

The Pay and Requirements of Part-time Work: What Can we Learn from Establishment Surveys?

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Discussion – Etienne Lalé (Bristol and IZA)

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What is it about?

- ▶ Use establishment survey data to study part-time employment
 - ▶ National Compensation Survey (NCS)
 - ▶ Occupational Requirements Survey (ORS)
- ▶ Describe the job tasks and working conditions in part-time work
- ▶ Some empirical evidence on how these have changed over time

Review of the findings

Main findings (1)

The nature of work performed in part-time jobs is different from that in full-time jobs:

- ▶ Hourly wage gap (NCS): part-time work involves less knowledge and less complexity (\sim cognitive demands of the work)
- ▶ These \neq are present within 2-digit occupations (ORS): part-time work requires little decision-making competence and less job training
- ▶ No significant \neq in the strength required – is this unexpected?

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Why is this important?

- ▶ Implications for wage regressions to estimate the part-time penalty
- ▶ However, there is no worker-level control available in these data

Main findings (2)

Some changes over the time period covered by the NCS data (2005 to 2015):

- ▶ The part-time employment share has increased by 3 pp.
The trend is concentrated in healthcare support and food preparation/serving
- ▶ The skill level of part-time work has increased (i.e. more complex tasks)

Main findings (2)

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Some caveats:

- ▶ Whether these two trends are related is not shown in the paper
- ▶ How does the study of time trends tie in with the rest of the analysis?

Putting the findings in perspective

Labor market transitions (1)

Based on: “Employment Adjustment and Part-time Jobs: The U.S. and the U.K. in the Great Recession”, IZA Discussion Paper 9847 (joint with Daniel Borowczyk-Martins)

1. Part-time employment is a highly transitory state of employment
20% of part-time workers move to full-time employment over a time horizon of 1 month
2. Transitions from part-time to full-time employment occur at the same employer
Within-employer changes account for 90% of the level and variations of these transitions
3. Transitions between part-time and full-time at the same employer entail large changes in the number of working hours

Labor market transitions (2)

Two views:

1. When workers move between part-time and full-time employment, they perform very different tasks and job duties (in addition to changing hours)
2. Part-time employment is made up of 2 types of jobs:
 - 2.1 One with similar job duties in part-time and full-time employment – little cost of switching between employment status
 - 2.2 One that is distinct from full-time employment due to the nature of work performed – few labor market transitions

What are the implications for productivity, if these labor market transitions change both working hours and the tasks performed on the job?

Heterogeneity

The patterns of turnover between full-time and part-time work are broad-based:

- ▶ They are qualitatively similar for prime-age men and women; less and more educated workers; married and single individuals
- ▶ Changes in the part-time employment share during recessions are not explained by composition effects w.r.t. occupations and industries

In this respect, it is unclear whether the 2005-2015 trend in part-time work is related to changes in the skill level and/or the occupational changes reported in the paper

Is there a discrepancy between the findings based on establishment survey data and the worker-level data? And if yes, why?

Changes in part-time employment

Based on: “The Rise of Part-time Employment”, Sciences Po Discussion Paper 2016-04 (joint with Daniel Borowczyk-Martins)

- ▶ We use the March CPS to overcome the 1994 break in data collection of part-time employment in the monthly files of the CPS
- ▶ Using these data, we document numerous trends in labor market stocks and flows over the past four decades (from 1976 to 2015)
- ▶ We also use these data to compare several recessionary episodes

Recent changes in part-time employment (1)

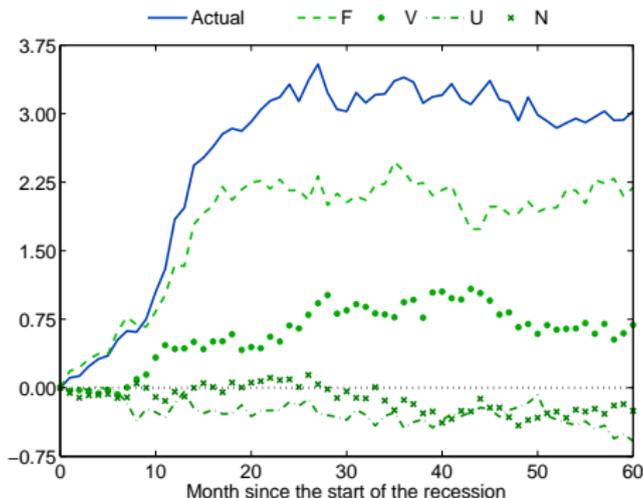


Figure 1: Change in involuntary part-time work during the Great Recession

- ▶ Involuntary part-time work explains the bulk of the recent dynamics
- ▶ The increase is driven by the interaction with full-time employment (F)

Recent changes in part-time employment (2)

- ▶ The strong interaction with full-time employment could explain the recent increase in the skill level of part-time work
- ▶ Does the NCS provide evidence on labor costs explaining the strong cyclical response of part-time work during the recession?
- ▶ Evidence on recent changes in labor market institutions, e.g.:
 - ▶ Affordable Care Act
 - ▶ Short-term compensation schemes

Long-run changes in part-time employment (1)

From F to P



From P to F

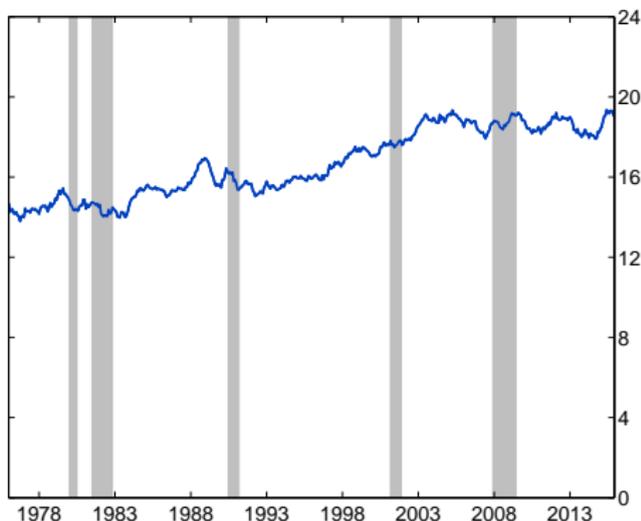
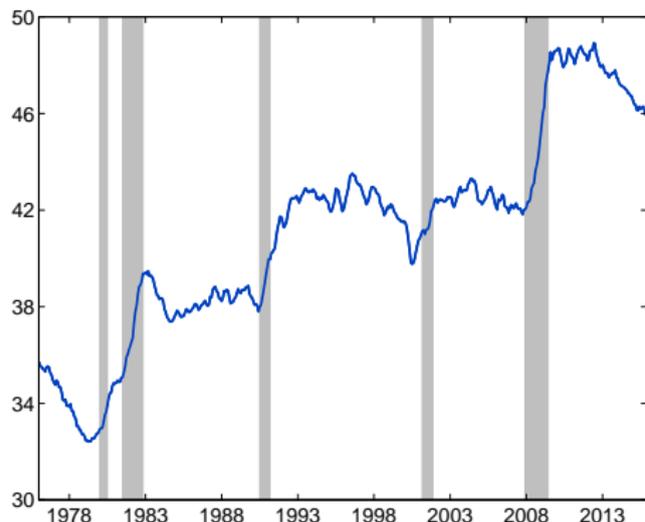


Figure 2: Transition probabilities between full-time (F) and part-time (P) work

- ▶ Have the tasks performed in part-time and full-time work become more similar?
- ▶ Evidence of a decrease in the costs of combining part-time and full-time tasks?

Long-run changes in part-time employment (2)

Workers aged 16 to 24



Workers aged 55 to 64

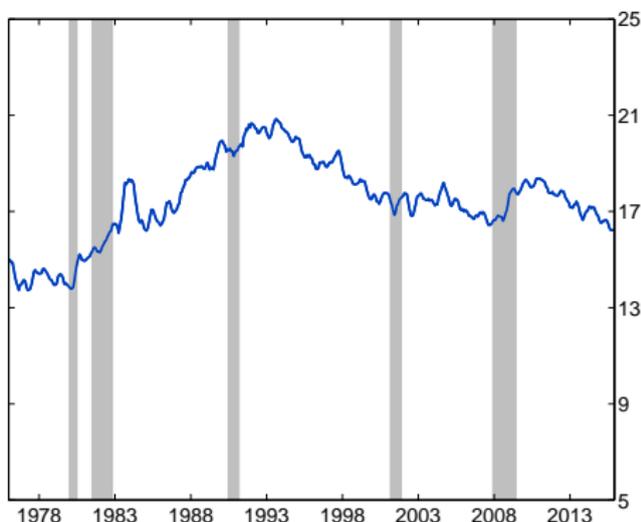


Figure 3: Part-time employment share in selected sub-groups

- ▶ Do differences in work requirements explain differences in levels between groups?
- ▶ And/or are they relevant to explain the time trends within groups?

Conclusion

Concluding remarks

- ▶ Interesting data to understand the differences between full-time and part-time work
- ▶ It is likely that these differences explain a large part of the part-time wage penalty
- ▶ They could help us think about the relative contribution of supply and demand in the long-run changes in part-time employment in the U.S. labor market