

Leisure vs. Labor: What do Recent Labor Market Trends Reveal About the “Overworked” American?

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ABSTRACT

This study analyzes data on labor market activity from the National Longitudinal Survey of Youth and the Panel Study of Income Dynamics. Our results indicate that during the 1990s annual hours worked increased for most Americans. This trend is due primarily to an increase in the annual hours of year-round full-time workers, and to a rise in the fraction of workers who report year-round full-time employment. We also find that annual hours worked increased more significantly for men than for women. Thus, the gender gap in annual hours increased over the decade.

INTRODUCTION

It is well-documented that workers in the United States devote significantly more hours to paid labor market activity during a typical year than do their counterparts in other industrialized nations (OECD, 1996; Rones, et al, 1997). For example, Americans tend to work an average of 2 to 4 weeks per year more than workers in England, France, Germany and Japan (OECD, 1996). According to recent estimates by Schor (1992), Leete and Schor (1994) and others, the annual hours worked of American labor force participants began to increase in the late-1940s, and this increase continued through the end of the 1980s. There is also a growing concern that increases in the amount of time devoted to labor market activity may lead to a decrease in net welfare via the so-called “time squeeze” hypothesis (Schor and Leete, 1994). This concern has been echoed in the popular media as well. For example, MSNBC.com recently devoted a series of articles to “How We Work: Punching the Clock in the New Economy.” Titles in the series include “Are we Done with the 40-hour

week?” (Bonne 2003) and “Job Stress, Burnout on the Rise” (Weaver 2003) among others. These titles reflect the growing interest Americans have about their devotion to labor market activities.

According to Schor and others, the downward trend in annual labor market hours that began in the early twentieth century reversed itself by the late 1940s. This reversal was especially pronounced for women: between 1969 and 1989, the annual hours worked of female labor force participants increased by approximately 15 percent (Schor 1992). On the other hand, Schor and Leete (1994) found no significant change in the annual labor market hours for males. Although Schor’s empirical analysis has been subjected to criticism (Hamermesh, 1993; Coleman and Pencavel, 1993), additional research tends to support her findings about recent trends in annual hours worked (Rones, et al, 1997).

One difficulty with previous analyses of trends in annual hours of work is that they rely on compilations of cross-sectional data, primarily from the Current Population Survey (CPS), or the U.S. Census of Population. The use of cross-sectional data poses a potential problem for analyzing longer trends if there is a change in the manner in which a key sample variable is determined. In 1994 such a change occurred in the methodology employed by the CPS to compute hours of work data.¹ Thus, it may be problematic to compare hours of labor market activity for CPS respondents before and after 1994 (Rones, et al, 1997).

The purpose of this paper is to provide a consistent, detailed examination of recent trends in annual hours worked of U.S. labor

force participants. To accomplish this we employ longitudinal data rather than cross-sectional data. The samples used in this study are drawn from two surveys: The 1979 cohort of the National Longitudinal Survey of Youth (hereafter NLSY79), and the Panel Study of Income Dynamics (hereafter PSID). These surveys are useful for our purposes because they have consistent, stable measures of labor market activity throughout the period. Although both surveys are now conducted biannually (the NLSY79 beginning in 1996 and the PSID beginning in 1997), the combination of annual and biannual data from these surveys allows us to obtain a fairly complete set of hours worked data for the 1990s. Since our data rely on relatively homogeneous surveys, with stable sampling criteria, we are confident in the consistency of our annual hours worked estimates throughout the decade.

TRENDS IN HOURS WORKED

Figure 1 illustrates the trend in average annual hours for labor force participants for the period 1989–1999 from the NLSY79 sample.² The NLSY79 data indicate that annual hours worked increased over the period, although the trend is more pronounced for men than for women. Table 1 presents more detailed information on annual hours, highlighting differences by gender and labor force status. Over the period 1989 to 1999 annual hours worked increased by 6 percent for all participants, representing 125 additional hours of annual labor market activity. The data in Table 1 also indicate that by 1999, men worked an additional 172 hours per year, an increase of 7.7 percent from ten years earlier. The 79 additional annual hours for women represented an increase of 4.3 percent over the period. Although both men and women experienced increases in annual labor market activity, the gender gap in annual hours worked actually widened over the decade.

(Figure 1 here)

(Table 1 here)

Table 1 also presents changes in annual hours worked by labor force status. Given the relatively small sample size from the NLSY79, we employ only two labor force classifications: year-round, full-time workers, and all others (referred to as “part-time”).³ For men and women combined, average annual hours increased 4.5 percent for year-round full-time workers, and *decreased* 10.1 percent for part-time workers. The labor force status results are consistent across genders: year-round full-time workers experienced increases in annual labor market activity over the period, while part-time workers experienced reductions in annual hours.

The downward trend in part-time hours was more than offset by the increase in the annual hours worked by year-round, full-time workers, resulting in an overall increase in average annual hours. This is due to the relatively high percentage of labor force participants that work year-round, full-time. However, another trend over this period is a steady *increase* in the fraction of the labor force reporting year-round, full-time employment. Figure 2 illustrates the percentage of NLSY79 labor force participants who report year-round full-time employment for the years 1989 to 1999. In general, there was an overall increase in the percentage of workers who were employed year-round full-time from 77.7 percent to 82.5 percent. However, there are pronounced differences by gender in this trend. The percentage of men who work year-round full-time increased from 86.4 percent to 93.0 percent. The corresponding percentage for women increased slightly from 67.2 percent to 70.4 percent.

(Figure 2 here)

The hours data from the NLSY79 suggest that most of the increase in annual labor market hours occurred for workers with the highest degree of attachment to the labor market: year-round, full-time workers. This trend is especially true for men. However, an increase in labor market activity for workers in the NLSY79 sample is perhaps not surprising since, in 1990, they were just entering the peak

labor force attachment age interval of 25 to 54. To assess if similar trends in labor market hours also apply to a broader spectrum of the labor force, we calculated comparable estimates of annual hours of labor market activity from the PSID samples.⁴ These estimates appear in Figures 3 and 4, and in Table 2. Since the age distribution of PSID participants is much broader than the NLSY79, the hours data from the PSID sample are more comparable to the results reported in studies of hours worked that utilize CPS data.

Figure 3 illustrates the trend in average annual hours worked for labor force participants from the PSID. The samples are drawn from supplementary surveys of earnings and labor market activity conducted for the years 1994 through 2001. The PSID data exhibit similar trends to the NLSY79 in annual hours worked. Although starting at a different base than the NLSY79, overall hours worked increased for labor force participants over the period, with men experiencing the most significant growth in hours. Since average annual hours worked increased at a slower rate for women than for men, the gap in annual hours worked between men and women increased over the decade for the PSID sample -- a trend we also observed in the NLSY79 sample.

Table 2 presents more detailed information on hours worked trends by gender and labor force status for the PSID sample. This information suggests similar annual hours worked trends in the PSID and NLSY79 data. From 1993 to 2000, annual hours worked increased by 4.3 percent for all PSID labor force participants, compared to the 6 percent increase reported for the NLSY79. By 2000, PSID men worked an additional 95 hours per year (an increase of 4.8 percent), whereas women worked an additional 59 hours per year (an increase of 3.6 percent). The most notable difference in hours worked trends between the PSID and the NLSY79 samples occurs for part-time workers. Hours worked for part-time workers increased slightly for the PSID sample

as opposed to the significant declines reported for the NLSY79.

(Figure 3 here)

(Table 2 here)

Figure 4 presents the trend in the fraction of labor force participants who work year-round full-time. The positive trend in annual hours worked for the PSID sample is reinforced by an increased tendency for workers to report year-round, full-time employment -- a trend we also observed in the NLSY79 sample. The increase in the overall rate, from 67.8 percent to 72.2 percent was driven primarily by the increased rate for men (from 73.9 percent to 79.2 percent). As in the NLSY79 data, the percentage of women who work year-round full-time remained relatively stable over the period. Thus, the additional hours of year-round full-time workers appears to account for most of the increase in annual hours worked for men and women over the period.

(Figure 4 here)

CONCLUSION

This paper analyzes data from the National Longitudinal Survey of Youth and the Panel Study of Income Dynamics to assess recent trends in average annual hours for U.S. workers. Our results indicate that throughout the 1990s, Americans continued to increase the amount of hours they devote to annual labor market activity. A more detailed analysis suggests that the upward trend in annual hours is due primarily to two factors: an increase in the annual hours of year-round full-time workers, and an increase in the fraction of workers who report year-round full-time employment. In general, our results support recent studies of data from the 1970s and 1980s that also find American workers devoting more time to labor market activity. However, in contrast to the results of Schor (1992) and Leete and Schor (1994) for the 1970s and 1980s, we find that during the 1990s men

experienced more significant increases in annual hours worked than women. Thus, there was an increase in the gender gap in annual hours worked over the decade. The uniformity of our results across the NLSY79 and PSID samples helps underscore our findings.

An increase in labor market hours may be expected for the NLSY79 sample, since workers of this age cohort are beginning their peak labor force attachment years. However,

the NLSY79 results are supported also by the PSID data, which encompasses a broader age spectrum of workers. Thus, at least in terms of labor market activity, there appears to be empirical support for the notion that U.S. workers have fewer hours to allocate for leisure activities. To determine whether the upward trend in annual hours resulted from voluntary labor market choice, or from financial necessity, is an interesting question for future inquiry.

Figure 1
Average Annual Hours of Work, 1989-1999
National Longitudinal Survey of Youth

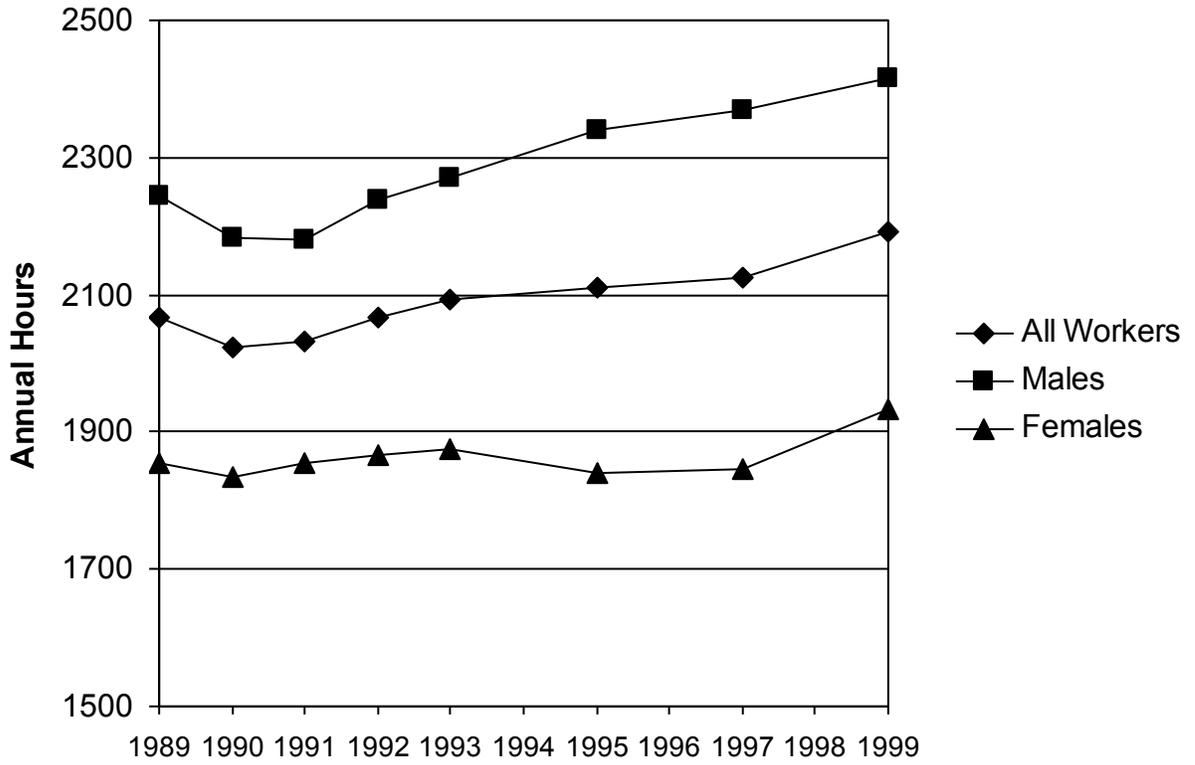


Table 1
 Changes in Annual Hours Worked: 1989-1999
 National Longitudinal Survey of Youth

	Annual Hours Worked		Change: 1989-1999	
	1989	1999	Level	Percentage
All Labor Force Participants	2067	2192	125	6.0%
<i>Year-round, full-time</i>	2332	2438	106	4.5%
<i>Part-time</i>	1144	1029	-115	-10.1%
 Males	 2243	 2415	 172	 7.7%
<i>Year-round, full-time</i>	2398	2515	117	4.9%
<i>Part-time</i>	1256	1081	-175	-13.9%
 Females	 1854	 1933	 79	 4.3%
<i>Year-round, full-time</i>	2229	2305	76	3.4%
<i>Part-time</i>	1088	1045	-43	-4.0%

Figure 2
Percentage of Labor force Participants who Report
Year-round, Full-time Employment: 1989-1999
National Longitudinal Survey of Youth

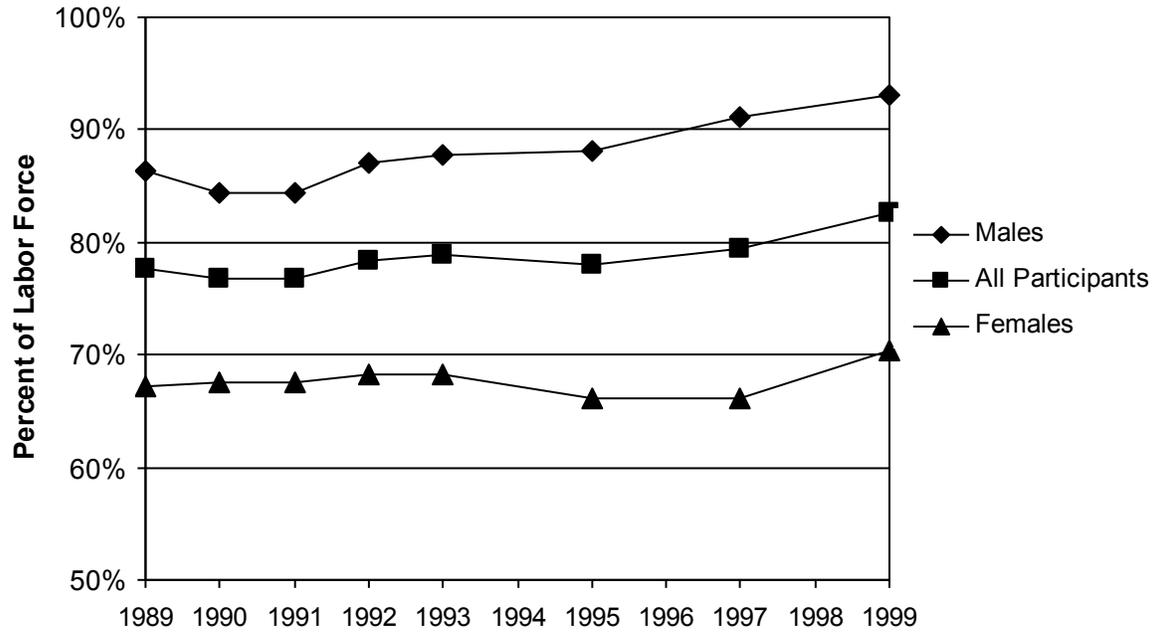


Figure 3
Average Annual Hours of Work, 1993-2000
Panel Study of Income Dynamics

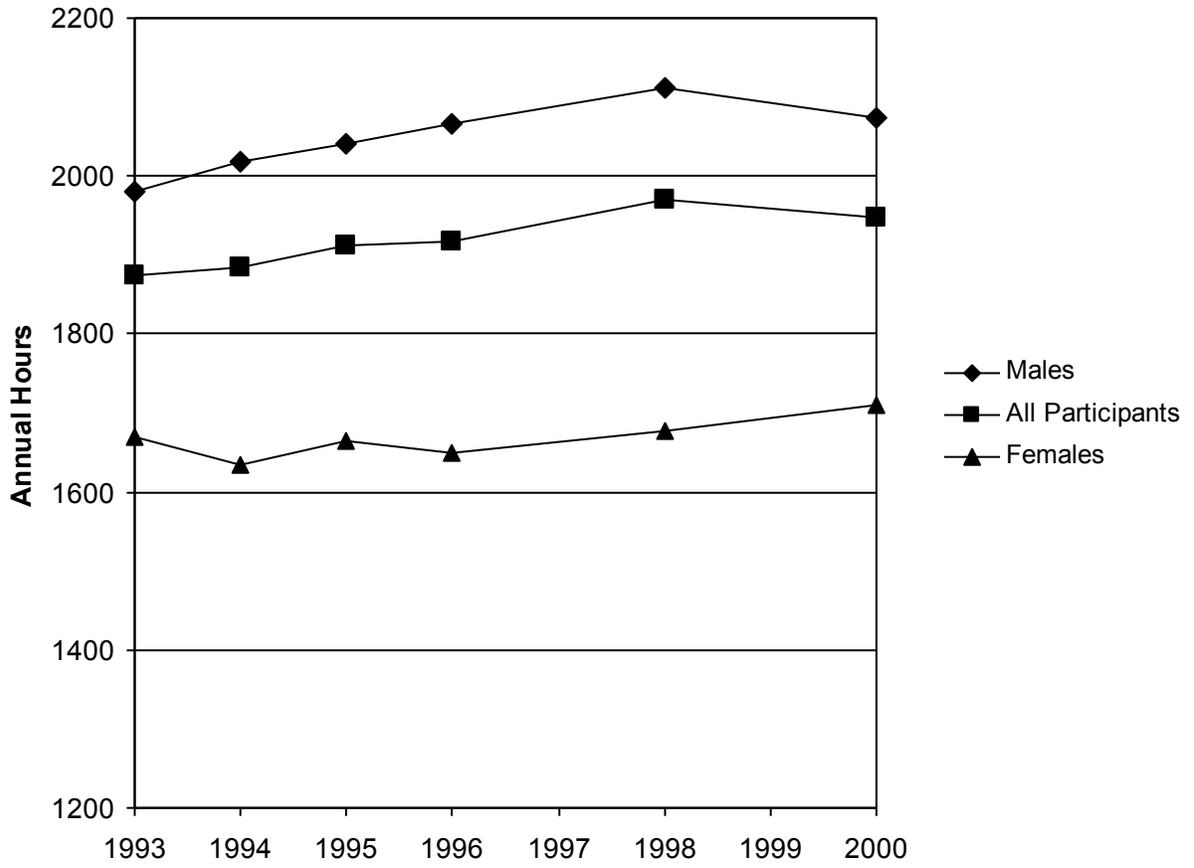
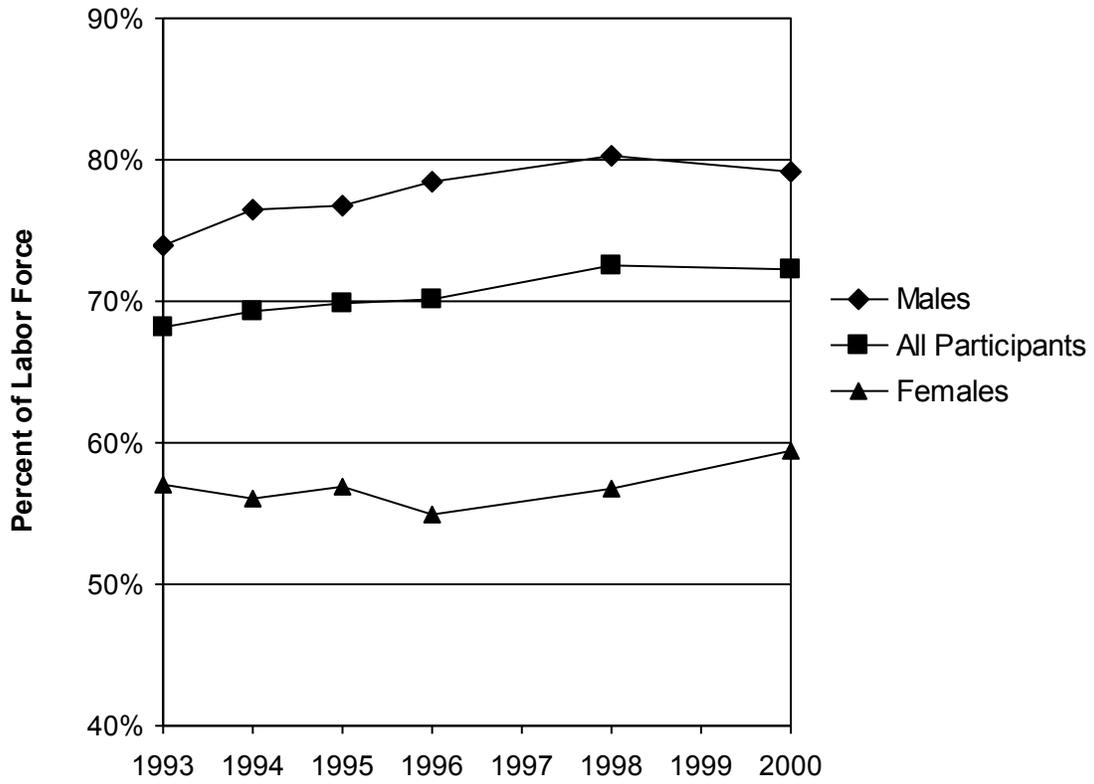


Table 2
 Changes in Annual Hours Worked: 1993-2000
 Panel Study of Income Dynamics

	Annual Hours Worked		Change: 1993-2000	
	1993	2000	Level	Percentage
All Labor Force Participants	1866	1946	80	4.3%
<i>Year-round, full-time</i>	2258	2281	23	1.0%
<i>Part-time</i>	1043	1076	33	3.2%
 Males	1979	2074	95	4.8%
<i>Year-round, full-time</i>	2309	2329	20	0.9%
<i>Part-time</i>	1045	1105	60	5.7%
 Females	1652	1710	58	3.5%
<i>Year-round, full-time</i>	2130	2162	32	1.5%
<i>Part-time</i>	1043	1049	6	0.6%

Figure 4
Percentage of Labor force Participants who Report
Year-round, Full-time Employment: 1993-2000
Panel Study of Income Dynamics



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Notes

¹ For a detailed discussion of the redesigned CPS questionnaire on hours worked, see Rones, et al (1997), page 14.

² The initial (1990) NLSY sample contained 5738 observations (3058 men, 2653 women). Since the NLSY computes hours of work data for the previous calendar year, the 1990 through 2000 samples yield hours data for calendar years 1989 through 1999. The over-sample of low-income workers has been removed from the NLSY data, and the averages are calculated based on the appropriate sample weights.

³ Year-round, full-time workers have annual hours worked of at least 1750 (i.e., 35 or more hours per week, 50 or more weeks per year).

⁴ The initial (1994) PSID sample contained 9324 observations (6118 men, 3206 women). The PSID samples are drawn from a set of supplemental employment and earnings surveys for the years 1994-2001, with annual hours worked data for 1993-2000.