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**FULL-TIME RIGHTS FOR PART-TIME
WORKERS: PARITY IN WAGES, BENEFITS,
AND ADVANCEMENT OPPORTUNITIES**

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ABSTRACT

This article explores the need for federal policy to eliminate the hidden penalties associated with part-time work. The first part provides demographic information on the part-time workforce, which includes substantial numbers of women, low-wage workers, recent immigrants, racial and ethnic minorities, seniors, and individuals with disabilities. The second section focuses on the economic penalties associated with part-time work, including unfair wages, lack of employer-provided health, leave, and pension benefits, and limited opportunities for training and advancement. The next part proposes a framework for eliminating the penalties historically associated with part-time work: parity for part-time workers. The last section details how such parity would benefit the constituencies making up the part-time workforce, as well as help employers improve their bottom line.

Part-time workers are a significant segment of the U.S. workforce and now represent over 13% of all U.S. workers [1, p. 3, T. 1]. While the popular image of part-time workers has focused on professional women who have the economic resources to opt for increasing their family and leisure time by cutting back on their work hours, most part-time workers do not fit that mold. In fact, 70% of the

part-time workforce are not parents [2]. Rather, the part-time workforce is a diverse body made up of women, low-wage workers, teenagers, recent immigrants, racial and ethnic minorities, seniors, and individuals with disabilities—many of whom are living on the edge of poverty.

Employees' reasons for working part time are equally diverse. Many part-time workers do not "choose" to work part time. Some initially sought full-time work, and when unsuccessful, patched together two or three part-time jobs to make ends meet. Others may have physical or mental limitations as the result of a disability or be of an age that precludes them from working long hours (e.g., teenagers). And for others, part-time work may be a way to balance family responsibilities with economic security. Those with children or older family members who need care may net more income by splitting their time between paid work and family care than by working full-time and paying for outside child or elder-care services.

Unfortunately, many part-time workers do share one thing in common: an unfair cut in wages, benefits, and opportunities for advancement. Whether they work as lawyers in law firms or flipping burgers for McDonald's, many part-time workers are not only denied comparable wages vis-a-vis their full-time counterparts, but also lack important employer-provided benefits. For example, many part-time workers are excluded from employer-provided health insurance, paid leave, the opportunity to participate in pension plans, and critical opportunities for training and advancement. Therefore, these workers experience a double loss. They not only earn less as the result of performing less paid work, but they also suffer from the hidden economic penalties associated with their part-time status—lower wages, benefits, and opportunities for advancement.

This article proposes that a federal law should be enacted to guarantee part-time workers a fair wage, as well as benefits, training, and advancement opportunities, as a step toward eliminating the hidden and unfair penalties now faced by those who are unable to work full time. The first part provides demographic information on the makeup of the part-time workforce. The second section analyzes the economic penalties associated with part-time work. The next section provides a framework for public policy that would eliminate the penalties historically associated with part-time work: parity for part-time workers. The last section details how public policy guaranteeing parity for part-time workers will benefit all of the different constituencies that make up the part-time workforce, as well as employers trying to improve their bottom line.

BACKGROUND: THE PART-TIME WORKFORCE

The number of employees in nonstandard working arrangements is increasing rapidly. Workers in nonstandard arrangements, such as part-time, temporary, on-call, and contract jobs now represent 30% of the U. S. workforce [1, p. 3]. It would be a fallacy to assume, as many economists have in the past, that part-time work is chosen because income is not a necessity for the part-time worker and that

work is “optional” for these constituencies. Individuals choose to work part time or in other nonstandard arrangements for many reasons, including caregiving responsibilities, health limitations, and lack of other options. Moreover, as discussed in more detail below, the income earned by many part-time workers is critical to themselves and to their families [3, p. 2].

While the part-time workforce consists of workers of every race, class, ethnicity, gender, age, and income-level, some groups are particularly prevalent among the part-time workforce.

Women

Female workers dominate the part-time workforce. Seventy percent of the part-time workforce is female, as opposed to 44% of the full-time workforce [4, p. 2]. Many of these women work part time during their peak working years: 30% of women ages 25 to 54 work part time, compared to 13% of men from the same age group [5].

While women may work part-time for many reasons, statistics show a clear link between motherhood and part-time work. Over 80% of women become mothers during their working lives [6], and two out of three mothers work less than 40 hours a week year-round [7]. As a result, mothers make up 27% of the part-time workforce, while fathers make up only 3% [2]. Moreover, nearly 70% of men who work part time do so, not because they prefer part-time work, but because full-time work is unavailable [8, p. 2], while women often work part time to better balance work with family responsibilities. However, contrary to popular belief, female part-time workers’ income is crucial to supporting their families. In households where women work part-time, on average they earn almost 30% of the household income [9, p. 106].

Furthermore, the growing number of elderly individuals will increase the time that women spend providing family care. Nearly one in four households—22 million families—provides care for elderly relatives [10, p. 1], and by 2020, about 40% of the workforce will be in this situation [11]. Approximately 72% of these unpaid caregivers are women who make accommodations in their daily schedules to provide elder care [10]. To balance work with elder care, many of these workers will need to reduce their hours at work. Part-time work, therefore, will also become an important option for all who need to provide elder care.

Seniors

With the aging of the baby boomer generation, seniors have also become a significant part of the part-time workforce. Among workers 65 and older, nearly one-half of employed men and 60% of employed women work part-time, compared to 7.5% of employed men and 23% of employed women in the 50 to 64 age group [12, p. 51]. Currently, one-third of individuals ages 55 and over participate in the labor force [13, p. 1]. Between 2000 and 2010 alone, the number

of older labor force participants will rise from 18.2 million to 26.6 million—a 46% increase [13, p. 4]. For those with inadequate retirement income, working part time is an economic necessity.

One cause for this increase is that while 20 or 30 years ago many older workers simply retired, today many seniors continue to work as part of a new ideal of “phased retirement” [14, p. 1]. While the number of working individuals gradually drops off with age, many seniors stay in the workforce, working reduced or flexible hours. Some individuals cut back their hours from their previously full-time jobs, while others take on what have been called “bridge jobs,” in which an individual leaves one job and moves to another with shorter hours or a different schedule. This trend of “phased retirement” is sure to continue in the future: 80% of baby boomers reported in an AARP survey that they expect to work at least part time in retirement [12, p. 50].

Many seniors switch to part-time work because either they or someone they care for suffers from a limiting health condition. These health problems increase with age [15, p. 15]. These conditions make it especially difficult for individuals in jobs that require physical stamina, or among low-income employees who work long shifts and many hours per week. Part-time work is the solution for many elderly workers to stay in the workforce in a capacity suited to their needs.

Individuals with Disabilities

In the United States today, at least 53 million people live with some level of disability [16, p. 1]. The unemployment rates for people with disabilities are shockingly high. Of the 16 million working-age Americans with health conditions or impairments that limit their ability to work, 10.5 million, or 66%, do not have jobs [16]. As a result, the poverty rate among this population is also exceptionally high. Twenty-eight percent of those with severe disabilities are poor [16], a rate three times higher than those without disabilities. In addition, individuals with disabilities who lack jobs also face social isolation and loss of self-esteem.

Individuals with severe disabilities are also less likely to be covered by private health insurance [16]. Yet, health insurance is particularly important to members of this group for their economic well-being. As a result, the availability of good part-time work with benefits and opportunities for advancement is particularly important to the disabled. Although many of them possess the skills and abilities needed to hold a job, a significant number are limited in the kinds of jobs they can perform because of restrictions on the length of time they can work each day or week. Part-time job opportunities are important for enabling such workers to maintain employment suited to their needs and goals.

Low-Income Workers

A large segment of the part-time workforce is in low-wage jobs [9, p. 100]. Men in part-time jobs make 27% less per hour than their full-time counterparts, while

women make 20% less [1, T. 4A]. As a result, 17.5% of part-time workers have family incomes below the poverty line [17, T. 3].

Many low-income employees with families work part time to have time to care for their children. However, for many low-income workers, working full time may be impossible because it is highly doubtful that a low-income family would be able to afford child care [18, p. 4]. Child-care costs have the most impact on low-income families, representing over 20% of a family's income for those earning less than \$20,000 per year [19]. If child-care costs exceed the amount they can earn on the market, they are able to work only when their children are in school or when relatives or friends are able to care for them at little or no cost. Therefore, many low-income workers need to work part time so that they can structure their work around their children's school hours and avoid expensive child-care costs. Even if low-income families are able to rely on informal networks of child care and therefore avoid the extraordinary cost of child care, the arrangements oftentimes fall through at the last minute [21, p. 2]. Low-income parents are more than twice as likely to be absent from work because they need to care for a sick child or because their child-care arrangement falls apart [20, p. 2].

In addition, the wages that low-income workers earn from their part-time jobs are critical to their ability to support themselves and their families. The earnings of poor, female heads of households working part time on a full-year basis represent over 90% of their families' total income [3].

Finally, low-income workers have a greater need for quality part-time jobs because they have a greater likelihood of being disabled or caring for someone who is disabled. A recent report based on U.S. Census Bureau data indicates that nearly half of single mothers receiving Temporary Assistance to Needy Families have a disability or care for a child with a disability [22, p. 2]. This rate is twice as high as the rate for higher-income single mothers [22, p. 2].

Minorities

Partially as the result of lower educational levels [23, pp. 2-3; 24], African Americans and Hispanics are overrepresented both in the part-time workforce [1, p. 9, T. 9] and among low-income workers [25, pp. 6-7]. Moreover, low-income workers are less likely to have paid sick leave, paid vacation leave, and work-time flexibility [20, p. 4]. Finally, single-parent families are more prevalent among minorities [26]. For these reasons, the availability of good part-time jobs—those with fair wages and benefits—is especially important to minority workers.

HIDDEN PENALTIES SUFFERED BY PART-TIME WORKERS

Part-time work is an important option for workers who need to balance their jobs and family responsibilities, or who must limit their work for health reasons.

For workers with limited education and skills, part-time work may provide the only option for employment. However, while jobs with reduced hours may offer a critical lifeline to some workers, they also come fraught with hidden economic penalties that may further jeopardize the economic security of already vulnerable worker populations.

First, part-time workers generally suffer more than a pro rata cut in salary. In fact, hourly wages among women working part time are 20% lower than those of women working full time in the same age group and education level [1, T. 4A]. For men this difference is even greater: Men working part time earn 27% less per hour than those working full time [1, T. 4A]. In addition, part-time workers are denied important benefits. Only 17% of part-time workers, compared to 73% of full-time workers, have health insurance through their employer. While some may receive health benefits through their spouse's employer, one-fourth of workers employed part time have no health insurance at all [8]. And only 21% of part-time workers, compared to 64% of full-time workers, are included in their employer's pension plans [17, F. 3].

Part-time workers also lose important leave benefits that can be essential for workers who provide family care. Many part-time workers are exempted from their employer's paid leave policies. For example, only 19% of part-time employees in private establishments receive paid sick leave, compared to 63% of full-time employees [27]. In addition, part-time workers are usually excluded from opportunities for advancement offered to their full-time counterparts, because they are viewed as less committed to the job and less deserving of good assignments and promotions. This has been termed the part-time "glass-ceiling," meaning that part-time workers lack any real opportunity for career advancement or greater earning potential [8]. Part-time work leaves these employees in dead-end jobs, without equal pay, benefits, or opportunities for further career development—even though a part-time employee may be working as many as 30 hours per week.

Finally, many government-provided protections and benefits do not extend to those in the part-time workforce. While the Family and Medical Leave Act (FMLA) was an important legislative tool in providing unpaid leave for workers, the law applies only to those who have worked 1,250 hours during the past year [28]. This eligibility requirement excludes many part-time employees from the right to leave under the FMLA. Similar eligibility requirements apply to pension rights under the Employment Retirement Income Security Act (ERISA), the federal law governing employer-provided pension benefits [29]. Part-time workers are also often ineligible for unemployment insurance under various state laws [9, p. 101].

PART-TIME PARITY: MODEL PUBLIC POLICY

Legislation guaranteeing parity in wages, benefits, and advancement opportunities for long-term, part-time workers would eliminate many of the inequities

now faced by this diverse and economically vulnerable segment of the workforce. Public policy should be adopted that would require employers to provide part-time employees with the same wages, benefits, training, and advancement opportunities provided to full-time workers, on a pro rata basis. For example, a part-time employee who works 75% of a full-time worker's schedule would earn 75% of the pay of a full-time employee, as well as pro rated benefits. Parity would also include proportional training and advancement opportunities.

In addition, legislation could be designed to help remedy the inequities faced by part-time workers with respect to their pensions and increase the low numbers of part-time employees presently included in their employers' pension plans [17, p. 36]. ERISA does not extend pension eligibility to employees working fewer than 1,000 hours a year [29, § 1052(a)(3)(A)]. To extend pension benefits to cover part-time workers, ERISA's eligibility threshold should be lowered from 1,000 hours to 750 hours a year, to ensure pension eligibility to employees working 15 or more hours per week.

Finally, parity for part-time workers should extend to employer-provided health insurance. Employers should be required to provide health insurance to part-time workers on a pro rata basis. For example, if an employer pays 80% of the health insurance premium of its full-time employees, under a part-time parity law it would be required to pay 40% of the premium for employees who work half-time. However, since many part-time workers would be unable to afford the remaining cost of the premium under such a policy, additional incentives should be included to encourage employers to provide greater health benefits to part-time employees. For example, employers who elect to give part-time workers the same health benefits provided to full-time workers could be allowed a dollar-for-dollar tax credit for any amount paid over the required pro rata share.

Part-time parity legislation could also include provisions to expand the eligibility requirements of the FMLA to cover more part-time workers, and changing unemployment insurance laws to guarantee eligibility to unemployed workers seeking part-time work. These legislative actions would alleviate many of the hidden penalties associated with part-time work and would make part-time work a more economically feasible option for the constituencies discussed above.

BENEFITS OF PART-TIME PARITY

The enactment of part-time parity legislation would benefit all of the constituent groups represented in the part-time workforce and eliminate the hidden penalties now faced by part-time workers. Wage parity would alleviate the high poverty rate of the part-time workforce and make part-time employment an economically feasible option for those who now cannot afford to work because of the high cost of child or elder care. In addition, increasing the number of part-time workers eligible for health and pension benefits would afford these workers with important safety nets and improve their long-term economic security.

Parity for part-time workers would also particularly help the constituency groups discussed above. For example, with respect to female workers, while part-time work has the potential to ease their burden of balancing work and family, this work arrangement has also had the effect of depressing their wages and relegating them to second-class status in the workforce. This phenomenon is reflected by the fact that women account for 70% of the part-time workforce [4], and part-time workers are twice as likely to be poor as full-time workers [9, p. 108]. Parity in wages for part-time workers would therefore help combat women's high rate of poverty.

Moreover, studies also show that women are less likely to receive employer-provided pension benefits because of their lack of participation in the full-time workforce [30, p. v]. This has had an alarming, negative impact on the economic security of women as they head into retirement [30, p. 1]. Part-time parity legislation would allow women who work part time to accrue their pensions at a proportional rate, ensuring at least a modest level of economic security in retirement.

Women workers also would benefit from parity in career-advancement opportunities. Many women who work part time remain stuck in lower-level or entry positions and are denied opportunities for advancement because they are not seen as committed to their jobs. For example, studies have shown that female lawyers working part time rarely receive partnership even after working more than twice as many years as full-time lawyers who made partner [31, App. A, p. 4]. Part-time parity would not only allow women to balance work and family more easily, but would also ensure proportional career advancement opportunities for women who work part time.

Children would also benefit from parity for part-time workers because it would raise the wages and benefits of their parents and help alleviate poverty. Eleven-and-a-half million children under the age of 18 lived below the poverty line in 2000. This means that one out of six children is poor [32]. Moreover, if more workers have the option to work part time and still make ends meet, children would be able to spend more time with their parents. A recent study based on data from the National Institute of Child Health and Human Development indicates that those young children whose mothers work 30 hours or less a week have stronger cognitive skills than those whose mothers work more hours [33]. In addition, studies have shown that parental involvement in children's education has a significant effect on how well children fare in school [34].

Older workers would benefit from part-time parity in a number of respects. Health insurance is one of the main reasons why many individuals between the ages 55 and 64 continue working [35, p. 3]. Yet, forcing seniors to work full-time to keep their health insurance benefits may ironically put their health and well-being at risk. Part-time parity would allow seniors to decrease their work hours, when necessary, without jeopardizing their health insurance benefits. Part-time parity also would assist seniors in maintaining economic security in retirement.

Income from part-time work would have significant importance to seniors in the lower income brackets, especially to those who do not yet qualify for Social Security or their employers' pension plan [36, T. 7.3]. Older individuals with jobs are far less likely to live in poverty [14, p. 3]. Moreover, if the ERISA eligibility threshold were lowered, older workers who need to cut back their hours would be able to continue to accrue their pensions. This would allow seniors to keep on building up their savings for retirement when they continue to work part time.

The availability of good part-time employment with parity in wages and benefits would also create more opportunities for individuals with disabilities to reap both the economic and social benefits of participation in the workforce. In part because of their inability to work full time, individuals with disabilities have high rates of unemployment and poverty [37, 38]. In addition to alleviating poverty, studies have shown that participation in society, such as employment, is important for reducing depression in disabled persons [39]. The federal government, in recognition of the importance of bringing individuals with disabilities into the workforce, has created a new division of the Department of Labor, the Office of Disability Employment Policy, which focuses entirely on removing barriers to employment of individuals with disabilities [40].

Certain minorities also have much to gain from parity for part-time workers in light of their low earnings [23, p. 1] and the higher prevalence of single-parent families [26]. Moreover, these minorities, since they represent a higher percentage of low-income workers, are also less likely to have paid sick leave, paid vacation leave, and work-time flexibility than are higher-income workers [20, p. 11]. In addition, parity in health insurance benefits will help alleviate the high number of minorities who are uninsured or underinsured [41].

While the commentary by Kathleen L. Pereles that follows this article is supportive of some aspects of the concept of parity for long-term, part-time workers, she expresses several concerns that can easily be dispelled. First, she posits that employers could respond to an obligation to provide parity to part-time workers by simply lowering wages and cutting benefits of their full-time workforce. Employers are already free to cut the wages and benefits of their employees; however, if they do so, they may find themselves unable to recruit and retain skilled and valuable employees. Employers pay what the market bears, and this public policy will have little, if no impact, on the wages and benefits generally afforded to the full-time workforce.

Second, her concern that these benefits may inflict too high a cost on employers is ill-founded. Her view is based on the incorrect assumption that employers will be required to pay for benefits that will not be used by the part-time employee. However, as with health insurance benefits provided to full-time employees, the employer will only be required to pay for a part-time employee's health coverage if the part-time employee has elected to participate in the plan. Since participation in health plans generally requires the employees to pay a costly share of the premium, it is highly unlikely that part-time employees will elect to utilize this

benefit if they already have coverage from another source. Similarly, my proposal does not require employees to participate in their employer's pension plan if it would hurt them economically. Rather, it simply requires the employer to provide them with the same options as those provided to its full-time workforce, on a pro rata basis. If the employee elects not to participate, the employer is under no financial obligation.

Finally, Pereles' concern that employers would be unable to determine what constitutes "parity" in training and promotional opportunities has already been addressed by the many employers who have already implemented parity in wages, benefits, training, and advancement opportunities for their part-time employees. For example, the ability of large Washington, D.C.-based law firms to offer parity in wages and advancement opportunities to their part-time attorney associates has been well-documented [31, pp. 21-26]. I do agree, however, with Pereles that it would be impractical to provide part-time employees with only partial segments of training offered to full-time staff. Rather, employers could simply provide part-time employees with training opportunities on a less-frequent basis. For example, if full-time employees are offered training opportunities once a year, part-time employees could be offered training every year-and-a-half.

In fact, rather than losing out, business has much to gain by providing parity to part-time workers. It is well-documented that policies and practices that help families balance their responsibilities at home and on the job will improve businesses' bottom line [42-46]. For caregiving responsibilities alone, the estimated cost in lost productivity to U.S. businesses is \$11.4 billion per year [47]. Studies have shown that a flexible work schedule is crucial in predicting employees' job satisfaction, loyalty to the company, performance, and retention [48, p. 9]. Providing parity for part-time workers will help workers and diminish these employer costs.

Parity for part-time workers will also increase the labor pool for employers by opening up quality jobs to seniors, individuals with disabilities, and mothers and others who provide family care. The loss of senior workers could be disastrous for the labor market, especially in certain occupations such as health and educational services, as well as in less technology-driven occupations [49-51]. The retention of older workers, as well as the addition of individuals with disabilities into the workforce, will be crucial for such services to continue. Part-time parity would provide incentives to keep these valuable workers in the labor force and help alleviate the predicted labor shortage due to the retirement of baby boomers over the next two decades.

Furthermore, treating part-time and full-time workers comparably could protect employers from the growing risk of liability stemming from the unfair treatment of part-time workers [52-54]. For example, if an employer provides lower wages, benefits, or promotional opportunities to its part-time workers who are performing the same work as its full-time workers, and its part-time workforce is

disproportionately made up of women, older workers, or some other protected group, a legal claim may exist that this work practice has a discriminatory impact on that class of workers in violation of Title VII of the Civil Rights Act of 1964 [55], the Equal Pay Act [56], or some other federal or state anti-discrimination law.

FUTURE PROSPECTS FOR PART-TIME PARITY

So how close is part-time parity to becoming a political reality? More and more organizations are adopting policies recognizing the need for part-time parity, including the American Association of People with Disabilities and the AARP [57, p. 24]. Twenty-six states have introduced and passed legislation for some form of parity for their state employees [58], and four bills have been proposed in the past several Congresses [59]. However, no federal bill is currently being considered, and parity for part-time workers is still the exception rather than the rule.

If part-time parity is to become a political reality, the diverse constituencies that would benefit from eliminating the penalties traditionally associated with part-time work—women, low-wage workers, individuals with disabilities, seniors, and family caregivers—need to work together to advocate for legislation. Parity for part-time workers is an important goal both for these constituencies and any individual who uses part-time work.

CONCLUSION

Many constituencies make up the part-time workforce, including low-income workers, ethnic and racial minorities, individuals with disabilities, seniors, and mothers and others who need to care for their children and elderly parents. Many work part time because they are unable to find full-time work or suffer from a disability or health condition that limits their ability to work long hours [3]. Others work part time because it is their only option to manage their family responsibilities. And the income and benefits from their part-time employment are just as important to these workers as they are to any full-time worker. Parity for many part-time workers could mean the difference between making ends meet and becoming destitute.

Businesses have much to gain from parity for part-time workers as well. This public policy will improve the quality and productivity of employees and help employers retain and recruit experienced workers from a diminishing labor pool. However, if reform in this area is going to take place, the diverse constituencies that would benefit from eliminating the penalties traditionally associated with part-time work need to work together to ensure that a cut in hours does not unfairly lead to a cut in their economic security.

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COMMENTARY ON SEGAL'S PART-TIME PARITY

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Nancy Segal has proposed an interesting policy to rectify an age-old problem that labor markets have yet to fix—the differential treatment of part-time and full-time workers. Her policy prescription, federal legislation mandating parity between full-time and part-time workers in wages and benefits, is long overdue. Before I examine the merits of her part-time parity proposal, we should know whom the policy is likely to affect.

Segal is correct in pointing out the implications of part-time work for older workers and the disabled, yet only a small percentage of part-time workers fall into this category. U.S. Department of Labor data indicate that in 2000, half of the part-time labor force was younger than 33, worked fewer than 22 hours per week, and earned less than \$8.00 per hour. Seventy-two percent of part-time workers were women. As the economy has slid into recession, many workers, unable to find a full-time job, have started working in part time.

For the most part when we speak of part-time work we are talking about low-wage, relatively young women. There is little to be added to Segal's summary of the research on part-time compensation. In general, part-time workers with similar levels of education and experience earn less than their full-time

counterparts. They also are less likely to receive health insurance and pensions from their employers. Thus, total compensation for part-time workers is considerably less than that of similar full-time workers.

This lack of compensation raises an important question about women's labor market success. In the United States, balancing the responsibilities of work and family is viewed as a woman's task and is especially difficult for younger, poorer, and unmarried women. The fact that women face the home-versus-market-production tradeoff is not news, but the age at which the tradeoff occurs is telling. Early career development is similar for men and women. Throughout the teens and into the early twenties men and women both work part time. Part-time employment declines in the early twenties; at about age 26 men's and women's part-time experiences begin to diverge. As couples begin to have children, women begin to increase their likelihood of working part time. Men's likelihood of working part-time continues to decline throughout their working years. At approximately age 40 the likelihood of a woman working part time begins to decline. It appears that the social structure of work requires that women achieve some form of flexibility in mid-career. They often seek flexibility during their prime working years.

Women's reduction of working hours has been studied extensively. The economic consequence of reduced work hours typically means being removed from the fast track to the "mommy-track." The mommy track usually means receiving lower wages, reduced pension and health care, lack of paid vacations and sick time. It often means being passed over for promotion. Many economists argue that workers who work half the hours of their co-workers should lose compensation and, more importantly, that the divide will grow over time. This is because a part-time worker employed for 20 hours fails to accumulate experience at the rate of his/her full-time counterpart. Every year spent working 20 hours per week means s/he receives half the exposure and experience of an employee employed full time at 40 hours per week.

While the increased economic returns based on experience may sound like a convincing rationale for discrepancies in the part-time versus full-time earnings gap, the empirical evidence does not bear them out. In fact, the differences in the part-time and full-time earnings gap are almost fully explained by the decision to work in a part-time job. This is evidenced by economic models where the earnings gap all but disappears once the model factors in controls for industry and occupation.

To see this more clearly, we can simply look at the industries where part-time workers are employed. Just over 50% of all part-time workers work in 10 industries. That is, out of 236 industry classifications, 10 industries employ more than half of all part-time workers. These 10 industries include eating and drinking places, elementary and secondary schools, hospitals, department stores, and grocery stores. Wages in these industries tend to be low for both part-time and full-time workers.

It is likely that the part-time wage differential we observe is the outcome of *both* having to choose a low-paying job to get the schedule a worker wants and a differential treatment of part-time workers. Consider two cashiers employed at a grocery store, one who works full time, and the other who works part time. It is unlikely that the full-time cashier makes considerably more than the part-time cashier does. In fact, analysis of BLS data indicates that a full-time woman cashier between the age of 25 and 45 makes \$8.55 per hour, while her part-time counterpart earns \$7.60 per hour. Differentials in pay within a specific grocery store are likely to be even smaller.

The 95-cent wage differential between part-time and full-time grocery store cashiers would be rectified by Segal's proposed policy. Nevertheless, the fact that the part-time cashier cannot find a better-paying job may have more to do with her limited options than with the disparate treatment she experiences. It is possible that many women with considerable skills end up working in low-skill, part-time jobs due to the lack of availability of high-skill, part-time work. This presents two problems. First, the labor market is misallocating labor away from higher-productivity uses. Second, these women tend to "crowd out" lower-skilled women from these jobs.

We should consider two different types of problems that part-time workers encounter. The first is the problem of selection: Which industry and occupation offer the type of schedule workers desire? The second problem is one of treatment: Are wages, benefits, and opportunities for advancement fairly meted out? Segal's policy proposals are aimed at the second problem—ensuring fair treatment once part-time work has begun. But I believe that the selection problem is the bigger issue facing part-time workers.

More important to the success of Segal's policy, some effort needs to be made to increase the options for workers seeking part-time jobs; otherwise, Segal's proposals may prove detrimental. I can envision employers, faced with the prospect of pay equity and pro rata benefits, eliminating many of the part-time positions now available. This means that a two-pronged approach is really needed: provisions that would allow workers access to part-time jobs, and guarantees of equitable treatment once in the job. The European Union has recently adopted the Adjustment of Working Hours Act which provides workers a statutory right to go from full-time to part-time work and vice versa. The act gives workers the right to opt for (temporary) part-time work at their current place of employment. This will allow workers to adjust their hours without having to switch jobs to a low-paying industry.

Segal's proposal is a much-needed first step in this two-pronged approach. By guaranteeing equal treatment of workers on the job, we can ensure that more workers will choose part-time work, creating a better balance of work and family. But without the second prong these desires may go unfulfilled, since

workers will be unable to secure part-time employment except in the lowest-paying industries and occupations.

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COMMENTARY ON “FULL-TIME RIGHTS FOR PART-TIME WORKERS: PARITY IN WAGES, BENEFITS, AND ADVANCEMENT OPPORTUNITIES” BY NANCY SEGAL

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In her article, “Full-Time Rights for Part-Time Workers: Parity in Wages, Benefits, and Advancement Opportunities,” Nancy Segal proposes that a federal statute be passed which provides parity for part-time workers vis-à-vis full-time workers in the areas of pay, benefits, and opportunities for advancement. Segal describes the part-time workers as primarily women, seniors, people with disabilities, and minorities—all groups of workers who are much more likely to live in poverty than other demographic worker groups. Although Segal does not specifically discuss why she believes that providing parity is important, the information, analysis, and recommendations she presents in the article indicate that her ultimate goal is to improve the economic situation of these groups of part-time workers. Although I agree with Segal that the working conditions and quality of life of most part-time workers should be improved, my analysis of her proposal reveals that it is impractical from an implementation standpoint, and more importantly, in its current state, may not provide the improvements Segal seeks.

In its current form, Segal's proposal would mandate an array of employer-provided benefits for *all* part-time workers. In my judgment, the broad coverage Segal proposes has the potential to provide usable benefits for some part-time workers; and yet, its scope is so broad that it may also mandate benefits for workers who neither want nor need the benefits; it may not provide benefits for many of the workers for whom she advocates; and this mandate would increase the costs of operation for any employer who uses part-time workers. Since the primary reason for using part-time workers rather than full-time is to reduce labor costs, any legislation passed to help part-time workers must be both beneficial to workers and practical for organizations.

For purposes of clarity, I define *beneficial legislation* as legislation that would provide access to life-enhancing, job-provided benefits or improved job conditions to part-time workers who currently do not have such access. I define *practical legislation* as legislation a) that would not impose on employers a cost which did not, in fact, provide new benefits to workers who currently do not have them; b) that would not cause the employer to close; c) that did not induce the employer to change its methods of operation; and d) that would improve the employer's effectiveness. In this commentary, I discuss Segal's legislative proposal from the perspective of its ability to be beneficial for the workers and practical for the employing organizations.

The first broad question raised in my analysis is based on the fact that many of the conditions that Segal would like brought into parity are conditions that employers are not mandated to provide. For example, health coverage and pension benefits are voluntary benefits. Employers would have more than one way to respond to the legislation being proposed. First, they might choose to reduce the benefit level offered to full-time workers to create the legislatively required parity. Second, the employer could move the work to reduce the costs of production by shifting production to an off-shore worksite or to a worksite in a lower-wage location in the United States. Third, employers might decide that the difficulties and costs associated with working with part-time workers is greater than the cost of restructuring all the part-time jobs into full-time jobs. Under these scenarios, the legislation would not be beneficial to either full-time or part-time workers. Analysis of how the employers of part-time work might respond to such legislation is necessary prior to its enactment.

The second broad question raised in my analysis focuses on identifying the part-time workers who would be eligible for increased benefits and improved conditions under the proposed legislation. I have two specific concerns in this area.

Benefits for All?

In her proposal, Segal advocates that *all* part-time workers be covered and receive all the described enhancements. However, one of the primary dimensions of *part-time work* (as opposed to the characteristics of *part-time workers*) is that it

is often temporary. Examples of part-time temporary work include retail sales positions during the Christmas season, adjunct teaching positions that last for one semester, or harvesting work in the agricultural industry. Asking employers to provide benefits for workers who are hired for these temporary positions would substantially increase the operating costs of the organization while providing a relatively low level of benefits to the workers. For example, the organization would not only have to provide (at least a portion of) the health-care coverage but would also bear the cost burden of enrolling the worker, administering the benefit, handling the accounting for the purchase of the remainder of the benefit, and removing the worker from coverage when the employment is completed. The worker would receive a pro-rata share of a benefit, for which s/he would have to purchase the remainder, and the benefit would end once the employment ended. Providing a pension benefit—especially to a contributory plan—might actually be detrimental to the worker, since the contributions would decrease the worker's take-home income and vesting (the right to receive the benefit) would be unlikely.

However, if the legislation were to apply only to *long-term, part-time workers*, it would certainly provide benefits to this group and would probably be practical for the employer. These long-term, part-time workers would receive new benefits that would improve the quality of their lives. From the perspective of the employing organization, providing benefits to this group of workers would be practical and could be justified as a strategy to build loyalty and commitment from a valued workforce element.

However, since we do not know how many long-term, part-time workers are in the labor force at the current time, the actual level of benefits and costs provided cannot be determined. Studies to identify the number of long-term, part-time workers should be conducted.

Those Already Covered

Second, Segal does not distinguish between part-time workers who already have benefit coverage and those who do not. The cohort of part-time workers has at least three segments who may be already receiving benefits. Moonlighters may receive benefits and opportunities for advancement from their primary employer. Asking the secondary employer to provide a benefit that may not be usable to the employee but that incurs a cost for the secondary employer does not make good economic sense. Students and part-time working spouses may receive benefits from their parents or the full-time working spouse. Again, asking the employer to provide a benefit that may not be usable to the employee but that incurs a cost for the employer does not make good economic sense. A third segment of the part-time workforce may receive benefits from social welfare programs (e.g., Social Security, SSI). Asking the employer to duplicate benefits is not practical.

From the perspective of being beneficial, legislation should focus only on providing benefits to workers who currently do not have access to them. For

workers who currently have access, a case-by-case analysis would be necessary to determine whether any new advantages would result from the legislation. However, the employing organization would incur additional operating costs for all part-time workers—those who would be assisted and those who would not. From the perspective of being practical for employing organizations, I would consider that providing benefits to workers who do not benefit from them is undesirable because it imposes additional and unnecessary costs on the employing organization. Therefore, I would recommend that any legislation be restricted to those *part-time workers who do not have access to benefits from other sources*. Studies need to be undertaken to identify the number of workers who do not have access to the benefits being considered. (Note: Segal does identify the number of part-time workers who do not have access to health insurance, and this information will be discussed later in commentary.)

What Benefits?

The third broad question raised in my analysis focuses on identifying which benefits would actually be provided to the majority of part-time workers. It is entirely possible that the industries in which part-time workers are most concentrated are industries that do not offer the benefits Segal proposes even to full-time workers (e.g., the hospitality industry). Under this scenario, the legislation would benefit relatively few workers. In fact, the costs of enacting and implementing such legislation might outweigh the costs of the total benefits provided.

The information needed to respond to this question should be available. Identifying those industries in which part-time workers are concentrated and the benefits these industries offer their full-time workers would not be difficult; but only after these facts are available can the actual level of benefits and costs be determined.

Diversity Factors

The fourth broad question raised by my analysis emerges from the diversity of the part-time workforce and the differences in the benefits which would, in fact, improve their economic situation and quality of life. The sweeping legislation that Segal proposes would provide benefits that may be unneeded and/or unused by the part-time workers (e.g., health coverage and pension coverage to senior workers covered by Medicare). In my judgment, any legislation enacted to improve the working conditions of part-time workers should, in fact, provide measurable economic improvement to these workers; and it is from that perspective that I address and discuss the specific benefits proposed.

I agree that poverty and low quality of life are socioeconomic situations that need to be addressed—whether or not these conditions are related to employment status. For legislation to be beneficial to the part-time workers and practical for the employing organization, Segal's proposal needs to be more specifically focused.

If we want to improve the economic condition of workers burdened by the disadvantages of part-time work, we need to specifically identify these workers, identify the benefits they need, and create a process by which these benefits can be provided.

Wages

This particular element of the proposal earns my unreserved support with one modification. In her proposal, Segal advocates that part-time workers receive the same compensation as full-time workers doing the same job. I would modify her language to state that *all part-time workers who meet the compensation criteria applied to full-time workers should receive the same rate of pay as those full-time workers.*

Part-time workers should not be paid less simply because they work fewer hours. Part-time telemarketers or police officers working with and beside full-time telemarketers or police officers and doing the same work should receive the same rate of pay. However, if work performance, scope of work being done, seniority, job classification, skill level, and/or availability for changed scheduling or overtime work are considered in setting the compensation rate for full-time workers, these criteria should be applied to part-time workers as well. For example, adjunct professors are not required to advise students, to attend university meetings, or to produce scholarly work to retain their positions. Therefore, differences in the scope of the job justify having different pay scales for tenure-track and adjunct professors. Another example would be that of nurses, sanitation workers, or firefighters who are available to work on as-assigned or as-needed basis. They should be compensated for their flexibility and paid at a higher rate than nurses, sanitation workers, or firefighters who will only work the day shift on weekdays.

However, before enacting new legislation designed to provide wage parity for part-time workers, I would like to investigate whether there are already existing strategies to reach wage parity. Could the Equal Pay Act or the antidiscrimination acts (Title VII, ADEA, ADA) be amended to ensure wage parity for part-time workers. If so, fewer resources would be needed to amend existing legislation than would be needed to enact new legislation. Could the pay rates of part-time workers covered by union contracts be compared to the pay rates of the full-time workers in the same organizations or industries? Perhaps, simply expanding the ability of labor organizations to represent part-time workers would result in wage parity between the two groups of workers. Specific legislation would then be unnecessary.

Health-Care Benefits

I do not support this element of Segal's proposal because I believe that the costs of providing the benefit far outweigh the dollar value of the benefit which would be received by those part-time workers who currently have no health care coverage.

Segal advocates providing pro-rata insurance coverage to all part-time workers even though she states that only 25% of the part-time workforce has no health coverage. Twenty-five percent of 13% (the percentage of part-time workers in the workforce) means that only 3.25% of the entire workforce has no access to health coverage. In addition, we do not know what percentage of this smaller number consists of long-term, part-time workers, and we do not know what percentage of this smaller number could afford to purchase the remaining “unprovided” share. Mandating that all employers provide pro rata health-care coverage to all part-time workers in order to provide access to the small segment of the part-time workforce that lacks access would result in having employers pay for health-care coverage not needed by most part-time workers. Furthermore, if part-time workers without access to health care are unable to purchase the remainder of the coverage, no benefit at all would be realized by these workers.

From my perspective, we should focus on enacting legislation that would provide access to health-care coverage for all workers (full-time or part-time) who have none—a topic that has been extensively discussed by the political system—rather than enacting legislation that would provide a benefit to only a small number of workers. However, if Segal’s proposal would mandate employers that already provide health-care coverage to their full-time workers to also provide pro-rata health-care coverage to long-term, part-time workers without current access to this benefit, I would support it. However, I think that Segal’s idea that tax laws could be changed to encourage employers to provide full health coverage to this small group of workers is an excellent, easier, and less-costly idea. In fact, simply changing the tax laws may result in the same outcome as the proposed legislation, since I believe that the majority of employers would welcome the opportunity to provide a cost-neutral benefit to a valued group of workers.

In addition, prior to enacting such legislation, I would recommend that research studies be undertaken to describe the experience of organizations that currently offer such pro-rata coverage (both voluntarily or as a result of a collective bargaining agreement), specifically to determine which part-time workers take advantage of this opportunity. Resources spent to enact legislation that provides a minimal benefit could be better used in other efforts.

Retirement Benefits

I see no reason why a part-time worker could not choose to be covered by the employing organization’s pension plan on a pro-rata basis. However, again, Segal proposes mandating coverage, and I do not believe that doing this is beneficial to all part-time workers. Many part-time workers would actually lose income under such a mandate.

Very few pension plans are funded entirely by employer contributions. Most require employee contributions. Many part-time workers—students, moonlighters, seniors—are interested in receiving income now rather than retirement

benefits in the future. Requiring that these workers contribute to a retirement plan actually reduces the income they receive in the present. Further, if the pension plan requires a certain period of employment or a certain level of contribution in order to be vested (i.e., to receive retirement benefits), the part-time worker must remain with the organization until that time period or her/his contributions may be lost. If the part-time worker leaves the organization—perhaps to take a full-time position with another organization—then the earned income the worker contributed may be lost to the worker.

If Segal would restrict her proposal to mandating that part-time workers have the opportunity to participate in organizational retirement plans, and mandating amendments to existing laws (e.g., ERISA) to enable such participation, then I could support this element of the legislation. Again, I would recommend studies of the experience of organizations that currently offer such a benefit to part-time workers.

Training, Development, and Advancement Opportunities

In her proposal, Segal advocates for parity of training, development, and advancement opportunities for part-time workers vis-à-vis full-time workers.

It is unfortunate that employing organizations continue to perceive part-time workers as “less committed and less worthy” despite research indicating that the levels of commitment and work performance of part-time workers do not differ significantly from the attitudes and performance of full-time workers. I would like to believe that increased knowledge of the realities would change these perceptions and that organizations would voluntarily begin offering advancement opportunities to part-time workers; and again would recommend research to describe the experience of employers that have such programs in place for part-time workers.

This element of Segal’s proposal may be the most important one for improving the overall economic condition of part-time workers; however, it is clearly the most difficult to analyze. First, the variety of training, development, and advancement programs and opportunities differs widely among organizations. Second, it is rarely easy to articulate or distinguish all the factors used by employers in selecting workers for training programs, development opportunities, and promotion. Third, one of the primary factors in making such advancement decisions is the desire of the organization to retain specific workers. Therefore, the opportunity most likely to be offered to a valued part-time worker is the chance to move into a full-time position. Since the diversity of such programs and the differences in selection procedures prevents an exhaustive analysis of this element of the proposed legislation, I will address only a few of the specific questions that I have identified.

First, I will consider a common training and development benefit—tuition reimbursement. Most organizations that provide such a benefit do so with the

caveat that the worker must agree to remain with the organization for a specific period of time or s/he must agree to repay the reimbursement benefit. Therefore, a part-time worker who is offered pro-rata reimbursement would need to stay with the organization for a specified period of time or be liable to repay the tuition. If the part-time worker is a long-term employee, this caveat will probably not present any difficulties; however, if the part-time worker is working part-time while looking for a full-time positions, s/he may be forced to give up a potential full-time job opportunity or find the money to repay the tuition reimbursement amount—in either case no real benefit has been received.

Second, how would pro-rata training for part-time workers be implemented? Would the part-time workers only receive part of the training available (e.g., four weeks of an eight-week training for a half-time worker)? Or would a special shortened training period be introduced for part-time workers—a situation which means that full-time workers are receiving “more” training than necessary? If the employing organization offers only training for part-time positions to part-time workers, then the part-time worker may be restricted only to advancement within the part-time hierarchy of jobs which may not be the outcome the worker is seeking.

Third, training, development, advancement, and promotion are not always automatic for full-time employees. Therefore, how can we mandate such advancement for part-time employees? Using Segal’s example of part-time female lawyers who were not promoted to partner after working twice as many years as full-time male lawyers, I would like to see the statistics indicating how many full-time lawyers (male and female) do not “make partner.” In addition, sometimes being a part-time worker has its advantages. For example, since adjunct professors are never considered for tenure, they are not faced with the situation of tenure-track professors who are not granted tenure—being expected to leave the institution. Adjuncts are not expected to leave.

In summary, Segal’s proposed legislation mandating parity between full-time and part-time workers in the areas of wages, benefits, and opportunities for advancement is—in its current form—impractical. It is too broad in its scope. There is no evidence that the benefits she seeks would be made available to the workers for whom she is advocating, while the costs of providing these benefits might have the effect of reducing benefits for full-time workers or reducing the opportunities for part-time work.

However, certain elements of the proposed legislation deserve careful consideration. First, parity of wages for workers—full-time and part-time—performing the same work should be mandated. Second, amending existing tax law to encourage employers to provide health-care benefits for long-term, part-time workers would, in fact, provide a group of workers who currently have no access to health care with this important benefit. Third, amending existing pension laws to permit part-time workers to voluntarily participate in employer pension plans would again help a group of workers who currently have no access to this benefit. These

three changes would certainly benefit long-term, part-time workers, and wage parity would benefit all part-time workers.

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