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OPINION

# The Full-Time Scandal of Part-Time America

Fewer than half of U.S. adults are working full time. Why? Slow growth and the perverse incentives of ObamaCare.

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By MORTIMER ZUCKERMAN

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There has been a distinctive odor of hype lately about the national jobs report for June. Most people will have the impression that the 288,000 jobs created last month were full-time. Not so.

The [Obama](#) administration and much of the media trumpeting the figure overlooked that the government numbers didn't distinguish between new part-time and full-time jobs. Full-time jobs last month plunged by 523,000, according to the Bureau of Labor Statistics. What has increased are part-time jobs. They soared by about 800,000 to more than 28 million. Just think of all those Americans working part time, no doubt glad to have the work but also contending with lower pay, diminished benefits and little job security.

On July 2 President Obama boasted that the jobs report "showed the sixth straight month of job growth" in the private economy. "Make no mistake," he said. "We are headed in the right direction." What he failed to mention is that only 47.7% of adults in the U.S. are working full time. Yes, the percentage of unemployed has fallen, but that's worth barely a Bronx cheer. It reflects the bleak fact that 2.4 million Americans have become discouraged and dropped out of the workforce. You might as well say that the unemployment rate would be zero if everyone quit looking for work.



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Chad Crowe

Last month involuntary part-timers swelled to 7.5 million, compared with 4.4 million in 2007. Way too many adults now depend on the low-wage, part-time jobs that teenagers would normally fill. Federal Reserve Chair [Janet Yellen](#) had it right in March when she said: "The existence of such a large pool of partly unemployed workers is a sign that labor conditions are worse than indicated by the unemployment rate."

There are a number of reasons for our predicament, most importantly a historically low growth rate for an economic "recovery." Gross domestic product growth in 2013 was a feeble 1.9%, and it *fell* at a seasonally adjusted annual rate of 2.9% in the first quarter of 2014.

But there is one clear political contribution to the dismal jobs trend. Many employers cut workers' hours to avoid the Affordable Care Act's mandate to provide health insurance to anyone working 30 hours a week or more. The unintended consequence of President Obama's "signature legislation"? Fewer full-time workers. In many cases two people are working the same number of hours that one had previously worked.

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Bureau, but we have 374,000 fewer jobs since a November 2007 peak and are 10 million jobs shy of where we should be. It is particularly upsetting that our current high unemployment is concentrated in the oldest and youngest workers. Older workers have been phased out as new technologies improve productivity, and young adults who lack skills are struggling to find entry-level jobs with advancement opportunities. In the process, they are losing critical time to develop workplace habits, contacts and new skills.

Most Americans wouldn't call this an economic recovery. Yes, we're not technically in a recession as the recovery began in mid-2009, but high-wage industries have lost a million positions since 2007. Low-paying jobs are gaining and now account for 44% of all employment growth since employment hit bottom in February 2010, with by far the most growth—3.8 million jobs—in low-wage industries. The number of long-term unemployed remains at historically high levels, standing at more than three million in June. The proportion of Americans in the labor force is at a 36-year low, 62.8%, down from 66% in 2008.

Part-time jobs are no longer the domain of the young. Many are taken by adults in their prime working years—25 to 54 years of age—and many are single men and women without high-school diplomas. Why is this happening? It can't all be attributed to the unforeseen consequences of the Affordable Care Act. The longer workers have been out of a job, the more likely they are to take a part-time job to make ends meet.

The result: Faith in the American dream is eroding fast. The feeling is that the rules aren't fair and the system has been rigged in favor of business and against the average person. The share of financial compensation and outputs going to labor has dropped to less than 60% today from about 65% before 1980.

Why haven't increases in labor productivity translated into higher household income in private employment? In part because of very low rates of capital spending on new plant and equipment over the past five years. In the 1960s, only one in 20 American men between the ages of 25 and 54 was not working. According to former Treasury Secretary Larry Summers, in 10 years that number will be one in seven.

The lack of breadwinners working full time is a burgeoning disaster. There are 48 million people in the U.S. in low-wage jobs. Those workers won't be able to spend what is necessary in an economy that is mostly based on consumer spending, and this will put further pressure on growth. What we have is a very high unemployment rate, a slow recovery and across-the-board wage stagnation (except for the top few percent). According to the Bureau of Labor Statistics, almost 91 million people over age 16 aren't working, a record high. When Barack Obama became president, that figure was nearly 10 million lower.

The great American job machine is spluttering. We are going through the weakest post-recession recovery the U.S. has ever experienced, with growth half of what it was after four previous recessions. And that's despite the most expansive monetary policy in history and the largest fiscal stimulus since World War II.

That is why the June numbers are so distressing. Five years after the Great Recession, more than 24 million working-age Americans remain jobless, working part-time involuntarily or having left the workforce. We are not in the middle of a recovery. We are in the middle of a muddle-through, and there's no point in pretending that the sky is blue when so many millions can attest to dark clouds.

*Mr. Zuckerman is chairman and editor in chief of U.S. News & World Report.*

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