

July 2016

ECONOMICS IN THE COMMUNITY CONTEXT: Underemployment

Underemployment by the numbers



FEDERAL RESERVE BANK
OF SAN FRANCISCO

ECONOMICS IN THE COMMUNITY CONTEXT: UNDEREMPLOYMENT

How Key Economic Patterns Are Impacting Low- and Moderate-Income Communities

Underemployment and Low-Income Workers

Gabriella Chiarenza

Community Development
Federal Reserve Bank of San Francisco

Introduction

In our recent [Vantage Point](#) survey rounds, community stakeholders across the 12th District overwhelmingly named the prevalence of low-wage, part-time, and seasonal jobs as the number one employment concern facing low- and moderate-income (LMI) households.¹ Respondents told us that it has become increasingly difficult for workers in their communities to find consistent full-time jobs, and that this in turn makes it more difficult for workers to pay their bills and save for emergencies and retirement.

At the same time, our colleagues in Economic Research at the Federal Reserve Bank of San Francisco [were following the trend](#) in involuntary part-time employment since the recession, and observed striking changes in how and why the involuntary part-time employment rate has remained higher than usual in recent years.

With so much concern among our community stakeholders around the issue of underemployment and taking note of the larger trend in involuntary part-time employment highlighted by Fed economists, we dug into the facts, the numbers, and the research to find out: Are lower-income households more directly impacted by the recent rise in part-time employment and, if so, why is that happening and what does it mean for LMI communities?

Understanding The Current Involuntary Part-Time Employment Rate

"Tourism is our number one industry. Job opportunities are in this sector or other areas which support tourism. These are typically lower paying. Underemployment is a problem and there are not necessarily reliable statistics available. People tend to hold more than one position to make ends meet and both spouses work. Hence, where there are cutbacks, unemployment figures look low in relation to US mainland areas, when in reality the impact on household incomes in our area is more severe." – Vantage Point respondent from Honolulu, Hawaii

When people work part time because they are unable to find full-time work or due to slack in the labor market, they are considered "part-time workers for economic reasons," or involuntary part-time workers, in employment statistics.² As of March of 2016, nearly 6.14 million working Americans fall into this category of employment.³ As one might expect, it is typical for involuntary part-time employment to increase during economic recessions, and the rise was especially severe during the recent Great Recession. Between 2006 and 2014, the pool of people working part-time involuntarily grew by 3.26 million workers.⁴

Tracking the rise and subsequent slow decline of involuntary part-time work in an economic letter in 2013, Rob Valletta and Leila Bengali of the Federal Reserve Bank of San Francisco's Economic Research group had reason to believe that part-time work would follow a usual trend for recessions and recoveries – rising during the recession when full-time jobs are scarce, and then declining as full-time jobs return to the economy in the recovery. Though the increase in part-time jobs during this past recession and recovery has been particularly steep, Valletta and Bengali noted that the level was "not high by historical standards" at that point in 2013.⁵

By 2015, though, the situation looked different. Valletta and Catherine van der List observed in another economic letter in June of last year that the typical part-time work dynamic after recessions was not playing out as expected this time. Econo-

1 Comments in italics throughout this paper are drawn from responses to the 2014 and 2015 rounds of the Vantage Point survey. See the "Voices of the District" document in this series to read additional comments from our community stakeholders about underemployment in their communities, or view additional information and resources related to the Vantage Point project [here](#).

2 The labels and definitions of this group of workers and similar groups vary depending on the data source. See the "Glossary" document posted with this series for a range of definitions typically used in the literature.

3 Bureau of Labor Statistics, Employment Situation Summary, U.S. Department of Labor, March 2016

4 Gerald Mayer, "The Increased Supply of Underutilized Labor from 2006 to 2014," Monthly Labor Review, Bureau of Labor Statistics, November 2014

5 Rob Valletta and Leila Bengali, "What's Behind the Increase in Part-Time Work?" FRBSF Economic Letter, August 26, 2013

mists would expect to see the unemployment rate and the involuntary part-time employment rate rise and fall over roughly the same time and at a similar speed, they explained; in this case, however, unemployment has declined as expected, but the involuntary part-time employment rate remains notably and unusually high – roughly 30 to 40 percent higher than expected based on rates during recoveries in 1996 and 2004.⁶

Valletta, Bengali, and van der List note that this pattern gives us reason to suspect that the unusually high involuntary part-time employment rate may now be due to “structural” changes that are leading employers to hire more part-time workers, rather than due to “cyclical” factors (the expected rise and fall of part-time employment alongside unemployment during recessions and recoveries). Recent changes in the types of companies now hiring more part-time workers, who those workers are, and how much those workers are being paid, also point toward structural over cyclical factors.⁷ Looking more closely at the two types of involuntary part-time work – one due to slack work conditions in the economy, and the other due to people having trouble finding full-time work – the economists observe that inability to find full-time work is the likely driver of the persistently higher involuntary part-time employment rate right now.⁸

Potential Drivers of a Higher Involuntary Part-Time Employment Rate

“Anchorage has a high rate of social service employers who pay near the minimum wage and restrict hours to below 20 [per week] to avoid Affordable Care Act penalties for not providing benefits. For the worker, this means 2-3 jobs to support themselves and their families with no benefits and not enough money to pay for insurance.” – Vantage Point respondent from Anchorage, Alaska

Why is this happening? While economists and researchers are still tracking the numbers to identify reasons for this trend in involuntary part-time work, in part because this is still a relatively new and unexpected development, they already see a few likely contributing factors. Cost efficiency and cost concerns on the part of employers seem to be significant drivers. Employers may not be cutting back the hours of existing employees, so much as they are creating more part-time positions and not transitioning existing part-time jobs into full-time. In doing so, they may be trying to avoid turnover expenses or unemployment insurance taxes by reducing existing employees’ hours rather than laying them off completely.⁹

One study found that employers are more likely to hire part-time and alternative arrangement employees when it is more expensive for them to hire full-time or standard workers based on the cost differences in recruiting and hiring between the two types.¹⁰ Employers may also be using new workplace management technology that allows for more cost-efficient scheduling of shifts.¹¹ Some researchers find evidence that employers may be attempting to preserve relationships with existing employees, however, by reducing their hours to part-time rather than laying them off when the workplace is under pressure to reduce costs.¹²

Health care and other benefit costs may be a factor as, typically, part-time employees are not entitled to employer-provided health care benefits. Employers may be hiring more employees part-time or not creating new full-time jobs to save money on benefit costs. Changes associated with the ongoing implementation of the Affordable Care Act and talk of raising minimum wage may also be playing a role. Employers may be reacting in advance to the impact of these policy shifts, preemptively cutting back on overall hours by hiring or retaining more existing part-time workers than full-time workers.¹³

A shift in the U.S. industries now creating the most jobs is likely another key driver of involuntary part-time employment. The three industries with the largest proportion of both overall part-time workers and involuntary part time workers in 2015 – health care and education, retail trade, and leisure and hospitality – are also the three industries that added the most jobs in March 2016. More than one in five people employed in the health services and education industry category worked in alterna-

6 Rob Valletta and Catherine van der List, “Involuntary Part-Time Work: Here to Stay?” FRBSF Economic Letter, June 8, 2015; Robert G. Valletta, Leila Bengali, and Catherine van der List, “Cyclical and Market Determinants of Involuntary Part-Time Employment,” Federal Reserve Bank of San Francisco Working Paper Series, December 2015; Janet L. Yellen, “Labor Market Dynamics and Monetary Policy,” Remarks at the Federal Reserve Bank of Kansas City Economic Symposium, Jackson Hole, August 22, 2014

7 Valletta and van der List 2015

8 Valletta, Bengali, and van der List 2015

9 bid; Borowczyk-Martins and Lale 2016

10 Peter H. Cappelli, and JR Keller, “A Study of the Extent and Potential Causes of Alternative Employment Arrangements,” ILR Review, Cornell University, Volume 66, Number 4, July 2013

11 Valletta, Bengali, and van der List 2015

12 Borowczyk-Martins and Lale 2016

13 Valletta, Bengali, and van der List 2015

tive employment arrangements in 2015.¹⁴ Meanwhile, manufacturing, mining, and some skilled trade occupations are declining in number of overall jobs; these industries tend to provide a middle-level income, require a middle-range set of skills, and be the least likely to hire workers part-time.¹⁵ Workplaces with stronger union membership and representation are less likely to employ temporary workers and others in alternative employment arrangements.¹⁶ (As a note: agricultural workers are slightly more likely to work part-time than nonagricultural workers, but it is unclear from the data available exactly how many of them are working part-time involuntarily.)¹⁷

It is also worth noting that of the ten occupations projected to add the most jobs through 2024, seven of them are in industries that had the largest proportion of involuntary part-time workers in 2015, and the same seven occupations all paid annual median wages lower than the overall annual median wage of \$35,540 in 2014. These jobs are concentrated in health care support, personal care assistance, food preparation and serving, and customer service.¹⁸ Given these recent trends and projections in employment, it appears that going forward the rate of involuntary part-time work may remain at a higher level than was typical in the past.

To some extent, the misclassification of workers may be a small contributing factor to the higher part-time work rate, and may also suggest the stated involuntary part-time employment rate is lower than it is in reality. Employers sometimes misclassify involuntary part-time workers and others in certain kinds of alternative employment arrangements as independent contractors. This may be an accidental or intentional misclassification on the employer's part, but either way, it is at the expense of the involuntary part-time workers who are misclassified. Independent contractors are typically voluntary part-time workers, and are often self-employed. They are therefore not entitled to benefits through an employer with which they are contracted, including health insurance, minimum wage protections, worker's compensation and overtime compensation.¹⁹

There has also been much discussion in the media of the so-called "gig" or "on-demand" economy, and curiosity about how much of a role it is playing in the higher rate of part-time work in recent years. So far, at least, the impact seems to be negligible. Two recent studies that in part examined the employment effects of online work platforms such as Uber found that most people who were employed in part-time or short-term jobs through such platforms were doing so largely to make up for shortfalls in earnings in their regular job. Most people working this way drew in less than one-quarter of their overall income working jobs secured through online platforms.²⁰ While this type of work is growing quickly, as of 2015 it appears to account for less than one percent of all employment.²¹

Who Are Involuntary Part-Time Workers?

"As an affordable housing owner, we provide an eviction prevention program and what we find is that most of the cases referred are due to a loss of employment or change in hours. The people we serve are LMI households that are earning minimum or low wages so when there are changes and since the majority are liquid asset poor, this places them in a potential housing crisis and [on the] verge of becoming displaced." – Vantage Point respondent from San Diego County, California

Involuntary part-time workers are more likely than standard workers to earn low wages, be people of color, and live in the West. Forty percent of the increase in involuntary part-time workers between 2006 and 2014 occurred in service occupations, and people working through temporary help agencies or on-call are more likely to be low-income earners. Contingent workers earn 48% less per year on average than standard workers. Low-income mothers and mothers who are younger or have been single parents for long periods of time also have higher rates of work through alternative employment arrangements.²²

14 Lawrence F. Katz and Alan B. Krueger, "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015," March 2016

15 Bureau of Labor Statistics, Employment Situation Summary, U.S. Department of Labor, March 2016; Valletta and van der List 2015; Valletta, Bengali, and van der List 2015; Yellen 2014

16 Cappelli and Keller 2013

17 Bureau of Labor Statistics, Alternative Measures of Labor Underutilization, U.S. Department of Labor, March 2016

18 Bureau of Labor Statistics, "Occupational employment projections to 2024," Monthly Labor Review, December 2015

19 Francoise Carre, "(In)dependent Contractor Misclassification," Economic Policy Institute, 2015; David Weil, "Administrator's Interpretation No. 2015-1, Subject: The Application of the Fair Labor Standards Act's 'Suffer or Permit' Standard in the Identification of Employees Who Are Misclassified as Independent Contractors," Wage and Hour Division, U.S. Department of Labor, July 2015; David Weil, "Enforcing Labour Standards in Fissured Workplaces: the US Experience," *The Economic and Labor Relations Review*, v. 22, no. 2, July 2011

20 Farrell, Diana and Fiona Greig, "Paychecks, Paydays, and the Online Platform Economy," JPMorgan Chase Institute, Feb 2016

21 Katz and Krueger 2016

22 U.S. Government Accountability Office, "Contingent Workforce: Size, Characteristics, Earnings, and Benefits," April 20, 2015; Mayer 2014; Katz and Krueger 2016; Morsy and Rothstein 2015

Women, those who have never been married, and African Americans and Latinos are also more likely to work part-time. While the higher rate of women overall working part-time can be explained in part by some women choosing to work part-time in order to also take care of children or other family members, African American and Latina women are far more likely to be working part-time involuntarily than their white and Asian American counterparts. African American and Latino men are the most likely of all part-time workers to be involuntary part-time workers. All of these figures have increased since 2005, but rates of involuntary part-time employment were also higher for people of color and some groups of women ten years ago. Additionally, the last time the Bureau of Labor Statistics conducted its survey of contingent workers in 2005, responses revealed that independent contractors were more likely than standard workers to be white, older, and male, while those working through temporary employment agencies were more likely to be women, younger, and African American or Latina. These figures suggest that involuntary part-time work was already a significant issue for some workers even before the recession.²³

Part-time workers in the West are also more likely to be working part-time involuntarily. In 2014, Nevada (33%), California (30%), and Arizona (29%) were the 1st, 2nd, and 3rd ranked states, respectively, for overall percentage of part-time workers who were involuntarily working part-time. Adding in Hawaii, Oregon, and Washington, in 2014 six of the nine states in the Federal Reserve's 12th District had involuntary part-time employment rates above the US rate of 21 percent. Twenty-eight percent of all part-time workers in our District – or 1.5 million people – were working part-time involuntarily in 2014. In the same year, over one-quarter of the country's involuntary part-time workforce lived in one of our nine states.²⁴

Financial Impacts Of Involuntary Part-Time Employment

"A lot of low-income individuals, especially migrant communities in Yolo County, struggle with finding permanent work and therefore don't have a stable source of income. This makes them very reliant on government assistance which often traps them into only making so little money to be able to maintain their assistance which is the only way they can get by."

– Vantage Point respondent from Yolo County, California

Many involuntary part-time workers contend with significant financial challenges presented by the lower wages, unpredictable work schedules, and lack of benefits typical of this type of work. In 2012, involuntary part-time workers were over five times more likely to be living in poverty and almost three times more likely to earn low incomes than full-time workers. Median family income for involuntary part-time workers amounted to barely half that of voluntary part-time workers.²⁵ Two years later, involuntary part-time workers still showed a poverty rate over five times higher than full-time workers – nearly 16 percent of involuntary part-time workers lived in poverty in 2014.²⁶

Because contingent workers usually do not receive paid sick days, vacation days, or health or retirement benefits through their employers and may not qualify for unemployment benefits, they are also more likely to rely on public assistance programs in emergencies or simply to make ends meet.²⁷ Researchers have noted that roughly half of all U.S. employees in the private sector aren't using an employer-sponsored retirement plan, either because they choose not to or because plans are not provided to them. Lower-income workers are the least likely to save for retirement through an employer-provided plan because they are largely working variable hours or for companies that do not offer plans. One study found that contingent workers are about 68 percent less likely than other workers to participate in a retirement plan such as a 401(k), in many cases because they do not qualify for participation.²⁸

Given the irregular hours or seasonal schedules typical of lower-wage contingent work, many of these employees also encounter income volatility. A recent study of one million bank account holders found that nearly three-quarters of those in the lowest-income group experienced significant variation in their income on a regular basis. The study authors note that low-income workers are more likely to depend on occasional lump-sum sources of income such as tax refunds to round out their work income, which tends to be more volatile over the course of a year. Other research and surveys found that involuntary

23 BLS 2015; GAO 2015; Mayer 2014; Katz and Krueger 2016; APHA 2015

24 BLS 2014

25 Rebecca Glauber, "Wanting More but Working Less: Involuntary Part-Time Employment and Economic Vulnerability," Carsey Institute at the University of New Hampshire, Issue Brief No. 64, Summer 2013

26 Carmen DeNavas-Walt and Bernadette D. Proctor, "Income and Poverty in the United States: 2014," U.S. Census Bureau, 2015

27 Zukin, Cliff and Carl Van Horn, "A Tale of Two Workforces: The Benefits and Burdens of Working Part Time," WorkTrends, Rutgers University, 2015; GAO 2015

28 Wu, April Yanyuan, Matthew S. Rutledge, and Jacob Penglase, "Why Don't Lower-Income Individuals Have Pensions?" Center for Retirement Research at Boston College, April 2014; GAO 2015

part-time workers are more likely to have difficulty paying their bills and accumulate credit card debt.²⁹

Involuntary part-time workers are also at risk financially when they are misclassified as independent contractors, because they are not paid overtime or may be paid below the minimum wage. The Department of Labor's Wage and Hour Division investigates claims of misclassification and found that in 2015 alone, over 102,000 workers were misclassified and were owed over \$74 million in unpaid wages. Labor violation rates are particularly high in service industries that are more likely to hire workers part time and for low wages, such as retail, food preparation and service, and hospitality.³⁰

Health and Family Impacts of Involuntary Part-Time Employment

"As a principal in the Park City School District, I have observed the impact of seasonal employment on the families of students. Having inconsistent employment creates all sorts of burden. Also, because the work is seasonal these workers end up working very long and difficult hours – from midnight to 10:00 AM at times. These sorts of work situations can have many difficult negative impacts on a student's attendance at school and overall school performance."
– Vantage Point respondent from Summit County, Utah

Unpredictable work schedules are the norm for many part-time workers, and often result in negative consequences not only for workers' finances, but also their health, wellbeing, and relationships with others. In one study, over half of those working hourly part-time jobs said they did not know what their work schedule would be more than a few days ahead of time. Variable hours and inability to control their own work schedule were particularly common for those working in food service, janitorial and housekeeping, and retail jobs. The study authors observe that "low usual hours combined with wide fluctuations from week to week and limited advanced notice highlight the challenges many part-time workers face in predicting how much they will work and earn."³¹

Unsurprisingly, research has found that the employment instability characteristic of short-term or part-time jobs often causes conflict for workers in their lives at home. Mothers of young children who work non-standard schedules have difficulty meeting their child care needs because of the unusual hours they work, and in many cases must resort to poorer-quality care or rely on family members. Many states also consider these mothers ineligible for child care subsidies due to the varied schedules they work.³² Studies of children whose mothers work in alternative employment arrangements show that toddlers have greater difficulty with memory, problem solving, communication, and perception; young children are more likely to struggle with behavioral problems; and teenagers are more likely to have problems with mental health, substance abuse, and sexual activity than their peers.³³

Temporary workers are more likely to suffer negative health-related consequences from employment such as workplace accidents and injuries or exposure to hazardous materials, as well as mental health impacts such as the stress caused by unstable employment and a poorer-quality work environment. The American Public Health Association attributes this in part to workers being hired through temporary employment agencies and being viewed as truly temporary employees, with an employer facing lower or no liability for any injuries or illnesses these short-term workers face.³⁴ Involuntary part-time and other underemployed workers typically receive less training and safety education than permanent workers and therefore face a greater risk of accidental injuries, and oversight and accountability may be lax with respect to the health and welfare of temporary employees. Because temporary workers may be hired seasonally in response to increased work load at certain times of the year, hours may be longer and the pace of work faster, also increasing risk to the health of these workers.³⁵

29 Diana Farrell and Fiona Greig, "Paychecks, Paydays, and the Online Platform Economy," JPMorgan Chase Institute, Feb 2016; Zukin and Van Horn 2015

30 U.S. Department of Labor, "Misclassification of Employees as Independent Contractors," Wage and Hour Division, U.S. Department of Labor, 2016; Weil 2011

31 Susan J. Lambert, Peter J. Fugiel, and Julia R. Henly, "Precarious Work Schedules among Early-Career Employees in the US: A National Snapshot," University of Chicago, 2014

32 Morsy and Rothstein 2015

33 Hill, Heather D. and Marci A. Ybarra, "Less-educated workers' unstable employment: Can the safety net help?" University of Wisconsin-Madison, 2014; Morsy and Rothstein 2015

34 American Public Health Association, "Workplace Protections for Temporary Workers," 2015; GAO 2015

35 Benach, Joan, Alejandra Vives, Marcelo Amable, Christophe Vanroelen, Gemma Tarafa, and Carles Muntaner, "Precarious Employment: Understanding an Emerging Social Determinant of Health," Annual Review of Public Health, 2014; APHA 2015

Furthermore, health studies have observed that negative health impacts and behaviors such as substance abuse, chronic disease, and depression are associated with underemployment and unstable employment, while the reverse is true for those employed full-time. The authors of one of these recent health studies note that their results “suggest the importance of full-time employment (not just any employment) for health and well-being.”³⁶ Public health researchers have also observed that the lack of choice and control over their schedules, work environments, and job satisfaction and the social isolation many face in their workplaces when they are not seen as “real” employees negatively impact involuntary part-time workers’ sense of well-being and psychological health.³⁷

Unstable employment and underemployment are in fact “social determinants of health,” with a direct link between this type of employment and poor health outcomes, as well as indirect health effects of the lower income levels associated with involuntary part-time work, such as poor access to health care and substandard housing conditions. After reviewing numerous health studies related to underemployment, one group of authors emphasize that “leaving the health consequences of employment conditions as an afterthought, or downstream consideration in trade, business practices, or public health interventions, will likely perpetuate the existing health inequalities caused by [under]employment and a lack of decent working conditions.”³⁸

Data and Definition Limitations

“Many low- and moderate-income persons are single heads of household with children and are unable to afford their own transportation. The fact that childcare facilities are geared to people working a typical 8-5 shift limits employment opportunities for this population as many jobs are during the night shift. Public transportation [further limits] access as it is typically unavailable during overnight hours.” – Vantage Point respondent from Arizona

While the largely challenging impacts of underemployment on workers’ financial stability, health, wellness, and career advancement are evident regardless of the exact type of nonstandard employment arrangement they may be in, one of the most basic and yet significant challenges with discussing underemployment and its many variations is deciding upon common terminology. Because different surveys, studies, and data sets use different definitions of this kind of worker, it can be difficult to make comparisons, monitor trends, and build understanding of what these workers face in their employment situations.³⁹ We have included and defined many of these terms in our glossary as part of our series on underemployment, but it is worth noting that some are defined differently depending on which research one consults.

Moreover, terminology used to identify and discuss workers’ rationale for working part-time involuntarily should be revisited. The Current Population Survey – a major source of data on the underemployed – defines involuntary part-time workers as those working part-time for “economic reasons,” and then goes on to split that category into two causes: slack work conditions or inability to find full-time work. By contrast, child care, family obligations, and “other” reasons for working part-time are grouped under the “voluntary” part-time employment umbrella. The problem with these definitions is that many workers would likely consider inability to find affordable care for a child or other family member or problems finding or paying for transportation – constraints for low-income workers cited throughout the literature as noted above and in many of the comments we received in our Vantage Point survey – to be significant economic reasons behind their decision to work part-time. These distinctions may also mean that there are more involuntary part-time workers in the American workforce than the standard figures suggest.⁴⁰

Researchers have also suggested that surveys of underemployed workers should ask part-time workers how much their hours vary within their jobs, rather than asking about “usual” hours; for many part-time workers, hours are rarely usual enough for such a measure, and valuable data may be missed by phrasing questions in this manner.⁴¹ On another front, new studies such as those recently conducted by the JPMorgan Chase Institute that use anonymous data drawn for research purposes from account holders’ depository behaviors provide a new and exciting source of information about how people use and save their earnings. Because of the requirements necessary to conduct these studies, however – that those included in the data must

36 Rosenthal, Lisa, Amy Carroll-Scott, Valerie A. Earnshaw, Alycia Santilli, and Jeanette R. Ickovics, “The importance of full-time work for urban adults’ mental and physical health,” *Soc Sci Med*, November 2012

37 Benach et. al. 2014

38 Ibid.

39 Cappelli and Keller 2013

40 BLS 2015; GAO 2015

41 Hill and Ybarra 2014

have a bank account to begin with and must regularly deposit at least \$500 per month into the account – unfortunately they do not reflect the behavior of those with low levels of deposits or without bank accounts, which other data sources have shown is the more likely situation for lower-income households.⁴²

More thorough data collection around and surveying of temporary workers for health and hazards monitoring purposes would also help to clarify and highlight the importance of worker safety for these nonstandard arrangement employees. The American Public Health Association stresses that the temporary and unpredictable duration of alternative work arrangements makes it difficult to track and respond to health effects, particularly because workers may not report injuries or accidents themselves if they are not covered by workmen's compensation: "The precarious nature of [this type of] employment magnifies the acknowledged problem of workers underreporting occupational injuries and illnesses [and] disjointed, incomplete, and inaccurate data impede public health efforts to monitor the impact of temporary employment and design effective interventions."⁴³

Finally, and unfortunately, the Bureau of Labor Statistics has been unable to conduct its Contingent Worker Survey (CWS) – a supplement to the Current Population Survey that focuses in greater depth on part-time and alternative arrangement workers – for over ten years due to budget constraints, despite the rise in this type of work in recent years. Given the likely structural changes in employment described by economists above that suggest part-time and alternative arrangement work will continue to be a steady component of the overall U.S. employment picture going forward, this survey is a needed, consistent data source to help researchers track and understand this population and trends in this type of work. The Bureau of Labor Statistics recently requested funding in the 2016 federal budget cycle to conduct the CWS every two years.⁴⁴

Improving Understanding of and Response to the Challenges of Nonstandard Work

"Our economy is focused on the service sector due to our tourism. We frequently work with families who are grappling with the loss of benefits and the risk in taking a job that may be insecure, seasonal, or low-wage. There is little desire to risk [giving up] even limited public benefits for work that is only part-time or seasonal." – Vantage Point respondent from Jefferson County, Oregon

Because this economic trend around higher-than-expected involuntary part-time work is fairly new and researchers are just beginning to understand its longer-term ramifications, policy and employer responses are only just emerging and, as mentioned above, data limitations and confusion over definitions can make it difficult for policy makers and organizations to determine the best responses. But the research highlights some potential or already-underway efforts that may begin to address the challenges inherent to involuntary part-time work.

Reliable data on part-time work and clear and consistent definitions of who is included in involuntary part-time work measures will be critical going forward to understanding and effectively responding to the problems these workers face. Writing about contingent work in a recent blog post, U.S. Department of Labor Secretary Thomas E. Perez emphasized that "understanding emerging trends is only possible if we can systematically measure them." Fortunately, Secretary Perez announced in the same post that the Bureau of Labor Statistics will reintroduce and conduct the Contingent Worker Survey supplement as part of the May 2017 round of the Current Population Survey. The return of the CWS will help researchers, economists, and policy makers learn more about these workers and better align policy decisions with their experiences and needs.⁴⁵

Several researchers also suggest that employers should make a greater effort to offer more predictable and stable hours to part-time employees, in order to help them better plan for upcoming regular-interval costs such as bills and rent. But some also suggest that because income volatility is likely to be an ongoing problem overall, and because involuntary part-time workers are more likely to experience such volatility and to have to rely on government assistance programs to cover the costs of their basic needs, programs should not punish workers in these situations. Since many forms of assistance and asset-related decisions from food stamps to mortgage loans are based on applicants' incomes or ability to pay, researchers suggest that assistance and loan programs should be aware of and take into account the ups and downs of monthly income for part-time and seasonal workers and those working in alternative employment arrangements in making lending and assistance decisions.⁴⁶

42 Farrell and Greig 2015; Farrell and Greig 2016; and see also CFED's Assets and Opportunity Scorecard and Local Data Center for data on the unbanked and underbanked: <http://assetsandopportunity.org/scorecard/> and <http://assetsandopportunity.org/localdata/>

43 APHA 2015

44 Katz and Krueger 2016; GAO 2015

45 Thomas Perez, "Innovation and the Contingent Workforce," U.S. Department of Labor Blog, January 25, 2016

46 Farrell and Greig 2016; Hill and Ybarra 2014

The U.S. Department of Labor (DOL) has also begun to address issues of concern to those in alternative employment arrangements in recent years. For instance, in response to concerns about the working and safety conditions of temporary workers, the Occupational Safety and Health Administration (OSHA) and the American Staffing Association signed an agreement in 2014 to extend and improve worker safety education to temporary workers and work together to develop more effective communication practices to reach these workers and their employers. The partnership is focused on reducing exposure to workplace hazards among temporary workers, according to OSHA, with particular emphasis on outreach to construction workers and Hispanic and Latino workers.⁴⁷

Additionally, to help combat part-time workers being misclassified as independent contractors, as described earlier in this paper, DOL's Wage and Hour Division is now partnered with 29 states to investigate claims of misclassification and ensure workers are paid back wages for any unpaid overtime or other violations of the Fair Labor Standards Act. All of the 12th District's states have memorandums of understanding to work with DOL on such investigations except for Arizona and Nevada. DOL and partner states apply the "economic realities" test from the FLSA to determine if a worker is "economically dependent" on his or her employer; for instance, a worker who must rent equipment from his or her employer or whose hours are determined solely by his or her employer would be considered economically dependent on the employer and not an independent contractor. DOL's Wage and Hour Division emphasizes that rooting out instances of misclassification is important not only to ensure workers are paid in full for their work, but also to ensure governments are paid proper taxes and employers who are properly classifying and compensating their employees are given a fair shake. The Division also makes special note of the importance of proper classification of workers earning low wages, as these workers are particularly vulnerable to wage theft. As previously discussed, misclassification is more common in industries where workers earn lower wages and may work across scattered worksites, such as janitorial work, in-home care, food service, and accommodation and other tourism-related occupations.⁴⁸

Conclusion

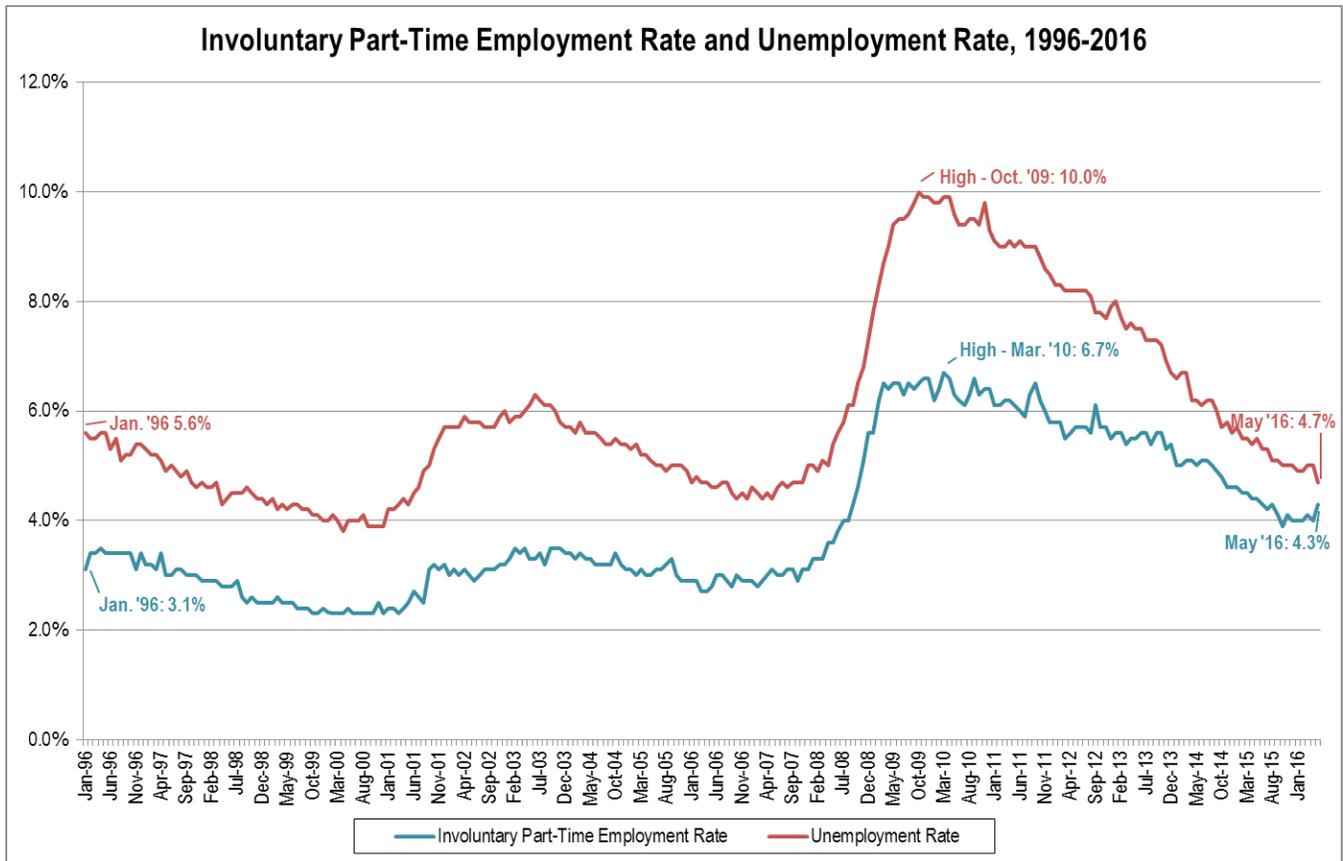
It is clear from the work of our colleagues in Economic Research at the Federal Reserve Bank of San Francisco that involuntary part-time work is likely to be a more significant component of American employment going forward, regardless of recessionary dynamics. As this paper and responses to our Vantage Point survey show, however, the patterns and issues around involuntary part-time employment have long been in play for lower-income workers and their communities, and these communities contend with the challenges caused by low wages, irregular hours, and unstable work. Close consideration of the impacts of policy changes and economic shifts that may affect these low-income, nonstandard workers will be important going forward as alternative employment arrangements and contingent work structures become a more significant aspect of employment, particularly in service-sector industries.

47 Michaels and Wahlquist 2014

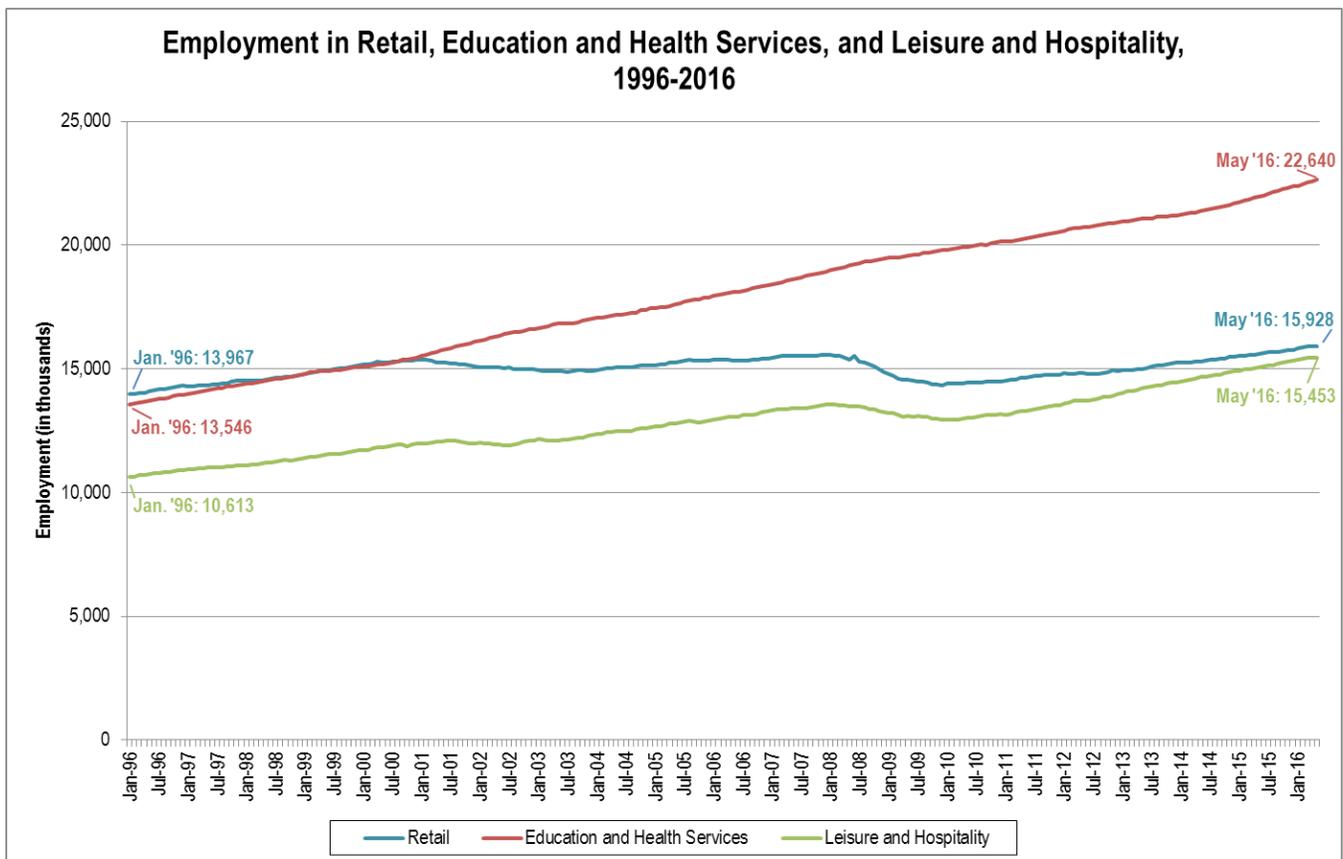
48 Weil 2015; DOL 2016; Carre 2015

Bibliography

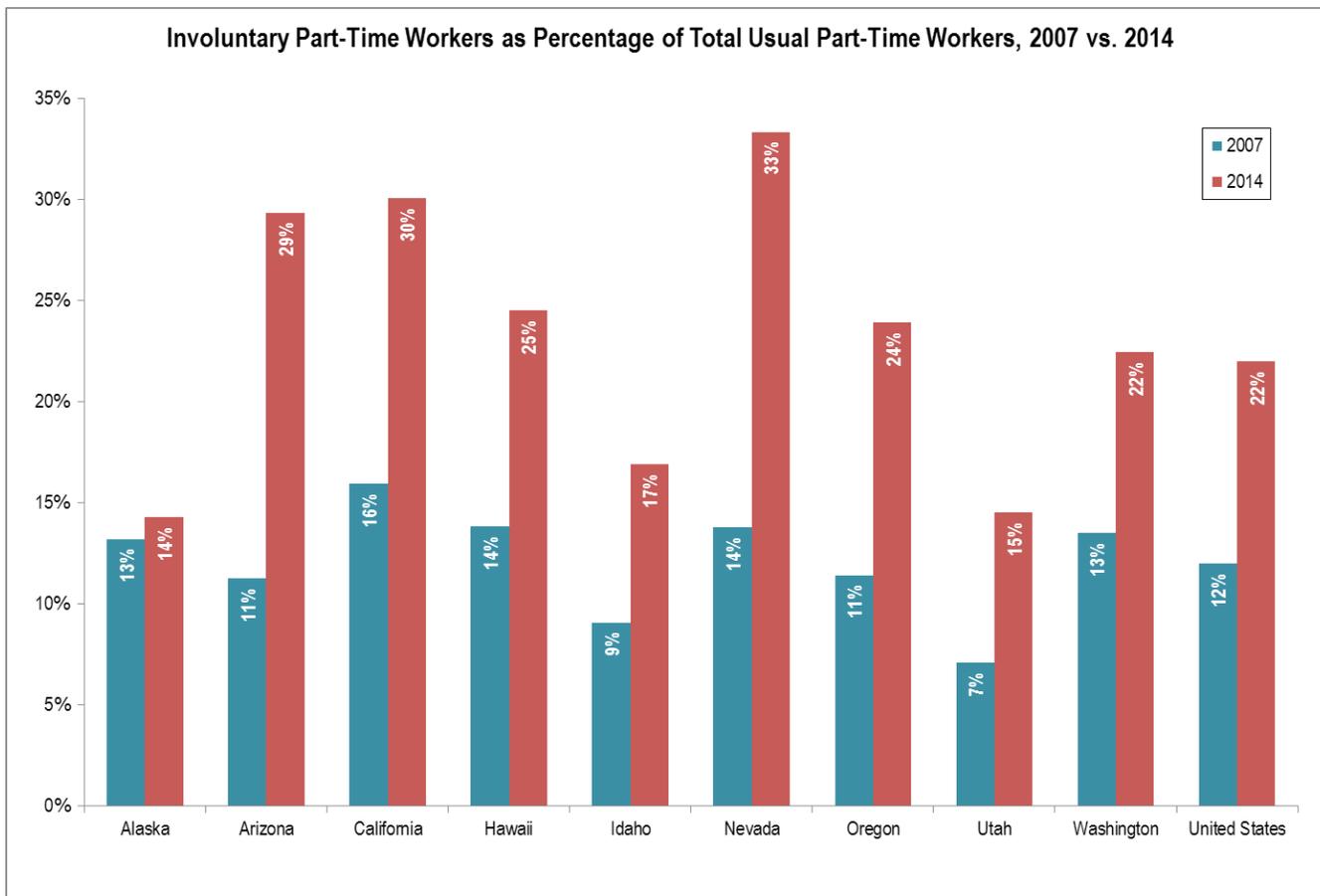
- American Public Health Association, "Workplace Protections for Temporary Workers," 2015.
- Benach, Joan, Alejandra Vives, Marcelo Amable, Christophe Vanroelen, Gemma Tarafa, and Carles Muntaner, "Precarious Employment: Understanding an Emerging Social Determinant of Health," *Annual Review of Public Health*, 2014.
- Borowczyk-Martins, Daniel, and Etienne Lale, "How Bad is Involuntary Part-time Work?" Institute for the Study of Labor, February 2016.
- Bureau of Labor Statistics, Alternative Measures of Labor Underutilization, U.S. Department of Labor, March 2016.
- Bureau of Labor Statistics, Current Population Survey, U.S. Department of Labor, 2014.
- Bureau of Labor Statistics, Current Population Survey, U.S. Department of Labor, 2015.
- Bureau of Labor Statistics, Employment Situation Summary, U.S. Department of Labor, March 2016.
- Bureau of Labor Statistics, "Occupational employment projections to 2024," *Monthly Labor Review*, December 2015.
- Cappelli, Peter H., and JR Keller, "A Study of the Extent and Potential Causes of Alternative Employment Arrangements," *ILR Review*, Cornell University, Volume 66, Number 4, July 2013.
- Carre, Françoise, "(In)dependent Contractor Misclassification," Economic Policy Institute, 2015.
- DeNavas-Walt, Carmen, and Bernadette D. Proctor, "Income and Poverty in the United States: 2014," U.S. Census Bureau, 2015.
- Farrell, Diana and Fiona Greig, "Paychecks, Paydays, and the Online Platform Economy," JPMorgan Chase Institute, Feb 2016.
- Farrell, Diana and Fiona Greig, "Weathering Volatility: Big Data on the Financial Ups and Downs of U.S. Individuals," JPMorgan Chase Institute, May 2015.
- Glauber, Rebecca, "Wanting More but Working Less: Involuntary Part-Time Employment and Economic Vulnerability," Carsey Institute at the University of New Hampshire, Issue Brief No. 64, Summer 2013
- Hill, Heather D. and Marci A. Ybarra, "Less-educated workers' unstable employment: Can the safety net help?" University of Wisconsin-Madison, 2014.
- Katz, Lawrence F. and Alan B. Krueger, "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015," March 2016.
- Lambert, Susan J., Peter J. Fugiel, and Julia R. Henly, "Precarious Work Schedules among Early-Career Employees in the US: A National Snapshot," University of Chicago, 2014.
- Mayer, Gerald, "The Increased Supply of Underutilized Labor from 2006 to 2014," *Monthly Labor Review*, Bureau of Labor Statistics, November 2014.
- Michaels, David and Richard Wahlquist, "Agreement Establishing an Alliance between the Occupational Safety and Health Administration, U.S. Department of Labor and American Staffing Association," May 21, 2014.
- Morsy, Leila, and Richard Rothstein, "Parents' Non-standard Work Schedules Make Adequate Childrearing Difficult," Economic Policy Institute, Issue Brief #400, August 2015.
- Perez, Thomas, "Innovation and the Contingent Workforce," U.S. Department of Labor Blog, January 25, 2016.
- Poole, Cynthia, "Steady Growth Continues," American Staffing Association, 2015.
- Rosenthal, Lisa, Amy Carroll-Scott, Valerie A. Earnshaw, Alycia Santilli, and Jeanette R. Ickovics, "The importance of full-time work for urban adults' mental and physical health," *Soc Sci Med*, November 2012.
- Torres, Carlos and Victoria Stillwell, "Jobs Report Gives Yellen Only Half of What Fed Chair Wants," Bloomberg News, April 1, 2016.
- U.S. Department of Labor, "Misclassification of Employees as Independent Contractors," Wage and Hour Division, U.S. Department of Labor, 2016.
- U.S. Government Accountability Office, "Contingent Workforce: Size, Characteristics, Earnings, and Benefits," April 20, 2015.
- Valletta, Rob and Leila Bengali, "What's Behind the Increase in Part-Time Work?" FRBSF Economic Letter, August 26, 2013.
- Valletta, Rob and Catherine van der List, "Involuntary Part-Time Work: Here to Stay?" FRBSF Economic Letter, June 8, 2015.
- Valletta, Robert G., Leila Bengali, and Catherine van der List, "Cyclical and Market Determinants of Involuntary Part-Time Employment," Federal Reserve Bank of San Francisco Working Paper Series, December 2015.
- Weil, David, "Administrator's Interpretation No. 2015-1, Subject: The Application of the Fair Labor Standards Act's 'Suffer or Permit' Standard in the Identification of Employees Who Are Misclassified as Independent Contractors," Wage and Hour Division, U.S. Department of Labor, July 2015.
- Weil, David, "Enforcing Labour Standards in Fissured Workplaces: the US Experience," *The Economic and Labor Relations Review*, v. 22, no. 2, July 2011.
- Wu, April Yanyuan, Matthew S. Rutledge, and Jacob Penglase, "Why Don't Lower-Income Individuals Have Pensions?" Center for Retirement Research at Boston College, April 2014.
- Yellen, Janet L., "Labor Market Dynamics and Monetary Policy," Remarks at the Federal Reserve Bank of Kansas City Economic Symposium, Jackson Hole, August 22, 2014.
- Zukin, Cliff and Carl Van Horn, "A Tale of Two Workforces: The Benefits and Burdens of Working Part Time," *WorkTrends*, Rutgers University, 2015.



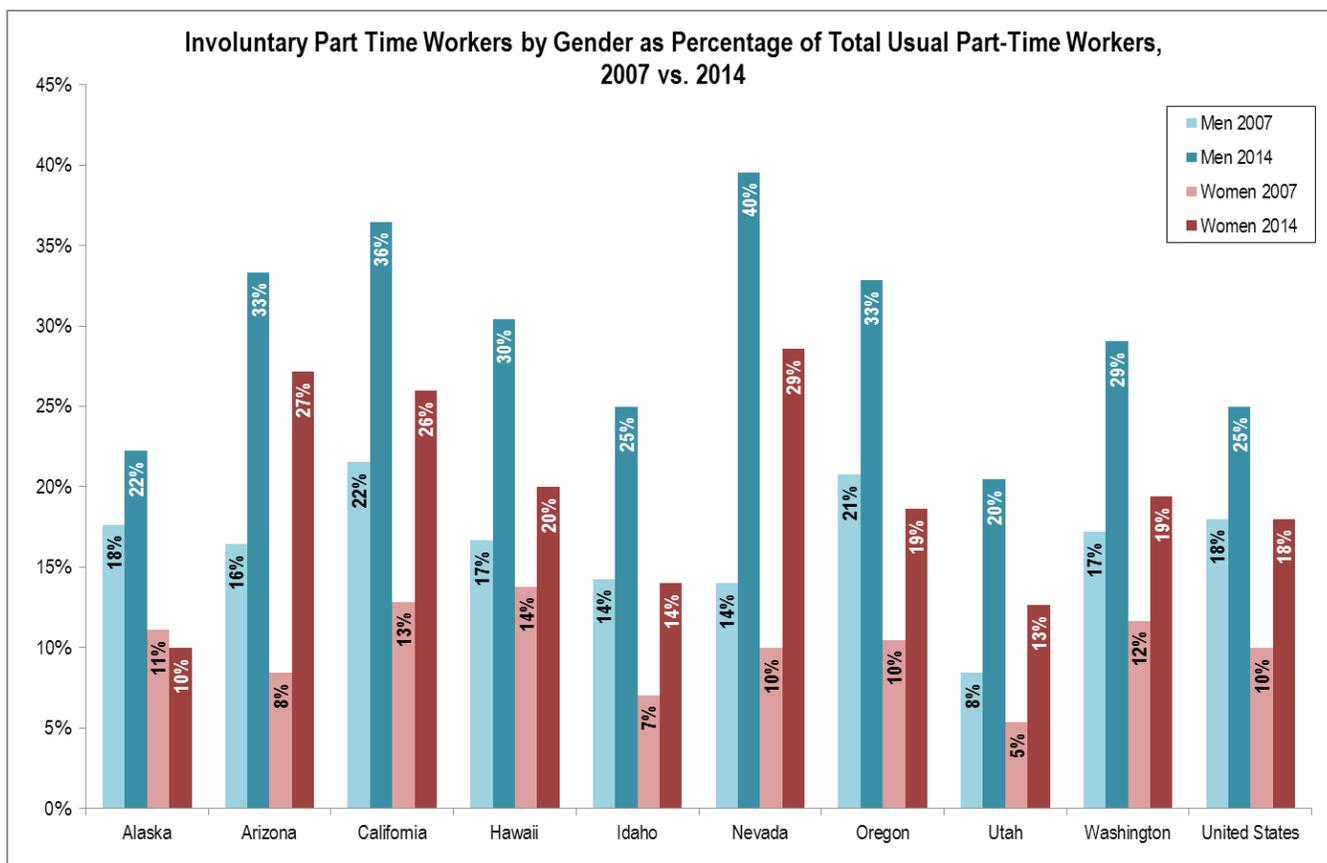
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 1996-2016, Table A-8 (National-Level Tables).



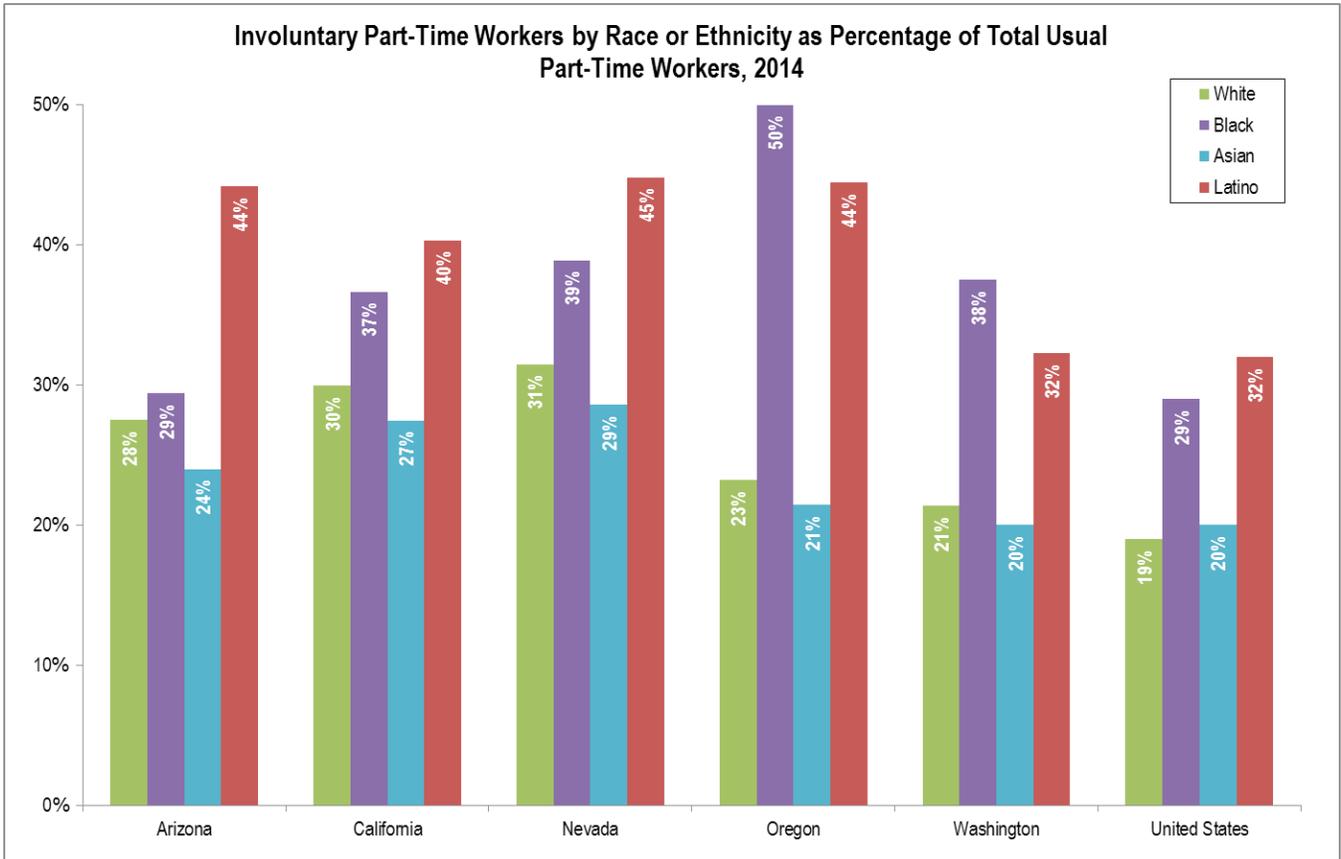
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Employment Statistics 1996-2016, Table B-1 (National-Level Tables).



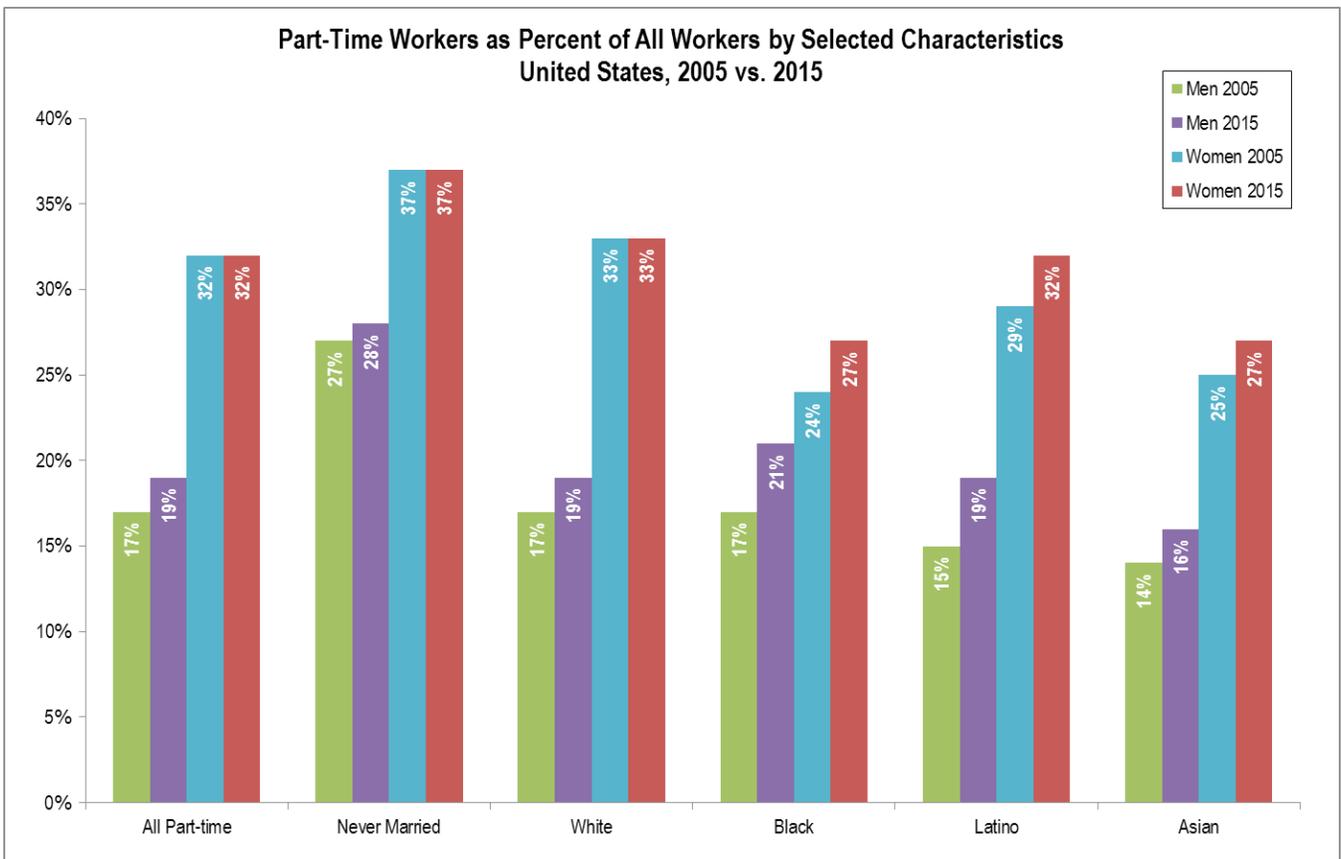
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2007 and 2014, Table 23 (State-Level Tables).



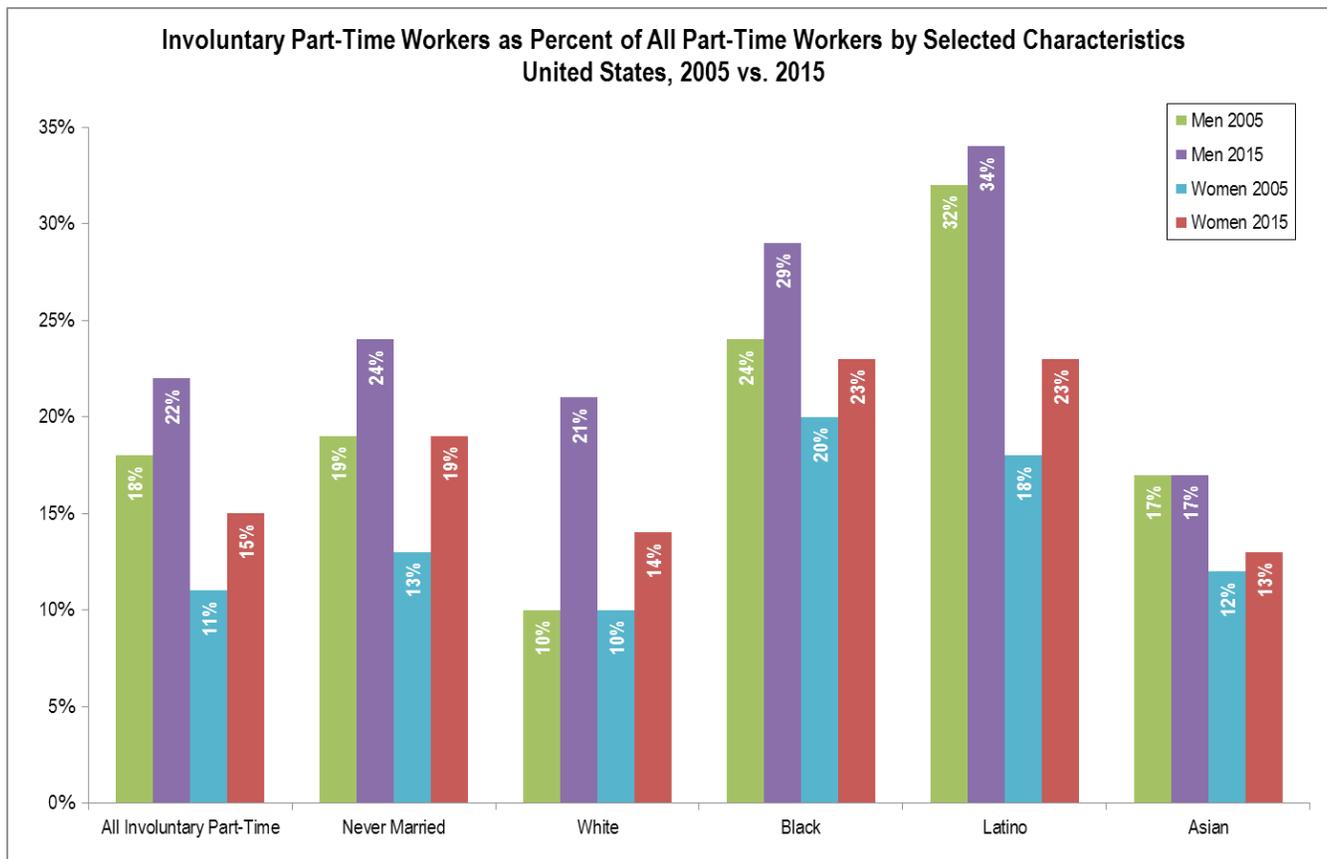
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2007 and 2014, Table 23 (State-Level Tables).



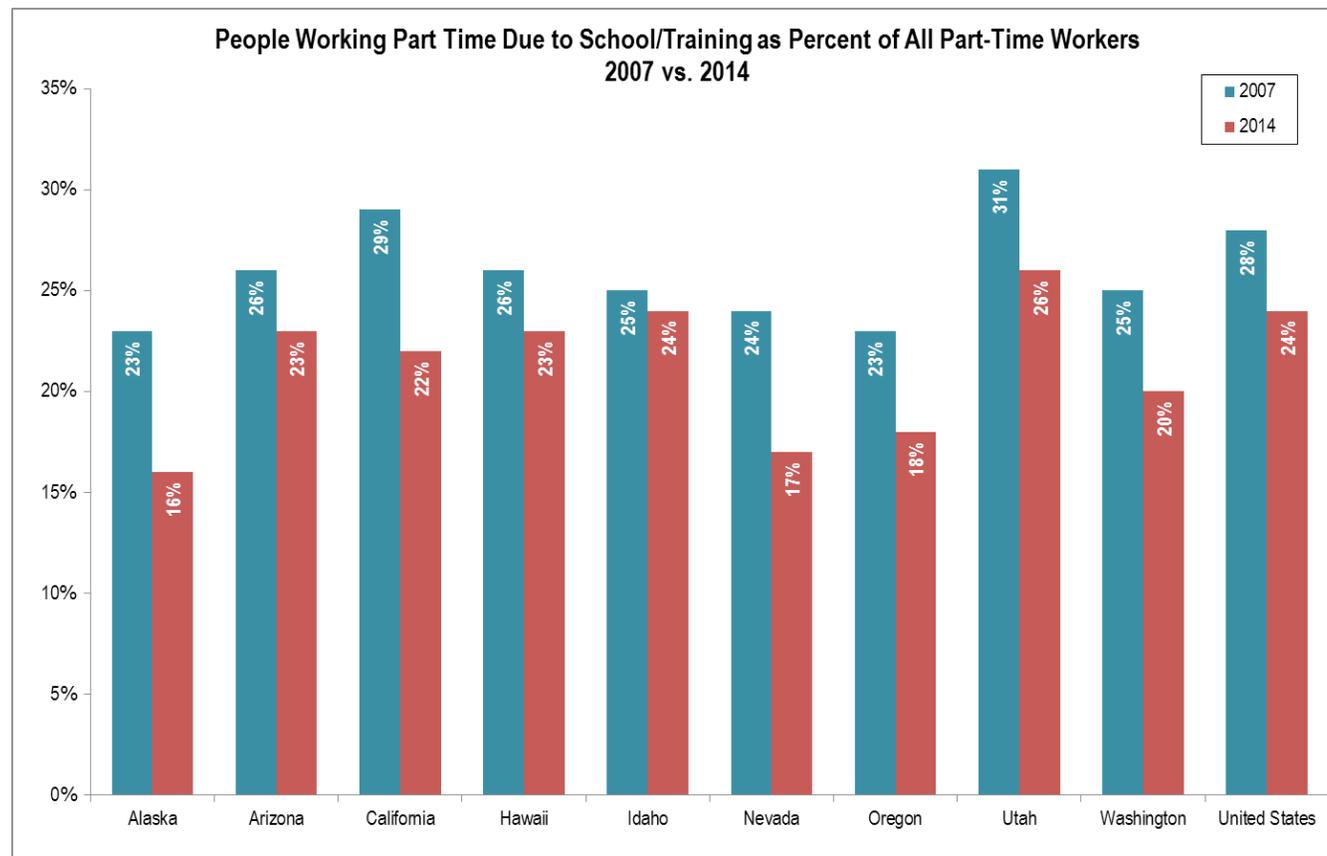
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2007 and 2014, Table 23 (State-Level Tables).



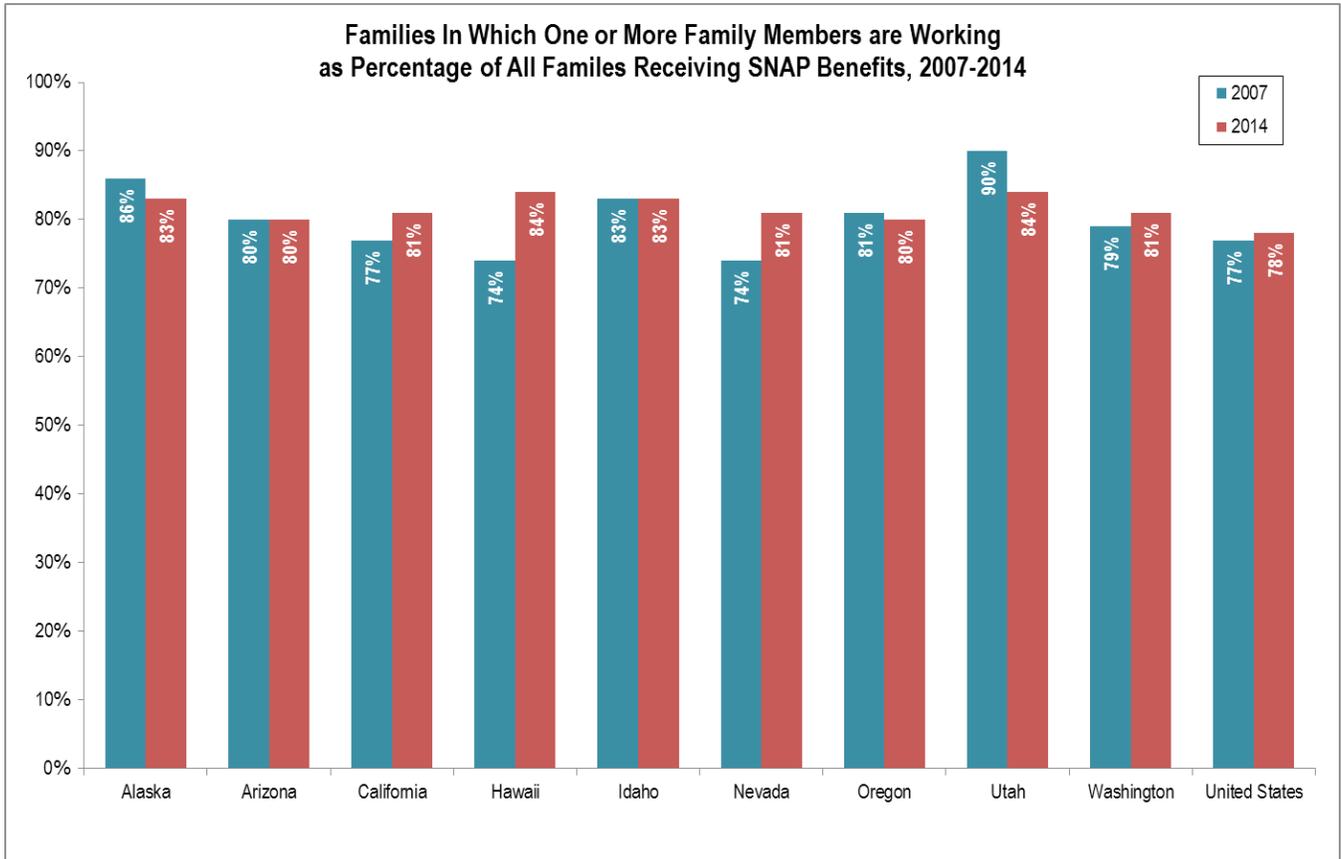
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2005 and 2015, Table 23 (National-Level Tables).



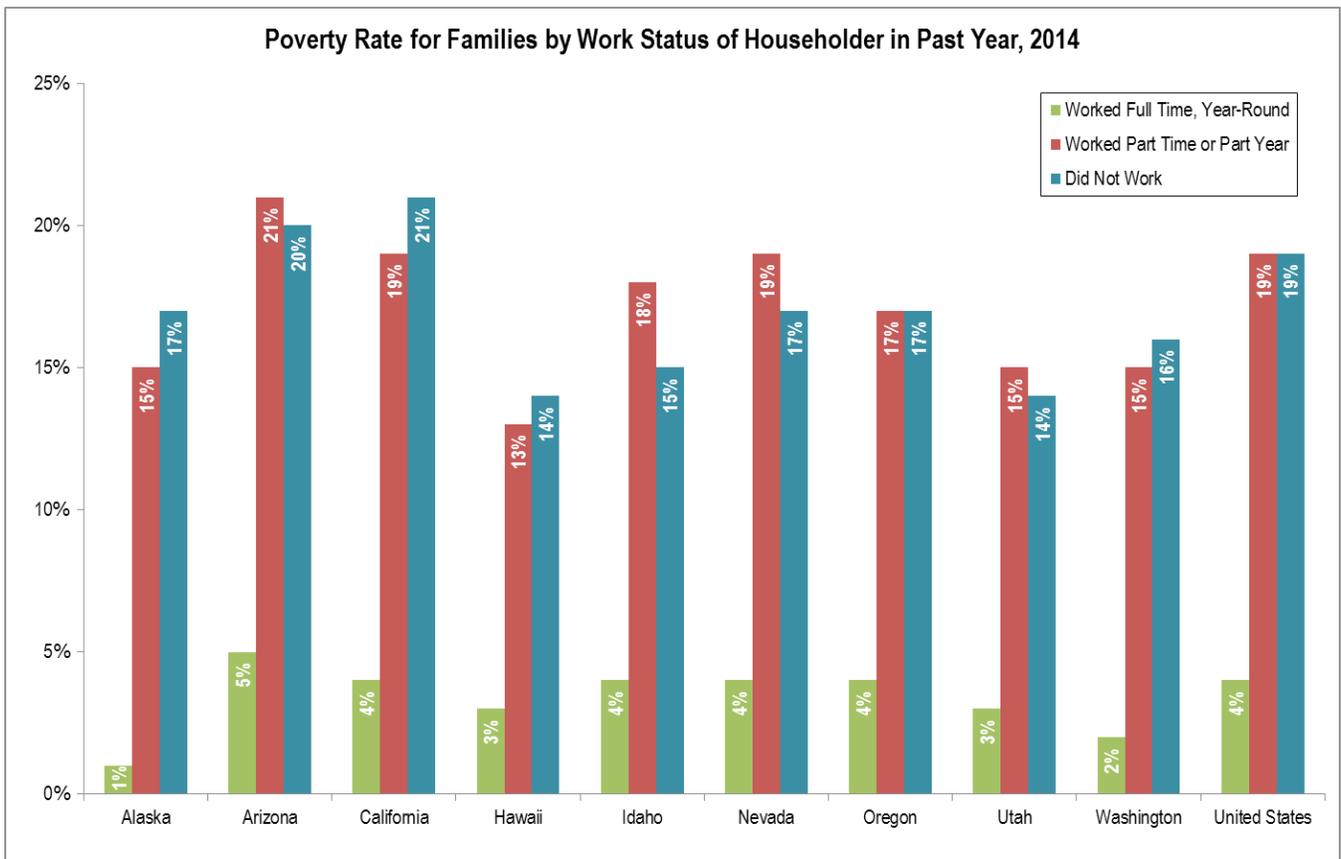
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2005 and 2015, Table 23 (National-Level Tables).



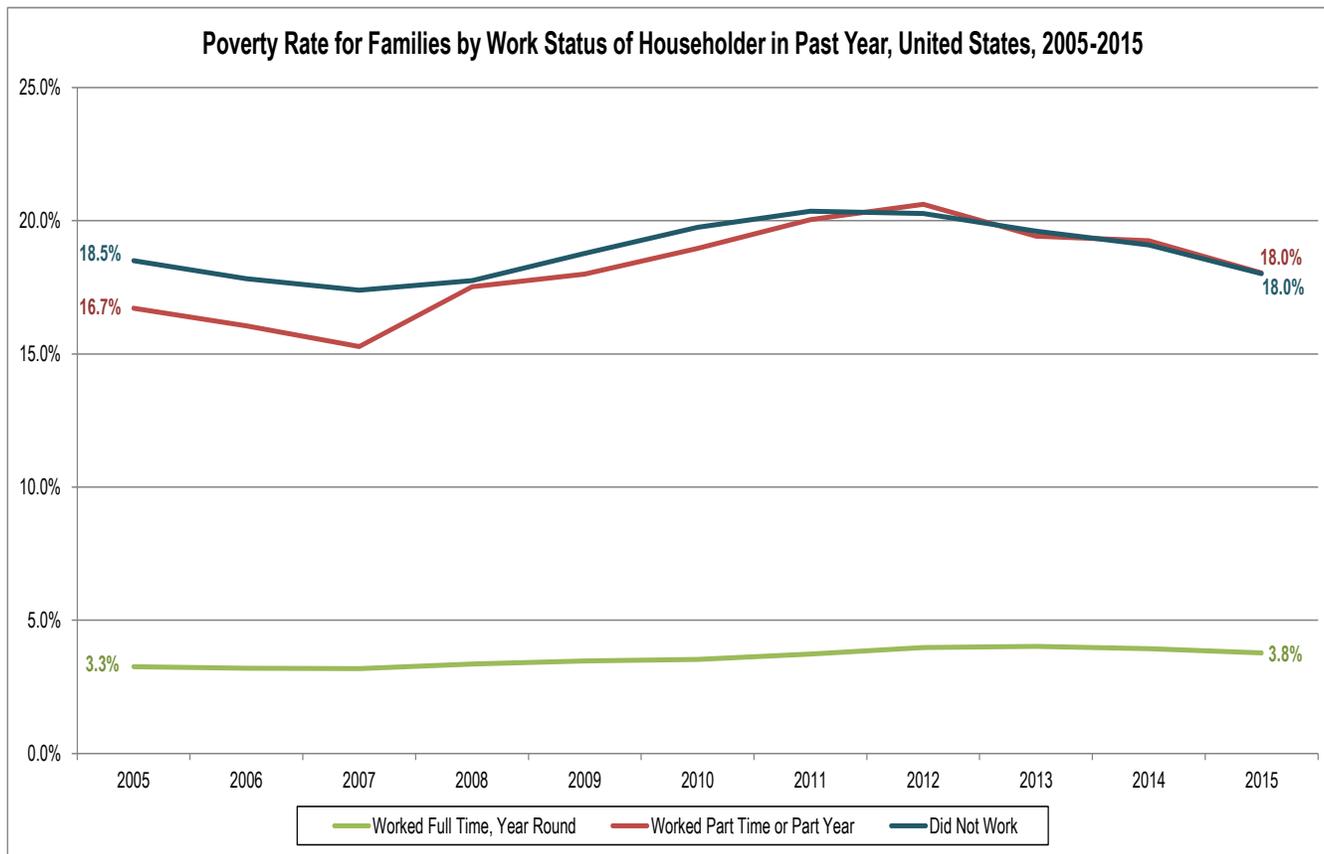
Source: U.S Department of Labor, Bureau of Labor Statistics, Current Population Survey 2005 and 2015, Table 23 (National-Level Tables).



Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2007 and 2014.



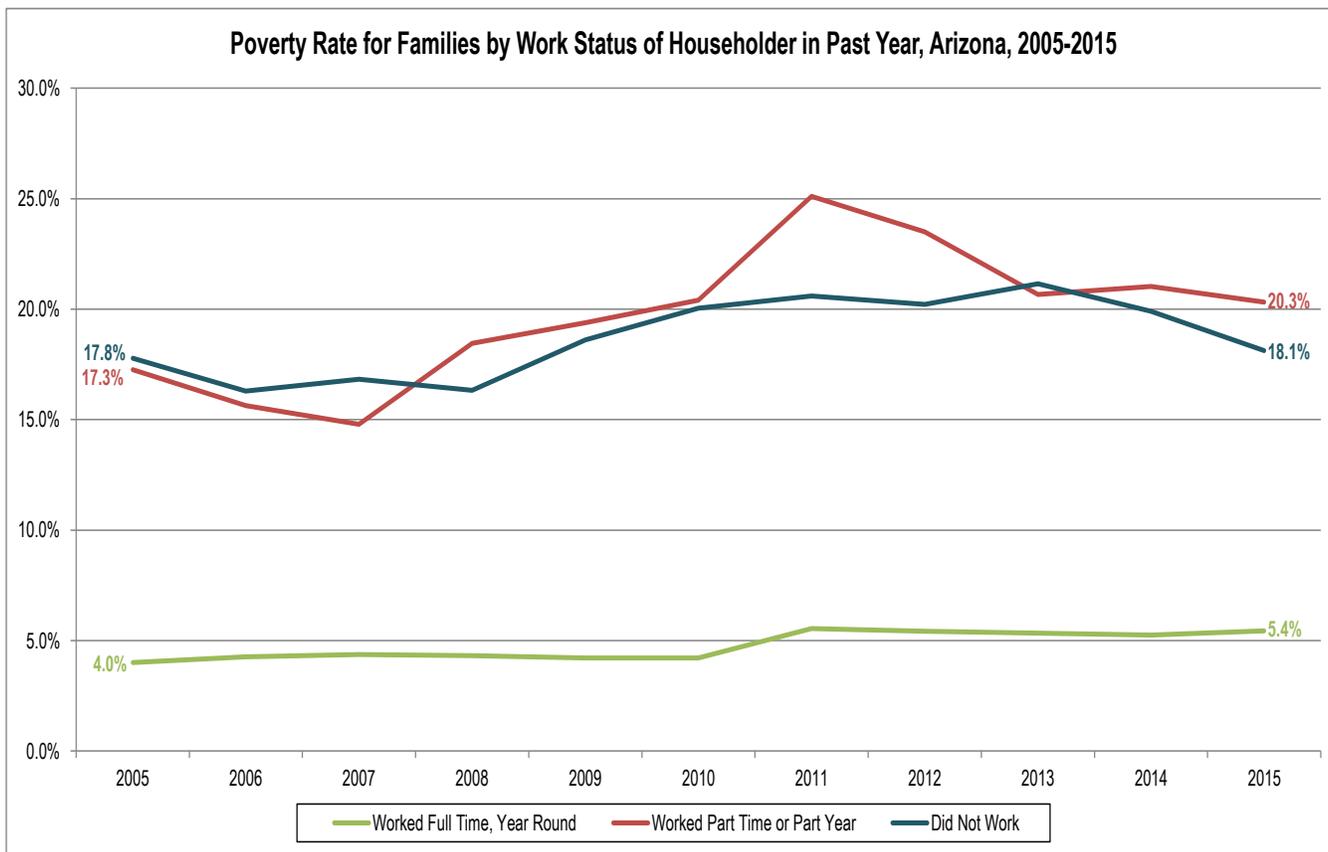
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2014.



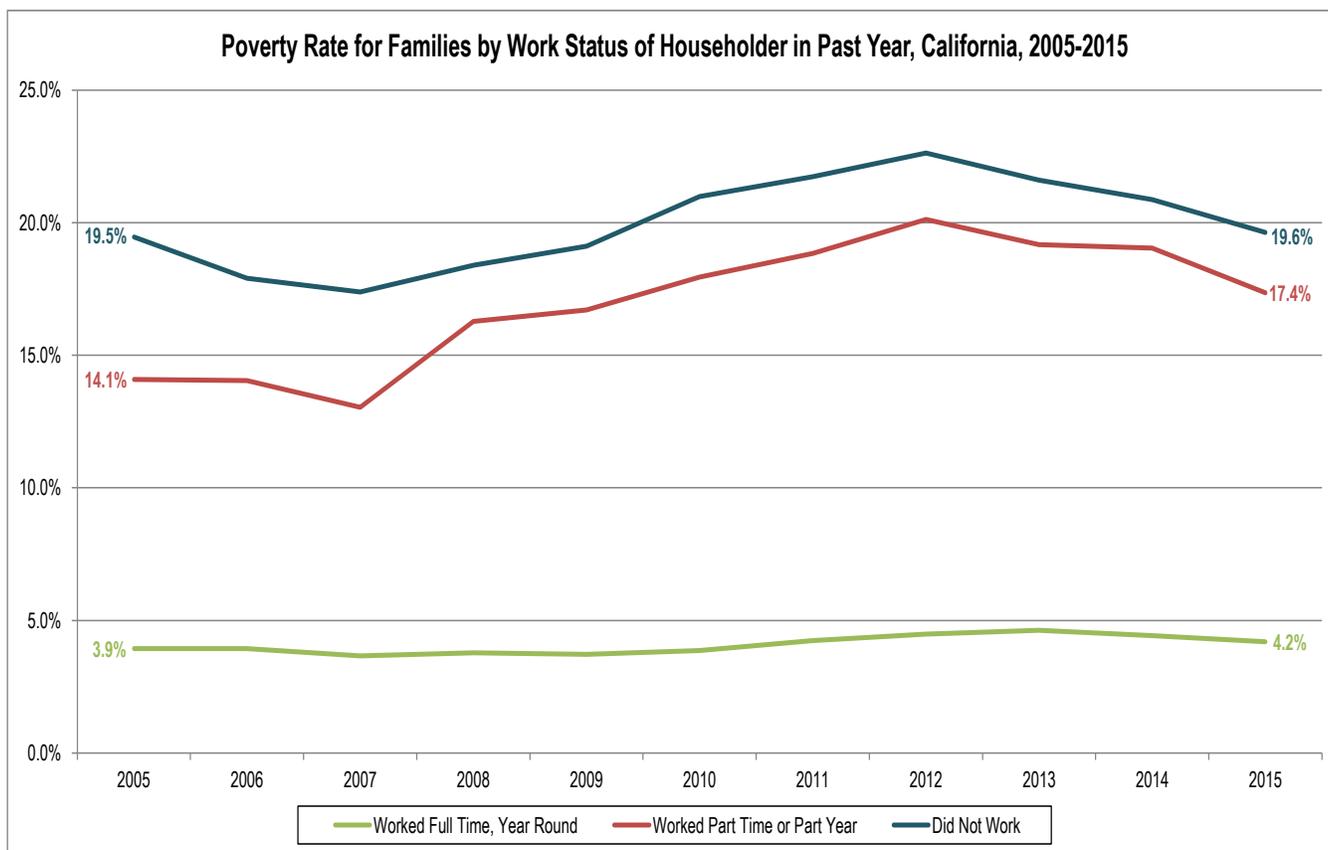
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



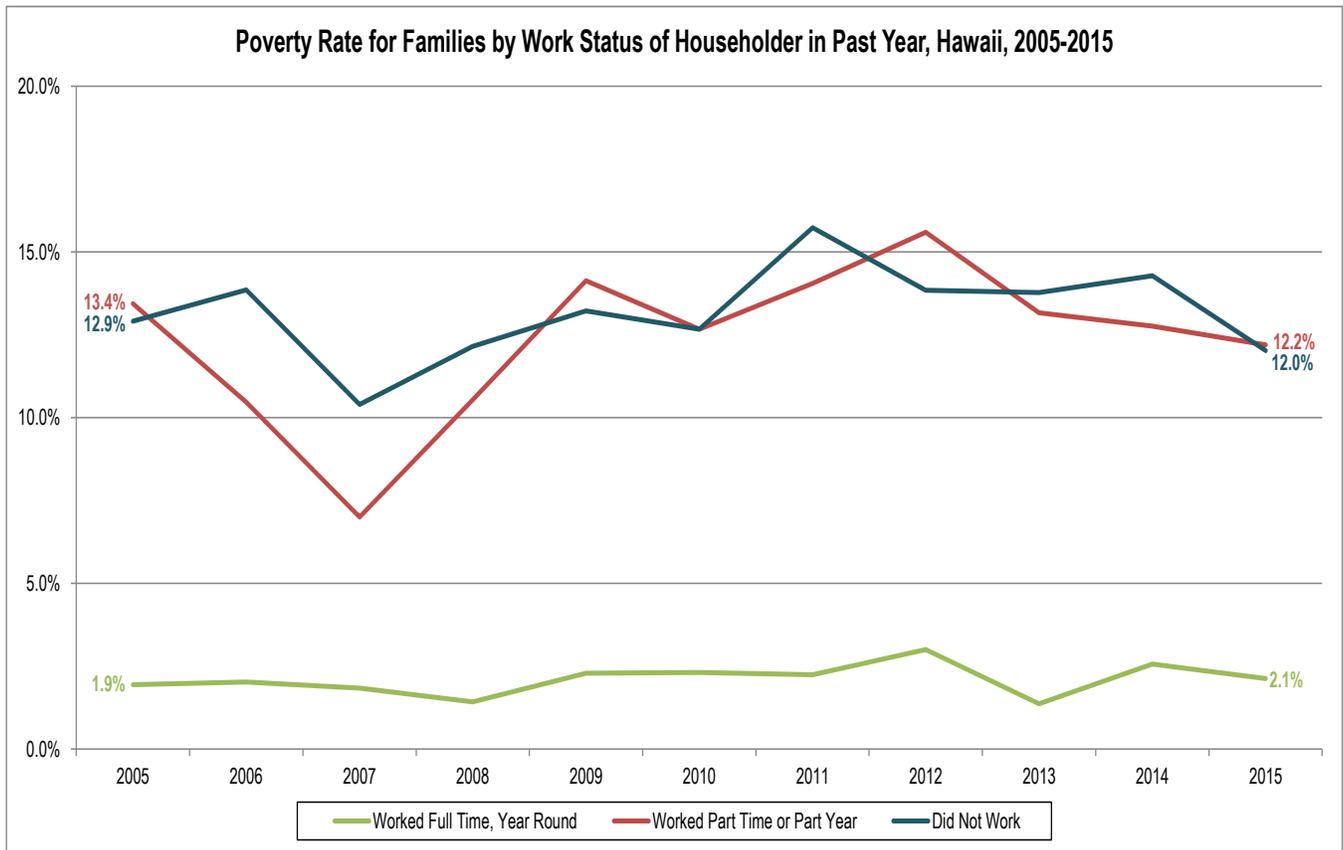
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



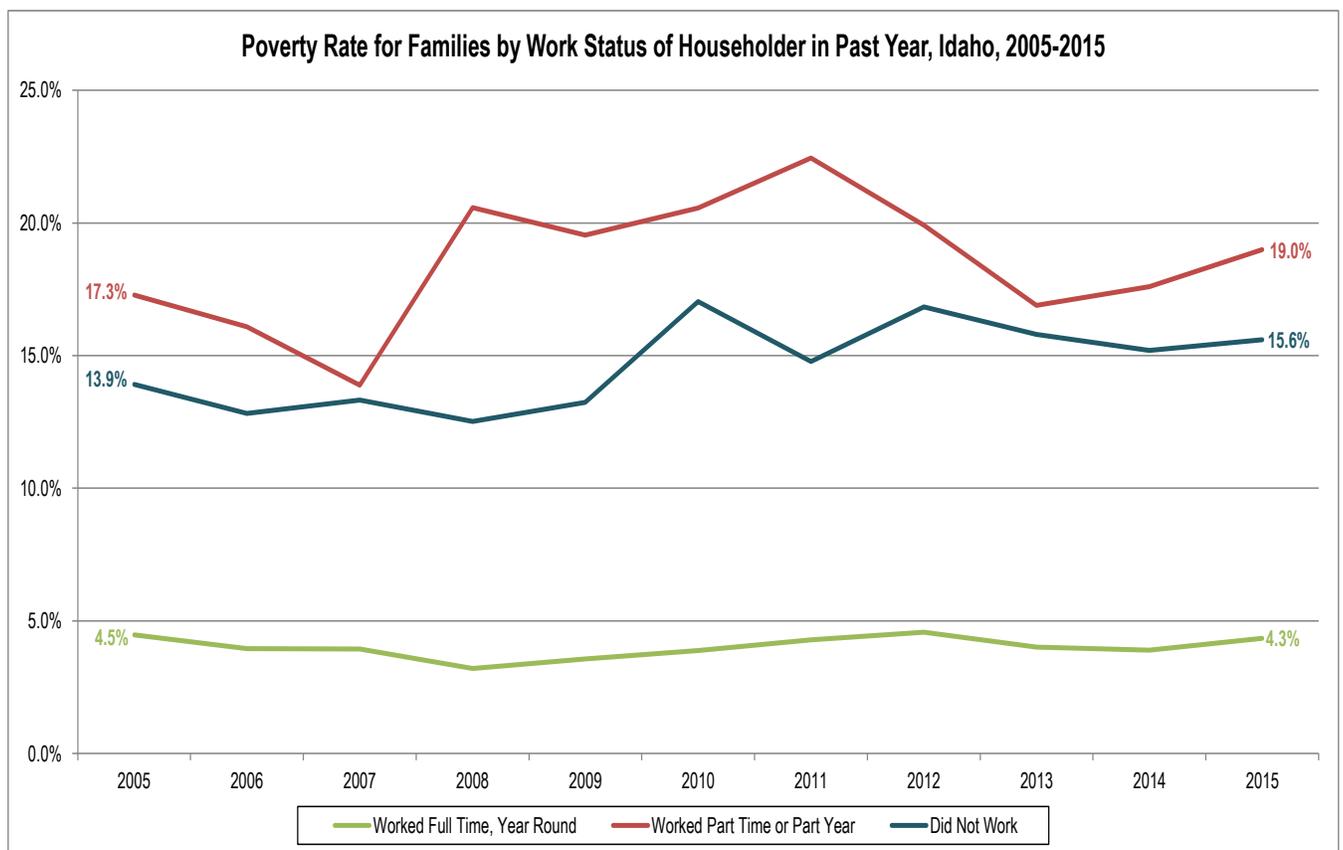
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



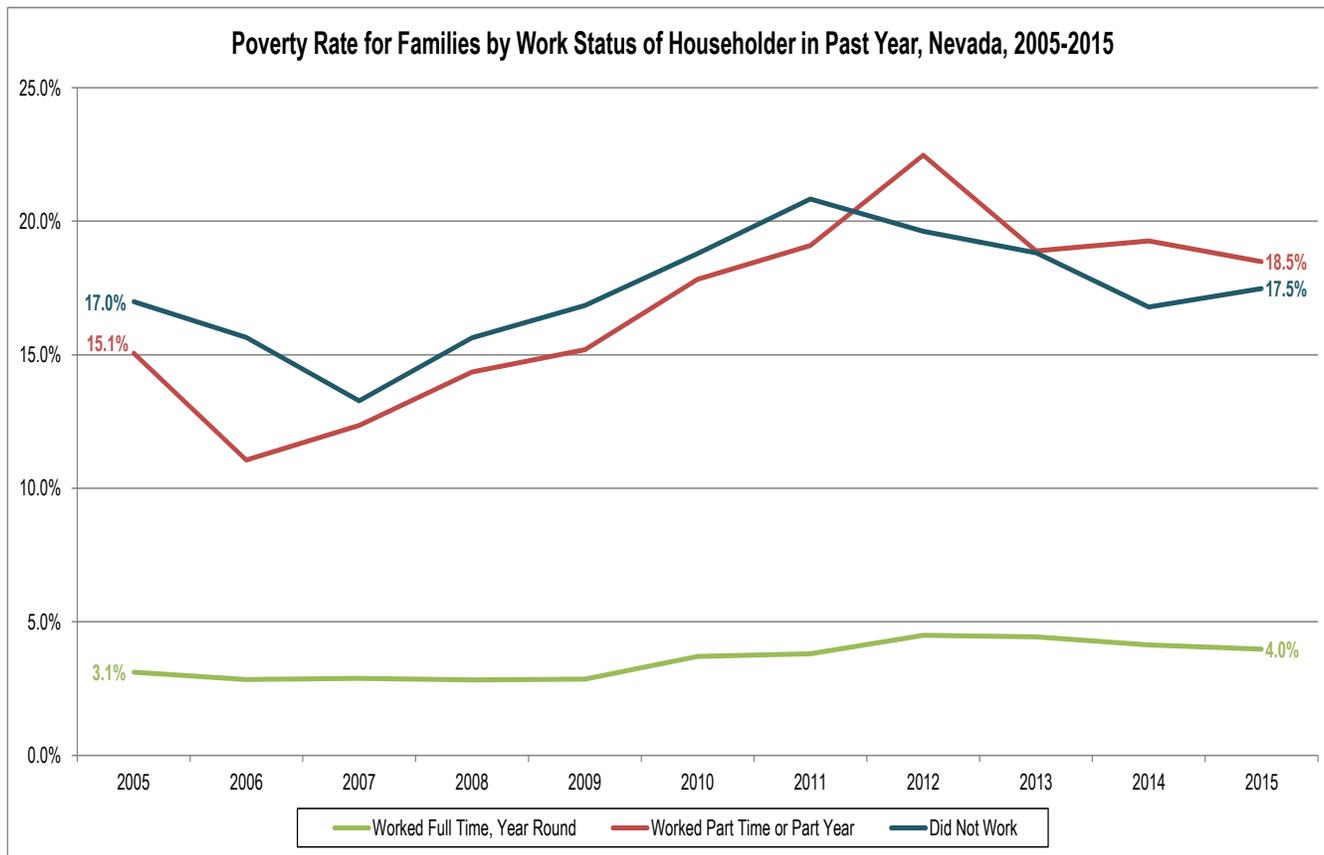
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



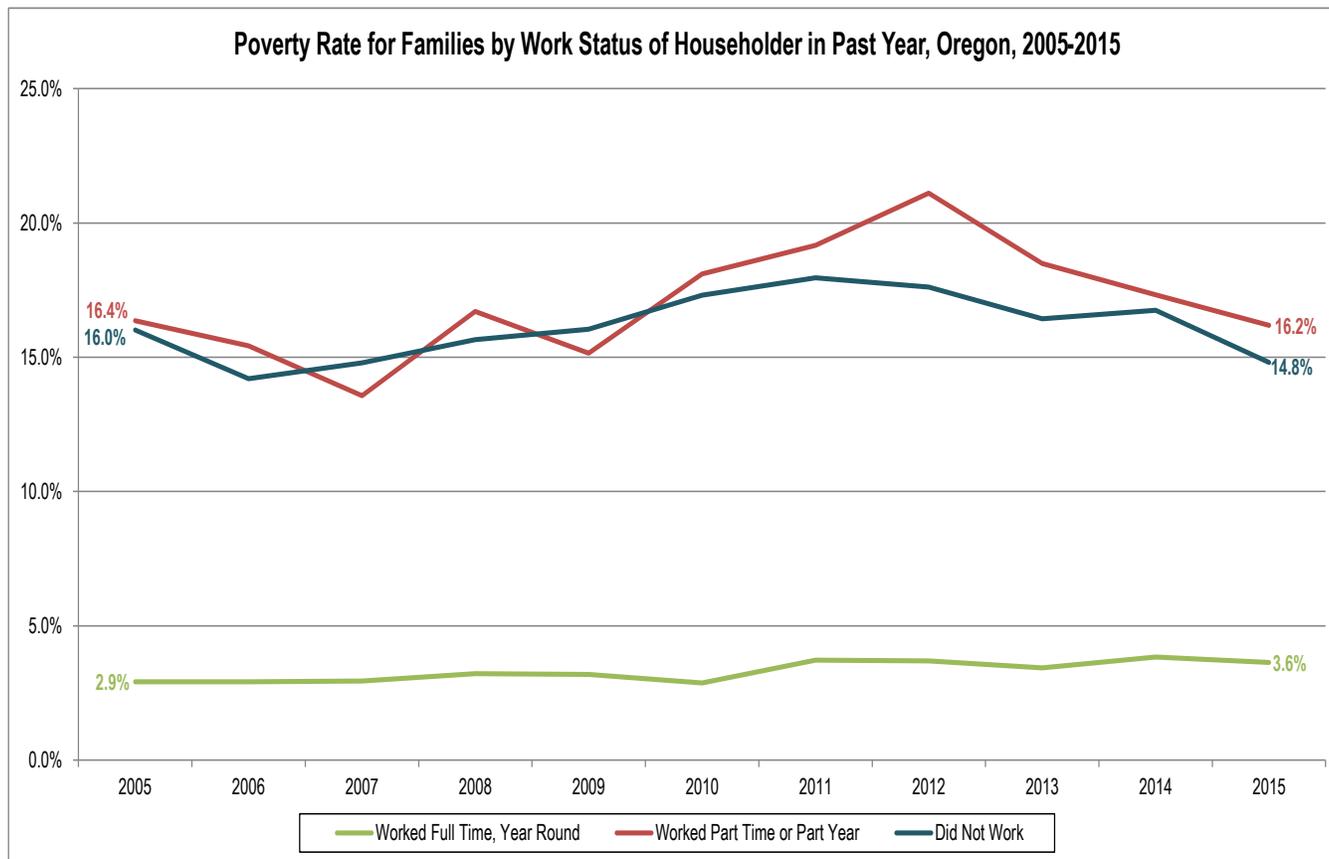
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



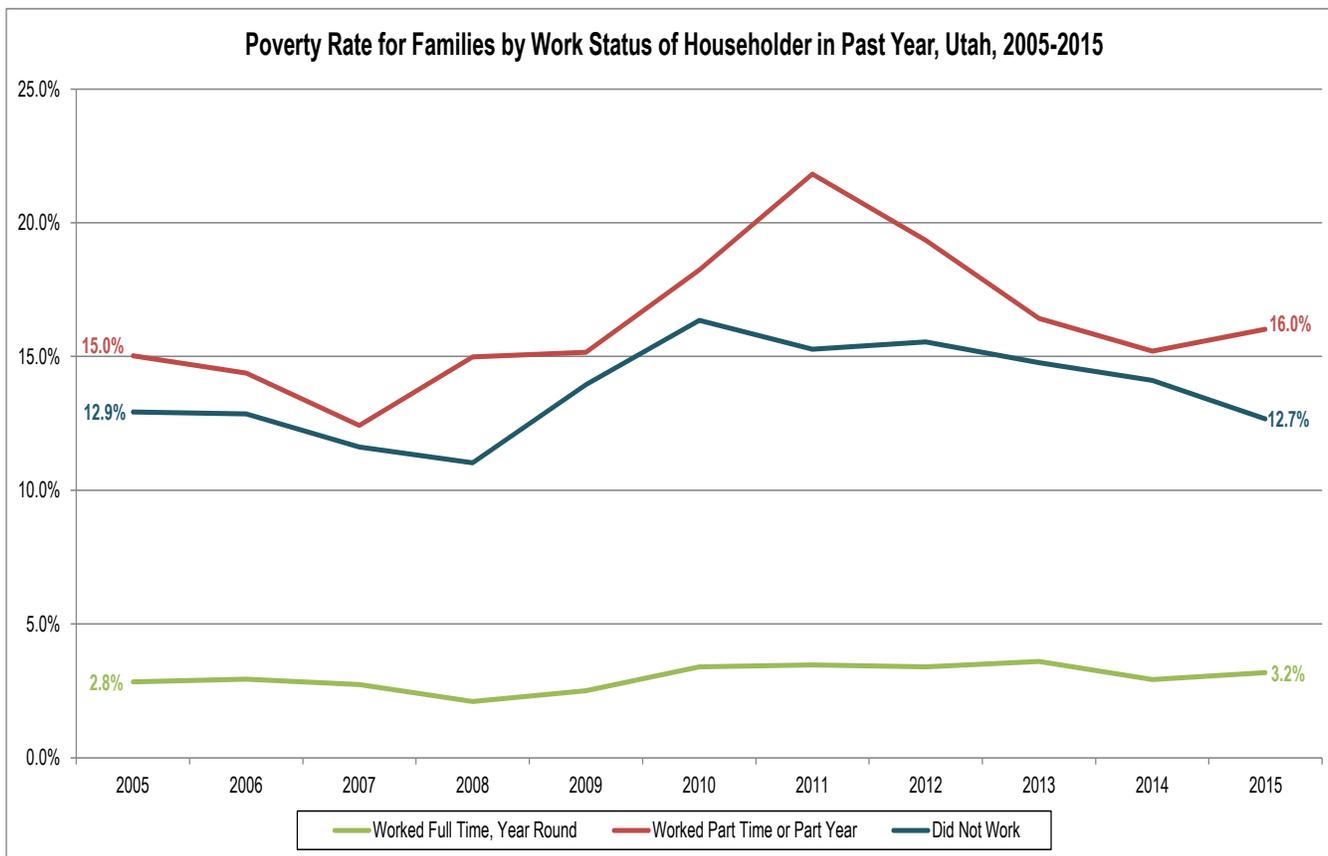
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



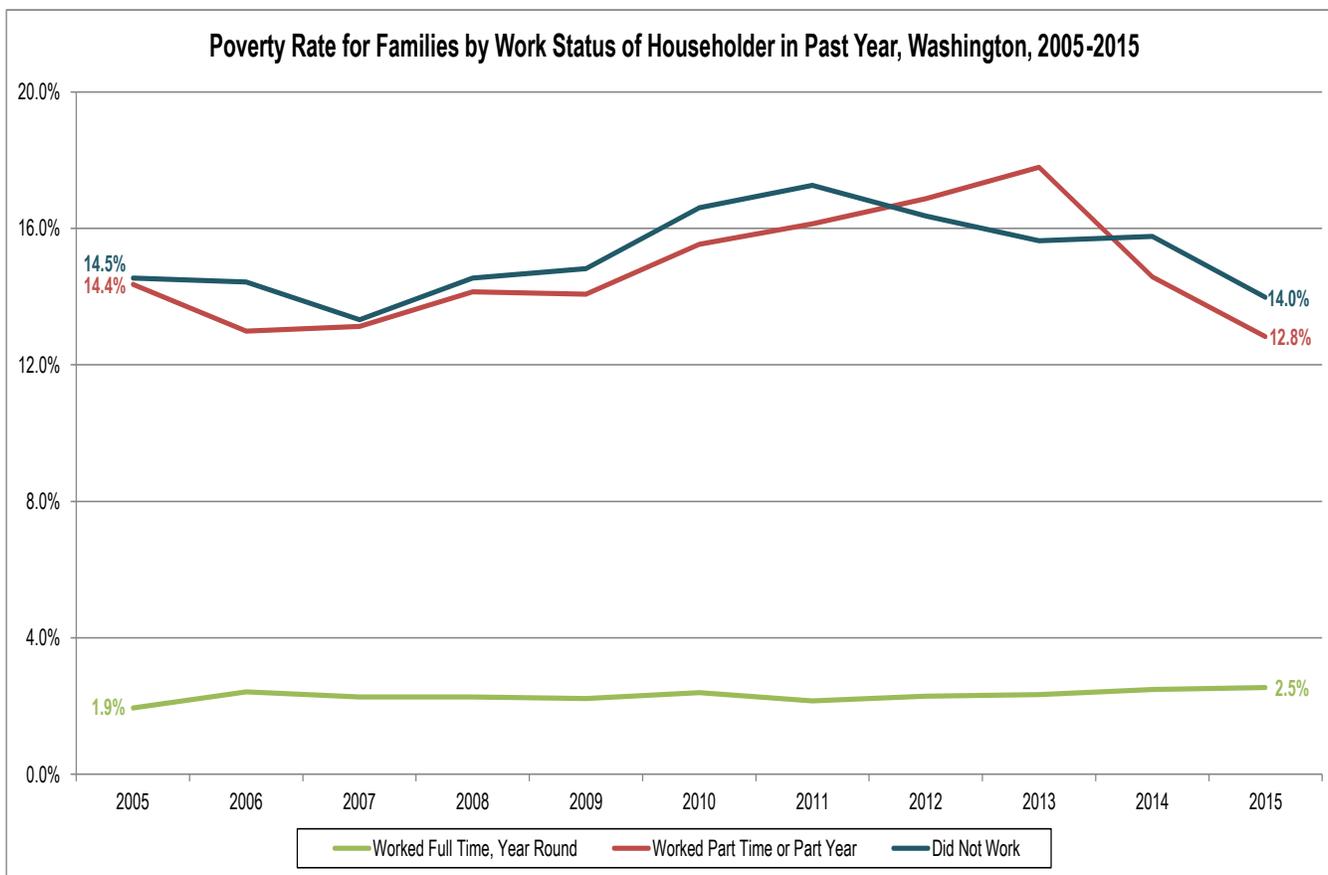
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.



Source: U.S. Census Bureau, American Community Survey, 1-year Estimates 2005-2015, Table B17016.

ISSUE OVERVIEW

Rates of involuntary part-time employment and other forms of underemployment rose during the Recession and have not returned to expected lower levels. Over six million Americans are currently working part-time involuntarily due to slack in the labor market and, more significantly, these workers wanting but being unable to find full-time jobs. These workers include people working on call and those hired through third-party temporary staffing or contract firms, among others. Economists now believe that the steady rate of involuntary part-time employment may have more to do with changes in the way workplaces operate rather than solely the rise-and-fall employment dynamics that tend to accompany recessions.¹

Changes in the types of work available, new policy proposals, and a focus on cost-efficiency around labor appear to be key drivers of the elevated level of the underemployment rate. While it is not yet entirely clear what is driving these structural changes given the relatively recent emergence of this economic trend, experts see evidence that it is likely due in part to employers seeking greater cost-efficiency around labor expenses and reacting to new or anticipated changes in policy such as the Affordable Care Act and the minimum wage level. The dynamic also appears to be tied to rising employment in service-related industries such as hospitality, retail, health and social services, and customer service, where part-time work that pays lower wages is more common, and an accompanying decrease in typically middle-income jobs in manufacturing and skilled trades. To a lesser extent, workers being misclassified in some workplaces; the introduction of new technology to improve and simplify worker supervision; and the emergence of work opportunities in the so-called “gig” or on-demand economy may be influencing the unusually elevated rate of involuntary part-time work as well.²

Underemployed workers are more likely to earn low wages, live in the West, and be workers of color. Part-time employment is most common in service occupations, particularly in hospitality and leisure, retail, personal services, and health-care support, and jobs that require lower levels of education and skill in these industries are more likely to pay lower wages. Over one-quarter of the country’s involuntary part-time employees were working in one of the 12th District’s nine western states in 2014, and 28% of all part-time workers in the 12th District were working part time involuntarily. Nevada, California, and Arizona had the highest rates of such workers in the country in 2014, with involuntary part-time workers making up 33%, 30%, and 29% of all part-time employees, respectively, compared to the overall U.S. rate of 21%. While women are more likely overall to work part time than men, African American and Latina women are far more likely to be doing so involuntarily. African American and Latino men are the most likely of all workers to be employed in part-time positions for economic reasons, with roughly one-third of those working part time in both groups doing so involuntarily.³

Underemployment takes a serious toll on workers’ financial, physical, and mental health and affects their families’ wellbeing and stability as well. Involuntary part-time work and alternative employment arrangements are by nature less stable and predictable than standard full-time jobs. Involuntary part-time workers are much more likely to be living in poverty (earning roughly half the income level of standard workers on average), experience income volatility month to month, and rely on public assistance to make ends meet. Most involuntary part-time employees are ineligible for employer-sponsored health and retirement plans, leading to lower rates of coverage on both fronts for these workers. They are also unlikely to be covered under the Fair Labor Standards Act, which establishes worker protections such as overtime pay and the minimum wage. Temporary workers are much more likely to suffer work-related accidents, injuries, and exposure to hazards, which researchers have tied to lower levels of training and workplace safety education provided to nonstandard workers. Studies of the physical and mental health of underemployed workers reveal greater susceptibility to stress, depression, substance abuse, and chronic disease, and children of underemployed workers are more likely to experience learning delays and communication and behavioral problems due to lower levels of supervision and interaction with parents working nonstandard hours.⁴

1 Torres and Stillwell 2016; Mayer 2014; Valletta and Bengali 2013; Valletta and van der List 2015; Valletta, Bengali, and van der List 2015; Yellen 2014. (see source list for this series for full citations)

2 Borowczyk-Martins and Lale 2016; Cappelli and Keller 2013; Valletta, Bengali, and van der List 2015; Poole 2015; Carre 2015; Weil 2011; Weil 2015; Katz and Krueger 2016; BLS 2015; BLS 2016.

3 GAO 2015; Katz and Krueger 2016; BLS 2015; Mayer 2014; BLS 2014; APHA 2015; Morsy and Rothstein 2015.

4 Glauber 2013; DeNavas-Walt and Proctor 2015; GAO 2015; Zukin and Van Horn 2015; Wu, Rutledge, and Penglase 2014; Farrell and Greig 2016; Lambert, Fugiel, and Henly 2014; APHA 2015; Benach et. al. 2014; Hill and Ybarra 2014; Morsy and Rothstein 2015; Rosenthal et. al. 2012.

A lack of consistent data and terminology across studies and surveys complicates efforts to better understand and respond to the needs of underemployed workers. As our glossary demonstrates, underemployed workers are referred to in research and data collection by a wide range of classifying terms, many of which overlap one another. There are important differences for example between independent contractors, who are voluntary part-time workers in many cases, and temporary hires, who tend to work part time involuntarily, but both are considered to be in alternative employment arrangements, according to the Department of Labor. The Current Population Survey (CPS) helpfully breaks down part-time workers into voluntary and involuntary categories, but provides only a limited number of indicators for each. Its more thorough Contingent Worker Survey (CWS) has not been run since 2005, leaving a gap in valuable information about involuntary part-time work. Several independent surveys have been conducted in the absence of the CWS, but differences in variables and populations surveyed make it difficult to use their findings to track trends in underemployment over time and across worker characteristics.⁵

Fortunately, promising ideas to identify, understand, and support underemployed workers have been proposed or are already underway. To fill in the data gap and better understand contingent work and underemployment going forward, the Bureau of Labor Statistics has announced that it will resurrect the Contingent Worker Survey supplement to the CPS and conduct it beginning in May of 2017. The Department of Labor has entered into memoranda of understanding with 29 states to root out and rectify instances of worker misclassification, ensuring affected involuntary part-time workers are paid back wages for any unpaid overtime and prosecuting violations of the Fair Labor Standards Act. In 2015 alone, these efforts led to 102,000 workers receiving \$74 million in unpaid back wages. Another partnership initiated in 2014 between the Occupational Safety and Health Administration and the American Staffing Association will focus on extending and improving worker safety education to reduce workplace accidents, injuries, and hazardous materials exposure, with a particular emphasis on outreach to construction workers and Latino workers. Researchers have also proposed a number of strategies that could help underemployed workers plan ahead financially, save for the future, and build their assets. Some suggest that employers make a greater effort to stabilize hours for part-time employees, and others describe saving strategies that could be instituted around lump-sum bonuses, tax refunds, and other one-time payments part-time workers may receive to help them prepare for emergencies and save a portion of their earnings. Finally, experts suggest that given income volatility for underemployed workers is likely to continue in the near future, and these workers are more reliant on public assistance, subsidy programs should be restructured so they are not based on volatile incomes or ability to pay.⁶

5 Cappelli and Keller 2013; Katz and Krueger 2016; Perez 2016.

6 Perez 2016; Michaels and Wahlquist 2014; Weil 2015; DOL 2016; Farrell and Greig 2016.

VOICES FROM THE DISTRICT

Trends and changes in underemployment and low-wage work disproportionately affect low- and moderate-income (LMI) communities, as our partners on the ground in the 12th District have expressed in great detail in the responses to the Federal Reserve Bank of San Francisco's 2014 and 2015 Vantage Point community indicator surveys. This sampling of the comments we received about underemployment from 700 community stakeholder respondents to our recent survey reveal the ways in which this issue is unfolding in communities across the West and how it directly impacts workers, their families, and their communities.

A Note on the Survey: The San Francisco Fed launched the Vantage Point project in 2010 to gather viewpoints from community stakeholders across the 12th District around local issues and trends affecting low- and moderate-income (LMI) communities. We conduct the project with the assumption that those working on the ground in these areas have the best understanding of local context, challenges, and promising practices. Learn more about the Vantage Point project [here](#).

- 1) Increasingly, LMI Residents are Working Multiple Jobs and Living Paycheck to Paycheck:** Respondents tell us that many people in LMI communities in their area are struggling to make ends meet because of low-paying, unstable, seasonal, or variable employment. They say workers are taking on multiple jobs to pay their bills and living “paycheck to paycheck.”
- “Most jobs in rural Southeast Alaska are seasonal (fishing, tourism, construction) and the wages seem to be stagnant or regressing. For example, in 1980 I worked for Alaska Airlines in Anchorage loading and unloading planes and the starting wage was \$14.50 an hour. Now it’s \$10.57 an hour for the same job in Sitka. That means the wage has gone down about 30 percent over 35 years. Many people in Sitka have to cobble together two to three jobs at a time just to be able to afford to live here.” – *Sitka, Alaska*
 - “There are simply not enough year-round jobs paying a living wage in Ketchikan. Many people get by working two or even three different jobs [and] still have to deal with food and/or healthcare instability.” – *Alaska Panhandle*
 - “Sixty percent of our food security clients are the working poor holding one or more low-wage jobs that do not make ends meet. On top of that, poor public transportation and poor housing often drive up household costs and challenges [and] high-cost medical care and child care puts financial strains on these families.” – *Pima County, Arizona*
 - “Open job opportunities are limited in number and mostly entry-level. Predominant industries such as agriculture, construction, and transportation pay low wages or fluctuate based on economic supply and demand and make up the largest category of employment.” – *Central Valley Region, California*
 - “Fresno offers very limited job opportunities. Most jobs in Fresno are in agriculture, warehousing, and other low-wage fields. This results in very low wages for a huge segment of our population... Our city has failed to create jobs that pay living wages and as a result folks in the area live on a limited income that prevents upward mobility.” – *Fresno County, California*
 - “Marin County has a trend of low-wage service-sector jobs without benefits. A large percentage of Marin’s low-income residents are working several jobs and still not meeting their basic needs. A full-time worker at, say, a Home Depot earning \$9/hour working 40 hours/week would earn just \$1,560 a month pretax. Even with two full-time jobs at this rate they cannot afford rent in such a high-cost county, much less [meet] the other needs they may have.” – *Marin County, California*
 - “A lot of low-income individuals, especially migrant communities in Yolo County, struggle with finding permanent work and therefore don’t have a stable source of income. This makes them very reliant on government assistance which often traps them into only making so little money to be able to maintain their assistance which is the only way they can get by.” – *Yolo County, California*
 - “In Shasta County, half of our population is in sales and service industry jobs which typically do not come with benefits nor a living wage.” – *Shasta County, California*

- “Tourism is our number one industry. Job opportunities are in this sector or other areas which support tourism. These are typically lower paying. Underemployment is a problem and there are not necessarily reliable statistics available. People tend to hold more than one position to make ends meet and both spouses work. Hence, where there are cutbacks, unemployment figures look low in relation to US mainland areas, when in reality the impact on household incomes in our area is more severe.” – *Honolulu, Hawaii*
- “Due to the high costs of housing, energy, and food, many workers have to work 2 or 3 jobs to make ends meet. This financial instability brought on by very low wages is even more pronounced in our Native Hawaiian communities that are facing extreme income inequality as compared to other populations in the state.” – *Hawaii (statewide)*
- “The unemployment rate is under 5 percent in the Ada County-Boise market. Sounds great but the average wage remains among the lowest in the U.S. Job creation outside of the healthcare industry is solid but low wage jobs prevail.” – *Ada County, Idaho*
- “[We have a] predominant reliance on a low-wage service sector economy [and we] need diversification. It takes two parents to make a living wage in a service economy.” – *Clark County, Nevada*
- “Jobs that are seasonal or part-time are taken by low and very low income households in order to increase their income and keep from being homeless. There is some support in retraining yet all this takes valuable time. The jobs that are available are very low paying jobs and households need two or three jobs per household in order to keep from being homeless. People are still living on the edge of what their income is and how to pay their growing debt. Many people are still using their credit cards to buy groceries or pay rent.” – *Multnomah County, Oregon*
- “The major issue for the folks we serve are low wages for entry level positions. Many of the households we house are working 2-3 part time jobs. This fact was graphically borne out by the 79% figure representing working households receiving SNAP benefits.” – *Lane County, Oregon*
- “Farming, construction, fisheries, and service industry positions are the most abundant jobs in our counties. The wages afforded by these jobs, particularly in Lincoln County on the coast, are not sufficient for households to afford rentals in the community in which they work. Further, their cost of transportation to and from their place of employment creates an additional burden on the household. In many cases, people can make more money on entitlement programs than by working seasonal jobs.” – *Western Oregon*
- “Salt Lake County has a rather healthy unemployment rate – but this does not mean our low to moderate income individuals are thriving. We are consistently seeing [much] of our population – especially in the low income areas – unable to find jobs unless they are low-paying. Salt Lake County is a competitive market and even educated individuals are taking low-wage jobs as a preference to being unemployed.” – *Salt Lake County, Utah*

2) Low-Wage Seasonal and Short-Term Work Common for LMI Workers in the 12th District: The prevalence of seasonal employment for LMI workers in some communities, particularly those with economies tied to tourism or agriculture, creates significant financial strain for these workers in the off seasons, respondents say.

- “Ketchikan is a seasonal community for many blue-collar workers, without the ability to make enough income to carry on through the winter months. They do not work enough to [earn adequate] unemployment [benefits] and there are not enough blue-collar full-time jobs available to pay the bills.” – *Alaska Panhandle*
- “Jobs that pay well here pay very well. But there is a large gulf between the income of the low-skilled workers and everyone else. As a tourist destination, we have a lot of seasonal work.” – *Alaska Panhandle*
- “Our area relies on tourism, mining, and agriculture – all three areas generally employ low-wage earners and are, by their very nature, seasonal.” – *Cochise County, Arizona*
- “[We have a] lack of education and training [and a] lack of year-round employment (Yuma has a large swing in jobs due to seasonal agricultural harvest and winter visitor economy). [I’m] not sure if small business development is being optimized as a way to increase employment levels and income.” – *Yuma County, Arizona*
- “Available jobs for the very low income tend to be agricultural. For farmworkers, they tend to live very close to where they work so their transportation expense is minimal; however, while their jobs are year-round (they do not migrate north), their jobs are not regular [in schedule].” – *Riverside County, California*

- “Being a highly agricultural area, many Ventura County residents do not earn overtime and are seasonal employees.”
– *Ventura County, California*
- “Kings Beach has a high number of Spanish-speaking community members, the highest homeless population on the north shore of Lake Tahoe, and the lowest educational level on the Lake. This is also where we serve the most people of all four of our sites in North Tahoe/Truckee – when the seasonal jobs are providing high levels of employment, we serve about 60 families per week. When the seasonal jobs are not available or provide fewer hours, we serve about 100 families in Kings Beach per week. The wave of our attendance patterns shows the unpredictability of employment in the Tahoe region, coupled with low- to middle-income families paying a high cost of living.” – *Placer County, California*
- “Del Norte County is an area with many seasonal jobs, due to the influx of tourists in the summer and the game and fishery seasons. Many of the jobs provided are either menial or governmental.” – *Del Norte County, California*
- “Honolulu is a service-oriented environment that does not offer many high-earning positions, other than tip-based income or construction-type jobs.” – *Honolulu, Hawaii*
- “We live in a resort town with inconsistent and part-time job opportunities. Often, the wages are minimum wage and people have to work multiple jobs, which still do not cover the extremely high cost of living.” – *Idaho (unspecified county)*
- “We are serving those who are employees in the service industry which is often unpredictable and relies on snowfall to bring in tourism. Our clients work very hard when the jobs are available, but [they are] rarely able to save up to carry them through the seasons [when] work is limited.” – *Idaho (unspecified county)*
- “Types of jobs available are mostly part-time or seasonal with no benefits. The statistics do not surprise me since I work with clients on a daily basis trying to develop and maintain a realistic [household] budget. . . . Most of the jobs offered [in Las Vegas] are seasonal or on-call.” – *Clark County, Nevada*
- “I work in North Tahoe and Truckee and many of the jobs are seasonal, based on summer and winter tourism. When people are out of work in the spring and fall there is a huge spike in attendance at our emergency food distributions.” – *Washoe County, Nevada*
- “Our economy is focused on the service sector due to our tourism. We frequently work with families who are grappling with the loss of benefits and the risk in taking a job that may be insecure, seasonal, or low-wage. There is little desire to risk [giving up] even limited public benefits for work that is only part-time or seasonal.” – *Jefferson County, Oregon*
- “Our community is heavily driven by tourism, which means generally lower-paying wages and [fewer] benefits. There are also a lot of seasonal and part-time jobs. A majority of local businesses are small, entrepreneurial companies. We don’t have a lot of major employers in our area, due to our rural location and no access to a major highway.” – *Deschutes County, Oregon*
- “We have a large number of migrant farmworkers who come to the community temporarily or stay. It can be difficult for them to find family-wage work outside of the growing/harvest season.” – *Western Oregon*
- “[The fact that jobs are seasonal] is most significant because it points to the vulnerability of the Hispanic community to fluctuations in the regional economy, as [occurred] during the last recession. You can see how lack of economic diversity also plays a part here.” – *Deschutes County, Oregon*
- “Seasonal/migrant farmworkers are often underrepresented in statistical data due to the migrant nature of the work. In some instances, the poverty rates may be higher than reported, but this can vary significantly by community. . . . Nearly one in four jobs are directly tied to the agricultural industry throughout much of Central Washington. There is a disproportionate amount of low-wage jobs that are seasonal.” – *Central Washington*

3) Employers Responding to New or Potential Upcoming Policy Shifts: In some cases, respondents say, they have noticed a shift toward more part-time or short-term employment in their areas as employers grapple with cost constraints and respond to new or anticipated policy changes.

- “Anchorage has a high rate of social service employers who pay near the minimum wage and restrict hours to below 20 [per week] to avoid Affordable Care Act penalties for not providing benefits. For the worker, this means 2-3 jobs to support themselves and their families with no benefits and not enough money to pay for insurance.” – *Anchorage, Alaska*

- “There is a tremendous gap between affordability and underemployment. In prior years employers could count on continued improvement in wages, benefits, and overtime. All of that has been wiped out. People work two to three jobs to just get by. They no longer get raises and they no longer have benefits. Most jobs are service-related and lack upward mobility.” – *Pima County, Arizona*
- “Our local city is boasting of job creation by bringing in big businesses. But those businesses are primarily retail and the jobs they offer provide no clear path forward for the workers. In the past an industrial worker would advance through the ranks at the factory to get ahead. It’s not clear that the retail industry offers clear or appealing paths for career advancement. There also seems to be a push to use more part-time workers or contractors to avoid paying benefits.” – *Bay Area, California*
- “If we look at the industry sectors that are available and growing in Marin, we see clearly that the jobs that are, and will be available are low-wage jobs. Even the companies that historically offered full-time jobs with benefits are shifting their practices to part-time, no benefits. The social shift of only focusing on the bottom line and not the wellbeing of the employee actually backfires, as we see high turnover, challenges in recruiting and retaining a workforce.” – *Marin County, California*
- “To enter the workforce part-time and low paying jobs are offered. The cost of health insurance for full-time employees adds to the employer’s costs and therefore causes some employers to offer part-time work.” – *Honolulu, Hawaii*
- “Young people may have [Bachelor’s] or advanced degrees but the demand is for skilled trades such as mechanics. Employers are resistant or unable to pay living wages.” – *North Central Idaho*
- “There are far too many jobs contracted out in order for employers to avoid hiring permanent, full-time positions and providing employees with decent wages and benefits.” – *Elko County, Nevada*
- “Businesses are reluctant to move to Bend because their employees cannot find affordable rentals. There are jobs available, but most of the [jobs in] small companies and even the grocery and tech industry entry level positions are only six month [temporary positions] to avoid [having to provide] benefits packages. Employees are laid off after six months and are allowed to be hired new for another six months.” – *Deschutes County, Oregon*
- “The low-wage income is derived from part-time and seasonal employment. Many companies have reduced staff and FTE due to the new healthcare reforms.” – *Salt Lake County, Utah*
- “There are very few high-paying jobs in our rural community. Most are service industry positions, or small businesses that cannot afford to pay employees large salaries. The largest employer is the US Navy, and the majority of [those that] they employ are active duty personnel.” – *Western Washington*

4) Significant Skill and Income Gaps and Difficulty Accessing Training Make it Hard to Get Ahead: Other respondents note that a mismatch between the skills of underemployed workers in the LMI community and some of the newer, better-paying jobs available in the area is making it difficult for LMI workers to move up into more stable employment, and jobs are increasingly split between very high-skill, high-wage work and lower-skill, very low-wage work. In many cases, these respondents explain, LMI workers are unable to take enough time off from their existing jobs to attend school or training, or cannot access training because schools and training facilities are too expensive or too far from where they live.

- “Seems low wage earners do not have the skills to improve their situation, and most cannot take time off from working sometimes two jobs to improve those skills. Job training is available but only for those who can take time off from working. More opportunities for on-the-job training would possibly help this situation.” – *Pima County, Arizona*
- “[We have] either very high paying tech jobs or low paying service industry jobs [with] few job opportunities in the middle.” – *Maricopa County, Arizona*
- “Being a very poor county, job income is minimal. There are very few jobs that offer more than minimum wage. There is only one two-year college in Apache County and it is on the Navajo Reservation. Persons have to travel to continue their education and the cost is ridiculous.” – *Apache County, Arizona*

- “There is a huge gap between what people in STEM and financial sector fields are making and the rest of the workers in the Bay Area... Companies that are thriving in the tech sector are not adding stable, good-paying jobs to the economy because they contract out for their cafeteria workers, parking lot attendants, security officers, janitors, etc. These contractors have little job security and benefits. The rise in contingent jobs allows employers to skirt around many of the labor laws that San Francisco has put into place.” – *San Francisco County, California*
- “In Sonoma County, job creation is only present in the top and bottom pay scales. Many low-wage jobs are seasonal.” – *Sonoma County, California*
- “The jobs [here] are concentrated in high-skill industries, and the support services [jobs] are low-skill, low-wage positions that are often contracted out and do not offer opportunities to move up.” – *Bay Area, California*
- “In Chico 23% of the population lives below the poverty line. They want to work, but there are no jobs that they can do. They would need an advanced degree or other training.” – *Butte County, California*
- “The only jobs that seem to show up [are either] high-skilled professional or part-time, low-wage. For many, Costco is considered a great job here. It is very rare for people in their 30s-60s to find jobs that pay between \$40,000-\$100,000.” – *Kauai County, Hawaii*
- “We have a number of entry level jobs that pay minimum wage and/or tips. People do not see the benefit of going to further one’s education and because they have little education they are stuck in these dead end jobs.” – *Clark County, Nevada*
- “Elko County is based off of mining. Most of these jobs require a high skill set. My families are struggling so most cannot take any time off of the work they do have to get better job training. A lot of things in our area are seasonal. For example, during the winter months most of the hotels cut back on their housekeeping staff.” – *Elko County, Nevada*
- “The high school graduation rate is actually [one] of the highest in the state. The mining industry plays a large role with the graduates not wanting to attend college. A student can start at the mine making \$70K a year. Thus no motivation to attend college. The need for education would be that of the importance of long term life planning through a college education to prepare for the day when mining is not strong. Indicators on education [show that] only 12% of the population has a Bachelor’s Degree or above.” – *Nye County, Nevada*
- “Our unemployment rate is very low and I see job openings all the time. There are plenty of jobs, but they don’t pay enough to support a family. There are educational opportunities, but it is very difficult for low-income [workers] to be able to set aside enough time to complete the training.” – *Salt Lake County, Utah*
- “Jobs in Western Washington are concentrated in the software sector for which specialized training is required. Low-income tribal members do not generally have the skills or training necessary for the jobs that are available. Retail and construction jobs are available to some extent but again, low-income tribal members often do not qualify for these positions. Tribal members in our state are significantly underemployed.” – *Western Washington*

5) Lack of Diversity in Some Local Economies Limits Job Opportunities: In other areas, limited diversity among the industries that are present and hiring leaves lower-skilled and LMI workers with few options for stable employment, particularly in areas where one or two industries have dominated local employment for decades.

- “Average household incomes are probably skewed by the very high paying jobs in the two local gold and silver mines, which account for more than 500 local jobs all paying significantly more than the average household income of \$80,000. Federal, state, and city employment provide for the stable income levels, while the seasonal employment and business activity related to tourism tends to create jobs that only exist for six months of the year. Then we have a significant population employed by the private sector and big box stores that have forced average wages down compared to state jobs. So there tends to be a shortage of qualified applicants for the positions requiring higher education.” – *Alaska Panhandle*
- “We live at the bottom of a secluded canyon, our village offers few employment opportunities, and the available jobs do not match low and moderate-income resident skill sets. A lot of the work [opportunities are based on] who you know, because we are a very small interrelated, interconnected community. The significant shift in the type of jobs available does change in our local industries and employers; the major factor [affecting this shift] is the grant funding obtained to employ tribal members.” – *Coconino County, Arizona*

- “Arizona has an abundance of low-wage jobs. But the state’s poor education infrastructure as well as the focus on warehouse and hospitality industries leaves little room for career advancement. This means that most low-income families stay low-income no matter how hard they work.” – *Arizona (unspecified county)*
- “Apache County is the poorest county in Arizona and among the poorest in the United States. Job opportunities in the county are very limited. Economic growth is not encouraged or promoted, tribal land accounts for approximately 2/3rds of the land in Apache County, and National Forest accounts for a large portion of the remaining land. There are two coal-fired power plants in the county which are the major employers and pay well, however the majority of the population (approximately 50,000) live in the Navajo Nation... There is not much diversity in employment, [and] jobs are just not available.” – *Apache County, Arizona*
- “[This area is] generally a low-wage economy, heavily dependent on military, tourism, and retirement incomes.” – *Cochise County, Arizona*
- “Our whole economic system [here] is built on the military and border patrol. If these get reduced, people panic. Jobs decrease and the economy, housing, and wages suffer.” – *Cochise County, Arizona*
- “Financial challenges abound due to lack of education and the industries that many local folks are in (i.e., agriculture). There is a lack of regular income or movement upward within their fields. There is an extreme lack of white-collar jobs in our region.” – *Central Valley Region, California*
- “There are few employment opportunities outside of agriculture [here], which only provides for low-wage, seasonal employment. There isn’t a large retail/service industry in the community and it is difficult to attract new business due to poor infrastructure, lack of a skilled workforce, and lack of support services. The drought has also affected employment opportunities, leaving many workers without employment year-round. If there were employers from the distribution, assembly, manufacturing, and other industries ready to locate in Avenal, many of our residents would be suited for those jobs.” – *Kings County, California*
- “We are dependent on tourism and snow. The drought has worsened the availability of seasonal jobs in the winter, and the wide range of income over the course of a year makes it difficult for community members to sustain a savings plan or have emergency funds available. Living paycheck to paycheck is certainly the norm in Kings Beach, Truckee, and other parts of the North Shore, for community members with limited job skills and educational training. Even for individuals with a Bachelor’s degree, jobs in tourism are sometimes the best option. This is not sustainable.” – *Placer County, California*
- “Our area has transitioned from a resource extraction-based economy to tourism-based, with resulting low-paying jobs. Very few have Bachelor’s Degrees or above.” – *Northern California rural region*
- “The predominant employment is in the agriculture, logging, construction industry and new employment opportunities are sparse. Other employment concentration is in US Forest Service jobs and county/city jobs. Our organization, Adams County Health Center, is currently the largest employer in Adams County with thirty-six employees.” – *Adams County, Idaho*
- “[The employment base in] our county is changing from natural resources (timber and mining) to service/tourism. The natural resource jobs paid a living wage; service industry jobs do not. There is great effort being made to bring higher paying jobs to the area; technology and aviation mechanics for example. But there is still a steep training curve for some of the older workers.” – *Idaho (unspecified county)*
- “Construction and gaming are the primary employment sectors. Note the high percentage of unemployed construction professionals in the Moapa Valley area. Our area has had a very comfortable reliance on both of these areas, and it has not served us well, particularly in a recession.” – *Clark County, Nevada*

6) Underemployment Taking a Toll on Workers, Families, and Communities: Negative impacts on families’ financial stability, mental and physical health, and interpersonal relationships due to underemployment have been significant, according to respondents. Additionally, many workers face barriers to securing more stable full-time work due to child care constraints, poor transportation, and other factors that limit access to opportunity in their communities.

- “Low-wage, part-time, and seasonal jobs leave workers little flexibility to care for their children. Many low-wage parents’ earnings are so low they cannot cover the basics, and certainly cannot pay for after-school or other programs that protect and promote the development of children and adolescents.” – *Anchorage, Alaska*

- “Many low- and moderate-income persons are single heads of household with children and are unable to afford their own transportation. The fact that childcare facilities are geared to people working a typical 8-5 shift limits employment opportunities for this population as many jobs are during the night shift. Public transportation [further limits] access as it is typically unavailable during overnight hours.” – *Arizona (unspecified county)*
- “[There is a] concentration of distribution warehouses and jobs in the area – these jobs do not always provide consistent hours and schedules. Being on standby for work is difficult and this creates financial instability for many blue-collar families.” – *Inland Empire Region, California*
- “Once someone gets a job, if he or she does not have [personal] transportation, public transportation may not be reliable for the shift. If they are assigned a swing shift, they may not be able to get to work on their own.” – *Sacramento Region, California*
- “Incomes have wild swings depending on tourism demands. This can put a lot of stress on a household trying to survive on already low wages. There are side impacts of these swings such as working all the time during peak tourist visitation without much oversight of children and then periods of intense stress in the off-season with no money to pay the bills and buy food.” – *California (unspecified county)*
- “Honolulu’s unemployment rate is under 4%, but that does not address the high cost [of living] issue. Hawaii has an extremely high percentage of multigenerational households as well as households with unrelated members compared to the rest of the US – this results from costs as well as culture. Many family members work several part-time jobs to maybe earn close to area median income. However, it infringes upon the quality of life issues as well as qualifying for benefits afforded those who work full time.” – *Honolulu, Hawaii*
- “Most individuals are employed in low-income positions – due to the primary business on this island being the hotel industry. With high cost of living, low income becomes the root of many problems or issues we see with our patients’ health and wellness issues.” – *Maui County, Hawaii*
- “If you are working low wage jobs and do not qualify for a subsidy under the ACA (Idaho did not expand Medicaid, so the gap is very much there between those who qualify for Medicaid and those who qualify for an ACA subsidy), finding the time, resources, and support to access even basic care is challenging.” – *Ada County, Idaho*
- “Jobs in Southern Nevada tend to be low-wage, part-time, and/or seasonal, providing little money and limited access to health care opportunities... Our number of families in poverty is on the rise, not decline, which is alarming.” – *Clark County, Nevada*
- “Most of the jobs are in the service professionals or gambling industry. It is difficult to live on the wage, and even more difficult to live in the environment required of workers in the gambling industry.” – *Washoe County, Nevada*
- “As a principal in the Park City School District, I have observed the impact of seasonal employment on the families of students. Having inconsistent employment creates all sorts of burden. Also, because the work is seasonal these workers end up working very long and difficult hours – from midnight to 10:00 AM at times. These sorts of work situations can have many difficult negative impacts on a student’s attendance at school and overall school performance.” – *Summit County, Utah*
- “We serve many undocumented residents. This in itself is a barrier to employment. A lot of times they don’t speak English which also makes employment difficult. When they do find employment a lot of times they are being paid under the table and are not even making minimum wage and they cannot afford things like adequate housing and food.” – *Clark County, Washington*

7) Underemployment Threatens LMI Workers’ Efforts to Save, Build Assets, and Plan Ahead: Respondents observe that it is extremely difficult for underemployed workers to save for emergencies and for the retirement, and that many do not have readily available liquid assets that they could quickly access if needed.

- “Service jobs [here] are typically low-wage and do not allow the individual to save for unknown expenditures. Many households have to live paycheck to paycheck.” – *Pinal County, Arizona*
- “As an affordable housing owner, we provide an eviction prevention program and what we find is that most of the cases referred are due to a loss of employment or change in hours. The people we serve are LMI households that are earning minimum or low wages so when there are changes and since the majority are liquid asset poor, this places them in a potential housing crisis and [on the] verge of becoming displaced.” – *San Diego County, California*

- “Looking at the data, what was surprising was the number of working SNAP households, which for me translates to the number of working poor. This is compounded by the number of liquid-asset poor households, which is the number of households in danger of being poor. Overall, it concerns me that people are poor even if they are working or are in danger of being poor because their income doesn’t provide an opportunity to have any assets.”
– *Central Valley Region, California*
- “People with low and moderate income in our community often have more than one low-paying job... The families I serve regularly have to choose to pay rent rather than get medication, buy food over gas, and are living paycheck to paycheck. When something goes wrong, debt is the only option.” – *California (unspecified county)*
- “The high cost of living, particularly high housing costs, presents a challenge to low income households. Many householders work more than one job to get by. They are unable to accumulate sufficient savings. Often a job loss, even of a part-time job, or medical emergency throws low income households into homelessness.” – *Honolulu, Hawaii*
- “Manufacturing jobs in the state of Idaho do not provide enough income to support a family. A family with both parents working may pay the monthly bills; however, there is no ability to save.” – *Ada County, Idaho*
- “The region still has a number of service-industry jobs that do not require education or skills. These jobs are typically dead ends but provide some level of income. The individuals and families who work these jobs are challenged to find decent affordable housing and are vulnerable to debt and unexpected expenses.” – *Washoe County, Nevada*
- “Our residents often come into the resident services office for resources for emergency funding, food pantry information, etc. They work but report getting their hours cut, low wages, and layoffs. The data points presented on median household income stood out to me because residents often report not having enough income for savings.”
– *Clark County, Nevada*
- “Service industry jobs are most prevalent with minimal pay and demanding hours. Housing is primarily single-family units with rents skyrocketing. The graphs show how few residents have any cash availability or banking stability. The cost of living in Douglas County keeps going up while the work industry does not support it.” – *Douglas County, Nevada*
- “Of the top ten jobs that people in Multnomah County tend to get, only one of them – registered nurse – pays enough for an average family to be able to heat, eat, and sleep at the same time, not sequentially. We can get people employed, but that employment doesn’t cover their basic needs, let alone allow them to build financial assets that have a chance to get them out of poverty.” – *Multnomah County, Oregon*

GLOSSARY OF TERMS

Part-time workers (BLS/Census definition): Anyone working fewer than 35 hours per week

- Voluntary part-time workers: Those working part-time for “noneconomic reasons” such as needing to care for someone else or attending school or training classes
- Involuntary part-time workers: Those working part-time for “economic reasons” such as being unable to find a full-time job or as a result of slack work conditions

Contingent workers (DOL definition): Anyone working without a contract with the company for continued employment – or, more directly, “workers who do not expect their jobs to last.”

- Core contingent workers (GAO definition): Anyone working as a temporary hire for the company itself or through a temp agency, on a short-term contract, on call, or as a day laborer, but not independent contractors. Due to very similar definitions, in our discussion of this issue involuntary part-time workers and core contingent workers refer to the same population.

Alternative Employment Arrangements (DOL definition): Anyone working as an independent contractor, on call, as a temporary direct or indirect hire, or through a contract firm. In some cases, this definition also includes people who are self-employed.

Nonstandard Schedule: Work hours such as night shifts, swing shifts, on-call shifts, or other hours outside of a standard 9-to-5, 8-hour full-time work day

Income Volatility: Unpredictable changes in month-to-month earnings and available liquid assets due to varying work hours, lump sum payments such as tax returns, or periods without work because of illness, lay-offs, or contract jobs ending

Current Population Survey (CPS): A monthly survey of American households conducted by the Bureau of Labor Statistics that tracks employment, unemployment, and part-time work against a range of characteristics including age, gender, race and ethnicity, and reasons for working part-time, among others. The CPS is considered the standard national source for information about involuntary part-time employment.

Contingent Worker Survey (CWS): A supplemental survey to the CPS conducted four times between 1997 and 2005 that tracked trends around contingent employment, including independent contractors, on-call workers, temporary help agency workers, and workers provided by contract firms. The Bureau of Labor Statistics plans to reintroduce this survey in the May 2017 round of the Current Population Survey to gather more thorough information about alternative work arrangements than is currently provided in the CPS.

Fair Labor Standards Act (FLSA): Originally passed in 1938, this act establishes federal minimum wage, overtime pay, and standards for child labor. It ensures that workers are paid fairly and fully for all hours worked for an employer. While the FLSA does not apply to independent contractors or the self-employed, it does apply to other kinds of alternative employment arrangements, including involuntary part-time employment.

Gig/On-Demand/Platform Economy: Work made possible by online platforms that connect buyers and sellers to complete individual tasks. Examples of online platforms include Uber, GrubHub, and TaskRabbit. Jobs secured through these platforms tend to be confined to a discrete task such as driving a client to a destination or delivering items to a client. Jobs secured through online platforms typically have unpredictable or nonstandard schedules and are, by definition, alternative employment arrangements.



FEDERAL RESERVE BANK
OF SAN FRANCISCO