



Issues in Measuring “Non-Standard Work”

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Comments do not represent official BLS positions



- **Abstracting from conceptual issues on how to define “Non-Standard Work”**

- **BLS Brief outlines 12 arrangements that possibly could be considered Non-Standard**

- Part-time workers who work part time for economic reasons
- Part-time workers who work part time for non-economic reasons
- Self-employed workers who are incorporated
- Self-employed workers who are unincorporated
- Independent contractors (primarily a subset of the self-employed)
- Unpaid family workers
- Temporary help services workers
- Leased employees (Professional Employee Organization workers)
- Contracted out workers (except temporary help and leased workers)
- On-call workers
- Day laborers
- Direct hire temporary workers

- **Concentrating on measurement error and survey methodology issues**



Estimates Derived from 3 BLS Data Sources

- **Current Population Survey (CPS)**

Monthly Household Survey of 60,000 residents addresses which collects information on labor force status and demographic characteristics of approximately 110,000 individuals in the non-institutional population age 16 and older

- **Current Employment Statistics (CES)**

Monthly Establishment Survey of approximately 160,000 businesses and government agencies that collects detailed industry data on employment, hours and average earnings from approximately 400,000 worksites

- **Contingent and Alternative Work Arrangement Supplement**

Supplement to the CPS conducted in February 1995, 1997, 1999, 2001 and 2005. Asked all employed individuals (except unpaid family workers) about potential precariousness and intermediation of work arrangement of main job (if multiple job)



Measurement of Employment

- **CPS measure includes anyone who worked for as little one hour for pay or profit or who was temporarily absent from a job**
 - Regardless of type of work arrangement**
 - Includes self employed and unpaid family workers (15+ hours)**
 - Includes all non-institutional, residential Population age 16 and older, but may understate employment of illegal immigrants**



Measurement of Employment (continued)

- **CES measures number of payroll jobs (wage and salary employment)**
 - **Provides detailed industry information**
 - **Measures jobs (not workers)**
 - **Does not include self employed**
- **CES and comparable CPS estimates of employment**
 - **Typically within 5 percent of each other**
 - **Generally follow the same pattern over time**
 - **Differences obtain a great deal of scrutiny**

Measurement of Hours

- **CPS measures the usual and actual hours individuals work per week, separately on their main jobs and secondary jobs (if concurrent multiple job holders, hours for two or more secondary jobs combined)**
 - Studies assessing quality of CPS hours find them to be fairly accurate**
 - **Comparison to individual's employer records differences ranged between 0% to 3.9% on average**
 - **Comparison to time diaries (ATUS) hours quite similar**
 - ◇ **But CPS reference week not representative of month and distinction between time spent at work and time spent actually working**



Measurement of Expected Duration

As a measure of whether a job is temporary individuals in the CWS are asked both if their job is temporary and how long they expect their jobs and arrangement to last (even if they didn't indicate that it was temporary)

- Quality of this expectation can be assessed by matching part of the CWS sample to the next the next year, in January (when a tenure supplement was conducted).**

For Feb 2005

-- 74% did not have the same employer almost a year later (January 2006)



Measurement of Self Employment

- CPS identifies monthly the self employed, both *incorporated* and *unincorporated*
- Published estimates only include *unincorporated*
- A quarter of the *unincorporated* self employed are asked every month how many employees they have, *incorporated* asked in CWS
 - 17% Unincorporated had employees, 6.1 average if have
 - 57% Incorporated had employees, 13.6 average if have
- Limited research in '80s indicates some confusion on incorporation status, '90s issues with Limited Liability Corporations



Measurement of Independent Contractors

- **ICs generally a subset of the self employed**
- **BUT not all self employed are ICs**
 - **Business owners (i.e. retail shop and restaurant owners) probably don't identify as independent contractors**
 - **Only 3 out of 5 self employed identified as independent contractors**
- **NOT all ICs are self employed**
 - **87% self employed, 13% wage and salary**
 - **Not all wage and salary ICs misclassified by employers**
 - **Some legitimate (e.g. private household workers, 13% of and real estate agents 15% of this group)**
 - **Some response issues to CPS question classifying as wage and salary as opposed to self employed**

Measurement of Temporary Help Agency Workers

- **CES most commonly cited source for THA *jobs***
 - Sept 2008 1.7% of non-agricultural payroll
- **Monthly CPS also can obtain an estimate of number of THA *workers***
 - Approximately 40% of CES estimate
 - Respondents reporting place of work as employer (Question wording may encourage)
 - A little jobs versus workers (for multiple job holders)
- **CWS question crafted to correct underreporting in monthly**
 - Is individual *paid* by a THA?
 - CWS closer, but still underestimates CES
 - CPS .9% employed^{*ces def}, CES 1.8% in Feb 2005
 - Perhaps definitions need clarifying, particularly for long term temps or temp to perms
 - CES response rate for supersector THA in is $\approx 85\%$



Measurement of Leased Employees (PEOs)

- **Client Company transfers workforce to leasing or “Professional Employer Organization” (PEO)**
- **CES 0.6%, Economic Census 1.5% of nonagricultural payroll employment in 2002**
- **Due to Unemployment Insurance rules and BLS staff effort some PEO employment reported in client sector in CES**
 - **34 states with laws which should affect**
 - **Only explains part of discrepancy**
- **Not asked about in CWS**
 - **Originally in 1995 supplement, but question confused people**



Lack of Industry Information of THA and PEO Clients

Proposed a supplement to the CES

- **Two Phases of Testing**
- **Initially exploratory and cognitive pretest interviews with potential PEO and THA industry respondents**
 - **PEOs**
 - **Able to provide industry of clients**
 - **Some resistance to non-mandatory survey**
 - **THA**
 - **Generally company files didn't have industry codes, occupation of employees information had**
 - **Abandoned thought of interviewing THA and PEOs only**



Testing of Proposed CES Supplement (continued)

- **Second Phase: Exploratory and cognitive pretest interviews of subsample of CES respondents (some of whom may use PEOs and THAs)**

- **Comprehension of requested items and definitions**

Temporary Help Workers best understood

**74% understood, 11% somewhat understood,
14% did not understand**

**PEO primarily only understood if used
4% understood**

Some Respondents thought understood when didn't



Testing of Proposed CES Supplement (continued)

○ Data Availability

Large firms used records, small firms records and memory

Some large firms indicated information needed to be collected at worksite level not centrally

More than one respondent likely to be needed in large companies or industries (e.g. hospitals using temps across departments)

○ Sampling issues for PEOs

Leased employees not in Unemployment Insurance account which is used for sampling



Measurement of Contracting Out

- **Difficulties in determining boundary of what is and what is not an intermediated work arrangement with contracting out**
- **CWS a subset – Contract Company Workers only**
Workers who they or their services provided under contract, usually assigned to only one customer, usually work at customers worksite



Measurement of Contracting Out (continued)

- **For Proposed CES supplement suggested asking about “Other” Contract workers (independent contractors and workers under long-term service contracts)**
 - Terms “contract” and “contractors” confusing, multiple meanings
 - Establishments less likely to have available records on use of “Other Contract Workers”
 - Respondents less likely to recall workers on contracts
- **Decided no question on *number* of “Other Contract Workers”**
 - Yes/No used and if “yes” record type
- **CES Supplement not conducted due to lack of funding**



Measurement of On-Call Workers and Day Laborers

- **CWS asks about both On-call Workers and Day Laborers**
- **Added question to CWS after 1995 to screen out individuals who worked on-call in addition (i.e. doctors)**
- **Day laborers understated if illegal immigrants less likely to answer survey or identify themselves as day laborers**

Proxies and Measurement of Non-Standard Arrangement

- Need to be cautious about concern regarding proxies and incidence of non-standard arrangement in CPS

When controlling for factors related to whether self vs. proxy response (such being female, married and number of people in household)

- For THA, Contract Company and On-Call Workers
 - No significant effect of being self report (main)
 - Interactions only significant for On-Call (+ and -)
- For Direct Hire Temps, and Part-time Economic
 - Self significantly **less** likely (main effect)
 - Married/older interactions (+) Direct Hires
- ICs, Regular Self and Part-time Economic
 - Self significantly **more** likely (main)
 - Interactions tend to positive most not significant



Caution in Using BLS Data

- **Analysts must be careful to avoid double and triple counting workers**
- **Analysts must be careful to avoid mixing data sources and concepts**

