



THE UNIVERSITY OF  
**SYDNEY**

—  
**Brain and Mind  
Centre**

# A Contributing Life: A Snapshot of the Value of Social Production

Prepared by the Mental Wealth Initiative

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Authors: Ms Kristen Tran, A/Professor Jo-An Occhipinti, Professor John Buchanan, Dr Sebastian Rosenberg, Dr Christine Song, Professor Ian B. Hickie



Australians contribute in many ways to the prosperity of our nation, and those contributions change over the course of our lives. Some contributions are measured and valued, while others are not.

The value generated from our economic productivity is captured in GDP, a measure of the strength of the economy. What is not adequately measured and reported is the value generated from our social contributions (social production). These contributions are not only essential to the integrity of the social fabric of our nation, but they also bolster economic productivity and national resilience.

[Mental Wealth<sup>1</sup>](#) is a more holistic measure of national prosperity that captures the value of economic *and* social production. As such, [Mental Wealth is a measure of the strength of a Wellbeing Economy<sup>2</sup>](#) and central to Australia's commitment to [Measuring What Matters](#). Therefore, this report makes efforts towards valuing social production as we work to measure, monitor, and forecast the Mental Wealth of our nation.

### **Key Findings:**

We have found that the largest contributing groups to Social Production are those generally underrepresented in the formal economy.

- Australia's Social Production was estimated to be at least \$287.86bn, equating to 14% of Australia's GDP in 2021.
- Women are the largest generators of value in terms of Social Production, consistent across all currently measured activity categories.
- Australians aged 65 and over contributed \$7.56bn in social production through voluntary work, the largest of any age group.
- In 2021 unemployed people made larger per capita social contributions than those employed in the labour market, contributing on average \$10,293 per person, per year.
- These estimates of Social Production in Australia are a significant underestimate due to data gaps. Further data collection is needed to better understand the extent of, and temporal trends in, Social Production to estimate the Mental Wealth of our nation.

## Australia's Mental Wealth

### 2021 Snapshot



Social Production was estimated to be at least

**\$287.86bn**



Those who were unemployed contributed on average

**\$10,293**

per person



Women contributed the larger share of value to social production in Australia.



Those 65 and over contributed

**\$7.56bn**

through voluntary work

## Background

There are many ways Australians contribute to the prosperity of our nation, from the time spent caring for and educating children, to participating in paid employment, to volunteering, to caring for country. The way we contribute changes over the course of our lives. In youth we may focus on building our mental capital to contribute to the economy, while in our older years we may focus on caring for grandchildren and participating in community building activities. The problem is that some of those contributions are measured and valued, while others are not.

Failing to measure and monitor social production sends a signal that society does not value the contributions made by those not in the formal labour market. This has led to marginalisation of the unemployed, older adults, and those that are disabled, and contributed to stigma, inequality, lower social participation, and the erosion of mental health and wellbeing. As emphasised by the National Report Cards on Mental Health and Suicide Prevention, all people should be afforded the opportunity to live [A Contributing Life](#)<sup>3,4</sup>.

**Mental Wealth** is a more holistic measure of national prosperity that broadens GDP to include the value of unpaid activities that contribute to strengthening the social fabric of nations, civic vibrancy, and community wellbeing.

Mental Wealth recognises the fundamental role that mental capital, mental health, and collective wellbeing play in underpinning national economic performance and social prosperity. Specifically, *Mental Wealth is the monetary value of the market and non-market goods and services produced by the population over a given period, calculated as follows:*

$$\text{Mental Wealth} = \mu \text{GDP}_r + C_s + I_s$$

where **GDP<sub>r</sub>** is real GDP (for a given period) calculated using the expenditure approach, **μ** is the devaluation coefficient; the downward adjustment to GDP<sub>r</sub> to account for negative externalities and the proportion of expenditure not underpinned by mental capital (e.g., the value of mineral exports net of human input). **C<sub>s</sub>** is the total value of non-monetised social contributions, **I<sub>s</sub>** represents government and non-government investments in social capital infrastructure (in a given period), not already captured in GDP.<sup>1</sup> Social contributions that comprise overall social production have been grouped into eight activity categories (currently data is only available for the highlighted categories):

- **Category 1: Volunteering and unpaid charity work**
- **Category 2: Unpaid education and care of children**
- **Category 3: Unpaid care of the sick, elderly, or disabled**
- *Category 4: Providing a crowd service (where no direct or indirect income is received)*
- *Category 5: Unpaid contributions to the creative arts*
- **Category 6: Community participation and contributions to building community infrastructure**
- *Category 7: Unpaid ecological restoration / rewilding*
- *Category 8: Unpaid informal on the job training, development, and mentoring*

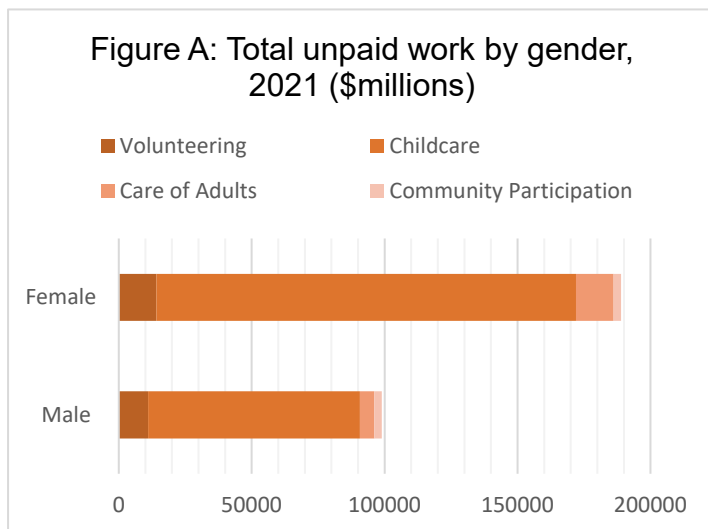
A tractable, non-market, input-based valuation method is applied to estimate the monetary value of social contributions (see Method).

## Summary Tables

The value of unpaid social contributions of individuals to the Mental Wealth of Australia in 2021 was estimated to be \$287.86bn (Table 1). The value of unpaid education and care of children constitutes the largest proportion of the social contributions and is estimated to be \$237.61bn.

Social Contribution Category	Females	Males	Total Persons
<i>Volunteering and unpaid charity work</i>	\$14.101	\$10.990	<b>\$25.091</b>
<i>Unpaid education and care of children</i>	\$157.931	\$79.674	<b>\$237.606</b>
<i>Unpaid care of the sick, elderly or disabled</i>	\$14.101	\$5.495	<b>\$19.596</b>
<i>Community participation</i>	\$2.820	\$2.747	<b>\$5.568</b>
<b>Total</b>	<b>\$188.954</b>	<b>\$98.906</b>	<b>\$287.860</b>

Source: ABS<sup>5,7,6</sup>, MWI analysis.



Women's social contributions represent a significantly greater proportion of the total compared to men, particularly in the education and care of children (Figure A). Females deliver almost double the unpaid contributions to the care of children, valued at \$157.93bn, where male contribution in this category is \$79.67bn. Across all categories, women contribute the larger share of value to social production in Australia.

Source: ABS<sup>5,7,8</sup>, MWI analysis.

Table 2 shows the proportion of GDP in 2021 these social contributions equated to. Note that these percentages of GDP have been recorded without adding the value of unpaid work to GDP in the calculation.

<b>Social Contribution Category</b>	
<i>Volunteering and unpaid charity work</i>	1.2%
<i>Unpaid education and care of children</i>	11.4%
<i>Unpaid care of the sick, elderly or disabled</i>	0.9%
<i>Community participation</i>	0.3%
<b>Total</b>	<b>14%</b>

Source: ABS<sup>5,6,7,8</sup>, MWI analysis.

Australians aged 65 and over made significantly greater contributions to social production through voluntary work than any other age group, contributing \$7.56bn (Table 3). A larger proportion of older Australians (65 and over) participate in volunteering (7.4%) compared to younger Australians (25-34 years) at 2.7%.

<b>Age groups (years)</b>	<b>Childcare activities</b>	<b>Adult care activities</b>	<b>Voluntary work activities</b>	<b>Total</b>
<i>15 to 24</i>	4.08	0.00	2.04	<b>6.12</b>
<i>25 to 34</i>	56.24	1.63	0.82	<b>58.68</b>
<i>35 to 44</i>	84.84	1.54	3.09	<b>89.47</b>
<i>45 to 54</i>	27.14	2.86	2.14	<b>32.14</b>
<i>55 to 64</i>	9.25	5.94	3.96	<b>19.15</b>
<i>65 and over</i>	11.34	5.67	7.56	<b>24.56</b>

Source: ABS<sup>5,7,8</sup>, MWI analysis.

Table 4 considers the social contribution per capita by labour force status. Those who are unemployed are estimated to make the larger contribution to social production (an average of \$10,293 per person, per year), followed by those who are employed full time (\$9,198 per person, per year). The education and care of children is the activity that constitutes the greater proportion of social contributions made across all labour force status groups.

<b>LABOUR FORCE STATUS</b>	<b>Childcare activities</b>	<b>Adult care activities</b>	<b>Voluntary work activities</b>	<b>Total</b>
<i>Employed full-time</i>	8322	219	657	<b>9198</b>
<i>Employed part-time</i>	6789	219	219	<b>7227</b>
<i>Unemployed</i>	7665	438	2190	<b>10293</b>
<i>Not in the labour force</i>	2190	1314	1314	<b>4818</b>

Source: ABS<sup>5,7,8</sup>, MWI analysis.

Table 5 shows the value of social contributions per household across the distribution of equivalised weekly household income. The value contributed to Social Production through volunteering by those in the lowest two quintiles is more than one and a half times the value contributed by those in the highest two quintiles. Households in the highest quintiles however, made the largest contributions to the education and care of children.

<b>Equivalised weekly household income</b>	<b>Child care activities</b>	<b>Adult care activities</b>	<b>Voluntary work activities</b>	<b>Total</b>
<i>Lowest quintile</i>	4161	657	1314	6132
<i>Second quintile</i>	5475	1095	1095	7665
<i>Third quintile</i>	7008	438	657	8103
<i>Fourth quintile</i>	7227	438	876	8541
<i>Highest quintile</i>	7227	219	657	8103

Source: ABS<sup>5,7,8</sup>, MWI analysis.

Note: Equivalised weekly household income refers to household income adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition.

## Policy Implications

Extending GDP to include Social Production and embracing the Mental Wealth metric has several important benefits:

- Mental Wealth provides a single indicator against which governments can measure the progress towards, and strength of, a Wellbeing Economy
- Monitoring social production in addition to economic production promotes coordinated policies to foster both, encouraging stewardship and accountability.
- Monitoring social production promotes a more inclusive narrative of a contributing life. It rebalances our perspective from an overemphasis on our individual rights towards more of a focus on our collective responsibilities.
- Mental Wealth recognises brain capital (i.e., our mental capital, mental health, collective wellbeing and overall brain health) as a key driver of economic and social production, thereby promoting policies and investments aimed at boosting brain capital.

Australia faces pressing national and global challenges including climate change, energy and food insecurity, conflict, polarisation, misinformation, and declining trends in youth mental health. These challenges are converging to cause socio-political and economic disruption, reducing social cohesion, and weakening democracies. Investing in our nation's Mental Wealth will provide us with the capacity, resources, and resilience to face these challenges more successfully. Strengthening the data ecosystem to enable regular monitoring of the Mental Wealth of the nation is therefore a national priority.

## Method

A universal value is applied to every hour spent undertaking activities that fall under the eight Social Contribution categories. This universal value is based on median hourly earnings in the year in which activities are undertaken (equating the value of market and non-market activity), which was \$36/hour in 2021. Time spent on Social Contribution activities has been taken from the Australian Bureau of Statistics Time Use Survey (ABS, 2020-21). In estimating the value of Social Production only the cost of labour inputs will be used, capital costs have not been included. This method broadly aligns with the ABS methods and most other practitioners valuing unpaid work.

### Number of Hours

Estimates of the number of hours spent on Social Contributions per person in 2021 were derived from ABS data as follows:

$$H_{ij} = \left( \frac{D_{ij}}{60} \right) \cdot 365$$

$H_{ij}$  = average hours in 2021 on unpaid work function  $i$  per person in demographic group  $j$

$D_{ij}$  = average daily minutes on work function  $i$  per person in demographic group  $j$

### Estimating the value of Social Contributions

The input-based valuation estimates of Social Contributions for 2021 were derived as follows:

$$C_S = \sum_{i=1}^M \sum_{j=1}^N H_{ij} P_j W_{ij}$$

$C_S$  = Total Social Contribution

$P_j$  = Number of persons in demographic group

$W_{ij}$  = hourly rate of pay applicable to Social Contribution function  $i$  for demographic group  $j$

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### For more information, please contact:

**Jo-An Occhipinti** | Co-Director, Mental Wealth Initiative  
T +61 467 522 766 | E [jo-an.occhipinti@sydney.edu.au](mailto:jo-an.occhipinti@sydney.edu.au)  
[sydney.edu.au](http://sydney.edu.au)

**Kristen Tran** | Research Associate, Mental Wealth Initiative |  
E [kristen.tran@sydney.edu.au](mailto:kristen.tran@sydney.edu.au)  
[sydney.edu.au](http://sydney.edu.au)

