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Moonlighters

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Since 1980, the number of workers with two or more jobs has risen 65%, surpassing the half million mark in 1988. Their share of the work force has crept up over the years: 2.1% in 1976, 3.1% in 1980, 4.5% in 1988.

Multiple jobholders, or "moonlighters" as they are sometimes called, are a controversial group. Some employers discourage moonlighting because they fear productivity will suffer. The unions' view of moonlighting may be even less favourable if they believe that moonlighters put their health at risk in the short run and depress wages in the long run. Governments have cause for concern because of a suspected link between secondary jobs and tax evasion. (1) There is even a popular view that multiple jobholders contribute to unemployment because they "take more than their share" of available jobs.

Of all the questions surrounding moonlighters, perhaps the most immediate one is: why do they do it? That is, is it a matter of choice or economic necessity? This study looks at worker groups where moonlighting is most common in order to shed some light on this question.

Moonlighting and self-employment

A strong link exists between multiple jobholding and self-employment. Almost half of all multiple jobholders work in their own farm or business (or help a relative who owns a farm or business as an unpaid family worker). They generally combine this activity with a wage or salary job (Table 1). (2)



Table 1 Single and multiple jobholding by class of worker, 1980 and 1988

Source: Labour Force Survey

What are the reasons for multiple jobholding among the self-employed? If the farm or business is the *main* job, a second wage or salary job could be needed to stabilize income, particularly if the business is seasonal. A farm or business as a *secondary* job is more apt to be a personal interest, almost a hobby. In some cases moonlighting can he a way of bridging from one career to another, with a paid job providing income security while a business is in its infancy.

About three-quarters of all moonlighters who combine self-employment with a salaried position are self-employed in their main job. In other words, the business or farm consumes most of their time. With this as the dominant pattern, one might suspect that the main objective of moonlighting is to boost the income derived from the business. It would be interesting to know how many small businesses could not survive without income from secondary jobs.

Increasing rates among women

One of most striking features of moonlighting in the 1980s is the rapid increase in the multiple jobholding rate for women.

In the 1980s, the gap between the rates for men and women progressively narrowed, disappearing altogether in 1988. This development is perhaps a manifestation of rising female labour force participation. As women's share of the labour force has increased, so has their share of self-employment and long workweeks. (3) These changes and the increase in moonlighting are seemingly interconnected. Male and female multiple jobholding rates have also converged in the U.S. (Stinson, 1986). Between 1980 and 1985, the number of American women working at two or more jobs rose by almost 40%. At 62%, the increase among Canadian women in this five-year period was even sharper.



Chart A Multiple jobholding rate by sex

Source: Labour Force Survey

Moonlighting and youth

The proportion of multiple jobholders in 1988 was highest among teenagers and declined with age, a finding which holds true for both men and women (<u>Table 2</u>). This pattern by age did not become clear until the second half of the '80s. For example, until 1983, the rates recorded for men aged 25-44 generally exceeded those for younger men.



Table 2 Multiple jobholders by age and sex

Source: Labour Force Survey

With over 40% of all full-time students working during the school year, many educators have voiced concerns about academic work increasingly taking a back seat to workplace demands. They may find the spread of multiple jobholding among young people even more disquieting: the pressure on a student's time is probably even greater when multiple jobholding is involved because the hours they work tend to be longer. Only 21% of single jobholding students in their teens work 20 or more hours a week. But among multiple jobholding students, the proportion is twice that. (4)



Chart B Multiple jobholding rates by age

Source: Labour Force Survey

The incidence of multiple jobholding is also high among students in their early twenties (Table 3). Over 70% of these moonlighters work 20 or more hours a week, a large time commitment to the work force for someone engaged in postsecondary studies. In eight years, the multiple jobholding rate for this group climbed from under 4% to 6.4%, paralleling sharp employment increases. External factors like the rising cost of education to students may be at the root of this increase. Alternatively, it may be a continuation of labour market behaviour that developed during high school days.



Table 3 Multiple jobholding rates by age, sex and student status, 1980 and 1988

Source: Labour Force Survey

Not all young multiple jobholders are students. Of the 110,000 young moonlighters in 1988, half were young adults who had left school and an additional 10% were teenagers not in school.

How do young multiple jobholders differ from other young workers? Among teenagers, the differences in occupation and education are negligible (Table 4). Among young adults, however, there are larger differences. For instance, multiple jobholders tend to be more highly educated than single jobholders. They are also slightly over-represented in sales and service occupations, and under-represented in processing, fabricating and machining occupations. The former tend to be low-paying jobs; the latter are often high-paying jobs. (5) Thus, there may be an economic incentive for multiple jobholding among young adults, who are often self-supporting, which is generally absent among teens, who generally still live at home. There may also be a question of opportunity. The incidence of part-time employment is higher in sales and service jobs than in processing jobs, hence the work schedules may be more flexible and opportunities for multiple jobholding accordingly greater.



Table 4 Occupational and educational distribution of young single and multiple jobholders, 1988

Source: Labour Force Survey

Moonlighting and unemployment: the geographical dimension

With unemployment at over one million, some people have argued that steps should be taken to discourage moonlighting. But do moonlighters really fill vacancies that would otherwise be available to the unemployed?

The high incidence of self-employment among multiple jobholders weakens the argument. In fact, moonlighters with two wage or salary jobs (only these jobs can ever be "vacant" and therefore available to someone else) represent only half of all multiple jobholders. (6)

Do multiple jobholders tend to live in areas of high unemployment? Provinces with high rates of multiple jobholding generally have below average unemployment rates, but a more striking spatial feature of moonlighting is its association with small urban and rural areas. In 1988, the average multiple jobholding rate for these areas was 5.5%, well above the 3.9% average for big cities (<u>Table 5</u>). This no doubt reflects the high rates of moonlighting in farming communities.



Table 5 Multiple jobholding and unemployment, metropolitan and non-metropolitan areas, 1988

Source: Labour Force Survey

Conversely, the incidence of two paid jobs is somewhat higher in big urban centres, where the unemployment rate is typically lower. The differences are not dramatic but they do suggest that multiple jobholding may play a role in easing labour market tightness.



Chart C Multiple jobholding and unemployment rates, 1988

Source: Labour Force Survey

Apart from the question of whether multiple jobholders and unemployed persons share the same labour markets, the characteristics of these two groups could differ in ways (such as training and experience) that raise doubts about how suitable the jobs occupied by moonlighters would be for the unemployed. For example, as noted earlier, multiple jobholders tend to have a higher level of education.

Full-time workers, part-time jobs

Some multiple jobholders may hold down two part-time jobs because they are unable to find one full-time job. In 1988, 154,000 moonlighters - over a quarter of the total - worked less than 30 hours in their main job (<u>Table 6</u>). About 77,000 of these saw their hours boosted to 30 or more (the LFS dividing line between full-time and part-time work) by virtue of the second job.



Table 6 Hours worked by multiple jobholders at their main and other job, 1988

Source: Labour Force Survey

On the whole, multiple jobholders tend to work long hours. In 1988, nearly half of them put in 50 or more hours a week. However, about 15% worked less than 30 hours a week even when all jobs were considered, not much below the comparable proportion recorded among single jobholders (Table 7).



Table 7 Total usual hours of single and multiple jobholders, 1988

Source: Labour Force Survey

Moonlighting to make ends meet

Are moonlighters driven by income inadequacy? This question is a difficult one, and the available data do not provide any direct answers. But they do offer a few clues.

For instance, nearly three-quarters of all moonlighters live in families with at least one other worker (<u>Table 8</u>). In addition, fully 16% of these workers are not the only moonlighter in their family. This degree of labour market activity may help to offset low wages.



Table 8 Living arrangements of single and multiple jobholders, 1988

Source: Labour Force Survey

Indeed, moonlighters are not generally high earners. Their average annual earnings are only slightly higher than those of single jobholders: \$23,500 versus \$22,600 in 1987.

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Without the second job, the average earnings of the multiple jobholding group would presumably be well below those of single jobholders. Moreover, the results are not uniform by sex. In 1987, male multiple jobholders earned slightly more than their single jobholding counterparts, but among women, multiple jobholders actually earned less than single jobholders (<u>Table 9</u>).



Table 9 Single and multiple jobholders in April 1988 by their average 1987 earnings

Source: Survey of Consumer Finances and Labour Force Survey

Does the presence of dependent children increase the likelihood of a parent holding two jobs? Among workers aged 45- 64 in 1988, the multiple jobholding rate of parents with children under 18 living at home was well over the rate for married persons with no children at home (4.9% versus 3.4%). The same is true for the 25-44 age group but, in this case, the rate for unattached individuals is higher still (Table 10). The highest rate of all, 6.9%, was recorded for unattached 20-24 year olds. In short, among married couples, those with children do have higher rates - perhaps because of greater economic need. But unattached individuals have high rates too, although their motives may differ. For example, they may have more time available to pursue a personal interest that develops into a business.



Chart D Multiple jobholding rate by sex and 1987 earnings

Source: Survey of Consumer Finances



Table 10 Multiple jobholding characteristics of selected age/family status groups

Source: Survey of Consumer Finances and Labour Force Survey

Regarding motives for moonlighting, an American study of multiple jobholding asked respondents outright what their reasons were:

"About 41 percent of persons working more than one job in May 1985 did so in order to meet regular expenses or pay off debts, and 13 percent cited a desire to save for the future. Another 17 percent indicated that their principal reason for moonlighting was to get experience or build up a business, while 29 percent reported various other reasons." (Stinson, 1986)

Thus the most important reason for multiple jobholding among Americans is perceived economic need. It would not be surprising if Canadians see moonlighting in the same way, but existing data cannot tell us

whether this is the case.

Conclusion

When it comes to moonlighting, the question of choice versus necessity recurs throughout this study. Many moonlighters have their own farm or business. For some, a paid job may be essential to keep the business alive; for others the business may be a secondary concern undertaken for reasons of personal interest. Young people have particularly high multiple jobholding rates. For high school students, moonlighting may generally be a matter of choice. But is it so for postsecondary students? Among married people, multiple jobholding is more common for those with children at home than for those without - but it is also high among unattached individuals.

In the U.S., moonlighting is often associated with financial need: many workers say they need two jobs to make ends meet, or to save for the future. Canadian moonlighters may be motivated by similar considerations - despite the second job, their income levels are only slightly above those of single jobholders.

What is multiple jobholding?

The term "moonlighting" conjures up a picture of a full-time worker in a nine-to-five job holding down a second, night-time job. This picture may have been accurate twenty years ago but today's reality is much more diverse. Technically, a multiple jobholder is any person holding two or more jobs concurrently. The teenager who waits on tables and babysits in the same week is a multiple jobholder. So is the farmer who drives a school bus and the secretary who sells beauty products. Although a person can hold three or even four jobs concurrently, most moonlighters are dual jobholders (<u>Duchesne</u>, 1983). A large proportion of multiple jobholders are self-employed, with a second wage or salary job.

The primary data source for this study is the Labour Force Survey (LFS). The LFS identifies a multiple jobholder's the most time each week. It need not be the job that pays the most, nor the one of longest duration. For the main job, the LFS records industry, occupation, class of worker (employee, self-employed or unpaid family worker), tenure, usual weekly hours and actual hours worked in the survey's reference week. For the second job, the LFS records usual hours, actual hours and class of worker.

The multiple jobholding rate, a measure used throughout this study, shows multiple jobholders as a percentage of all workers.

Who moonlights?

What were the dominant characteristics of the multiple jobholding population in 1988?

- Almost half (44%) were women.
- About 55% were aged 25-44, with the remainder evenly split between younger and older people.
- Postsecondary diploma and degree holders accounted for 38% of all moonlighters and for 46% of moonlighters in the 25-44 age group. Moonlighters tended to be better educated than single jobholders.
- One in twenty were attending school full-time.
- Half held two wage and salary jobs and another four in ten combined a wage and salary job with work on their own farm or business.
- Just over half lived in Canada's 25 metropolitan areas.
- In their primary job, one-third worked in managerial or professional occupations and one-quarter were in sales and service occupations.
- Over half earned less than \$20,000 in 1987, 17% earned \$40,000 or more.

Notes

Note 1

The connection between secondary jobs and income tax evasion was alluded to in a "taxonomy of people in concealed employment" presented in Chapter III of <u>OECD Employment Outlook</u>, 1986. In another study, <u>Alden and Spooner</u> (1982) reviewed the reasons underlying interest in the multiple jobholding phenomenon and, in that context, mentioned a perception that secondary jobs are a significant element in the underground economy.

Note 2

In this study, the self-employed are defined as persons who work for themselves, with or without paid help, in an incorporated or unincorporated business. A second group, unpaid family workers, are employed without pay in a farm or business owned or operated by a related household member. (Unpaid family workers only account for about 1% of total employment.) The largest group, paid workers or employees, are persons who work for others in exchange for wages, salary, commission or payment in kind. They are sometimes referred to as wage or salary workers in this study.

Self-employment has expanded rapidly in the '80s and some readers may wonder if this expansion triggered the increase in the number of moonlighters. While a tendency among the self-employed to hold a second job contributed somewhat, people with two wage or salary jobs were responsible for over half of the 1980-1988 increase in the number of multiple jobholders (113,000 of 216,000). In short, the growth of multiple jobholding is more fundamental, affecting every class of worker.

Note 3

Self-employment among women increased 118% from 1975 to 1986, compared with 39% among men (<u>Cohen</u>, 1988). Over the ten years from 1976 to 1985, the number of female employees with workweeks of 50 or more hours rose 104%. The increase for men was only 31% (<u>Gower</u>, 1986).

Note 4

Survey results on the hours worked by single and multiple jobholding students are based on averages calculated over the eight peak school attendance months in 1988; January to April and September to December.

Note 5

According to the Labour Market Activity Survey, the average hourly wage for sales and service jobs occupied by 20-24 year-olds was \$5.84 in 1986. The corresponding figure for processing, machining and fabricating occupations was \$7.81.

Note 6

In addition, for three-quarters of the 213,000 moonlighters who combined a business with a wage and salary job in 1986, the latter was only a secondary job, generally involving a limited number of hours per week.

Note 7

These results should he interpreted with caution. The annual earnings data refer to people who were single or multiple jobholders in April 1988, when the 1988 Survey of Consumer Finances was conducted. Earnings data refer to the 1987 calendar year. People holding two jobs in April 1988 may not have done so in 1987. People with no earnings in 1987 were excluded from the analysis.

References

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Author

Maryanne Webber is the managing editor of *Perspectives on Labour and Income*. Special thanks to guest editor Ken Bennett.

Source

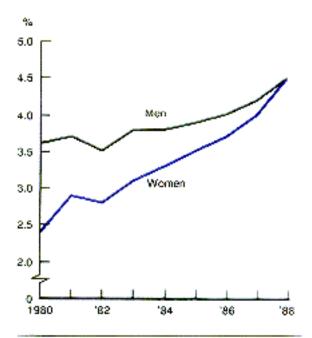
Perspectives on Labour and Income, Winter 1989, Vol. 1, No. 3 (Statistics Canada, Catalogue 75-001E). This is the second of six articles in the issue.



Table 1						
Single and multiple jobholding by class of worker, 1980 and 1988						
	1980	1980 1988				
	'000'	%	'000'	%		
Singlejobholders	10,373	100	11,694	100		
Paid	9,010	87	10,045	86		
Other*	1,364	13	1,649	14		
Multiplejobholders	335	100	551	100		
Both jobs paid	171	51	284	52		
One paid/one other	136	41	213	39		
Both jobs other	28	8	54	10		
Source: Labour Force Survey						
* Includes self-employment and unpaid family work.						

Multiple jobholding rate by sex

The gap between male and female multiple jobholding rates disappeared in 1988.

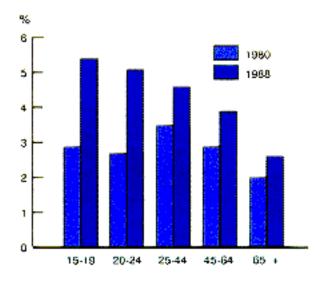


Source: Labour Force Survey.

Table 2							
Multipl	e jobholders by ag	ge and sex	X				
		All ages 15-19 20-24 25-44 45-64					
				' 000			
Multipl	e jobholders						
1980	Men	231	17	24	123	63	
	Women	104	13	19	54	17	
1988	Men	311	24	38	169	76	
	Women	240	25	36	136	42	
				%			
Multipl	e jobholding rate						
1980	Men	3.6	3.1	2.8	4.0	3.5	
	Women	2.4	2.6	2.6	2.7	1.8	
1988	Men	4.5	5.1	5.0	4.6	4.1	
	Women	4.5	5.7	5.2	4.6	3.4	
Source:	Labour Force Sur	vey				,	

Multiple jobholding rates by age

Young people experienced the largest increases in multiple jobholding rates.



Source: Labour Force Survey.

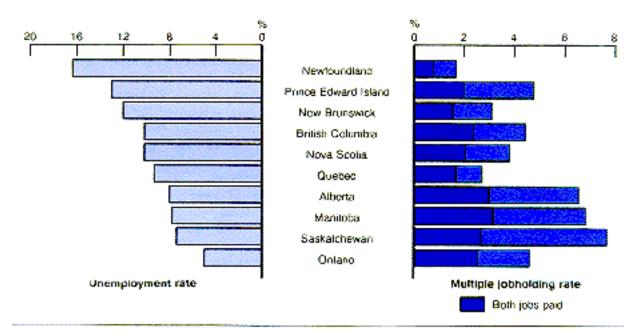
Table 3					
Multiple	jobholding rate	es by age, sex and	student status	, 1980 and 1988	
		1980	1988		
	Non-students	Full-time students	Non-students	Full-time students	
		9	6		
Both sexe	es				
15-19	2.7	2.7	4.7	4.8	
20-24	2.5		4.7	6.4	
Men					
15-19	2.9	3.0	4.0	4.7	
20-24	2.7		4.6	6.6	
Women					
15-19	2.5	2.4	5.6	4.8	
20-24	2.4		4.9	6.2	
Source: L	abour Force Sui	rvey		*	

Table 4					
Occupational and educ	ational distributio	on of young single ar	nd multiple jobho	lders, 1988	
	15	5-19	20-24		
	Single jobholders	Multiple jobholders	Single jobholders	Multiple jobholders	
		'0	00		
Number	872	50	1,392	74	
		9	6		
Occupation*	100	100	100	100	
Managerial/professional	6	9	20	22	
Clerical	18	18	23	24	
Sales and service	50	49	25	31	
Farming	6		3	2	
Processing, etc.	8		15	9	
Other	13	11	16	12	
Education	100	100	100	100	
0-8 years	7		3		
9-10 years	30	28	8		
11-13 years	48	52	41	32	
Some postsecondary	13	14	21	30	
Postsecondary diploma	2		20	21	
Degree			8	11	
Source: Labour Force St	urvey				
* Refers to occupation o	f main job.				

Table 5							
Multiple jobholding and unemployment, metropolitan and non-metropolitan areas, 1988							
	Unit	Unit All areas Metropolitan areas Non-metropolitan area					
Employed	6000	12,245	7,597	4,648			
Multiple jobholders	6000	551	295	256			
Multiple jobholding rate		,					
Total	%	4.5	3.9	5.5			
Both jobs paid	%	2.3	2.5	2.1			
Unemployed	'000	1,031	579	451			
Unemployment rate	%	7.8	7.1	8.8			
Source: Labour Force S	urvey	,					

Multiple jobholding and unemployment rates, 1988

The incidence of multiple paid jobs tends to be lower in provinces of high unemployment.



Source: Labour Force Survey.

Table 6							
Hours worked by multiple j	Hours worked by multiple jobholders at their main and other job, 1988						
Usual hours at other job		Usual hours at main job					
	Total	1-19	20-29	30-39	40-49	50 +	
			'(000			
All workers	551	79	75	128	214	55	
1-19	405	75	55	93	145	36	
20-29	97	-	18	22	44	11	
30 +	49	-	-	13	26	7	
Full-time workers*	473	16	61	128	214	55	
1-19	328	12	40	93	145	36	
20-29	97	-	18	22	44	11	
30 +	49	-	-	13	26	7	
Source: Labour Force Survey							
* Working a total of 30 hours or more per week.							

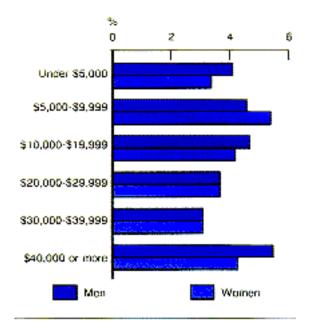
Table 7				
Total usual hours of single and multiple jobholders, 1988				
	Single jobholders	Multiple jobholders		
	%			
Total	100	100		
1-19	10	7		
20-29	7	8		
30-39	24	11		
40-49	48	27		
50 +	12	47		
Source: Labour Force Survey				

Table 8					
Living arrangements of single and multiple jobholders, 1988					
Single jobholders Multiple jobhold					
	%				
Total	100	100			
Unattached individuals	14	15			
Family members	86	85			
Other worker(s) present	69	72			
No other worker(s), at least one unemployed	3	2			
No other member in labour force	14	10			
Source: Labour Force Survey					

Table 9					
Single and multiple jobholders in April 1988 by their average 1987 earnings					
	Single jobholders	Multiple jobholders			
	\$				
Average 1987 earnings	22,600	23,500			
Men	27,600	29,400			
Women	16,300	15,400			
15-19	5,300	6,600			
20-24	13,400	13,700			
25-44	24,500	24,800			
45-64	27,700	31,400			
Source: Survey of Consumer Finances and Labour Force Survey					

Multiple jobholding rate by sex and 1987 earnings

The highest rates occur among men with high earnings and women with low earnings.



Source: Survey of Consumer Finances.

Table 10				
Multiple jobhold	ing characteristics o	of selected age/family sta	ntus groups	
	Multiple jobholding rate (April 1988)	Share of all multipleobholders	Average 1987 earnings of multiple jobholders	Earnings ratio: multiple/single jobholders
Age 45-64	70	70	Ψ	
Head or spouse with children*	4.9	8	33,800	1.09
Head or spouse without children	3.4	12	29,700	1.11
Unattached	3.4	2	31,900	1.21
Age 25-44				
Head or spouse with children*	4.5	34	26,000	1.03
Head or spouse without children	3.8	9	24,900	1.00
Other family member	2.7	3	17,900	1.00
Unattached	4.9	10	22,600	.93
Age 20-24				
Head or spouse	4.6	4	16,000	1.03
Son or daughter	4.1	5	11,000	.99
Unattached	6.9	4	14,500	.93
Age 15-19	,	,	,	
Son or daughter	4.3	6	6,700	1.32
Source: Survey of	Consumer Finances	and Labour Force Survey	y	
* Children under	age 18 living at home	2.		