



Jobs Reports: U.S. Turning Into a Part-time Worker Economy

When the [two-part employment report](#) from the Bureau of Labor Statistics (BLS) was issued on Friday, the news was modestly positive: From its business “establishment” data it noted that employment increased by 162,000, a little less than expected but not far from the [average of 175,000 new jobs a month](#) that the economy has been generating for the last three months. The estimates for May and June were revised downward slightly, but July’s numbers were enough to push down the unemployment rate from 7.6 percent to 7.4 percent. The BLS reported also that the number of unemployed persons has dropped by 1.2 million over the last 12 months while the unemployment rate has come down from 8.2 percent to 7.4 percent in that same time period.



There was further good news: Unemployment rates for adult women (at 6.5 percent) and blacks (at 12.6 percent) declined in July while the number of “long-term” unemployed (jobless for 27 weeks or more) has declined by almost one million since July 2012.

[Reuters was guardedly optimistic](#), noting that the labor force shrank during the month, “robbing some of the luster from the decline in the unemployment rate [but the report] reinforces the view that the job market is inching [its way] toward recovery.”

This optimism [was not shared by Peter Morici](#), professor at the University of Maryland, who observed:

The economy is firing on three cylinders instead of six....

Many of those [being hired] are part-timers. Increasingly Americans are [being] relegated to a contingent work force where they work temp jobs, part-time jobs....

[Businesses] are finding health insurance too expensive to provide [full-time] employees and if they cut down to part-time workers, turning three jobs into four, they avoid all that....

That’s what’s happening. Some folks will have to work two jobs to make ends meet, and they still don’t get healthcare.

This showed up in the other part of the BLS report, the “household” survey, which showed that in July 103,000 more Americans reported working part-time. Tyler Durden at ZeroHedge has been predicting the slow conversion of the American workforce into part-timers [for years](#). Back in December 2010 he wrote: “It is surprising that over the past several years very little has been said in the popular media about the fact that America is slowly but surely transforming from a full-time to part-time employed



Written by [Bob Adelman](#) on August 5, 2013

society.”

The trend that he noted at the time was clear: In December 2007, at the start of the start of the Great Recession, there were 121.7 million full-time jobs and 24.8 million part-time jobs. In November 2010 (at the time he was writing) there were just 111.1 million full-time jobs but part-timers increased to 27.6 million.

Today, there are 117.7 million full-time jobs (a decline since the start of the recession of four million) while part-time jobs have grown by 2.6 million, to 27.4 million. Simply put, full-time jobs are being replaced by part-time ones.

Durden looked at last week’s BLS report and found something the media totally ignored: Of the nearly one million jobs the economy has created since the first of the year, only 222,000 of them were full-time. Put another way, three out of four jobs created since January 1 have been part-time.

Whenever a government policy intrudes into the working of the marketplace, the marketplace adjusts as best it can. With the advent of ObamaCare and the requirement that employers with more than 50 full-time employees must provide health coverage for them, business owners and managers are responding appropriately: Where providing a full-time employee with health coverage doesn’t make economic sense, they split the work load into two or three pieces, getting the same job done but with two or three people working fewer than 30 hours a week (ObamaCare’s threshold for coverage).

Of course this is exactly the opposite of what the American people were told that ObamaCare would do: provide healthcare coverage for millions who aren’t already covered. Instead of expanding coverage, the onerous law is now reducing it.

There is at least one irony here: Unions find it [vastly more difficult to recruit part-timers into their unions](#), and so one of the strongest supporters of the Obama administration is suffering along with American workers.

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