



# Sheep-Shearing Wells Fargo Banker Bridges U.S. Income Gap: Jobs

By Kasia Klimasinska

Feb. 13 (Bloomberg) -- During the week, Jesse Brown, 34, works as a personal banker at a Wells Fargo & Co. branch in Vienna, Virginia. On weekends, he sells coffee machines and occasionally goes to area farms to shear sheep.

"Around here the cost of living is pretty high," says Brown, who shares a townhouse near Washington D.C. in Annandale, Virginia, with as many as three housemates, and helps support his five-year-old daughter. He says he is "trying to make ends meet and save for her as well."

Americans such as Brown are holding multiple jobs to earn extra income in a still-erratic labor market, supplement wages that are essentially flat or seek to get paid for time they spend on hobbies or interests anyway.

About 4.9 percent of working U.S. adults have more than one job, with about half holding a full-time and a part-time position. The share of moonlighters has been steady since 2010, according to Bureau of Labor Statistics data, though down from 5.2 percent in 2008.

The numbers may be higher than government statistics reflect because there have been fundamental changes in the labor market since the recession and recovery, said **Bernard Baumohl, chief global economist at the Economic Outlook Group LLC** in Princeton, New Jersey, in an interview.

"More people have actually entered and remained in the underground economy than we have seen before," he said. Workers are trying to raise their income even as job growth is sluggish, he said. So while employed, they may also do handyman repairs, or tutor, or fix computers. Many of these are cash transactions and become part of the shadow economy.

## Underground Economy

While it's impossible to track all moonlighters and their earnings, the money shows up in the economy when it is spent, he said, as seen in retail sales growth that is outpacing income gains. U.S. real disposable personal income grew by 0.7 percent last year while retail sales increased 4.2 percent. His estimates concur with academic studies, **Baumohl** said, which put the underground economy at as much as 10 percent of gross domestic product, or as much as \$1.6 trillion.

More Americans are also turning to freelancing to try to help maintain their standard of living in a time of weak income growth, said Sara Horowitz, executive director of the Freelancers Union. Membership in the New York-based advocacy group has more than tripled over the past six years to 234,208 this month, according to the organization.

Earnings per hour for private-sector workers have climbed 2 percent a year on average since 2011 compared with a 3.1 percent gain in 2007, the last year of the previous expansion. Adjusted for inflation, they've barely grown at all.

## Stagnant Wages

"Certainly for much of the workforce, real wages have been stagnant in recent years," Federal Reserve Chair Janet Yellen said Feb. 11 at a House Financial Services Committee hearing in Washington.

Retail workers often take second jobs when their primary employers limit hours to hold down costs, said Jonathan James, assistant professor of economics at California Polytechnic State University in San Luis Obispo, California. Overtime laws generally mandate extra pay for hourly employees who work more than 40 hours a week.

James, who studied moonlighting in a 2012 report when at Federal Reserve Bank of Cleveland, said research shows that Americans also take second jobs to earn money doing something they already enjoy.

That was the case for Rohan Anand, 27, who increased his income by \$2,000 over six months by turning his yoga passion into a part-time instructor position. Anand, a software business analyst for Navitaire LLC, an Accenture Plc subsidiary providing airline reservation and revenue management systems, usually teaches one class a weekend at CorePower Yoga studio in Minneapolis.

## Side Businesses

Others operate small businesses on the side. Katie Olson, 30, is a communications manager at Minnesota Computers for Schools in Minneapolis. In her spare time, she and her fiancé, Clint McMahon, run MPLS / STP Clothing Co., which sells Minnesota-themed T-shirts.

“It’s definitely for fun,” Olson said of their home-based business. “We don’t really take in a ton of money.”

MPLS / STP Clothing uses Bigcommerce software company to sell its products. Bigcommerce, which helps set up online stores and process credit card payments, says that about a third of its clients log in between 6 p.m and 8 a.m. E-commerce is an extra business for Bigcommerce’s customers, supplementing their regular full-time jobs, said Eddie Machaalani, chief executive officer the company, which is based in Austin, Texas, and Sydney, Australia.

“More and more people are becoming entrepreneurs,” he said. “People are either creating a hobby business on the side, while they’re working, or their dream is to test something really quickly, without committing 100 percent.”

#### Income Insurance

Having a second source of income is a form of insurance, said Ford R. Myers, president of Haverford, Pennsylvania-based Career Potential LLC. Myers, who has been assisting job seekers since 1993, says he helps clients land full-time jobs and then encourages them to develop a sideline.

“If something bad happens, you won’t be totally messed up,” he said. “Instead of being stuck if you lose your position, now you can have a second or a third stream of income.”

That strategy worked for Renee Kwok, 36, who started teaching yoga when she was working as a graphics reporter at the Sun Sentinel in Fort Lauderdale, Florida, and picked up more classes after she lost her job at the paper in 2011. She also does some design assignments for extra income.

#### Multiple Jobs

Women jobholders are nearly twice as likely as men to hold more than one part-time job, while men are more apt to work full time on the primary job and part time at the secondary job, said Steve Hipple, an economist at the Bureau of Labor Statistics in Washington. Teachers, policemen and firefighters most often have multiple jobs, according to Hipple.

The government’s data may not reflect the true picture, said Freelancers

Union's Horowitz.

"Would someone who sells on Etsy and rents their room on Airbnb and has a 20-hour-a-week gig be counted as having 'multiple jobs'? It's not clear," she said. "The entire way we collect data on workers needs to adapt to the changing ways people work."

Etsy Inc. is a New York-based online marketplace for handmade and vintage goods that sold more than \$1 billion in merchandise last year. Airbnb Inc. allows people to rent dwellings on a short-term basis as an alternative to hotels.

BLS's Hipple says its survey methodology captures those selling hand-made goods on the Internet and other forms of work.

### Some Hurdles

There are hurdles. Some employers prohibit moonlighting or limit it to non-competitive assignments. Additionally, a second position requires a commitment in commuting time and other potential expenses, said James.

Brown, who started working at Wells Fargo about six months ago advising clients on financial decisions, said the predictable hours allow him to handle other jobs.

In spring and autumn, he's busy shearing sheep, mostly in Maryland and Virginia, where he learned the skill as kid when he moved with his parents to the countryside. Other weekends, he showcases Nestle SA's Nespresso machines in Washington-area shopping centers. He is also taking biochemistry classes at the Fairfax, Virginia-based George Mason University. "I've got to definitely be creative with scheduling," Brown said.