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**Comments on:**  
*Measuring Trends in Leisure:  
The Allocation of Time over Five Decades*  
(by Mark Aguiar and Erik Hurst)

Justin Wolfers  
Wharton School, U.Penn  
CEPR, IZA & NBER

San Francisco Fed , “Labor Markets and the Macroeconomy”  
March 3, 2006

# Contributions

- ◆ Established stylized facts. From 1965-2003:
  - For men:
    - » Leisure rose 6 hours
    - » Driven by a decline in market work
  - For women:
    - » Leisure rose 6 hours per week
    - » Home production fell 11 hours per week
    - » Market work rose 5 hours per week
- ◆ Reduced costs of entry to time use analysis
  - Carefully combined and recoded 5 datasets
  - Published data online
  - Including a roadmap so that we can retrace their steps
  - Valuable public goods
- ◆ Deeper contribution to understanding leisure

# Leisure Expert



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## Erik Hurst

Associate Professor of Economics and the John Huizinga Faculty Fellow

5807 South Woodlawn Avenue  
Chicago, IL 60637

[erik.hurst@chicagogsb.edu](mailto:erik.hurst@chicagogsb.edu)

Phone: (773) 834-4073

Fax: (773) 702-0458

[33040](#)

Macroeconomics

2006(Winter)

## Education

B.S. (economics, finance, and mathematics), Clarkson University, 1993; M.S. (economics), University of Michigan, 1995; Ph.D. (economics), University of Michigan, 1999.

## Teaching Materials

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## Research Activities

Macroeconomics; household financial behavior; real estate finance.

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## Other Interests

Football, softball, and television.

Television

# What is Leisure?

- ◆ A statement about technology
  - Household production
    - » Substituting own time for market inputs
  - Leisure
    - » Low substitutability between own time and market inputs
- ◆ Comments
  - Why is this an interesting way of organizing data?
  - What about substituting my time for the time of others?
    - » Declining civic engagement
  - Should we keep categories fixed as technology changes?
  - Example: Rising leisure due to TIVO
    - » Average American: 3 hours per day watching TV
      - ◆ 1 hour watching ads
        - » 1965: Cannot pay someone to watch the ads for me =>Leisure
        - » 2003: Can purchase TIVO => Household production
  - Should we measure leisure in terms of input, or outputs?

# Alternative Views of Leisure

- ◆ Preferences
  - A statement about marginal utility?
  - Or average utility?
- ◆ Non-priced activity
  - Why distinguish leisure from household production at all?
- ◆ A residual. Which residual?
  - OED #1: *Opportunity afforded by freedom from occupations*
    - » Not market work.
  - OED #2: *The state of having time at one's own disposal; time which one can spend as one pleases; free or unoccupied time.*
    - » And not household production
    - » And not childcare. And not sleep?
- ◆ Aguiar and Hurst: Leisure is like an elephant
  - A list of activities
  - Taxonomy for organizing data

# What is Leisure?



# 1965 Time Use Survey

## Housework and Substitutability

*If you had your choice, would you rather do your own housework or have someone else do most of your housework for you so that you could do other things?*

**Own housework: 75%**

## Housework and Utility

*We are interested in the chores that have to get done around the house like preparing meals, cleaning house or washing dishes and clothes. Some women look on these things as just a job that has to be done. Other women really enjoy them. Which way do you usually feel?*

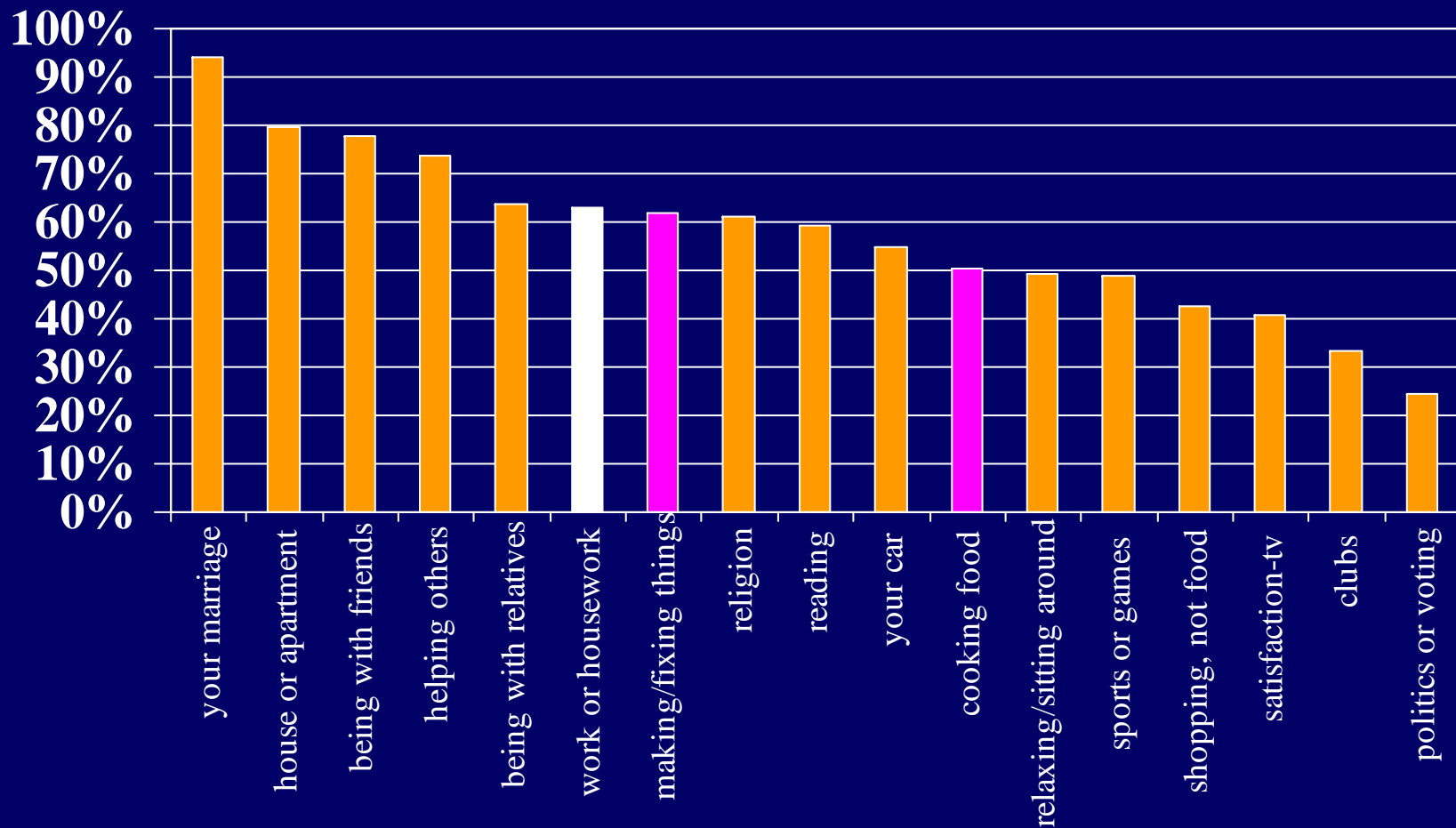
**Really enjoy: 48%**

**In between: 21%**

**Just a job to be done: 31%**

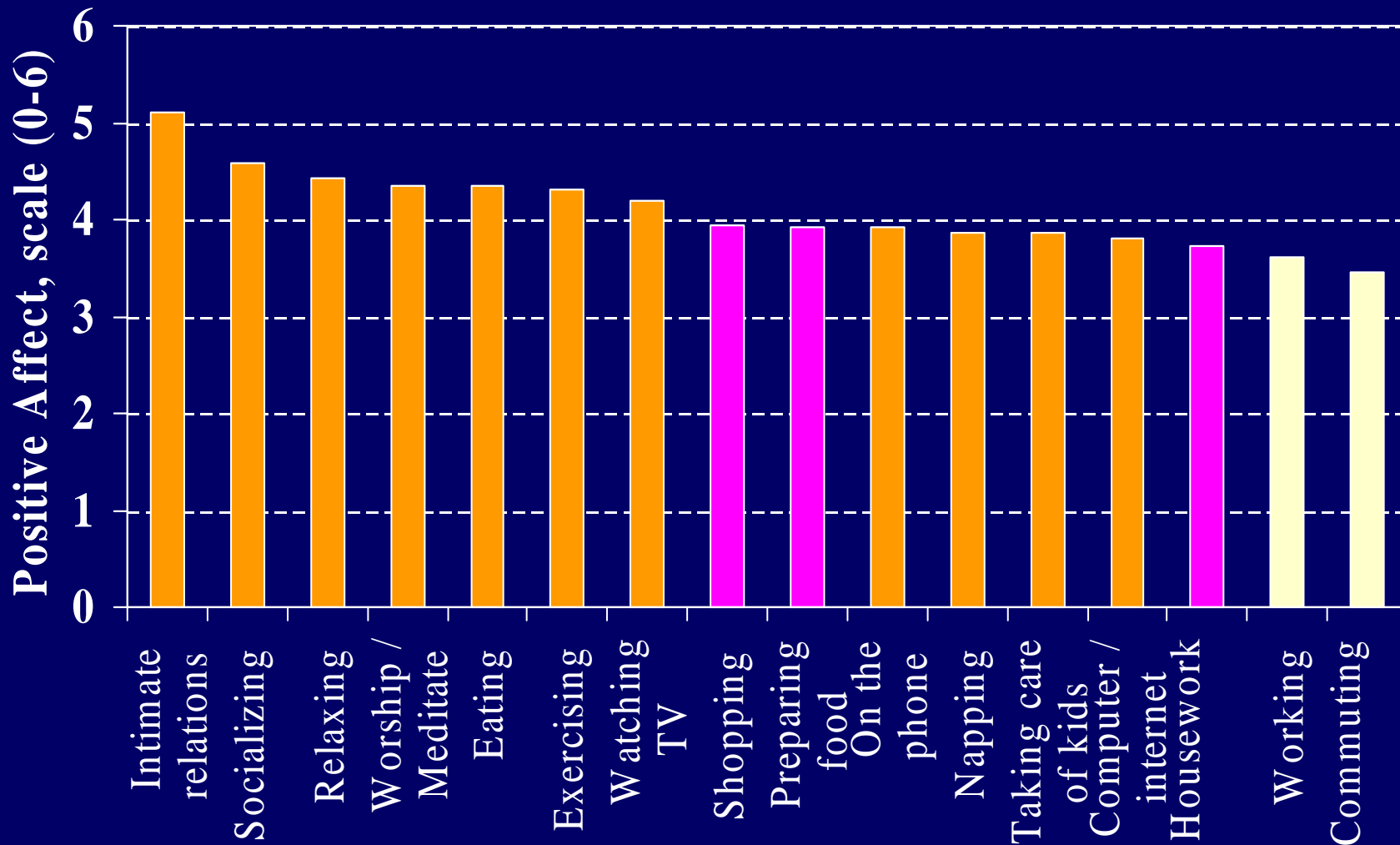
# Leisure as Enjoyable Activities

*Proportion stating that they get “great satisfaction” or “much satisfaction” from various activities...*





# Leisure and Experienced Utility



Source: Kahneman, Krueger, Schkade, Schwartz and Stone, "A Survey Method for Characterizing Daily Life Experience: The Day Reconstruction Method", *Science*, 12/3/2004.

Justin Wolfers, Comments on "Measuring Trends in Leisure"

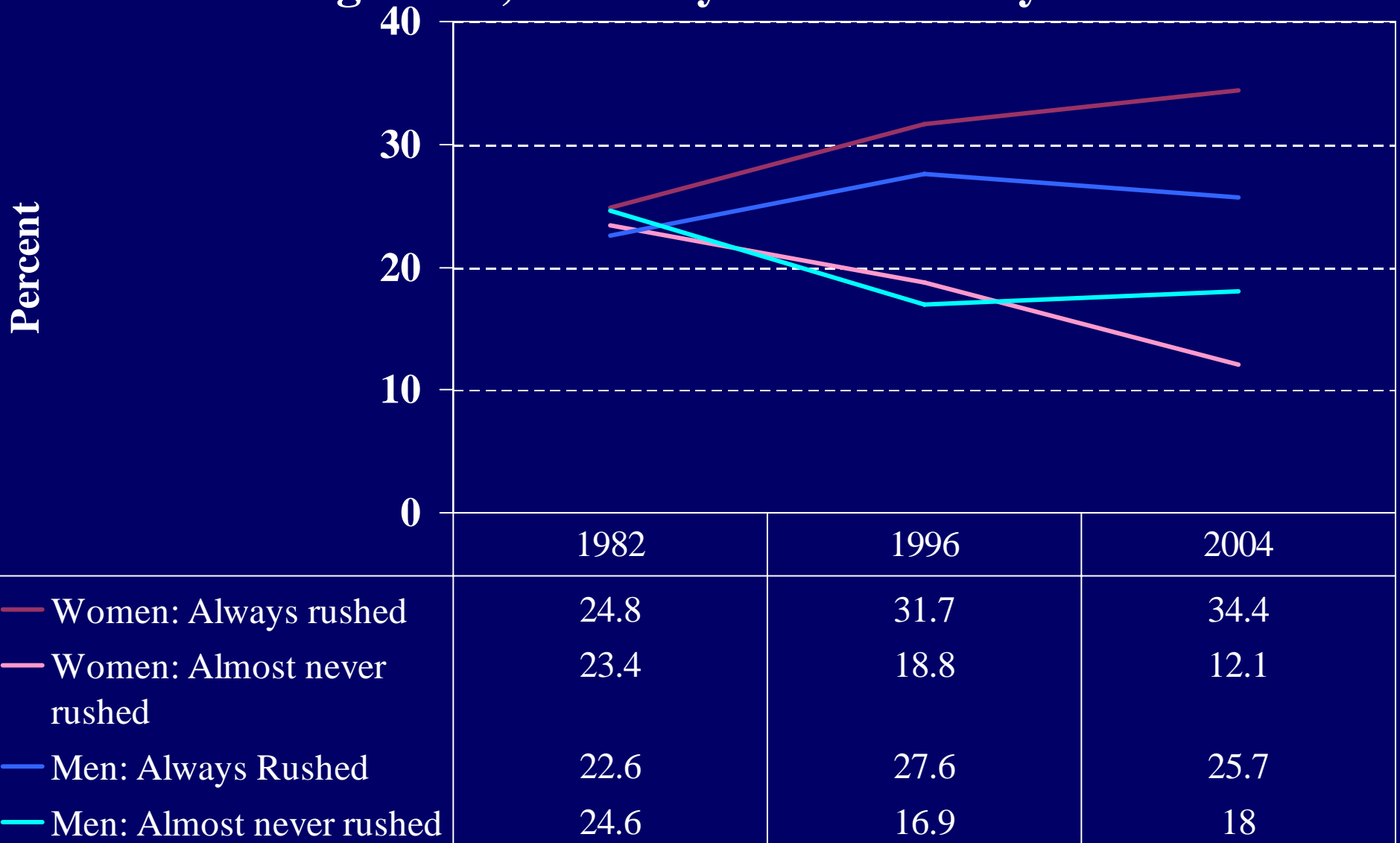
# Leisure as Non-Priced Activities

## ◆ Findings:

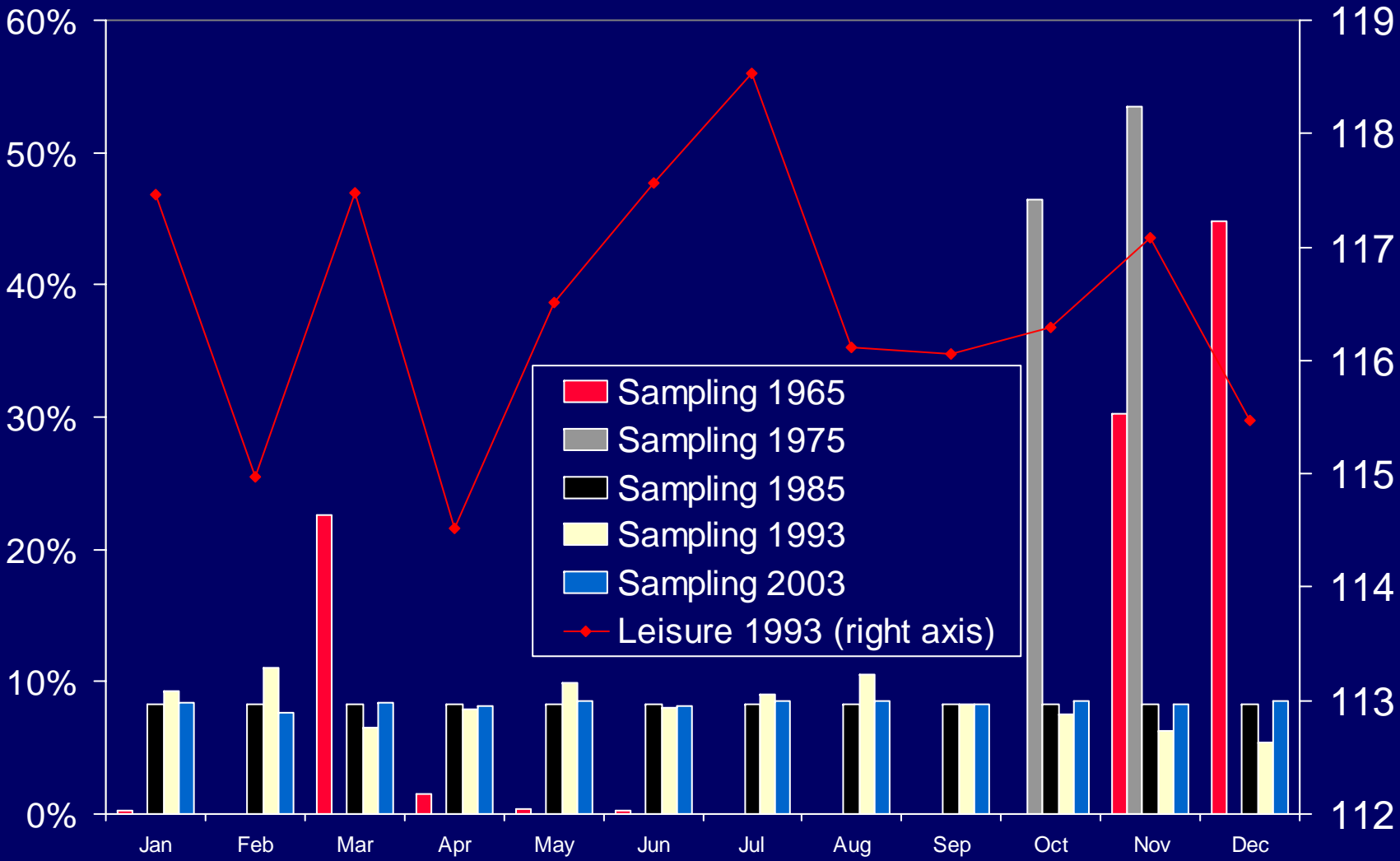
- Leisure time is rising
  - » Value  $MRS_{\text{leisure, market work}} = \text{after-tax wage}$
  - » = \$6,000
- But time spent on household production is falling
  - » Surely  $MRS_{\text{household production, market work}} = \text{after-tax wage}$
  - » Why not an offsetting loss?
- Why separate leisure from household production at all?
  - » Helps with aggregation?
  - » But there are different leisure activities with different marginal utilities...
    - ◆ Remember the capital controversies?

# Time Pressures

GSS: In general, how do you feel about your time?



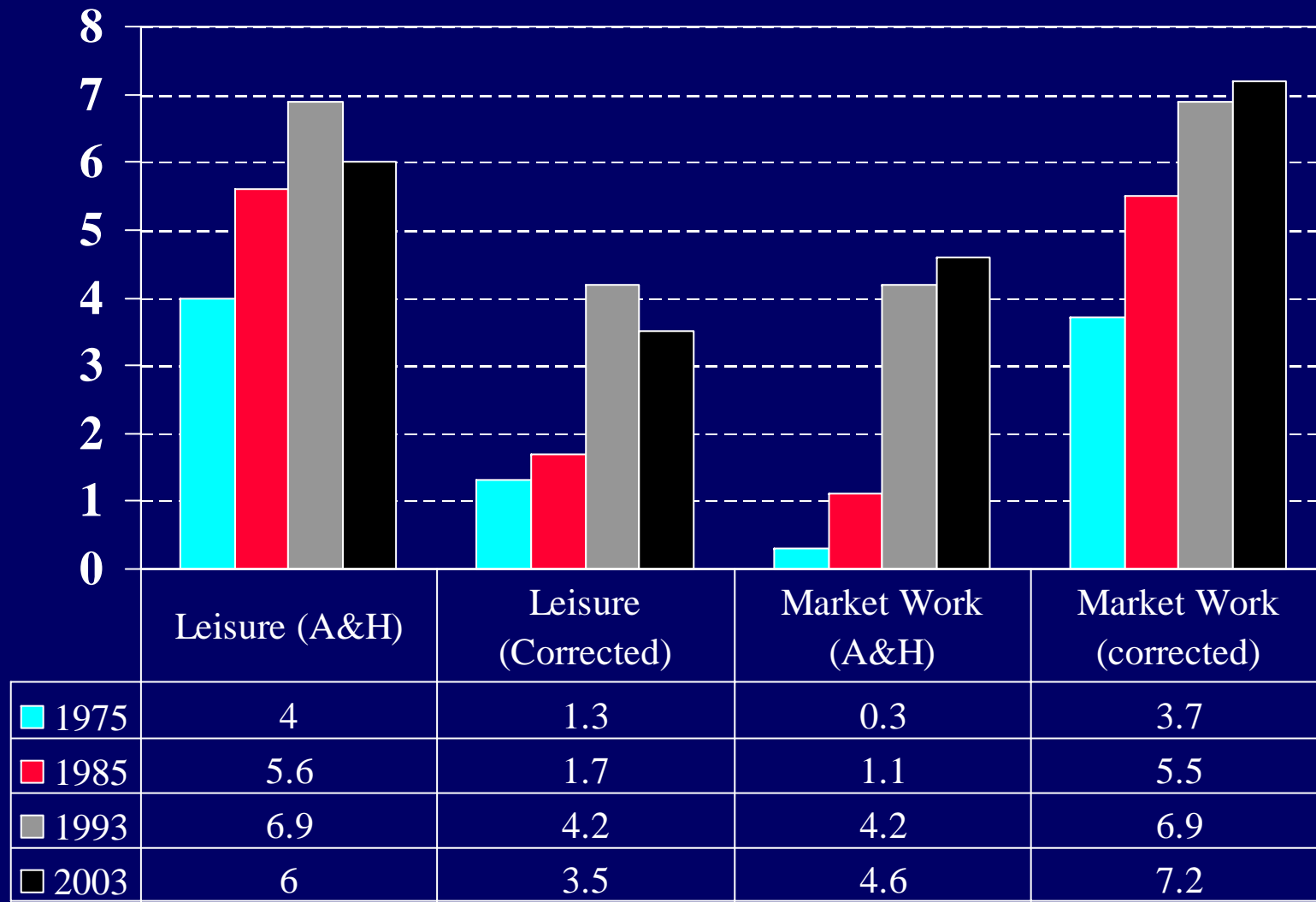
# Measurement Issues



# Corrected Estimates: Women

## Change in Work and Leisure Since 1965

Change since 1965 (Hours per week)



# Conclusions

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- ◆ Careful measurement is key to understanding time allocation
  - Which is crucial for understanding labor supply
- ◆ Great first steps
  - Making it easy for all of us to follow
  - And improve upon