

GRDA NOTE



Assessing Wellbeing in Gozo: Progress Beyond GDP

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Assessing Wellbeing in Gozo: Progress Beyond GDP¹

Gozo has, over recent years, experienced significant economic progress, with its GDP more than doubling within a relatively short period. While this progress should be acknowledged, the resulting increase in economic activity has also contributed to population growth and urban expansion, which may have implications for quality of life, environmental sustainability, and overall wellbeing. In a small and distinct regional context such as Gozo, these trade-offs are particularly important, as rapid development can place pressure on infrastructure, natural resources, and the social fabric of the island.

For this reason, relying solely on traditional economic indicators such as Gross Domestic Product (GDP) provides only a partial picture of progress. While GDP measures economic output, it does not capture how this growth is experienced by individuals, nor does it reflect broader dimensions such as quality of life, social wellbeing, or environmental conditions. In the case of Gozo, these aspects are essential for understanding whether development is truly improving the lives of residents.

This perspective is explicitly recognised in the Gozo Regional Development Strategy, which acknowledges the strong economic progress achieved in recent years but emphasises that economic growth should not be treated as an end in itself. Instead, it should be viewed as a means to enhance the overall wellbeing of Gozitans. The strategy highlights the importance of balancing economic development with environmental sustainability, social wellbeing, and the preservation of Gozo's unique identity. Similarly, Malta Vision 2050 identifies wellbeing as a central pillar of national development, alongside economic growth and environmental sustainability, highlighting the need for a more balanced and people-centred approach to measuring progress.

Against this background, the purpose of this note is to assess whether the economic progress observed in Gozo has been accompanied by improvements in broader wellbeing outcomes. To do so, it examines a range of indicators covering financial conditions, as well as satisfaction and emotional wellbeing. By combining objective and subjective measures, the analysis aims to provide a more comprehensive understanding of whether growth in Gozo is translating into tangible improvements in the quality of life of its residents.

¹ This note was prepared by Mr Juergen Attard, Senior Manager Research & Policy. This document is being prepared as part of its policy-formulating and consultative functions, pursuant to the implementation of the Regional Development Strategy for Gozo, as mandated by Article 8 of the GRDA Act.

The financial aspect

In recent years, Gozo has experienced a considerable expansion in economic activity, mirroring developments in mainland Malta. The island's economy has grown into a meaningful contributor to national output. This growth has been accompanied by a substantial increase in employment opportunities, spanning both lower-skilled and higher-skilled occupations.

This heightened economic activity has generated positive spillover effects. Household income has increased, net wealth has grown, financial confidence has improved, and residents report higher satisfaction with their standard of living.

Evidence from multiple data sources confirms a strong improvement in the financial wellbeing of Gozitan households (see Table 1).

Table 1: Economic and Financial Indicators

Indicator	Earlier Year	Latest Year	Change	Source
Median Household Income	€26,900 (2017)	€48,400 (2023)	↑ +80%	HFCS
Median Net Wealth	€333,800 (2017)	€506,000 (2023)	↑ +52%	HFCS
Below Average Standard of Living	16.8% (2022)	9.5% (2025)	↓ -43%	State of the Nation Survey
Financial Situation Rating	6.53 (2018)	7.52 (2024)	↑ +15%	EU-SILC

According to the Household Finance and Consumption Survey (HFCS), published by the Central Bank of Malta, median household gross income increased significantly from €26,900 in 2017 to €48,400 in 2023, making Gozo the region with the highest median income.² Over the same period, median net wealth rose from €333,800 to €506,000, indicating substantial asset accumulation. Complementing this, the State of the Nation Survey shows that the share of individuals reporting below-average living standards declined from 16.8% in 2022 to 9.5% in 2025. Meanwhile, EU-SILC data indicates that self-assessed financial wellbeing improved from a rating of 6.53 in 2018, the lowest among Maltese regions, to 7.52 in 2024, the highest.

In summary, these figures indicate:

- Strong income growth, with household income nearly doubling since 2017
- Significant wealth accumulation, reflecting improved financial resilience
- Improved living standards, with fewer individuals reporting below-average conditions
- Increased financial confidence, with self-assessed wellbeing rising

Together, these trends demonstrate clear and broad-based progress in the financial conditions of Gozitan households.

² This data can be accessed from: <https://centralbankofmalta.shinyapps.io/HFCS/>.

Other wellbeing indicators

However, overall wellbeing is not solely dependent on financial outcomes. Although these indicators have improved, they often move in line with GDP growth, meaning this does not necessarily reflect a corresponding improvement in overall wellbeing. Thus, to obtain a more comprehensive understanding of progress, it is essential to examine additional dimensions of wellbeing.

This analysis therefore considers indicators related to satisfaction and emotional wellbeing. These are derived from the Malta Wellbeing INDEX, an initiative led by the Malta Foundation for the Wellbeing of Society in collaboration with the University of Malta, using EU-SILC data collected by the National Statistics Office.³

i. Satisfaction indicators

Satisfaction indicators capture individuals' subjective assessments of key aspects of their daily lives, including how they use their time, their work, personal relationships, and overall life satisfaction. As such, they provide important insight into how people evaluate their quality of life beyond purely economic conditions.

Trends in satisfaction indicators between 2018 and 2024 point to a clear and consistent improvement in wellbeing among Gozitan respondents. While Gozo started from a position below the national average across all indicators in 2018, it experienced stronger growth over time. By 2024, these gaps had not only been closed but reversed, with Gozo surpassing national levels across all satisfaction measures.

This upward trend is reflected across all indicators (see Table 2), indicating a broad-based enhancement in overall wellbeing. The most notable improvement is observed in time use satisfaction, which increased by 18%, suggesting that individuals feel significantly more satisfied with how they manage their daily activities. Personal relationship satisfaction also recorded a strong increase of 12%, while job satisfaction rose by 9%, pointing to improvements in workplace conditions or perceptions. Meanwhile, overall life satisfaction increased further by 8%.

Table 2: Satisfaction indicators

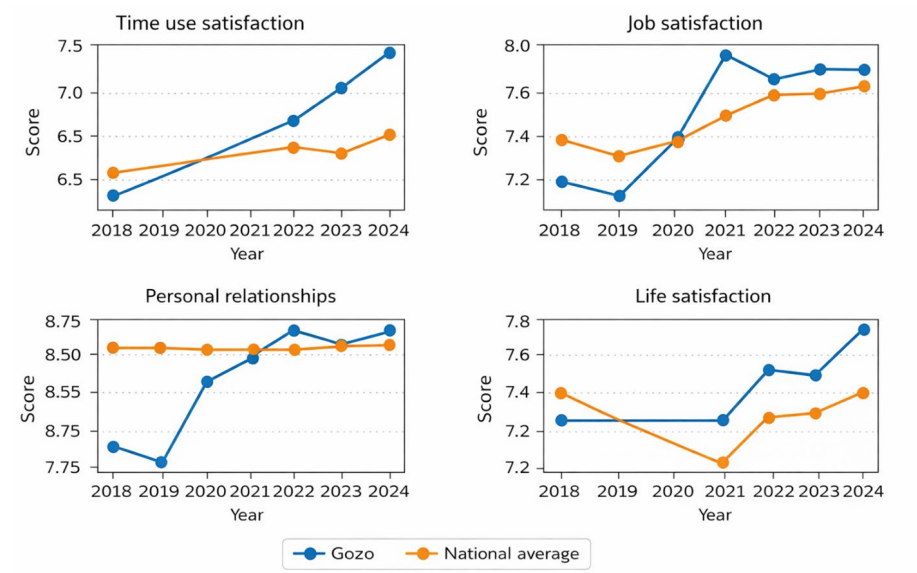
Indicator	2018	2024	Change
Time use satisfaction	6.38	7.56	↑ +18%
Present job satisfaction	7.23	7.88	↑ +9%
Personal relationship satisfaction	7.84	8.77	↑ +12%
Overall life satisfaction	7.34	7.92	↑ +8%

Data Source: Wellbeing INDEX.

³ A methodological description of the survey is available from: https://nso.gov.mt/themes_sources___met/statistics-on-income-and-living-conditions/#:~:text=EU%2DSILC%20is%20a%20panel,the%20time%20of%20data%20collection.

The comparison with national data for 2024 further reinforces this positive trend (see Chart 1). Gozo outperforms the national average across all satisfaction indicators, with the largest differences observed in time use satisfaction and overall life satisfaction. Smaller but still positive gaps are evident in job satisfaction and personal relationships.

Chart 1: Trends in Satisfaction Indicators: Gozo vs National Average (2018–2024)



Data Source: Wellbeing INDEX.

Overall, the evidence suggests that Gozo has transitioned from below-average to above-average levels of subjective wellbeing, outperforming national trends across key aspects of daily life.

ii. Emotional indicators

Emotional indicators reflect individuals' day-to-day feelings and psychological states, capturing both positive and negative emotions. They provide a more immediate and experiential perspective on wellbeing, complementing broader satisfaction measures.

Emotional wellbeing indicators between 2018 and 2024 show a modest but overall positive improvement in Gozo (see Table 3). Positive emotional states strengthened over time, with feelings of happiness increasing by 6% and feelings of calmness and peacefulness rising by 5%. At the same time, negative emotional states declined, with loneliness decreasing by 8%, while feelings of nervousness remained broadly stable, with a slight reduction of 1%.

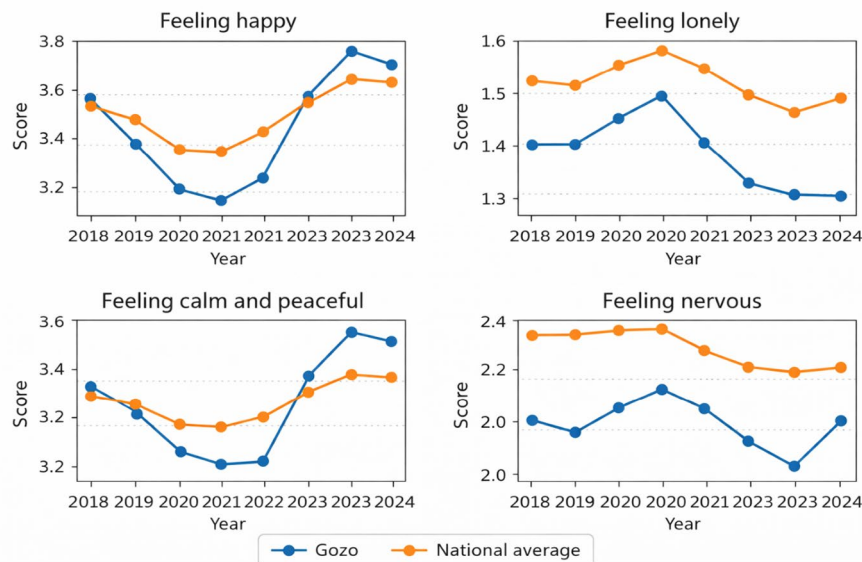
Table 3: Emotional indicators

Indicator	2018	2024	Change
Feeling happy	3.57	3.80	↑ +6%
Feeling lonely	1.43	1.31	↓ -8%
Feeling calm and peaceful	3.46	3.65	↑ +5%
Feeling nervous	2.10	2.09	↓ -1%

Data Source: Wellbeing INDEX.

Looking at trends over time, emotional wellbeing in Gozo follows a pattern of initial decline followed by recovery (see Chart 2). While levels of happiness and calmness dipped in the earlier years, both indicators improved markedly from 2021 onwards, with Gozo surpassing the national average in recent years. At the same time, negative emotions such as loneliness and nervousness remain consistently lower among Gozitan respondents compared to the national average, with further improvements observed in recent years.

Chart 2: Trends in Emotional Indicators: Gozo vs National Average (2018–2024)



Data Source: Wellbeing INDEX.

Overall, these findings indicate that emotional wellbeing in Gozo has not only recovered but has strengthened over time, with comparatively more favourable outcomes than the national average across both positive and negative emotional indicators.

Concluding Remarks

This analysis set out to examine wellbeing in Gozo beyond traditional economic indicators such as GDP. The findings point to clear and consistent progress. Gozo has not only experienced strong economic growth but has also recorded improvements across key dimensions of wellbeing, including financial security, life satisfaction, and emotional wellbeing. The evidence suggests that, in many respects, economic expansion has been accompanied by tangible improvements in the lived experiences of residents.

Importantly, the data indicates that Gozo has transitioned from a position of relatively lower wellbeing to one that increasingly matches or exceeds national averages across several indicators.

These developments may reflect the cumulative impact of sustained economic growth alongside targeted regional policies aimed at improving quality of life. In this regard, the findings provide encouraging signs that the broader development strategy for Gozo is beginning to deliver results not only in economic terms but also in enhancing overall wellbeing.

However, while the overall trends are positive, it is essential to interpret these results with caution. Aggregate indicators and averages, while useful, can mask underlying disparities within the population. Certain groups may not be benefiting equally from these improvements and may continue to face challenges related to affordability, access to services, housing pressures, or environmental changes linked to urban expansion.

Going forward, this highlights the importance of maintaining a balanced and inclusive approach to development. Policymaking should continue to integrate economic objectives with social, environmental, and wellbeing considerations, ensuring that progress is both sustainable and widely shared. Continued monitoring of wellbeing indicators, alongside more granular analysis of different population groups, will be crucial in identifying emerging challenges and guiding future policy interventions.

In conclusion, Gozo appears to be moving in a positive direction, not only in terms of economic performance but also in terms of overall wellbeing. The challenge ahead lies in sustaining this progress while ensuring that it remains inclusive, balanced, and resilient over the long term.



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