

PART-TIME WORK: FLEXIBLE OPTION OR UNDEREMPLOYMENT?

Older workers are more likely to work part-time than younger workers, and the proportion increases with age. Many employers offer the option of working part-time, sometimes as a way to encourage older workers to remain in the workforce. While the majority of older part-time workers prefer part-time employment, some work part-time involuntarily and would prefer full-time work. Involuntary part-time workers face loss of income, as well as lack of health and retirement benefits.

Are older workers more likely to be employed part-time compared to workers of other age groups?

According to 2008 data from the Bureau of Labor Statistics, among employed persons aged 55+, 28% work part-time (from 1-34 hours per week), compared to 18% of workers aged 25-54.¹

The proportions of older workers who work part-time compared to full-time increased with age for both men and women, according to a 2008 analysis of CPS data. In 2008, 34.7% of employed women worked part-time, compared to 18.0% of men. By ages 65-69, the proportions of employed women and men who worked part-time increased to 44.7% and 27.8%, respectively.² (See Figure 1)

Are some older adults who are employed part-time doing so involuntarily, because full-time work is not available?

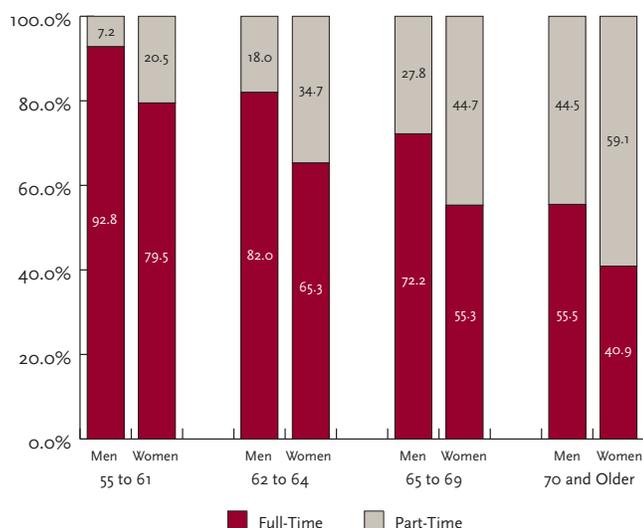
“More than 1.4 million older workers were working part-time in December [2009] because they had no choice...These “involuntary” part-time workers were 5.5% of all older, nonagricultural workers in December [2009],” according to a 2010 AARP report.³

“Nearly four-in-ten (37%) of all part-time employees younger than 65 years would prefer to be working full-time, compared with 13% of part-timers” aged 65+, according to a 2009 Pew Survey. “Still, fully 61% of younger people and 87% of older people find part-time work preferable.”⁴

According to a 2009 Metlife survey of workers and job seekers aged 55–70, “about 58% of respondents aged 66–70 reported working part-time, compared to 19% for those aged 55–60. Of those working part-time, 22% said they would prefer to work full-time.”⁵

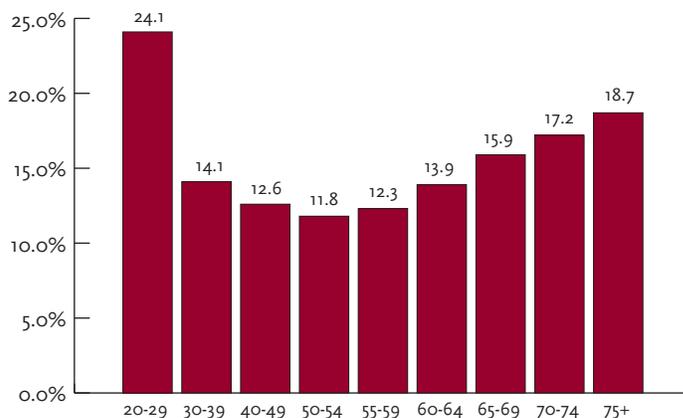
Based on a 2008 analysis of CPS data, among adults aged 50–54 years, the prevalence of underemployment [defined as either unemployed, discouraged, involuntary part-time, or earnings less than 125% of the poverty threshold] was 11.8% in 2003-05. Underemployment rates for older adults increased with age to 12.3% (55-59), 13.9% (60-64), and 15.9% (65-69).⁶ (See Figure 2)

Figure 1. Full and Part-Time Employment of Men and Women Aged 55 and Older in 2008



Source: Purcell, 2008

Figure 2. Percentage of Adults Underemployed by Age



Source: Slack, T., & Jensen, L. (2008)

What disadvantages are experienced by workers who work part-time involuntarily?

A 2007 analysis of Census Bureau data shows that “among workers not eligible for [health insurance] benefits, 56.8% were employed part-time.”⁷

“Full-time workers (84%) are far more likely than part-time workers (40%) to have an employee-funded retirement plan offered to them,” according to a 2009 survey from the Transamerica Center for Retirement Studies. “This disparity is further amplified between workers of large and small companies. Full-time workers of large companies (92%) are most likely to be offered an employee-funded plan. Part-time workers of small companies (24%) were least likely to be offered such a plan.”⁸

Among part-time workers who are primary wage earners, “Almost 30% ...lived below the Federal poverty line, and close to half of all part-time primary earners lived below 150% of the poverty line,” during 2007, according to a 2009 analysis of CPS data.⁹

To what extent are employers offering part-time employment as a flexible work option?

Among employers participating in a Sloan Center on Aging & Work study, 16.9% report that “most/all” employees have the option of reducing their work hours and working on a part-time basis while remaining in the same position or at the same level. Working part-year is an option reported by 13.1% of the employers.¹⁰

“Nine in 10 nonprofit employers (90%) say that they offer part-time work, and 86% say they offer flexible schedules to all or some employees,” according to a 2008 MetLife/Civic Ventures survey.¹¹

“Among steps being considered to manage the knowledge drain, four in ten [employers] are considering...implementing part-time work programs as a way to help employees ease into retirement (39%) and offering pension benefits to partially retired/partially in-service employees (32%),” according to a 2009 MetLife survey of 240 large employers.¹²

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