



GALLUP®

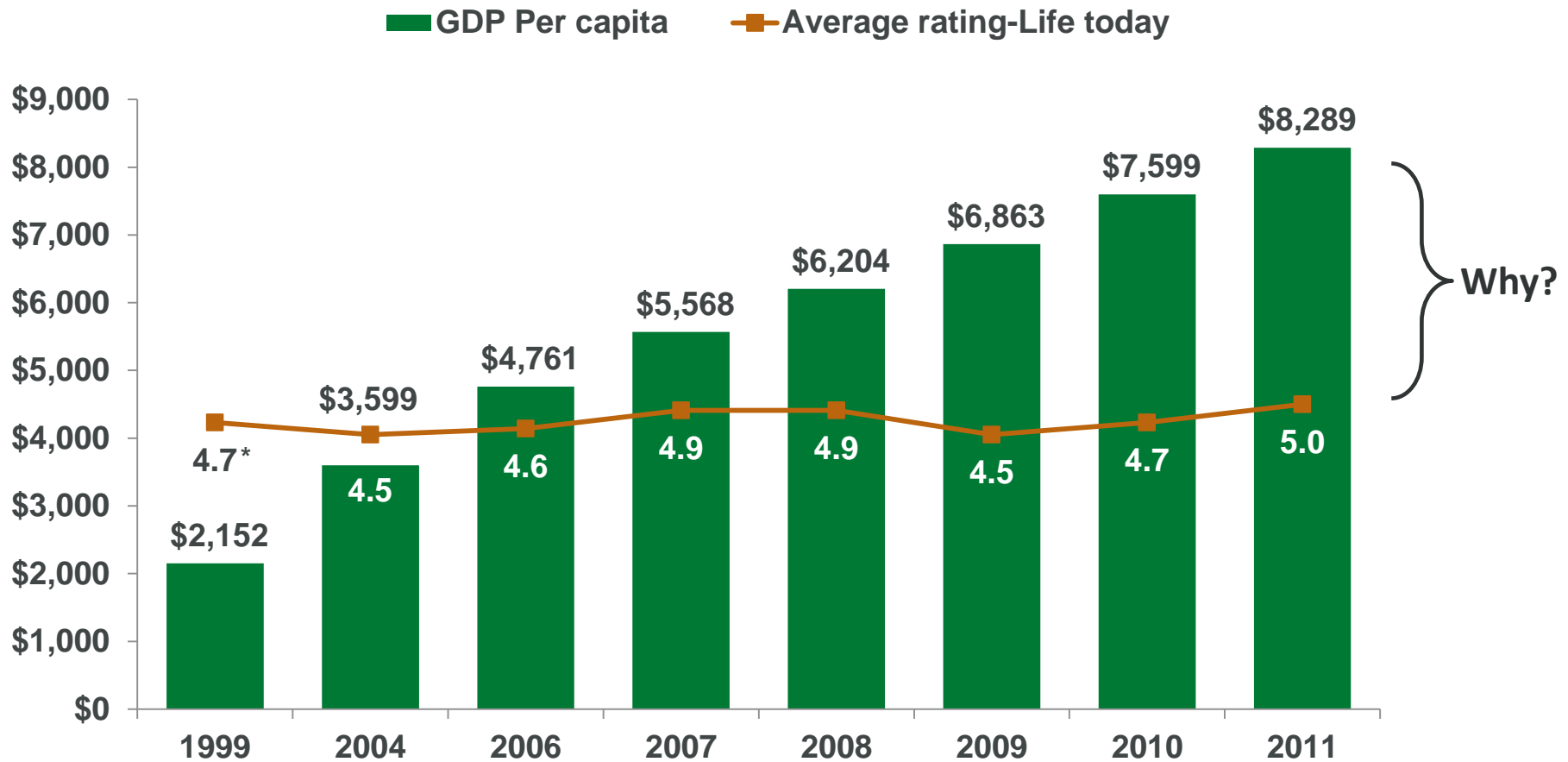
# China's Puzzling Flat Line (令人费解的水平线)

Washington, D.C.

March 27, 2012



# Average Life Ratings Have Been Flat Despite Dramatic Rise in GDP



Source:

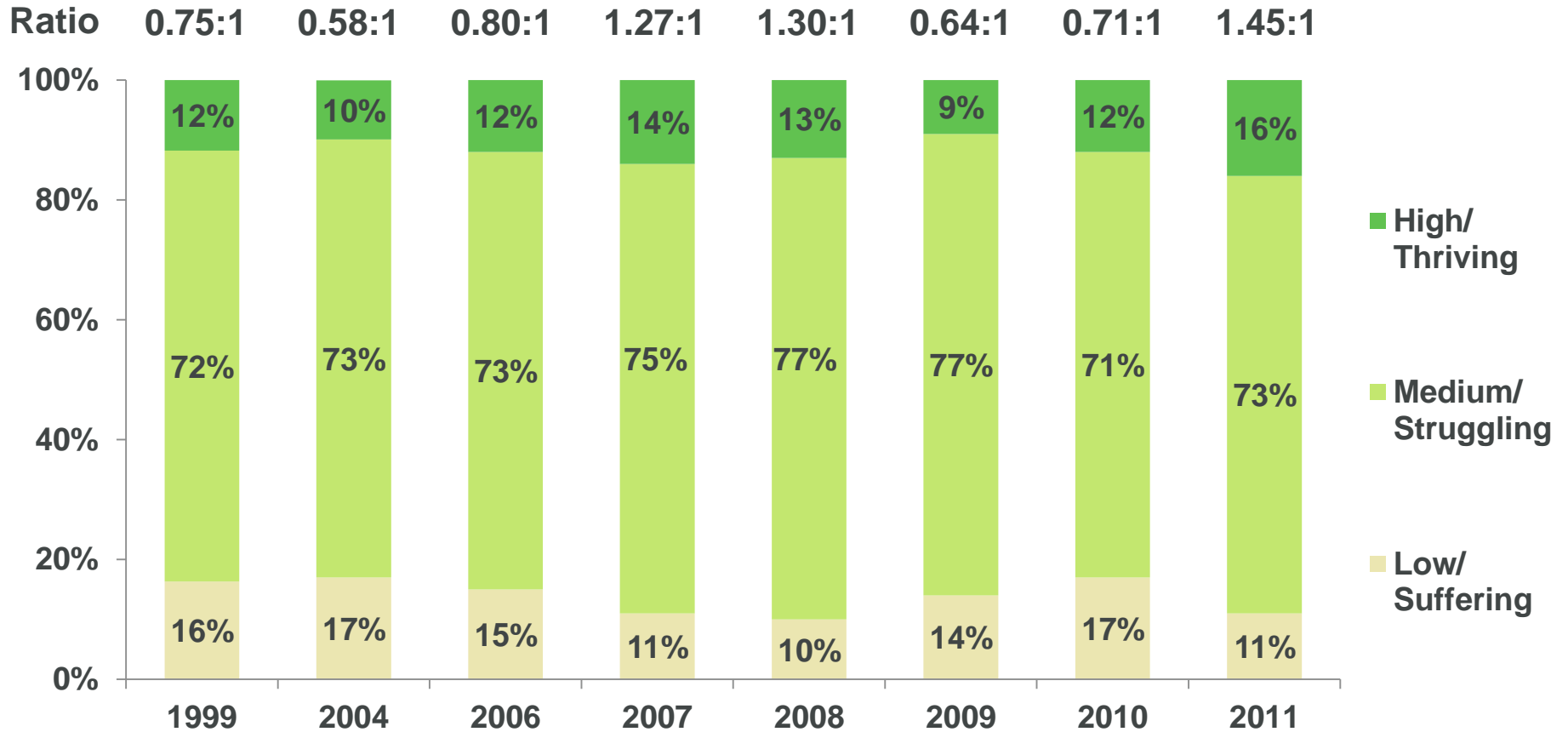
GDP per capita (purchasing power parity in international dollars) : 1999-2010--world bank, 2011-estimated by IMF

Average rating—life today: Gallup World Poll

\* Surveys conducted in 1999 and 2004 used a 1-to-10 scale rather than the current 0-to-10 scale

# The Size of the “Struggling” Group Remains Nearly the Same

Gallup Wellbeing Index

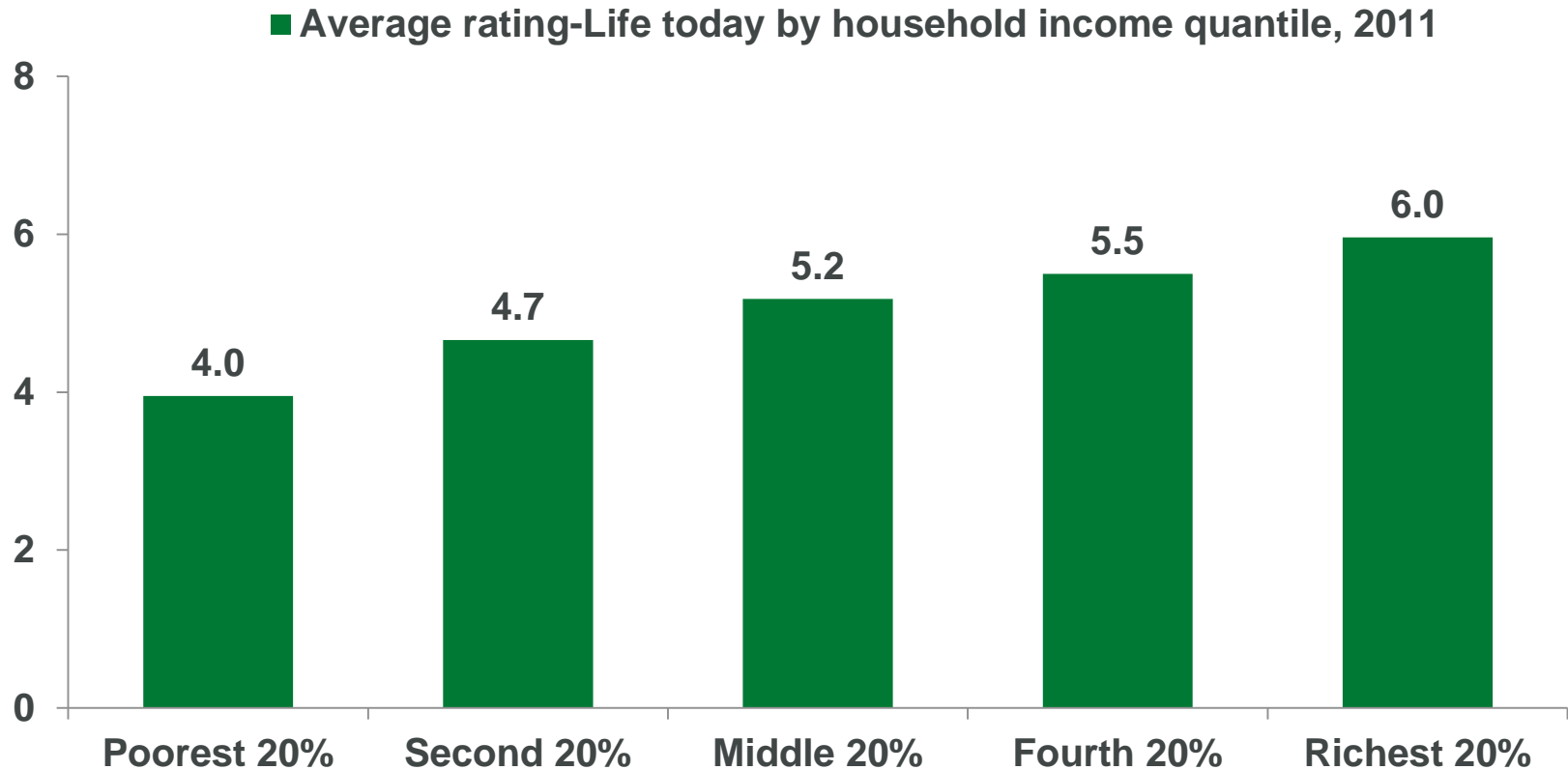


Note: Ratio =Thriving/Suffering

Source: Gallup World Poll

# Life Rating is Correlated with Income Distribution

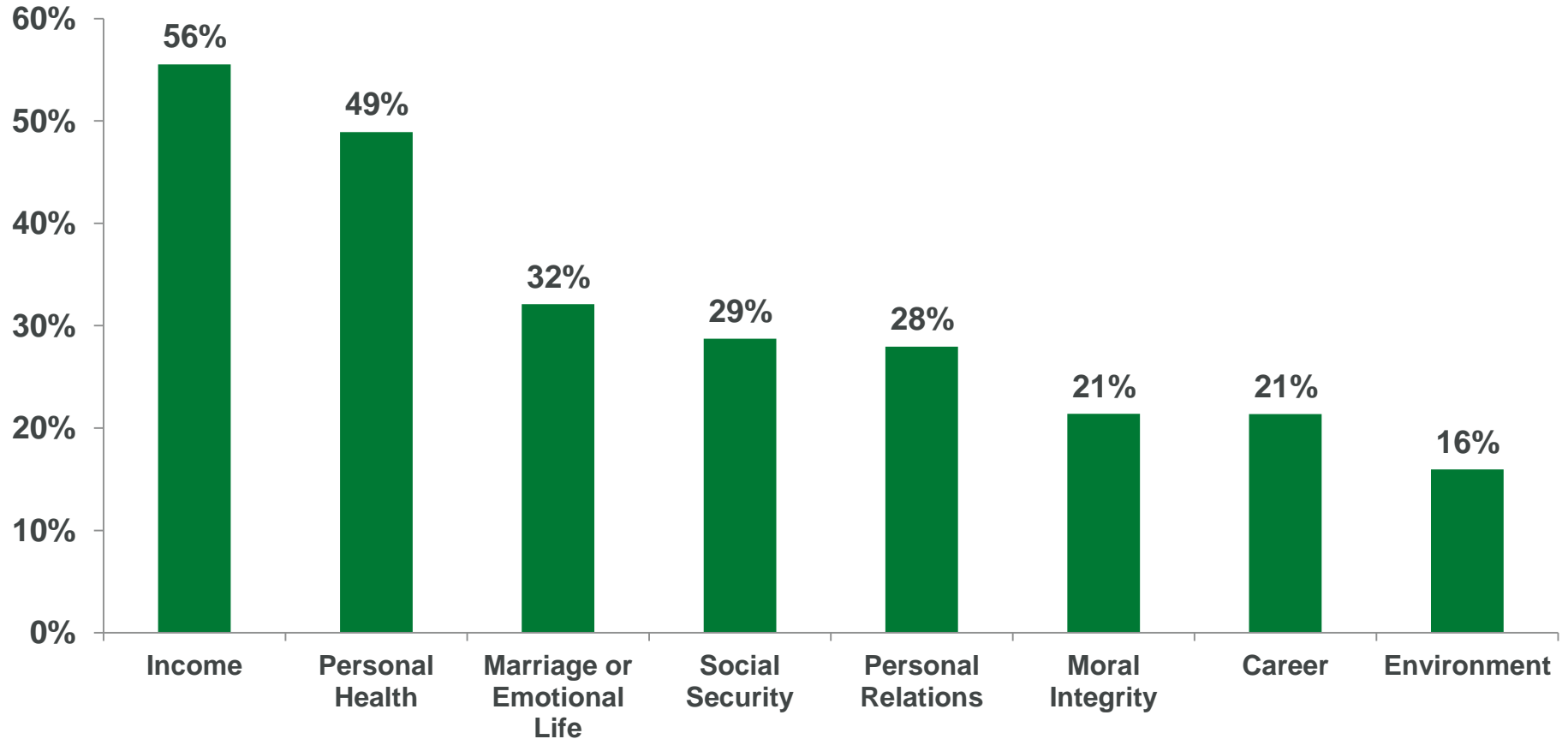
Among family, income, health, job and community, income has the strongest correlation (.423) with life rating in the case of China.



Source: Gallup World Poll 2011

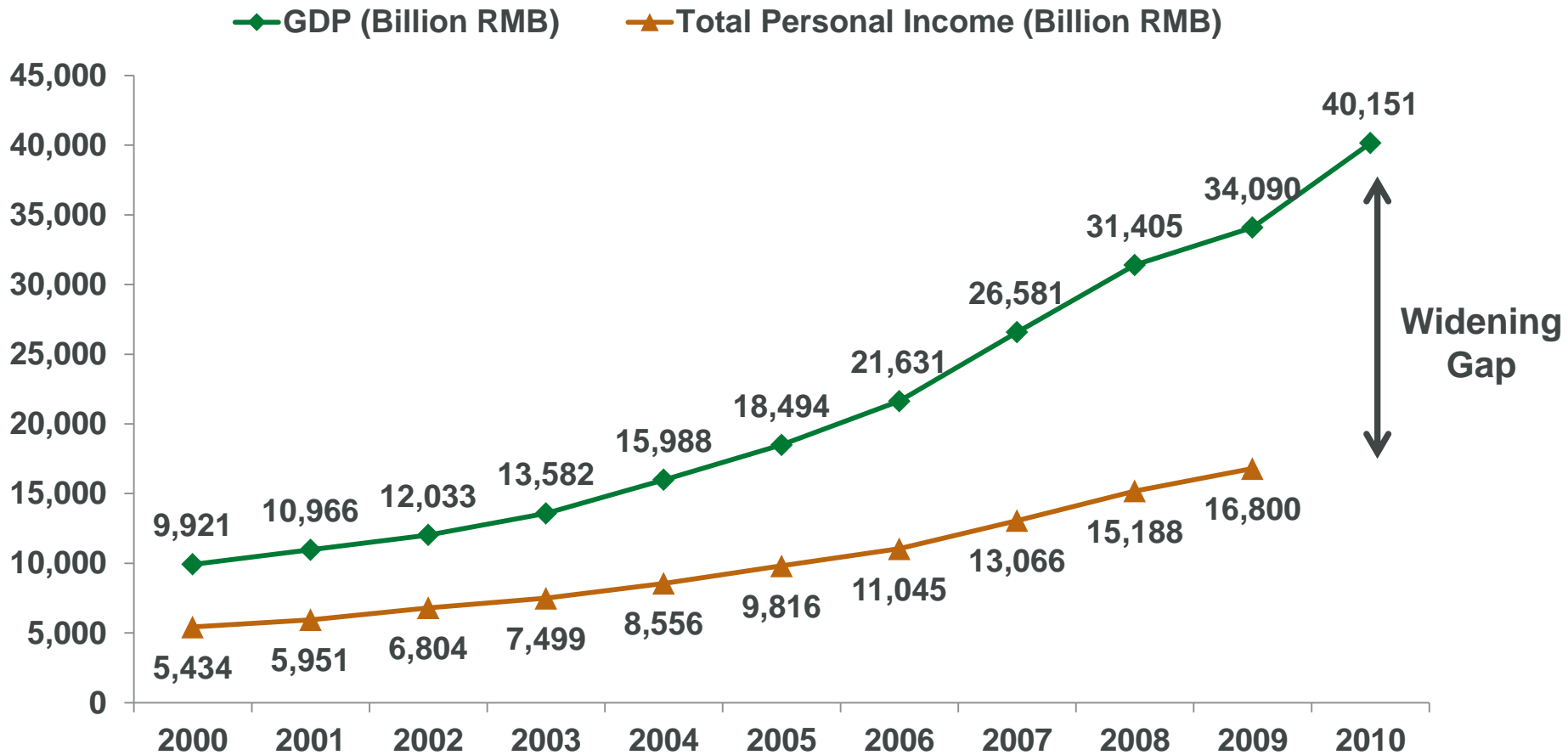
# Not Only Gallup Says Income Distribution is a Key Problem...

What are the key contributing factors to your wellbeing?



Source: China Central Television Survey data, 2012

# The Increase of Personal Income Lags Behind GDP Growth

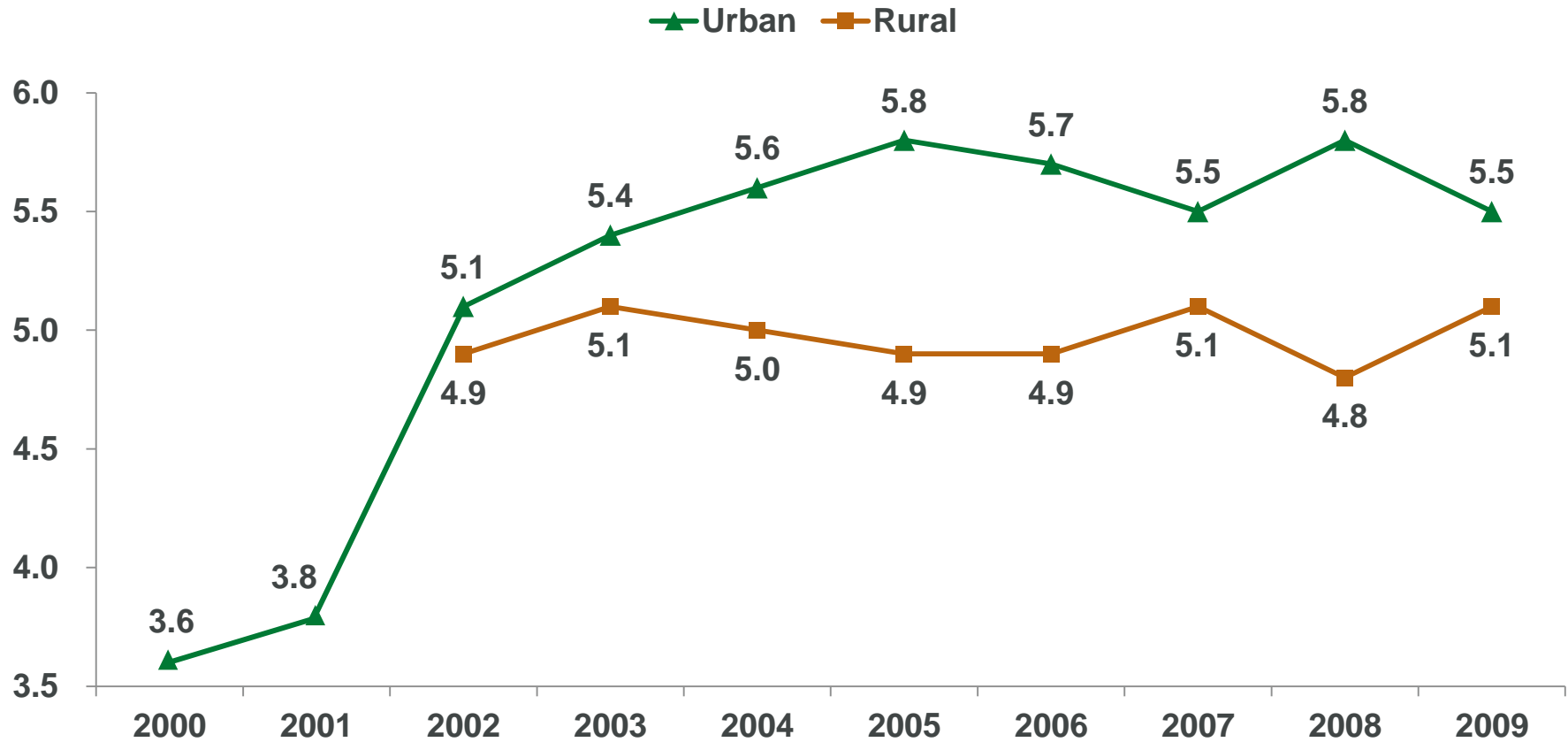


Source: China State Statistics Bureau

Note: Total Personal Income = Per Capita Annual Income(Urban) \* Population(Urban) + Per Capita Annual Income(Rural) \* Population(Rural)

# Income Gap Between Rich and Poor has Been Opening Up

Ratio between top 20% and bottom 20% of income distribution

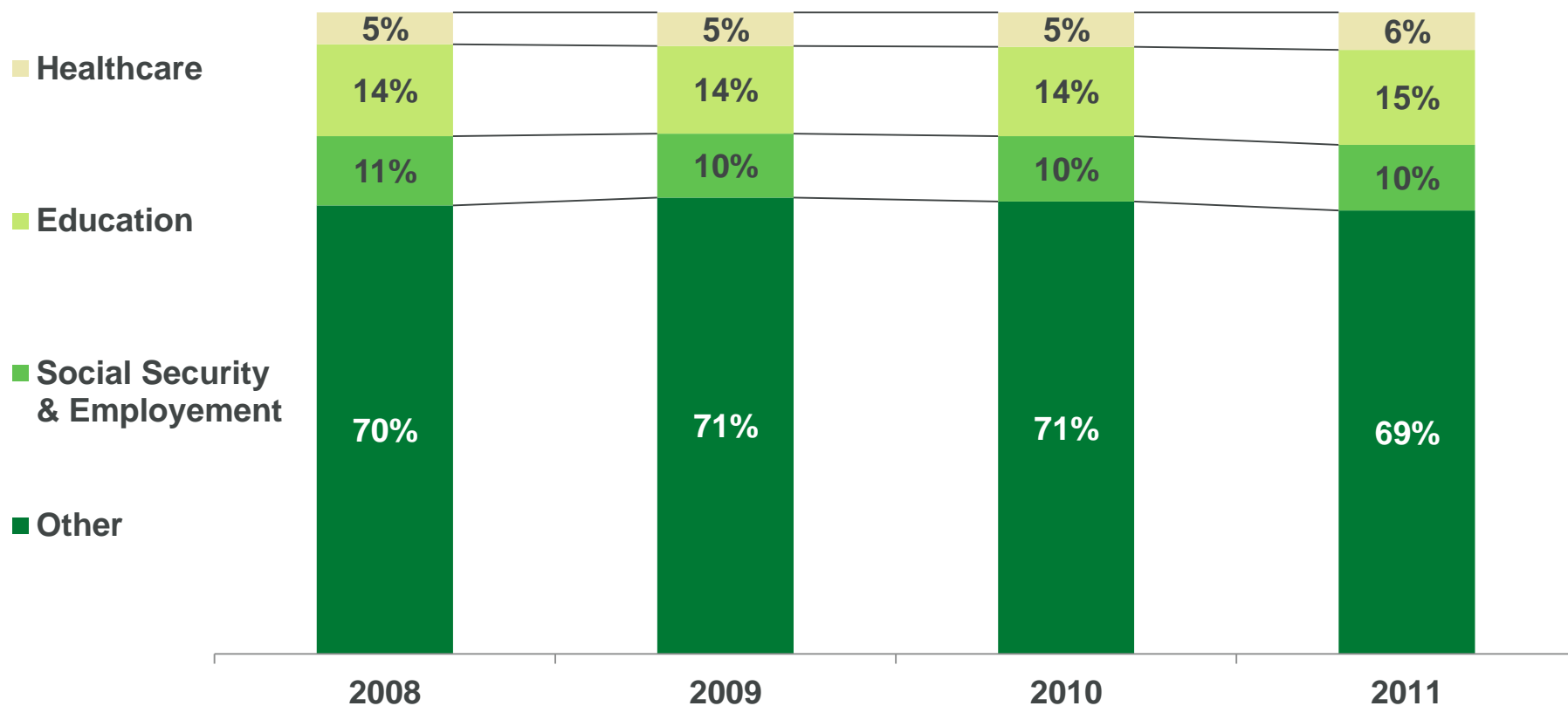


Note: Income ratio between richest 20% and poorest 20%

Source: China State Statistics Bureau

# The Percent of Education, Social Security and Healthcare Expenditure Remains Unchanged Over Recent Years

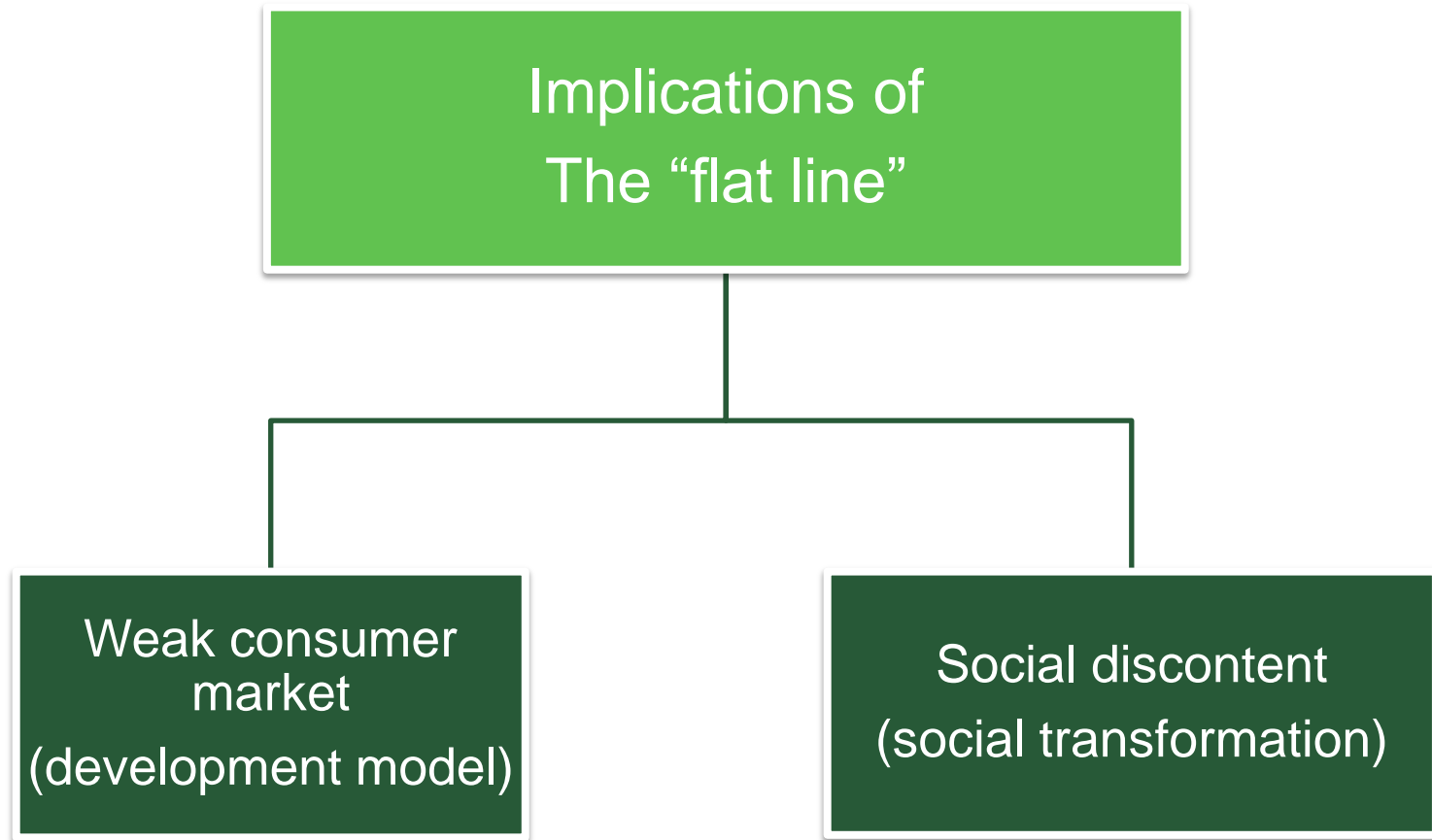
## Distribution of National Government Expenditure



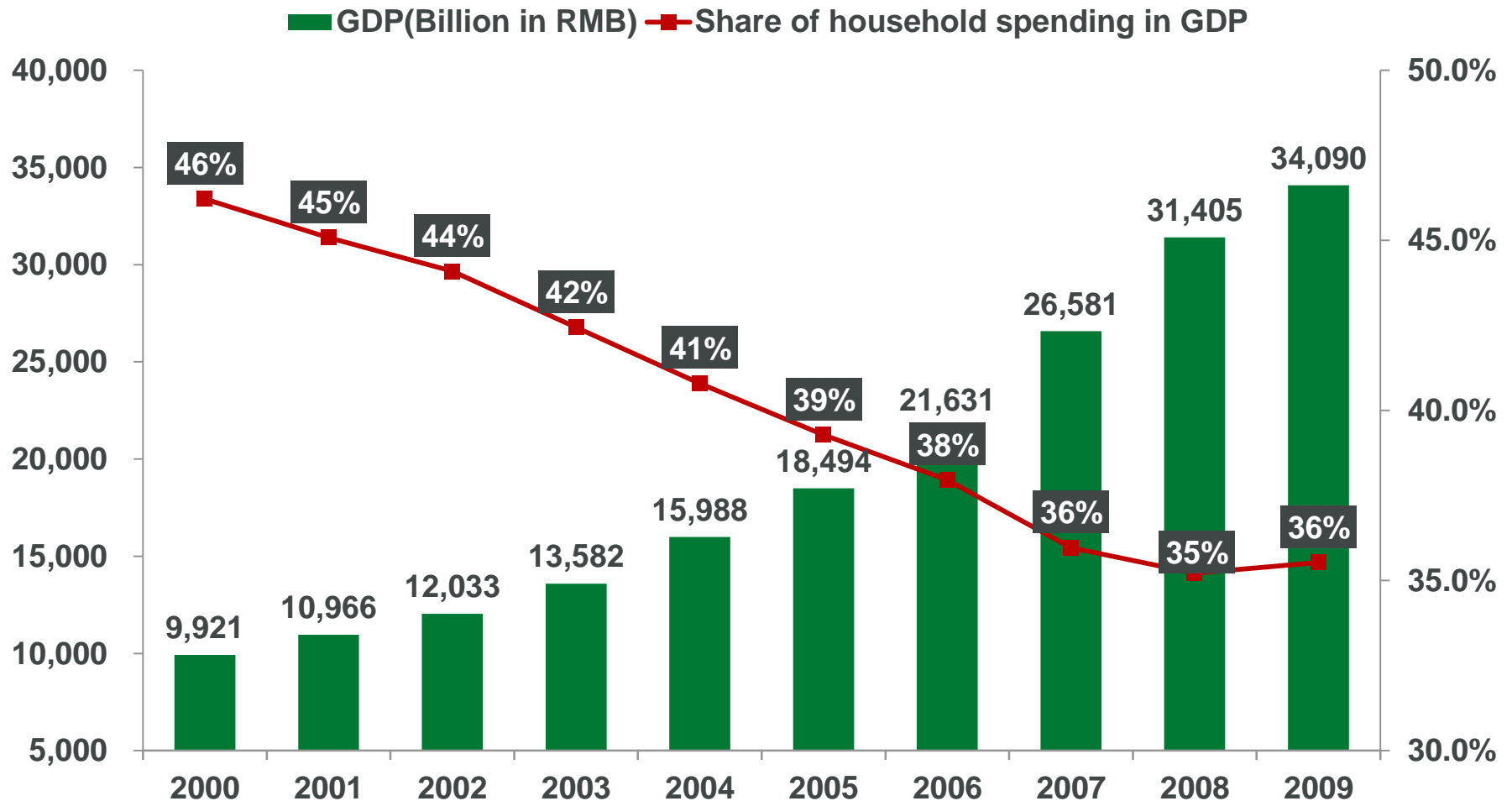
Source: Ministry of Finance People's Republic of China



# The Implications of the “Flat Line”



# Shift to a Consumer Economy Continues to be a Challenge



Source: China State Statistics Bureau

# Low Wellbeing May Lead to Social Discontent

	<b>Low (Suffering)</b>	<b>High (Thriving)</b>
Confidence in Local Police	52%	65%
Approval of the Local leadership	40%	63%
Efforts to deal with the poor	58%	76%

Source:

Confidence in local police: Gallup World Poll 2011

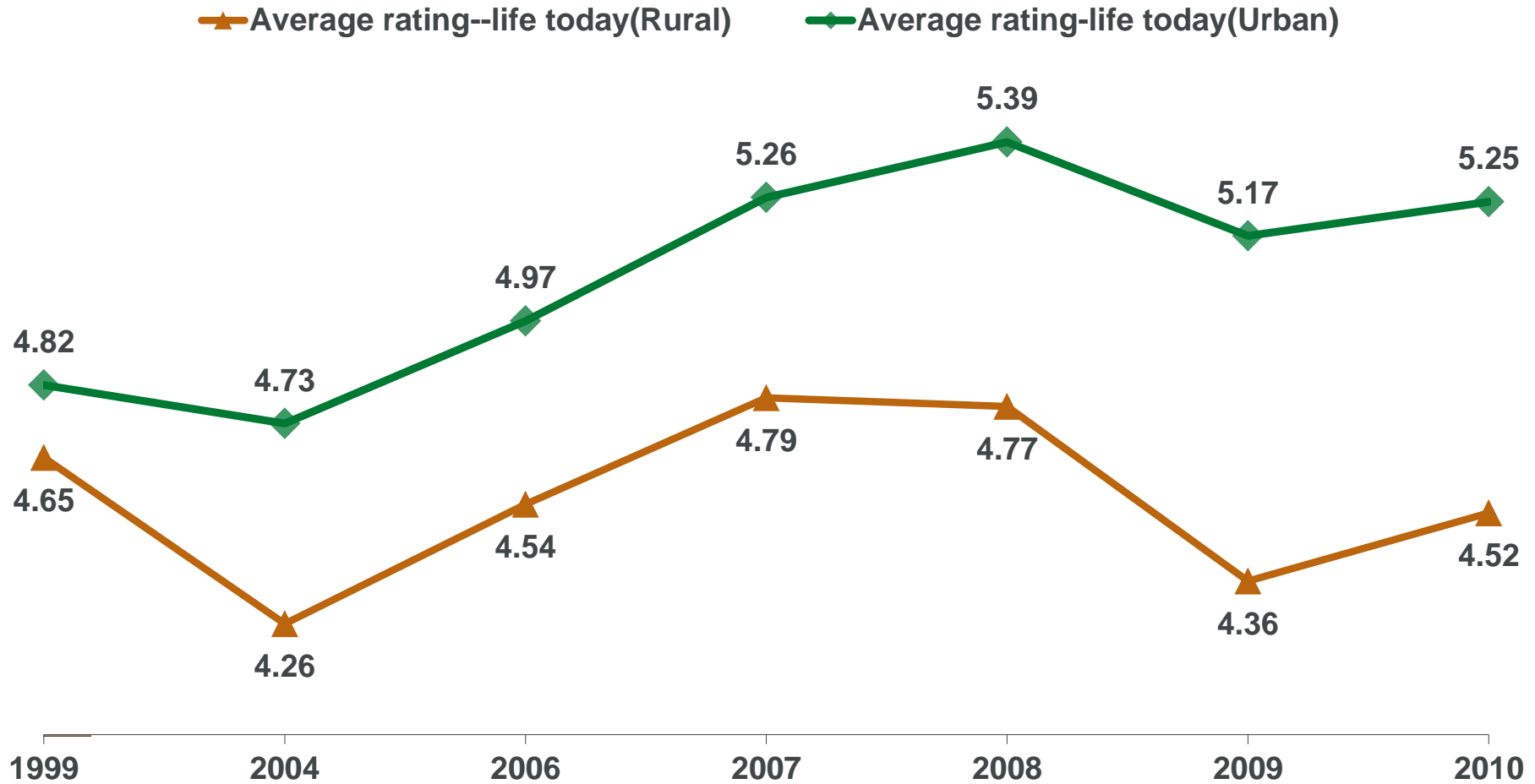
Approval of the local leadership: Gallup World Poll 2010

Satisfaction with the efforts to deal with the poor: Gallup World Poll 2011

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Thank You!

# Widening Gap Between Urban and Rural Life Rating



Source: Gallup World Poll

# Correlation Between Life Evaluation, Job Satisfaction, Confident About Future and Emotional Wellbeing

	<b>Low (Suffering)</b>	<b>Medium (Struggling)</b>	<b>High (Thriving)</b>
Job satisfaction	43%	60%	76%
Confident about future	53%	73%	87%
Enjoyment	73%	87%	94%
Happiness	53%	76%	82%

Source:

Job satisfaction: Gallup World Poll 2011

Confident about future: Gallup World Poll 2010

Emotional wellbeing: Gallup World Poll 2011

# Correlation Between Life Evaluation and Wellbeing Elements

Among family, income, health, job and community, income has the strongest correlation with life rating in the case of China.

	Correlation
<b>Household Income</b>	<b>0.423</b>
<b>Family Life</b>	<b>0.303</b>
<b>Job</b>	<b>0.206</b>
<b>Personal Health</b>	<b>0.199</b>
<b>Living City/Area</b>	<b>0.158</b>

Source: Gallup World Poll data, 2009

\* Satisfaction to Household Income and Family Life used a 1-to-4 scale while the other 3 used 1-to-2 scale

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