Introduction to Underemployment and Its Social Costs

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BACKGROUND

Expanding the Research Field

This special issue aims to expand the research domain that links employment status (especially insufficient employment) to mental health. First, we will consider the nature of the literature on this topic, its traditionally narrow focus on personal unemployment, and some of the trends that might take it in new directions. Then we will consider the development of the literature on unemployment as it relates to changing economic circumstances and any lessons this relationship may hold for cultivating future research on other forms of underemployment. Finally, we will introduce the papers of this special issue as they illustrate promising new approaches.

Community psychologists and their counterparts in public mental health, medical sociology, and social psychiatry have a long-standing interest in the causal connection from employment status to well-being. Over the past century, hundreds of scholars have studied this topic, concentrating mainly on the effects of one kind of employment status—unemployment. Although the association between unemployment and mental disorder has long been apparent, the causal direction underlying that association has been disputed. As with the link between poverty and mental disorder, cross-sectional studies of this relationship have difficulty choosing between social causation (unemployment or poverty causes disorder) and selection (disorder causes unemployment or poverty) explanations (B. P. Dohrenwend & B. S. Dohrenwend, 1969). Recent longitudinal studies have shown that both types of causation can operate suggesting a sequential reciprocal relationship (Catalano, Dooley, Novaco, Wilson, & Hough, 1993; Dooley, Catalano, & Hough, 1992; Dooley, Catalano, & Wilson, 1994).

Beyond the causal direction issue, other important tasks remain unfinished. These include estimating the magnitude and social significance of the effect of unemployment on health, identifying the mediators and moderators of this effect, and promoting effective interventions for reducing this effect. The extensive literature on unemployment includes several important monographs that describe competing theoretical frameworks for this field (e.g., Feather, 1990; Jahoda, 1982; Warr, 1987). There is even a subliterature consisting of special journal issues that have assembled the current scholarship on unemployment and its effects (e.g., Dooley & Catalano, 1988; Fryer, 1992; Winefield, 1997).

At the beginning of the new millennium and after the longest economic expansion in U.S. history (1991–2001), it seems appropriate to reflect on the state of this research field and to consider new directions that it might take. In the remainder of this section, we will characterize the prevailing paradigm of unemployment research and consider emerging employment trends that might point to alternative conceptual and methodological approaches.

New Work Relationships and Changing Paradigms

The dominant approach in unemployment research contrasts people with and without jobs. Implicit in this paradigm is the assumption that the gap between work (including all types of employment) and no work (including all forms of unemployment) is clear-cut and large. This assumption may have been plausible when the social contract for labor promised full-time jobs that lasted for lifetime careers. But

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this arrangement appears to be unraveling in the face of changing economic realities. In the words of Beck (1992),

... this system of standardized full employment is beginning to soften and fray at the margins into flexibilizations of its three supporting pillars: labor law, work site and working hours. Thus the boundaries between work and non-work are becoming fluid [emphasis in original]. Flexible, pluralized forms of underemployment are spreading. (p. 142)

Reviews of past studies based on the employment versus unemployment paradigm have consistently found that job loss is associated with increased symptoms of mental disorder (Catalano, 2000; Dooley, Fielding, & Levi, 1996; Feather, 1997; Kasl, Rodriguez, & Lasch, 1998; Lennon, 1999; Murphy & Athanasou, 1999). But as jobs increasingly take on undesirable features formerly found mainly in unemployment, the old paradigm may yield smaller adverse effects of job loss (Fryer, 1999). To reflect the mental health effects of the changing employment situation, a new research paradigm will need to take into account both good and bad jobs (Warr, 1987). Besides enlarging the conceptualization of adverse employment status to include various forms of underemployment, the current paradigm invites improvement in several other ways as well. One of these involves the level of analysis. Comparisons of employed and unemployed workers typically ignore the effect of the economic context on the health of workers and nonworkers. The aggregate employment climate might influence well-being directly, that is, not just indirectly via personal job loss (Catalano, 2000; Fenwick & Tausig, 1994; Tausig & Fenwick, 1999). Or it might operate by moderating the effect of personal job loss (i.e., by cross-level interaction; Cohn, 1978; Turner, 1995). Thus a comprehensive approach to employment and health needs to consider not only individual events but also ambient economic conditions.

Another direction for improving the traditional approach is to expand our concept of the victims of employment change beyond those who lose jobs. For example, some special populations are at high risk for stress related to the failure to find an adequate job. This category includes recent school leavers who enter the workforce facing chronically high youth unemployment rates (e.g., Gore, Kadish, & Aseltine, 2003). Also located in this category are women on welfare who are expected to become self-supporting before the 1996 U.S. welfare reform time limits cut off their support. Another category of potential casualties includes people affected adversely by others’ job loss. One such group consists of the survivors of downsizing who must deal with the guilt of keeping their jobs while taking on the extra work left by their departed colleagues (e.g., Kivimäki, et al., 2003). Another group falling in this category includes the family members of job losers who seem likely to suffer stress by social contagion (Dew, Bromet, & Schulberg, 1987; Rook, Dooley, & Catalano, 1991).

LESSONS FOR A NEW LITERATURE

The Growth of Studies of Unemployment

We stand at the intersection between two bodies of research. One is the mature literature that has grown largely from the job-loss paradigm described earlier but which has decreasing relevance for the emerging forms of work relationships. The other is the one in its infancy that we expect to grow around newer concepts such as the employment continuum, the secondary exposure to adverse employment changes, and the influence of the aggregate economic climate. As we cultivate this emerging research, it might be instructive to consider how the earlier unemployment literature developed—when, how rapidly, and in response to what stimuli.

The paper by Dooley (2003) contrasts the substantial long-term growth of unemployment studies in the psychological literature with the sparse literature on underemployment using annual citation counts from the American Psychological Association's PsycINFO database. After adjusting for the steady increase in publications on all psychological topics, it appears that unemployment studies rose and fell in spurts, perhaps paralleling changes in the surrounding economic climate. However, such description fails to check the statistical significance of the relationship or to measure the magnitude and lag pattern of the association. The paper by Catalano, Lind, Rosenblatt, and Novaco (2003) uses a time-series analytic method that can provide the necessary statistical tests of the hypothesis that unemployment rates predict subsequent publication rates. If unemployment rates or other factors have stimulated the growth of the unemployment literature, perhaps such findings will suggest ways to accelerate the growth of the next literature on underemployment.
Time-Series Analysis of Unemployment Publications

We speculated that the fraction of researchers interested in unemployment would increase when unemployment was unexpectedly high. We hypothesized, therefore, that the likelihood of an unemployment-related paper appearing in the psychological literature varied proportionately with the degree to which the unemployment rate moved away from expected values. The unemployment rate is the number of unemployed persons (i.e., those who want to work but are not working) divided by the sum of those who are working plus the unemployed. We assembled the data from Lebergott (1964) and the United States Department of Labor's Bureau of Labor Statistics (United States Department of Labor, 1990, 1999).

We would have ideally derived the rate of unexpected unemployment from surveys of the population, asking whether the unemployment rate was as respondents expected. Unfortunately, no such data exist. We, therefore, resorted to the statistical definition of unexpectedness because it arises from the logical and intuitive assumption that persons derive their expectations from patterns in the past behavior of a phenomenon. We used methods described in the Catalano et al. contribution to this issue to identify patterns in the unemployment rate. We defined the unexpected unemployment rate as the residuals remaining after we removed these patterns from the unemployment data. We plot the unexpected unemployment series in Fig. 1.

We measured the likelihood of an unemployment-related paper appearing in the psychological literature from the extended PsycINFO database for the years 1927 to 1998. Data for the years 1916 through 1926 were available, but these appear derived from a smaller census of publications than subsequently used. We defined a paper as related to unemployment if the term appeared in either the title or abstract. We converted the raw counts of papers into the annual rate of unemployment-related papers per 1,000 papers in the database. Figure 2 shows a plot of the rate over the study period.

We analyzed the data with the strategy described in more detail in the Catalano et al. paper in this issue. In summary, we first regressed the annual rate (per 1,000) of an unemployment-related paper appearing in the PsycINFO database on the annual number of papers unrelated to unemployment. This step controlled for the possibility that the need of a growing number of scholars to conduct original research led some to pursue topics not well studied in the past. This circumstance could have led to an increasing likelihood of unemployment-related publications in the literature. We then inspected the residuals of this regression for patterns (i.e., violations of the assumption of independently distributed error terms) and added parameters to the model to express any patterns that we discovered. We also added the unexpected unemployment rate measured in the same year as the dependent variable as well as in two earlier years (i.e., dependent variable in year $t$, unemployment in years $t$, $t-1$, and $t-2$) to insure that we captured any publication lag.

We show the results of estimating this model in Table I. Consistent with our speculation, the likelihood of an unemployment-related paper appearing in the psychological literature increased in the same
year that unemployment increased and again 2 years later. We interpret this as support for the argument that psychologists paid more attention to issues related to unemployment when the unemployment rate unexpectedly increased. Some papers resulting from this increased attention, perhaps those requiring relatively little time to prepare and review appeared in the same year that unemployment increased. Other papers, perhaps those requiring more data collection and analysis, appeared 2 years after increases in unemployment.

The findings described above suggest that windows rattle at the academy when economic tremors shake the foundations of the union hall. After a quarter century of studying the effects of economic change on well-being, we believe that we get more company during bad economic times because researchers, among less admirable reasons, feel sympathetic pain for the unemployed and want to do something about it.

The episodic and normative nature of our field implies at least two circumstances that deserve attention from readers of this special issue. One is that we are at risk of rediscovering scholarly wheels. The likelihood that researchers come to the field with moral sensibilities offended by current events suggests that many will attempt contributions without a thorough familiarity with what went before. New colleagues could save much time and effort if those of us who stay with the field over time did a better job reviewing and synthesizing earlier work.

The second circumstance implied by the episodic and normative nature of our field is that it rarely contributes to the enduring theoretical literature in any discipline. We know of only two such contributions. Durkheim’s analysis of the association between economic conditions and suicide certainly contributed to sociology’s long-standing interest in the construct of anomie (Durkheim, 1897/1951). Hovland and Sears’ analysis of lynching and economic conditions in the South similarly influenced social psychology’s ongoing interest in frustration-aggression theory (Hovland & Sears, 1940). We suggest that researchers in the field do a better job connecting their work to the central issues in their respective disciplines. Although this may seem an argument against application and doing good, we believe that much more good will be done in the longer term if work in our field finds its way into enduring, regularly cited, and studied literature. Succeeding cohorts of scholars will thereby be better equipped to do both science and good when inevitable bad economic times shake their communities.

How might the present findings help accelerate the growth of a new literature on underemployment’s social costs? The apparent sympathetic reaction of scholars to focus on perceived social problems suggests raising the visibility of high underemployment rates to the same prominence now given to unemployment rates (see Jensen & Slack, 2003). Two other possibilities invite consideration in future time-series analyses of publications on this topic. One is that funders might, for a period of time, increase financial incentives to conduct research on the problem of employment and well-being in order to attract researchers to this area. As elected officials typically do not like calling attention to unpopular phenomena such as high unemployment, such funding may have to come from private foundations. Another possibility is that a paradigm-changing publication could excite the intellectual curiosity of a cohort of scholars. For example, we considered whether Harvey Brenner’s book Mental Illness and the Economy (Brenner, 1973) might have played such a catalytic role a generation ago, but that event did not appear associated with any additional increase in unemployment publications in our data. However, we hope that some of the research presented in the following papers will help recruit new scholars for the study of underemployment and its mental health effects.

**TOWARDS A NEW AGENDA**

We have organized the papers in three clusters. The first group deals with varying types of
employment. Community psychologists have long treated unemployment as a major risk factor for mental health problems, but other employment statuses may also warrant their attention. This set of papers offers a typology of such varying employment categories. They provide information on the prevalence of these types of underemployment and findings on their relationship to health and well-being measures.

The second cluster deals with the traditional variable of unemployment but in a nontraditional way. It focuses on the spillover effects of unemployment on people who have not personally lost their jobs. The possibility of the social contagion of employment stress has received some attention, primarily involving transmission between spouses (Dew et al., 1987; Rook et al., 1991). However, the two papers in this section offer quite different approaches to this line of research, one using aggregate-level methods and the other using individual-level methods.

The third group of papers reflects two themes. One is the worldwide problem of youth unemployment. The other is the fresh perspective, for many American researchers, of some emerging European analyses of the problem of underemployment. We sought papers representing two different contemporary European perspectives on the underemployment issue. The Fryer and Fagan piece implies that unemployment is another manifestation of how the maldistribution of influence over public institutions preserves the status quo. The epidemiologic and political dimensions of community psychology both influence the work and should, in turn, be influenced by it. The Kieselbach piece, on the other hand, focuses on efforts by public institutions to change the experience of persons put at risk of social exclusion by economic change. The work draws from, and should influence, the epidemiologic and clinical traditions in community psychology.

In the second paper in this group, Jensen and Slack provide an economic foundation for researchers interested in measuring the prevalence and impacts of underemployment. They begin by describing the origins of the current U.S. system for measuring unemployment and an alternative approach for measuring various types of inadequate employment. Called the Labor Utilization Framework (LUF), this system includes such categories as involuntary part-time and near poverty wage work. Besides laying out this typology, Jensen and Slack provide original data on the rates of underemployment in the American workforce in the 1990s. Their analyses show substantial levels of total LUF underemployment even in this boom decade.

In the final paper of this group, Friedland and Price provide a new test of the hypothesis that inadequate employment, not just unemployment, has social costs. Their study uses the LUF system for categorizing employment status as described in the previous paper. This study also illustrates the use of longitudinal data to adjust for the possible selection effects of prior well-being. The results add new insights to the sparse literature on underemployment.

**Spillover Effects**

In the first paper of this section, Catalano and colleagues explore the possibility that fluctuations in a community’s economic climate might influence the well-being of persons not in the labor force. Using aggregate time-series analysis, they estimate the association between unemployment and foster care placements. This study underscores the view that a community can be usefully seen as a social and economic system in which nonworkers feel employment shocks to workers. Beyond these particular findings, this paper might introduce readers to the program of time-series research that Catalano and his colleagues have created on unemployment and other community stressors in relation to various health indicators (Catalano, 2002; Catalano, Hansen, & Hartig, 1999; Catalano & Hartig, 2001).

Taking a very different methodological tack, Kivimäki and colleagues use individual-level data to study the effects of job dislocations. Traditionally, researchers have focused on the harm befalling workers who leave downsizing organizations. Kivimäki and colleagues do that as well, but in addition they also consider the health effects on the stayers. The results remind us that job losers are not the only casualties of economic restructuring.
Youth Unemployment and Alternative Perspectives

Of all demographic groups, young people, worldwide, have the highest risk of experiencing underemployment. Although youth unemployment is as problematic in the United States as in most other countries, there have been relatively few American studies of the health effects of this problem (Dooley & Praise, 1997). In contrast, researchers in Europe and Australia have explored this topic more frequently (Winefield, 1997; Winefield, Tiggemann, Winefield, & Goldney, 1993).

The first paper in this last section reports on a major European multinational study of youth unemployment. Kieselbach departs from most such studies that focus on traditional psychological outcomes such as depression and self-esteem. Instead, he introduces to this literature a different kind of outcome: “social exclusion.” This concept, which dominates much of the European debate on social policy, assumes, in essence, that failure to participate in the functioning of a community causes, as well as results from, poor health. Interventions that involve people in the day-to-day activities that define communities supposedly improve population health and satisfaction with life. Work is assumed to be among the most important of these activities. Understanding and reducing impediments to success in the labor market therefore becomes an important objective of public and private management. Kieselbach describes an attempt by the European Commission to understand the labor market experiences of young people and to improve their integration into the community.

The second paper in this section also addresses youth unemployment. Reports on programs intended to reduce the health effects of youth underemployment appear even less frequently than ones that document these effects. In their study, Gore et al. provide a quasi-experimental evaluation of a school-based intervention designed to smooth the transition from school to work. Although the authors conducted their study in the Boston area, the intervention is modeled after the German system and so, like the other papers in this section, will offer a fresh perspective for many U.S. researchers.

In the final paper, Fryer and Fagan offer a critique of the usual approach to research on unemployment from their qualitative perspective. We view this paper as an exemplar of community psychology’s all-too-rare contributions to political economy. For these authors, community psychology means more than using psychological methods to illuminate behavioral problems induced by shared environments. They remind us that community psychology can also mean using what we know about individual and collective behavior to redress the maldistribution of the costs and benefits of community dynamics. Indeed, they extend this view of the field by arguing that research into underemployment can and should be an intervention. They go beyond mere arguing for the position and offer an example of how they pursued such research.

REFERENCES

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