



Why Good Jobs are Important for the Economy and the Mental Health and Well-Being of American Workers

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Stagnant wages, rising income inequality, rapid technological changes, and the spread of part-time jobs have created volatile labor markets in the United States and beyond, straining workers both financially and psychologically. Dwindling unions cannot support workers as much as they once did, and the United States lacks a strong safety net for people who are unemployed or earn low wages. These strains are especially great for people of color, immigrants, people in poverty, and people with disabling conditions – all groups that are most affected by economic downturns. To support the mental health and improve the productivity of American workers, policymakers, worker advocacy groups, and business leaders must work to understand the effects of precarious and part-time jobs and promote more stable working conditions for America's workforce.

Major changes gathered steam from the 1980s, with the rise of information technology and globalization of production. Both the U.S. economy and the nature of work began changing quickly. Organizations replaced traditional, hierarchical workplace structures with decentralized structures that require fewer permanent employees and allow the use of more contract workers. Many of the low-skilled jobs that provided secure work for many Americans in the 20th century have since become automated – and the trend continues. These transformations and others make it increasingly difficult for many workers to maintain continuous employment, achieve financial stability, and survive when the job market is unstable.

Adults employed full-time spend nearly half of their waking hours at work each week, making work conditions a major factor in health and well-being. Precarious jobs, unemployment, and insufficient hours are among the most robust predictors of poor mental health, which affects some 48 million Americans and can lead to absenteeism and declining productivity. Due to changes in the economy and nature of work, American workers are increasingly finding themselves in temporary work arrangements. Some sectors, such as personal care services, have experienced over 600% increases in temporary work arrangements. These positions often do not have regular health care or other benefits that people need to address their mental health issues.

What Constitutes Good Work?

Available research suggests that instability of work relates to poorer mental health. And in contrast, there are aspects of employment that predict positive psychological health. Taken together, these factors constitute “good work” from a psychological perspective.

Stable, permanent jobs are associated with better mental health and functioning as well as higher incomes and better benefits. Although the picture is complex because some people with higher social statuses and greater economic means prefer the more flexible conditions, temporary work often leads to financial strain and perceived job insecurity for people on the lower rungs of the economic ladder. Such strains can create

significant emotional stress, which may in turn lead to chronic depression, substance abuse, and anxiety.

A living wage – the minimum income that allows people to cover their basic needs – is associated with better mental health outcomes. The United States has the largest rate in the developed world of people who have a job but still live under the poverty line, either because they do not get enough hours or because their wages are too low. A disproportionate share of these working poor people are women, Blacks, Latinos, people with less education, service workers, and parents with young children. Poverty is associated with negative psychological outcomes, such as substance abuse and mental distress, especially for children. When families begin to earn a living wage, studies suggest, their well-being and psychological functioning improve significantly.

Workplaces free from harassment, discrimination, and abuse are associated with better mental health outcomes – and such workplaces may be especially important for lower-income workers and those from marginalized groups, such as transgender and gender non-conforming workers (who still have no federal protections against workplace discrimination). Some evidence suggests that workplace protections may buffer the impact of precarious work conditions.

Full employment boosts the health and wellbeing of workers. Although the United States now has a low unemployment rate, many of the jobs added since the 2008 financial crises are positions in which people are underemployed – that is, are involuntarily working part-time or doing jobs that do not use their experience, skills, or education. The U.S. Bureau of Labor Statistics considers someone employed if they have a job, but many of these workers have part-time employment when they need full-time employment. Underemployment consistently relates to poorer mental health and well-being, perhaps because people who are underemployed are unable to meet their basic needs. The ability to work the desired number of hours, and fully use one's skills and abilities is a fundamental component of work that improves mental health.

Looking Ahead

Rapid changes of the United States' labor market and socioeconomic conditions over the past 40 years have had far-reaching implications not only for workers' psychological health and functioning, but also for their productivity and ability to contribute to the national economy. This is not just an issue that concerns workers in marginal jobs. It involves all Americans who are concerned with promoting a strong national economy and vibrant society.

To ensure that the U.S. economy is as productive and robust as possible, policymakers, worker advocacy organizations, and business leaders must find new ways to create and promote not just more jobs, but good jobs that are stable, free from discrimination, sufficiently skilled, and compensated well-enough to sustain workers and families. Full employment, healthy workplaces, and living wages are all vital to the future of American workers and the United States as a whole.

Read more in Blake Allan, Louis Tay, and Haley Sterling, "Construction and Validation of the Subjective Underemployment Scales" *Journal of Vocational Behavior* 99 (2017): 93-106, and Blake Allan, Ryan Duffy, and David Blustein "Under (and over) Employment: Measurement and Correlates of Employment Discrepancy," *The Counseling Psychologist* 44, no. 6 (2016): 815-840.