

Hiring

The Case for Hiring More Full-Time Workers

by Adam Roseman

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Summary. There is less and less relationship between those who have “work” and those who are making enough money to survive. In 2017 nearly 80% of full-time workers in the U.S. were living paycheck to paycheck. Almost half of working Americans have a side hustle, often... [**more**](#)

If you pay attention to the flood of recent news reports about jobs in America, you might think that workers have it made these days. After all, the official unemployment rate is close to a 50-year low. But in

many ways, workers are facing a bleak situation.

There is less and less relationship between those who have “work” and those who are making enough money to survive. In 2017 nearly 80% of full-time workers were living paycheck to paycheck. Almost half of working Americans have a side hustle, often because they need the extra money. More than one-quarter of Americans did not plan a summer vacation this year (and another 22% had not yet decided when polled). Most of them say they simply can’t afford it.

Monthly figures from the U.S. Bureau of Labor Statistics show close to five million Americans can’t get full-time work due to economic reasons, including slack work (“a reduction in hours in response to unfavorable business conditions”), unavailable full-time positions, or seasonal declines in demand. Many people who are employed full-time, which the U.S. government defines as 35 hours a week, don’t have the standard benefits associated with a traditional job. This is arguably a result of the growing gig economy. As of 2018, one in five U.S. jobs was held by a contractor, and according to NPR, half of the country’s workforce could be freelancers and contractors within the decade.

Contractors, freelancers, and other people with alternative work arrangements, often referred to as gig workers, are typically not eligible for employer-provided health insurance. Most also are not permitted to collect unemployment insurance, putting them at serious financial risk if their work suddenly dries up.

As the founder of a startup that helps people achieve a stable income, I’ve made it a point to hire only full-time employees with benefits (with the exception of interns and those who are looking for part-time work). While it costs more in the short term, I believe that creating full-time work opportunities for people who want them is the right thing to do for employees and the right move for organizations looking to reach success. There are strong financial incentives for businesses to do so, for two main reasons.

First, full-time work results in less-stressed workers. Americans are among the most stressed people in the world. Recent research shows that anxiety levels among gig workers are nearly twice as high as those among people whose primary income comes from traditional work arrangements.

This kind of stress isn't just a personal problem. It takes a toll on businesses. Financially stressed employees are more likely to call out sick, show up late to work, be distracted, and be less productive overall.

Organizations have an opportunity to help themselves and workers by providing more financial and personal stability — meaning full-time, well-paying jobs with benefits. You can start by setting reasonable salaries. Look at what companies similar to yours pay for similar positions, and factor in the cost of living in your city.

Second, full-time work leads to greater worker loyalty. Traditional workers stay longer with the same company than gig workers generally do. BLS figures show that the median tenure of wage and salary workers is about four years, and it has stayed relatively constant over the past decade. Meanwhile, last year the turnover rate (the rate at which a company needed to replace workers for the same position) spiked to its highest level since 2000. It's little surprise that a UK survey found that the majority of people in "atypical forms of employment" value the kind of security and benefits generally associated with traditional work arrangements more than they value the autonomy and flexibility of gig work.

I've found that by making almost all of my employees salaried workers with benefits, I help ensure that they feel valued, respected, and appreciated. Research shows that this increases productivity. In one study, 93% of employees who reported feeling valued said they were motivated to do their best at work, as compared with only 33% of those who did not feel valued. Another survey found that two-thirds of workers would quit their jobs if they did not feel appreciated. Constantly hiring and training new workers to replace

those who leave isn't just expensive. Higher turnover creates a culture dominated by instability and reduces institutional knowledge among employees.

It's true that these factors won't always be enough to make hiring full-time workers the cheaper option. It's also true that business leaders have to make tough choices every day about where to put resources. But leaders, more than anyone else, are in a position to create positive change. We can provide people with stable employment and benefits that could lift them out of potentially devastating economic conditions and give them a stronger future. As long as we live in a world where full-time work is a choice, it's the one we should strive to offer.

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