

## Earnings and benefits of workers in alternative work arrangements

*Workers in alternative work arrangements were generally less likely to receive health insurance or pension coverage from their employers, but many earned higher wages than workers in traditional arrangements*

Steven Hipple  
and  
Jay Stewart

Approximately 1 of 10 workers was employed in an alternative work arrangement, according to data from the February 1995 Contingent Worker/Alternative Work Arrangement Supplement to the Current Population Survey (CPS). Alternative work arrangements include working through a temporary help agency, working for a contract company, working on-call, and working as an independent contractor.

It has been argued that some alternative work arrangements have come about through companies' efforts to reduce costs. Firms often find it cheaper to contract out for services such as security and payroll than to perform these functions in-house. In addition, the use of temporary help agencies can reduce costs by allowing firms to expand production during periods of increased demand without having to hire permanent workers or incur the costs of firing unneeded workers. Having a pool of on-call workers available serves the same purpose. By hiring independent contractors, firms can gain access to workers with highly specialized skills on an as-needed basis.

Have these developments been detrimental to workers? Not necessarily, if these arrangements allow workers to better direct their talents to where they are most highly valued, they may actually be better off. This article compares the earnings and benefits of workers in these alternative work arrangements with those of workers in traditional arrangements.

### Earnings

The earnings of workers in alternative work arrangements relative to those in traditional

arrangements vary significantly. Workers employed by temporary help agencies and those who are on call earned less than workers in traditional arrangements, while contract company workers and independent contractors earned more. (See table 1.) Some of the difference between the various alternative arrangements can be attributed to the occupational make-up of each arrangement. For instance, people employed by temporary help agencies were more likely to work in administrative support or laborer occupations which tend to pay lower wages. In contrast, independent contractors were more likely to work in higher paying managerial and professional specialty occupations.

Of the four alternative work arrangements, persons employed by temporary help agencies earned the least. Overall, full-time temporary help workers earned 60 percent of the traditional worker wage. Men who worked for temporary help agencies earned 51 percent as much as men in traditional work arrangements, while women earned 72 percent as much. Younger temporary help workers earned a larger percentage of traditional worker earnings than did their older counterparts. Interestingly, among temporary help workers, women out-earned men.

Although earnings of temporary help workers generally increased with educational attainment, temporary help workers earned more, relative to traditional workers, at lower education levels. Temporary help workers tend to work in lower paying occupations; about three-fifths of them hold administrative support and operator, fabricator, and laborer jobs.

Steven Hipple is an economist in the Office of Employment and Unemployment Statistics and Jay Stewart is a research economist in the Office of Employment Research and Program Development, both in the Bureau of Labor Statistics.

Full-time employees of contract companies earned more (\$512—median weekly earnings), in general, than workers in traditional arrangements (\$480—median weekly earnings). Women who work for contract companies earned slightly less than women in traditional arrangements, while men earned more. (Unfortunately, it is not possible to say much more than this, because the sample sizes in many of the cells are too small for analysis.)

On-call workers who worked full time as well as those who worked part time earned about 80 percent of what similar workers in traditional arrangements earned. On-call workers were much more likely than those in traditional arrangements to work part time, however. Men working on-call earned more relative to traditional workers than did women. By age, on-call workers earned about 25 percent of what traditional workers earned. This reflects the higher proportion of on-call workers who are younger.

Among full-time on-call workers, those with an associate degree fared the best, and even out-earned those with college degrees (a large share of whom are substitute teachers). As one might expect, weekly earnings of high school dropouts who

work on-call were the lowest, although their earnings were very close to the earnings of high school dropouts in traditional arrangements.

Overall, independent contractors earned more than workers in traditional arrangements. However, female independent contractors earned less than workers in traditional arrangements; for men (who dominate the group numerically), the reverse was true. In nearly every age group, independent contractors earned more than traditional workers, with older workers having the greatest difference. Independent contractors without a post-secondary degree earned more than their traditional counterparts, while those with a degree earned less.

### Health insurance coverage

Overall, workers in traditional arrangements were more likely than those in alternative arrangements to have health insurance, although there was wide variation in coverage among alternative work arrangements.<sup>1</sup> Workers employed by temporary help companies had the lowest rate of health insurance coverage from all sources (45 percent), while indepen-

**Table 1.** Median weekly earnings of full-time wage and salary workers with alternative and traditional work arrangements by selected characteristics, February 1995

Characteristic	Temporary help agency workers	Workers provided by contract firms	On-call workers	Independent contractors	Workers with traditional arrangements
Age and sex					
Total, 16 years and older .....	\$290	\$512	\$386	\$518	\$480
16 to 19 years .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	236
20 to 24 years .....	276	( <sup>1</sup> )	259	327	305
25 years and older .....	299	557	424	524	507
25 to 34 years .....	287	508	389	497	453
35 to 44 years .....	319	607	457	536	522
45 to 54 years .....	323	( <sup>1</sup> )	505	592	595
55 to 64 years .....	258	( <sup>1</sup> )	( <sup>1</sup> )	583	506
65 years and older .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	493	381
Men .....	277	562	433	590	543
Women .....	297	399	267	361	410
Race and Hispanic origin					
White .....	298	530	416	527	498
Black .....	261	476	280	375	364
Hispanic origin .....	237	268	281	370	343
Educational attainment					
Less than a high school diploma .....	246	( <sup>1</sup> )	290	360	299
High school graduates, no college .....	261	384	376	482	405
Some college, no degree .....	297	519	349	499	450
Associate degree .....	( <sup>1</sup> )	( <sup>1</sup> )	672	473	564
College graduates .....	414	715	411	668	733

<sup>1</sup>Data not shown where base is less than 75,000.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories.

**Table 2.** Percent of employed temporary help agency workers with health insurance and pension coverage, by selected characteristics, February 1995

Characteristic	Total (in thousands)	With health insurance coverage				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance	Total	Eligible for employer- provided pension
Age and sex							
Total, 16 years and older .....	1,181	44.9	5.7	0.8	22.6	2.5	7.0
16 to 24 years .....	295	36.6	5.1	.3	23.7	2.4	9.5
25 years and older .....	886	47.6	5.9	1.0	22.2	2.6	6.1
25 to 34 years .....	403	41.2	6.9	( <sup>1</sup> )	18.9	2.0	4.7
35 to 44 years .....	251	46.6	3.6	2.0	25.1	2.0	7.2
45 to 54 years .....	143	60.8	7.7	2.8	29.4	4.2	8.4
55 years and older .....	89	58.4	( <sup>1</sup> )	( <sup>1</sup> )	16.9	4.5	5.6
Men .....	557	38.8	3.6	.4	19.7	3.1	6.1
Women .....	624	50.3	7.5	1.3	25.2	2.1	7.7
Race and Hispanic origin							
White .....	859	50.8	6.6	.7	26.0	3.3	9.4
Black .....	257	30.7	3.5	1.6	12.5	.4	.4
Hispanic origin .....	134	17.9	( <sup>1</sup> )	( <sup>1</sup> )	9.0	3.7	3.7
Full- and part-time status							
Full-time workers .....	927	45.3	7.1	1.1	26.0	2.9	7.8
Part-time workers .....	254	43.7	.4	( <sup>1</sup> )	10.2	1.2	3.9
Educational attainment							
Less than a high school diploma .....	173	15.6	1.2	( <sup>1</sup> )	16.2	1.1	1.1
High school graduates, no college .....	384	42.4	3.1	.3	20.3	1.6	4.9
Some college, no degree .....	270	46.7	6.7	1.5	20.0	2.9	7.7
Associate degree .....	77	61.0	7.8	( <sup>1</sup> )	28.6	3.9	13.0
College graduates .....	216	61.1	13.4	2.3	29.2	4.9	12.1
Selected occupation							
Executive, administrative, and managerial .....	77	59.7	3.9	5.2	27.3	( <sup>1</sup> )	9.1
Professional specialty .....	98	69.4	15.3	1.0	41.8	8.2	18.4
Administrative support, including clerical .....	355	50.7	3.4	1.1	22.5	2.3	8.5
Service occupations .....	106	44.3	4.7	( <sup>1</sup> )	10.4	( <sup>1</sup> )	( <sup>1</sup> )
Operators, fabricators, and laborers .....	392	30.1	2.0	.3	18.6	2.0	2.6
Selected industry							
Manufacturing .....	230	43.5	2.6	1.7	20.4	3.0	10.9
Services .....	789	47.3	6.3	.6	22.9	1.8	5.7

<sup>1</sup>Less than 0.05 percent.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories. Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races"

group are not presented and Hispanics are included in both the white and black population groups. Data for full- and part-time workers will not sum to totals because usual status on the principal job is not identifiable for a small number of multiple jobholders.

dent contractors had the highest rate (73 percent). By comparison, the proportion of workers in traditional arrangements with health insurance was 83 percent.

Workers in traditional arrangements also were more likely than those in alternative arrangements to be eligible for, and receive, *employer-provided* health insurance. Among traditional workers, women were slightly more likely than men to have health insurance from any source, while men were likely to receive coverage from their employer.

Of workers employed by temporary help companies, 6 percent received their health insurance from their employer, while 23 percent said they were eligible for coverage. Although workers employed by temporary help companies were not likely to have employee-provided health insurance, more than two-fifths had coverage from any source, implying that many of these workers were receiving coverage from a family member or some other nonemployment-related source. (See table 2.)

Compared with temporary help workers, contract workers were more likely to receive or be eligible for health insurance from their employer. They also were more likely to accept coverage from their employer, when it was offered. Slightly more than two-fifths of contract workers received health insurance from their employer, while nearly three-fifths were offered coverage. (See table 3.) Unlike temporary help workers, a relatively large fraction (7 percent) of contract workers received health insurance through a union or other job. A large proportion of contract workers—70 percent—had health insurance coverage from some source. Contract company workers in service occupations were much less likely to have health insurance than were those in other occupations. In fact, excluding those employed in service occupations, the health insurance coverage rate for contract workers would be about 78 percent, which is very close to the coverage rate for traditional workers.

On-call workers were 1-1/2 times more likely than temporary help company workers to have coverage, and were about 3 times as likely to obtain coverage from their employer. In comparison to temporary help workers, a slightly higher proportion of on-call workers (27 percent) were offered employer-provided health insurance. (See table 4.) About two-thirds of on-call workers had health insurance from some source. Older on-call workers were more likely to be covered overall, although they were less likely to receive coverage from their employer. The proportion of on-call workers with health insurance ranged from 28 percent among those in farming, forestry, and fishing occupations to 76 percent among those in administrative support occupations.

As stated previously, independent contractors had the highest proportion of workers with health insurance among workers in alternative employment arrangements. Given that most independent contractors are self-employed, it is not

surprising that they were much more likely than workers in traditional arrangements to receive health insurance from a nonemployment-related source. (See tables 5 and 6.) Out of all independent contractors, 69 percent received health insurance from a source not related to their employment. Of this total, 31 percent said they purchased their own health insurance, 27 percent obtained coverage through a family member, and 11 percent received health insurance from some other source. In contrast, 22 percent of traditional workers received coverage through a nonemployment-related source. Because very few independent contractors received employer-provided health insurance, most of the variation in health insurance coverage was attributable to differences in coverage from nonemployment sources.

In general, workers with higher levels of education were more likely to have health insurance, and also were more likely to be offered, or obtain, coverage from their employer. Among workers in alternative arrangements, those arrangements that had a disproportionate share of workers with more education tended to have higher rates of coverage. For example, independent contractors (41 percent) and contract company workers (35 percent) had the largest proportions of workers with an associate or college degree. Workers in these arrangements had relatively high rates of coverage, but that coverage was often unrelated to their own employment. For example, among independent contractors, college graduates were most likely to purchase their insurance on their own, while those who had completed some college were most likely to rely on a family member for coverage.

## Pension coverage

Workers in alternative arrangements were less likely than traditional workers to have pension coverage, although there was considerable variation among the different alternative arrangements.<sup>2</sup> Temporary help workers had the lowest proportion with pensions (3 percent), while independent contractors had the highest (35 percent). By comparison, nearly one-half of workers in traditional arrangements had pension coverage.

Because most independent contractors are self-employed and, therefore, not likely to be covered by an employer-sponsored pension plan, the tabulations for pension coverage in table 5 include a category for tax deferred savings accounts such as Individual Retirement Accounts (IRA's) and Keogh plans. Of the independent contractors who participate in pension plans, 9 of every 10 had an IRA or Keogh plan. Independent contractors age 55 and older were the most likely to have pension coverage; slightly more than half of these workers had coverage, compared with one-third of those ages 25 to 54. A very small proportion of independent contractors age 16 to 24 participated in employer-sponsored pension plans, and, in fact,

(Text continues on page 54.)

**Table 3.** Percent of workers employed by contract firms providing health insurance and pension coverage, by selected characteristics, February 1995

Characteristic	Total (in thousands)	With health insurance coverage				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance	Total	Eligible for employer- provided pension
Age and sex							
Total, 16 years and older .....	652	69.9	42.5	6.6	58.0	28.5	36.0
16 to 24 years .....	99	57.6	49.5	( <sup>1</sup> )	60.6	23.2	34.3
25 years and older .....	554	71.8	41.2	7.8	57.6	29.4	36.3
25 to 34 years .....	254	68.1	46.5	8.7	61.0	26.8	35.8
35 to 44 years .....	152	78.9	48.7	7.2	65.8	42.1	48.0
45 to 54 years .....	77	80.5	31.2	7.8	45.5	28.6	33.8
55 years and older .....	71	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Men .....	466	69.1	40.8	8.6	58.8	29.2	36.3
Women .....	186	71.5	46.8	1.6	56.5	26.9	35.5
Race and Hispanic origin							
White .....	541	72.8	43.3	7.6	58.6	28.7	36.8
Black .....	76	55.3	35.5	2.6	53.9	23.7	28.9
Hispanic origin .....	55	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Full- and part-time status							
Full-time workers .....	542	74.2	48.7	6.8	64.8	32.7	41.3
Part-time workers .....	109	47.7	11.9	3.7	24.8	9.2	10.1
Educational attainment							
Less than a high school diploma .....	75	41.3	18.7	1.3	29.3	16.7	23.1
High school graduates, no college .....	187	63.6	34.2	8.0	53.5	17.4	23.7
Some college, no degree .....	143	74.1	37.1	11.9	58.7	24.5	31.6
Associate degree .....	44	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
College graduates .....	185	80.0	60.5	3.2	68.6	44.9	53.5
Selected occupation							
Professional specialty .....	167	78.4	63.5	2.4	77.2	42.5	54.5
Technical, sales, and administrative support .....	97	84.5	48.5	( <sup>1</sup> )	67.0	29.9	42.3
Service occupations .....	181	48.1	19.3	1.7	42.0	6.1	11.0
Precision production, craft, and repair .....	95	70.5	31.6	25.3	44.2	46.3	46.3
Selected industry							
Construction .....	109	72.5	36.7	27.5	45.0	33.9	37.6
Services .....	403	67.2	44.4	1.0	64.3	26.6	36.2

<sup>1</sup>Less than 0.05 percent.<sup>2</sup>Data not shown where base is less than 75,000.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories. Detail for the above race and Hispanic-origin groups will not sum to totals because data for

the "other races" group are not presented and Hispanics are included in both the white and black population groups. Data for full- and part-time workers will not sum to totals because usual status on the principal job is not identifiable for a small number of multiple jobholders.

**Table 4.** Percent of employed on-call workers with health insurance and pension coverage, by selected characteristics, February 1995

Characteristic	Total (in thousands)	With health insurance coverage				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance	Total	Eligible for employer- provided pension
Age and sex							
Total, 16 years and older .....	1,968	66.1	17.2	5.6	26.5	18.6	25.3
16 to 24 years .....	379	58.0	7.1	1.1	15.3	5.5	11.1
25 years and older .....	1,589	68.0	19.6	6.7	29.1	21.8	28.6
25 to 34 years .....	499	57.7	22.4	5.6	36.5	19.4	29.5
35 to 44 years .....	456	69.1	21.9	7.7	31.6	23.9	31.6
45 to 54 years .....	313	70.6	19.5	9.9	25.6	23.6	26.8
55 years and older .....	320	79.7	11.9	3.8	18.4	20.9	25.0
Men .....	952	64.6	23.7	10.0	32.6	20.8	28.7
Women .....	1,015	67.5	11.0	1.6	20.9	16.7	22.2
Race and Hispanic origin							
White .....	1,671	68.4	16.5	5.9	25.5	19.1	24.8
Black .....	204	55.9	20.6	5.4	34.8	18.1	34.3
Hispanic origin .....	189	32.3	13.8	1.6	16.9	10.6	13.2
Full- and part-time status							
Full-time workers .....	817	65.5	31.6	11.1	43.9	26.3	37.2
Part-time workers .....	1,130	66.4	7.0	1.6	14.1	12.7	16.3
Educational attainment							
Less than a high school diploma .....	238	44.5	21.8	1.3	31.1	11.4	14.3
High school graduates, no college .....	646	62.4	19.0	8.2	30.2	19.1	26.9
Some college, no degree .....	327	73.4	19.6	8.6	29.7	14.4	19.7
Associate degree .....	206	75.2	22.3	9.7	29.1	25.5	35.8
College graduates .....	371	72.8	13.5	1.1	24.0	24.5	31.3
Selected occupation							
Professional specialty .....	434	73.5	11.5	.2	23.7	24.0	30.6
Sales occupations .....	122	60.7	8.2	( <sup>1</sup> )	15.6	9.0	15.6
Administrative support, including clerical .....	194	75.8	14.4	1.5	25.3	20.1	26.3
Service occupations .....	393	61.8	13.7	3.1	23.2	11.2	18.6
Precision production, craft, and repair .....	262	75.2	34.7	26.7	39.3	26.7	30.5
Operators, fabricators, and laborers .....	395	62.0	20.8	6.3	30.9	21.3	30.9
Farming, forestry, and fishing .....	75	28.0	10.7	( <sup>1</sup> )	10.7	( <sup>1</sup> )	( <sup>1</sup> )
Selected industry							
Construction .....	268	62.7	23.5	25.0	29.1	23.5	26.5
Manufacturing .....	119	59.7	29.4	11.8	42.9	27.7	49.6
Transportation and public utilities .....	171	73.7	34.5	4.1	50.9	37.4	49.7
Retail trade .....	246	54.9	8.9	0.4	13.0	8.1	11.0
Services .....	945	68.4	10.9	1.6	22.1	15.4	21.8

<sup>1</sup>Less than 0.05 percent.

Note: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories. Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races"

group are not presented and Hispanics are included in both the white and black population groups. Data for full- and part-time workers will not sum to totals because usual status on the principal job is not identifiable for a small number of multiple jobholders.

**Table 5.** Percent of employed independent contractors with health insurance and pension coverage by selected characteristics, February 1995

Characteristic	Total (in thousands)	With health insurance coverage					With pension coverage		
		Total	Through current employer at main job	Through spouse or other family member	Purchased on own	Other source	Total	Through current employer at main job	IRA or Keogh
Age and sex									
Total, 16 years and older .....	8,309	72.6	3.0	27.0	31.0	10.7	35.1	2.5	32.6
16 to 19 years .....	125	75.2	( <sup>1</sup> )	60.0	1.6	7.2	6.4	4.0	2.4
20 to 24 years .....	197	54.3	3.6	21.3	22.3	4.6	6.1	5.1	1.0
25 years and older .....	7,987	73.1	3.1	26.6	31.6	11.0	36.3	2.4	33.8
25 to 34 years .....	1,639	61.3	3.8	27.0	24.3	5.3	19.6	3.2	16.4
35 to 44 years .....	2,559	68.8	3.0	27.9	31.2	6.2	35.2	2.2	33.0
45 to 54 years .....	2,099	75.9	2.7	29.1	36.6	6.9	37.7	2.6	35.1
55 to 64 years .....	1,131	83.6	3.5	27.2	34.4	16.9	54.1	2.7	51.4
65 years and older .....	559	94.6	1.4	8.9	31.1	53.0	49.0	.2	48.8
Men .....	5,595	71.3	3.4	20.6	35.1	11.7	35.7	2.8	33.0
Women .....	2,714	75.3	2.2	40.2	22.5	8.8	33.8	2.0	31.8
Race and Hispanic origin									
White .....	7,671	73.6	2.9	27.5	31.4	10.8	36.6	2.4	34.2
Black .....	416	63.0	3.8	24.3	23.8	10.8	14.7	4.6	9.9
Hispanic origin .....	431	51.0	4.2	19.3	20.6	6.0	13.2	3.7	9.5
Full- and part-time status									
Full-time workers .....	5,945	72.3	3.7	23.9	35.5	8.4	36.1	3.0	33.1
Part-time workers .....	2,278	73.5	1.4	35.0	18.7	17.2	32.1	1.4	30.8
Educational attainment									
Less than a high school diploma ..	795	48.7	.6	16.6	20.8	9.7	14.6	1.3	13.3
High school graduates, no college .....	2,351	64.6	2.0	24.2	29.3	7.6	25.1	2.0	23.1
Some college, no degree .....	1,623	76.6	2.2	32.3	32.0	9.6	32.5	1.6	31.0
Associate degree .....	618	71.2	3.4	26.1	29.6	11.7	31.1	1.8	29.3
College graduates .....	2,800	83.5	5.1	27.6	36.0	14.3	53.0	4.0	49.1
Occupation									
Executive, administrative, and managerial .....	1,542	80.6	2.3	28.5	37.3	11.6	45.7	2.4	43.3
Professional specialty .....	1,353	78.9	3.5	28.2	33.2	13.7	48.3	2.9	45.4
Technicians and related support .....	91	70.3	15.4	23.1	22.0	9.9	33.0	7.7	25.3
Sales occupations .....	1,558	80.9	5.4	28.5	35.6	11.0	45.6	4.6	40.9
Administrative support, including clerical .....	318	85.8	4.4	39.3	26.4	15.7	42.5	1.9	40.3
Service occupations .....	881	63.6	1.6	31.8	17.4	8.4	15.7	1.5	14.3
Precision production, craft, and repair .....	1,596	62.3	1.3	22.1	29.7	8.6	22.9	1.4	21.6
Operators, fabricators, and laborers .....	542	54.6	2.4	22.0	20.7	9.4	17.7	2.2	15.5
Farming, forestry, and fishing .....	427	65.1	1.6	19.4	35.1	8.7	20.1	.5	19.7
Selected industry									
Agriculture .....	412	70.6	3.2	23.1	37.6	6.8	25.2	.5	25.0
Construction .....	1,764	62.6	.6	23.6	30.4	7.5	25.5	.9	24.6
Manufacturing .....	414	73.9	7.2	20.0	34.1	12.3	38.4	7.0	31.6
Transportation and public utilities .....	415	62.4	1.7	20.7	32.3	7.7	22.7	.5	22.2
Wholesale trade .....	277	80.5	6.9	19.5	40.4	13.0	43.7	3.6	40.1
Retail trade .....	817	78.9	2.7	29.6	33.7	12.1	34.1	3.3	30.8
Finance, insurance, and real estate .....	795	84.2	7.0	27.3	38.1	11.3	59.2	5.8	53.5
Services .....	3,377	74.4	2.5	30.9	26.9	12.4	36.3	2.2	34.1

<sup>1</sup>Less than 0.05 percent.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories. Detail for the above race and Hispanic-origin groups will not sum to totals because data for the

"other races" group are not presented and Hispanics are included in both the white and black population groups. Data for full- and part-time workers will not sum to totals because usual status on the principal job is not identifiable for a small number of multiple jobholders.

**Table 6.** Percent of workers employed in traditional job arrangements providing health insurance and pension coverage, by selected characteristics, February 1995

Characteristic	Total (in thousands)	With health insurance				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance	Total	Eligible for employer- provided pension
<b>Age and sex</b>							
Total, 16 years and older .....	103,795	82.9	61.2	0.9	73.5	49.0	56.0
16 to 24 years .....	16,608	68.2	31.3	.5	45.5	14.7	26.1
25 years and older .....	87,187	85.7	66.9	.9	78.8	55.5	61.7
25 to 34 years .....	28,171	80.1	63.9	.6	77.3	46.5	55.8
35 to 44 years .....	28,586	86.7	68.7	.8	80.7	58.9	64.3
45 to 54 years .....	19,467	89.9	71.8	1.1	82.6	64.8	68.7
55 years and older .....	10,964	90.0	61.1	1.9	71.3	53.3	57.6
Men .....	54,244	82.2	66.3	1.3	76.2	51.0	57.3
Women .....	49,551	83.6	55.6	.4	70.6	46.8	54.6
<b>Race and Hispanic origin</b>							
White .....	87,667	84.3	61.5	.9	73.8	49.5	56.3
Black .....	11,945	75.7	60.5	.7	73.0	48.9	56.9
Hispanic origin .....	9,209	62.6	49.5	1.2	59.3	31.5	37.4
<b>Full- and part-time status</b>							
Full-time workers .....	84,333	85.1	71.2	.9	82.8	56.5	63.8
Part-time workers .....	19,272	73.3	17.4	.8	32.9	16.0	22.1
<b>Educational attainment</b>							
Less than a high school diploma .....	10,347	59.9	43.8	1.0	56.8	22.7	28.9
High school graduates, no college .....	32,896	80.3	60.3	1.2	73.7	45.7	53.5
Some college, no degree .....	19,261	84.2	64.3	1.0	77.8	45.1	52.4
Associate degree .....	8,556	89.5	69.3	.9	82.4	57.5	65.0
College graduates .....	25,974	93.5	77.0	.3	87.0	66.6	72.6
<b>Selected occupation</b>							
Executive, administrative, and managerial .....	13,484	91.9	75.8	.3	86.8	64.0	69.4
Professional specialty .....	15,494	92.9	74.4	.4	84.9	67.6	73.2
Technicians and related support .....	3,686	91.1	72.0	.4	83.7	60.2	67.6
Sales occupations .....	11,569	80.1	48.0	.4	63.1	33.5	41.8
Administrative support, including clerical .....	17,119	88.6	64.0	.4	78.0	53.9	62.7
Service occupations .....	14,423	67.2	35.8	.8	50.1	27.1	33.5
Precision production, craft, and repair .....	10,704	79.9	65.3	2.9	75.3	49.7	55.1
Operators, fabricators, and laborers .....	15,908	77.5	62.2	1.5	73.9	43.2	52.2
Farming, forestry, and fishing ...	1,408	61.8	37.7	1.3	46.7	21.7	24.3
<b>Selected industry</b>							
Agriculture .....	1,277	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Mining .....	618	90.0	81.1	1.1	88.5	62.8	69.9
Construction .....	4,491	67.8	44.5	6.0	56.0	30.6	34.6
Manufacturing .....	19,319	88.1	77.8	0.6	87.6	61.1	69.1
Transportation and public utilities .....	7,772	89.4	77.9	1.3	86.2	64.2	70.7
Wholesale trade .....	3,916	86.2	69.3	.9	81.1	50.1	56.2
Retail trade .....	17,933	70.0	34.9	.7	51.4	21.7	30.1
Finance, insurance, and real estate .....	6,711	90.1	69.6	.3	82.2	58.9	67.6
Services .....	35,811	83.9	58.0	.5	71.6	48.1	55.0
Public administration .....	5,947	95.4	85.8	.3	92.5	85.1	88.3

<sup>1</sup>Less than 0.05 percent.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangement" categories. Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races"

group are not presented and Hispanics are included in both the white and black population groups. Data for full- and part-time workers will not sum to totals because usual status on the principal job is not identifiable for a small number of multiple jobholders.

the vast majority of younger workers do not participate in pension plans, even those in traditional arrangements.

In terms of eligibility for pensions from their employers, contract company workers were most likely to be offered pensions. The proportion eligible for coverage was 36 percent, compared with 25 percent for on-call workers and 7 percent for temporary help workers. In contrast, more than half of workers in traditional arrangements were eligible for pensions from their employer.

Men in traditional arrangements and in each alternative work arrangement were slightly more likely than their female counterparts to have pension coverage. Among workers in alternative arrangements, women working for temporary help companies had the lowest rate of coverage (2 percent), while men working as independent contractors had the highest—36 percent.

In each employment arrangement, workers with higher levels of education tended to have higher rates of pension coverage. Among alternative work arrangements, at each level of educational attainment, independent contractors had the largest proportion of workers with coverage, although there was wide variation among independent contractors by level of education. Much of this variation in coverage rates was attributable to differences in the fraction of workers with tax deferred savings accounts, and may reflect differences in income levels. People

with more education and higher incomes have more disposable income from which to save, and also have a greater tax incentive to put money into tax deferred savings accounts. It also could be that more highly educated workers are more willing to forego current consumption, and, hence, are more likely to save in general.

EARNINGS OF WORKERS IN alternative work arrangements vary not only by type of arrangement, but also within the different arrangements by occupation, education, and other factors. Overall, contract company workers and independent contractors, who tend to be more highly educated and concentrated in skilled occupations, actually out-earn similar workers in traditional arrangements, while on-call workers and temporary help workers earn less than their counterparts in traditional arrangements. In terms of health insurance and pensions, workers in each alternative arrangement were less likely than traditional workers to have coverage from any source. Among the alternative arrangements, independent contractors and contract company workers were most likely to have health insurance coverage and pensions, while on-

## Footnotes

call and temporary help workers were least likely.

<sup>1</sup> In the survey, respondents were asked, "Do you have health insurance from any source?" If the answer to that question was "yes," respondents were then asked whether they received insurance from their employer. Those who did not receive health insurance from their employer were asked for the source of their health insurance; in addition, they were asked whether they were eligible to receive insurance from their employer. Respondents who said "no" to the initial question, "Do you have health insurance from any source?," were asked if their employer offered health insurance to any of its workers, and if they were eligible to be in the plan if they wanted.

<sup>2</sup> In the survey, respondents were asked, "Does (employer's name) offer a pension or retirement plan to any of its employees?" If the answer to that question was "yes," the respondent was then asked, "Are you included in this plan?" If the response was "no," the respondent was asked, "why not?" The response to this question was used to determine eligibility for those not in a plan.