Underemployment:
Individual and Marital Adjustment to Income Loss

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ABSTRACT: Psychological and interpersonal adjustments to income loss were investigated by comparing 25 couples in which husbands were underemployed to 88 couples in which husbands had been continuously employed. Husbands were considered underemployed if they had lost 20% of their annual earnings. Via questionnaires, husbands and wives reported on attitudes and on attributions for their present financial circumstances. Underemployed husbands and their wives were less satisfied with their finances and their marriages than the comparison group. The components of depression and marital dissatisfaction, for underemployed and continuously employed couples, and the importance of gathering data from both spouses, are discussed.

KEYWORDS: Income Loss, Marriage Relationships, Underemployment, Depression

Underemployment is becoming a way of life for many Americans. Some labor market analysts have noted that underemployment, not unemployment, is the most pressing economic problem for today’s families (Burris, 1983; Levitan & Taggart, 1974; Schiller, 1984). Commonly, politicians and the popular press have made equivalent a low unemployment rate equivalent with economic well-being for American families. This equation has
been incomplete because it failed to take into account the problems of people who were employed at less than full salary or work hours (Moen, 1980; Moen, Kain, & Elder, 1983). Unemployment could be regarded as a crisis from which most people recover. When recovery with a new job does not bring a full salary, problems have continued, placing the worker in a position below the earlier standard of living (Komarovsky, 1940; Moen et al., 1983). In this research, underemployment is regarded as a potential long-term stressful condition for families.

Underemployment has been conceptualized and measured in many ways (cf. Clogg, 1979; Glyde, 1977; Gordon, 1972; Schiller, 1982). One method considered drops in the occupational status of a worker and/or mismatch between education and occupation (Clogg, 1979; Clogg, Sullivan, & Mutchler, 1986; Tipps & Gordon, 1985). Some studies focused on plant closings in small towns and obsolescence in an increasingly technological society (Buss & Redburn, 1983; Gordus, Jarley, & Ferman, 1981). Such situations involved trained workers who have unsold or less skilled jobs. In any case, the reemployment experience of an underemployed person has involved working fewer hours and for less money than before (Caplovitz, 1979).

Estimates of the prevalence of underemployment differ. Clogg (1979) estimated close to 50% of people in rural areas were underemployed. At the time of the present study, plant closures in food production and forestry caused high unemployment (Oregon Department of Economic Development, 1985). People previously employed in these areas were finding work, but often in nontraditional jobs at lower salaries.

**Income Loss and Its Effects on Workers and Families**

The measurement of underemployment has been the source of considerable controversy (cf. Clogg et al., 1986). For this study a definition of underemployment was sought which could be ascertained from workers' description of their employment experiences: income change. Rather than comparing a worker's current earnings to those of other people with similar training, the investigators chose instead to use the individual's previous earnings as the comparison. Workers were considered to be underemployed if their current annual earnings were at least 20% less than they had earned in any previous year during the last 5 years. The degree of income loss was similar to that used by Glen Elder in his research on income loss during the Great Depression (Bennett & Elder, 1981; Elder, 1974; Liker & Elder, 1983). Elder used a rate of 33% loss of income, but the cost of living fell sharply during the Depression. Reuben Hill (1949) pre-