Constrained choices

Understanding the prevalence of part-time work among low-paid workers in the UK

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Executive Summary

This is the fifth output from the Resolution Foundation which contributes to the Young person's future health inquiry, a programme funded by the Health Foundation that aims to build the policy agenda on important topics relating to young people's health in the long term. The contributions from the Resolution Foundation have focused on young people's experiences of the labour market, including in low-paid and poor-quality jobs, and how this related to health and well-being. In this report, we discuss the concentration of part-time work among low-paid workers (including young people), and weigh up how concerned we should be about this. In doing so, we also explore the reasons why low-paid workers work part-time, and the extent to which low-paid workers experience agency over their working hours. Importantly, we draw on the findings from four focus groups carried out in October 2022. We listened to low-paid, part-time workers from a range of backgrounds, aged 18 up to 63, to shed light on the way that low-paid workers make decisions about their working hours.

Working fewer hours is a key part of economic progress, but today's concentration of part-time work among lower-paid workers raises concerns

The long-run trend in developed countries is for average hours of work to fall: as we become more productive as a country, we take some of these gains in the form of increased leisure time, and many workers find that working fewer hours is good for their

overall well-being. In the fifty years up to 2018, average working hours in the UK fell by 14 per cent, down from 37 to 32 hours per week. In general, therefore, we should view workers choosing to work fewer hours (which, for some, will mean working part-time) as being part of what progress looks like.

But, although internationally it is the workers in more productive, richer countries that work fewer hours – the average worker in significantly richer Germany and the Netherlands, for example, work a shorter week than the average British worker – within the UK, the pattern is reversed, with lower-earning workers working the shortest hours, on average. In the UK, for both men and women, the highest-paid-fifth of workers work the longest weekly hours, and the lowest-paid-fifth work the shortest hours: by 2021, the gap in working hours between the top and bottom hourly-pay quintile was 5 hours per week for men and 10 hours per week for women. For women, this gap is a long-lasting feature of our labour market and has been fairly constant since 1997. For men, however, this is a more recent phenomena: much of this gap in working hours between lower and higher earners appeared in the late 1990s and 2000s, rising from 3 hours in 1997 to peak at 7 hours in 2014. Indeed, this represents a significant reversal of the previous pattern: in the 1970s, it was low-skilled, low-paid men who worked the longest hours. The least-educated men worked four hours longer than the most-educated men in 1979, but by 2009 this trend had reversed, with the most-educated men working one hour longer.

Today's concentration of part-time or shorter-hour working amongst those with lower hourly pay has real implications for families' living standards and the nation's inequality. The UK has made considerable progress reducing the extent of low pay in recent years, driven by the increases in the National Living Wage, which has risen by £2 an hour, or 27 per cent, in the past five years. As a result, the proportion of employee jobs that are in low hourly pay (defined as hourly pay that is less than two-thirds of the median) has fallen by 10 percentage points since 2015. But workers' living standards are dictated by their weekly earnings (reflecting hours worked, not just hourly pay). The NLW has not driven remotely as significant a fall in low weekly pay:

the proportion of employee jobs in low weekly pay (defined as weekly pay that is less than two-thirds of the median) fell by just 4 percentage points over that period. Of those workers left with low weekly pay in 2021, only two-in-five had a low hourly pay, but almost nine-in-ten (88 per cent) were in part-time work. Indeed, the positive relationship between hourly pay and hours worked is why overall inequality in individual earnings remains almost twice as high as inequality in hourly wages: in 2019, the 90:10 ratios for individual weekly earnings and hourly wages were 6.3 and 3.4 respectively.

These trends in working hours are complex, and create tensions that are difficult to reconcile. On the one hand, we want average working hours to fall as we become a richer and more productive economy. On the other hand, the concentration of part-time work among workers at the bottom end of the hourly wage distribution is holding back living standards and is contributing to high levels of earnings inequality. How should policy makers reconcile this? In this paper, we combine quantitative analysis with evidence from four focus groups, since quantitative analysis on its own cannot provide conclusive insights into low-paid workers' motivations for working part-time. In doing so, we aim to give policy makers a clearer sense of how to navigate these competing considerations, where common objectives of economic policy point in different directions. Our conclusion is that policy should target some of the drivers of shorter-hour working amongst lower earners – namely those that constrain workers' choices – while recognising both the real benefits it can bring and the complexities of lives that sit behind decisions about how – and for how long – we work.

There are some reasons to be relaxed about the current prevalence of part-time working

Some recent developments in the labour market, alongside positive reasons for choosing part-time work set out by focus group participants, might make us relaxed about the prevalence of part-time work amongst lower earners.

First, this feature of our labour market is not a growing one.

Although men work shorter hours now than in the mid-1990s, and low-paid men still work shorter hours than high-paid men, most of the reduction in low-paid men's working hours took place some time ago. In fact, between 2012 (when the economy was recovering from the financial crisis) and the eve of the Covid-19 pandemic, men's working hours marginally increased (with low-paid men now catching up with high-paid men), and women's working hours increased significantly. Indeed, the proportion of all workers who are doing part-time work has been gradually falling for the past decade, down from a peak of 28 per cent in 2012 to reach 24 per cent in 2021. These changes are not wholly positive – the UK entered a period of stagnation, in which real earnings growth was weak, and many workers responded by working more.

Second, this recent rise in hours worked has occurred despite compositional changes in our labour market that we might have expected to further increase the gap in hours worked between lower and higher earners. Unemployment has been low in recent years, reaching its lowest rate for almost 50 years in 2022. The movement of otherwise unemployed or inactive workers into employment – which is clearly a positive development – will be acting to push down average working hours among low-earners, since recently-unemployed workers are more likely to work part-time than those who have been in continuous employment. In 2018, two-fifths of employees who were unemployed a year before were in part-time work, compared to just over one-quarter of those who were in continuous employment.

Third, along with the recent strengthening of the labour market has come a reduction in underemployment (defined as workers who would prefer to work longer hours at their current rate of pay). The incidence of underemployment among those working part-time has fallen by just over one-fifth since the financial crisis, down from 22 per cent in 2012 to 16 per cent in 2022. This returns levels of underemployment broadly to those seen in the mid-2000s.

Lower levels of underemployment reflect what we heard listening to part-time workers in our focus groups, where many

workers spoke about part-time work in positive terms. Workers often felt part-time work was their choice, one that was good for their wellbeing and stress levels, and which meant that work did not obstruct their home life. Many workers spoke about how they are unable to work full-time, but value the personal benefits from working part-time. Consistent with this, quantitative data shows that there is no part-time penalty when it comes to life satisfaction. In 2017-2019 part-time and full-time workers rated their levels of life satisfaction at 7.4 and 7.5 (out of 10) respectively – much higher than those who are unemployed (6.2) or who are economically inactive due to long-term sickness (5.5). And, although work has become more stressful in recent decades, especially in lower-paid occupations, part-time workers continue to have lower levels of work-related stress than full-time workers: in 2015, less than one-quarter of part-time employees, regularly felt stressed at work compared to over two-fifths of full-time employees.

But we should not be complacent: many low-paid workers' choices around their working hours are constrained

Although low-paid workers speak about many positive aspects of part-time work, and the shape of the UK labour market may be more promising than a decade ago, there are still reasons for policy makers to be concerned.

The first issue is that the financial implications of part-time work are high, today and tomorrow. There is both a pay and a progression penalty attached to such work that should worry us and has real living standards consequences. Part-time work is concentrated in certain low-paying sectors, and those looking for part-time work face far fewer options of well-paid jobs than those able to work full-time. In 2015, only one-quarter of part-time workers felt like their job had prospects for advancement, compared to 38 per cent of full-time workers; and people who switch from part-time to full-time work are more likely to escape low pay that those who remain in part-time work. But what makes this even more worrying is that part-time workers are increasingly concentrated in families with a low disposable

income. Although there may have been a historical view of part-time workers providing a top-up to the 'main' family earner in middle- or higher-income households, this is less often not the case today. In 2017-2019, 42 per cent of workers from the poorest disposable household income quintile worked part-time, up from 36 per cent in 1997-1999.

Second, although underemployment overall has fallen back to mid-2000s levels, there are significant concentrations of it amongst lower-paid, part-time workers who cannot get the hours they want. Among men working part-time, there is a strong gradient to underemployment: in 2021, one-in-five part-time men in the bottom quintile of the hourly wage distribution were underemployed, compared to 7 per cent of those in the top quintile. And underemployment and involuntary part-time work are much more common among young people: in 2017-2019, almost half (47 per cent) of young men aged 18-24 and a third (33 per cent) of young women (excluding those in full-time education) stated that they are working part-time because they could not find a full-time job. There are also striking differences between ethnic groups: in 2017-2019, two-thirds (68 per cent) of workers in low hourly pay from Bangladeshi backgrounds were in part-time work, compared to less than half (43 per cent) of those from White backgrounds. These differences between different groups of workers are in part related to different sectoral patterns of working that may constrain individual workers choices: low-paid, part-time work is over-represented in industries like accommodation and food services, with over half of workers in low hourly pay from this industry working part-time. Part-time work is also high in education, reflecting that many catering assistants or teaching assistants will not have full-time jobs.

Third, although workers in our focus groups spoke positively about working part-time, they acknowledged that they made decisions about their working hours within considerable constraints. One issue is that workers report that low-paid work is often of poor quality and feels stressful and unfulfilling. Workers with these constraints often reported 'satisficing', working as few hours as they could to cover their (often

deliberately reduced) outgoings, and saying that the extra pay from working more hours in what were unpleasant or unfulfilling jobs was not worth it. Unsatisfying work among low-earners has become more prevalent in recent years: job satisfaction among the lowest earners has fallen from over 70 per cent in the early 1990s (far higher than for those with higher earnings at this point) to 56 per cent in 2017-2019. If their job is unpleasant, it's not surprising that workers do not want to increase their hours.

Workers also told us that part-time work is often the only way they can achieve flexibility and balance work with their other commitments, another real constraint that affects those on lower hourly pay far more than higher earners. For example, some workers said that the only way to avoid weekend or evening shifts – which they wanted to avoid because of unavoidable caring responsibilities or to preserve time to see family and friends – was to accept a job offering less than full-time hours. These constraints on shift patterns or irregular hours do vary by sectors but affect low-paid workers more so than higher-paid workers: in 2022, 38 per cent of workers in the bottom hourly pay quintile regularly work on weekends, compared to just 6 per cent of those in the top quintile.

Policy makers should be concerned about the concentration of part-time work among low-paid people – while recognising that everyone working full-time is not the answer

In 2022, rates of underemployment are low, and workers feel that there are many benefits to working part-time, for themselves and their family. Some of the worries that policy makers held in the aftermath of the financial crisis – for example, that the number of low-paid men who were involuntarily working part-time would keep rising – have not transpired. And, if borne out of genuine choice, then we should see people choosing to work shorter hours as a good thing: people's lives are complex, and in the long-run we would like more people to be able to maximise their leisure time.

But the concentration of part-time work among low-earners in the UK is evidence that we have not reached a high-leisure, high-productivity utopia, and as such, there is no room for policy makers to be complacent. Moreover, we should not overstate the amount of agency that low-paid workers have over their working hours. Although there are aspects of part-time work that people value, many workers spoke about their working hours with a sense of despondency: even if their circumstances were to change, or their financial situation was to worsen (as many expected it to do in the coming months), few workers felt that they could up their hours. The constraints facing low-paid workers – such as norms of shorter-hour working in some firms, poor health, high childcare costs, or the feeling that full-time work is unreasonably stressful – mean that often, workers have no meaningful alternative to being in part-time work.

Policy makers should reflect on this and focus their actions on the things that constrain lower earners' ability or desire to take on additional hours. These constraints are the biggest reason to be worried about the incidence of part-time work among low-paid workers, and not a lack of available full-time jobs in today's tight labour market. The fact that these constraints persist should encourage us to recognise that a tight labour market alone is not a sufficient answer to the challenges around part-time work.

On barriers to the ability to work more hours, policy makers should focus on factors such as high childcare costs, where the limit on support for childcare costs through Universal Credit disincentivises full-time work among workers from low-income families. That some firms having employment models highly focused on part-time work is also an area of some concern, and is directly incentivised by the state because of the per worker allowance for employer National Insurance contributions.

On workers' desire to work longer hours, policy makers should also focus on improving job quality and flexibility for low-paid workers so part-time work is not a coping strategy for people doing unsatisfying work, nor the only option for a lower-earner wanting a sustainable work-life balance. Part-time work

should not be the only route for low-paid workers to achieve the flexibility that higher-paid workers take for granted, such as being able to do the school run or keep weekends free. But at present it may feel like that, when workers have no minimum notice period for shifts. Policy makers should focus on focus on improving workers' rights to give low-paid workers more control over their working hours. Importantly, policy makers must also ensure that these rights are enforced: the long-promised Single Enforcement Body should be introduced and properly resourced.

Finally, policy makers should consider how to reduce the incidence of involuntary part-time work among young people, given the pay and progression penalty that is associated with part-time work is likely to hinder their future careers – for example, by improving careers advice and employment support.

The reasons why people choose to work part-time are multiple, and reflect the complexity and diversity of people's lives. Policy makers should accept this and understand that there is no single solution that will allow all low-earning workers to increase their working hours. Indeed, some of the constraints that affect the decisions of low-earners – like high childcare costs, or poor-quality work – are significant, and are unlikely to disappear any time soon. But this does not mean that policy makers should see the current concentration of part-time work among low-earners as inevitable. Through targeted policy intervention, many of these constraints could be lessened, giving low-earning workers more agency over their working hours. By doing so, policy makers have the ability to make a significant difference to the living standards of low-earning workers in the UK.

Section 1

Introduction

This report examines trends in part-time work among low-paid workers and contributes to the Young person's future health inquiry, a three-year programme supported by the Health Foundation.[1] The inquiry aims to build the policy, research and place-based agenda, recognising that people's experiences when they are young have significant impacts on their long-term health. The Resolution Foundation's contribution to the inquiry focuses on the labour market experience of young people, exploring the incidence of unemployment, economic inactivity, poor-quality and low-paid work among young people, and examining the interplay between young people's labour market experience and their health and well-being. Our previous work (summarised in Box 1) looked at worklessness among young people, and the labour market experience of young people with mental health problems.

BOX 1: The Young person's future health inquiry: our findings so far

Our first report for the inquiry, published in May 2021, found that young people were at the sharp end of the Covid-19 crisis, with young people's employment and mental health disproportionately affected.[2] But the report also documented some longer-term labour market trends, finding young people were 60 per cent more likely to be in insecure forms of work such as agency work and temporary jobs on the eve of the Covid-19 crisis than in 2000. Concerningly, young people in insecure jobs are especially likely to have higher levels of stress and anxiety, with 37 per cent of 18-35-year-olds in insecure work having poor mental health, compared to 30 per cent of those in secure roles.

Our most recent contribution to the inquiry, published in June 2022, focused on unemployment and economic inactivity among young people, and

1 www.health.org.uk/what-we-do/a-healthier-uk-population/young-peoples-future-health-inquiry, accessed November 2022.
2 R Sehmi & H Slaughter, Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people, Resolution Foundation, May 2021.

found that the number of young people aged 18-24 who are workless (those who are unemployed or inactive, and not in full-time education) is low by historic standards: between 1995 and 2021, the total number of young people who are workless has fallen by 300,000, from 1.1 million to 800,000.[3] But beneath the surface there are reasons to be concerned: since the 1990s, there has been a rise in economic inactivity due to long-term health problems for both young men and young women, with the sharpest increase being in inactivity due to mental health problems.

In this new work, we explore trends in working hours over time, including differences between age groups. Importantly, in keeping with the aims of the Young person's future health inquiry, we consider the importance of part-time work for low-paid workers in particular, and examine how the prevalence of poor-quality work in the UK impacts people's decisions around their working hours.

To explore these questions, in October 2022 we held four focus groups with low-paid, part-time workers. We spoke to 36 workers in Coventry, all of whom were paid less than the UK Real Living Wage rate of £10.90 per hour and were working less than 30 hours per week.[4] We listened to people from different walks of life: men and women, those with and without children, of different ages (ranging from 18 to 64), working in different industries. We segmented the focus groups along the lines of age and sex. The four focus groups were as follows: the first with younger men (aged 18-29), the second with younger women (aged 18-29), the third with older men (aged 30 and over) and the fourth with older women (aged 30 and over).

The remainder of this report is set out as follows:

- In Section 2, we set out how the incidence of part-time work has changed over time, and show why working hours are important for living standards and inequality.
- In Section 3, we consider some of the more promising changes in recent years, and explore the reasons why low-paid workers are content with working part-time.
- In Section 4, we focus on the more concerning aspects of trends in part-time work, showing that there are still reasons why policy makers should be concerned about its incidence among low-paid workers.
- Finally, in Section 5 we conclude with some policy recommendations.

3 L Murphy, Not working: Exploring changing trends in youth worklessness in the UK, from the 1990s to the Covid-19 pandemic, June 2022.

4 The Real Living Wage is calculated by the Living Wage Foundation and is a voluntary hourly pat rate that is based on what families need to get by. For more information about how the Real Living Wage is calculated, see: N Cominetti & L Murphy, Calculating the Real Living Wage for London and the rest of the UK: 2022, Resolution Foundation, September 2022. We held the focus groups in Coventry, since it is a city with labour market conditions that are relatively close to the UK average. For example, in 2021, median weekly pay for all employee jobs was £503 in Coventry, compared to the UK average of £504.40.

Section 2

Working hours are an important determinant of living standards

The long-run trend in developed countries has been for average working hours to fall, with increased leisure time being one of the benefits of higher-productivity economies. So we shouldn't immediately be alarmed if workers choose to work a bit less. But the current concentration of part-time work among low-earners in the UK is worrying: for both men and women, the highest-paid-fifth of workers work the longest weekly hours, and the lowest-paid-fifth work the shortest hours. By 2021, the gap in working hours between the top and bottom hourly-pay quintile was 5 hours per week for men and 10 hours per week for women. This clearly has important impacts on living standards and inequality: the positive relationship between hourly pay and hours worked means that inequality in individual earnings remains almost twice as high as inequality in hourly wages: in 2019, the 90:10 ratios for individual weekly earnings and hourly wages were 6.3 and 3.4 respectively. It also means that, although the UK has made considerable progress on the extent of low hourly pay in recent years – largely thanks to the fast-rising National Living Wage – the prevalence of low weekly pay remains stubbornly high. Indeed, in 2021, of those workers with low weekly pay (defined as weekly pay less than two-thirds of the median), only two-in-five have a low hourly pay (defined as hourly pay that is less than two-thirds of the median), but almost nine-in-ten (88 per cent) are in part-time work.

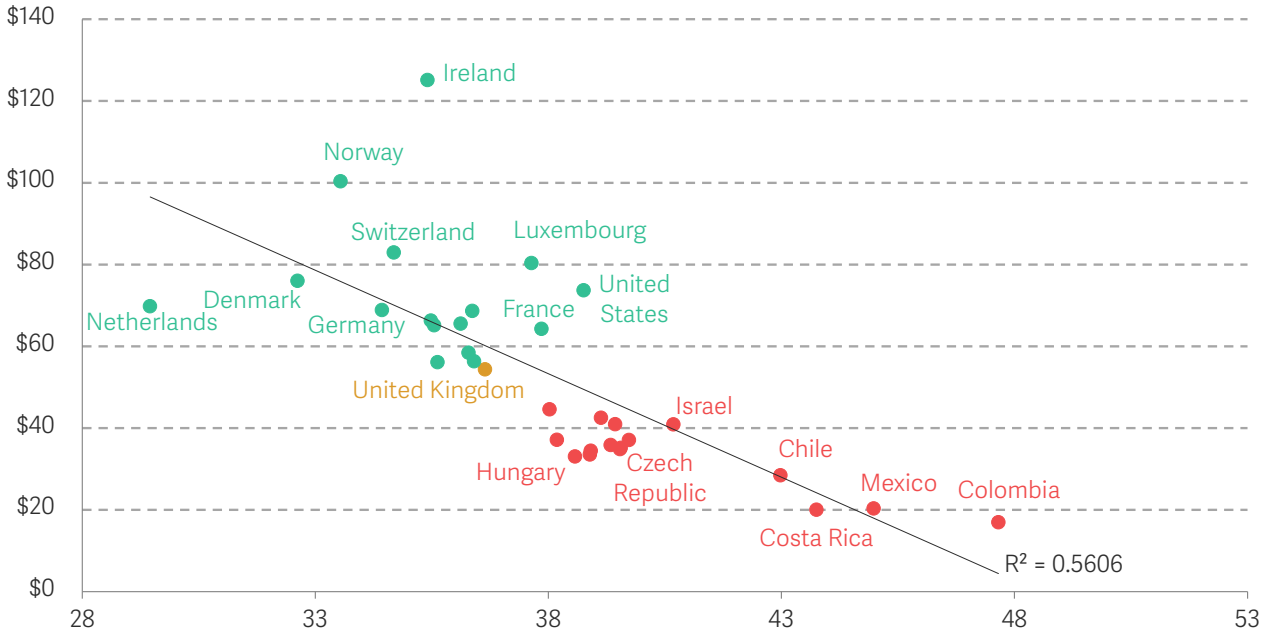
We should be concerned about the current concentration of part-time work among low-earners, more so than the overall level of part-time work in the UK

When we consider how working hours have changed in many advanced economies over recent decades, the general trend has been for average working hours to fall: as we become more productive and richer, we turn some of that into increased hours of 'leisure'. In the UK, in the fifty years up to 2018, average working hours fell by 14 per cent,

down from 37 to 32 hours per week.[5] And when we look at other European countries that are more productive than the UK, they have shorter average working hours: see Figure 9. For example, in 2019 Germany was more productive (and richer) than the UK, and their average working week was two hours – or 6 per cent – shorter.

FIGURE 1: **Higher-productivity countries like Germany and the Netherlands work shorter hours than the UK**

Productivity per hour worked and average weekly hours worked: OECD countries, 2019



NOTES: Productivity is measured as gross domestic product (GDP) per hour of work. This data is adjusted for inflation and for differences in the cost of living between countries. For ease of reading, not all data labels are shown.
SOURCE: RF analysis of Feenstra et al. (2015), Penn World Table 10.0 (accessed via Our World in Data); OECD, Average usual weekly hours worked on the main job dataset.

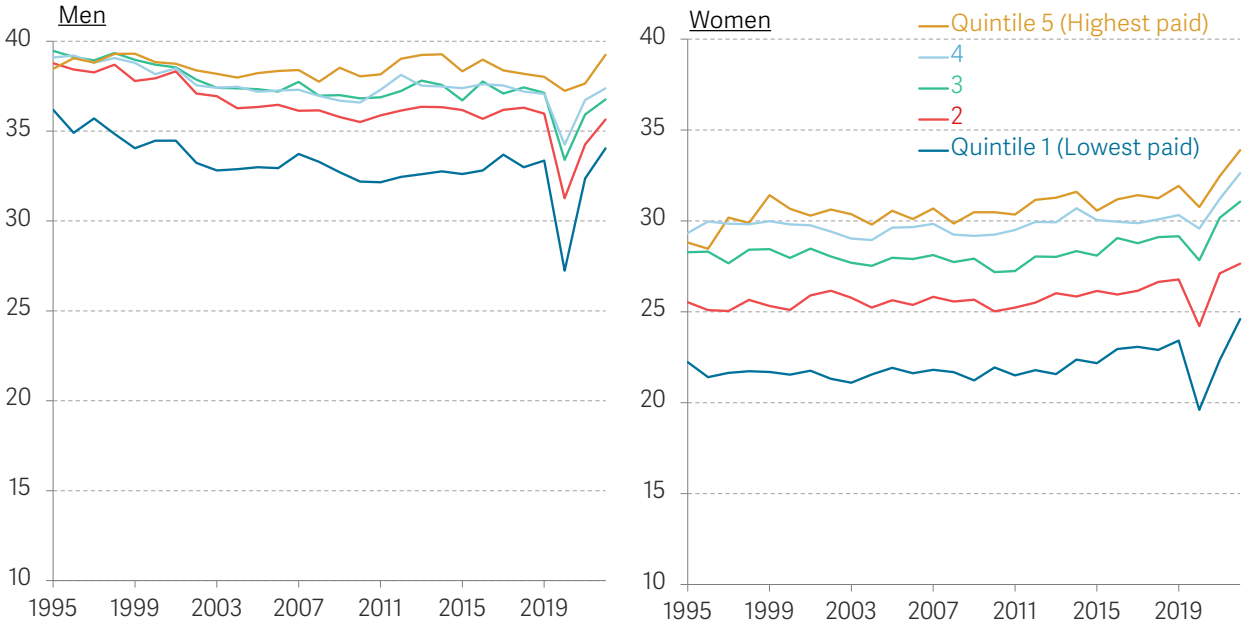
So, if increased affluence were allowing British workers to reduce their hours, then that would be something to celebrate: workers choosing to work fewer hours (which for some will mean working part-time) is often part of what progress looks like. But this is not the current picture in the UK, given its terrible record on productivity and wage growth in recent decades.[6] And, more importantly, greater affluence allowing workers to afford to cut their hours does not explain the concentration of part-time work among low-earners.

5 G Bangham, The times they aren't a-changin': Why working hours have stopped falling in London and the UK, Resolution Foundation, January 2020.
6 For wider discussion of this period of stagnation, and of how the UK can work towards a richer and more equal future, see: Resolution Foundation & Centre for Economic Performance, LSE, Stagnation Nation: Navigating a route to a fairer and more prosperous Britain, Resolution Foundation, July 2022.

As shown in Figure 2, it is workers who are low down in the hourly wage distribution who are more likely to work shorter hours than those who are higher up the hourly wage distribution. For both men and women, those in the bottom fifth of the hourly wage distribution work the shortest hours, whereas those in the top fifth work the longest hours: by 2021, the gap in working hours between the top and bottom hourly-pay quintile was 5 hours per week for men and 10 hours per week for women.

FIGURE 2: **For both men and women, working hours are shortest for those on the lowest hourly wage**

Average actual weekly hours worked, by sex and hourly pay quintile: UK



NOTES: Includes employees only. Includes employees working no actual hours in the reference week.
SOURCE: RF analysis of ONS, Labour Force Survey.

The gap in working hours between richer and poorer households has widened over time

As well as showing that workers higher up the hourly earnings distribution work longer hours than those lower down the distribution, Figure 2 also shows how working hours have changed over time. Even though trends in average hours are going in opposite directions for men and women – with men's hours gradually falling since 1995, and women's hours rising since the 2010s – the gap between the top and bottom fifth of the hourly earnings distribution has wider now for both sexes than it was in the 1990s.

Indeed, the reduction in weekly hours for men has largely been driven by those on low-to-middle hourly wages; working hours have remained fairly stable for the richest fifth. As a result, for men, the gap in weekly hours between the top fifth and the bottom fifth

of the hourly wage distribution doubled from 3 hours in 1995 to peak at 7 hours in 2014, before falling back slightly to reach 5 hours in 2021. These changes represent a significant reversal of the previous pattern: in the 1970s, it was low-skilled, low-paid men who worked the longest hours. For example, the least-educated men worked 4 hours longer than the most-educated men in 1979, but by 2009 this trend had reversed, with the most-educated men working one hour longer.[7]

For women, there has been no such reversal, with higher-earning women having consistently longer working hours than lower-earning women, and the gap has been consistently larger than that for men. For women, the gap in weekly hours between the top fifth and bottom fifth was 9 hours in 1997, and only slightly higher (10 hours) in 2021.

Another important recent labour market trend has been the rise in self-employment. However, as we discuss in Box 2, this is not a factor that can help explain the concentration of part-time work among low earners.

BOX 2: **Working hours among self-employed workers**

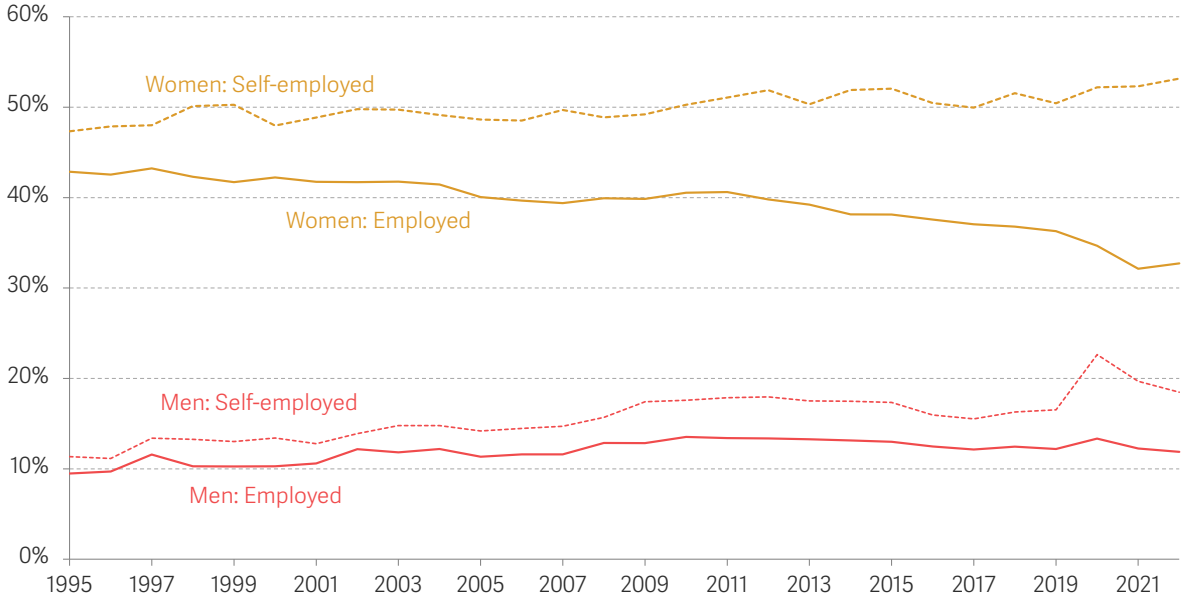
As is well known, self-employment has grown in recent decades, reaching 15 per cent of the overall workforce on the eve of the Covid-19 pandemic.[8] Unsurprisingly, since self-employed workers are not directly covered by the NLW, they are more likely to be in low hourly pay than employees: in 2019-20, the incidence of low hourly pay was almost three times as high among self-employed workers than it was among employees (38 per cent compared to 14 per cent).[9] Self-employed workers are also more likely to be in low weekly pay than employees: by 2019-2020, almost half (48 per cent) of self-employed workers were in low weekly pay – this was twice the rate for employees, for whom a quarter (25 per cent) were in low weekly pay.[10]

When we consider working hours, part-time work is more common among those who are self-employed than among those who are employed (see Figure 3). This is especially true for women: in 2021, over half (52 per cent) of self-employed women worked part-time, compared to a third (32 per cent) of employed women.

7 See Figure 26 of G Bangham, The times they aren't a-changin': Why working hours have stopped falling in London and the UK, Resolution Foundation, January 2020, which shows this for 25-54-year-olds.
8 N Cominetti et al., Low Pay Britain 2022: Low pay and insecurity in the UK labour market, Resolution Foundation, May 2022.
9 N Cominetti et al., Low Pay Britain 2022: Low pay and insecurity in the UK labour market, Resolution Foundation, May 2022.
10 N Cominetti et al., Low Pay Britain 2022: Low pay and insecurity in the UK labour market, Resolution Foundation, May 2022.

FIGURE 3: **Self-employed men and women are more likely to work part-time than employees**

Proportion of workers who are working part-time, by sex and whether an employee or self-employed: UK



NOTES: Part-time work is defined as working less than 30 hours per week.

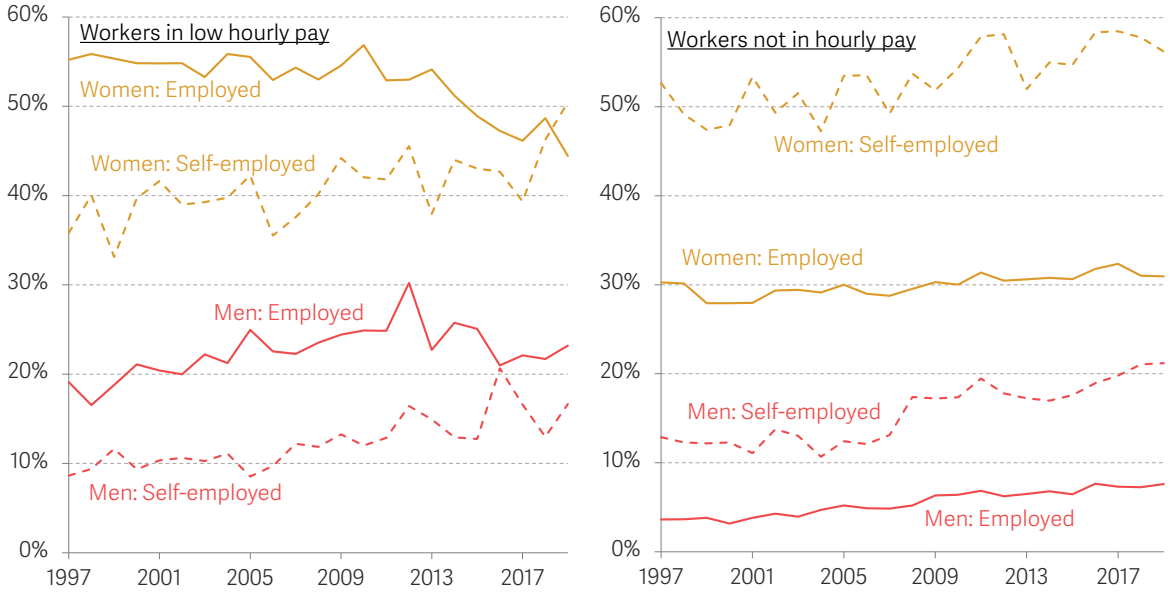
SOURCE: RF analysis of ONS, Labour Force Survey.

However, the increased likelihood of self-employed workers working part-time does not apply to those in low hourly pay. Instead, among workers in low hourly pay, those who are self-employed are less likely to work part-time than those who are employed (see Figure 4). Among low-hourly-paid women, the gap is small, and has been narrowing over time (and, while the data is noisy, self-employed women were slightly more likely to work part-time than employed women in 2019). For men, on the other hand, the gap remains relatively large: by 2019, 23 per cent of low-hourly-paid employed men were working part-time, compared to 17 per cent of self-employed men.[11]

11 The analysis of working hours among low-paid self-employed workers uses data from the Family Resources Survey (FRS). Unlike the other datasets used in this report, such as the Labour Force Survey (LFS) and Annual Survey of Hours and Earnings (ASHE), it contains information about self-employed earnings. However, it exists with a time lag, and the most-recent data available is for the year 2020-21.

FIGURE 4: **Among workers in low hourly pay, employees are more likely to work part-time than those who are self-employed**

Proportion of workers who are working part-time, among those in low hourly pay (left panel) and those not in low hourly pay (right panel), by sex and whether an employee or self-employed: UK



NOTES: Part-time work is defined as working less than 30 hours per week.
SOURCE: RF analysis of DWP, Family Resources Survey.

So, it is clear that the high concentration of part-time work among those on low hourly wages is not driven by recent increases in the prevalence of self-employment. As such – and also because our preferred source of data does not identify which self-employed workers are low paid – the rest of this report focuses mainly on employees.

Part-time work is unequally spread, both in terms of age and industry

Working hours don't just vary between workers on different rates of hourly pay: as Figure 5 shows, working hours are unequally spread across age groups, with younger men and women working the shortest hours.[12] However, once we account for young people's increased likelihood of being in full-time education, and the fact that students in paid work are, understandably, particularly likely to work in part-time jobs (we explore the incidence of part-time work among full-time students in more detail in Box 3), the picture is more nuanced.

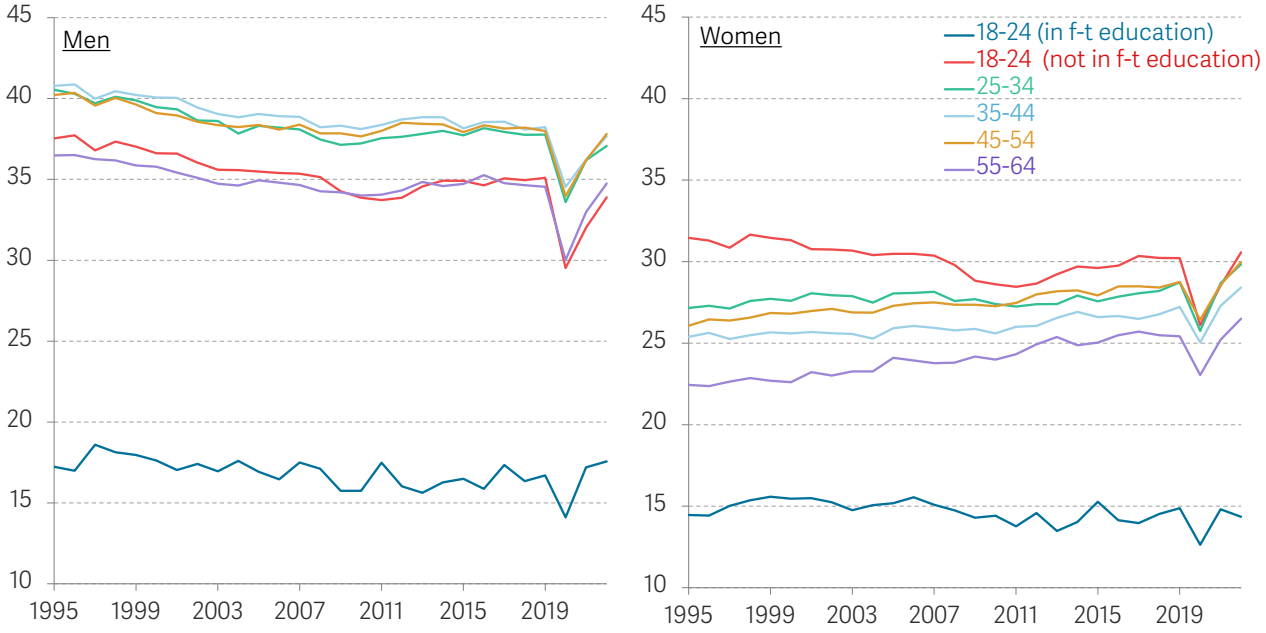
12 For more on gender differences in the UK labour market, see: A Andrew et al, Women and men at work, IFS Deaton Review of Inequalities, December 2021.

Among non-students men, those aged 18-24 and older men aged 55-64 are the most likely to work shorter hours, while men aged 25-54 work longer hours; this has remained fairly stable over time. Among non-students women, the picture looks different than that from men: young women aged 18-24 who are not in full-time education work the longest hours. When we look at the trend over time, the gap in working hours between women of different ages (who are not in full-time education), has become smaller: in 1995, the gap in working hours between those aged 18-24 and 55-64 was 9 hours; by 2021 this had fallen to 3 hours.

The fact that, among non-students, men aged 18-24 work shorter hours than those aged 25-55 while women aged 18-24 work longer hours than the older age groups, is largely explained by women reducing their working hours when they are faced with caring responsibilities, such as looking after children. For example, women living with children reduce their working hours significantly in their early twenties: their working hours reduce by an average of 5 hours per week between the ages of 21 and 26. This means that by the age of 28, women with children work on average 15 hours fewer per week than women without children.[13] For men, on the other hand, the presence of children has little impact on their working hours.

FIGURE 5: **For both men and women, young full-time students and older workers tend to work the shortest hours**

Average actual weekly hours worked, by sex and age band: UK



NOTES: Includes those working no actual hours in the reference week.
SOURCE: RF analysis of ONS, Labour Force Survey.

13 G Bangham, The times they aren't a-changin': Why working hours have stopped falling in London and the UK, Resolution Foundation, January 2020.

BOX 3: **Working hours among full-time students**

As shown in Figure 5, full-time students aged 18-24 have significantly shorter working hours than any other age group: in 2022, the average working week for full-time students aged 18-24 was just 17 hours for men and 14 hours for women. Figure 6 shows that this is also true when we consider young students in low-hourly-paid work. In fact, more than four-fifths (85 per cent) of full-time students aged 18-24 who are in low hourly pay work part-time. This reflects that students are balancing work alongside their studies, and it should not worry policy makers. Indeed, in our focus groups, we heard from students who felt that balancing part-time work with their studies worked well for them.

> *"[Part-time work] afforded me the luxury of being able to study and not feel stressed by work, and still see friends and family."*
>
> **(Focus group participant, male, aged 18-29)**

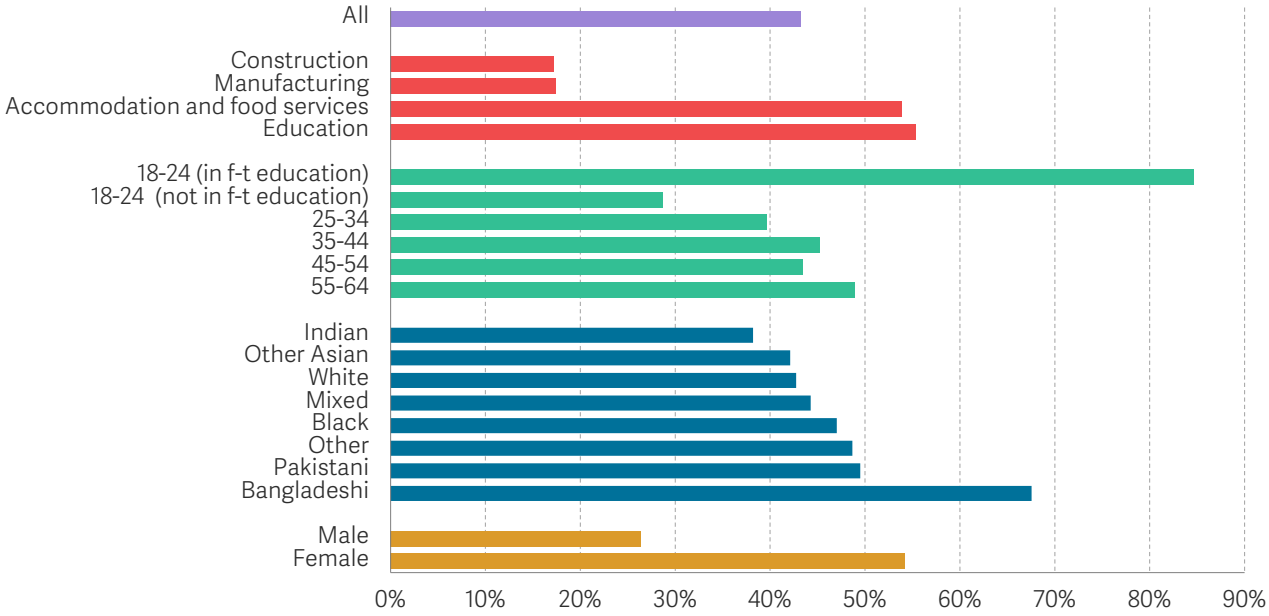
However, it is worth remembering that young full-time students make up a relatively small proportion of part-time workers: in 2022, just 7 per cent of all part-time workers were 18-24-year-olds in full-time education.[14]

Figure 6 also shows how part-time work among workers in low hourly pay varies by ethnicity, and reveals some clear differences between ethnic groups. In particular, not only are workers from Black, Pakistani and Bangladeshi backgrounds more likely to be on low hourly pay (in 2019, the pay gap from those from Pakistani and Bangladeshi backgrounds was almost 20 per cent, higher than the overall ethnicity pay gap of 2 per cent) – they are also more likely to be in part-time work than those from other ethnic backgrounds.[15] For example, Figure 6 shows that in 2017-2019, two-thirds (68 per cent) of workers in low hourly pay from Bangladeshi backgrounds were in part-time work, compared to less than half (43 per cent) of those from White backgrounds.

14 RF analysis of ONS, Labour Force Survey.
15 Office for National Statistics, Ethnicity pay gaps: 2019, October 2020. See also: H Mirza & R Warwick, Race and ethnicity, IFS Deaton Review of Inequalities, November 2022.

FIGURE 6: **More than half of employees in low hourly pay in the education and accommodation and food services sectors, and two-thirds of those from Bangladeshi backgrounds, work part-time**

Proportion of low-hourly-paid workers who work part-time, by selected demographics: UK, 2017-2019



NOTES: Low-hourly-paid workers are those whose hourly pay is less than two-thirds of the median. Part-time work is defined as working less than 30 hours per week. Includes employees only.
SOURCE: RF analysis of ONS, Labour Force Survey.

There is also considerable variation in the incidence of part-time work between low-paid employees from different industries: over half of employees in low hourly pay in education and in 'accommodation and food services' work part-time, compared to less than one-in-five of those in the construction and manufacturing industries. We discuss employer-driven differences in working hours between those from different industries in more detail in Section 4 of this report. On the other hand, while there is considerable variation in working hours between employees from different industries, there is remarkably little variation by geography. In fact, in almost half (46 per cent) of local authorities in Great Britain, the median weekly hours worked is equal to the UK average of 37 hours.[16]

The unequal spread of part-time work impacts earnings inequality

As a country, the UK is in a period of stagnation: of low growth and high inequality, with income inequality in the UK being higher than any other large European economy in

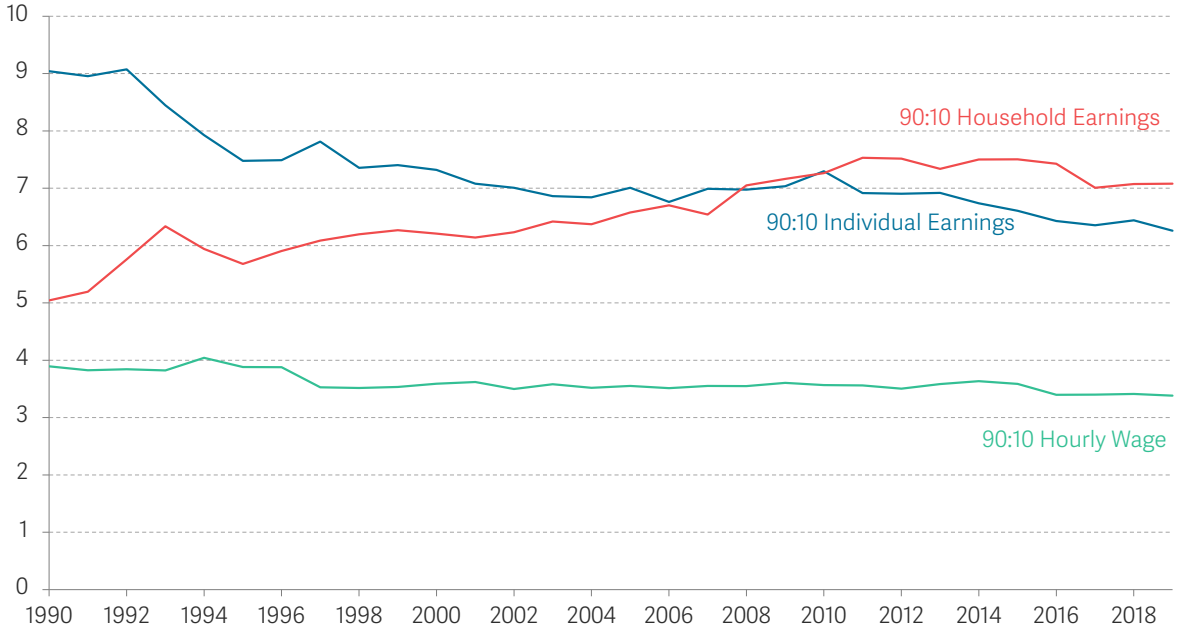
16 RF analysis of ONS, Annual Survey of Hours and Earnings. It is also not the case that more-deprived local authorities (measured through the Index of Multiple Deprivation) tend to have shorter median working hours than less-deprived ones. When we look at the local authorities with the shortest median weekly hours worked, for example, both the relatively affluent Derbyshire Dales and the less affluent Tower Hamlets had median working hours of 35 hours per week.

2018.[17] This income inequality is increasingly important to people: the share of the public citing poverty and inequality as one of the most important issues facing the country rose from 7 per cent in 2010 to 19 per cent on the eve of the Covid-19 pandemic.[18]

The fact that workers at the top of the hourly wage distribution work longer hours than those further down the distribution has is an important part of the inequality story, with inequality in total earnings being much higher than inequality in hourly wages.[19] By 2019, the 90:10 ratio for total individual earnings was 6.3, almost double the 90:10 ratio for hourly wages, which stood at just 3.4 – as shown in Figure 7.[20]

FIGURE 7: **Inequality in individual and household earnings remain considerably higher than inequality in hourly wages**

The 90:10 ratio of hourly wage, gross individual earnings and household earnings: GB/UK



NOTES: The data is representative of households in Great Britain before 2002–03 and of households in the UK from 2002–03 onwards.
SOURCE: This chart replicates Figure A.28 of: P Bourquin, M Brewer & T Wernham, Trends in income and wealth inequalities, IFS Deaton Review of Inequalities, November 2022.

17 Resolution Foundation & Centre for Economic Performance, LSE, Stagnation Nation: Navigating a route to a fairer and more prosperous Britain, Resolution Foundation, July 2022.
18 Resolution Foundation & Centre for Economic Performance, LSE, Stagnation Nation: Navigating a route to a fairer and more prosperous Britain, Resolution Foundation, July 2022.
19 Trends in household formation also play a part in accounting for the high level of inequality in household earnings (for example, low-paid adults are more likely to live alone than their higher-paid counterparts, and among couples, those who are further up the individual earnings distribution tend to have partners who are similarly high up the earnings distribution). See: P Bourquin, M Brewer & T Wernham, Trends in income and wealth inequalities, IFS Deaton Review of Inequalities, November 2022. For detailed discussion of trends in earnings and income inequality, including the role of hours worked, see also: J Cribb, R Joyce & T Wernham, Twenty-five years of income inequality in Britain: the role of wages, household earnings and redistribution, Institute for Fiscal Studies, March 2022.
20 The 90:10 ratio is the ratio of earnings at the 90th percentile (the richest 10 per cent) compared to earnings at the 10th percentile (the poorest 10th per cent).

Working hours are an important determinant of living standards

Not only do working hours have an impact on earnings inequality, but they also have important consequences for living standards. For most families, earnings are their main source of income, and so the main determinant of their living standards. As such, policy makers are right to be focused on reducing the incidence of low pay, in a bid to increase the living standards of the poorest households in the UK.

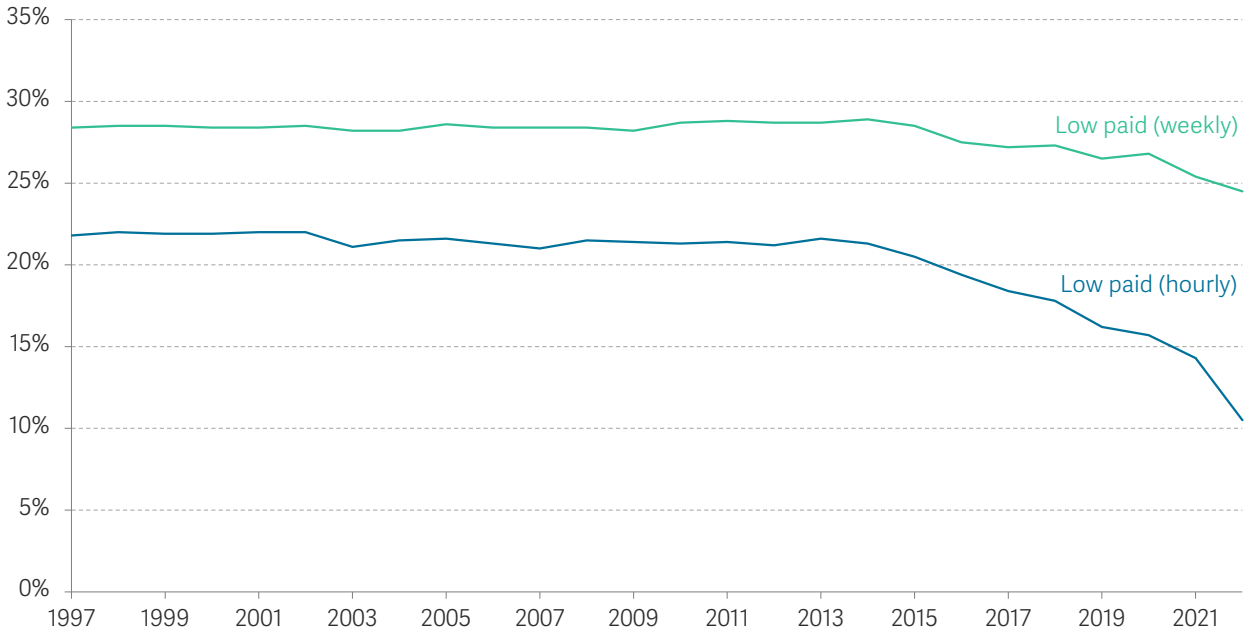
In recent years, the main mechanism that policy makers have used to do so has been the introduction of, and subsequent increases to, the National Living Wage (NLW). These increases have been significant: in the past five years, the NLW has increased by £2, or 27 per cent, to reach £9.50 per hour in April 2022.[21] This commitment to tackle low pay by increasing the NLW is set to continue, with the Chancellor announcing in his recent Autumn Statement that the National Living Wage will increase by 10 per cent, or £0.92, to reach £10.42 per hour next year.[22] The Chancellor also confirmed that the government remains on target to increase the NLW to reach two-thirds of median pay by 2024.

But, while this focus on raising hourly pay for low-earners is welcome, especially in the current context of high inflation and falling real wages, eliminating low hourly pay is not in itself enough to boost the earned income of the poorest families. What really matters for families is their total weekly earnings. And while the significant increases to the NLW have led to a sharp reduction in the prevalence of low hourly pay in recent years, the experience of low weekly earnings is not falling as fast. As shown in Figure 8, the proportion of employee jobs that are in low hourly pay (defined as hourly pay that is less than two-thirds of the median) has fallen by 10 percentage points since 2015, whereas the proportion that have low weekly pay (weekly pay that is less than two-thirds of the median) has fallen by just 4 percentage points. This means that in 2022, low weekly pay is much more prevalent than low hourly pay: a quarter (25 per cent) of employee jobs were in low weekly pay, whereas just one-in-ten (11 per cent) employee jobs were in low hourly pay (we discuss trends among the self-employed earlier in this Section, in Box 2).

21 www.gov.uk/national-minimum-wage-rates, accessed 29 November 2022.
22 HM Treasury, Autumn Statement, November 2022.

FIGURE 8: **While low hourly pay has fallen sharply in recent years, low weekly pay has decreased much more slowly**

Proportion of employee jobs that are low paid, by low hourly pay and low weekly pay: UK



NOTES: Low pay is defined as the value that is two-thirds of median hourly or weekly earnings.
SOURCE: RF analysis of ONS, Annual Survey of Hours and Earnings.

In fact, low weekly pay is now more a problem of low working hours than one of low hourly rates of pay: by 2021, only two-in-five workers in low weekly pay were also in low hourly pay. On the other hand, due to the concentration of shorter working hours among those at the lower end of the hourly pay distribution, when we look at trends in working hours among workers in low weekly pay, almost nine-in ten (88 per cent) are in part-time work.[23]

In this section, we have showed that part-time work is an important contributor to low standards of living, and is concentrated among low-paid workers, particularly those in industries like education and accommodation and food services. Upon hearing this, some may think that the most obvious way of boosting households' living standards is to encourage workers to increase their hours – surely this would be a straightforward way of increasing their weekly income? [24] But this approach is too simplistic: people's lives are complex and diverse, and there are many good reasons why people work part-time rather than full-time. In the following sections, we aim to help policy makers navigate the current state of play by drawing on the findings from our recent focus groups to consider

23 N Cominetti et al., Low Pay Britain 2022: Low pay and insecurity in the UK labour market, Resolution Foundation, May 2022. The data relates to 2021.
24 Indeed, the Government has recently announced that it aims to do exactly that: in the recent Autumn Statement, the Chancellor announced that the government will bring forward the rollout of 'In-Work Conditionality' to September 2023, meaning that certain part-time workers in receipt of Universal Credit will be expected to increase their working hours (or find a job with a higher hourly wage). HM Treasury, Autumn Statement, November 2022.

why low-paid workers work part-time, despite the impact this has on their total weekly earnings. First, we explore some of the positive aspects of part-time work, many of which are ignored when we focus on workers' weekly pay alone. We then focus on reasons why we might be more concerned about the concentration of part-time work among low-earners, focusing on the various constraints that influence low-earners' decision-making.

Section 3

Many low-paid workers choose to work part-time, and feel that doing so is good for them and their family

There are several reasons to be relaxed about the patterns of part-time working in the UK. Although part-time work is concentrated among low-earners in the UK, this is not a growing problem. In fact, between 2012 (when the economy was recovering from the financial crisis) and the eve of the Covid-19 pandemic, men's working hours marginally increased (with low-paid men catching up with high-paid men) while women's working hours increased significantly, and the gap between lower- and higher-paid men has reduced since 2014. It is also worth reflecting on how the labour market looks very different now than in the aftermath of the financial crisis. Underemployment is low by historic terms, even among part-time workers: the incidence of underemployment among those working part-time has fallen by just over a fifth since the financial crisis, down from 22 per cent in 2012 to 16 per cent in 2022. Finally, when we listened to workers in our focus groups, they spoke positively about many aspects of part-time work, such as the impact on their stress levels, feelings of well-being, and their ability to balance work with their family life. This is consistent with the finding that part-time workers have lower levels of work-related stress: in 2015, less than a quarter of part-time employees, compared to over two-fifths of full-time employees, regularly felt stressed at work.

The previous section assessed how working hours differ between groups of workers, and found that shorter working hours are concentrated among workers at the lower end of the hourly pay distribution. In this section, we draw on quantitative evidence and findings from our four focus groups to consider why policy makers might be relaxed about current patterns of part-time working.

Men's working hours fell in the years leading up to the financial crisis, but this trend did not continue throughout the 2010s

As we set out in the previous section, working hours among men are lower than in the 1990s, and this downward trend has been most pronounced among men who are in the lowest fifth of the hourly pay distribution. In the 2010s, this trend caught the attention of many economists and policy makers, who were concerned that the dramatic changes seen between the mid-1990s and mid-2010s were set to continue.

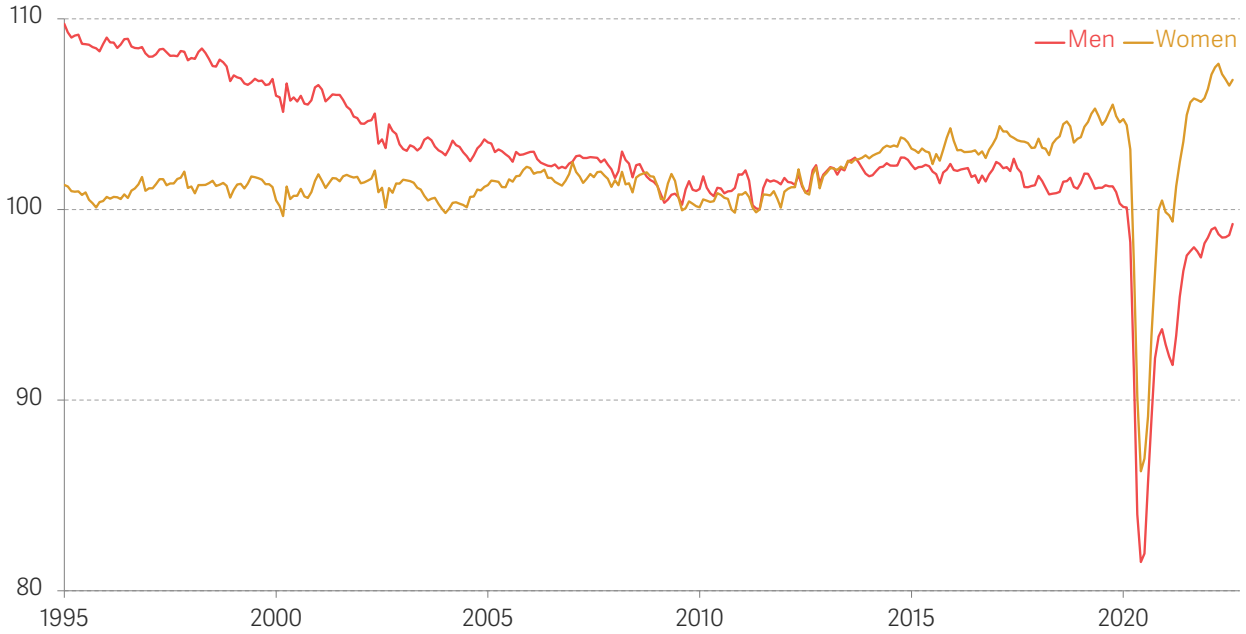
However, as shown in Figure 9, this concern has not come to pass. Men's working hours in 2022 are still lower than they were in 1995, but the majority of the fall took place before 2011. In fact, between 2011 and 2015, men's working hours began to rise, and remained stable between 2015 and the eve of the Covid-19 pandemic (trends since 2019 are, of course, heavily affected by the Covid-19 pandemic, which we discuss in Box 4 below). Similarly, the proportion of all workers who are doing part-time work has been gradually falling for the past decade, down from a peak of 28 per cent in 2012 to reach 24 per cent in 2021.[25]

When we look at differences in working hours between lower- and higher-earning men, there has also been an improvement since the financial crisis. The gap in average hours worked between men in the top and bottom hourly pay quintile stood at 7 hours in 2014, but it had fallen to 5 hours by 2019 (similar to the gap in the mid-2000s). Figure 9 also shows how women's hours have changed in recent years, showing a significant increase in working hours in the post-financial crisis period: women's average working hours increased by 5 per cent between 2011 and 2019, and have since recovered strongly from the Covid-19 pandemic to reach a peak of 28 hours in the spring of 2022.

25 RF analysis of ONS, Labour Force Survey.

FIGURE 9: **Most of the reduction in men's working hours took place before 2011**

Index of average actual weekly hours of work across all workers, by sex (Q2 2011=100): UK



SOURCE: RF analysis of ONS, Labour Force Survey.

BOX 4: **Part-time work during the Covid-19 pandemic**

As is clear from Figure 9, working hours took a dramatic hit during the Covid-19 pandemic: men's average working hours fell from 35.9 hours to 29.2 hours, and women's from to 27.3 hours to 22.7 hours, between Dec-Feb 2020 and May-Jul 2020. This is unsurprising, given that almost 9 million people were on furlough in spring 2020, meaning their actual working hours fell to zero.[26]

At the same time, the Covid-19 pandemic brought about a fall in the number of part-time employees (largely because part-time jobs tend to be less secure than full-time ones, and were over-represented in hard-hit industries like retail and hospitality, so were more likely to take a hit during the Covid-19 lockdown period). In fact, between the first quarter of 2020 and the second quarter of 2021, the number of people in full-time work had grown by around 100,000, whereas the number in part-time work had fallen by around 800,000.[27]

Finally, the Covid-19 pandemic had wider implications on women's working hours. Among women, there was a shift from part-time to full-time work during the Covid-19 pandemic: by autumn 2021, there are about half a million more women working full-time,

26 D Tomlinson, Job well done: 18 months of the Coronavirus Job Retention Scheme, Resolution Foundation, September 2021.
27 J Wadsworth, How has Covid-19 affected part-time jobs? Economics Observatory, September 2021.

and a similar number fewer working part-time than in February 2020.[28] This was partly an 'added worker' effect, in which some second earners (who tend to be women) entered the workforce or upped their hours to make up for their partner's lost income. For example, in October 2021, 15 per cent of people whose partners were furloughed and received less than their full pay were working more than pre-pandemic, compared to 9 per cent of those whose partner was furloughed on full pay. Another reason for women switching from part-time to full-time work during the Covid-19 pandemic was the increased possibility of working remotely. Indeed, in October 2021, one-in-ten coupled mothers said that remote working had allowed them to enter work or increase their hours since February 2020, compared to 5 per cent of women without children.

Although it may be good news that the decline in hours worked among low-paid men stopped in the 2010s, the reasons behind this are complex, and are not wholly positive. Since the financial crisis, productivity in the UK has stalled and real wages were squeezed: between 2014 and 2017, real wages grew on average by 0.7 per cent per year, compared to annual real wage growth at 2.2 per cent in the early 2000s.[29] Previous research has found that this income squeeze created a 'feel poor, work more' effect, with people – especially second earners in couples – increased their working hours as a way of increasing their household income during this period.[30] And, while this stagnation is worrying and deserves policy makers' attention, the fact that men's working hours increased in response to the economic downturn shows that we have not ended up with a labour market in which men work shorter working hours regardless of the wider economic circumstances (as was feared in the early 2010s).

The size of the UK labour force has increased in recent years – and this has knock on effects on working hours

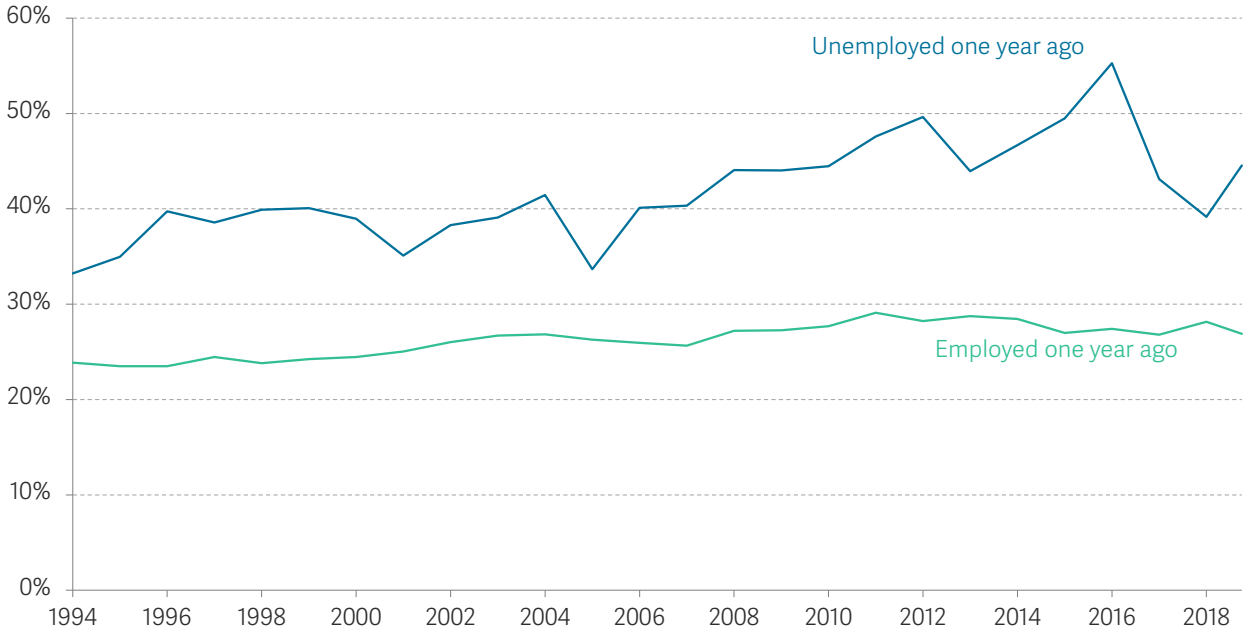
In recent years, the UK labour market has gone through multiple periods of change, but in 2022, the labour market is extremely tight, with the unemployment rate near record lows and the number of vacancies high by historic levels. By July to September 2022, the UK employment rate stood at 75.5 per cent, compared to 72.6 per cent in the same period in 1995.[31] These wider changes to the labour market have knock-on consequences on working hours; as the size and composition of the labour force changes, so we would expect average working hours to change.

28 This paragraph draws on: M Brewer, C McCurdy & H Slaughter, Begin again? Assessing the permanent implications of Covid-19 for the UK's labour market, Resolution Foundation, November 2021.
29 S Clarke & P Gregg, Count the pennies: Explaining a decade of lost pay growth, Resolution Foundation, October 2018.
30 T Bell & L Gardiner, Feel poor, work more: Explaining the UK's record employment, Resolution Foundation, November 2019.
31 RF analysis of ONS, Labour Force Survey.

In particular, in the context of a relatively high employment rate, and extremely low unemployment rate, there are reasons to be more relaxed about the rate of part-time work. As Figure 10 shows, people who have recently entered employment from unemployment are more likely to work part-time than those who have been in stable employment – in 2018, two-in-five worked part-time (compared to just over a quarter (28 per cent) of those who were in stable employment), and this means that the rise in employment is likely to act to push down average hours worked.

FIGURE 10: **Employees who have recently been unemployed are more likely to work part-time than those who have been in stable employment.**

Proportion of employees who are working part-time, by employment status one year ago: UK



NOTES: Data is smoothed over one year. Part-time work is defined as working less than 30 hours per week.
SOURCE: RF analysis of ONS, Five-quarter Labour Force Survey.

When we heard from participants in our focus groups, many spoke about how they have chosen to enter part-time work after periods of unemployment or economic inactivity. They spoke about how full-time work was often not possible (for example due to current caring responsibilities or health conditions), but saw part-time work as a positive step to increase their income in the short-term, or something to protect their future job prospects.

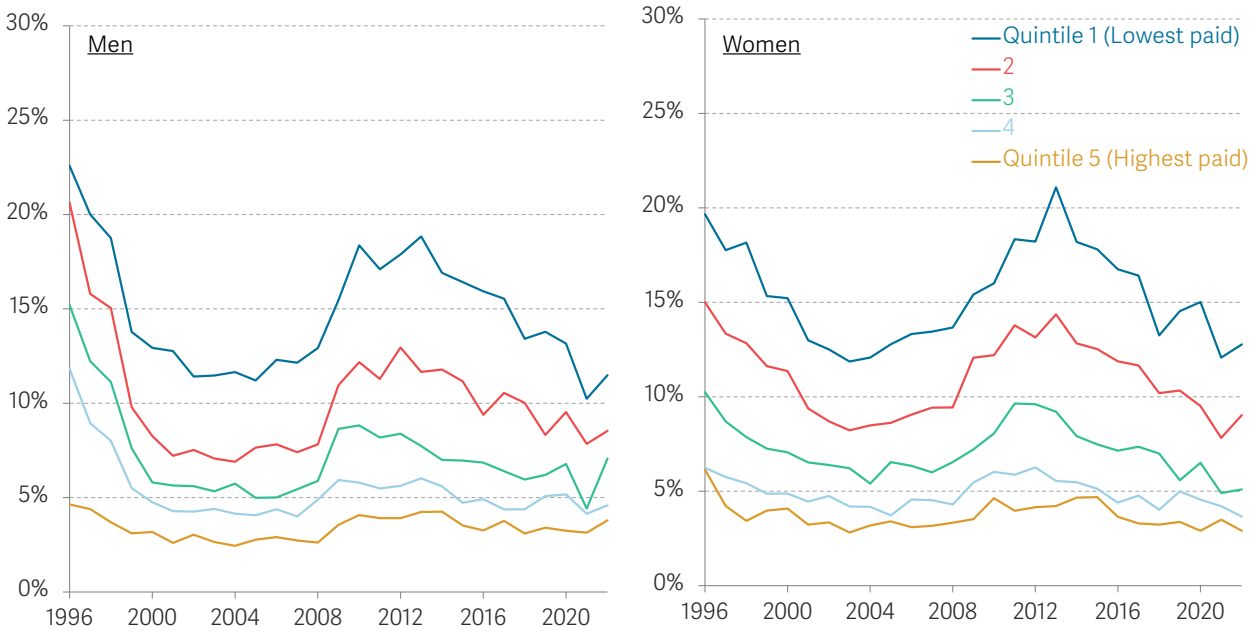
> *"I probably don't need to work, but you don't know what's around the corner, so it's good to keep your toe in there. If you give up completely, it's obviously harder to find work if you've been off for years."*
>
> **(Focus group participant, male, aged 30-64)**

Underemployment in the UK is much lower than a decade ago, having recovered from both the financial crisis and the Covid-19 pandemic

Another aspect of the labour market worth reflecting on is underemployment: that is, people who are in employment, but who are looking for additional hours (either an extra job or a different job with more hours). High rates of part-time work combined with a high underemployment rate would give us cause for concern, since it would suggest that people are not content with their current working hours. However, although underemployment is consistently higher among workers on low hourly pay than workers on high hourly pay (as shown in Figure 11), underemployment in 2022 was low in historic terms. By 2022, across all workers, the underemployment rate was 8 per cent – down from the post-financial crisis peak of 11 per cent in 2012. The underemployment rate is higher among part-time workers than among workers overall, but is similarly low by historic terms: in 2022, the underemployment rate for part-time workers was 16 per cent, compared to 22 per cent in 2012.[32]

FIGURE 11: **While underemployment is low by historic standards, workers on the lowest hourly wage remain most likely to be underemployed**

Proportion of employees who are underemployed, by hourly pay quintile: UK



SOURCE: RF analysis of ONS, Labour Force Survey.

Again, this was brought up in our focus group discussions. Participants reflected on the current state of the labour market, where vacancies are high, and overwhelmingly said that they felt confident that they could find a job with more hours if they wanted to. Very

32 RF analysis of ONS, Labour Force Survey.

few participants were in part-time work because they could not find any full-time work: most felt confident that they could either up their hours at their current job, or move to a different full-time job, if they wanted to. Instead, as we discuss in the next section, the issue for many focus group participants was that full-

Workers often feel like part-time work is their choice, which is good for well-being, and is something that works well for them and their family

Overwhelmingly, part-time workers in our focus groups spoke about their working hours in positive terms, and emphasised that part-time work worked for them at their current stage of life; that part-time work was beneficial to their feelings of stress and well-being; and that the flexibility of part-time work was good for them and their family. We will explore each of these three themes in turn.

Workers spoke about how part-time work is the best option for them at their current stage of life

Workers spoke positively about being in part-time work, and often did so in reference to their current stage of life. For example, many young people spoke about how part-time work seemed like a good option 'for now', often with reference to their low living costs (for example due to living with parents, or in house-shares with relatively low rent levels). More generally, they spoke about how, as young people, they had fewer responsibilities than older people, so could choose to work part-time on a low hourly wage and maximise their leisure time rather than their weekly income. When doing so, many young people referenced the temporary nature of their part-time work, and said that they expect to increase their working hours as they get older.

> *"I am living back with my parents and not paying as much rent as I was previously...it's a nice position, but it's hard to find that balance going forward if you were to fend for yourself."*
>
> **(Focus group participant, male, aged 18-29)**

> *"I definitely could work more and earn more money, but then on the flipside, I don't really need to right now...it allows me to live the life I enjoy living without having to work all the time."*
>
> **(Focus group participant, male, aged 18-29)**

> *"If you want the basics of a house and nice food, and luxuries of maybe a holiday or whatever then I think the reality is that you do need to work full-time, so I don't see it as being a permanent thing sadly."*
>
> **(Focus group participant, male, aged 18-29)**

In addition, many women with young children spoke about part-time work being a positive choice at their current stage of life. Many spoke about part-time work being voluntary – that is, they saw part-time work as a preferable alternative to being out of work, rather than being in work full-time. They spoke about how being in part-time work achieved a nice balance: they could spend time with their children and enjoy the benefits of employment. For some, those were the monetary benefits: many participants referred to their part-time earnings as "pocket money" which helps towards things like holidays or days trips. Others spoke about the personal benefits of being in work, such as the positive impact that work has on their well-being and sense of self.

> *"I don't need to work... for me, it was a complete choice, of just having that little bit of extra money'*
>
> **(Focus group participant, female, aged 18-29)**

> *"I wasn't there that much but it just gave me that time away from screaming children...going to work was my sort of escape from reality...it was very much a choice, I felt like I very much needed that adult interaction."*
>
> **(Focus group participant, female, aged 18-29)**

> *"You're a person in a job, aren't you, instead of somebody's mum or somebody's daughter or something, you're a person."*
>
> **(Focus group participant, female, aged 30-64)**

Similarly, among older people, many felt like part-time work was something that is good for their quality of life, but that is not borne out of financial necessity. Many older people emphasised the non-financial benefits of going to work, which many felt were even more important as they got older. For some, socialising with work colleagues was the main benefit of going to work, especially if they lived alone. For others, their job made them feel like they were playing a useful part in society.[33] Finally, for some, it was the routine of

33 This echoes findings from recent Resolution Foundation research, in which workers spoke about the value of interacting with colleagues at work, and the feeling of satisfaction they get from contributing to society. See: K Handscomb, L Judge & H Slaughter, Listen up: Individual experiences of work, consumption and society, Resolution Foundation, May 2022.

going to work that they enjoyed: they felt that having a reason to get up and out of the house had a positive impact on their well-being.

> *[Question: Why do you work part-time?] "To keep the mind active, socialise with old friends and so on. Not to have a goal in life, just to have something to do...I fancied getting out the house."*
>
> **(Focus group participant, male, aged 30-64)**

> *"There's so many different topics of conversation, so it always keeps you like fired up really, and involved, because you want to be part of things."*
>
> **(Focus group participant, female, aged 30-64)**

Workers reflected that working part-time was good for their well-being

Older workers were not the only ones to speak positively about the impact that part-time work has on their well-being – we heard similar reflections from many focus group participants. For some, part-time work was contrasted to being out of work altogether: for workers who did not need to be in employment for financial reasons, many felt that the social interaction and sense of routine that comes with being in work is good for their mental health and well-being.

> *"I still feel like if I wasn't to work, my sense of self...I'd feel like I'm not being very successful, or I'd lose a lot of motivation. I had a few months off a few years ago, I remember, those months were awful, not having a schedule...The first week was it alright, you think great, a bit of time off, but then after a month, I started feeling down, not going out as much, staying in the house a lot. So, work to me also has that kind of, it gives a bit of structure to your life."*
>
> **(Focus group participant, male, aged 30-64)**

Other research confirms what we heard: there is evidence that working part-time, even just eight hours per week, is enough for workers to gain the wellbeing and mental health benefits of being in employment.[34] As shown in Figure 12, there is little difference in feelings of happiness, life satisfaction, life meaning and anxiety (the four common measures of well-being) between part-time and full-time workers. Notably, both part-time and full-time workers have more positive scores across these four well-being measures than those who are unemployed or inactive due to long-term illness. For example, part-time and full-time workers rate their levels of life satisfaction at 7.4 and 7.5 (out of 10)

34 D Kamerāde et al., A shorter working week for everyone: How much paid work is needed for mental health and well-being? Social Science & Medicine Vol. 241, November 2019.

respectively – much higher than those who are unemployed (6.2) or who are economically inactive due to long-term sickness (5.5).

FIGURE 12: **While there is little difference in well-being between full-time and part-time workers, both have higher levels of well-being that those who are unemployed or inactive due to long-term sickness**

Average levels of happiness, life satisfaction, meaning and anxiety (scored out of 10), by economic status: UK, 2017-2019

NOTES: The 'other inactive' category includes those who are inactive and are students, are looking after family or home, have a short-term illness, and who give other or no reasons.
SOURCE: RF analysis of DWP, Family Resources Survey.

For other focus group participants, part-time work was contrasted to being in full-time work, with many workers reporting that being in part-time work allowed them to achieve a better work-life balance than being in full-time work (we return to this theme in Section 4, where we focus on how the lack of attractive full-time jobs can force some people to accept part-time work). A related point was that being in part-time work was seen as being more manageable, and less stressful, than full-time work. Workers spoke in detail about what it was that makes a job stressful. For some, it was the content of the job itself. (For example, there is evidence that employees who use computers at work are more likely to report that they feel tense at work than those who do not.)[35] However, others spoke about how it is the hours of work, and not the job itself, that feel stressful. There was a feeling that full-time work has become more than just a 'nine-to-five', for example with there being an expectation to respond to emails in the evening. Even when doing the same job, many participants felt like part-time work was less demanding, and therefore less stressful.

35 K Shah & D Tomlinson, Work experiences: Changes in the subjective experience of work, Resolution Foundation, September 2021.

"For like your well-being…from working full-time and going down to part-time, you notice a big difference. You've got time with like your family and friends and for yourself, you don't feel like you're literally just going to work, coming home to sleep and then sort of repeating that on and on."

(Focus group participant, female, aged 18-29)

"It wasn't the job that was stressful, I think it's more the hours I guess, when you can't fit your social life, and being with your family and your friends and stuff, I guess that's when it gets stressful."

(Focus group participant, female, aged 18-29)

"I was very conscious when I looked coming back into work after childcare, that it was something that was stress free, do your hours and that's it, you know not going back into a career as such, for your mental well-being and work-life balance."

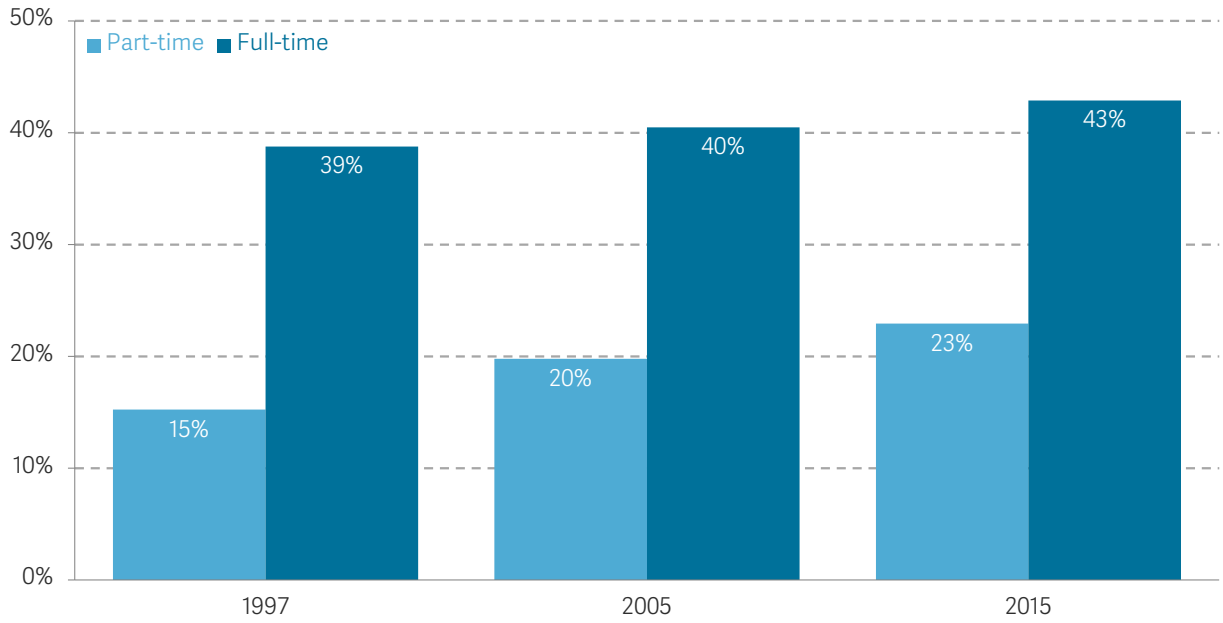
(Focus group participant, male, aged 30-64)

Again, these findings are consistent with other work. In recent decades, stress at work has increased, particularly among those in lower-paid occupations: the proportion of those who report they are often stressed in skilled manual roles (such as driving or care work) has doubled between 1989 and 2015, from 18 per cent to 41 per cent.[36] Yet despite this increase, part-time workers remain less likely to be stressed at work than full-time workers (see Figure 13). By 2015, more than two-fifths of full-time workers report that their work is always or often stressful – whereas just over one-fifth of part-time workers feel that way. This trend still holds true even when we control for sex, age, industry and occupation.[37]

36 K Shah & D Tomlinson, Work experiences: Changes in the subjective experience of work, Resolution Foundation, September 2021.
37 Specifically, in 2015, our regression analysis found that the predictive proportion of workers reporting that work is always or often stressful was 42 per cent for full-time workers and 24 per cent for part-time workers, after controlling for sex, age, industry, occupational group.

FIGURE 13: **Part-time workers have lower levels of stress than full-time workers**

Proportion of employees reporting that work is either always or often stressful, by part-time or full-time status: GB



NOTES: Includes all employees aged 17 to 65. Part-time workers are those who normally work less than 30 hours per week.
SOURCE: RF analysis of NatCen, British Social Attitudes Survey.

Workers appreciate the flexibility that comes with part-time work – they feel like it works well for them and their family

Finally, many participants of our focus groups spoke about the practical benefits of working part-time rather than full-time, often centred around the idea of flexibility. Workers spoke about the knock-on benefits of working part-time: it gives them more power to choose when they work, and fit work around other commitments such as childcare or studying (we discussed students and part-time work in Box 3 earlier in this report). More generally, workers spoke about approaching decisions around working hours in the mindset of trying to 'make it work'. Participants did not want to maximise their income at any cost: other things in life were equally (if not more) important. As such, people spoke about making careful and nuanced decisions about their working hours, after considering the working hours of other family members, their caring responsibilities and other important things in life, such as hobbies or visiting friends and family.

> *[Participant one] "I love it now I'm flexible. I've got things to do in the week, I can say I can't work such and such a day. Whereas when I full-time I couldn't. We had a rota and that was it, you had to work those days."*
> *[Participant two] "It's nice to have a choice, isn't it?"*
> *[Participant one] "Yeah, absolutely."*

[Participant two] "And that represents freedom, doesn't it, in some way, you've still got to work, but here's a bit of freedom there."

(Focus group participants, female, aged 30-64)

"If you can make enough money to comfortably live with less hours, to me, the idea of working more and more to have more money that you don't have enough time to spend, what's the point, it doesn't make sense to me."

(Focus group participant, male, aged 18-29)

"I thought about it, and I just sort of went, I can probably make that work. I'll see how it goes after the first few weeks of pay, and I went, this probably can work. I made a few minor adjustments, shopping at Aldi instead of somewhere else or whatever and I just sort of went, this works, I can do the things that I want to do."

(Focus group participant, male, aged 18-29)

This section has shown that there are some reasons for policy makers to be more relaxed about part-time work than they might have been a decade ago. Lower-earning-men's working hours have stopped falling, and the tight nature of the labour market means that underemployment among part-time workers is down by 6 percentage points compared to the financial crisis peak in 2012. Finally, we drew on findings from our recent focus groups, in which many part-time workers spoke positively about part-time work, stating that it is good for their well-being, stress levels, and ability to balance work with their home life. In the following section, we consider the flipside: in 2022, are there still reasons why policy makers should be worried about the incidence of part-time work?

Section 4

There are still reasons to be concerned about the concentration of part-time work among low-earners

Although low-paid workers speak about many positive aspects of part-time work, there are still reasons for policy makers to be concerned. First, there is a pay and progression penalty associated with part-time work. Not only do part-time workers have lower levels of hourly pay than full-time workers, they are also less likely to progress into higher pay. In 2015, only a quarter of part-time workers felt like their job had prospects for advancement, compared to 38 per cent of full-time workers; and people who switch from part-time to full-time work are more likely to escape low pay than those who remain in part-time work. Second, while underemployment overall has fallen back to mid-2000s levels, it is significantly concentrated among younger and lower-paid part-time workers who can't get the hours they want. In 2017-2019, almost half (47 per cent) of young men aged 18-24 and a third (33 per cent) of young women (excluding those in full-time education) stated that they are working part-time because they could not find a full-time job. Third, low-paid workers make decisions about their working hours within considerable constraints, including a lack of good-quality, flexible jobs on offer. For example, some workers said that the only way to avoid weekend or evening shifts (and preserve time to see family and friends) was to accept a job offering less than full-time hours. This constraint affects low-paid workers more so than higher-paid workers: in 2022, 38 per cent of workers in the bottom hourly pay quintile regularly work on weekends, compared to just 6 per cent of those in the top quintile.

In the previous section, we considered the reasons why policy makers might be relaxed about the rate of part-time work among low-earners in the UK. In this section, we consider the opposite: why, in 2022, should policy makers be concerned about the incidence of part-time work among low-earners? To answer this question, we draw on

the findings of our recent focus groups, and focus on the constraints that affect low-paid workers' ability to make choices around their working hours.

Part-time work comes with a pay and progression penalty

From a living standards perspective, one reason to worry about the concentration of part-time work among low-earners is the pay and progression penalty associated with part-time work. Of course, when thinking about the median hourly pay of part-time jobs, a question of the direction of causality arises: is it that the types of workers who choose to work part-time want to work in occupations and industries that are associated with lower pay, or that the jobs that are available to part-time workers tend to be lower paid? Ultimately both are true. On the one hand, many part-time workers work in industries like social care and hospitality, relatively low-paid industries. But we should not discount the 'pay penalty' that comes with part-time jobs. In 2022, the raw 'part-time pay gap' (that is, the raw difference in the median hourly pay between full-time and part-time employees) was £4.20 for women and £6.04 for men, but previous work has estimated that much of this difference can be accounted for by differences in occupation.[38] This reflects that there is a tendency for part-time work to be concentrated in industries like social care and hospitality, relatively low-paid industries. What this means is that if workers choose to work part-time – in order to care for children or other family members, or to boost their well-being – then there are fewer higher-paid, better-quality jobs on offer to them than if they were to work full-time: in 2021, one-in-five (19 per cent) jobs with an annual salary of less than £20,000 offered part-time work, compared to just 3 per cent of jobs with a salary of £60,000 or more.[39]

As well as hindering workers' total pay in the short-term, part-time workers also suffer a longer-term pay penalty. For example, there is evidence that a quarter of the wage gap between men and women with grown-up children is explained by the increased likelihood of women working part-time rather than full-time while their children are young – this part-time work entails a lack of wage progression that hinders their future pay prospects.[40]

Similarly, people who switch from part-time to full-time work are more likely to progress out of low pay that those who remain in part-time work.[41] When we listened to workers in our focus groups, many spoke about this lack of progression. For many, this played

38 For a discussion of the role of occupation in explaining the part-time pay penalty, see: A Manning & B Petrongolo, The part-time pay penalty for women in Britain, The Economic Journal, February 2008, who estimate that the raw part-time penalty for women is 22 per cent, which falls to 11 per cent controlling for industry and region, and falls to 3.5 per cent controlling for occupation too. These estimates are old, but the conclusions are in line with our own analysis of ONS, Annual Survey of Hours and Earnings.
39 Timewise, Timewise Flexible Jobs Index 2021, 2021.
40 M Costa Dias, R Joyce & F Parodi, Wage progression and the gender wage gap: the causal impact of hours of work, Institute for Fiscal Studies, February 2018.
41 C D'Arcy & D Finch, The Great Escape? Low pay and progression in the UK's labour market, Resolution Foundation, October 2017.

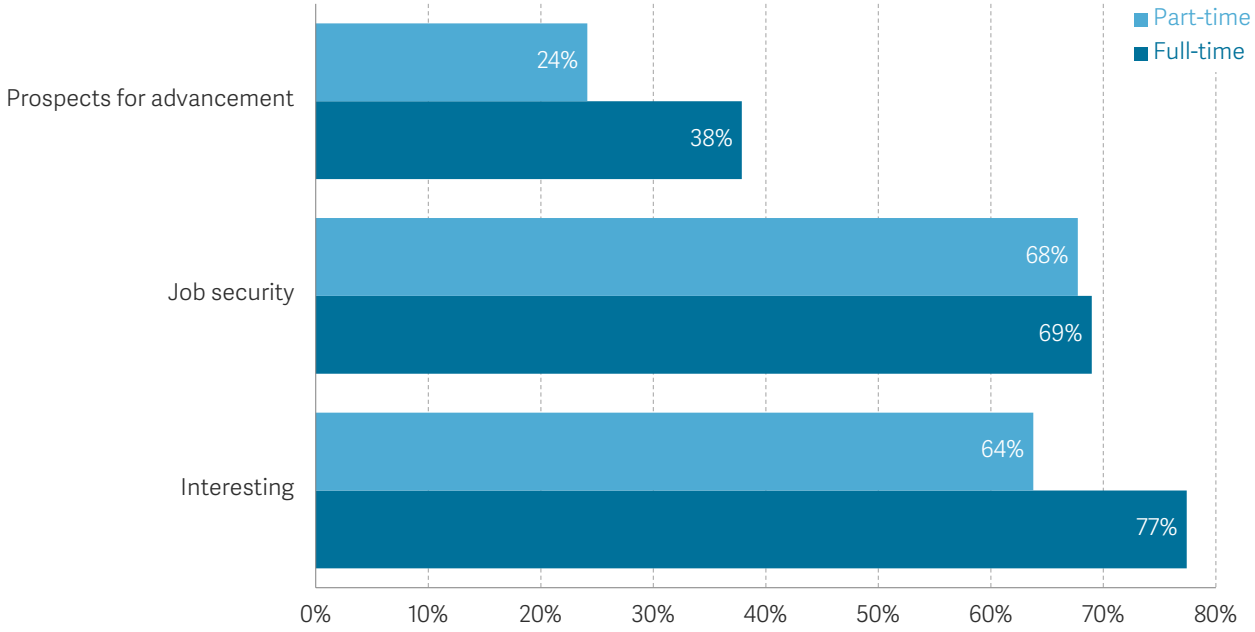
into their decision-making – why should they feel committed to their job or maximise their working hours when there are no prospects of advancing to a better-paid or more-fulfilling role in the future?

> *"I feel like within my thing there isn't any goals to work towards. They had a role of like a supervisor going, and it was probably 10p more than what I was earning and it would be like, why would it take on all that stress for no cash really? It seemed pointless."*
>
> **(Focus group participant, male, aged 18-29)**

These feelings are echoed in our quantitative research. As Figure 14 shows, part-time workers are more likely to feel that their job is less interesting, and has less room for advancement, than full-time workers: in 2015, just a quarter (24 per cent) of part-time workers felt that their job had prospects for advancement, compared to two-fifths (38 per cent) of full-time workers.

FIGURE 14: **Part-time workers find their jobs less interesting, and feel like they have fewer prospects for advancement, than full-time workers**

Proportion of employees reporting that their job has certain features: GB, 2015



NOTES: Includes all employees aged 17 to 65. Part-time workers are those who normally work less than 30 hours per week.
SOURCE: RF analysis of NatCen, British Social Attitudes Survey.

So, while policy makers' primary concern might be about the involuntary nature of part-time work, and the relationship between workers in low-paid, part-time work and low living standards at a family levels, they should also look further. If we are to successfully shift the gradient of part-time work, so that it is no longer concentrated among low-paid

workers, policy makers will also need to focus on improving the quality and pay of jobs on offer to part-time workers.

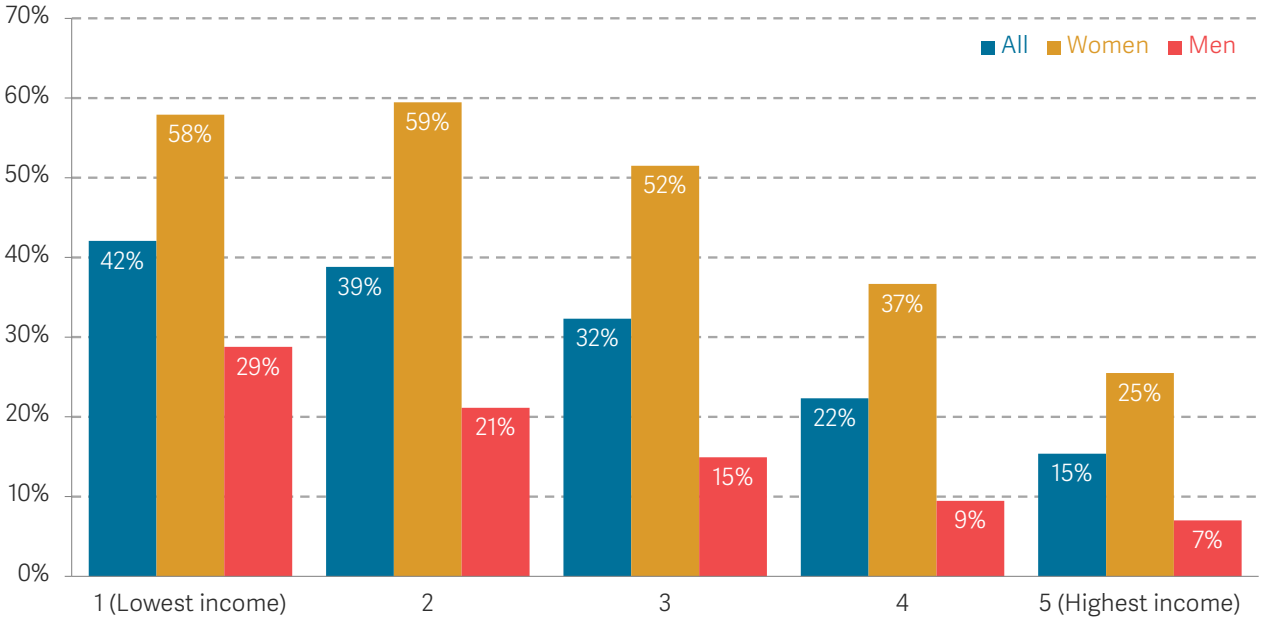
There is a concentration of part-time work among people in low-income families

As we discussed at the outset of this report, one of the core reasons that we care about working hours is their important role in influencing families' living standards. As we showed in Section 2, shorter working hours are especially common among individuals on low hourly pay, and this is contributing to low weekly pay remaining stubbornly high. But it is important to also consider the circumstances of the families that these low-paid part-time workers live in. If these individuals are part of higher-income families (for example, if they tend to live with a high-earning partner), then there would be little reason to worry: the low weekly pay of the part-time worker would not be the main determinant of the families' living standards. But this is not normally the case.

As we show in Figure 15, there is a close relationship between working part-time and household income. Between 2017-18 and 2019-20, almost three-in-five women (58 per cent) and almost a third (29 per cent) of men from households in the bottom fifth of the disposable income distribution worked part-time, compared to a quarter (25 per cent) of women and 7 per cent of men in the top fifth. So, although there may have been a historical basis for the common view of part-time workers being providing a top-up to the 'main' family earner in middle- or higher-income households, this is less often the case today. Indeed, the proportion of workers from the poorest disposable household income quintile who work part-time has risen in recent years, increasing from 36 per cent in 1997-1999 to 42 per cent in 2017-2019).

FIGURE 15: **Workers from households with low disposable income are most likely to work part-time**

Proportion of workers who work part-time, by household income quintile: UK, 2017-18 to 2019-20



NOTES: Quintiles are for equivalised household disposable income after housing costs. Part-time work is defined as working less than 30 hours per week.
SOURCE: RF analysis of DWP, Family Resources Survey.

When we listened to participants of our focus groups, the impacts of low-paid part-time work on their family income came out loud and clear. Although many workers spoke about the positive aspects of working part-time, they were also upfront about the financial implications of doing so. For many of the participants, balancing their desire to work part-time with wanting to increase their disposable income felt like a tricky decision, especially in the current cost of living crisis. Indeed, some participants spoke about feeling unable to change their current working hours, but reflected that moving to a job with a higher hourly wage would allow them to enjoy the benefits of part-time work without worrying about their household finances.

> *"I don't think 21 hours is enough, for me, with the way things are going, in terms of mortgages and bills.... eventually I will have to ask for more hours or find a new job, but I actually like this job."*
>
> **(Focus group participant, male, aged 18-29)**

> *"I do sort of like my hours, but I feel like I'm not paid enough to like satisfy myself for the week...I would like to be earning more, to be able to live comfortably on lower hours per week."*
>
> **(Focus group participant, male, aged 18-29)**

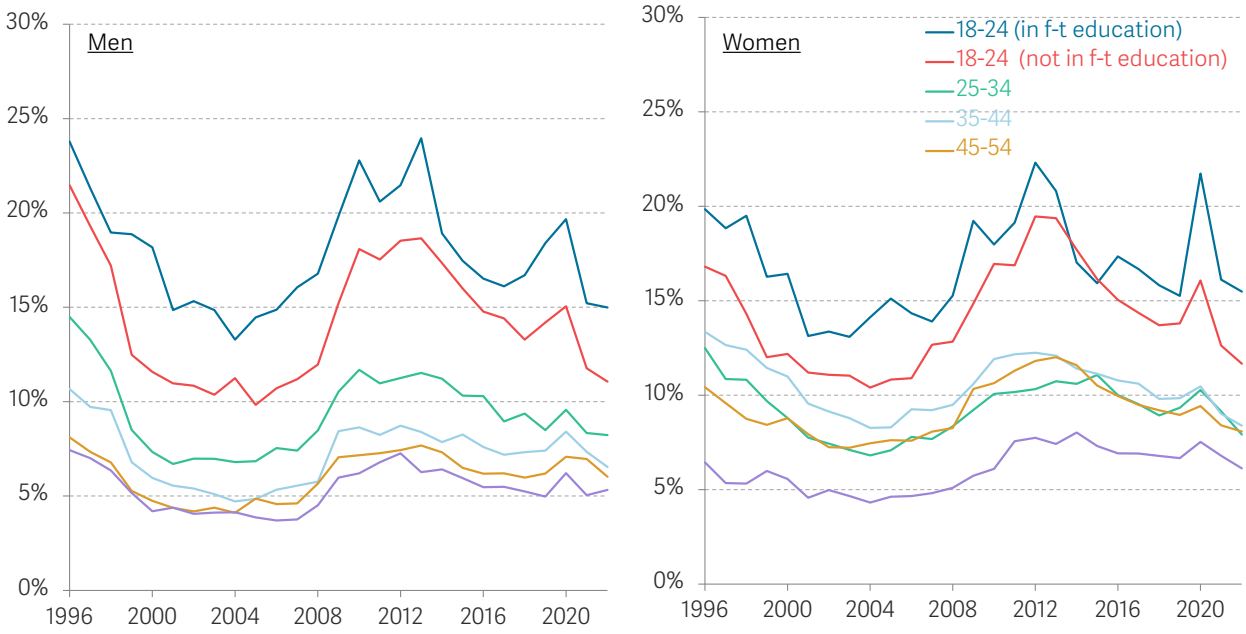
Underemployment and involuntary part-time work are especially common among young workers

In the previous section, we explored trends in underemployment, and found that the overall level of underemployment is low by historic standards, having recovered from financial crisis and Covid-19 pandemic. However, as we saw in Figure 12, underemployment is not equally spread, with workers at the bottom of the hourly wage distribution most likely to be underemployed. This is especially true among part-time workers: in 2021, one-in-five part-time men (20 per cent) from the lowest pay hourly quintile, and 16 per cent of part-time women from the lowest quintile, were underemployed. For those in the highest-paid quintile, it was just 7 per cent and 6 per cent respectively.

However, there is another important group of workers who are especially likely to be underemployed: young people. Figure 15 shows that since 1995, young people aged 18-24 have consistently been the age group most likely to be underemployed (and this applies both to those in and not in full-time education). By 2022, 11 per cent of men aged 18-24 who were not in full-time education were underemployed – considerably higher than older age groups. The picture was similar for young women aged 18-24, with 12 per cent of non-students being underemployed.

FIGURE 16: **While levels of underemployment are lower than in recent years, young people remain most likely to be underemployed**

Proportion of workers who are underemployed, by age group and sex: UK



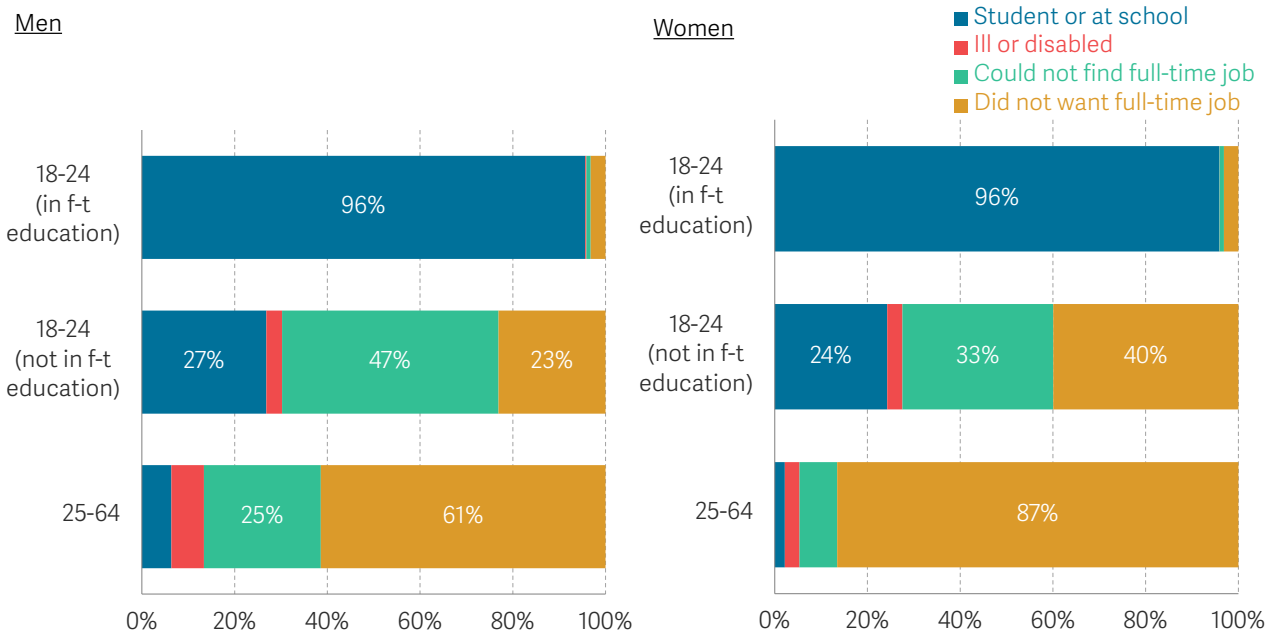
SOURCE: RF analysis of ONS, Labour Force Survey.

Underemployment is not the only metric in which young people score badly. When we look at the reasons people provide for working part-time rather than full-time, it is clear that young people are much more likely to be in part-time work involuntarily than older people. As Figure 17 shows, in 2017-2019, almost half (47 per cent) of young men aged 18-24 (who are not in full-time education) and a third (33 per cent) of young women stated that they are working part-time because they could not find a full-time job.

We discussed in the previous section that many workers choose to work part-time, and feel happy about their current working hours. But we should not be complacent and assume that this applies across the board: there are still pockets of low-paid part-time workers who would prefer to be working longer hours, but feel that there are no suitable full-time jobs available.

FIGURE 17: **Almost half of men aged 18-24 (who are not in full-time education) work part-time because they cannot find a full-time job**

Reason for working part-time rather than full-time, among part-time workers, by age band and sex: UK, 2017-2019



NOTES: Part-time work is defined as less than 30 hours per week.
SOURCE: RF analysis of ONS, Labour Force Survey.

When we spoke to young people in our focus groups, many spoke about their experience of wanting to work longer hours. They did so in a nuanced way. It was rarely the case that participants said that they both wanted to work full-time and felt that there were no full-time jobs available to them at all. Instead, participants said that, although they felt confident that they would be able to find a job that was appearing to offer full-time hours, they were hesitant to risk doing so, and so felt stuck in their current job (we explore how the experience of insecure work makes workers hesitant to changing jobs more below).

Participants also explored their wider experience of the labour market: many felt like younger people were treated differently to older people at work, and often got offered shorter hours (and less desirable hours) that older staff who had been in the job for longer.

> *"I have asked for more hours before, I remember I asked if I could do around 40 hours a week, but the next week I was put in for about 11 hours, so they're clearly not looking for more work."*
>
> **(Focus group participant, male, aged 18-29)**

> *"You'd have usually older staff that sort of had set hours, usually because they had families and a lot of the younger staff didn't, so the management would sort of factor in the fact that they had kids so they wouldn't put them on the night shifts, they'd put them on the day shifts. So you'd end up, most people couldn't get the day shifts, you'd end up doing the evenings and doing the weekends...But you'd be a bit like, I'd like a day shift, I don't want to work every Friday night."*
>
> **(Focus group participant, male, aged 18-29)**

> *'They're flexible once you've earned your stay there."*
>
> **(Focus group participant, female, aged 18-29)**

We should not overstate workers' feelings of choice around their working hours, since workers also face many constraints

Above, we looked at the fraction of workers who say they are underemployed, meaning that they want to work more. But we shouldn't conclude that everyone who doesn't report being underemployed is always content with the hours that they are working, or wouldn't make different choices under less arduous circumstances. Many part-time workers face a choice of low-paid jobs that are often unfulfilling, and make their employment choices within the constraints that come with living in a low-income family.

There are some employer-driven constraints on people's working hours – and these are particularly strong in certain industries

As we showed in Section 2, working hours vary considerably between employees in different industries, with more than half of employees in low hourly pay in the education and accommodation and food services sectors. Of course, it is hard to completely separate out the effects of labour supply and labour demand in different industries: some

industries may require a high degree of part-time workers (such as schools), but it could also be the case that some workers who want to do part-time work also want to work in certain industries.

But it is clear that labour demand is an important driver of differences by industry: for example, in industries like accommodation and food services, many jobs (such as waitressing or bartending) involve irregular hours, and are rarely compatible with a full-time, nine-to-five working week. In addition, many employers in these industries may choose to hire part-time workers to respond to fluctuating demand for their goods or services. When we listened to participants of our focus groups, workers mentioned that lack of demand for full-time work was particularly common for less senior roles.

> *"Unless you were a manager, 18 hours was the maximum you could get on any contract."*
>
> **(Focus group participant, male, aged 30-64)**

Similarly, we heard about how norms around working hours in their place of work often played an important role in deciding their exact hours of work. These norms were often reinforced by their employer: while many focus group participants felt like they had a high degree of choice over their working hours in general (i.e., whether they worked full-time or part-time), often decisions around their exact number of hours came down to their employer. For some, the nature of their industry limited how flexible their hours could be: for example, those working in education discussed how they could vary the number of days they could work per week, but they could not vary the number of hours they work each day. For others, their employer only offered one or two part-time work 'packages', meaning that all part-time employees worked the same number of hours.

> *"It was my employer's choice for me, they were their part-time hours, so that was stipulated really, that's what you had to take, if you wanted part-time, that's what you had."*
>
> **(Focus group participant, male, aged 30-64)**

Gender norms around working hours also vary across different industries – we discuss this in Box 5 below.

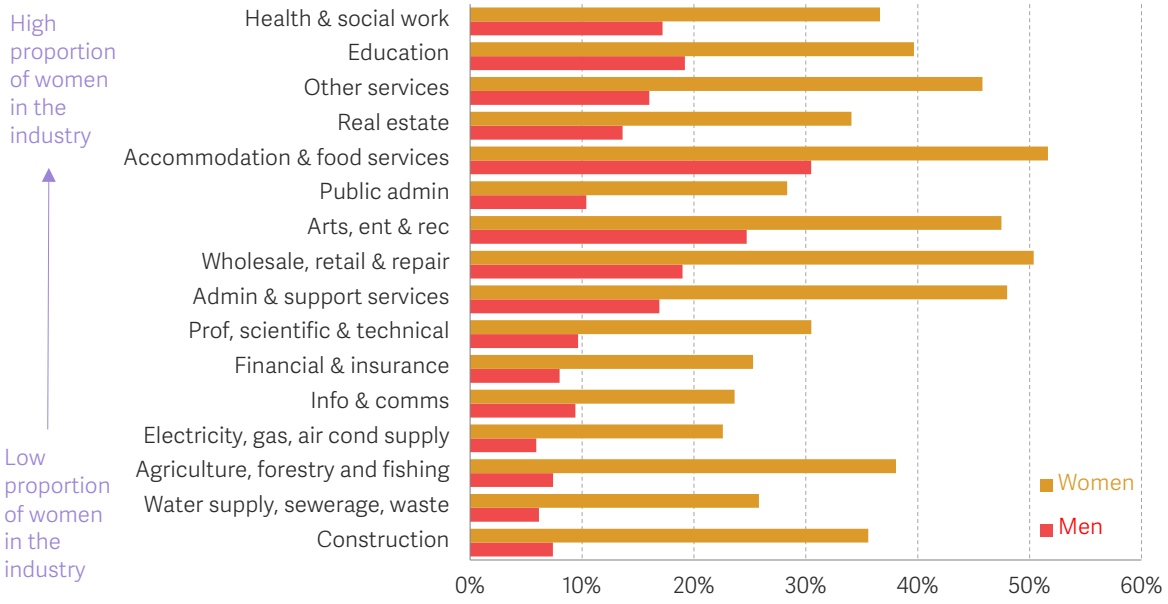
BOX 5: **Part-time work and gender norms**

As shown in Figure 6 earlier in this report, there are considerable differences in average working hours between low-hourly-paid workers from different industries.

From an employee perspective, some have pondered how behavioural norms affect working hours: are workers more likely to work part-time if it is common among their colleagues? Thinking about men in particular, are they more likely to work part-time if they work in female-dominated industries? Figure 18 below shows the share of workers who work part-time, broken down by industry and sex. For both men and women, the industry with the highest share of part-time work is 'accommodation and food services'. Overall, there is a weak correlation between the prevalence of male part-time work in different industries and the extent to which it has a predominately female workforce. For example, the most female-dominated sector – health and social care, where 78 per cent of employees are female – has a higher-than-average proportion of men working part-time.

FIGURE 18: **For both men and women, the highest share of part-time workers is in 'accommodation and food services'**

Proportion of workers who work part-time, by industry and sex: UK, 2017-2019



NOTES: Part-time work is defined as working less than 30 hours per week.
SOURCE: RF analysis of ONS, Labour Force Survey.

When we listened to participants in our focus groups, gender norms around part-time work were mentioned. However, from their perspective, this story was more about wider social norms changing (making it more acceptable, and indeed desirable, for low-paid men to work part-time), rather than specific changes occurring in a select number of female-dominated industries.

> *"I think years ago, when people used to say they only work part time, you'd say 'really…' but now if they say they only work part-time, you'd think 'oh god really!' - there's a different view on it now."*
>
> **(Focus group participant, male, aged 30-64)**

Low-paid work is often seen as being unpleasant, intense and insecure

When we listened to our focus group participants about why they choose to work part-time, many spoke about their lack of satisfaction with their current job. Unpleasant and unsatisfying work among low-earners has become more prevalent in recent years: job satisfaction among the lowest earners has fallen from over 70 per cent in the early 1990s (far higher than for those with higher earnings at this point) to 56 per cent in 2017-2019.[42] For many participants, this had a big impact on their decisions around their working hours: why would they want to work more hours in a job that they don't like, or that doesn't offer them much? Instead, given these constraints, many participants reported 'satisficing': working as few hours as they could to cover their (often reduced) outgoings, and saying that the extra pay from working more hours in what were unpleasant or unfulfilling jobs was not worth it.

> *"I don't want to go into another full-time where it wasn't something I was passionate about. I'm just waiting for something that I actually enjoy"*
>
> **(Focus group participant, male, aged 18-29)**

> *"If I had a job that I actually liked going to, then I'd increase my hours straight away."*
>
> **(Focus group participant, female, aged 18-29)**

> *[When reflecting on a previous full-time job] "It wasn't the job that was stressful, I think it's more the hours I guess, when you can't fit your social life, and being with your family and your friends and stuff, I guess that's when it gets stressful."*
>
> **(Focus group participant, female, aged 18-29)**

There are several aspects to low-paid work feeling unpleasant, intense and insecure, and we explore them below.

42 K Shah & D Tomlinson, Work experiences: Changes in the subjective experience of work, Resolution Foundation, September 2021

First, workers told us that many full-time, low-paid jobs feel intense, more so than in the past. There is evidence for this: the share of employees that strongly agree that their job requires they work "very hard" has increased from less than a third (30 per cent) in 1992 to almost half (46 per cent) in 2017.[43] Similarly, job satisfaction among the lowest earners has fallen from over 70 per cent in the early 1990s (far higher than for those with higher earnings at this point) to 56 per cent in 2017-2019.[44] Workers spoke about how the part-time work did not feel as intense: even within the same role or industry, there was a feeling that part-time workers were not put under as much pressure, or given as much additional responsibility, as full-time workers.

> *'I think expectations are different for people that are full-time to part-time. Partly why I would stay part-time now, is because I think if you go on full-time somewhere, they almost expect lot of devotion, like beyond. Whereas if you're part-time, I feel like no one bothers me anymore...I don't have to do any of the extra stuff, but if I do full-time, you think, oh yeah, that's what I owe my life to.... you don't get the 'plus' stuff if it's part-time."*
>
> **(Focus group participant, female, aged 18-29)**

> *"[Full-time work] just sort of consumes your life, and I would never want to go back to that again.'*
>
> **(Focus group participant, female, aged 18-29)**

Second, many participants mentioned that full-time, low-paid jobs can be incompatible with maintaining a good work-life balance: many require weekend and evening work, and workers are told about their shifts at late notice, making it difficult to fulfil their caring responsibilities or spend time with family and friends.

> *"Not having the ability to plan my weekends, or only having a week's notice of what my shifts are going to be...the irregularity of that can be difficult."*
>
> **(Focus group participant, male, aged 18-29)**

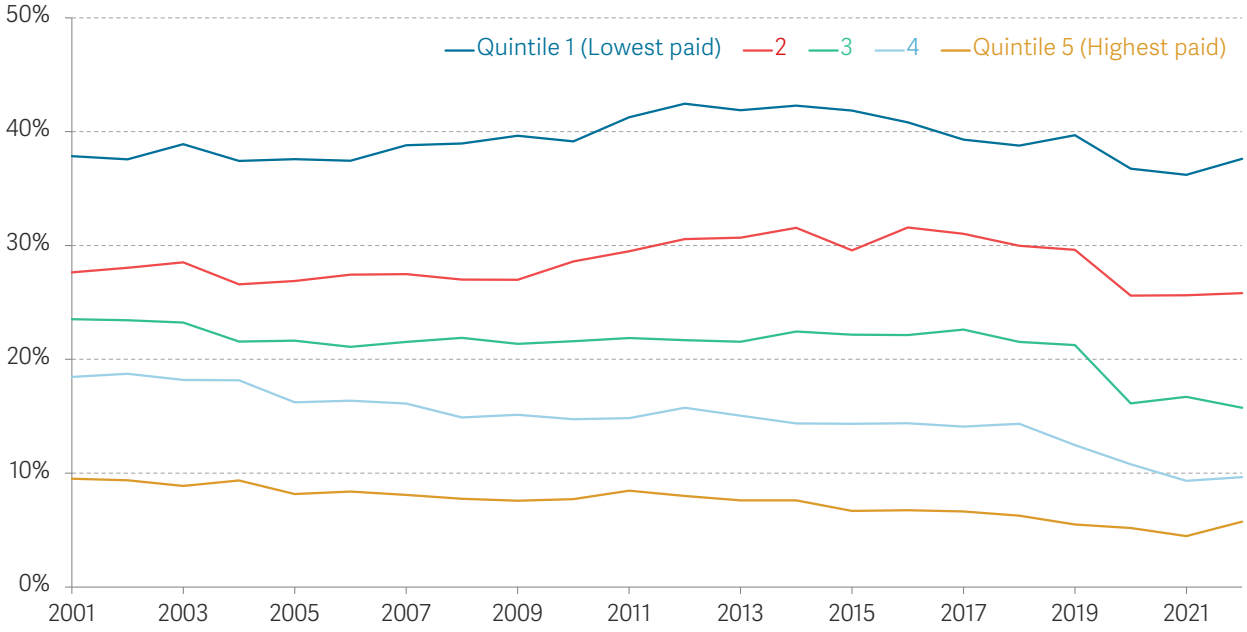
> *[Participant one] "More companies are like shifting you into a five-day rota over a week, where your weekends are classed as normal working days." [Participant two] "And you end up with a Monday and Tuesday off, and you don't really want that do you if you've got young children."*
>
> **(Focus group participants, male, aged 30-64)**

43 K Shah & D Tomlinson, Work experiences: Changes in the subjective experience of work, Resolution Foundation, September 2021.
44 K Shah & D Tomlinson, Work experiences: Changes in the subjective experience of work, Resolution Foundation, September 2021.

This affects low-paid workers more than higher-paid workers: as Figure 19 shows, lower-paid workers are six-times more likely to have to work at the weekend than higher-paid workers. While almost two-in-five (38 per cent) of low-paid workers in the bottom fifth of the hourly wage distribution regularly do weekend work, less than one-in-ten (6 per cent) of higher-paid workers in the top fifth of the distribution do so.

FIGURE 19: **Almost two-in-five workers on low hourly pay work on weekends**

Proportion of workers doing weekend work, by hourly pay quintile: UK



NOTES: Includes employees only.
SOURCE: RF analysis of ONS, Labour Force Survey.

Third, workers spoke about how the insecure nature of many part-time jobs is a major downside. For example, many participants mentioned the prevalence of zero-hours contracts. In 2022, 3.2 per cent of people in employment were on a zero-hours contract, up from 0.6 per cent in 2010.[45] And while a small minority of jobs overall, zero-hours contracts are concentrated among part-time workers: two-thirds (67.9 per cent) of those on zero-hours contracts in 2022 were working part-time.[46] Workers spoke about how the inflexibility and unpredictability of working certain part-time jobs, including those on zero-hours contracts, was frustrating.

> *'It suits, but sometimes it can be worse if they've only got five hours or ten hours a week, that's no good for me. You want 20 or 25 hours, but it just varies, but that's what I can do at the moment, so my hands are tied."*
>
> **(Focus group participant, male, aged 30-64)**

45 RF analysis of ONS, Labour Force Survey.
46 For example, in Jul-Sep 2022, there were 710,000 part-time employees on a zero-hours contract, compared to 7.4 million part-time employees who were not on a zero-hours contract.

This contrasted with the experience of the participants who were working part-time on fixed contracts: those participants valued their work for being flexible and predictable.

Furthermore, as well as being an unpleasant feature of people's current jobs, participants also reflected on how the prevalence of insecure work influenced their decision-making when thinking about changing jobs (and we touched on this above when discussing the extent of underemployment among young people). Many workers felt that the state of the labour market made it too 'risky' to change job: although most believed that there were jobs out there advertised as having full-time hours, people either felt that those jobs would be insecure, or that jobs advertised as being full-time would actually end up having short or unpredictable hours. For others, a more general worry about job security made them hesitant to move job: for example, after experiencing the Covid-19 pandemic, and heading into a recession, many felt that voluntarily moving to a new job would not be worth the risk. This chimes with previous research, that found that in the aftermath of the Covid-19 pandemic, workers have remained wary of taking employment risks, even though the labour market is at record tightness.[47]

> *"A lot of zero hours contracts are like that…he could move his job, but there's no guarantee. They could give him 40 hours the first week, and then just nothing, and then he's lost both jobs…He knows it's there, quite stable, you need to weigh up if it's worth going."*
>
> **(Focus group participant, male, aged 18-29)**

> *"I think it's a bit of a difficult time to change into a new job, and it's the whole security isn't it, like do you risk changing when you've been in your job the whole of Covid and not lost your job? Everything's going up, do you risk then going into a new job, a new probation period and everything, when really I couldn't afford to lose my job right now? It's a risk isn't it, so you just stick with what you know."*
>
> **(Focus group participant, female, aged 18-29)**

This lack of risk-taking – borne out of a feeling of insecurity – is worrying, and is bad for people's living standards: workers who move jobs experience much stronger pay growth than those who stay put. Between 1975 and 2022, on average, those who moved jobs experience pay growth that is 4 percentage points higher than those who remain in the same job.[48]

47 K Handscomb, L Judge & H Slaughter, Listen up: Individual experiences of work, consumption and society, Resolution Foundation, May 2022.
48 N Cominetti et al., Changing jobs? Change in the UK labour market and the role of worker mobility, Resolution Foundation, January 2022.

When making decisions around working hours, workers from low-income families tend to face a broader set of constraints than those from higher-income families

In the previous section, we discussed how many focus group participants valued the flexibility and control that they achieve by working part-time. But, if this is the case, why is it that part-time work is overrepresented among low-paid workers? Why don't higher-paid workers also work part-time to achieve flexibility?

To understand this, it is useful to consider the constraints that affect people's decision making. For low-paid workers (particularly those in low-income households), constraints such as high childcare costs are more prohibitive than they are for higher-paid workers. In our focus groups, we heard from many parents (particularly, but not exclusively, mothers), who felt that the cost of childcare made full-time work impossible: for some, it did not feel like a viable option, since their additional earnings would be eaten away by high childcare costs. Not only are childcare costs high and rising, there is also a lack of supply of childcare, with less than three-in-five (57 per cent) of local authorities reporting that they have enough childcare places available for children under two in 2022, down from 72 per cent in 2021.[49] And, as we discuss in Section 5, for low-income families in receipt of Universal Credit (UC), the cap on childcare support is a further disincentive to work full-time: monthly support for childcare through UC is limited to £646 for one child and £1,108 for two or more children[50] – whereas the average monthly cost for full-time nursery childcare (50 hours) for a child under two was £1,170 in 2022.[51]

In addition, workers spoke more generally about the flexibility needed when they have caring responsibilities. This flexibility is often taken for granted in higher-paying jobs, but is absent in many lower-paying ones: for example, workers spoke about being unable to look after children during school holidays, or to take an afternoon off work at short notice to take an elderly relative to hospital, in low-paying full-time jobs.

> *"That extra money that I get from working full-time will literally just be going to a childcare provider, so for me there's no incentive."*
>
> **(Focus group participant, female, aged 30-64)**

> *"If we had free childcare from one, I probably would have gone back and worked more hours because we would have had more money, we would have had more luxuries. But it's just not worth it."*
>
> **(Focus group participant, female, aged 18-29)**

49 Coram Family and Childcare, Childcare Survey 2022, March 2022.
50 https://www.gov.uk/help-with-childcare-costs/universal-credit, accessed November 2022.
51 Coram Family and Childcare, Childcare Survey 2022, March 2022.

> *"School holidays as well, they're a killer. Six weeks off - I mean you haven't even got that annual leave between two of you."*
>
> **(Focus group participant, male, aged 30-64)**

> *"That choice to work full-time and do that sort of gets taken away from you cause there's times they need you to be there drop of the hat, and if you're always at work you can't do that."*
>
> **(Focus group participant, female, aged 18-29)**

Furthermore, in many full-time low-paid jobs, shifts are irregular and work often falls on weekends and evenings, and this is often incompatible with worker's lives. For some, it is caring responsibilities that are the main constraint (as discussed above). For others, it is ill health – many workers in our focus groups, particularly older workers, spoke about how their health problems mean that full-time work is impossible. As such, even if people enjoy certain aspects of part-time work, or enjoy being able to spend time with their children, it would be wrong to view this as a situation in which the worker has true agency over their working hours. One focus group participant summed this up:

> *"Physically, I couldn't carry on doing full-time, I was in agony. Obviously then I had an operation and there's no way I could have done full-time then, so I went down to part-time, and it suits me now, it's quite nice."*
>
> **(Focus group participant, female, aged 30-64)**

In this section, we have considered some of the reasons why policy makers might be concerned about the current incidence of part-time work in the UK. Part-time work comes with a pay and progression penalty, and this has impacts on workers' living standards. And although underemployment and involuntary part-time work is low by historic standards, it remains unequally spread, with younger and lower-paid workers more likely to be in underemployment. And it is clear that decisions around working hours are made under considerable constraints: in the current context of many low-paid jobs being insecure and unsatisfactory, we should not view low-paid workers as having true agency. In the next section, we draw the previous four sections together and provide policy makers with some recommendations.

Section 5

Conclusions and recommendations

Working hours have important consequences for workers' living standards and for overall levels of inequality: in the UK, the concentration of shorter working hours among those on lower levels of hourly pay means that inequality in total earnings is almost twice as high as inequality in hourly wages. In this report, we considered some of the reasons why policy makers might not be concerned about the incidence of part-time work: namely, that there have been some positive changes to the labour market in the past decade, and that part-time workers speak positively about many aspects of part-time work. We then turned our attention to some of the more concerning aspects of part-time work, and argued that policy makers should not be complacent, given that low-paid workers make decisions about their working hours under considerable constraints.

On balance, we conclude that policy makers should not overstate the amount of agency that low-paid workers have in choosing their working hours. While there are many aspects of part-time work that people value, such as the flexibility and lack of stress, these preferences are shaped and curtailed by economic forces, family circumstances, and the institutional context and way that the labour market is regulated. And it is clear from listening to workers that at least part of the reason they choose to work part-time – and indeed part of the reason that they speak so highly of part-time work – is that full-time work does not feel like a viable option: it is too inflexible, or too stressful. Workers' feelings about part-time work are complex: in the same sentence, participants of our focus groups spoke about the aspects of part-time work that work well for them, while also acknowledging the constraints placed on them.

> *"I had to drive her [my daughter] to this new school, that was it, I had to drop hours basically. But I was very happy to do so."*
>
> **(Focus group participant, male, aged 30-64)**

> *"As much as I would love to work full time, it's not right for my daughter. and you know what, we're not going to starve."*
>
> **(Focus group participant, female, aged 30-64)**

The strengthening of the labour market since the early 2010s mean that some of the more alarming trends seen before that – such as the fall in hours worked among low-wage men and the high numbers of part-time workers wanting to work more hours – have stopped or reversed.

But this does not mean that policy makers have no reasons to worry about the tendency for part-time work to go along with poorly-paid work – there are reasons to be concerned about the incidence of part-time work among low-earners, since workers are often choosing to work part-time under considerable constraints, such as high childcare costs or lack of good-quality full-time jobs. For some workers, part-time work is the only type of work that is suitable for them in their current circumstances, and they would not even consider working full-time. For example, for some parents of young children, or young people in education, or older working with health conditions, full-time work is off the table, no matter how flexible or high-quality it is. In these cases, we should not see part-time work per se as something to be worried about. In fact, in the current climate, where economic inactivity is high, especially among older workers and people with health conditions, we should think of part-time work as a positive way of workers to gain the financial and well-being benefits of being in work, while balancing work with the other important things in life.[52] For other workers, some felt that part-time work worked well under their current circumstances, but that they could imagine working longer hours if certain constraints were to be lifted. Policy makers should reflect on these, to allow more low-paid workers to increase their working hours and boost their family income. We offer some suggestions below.

First, policy makers need to recognise that people's decision-making – just like people's lives – is complex, and when considering how many hours to work, workers also weigh up things like childcare costs, the quality of the job on offer, and the wider needs of their family. Indeed, when we listened to workers in our focus groups, many said that their working hours feel relatively inflexible at the moment due to their wider family situation.

> *[Question: if your hourly pay was doubled, would you work more?] "If I can afford not to work more then I probably wouldn't. Even if they tripled it, I still probably wouldn't."*
>
> **(Focus group participant, female, aged 18-29)**

> *"It's a family decision, it's not something you can decide on your own overnight."*
>
> **(Focus group participant, male, aged 30-64)**

52 For example, in July to September 2022, economic inactivity due to long-term sickness reached a record high and is now above 2.5 million for the first time on record. See: Office for National Statistics, Labour market overview, UK: November 2022, November 2022.

Second, policy makers should consider how to increase (employee-centred) flexibility in a wider variety of full-time jobs, so that they do not feel like they have to choose a part-time, low-paid job as a means to fitting work around their other priorities. For example, policy makers should consider how to increase flexibility in 'good' low-paid jobs, including those in industries like health and education.[53] When we heard from workers, many said that they would consider full-time work, as long as it was flexible. For some, this meant being able to work from home for some of the time. For others, this meant having some say over their shift pattern, to fit work around family commitments like doing the school run.

> *"I think like flexible working would make a big difference. Like I don't think I would mind working as much if I was able to stay at home and do some of the work."*
>
> **(Focus group participant, female, aged 18-29)**

Third, policy makers should focus on improving job quality, giving low-paid workers more of the 'worker power' that higher-paid workers take for granted, so that low-paid workers don't feel like they need to work part-time as a way to protect their well-being and work-life balance. For example, we have previously argued for reforms that would give all workers the right to two weeks' advance notice of work schedules, and a right to compensation where shifts are cancelled without reasonable notice – this would give workers the confidence that full-time work would not disrupt their home life. In addition, if workers want to increase their working hours, part-time workers should have the right to request a contract with longer hours.[54] Importantly, policy makers must also ensure that these rights are enforced: the long-promised Single Enforcement Body should be introduced and properly resourced.

Fourth, policy makers could look at some of the structural barriers present in the tax and benefits system that both disincentivise workers from working full-time, and disincentivise employers from offering full-time positions. We explore these in Box 6.

53 For a detailed discussion of how to increase flexibility in many jobs that are currently deemed to be inflexible, see: A Allen, J Cockett & M Williams, Reaching a positive financial return on investment in flexible working, Timewise and Institute for Employment Studies, April 2022.

54 For further recommendations on how to improve job quality for low-paid workers, see: T Bell, N Cominetti & H Slaughter, A new settlement for the low paid: Beyond the minimum wage to dignity and respect, Resolution Foundation, June 2020.

BOX 6: How the tax and benefits systems impact choices of hours

There are several ways in which the tax and benefit systems might affect employers' decisions on how many working hours to offer, or workers' choices between part-time or full-time work.

From an employer perspective, there are two key structural aspects of the tax system that tilt the balance towards offering part-time positions. As shown in Table 1, an employer will pay less National Insurance when employing two part-time employees than one full-time employee, due to the per worker allowance for employer National Insurance contributions. In the particular example, an employer can reduce employer National Insurance contributions by over 60 per cent – or a saving in salary-plus-employer-NI of over 5 per cent – by splitting a role with a gross salary of £24,000 into two part-time positions (and the saving would have been greater if it had been split into three or more part-time positions).[55] Another relevant threshold is the obligation on employers to make contributions to their employees' pensions, which begins where employees are paid at least £192 a week (or £10,000 a year).[56]

TABLE 1: **An employer will pay more than £1,000 more in National Insurance contributions by employing one full-time worker on a salary of £24,000 rather than two part-time workers on a salary of £12,000.**

Calculation of National Insurance paid by an employer for two part-time employees and one full-time employee: UK, November 2022.

	Annual salary	National Insurance earnings threshold	Annual salary where National Insurance is payable	National Insurance rate	**National Insurance paid by employer**
Part-time employee 1	£12,000	£9,100	£2,900	13.8 per cent	**£400.20**
Part-time employee 2	£12,000	£9,100	£2,900	13.8 per cent	**£400.20**
Total	-	-	-	-	**£800.40**
Full-time employee	£24,000	£9,100	£14,900	13.8 per cent	**£2,056.20**

SOURCE: RF analysis.

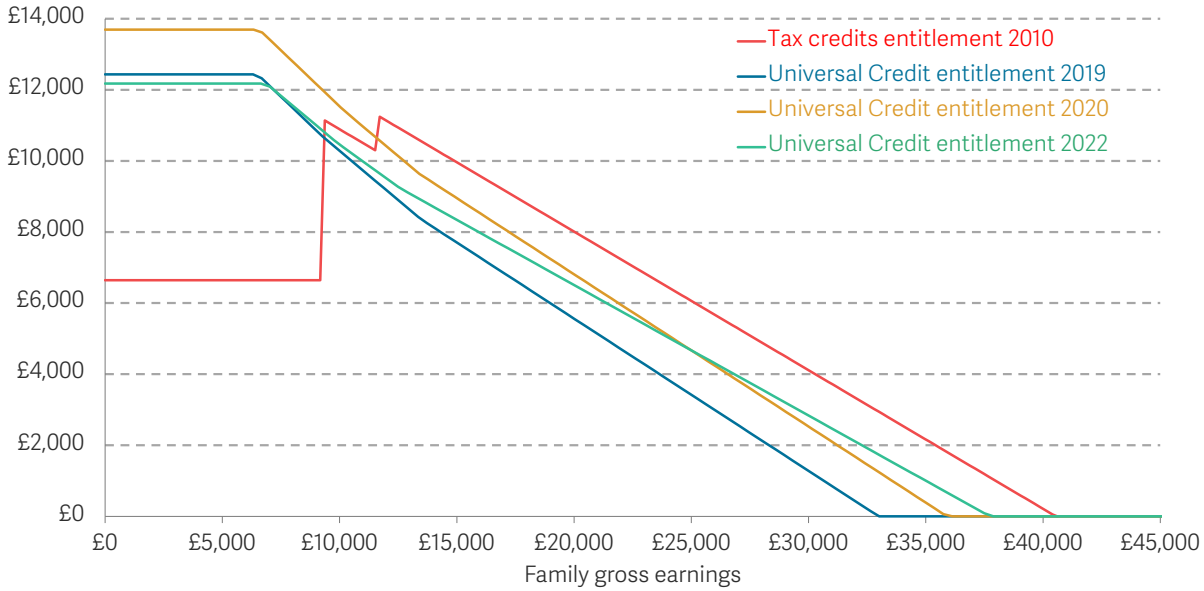
55 The rates and thresholds in Table 1 are correct for the period from 6 November 2022 to 5 April 2023. For more information, see: www.gov.uk/guidance/rates-and-thresholds-for-employers-2022-to-2023.

56 For those who earn more than £192 a week, employers must contribute 3 percent of the amount by which their employees' salary exceeds £120 a week.

The current shape of the benefits system will also affect a worker's ability to, and desire to, work full-time. When designing a social security system that provides support to those in need, it is impossible to avoid the fact that the reduction of that support as earnings rise will lead to high marginal withdrawal rates which can then reduce the pay-off to working longer hours. But that does not mean that we should blame Universal Credit (UC) for the issues we have set out in earlier chapters. First, it is important to note that, even after then-Chancellor Rishi Sunak cut the withdrawal rate that applies in UC – something which reduced marginal effective tax rates faced by workers receiving UC, but extended those high rates to more workers, as UC is now withdrawn more slowly – the reach of UC is smaller than it was at the start of the 2010s, as the various real-terms cuts to the generosity of UC have outweighed the recent taper cut, as shown in Figure 21.[57]

FIGURE 20: **The reach of Universal Credit in 2022 is smaller than the reach of tax credits in the early 2010s**

Tax credits and Universal Credit entitlement based on earnings by year for a couple with one earner with two children, in 2022 prices, UK: 2022-23



NOTES: Tax credits award subject to hours rules, single earner assumed to earn the national living or minimum wage for each relevant year. Other tax assumptions set for the relevant year.
SOURCE: RF Case Study Model.

Second, it was striking that none of the workers in our focus groups mentioned UC as a reason why they worked part-time or why they didn't work full-time.[58]

57 K Handscomb, Taper cut: Analysis of the Autumn Budget changes to Universal Credit, Resolution Foundation, November 2021.
58 In the focus groups, we did not ask people explicitly whether they received UC.

They were more likely to mention childcare costs, and it is notable that there are some hard cliff-edges in the way that childcare support is provided to low earners, with the childcare component of UC and the legacy tax credits providing a subsidy of up to 85 percent on childcare spending but only up to certain limits. No support is given on spending above £175 a week if you have one child, or above £300 a week if you have more than one, a cliff-edge that can place real limits on some workers' ability to do more hours.

Third, we must remember that in-work benefits exist to ensure that being in work results in a higher income than being out-of-work and receiving benefits; without the support provided by UC, some workers would opt not to work at all over being in part-time work, which would clearly be a retrograde step. But policy makers will always need to think what is the best balance between providing adequate support to those who need it, reducing the burden on the Exchequer by tapering that support quickly as earnings increase, and keeping marginal effective tax rates low.

Fifth, given the prevalence of part-time work – including involuntary part-time work – among young people, policy makers should consider how to improve careers advice and employment support programmes. We know that part-time work comes with a pay and progression penalty – this is especially worrying for young people at the start of their working lives. To prevent young people from being stuck in part-time work that is low-paid, poor quality work, young people need to be offered support to find better-quality education, employment or training.[59]

This report forms part of a programme of work planned several years ago about young people's experiences of the labour market. But the current cost of living crisis, with inflation in double digits and real wages falling, adds a new dimension. Many low-paid part-time workers will be at the sharp end of the current crisis, given that two-thirds (66 per cent) of part-time workers are in low weekly pay.[60] And we should be concerned about recent forecasts that unemployment will rise in the UK – past experience tells us that this typically goes hand in hand with a rise in underemployment and involuntary part-time work.[61] But it is the combination of the current economic downturn with the prevalence of insecure and inflexible jobs that is most concerning. When we heard

59 For more recommendations on how to improve outcomes for young people, see: K Henehan, Uneven steps: Changes in youth unemployment and study since the onset of Covid-19, Resolution Foundation, April 2021; R Sehmi & H Slaughter, Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people, Resolution Foundation, May 2021.

60 RF analysis of ONS, Labour Force Survey.

61 The OBR predicts that unemployment will rise to reach a high of 4.9 per cent in the third quarter of 2024. For more information, see: Office for Budget Responsibility, Economic and fiscal outlook, November 2022. Multiple papers have documented how the underemployment rate tends to rise following recessions, and some have noted that in many advanced economies, the underemployment rate remained elevated after the financial crisis for a long period than the unemployment rate – see: D Bell & D Blanchflower, Underemployment in the US and Europe, National Bureau of Economic Research Working paper 24927, 2018.

from low-paid part-time workers, many spoke about the months and years ahead with a sense of powerlessness or despondency. Workers spoke openly about the challenges they expect to face, with bills and housing costs rising fast. But they rarely felt like they had the ability to respond to this: their preferences around working hours, as well as constraints like childcare costs, meant that few felt like they would be able to increase their working hours to respond to rising costs.

> *"It's really how the world's turned...the business has dropped a lot. If there's no hours for you to do, you can't, so that's just kind of how it is. I'm one of the luckier ones, but some of us, they're just in one day a week."*
>
> **(Focus group participant, female, aged 18-29)**

> *[Would you consider increasing your working hours?] "I just physically couldn't do it anymore, so no. So that's why I'm buying cheaper stuff instead of working more."*
>
> **(Focus group participant, female, aged 30-64)**

> *"We could all carry on working more, but they'd just put everything even more expensive, so it's like, we're never going to catch up with it."*
>
> **(Focus group participant, female, aged 18-29)**

> *[Would you consider increasing your working hours?] "If I had to, I would, but I think I'd rather stick with wearing dressing gowns and hot water bottles."*
>
> **(Focus group participant, female, aged 30-64)**

This is why it was vitally important for the Government to announce support for low-income households in the recent Autumn Statement. The welcome measures include confirming that benefits will increase in line with inflation in spring 2023; announcing a record rise in the National Living Wage, that will further reduce the incidence of low hourly pay; and introducing further (albeit less generous) support for household energy bills.[62] But policy makers should aim higher, and focus on alleviating some of the constraints that affect lower earners' ability or desire to take on additional hours. While many of these barriers are large, and are unlikely to disappear soon, many of them could be lessened through targeted policy intervention. Policy makers have the ability to give low-earning workers more agency over their working hours: by doing so, they could make a significant difference to the living standards of low-earning workers in the UK.

62 For detailed analysis of the 2022 Autumn Budget, see: T Bell et al., Help today, squeeze tomorrow: Putting the 2022 Autumn Statement in context, Resolution Foundation, November 2022.

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