

# The Welfare of Nations: Historical and Distributional Consumer Surplus

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*Preliminary. Please do not circulate.*

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## Abstract

We estimate changes in consumer surplus for the UK, the USA, and France over 300 years, and across income and demographic groups within the UK over 50 years for all major consumption categories. We estimate a flexible structural demand model that captures changes in preferences and construct real money-metric utility to measure changes in consumer surplus. We use detailed household-level data for the UK (1974–2022) and construct novel historical data for the UK, USA, and France (1700–2020). We highlight significant and unequal shifts in consumer welfare by population groups, the contribution of individual goods and service categories, and show the evolution of consumer surplus relative to economic growth and environmental damages from carbon emissions.

**Keywords:** consumer surplus, welfare, money metric utility, historical analysis, demand estimation

**JEL codes:** D12, I31, N30, D63, Q56

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