Part I
Introduction

1
Economic perspectives

To everything there is a season, and a time to every purpose under the heaven. – Ecclesiastes

Extending this famous verse, we can also say that there is a time for work and a time for play. There is a time for leisure.

An important distinction, however, needs to be made between the precise concept of a time for leisure and the semantically different and much fuzzier notion of *leisure time*, our initial topic. In the course of exploring this subject, the fundamental economic forces that affect spending on all forms of entertainment will be revealed, and our understanding of what motivates expenditures for such goods and services will be enhanced. Moreover, the perspectives provided by this approach will enable us to see how entertainment is defined and how it fits into the larger economic picture.

1.1 Time concepts

Leisure and work

Philosophers and sociologists have long wrestled with the problem of defining *leisure* – the English word derived from the Latin *licere*, which means "to be permitted" or "to be free." In fact, as Kraus (1978, p. 38) and Neulinger

(1981, pp. 17–33) have noted, leisure has usually been described in terms of its sociological and psychological (state-of-mind) characteristics.[1] And closely tied in to this is the more recent notion that "play" is a fundamental aspect of life.[2]

The classical attitude was epitomized in the work of Aristotle, for whom the term *leisure* implied both availability of time and absence of the necessity of being occupied (De Grazia 1962, p. 19). According to Aristotle, that very absence is what leads to a life of contemplation and true happiness – yet only for an elite few, who do not have to provide for their own daily needs. Veblen (1899) similarly saw leisure as a symbol of social class. To him, however, it was associated not with a life of contemplation, but with the "idle rich," who identified themselves through its possession and its use.

Leisure has more recently been conceptualized either as a form of activity engaged in by people in their free time or, preferably, as time free from any sense of obligation or compulsion.[3] As such, the term *leisure* is now broadly used to characterize time not spent at work (where there is an obligation to perform). Naturally, in so defining leisure by what it is not, metaphysical issues remain largely unresolved. There is, for instance, a question of how to categorize work-related time such as that consumed in preparation for, and in transit to and from, the workplace. And sometimes the distinctions between one person's vocation and another's avocation are difficult to draw: People have been known to "work" pretty hard at their hobbies.

Although such problems of definition appear quite often, they fortunately do not affect analysis of the underlying structures and issues.

Recreation and entertainment

In stark contrast to the impressions of Aristotle or Veblen, today we rarely, if ever, think of leisure as contemplation or as something to be enjoyed only by the privileged. Instead, "free" time is used for doing things and going places, and the emphasis on activity corresponds more closely to the notion of recreation – refreshment of strength or spirit after toil – than to the views of the classicists.

The availability of time is, of course, a precondition for recreation, which can be taken literally as meaning *re*-creation of body and soul. But because such active re-creation can be achieved in many different ways – by playing tennis, or by going fishing, for example – it encompasses aspects of both physical and mental well-being. As such, recreation may or may not contain significant elements of amusement and diversion or occupy the attention agreeably. For instance, amateurs training to run a marathon might arguably be involved in a form of recreation. But if so, the entertainment aspect would be rather minimal.

As noted in the Preface, however, entertainment is defined as that which produces a pleasurable and satisfying experience. The concept of entertainment is thus subordinate to that of recreation: It is more specifically defined through its direct and primarily psychological and emotional effects.

Time

Most people have some hours left over – "free time," so to speak – after subtracting the hours and minutes needed for subsistence (mainly eating and sleeping), for work, and for related activities. But this remaining time has a cost in terms of alternative opportunities forgone.

Because time is needed to use or to consume goods and services, as well as to produce them, economists have attempted to develop theories that treat it as a commodity with varying qualitative and quantitative cost features. However, as Sharp (1981) notes in his comprehensive coverage of this subject, economists have been only partially successful in this attempt:

> Although time is commonly described as a scarce resource in economic literature, it is still often treated rather differently from the more familiar inputs of labor and materials and outputs of goods and services. The problems of its allocation have not yet been fully or consistently integrated into economic analysis. (p. 210)

Nevertheless, investigations into the economics of time, including those of Becker (1965) and DeSerpa (1971), have suggested that the demand for leisure is affected in a complicated way by the cost of time both to produce and to consume. For instance, according to Becker (see also Ghez and Becker 1975),

> The two determinants of the importance of forgone earnings are the amount of time used per dollar of goods and the cost per unit of time. Reading a book, getting a haircut, or commuting use more time per dollar of goods than eating dinner, frequenting a nightclub, or sending children to private summer camps. Other things being equal, forgone earnings would be more important for the former set of commodities than the latter.
>
> The importance of forgone earnings would be determined solely by time intensity only if the cost of time were the same for all commodities. Presumably, however, it varies considerably among commodities and at different periods. For example, the cost of time is often less on weekends and in the evenings. (Becker 1965, p. 503)

From this it can be seen that the cost of time and the consumption-time intensity of goods and services (e.g., intensity, or commitment, is usually higher for reading a book than for reading a newspaper) are significant factors in selecting from among entertainment alternatives.

Expansion of leisure time

Most of us do not normally experience sharp changes in our availability of leisure time (except on retirement or loss of job). Nevertheless, there is a fairly widespread impression that leisure time has been trending steadily higher ever since the Industrial Revolution of more than a century ago. Yet the evidence on this is mixed. Figure 1.1 shows that in the United States the largest increases in leisure time – workweek reductions – for agricultural and nonagricultural industries were achieved prior to 1940. But more recently, the lengths of average workweeks, adjusted for increases in holidays and vacations, have scarcely changed for the manufacturing sector and have also stopped declining in the services sector (Table 1.1 and Figure 1.2). By

Table 1.1. *Average weekly hours at work, 1948–2008,*[a] *and median weekly hours at work for selected years*

Average hours at work			Median hours at work	
Year	Unadjusted	Adjusted[b]	Year	Hours
1948	42.7	41.6	1975	43.1
1956	43.0	41.8	1980	46.9
1962	43.1	41.7	1987	46.8
1969	43.5	42.0	1995	50.6
1975	42.2	40.9	2004	50.0
1986	42.8		2008	46.0

[a] Nonstudent men in nonagricultural industries. *Source:* Owen (1976, 1988).
[b] Adjusted for growth in vacations and holidays.
Source: Harris (1995), www.Harrisinteractive.com for median hours at work.

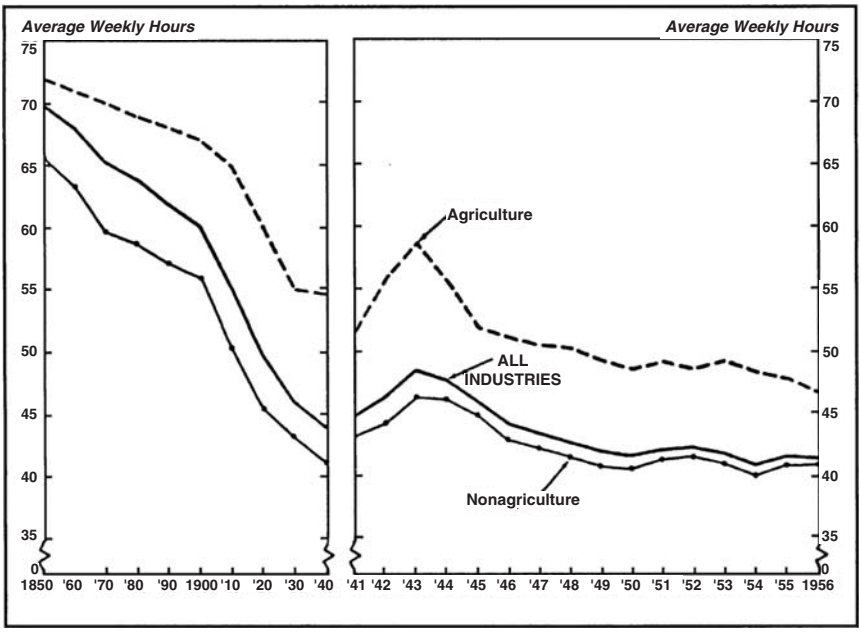
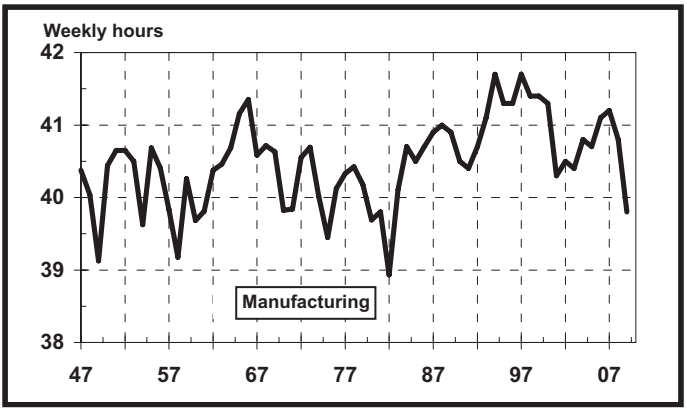
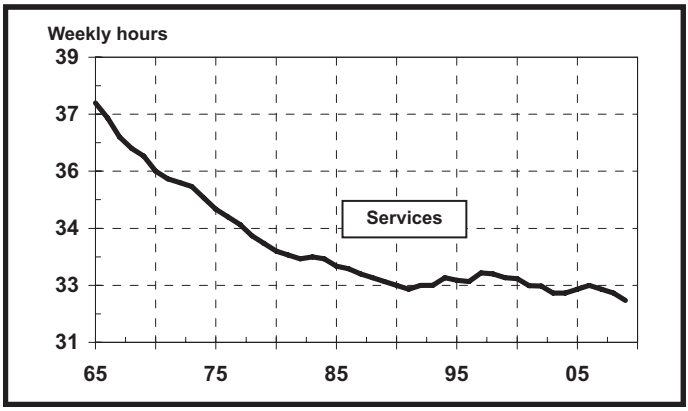


Figure 1.1. Estimated average weekly hours for all persons employed in agricultural and nonagricultural industries, 1850–1940 (ten-year intervals) and 1941–1956 (annual averages for all employed persons, including the self-employed and unpaid family workers.) *Source:* Zeisel (1958).



(a)



(b)

Figure 1.2. Average weekly hours worked by production workers in (a) manufacturing, 1947–2009, and (b) service industries, 1964–2009. *Source:* U.S. Department of Commerce.

comparison, average hours worked in other major countries, as illustrated in Figure 1.3, have declined markedly since 1970.

Although this suggests that there has been little, if any, expansion of leisure time in the United States, what has apparently happened instead is that work schedules now provide greater diversity. As noted by Smith (1986), "A larger percentage of people worked under 35 hours or over 49 hours a week in 1985 than in 1973, yet the mean and median hours (38.4 and 40.4, respectively, in 1985) remained virtually unchanged."[4]

If findings from public-opinion surveys on Americans and the arts are to be believed, the number of hours available for leisure may actually at best be holding steady.[5] Schor (1991, p. 29), however, says that between 1969

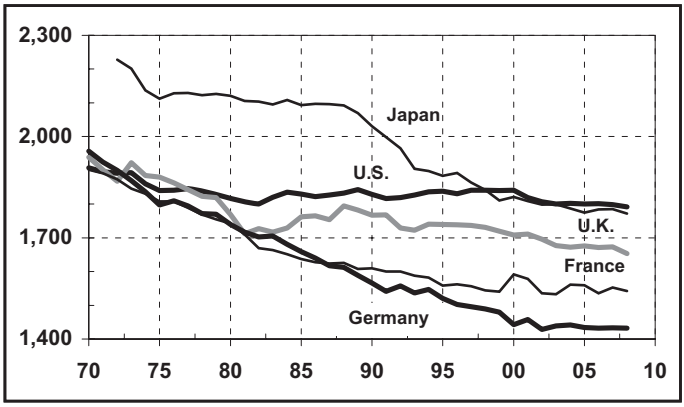


Figure 1.3. Average annual hours worked in the United States versus other countries, 1970–2009. *Source: OECD Employment Outlook.*

and 1987, "the average employed person is now on the job an additional 163 hours, or the equivalent of an extra month a year . . . and that hours have risen across a wide spectrum of Americans and in all income categories."[6]

But Aguiar and Hurst (2006) argue the opposite. And as shown in Table 1.2, McGrattan and Rogerson (2004) found that since World War II, the number of weekly hours of market work in the United States has remained roughly constant, even though there have been dramatic shifts in various subgroups. Also, Robinson (1989, p. 34), who has measured free time by age categories, found that "most gains in free time have occurred between 1965 and 1975 [but] since then, the amount of free time people have has remained fairly stable." By adjusting for age categories, the case for an increase in total leisure hours available becomes much more persuasive.[7]

Table 1.2. *Aggregate weekly hours worked per person (+15), 1950–2000*

Year	Average weekly hours worked		Employment to population ratio (%)
	Per person	Per worker	
1950	22.34	42.40	52.69
1960	21.55	40.24	53.55
1970	21.15	38.83	54.47
1980	22.07	39.01	56.59
1990	23.86	39.74	60.04
2000	23.94	40.46	59.17
% change, 1950–2000:	7.18	−4.56	12.30

Source: McGratten and Rogerson (2004), U.S. Dept. of Commerce, Bureau of the Census.

In addition, Roberts and Rupert (1995) found that total hours of annual work have not changed by much but that the *composition* of labor has shifted from home work to market work, with nearly all the difference attributable to changes in the total hours worked by women. A similar conclusion as to average annual hours worked was also reached by Rones, Ilg, and Gardner (1997).[8] Yet, as Jacobs and Gerson note (1998, p. 457), "even though the average work week has not changed dramatically in the U.S. over the last several decades, a growing group of Americans are clearly and strongly pressed for time."

In all, it seems safe to say that for most middle-aged and middle-income Americans – and recently for Europeans too – leisure time is probably not expanding.[9] However, no matter what the actual rate of expansion or contraction may be, there has been a natural evolution toward repackaging the time set aside for leisure into more long holiday weekends and extra vacation days rather than in reducing the minutes worked each and every week.[10]

Particularly for those in the higher-income categories – conspicuous consumers, as Veblen would say – the result is that personal-consumption expenditures (PCEs) for leisure activities are likely to be intense, frenzied, and compressed instead of evenly metered throughout the year. Moreover, with some adjustment for cultural differences, the same pattern is likely to be seen wherever large middle-class populations emerge.

Estimated apportionment of leisure hours among various activities and the changes in such apportionment between 1970 and 2010 are indicated in Table 1.3.[11] Table 1.4 shows how Americans on the average allocate leisure time of around five hours a day.

1.2 Supply and demand factors

Productivity

Ultimately, though, more leisure time availability is not a function of government decrees, labor union activism, or factory-owner altruism. It is a function of the rising trend in output per person-hour – in brief, the rising productivity of the economy. Quite simply, technological advances embodied in new capital equipment, in the training of a more skilled labor pool, and in the development of economies of scale allow more goods and services to be produced in less time or by fewer workers. Thus, long-term growth in leisure-time-related industries depends on the rate of technological innovation throughout the economy.

Information concerning trends in productivity and other aspects of economic activity is provided by the National Income and Product Accounting (NIPA) figures of the U.S. Department of Commerce. According to those figures, overall productivity between 1973 and 1990 rose at an average

Table 1.3. *Time spent by adults on selected leisure activities, 1970 and 2009 estimates*

	Hours per person per year[a]		% of total time accounted for by each activity	
Leisure activity	1970	2009	1970	2009
Television	1,226	1,774	46.5	42.1
Network affiliates		668		15.8
Independent stations		17		0.4
Basic cable programs		1,014		24.1
Pay cable programs		75		1.8
Radio	872	1,038	33.1	24.6
Home		363		8.6
Out of home		675		16.0
Internet		755		17.9
Newspapers[b]	218	108	8.3	2.6
Recorded music[c]	68	153	2.6	3.6
Magazines	170	72	6.5	1.7
Leisure books	65	84	2.5	2.0
Movies: theaters	10	11	0.4	0.3
home video		44		1.0
Spectator sports	3	19	0.1	0.5
Video games: home		151		3.6
Cultural events	3	6	0.1	0.1
Total	2,635	4,215	100.0	100.0[d]
Hours per adult per week	50.7	81.1		
Hours per adult per day	7.2	11.5		

[a] Averaged over participants and nonparticipants.
[b] Includes free dailies.
[c] Includes licensed digital music.
[d] Totals not exact because of rounding.
Sources: CBS Office of Economic Analysis and Wilkofsky Gruen Associates, Inc.

Table 1.4. *Leisure time on an average day 2008*[a]

	Minutes	% of total
Watching TV	168	56.2
Socializing and communicating	38	12.7
Playing computer games	20	6.7
Reading	20	6.7
Other activities	20	6.7
Sports, exercise, recreation	17	5.7
Relaxing and thinking	16	5.4
Total	299	100.0

[a] Includes all persons aged 15+ and all days of the week.
Source of data: U.S. Bureau of Labor Statistics www.bls.gov/tvs/charts/leisure.html.

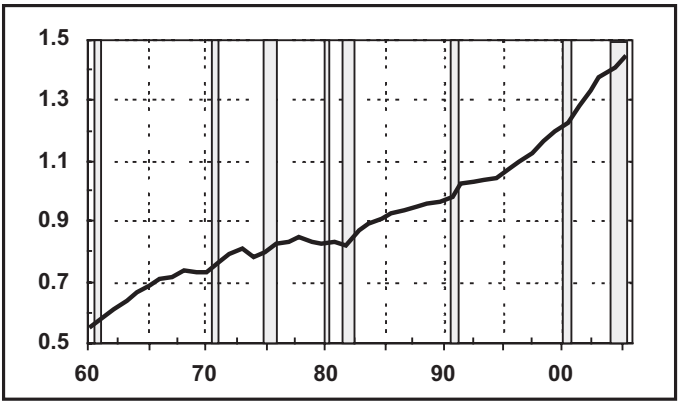


Figure 1.4. Nonfarm business productivity in the United States, 1960–2009, shown by output per hour. Index 1992 = 100. Bars indicate periods of recession. *Source:* U.S. Department of Labor.

annual rate of approximately 1.2% as compared with a rate averaging 2.8% between 1960 and 1973 (Figure 1.4). But productivity growth in the 1990s rebounded to an average annual rate of 2.0%, thereby implying that the *potential* for leisure-time expansion remained fairly steady in the last third of the twentieth century.[12] This rate of gain was sustained in the first decade of the 2000s, when nonfarm business productivity rose by an annual average of approximately 2.5%.

Demand for leisure

All of us can choose either to fully utilize our free time for recreational purposes (defined here and in NIPA data as being inclusive of entertainment activities) or to use some of this time to generate additional income. How we allocate free time between the conflicting desires for more leisure and for additional income then becomes a subject that economists investigate with standard analytical tools.[13] In effect, economists can treat demand for leisure as if it were, say, demand for gold, or for wheat, or for housing. And they often estimate and depict the schedules for supply and demand with curves of the type shown in Figure 1.5. Here, in simplified form, it can be seen that, as the price of a unit rises, the supply of it will normally increase and the demand for it decrease so that, over time, price and quantity equilibrium in an openly competitive market with perfect information will presumably be achieved at the intersection of the curves.[14]

It is also important to note that consumers typically tend to substitute less expensive goods and services for more expensive ones and that the total amounts they can spend – their budgets – are limited or constrained by income. Owen (1970) extensively studied the effects of such substitutions