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National Study of the Changing Workforce

nscw

WORKPLACE FLEXIBILITY AND LOW-WAGE EMPLOYEES

James T. Bond
Ellen Galinsky



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INTRODUCTION

We define “workplace flexibility” as enabling employees to exercise some measure of control over when, where and how much they work. In addition, flexibility includes opportunities for entry, exit, and re-entry to work over the course of employees’ careers. Finally, by our definition, workplace flexibility must “work” for both the employee and the employer, rather than just one or the other. In our fast-paced 24/7 world, flexibility can help employees manage their busy lives on and off the job and help employers manage work flow, and recruit employees, as well as develop, engage, and retain the talent they have.

To date the movement toward greater workplace flexibility has focused disproportionately on higher-earning employees, especially those in two-earner families, with child or elder care responsibilities. They and their employers have been featured most prominently in media examples of employees’ needs for flexibility and in stories about employers who have implemented innovative practices to provide it. In recent years, this topic has also been gaining traction among a growing number of business associations and professional organizations.

Workplace flexibility is typically featured as a means for talent development and talent management, and many employers often view “talent” as applying primarily to their higher earners, rather than their workforce as a whole. Indeed, many employers still view low-wage employees as a low-cost “commodity” that is easily replaced and not worth significant investment to retain. This is all the more true when unemployment is high and labor markets slack.

There are many reasons why this reasoning is out of sync with reality. The low-wage workforce is truly the backbone of the American economy. They make the products and deliver the services upon which our economy depends, even in an economy that continues to outsource. They are often the face or the voice on the phone to customers. In addition, the growing complexity of many entry-level jobs has increased the cost of turnover even when job applicants are abundant. Any organization that has a low-wage workforce but fails to understand its value and respond to its needs is not taking full advantage of the contribution these employees could make.

This paper explores the extent to which low-wage employees have the same access to and the same desire for workplace flexibility as their higher-wage peers, as well as the degree to which they actually use the flexibility they have. Lastly, it considers whether employers that provide greater workplace flexibility to low-wage employees actually benefit from doing so.

The research findings presented here are drawn from the 2008 National Study of the Changing Workforce (NSCW)¹ conducted by the Families and Work Institute. The survey sample is representative of the entire workforce in the United States.² The report looks only at wage and salaried workers (N=2,769) who are employed by someone else. The questionnaire used to collect data in the National Study of the Changing Workforce was designed to capture information about the practices of supervisors and managers, whether they are formalized in policy or not, for these practices, determine what flexibility is actually available to employees and whether there is any jeopardy associated with utilizing available flexibility.

THE NEED FOR WORKPLACE FLEXIBILITY

We find that the majority of American employees feel deprived of time for themselves and for important people in their lives and that time deprivation has increased significantly since 1992:

- Three of four employed parents (75%) feel they don't have enough time to spend with their children, up from 66% in 1992.
- Likewise, 64% of employees in couple relationships feel they don't have enough time with their husbands, wives or partners, compared with 50% in 1992.
- And 61% of all employees feel they don't have enough time for themselves, up from 55% in 2002, the first year we asked this question.

Although one might expect employees in more highly paid jobs to experience more pressure at work and therefore to have less time than low-wage employees for their children, partners, and themselves, *we find no statistically significant difference between wage groups.*

If, as it appears, the majority of employees experience what has been called a "time famine," the desire for workplace flexibility must be widespread. And indeed, *a large majority of employees—88% of low-wage employees and 87% of higher-wage employees—report that having the flexibility they need to manage work and personal or family life would be "extremely" or "very" important if they were looking for a new job.*

WHAT IS A LOW WAGE?

There is no universally agreed upon definition of low-wage employment. In previous research, we and others have defined low wages as wages in the bottom 25% of the earnings distribution. When employees were interviewed for the NSCW survey in 2008, the bottom 25% of the workforce earned \$10.00 or less (or \$10.13 in 2010 dollars). Some have argued that this definition of a low wage is not only arbitrary but also too low given the actual costs of living in the United States. Thus, in this paper we use a different definition—developed by the Organization for Economic Development and Cooperation and the *Mobility Agenda* of the Center for Policy and Economic Research³—that we believe has a strong rationale. Specifically, we define low-wage employees as those who earn less than two-thirds the median earnings of male employees in the United States. When the survey was conducted in 2008, two-thirds of the median income of men in the wage and salaried workforce (i.e., employees) was approximately \$12.82. Thus, employees earning less than \$12.82 (or about \$13.00 in 2010 dollars) are considered low-wage employees while those earning \$12.82 or more are considered higher-wage employees.⁴ A little more than one-third (35%) of the U.S. workforce are low-wage employees by this definition.⁵

HOW DO THE DEMOGRAPHIC BACKGROUNDS OF LOW-WAGE AND HIGHER-WAGE EMPLOYEES DIFFER?

The demographic backgrounds of low-wage and higher-wage employees differ in ways that help to explain their different earning levels (Table 1):

- Low-wage employees are more likely (57%) than higher-wage employees (44%) to be female, and are more likely to belong to minority groups (42% versus 25%).
- Low-wage employees are much younger on average—41% are under 30-years-old versus only 15% of higher wage employees.
- Low-wage employees have much less education on average—61% have a high school education or less versus only 28% of higher wage workers.
- In keeping with their younger age, fewer (54%) low-wage employees than higher-wage employees (73%) are married or living with a partner, but they are almost equally likely to have children at home (42% versus 47%) and just as likely to have elder care responsibilities.
- Low-wage employees are significantly less likely (66%) to work regular daytime schedules than higher-wage employees (79%), though the majority do, and they are much more likely to be paid by the hour (86% versus 60%).
- They are also much more likely (32% versus 9%) to have part-time jobs.
- Lastly, low-wage employees have significantly less tenure with their current employers.

Their younger age, fewer years working for their current employers, and lower level of education go a long way toward explaining the lower earnings of low-wage workers. As they grow older, gain job experience, and complete more education, many employees who currently earn a low-wage will likely increase their earnings. In that sense, low-wage jobs can be viewed as stepping stones to upward economic mobility for some employees. However, note that 42% of employees 40-years-old or older still hold low wage jobs. Overall, *a number of studies have found that education is the surest path to increased earnings.*

Note that low-wage and higher-wage employees are just as likely to have the responsibility of caring for children and elders. However, because low-wage employees have fewer financial resources, they are less able to purchase child or elder care services that can reduce the time demands of providing care. In addition, low-wage employees are less likely to have partners who can share child and elder care responsibilities. This helps to explain why they more often work only part-time and why they value having workplace flexibility as much as or more than higher-wage employees (above).

Table 1: Basic Demographic Characteristics of Low-Wage and Higher-Wage Employees⁶

Basic Demographics	Wage Group		Sig.
	Low-Wage (max n=878)	Higher-Wage (max n=1,609)	
Gender			
Male	43%	56%	***
Female	57	44	
Race/ethnicity:			
White, non-Hispanic	58%	75%	***
Black, non-Hispanic	17	9	
Hispanic	18	11	
Other	7	5	
Age:			
Under 30 years old	41%	15%	***
30-39 years old	18	26	
40-49 years old	20	27	
50 or more years old	22	32	
Highest level of education completed:			
High school or less	61%	28%	***
Some post-secondary	29	30	
4-Yr college degree or more	10	42	
% living with spouse <u>or</u> partner	54%	73%	***
% with any child under 18 at home	42%	47%	*
% has current elder care responsibilities	17%	16%	ns
% with regular daytime schedule / shift	66%	79%	***
% with part-time jobs	32%	9%	***
% paid by the hour	86%	60%	***
Years tenure with current employer:			
Less than 1 year	20%	9%	***
1 – 5 years	54	37	
More than 5 years	26	54	

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

DO LOW-WAGE EMPLOYEES HAVE LESS ACCESS TO WORKPLACE FLEXIBILITY THAN HIGHER-WAGE EMPLOYEES?

Overall Control of Schedule (Table 2): Low-wage employees have significantly less overall control of their work schedules than higher-wage employees, but they are just as happy as higher-wage employees with the schedules or shifts they have.

Flex Time and Flex Place (Table 2): Although *flex time* is perhaps the most familiar flexible workplace option, *flex place* has become much more feasible and widely used in recent years because of technological innovation:

- Higher-wage employees are significantly more likely (49%) than low-wage employees (34%) to be able to change their starting and quitting times within some range of hours periodically, and they are somewhat more likely (85% versus 80%) to be able to make schedule changes on short notice.
- Low-wage and higher-wage employees are equally likely to be able to work a compressed workweek at least some of the time (36% overall).
- However, higher-wage employees are much more likely (21%) than low-wage employees (4%) to be able to work some of their regular paid work hours at home. This difference is most likely due to the fact that low-wage employees are disproportionately represented in occupations—sales, administrative support, and service—that may not readily allow them to work productively at home.

Table 2: Work Schedules and Place of Low-Wage and Higher-Wage Employees

Work Schedule and Place	Wage Group		Sig.
	Low-Wage (max n=878)	Higher-Wage (max n=1,609)	
How much control over work schedule:			
Complete	78%	84%	***
A lot	6	4	
Very little or none	16	12	
Current work schedule or shift meets needs:			
Very true	64%	62%	ns
Somewhat true	26	31	
A little true or not at all true	11	7	
Traditional flex time: % able to choose own starting and quitting times within a range of hours periodically	34%	49%	***
% able to make schedule changes on short notice	80%	85%	**
% allowed to work a compressed workweek at least some of the time	34%	38%	ns
% allowed to work some of regular paid hours at home	4%	21%	***

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

Reduced Time (Table 3): A significant number of employees prefer to work less than full time each week, while some would like to work less than 12-months a year. Moreover, some employees with full-time jobs would like to work only part time:

- As noted above, 32% of low-wage employees but only 9% of higher-wage employees work part-time.
- During the period of economic recession and high under-employment when the survey was conducted, about two-thirds (65%) of part-time employees would rather have been working full-time, and low-wage employees did not differ from their higher-wage peers in this respect.
- Low-wage employees have greater “reduced-time options” —being more likely to believe (64% versus 34%) that they could chose part-time work if currently working full-time (or vice versa) and that they could work less than a full-year schedule (28% versus 20%) if they desired.

Time Off (Table 3): Being able to take limited amounts of time off work as necessary or desired is valued by single employees as well as those with immediate family responsibilities:

- Low-wage employees find it somewhat more difficult to take time off during the workday for personal or family matters.
- They are also less likely to be allowed to engage in some volunteer work in their communities during work hours without losing pay.
- Most striking, low-wage employees are much less likely than higher-wage employees to receive:
 - paid vacation days (65% versus 85%),
 - paid holidays (64% versus 84%),
 - at least 5 paid days off per year for personal illness (48% versus 70%),
 - and, if parents, at least 5 days off per year to care for a sick child without losing pay or having to use vacation time (35% versus 53%).
- Among the relatively small number in our sample who took a leave from work or reduced their work schedule to meet elder care responsibilities, 44% of low-wage employees and 50% of higher-wage employees were able to do so without losing any pay— not a statistically significant difference.

Table 3: Reduced Time and Time-Off Options of Low-Wage and Higher-Wage Employees

Reduced Time and Time-Off Options	Wage Group		Sig.
	Low-Wage (max n=878)	Higher-Wage (max n=1,609)	
% currently employed part-time	32%	9%	***
% employed part-time who prefer full-time hours (ie., involuntary part-time)	63%	68%	ns
% who could switch from full-time to part-time, if currently full-time, or from part-time to full time, if currently part-time, in the same position with their current employers	64%	34%	***
% not currently working part-year who could arrange to work for less than 12 months per year in their current position	28%	20%	**
How difficult taking time off during the workday for personal or family matters?			
Very hard	16%	13%	*
Somewhat hard	22	21	
Not too hard	30	31	
Not hard at all	32	35	
% allow to engage in some volunteer work in the community during regular work hours without loss of pay	24%	34%	*
% who receive paid vacation days	65%	85%	***
% who receive paid holidays	64%	84%	***
% allowed at least 5 days off per year for personal illness	48%	70%	***
% of parents allowed at least 5 days off per year to care for a sick child without losing pay or having to use vacation time	35%	53%	***
Among those who took time off for elder care, % who were able to do so without loss of pay	56%	50%	ns

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

Overall Workplace Flexibility (Table 4): To summarize access to workplace flexibility we developed an overall measure based upon responses to 13 questions.⁷

Higher-wage employees have access to greater overall workplace flexibility than low-wage employees, but less than 25% of employees in either wage group have access to high levels of flexibility. Since 87% of both groups indicate (above) that having the flexibility they need to manage work and personal/life would be extremely or very important in choosing a new job, it seems likely that there is pent-up demand for greater flexibility among both groups. In addition, as the Tables above reveal, there is a difference in the types of flexibility that these groups have. Low-wage employees have more access to flexibility that includes reduced pay (part-time and part-year work) and less access to paid time off (paid vacation and holiday time, paid sick time for themselves and their families).

Table 4: Overall Workplace Flexibility

Overall Workplace Flexibility	Wage Group		Sig.
	Low-Wage <i>(max n=878)</i>	Higher-Wage <i>(max n=1,609)</i>	
Overall workplace flexibility:			
Low	26%	24%	**
Moderate	55	53	
High	19	24	

Culture of Flexibility (Table 5): It really doesn't matter how much flexibility one is offered at work if one is discouraged from using it:

- Low-wage and higher-wage employees are just as likely (42-43%) to feel that they have to choose between job advancement and devoting attention to their families or personal life.
- Low-wage employees are more likely (45%) than higher-wage employees (35%) to believe that they are less likely to get ahead in their jobs or careers if they use flexibility to meet personal or family needs.
- However, low-wage and higher-wage employees view their immediate supervisors or managers as equally responsive (and very responsive indeed) when they have to attend to personal or family business.

Although both low-wage and higher-wage employees' immediate supervisors are very supportive of their needs to manage their work life with their personal and family life, various other aspects of low-wage workers jobs (such as limited vacation and sick leave) are less supportive as noted in Tables 2 – 4 above.

Table 5: Culture of Flexibility at Work – Low-Wage Versus Higher-Wage Employees

Culture of Flexibility at Work	Wage Group		Sig.
	Low-Wage (max n=878)	Higher-Wage (max n=1,609)	
Must choose between job advancement and devoting attention to family or personal life:			ns
Strongly agree	17%	11%	
Somewhat agree	26	31	
Somewhat disagree	27	30	
Strongly disagree	30	28	
Employees who use flexibility to meet personal or family needs are less likely to get ahead in their jobs or careers:			***
Strongly agree	18%	13%	
Somewhat agree	27	22	
Somewhat disagree	21	30	
Strongly disagree	34	35	
Immediate supervisor is responsive to my needs when I have personal or family business:			ns
Strongly agree	70%	69%	
Somewhat agree	24	24	
Somewhat disagree	2	3	
Strongly disagree	4	3	

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

How Frequently Do Employees Use Available Workplace Flexibility?

Table 6 examines the degree to which employees utilize the flexible work options available to them:

- Only 60% of employees use all of the paid vacation days they accrue, with low-wage employees being more likely (65%) to use all of their accrued days than higher-wage employees (58%). On average, low-wage employees used 10.4 vacation days in the past year, and higher-wage employees used 13.6 vacation days.
- Among employees who receive paid time off for personal illness, higher-wage employees are more likely to feel the amount of time they receive is sufficient (92%) compared with low-wage employees (83%)
- Among employees who can chose their own starting and quitting times within some range of hours, a large majority of both low-wage (80%) and higher-wage employees (79%) do so.
- Among those allowed to work a compressed workweek sometimes, 41% of low-wage employees and 49% of higher-wage employees choose to do so—not a statistically significant difference.

- Among those allowed to change starting and quitting times on short notice, higher-wage employees do so somewhat more frequently than low-wage employees.
- Finally, among those allowed to work some of their regular paid work hours at home, 42% of low-wage employees sometimes do this, and 64% of higher-wage employees do so.

Some employers may worry that employees will overuse and abuse flexible workplace options. In the NSCW, we have only one question that might be viewed as an indicator of employees’ frequent use of last-minute or short use flexibility (Table 6): *How often do you change your starting and quitting times on short notice when special needs arise?*

- Of the 84% of employees who are able to change their starting and quitting times on short notice, 72% of low-wage employees and 68% of higher-wage employees change their starting or quitting times *less than once per month*.

This is hardly a sign that employees are overusing the flexibility their employers’ offer.

Table 6: Access to and Utilization of Available Flexible Work Options

Access to Flexibility		Total Sample	Low-Wage Employees	Sig.	Higher-Wage Employees
	Use of Flexibility Among Those with Access				
Allowed traditional flex time (can choose own start and end schedules)		45%	34%	***	49%
	% with access who use traditional flex time	80%	80%	ns	79%
Allowed daily flex time (able to make short notice schedule changes)		84%	80%	**	86%
	% with access who use daily flex time...				
	Several times a month to every week or more	11%	7%	***	12%
	About once a month or less	70	70		70
	Never	19	22		17
Allowed to work compressed workweek some of the time		36%	34%	ns	38%
	% with access who use compressed workweeks sometimes	46%	41%	ns	49%

Access to Flexibility		Total Sample	Low-Wage Employees	Sig.	Higher-Wage Employees
	Use of Flexibility Among Those with Access				
Allowed to work some regular paid hours at home		16%	4%	***	21%
	<i>% who mainly work at home</i>	3%	1%	**	3%
	<i>% with access who sometimes work regular paid hours at home</i>	64%	42%	**	64%
Could arrange to work part-year		23%	28%	***	20%
	<i>% who work part year voluntarily</i>	23%	23%	ns	24%
Able to volunteer during work time without losing pay		32%	34%	ns	34%
	<i>Average number of hours per week spent volunteering (on work time and non-work time)</i>	4.8 hours	6.3 hours	***	4.2 hours
Receive paid vacation time		78%	65%	***	85%
Avg # of vacation days received		15.4 days	11.6 days	***	16.7 days
	<i>% who used all accrued vacation days last year</i>	60%	65%	**	58%
	<i>Avg # of vacation days used last year</i>	12.9 days	10.4 days	***	13.6 days
Receive at least 5 paid days off for personal illness / year		62%	48%	***	70%
	<i>Feel they receive enough paid time off for personal illness</i>	89%	83%	***	92%
	<i>Avg # of work days missed for personal illness in the past three months</i>	1.9 days	2.0 days	ns	1.8 days
Receive at least 5 paid days off to care for a sick child / year		48%	35%	***	53%
	<i>Feel they receive enough paid time off to care for a sick child</i>	91%	84%	**	93%
	<i>Avg # of work days missed to care for a sick child in the past three months</i>	0.9 days	1.1 days	ns	0.9 days

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

DOES THE FLEXIBILITY AVAILABLE TO HOURLY EMPLOYEES AND THOSE WHO WORK NON-STANDARD SHIFTS PARALLEL WHAT IS AVAILABLE TO LOW-WAGE EMPLOYEES?

Recollect, as reported above, that 86% of low-wage employees are paid hourly versus only 60% of higher-wage employees. Also, about one third 34% do not work a regular daytime schedule compared with only 21% of their higher-wage peers. The overall response to the preceding question is “Yes” – both hourly employees and employees not working regular daytime shifts have less access to workplace flexibility than others.

DO EMPLOYERS BENEFIT FROM OFFERING FLEXIBLE WORK OPTIONS?

To address this question we examined the relationship between overall workplace flexibility and six employee outcomes of immediate interest to employers:

- **Overall job satisfaction** (combination of 3 responses to 3 questions)
- **Degree of engagement with job** (combination of responses to 5 questions)
- **Degree to which home life interferes with job performance** such as keeping them from doing as good a job at work as they would like (combination of responses to 5 questions)
- **Physical health status** (response to 1 question)
- **Mental health status** (combination of responses to 10 questions)
- **Likelihood of remaining with current employer** (response to one question)

Measurement of all six outcomes is based on employees’ self-reports. Physical and mental health statuses are included among outcomes of importance to employers because poor health increases health care costs for employers and reduces productivity on the job.

Although we found (Table 4, above) that low-wage employees have less overall flexibility in their workplaces than higher-wage employees, Table 7 clearly shows that *all six outcomes examined here are significantly more positive for both low-wage and higher-wage employees when their employers offer more workplace flexibility*. It is important to note that other things being equal low-wage employees tend to be less satisfied with their jobs and less likely to remain with their current employers; they also tend to have poorer physical and mental health than higher-wage employees. *However, having greater flexibility on the job substantially reduces these differences between low-wage and higher-wage employees as is evident in Table 7.*

Table 7: Benefits to Employers of Offering Flexible Work Options

Outcomes	Low-Wage Employees				Higher-Wage Employees			
	Overall Workplace Flexibility				Overall Workplace Flexibility			
	Low	Mid	High	Sig.	Low	Mid	High	Sig.
Job Satisfaction:								
Low	49%	23%	16%	***	38%	21%	9%	***
Mid	36	33	22		35	34	29	
High	15	44	62		27	46	62	
Job Engagement:								
Low	44%	24%	15%	***	32%	25%	14%	***
Mid	47	44	46		48	51	49	
High	9	32	38		20	24	37	
Home Life Interference with Job:								
Low	23%	35%	44%	***	19%	24%	26%	**
Mid	35	37	38		53	53	52	
High	28	28	19		28	24	22	
Physical Health Status:								
Poor	5%	3%	4%		2%	1%	1%	
Fair	42	21	17	***	23	15	17	***
Good	34	49	36		53	54	45	
Excellent	20	28	43		22	30	38	
Mental Health Status:								
Poor	58%	34%	23%	***	36%	19%	14%	***
Fair	31	47	47		49	52	50	
Good/Excellent	11	19	30		15	29	36	
Likelihood of Remaining with Current Employer:								
Low	31%	27%	24%	***	19%	10%	5%	***
Mid	41	26	24		25	21	16	
High	28	47	53		57	69	79	

Statistical significance: ** = p < .01; *** = p < .001; ns = not statistically significant.

CONCLUSION

Low-wage and higher-wage employees are equally pressed for time in their personal lives and place equal value on having a flexible workplace. For low-wage employees who are just as likely to have responsibilities for child and elder care as higher-wage employees, but who have fewer financial resources to meet these responsibilities and are less likely to have partners who can share family work, having flexibility on the job may be even more important. Although low-wage employees tend to have significantly less access to flexibility at work, when their employers provide this flexibility low-wage employees respond just as positively as their higher earning counterparts. Specifically, we found that job satisfaction, job engagement, physical health status, mental health status, and the likelihood of remaining with one's current employer are higher—and the degree to which home life interferes with work is lower—for both low-wage and higher-wage employees *when their employers offered more workplace flexibility*. Importantly, although low-wage employees tend to be less satisfied with their jobs, less likely to plan to remain with their current employers and to have poorer physical and mental health than higher-wage employees, we find that *having greater flexibility on the job substantially reduces these differences* between low-wage and higher-wage employees.

The implication for employers is clear. Providing more flexible workplaces for low-wage as well as higher-wage employees is not only good for employees but good for business.

ENDNOTES

1 The 2008 National Study of the Changing Workforce (NSCW) survey was conducted by Harris Interactive, Inc. (formerly Louis Harris and Associates) using a questionnaire developed by the Families and Work Institute. Coding of open-ended responses was done by interviewers, with the exception of occupation and industry, which were coded by the U.S. Bureau of the Census using 1990 three-digit occupation (SOC) and industry (SIC) classifications. Although interviewing began in 2007, 88% of interviews were completed in 2008. Thus, we refer to this survey as the 2008 NSCW. A total of 3,502 interviews were completed with a nationwide cross-section of employed adults between November 12, 2007 and April 20, 2008. Interviews, which averaged 50 minutes in length (47 minutes for substantive questions and 3 minutes for eligibility screening), were conducted by telephone using a computer-assisted telephone interviewing (CATI) system. Calls were made to a regionally stratified unclustered random probability sample generated by random-digit-dial methods.

Up to 60 calls were made to each telephone number that appeared to represent a potentially eligible household—busy signal, answer by non-eligible with some indication of a potential eligible in household, or answer by a potential eligible who wanted a callback. When eligibles were identified and requested callbacks, additional calls were made. If 25 consecutive calls were made to numbers where there were no answers and no busy signals (and no other dialing outcome), these numbers were considered non-residential, non-working numbers or non-voice communication numbers. Three to five attempts were made to convert each initial refusal. Despite the fact that the level of effort of 2008 interviewers went substantially beyond the efforts made in 2002, 1997 and 1992, the overall response rate was only slightly higher, indicating that it has become significantly more difficult to complete telephone interviews in recent years.

Sample eligibility was limited to people who 1) worked at a paid job or operated an income-producing business, 2) were 18 years or older, 3) were in the civilian labor force, 4) resided in the contiguous 48 states and 5) lived in a non-institutional residence—i.e., household—with a telephone. In households with more than one eligible person, one was randomly selected to be interviewed. Interviewers initially offered cash honoraria of \$25 as incentives. In order to convert refusals, a higher amount (\$50) was offered.

Of the total 42,000 telephone numbers called, 24,115 were found to be non-residential or non-working numbers and 6,970 were determined to be ineligible residences (1,389 because no one spoke English or Spanish well enough to be interviewed). Of the remaining telephone numbers, 3,547 were determined to represent eligible households, and interviews were completed for 3,502 of these—a *completion rate of 99 percent*. Eligibility or ineligibility, however, could not be determined in the remaining 7,368 cases. Among those contacts for which eligibility could be determined, the eligibility ratio was 0.3886 [3547/(3547+5,581)]. Thus, we estimate that potentially 38.86 percent of the 7,368 cases for which eligibility could not be determined—2,863 cases in all—might have been eligible households. Dividing the number of completed interviews (3,502) by the number of known eligibles (3,547) plus the number of estimated eligibles (2,863) yields an *overall response rate of 54.6 percent for potentially eligible households*. [This method of response rate calculation follows the conservative CASRO and AAPOR recommendations.]

All sample weighting was done in relation to the U.S. population using data from the March 2007 Current Population Survey. The sample was first weighted by the number of eligibles in the respondents' households in relation to the percentage of households in the U.S. population with the same number of eligibles (i.e., number of employed persons 18 and older per household with any employed person 18 or older), eligible men and women in the U.S. population and eligibles with different educational levels in the U.S. population. [Other weights were also calculated and can be found in the public-use data files.] The average design effect for the weighted sample is estimated to be 1.359. Applying this Design Effect, the average sampling error for wage and salaried sample statistics (n=2,769) is approximately +/- 1.1 percent versus +/- 1 percent for the unweighted sample.

Of the total sample of 3,502 interviewed, 2,769 are wage and salaried workers who work for someone else, while 733 respondents work for themselves—255 business owners who employ others and 478 independent self-employed workers who do not employ anyone else. In this report, we restrict analyses to those who are wage and salaried employees.

2 The sample was weighted for analysis to correct for any biases that might be present. The March 2007 Current Population Survey provided control totals for calculating sample weights—that is, sample proportions were adjusted to CPS proportions. The weighting algorithm included the following demographic factors: number of eligibles in household, gender, education level completed, race/ethnicity (White, non-Hispanic; Black, non-Hispanic; Hispanic; other), and age. The maximum sampling error for the wage and salaried sample (n=2,769) is approximately +/- 1.6 percent after adjusting for the survey's design effect.

3 Organization for Economic Cooperation and Development (1997) *Employment Outlook 1997* Paris, France: OECD; Boushey, H., Fremstad, S, Gragg, R., and Waller, M. (March 2007) *Understanding Low-Wage Work in the United States*. Washington D.C.: Center for Economic and Policy Research.

4 In this paper, wages refer the earnings of both hourly and salaried employees.

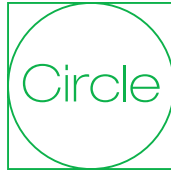
5 Note that only half of *low-wage* employees live in *low-income* households, defined as households with incomes below 200% of the federal poverty threshold.

6 In Table 1 and elsewhere column percentages do not always add to 100% because of rounding error.

7 The thirteen types of flexibility included in the global measure are: traditional flex time, short-notice flex time, flex place, compressed workweek, lack of difficulty in taking time off, advance notice for overtime, at least five paid sick days for oneself, at least five paid sick days for one's child, part-time work if full time or full-time work if part time, part-year work, overall schedule flexibility, a schedule or shift that meets one's needs, and lack of career jeopardy for using flexibility.

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