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More time playing online may mean less time for work

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I bet it's happened to you before: You log in to Facebook intending to spend just a few minutes clicking around the site. Next thing you know, you've spent 45 minutes flipping through status messages, pictures, and shared articles. How would you have spent that time if you had never hopped on the Internet in the first place—perhaps reading a book or doing some housework? In a recent working paper published by the National Bureau of Economic Research ("What are we not doing when we're online?" August 2013), economist Scott Wallsten analyzes data from the American Time Use Survey (ATUS) to discover what kinds of activities are being crowded out in favor of spending more leisure time on our computers.

Wallsten finds that online activities seem to be replacing time that was otherwise spent working, sleeping, and partaking in other types of leisure not involving computer use. According to the research, any increase in computer use during leisure time crowds out other activity (although Wallsten notes that the data allow only for correlations and therefore he cannot definitely say, for instance, that 1 extra minute of online time translates into a tenth of a minute less sleep). For example, each minute of online leisure is associated with a loss of 0.29 minute on all other types of leisure, on average, including time spent watching TV, socializing offline, relaxing and thinking, attending cultural events, and listening to the radio. (Note that the ATUS definition of using a computer for leisure excludes games, email, and using a computer for work, education, or volunteer activities; most of the activities included in the definition, such as use of social media, involve the Internet.)

The effects of time spent using a computer for leisure ripple through almost all aspects of life. Each minute of online leisure is correlated with a loss of 0.27 minute of work, 0.12 minute of sleep, 0.12 minute of personal care, 0.10 minute of travel, 0.07 minute of taking care of the household, and 0.06 minute of educational activities. More time spent online is also associated with less time spent playing sports, helping people, eating and drinking, and taking part in religious activities.

According to data from the ATUS, leisure time online makes up only a small part of the total 5 hours of daily leisure activity for the average American: the average number of minutes spent per day using a computer for leisure activities was roughly 13 minutes per day in 2011. However, Wallsten calls this figure "deceptively low" because only about 15 percent of those surveyed reported spending leisure time online in 2011. This figure is known to be consistently increasing.

According to Wallsten, those who spend any time online for leisure usually spend about 100 minutes online per day—and that's nearly one-third of their total leisure time. So extrapolating from the data, we find that these users

would spend 27 fewer minutes working, 12 fewer minutes sleeping, 7 fewer minutes taking care of a household, and 6 fewer minutes on educational activities.

Despite the fact that many online activities are free and have no monetary cost to consumers, Wallsten concludes that the crowd-out effect “is sufficiently large that understanding the true economic effects of the Internet must take them into account.” Further, Wallsten notes that “online activities, even when free from monetary transactions, are not free from opportunity costs.”

Playing online seems to have a large effect on time spent at work and engaged in educational activities; this could have serious economic implications. There are few differences between men and women in terms of crowd-out effects. The crowd-out effect of online leisure on work seems greatest for those who earn $75,000 to $99,000 per year. Compared with other demographic ages, respondents who are ages 30 to 39 are most prone to a crowd-out effect; the effect decreases with age beyond age 40. Black, White, and Hispanic people show similar levels of crowding out of work, while Asians show the smallest level of crowding out of work.

Perhaps unsurprisingly, online leisure has a large crowd-out effect on time spent on education among people ages 15 to 19—each minute is correlated with 0.3 fewer minutes engaged in educational activities—but the effect decreases steadily with age.