

Short workweeks during economic downturns

By far the most common economic reasons for part-time employment during recessions are cutbacks in weekly hours due to slack work and failure to find full-time positions; each is characteristically distinct and illustrates different underlying labor-market problems

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Often overshadowed in the current recession by the rise in the jobless rate, the number of persons involuntarily working part time reached record levels in 1982. As the unemployment level passed 11 million persons, the number of "economic part-timers" neared the 7 million mark. Many of these persons had their workweeks reduced, with accompanying pay cuts, while others accepted part-time jobs only after unsuccessful searches for full-time work. Unlike the unemployed, those subject to a reduction in hours are *not* usually entitled to draw unemployment insurance benefits for their lost work time.¹

During an economic downturn, the number of involuntary part-timers typically rises before unemployment begins to increase, mainly because employers tend to reduce hours of work when possible before laying off employees to minimize the cost of turnover. In recovery periods, when new orders pick up and inventories are rebuilt, firms usually restore the hours of those on

shortened workweeks before expanding their work forces. Thus, over the business cycle, changes in the number of persons involuntarily working part time are generally just a few steps ahead of changes in overall unemployment.

In 1982, the distribution (annual averages) of involuntary part-timers by reason for part-time work was:

<i>Reason</i>	<i>Number (thousands)</i>	<i>Percent</i>
Total	6,170	100.0
Slack workloads	3,264	52.9
Material shortages or repairs to plant and equipment . . .	53	0.9
New job started during the survey reference week	168	2.7
Job ended during the reference week	85	1.4
Could only find a part-time job	2,600	42.1

"Slack work" and "could find only part-time work," which together account for more than 90 percent of the total, will be the main focal points of this analysis.

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Data for these two subgroups, along with the number of persons involuntarily working part time have been seasonally adjusted specifically for this study.²

This article examines the type and extent of the relationship of the “slack work” and “could find only part-time work” components to changes in economic conditions. Given that, by definition, one group had been successful in finding full-time employment while the other had not, it is expected that they may differ with respect to demographic and employment characteristics, and thus behave differently over the business cycle. The cyclical analysis is based on monthly Current Population Survey (CPS) data from 1955 to 1982, a period that includes five complete business cycles and the most recent economic downturn.

To better understand observed labor market patterns, a detailed discussion of who involuntary part-time

workers are, how the two main “reason” groups differ, and why some could find only part-time work will be presented. An analysis of the influence of occupation and industry attachment on involuntary part-time worker status concludes the study.

Link with the business cycle

Over the period for which data have been collected, there has been a direct and fairly stable relationship among the incidence of involuntary part-time work, the unemployment rate, and the business cycle.³ (See chart 1.) On average, the number of involuntary part-timers as a percent of the total at work reaches its cyclical low and begins to rise about 11 months prior to the business cycle peak designated by the National Bureau of Economic Research (NBER) and about 7 months before the unemployment rate low point. It tends to turn

Chart 1. Unemployment rate and percent of persons at work employed part time for economic reasons, with peaks and troughs in the business cycle, 1955-82

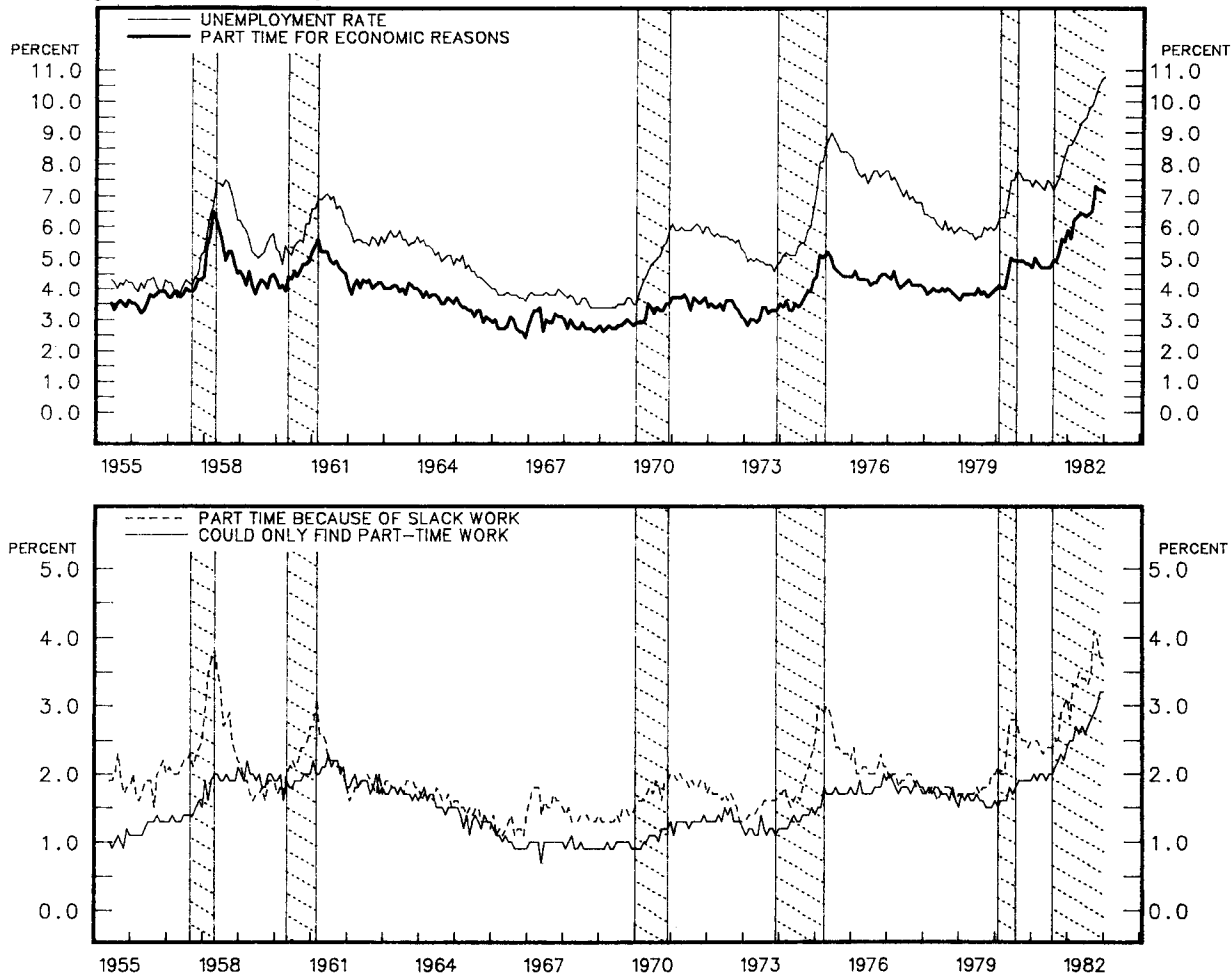


Table 1. Highs and lows in involuntary part-time employment and months from unemployment rate and business cycle peaks and troughs, selected recessionary periods, 1955-83, seasonally adjusted

Period and type of involuntary part-time work	Highs ¹				Lows ¹			
	As a percent of total at work	Date occurred	Months from ²		As a percent of total at work	Date occurred	Months from ²	
			Unemployment rate high	Business cycle trough			Unemployment rate low	Business cycle peak
1957-58:								
Total	6.5	Mar. 1958	-4	-1	3.8	May 1959	-9	-11
Slack work	3.8	Apr. 1958	-3	0	1.6	Sept. 1959	-5	-7
Could find only part-time work	2.2	Mar. 1959	+8	+11	1.6	Mar. 1960	+1	-1
1960-61:								
Total	5.6	Feb. 1961	-3	0	2.6	Jan. 1969	-4	-11
Slack work	3.1	Feb. 1961	-3	0	1.3	July 1969	+2	-5
Could find only part-time work	2.3	June 1961	+1	+4	0.9	May 1969	0	-7
1969-70:								
Total	3.8	Apr. 1971	-4	+5	2.8	Jan. 1973	-9	-10
Slack work	2.0	Mar. 1971	-5	+4	1.3	Jan. 1973	-9	-10
Could find only part-time work	1.5	Aug. 1972	+12	+21	1.1	Nov. 1973	+1	0
1973-75:								
Total	5.2	Apr. 1975	-1	+1	3.6	Dec. 1978	-7	-13
Slack work	3.0	Apr. 1975	-1	+1	1.6	Nov. 1978	-8	-14
Could find only part-time work	2.0	Jan. 1977	+20	+22	1.5	Jan. 1980	+6	0
1980:								
Total	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Slack work	2.8	June 1980	-1	-1	2.3	June 1981	-1	-1
Could find only part-time work	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
1981-82:								
Total	7.5	Jan. 1983	+1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
Slack work	4.1	Sept. 1982	-3	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
Could find only part-time work	3.4	Jan. 1983	+1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)

¹ Ascertained in accordance with the standard rules for determining turning points in data series over time. See Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (New York, National Bureau of Economic Research, 1946).

² Measured as lead (-) and lag (+).

³ Series showed no discernible turning point during this period.

⁴ Data are not available.

p = preliminary.

downward around the time the business cycle bottoms out but a few months before overall joblessness begins to decline. (See table 1.)

The percentage of persons at work who are on part-time schedules because of slack work ("workweek reduction" rate) and the percentage who could find only part-time work ("failure to find full-time work" rate) do not necessarily follow the same pattern. However, the cyclical behavior of each provides valuable insights into the operation of the labor market. During economic contractions, for example, the reduction rate rises sooner and more rapidly than the failure-to-find rate.

In the recovery phase, the reduction rate begins to decline sooner than the failure-to-find rate, as employees' hours are restored before economic conditions improve enough to allow employers to hire additional full-time workers. Thus, the cyclical flavor of involuntary part-time employment comes from the ebb and flow in the length of the workweek as reflected in the workweek-reduction component more than from fluctuations in the availability of full-time jobs as reflected in the failure-to-find component. Because of its "length of workweek" orientation, the timing of the turning points in the reduction rate series parallels that of "hours of

work" series; it leads at business cycle peaks but is coincident at troughs.⁴ By contrast, the cyclical timing of the failure-to-find rate series does not exactly parallel any other labor market series. Like movements in employment, it is coincident at business cycle peaks, but, unlike employment, it lags at troughs.⁵ In this latter regard, it behaves more like unemployment. However, the failure-to-find series does not turn downward (show improvement) until well after unemployment has fallen.

The cyclical pattern in the incidence of involuntary part-time work during the recent recession differed somewhat from that of earlier postwar downturns, largely because the latest recession followed an unusually brief and weak recovery. The incidence of part-time work never really declined between the 1980 and 1981-82 recessions; it simply leveled before increasing further. That is, there were no discernible turning points except for a slight dip in the workweek-reduction rate, which occurred only a month before the 1981 business cycle peak, not the usual lead of several months. This seems to lend credence to the argument advanced by some analysts that the 1980 economic contraction was not really a separate downturn, but part of a lengthy recession spanning the entire 1980-82 period.⁶

The previous high point for the percentage of workers employed part time involuntarily—6.5 percent, reached in 1958—was equaled in May 1982. By October 1982, the rate had passed 7 percent. Interestingly, the distribution of workers by reason for involuntary part-time work differed from that of the earlier period. In 1958, the failure-to-find component accounted for less than 30 percent of the total, whereas it made up more than 40 percent in 1982. The cyclical rise in the failure-to-find rate during the recent recession was uncharacteristically sharp. (See chart 1.) Perhaps this reflects the failure of the full-time job market to recover fully from the 1980 downturn. Thus, more would-be full-time workers than is typical have had to settle for less remunerative part-time employment in recent years. Because past trends indicate that the failure-to-find rate, which was still rising at the end of 1982 while the workweek-reduction rate appears to have peaked in September, does not turn downward until several months after workweek levels are restored, involuntary part-time workers as a percent of those at work may not soon return to pre-1980 recession levels. Following the 1973–75 recession, for example, the proportion of persons at work on short schedules did not fall below its prerecession low for the first time in the postwar period.

Clearly, changes in the overall incidence of involuntary part-time work hide important differences in the behavior of the major components over the business cycle. The pattern in each component series stems from and illustrates different economic phenomena, and thus may imply different policy prescriptions. The more cyclical workweek-reduction series reflects firms' short-run adjustments in number of weekly hours worked to minimize costs in the face of unstable market conditions. The failure-to-find series is related both to the general state of the economy and to the hiring policies of individual firms. For example, because of depressed economic conditions, employers may hire part-time, rather than full-time, workers. During recessionary periods, the number of part-time jobs often continues to grow, albeit at a slower pace than in nonrecessionary times, while the number of full-time jobs decreases. Thus, for some workers, part-time work may represent a stopgap measure until a full-time job can be found. For others, failure to find full-time work may stem from inadequate job experience, skills, education, and training; in a weak job market, the lack of these qualities is magnified as employers can be more choosy in their hiring practices.

The more cyclical workweek-reduction rate is identified with changes in hours, while the failure-to-find rate is identified with changes in employment. The question that remains is how much the demographic and employment characteristics of workers in each category have contributed to the cyclical nature of their employment status.

Who are the involuntary part-timers?

Just as the burden of unemployment falls more heavily on certain worker groups, the incidence of economic part-time employment also varies significantly. Teenagers, blacks,⁷ and women were disproportionately represented among those working part time involuntarily in 1982. The disparity for teenagers was the most striking, as their 16-percent share of involuntary part-time employment was twice their share of the labor force.

The following tabulation of 1982 annual averages shows that the incidence of those at work on short-time schedules also varies by reason within major demographic groups:

	<i>Persons (thousands)</i>		<i>Percent of total employment</i>	
	<i>Slack work</i>	<i>Could find only part-time</i>	<i>Slack work</i>	<i>Could find only part-time</i>
Men	1,881	962	3.5	1.8
Women . .	1,381	1,639	3.4	4.1
White . . .	2,749	2,118	3.3	2.6
Black and other . . .	514	482	4.7	4.4

As noted earlier, a greater percentage of all workers were on short schedules in 1982 because of workweek cutbacks (52.9 percent) than because of an unsuccessful search for a full-time job (42.1 percent). This was not true for women, however. And men were nearly twice as likely to be on shortened schedules as a result of a reduction in weekly hours than because they failed to find full-time jobs.

Although women were more likely than men to have reported that they could only find a part-time job, there was little difference in the percentages of men and women at work who suffered workweek cutbacks. Blacks were more likely than whites to be economic part-timers in both categories under study.

Why do they work part-time?

The cause-and-effect relationship between workweek cutbacks and the incidence of involuntary part-time work is fairly straightforward. Hours reductions can occur from time to time in any business or industry and, for the most part, are beyond the control of the individual worker. The situation is not as clearcut for those who failed to find a full-time job and accepted part-time work instead, particularly during the 1980–82 period when back-to-back recessions curtailed the number of full-time jobs available.

It is to be expected that some people will work part time during recessions rather than remain "fully" unemployed. There is some evidence from gross flow data⁸ to

Table 2. Involuntary part-time workers in current month who were unemployed in the previous month, 1968-82 annual averages

Year ¹	Thousands of persons	Percent of	
		Unemployed in prior month	Involuntary part-time workers in current month
1968	184	6.1	9.7
1969 ²	167	5.7	8.4
1970 ²	222	5.8	9.3
1971	275	5.6	10.5
1972	262	5.5	10.2
1973 ²	255	6.0	10.4
1974 ²	277	5.9	9.7
1975 ²	405	5.4	11.0
1976	393	5.6	11.3
1977	401	5.9	11.6
1978	353	6.0	10.6
1979	325	5.6	9.6
1980 ²	430	6.0	10.4
1981 ²	463	6.0	10.1
1981 ²	475	6.0	10.2
1982 ²	632	6.2	10.4

¹ For the years 1968 to 1980, the weights applied to the sample estimates to represent the Nation are based upon the 1970 Decennial Census population figures. The first 1981 figure is based on the 1970 census while the second and the 1982 figure are based on the 1980 census.

² Recession year as designated by the National Bureau of Economic Research.

support this view. The data pertaining to the flow of workers to involuntary part-time work from unemployment in table 2 show that, on average over the 1968-82 period, about 1 of 10 involuntary part-timers in a given month had been unemployed the previous month.⁹ Although there was a cyclical aspect to this flow, it never exceeded a half million workers until 1982 when an average of 632,000 persons, or 6.2 percent of the unemployed total, in one month were employed part time involuntarily in the next month.

Movements in the failure-to-find series do not appear to be as cyclical as those in the workweek reduction series, especially prior to 1980. (See chart 1.) A detailed regression analysis of these two series using quarterly Current Population Survey data from 1955 to 1974 revealed that the reduction rate was clearly the more sensitive during economic downturns; in upturns both series responded fairly evenly.¹⁰ Because the personal characteristics of the workers in each category differ widely, the types of jobs held by each also stand apart, and further discussion of the extent of these differences and their possible role in the observed cyclical disparities is warranted.

There are many reasons in addition to a depressed job market why some workers may be able to find only part-time jobs. They may lack the skills or experience required for many full-time jobs or they may be viewed by employers as too high a turnover risk because their nonwork responsibilities appear to permit only a marginal attachment to the labor force. Conversely, workers may find themselves in this predicament because their outside activities restrict the number of full-time job op-

portunities open to them to only those offering less traditional schedules; and, they might not always be free to relocate geographically to a more opportune job market. In any case, they probably settle for a part-time worker's paycheck because some income is better than none, or is higher than unemployment benefits. Many of the reasons for failure to find full-time work are, of course, overlapping. For example, a person may be only marginally attached to the labor force and may also be geographically immobile because of nonwork activities. Unfortunately, data are not available to address each combination of factors directly.

Work experience. Just as individuals move into and out of the work force over the course of a year, they also move into and out of part-time employment. Thus, many more people experience part-time work during the year than is indicated by the number of such workers for an average month in the year. Data from the CPS retrospective annual survey of work experience¹¹ of the population can provide some additional insights into involuntary part-time work not available from the regular monthly data, including more detailed characteristics of involuntary part-timers.

Also, the number of weeks worked during the year in part-time status, which is available from this data base, provides a very useful measure of an individual's labor market attachment. The data analyzed below are for persons who worked one or more weeks part time in 1981, and whose *main* reason for doing so was either slack work¹² or failure to find full-time work.

The distribution of persons with some involuntary part-time work experience in 1981 by reason for part-

Table 3. Distribution of involuntary part-time workers by reason for part-time status and selected demographic characteristics, 1981

Characteristic	Reason for part-time employment	
	Slack work	Could find only part-time work
Age		
Total	100.0	100.0
16 to 19 years	6.3	21.9
20 to 24 years	18.2	26.9
25 to 44 years	49.1	35.7
45 to 64 years	24.4	14.4
65 and over	2.0	1.1
Marital and family status		
Total	100.0	100.0
Husbands	37.1	9.7
Wives	20.2	24.6
Others in married couple families	11.3	27.7
Women who maintain families alone	5.5	7.8
Others in such families	5.2	11.5
Men who maintain families alone	1.8	.6
Others in such families	1.9	2.3
Unrelated individuals	17.0	15.8

time employment and by age and family and household status is shown in table 3. According to these data, persons who could find only part-time work tended to be young and to live in a family with other working members. This implies that they may have lacked experience or were geographically immobile. Half of those who could find only part-time work were under 25 years of age, and a fourth each were wives or someone in a family other than a husband or wife. Besides the lack of job experience, youth are further hindered in finding full-time work by school attendance. Wives or youth could also be hampered by a husband's or other family member's employment because it would limit their job prospects to nearby labor markets. In contrast, workers on reduced schedules because of slack work were more likely to be in the prime working age groups and to be husbands.

Persons who could find only part-time work generally had a looser attachment to the labor market than persons whose workweeks had been reduced. Persons whose main reason for involuntary part-time employment was slack work worked substantially more weeks total (49) during 1981 than those who could find only part-time work (30 weeks). Also, the length of time that those reporting slack work actually had to stay on shortened schedules during 1981 was very brief—only 6 weeks. In contrast, those who reported having difficulty finding full-time jobs worked more weeks part time than full time—17 compared with 13 weeks. It appears that full-time status for those who also worked part-time in 1981 because that was all they could find at the time was very tenuous.

The activity of involuntary part-time workers when they were not in the labor force in 1981 was also revealing:

	<i>Slack work</i>	<i>Could only find part-time</i>
Number of involuntary part-timers (in thousands)	9,876	4,752
Percent who worked only		
part year	25.6	45.2
Ill or disabled	4.4	3.0
Taking care of home or family	6.3	12.9
Going to school	4.0	19.3
Retired7	.1
Other	10.1	9.8

Among workers who could find only part-time jobs during 1981, the largest identifiable reason for weeks spent outside the labor force was school attendance followed by home or family responsibilities. The not-in-the-labor-force activities of those on short schedules because of slack work were much more varied. Clearly, the reasons behind a person's inability to find a full-time job and his or her decision to accept part-time employment instead go beyond the simple explanation of a

recessionary decrease in the number of full-time jobs. This would help to account for the fact that the failure-to-find series is not as cyclically sensitive as the percentage of workers on part-time schedules because of slack workloads.

Occupation and industry

To further develop insight into the cyclical sensitivity of the slack-work and could find only part-time work series, the distribution of workers by occupation and industry in each category was analyzed.

The relationship among occupation, industry, and slack work is fairly straightforward. If slack work is concentrated in those occupations and industries which are most affected by recession, a worker's status could be said to be influenced by his or her occupation or industry affiliation. However, this is not the case for those workers who could only find part-time employment, because their short-time status is determined simultaneously with their occupation and industry status; that is, they had no occupation and industry attachment immediately prior to their securing employment. Unlike most workers reporting slack work, those who failed to find full-time employment were not, for example, craft or factory workers *before* they became involuntary part-time workers. It is, of course, expected that, once employed, most workers who could find only part-time positions would be in occupations and industries in which a lot of part-time employment normally occurs.

Blue-collar workers, the most cyclical component of the major occupational groups, were twice as likely as white-collar workers to have experienced a workweek reduction in 1982. A little more than half of all workers who encountered slack workloads were blue-collar in 1982, down from 60 percent a decade earlier. The 1982 distribution of part-timers for reasons of slack work and failure to find full-time jobs by major occupation was:

	<i>Slack work</i>	<i>Could find only part-time</i>
Total	100.0	100.0
White-collar workers	24.7	36.6
Blue-collar workers	53.5	22.0
Service workers	16.7	38.9
Farmworkers	5.1	2.5

More than a fifth of workers who could find only a part-time job were also blue-collar, but most were service workers or white-collar employees, particularly clerical workers. The percentage of workers on part-time schedules because that was all they could find has been increasing gradually since the late 1960's.

Although the workweek-reduction rate has remained relatively flat secularly, the distribution of workers on short schedules because of slack workloads has changed to reflect the economy's shift away from goods production to services. Interestingly, the blue-collar share of

Table 4. Distribution of over-the-year changes in part-time employment for economic reasons due to slack workloads, by occupation and industry, selected periods, 1970-82

Occupation and Industry	Period			
	Mar. 1970 to Mar. 1971 ¹	Apr. 1974 to Apr. 1975 ¹	June 1979 to June 1980 ¹	Sept. 1981 to Sept. 1982 ²
Total change	100.0	100.0	100.0	100.0
Percent of total change attributable to:				
White-collar workers	28.9	16.4	23.7	24.5
Blue-collar workers	61.7	69.1	60.8	63.4
Service workers	23.8	11.3	11.5	10.0
Farmworkers	—	3.2	4.1	2.1
Goods-producing industries ..	40.9	66.0	60.2	47.9
Service-producing industries ..	59.1	34.0	39.8	52.1

¹ National Bureau of Economic Research designated trough, business cycle month.
² Month in which the highest level of slack work in the current economic downturn occurred.

the increase in slack work did not change significantly over the four most recent postwar recessions, remaining near two-thirds of the total difference between the peak of the slack work series and the level observed a year earlier. (See table 4.) As a result, the percentage increase in slack work accounted for by blue-collar workers during the recent recessions has become disproportionately large, whereas in the 1970-71 period, their share of the increase in slack work was approximately equal to their share of the number of workers whose workweeks were cut back.

The data in table 4 also show that slightly more than half of the increase in slack work between September of 1981 and 1982 was in the service-producing sector, a reversal from the previous two recessions when most slack work occurred in the goods-producing sector. For example, only about a third of the increase in the incidence of slack work in the year preceding the 1975 peak was in the service sector. These developments are not that surprising when the percent distribution of slack work by major sector is examined, along with the incidence of failure to find full-time work and the distribution of total part-time work for economic reasons, for selected recessionary years:

	1970	1975	1982
Total part-time for economic reasons	100.0	100.0	100.0
Goods-producing	46.8	37.5	29.6
Service-producing	53.2	62.5	70.4
Slack work	100.0	100.0	100.0
Goods-producing	61.5	54.4	45.6
Service-producing	38.5	45.6	54.4
Could only find part-time work	100.0	100.0	100.0
Goods-producing	15.9	10.6	8.6
Service-producing	84.0	89.4	91.4

In 1982, the service-producing sector accounted for 70 percent of the part-time for economic reasons total and for over half of slack work, up substantially since 1970.

A question arises about the effect of the changing occupational and industry composition of the slack-work series on its degree of cyclical sensitivity. As we have seen, blue-collar workers, whose employment pattern is highly cyclical, accounted for a smaller proportion of slack work in 1982 than previously, and more than half of all workers reporting slack work are now found in the less cyclical service sector. A hint that the effect on the series' cyclical sensitivity might be marginal was provided by the fact that blue-collar workers, even though a smaller part of the whole, maintained their share of the increase in slack work in recent recessionary periods.

Table 5, which shows the increase in slack work during periods of economic contraction, provides further evidence that the effect may be slight. Although the percentage rise in slack work was lower in the current recession than in the 1973-75 episode, it was higher than during other postwar downturns for which data are available. Moreover, if the percentage change in slack work were computed over the back-to-back recessions in the 1980-82 period, it would easily surpass that of the 1973-75 recession. Apparently, the service-producing sector is becoming more cyclically sensitive with regard to the likelihood of workweek cutbacks.

When the 1982 industry distribution of persons who could only find part-time work is examined, an apparent paradox is observed. At the same time that the service sector provides part-time jobs in recessionary periods for those unable to find full-time work (recall that more than 90 percent of those who could find only part-time employment were in service-producing industries in 1982), many other workers in that sector had their workweeks reduced. This is attributable to the diverse types of industries making up the sector, some of

Table 5. Changes in part time for economic reasons due to slack workloads, business cycle peaks to troughs, selected recessionary periods, 1955-82, seasonally adjusted

Period	Persons encountering slack work	
	Actual change (thousands)	Percent change
Aug. 1957 to Apr. 1958	858	61.0
Apr. 1960 to Feb. 1961	747	59.6
Dec. 1969 to Nov. 1970	289	26.5
Nov. 1973 to Mar. 1975	1,030	78.4
Jan. 1980 to July 1980	584	29.6
July 1981 to Sept. 1982 ¹	1,491	64.0

¹ Month in which the highest level of slack work in the current economic downturn occurred.

Table 6. Nonagricultural wage and salary workers on part-time schedules because of slack workloads and failure to find full-time work, by industry, 1982 annual averages

Industry	Slack work		Could find only part-time work	
	Percent distribution	Percent of total at work	Percent distribution	Percent of total at work
Total	100.0	2.9	100.0	2.7
Mining	1.4	3.6	0.1	0.2
Construction	12.3	6.8	3.2	1.6
Manufacturing	33.5	4.3	5.3	0.6
Durable	16.3	3.6	1.6	0.3
Nondurable	17.1	5.4	3.7	1.1
Transportation and public utilities	5.5	2.3	4.0	1.5
Transportation	5.0	4.0	3.3	2.4
Public utilities	0.5	0.5	0.7	0.6
Trade	24.1	3.3	45.9	5.7
Wholesale	2.9	1.9	1.6	1.0
Retail	21.2	3.6	44.3	6.9
Finance, insurance, and real estate	2.6	1.1	3.1	1.2
Miscellaneous services	19.7	2.0	35.4	3.3
Business	4.5	3.3	5.6	3.7
Personal	6.0	7.9	4.1	4.9
Entertainment and recreation	1.6	4.3	3.2	7.6
Medical, except hospital	1.9	1.5	4.6	3.4
Hospital	1.3	0.8	3.2	1.7
Education	2.3	0.8	10.2	3.2
Other	2.1	1.3	4.6	2.6
Public administration	1.1	0.5	2.9	1.3

which show considerable variation over the business cycle.¹³ Table 6 presents a detailed look at the incidence of slack work and failure to find full-time work by industry. Large concentrations of slack work were found in manufacturing, retail trade, and miscellaneous services. The latter two industries also furnished jobs for the vast majority of workers who could find only part-time jobs. The retail trade and services industries are also diverse with regard to size, product or service provided, and geographic location, which could account for their exhibiting both cyclical and countercyclical tendencies at the same time. For example, Edward F. Denison's study of the miscellaneous services industry found that the behavior of its two largest components, health services and business services, was illustrative of the differences within the division: "Health services display almost no cyclical sensitivity while business services show a high degree."¹⁴

The data in table 6 also show the percentage of workers in each industry on short schedules—a way of

standardizing for different work force sizes across industries. The largest incidences of workweek reductions in 1982 were in construction (6.8 percent), nondurable manufacturing (5.4 percent), and personal services (7.9 percent). This latter figure affords an excellent example of the fact that service-producing industries are not immune to recession as belt-tightening consumers cut back their use of personal services such as laundry, dry cleaning, portrait photography, and beauty and barber shops in hard times. Also, this same industry provided a disproportionately large number of part-time jobs to persons unable to find a full-time one. The greatest shares of failure to find full-time work were found in retail trade and in the entertainment and recreation service industries.

THE INVOLUNTARY PART-TIME WORK SERIES, which is highly cyclical and leads the national unemployment rate and business cycle turning points during the onset of a recession, is composed principally of two subseries that are quite distinct. Increases in the level of each mean different things in terms of how well labor markets are operating and suggest different policy prescriptions. An increase in the workweek reduction rate, the more cyclical of the two, is really a reduction in hours worked, an indication of a demand deficient economy. Although a rise in the failure-to-find rate is also symptomatic of an economy gone sour, it reflects more structural employment issues such as skill levels, job experience, rigid work schedules, job mobility, and personal preferences.

Future changes in the make-up of the two groups could further alter the composition of involuntary part-time employment and thus influence the extent of its cyclical nature. For example, a continued decline in the labor force participation rate of youth, a large component of persons who could find only part-time work, or the continued shift towards a service-oriented economy, might eventually render the total less cyclical. In contrast, if national or State policies were enacted whereby benefits now accruing primarily to unemployed workers were also paid to workers whose hours were cut back—as is the case in many other industrialized countries—workweek reductions might become more prevalent. Based on the experience through the current recession, this could lead to an even closer tracking of the incidence of economic part-time work with the overall jobless rate. □

— FOOTNOTES —

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¹ The availability of pro rata unemployment insurance (UI) benefits for partial work time lost is discussed in Daniel Hamermesh, "Unemployment Insurance, Short-Time Compensation and the Workweek," *Work Time and Employment*, Special Report No. 28 (Washington, National Commission for Employment Policy, 1978), pp. 233-38. Of course, many of the unemployed do not collect UI benefits either. In

1982, the number of persons claiming such benefits averaged about 40 percent of the total number unemployed. A detailed discussion of UI data can be found in Saul J. Blaustein, "Insured Unemployment Data" in *Data Collection, Processing and Presentation: National and Local* (Washington, National Commission on Employment and Unemployment Statistics, Vol. II, 1979), pp. 198-258.

² On a regular monthly basis, seasonally adjusted data for involuntary part-timers are limited to nonagricultural workers plus a division of this total into those who usually work full time and those usually working part time.

³ Robert W. Bednarzik, "Involuntary part time work: a cyclical analysis," *Monthly Labor Review*, September 1975, pp. 12-18.

⁴ Philip L. Rones, "Response to recession: reduce hours or jobs?" *Monthly Labor Review*, October 1981, pp. 3-11.

⁵ The employment series referred to here is nonagricultural payroll employment, collected by State agencies from employer reports of payroll records.

⁶ Alfred L. Malabre, Jr., "Some Analysts say Recession Began in 1980, Dispute Official Finding of Onset Last July," *Wall Street Journal*, July 8, 1982, p. 40.

⁷ Data in this article are for black and other minorities throughout and are referred to as black.

⁸ Gross flow data are a by-product of the CPS, which shows the labor force status of persons not only for the current month, but also for the previous month. The data thus permit the identification and measurement of the number of persons who enter involuntary part-time work from one month to the next.

⁹ The numbers are somewhat inflated because they also reflect the movement from unemployment to full-time employment for those who began a job after the start of the survey week.

¹⁰ Bednarzik, "Involuntary part-time work."

¹¹ Data are collected in March of each year for work performed in the previous calendar year. See, for example, Sylvia Lazos Terry, "Involuntary part-time work: new information from the CPS," *Monthly Labor Review*, February 1981, pp. 70-74.

¹² The slack work component in the work experience data includes a small number of workers on shortened workweek because of material shortages. Based on regular monthly data from the CPS, material shortages accounted for less than 3 percent of the slack work-material shortage total.

¹³ Michael Urquhart, "The service industry: is it recession-proof?" *Monthly Labor Review*, October 1981, pp. 12-15.

¹⁴ Edward F. Denison, "Shift to Services and the Rate of Productivity Change," *Survey of Current Business*, October 1973, pp. 20-35.

Birth of the unemployment survey

. . . The Current Population Survey conducted each month by the Census Bureau and analyzed and released by the Bureau of Labor Statistics . . . was originally the brainchild of the New Deal's Works Progress Administration. In the late 1930's, there still were no regular, accurate estimates of unemployment. Such estimates as existed usually were derived indirectly, by subtracting counts of those at work from estimates of the available labor force.

The lack of better information was keenly felt at the WPA, and young mathematical statisticians on the agency's staff—later recognized as among the most eminent in their profession—developed proposals for applying the new science of survey sampling to the measurement of unemployment.

The WPA's new approach—collecting direct survey evidence of individuals' activities in looking for work—was controversial, and the quality of the data obtained in early test surveys was hotly disputed. By 1942, however, support had built up for continuing the survey on a monthly basis, and with WPA on the way out, a permanent home was needed. After some bureaucratic skirmishing among competing agencies, the survey was assigned to the Census Bureau, where it has since remained, although responsibilities for program planning and for analyzing and publishing the data were shifted to the Bureau of Labor Statistics in 1959.

—COURTENAY SLATER
"Forty Years and Counting,"
American Demographics,
March 1983, pp. 42-45.