

Underemployment Patterns and the Global Financial Crisis (GFC)

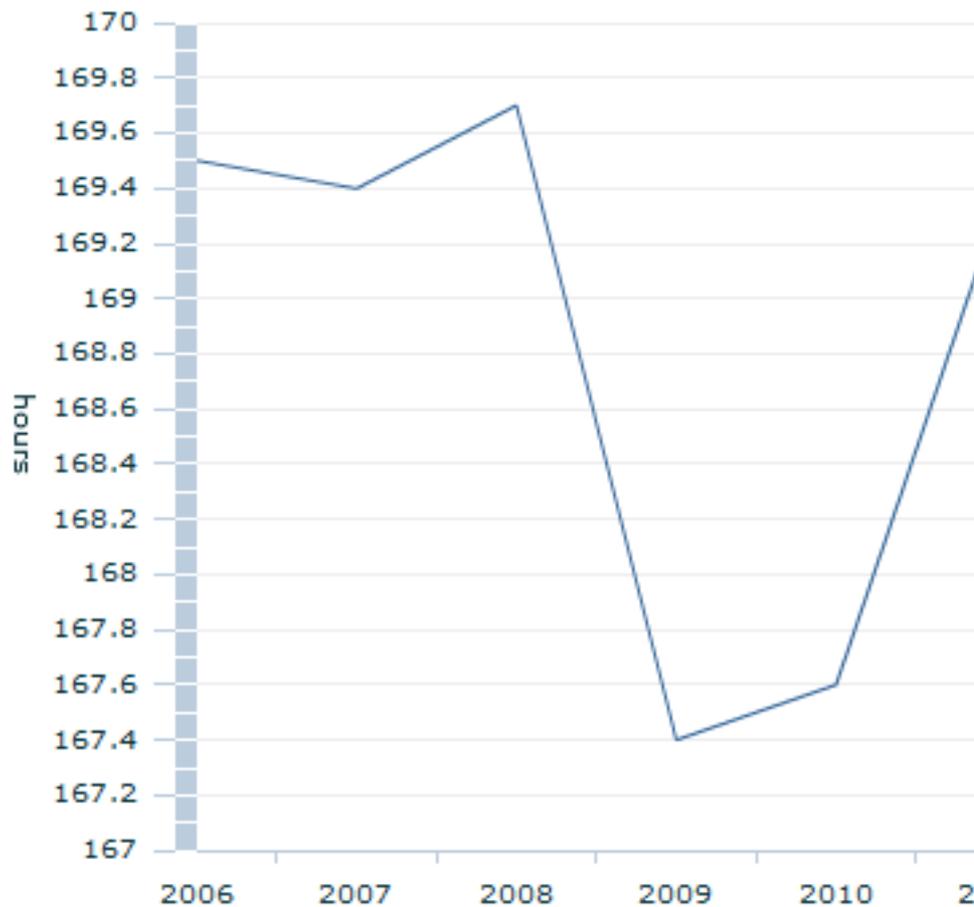
Overview

During the Global Financial Crisis (GFC) the increase in the unemployment rate remained relatively low. However, the aggregate monthly hours worked series ([6202.0 Labour Force, Australia](#)) shows that the number of hours people worked generally decreased. This suggests that rather than people losing their jobs they had their hours reduced. This is reflected in the underemployment estimates produced in the [Underemployed Workers](#) (UEW) series for the same period.

Aggregate hours

During the GFC (in the period September 2008 to September 2009) the average number of hours worked per person per month fell from 142.1 to 138.8. This fall was due to a decrease in the aggregate full-time hours of Australian workers of 38.8 million hours. However, the number of part-time hours worked by Australians actually increased by 9.9 million hours, supporting the notion that generally people had their hours reduced.

AGGREGATE MONTHLY HOURS WORKED PER PERSON, Persons employed full-time



Persons

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Source(s): [Underemployed Workers, Australia](#)

The UEW series shows that underemployment was relatively stable between September 2006 and September 2007, at 544,600 (5% of employed people) and 518,300 workers (4.9% of employed people) respectively. In September 2009, during the GFC, the number of people underemployed rose to 811,600 (7.5% of employed people). This number has now recovered to 786,800 (6.8% of employed people) in September 2011.

Underemployed full-time workers

In September 2006, there were 60,000 people who usually worked full-time who were working part-time hours due to economic reasons. The majority (82%) were men. In September 2009, this number increased to 75,700 (84% were men). In September 2011, the number of people who usually worked full-time but were working part-time hours due to economic reasons decreased to 64,300, close to pre-GFC levels. Of these, 72% were men.

Although there have been significant changes to the number of underemployed men during the GFC, the number of underemployed women has seen little overall change, and has continued to increase

FULL-TIME WORKERS WORKING LESS THAN 35 HOURS FOR ECONOMIC REASONS



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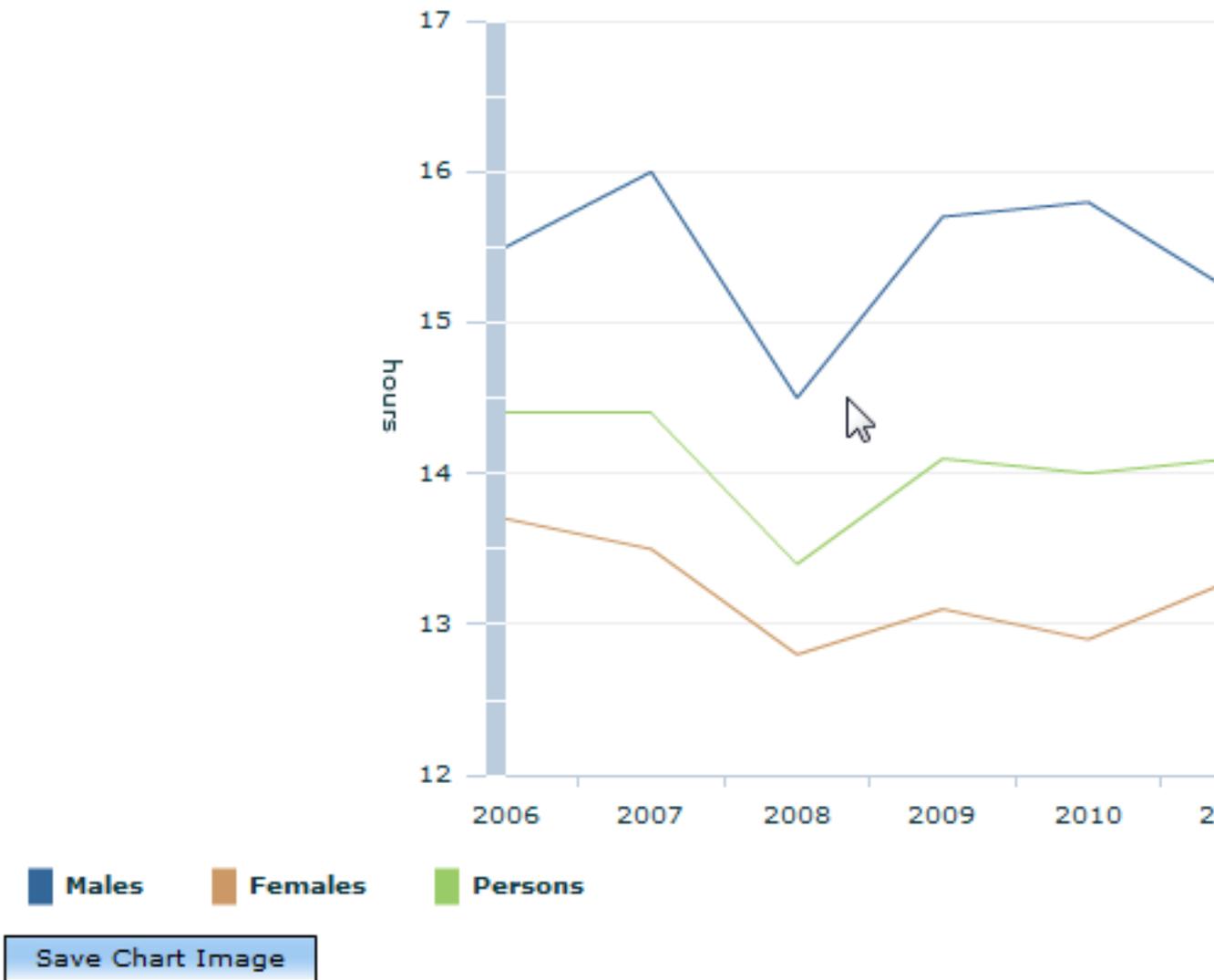
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Source(s): [Underemployed Workers, Australia](#)

Underemployed part-time workers

The number of men that work part-time and would prefer more hours has increased since 2006, peaking in 2009, with a subsequent recovery. The number of women working part-time and preferring more hours has remained relatively stable between September 2009 and September 2011. In September 2006, the total number of people in part-time employment preferring more hours was 576,400 (220,300 men and 356,100 women), compared to 823,900 (310,500 men and 513,400 women) in September 2009. In September 2011, 305,100 men in part-time employment said that they would prefer more hours compared to 509,700 women.

UNDEREMPLOYED PART-TIME WORKERS, Mean preferred extra hours



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Source(s): [Underemployed Workers, Australia](#)

The UEW series also indicates that there was an increase in the availability of labour from part-time workers during the GFC. In September 2011, the average number of extra hours per week preferred by men working part-time was 15.2. This was a decrease from 15.7 hours in September 2009 and 15.8 in September 2010. Comparatively, the availability of labour from women working part-time increased from 12.9 hours in 2010 to 13.3 hours in 2011. In summary, the number of extra hours of work preferred by men since the GFC is decreasing, whereas for women it is increasing.