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This Labor Day, Remember Abraham Lincoln and the Importance of Work

by

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Sadly, as Americans celebrate Labor Day this year, perhaps what's most notable is the historically low labor participation rate. There is a yawning gap between the jobs available and those with a desire to fill them.

As the *Wall Street Journal* [reported](#) last month, "while the U.S. economy in July had recouped the 22 million jobs it lost at the start of the COVID-19 pandemic, the labor force remains smaller than it was in the beginning of 2020." According to the latest Department of Labor figures, the labor force participation rate, or the share of the population 16 years and older working or seeking work, fell to 62.1% in July, which is more than a point below what it was in February 2020.

You don't have to rely on the latest government reports to be aware of the "employment gap." Just take a stroll through any shopping mall or downtown business district. You'll find half of the store windows plastered with "Now Hiring" or "Employees Wanted" notices.

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There are a number of reasons for this. Rachel Greszler, a senior research fellow at the Heritage Foundation, reported in a July 2022 [study](#) that "economists find that a significant decline in the desired hours of work has roughly doubled the magnitude of the labor force decline." Economic studies also show that the 18 months' worth of \$600 weekly unemployment insurance bonuses made available during the pandemic meaningfully reduced the labor supply, Greszler noted. And the ongoing expansion of welfare programs like the Supplemental Nutrition Assistance Program (SNAP) benefits and Obamacare subsidies, none of which have work requirements, reduces the incentive of the unemployed to find gainful employment.

Of course, the documented decline in the labor participation rate, evidenced by a bunch of dry figures, is not merely of interest to statisticians and academics. It has serious real-world consequences for policymakers. The employment gap reduces the rate of economic growth and decreases real personal incomes. This results in increased dependence on government support which, in turn, requires higher taxes and worsens the nation's already perilous fiscal situation.

All that is bad enough. But in an insightful [commentary](#) just published in the *Wall Street Journal*, Phil Gramm and John Early address the way in which the "employment gap" relates to today's politics – and to rising populist sentiment. Given the surge in income transfer payments over the last half century, they say "it isn't surprising that the percentage of working-age people in the bottom quintile who actually worked plummeted from 68% in 1967 to 36% in 2017." With transfer payments giving recipients about as much for not working as they can earn for working, Gramm and Early claim only a mandatory work requirement with means-tested government support will entice those not working back into the labor market.

What they conclude gets to the heart of the matter: "Despite Democratic politicians' efforts to provoke resentment against the rich, when was the last time you heard working people complain that some people in America are rich? The hostility of working people is increasingly focused on a system where those who don't break a sweat are about as well off as they are."

You might not think of Abraham Lincoln when you think of Labor Day, but perhaps you should. For Lincoln believed, as he frequently reminded his audiences in his uniquely folksy way, that "the man that made the corn should eat the corn."

Indeed, as far back as 1847, then-Congressman Lincoln said this: "I believe each individual is naturally entitled to do as he pleases with himself and the fruit of his labor, so far as it in no wise interferes with any other man's rights...." And in 1864, President Lincoln, in his *Reply to the New York Workingmen's Democratic Republican Association*, declared:

"Property is the fruit of labor...That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another; but let him labor diligently and build one for himself...."

This concept – that "property is the fruit of labor" – is an important principle derived from the view of natural rights the Founders embodied in our Declaration of Independence and Constitution. It also should drive our economic policymaking. It is good for the government to help those in need, but as we learned during the pandemic with all of the government's check-

writing, too much of a good thing not only is ripe for abuse but also suppresses individual initiative and productivity.

In the midst of the waning days of summer, along with the backyard barbeques and last beach excursions, it's worth thinking about the meaning of Labor Day – and labor itself – with a Lincolnian mindset. This way of thinking would acknowledge that gainful employment confers dignity and fosters an entrepreneurial spirit. And, most fundamentally, it provides opportunities for the average laboring man and woman to enjoy the fruits of his or her labor.

* Randolph J. May is President of the Free State Foundation, an independent think tank in Rockville, Maryland. The views expressed in this *Perspectives* do not necessarily reflect the views of others on the staff of the Free State Foundation or those affiliated with it. *This Labor Day, Remember Abraham Lincoln and the Importance of Work* was published in the *Washington Examiner* on September 4, 2022.