

Money is the key to happiness: However, per capita GDP, not GDP itself, is the real measure of national progress

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Leading progressives in the US Congress recently joined a growing list of world leaders pushing to supplement GDP with a broader measure of human progress, an idea conservatives lampoon as “squishy indeed”. But this movement dates to Simon Kuznets, the Nobel laureate who invented the precursor to GDP to quantify US losses during the Great Depression.

Even Kuznets pushed for a higher standard, saying this crude tally of stuff bought and sold did not reflect a society’s well-being. In 1968 US Senator Robert Kennedy said gross output measures everything “except that which makes life worthwhile”, including the health, education and welfare of children.