The Well-being Implications of Being Out of the Labor Force

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Contents

Abstract

The global economy has many paradoxes. Despite national progress in technology, reducing poverty, and increasing life expectancy, the poorest states lag behind, and there is increasing inequality and anomie in the wealthiest ones. A key driver of the latter is the decline in the status and wages of low-skilled laborers. A related feature is the increase in prime age males (and to a lesser extent women) simply dropping out of the labor force, particularly in the USA. This cohort is not just simply temporarily unemployed but lacks any formal labor market attachment. This same group – prime-age males out of the labor force (OLF) – is overrepresented in "deaths of despair": deaths by alcohol poisoning,

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overdose, or suicide. Prime age males OLF in the USA are the least hopeful and most stressed and angry compared to the same group in other regions, including the Middle East. Recent research aims to better understand this cohort as part of a broader need to re-think traditional economics explanations. Researchers have also begun to explore policies that encourage the participation of able workers in the new global economy and provide incentives for community involvement and other forms of engagement for those who can no longer work. This chapter summarizes the extant literature and contributes an overview perspective by focusing on the links between political disaffection and unhappiness and comparing the well-being of prime age males in and out of the labor force across different regions of the globe.

Introduction

Progress paradoxes are abundant in the global economy (Graham et al. 2018). Progress in technological innovation, reducing poverty, and increasing life expectancy around the world continues to increase (Kenny 2011; Kharas 2017). Yet there is also deeply rooted poverty in poor and fragile states and increasing inequality and anomie in some of the wealthiest ones. This latter trend is showing up in a resurgence of nativism and anti-establishment voting across many countries. The election of Donald Trump in the USA in 2016 soon after British voters' decision to leave the European Union was a stark marker. Subsequent elections of right-wing populists in several other European countries confirmed a rising backlash against globalization in wealthy countries.

Persistent poverty and increasing anomie have even starker impacts. Despite having one of the wealthiest economies in the world, life expectancy in the USA is falling due to deaths driven by suicides and drug and alcohol overdose, primarily – although not only – among less than college-educated whites in their middle-aged years (Case and Deaton 2017). Poor whites report much less hope for the future and more stress than do poor African Americans and Hispanics, even though the latter face higher objective disadvantages, and the trends in optimism (or lack there-of) and other markers of well-being match the patterns in deaths of despair (Graham and Pinto 2018).

Central among the drivers of these trends is the decline in the status and wages of low-skilled laborers at the same time that those of high skilled workers increase. A related feature is the increase in prime age males (and to a lesser extent women) simply dropping out of the labor force. In the USA, for example, 15% of prime age males are out of the labor force, and this figure will likely increase to over 20% by 2025 (Eberstadt 2016). Out of the labor force males are disproportionately represented among opioid users, on disability roles (Krueger 2017; Krause and Sawhill 2017), and in deaths of despair. Such men are also more likely to live in counties that voted for Trump in 2016 (Monnat and Brown 2017). While the trends may be most notable in the USA, there is frustration among this same cohort in Europe, and this frustration is likely reflected in voting trends in both contexts.

Unlike the USA and Europe, many countries in the Middle East and North Africa (MENA) have a long history of under- and unemployment among prime age males. At the time of the Arab Spring uprisings, much of the extant research focused on frustration among under- and unemployed males as a possible cause of the uprisings. Yet the results are inconclusive. Some authors pointed to a steep decrease in life satisfaction in the years preceding the Arab Spring, especially for those in the middle class (Ianchovichina et al. 2015). Arampatzi et al. (2015), meanwhile, find an association between life satisfaction and some of the commonly highlighted causes for the uprisings – unfavorable labor market conditions and perceptions of widespread corruption, cronyism, and inequality of opportunity. However, in the countries where uprisings took place, there is little evidence of either the middle class or youth being particularly dissatisfied by comparison with other groups in the same countries (Cammett and Salti 2018). Additionally, the research is limited by lack of formal testing for systematic differences between MENA countries where the uprisings did and did not take place.

Earlier research that attempted to draw comparisons across MENA countries found no systematic differences in life satisfaction trends across the countries with and without Arab Spring uprisings (Graham and Chattopadhyay 2012). The only difference the authors found was less optimism about the future in the countries with uprisings compared to those without. However, there were not significant differences across demographic cohorts, such as the employed versus the unemployed. Moreover, despite public frustration, most of the countries where uprisings took place were experiencing positive levels of economic growth. This is suggestive of the "progress paradox" phenomenon – in which significant segments of the population are left behind – found in other countries and regions around the world, including those referenced above (Graham et al. 2018; Graham and Lora 2009).

The remainder of this chapter focuses on prime age males out of the labor force (OLF) across four regions – European Union (EU), Latin America and the Caribbean (LAC), MENA, and the USA. This group comprises people with no formal labor market attachment and as such is different from the unemployed. It is not the poorest, and is instead likely closer to the low, vulnerable end of the middle-class continuum. While their levels of income are below the average for their countries, they are often slightly higher than those of the unemployed. In the developing regions of LAC and MENA, individuals who report to be out of the labor force may work in the informal sector. In the USA, OLF males are often on disability (as noted above) or other social insurance programs, while in Europe there are widely available and generous social welfare programs, as shown in Fig. 1.

This chapter aims to shed light on the links between political disaffection and unhappiness by focusing on a specific and relatively understudied group: Prime age males OLF. The well-being and ill-being of this group in the USA and EU is compared with that of those in a much poorer context in MENA. The same trends are also compared in LAC, a region known for relatively high levels of poverty and inequality, as well as large informal economies, but where there has been much positive progress in the past two decades. This chapter focuses on the different levels of well-being of the OLF cohort across four world regions.

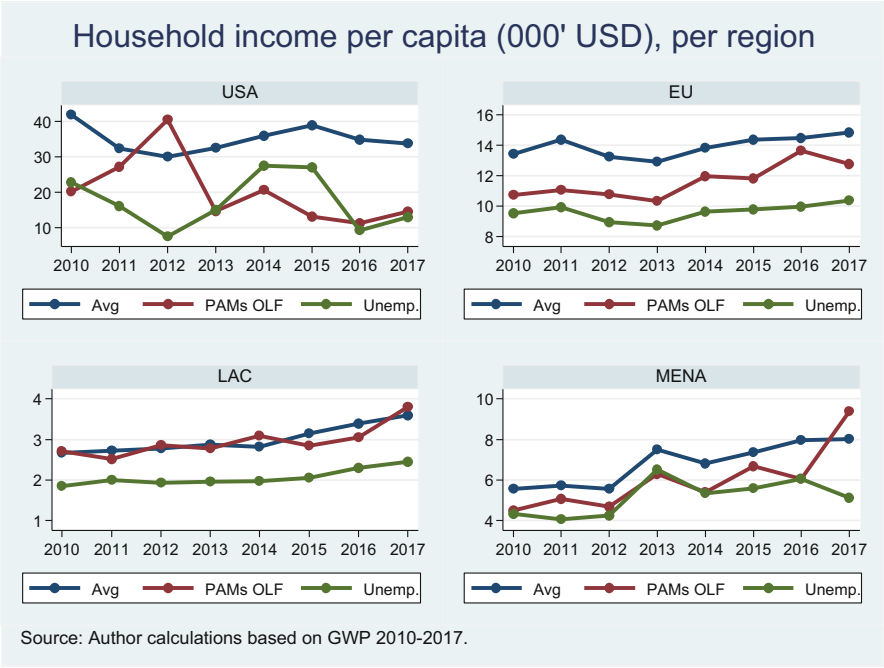

Fig. 1 Average incomes across cohorts and regions. (Note: The blue line represents the region's average for the whole population, the red line represents the regional average for prime age males (PAMs) OLF, and the green line represents the regional average for the unemployed. The distribution was trimmed to remove the respondents whose self-reported household income placed them in the top percentile for the country, in a given year. Only countries that were available for every year were included in the regional computations)

Some of the evidence, described in detail below, is surprising. Prime age males out of the labor force in MENA, for example, are not particularly unhappy or frustrated compared to those employed full-time. Instead, the unemployed are the worst group in that region.

In contrast, in the USA, prime age males out of the labor force are a particularly troubled group, both in terms of reported well-being and in terms of health and other markers of ill-being, perhaps because of the very strong hard work and individual effort ethic and the stigma associated with being out of the labor force (O'Connor and Graham 2018). In addition, marriage rates and civic or religious participation have also fallen more for the working class – in part related to labor force drop-out – relative to the college educated in the USA since the 1970s (Work, Skills, Communities 2019). Trends in optimism for this same group (less than college-educated males) also began to fall relative to women and African Americans during the same period (O'Connor and Graham 2018).

These trends in part explain why the drop in labor force participation in the past decades in the USA (and the associated increase in deaths of despair) has been

greater than in other countries and regions, and why it did not rebound after the end of the 2009 financial crisis, as it did in other comparable countries, such as the UK. Another reason that is unique to the USA is the coinciding increase in opioid dependence during this same time period. This occurred in part due to the poor health – and high levels of pain – of middle-aged men in manual jobs, and in part due to the coincidence of medical practice in the USA beginning to include pain reduction as a health priority, and in part due to the aggressive marketing of opioids by Purdue Pharma and other major pharmaceutical companies. All of this occurred at the time that manufacturing and mining firms and associated communities were in decline and despair was on the increase (Graham 2020).

Minorities, rather ironically, were much less likely to be prescribed opioids, in part due to discrimination, but that in turn resulted in much lower levels of addiction and representation in deaths of despair than whites, supported in part by higher levels of resilience and optimism among minorities (Graham and Pinto 2019a). In later work, Graham and her team also find that the well-being levels of minority prime age males is much higher than that of white prime age males in the USA, in part due to this resilience and in part due to their broader experience than white males in holding multiple kinds of jobs – some in the informal sector – as a means to cope with discrimination and other challenges. Again, ironically, this turned out to be protective of their mental health and well-being as stable blue-collar jobs declined (Graham and Pinto 2019b). White women, meanwhile, also represented in labor force dropout and in deaths of despair, have better well-being levels and in part because many of them are engaged in purposeful activity outside the formal labor market, such as taking care of young children or older adults.

It is important to better understand this cohort as part of a broader need to re-think existing models of growth and indicators of progress, which tend to neglect subjective well-being measures. Despite their differences, all these regions will continue to face the challenges of technology-driven growth that tend to exclude the less than college educated. While beyond the scope of this chapter, it is important to know much more about the kinds of policies that can encourage the participation of able workers in the new global economy, as well as those that can provide community involvement and other forms of activities that prevent isolation for those who can no longer work (Graham et al. 2018).

Studying the Well-being Consequences of Being OLF

To compare the well-being of prime age males out of the labor force, relative to other employment categories, *within* each region (or individual country, in the case of the USA), researchers have used the specification shown in Eq. (1) below (Graham and Pinto 2019a, b; Pinto and Graham 2021). This entails sample splits by region to estimate the effect of being out of the labor force on well-being separately for each of the four regions/countries. Since country fixed effects are included, the estimates for each region correspond to the average of all the within-country differences pertaining to that specific region:

$$SWB_{ict} = \beta_0 + \beta_1 * (Prime\ age\ male\ OLF_{ict}) + \beta_2 * (Youth\ male\ OLF_{ict}) + \beta_3 * (Older\ male\ OLF_{ict}) + \beta_4 * (Prime\ age\ female\ OLF_{ict}) + \beta_5 * (Youth\ female\ OLF_{ict}) + \beta_6 * (Older\ female\ OLF_{ict}) + \beta_7 * (Other\ emp\ status_{ict}) + \beta_8 * (X_{ict}) + \varnothing_c + \gamma_t + \varepsilon_{ict} \quad (1)$$

In this model, *SWB* represents one of the well- or ill-being indicators for individual *i*, from country *c*, in year *t*. *Prime age male OLF* is the (binary) key variable of interest that represents male respondents aged 25–54 who report being out of the workforce – and β_1 is the main parameter of interest. *Youth male OLF* and *Older male OLF* are binary variables that represent male respondents aged <25 and >54, respectively, and who report being out of the workforce. Three analogous binary variables exist for female respondents. *Other emp status* is a vector of other employment situations (part-time, self-employed, part-time but wants full-time, and unemployed), with "employed full-time" being the omitted/reference category. *X* is a set of individual-level sociodemographic controls: age, gender, marital status, educational level, urban/rural location, being native-born, pre-tax household income in international US dollars (in log form), household size, and the importance of religion in daily life. $\varnothing_c$ and γ_t represent country and year fixed effects, respectively.

Equation (1) compares the well-being of those in different employment categories *within* each region (by averaging the within-country gaps in each region), rather than between regions. Prime age males OLF could all be similar within each region, by comparison with the reference groups of full-time employed respondents, but that would still not tell us anything about differences in the "absolute" levels of well-being of that group across regions. To estimate the latter, consider the specification shown in Eq. (2) below, where the sample is restricted only to prime age males out of the labor force (OLF) in all four regions:

$$SWB_{it} = \beta_0 + \beta_1 * (LAC\ respondent_{it}) + \beta_2 * (MENA\ respondent_{it}) + \beta_3 * (US\ respondent_{it}) + \beta_4 * (X_{it}) + \gamma_t + \varepsilon_{it} \quad (2)$$

By restricting the sample to only prime age males OLF, it is no longer necessary to employ variables identifying the respondents' employment status. Instead, because this specification pools respondents from each of the four regions considered, the regression includes binary variables to identify three of the regions; the fourth serves as the reference/omitted category (EU respondents). Therefore, under this specification, β_1, β_2, and β_3 are the parameters of interest. *X* remains a vector of individual-level sociodemographic control variables, but no longer including gender, due to the sample restriction imposed. γ_t represents year fixed effects, as before.

Since variables are used to identify the regions, no country fixed effects are included in this specification. This implies that estimates could be influenced by which countries are present and absent of the GWP sample in a given year. To avoid this problem, the sample is limited to the 26 EU countries, 18 LAC countries, and 11 MENA countries that are present for every year between 2010 and 2017.

Moreover, to avoid biases caused by outliers and potential reporting error, the respondents in the top percentile of household income in each country and year are excluded from the sample. The results obtained do not meaningfully change when either or both of these restrictions are relaxed. Finally, respondents reporting no income are assigned an income of $1 so that such observations are not dropped when taking the logarithm of household income. Further methodological considerations are available in Graham and Pinto (2019a, b) and Pinto and Graham (2021).

It is important to note that because of the cross-section nature of the data currently only available for the research it is not possible to infer causality. Thus, it is possible that some of the ill-being that described here stems from lower levels of well-being resulting in individuals dropping out of the labor force, rather than the other way around.

Measuring Employment Status and Subjective Well-being

To compare the well-being of prime-aged OLF with that of other cohorts across and within regions, researchers rely on global large-scale surveys. One such survey, used by Graham and Pinto (Graham and Pinto 2019a) and Pinto and Graham (2021), is the Gallup World Poll (GWP), a cross-sectional nationally representative survey that is collected yearly across more than 150 countries.

The GWP collects a wide range of demographic and socioeconomic data, including the respondent's employment status. Employment status can be classified into six possible situations: (a) employed full-time; (b) employed part-time; (c) self-employed; (d) employed part-time, wanting full-time; (e) unemployed; and (f) out of the workforce. Individuals were considered "unemployed" if they did not have work but had actively looked for employment in the preceding 4 weeks. In contrast, those "not in the workforce" had not actively looked for employment in the preceding 4 weeks. Focusing primarily on this last category, those out of the workforce can be divided into six groups: (i) prime age (25–54) males, the key group of interest; (ii) youth (<25) males; (iii) older (>54) males; (iv) prime age (25–54) females; (v) youth (<25) females; and (vi) older (>54) females.

Subjective well-being is multidimensional (see "► The Economics of Happiness and Measuring Subjective Well-being" in this handbook), and is therefore captured in the GWP with a wide range of indicators:

(i) **Evaluative well-being**, which seeks to capture how individuals currently assess their own lives and their expectations for the future. These indicators include both current and expected life satisfaction questions (measured on a 0–10 scale, from worst to best life, respectively). Current life satisfaction is the standard measure of evaluative well-being, while expected life satisfaction is a measure of optimism about the future. The GWP also uses a binary variable that explicitly asks about whether respondents feel optimistic.

(ii) **Hedonic well-being**, which aims to capture individuals' moods and how they experience their daily lives. The GWP uses four indicators of *negative affect*

(having felt stress, worry, anger, or sadness in the previous day) and four others of *positive affect* (three of them are having felt enjoyment, having smiled or laughed, having been treated with respect in the previous day; the last differs somewhat from these three and is a variable indicating whether the respondent has a network of people on whom to rely for help in case of need). All indicators in this dimension are binary.

(iii) **Satisfaction with specific life domains,** which illustrates how the respondents assess dimensions such as their standard of living, their area of residence, the educational system in their area of residence, the availability of affordable housing, the availability of quality health care, and the freedom to choose to do what they want with their lives. All indicators in this dimension are binary.

(iv) **Beliefs/perceptions**, which illustrate how the respondents perceive the current economic and labor market conditions at the local level, as well as perceptions of mobility and of the link between effort and success. The four binary indicators used are whether the respondent thinks it is a good time to get a job, whether the economy is getting worse, whether working hard will allow one to get ahead in life, and whether at the national level children have the opportunity to learn and grow. Variables related to institutional trust are also considered, but the results are not emphasized here given that there are such large differences in norms of institutional quality across regions.

Global Evidence on the Well-being Implications of Being OLF

For simplicity, this section is divided into subsections that correspond to each of the dimensions of well-being highlighted in section "Measuring Employment Status and Subjective Well-being".

Each of the subsections below illustrates and describes the main results obtained from estimating the specifications illustrated by Eqs. (1) and (2) above based on evidence in Graham and Pinto (2019a, b) and Pinto and Graham (2021). For brevity and ease of interpretation, when using the first specification, the figures only display coefficient estimates for prime age males OLF and for unemployed respondents – for both variables, the omitted/reference category is "full-time employed." For the same reason, when using the second specification, the figures only display coefficient estimates for LAC, MENA, and US respondents – the omitted/reference category is "EU respondents." It is critical to keep in mind that the figures based on the first specification allow only for relative comparisons of different employment statuses ***within regions***; the second specification restricts the sample to prime age males OLF and allows for comparisons ***across*** regions.

These figures represent the association between the variables of interest and the specific well- or ill-being indicator *after* accounting for all the sociodemographic controls (age, gender, education, marital status, rural location, native born, household income, household size, and the importance of religion), as well as year and country effects (except in the figures relative to the second specification). Further results are available in Graham and Pinto (2019a, b) and Pinto and Graham (2021).

Evaluative Indicators

Figure 2a illustrates the "within region" comparisons from Eq. 1. For each region, it shows the current life satisfaction, life satisfaction expected in 5 years, and optimism differences between of prime age males and full-time employed respondents in the top panel, and between unemployed and full-time employed respondents in the bottom panel.

Within all regions, and as intuitively expected, prime age males OLF have significantly lower current and future life satisfaction (Fig. 2a below) relative to the reference group (full-time employed). Additionally, prime age males OLF also generally have lower life satisfaction (current and future) relative to other OLF groups. In relative terms, this cohort is *especially* dissatisfied and pessimistic in the USA: while not specific to prime-aged males, a survey by the Edelman Trust Barometer (2019) finds that 62% of the US mass public (defined as the respective country population that is not college educated and in the top 25% of the income distribution) does not believe it will be better off in 5 years, compared to only 37% of those in France and 38% of those in Japan. On the other hand, and quite surprisingly, the life satisfaction gap between prime age males OLF and the full-time employed is the *lowest* of all regions in MENA.

The binary optimism question leads to different results. Relative to the full-time employed in each region, prime age males OLF in LAC and MENA (Fig. 2a) are less optimistic than those in the EU and USA, with the estimates being less precise due to the smaller sample size. Additionally, the question was fielded in 2011 at the tail end of the global financial crisis; as such, the responses are not directly comparable to those from other indicators.

It is also worth noting that, while in general prime age males OLF display low life satisfaction and optimism (relative to those with full-time employment), those who are unemployed typically score as low or even lower on both accounts. The main exception is the USA, where prime age males OLF are both very unhappy and very pessimistic, even compared to the unemployed.

Both prime age males OLF and unemployed in MENA and LAC have narrower current and future life satisfaction gaps compared to the full-time employed than do their counterparts in the USA and Europe. This may be due to the lower levels of stigma associated with being informally employed in developing country contexts. It may also be that individuals in more deprived contexts emphasize hope for the future in the absence of capacity to control their lives, as the existing literature suggests (Graham and Lora 2009; Graham and Pettinato 2002; Kahneman and Deaton 2010). The higher levels of optimism among poor US minorities compared to poor whites also resonates here (Graham and Pinto 2018).

Figure 2b illustrates the direct well-being comparisons of prime age males OLF ***across regions***. Here, after accounting for the socioeconomic controls and time fixed effects, it is possible to quantify whether respondents from a particular region have statistically significant well-being differences under any indicator. This figure shows that the specification formalized by Eq. (2) is instrumental in painting a more complex picture. While Fig. 2a reveals that MENA had the smallest differences in

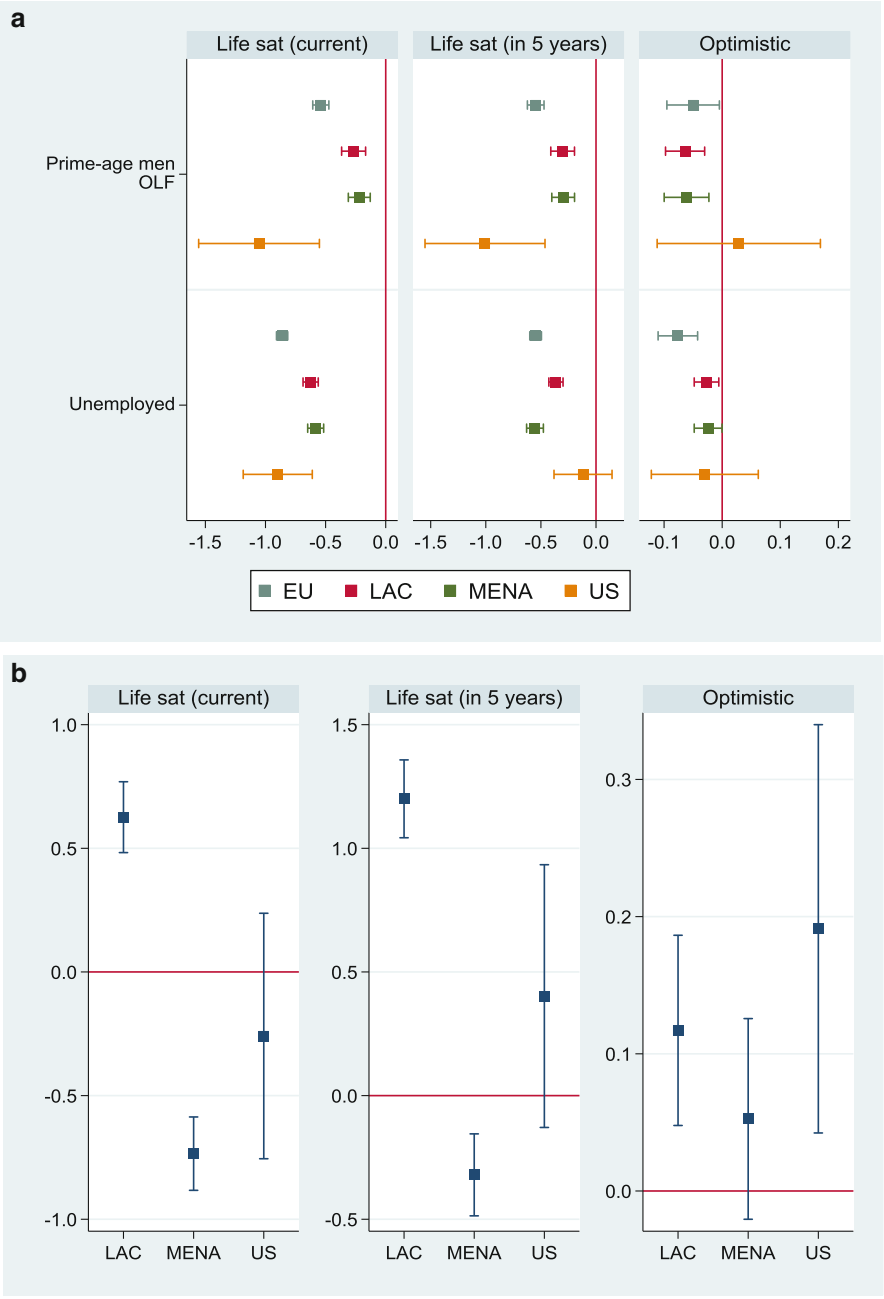

Fig. 2 (**a**) Evaluative indicators (within-region) for the EU, MENA, LAC, and USA. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding labor market category in a regression where the dependent variable

life satisfaction between prime age males OLF and those who have full-time employment, Fig. 1b shows that, in absolute terms, prime age males OLF in MENA are in fact the least satisfied across the four regions. Together with Fig. 2a and b also allows us to infer that the full-time employed in MENA also have much lower life satisfaction than the full-time employed in other regions. This is likely due to the overall lower levels of life satisfaction for all respondents in MENA compared to the three other regions (and the consistently high levels of subjective well-being in LAC compared to other regions of comparable income levels). Another suggestive and related finding in the data is that in the USA and MENA, native-born respondents are much less satisfied on most subjective well-being indicators than migrants, despite having much better objective conditions. In the EU and Latin America, the reverse is generally true.

Hedonic Indicators

Prime age males OLF generally have a higher incidence of negative and positive affect indicators, relative to the reference group, in all regions (Fig. 3a and b below). As with the evaluative indicators, they tend to score higher in ill-being and lower on well-being markers than other OLF groups. The only exceptions are prime age females OLF in the USA – where incidence of worry and anger are the same or higher than those of their male counterparts. Another exception is older males OLF in LAC – where respondents are less likely to report enjoyment or smiling in the previous day.

As in the evaluative indicators, when compared to the full-time employed, the prime age males OLF cohort in MENA fares particularly badly. The differences between those two groups are consistently among the lowest for both negative affect (Fig. 3) and positive affect (Fig. 3b), by comparison with the patterns within other regions. By contrast, the US cohort seems again particularly affected by ill-being relative to those who are employed full-time, with the differences in incidence gaps

Fig. 2 (continued) is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year and country fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference employment category (full-time employed). The first two dependent variables are defined on a 0–10 scale, while the third is binary and takes only the values 0 or 1). (**b**) Evaluative indicators for prime age males OLF (across region comparisons). (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding region in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference region (EU). The first two dependent variables are defined on a 0–10 scale, while the third is binary and takes only the values 0 or 1)

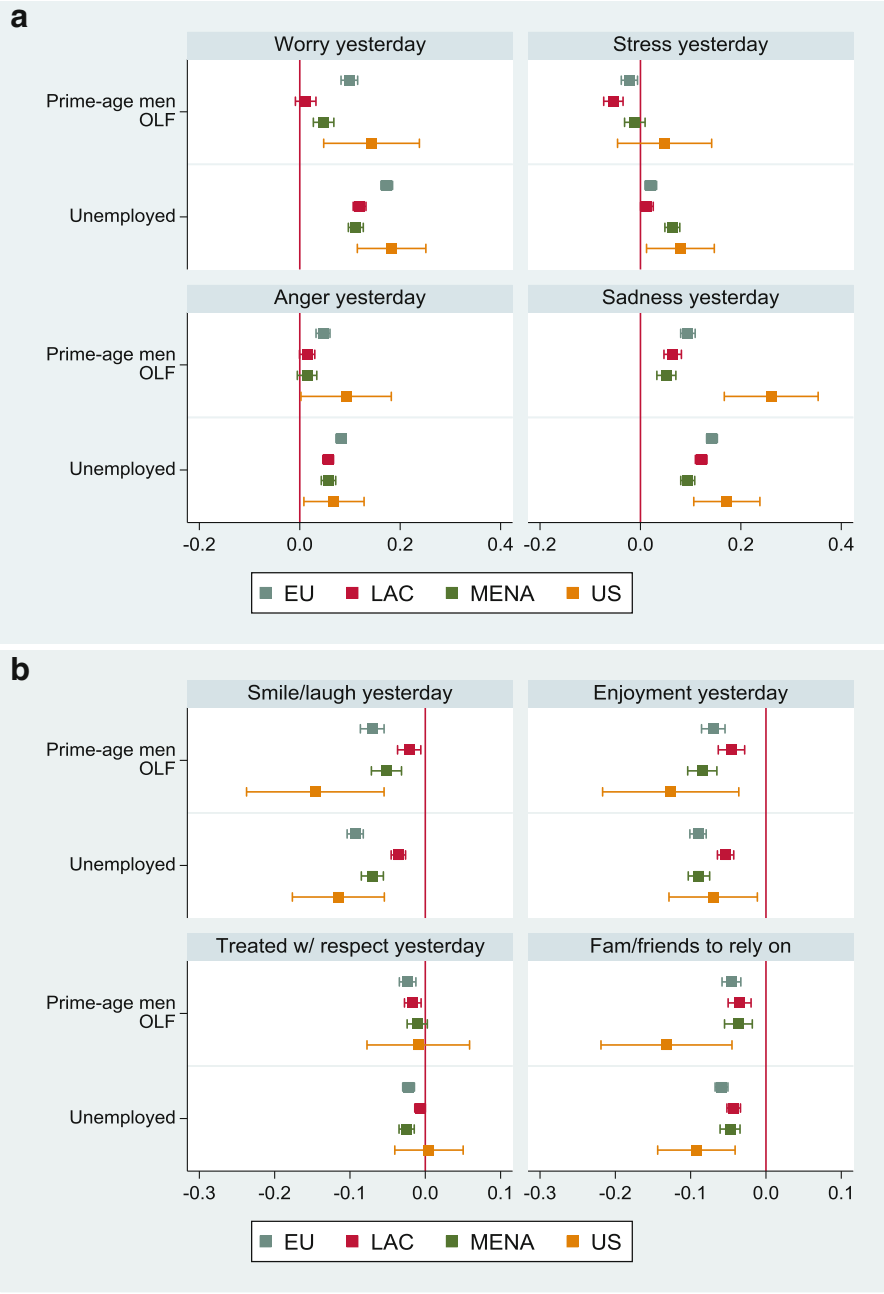

Fig. 3 (continued)

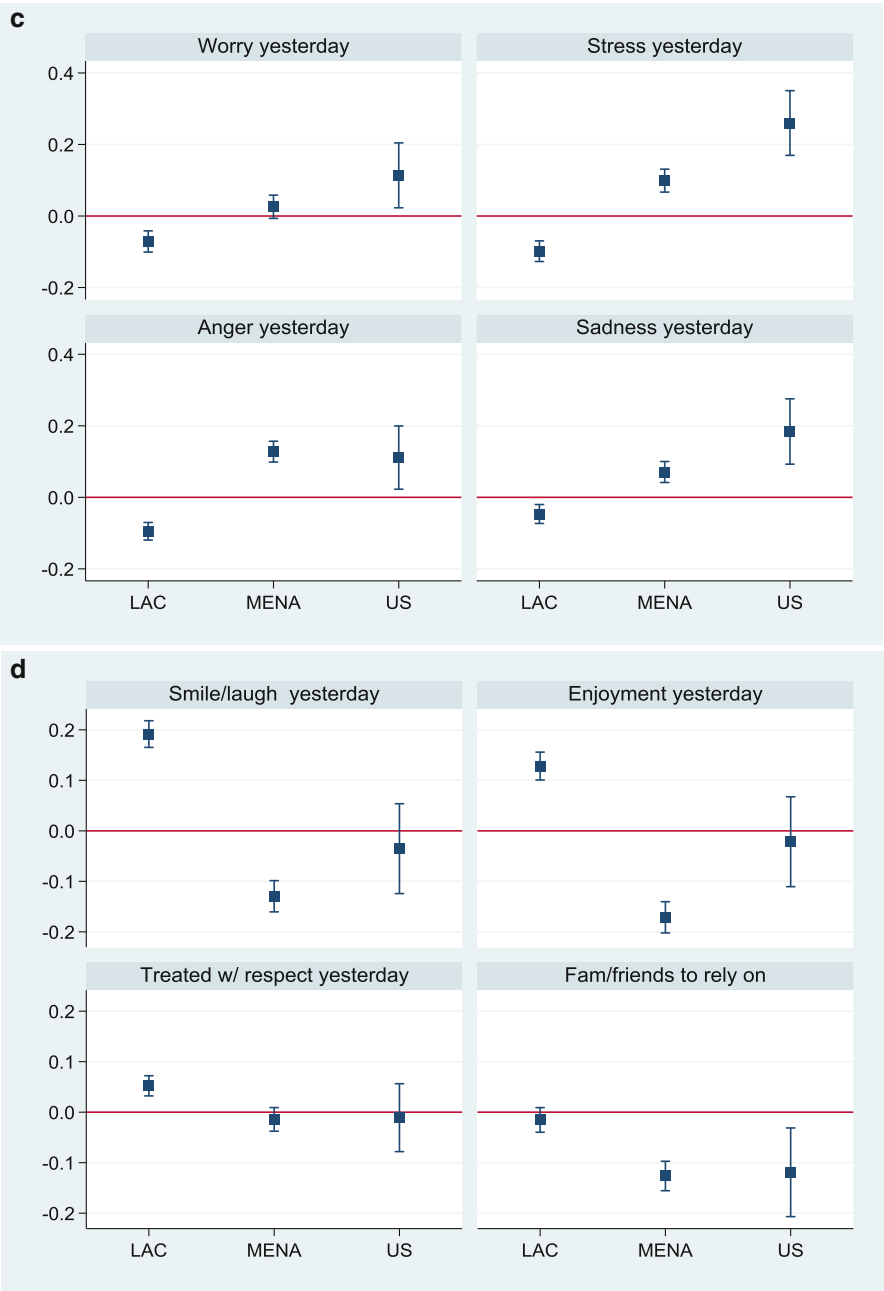

Fig. 3 (**a**) Negative affect indicators (within-region) for the EU, MENA, LAC, and USA. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding labor market category in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size,

typically being higher than in the other regions (Fig. 3). It is worth noting, again, the very important caveat that the point estimates for the USA are much more imprecise than for other regions, resulting in substantially wider confidence intervals that in some of these indicators make the point estimates nonsignificant. Prime age males OLF in the USA are also significantly less likely to smile, feel enjoyment, and have family and friends to rely on than their employed counterparts. In this instance, they also score as badly or even worse than those who are unemployed – something that again appears to be specific to the USA (Fig. 3b).

Within every region except the USA, the unemployed display as high or higher incidence of ill-being markers than prime age males OLF for all indicators.

Figure 3c and d illustrate the direct comparisons of prime age males OLF ***across regions*** in negative and positive affect indicators, respectively. These figures suggest an important caveat: while Fig. 3a and b shows that MENA has the smallest differences in hedonic indicators between prime age males OLF and those who have full-time employment, the two figures below show that, in absolute terms, prime age males OLF in MENA report low well-being and are closer to the USA than to LAC in terms of levels of negative affect and the low positive affect. Again, this likely reflects the low absolute levels of well-being in MENA (and the high levels in LAC) compared to other regions.

Fig. 3 (continued) age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year and country fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference employment category (full-time employed). All the dependent variables are binary and take only the values 0 or 1). (**b**) Positive affect indicators (within-region) for the EU, MENA, LAC, and USA. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding labor market category in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year and country fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference employment category (full-time employed). All the dependent variables are binary and take only the values 0 or 1). (**c**) Negative affect indicators for prime age males OLF (across region comparisons). (**d**) Positive affect indicators for prime age males OLF (across region comparisons). (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding region in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference region (EU). All dependent variables are binary and take only the values 0 or 1)

Satisfaction with Different Domains

Based on the within-region comparison to those who are employed full-time, prime age males OLF in MENA do not seem especially dissatisfied: the gap to the full-time employed is among the narrowest of all regions in some indicators and never the highest. Additionally, within most regions, prime age males are do not differ from other groups or are only slightly dissatisfied when it comes to satisfaction with the education system, satisfaction with affordable housing, and satisfaction with quality health care (Fig. 4).

In this dimension, the USA is again the place with the highest satisfaction gap between prime age males OLF and full-time employed individuals for most indicators. However, only the first indicator (standard of living) is significant at the 5% level, as the sample sizes for the USA are particularly small for the indicators in this section resulting in imprecise estimates compared to the other regions.

As before, prime age males display the lowest well-being of all the groups that are OLF, across all regions. Nevertheless, the unemployed are associated with low or lower satisfaction for every indicator and in every region.

Figure 4b illustrates the direct well-being comparisons of prime age males OLF across regions. On the one hand, in absolute terms, prime age males OLF in MENA and the USA are in fact the least satisfied in most of the indicators. On the other hand, the OLF in LAC tends to be the most satisfied group – also in line with the typically higher scores that Latin Americans consistently report for both evaluative and hedonic indicators. The OLF in the EU are also much more satisfied than those in the USA and MENA, although not quite as much as those in LAC.

Beliefs and Perceptions About the Economy, Labor Market, and Mobility

The indicators within this dimension portray a different picture than those under all the previous dimensions, as the gap between prime age males OLF and full-time employed respondents is, if anything, larger in EU and LAC countries, particularly with regard to job perceptions (Fig. 5). In MENA, the gaps between the perceptions of prime age males OLF and the full-time employed remain small, as with previous indicators.

Surprisingly, and contrary to the previous dimensions, the perceptions of prime age males OLF in the USA are similar to those of full-time employed respondents in the country, and generally less negative than those of the unemployed. Even more surprisingly, prime age males OLF in the USA are *more* likely to say it is a good time to find a job than both the unemployed in the USA and prime aged males OLF in the other regions (Fig. 5a and b). This also occurs in the EU and MENA (perhaps due to informality in the latter) but is most surprising in the USA where the increase in the past decade has been the starkest of all four regions. These reported beliefs do not accord with the objective increase in prime age males dropping out of the labor force, suggesting that either their expectations are out of line with the kinds of jobs that are

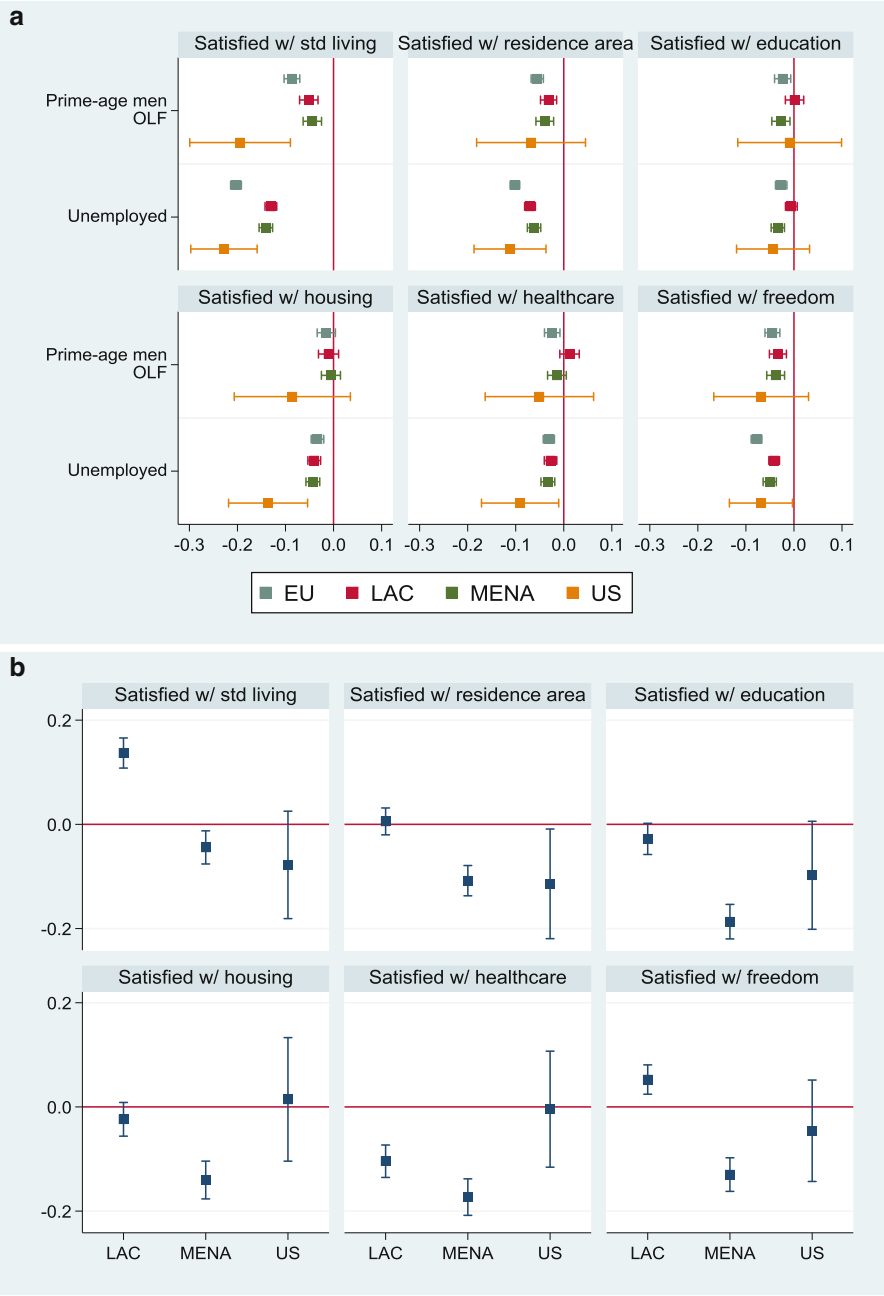

Fig. 4 (**a**) Satisfaction with domains of life indicators (within-region) for the EU, MENA, LAC, and USA. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding labor market category in a regression where the

available, or that they cannot work due to disabilities or drug issues, both of which are high among this group (Krueger 2017).

Those who are unemployed generally have, within each region, more negative perceptions and beliefs relative to prime age males OLF. The exceptions to that come from LAC, where there is little difference between both groups. In MENA, meanwhile, the unemployed are a subset of a small (and relatively privileged) formal sector labor market (Amin et al. 2012).

Summary

Drawing on Graham and Pinto (Graham and Pinto 2019a, b) and Pinto and Graham (2021), this chapter summarizes the evidence and provides a nuanced picture of the well-being and ill-being among prime age males OLF around the world than previously thought. For example, despite much discussion suggesting that poor life satisfaction among under or unemployed men in MENA was a possible catalyst for insurgency and uprisings, this analysis does not find them to be particularly dissatisfied compared to those employed full-time, relative to what is observable within other regions. This may have something to do with longer trajectory and social acceptance of male under and unemployment in MENA, compared to the USA and the EU, where it is a relatively novel phenomenon (Amin et al. 2012). It is also noteworthy that while prime age males OLF across all regions typically fare worse than the other out of the labor force groups, the unemployed tend to have even lower well-being.

Within regions/countries, prime age males OLF in the USA typically have the larger well-being gaps relative to those who work full-time, and in some instances even compared to the unemployed, with larger gaps in life satisfaction/optimism for the future, negative affect, positive affect, and satisfaction with domains of life. In both cases, the strong individual work ethic and lack of support for collective safety nets that characterizes the American dream contributes to the strong stigma of being out of the labor force in the USA.

Fig. 4 (continued) dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year and country fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference employment category (full-time employed). All the dependent variables are binary and take only the values 0 or 1). (**b**) Satisfaction with domains of life indicators for prime age males OLF (across region comparisons. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding region in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference region (EU). All dependent variables are binary and take only the values 0 or 1)

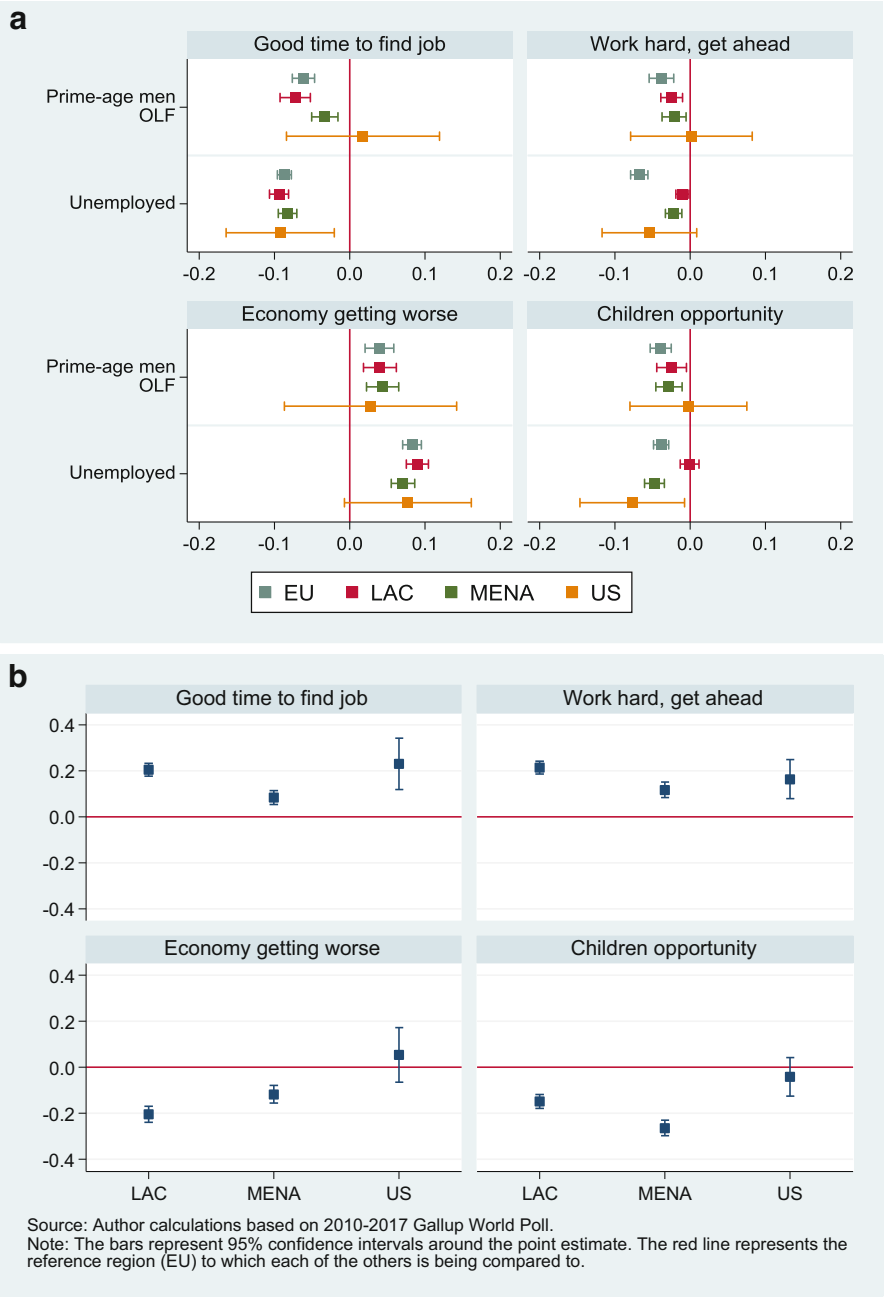

Fig. 5 (**a**) Beliefs and perceptions indicators (within-region) for the EU, MENA, LAC, and the USA. (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding labor market category in a regression where the

When directly comparing the absolute levels of well-being of prime age males OLF ***across*** regions, those in MENA (and, for the most part, also in the USA) have particularly low levels for the same four dimensions highlighted above: evaluative, negative affect, positive affect, and satisfaction with domains of life. This suggests that, in the MENA region, while there are relatively small differences in well-being between prime age males OLF and those employed full-time, both groups have low well-being levels to begin with (as does the average respondent there). For the USA, OLF prime age males have both low well-being levels and wider gaps when compared with full-time employment, fitting the broader trend of a group that is in deep despair.

It is important to highlight the longer-lasting lack of labor market opportunities for most groups in some MENA countries compared to the relatively newer trend of labor force drop out – and the stigma associated with it – in the USA. Case and Deaton (2017) find that less than college educated white males, a group for whom the increases in labor force drop out have been very stark, are also particularly vulnerable to the so-called deaths of despair – suicide, opioid and other drug overdoses, and alcohol poisoning – in the prime age years. Other research finds that these same trends in premature mortality also match their trends in ill-being at the level of race and place across the country (Graham and Pinto 2018). These trends, in turn, help explain why labor force drop-out in recent decades in the USA has been higher than in other wealthy countries.

While prime-age males OLF are a particularly troubled group in the USA, the same labor market problems – and associated challenges – that have existed for decades in MENA show little signs of abating. While informal labor markets tend to be the norm in the latter, they are also unlikely to solve broader employment challenges going forward, particularly if there is increased technology-based displacement.

Indeed, all of the regions studied in this chapter will continue to face the same or even greater challenges in an era of technology-driven growth, which in turn raises questions about current growth models and measures of progress. It is important to know much more about the kinds of policies that can encourage the participation of

Fig. 5 (continued) dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year and country fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference employment category (full-time employed). All the dependent variables are binary and take only the values 0 or 1). (**b**) Beliefs and perceptions indicators for prime age males OLF (across region comparisons). (Source: Author calculations based on 2010–2017 Gallup World Poll. Note: The squared represent the point estimates for the corresponding region in a regression where the dependent variable is the corresponding SWB indicator and that also controls for household income, household size, age, gender, education, marital status, being native-born, importance of religion, living in a rural area, and year fixed effects. The bars the corresponding 95% confidence intervals for the point estimate and the red line represents the reference region (EU). All dependent variables are binary and take only the values 0 or 1)

able low skilled workers in the new global economy, as well as those that can provide community involvement and other forms of activities that prevent isolation for those who can no longer work. These include vocational training for less than college educated younger workers, for example to provide programming and other technology support jobs. For older cohorts, for whom re-training is difficult, well-being research provides examples of programs that enhance well-being and reduce social isolation via new opportunities to volunteer, participate in the arts, and be involved in other community level activities.

There is, of course, much more to learn about how to address labor force participation challenges in an era of increased technology and automation. Hopefully this foray into the well-being and ill-being of those who have dropped out of the labor force can provide some useful insights.

Cross-References

- ▶ Causes and Consequences of Illicit Drug Epidemics
- ▶ Economics of Suicide
- ▶ Happiness, Work, and Identity
- ▶ The Easterlin Paradox
- ▶ The Economic Geography of Happiness
- ▶ The Economics of Happiness
- ▶ Unemployment and Subjective Well-being

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