12-31-2014

7 Million Americans Can’t Escape ‘Dead End’ Jobs

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California’s Hidden Job Problem

Imagine every person in San Francisco and Oakland working part-time jobs they don’t want. That would be 1.2 million underemployed, underpaid and impoverished workers.

Californians don’t dream such nightmares: they live the harsh part-time reality more than people in any other state.

Nationwide, involuntary part-time employment is 50 percent higher now than when the recession began. But a closer look at state-level figures shows some big state economies still have 100 percent more part-timers over the same period.

Part-time work is a big problem in the economy. These workers are far more likely to live in poverty and eventually be unemployed. They are paid less per hour than other workers and often don't receive benefits, like healthcare, paid sick leave or pensions, research shows. It’s a hard life.

“IT can negatively affect their self esteem, mental health, their thoughts about their future, their physical health,” says Rebecca Glauber, a professor at the University of New Hampshire, who studies part-time. She added, “taking on part time positions that are of low quality is only making them more economically vulnerable.”

California, the nation’s largest state economy by gross domestic product, is the hardest state for part-time workers to find full-time jobs, according to an analysis of U.S. Labor Department data. Involuntary part-time workers make up 7.1% of the workforce there.

That's well above the national average of 4.6% in November. To look at it another way, California has over half a million more underemployed workers now than in 2007. That's greater than the population of its capital, Sacramento.
The Golden State has a particularly acute problem. Agriculture and forestry are big industries there are and have lots of seasonal employment, which may help explain their part-time problem, says Chris Tilly a professor at UCLA.

"Both [industries] tend to have high rates of unemployment in the off-season, but also higher rates of involuntary part-time," Tilly says. He added: "Employers have been moving in that direction towards maintaining more part-time work whether people want it or not."

Nationwide, farming and forestry workers have an unemployment rate of 13.4 percent, more than double the total unemployment rate. California’s farming hub, Bakersfield, has an unemployment rate near 9 percent, according to the Labor Department.

California is hardly an outlier in the part-time trend. Neighboring Nevada, Oregon, and Arizona round out the top five worst states for involuntary part-time. Washington is also above the national average.

Huge state economies—like New York, Florida and Pennsylvania—have 90 percent or more part-time workers now than when the recession began, even when their involuntary rate is below the national average.

Look at Illinois, the fifth largest state economy: its involuntary rate is below the national average, but it has 75 percent more part-timers since the recession began.

States with low part-time rates are still grappling with the high numbers.

Texas has added lots of jobs in the economic recovery and its unemployment rate is low. Although its involuntary part-time rate is below the national average, there are 72 percent, or about a quarter million, more unwanted part-time jobs in the Lone Star State than when the recession began.
Maryland’s unemployment rate is just above the national average and its involuntary part-time rate is below the national figure. But compared to 2007, the state still has double the number of involuntary part-time workers, from 57,000 up to 115,000 workers.

Both of Colorado’s rates are lower than the national, but it has 33 percent more involuntary part-timers since the recession began. The only states completely unaffected by involuntary part-time are the small-economy, energy-boom states of the north Midwest: Wyoming, Montana and the Dakotas.

With the exception of some lowly populated states, the vast majority of states are nowhere near pre-recession levels. Some economists argue they may never return.

Across the country, the state numbers support the argument that high levels of part-time are a permanent change to the nation’s economy.

“I don’t predict it’s going to decline rapidly anytime soon,” says Glauber. “Involuntary part-time is slowly declining, but ever so slowly, and certainly so much slower than other measures of economic change and progress.”

That’s bad because where there’s high involuntary part-time, there’s unemployment too. Eight out of the 10 states with the highest part-time rates have unemployment rates above the national average, according to Labor Department data. Almost 30 percent of involuntary part-time workers are unemployed for three months or longer within a year, one study found.

The Affordable Care Act, or Obamacare, also contributes to the structural argument. The law mandates that employers provide insurance to employees who work 30 or more hours a week. Many major retailers—Walmart, Target, Home Depot—have announced they will not provide healthcare to thousands of part-time workers, keeping them at 29 hours a week.
Some economists argue that the law motivates employers to keep more people part-time. The recent announcements reinforce that notion. But others say there’s no evidence to support that claim and it’s too early to know. The mandate’s effect will not be known until it becomes a requirement in January.

Involuntary part-time has decreased in the past year. A part of the problem is temporary, or cyclical. But other measures of the economy—job growth, gross domestic product, the unemployment rate—are returning to pre-recession levels. They are nearing the end of an ugly cycle—the recession and recovery.

But involuntary part-time workers are far from that end.