

Nice work if you can get out

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Leisure

- Why the rich now have less leisure than the poor?

Leisure

- For most of human history rich people had the most leisure.
- In “Downton Abbey”, a drama about the British upper classes of the early 20th century, one aloof aristocrat has never heard of the term “weekend”: for her, every day is filled with leisure.
- In 1800 the average English worker laboured for 64 hours a week.

Things are different

- Voth (an economic historian): “In the 19th century you could tell how poor somebody was by how long they worked.”
- In today’s advanced economies things are different.
- Overall working hours have fallen over the past century. But the rich have begun to work longer hours than the poor.

Things are different

- By 2005 the college-educated had eight hours less of [leisure] a week than the high-school grads.
- Americans with a bachelor's degree or above work two hours more each day than those without a high-school diploma.
- The rich, it seems, are no longer the class of leisure.

A number of explanations

- One has to do with what economists call the “substitution effect”.
- Higher wages make leisure more expensive.
- Since the 1980s the salaries of those at the top have risen strongly, while those below the median have stagnated or fallen.
- Thus rising inequality encourages the rich to work more and the poor to work less.

Winner-takes-all

- The “winner-takes-all” nature of modern economies may amplify the substitution effect.
- The scale of the global market means businesses that innovate tend to reap huge gains (think of YouTube, Apple and Goldman Sachs).
- The returns for beating your competitors can be enormous.

Income effect

- Economists tend to assume that the substitution effect must at some stage be countered by an “income effect”.
- But new social mores may have flipped the income effect on its head.

Work to relax

- Work has come to offer the sort of pleasures that rich people used to seek in their time off.
- Hochschild (UC Berkeley), suggests that as work becomes more intellectually stimulating, people start to enjoy it more than home life.
- “I come to work to relax,” one interviewee tells Ms Hochschild.