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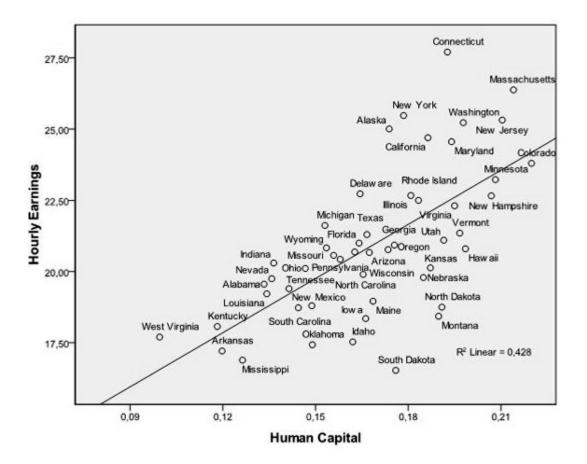
Do Smarter Workers Work Less?

By <u>CATHERINE RAMPELL</u>

Last week, we summarized a Labor Department report on <u>hours worked and earnings by</u> <u>state</u>, which found that Nevadans work the longest hours and workers in the District of Columbia had the highest hourly wage. Over at <u>The Atlantic</u>, Richard Florida has parsed the data to focus on what makes a state's labor force more or less likely to work longer weeks and get higher pay.

His result: Education seems to play a big role in how long a state's average resident works, and for what wage.

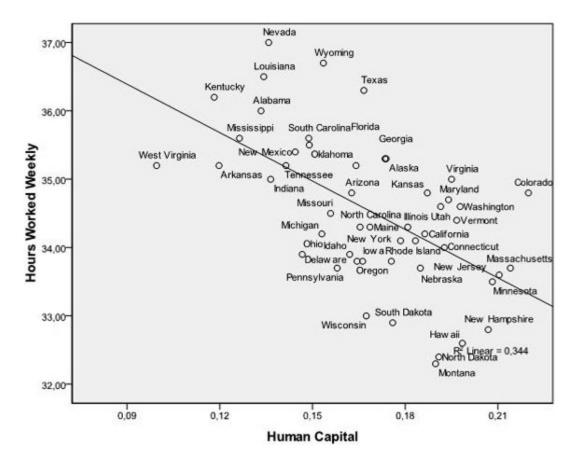
In the chart below, Mr. Florida, director of the Martin Prosperity Institute at the University of Toronto, plotted states according to human capital — here defined as what share of their work force had at least a bachelor's degree — and how much their average worker earned per hour.



Richard Florida and Charlotta Mellander

As you can see, states with more college graduates tended to have higher wages (with a correlation of 0.65). And that's not all.

He also looked at the relationship between human capital and hours worked. Generally speaking, states with more highly educated workers worked shorter weeks (with a correlation of negative 0.59).

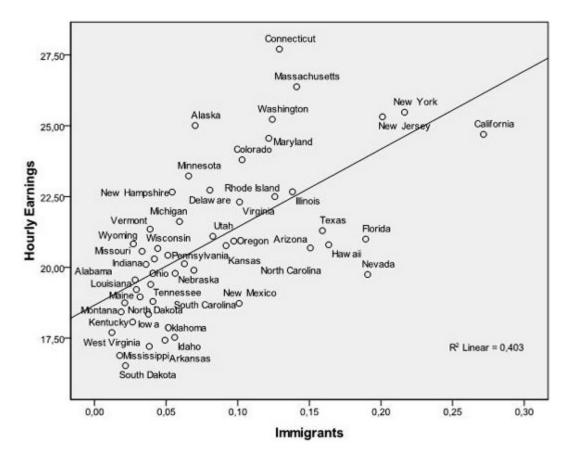


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Of course, correlation is not causation. But plenty of research indicates that a more educated local economy is a healthier economy, as one of our Daily Economists, Edward L. Glaeser, has <u>written</u>. So it does not seem such a stretch to find a pattern between human capital and earnings or more convenient hours.

Another provocative trend that Mr. Florida found is between immigration and state pay. Economists have <u>long debated</u> how immigration affects the American job market, with some believing that it depresses (at least some) native workers' wages and others arguing that immigration is a boon to the American economy and average worker earnings.

This scatterplot suggests that state hourly earnings are positively associated with the percentage of immigrants (correlation of 0.64).



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Again, correlation is not causation, and there may be all sorts of confounding variables here that skew the results. But even so, it's food for thought.