

The Earnings Penalty for Part-Time Work: An Obstacle to Equal Pay

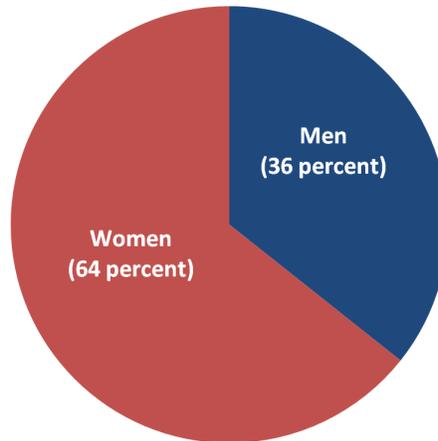
Equal Pay Day highlights an issue of social and policy significance: the gap between the earnings of men and women. Estimates of the gender pay gap vary, but it is clear that women earn less than men.¹ This gap has arisen for a variety of reasons, but one dimension of the problem involves the earnings penalty for part-time work. Closing the pay gap between full-time and part-time workers will contribute significantly to closing the pay gap between men and women. The part-time earnings penalty has had a particularly large impact on the economic well-being of families during the Great Recession since the number of part-time workers who would like full-time employment has risen by 4.4 million workers since December 2007.

**Report by the Joint Economic Committee
Representative Carolyn B. Maloney, Chair**

*The Joint Economic Committee, established under the
Employment Act of 1946, was created by Congress to
review economic conditions and to analyze the
effectiveness of economic policy.*

- **Part-Time Workers Are Disproportionately Female.** In 2009, over 17 million women worked part time. Out of the pool of individuals who work part time, nearly two-thirds are women (see Figure 1). While most working women work full time, one-quarter (26 percent) of all employed women work part time, compared to 13 percent of employed men (see Figure 2). In many of the occupations with large shares of part-time workers, employment is dominated by women. Women make up over half (56 percent) of the employees working in food preparation and serving related jobs, where 49 percent of workers are employed part time. Over three-quarters (77 percent) of personal care and service positions are held by women – an occupation where 43 percent of employees work part time.

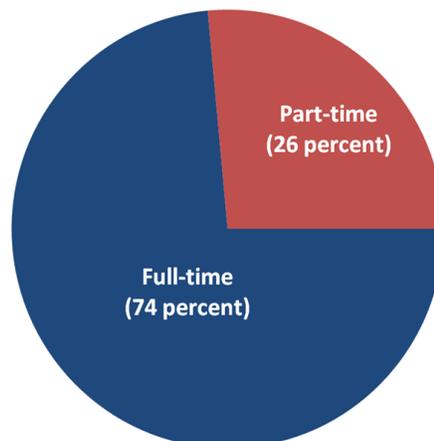
Figure 1. Nearly Two-Thirds of Part-Time Workers Are Women



Note: Employed persons are classified as full- or part-time workers based on their usual weekly hours at all jobs regardless of the number of hours they are at work during the reference week. Persons absent from work also are classified according to their usual status.

Source: JEC Majority Staff calculations from Bureau of Labor Statistics, Current Population Survey 2009.

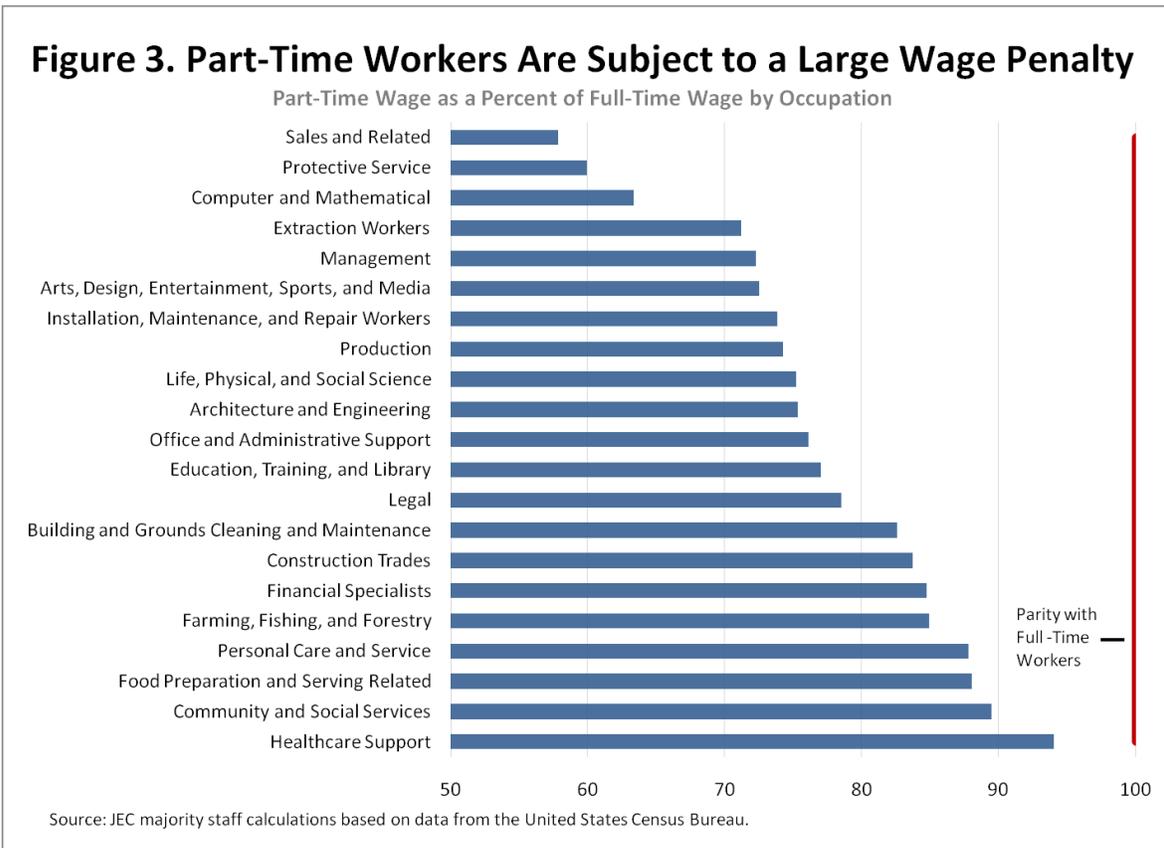
Figure 2. One-in-Four Employed Women Usually Works Part Time



Note: Employed persons are classified as full- or part-time workers based on their usual weekly hours at all jobs regardless of the number of hours they are at work during the reference week. Persons absent from work also are classified according to their usual status.

Source: JEC Majority Staff calculations from Bureau of Labor Statistics, Current Population Survey 2009.

- Part-Time Workers Face an Earnings Penalty.** Part-time workers across a spectrum of occupations earn hourly wages below those of full-time workers, which contributes to the wage gap between men and women. For example, for every dollar of earnings a full-time worker receives in a sales or related occupation, a part-time worker receives 58 cents. A similar story is true for workers in computer and mathematical occupations: a part-time worker receives about 63 cents for every dollar of earnings a full-time worker receives (see Figure 3).



- **Part-Time Work Can Lead to Lower Long-Run Earnings.** Evidence shows that part of the long-run earnings gap between men and women may be explained by the longer time that women, relative to men, spend working part time.²

Therefore, not only do part-time workers earn lower hourly wages than full-time workers, but longer durations of part-time work can contribute to lower earnings. These are just two of the ways that part-time work can drive the wage gap between men and women.

The part-time wage penalty also affects men. While men represent a smaller fraction of the pool of part-time workers, men who work part time suffer from some of the same problems in the labor market that women do.

Finally, wage gaps between part-time and full-time workers understate the difference in total compensation. Many part-time workers do not receive the same health benefits, paid time-off for vacation or sick leave, or pension benefits that full-time workers receive.

1. One widely cited estimate of the gap in pay shows that women's earnings were 77 percent of men's earnings in 2008, or about \$5 per hour less than men. National Committee on Pay Equity, available at <http://www.pay-equity.org/info-time.html>, 2008 data based on full-time workers. To calculate average hourly wage differences, it is assumed that workers work 40 hours per week.

2. Bertrand, Marianne, Claudia Goldin, and Lawrence Katz. "The Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors." December 2009 working paper. See <http://www.economics.harvard.edu/>