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**THE VALUE OF LABOR AND VALUING LABOR:**

The Effects of Employment on Personal Well-Being and Unions on Economic Well-Being

A Special Labor Day Report from the Life, Liberty, and Happiness Project\*

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<https://surveyresearch.ecu.edu/lifelibertyhappiness>

# THE VALUE OF LABOR AND VALUING LABOR

The Effects of Employment on Personal Well-Being and Unions on Economic Well-Being

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## Report Highlights

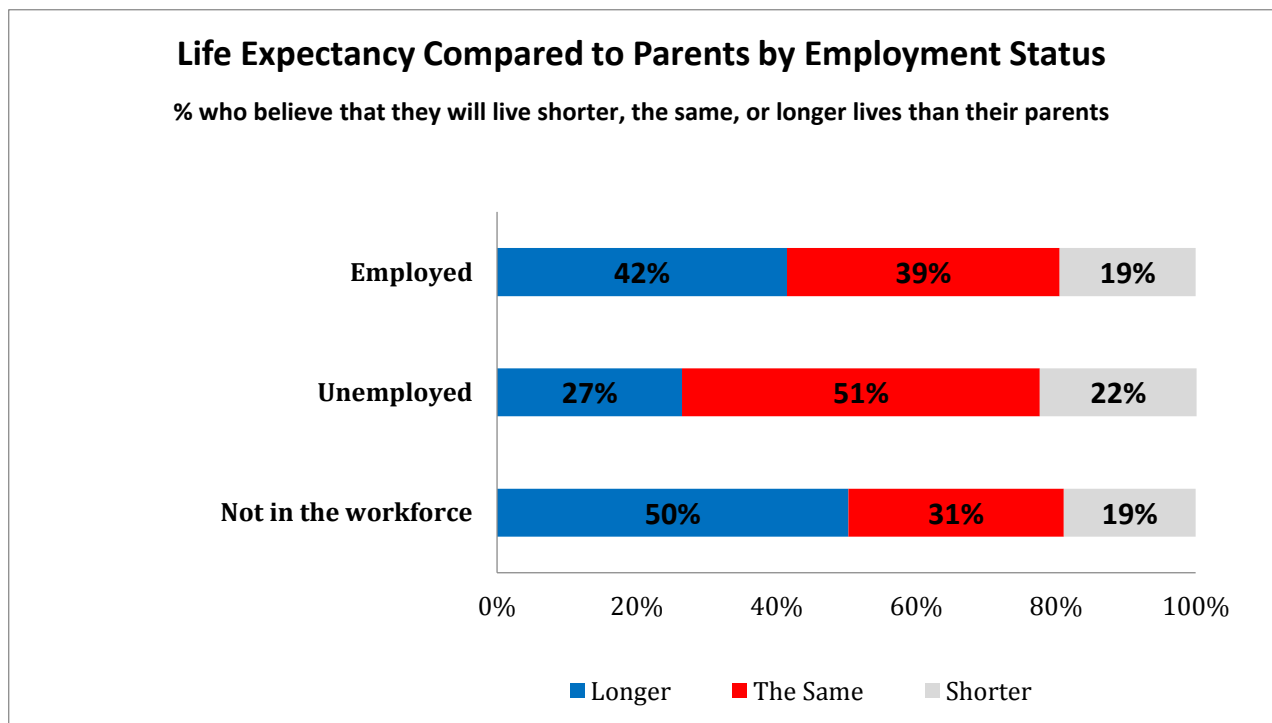
- **Employment is associated with better personal well-being.**
    - The employed are significantly *more likely* than the unemployed to be optimistic about future life expectancy and the value of hard work.
    - The unemployed are significantly *more likely* than the employed and others to lack companionship, to feel left out, and to feel isolated from others.
    - The employed are significantly *more likely* than the unemployed to express satisfaction with their lives and to answer that they are able to cope with their problems.
    - The unemployed are also *more likely* than the employed and others to be depressed, pessimistic about the future, and to score lower on other items related to personal well-being.
  
  - **Living in a union household is associated with better economic well-being.**
    - Americans living in union households are *more likely* to report owning their homes than other Americans.
    - Housing affordability is *less likely* to be a challenge for Americans living in union households than other Americans.
    - Americans who live in union households are *more satisfied* with their financial situation than other Americans.
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*“[If] a man doesn’t have a job or an income, he has neither life nor liberty nor the possibility for the pursuit of happiness. He merely exists.”*

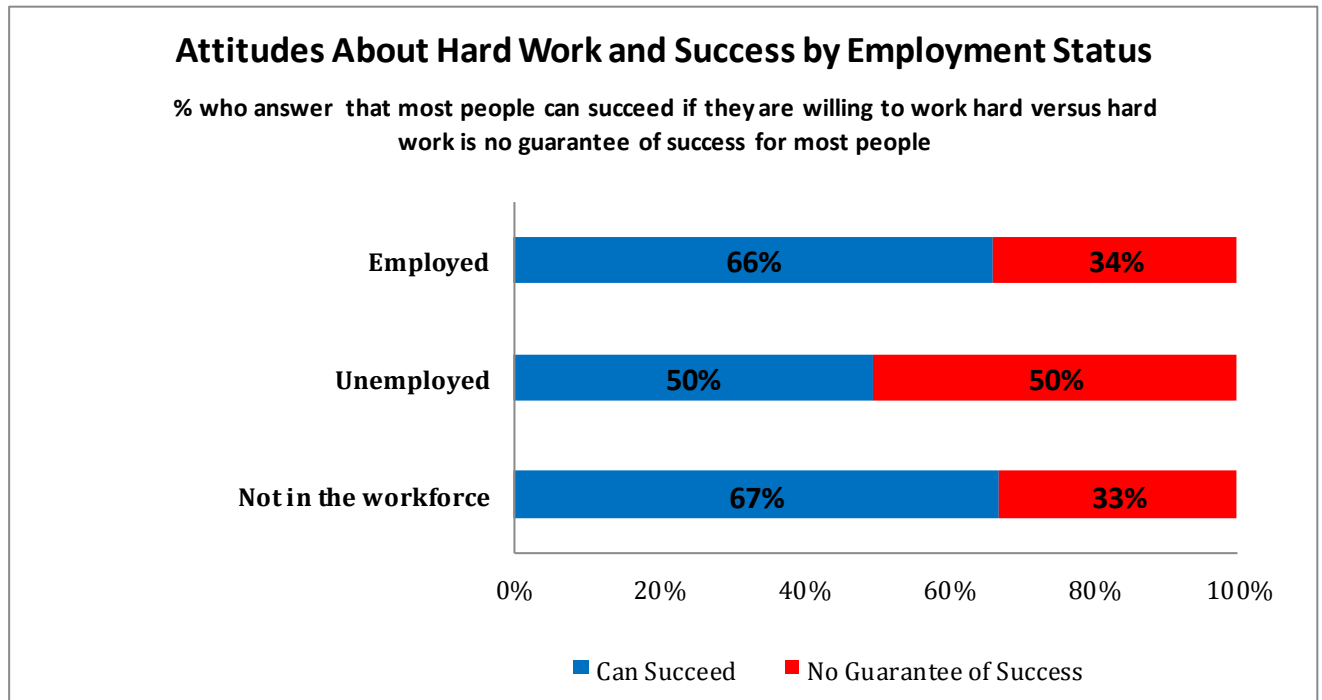
– The Rev. Dr. Martin Luther King, Jr.

As the nation celebrates Labor Day on Monday, September 3, a new report based on the Life, Liberty, and Happiness Project (see <https://surveyresearch.ecu.edu/lifelibertyhappiness>) from the Center for Survey Research (CSR), in the Thomas Harriot College of Arts and Sciences at East Carolina University (ECU), finds that the value of a job extends to much more than a paycheck. Consistent with the observation of the Rev. Dr. Martin Luther King, Jr., the findings from the first half of this report reveal that employment can affect one’s outlook of the future and personal well-being. Based on analysis of a nationwide and demographically representative survey of more than 1,100 Americans (see below for additional information about the survey methodology), the results indicate the following:

- **Americans who are employed (defined as those who report being self-employed, or employed for salary or wages, full-time or part-time) are more likely to report optimism about perceived future life expectancy than those who are unemployed (defined as those who report being out of work).** Specifically, the survey asked respondents the following question, “Do you think people your age will live longer, the same, or shorter lives than their parents?” Those unemployed are less likely (27%) to believe that people of their age will live longer lives than their parents when compared to those who are employed (42%). The third reported category below, “not in the workforce,” includes students, homemakers, and retired individuals. Again, those who are unemployed are significantly less optimistic about future life expectancy than those who are students, homemakers, or retirees.



- **Those unemployed are also more pessimistic than others about the rewards of hard work.** The survey asked, “Which statement about success in the United States comes closer to your own views, even if neither is exactly right: Most people can succeed if they are willing to work hard, or hard work is no guarantee of success for most people?” Only about half of those unemployed (50%) answer that most people can succeed through hard work compared to two-thirds of those employed (66%) and two-thirds who are not in the workforce, such as students, homemakers, and retirees (67%).



- **Those unemployed are more likely to report experiencing some degree of social disconnectedness than other Americans.** The survey asked three questions about social disconnectedness (shown in the table below). Unemployed Americans were significantly more likely than the employed to answer “some of the time” or “often” to the socially disconnected items. For the question concerning lack of companionship, 65% of the unemployed answered “some of the time” or “often” compared to 44% of the employed. Likewise, solid majorities of the unemployed answered “some of the time” or “often” to feeling left out (64%) and isolated from others (68%). By comparison, less than half of the employed reported that they “some of the time” or “often” feel left out (43%) or feel isolated from others (41%).

% who answer “some of the time” or “often” to the following questions:	Employed	Unemployed	Not in the workforce
<i>How often do you lack companionship?</i>	44%	65%	42%
<i>How often do you feel left out?</i>	43%	64%	43%
<i>How often do you feel isolated from others?</i>	41%	68%	38%

- **Those who are employed evaluate themselves and their lives more positively than the unemployed.** The survey asked several questions about core self-evaluations, which measure an individual’s thoughts about themselves, including their self-satisfaction, control over their lives, and self-confidence (shown in the table below). Those who are employed consistently rate their abilities and lives more positively than those who are unemployed. Specifically, the employed are more likely than the unemployed to strongly agree that they are satisfied with themselves (44% to 23%) and their lives (35% to 15%). They are also more confident than the unemployed that they can achieve success (31% to 14%) and are more confident in their abilities to cope with their own problems (48% to 22%).

% who <u>strongly agree</u> with the following statements:	<b>Employed</b>	<b>Unemployed</b>	<b>Not in the workforce</b>
<i>Overall, I satisfied with myself.</i>	44%	23%	39%
<i>I am satisfied with my life.</i>	35%	15%	32%
<i>I am confident that I get the success I deserve in life.</i>	31%	14%	27%
<i>I am capable of coping with most of my problems.</i>	48%	22%	44%

- **Those who are unemployed are more likely to report feelings of worthlessness, depression, and hopelessness than others.** The unemployed are significantly more likely than the employed to answer that they strongly agree or somewhat agree with statements that express feelings of worthlessness (49% to 34%), depression (60% to 45%), and hopelessness (51% to 37%).

% who agree with the following statements:	<b>Employed</b>	<b>Unemployed</b>	<b>Not in the workforce</b>
<i>Sometimes when I fail, I feel worthless.</i>	34%	49%	34%
<i>Sometimes I feel depressed.</i>	45%	60%	46%
<i>There are times when things look pretty bleak and hopeless to me.</i>	37%	51%	37%

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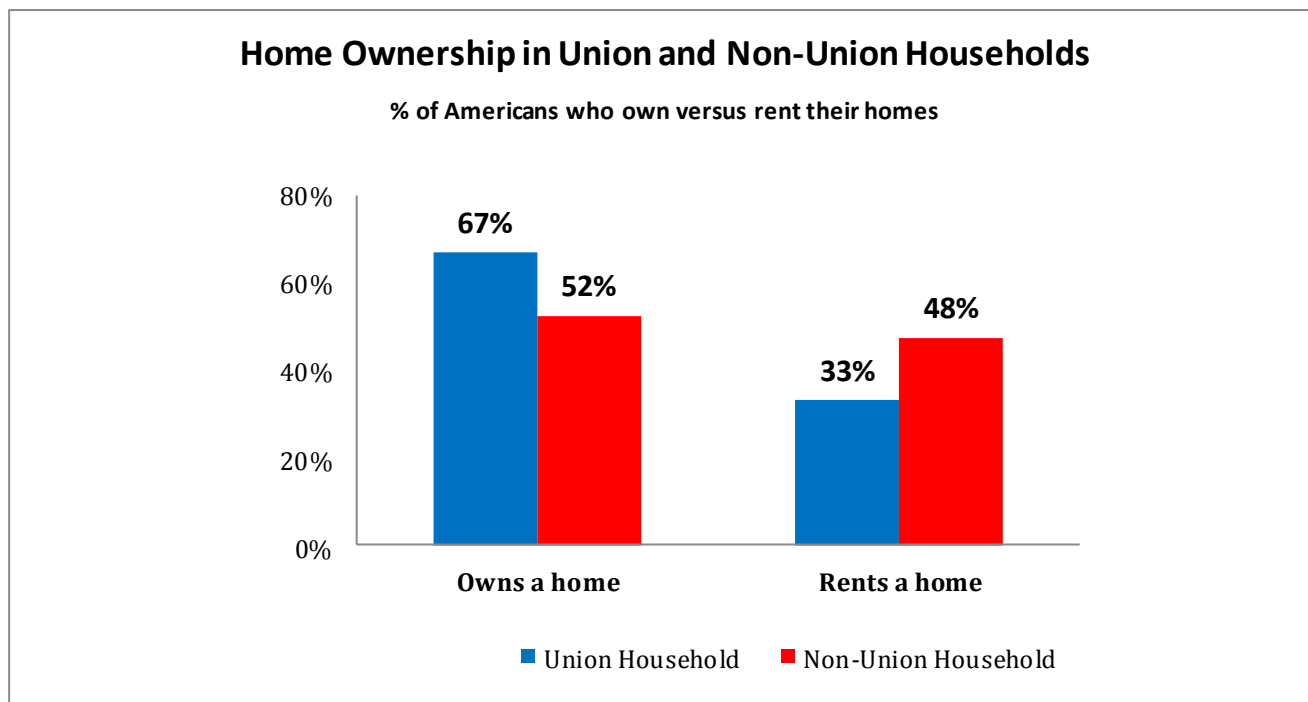
To present a deeper and more complete picture of well-being, the Life, Liberty, and Happiness Project also asked Americans about an important area of economic wellness – housing affordability and home ownership. Home ownership, in particular, is often tied to the proverbial “American dream” and thus occupies a benchmark of financial accomplishment to many Americans. In our report, we focus on the relationship between economic wellness and unions, a

subject fitting for Labor Day – as the holiday was founded by the U.S. labor movement to recognize the contributions of American workers.<sup>1</sup> Specifically, we examine whether Americans in union households differ from other Americans on measures of housing affordability, home ownership, and general satisfaction with their overall financial situation.

Our survey asked Americans whether they, or a member of their household, belong to a union or an employee association similar to a union. Approximately 1 out of 8 people (12%) in our study are union members. In addition, more than 1 out of 5 (21%) live in union households, meaning either they or someone else in their household is a union member.

When examining the relationship between living in a union household and economic well-being, as measured by home ownership, housing affordability, and one’s general financial situation, the results reveal the following.

- **Americans living in union households are more likely to report owning their homes than other Americans.** Two-thirds of Americans in union households own their homes (67%) whereas just over half of Americans in non-union households do (52%). In contrast, a third of Americans in union households rent their homes (33%) compared to almost half of people without a union affiliation (48%).<sup>2</sup>

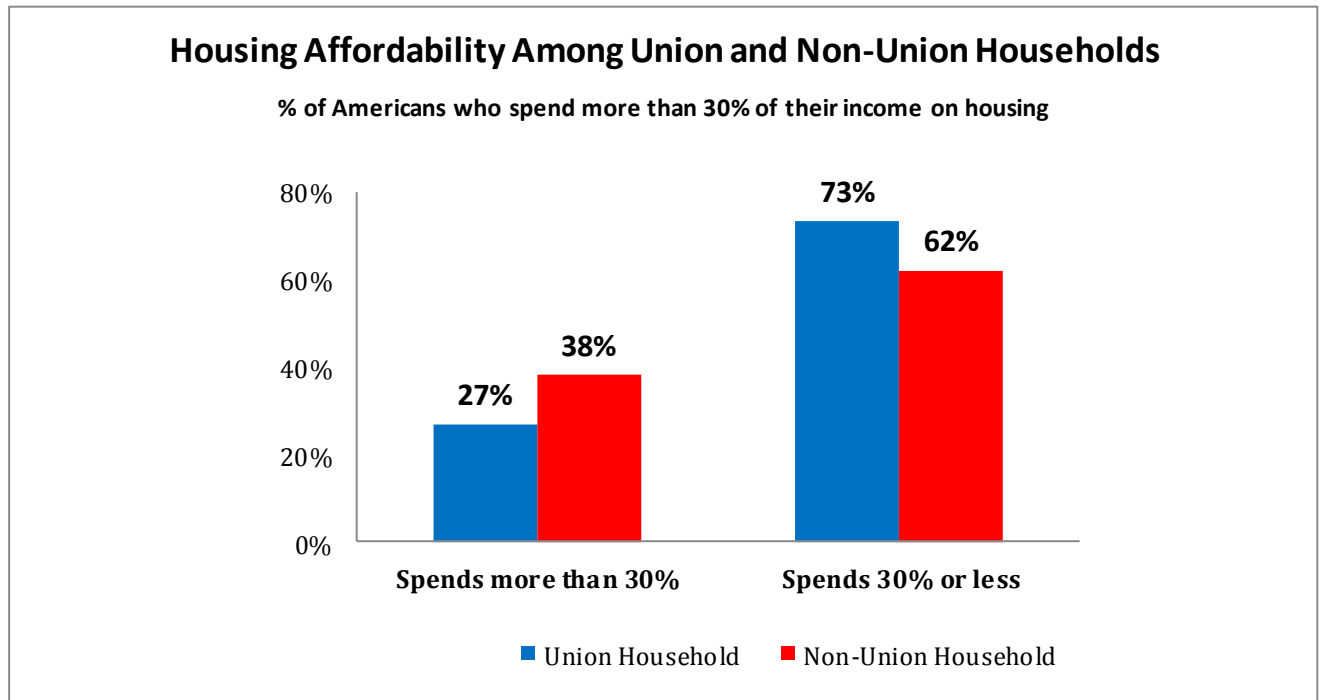


<sup>1</sup> U.S. Department of Labor, “History of Labor Day,” <https://www.dol.gov/general/laborday/history>.

<sup>2</sup> According to the U.S. Census, the homeownership rate in the United States is 64%. See <https://www.census.gov/housing/hvs/files/currenthvspress.pdf>. Homeownership among our survey participants is lower. When asked whether they owned or rented their home, 53% of our overall sample said they owned their home, 43% replied they rented, while 4% responded “other.” Our analysis excludes those who answered “other” focusing on those who replied “own” or “rent.”

- **Housing affordability is less likely to be a challenge for Americans living in union households than other Americans.**

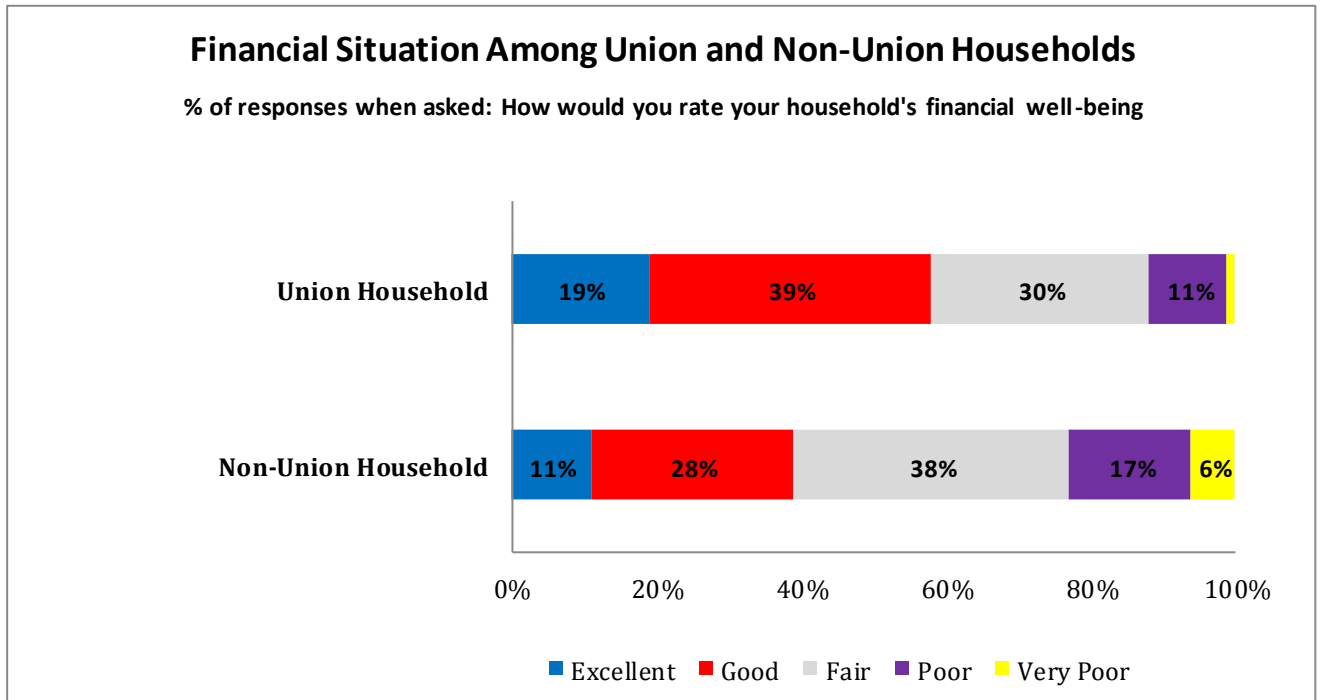
The United States government defines housing affordability as the ability to spend 30% or less of one’s income on housing.<sup>3</sup> By this definition, approximately 1 in 4 (27%) Americans in our survey who live in union households face housing affordability challenges, spending more than 30% of their monthly income on housing costs. Americans in our survey who live in non-union households are even more likely to experience these challenges. Almost four in 10 reported spending more than 30% of their monthly income on housing.



- **Americans who live in union households are more satisfied with their financial situation than other Americans.**

Almost 6 out of 10 Americans who live in union households rate their household’s financial situation as excellent or good (58%) while only 4 out of 10 other Americans (39%) do. In contrast, almost a quarter (23%) of Americans in non-union households rate their household’s financial situation as poor or very poor while only 12% of Americans in union households do.

<sup>3</sup> “Affordable Housing,” U.S. Department of Housing and Urban Development, [https://www.hud.gov/program\\_offices/comm\\_planning/affordablehousing](https://www.hud.gov/program_offices/comm_planning/affordablehousing).



## Conclusion

Taken together, the pursuit of life, liberty, and happiness is more difficult, as Dr. Martin Luther King, Jr. once noted, in the absence of employment. As this report indicates, the effects of unemployment run much deeper than money, affecting Americans' outlook on the future, social connectedness and relationships with others, and sense of self-worth, confidence, and satisfaction with life. The nation's current and near-historic low unemployment rate of 3.9% is, therefore, not only good news for the economy, but also for the personal well-being of millions of Americans.

When turning to economic well-being on measures of home ownership, housing affordability, and one's general financial situation, union households report fewer challenges and more financial satisfaction than those in non-union households. Union membership, however, has fallen sharply over the past several decades.<sup>4</sup> Unlike the development of declining unemployment and its corresponding positive effects on personal well-being, declines in union membership are likely to pose challenges in the future on at least three measures of economic well-being.

<sup>4</sup> See "Union Members Survey," Bureau of Labor Statistics, January 19, 2018, <https://www.bls.gov/news.release/union2.nr0.htm>.



## Survey Methods

The analysis in this report is based on a mixed mode of responses from mail, telephone, and the Internet. In total, the sample consisted of completed responses from 1,152 adults, 18 years of age or older, living in all 50 U.S. states and the District of Columbia. The mail surveys were delivered to 1,500 randomly selected addresses in the United States. There were 118 addresses that were returned as undeliverable. The selected households were contacted in four waves, starting with an informational postcard that introduced the survey, the survey, a reminder to complete the survey, and a second copy of the survey. One hundred and fifty-six were filled out and returned, producing a response rate of 11%. The mail surveys were collected between May 29 and July 13, 2018.

The telephone portion of the survey was conducted by interviewers under the direction of Qualtrics Experience Management. Random digit dialing was used to contact cell phones and landlines (70% cell phone, 30% landline). One hundred and sixty-seven respondents were interviewed on a cell phone, and 71 were interviewed by landline (total phone interviews = 238). The response rate was 5% for the cell phone sample and 9% for the landline sample. The phone interviews were conducted between May 31 and June 5, 2018. The margin of error for the mail and telephone portion of the sample is plus or minus 5.1 percentage points (at the 95% level of confidence).

The online portion of the survey was conducted among a national sample of 758 adults age 18 or older, living in all 50 states. Respondents for this portion of the survey were selected from a group of over one million people that participate in the Qualtrics survey platform on a daily basis. Participants self-selected into the survey, rather than through random selection. Thus, an estimate of sampling error could not be calculated. To avoid self-selection bias, participants were not told the nature of the survey when asked to participate. The online interviews were conducted between June 1 and June 18, 2018.

The combined sample of mail, telephone, and online respondents were weighted using an iterative proportional fitting algorithm that matches age, sex, gender, and education to population parameters derived from the U.S. Census.

See the comparisons between the unweighted sample and the population parameters from the Census below:

	<b>Sample</b>	<b>Census</b>
<b>Age</b>		
18-24	12%	12%
25-34	17%	18%
35-44	18%	16%
45-54	14%	17%
55-64	16%	17%
65-74	15%	12%
75 or older	8%	8%

<b>Sex</b>		
Male	45%	49%
Female	55%	51%
<b>Race</b>		
White	57%	60%
Hispanic/Latino	15%	18%
Black or African American	14%	13%
Asian	6%	6%
Other, or multi-racial	9%	4%
<b>Education</b>		
Less than high school	4%	13%
High school or vocational degree, but no college degree	63%	48%
Associate's Degree	8%	8%
Bachelor's Degree	18%	19%
Graduate Degree	7%	12%

Note: Some categories may not add to 100 percent due to rounding.