

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

The Social Costs of Underemployment

Inadequate Employment as Disguised Unemployment

Going beyond the usual focus on unemployment, this research explores the health effects of other kinds of underemployment, including such forms of inadequate employment as involuntary part-time and poverty-wage work. Using the National Longitudinal Survey of Youth, this study compares falling into unemployment versus inadequate employment relative to remaining adequately employed. Outcomes include low self-esteem, alcohol abuse, depression, and low-birthweight babies. The panel data permit study of the plausible reverse causation hypothesis of selection. Because the sample is national and was followed over two decades, the study explores cross-level effects (individual change and community economic climate) and developmental transitions. Special attention is given to school leavers and welfare mothers, and, in cross-generational analysis, the effect of mothers' employment on babies' birthweight. There emerges a new way of conceptualizing employment status as a continuum, ranging from good jobs to bad jobs to unemployment, with implications for public policy on issues related to work and health.

David Dooley is Professor of Psychology and Social Behavior, Department of Psychology and Social Behavior, University of California, Irvine.

JoAnn Prause is Lecturer and Research Specialist, Department of Psychology and Social Behavior, University of California, Irvine.

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as
Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as
Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

The Social Costs of Underemployment

*Inadequate Employment as
Disguised Unemployment*

DAVID DOOLEY

University of California, Irvine

JOANN PRAUSE

University of California, Irvine



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

CAMBRIDGE UNIVERSITY PRESS

Cambridge, New York, Melbourne, Madrid, Cape Town,
Singapore, São Paulo, Delhi, Mexico City

Cambridge University Press

The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org

Information on this title: www.cambridge.org/9780521810142

© Cambridge University Press 2004

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2004

A catalogue record for this publication is available from the British Library

Library of Congress Cataloguing in Publication Data

Dooley, David.

The social costs of underemployment : inadequate employment as disguised unemployment / David Dooley, JoAnn Prause.

p. cm.

Includes bibliographical references and index.

ISBN 0-521-81014-0

1. Underemployment. 2. Underemployment – Health aspects. 3. Underemployment – Psychological aspects. I. Prause, JoAnn, 1953– II. Title.

HD5709.D66 2003

362.85'2-dc21 2003043948

ISBN 978-0-521-81014-2 Hardback

ISBN 978-0-521-11565-0 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate. Information regarding prices, travel timetables, and other factual information given in this work is correct at the time of first printing but Cambridge University Press does not guarantee the accuracy of such information thereafter.

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

Contents

<i>Preface</i>	<i>page vii</i>
1 Disguised Unemployment and Changing Forms of Work	1
2 The Social Costs of Unemployment	16
3 Data Sources and Methods	36
4 Reverse Causation: Findings on the Selection Hypothesis	65
5 Leaving School: Self-esteem in an Unwelcoming Economy	88
6 Early Adulthood: Alcohol Misuse and Underemployment	111
7 Settling Down: Psychological Depression and Underemployment	134
8 Extending the Employment Continuum: Well-Being in Welfare Transitions	158
9 The Next Generation: Underemployment and Birthweight	183
10 Conclusions	201
11 New Directions	214
<i>Appendix A</i>	233
<i>Appendix B</i>	237
<i>References</i>	241
<i>Name Index</i>	261
<i>Subject Index</i>	267

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as
Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

Preface

This book reports a decade of research on underemployment. Our present approach grew out of an earlier program of research that focused narrowly on job loss and its psychological and physical health costs. A century of unemployment studies had corroborated the conventional wisdom that job loss could harm well-being, particularly the mental health of dislocated workers and their immediate family members. But the suspicion remained that some forms of employment might also carry social costs that were being ignored.

Our initial efforts to study the consequences of various forms of underemployment were frankly exploratory. But positive findings from the study of one outcome stimulated further research on other outcomes. Findings of the adverse effects of underemployment on self-esteem among school leavers invited follow-up analyses of alcohol abuse, depression, and birthweight. Parallel findings for these different indicators appeared across different survey years, representing different life stages of the respondents and different economic environments in which they worked or sought jobs. The data seemed to insist that not only unemployment but also inadequate employment had a strong and pervasive connection to all of the outcome measures that were available for our study.

Those of us who conduct research on employment status have had to recognize the importance of the prevailing economic climate. It defines the opportunity structure that determines the risks of individual job change, both good and bad. It also provides the environment for comparison and self-assessment in which individuals judge their relative well-being and future prospects. So it comes as no surprise that the economic climate, by setting a context in which to choose study topics and interpret research findings, influences researchers.

Although the data reflect varying conditions beginning in the early 1980s, we conducted the present analyses largely during the 1990s, in the midst of the longest economic expansion in American economic history.

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

viii

Preface

Unemployment levels fell year after year, while the stock market was multiplying millionaires as fast as new companies could be created. This was an era in which unemployment seemed to be disappearing as a social problem. At the same time, however, a closer look at the labor market revealed massive job churning, along with flat or falling real wages for middle- and lower-income workers. This historical moment demanded that we give attention to the economically inadequate jobs that were being eclipsed in the public eye by the falling unemployment rates.

This book begins with an introduction to the problem of underemployment as it has emerged in the changing labor market (Chapter 1) and locates our approach in the long tradition of research on unemployment (Chapter 2). The program of studies described in this book could not have been mounted without the extraordinary data provided by the National Longitudinal Survey of Youth (NLSY), gathered and maintained by the Center for Human Resource Research (CHRR) at The Ohio State University and sponsored by the Bureau of Labor Statistics, U.S. Department of Labor. We describe this panel survey and our approach to analyzing it in Chapter 3.

The middle chapters describe a series of hypothesis tests on the relationship between various forms of underemployment and various psychological, behavioral, and health outcomes. Chapter 4 considers the rival hypothesis of reverse causation – that preexisting dysfunction causes people to become underemployed. The remaining chapters test the social causation hypothesis – that adverse employment change predicts decreased well-being (or that favorable employment change predicts increased well-being). Chapters 5 through 7 deal with different mental health outcomes during different life stages: effects on self-esteem, alcohol abuse, and depression. Chapter 8 extends the logic of our approach by considering welfare transitions as special cases of employment transitions. Chapter 9 extends our approach across generations by measuring the connections between a mother's employment experience and her child's well-being, indexed by birthweight. The final two chapters summarize the overall nature of our findings (Chapter 10) and consider their implications for the next steps in research and policy (Chapter 11).

This research program required the help of many people. We are grateful for the generous financial support provided by grants from the W. T. Grant Foundation, the California Wellness Foundation, and, in recent years, the Robert Wood Johnson Foundation's Substance Abuse Policy Research Program. We appreciate the long friendship and intellectual stimulation of Ralph Catalano, who collaborated on the early unemployment studies that provide a methodological foundation for this research. We acknowledge the assistance provided by Steve McClaskie at the CHRR, who has been extremely helpful over the past decade in answering our many questions about the NLSY data. Over the years we have benefited from the encouragement and stimulation provided by many colleagues and students in

Cambridge University Press

978-0-521-81014-2 - The Social Costs of Underemployment: Inadequate Employment as
Disguised Unemployment

David Dooley and Joann Prause

Frontmatter

[More information](#)

Preface

ix

the School of Social Ecology at the University of California at Irvine, and we thank them all for their support. We thank one of our students, in particular, for helping us to polish this manuscript as well as for collaborating with us on some of the research analyses: Kathleen A. Ham-Rowbottom. We especially thank our spouses, Braddie Dooley and George Prause, for their understanding and encouragement.