

RESEARCH BRIEF

The Changing (Dis-)Utility of Work

Based on BFI Working Paper No. 2018-43, "[The Changing \(Dis-\)Utility of Work](#)," by Greg Kaplan, UChicago professor of economics, and Sam Schulhofer-Wohl, senior economist and research advisor, Federal Reserve Bank of Chicago

KEY TAKEAWAYS

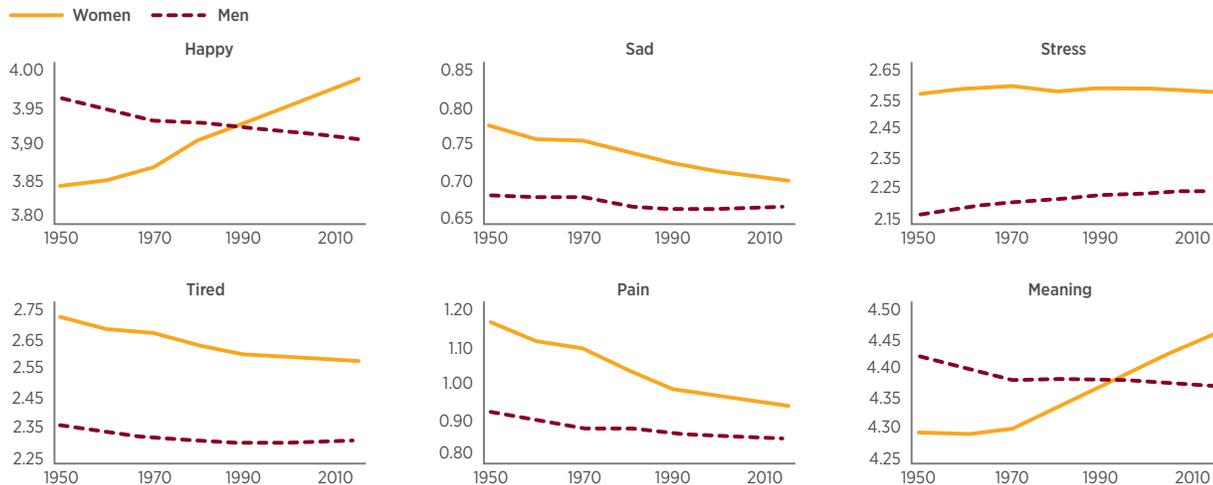
- ✓ People seek value from their work beyond the pay they receive
- ✓ Economists have failed to account for non-pecuniary benefits of work
- ✓ The authors' novel research program suggests that workers experience different levels of job satisfaction
- ✓ Economists and policymakers should consider non-pecuniary costs and benefits of labor

From their earliest days, children are asked what they are going to *be* when they grow up, not what they are going to *do*. Later, as they enter college or otherwise plan their careers, they are told to follow their bliss, and to do what they love—the money will follow. Even as adults contemplating a job change or advancement within a company, they are coached to pursue their passions and find meaning in their work.

Of course, a subtext of all these considerations is income. People must attend to their basic needs, and usually more than that. However, while it is obviously important to earn a wage to provide a desired standard of living, money alone is rarely the primary motivator for why people do what they do. And people value money differently. Yet economists predominantly view monetary rewards as by far the most important aspect of jobs and careers.

In "[The Changing \(Dis-\)Utility of Work](#)," Greg Kaplan, UChicago professor of economics, and Sam Schulhofer-Wohl, senior economist and research advisor, Federal Reserve Bank of Chicago, challenge this orthodoxy by employing a novel method of gauging how occupational shifts in the post-WWII period have manifested in changes in the nonpecuniary costs and benefits of work. Has the shift from manufacturing to service-related jobs impacted how workers feel about their work? Do women and men experience similar benefits and costs for various occupations? Are there differences among races?

Figure 1: Changes in Aggregate Feelings at Work by Sex, 1950 - Present



Kaplan and Schulhofer-Wohl examine these and other questions and their findings suggest ways to enhance research models and to inform policymakers on the nonpecuniary effects of changes in labor markets. At a time when more attention is focused on income inequality, a deeper understanding of the costs and benefits of occupations beyond income could inform policymakers about issues relating to trade, education, and economic development, for example, and how they impact the wellbeing of workers beyond income.

Tell us how you really feel

John Maynard Keynes suggested in 1930 that increases in productivity and other economic improvements meant that someday people would, perhaps, only need to work three hours a day to earn their keep. Clearly, that hasn't happened. Indeed, in many cases, people are working more than ever today. But does that mean that they worse off? Maybe people enjoy their work and are happy to put in more time, and maybe those at the higher end of the income distribution like their jobs even more, further complicating the issue of income inequality. Or maybe it's the opposite and lower-income workers enjoy their work more due to less stress and fewer demands on their time.

By employing data from the American Time Use Survey (ATUS), Kaplan and Schulhofer-Wohl are able to address six measures on how workers feel about their occupations: how happy, sad, and tired they are, how much stress and pain they experience, and how meaningful they find their work. The ATUS is administered by the Bureau of Labor Statistics and measures the time people spend doing various activities, including work, leisure, volunteering, child care, and other activities. Importantly, the surveys for 2010, 2012, and 2013 include how people were feeling at particular times of the day. By analyzing the answers

given while at work, the authors are able to estimate how people feel about their work and the satisfaction it may or may not bring.

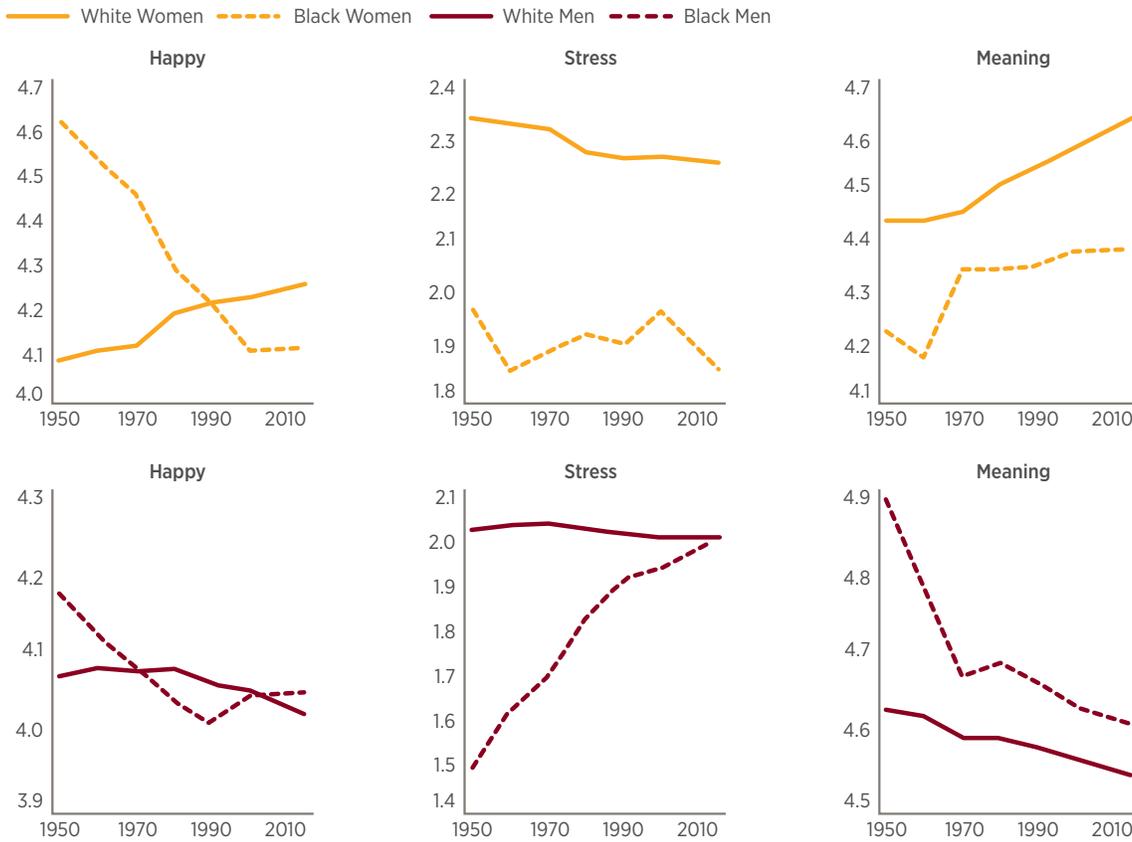
Kaplan and Schulhofer-Wohl stress that their findings are only suggestive and that more work is needed to reinforce or improve upon their results. This is especially true in that they have to impute how past workers felt about their jobs based on current information. In other words, there is no ATUS from 1950, the year they use to compare present-day workers with their earlier counterparts. By measuring changes in the distribution of occupations, assigning scores based on how workers feel today, and determining how the distribution of occupations differs from 1950, they are able to answer questions relating to whether workers today—on average—are experiencing more or less stress, happiness, sadness, tiredness, pain, and meaningfulness.

Broadly speaking, relative to 1950, the authors find that workers are less sad and less tired, given the current distribution of occupations, and they experience less pain. But workers today also experience more stress. As for happiness and meaningfulness, those attributes both fell in early years, then rose in later years.

For certain dimensions of their study, such as pain and tiredness, the authors are more confident about the direction of change for most workers. While many jobs today are physically demanding, on average the many more office workers of today feel less pain than their 1950 counterparts who may have worked on a farm or in a factory.

For other measures that focus on happiness, sadness, stress, and meaningfulness, the authors' insights are more tentative. Nonetheless, they shed light on the directions of change among US occupations, particularly as regards gender, education, and race.

Figure 2: Changes in Aggregate Feelings at Work by Sex and Race (Education ≤ high school), 1950 - Present



Compiling measures that describe, on average, how people of certain demographic characteristics feel about work offers insight on a number of important questions.

Men and women, for example, have experienced the evolution of occupations in different ways. For women, the non-physical aspects of work have, on average, become more positive over time: Women have shifted toward occupations that produce more happiness and meaningfulness and less sadness, while experiencing no change in stress (See Figure 1). In the main, this has occurred as women have moved from assembly line work and other physical jobs to managerial and other office work today. This doesn't mean that women are less suited for physical work; rather, it could mean that the work environment in service and office occupations is optimal, or other reasons.

For men, this occupational shift has had more negative consequences. Although men have shared in the

reduction in pain and tiredness, they also have shifted toward occupations that produce more stress, less happiness, and less meaningfulness. For many men, the more physical work of the past brought more fulfillment. Office or desk work, and in particular service-sector occupations, have seemingly less sanguine effects on men's moods than on women. Importantly, though, the reduction in meaningfulness for men seem concentrated among workers at lower education levels. This suggests that the idea of income inequality is deeper and more complicated than the focus on monetary rewards, as people with higher education generally earn more but also, apparently, are happier in their work.

Regarding race, the authors are limited to analyzing whites and blacks as the ATUS data contains too few respondents of other races to obtain precise estimates. The trends in meaningfulness are the same across races: meaningfulness has risen for both white and black women and fallen for both white and black men. (See Figure 2.) However, happiness has risen for white women while falling for black women, and stress has risen for black men while falling for white men and women. These estimates account only for differences in feelings about the occupation itself, not for differences in pay. If racial discrimination in pay varies across occupations or has changed over time, the change in workers' overall happiness could be quite different.

Conclusion

That different people feel differently about certain jobs does not come as a surprise, but compiling measures that describe, on average, how people of certain demographic characteristics feel about work offers insights on a number of important questions. For example, one of the issues stemming from the study of wage and income inequality is whether rising wages at the top of the distribution are compensating for particularly demanding jobs, or whether the non-pecuniary benefits of work are increasingly concentrated at the top. Put bluntly, are the rich not only getting richer, but is their work getting more meaningful?

In addition, one of the biggest changes in the labor market in the postwar period has been the rise in women's participation. Yet little is known about the overall welfare consequences of this change because almost all research has assumed that wages are the sole benefit. However, the authors show that men and women have different likelihoods of working in some occupations and can feel differently about that work. Not all jobs bring the same levels of satisfaction for men and women. Thus, for example, we cannot simply extrapolate from the experience of men to calculate the costs and benefits of work for women.

Further, while the authors did not pursue the issue of non-market work, or work done in the home, their methodology suggests future research that could shed light on satisfaction levels for work involving children, for example, and other home tasks. Beyond work, additional research could also address issues surrounding leisure time; recent questions about the effect of video games and employment levels among low-skilled men are ripe for investigation.

Aside from suggesting new avenues of research, Kaplan and Schulhofer-Wohl's paper challenges economists to incorporate a more nuanced view of labor into their models. These considerations have practical implications for policymakers in terms of, for example, the impact of technology on jobs, the changes caused by trade policy, or the occupational demands for more educated workers.

CLOSING TAKEAWAY

At a time when more attention is focused on income inequality, a deeper understanding of the costs and benefits of occupations beyond income could inform policymakers about issues relating to trade, education, and economic development, for example, and how they impact the wellbeing of workers beyond income.

What this work suggests is that there is more at stake for policymakers than income distribution when they consider programs that may affect labor markets.

Why care about how workers feel about their work? So what if some people are more stressed or unhappy or find less meaning in their occupations? One reason to care is that such feelings can be costly as workers may suffer health effects, including increasing rates of addiction and other harmful behaviors. And just telling people to do something else may resolve workers' income needs, but it might also make them less happy, that is, if they are even inclined to try something different. Further, policymakers may need to consider workers' feelings if they hope to design effective interventions for certain disadvantaged groups. For example, if we want to understand why young men aren't lining up to take nursing degrees, it might be useful to examine how they feel about being a nurse.

Types of jobs have shifted over time and will continue to shift, especially as robotics and artificial intelligence take hold. Focusing only on income as the barometer for worker well-being provides an incomplete picture for policymakers concerned about labor markets and their effects on people's lives.

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MORE ABOUT



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