

FEATURE: THE PRICE OF RECONCILIATION: PART-TIME WORK, FAMILIES AND WOMEN'S SATISFACTION*

Mary Gregory and Sara Connolly

While the gender pay gap has been narrowing for women in full-time jobs the pay penalty for the 40% of women who work part-time has risen, reflecting the growing polarisation of part-time jobs in low-wage occupations. A further dimension is that women often experience downgrading from higher-skill full-time into lower-skill part-time occupations. As women reorganise their working lives around the presence of children their reported hours and job satisfaction are highest in part-time work, but life-satisfaction is scarcely affected by hours of work. This Feature explores these issues and their challenge for economic efficiency as well as gender equity.

On gender equality recent years have brought much good news in Britain. As in most advanced economies, increasing numbers of girls and young women have been staying on in post-compulsory education, and proceeding to further and higher education. They are outperforming their male peers at all levels, from primary school to university, and their aspirations are high. Building on their educational attainment women's labour force attachment is strengthening. They are moving into an expanding range of occupations, achieving career success in many. The UK's long-established gender pay gap is narrowing significantly and a reverse gender pay gap should no longer be unthinkable.

This success story, however, relates only to women working full-time. Six million women, around 40% of those in work, are in part-time employment. For them the pay gap has been widening steadily over a number of years; they now face a substantial pay penalty not only relative to men but also relative to women in full-time work. The principal reasons for this are becoming starkly clear. Part-time jobs are heavily polarised into low-paid occupations. As wage inequality has increased the relative wage position of these jobs has deteriorated further. The key legislative provisions against discrimination, requiring equal pay and equal treatment, are not structured to address inequalities arising from occupational segregation. Moreover, the formal proscription against differential outcomes does not prevent differences in grading and individual-specific salaries within occupations.¹ Women supplying limited numbers of hours are least likely to claim their legal entitlements.

The occupational segregation of women working part-time cannot be simply dismissed as selection into low-paid jobs by those whose weaker human capital attributes will generate poor labour market rewards. With 40% of women working part-time and the strong educational attainment of younger women this explanation is already stretched. More tellingly, the direct evidence of panel data shows that many women working part-time in low-paid occupations are qualified for, and have previously held, higher level, better paid jobs. This occupational downgrading with the switch to part-time work has recently been characterised by the Equal Opportunities Commission as

* Helpful comments from Alison Booth during the preparation of this Introduction are acknowledged.

¹ Academia provides a striking and carefully documented instance of this; see Blackaby *et al.* (2005).

the 'hidden brain drain' of women's part-time work (EOC, 2005). The underutilisation of the human capital of these women is at odds with national strategies of raising educational participation and enhancing skills at the workplace.

Yet there are also puzzles. Women reduce their work hours substantially following childbirth, particularly the arrival of a first child. The presence of children continues to shape their labour supply patterns for many years subsequently. Women working part-time report significantly higher satisfaction with their hours of work than those working full-time and also higher satisfaction with their job. In these respects part-time work emerges as the outcome of choice, albeit subject to a range of constraints, and a satisfactory one. But, apparently in partial contradiction to this, women also report that hours of work hardly matter for their life satisfaction. Even more puzzlingly, women with children report themselves as most satisfied with life when working full-time. Part-time work seems to be sought after, and satisfying, in terms of the job and its hours – but without increasing the life satisfaction of British women.

The articles in this Feature analyse these issues and their challenge to policy makers. The work by Paull updates and enriches insights into the extent to which newborns, particularly first births, change women's labour supply patterns, and how adaptations continue through further critical dates, notably school entry. By contrast with the major and long-lasting changes for mothers she shows how little the working hours of fathers respond to these critical events or to changes in the mother's working hours.

Manning and Petrongolo document the sustained rise in the part-time pay penalty since the mid-1970s and find that only half can be attributed to the inferior characteristics of the women working part-time. The remaining part of the pay penalty is dominated by the impact of the concentration of part-time jobs in low-paid occupations. The rise in this component of the part-time pay penalty derives roughly equally from the growing polarisation of part-time jobs in low-wage occupations and the impact of the increase in overall wage inequality on pay in these low-wage jobs.

Where Manning and Petrongolo calibrate occupations on the basis of average pay, Connolly and Gregory focus on women's human capital, measured by educational attainment. Using panel data to follow the occupational trajectory of individual women, they find that up to one-quarter of women switching from full to part-time work undergo occupational downgrading, as measured by the average levels of educational attainment in their previous and new occupations. The estimates of the underutilisation of women's human capital implied in this process are disturbing. 44% of women professionals who downgrade move into low-skill jobs, where the average employee lacks even A-levels. Among nurses leaving nursing, two-thirds become care assistants, continuing to use their nursing skills but at a level requiring around 3 years less training.

Both the Manning and Petrongolo and Connolly and Gregory articles focus on measured labour market outcomes; but in principle the fundamental criterion is welfare. Important potential measures of this are hours, job and life satisfaction. If women prefer part-time work for reasons of work–life balance, given their preferences and constraints, we should observe a positive correlation between part-time work and satisfaction with work hours. But satisfaction with working hours may not bring job satisfaction if part-timers are doing unsatisfying work in bad jobs. Further, the effect of part-time work on life satisfaction is unclear *a priori*, involving the balancing of hours

and job satisfaction with a range of other life-style dimensions. Exploration of reported satisfaction in couples by Booth and van Ours throws up the ‘puzzle’ of part-time work for women. In terms of satisfaction with both work hours and the job women indicate that they prefer part-time work. But this does not transfer into higher life satisfaction. Women without children do not care about hours of work at all, while women with children are significantly happier if they have a job, regardless of its hours.

1. The Role of Part-time Work for Women and Men

Part-time work remains predominantly a female phenomenon. Although it has expanded rapidly among men in Britain in recent years, women still make up 81% of all part-time workers; 43% of women and only 9% of men in work are working part-time. As Table 1 shows, the incidence of part-time work is strongly age-specific for both women and men, and differs sharply between them. Men working part-time are mostly young and older workers, and rarely in the prime-age years. Women, on the other hand, work part-time in substantial numbers across the age-range, most notably between ages 35 and 44 – the peak years for childcare and, also, particularly for women in higher level occupations, a crucial period for career building and breaking through to top jobs.

The role of part-time work for women is even more pervasive than the cross-section indicates. Panel data from the New Earnings Survey show that among women aged 21–65 who were in work for at least three years between 1991 and 2001 41% only ever worked full-time, 21% only ever worked part-time while 38% moved between the two states. Combining these last two groups, 59% of women work part-time at some stage even within a 10-year window. The peak age range for women switching from full to part-time work is 27–34, a stage in the life-cycle when the involvement of men in part-time work is minimal. It is clear that part-time work differs fundamentally in both role and scale for women relative to men.

Table 1
Part-time Employment Among Women and Men in Work, 2006

| age-group | Women | | | | Men | | | |
|-----------|-----------------|-------------------|----------------------------|---------------------|-----------------|-------------------|--------------------------|---------------------|
| | number in work* | % PT in age-group | age-group as % of PT women | % of all PT workers | number in work* | % PT in age-group | age-group as % of PT men | % of all PT workers |
| 16–19 | 1,364 | 69.9 | 8.6 | 7.0 | 1,225 | 52.3 | 25.4 | 4.7 |
| 20–24 | 2,069 | 29.2 | 5.5 | 4.5 | 2,131 | 15.4 | 13.0 | 2.4 |
| 25–29 | 2,566 | 25.0 | 5.8 | 4.7 | 2,638 | 5.5 | 5.7 | 1.1 |
| 30–34 | 2,882 | 38.8 | 10.1 | 8.2 | 3,089 | 4.5 | 5.5 | 1.0 |
| 35–39 | 3,400 | 46.9 | 14.4 | 11.8 | 3,798 | 4.0 | 6.0 | 1.1 |
| 40–44 | 3,738 | 44.1 | 14.9 | 12.1 | 3,897 | 3.6 | 5.6 | 1.1 |
| 45–49 | 3,371 | 40.5 | 12.4 | 10.1 | 3,458 | 4.2 | 5.8 | 1.0 |
| 50–54 | 2,935 | 39.4 | 10.5 | 8.5 | 3,060 | 5.6 | 6.7 | 1.3 |
| 55–59 | 2,556 | 47.7 | 11.0 | 9.0 | 2,908 | 10.4 | 12.0 | 2.2 |
| 60–64 | 1,120 | 66.3 | 6.7 | 5.5 | 1,778 | 20.4 | 14.4 | 2.7 |
| Total | 26,001 | 42.5 | 100 | 81.4 | 27,981 | 9.0 | 100 | 18.6 |

Source. Labour Force Survey 2006

*Numbers are those in the LFS sample.

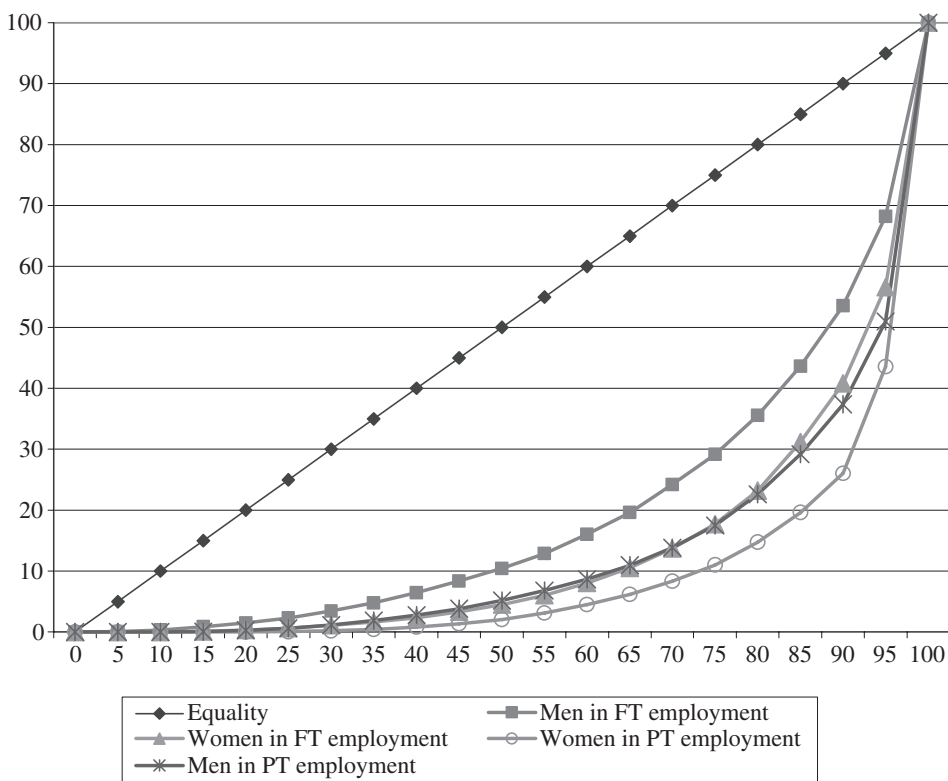


Fig. 1. *Lorenz Curves of Occupational Concentrations* (353, occupations, LFS 2006)

The occupational concentration of female and part-time jobs is confirmed on a range of measures. Of the 353 occupations at the Unit Group level of the Standard Occupational Classification (SOC 2000), male workers are present in 350, women working full-time in 324, men working part-time in 289 and women working part-time in only 278. The top five occupational groups for men in full-time work account for 11% of their employment, against 18% for women working full-time, 27% for men working part-time and 31% for women working part-time. The Lorenz curves in Figure 1, where the 353 Unit Groups are ranked in ascending order of employment size, show men’s full-time employment to be the most equally distributed across occupations; full-time jobs for women and part-time jobs for men are significantly more concentrated, and roughly equally; and the greatest occupational concentration is in the part-time jobs for women.²

² The three occupations recording no men employed are midwives, speech therapists and dental nurses; this does not imply that there are no male midwives, only that none were drawn in the 54,000 people sampled in the LFS in that year for whom occupations were recorded. The top five occupations differ across the groups. For men working full-time they are: marketing and sales managers, production works managers, heavy goods vehicle drivers, goods handling and storage workers, carpenters and joiners. For women working full-time: general clerks, care assistants, nurses, accounts clerks, primary and nursery education teaching professionals. For men working part-time: sales assistants, kitchen and catering assistants, shelf fillers, bar staff, cleaners and domestics. For women working part-time: sales assistants, cleaners, care assistants, general clerks, educational assistants.

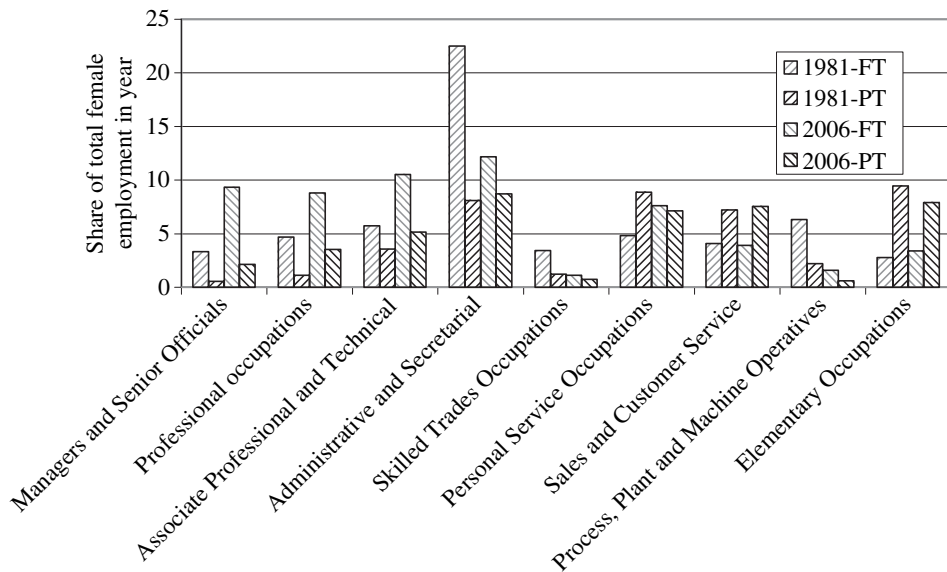


Fig. 2. Women's Full and Employment by Main Occupational Group 1981 and 2006
 Source. Labour Force Survey, 1981 and 2006

Focusing just on women, the pattern of occupational concentration differs markedly between full and part-time work, and the occupational crowding of part-time work is into low-wage, low status jobs. Figure 2 shows the distribution across the nine SOC Major Groups. Managerial, professional and associate professional occupations, which are the highest paid and socio-economically highest ranked, comprise predominantly full-time workers; although part-timers have been increasing there they remain clearly in the minority. By contrast, in lower rated occupations, such as service, sales and low-skill elementary jobs, more women work part-time than full-time; these are also the occupations, along with clerical jobs, where the majority of women working part-time are employed.

2. Policy Challenges

The 'one-and-a-half breadwinner' model with (mostly) mothers working part-time is well established. But the crowding of part-time jobs into low-wage, low status occupations had already, a decade ago, led to part-time workers being categorised as the new social 'underclass' (Humphries and Rubery, 1995). The disadvantage of the 'underclass' is accentuating – even although unequal treatment of part-time workers is now formally unlawful. As work–life balance moves up the political agenda this is a major challenge to policy makers. Should the thrust of policy be towards replacing the model, or towards making it work better?

Manning and Petrongolo assess the impact of a range of policies, including the National Minimum Wage, the Part-time Workers Regulations and the Right to Request Flexible Working, and find all to be of limited effectiveness. For them improving the quality of available part-time jobs is the imperative for policy:

'The main cause of the pay gap between FT and PT women is the different types of jobs that these women do. And these differences seem to be the result of the fact that certain jobs do not seem to be available on a PT basis. It seems likely that any policy that fails to have an impact on this occupational segregation will fail to reduce the part-time pay penalty.'

Connolly and Gregory point in a similar direction, but with a more specific focus. For them the key problem of part-time work is job-changing to an occupation using lower levels of education and qualification. They find the incidence of downgrading to be substantially less when women switch to part-time work with their current employer. Although downgrading is less inefficient when occupation-specific skills continue to be used, even if at a lower level or without supervisory responsibilities, as when nurses become care assistants or managers of hairdressing salons revert to hairdressing, this is purely palliative. The efficient outcome would be part-time jobs as reduced-hours versions of previous full-time jobs, utilising women's skills at the appropriate level. In its current anaemic form the Right to Request Flexible Working has limited effect; a much strengthened version could contribute to maintaining the quality of women's jobs on the switch to part-time work.

These approaches, however, operate within the narrow focus of the one-and-half breadwinner model as the status quo. At one level this is reasonable, as the other two articles make clear that major changes to this pattern are unlikely. Booth and van Ours report almost three-quarters of women working part-time satisfied with their working hours, against under half of those working full-time, and job satisfaction also higher in part-time work. Similarly, the Labour Force Survey (2004) reports that 79% of women working part-time say they do not wish a full-time job. There is no indication of any impetus in favour of the Swedish model of full-time work by both parents. The impact of children on family labour supply is sharply revealed by Paull: full-time work by mothers drops from over 90% to under 40% with the first birth, and remains around that level for the next ten years. At the same time fathers' full-time employment continues unchanged – if anything, their hours of work increase. This huge divergence indicates that replication of the Netherlands model of part-time work for both fathers and mothers of pre-school children is not in sight.³

However, the social efficiency of extensive part-time work by mothers as the means of reconciling work and family can clearly be questioned. Women in Britain are going into higher education in large numbers and performing very well, suggesting they anticipate strong subsequent career motivation and labour market attachment; but a few years later the majority choose part-time work, often in low level jobs. Is this because they want to work less in general (in which case why invest so heavily in education), or because they are constrained to choose this by the policy environment? The cross-country variations in patterns of household labour supply suggest a powerful role for the wider set of incentives and constraints in national policy frameworks. Britain has one of the highest rates of female part-time work among the advanced economies (although lower than the Netherlands) and the worst part-time pay penalty. This is *prima facie* consistent with excess supply of part-time hours by British women. Given the

³ Actual and preferred working patterns within families for OECD countries are reported in Jaumotte (2003).

Scandinavian model of high-quality, state-subsidised childcare, how far would women in Britain choose less reduction in their work hours during the pre-school years, mitigating the effects found in Paull's article? Or, given the rights to flexible working for both parents of pre-school children well established in the Netherlands, would part-time work for fathers as well as mothers become the norm?

Family-friendly and work – life reconciliation policies are relatively new issues on the political agenda, and the way ahead is still being worked out. Is their fundamental objective to secure gender equality through women's labour market involvement and career success? Or is it to support child welfare and development? How far, and how, can these be reconciled? The emerging consensus from current research is that part-time work by mothers is clearly not harmful for child development (Gregg *et al.*, 2005). The (limited) negative effects of maternal employment relate only to full-time employment in the child's first 18 months and can be offset by formal, paid childcare. The limited size and scale of the adverse effects of maternal employment on child development found for the UK are noticeably smaller than in the US. This is attributable to the far wider use of part-time work on return in the UK, and to maternity leave rights which lower the incidence of very early post-natal return to work. This points to a multi-faceted policy approach, including encouraging flexible and part-time work, maternity leave following birth, and access for working mothers to affordable, good quality childcare particularly for very young children. Part-time work has a key role to play in work – family reconciliation and optimal child development. This may well be a lesser role than currently if other support policies, notably on childcare, are strengthened. At present the low quality of many part-time jobs means that women pay the price of reconciling work and family. It would be efficient, as well as equitable, for society as well as for families, to improve part-time work and reduce the price of reconciling work and family.

University of Oxford

University of East Anglia

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