



Why Part-Time Work Is Important to Working Families

Workers are seeking new forms of flexible work and those seeking to reduce their work hours to meet competing familial demands do not receive comparable treatment to their full-time colleagues. We need to eliminate the discrimination against part-time and reduced-time workers, and improve the quality of this work. As is demonstrated in other industrialized countries, this can be accomplished in a way that meets the needs of workers and employers.

A close look at today's workplace reveals outdated policies and structures that no longer meet the needs of today's families. Regrettably, workers who need flexibility may gain it only by enduring penalties that come through reductions in wages, benefits and job security that impact them up to and through retirement. Those who leave work or reduce their work time for familial care giving are devalued in the workplace either through a reduction in workplace responsibility or title, or revert to a job with less prestige. For workplace policies to reflect today's realities a departure from the 40-hour work week is essential. What is needed is a work week one that reflects the need for workplace flexibility and the need for access to those elements that make up a *good job*: pensions, paid leave, health insurance, and unemployment insurance during economic downturns, and support for care giving.

Research shows that workers are seeking a new approach that provides them control over their work lives without sacrificing their economic security. Work hour patterns are rarely indicative of a worker's actual work time preference¹. Business also stands to gain from a change in work place staffing flexibility without sacrificing their competitiveness. Workers today face the need to balance work and family and this need warrants a policy response.

A look at Part-Time Work

The majority of part-time workers -- 17 out of 21 million -- want to work part-time. Another several million full-time workers would like part-time hours, but do not have accessibility to it. In short, tens of millions of people -- parents of young children, older workers nearing retirement, full-time students, and others -- want part-time work. However, it is an apparent and serious problem that workers who want full-time work get stuck with part-time hours. On the other hand, those who want part-time hours can only get them in a package that typically includes few or no benefits, lower wages, and diminished job security. Part-time workers can be and often are excluded from health insurance, pensions, vacations and other benefits².

In 2004, 17.5 percent of workers ages 18-64 were employed part time – this was up from 16.3 percent in 2000³ or, 20.65 million people – a significant number.

The Bureau of Labor Statistics (BLS) provides rich data on the part-time workforce but requires a close look at the numbers and some important background changes in definitions. BLS changed the definition of involuntary part-time employment in 1994, only counting people as involuntary if they are immediately available for full-time hours and reclassifying over a million workers from involuntary to voluntary part-time status (while this is only about one percent of the workforce – it is still a lot of people)⁴. Further, BLS classifies a part-time as a person who works less than 35 total hours per week in all paid jobs. Thus, this data overlooks multiple job-holding since the majority of second jobs are part-time. Multiple job-holders currently stand near an all-time high at about five percent of the workforce.

Critics argue this means, “four out of five part-time workers *choose* to work part-time rather than full-time, presumably because of family, school, or other commitments and that the 2.1 million involuntary part-time workers

¹ American Behavioral Scientist, Vol. 44 No.7 March 2001 1115-1135. Clarkberg, Marin & Moen, Phyllis. *Understanding the Time Squeeze*. Cornell University.

² http://www.fordfound.org/publications/ff_report/view_ff_report_detail.cfm?report_index=428&print_version=1

³ *Employee Benefit Research Institute* May 2006, Vol. 27 No 5 analysis of the Current Population Survey (March 2001-2005 supplements) http://www.ebri.org/pdf/notespdf/EBRI_Notes_05-20061.pdf

⁴ As defined by BLS, voluntary part-time employees choose to work part-time, whereas involuntary part-time employees choose to work full-time but only find part-time work available.

constitute only 1.8 percent of the U.S. work force.⁵ Thus, saying those who believe part-time work policies are an issue is over-magnetizing a small matter. The fact is, these are a significant number of workers and there are major flaws in minimizing the impact. After all, *is it really voluntary to work reduced hours for family, school and other commitments?* People choose part-time jobs for a variety of reasons, all too often reducing work hours is the only way workers can balance competing job and family demands. Taking care of children or elderly parents is nearly impossible when employed in a job that requires a 40-60 hour per week commitment.

Women remain primarily responsible for child and elder care, so it is not surprising that they account for the majority of the part-time workforce. For workers in the bottom third of the economy, the additional earnings from full-time hours are offset by the opportunity costs associated with leaving children for longer periods of time, higher child care costs and the loss of some public supports⁶.

The Part-Time Penalty

Part-time workers' weak attachment to employers and workplaces denies them basic employment rights and protections afforded to their full-time colleagues⁷. These workers miss out on developmental and training opportunities essential if the U.S. wishes to develop a highly skilled workforce. Part-time workers miss out on health care, sick days, paid vacation, health and safety protections, access to pensions, reductions in social security benefits, and access to unemployment insurance⁸. The National Study of Employers, which surveyed workplaces with 50 or more employees, found that only 33 percent of companies offer full or pro-rated benefits to part-time workers⁹. For example:

- Only 38 percent of employers provided health insurance benefits to part-time employees.
- Over half of workers who have no access to employer-sponsored health plans are denied access because they work part-time¹⁰.
- Part-time workers experience the lowest access to employer-sponsored retirement plans¹¹.
- Part-time workers are less likely to meet the requirements for Social Security Retirement and Disability benefits.
- Only 12 percent of unemployed part-time workers receive unemployment benefits¹².
 - Eligibility for unemployment insurance is based on earnings, not on hours worked¹³. Most states require that workers receiving unemployment insurance be actively seeking full-time work, even if they were previously working part-time¹⁴.
- Part-time workers have more difficulty qualifying for leave under the Family and Medical Leave Act (FMLA): Half of American workers are not covered by FMLA because they work for small employers, have changed jobs, or are part-time.
- Nonstandard jobs pay less on average and even regular part-time workers earn \$3.97 less per hour than regular full-time workers¹⁵.

Low Wage Work - The existing work policies, in general, disproportionately benefit higher income families. Lower income workers often do not have access to flextime scheduling, sick leave, vacation, and other benefits. Additionally, low-income workers typically cannot afford to take advantage of unpaid leaves, and paid leaves are

⁵ http://www.epionline.org/studies/epi_parttime_07-2000.pdf

⁶ <http://www.cvworkingfamilies.org/downloads/lower%20wage%20flex%20review%20report.pdf>

⁸ http://www.fordfound.org/publications/ff_report/view_ff_report_detail.cfm?report_index=428&print_version=1

⁹ Families and Work Institute, 2005: 22 & 24. http://agingandwork.bc.edu/documents/FS10_Part-timeWork.pdf

¹⁰ Employee Benefit Research Institute, EBRI Issue Brief #303, "Employment Based Health Benefits: Access and Coverage, 1988 – 2005", March 2007.

¹¹ U.S. Department of Labor, Bureau of Labor Statistics, "Access, Participation, and Take-up Rates in Defined Contribution Retirement Plans among Workers in Private Industry, 2006," 12/27/06, <http://www.bls.gov/opub/cwc/cm20061213ar01p1.htm>.

¹² Independent Workforce Issue Brief, Unemployment Insurance, <http://www.freelancersunion.org/images/File/Unemployment%20Insurance.pdf>

¹³ Economic Policy Institute, "Economic Snapshots," 9/ 1/ 04 http://www.epi.org/content.cfm/webfeatures_snapshots_09012004

¹⁴ "Part-Time Workers and Unemployment Insurance," National Employment Law Center, March 2004.

http://www.nelp.org/ui/initiatives/part_time/parttimeui0304.cfm

¹⁵ http://www.newamerica.net/files/archive/Doc_File_2437_1.pdf

not universally available to them. Low-wage workers often suffer job action or job loss when they lack flexibility to handle routine family emergencies or predictable personal or family issues that require some leave but are not covered by FMLA. These frequent job changes have cumulative negative effects on wages and advancement¹⁶.

Work Time hits Women the Hardest - While women make up 44 percent of the full-time work force, they represent 77 percent of all part-time workers. For many women a part-time job is the only option due to family care responsibilities. One study over a 15 year time period (1983-1998) shows that women, ages 26 through 59, make only 38 percent of what men earn because of the negative impact on workforce attachment due to family care¹⁷. Working women are more likely than men to interrupt their careers to take care of family members; they work fewer years and contribute less toward their retirement¹⁸.

Women are more likely to work in part-time jobs that do not qualify for a retirement plan. According to the Social Security Administration, only 27 percent of women have a private or public pension. With a history of low-paying jobs, a disproportionate number of women are relegated to a retirement of poverty where the average income for single women 65 or older is \$9,408 and lower social security benefits for women significantly reduce the joint income of retired couples¹⁹. In 2004, 46 percent of all elderly unmarried women receiving benefits relied on Social Security for 90 percent or more of their income.

Care giving Responsibilities and Part-Time Work - Adult children are increasingly adding elder care to the list of daily tasks - as a consequence of increased longevity adult children may spend more years raising an elderly relative than a child^{20 21}. According to the Columbia University Medical Center it is now estimated that family members provide 75 to 80 percent of long-term, home and community-based care for the elderly. In fact, a primary reason workers move to a part-time schedule is due to care giving responsibilities.

Workers who have more than five years of low or no earnings due to unpaid care giving for children, a disabled individual, or ill family member are penalized by a reduction in Social Security benefits. This penalty resulting from years of unpaid family service is most often incurred by women, and in reality it is difficult for women to avoid because they overwhelmingly provide the informal family care giving services.

- Among adults age 51 or older more than one in ten are providing assistance with basic everyday activities to their parents – 12 percent are the primary caregiver²².
- Nearly two-thirds (63 percent) of all caregivers aged 51-64 are employed, and 75 percent of those who are primary caregivers work full-time (40 or more hours per week)²³.
- Fifty-Nine percent of those caring for a relative or friend work and manage care giving responsibilities at the same time. Of these working caregivers, 62 percent said they have to make some work-related adjustments to help the person they care for²⁴.
- About 1 in 3 caregivers report they need help balancing work and family responsibilities²⁵.

Employers Can Benefit

Access to flexibility results in reduced absenteeism and higher employee retention, reduced cycle times, and enhanced customer service, and contributes to greater customer retention and higher profits. For example: for every dollar the Marriott Corporation spends helping employees with work-life issues they save four dollars due to lower turnover and absenteeism²⁶.

¹⁶ <http://www.cvworkingfamilies.org/downloads/lower%20wage%20flex%20review%20report.pdf>

¹⁷ “Still a Man’s Labor Market: The Long Term Earnings Gap”, Rose, S. and Hartmann, H., IWPR, (2004).

¹⁸ Source: U.S. Department of Labor, Employee Benefits Security Administration, <http://www.dol.gov/ebsa/Publications/women.html>

¹⁹ Jody Heymann - *The Widening Gap: Why American’s Working Families Are In Jeopardy and What Can Be Done About It*

²⁰ http://www.cumc.columbia.edu/news/in-vivo/april_may_2007/mailman_school.html

²¹ Over 44 million Americans, or an estimated 21percent of all U.S. households, provide care for an adult family member or friend age 18 and older.

²² (Center on an Aging Society, 2005: 2). http://agingandwork.bc.edu/documents/FS02_ElderCaregiving_000.pdf

²³ (Center on an Aging Society, 2005: 4).

²⁴ *Meeting the Needs of Today’s Families: The Role of Workplace Flexibility* – Workplace Flexibility 2010 Georgetown University Law Center

²⁵ *ibid*

²⁶ http://www.fordfound.org/publications/ff_report/view_ff_report_detail.cfm?report_index=428&print_version=1

According to the Families and Work Institute research, low-wage workers have significantly less access to dependent-care benefits and flexible work arrangements. When they do gain access it makes a big difference in terms of loyalty, commitment and retention. A 1999 Families and Work Institute study of eight large employers with high proportions of low-income workers found they saved money by providing health benefits, employee assistance plans and modest wage increases to their low-wage workforce.

Other Countries Are Making Part-Time Work

Part-time worker benefits are actually a matter of employment policy in many other countries. More parents are covered by leave policies and receive a much higher level of salary replacement during leaves.

Average annual work hours in the U.S. have changed very little since 1979 and now exceed even Japan's²⁷. Other countries provide shorter full-time hours, a shorter work-year, and provide the quality *and* availability of both part-time work and work with flexible schedules. Together these measures allow many European parents to choose various types of reduced-hour work – an option that is limited and economically infeasible for a large share of American parents.^{28,29}

The European Union (EU) adopted a *Working Time Directive* that provides for the liberalization of part-time and temporary employment, and the phasing-out of early-retirement schemes. It shows that reform is possible, and that it can both improve economic prospects and support social solidarity. The measures address a combination of pay equity, training and promotion opportunities, Social Security and occupational benefits including parental leave and holiday pay, and bargaining rights²⁹. Under the EU part-time directive 80 percent of the requests made in the first year alone were taken up and one of the employers' largest complaints was that the policy was too narrow and should on equity grounds be broadened to other employers with family responsibilities, not just those with young or disabled children³⁰.

Conclusion

Policies that reduce total employment hours, and raise the availability and quality of part-time work, are crucial components of work-family reconciliation policy packages in many countries. The positive experiences in several EU member countries provide models for policies that, if implemented in the United States, would greatly benefit most employees, especially working parents³¹.

But it's more than how employees can balance their personal lives with the demands of their jobs; it is also about having a set of policies and practices that do not constrain workers at every stage of their lives. The growth in and need for work that is part or reduced-time necessitates a response in workplace policies. Workplace flexibility with the right ground rules can meet workers' needs as well as employer needs. Currently, workers enjoy little extra bargaining power for such worker-friendly flexibility³².

Until the option for part-time work becomes more organizationally legitimate with full-fledged career paths and promotional opportunities, it will further entrench workplace inequality and relegate many workers of all ages to a constant struggle to make ends meet.

²⁷ The Work-Family Balance: An Analysis of European, Japanese, and U.S. Work-Time Policies Janet C. Gornick, Alexandria Heron, and Ross Eisenbrey Economic Policy Institute Briefing Paper May, 24, 2007 #189

²⁸ <http://www.womenspolicy.org/thefsource/article.cfm?ArticleID=2401>

²⁹ *Families That Work* Gornick and Meyers 2003

³⁰ Holzer, Harry and Smith Nightingale, Demetra *Reshaping the American Workforce in a Changing Economy* p 287

³¹ <http://www.sharedprosperity.org/bp189.html>

³² <http://www.dollarsandsense.org/archives/1998/0198carre.html>