

1 The Rise of Underemployment: Supporting the Needs of Low-Income Workers (2017)

<http://www.frbsf.org/community-development/files/rise-of-underemployment-supporting-needs-low-income-workers.pdf>

This working paper by the Federal Reserve Bank of San Francisco (SF Fed) discusses an **increase of involuntary part-time workers in the U.S.**, defined as those who would work full-time if given the opportunity. It examines data from the SF Fed's "Vantage Point" survey as well as regional roundtables. The paper recommends supporting these workers through **holistic efforts that integrate housing, transportation, and childcare solutions**, and **reexamining the income requirements of public assistance programs**.

2 Highlights

Who is Underemployed?

Involuntary part-time workers are most likely to be employed in the **service industry**, be **African-American or Latino**, and live in a **Western** state.



of all part-time workers in California are involuntary

Part-Time = Low-Cost

Roundtables suggested that the **cost of employee benefits**, a **higher minimum wage**, and the competition/convenience of **automation and e-commerce** make employers favor part-time positions over full-time.



The Cliff Effect

Many workers reject additional income (or under-report income gained in the cash/gig/shadow economies), afraid it will push them **over the threshold for public benefits** but still leave them **far below the amount needed to cover basic needs**.



3 Connections to NEW ...

Real Estate Development

Affordable Housing

FamilySource Centers

Homeownership

Afterschool Learning Centers

Latino Tech-Net

Youth Services

Policy/Advocacy