

Employment status affects our morals around money

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Credit: George Hodan/public domain

In the study 'Moral consequences of becoming unemployed', endorsed by the prestigious scientific journal *PNAS*, researchers at the UPV/EHU's Faculty of Economics and Business and at the University of Nottingham (UK) have analysed a moral consequence of unemployment that together with the effects it has on people's mental health, could explain why these people become disengaged from the labor market. 151

young adults in Córdoba and Bilbao were involved in the study.

The authors of the study Luis Miller, lecturer at the UPV/EHU's Faculty of Economics and Business, and Paloma Ubeda, a UPV/EHU researcher, highlight the importance of understanding how becoming unemployed affects [people](#)'s behaviour. Many studies link unemployment and poverty with depression, anxiety, stress, low levels of well-being and self-esteem, high suicide rates, murder, alcohol-related deaths, etc. In this study, however, the researchers have looked at a different kind of effect and have concluded that unemployment changes people's morals around the distribution of money. It should be pointed out that the study has been published in the latest edition of the *PNAS*, a prestigious scientific journal which publishes relatively few papers from the social sciences but which has given particular importance to this one.

As Luis Miller asserts, "in general, both people in employment and those in full-time education believe that people should be allowed to keep most of what they earn and that it is OK for those who work harder or who are more productive to earn more". He went on to say, "When people become unemployed, our study indicates that they let go of this belief. They put a higher value on the redistribution of money, which, in social terms, would mean higher taxes on those earning more in order to fund increased public spending."

"In our study," explained Paloma Úbeda, "we didn't ask the participants about re-distribution, taxes or public spending, as the responses to questions of this type could be biased by the self-interest of the interviewees. So high earners who look after their own interests would prefer lower taxes, while low earners who also have their own interests in mind would want higher taxes. What we were really interested in was understanding how, when becoming unemployed, people change the way they see what is fair in terms of re-distribution, in other words, whether they change their moral values. We found that they do; when becoming

unemployed people change the way they think about fairness and re-distribution".

Unemployment leads to changes in opinions

To research people's ideals about justice, the researchers involved 151 young adults aged between 18 and 35 in the so-called "Distributive Justice Game", an experiment designed to reveal the values and preferences of the participants about fairness and re-distribution. The experiment was conducted in Bilbao and Córdoba. The game consisted of two parts.

In the first part the participants "worked" for the researchers for seven minutes. In the second part of the game each participant was given a tray divided into four sections. Each section contained a different amount of money. One of the sections belonged to the participant who had been given the tray. The other three sections belonged to the other three participants who were in their playing group. For some groups the amount of money each one received depended on how much work the people had done during the first part of the game. In others, the amount of money on the trays depended totally on luck and were not related in any way to the work each person had done. The participants could re-distribute the money among the four sections in whatever way they wanted. Each one could keep all the money, leave the tray as they had received it or re-distribute the money so that the four participants would all receive the same amount at the end of the experiment.

"We found that the employed people tended to re-distribute the money less when they knew people had earned their money in the first part," asserted Luis Miller. "By contrast, they tended to re-distribute it almost equally when they knew that the initial distributions were just due to luck".

The 151 [young adults](#) participated twice in the experiment, the first time in the spring of 2013 and the second exactly one year later. Repeating the experiment allowed the researchers to see whether the people who were employed or in full-time education during the first year of the study but ended up unemployed in the second year changed their opinions about fairness and re-distribution.

Most of those who had become unemployed re-distributed the money in such a way that the other three members of their group ended up with approximately the same amount of money irrespective of whether the [money](#) had been earned or received as a result of luck.

Paloma Úbeda added that "the extent to which people recognise the individual right to keep what they have earned has significant implications on the way people vote, on how they pay their taxes or on how they act in the labour market. However, all these implications would need to be studied in greater detail in future pieces of research".

Luis Miller concluded that "the significance of the main result of this study to understand the labour dynamics as well as the most appropriate public intervention depends to what extent the negative effect we find can be reversed. Right now, we are already working on new projects that seek to establish whether the unemployed need to re-acquire part of the values relating to effort and productivity abandoned along the way before effectively reengaging with the labour market. Then assuming they do, we would need to investigate how this new change of values takes place and also how public interventions can contribute towards enabling this process".

More information: Moral consequences of becoming unemployed , *PNAS*, www.pnas.org/cgi/doi/10.1073/pnas.1521250113

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