



Trends in part-time and temporary work

This analysis has been carried out using the latest available quarterly data from the Labour Force Survey. This was used to examine trends in temporary and part-time work from Q1 1992 to Q4 2009 to identify those in part-time and temporary work, and within this group, those who have failed to find full-time or permanent employment.

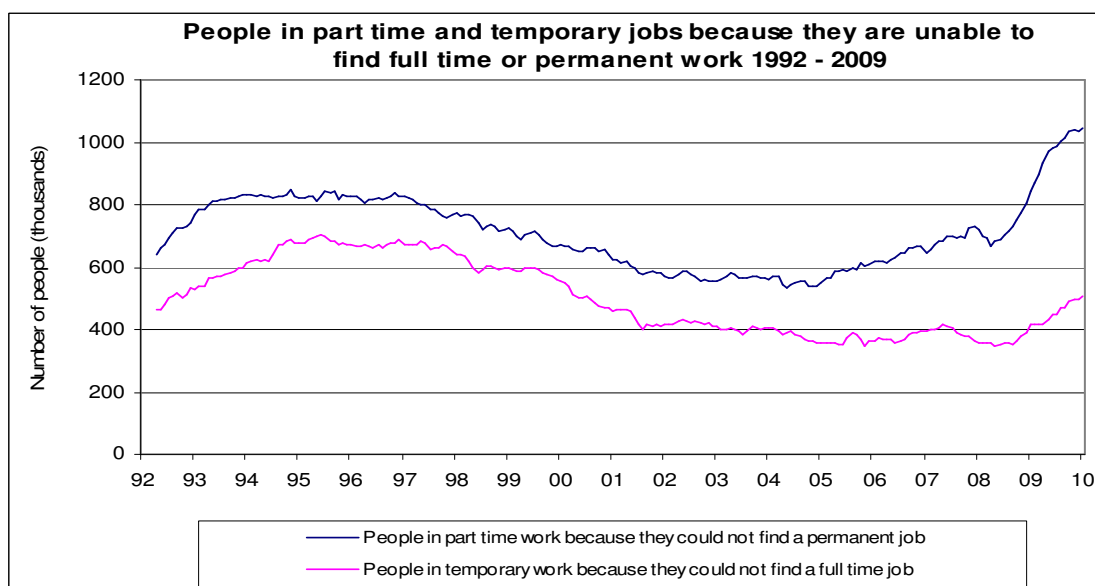
These two subsets are broken down by gender, age, industry sector and occupation to track the impact of the recession. The cost of 'underemployment' is also calculated, based on the number of those in part-time work who cannot get full-time work. Finally, comparative international evidence on the prevalence of underemployment across income deciles is presented. The findings show record numbers of part-time workers are unable to find full-time work. In Q3-4 2009 the number of people working part-time because they can't find full-time work reached over one million for the first time. The most recent LFS data (Dec-Feb 2010) puts this figure at 1,046,000 - the highest number on record and a 45 per cent increase since the recession began (NB this data is not used below because quarterly comparisons are unavailable).

Key findings

Part-time and temporary work

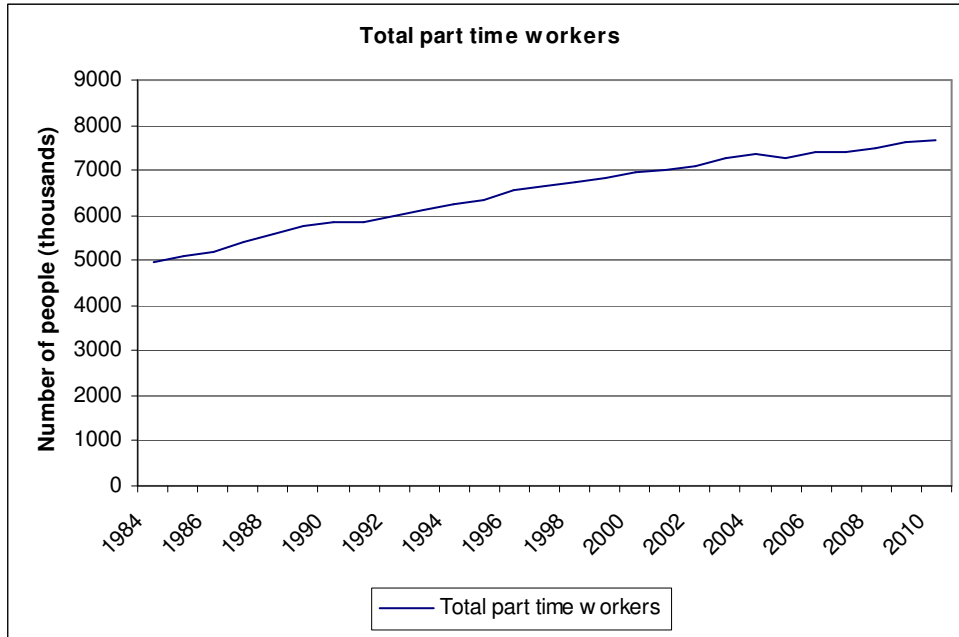
1. The number of people in both part-time and temporary jobs because they are unable to find full-time or permanent work has increased sharply during the recession

- The previous peak of part-time workers unable to find full-time work was in Q4 1994 after the recession of the early 90's. The number reached 846,000 and levels stayed high for several years before declining again. The current rise began in 2008 Q3 to reach 1,041,000 in Q4 2009
- There has also been a substantial increase in temporary workers unable to find permanent work increasing by 40 per cent since the recession began. Note that temporary and part-time work are not mutually exclusive, so the same worker may be counted in both measures



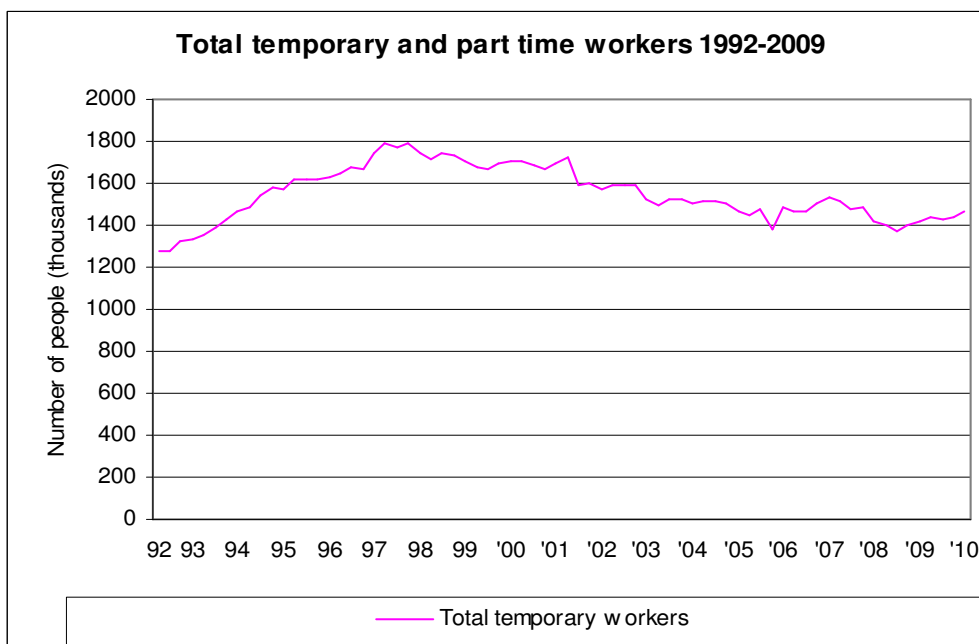
2. The overall number of part-time workers has risen to a record high

- Since 1984 the number of people in part-time work has risen steadily by over half (53 per cent) to reach 7.7 million
- Though there has been a steady increase in part-time work since 1984, the increase over the period of the recession (Q2 2008 and 2009Q4) has been greater. For example the increase over the period of the recession was 2.3 per cent, whereas over the previous year the increase was 1.3 per cent



3. The total number of temporary workers has decreased since the end of 1997

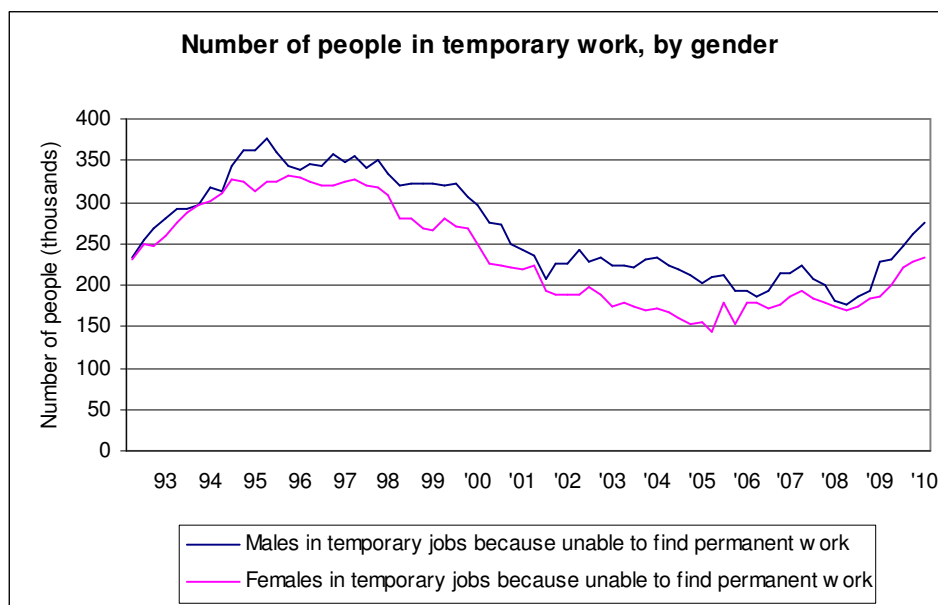
- In contrast to part-time work, the number of temporary workers fell steadily between 1997Q4 and 2008Q3, by 23 per cent. However, since 2008Q3, a rise of 5 per cent has seen this trend reversed, mirroring the increase in involuntary temporary workers



Part-time and temporary work by gender

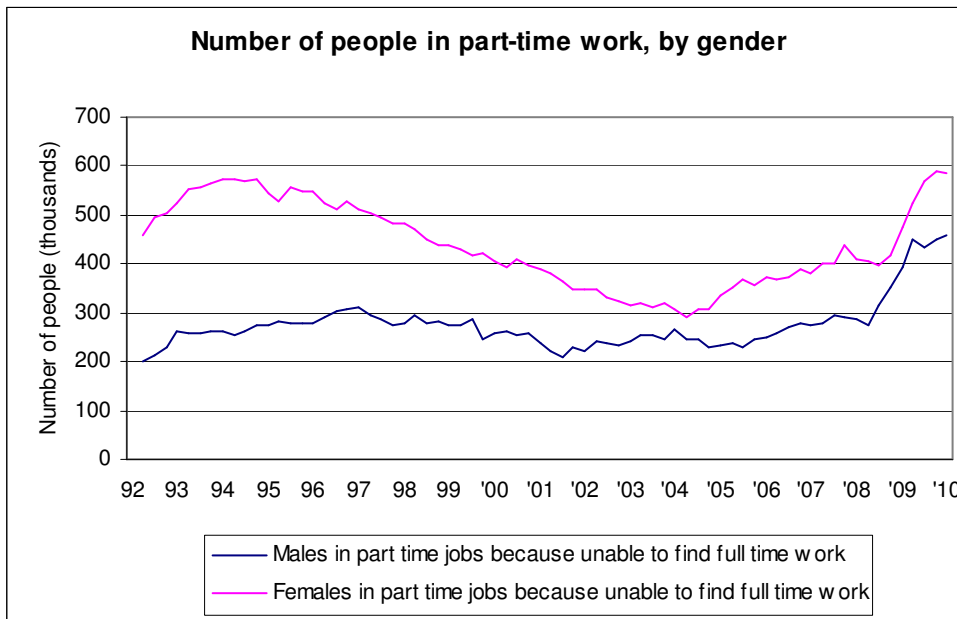
4. Numbers involuntarily in temporary employment have increased sharply among men and women, but particularly among men.

- The number of men in temporary jobs because they are unable to find permanent work has increased by 53 per cent, or 93,000 between 2008Q2 and 2009Q4
- Though the number of women in this position also rose in the same period, the increase of 34 per cent or 58,000 was less severe
- As a result, the gap between men and women in temporary work because they could not find permanent work has widened nearly seven-fold across the period, from 6,000 in Q2 2008 to 41,000 in 20010Q1.



5. Involuntary part-time employment has increased among men and women.

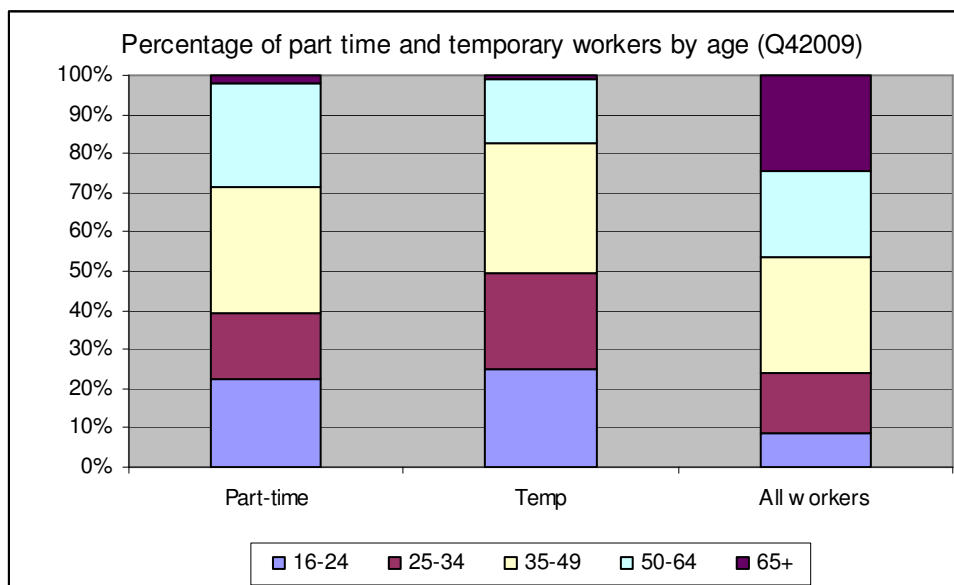
- Findings for part-time work by gender display a different trend than those for temporary work, with 27 per cent more females than males involuntarily in part-time work
- Between 2008Q2 and 2009Q4 the number of females in this situation rose by 46 per cent
- The proportion of males in this position rose more sharply as a proportion, by 63 per cent to 450,000, but the numerical gap between men and women has remained relatively steady over the period, increasing from 130,000 to 141,000.



Part-time and temporary work by age

6. Young people are most likely to be in involuntary part-time or temporary work.

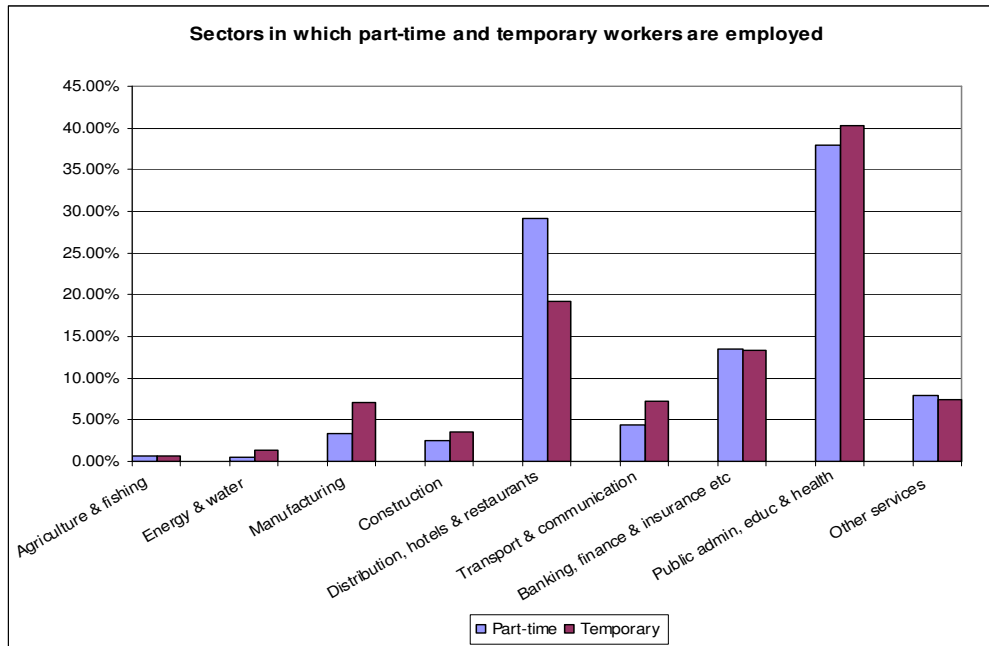
- Of those involuntarily in part-time work in 2009Q4, nearly one in four were between 16 and 24 years old. This rises to over one in four who were involuntarily in temporary work. However young people account for just over a tenth (11 per cent) of the total workforce.
- This means that young people are more than twice as likely to be involuntarily in part time work as people in other age groups. Those between 16 and 24 years old are also more than twice as likely to be involuntarily in temporary work as other age groups.
- The average (mean) age of a full-time or permanent worker is 42. This falls to 39 for part-time employees and 36 for temporary employees. These findings closely mirror those of Q2 2008, suggesting that the recession has not had a major age-based impact on part-time or temporary work.



Part-time and temporary work by sector and occupation

7. Two sectors employ the majority of part-time and temporary workers.

- The public administration, education and health sector employs nearly two-fifths of temporary and part-time workers (40 per cent and 38 per cent respectively)
- Over one in four part time workers are employed in the distribution, hotels and restaurants sector (29 per cent), and though this sector is also a large employer of temporary staff, it accounts for fewer (under one in five, 19 per cent) of the total of temporary staff



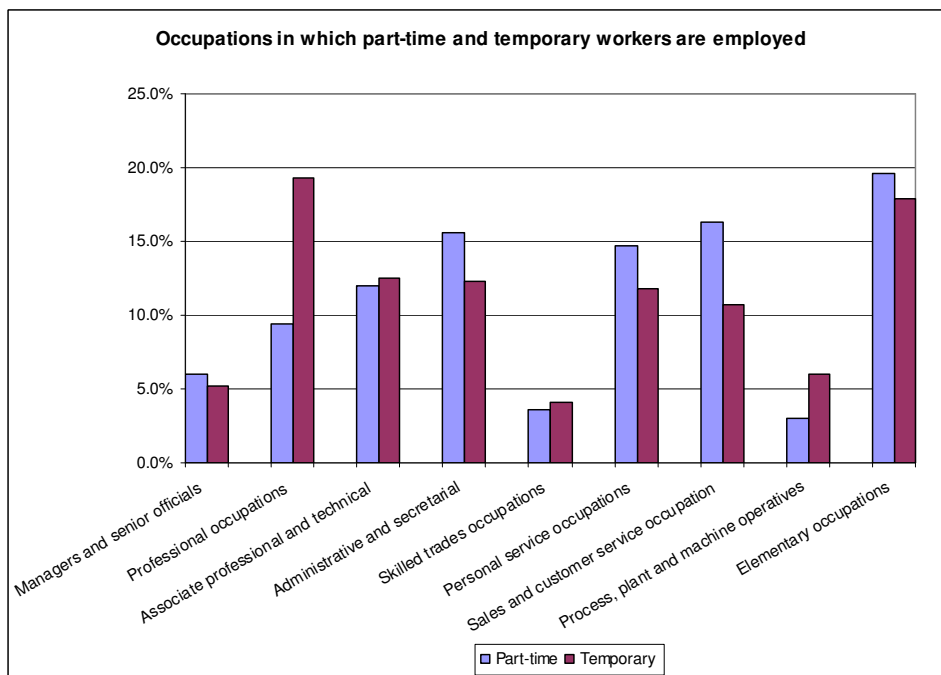
8. A similar picture emerges from those in temporary and part time work because they haven't been able to find full-time or permanent work

- The difference between part-time work and temporary work in the distribution, hotels and restaurants sector is even more pronounced in this case: 35 per cent of involuntary part-time workers are employed in the sector, compared with 17 per cent of temporary workers
- Around one in eight temporary workers involuntarily in temporary work are employed in manufacturing, compared with only 3 per cent of part-time workers who have failed to find full time work.



9. Almost one in five temporary workers are employed in professional occupations, which is the single biggest sector for temporary work.

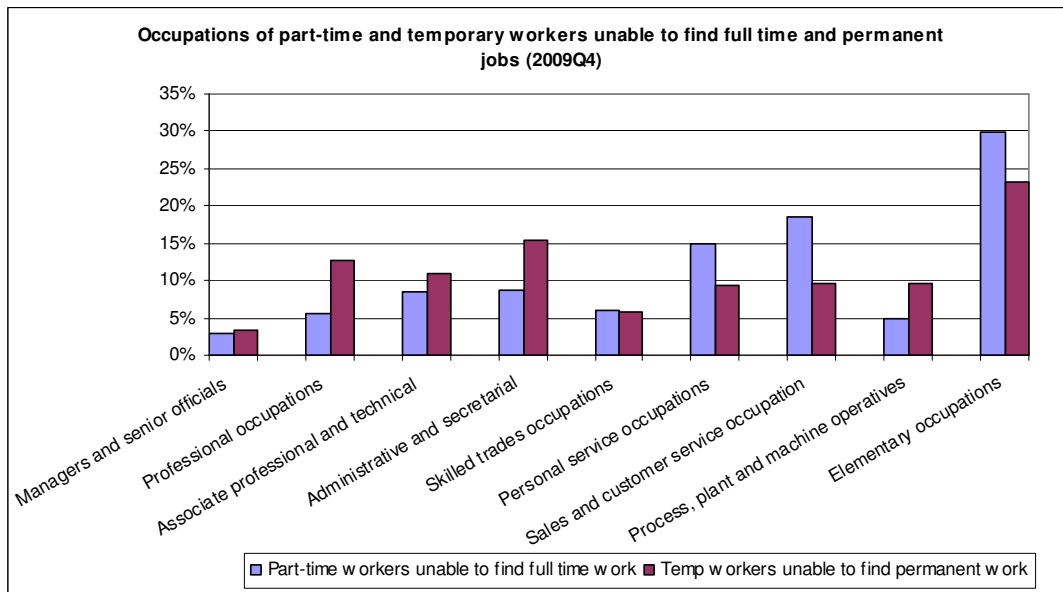
- Professional occupations account for 19 per cent of temporary employees, with a further 18% employed in elementary (low-skilled) occupations
- Part-time employees are less likely to work in professional occupations, but are similarly concentrated in elementary occupations (19.6 per cent) and customer services (16 per cent)



10. Those in elementary (low-skilled) occupations have most difficulty full-time or permanent employment.

- Professional occupations present less difficulty for temporary employees seeking permanent work (13 per cent) than the sector's share of temporary employment suggests (19 per cent, see above)

- Whereas 19.6 per cent of those in part time work overall are in elementary occupations, 30 per cent of those in part time work involuntarily are in these occupations.



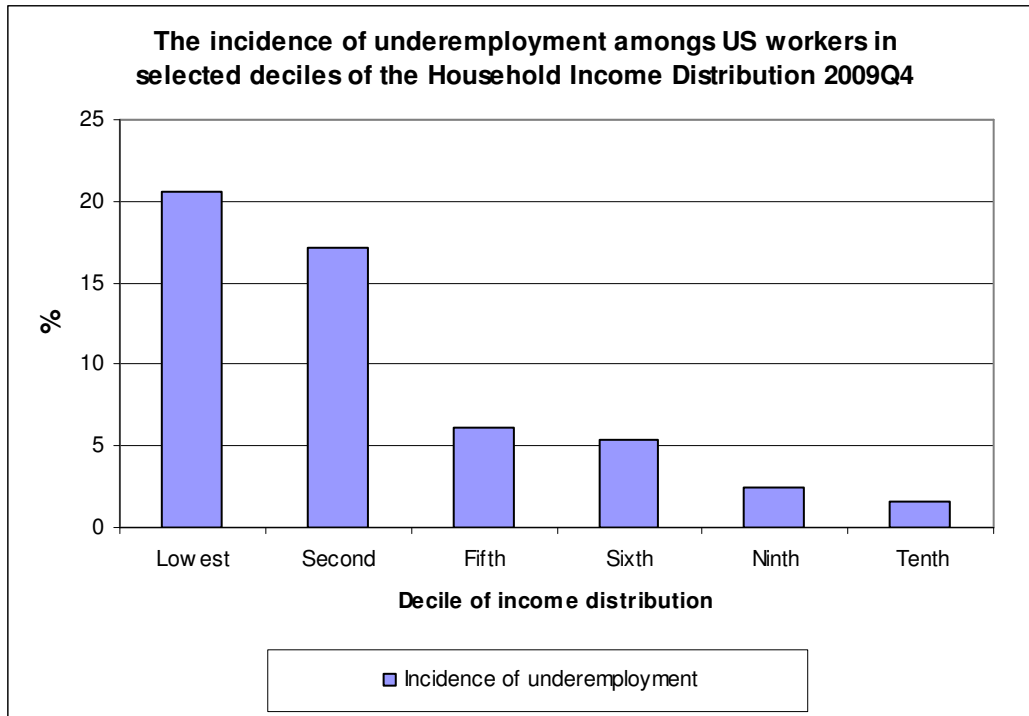
11. Cost of underemployment based on part-time workers who have failed to get full-time work, in terms of wages.

- Here the costs of underemployment to part-time workers who have failed to find full-time work are calculated.
- These costs in terms of lost wages can be captured by calculating the weekly wage lost by someone who is in part-time employment but would like full-time work, and multiplying this by the amount of people in this position
- The two columns represent the same calculation, one using the average hourly wage received by someone in part-time work, and the second using the average wage of a full-time worker. The average hours lost to unemployment (20) and number underemployed (1,046,000) are common to both calculations
- In reality, the total annual pay lost to underemployment is likely to rest somewhere between the two figures in bold (£9bn and £14bn respectively)

	Part-time	Full-time
Average wage per hour	£7.83	£12.30
Average hours per week	19.5h	39.5h
Average hours lost to underemployment	20	
Average wage per week	£153	£489
Average weekly pay lost to underemployment (average hours lost multiplied by average wage per hour)	£156.6	£246
Average annual pay lost to underemployment	£8,143	£12,792
Number underemployed	1,046,000	
Total annual pay lost to underemployment	£8.5bn	£13.3bn
Plus 5% (pension, other costs)	£9bn	£14bn

12. International evidence shows underemployment is strongly associated with low income.

- A US study based on data for 2009Q4 calculated that over one in five workers in the lowest income households (the lowest decile) were underemployed¹, defined as 'working part-time for economic reasons' at an average of 22.5 hours per week
- Less than two in each hundred workers in the highest income decile were underemployed in the same period, meaning that those earning the least are 13 times more likely to be underemployed as those earning the most



Source: Sum *et al* 2010

References

Office for National Statistics, Labour Market Statistics, see:
<http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=1944>

Sum A. and Khatiwada, I., 2010, Northeastern University: Boston, MA
see: http://www.clms.neu.edu/publication/documents/Labor_Underutilization_Problems_of_U.pdf

¹ The International Labour Organisation (ILO) definition of underemployment includes people willing to work additional hours: meaning that they wanted another job in addition to their (current) job; wanted another job with more hours instead of their current job; or wanted to increase the total number of hours worked in their current job; were available to work additional hours within a period corresponding to the usual term of notice, given opportunities for additional work; and worked less than a specified number of hours during the reference period