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## Moonlighting in the United States

Jean Kimmel  
*W.E. Upjohn Institute*

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## Moonlighting in the United States

Moonlighting workers represent a significant portion of the U.S. labor market, and their numbers are growing due to increasing rates among women. Moonlighting, or multiple-job holding, reflects an increased need for flexibility to combine work and family, growing financial stress, and a need to develop alternative job prospects. It takes many forms, and workers choose to take a second job for numerous reasons.

Moonlighters might hold two part-time jobs in order to schedule work hours around family obligations; they might add a part-time job to a primary full-time job because of financial hardship or as a way to improve their standard of living; or they might work at an additional job as a way of learning new skills or preparing for a career change.

In many cases, moonlighting reflects the individual's best choice when faced with the need for a flexible work schedule, but in many others it reflects growing economic hardship that threatens the financial stability of families. Moonlighting trends are linked to a growing divergence between rich and poor, as well as a general sense that families are working more for less. Multiple-job holding by women has increased in recent years as a result of the increasing percentage of families headed by females, low relative wages, and stagnant male earnings.

### **Moonlighting Trends**

How prevalent is moonlighting in the U.S. labor market? Approximately 5.9 percent of workers reported holding two jobs at some point in 1994, but a much larger percentage of workers moonlight at some time during their working lives. Figure 1 (not available in this electronic file) shows that moonlighting rates for males have fluctuated around a fairly stable level for many years. However, rates for women have increased dramatically, growing from one-third of the male moonlighting rate in 1970 to equal the male rate in 1994. Also, female moonlighting patterns have become somewhat more like those of their male counterparts in recent years—holding a full-time job plus a part-time job. The rates for females and males job-packaging in this way are 60 percent and 80 percent of moonlighters.

So, who is the typical moonlighter? The jobs most often associated with moonlighting are in services, entertainment, public administration, and college teaching. A typical male occupation with a high moonlighting rate is protective services.

Moonlighting rates vary significantly according to marital status. Rates for previously married and never-married women have climbed substantially in the past two decades, currently standing at 7.2 percent and 6.7 percent, respectively. These rates are much higher than the rates for married women or for any group of men. The rate for married women is 5 percent, up from 3 percent in the late 1970s. The highest rate for men is the 6.1 percent reported by married men. Moonlighting rates for all unmarried women reflect the rise in female-headed households and

continued gender wage disparity. Women are much more likely than men to be employed in low-paying, often part-time, service-sector jobs. Women are also more likely than men to need flexible job arrangements in order to work around their children's school schedules.

Many moonlighters hold the second job due to economic hardship (i.e., to meet regular expenses or to pay off debts). The percentage of moonlighting for this reason has held fairly steady since the early 1970s—40 to 45 percent for women and consistently about 8 percent less for men. Previously-married single women have the highest rate of moonlighting due to economic hardship; they report a rate of 63 percent, nearly 20 percent above the highest rate for any male marital status group. This group of women is likely to be newly poor, often working two jobs in an attempt to retain the standard of living experienced during the marriage.

For the most part, moonlighters tend to come from both low- and medium-income families. Those at the bottom of the pay scale are packaging jobs to achieve a subsistence standard of living, while those in the middle-class range are moonlighting to achieve a higher standard of living. Also, many workers moonlight to develop alternative job prospects as insurance against possible job loss. Finally, there are substantial differences across race in moonlighting rates and motivations. Blacks and people of Hispanic origin, of either gender, moonlight at much higher rates and more often due to economic hardship than Whites.

## **Problems and Solutions**

To what extent does moonlighting represent a symptom of a problem, and what are possible solutions? In many cases, moonlighting represents the positive choice of options available to individual workers. However, the data show that moonlighting often reflects poor returns to work, coupled with rising living costs and changing family structure. (There are no studies that provide a careful empirical disentanglement of these multiple causes.) The key societal concern is the financial stability and overall well-being of families.

Persistently high male moonlighting rates and rising rates for women are linked to growing time pressures faced by workers. From the late 1970s to the late 1980s, while family incomes were falling or stagnant, the percentage of the full-time workforce working 49 or more hours per week rose from 18 to 24 percent.

Clearly, financial pressures facing families have intensified in the past two decades. Many families are striving to achieve a comfortable standard of living by increasing weekly hours of work and by additional income from working wives. However, this effort is often hindered by declining earnings and nonwage compensation, in addition to increased housing costs. Real earnings declined 30 percent from the early 1970s to the late 1980s for those with a high school education or less and for all young families. Overall, real median income grew only by 0.4 percent, while employer-provided nonwage benefits fell. In addition, the real median price of a home grew 20 percent and real rental costs grew 13 percent during the same time period. Finally, college tuition costs (another serious family financial burden), grew well above the rate of inflation during the same period. (See *The State of America's Children* 1994.)

The labor market problems of which moonlighting is a symptom can be summarized as bad jobs and high costs of work. These issues can be addressed with a combination of policies aimed at supporting the development of high-skilled workers and jobs, and making work pay. Sustained economic growth will relieve some portion of the problem, as will policies designed to encourage individuals to invest in their own human capital. An indirect effect of improving employment prospects for low-skilled workers could be to improve marriage rates.

An additional concern is the weakness of the social safety net for working mothers. The problems facing females heading households are acute, and significant improvement could be achieved by strengthening child support awards and enforcement mechanisms. Policies designed to make work pay also must focus on the costs of work, including child care, transportation, and replacement of public health insurance with employer-provided coverage.

Whether or not one favors active policy intervention, the problems that have resulted in sustained use of the moonlighting option by men and increased usage by women should weigh heavily with policy makers in Congress as they debate the variety of reforms currently under consideration. Highest priority should be given to those policies that will benefit working-poor and true middle-class families.

Jean Kimmel is an economist at the Upjohn Institute.

### **Suggested Readings**

Karen Conway and Jean Kimmel, "Male Labor Supply Estimates and the Decision to Moonlight," W.E. Upjohn Institute Working Paper No. 92-09, revised June 1994.

Jean Kimmel and Karen Conway, "A Duration Model of Moonlighting," W.E. Upjohn Institute Working Paper, forthcoming June 1995.

Alec R. Levenson, "Where Have All the Part-Timers Gone? Recent Trends and New Evidence on Dual-Jobs," Milken Institute for Job & Capital Formation Working Paper No. 95-1, January 1995.

*The State of America's Children*, 1994. Washington, DC: Children's Defense Fund.

Dr. John Stinson, periodic articles in *The Monthly Labor Review*. Some statistics reported here have appeared in various BLS reports; others were obtained directly from Dr. Stinson. His generous assistance is much appreciated.