

Why Some People Prefer Unemployment to Having a Minimum Wage Job

Cheat Sheet, by Sam Becker, December 12, 2017

The minimum wage may be on the rise in cities and states across the country, but that doesn't make those jobs any more desirable to many workers. The sad fact is good jobs are hard to come by. Even though the American workforce is, by and large, more skilled and educated than at any time in the past, a lot of people are being left behind. Many jobs can be automated or outsourced to countries where labor is a bargain. This is part of the reason why so many Americans are struggling and find themselves stuck in unemployment.

While plenty of people are content with forgoing work — whether that means collecting unemployment benefits or making ends meet through some other means — others feel their jobs are more than just a place to punch a clock. Some jobs become an identity. They are the focal point of one's adult life. For those folks, being out of work is more than just a temporary setback. It's an affront to who they are. And each time they fail to hear back after applying for a new job or are rejected after an interview it's like being kicked in the stomach.

Nobody likes to be kicked when they're down. That can make giving up an attractive alternative. If you're getting unemployment benefits or otherwise getting by, why bother trying to get a job? It's a complicated question about incentives that is best left to politicians and economists to figure out. But a recent study might give those who'd rather stay unemployed more justification to do so.

A new study found unemployed workers who re-enter the workforce can have worse health outcomes than if they remained unemployed. These jobs also pay lousy wages and can burn out workers. **Can unemployment, in this case, actually be better for you? Let's take a quick look at the topic.**

Unemployment: Better for your health?

- **University of Manchester researchers found people who accept stressful, low-wage jobs suffer worse health outcomes than those who remain unemployed.**

The study, conducted by researchers at the University of Manchester in the United Kingdom, looked at “a prospective cohort of 1,116 eligible participants aged 35 to 75 years.” These folks were unemployed in 2009 and 2010 and were subsequently brought back in the following two years for tracking.

What the research team found is for those who were able to find jobs in the intervening period — “low quality” or “bad” jobs, in particular — biomarkers indicating overall health declined. In other words, people who went back to work physically declined compared to those who remained unemployed.

Working for the minimum wage can kill you (faster)

- **In the U.K., the minimum wage ranges from £3.50 to £7.50 per hour.**

While the study doesn't single out minimum-wage jobs in particular, we can make a rather safe assumption that those “bad” or “low quality” jobs mentioned include gigs that pay the legal minimum. These jobs tend to be low-paying, stressful, and physically taxing. As a result, there was a decline in overall health among those who went back to work.

Here are the key findings from the study: “Formerly unemployed adults who transitioned into poor quality work had greater adverse levels of biomarkers compared with their peers who remained unemployed.” Further, “job quality cannot be disregarded from the employment success of the unemployed, and may have important implications for their health and well-being.”

An international phenomenon

- **Stressful, low-wage work doesn’t just affect workers in the U.S. and U.K. It takes its toll globally.**

As for whether we can count on this being a uniquely British phenomenon, the study’s author Tarani Chandola addressed this question during an interview with ResearchGate. “A few other studies in countries like Australia also have found that unemployed adults who are re-employed in bad jobs have poorer health than those who remained unemployed,” Chandola said.

We’ve seen a number of studies concerning U.S. workers and high-stress jobs. They show Chandola’s findings jibe with workers at home as well as abroad.

The difference between a good and bad job

- **A 2012 study estimated 24% of the American workforce holds a “bad” job.**

How, exactly, does this study differentiate between “good” and “bad” jobs? During the interview with ResearchGate, Chandola explained: “I used OECD definitions of poor job quality based on low pay (around or just below the minimum wage), low job security, low job satisfaction and control, and high job anxiety. Those in jobs with none of these adverse job characteristics were in good jobs, and those with two or more of these characteristics were in poor quality jobs.”

Now, a question everyone’s wondering: If you’re unemployed, though, how do you get yourself a good job?

When having no job is better than having any job

- **Your chances of making it to the top 1% of earners, at some point in your life, is roughly 5%.**

If good jobs were easy to get, we’d all have one. As much as it stinks, there’s no magic formula for jumping from the ranks of the unemployed (or having a terrible job) to getting a great gig. That doesn’t mean you can’t do your due diligence and try. After all, we all have to start somewhere.

Your best bet is to consider your quest for a better job as a multi-year project. In fact, you might want to bake it into one of those five- or 10-year plans that guidance counselors were so hot on in high school. Again, there’s no magic formula. But if you want to boil it down to a few succinct points, start here:

- Pick a discipline, and stick to it.
- Get educated or trained (without breaking the bank).
- Network, network, network.
- When the opportunity presents itself, jump on it.

When having no job is better than having any job

- **The short answer: No, unemployment can also kill you.**

Another important question that might pop up, especially after reading through the results of this study, is whether you should even bother taking a job if you might actually end up worse

off. Again, Chandola addresses this in the ResearchGate interview. His suggestion? Work, but don't sit idly by if your work environment or employer is actively hurting your health.

"If the workers suspect that their work is making them ill, they need to do something about it. This does not mean leaving their bad jobs, but rather informing their doctor about this, making their managers know about how their work is disabling them," Chandola said. "Employers have a duty of protection for the health of their workers, and need to make reasonable adjustments if they have a disability."

Also, there's a lot of research that unemployment can and will have adverse health effects.

This study is going to strike a nerve with a lot of people. As discussed, many people find a sense of dignity and self-worth in employment. And when you can't find a job it can eat away at you. We know unemployment can lead to physical decline, and there also appears to be a correlation between higher unemployment and higher crime rates.

Although having a bad job can chew you up, it can be a transitory position. If you don't want to get stuck in a dead-end job, you need to make sure you're going the extra mile. Learn new skills. Pay attention to the news cycle, and know which jobs are slated for automation and which will be in demand in coming years. Studies like the one we've discussed show that, in a certain light, not working can be superior to working. But don't let it become an excuse to give up on your job search.