

This working paper by the Federal Reserve Bank of San Francisco (SF Fed) discusses an increase of involuntary part-time workers in the U.S., defined as those who would work full-time if given the opportunity. It examines data from the SF Fed’s “Vantage Point” survey as well as regional roundtables. The paper recommends supporting these workers through holistic efforts that integrate housing, transportation, and childcare solutions, and reexamining the income requirements of public assistance programs.

2 Highlights

Who is Underemployed?

Involuntary part-time workers are most likely to be employed in the service industry, be African-American or Latino, and live in a Western state. 30% of all part-time workers in California are involuntary.

Part-Time = Low-Cost

Roundtables suggested that the cost of employee benefits, a higher minimum wage, and the competition/convenience of automation and e-commerce make employers favor part-time positions over full-time.

The Cliff Effect

Many workers reject additional income (or under-report income gained in the cash/gig/shadow economies), afraid it will push them over the threshold for public benefits but still leave them far below the amount needed to cover basic needs.

3 Connections to NEW ...

Real Estate Development  Affordable Housing  FamilySource Centers

Homeownership  Afterschool Learning Centers  Latino Tech-Net  Youth Services  Policy/Advocacy