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# Rise in second jobs makes UK a nation of grafters

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The UK is becoming a nation of grafters. With living standards at their lowest in a decade and real-term wages falling 8 per cent since the financial crisis, more people are cramming extra work into evenings, weekends and even their lunch hours to supplement their main incomes.

Officially, the average number of hours Britons work each week has increased from 31.4 to 32.2 since 2011 after years of decline. There are now about 1.2m with two jobs, up from about 1.05m in 2007. The number of workers combining their main job with a second self-employed role has increased 40 per cent since 2006 to 450,000.

These numbers become much larger if “moonlighters”, who do not declare their second incomes, are included. Tax authorities estimate that the amount of tax missed on second incomes swelled 10 per cent in the year to 2012/13.

Jennie Granger, director-general of enforcement and compliance at HM Revenue & Customs, said the rise in moonlighting was bigger than the rise in “ghosts”, her term for people who disappear entirely into the shadows. HMRC thinks it missed about £1.3bn of unpaid tax from ghosts and £2.1bn from moonlighters in 2012/13.

“I think it is quite hard to be a ghost, it is much easier to be partly in and out of the economy,” she said. “People don’t feel as strongly about declaring a second job.”

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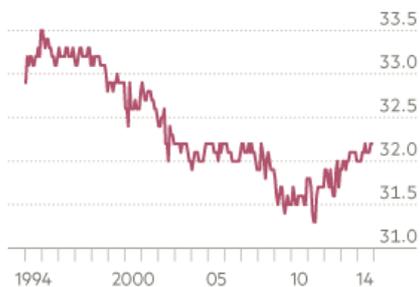


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Economists at Morgan Stanley note that the amount of cash circulating in the economy has increased since 2007 and estimate that the grey economy has grown by about 3 per cent of GDP.

Pinning down the size of the informal economy is difficult. One HMRC official quipped that it was “like looking for the absence of a cat in a dark room” but tell-tale signs sometimes appear in unusual places. For example, Charles Curry, who founded the technology company Chronos, thinks moonlighting van and taxi drivers might help explain the growing phenomenon of “GPS jamming”.

Average hours worked  
Hours per week



Source: ONS

Cheap GPS jammers can be bought online; they plug in to car cigarette lighters and can stop the tracking systems that companies use to monitor their vehicles. Mr Curry, who has a network of stations that detect GPS jamming incidents, has noticed the majority of central London’s incidents happen at night. The most likely culprits, he thinks, are “taxi drivers working late not in their patch, and van drivers working on picking stuff up and not wanting their boss to know where they are”.

Cash in the economy



Source: Morgan Stanley

About 80 per cent of the users of People per Hour, a website for online freelancers, are “five-to-niners” who log on after work to earn some extra money by doing tasks such as web design or copywriting. Some even do small slices of work in their lunch hours.

According to a poll of the site’s users, almost a quarter were doing extra work to cover payday loan or credit card bills and another fifth were trying to cover childcare costs.

The Office for Budget Responsibility, the nation’s fiscal watchdog, concluded that falling real wages probably explained the rise in hours being worked. It said in a report: “Much of the shock to incomes is expected to be permanent, in which case it is unlikely that average hours will resume their long-term decline quickly.”

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## Case Study: From factory worker to jewellery maker

Einar Parker hardly had a lot of spare hours: his full-time job at a car seat factory in Staffordshire involved working day shifts, night shifts and plenty of overtime on the assembly line, all to earn about £22,000 to £24,000 a year, **writes Sarah O'Connor**. Yet in 2012 he found time to learn how to make jewellery and to sell it through Etsy, an online marketplace, to customers as far away as Vietnam and the US.

It was tiring, juggling jewellery-making with his factory job, but it fulfilled his desire to do something creative and helped pay the bills, bringing in an extra £3,000 with the potential for rapid growth.

“It came out of my creative urge but I already knew every single bracelet had to bring some profit,” the 44-year-old father-of-two said. “It was 50:50, because we bought a house and we had no money to buy a house, so we struggled a little bit with money.”

Mr Parker is one of hundreds of thousands of workers who fit in second jobs during their evenings and weekends. The numbers in his position, combining a full-time job with self-employment, have risen 40 per cent since 2006 to 450,000.

A proliferation of freelancer websites like PeoplePerHour and online marketplaces such as Etsy and Ebay have made it easier than ever for people to work for themselves, for as many or as few hours as they want. Very little capital is needed to start an Etsy shop and there is hardly any risk, since most sellers only make products on demand.

“You have the means and the tools to go out there and get work for yourself, more than you did at any time in history, so the fear factor is dwindling,” said Xenios Thrasyvoulou, PeoplePerHour’s chief executive.

Benedict Dello, a senior researcher at the Royal Society of the Arts, surveyed 600 Etsy shop owners last year and said they told him “how their shops gave them a sense of purpose that was absent in their day job”.

Mr Parker felt that way. He enjoyed exchanging emails with his customers, trying to perfect their bracelet or ring. “I didn’t feel like I’m a factory just producing those bracelets . . . I wanted to have a more personal touch,” he said.

Now he hopes to run a business of his own full-time, and has put his jewellery-making on hold while he learns how to be a company director. “I grew up in communistic Poland and my family wasn’t very entrepreneurial-minded,” he said. “But over the years I changed, and I don’t see now any other way for me than just being on my own.”

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