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*, the initial topic. In the course of exploring this subject, the fundamental economic forces that affect and motivate spending on all forms of entertainment goods and services will be revealed. 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." Leisure has, in fact, 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. 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 (and status emulation as a driver of demand). 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] The term *leisure* is now broadly used to characterize time not spent at work (where there is an obligation to perform).[4] 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 economic 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 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. Hence, 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 book, 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)

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 it. For instance, according to Becker (1965; 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 are not commonly subject to 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 and had been already reflected in rising interest in entertainment as early as the 1920s.[5]

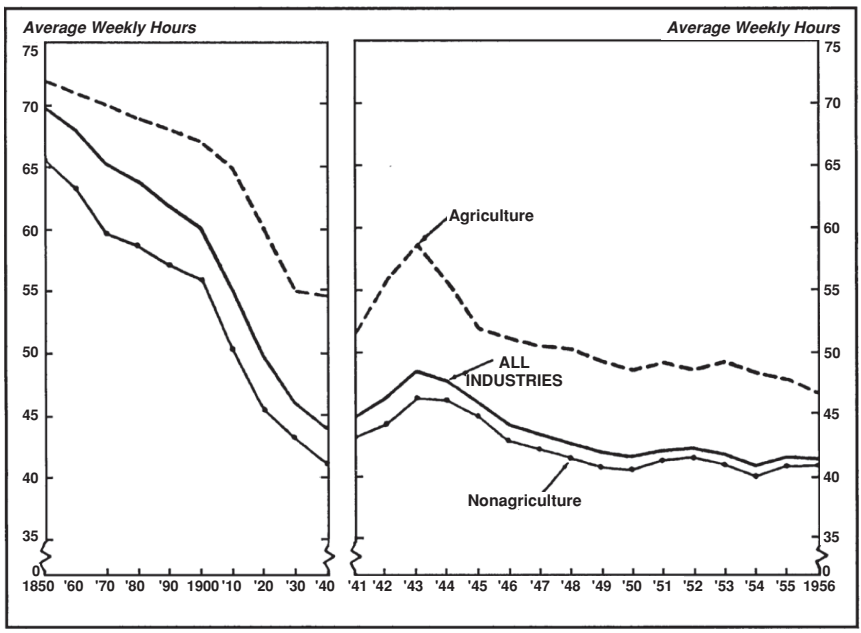


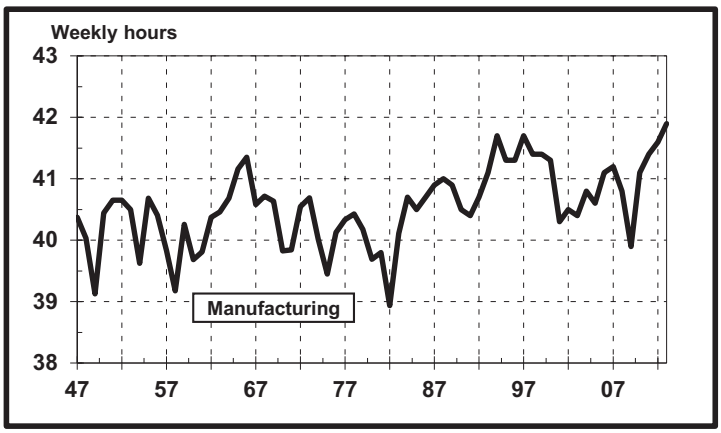
Figure 1.1. Estimated average weekly hours for all persons employed in agricultural and nonagricultural industries, 1850–1940 (ten-year intervals) and 1941–56 (annual averages for all employed persons, including the self-employed and unpaid family workers). *Source*: Zeisel (1958).

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 comparison, average hours worked in other

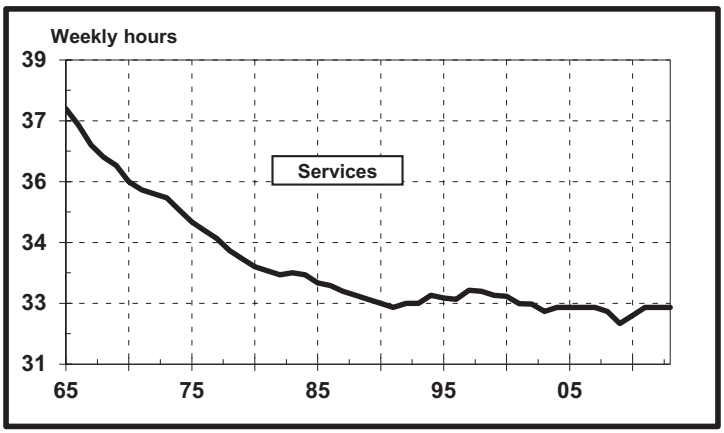
Table 1.1. *Average weekly hours at work, 1948–2008,*[a] *and median weekly hours at work for selected years*

	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		2004	50.0
1986	42.8		2008	46.0

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



(a)



(b)

Figure 1.2. Average weekly hours worked by production workers in (a) manufacturing, 1947–2013, and (b) service industries, 1964–2013. *Source*: U.S. Department of Commerce.

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."[6]

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.[7] Schor (1991, p. 29), however, says that between 1969

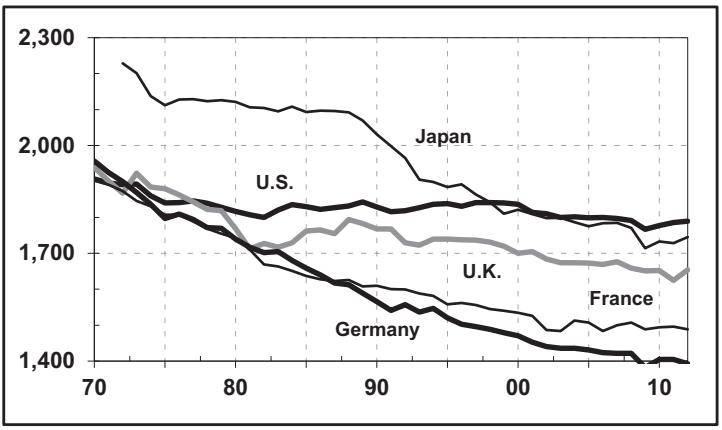


Figure 1.3. Average annual hours worked in the United States versus other countries, 1970–2013. *Source*: *OECD Employment Outlook*.

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."[8]

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.

Robinson (1989, p. 34) also measured free time by age categories and 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

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

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

stable." By adjusting for age categories, the case for an increase in total leisure hours available becomes much more persuasive.[9]

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 reported by Rones, Ilg, and Gardner (1997).[10] Yet, according to Jacobs and Gerson (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." And this fully reflects the *income–time paradox* wherein the young and elderly have lots of time but relatively little income available as compared to the middle-aged, who have income but no 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 noticeably.[11] Indeed, the comprehensive compilation of research by Ramey and Francis (2009) suggests that "per capita leisure and average annual lifetime leisure increased by only four or five hours per week during the last 100 years . . . leisure has increased by 10 percent since 1900."

Still, whatever the actual rate of expansion or contraction may be, there has been a natural evolution toward repackaging the time set aside for leisure into longer holiday weekends and extra vacation days rather than in reducing the minutes worked each and every week.[12]

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 2013, are indicated in Table 1.3.[13] Table 1.4 shows how Americans on average allocate leisure time of around five hours a day.

1.2 Supply and demand factors

Productivity

Ultimately, 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. This means that long-term growth

Table 1.3. *Time spent by adults on selected leisure activities, 1970 and 2013 estimates*

	Hours per person per year[a]		% of total time accounted for by each activity	
Leisure activity	1970	2013	1970	2013
Television	1,226	1,771	46.5	40.7
Network affiliates		606		13.9
Independent stations		6		0.1
Basic cable programs		1,086		25.0
Pay cable programs		73		1.7
Radio	872	824	33.1	19.0
Home		264		6.1
Out of home		560		12.9
Internet[b]		1,210		27.8
Newspapers[c]	218	86	8.3	2.0
Recorded music[d]	68	137	2.6	3.2
Magazines	170	60	6.5	1.4
Leisure books[e]	65	74	2.5	1.7
Movies: theaters	10	10	0.4	0.2
home video		31		0.7
Spectator sports	3	18	0.1	0.4
Video games: home		121		2.8
Cultural events	3	6	0.1	0.1
Total	2,635	4,348	100.0	100.0[f]
Hours per adult per week	50.7	83.6		
Hours per adult per day	7.2	11.9		

[a] Averaged over participants and nonparticipants.
[b] Includes mobile access.
[c] Includes free dailies but not online reading, which is captured in the Internet category.
[d] Includes licensed digital music.
[e] Includes electronic books.
[f] Totals not exact because of rounding.
Sources: CBS Office of Economic Analysis and Wilkofsky Gruen Associates, Inc.

in leisure-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 annual rate of approximately 1.2% as compared with a rate averaging 2.8% between 1960 and 1973 (Figure 1.4).