

## UNDERSTANDING PART-TIME EMPLOYMENT: Examining Motivations for Part-Time Work





### Purpose of the Research

An increasing number of people are working part time by choice. In January 2023, 22.1 million Americans reported working part time voluntarily. Compared to the 4.1 million people who are working part time but would prefer full-time work, this gap represents the largest difference between the two groups in more than 20 years.

These numbers show that many people prefer to work part time, driven by a desire for flexibility, their age and semi-retired status, better health or more time to devote to interests outside of work. Given this shift, organizations would benefit from a better understanding of two things: how part-time workers can contribute to their company's success, and how employers can appeal to talent that prefers this type of work.

To explore this expanding part of the workforce, SHRM conducted a survey, sponsored by UPS, of 1,033 employed part-time workers in varying industries across the U.S. (not independent contractors or gig workers) to understand 1) why they work part time, 2) what factors may motivate them to remain with their organization, and 3) which employer-provided benefits are most important to them and their part-time employee experience.



### Most part-time workers prefer part-time work

When asked whether they preferred to work part time or full time, **85%** reported working part time by choice; only **15%** would prefer full-time employment. However, this breakdown did vary by age. An overwhelming **96%** of Baby Boomer and Traditionalist part-time workers prefer part-time work. In comparison, somewhat fewer but strong majorities of Younger Millennial and Generation Z part-time workers (**63%**), Older Millennial part-time workers (**72%**) and Generation X part-time workers (**80%**) said part-time work is their preference.

Among those who reported a preference for part-time work, many said lifestyle preferences influenced their decision to work part time. For instance, nearly three in four (72%) respondents cited flexibility as influencing their decision to a great extent. More than half (55%) said the desire to be healthy or to avoid stress influenced their decision to a great extent, and half (50%) desired more time to focus on other interests or hobbies.

#### **Reasons employees prefer part-time work**



Note: Percentages represent those who identified the factor as contributing to their preference to a great extent.

Of the **15%** of respondents who reported preferring full-time work, many are searching for a new job. More than half (**54%**) of these individuals are working part-time temporarily because they have not been able to find a full-time job. More than one in four (**27%**) is working part time to explore new career opportunities, while **17%** must work part time to get by financially.

### Many part-time workers say flexibility—more so than pay helps them see a long-term future in their current role

Over two in five (**43%**) part-time workers said they plan to be with their current employer in the next five years. Of these, **66%** said they desired a schedule that fits their lifestyle preferences or needs. Notably, for workers who are planning to stay with their current employer for the next five years or longer, having a work/life balance that fits their lifestyle preferences or needs is a more significant driver in their decision than it is for those who expect to remain for a shorter tenure.



\*Note: Among respondents who were likely to remain with their employer for <u>the next five years or longer</u>. Percentages represent those who identified the factor as contributing to their decision to a great extent.

• 34% are unlikely to remain for the next year.

Many part-time workers expect to leave their current employer in the next five years

Many part-time workers report that they do not expect to remain with their current organization for very long. More than half (**57**%) believe it's unlikely they will still be working for their current employer in the next five years. Furthermore, nearly one in five (**18**%) expect to leave their current employer within the next year. Age appears to play a large role in workers' intentions to leave their employer within the next one to five years.

Part-time workers who prefer to work full time are more likely to leave after a short period. Of those who prefer full-time work, **38%** are unlikely to be with their current employer one year in the future. More than three in four (**77%**) of these workers would consider staying if offered a full-time job. Employers may consider looking to these workers to fill full-time job openings to retain talent already familiar with their organization.

### Top 5 reasons why part-time workers will leave their employers\*

50%	<b>#1</b> Plan to retire or leave the workforce within that time	<ul> <li>85%</li> <li>17% of Generation X</li> <li>3% of Older Millennials</li> <li>4% of Younger Millennials and Generation Z</li> </ul>	of Baby Boomers and Traditionalists
15%	<b>#2</b> Are interested in full-time work but their organization only offers them part-time work.	<ul> <li>4% of Baby Boomers and Traditionalists</li> <li>24% of Generation X</li> <li>34% of Older Millennials</li> <li>30% of Younger Millennials and Generation Z</li> </ul>	
15%	<b>#3</b> Said their organization pays them less than they hope to make.	5%of Baby Boomers and Traditionalists23%of Generation X30%of Older Millennials29%of Younger Millennials and Generation Z	
14%	<b>#4</b> Lack career advancement opportunities at their current organization.	<ul> <li>4% of Baby Boomers and Traditionalists</li> <li>19% of Generation X</li> <li>30% of Older Millennials</li> <li>29% of Younger Millennials and Generation Z</li> </ul>	
14%	<b>#5</b> Do not receive any benefits or the benefits they are eligible for do not meet their needs.	<ul> <li>8% of Baby Boomers and Traditionalists</li> <li>19% of Generation X</li> <li>28% of Older Millennials</li> <li>19% of Younger Millennials and Generation Z</li> </ul>	

\*Note: Among respondents who were unlikely to remain with their employer for the next 1-5 years.

# Benefits are considered more important to part-time workers who have access to them

Few part-time workers have access to their employer's benefits package, including health-related and family care benefits. Yet, part-time workers with access to various types of benefits consider them much more important compared to their counterparts who are not offered benefits. This finding suggests part-time workers who prioritize certain benefits may specifically seek out roles that offer them.



Percentage of part-time workers offered employer-sponsored benefits and importance ratings by workers with and without access to each benefit type

Benefit type	Receive at current job	Believe it is <u>very</u> <u>important</u> to receive access (among those who <u>do</u> receive each benefit)	Believe it is <u>very important</u> to receive access (among those who <u>do not</u> receive each benefit)
Flexible work	65%	66%	30%
РТО	42%	65%	26%
Retirement planning	34%	51%	17%
Health-related	25%	59%	24%
Family care leave	23%	49%	18%
Parental leave	16%	37%	13%
Education	16%	29%	9%

However, lack of benefits appears to have minimal impact on part-time worker attrition. Just **14%** of part-time workers who expect to leave their employer say that a lack of or limited access to benefits affects their decision to leave. Perhaps one reason why these workers seldom cite benefits as a motivation for leaving their employer is that the most common benefits (i.e., flexible work and PTO) support the flexible work schedule they desire. Again, we saw significant differences by age and work preference.



Percentage of part-time workers by generation who list benefits as an important factor in their decision to leave their employer:



Among the **15%** of part-time workers who would prefer full-time work, a subset (**33%**) named benefits as a reason they are unlikely to remain with their employer. By contrast, **10%** of workers who prefer part-time work would leave due to a lack of or insufficient benefits.

### Understanding and delivering what part-time workers want creates the best experience for everyone

As the part-time segment of the workforce grows, employers may benefit from a stronger understanding of these workers' motivations and what they hope to gain through employment. These survey results show that part-time workers tend to place a stronger value on lifestyle factors like flexibility than on compensation or benefits. Based on this research, organizations seeking to improve the part-time employee experience may consider the following recommendations:

1. Structure part-time roles to align company needs to the kinds of work that part-time workers value. For example, companies should ensure talent-recruitment efforts (or new hire programs) are clear about the role, expectations and flexibility the job provides so the company can attract workers whose desired hours and expectations are a match. Additionally, organizations may consider reassessing the benefits they currently offer part-time workers to improve their ability to deliver benefits these employees value most and to attract more workers open to this type of employment.

2. Factor in generational differences when considering what part-time workers find appealing in a job. Workers of older generations are more likely to work part time for reasons related to <u>retirement and</u> <u>Social Security</u>. Younger Millennials and Generation Z workers are most likely to say opportunities to develop their skillsets or advance their education drive their preference for part-time work.

3. Recognize that compensation is more important to Millennials and Generation Z workers than to older generations. Features such as <u>retention</u> <u>bonuses or productivity incentives</u> may help younger workers feel more satisfied with their overall compensation. 4. For part-time workers who would prefer full-time work, look for opportunities to move them to full-time positions or offer other <u>career advancement</u> <u>opportunities</u>. Younger workers are more likely to seek full-time opportunities.





## Methodology

A sample of 1,033 part-time workers was surveyed from February 22 to March 3, 2023, using a thirdparty online panel. For the purposes of this study, part-time workers were defined as paid employees of any organization in varying industries across the U.S. Gig workers and independent contractors did not qualify. Data is unweighted.

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