



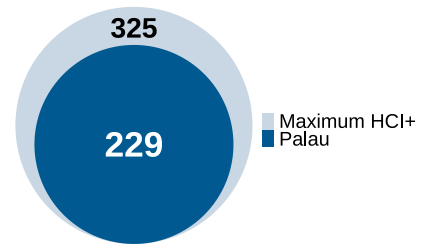
PALAU

Region: East Asia & Pacific
Income Category: High Income

Human capital - people’s knowledge, skills, and health - drives productivity and growth. The Human Capital Index Plus (HCI+) measures the human capital a child born today can expect to accumulate over their working life, extending the original HCI by incorporating tertiary education and work experience. This brief summarizes **Palau’s** HCI+ score and its performance in building human capital.

What is Palau’s HCI+ and what does it mean?

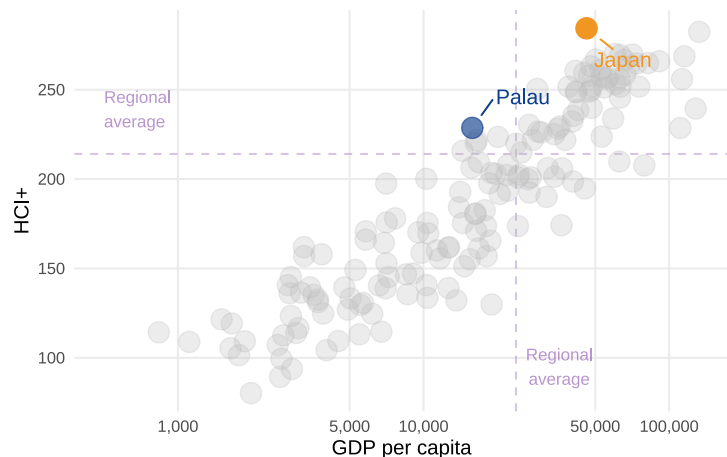
Palau’s HCI+ score is **229** (out of a maximum of **325**), reflecting its investments in health, education, and employment. A 10-point increase in the index would translate into approximately 10 percent higher future income. Closing the current gaps in these areas relative to high-performing countries with similar GDP per capita would boost future income by 11%.



How does Palau’s HCI+ compare to other countries?

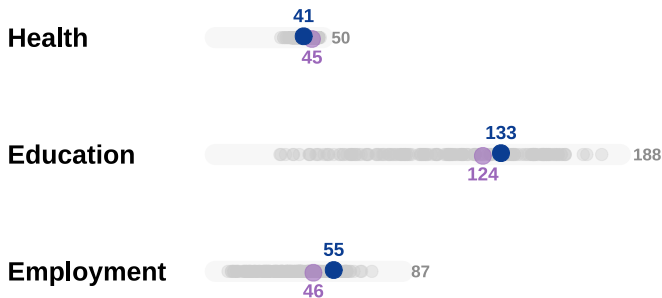
Palau’s HCI+ is higher than the average for the **East Asia & Pacific region (215)** and lower than the average for **high-income countries (252)**.

Palau’s HCI+ score is also **55 points lower than Japan’s**.



What explains Palau’s HCI+?

The HCI+ has three components corresponding to health, education, and employment.



The HCI+ score for the **Health pillar is 41**, slightly lower than the **regional average of 45**.

The HCI+ score for the **Education pillar is 133**, higher than the **regional average of 124**.

The HCI+ score for the **Employment pillar is 55**, higher than the **regional average of 46**.



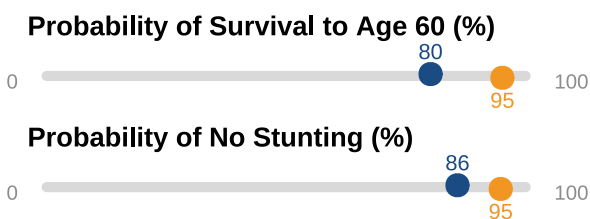
What indicators are responsible for Palau’s HCI+ gap with Japan?

Palau’s HCI+ score (229) is lower than Japan’s (284). The indicators that account for the largest share of the HCI+ gap between Palau and Japan are **Harmonized Learning Outcomes (HLO), expected years of schooling, and probability of survival to age 60**. Raising these indicators to Japan’s levels would increase Palau’s score to **271**, boosting future income by approximately 42.1%.



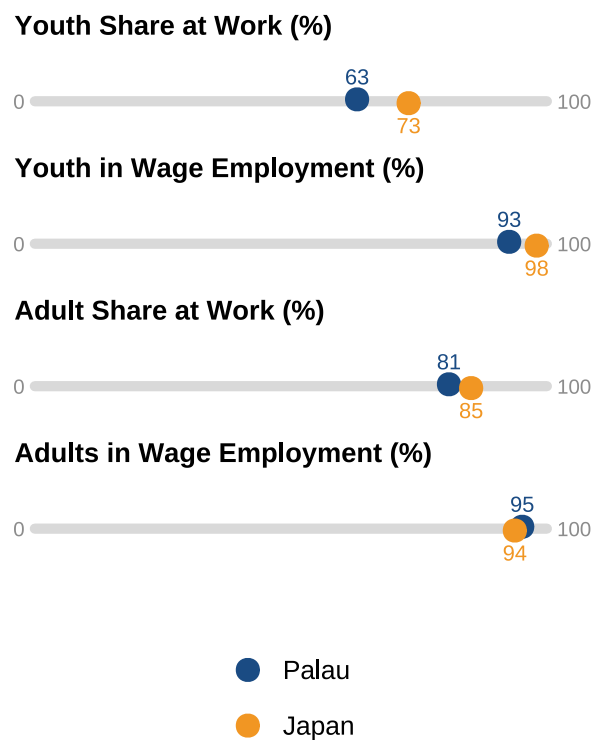
Health 10pts of gap

Japan does better



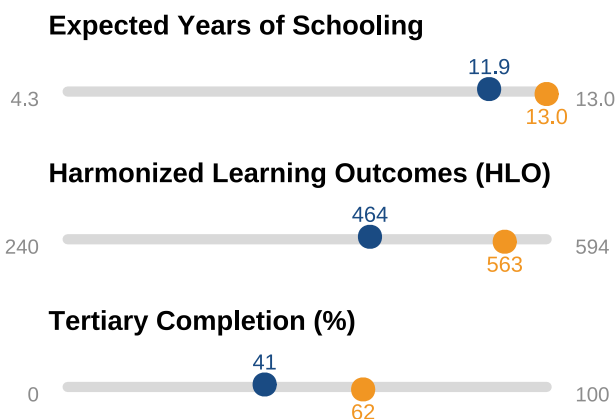
Employment 6pts of gap

Japan does better



Education 40pts of gap

Japan does better



Note: All values are derived from internationally comparable public datasets.

