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Nonfinancial Benefits of Work

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Quote of the Day

“The non-pecuniary costs of unemployment by far exceed the pecuniary costs associated with loss of income while unemployed.”

--Liana and Rainer Winkelmann

Quoted from “Why are the Unemployed So Unhappy? Evidence from Panel Data”, *Economica*, January 1997, study of working-age men in Germany, 1984 to 1989

Benefits of Work

1. Introduction

- a. Marienthal Sociography
- b. When Work Disappears
- c. Two Literature Reviews

2. Key Impact Areas

- a. Physical Health
- b. Mental Health
- c. Healthy Families
- d. Alcohol and Substance Abuse
- e. Law Abidingness
- f. Community

3. Discussion



The Classic Marienthal Sociography

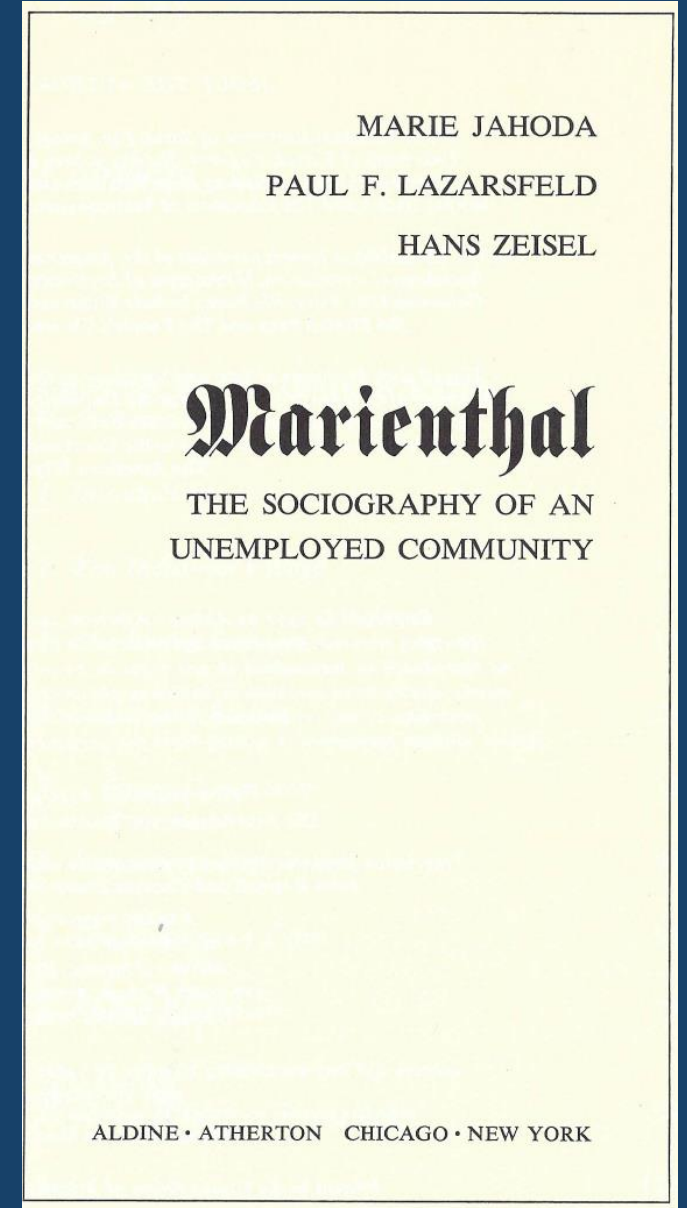
Jahoda et al, 1971, Austrian Sociography

The town of Marienthal

- 35-minute train ride from Vienna, Austria
- Economic depression began in 1926
- Only Factory shuttered in 1929-1930

Detailed records and observations

- Sociologists embedded in community
- Detailed observations of 478 families
- Comprehensive histories 32 men & 30 women
- Detailed records of budgets, purchases, time sheets, even Christmas presents for children



Examples of Recorded Observations

Impact on food budgets

<i>Meat Days per Week</i>	<i>Per Cent of Families</i>
0	15
1	54
2	19
3	5
4	7
	<hr/>
	100
Total families	(41)

Lost interest in reading

<i>Year</i>	<i>Library Volumes per Reader</i>
1929	3.23
1930	2.30
1931	1.60

Impact on the psyche

	<i>Per Cent</i>
Unbroken	23
Resigned	70
Broken	7
Total	<hr/>
	100

77 % Resigned or Broken

Resigned: little hope and given up on the situation

Broken: despair, deep depression, complete apathy

Especially among the men, time lost its meaning.

No sense of urgency

They drifted aimlessly

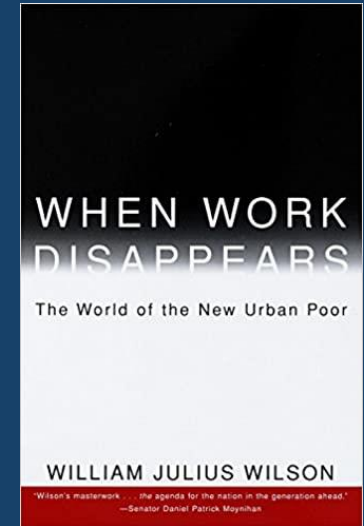
Hung out on the streets



Comparing Marienthal to America

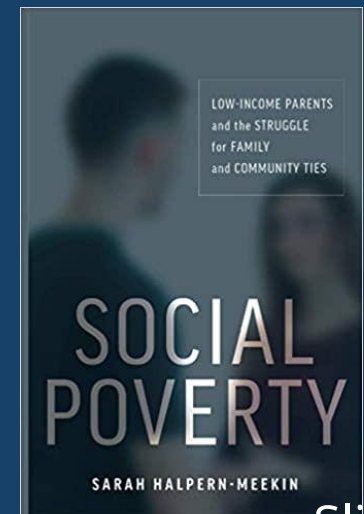
***When Work Disappears*, William Julius Wilson (1997)**

- Difference between *jobless* poverty and *non-jobless* poverty
- Racial discrimination cannot explain it all
- Lack of work associated with crime, drug trafficking, family breakups, lack of family life, etc. (Complete societal collapse)
- Loss of social organization and institutions and participation
e.g., civic clubs, businesses, organizations



***Social Poverty*, Sarah Halpern-Meehin (2019)**

- Poverty is not just economic, it's also social
- Social isolation from resources and institutions,
e.g., extended family



Two Literature Reviews Combined Results

Impact of Nonwork, November 2021

The Benefits of Work, 2023, released May 2024

191 Sources Reviewed:

- 153 journal / professional articles*
- 19 working papers
- 13 books or book chapters
- 4 reports
- 1 sociography
- 1 academic pre-print

* Includes meta-analyses and literature reviews representing hundreds of studies

Disciplines include:

- Economics
- Sociology
- Criminology
- Psychology
- Demography
- Medicine
- Education
- Addiction research

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Physical Health

Work:

- Structured employment improves physical health outcomes

Nonwork is associated with:

- Higher mortality rates
- Higher cardiovascular risk factors
- Higher susceptibility to respiratory infections
- Disrupted sleep patterns

Mental Health

Work is associated with:

- Improved mental health and wellbeing

Nonwork is associated with:

- Depressive symptoms and clinical depression
- Increased suicide risk
- General anxiety
- Diminished self-esteem
- Psychosomatic symptoms
- Diminished sense of wellbeing

Family: Formation and Relationships

Employment is associated with:

- Family formation, especially with males
- For females, might depend on happiness of marriage, other studies, not a determinant

Nonwork is associated with:

- Family dissolution
- Disruptions with familial relationship—between spouses, between parent(s) and children
- Exceptions, if job separation due to disability or plant closing

Family: Children

Work is associated with:

- For single parents,* improved child development moving from welfare to work
- Exception, maternal work during first year of life.
- Exception, maternal work can lead to child obesity

Nonwork is associated with:

- Children doing poorly in school, repeating grades, lower post-secondary education
- Children receiving lower income in the future

*The literature reviews did not identify studies on married couples, employment, and child development, but other studies not reviewed here show advantages for child development and marriage.

Family: Adolescents

Teen employment is associated with:

- Sizeable increased future income
- Reduced criminal deviance
- Building human capital
- Helping adolescents mature
- Little impact on educational outcomes but influential on educational choices
- Exception, reduced educational outcomes for those teens who worked full-time while in school

Alcohol and Substance Abuse

Employment

- 11 of 12 randomized control trials indicate employment effective in improving substance abuse treatment
- Policy intervention studies suggest employment reduces drug abuse, but longitudinal evidence is mixed, but extra money for can be problematic for those predisposed.
- Correlational evidence also suggests the same

Nonwork associated with:

- Increased alcohol and substance abuse if *predisposed* to it
- Worse for non labor force participants than unemployed

Crime

Employment associated with

- Less crime, but only weakly associated with just a few studies showing stronger association
- Improved recidivism, especially for economic crimes, e.g., property crimes, robbery, and drug crimes.
- Recidivism impacted by lower job quality with smaller effects
- Reduced juvenile crime for teenagers
- Organized crime, the exception where employment and crime are positively associated

Community

Employment

- Has enduring positive social impact on communities
- Community engagement and participation across institutions

Nonwork has deleterious effect on social institutions:

- Marriage and extended family
- Civic clubs and businesses in the community
- Religious organizations
- Maintenance of community resources

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501(C) Nonprofit, Nonpartisan Organization to advance opportunities proven to be escape routes from poverty.

- **Quality Education:** Increasing access and options
- **Enabling Work:** Connecting hard-to-employ persons with jobs and social capital. Policy research on removing barriers to work.
- **Healthy Home Life:** Teaching skills and providing resources
- **Safer Communities:** Reducing crime with proven strategies

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