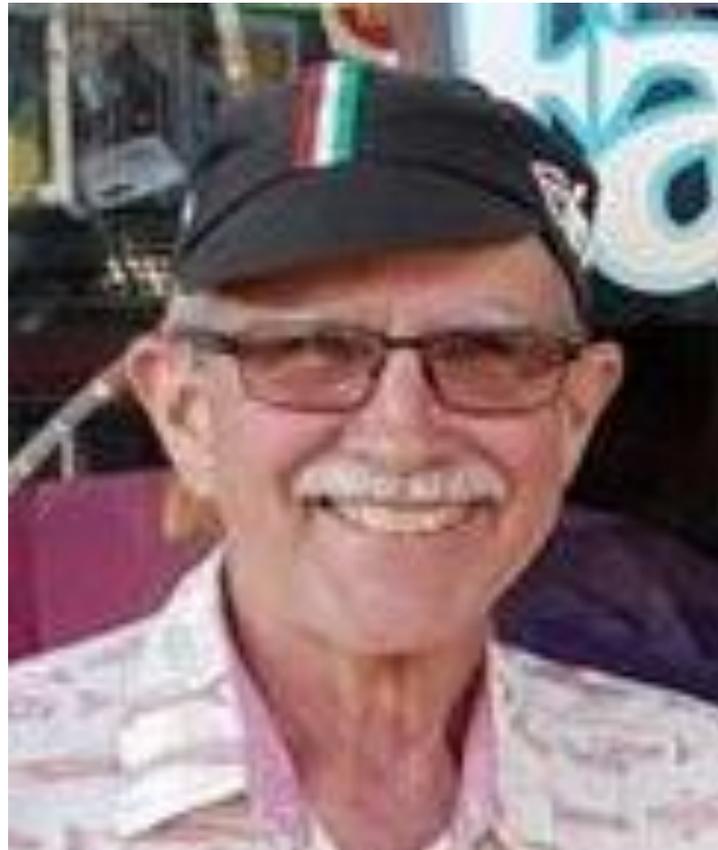


Beyond GDP: The Ongoing Search to Measure “Wellbeing”



- OLLI Fall Term 2022
- Wednesdays, 1-3pm
- Sept. 14 thru Nov. 2
- Co-facilitators:

David Carlson,
EEE Forum founder
and
Paul Belanger,
EEE Forum webmaster

Session 1 Outline

- Welcome (save our introductions and remarks until later)
- Course description context: themes/topics and guiding questions
- GDP and its origins--responses to Great Depression and analyzing “guns vs butter” during WWII
- the case for going beyond GDP – introduction
- “Wellbeing” as an umbrella term for quality of life, sustainability, etc.
- Break for introductions: What brings you to this topic, this course?
- Looking ahead to Session 2-8; themes and guest presenters

Themes and Topics from the Course Description

- Examine the case for going beyond GDP and other economic growth indicators as proxies for “wellbeing”
- Review examples of going beyond GDP at state, national, and global levels for discussion
- A “deep dive” into the strengths and limitations of the U.N.’s framework of Sustainable Development Goals, targets, and indicators
- Provide examples of the relevance of the SDG framework for Colorado organizations and agencies
- Consider “health” as a fundamental proxy for “wellbeing”

Guiding Questions from the Course Description

1. What is “GDP” and what is the case for going “Beyond GDP”?
2. What is meant by “wellbeing” and can it be credibly measured?
3. Do Beyond GDP projects and programs influence public policy and decision-making at state, national and global levels?
4. Should Colorado develop and promote a consensus “dashboard” of 30-50 key indicators that span economic, social, and ecological dimensions of wellbeing?

What is Gross Domestic Product (GDP)?

A comprehensive measure of U.S. economic activity.

GDP measures the value of the final goods and services produced in the United States (without double counting the intermediate goods and services used up to produce them). Changes in GDP are the most popular indicator of the nation's overall economic health.

--Bureau of Economic Analysis, U.S. Dept. of Commerce

Briefly, GDP measures the size of an economy.

Country	GDP (\$Billion USD)		Population (Million)		GDP/Capita	
World	\$96,100	rank	7,975	rank	\$12,050	rank
U.S.	\$22,996	1	338	3	\$67,968	1
China	\$17,734	2	1,426	1	\$12,437	tbd
Japan	\$4,937	3	124	11	\$39,840	tbd
Germany	\$4,223	4	83	19	\$50,657	tbd
United Kingdom	\$3,187	5	68	21	\$47,202	tbd
India	\$3,173	6	1,417	2	\$ 2,239	tbd
Russian Federation	\$1,776	11	145	9	\$12,271	tbd

GDP also measures the size of state economies.

State	GDP (\$Billion)		Population (Million)		GDP/Capita	
United States	\$22,801	rank	336.0	rank	\$68,014	rank
California	\$3,357	1	40.0	1	\$83,926	5
Texas	\$1,985	2	29.0	2	\$66,298	21
New York	\$1,854	3	20.3	4	\$91,031	2
Florida	\$1,226	4	22.1	3	\$55,525	40
Illinois	\$939	5	12.8	6	\$73,258	11
Colorado	\$422	16	5.9	21	\$71,242	14
Dist. of Columbia	\$152	34	0.7	49	\$214,971	1

U.S. National Income and Product Statistics

Born of the Great Depression and World War II

By Rosemary D. Marcuss and Richard E. Kane

THE story of the first U.S. national income and product statistics illustrates how scholarly debates about the definitions of ideal measures gave way to the compromises required to produce real-world economic statistics when the need for such statistics had become critical. Then, as the workings of the economy became better understood—in part, through the use of statistics—economic theory advanced. And, as improved sources of data on incomes, production, and sales were provided, the statistics were improved in turn. The gross domestic product (GDP) statistics of today continue to exemplify the balance between theory, real-world data, and the economic questions of the day. The story of the creation of the first U.S. national income and product statistics shows how that process got started.

counts (NIPAs) were issued to meet the need to provide a comprehensive picture of the workings of the economy. The accounts presented a framework for classifying and recording the economic transactions among major sectors: Households, businesses, government, and international (termed “rest of world.”) Today, the records of all developed economies and most developing economies are characterized by like accounts. The United States was an early developer of those, although not the first.

National income to measure the Great Depression by

The proposition that, for a country as a whole, goods and services produced must equal incomes earned is old. It was explicated by William Petty as early as the

National Income: GDP Precursor

- For decades before the Great Depression (1929-1939) and years afterward, **National Income** was the fundamental indicator of the size of an economy.
- The **Income-Production connection** (equivalence): The total value of finished products and services should be equal to the incomes earned by those that produce these goods and service.

Challenges in Measuring U.S. National Income

“By the early twentieth century, U.S. national income was being measured periodically by certain individuals and organizations, but the concepts were murky, methods varied, and the estimates came long after the fact.

It took the crisis of the Great Depression to create the demand for the U.S. Government to develop a continuing, timely measure of national income.”

The Great Depression – Conditions in 1932

“In 1932, the Great Depression had been deepening for more than 2 years. Fully 24 percent of U.S. workers were unemployed. . . . Asset values had plummeted, the banking system was breaking down, deflation was reversing the gears of the economy, and sales were insufficient to keep businesses going. Farm income, on which one-fourth of the population depended, had fallen by a half. . . .

“Neither the public nor elected officials understood the workings of the economy that seemed to be perpetuating the crisis, nor did they know quantitatively its scale and scope.”

1932 Senate Resolution -- NBER – Kuznets – 1934 Report

June 1932: Senate passes Resolution 220 that directs the Commerce Dept. to produce a report on National Income for 1929, 1930, and 1931.

Commerce Dept. is short-staffed so decides to collaborate with private sector National Bureau of Economic Research (NBER).

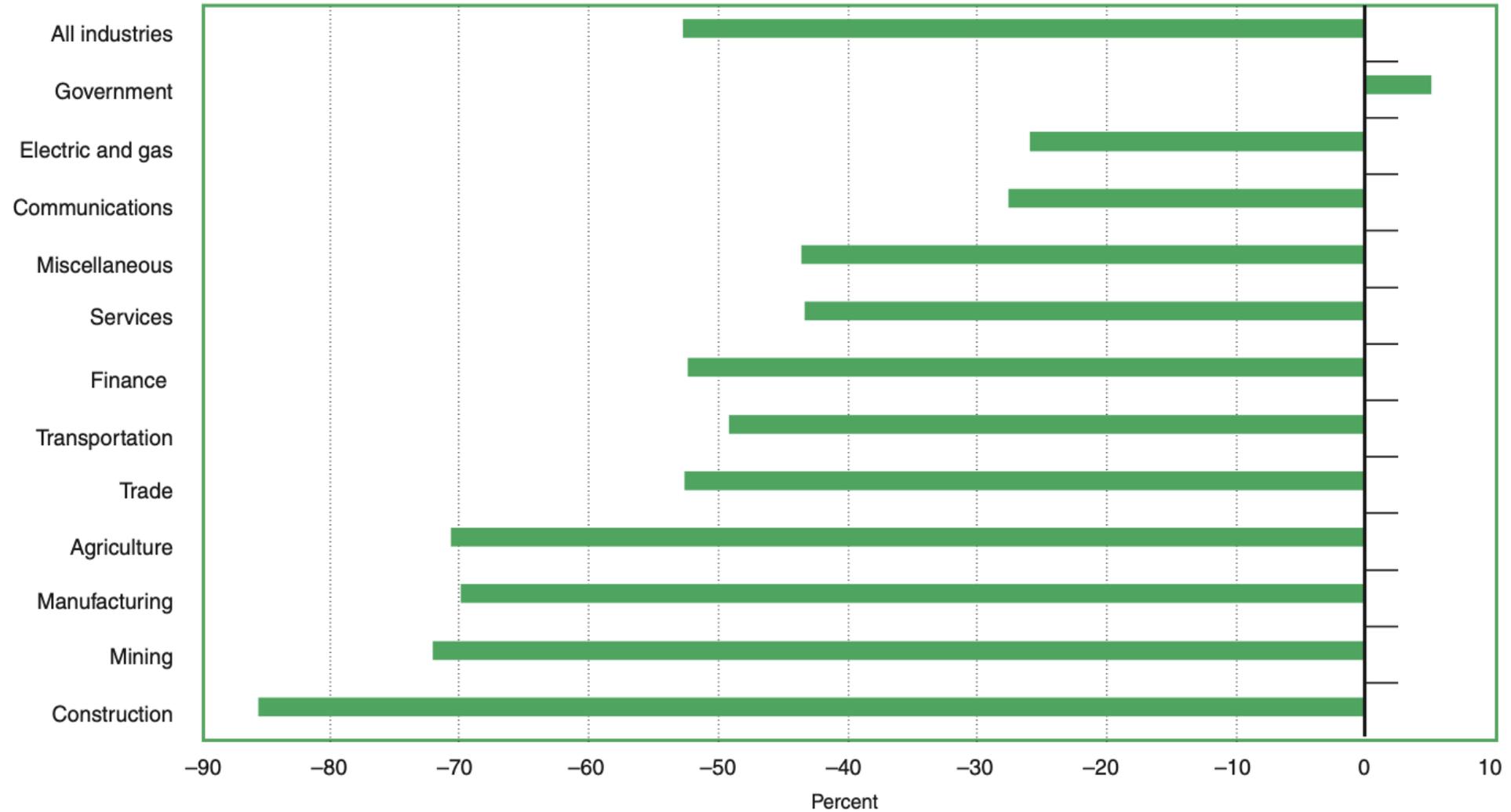
1927: Simon Kuznets, new Columbia Univ. Ph.D., joins NBER staff at invitation of his thesis advisor who now heads research at NBER.

1933: Kuznets chosen to lead National Income Report project.

Jan. 1934: "National Income, 1929-32" Report delivered to Congress.

1935--: Commerce Dept. begins issuing annual reports on Nat'l. Income.

Chart 1. Percent Change in Current-Dollar National Income Produced by Industry, 1929–32



Source: Bureau of Foreign and Domestic Commerce, U.S. Department of Commerce (1934)

“National Income” in the language of public policy

President Roosevelt was citing national income statistics in speeches as early as 1935—for example, in his statement of September 1935 on the state of the economy and the Federal budget. In April 1938, in his message to the Congress requesting additional spending for the new Recovery Program to address problems caused by the 1937 recession, the President described economic developments over 1929–1937 in national income terms. And, he described the goal for the program in national income terms as well: “We must start again on a long, steady, upward incline in national income.”

GNP emerges in response to urgent WWII policy question: Can we afford both guns and butter?

- In 1942, the questions were, “Can President Roosevelt’s World War II economic mobilization program be met and, if so, at what costs to the civilian standard of living and price stability?” As was the case for national income in 1934, the GNP concept by 1942 was not new, having been discussed and partially formulated during the 1930s.
- While progress had been made in developing theoretical and statistical standards for GNP, it took the policy need to call forth from the U.S. Government an authoritative, consensus-based statistic.

Gross National Product (GNP) replaces National Income to analyze the guns vs. butter question

- Substitution of GNP for national income in such an analysis produced the findings that the effect of war mobilization on living standards would be less dire than had been predicted and that an even larger war program might be attainable.
- . . . Put another way, the GNP analysis showed that economic growth brought about by increases in employment and productivity spurred by the program and the diversion of heavy industry from civilian to war production could provide more than 90 percent of the additional resources needed for the 1943 program.

Gross Domestic Product vs. Gross National Product

Although both GDP and GNP conceptually represent the total market value of all goods and services produced over a defined period, there are differences between how each defines the scope of the economy.

GDP measures the goods and services produced within the country's geographical borders, by both U.S. residents and residents of the rest of the world. GNP measures the goods and services produced by only U.S. residents, both domestically and abroad.

--Bureau of Economic Analysis, U.S. Dept. of Commerce

Advantages of GDP over GNP as key measure of an economy

1. GDP is the primary measure of production in the set of international guidelines for economic accounting.
2. Many other countries have adopted GDP as their featured measure, allowing for reliability in comparing economic activity across countries.
3. GDP is consistent in coverage with other economic indicators, such as employment and productivity.
4. Issues with underlying source data for certain income estimates provide challenges in measuring GNP.

"Too much
and for too long,
we seemed to
have surrendered
personal excellence
and community values in
the mere accumulation of
material things



“Wellbeing” – an “umbrella” (polysemic) term

- A definition: “the state of being happy, healthy, or prosperous”
--Merriam-Webster dictionary

“There is no consensus around a single definition of well-being, . . .”
--Center for Disease Control and Prevention

- A description: **Well-being** is a positive outcome that is meaningful for people and for many sectors of society, because it tells us that people perceive that their lives are going well. Good living conditions (e.g., housing, employment) are fundamental to well-being. . . . However, many indicators that measure living conditions fail to measure what people think and feel about their lives, such as the quality of their relationships, their positive emotions and resilience, the realization of their potential, or their overall satisfaction with life—i.e., their “well-being.” . . .

Introductions and comments on GDP and Wellbeing

Name, location, affiliation

Comments on:

- -- GDP (In your own words, what's wrong with GDP?)
- -- Wellbeing and/or related terms
- -- whether or not going beyond GDP is important to you

OR, MORE GENERALLY,

What draws you to this topic and/or this course?



- An annual overview of, and outlook for, Colorado's economy and business activity.
- Includes state-level demographics, employment and GDP--plus details for 13 economic sectors developed by volunteer teams of sector leaders.
- Written report and PowerPoint presentations at an annual Forum.
- Coordinated and led by the Leeds School of Business at CU Boulder since 1965.

In contrast, there currently is no comprehensive, well-documented, and easily accessible overview and outlook of conditions and trends that affect the health and quality of life for all Coloradans, our communities, and the flourishing of our environment that sustains all life.

Beyond GDP Colorado:
Measuring Human and Ecological Wellbeing
(HEW) in Colorado

A pilot project affiliated with the University of Denver's
Grand Challenges Initiative
to foster greater connections between DU
and the surrounding Metro area

**Project Team: David Carlson*, Sheila Davis*,
Drew Mueller, Dan Pittman, and Paul Sutton
(*denotes Community Partners)**

Beyond GDP Colorado (2019--)

- *Goal: promote greater awareness and impact of human and ecological wellbeing (“HEW”) measures in personal and public consciousness and decision-making in Colorado.*
- We believe this is necessary, since economic measures such as Gross Domestic Product and stock market valuations have come to dominate public media and policy analysis at many levels. For many individuals and groups, such growth-related economic indicators have come to serve as proxies for wellbeing and the quality of life itself.

Guiding Principles of Beyond GDP Colorado

- The wellbeing of persons, communities, and ecological systems are inseparable.
- *Health*, broadly understood, serves as a primary proxy for wellbeing.
- *Equity*—i.e., providing equal access to resources and opportunities that enhance wellbeing, without regard to race/ethnicity, gender, and economic status—is fundamental.
- *Measuring* includes both quantitative and qualitative indicators—including stories, photography, and art—that graphically illuminate inequities as well as efforts to reduce them.
- Measures that illuminate *root causes* of inequities are especially important. We seek to identify key indicators of “upstream” factors that drive “downstream” outcomes of health/wellbeing.

Paul Belanger

- Ph.D. Geologist/Micropaleontologist (Brown 1981)
- Research background in paleoclimates as well as working for oil and gas industry
- **Denver Climate Study Group forum** on climate change issues
<https://denverclimatestudygroup.com/>
 - 2006 – 2009 forum of talks at DMNS + YAHOO list
 - Quickly morphed into bigger picture: SUSTAINABILITY
 - Climate, population, economics, resources
 - Solutions too: renewables, biochar, geoengineering

- ▼ Denverclimatestudygroup
 - 01START_HERE-READ ME
 - 02-1stMEETING200611
 - 03-2NDMEETING200701KONRADSTEFFEN
 - > 04-3RD MEETING200702ReviewPlusHockeystick
 - 05-4thMeeting200703-CO2Sequestration-GYoung
 - > 06-5thMeeting200704-Methane-GClaypool
 - 07-6thMeeting200706-Solarvariability
 - 08-7THMeeting200709-reviewANDTerraPreta
 - 09-8THMeeting200710-CSP-ConcSolarPower
 - 10-9THMeeting200711-Paleosols-PETM
 - 11-10THMeeting200712-GWand-our-Atmosphere
 - 12-11THMeeting-200802-Water-Climatechange
 - 13-12TH-200805-200910-China-India_appetite_Nat_Res
 - 14-13TH_Meeting200809-ResourceConstraints
 - 15-14TH_Meeting200810_CLOUDS
 - 16-15TH_Meeting200811_GWisUNEQUIVOCAL
 - 17-16TH)Meeting20090113_Sources-Solutions
 - 18-17TH_Meeting20090915Education_SarahWise
 - > 19-18TH_Meeting20091013BIOCHAR_RON-LARSON
 - > 20-19TH_Meeting20091110_GEOENGINEERING_SOL-SH

Paul Belanger (cont.)

- Denver Climate Study Group forum on climate change issues
<https://denverclimatestudygroup.com/> &
<https://www.facebook.com/denverclimatestudygroup/>

- 2010-2015+? YAHOO list
- 2015 – present; TABS:
 - OLLI course slides
 - Biochar
 - EEEForum
 - IPCC, etc. <https://www.ipcc.ch/>
 - Climate, population, economics, resources
 - Solutions too: biochar, geoengineering



Denver Climate Study Group
84 likes • 89 followers

Promote Manage Edit

Denver Climate Study Group

Climate: past, present & future and associated contemporary issues

Paul Belanger (cont.)

- Denver Climate Study Group forum on climate change issues
 - 2014– 2019 8 OLLI facilitated:
 - Earth Climate, Past, Present and Future: Concerns and Solutions 4-5X (OLLI west, ce east, south)
 - Adapting to climate change
 - Contemporary issues
 - Weather/Meteorology
- Ethics and Ecological Forum (EEEForum) – invited by David 2015
 - 2015-early 2019– EEE Forum
 - 2019 – pause – Moved to Whidbey Island
 - 2020-2021: Covid spring 2019 brought me back with zoom meetings
 - Maintain web page: <https://eeeforum.org/>



Paul Belanger (cont.)

- Ethics and Ecological Forum (EEEForum)
- “FLUNKING Retirement:
 - Sound Water Stewards, VP-BOD <https://soundwaterstewards.org/>
- MY GUIDING PRINCIPLE – SUSTAINABILITY
 - Go all non-carbon sourced electric generation for:
 - Electricity, transportation, heating, manufacturing, mining
 - Sequester Carbon: Biochar, DAC
 - Brings me here:
 - **Sustainable practices:** “Growth for the sake of Growth is the philosophy of the Cancer Cell” - Edward Abbey
 - To beyond GDP
 - To Steady State Economics/non-growth economics/sustainable practices
 - Ecological sustainability, soil health, biodiversity
 - **WELL-BEING!**



Other Critiques of GDP as a measure of wellbeing

- TBA

From the developers of the Genuine Progress Indicator

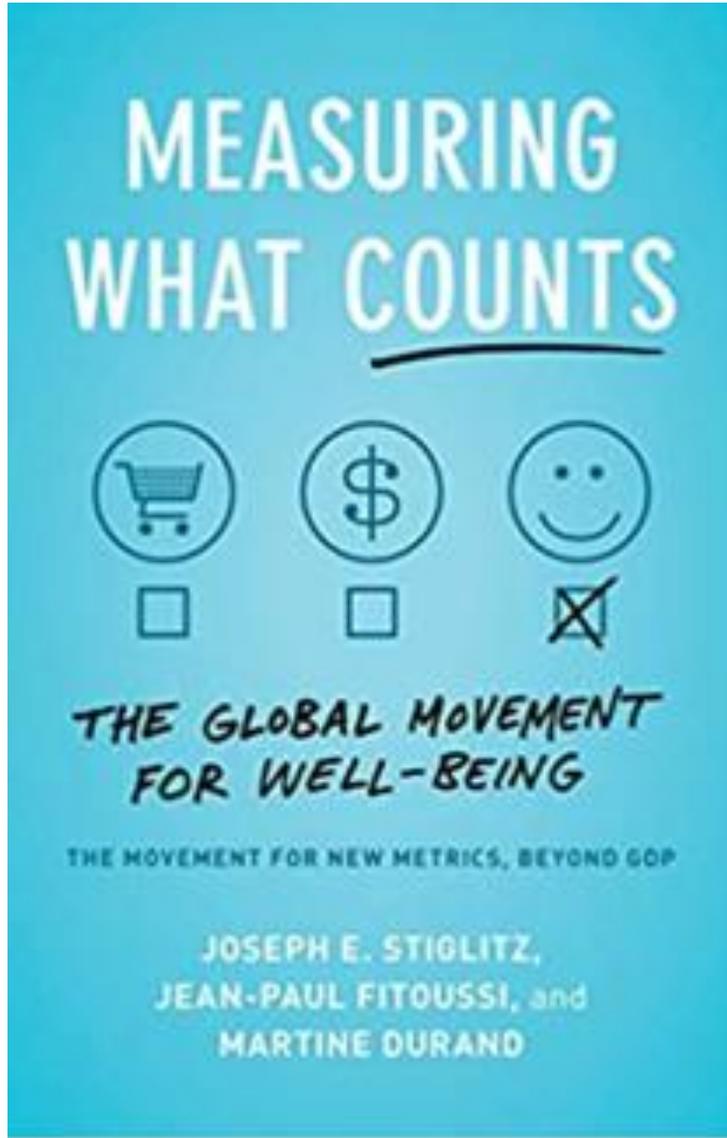
1. GDP omits much of what people value and activities that serve basic needs: volunteer work, caring for children or elderly parents.
2. GDP ignores the value of leisure time: recreation, relaxation, family.
3. GDP omits environmental services: clean air and water.
4. GDP treats crime, divorce, and other signs of social breakdown as economic gains.
5. GDP takes no account of the depletion of natural resources used to produce goods and services.
6. To the GDP, every transaction is positive as long as money changes hands.



Simon
Kuznets

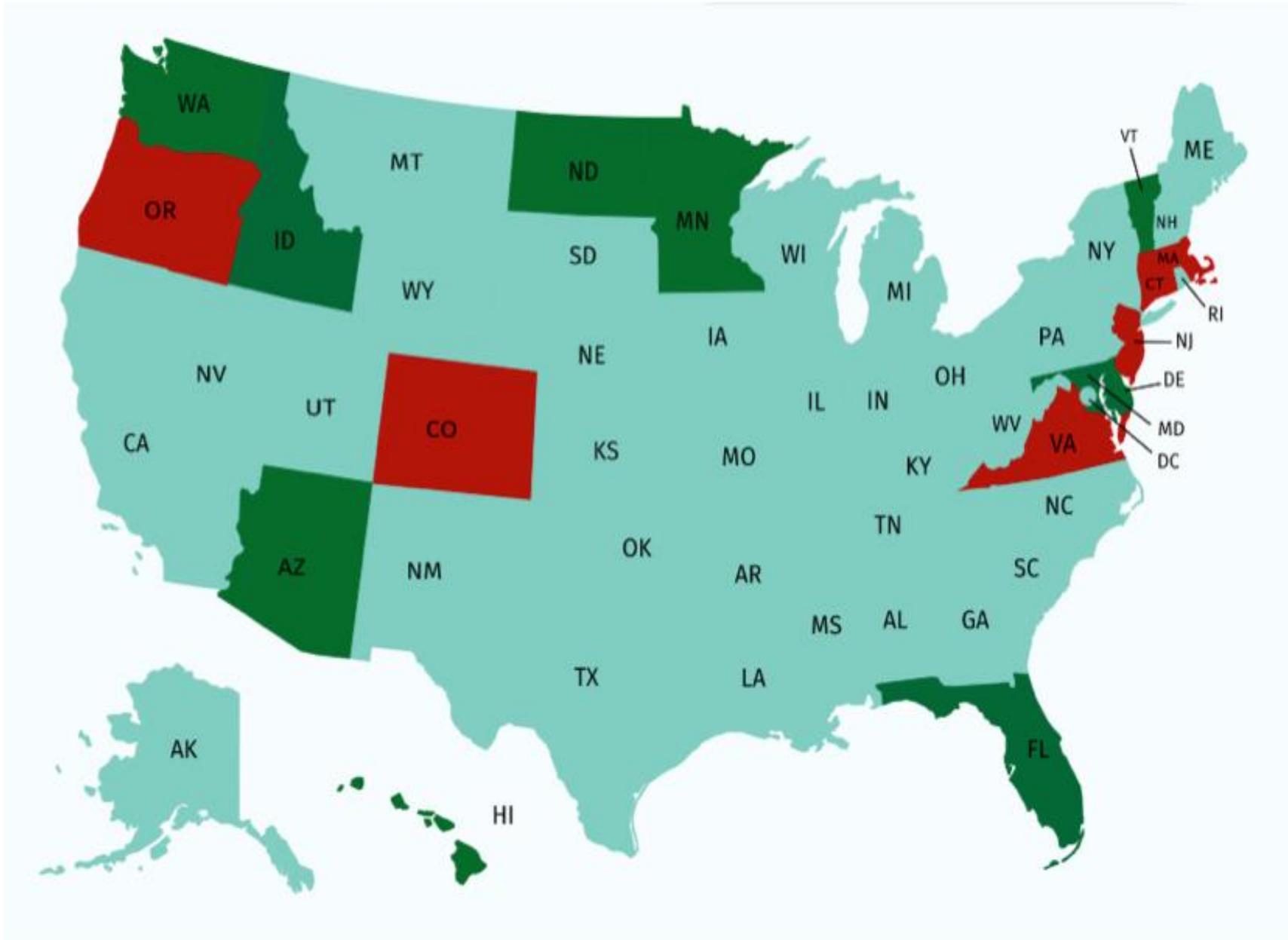
Economic welfare cannot be adequately measured unless the personal distribution of income is known. And no income measurement undertakes to estimate the reverse side of income, that is, the intensity and unpleasantness of effort going into the earning of income. The welfare of a nation can scarcely be inferred from a measure of national income as defined above.

– Report to Congress (1934)



“We need to move ‘beyond GDP’ when assessing a country’s health and complement GDP with a broader dashboard of indicators that would reflect the distribution of well-being in society and its sustainability across its social, economic, and environmental dimensions. The challenge is to make the dashboard small enough to be easily comprehensible, but large enough to summarize what we care most about.”

--Joseph Stiglitz, Economist & Nobel Laureate



Other State-Level “Beyond GDP” Initiatives

VIRGINIA PERFORMS (2003 – 2017)

Economy

Goal: Be a national leader in the preservation and enhancement of our economy.

Personal Income	↑	
Employment Growth	↑	
Poverty	→	
Unemployment	↑	
Business Climate	→	
Workforce Quality	↑	
Economic Diversity	→	
Innovation/Entrepreneurship	↑	

Health and Family

Goal: Inspire and support Virginians toward healthy lives and strong, resilient families.

Adoption	→	
Child Abuse and Neglect	↑	
Foster Care	↑	
Health Insurance	↑	
Health Risk Factors	↑	
Mortality and Longevity	→	
Teen Pregnancy	↑	

Education

Goal: Elevate the levels of educational preparedness and attainment of our citizens.

School Readiness	↓	
3rd Grade Reading	↓	
4th Grade Reading/Math	↑	
High School Graduation	↑	
High School Dropout	↑	
College Graduation	↑	
Educational Attainment	↑	

Public Safety

Goal: Protect the public's safety and security, ensure a fair & effective system of justice, and provide a prepared response to emergencies & disasters of all kinds.

Crime	↑	
Emergency Preparedness	↑	
Juvenile Intakes	↑	
Recidivism	→	
Traffic Fatalities	↑	

Transportation

Goal: Ensure Virginia has a transportation system that is safe, allows the easy movement of people and goods, enhances the economy, and improves our quality of life.

Infrastructure Condition	→	
Land Use	→	
Multimodal Transportation	→	
Traffic Congestion	→	

Government and Citizens

Goal: Be recognized as the best-managed state in the nation.

Bond Rating	↑	
Civic Engagement	→	
Consumer Protection	↓	
Government Operations	↑	
Internet Access	↑	
Taxation	↑	
Voter Registration and Turnout	→	

Natural Resources

Goal: Protect, conserve and wisely develop our natural, cultural and historic resources.

Air Quality	↑	
Energy	→	
Historic Resources	→	
Land Preservation	↑	
Solid Waste & Recycling	→	
Water Quality	↑	

1 NO
POVERTY



2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



**SUSTAINABLE
DEVELOPMENT
GOALS**

Looking Ahead . . .

Themes for Weeks 2-8

Attempts to “Fix” GDP, including. the Genuine Progress Indicator

Learnings from state-level Beyond GDP programs

U.N.’s 17 Sustainable Development Goals & Colorado relevance

SDG indicator crisis and the Sustainable Development Solutions Network

Kate Raworth’s Doughnut Model and Doughnut Economics

Other important frameworks for Human & Ecological Wellbeing (HEW)

Promoting HEW measures in Colorado – What’s next?

Guest presenters: Going Beyond GDP in Colorado

2. **Chris Stiffler**, Colorado Fiscal Institute and Dept. of Economics, DU
3. **Alec Tsoucatos****, Dept. of Economics, Regis University (retired)
4. **Sheila Davis****, Office of Health Equity, Colorado Dept. of Public Health and Environment
5. **Patti Iwasaki**, Sustainable Food Policy Council
6. **Brenna Simmons-St. Onge****, The Alliance Center
7. **Paul Sutton****, DU Dept. of Geography and the Environment
8. **John Lodenkamper****, Quaker Institute for the Future

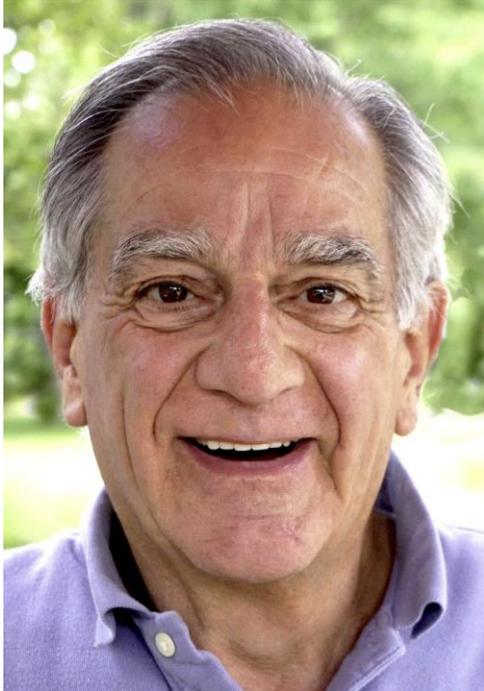
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Week 2: Attempts to “Fix” GDP

Session #2 – Have attempts to “Fix” GDP by incorporating social and environmental factors been successful? September 21st

- Early attempts in the 1970s and 80s led to the creation of the Genuine Progress Indicator (GPI) in 1995. The basic idea is to “tweak” GDP by including the value of unpaid labor (e.g., housework and volunteering) and subtracting the negative effects of producing goods and services upon society and environment (e.g., loss of leisure time, pollution, depletion of natural resources).

Session 2 Guest Presenter: Spaceship Earth Economics”



**Alec
Tsoucatos**

Alec Tsoucatos, PhD, was born of Greek parents in Alexandria, Egypt a day before Pearl Harbor in 1941. He attended primary school at a British institution in Alexandria and finished Junior and High School in Athens, Greece. He received his Bachelor's and Master's degrees in Economics, from UC Berkeley and his Ph.D from CU under the tutelage of Kenneth Boulding. His main interests are in New Economics, Integrative Medicine, Positive Psychology and Progressive Mystical Christianity.