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JOINT ECONOMIC COMMITTEE

(CREATED PURSUANT TO SEC. 3(a) OF PUBLIC LAW 304, 78TH CONGRESS)

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April 23, 1982

Mr. Paul Harris  
76 Babcock Street  
Brookline, Massachusetts 02146

Dear Mr. Harris:

It was a pleasure to meet with you earlier this month.

I agree that options for work-sharing merit serious consideration and appreciate your sending me the paper and recent estimates you made of the economic effects of shorter work hours. As you point out, there's a good deal we don't know about workers' preferences for greater leisure, particularly if accompanied by the prospect of greater job security. A relevant illustration, I think, is the recent response in many Federal agencies to the threat of RIFs: where they have the choice, employees are opting for furloughs that give them varying amounts of leave without pay, to save a portion of the agency's work force from permanent layoff.

Demographic considerations would also increase the attractiveness of work-sharing. Among the groups likely to welcome an increase in availability of part-time opportunities are the growing numbers of older workers. In addition to the issues of unemployment and growth, which you discuss, it would seem to me that ways of facilitating employment beyond the age of 65 must be part of any long-term solution to the problems of the Social Security system.

Again, I very much appreciate your comments and will consider how the Committee might usefully contribute to a better understanding of both the economic and institutional issues involved. Thanks, as well, for your kind words of encouragement on our short-term economic program.

Sincerely,

*Henry S. Reuss*

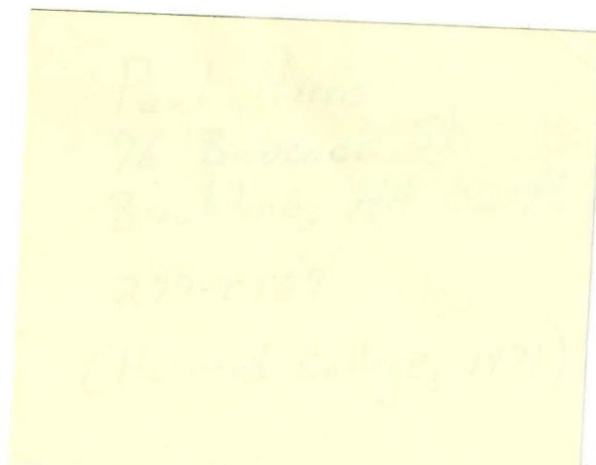
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HSR:me

## To Health, Happiness, and a Shorter Work Year

Productivity increases may be reflected in greater output, reduced employment, or shorter working hours. The author cites evidence that working hours have been falling recently due to an increase in part-time employment. He suggests that this may be a healthy trend which could lead to a better distribution of work and leisure within our society. Traditional arguments favoring economic growth are summarized followed by arguments in favor of more leisure time. The author concludes by discussing how society could benefit from a more even distribution of work and leisure.

Paul Harris works a 4 day, 30 hour week as a Financial Systems Consultant in the Bond and Corporate Finance Department of the John Hancock Mutual Life Insurance Company. His wife, Mary, works a 3 day, 22 1/2 hour week as a programmer at the Harvard Community Health Plan.



A remarkable change may be taking place in the American economy. In 1970 there were 10,000,000 college graduates in the labor force. By 1980 that number had doubled as the well educated baby boom generation went to work. Women not only entered the labor force but continued working after marriage. The economy struggled to absorb all of these new entrants and largely succeeded, pushing economic growth to new heights.

Recently, however, even as employment continues to go up, total working hours have begun to decline. For a society committed to economic growth, this could be cause for concern. But perhaps this change is for the better. It can largely be explained by a large increase in the number of people working part-time. Most of these people live in households with other wage earners. We may be witnessing a change in the distribution of work and leisure which could lead to a healthier and happier society. Before considering such a redistribution, let us look at economic growth and increased leisure time as goals for society.

#### The Case for Economic Growth: Happiness is a 6% Increase in GNP

Growth is inherent in all activities of nature. Economic growth allows us to quantify those things we want, to determine their relative values, and then to satisfy those which are most important. People may disagree with the composition of GNP or with the relative portions which go to income and profits, but only through economic growth can everyone get more and no one less.

There are still many needs in our country. We must reduce poverty, develop pollution control, and provide more and better goods and services including food, clothing, shelter, and transportation. We have historically helped the poor by increasing the total size of the pie, not by redistributing it. We need growth to provide jobs (hence incomes) for the unemployed and to support social security and other social obligations.

There are still many resources in the world which have not been developed. We have the skills and experience necessary to develop these resources for the benefit of all people.

Economic growth is what keeps our economy dynamic, interesting, and useful. It is in periods when growth has fallen that Americans have been most unhappy. Growth gives the U.S. a sense of progress and improvement. It is necessary to support new adventures such as space exploration, oceanography, and the

development of new scientific processes. If we want to remain the leader of the free world, we must continue to grow.

Economic growth allows children to have more than their parents. It allows people to advance according to their abilities rather than being stuck in one job. As companies grow individuals can be promoted and take on ever greater challenges and responsibility. Without growth people become bored, disenchanted, and resentful.

Increasing wealth is an important goal for individuals. Wealth is a tangible measure of success. It allows one to have more possessions, status, self-esteem, and independence. Growth encourages creativity, usefulness, self-reliance, and self-respect. It results in more education and appreciation of life.

Most people want economic growth. They live beyond their means and are scrambling to catch up. They would rather work more, not less. Economic growth gives people something to do. Many people wouldn't know what to do with more free time. Wives often don't want their husbands to have more time off because it would disrupt their family lives. Leisure is important in that it helps one to rejuvenate and be ready to work again.

We know how to achieve economic growth reasonably well. We don't know how to maximize leisure time. Economic growth allows us to measure progress. With more leisure, how will we know whether or not people are any better off?

As long as businesses can find people willing to work full time, why not hire them? Without growth, increasing capital would cease to be important. This would hurt everyone with money invested. America has been built on free enterprise capitalism (The Wealth of Nations was published in 1776). Capitalism requires economic growth as its driving force. An end to growth might mean an end to capitalism, which could result in authoritarian national leadership and the loss of democratic ideals.

### The Case for Leisure: Living Better for Less

Leisure in America is in its infancy. Motorboats and TV game shows are indications of its undeveloped state. Leisure is properly associated with the pursuit and expression of truth, beauty, and love. It means having one's time free from the demands of paid employment or other duty. Thus leisure is freedom.

The natural development of civilizations is that after material growth comes cultural growth. The desire to have ever more possessions gradually gives way to greater interest in self-fulfillment, relations with other people, and religious activities. The American public already shows signs of making this change in values. Many people want to devote more time to their families and their communities. They are interested in music and the arts. They are finding that playing a piano or guitar well can bring more lasting enjoyment than driving a Cadillac. Schools are caught in the dilemma between teaching vocational courses (for economic growth) or liberal arts (for better use of leisure time).

Many problems in the U.S. are the result of too much production, not too little. We have too much litter, water pollution, air pollution, noise, traffic, and tension. There are twice as many surgeons per capita and twice as many operations per capita in the U.S. as in Great Britain. Is this a sign that we are more healthy or less healthy? The growth ethic results in resource shortages which cause inflation and unemployment both here and abroad. With 6% of the world's population, the U.S. uses 40% of the world's energy. Foreign countries have become more sophisticated and are stranding up to the U.S. in trade agreements. As natural resources are used up and as other nations develop, growth in the U.S. becomes increasingly difficult.

Most jobs today are highly specialized and limit one's perspective considerably. Leisure time can be used to get a broader, longer term perspective through travel, conversation, reading, cultural activities, and courses. People can spend more time shopping, enjoy the activity more, and get better buys. They can make and repair many of their own goods. They can help each other out of friendship and compassion rather than for money.

Emotional involvement is a handicap in many jobs. Feelings can get in the way of a productive, efficient routine. Leisure allows people time to experience, confront, and understand basic emotions such as anger, fear, pain, and love. Not only are these emotions important to each person privately, but they are also the means through which people communicate and identify with each other and with the human race as a whole. Leisure forces one to face oneself, including one's loneliness, inadequacies, and unreach goals. But through this process comes self-awareness, optimism, and fulfillment.

## Distributing Work and Leisure: The Joy of Sharing

In the past a person who worked supported himself and others close to him: his wife, children, and perhaps other relatives. Today working people spend less money supporting those close to them but more money contributing to the support of large classes of non-working people. Anger, hostility, and resentment build up between those who work and those who don't work. Meanwhile, workers are unable to enjoy the rewards of leisure and non-workers are unable to enjoy the rewards of work. A logical solution to this dilemma is to share both work and leisure. Then the total number of people working goes up and the average annual hours worked per person goes down. Specific techniques for sharing work include part-time employment, job sharing, shorter work weeks, more vacation time, leaves of absence, and sabbaticals.

Work is an important part of American life. One's employment or nonemployment can greatly affect his or her self-esteem, physical and emotional health, social development, and attitude toward American society. Women have become increasingly interested in permanent paid employment. Many married couples would like to share both outside work and child rearing. Each activity satisfies different needs. Work sharing between husband and wife does not necessarily have any effect on their family income, on economic growth, or on unemployment. It can simply be a redistribution within the family of outside work and domestic chores.

Senior citizens often want part-time employment in order to keep in touch with old friendships at the workplace, continue providing useful services, supplement their income, and because they enjoy working.

Many recent college graduates who are now working full time would gladly trade some of their income in return for more free time. During college they learned to live on low budgets but with considerable time flexibility. While some businessmen would like college to be more like work, these recent graduates would like work to be more like college.

There are a number of health advantages to work sharing, both to those previously not working (because they now have a valued and useful role in society) and to those previously working (because they now have more time to relax and pursue personal interests). All people have economic needs (food, clothing, shelter) and noneconomic needs (love, friendship, spiritual growth). Many people today satisfy one group of needs at the expense of the other. They feel forced to choose between eating well and sleeping well.

So far most large employers have not encouraged shorter working hours. Employers see the potential problems involved with administration, supervision, and competing commitments. But there may also be benefits for these employers. People working short hours are less likely to do errands during working time. They are often less tired and more motivated than other workers. If their lives are more balanced, they are less susceptible to substance abuse and other bad habits. The improvement in attitude and morale which often occurs when an employee voluntarily shifts to shorter hours can contribute to a healthier and more productive atmosphere in both the workplace and in the home.

Domestic and foreign competition for markets and raw materials is making sustained growth an increasingly difficult goal for many organizations to achieve. There are also fewer young people and immigrants to take low entry level positions and push other employees up. If an organization is not growing, internal mobility becomes largely a zero sum game. Aside from terminations, whenever one person moves up, someone else must move down. If work is shared people can gain an important part of their fulfillment outside the workplace. This can help reduce frustration and morale problems caused by the lack of promotional opportunities.

In order for large employers to encourage work sharing they need to have a vision of society in which both work and leisure play an important part. They also need to see the special opportunity which a large employer has to help realize this vision. As the vision becomes more clear and some employers take the lead, solutions to the various obstacles can be found.

No one can see the future. Perhaps economic growth will absorb the available labor and most people will continue working full time. Perhaps educated women will accept the choice of high level full time work, low level part time work, or no work. But would it not be worthwhile for us to at least consider the benefits our society might gain if almost everyone were able to enjoy both the rewards of work and the rewards of leisure?

"Thus...man will be faced with his real, his permanent problem-- how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well."

-- John M. Keynes  
Essays in Persuasion  
1933.