Pain and Gain: The Economic Principle, not the Movie

What’s not to like about increasing living standards for everyone? Most people agree that economic growth is good because it allows people to have better access to food, clothing, shelter, health care, education, entertainment, and other nicer stuff. A [few don’t like economic growth](https://www.commondreams.org/headline/2010/04/19-6) because they mistakenly believe growth is bad for the environment or bad for the soul, though [even the Amish](http://crown.kings.edu/?p=1594) are beginning to embrace non-agrarian businesses in search of a higher standard of living.

What is the best way to increase one’s standard of living in the short term? Work. Long term? Gain skills that are in demand and then work to use them. As Peggy Noonan notes today, [work is good for both the soul and the pocketbook](http://online.wsj.com/article/SB10001424127887324463604579043323951886310.html?mod=WSJ_Opinion_LEADTop). Monday is Labor Day where we give many people the day off of work to honor their productivity throughout the year. The problem is that the US labor force participation rate is the [lowest it has been in 34 years](http://www.breitbart.com/Big-Government/2013/08/28/Labor-Participation-Rate-Hits-34-Year-Low). A smaller percentage of people in the US are actually working than at any point in a generation.

It is one thing if people don’t think they need to work because they feel they already have everything they want. However, this is not the case with the majority of Americans. Not only do many want their standard of living increased, they feel that such an increase is owed to them regardless of whether they work more or gain more desired skills. Some suggest we are entitled to cheese puffs, a house, all you can consume health care, and a college degree whether or not an able bodied person works, or bothers to study.

Yesterday, across the nation, [fast food workers went on strike](http://www.nbcnews.com/business/fast-food-strikes-hit-cities-across-country-8C11028643) for higher wages. They demanded more pay for no more work or no new skills. Politicians are often sympathetic to the cry of people who want more without doing more. Minimum wage laws try to circumvent the laws of supply and demand by mandating higher wages for low skilled work. The result of higher minimum wages is a teenage employment rate that has fallen from 38% in 2003 to 26.6% last month. Employers don’t hire employees whose marginal productivity is less than the wage they are forced to pay. Now we have a generation of kids with no labor market experience and no sense of work related purpose.

The Affordable Health Care Act mandates that people be given health benefits without any increase in work or skill set. Try as they might, politicians cannot over-rule supply and demand. Employer responses have been to cut wages, lay off workers, and cut the number of hours worked by part time workers. The goal of better access to health care for all is laudable. Taking short cuts that do not involve increased work and or job skills will never be sustainable.

Can we have a better life with greater ability to pay for our needs and wants? Sure. Will we be able to achieve this while working less? Don’t count on it. No Pain, no Gain. It is as true in life as it is in the gym.