

More Time Or More Stuff (excerpts)

by Charles Siegel

There is a question that is critical to determining what sort of lives we live and whether our economy is environmentally sustainable, but that no mainstream American politician has talked about for six decades. That question is: should we take advantage of our increased productivity to give ourselves more free time or to consume more stuff?

Ever since the beginning of the industrial revolution, improved technology has allowed the average worker to produce more in an hour of work. During the twentieth century, productivity (the term that economists use for output per worker hour) grew by an average of about 2.3 percent a year – which means that the average American worker in 2000 produced about eight times as much in one hour as the average worker in 1900.

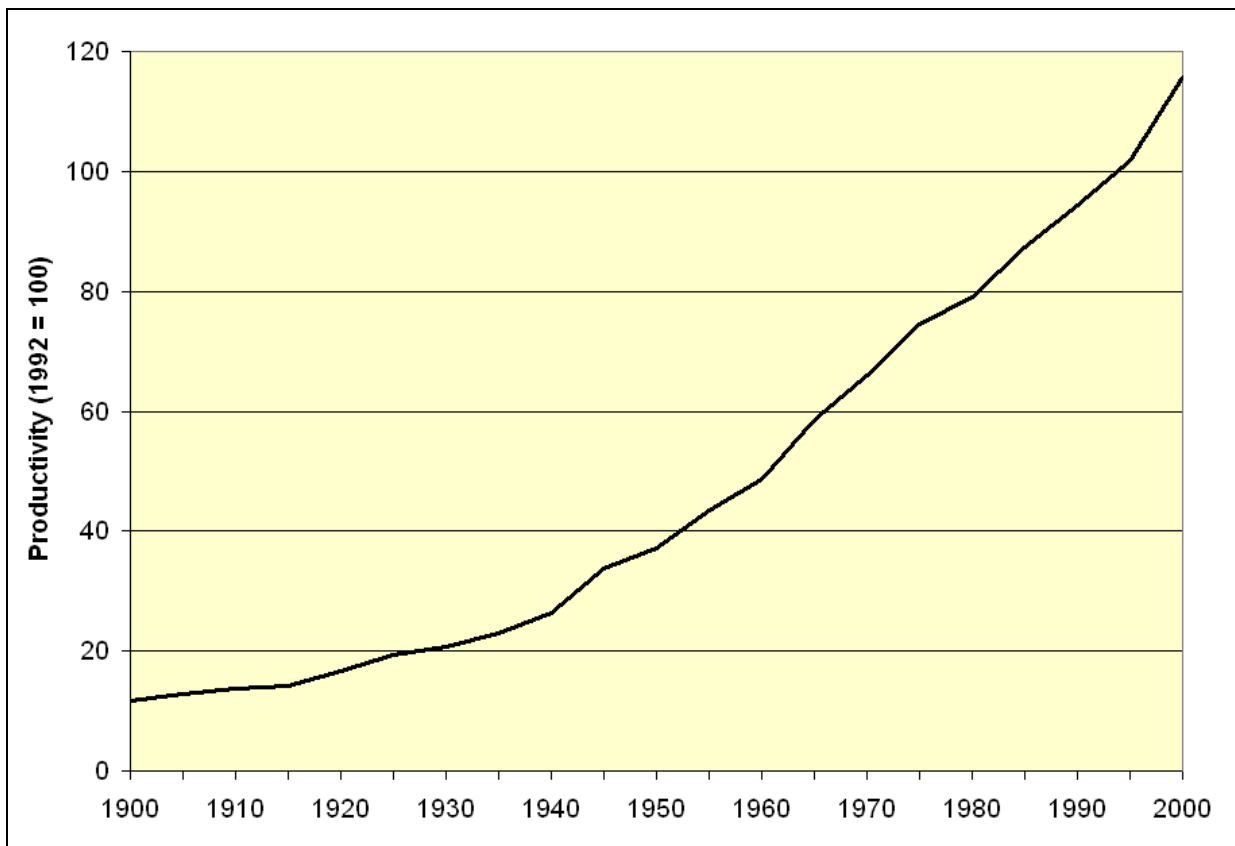


Figure 1: American Productivity (Output per Worker Hour)¹

During the nineteenth and early twentieth century, workers took advantage of higher productivity and higher hourly wages both to earn more income and to work shorter hours: average earnings rose and the average work week declined consistently. Workers got both more time and more stuff.

But in post-war America, the trend toward shorter hours suddenly stopped. Since 1945, in a dramatic break with the historical trend, we have used the entire gain in productivity to produce and consume more stuff, and we have not increased the average worker's free time at all.

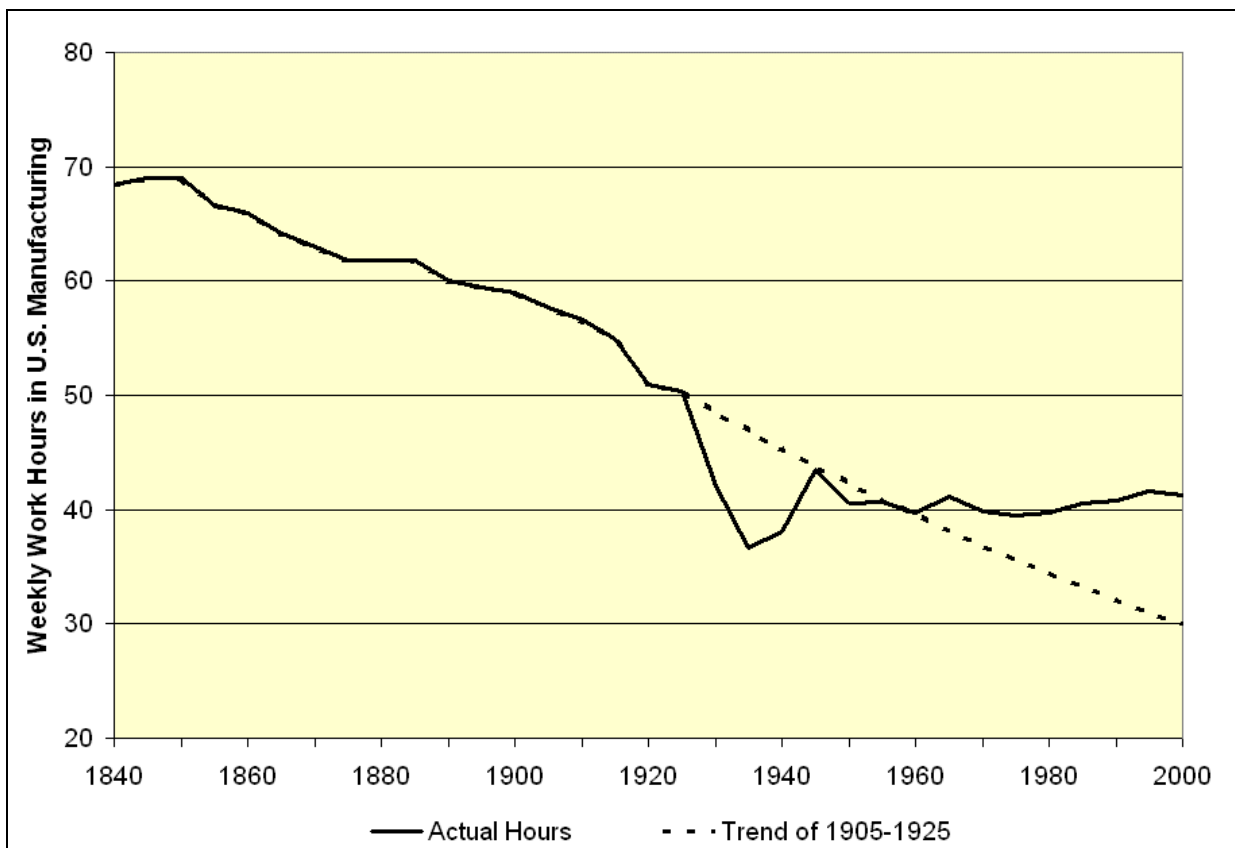


Figure 2: Average Work Week in US Manufacturing²

The Fair Labor Standards Act of 1938 set the standard work week at 40 hours. After World War II, the nation adopted policies to stimulate economic growth rapid enough to give Americans those standard 40-hour jobs.

Many people might prefer to downshift economically by working less and earning less – choosing more free time instead of more stuff – but most Americans today have no

choice of work hours. In general, the good jobs are full-time jobs. Most part-time jobs have low wages, no benefits, no seniority, and no opportunity for promotion.

A survey by the Center for the New American Dream found that half of American full-time workers would prefer to work four days a week at 80% of their current earnings – but they do not have this choice.³

Some European nations have adopted policies that let people choose their work hours:

- **Ending discrimination against part-time workers:** In the entire European Union, part-time employees are protected against discrimination. By law, employees who do the same work get the same hourly pay, whether they are full-time or part-time. Part-time workers also have the same seniority and same chance of promotion as full-time workers, with seniority based on the total number of hours an employee has worked.
- **Allowing workers to choose part-time jobs:** In the Netherlands and Germany, if a worker requests shorter hours with the same hourly earnings and benefits, employers are required accommodate this request unless they can prove that it would cause them hardship.

This choice between more free time and more income could help deal with our most pressing environmental problems. For example, a recent study by Harvard economics professor Mark Weisbrot found that, if Americans worked as few hours as western Europeans, it would lower our energy consumption and greenhouse gas emissions by 20%.⁴

A movement toward simpler living could help to reduce all our environmental problems, but that movement can spread only if people are allowed to choose their work hours and to make a deliberate decision about whether they want more time or more stuff.

Notes

¹ Source: 1900-1957: Susan B. Carter et al., editors, *Historical Statistics of the United States: Earliest Times to the Present* (New York, Cambridge University Press, 2006) p. 3-463; 1958-2000: George Thomas Kurian, ed, *Datapedia of the United States: American History in Numbers*, third edition (Lanham MD, Bernan Press, 2004) p. 134.

² Source: 1840-1890: *Historical Statistics*, p. 2-301; 1890-1925: *Historical Statistics*, p. 2-303; 1930-1995: *Historical Statistics*, p. 2-306 to 2-307; 2000: U.S. Bureau of the Census, *Statistical Abstract of the United States: 2006* (Washington, DC, 2006), p 414.

³ Center for the New American Dream, www.newdream.org/live/time/timepoll.php.

⁴ David Rosnick and Mark Weisbrot, “Are Shorter Work Hours Good for the Environment?” Center for Economic and Policy Research (CEPR), 2006.