

# Report: 97 percent of new US jobs are part-time

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Behind the job figures of recent months lies an underlying reality of continued hardship for millions of unemployed and partially employed workers in the United States.

US employers added 162,000 nonfarm jobs in July according to the government's Establishment Data Survey, an anemic number considerably below predictions. However, a closer look reveals another serious problem.

"Over the last six months, of the net job creation, 97 percent of that is part-time work," said Keith Hall, a senior researcher at George Mason University's Mercatus Center quoted by *McClatchy Washington Bureau*. Hall was head of the US Bureau of Labor (BLS) Statistics from 2008 to 2012.

Citing the BLS Household Survey, Hall said that over the past six months 963,000 more people reported that they were employed while 936,000 of them reported they were in part-time jobs. Hall continued, "That is a really high number for a six-month period. I am not sure that has ever happened over six months before."

In an interview last month on Fox's "Your World," Hall argued that the real unemployment rate was significantly higher than the official number, at least 3 percentage points more. While 11.2 million people are now considered officially unemployed, Hall said a more realistic number was around 18 million.

He prefers to use the employment ratio, which shows the proportion of the population that has a job. That number fell from 63 percent before the recession started in December 2007 to 59.4 percent when the recession officially ended in June 2009. Since that time it has fallen even further, to just 58.7 percent.

Further distorting the picture is the fact that part-time workers are counted as employed.

Hall commented, "So a smaller percentage of the

population is now working, yet the unemployment rate went from 10 percent down to 7.6 percent. That's a problem."

Currently there are some 8.2 million workers who are working part-time jobs because they cannot find full-time employment. However, not only are the majority of new jobs part-time, they have been largely concentrated in traditionally low-wage sectors such as retail, restaurants, home health care and temporary staffing agencies. Those four sectors accounted for 45 percent of new jobs. Altogether, sixty-one percent of new jobs created this year have been in low-paying industries. Middle-income jobs accounted for 22 percent while high-paying jobs accounted for less than 17 percent.

According to a report from the University of Hew Hampshire's Carsey Institute, the largest increase in involuntary part-time employment since the 1970s occurred between 2007 and 2012. The report is titled, "Wanting More but Working Less: Involuntary Part-Time Employment and Economic Vulnerability." It notes that the involuntary part-time employment rate doubled between 2007 and 2012. For women it rose from 3.6 percent to 7.8 percent, and for men it increased from 2.4 percent to 5.9 percent.

While the official unemployment rate has fallen since 2010, the number of part-time workers has remained fairly constant. The study documents that part-time work is a contributing factor to poverty, with one in four involuntary part-time workers living in poverty, while just one in twenty full-time workers live in poverty. In 2012, involuntary part-time workers were nearly five times more likely than full-time workers to have spent more than three months of the previous year unemployed.

The growth of part-time work has many serious

implications. The results of a Gallup poll indicate that part-time workers are more susceptible to depression than those working full-time. Of the 27 million part-time workers, one in twelve are currently being treated for depression, a rate that is about 50 percent higher than the rate among full-time workers.

Among displaced workers—those who have suffered the loss of a job or cutback in hours to part time—concerns over retirement security are growing. Transamerica’s annual retirement survey found that 62 percent of displaced workers were not confident about having a secure retirement.

Many displaced workers have been forced to take money from retirement savings to pay current expenses. The typical displaced worker has just \$7,500 in retirement savings, while workers in their fifties have only \$16,000.

Forty-two percent of those displaced for a year or more had to make withdrawals from retirement savings. That compares to less than 23 percent for those displaced less than a year.

Further, according to the National Institute on Retirement Security, 45 percent of working-age households have no retirement savings at all. Ninety-two percent of all households do not meet conservative retirement savings targets for their age and income.

The report notes that the collective retirement savings gap among working households aged 25-64 is staggering, ranging from \$6.8 trillion to \$14 trillion depending on which measure is used. When all households are included, not just those with retirement accounts, the median retirement account balance is \$3,000 for all working-age households and \$12,000 for near-retirement households.

“The heart of the issue consists in two problems: lack of access to retirement plans in and out of the workplace – particularly among low-income workers and families – and low retirement savings,” said the NIRS report. “These twin challenges amount to a severe retirement crisis that, if unaddressed, will result in grave consequences.”



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