

# The Underemployment Project: First Qualitative Findings

## Overview of the project

4 Universities: Bristol, West of Scotland, Nottingham, Salford.

3-year research project funded by the Economic and Social Research Council (ESRC). Focus on social care, hospitality, and retail.

60 people taking part in total in four cities Bristol, Glasgow, Greater Manchester, Nottingham.

4 Partners: Bristol One City, the Poverty Alliance, Citizens UK Nottingham, Salford City Council.

4 Datasets: Labour Force Survey, EU Working Conditions Survey, the UK Household Longitudinal Study, and the CIPD UK Working Lives Survey.

Interviews with employers, trade unions, local and national stakeholders.

## What is underemployment?

- Underemployment is broadly defined as 'a job that is substandard in some way'
- There are different dimensions of underemployment. We are exploring:
  - **Time:** part-time workers who ideally want to work more hours.
  - **Wage:** workers earning below £12 per hour in 2023/2024 (the Real Living Wage).
  - **Skills:** workers not fully using their skills or qualifications in their current job.

## Why is underemployment important?

- There has been an increase in underemployment and non-standard employment in the UK.
- Underemployment is changing the nature of work, with workers bearing more of the social and economic risks of the labour market.
- Underemployment impacts workers, their families and communities, and employers, affecting health and wellbeing (in and out of work), and workplace management (i.e. turnover and retention).
- Underemployment has not been comprehensively studied.

## What did we find out?

### Time underemployment

**Around half of people we spoke to wanted to work more hours in their current job or were looking for another job with better hours, but people faced multiple barriers:**

- Care responsibilities limited people's working hours. This was either due to the high cost, unavailability, inadequacy of childcare, or choice to look after children or family members.
- For some, social security rules could have negative financial consequences of working more hours.
- For others, health was a barrier to working more hours.
- Many time underemployed people said there was a lack of available hours in their current job, or the hours on offer were not suitable (i.e. night shifts or weekends).

Limits on working hours impacted people's wage and skill use, as part-time workers found it difficult to find good quality, well-paid jobs that matched their skills. Not having enough hours also affected people financially, and had similar impacts to wage underemployment.

*[!] just wanted to be able to start at 9 o'clock as opposed to 8:30 to drop the children off and I think [company] made it very difficult for me. ... So I just left.*

*My mental health is a bit unstable at times and so I have sort of very low periods where work's a bit difficult so that's why I've been shying away from anything more, well longer hours basically.*

### Wage underemployment

**82% of people earned below the real living wage (£12 per hour).** Often, levels of pay did not fairly reflect people's responsibilities or their contribution. Many did not feel able to ask for more money, as wages were standard for sectors that have been historically undervalued. Wage underemployment resulted in financial strain, with some people:

- Going without essential items or being unable to save.
- Cutting back on social outings with family and friends, leisure activities and trips.
- Needing to work more hours to account for low wages.
- Wage underemployment also affected stress-levels and health and wellbeing.

*It's a bit like treading water. Right now you're keeping your head above water, you're ensuring everything's happening, you're not sinking but you're not necessarily going anywhere.*

*It makes you feel shameful sometimes. My son comes home and says his friends are going to whatever it might be – the safari park, or to somewhere that costs ... it makes me feel sad that he sometimes misses out on those experiences.*

## Skills underemployment

**73% had skills or qualifications that were not fully used in their current job.** There were a range of reasons, including:

- People made career decisions and adjustments due to caring responsibilities, to prioritise work-life balance (e.g. not working late evenings), to avoid harmful effects of work (e.g. stress) or to be more fulfilled at work.
- A lack of jobs that match skills/qualifications or difficulty accessing them (e.g. lack of experience).
- Poor pathways to progression in the workplace and lack of available and adequate employment support or career guidance.

Many people were using their skills and experience at work, even though they were not being rewarded financially or there was no acknowledgment by managers.

Skills underemployment made people feel demotivated, and impacted people's confidence in the labour market.

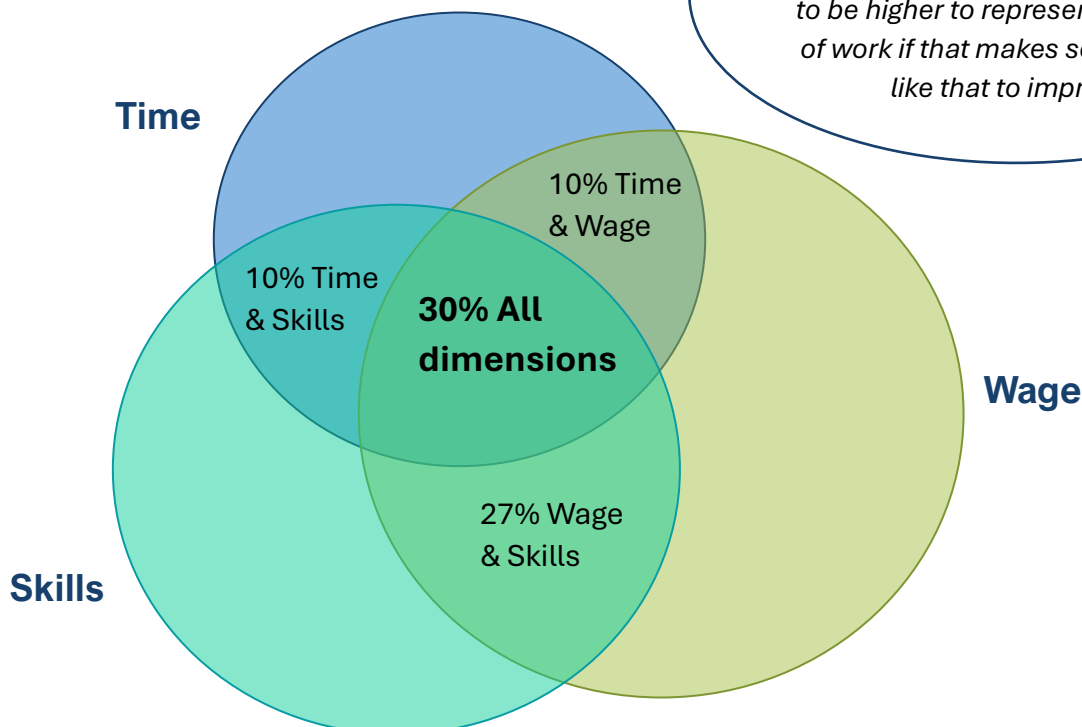
*I know on paper I look overly skilled, but right now I don't mind just, you know, being able to come home and not think about work.*

*To be honest the managers don't get paid much more than the support workers and they have a lot of responsibility so it's not worth the hassle.*

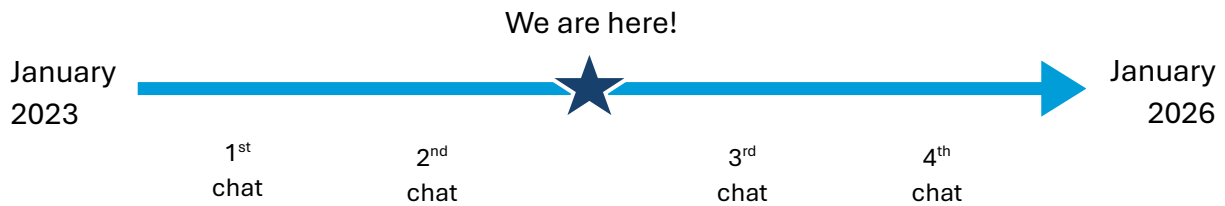
## Underemployment is complex and different dimensions interacted for many people:

- 30% were underemployed in all dimensions
- 47% were underemployed in two dimensions
- 23% had one underemployment dimension

*I'd probably like to work a few more and be paid for them... I think it's not so much the hours I'd like my salary to be higher to represent my quality of work if that makes sense, like I'd like that to improve.*



## Where are we in the project and what's next?



We still have two chats with our participants to go. We are also interviewing employers, trade unions and policy makers to understand their perspectives, and analysing our 4 datasets. These preliminary findings will be expanded in future reports and publications.

### Thoughts/notes

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### Summary:

Underemployment is a complex issue for working people: working hours, pay, and skill use were connected, and most people were underemployed in more than one area.

The causes of underemployment ranged across the dimensions and people's experiences, including care responsibilities, health, job availability, lack of career progression opportunities and support. Additionally, many people were making decisions and adjustments in their working lives to reflect changes outside of work.

The impacts of underemployment were far reaching, with people's financial resilience, health and wellbeing, confidence, and how people engaged with work impacted.

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