

# Workers in alternative employment arrangements: a second look

*Both the proportion and characteristics of workers in four alternative employment arrangements in February 1997 were little different from 2 years earlier; the groups continue to be highly diverse*

Sharon R. Cohany

In February 1997, information on workers in four alternative employment arrangements was obtained from the Current Population Survey (CPS). This marked the second time such information was collected through the CPS; the first was 2 years earlier. In general, the proportion of total employment accounted for by each arrangement, as well as the characteristics of the workers, was little changed since the previous survey in February 1995.<sup>1</sup>

The second survey confirmed that the characteristics of workers differed significantly between the arrangements as well as within them. People employed in two of these arrangements, *temporary help agency workers* and *contract company workers*, are employees of one company and carry out assignments for another. *Workers who are on call* do not have an established schedule for reporting to work. And workers in the largest group, *independent contractors*, are not employees in the traditional sense, but rather work for themselves.

About 12.6 million people, or 1 in 10 workers, were classified into one of these four alternative employment arrangements in February 1997, the same proportion as in the February 1995 survey. The proportions accounted for by each arrangement are shown in exhibit 1 and table 1. By far the largest arrangement was independent contractors, with 8.5 million, followed by on-call workers (2 million), temporary help agency workers (1.3 million), and contract company employees (800,000). The number of workers in all of these arrangements combined increased by 3 percent (400,000 people) over the 2-year period, about

the same rate of growth as employment overall.

The rest of this article covers the demographic and job characteristics, earnings, and benefits of workers in each of the alternative arrangements in turn. Comparisons often are made with workers in traditional arrangements, defined here as those who do not fall into any of the alternative-arrangement categories. A companion article in this issue by Steven Hipple gives detailed explanations of the four categories (see appendix, pages 34–35) and presents a profile of contingent workers from the same CPS supplement. It should be noted that the classification of workers in alternative arrangements was made independently of their contingent status—that is, whether their job was temporary. Workers in alternative arrangements could be contingent as well, but were not automatically so. In fact, most workers in alternative arrangements had permanent jobs and hence were not contingent. Likewise, most contingent workers had regularly scheduled jobs for which they were hired directly and thus were not in an alternative arrangement.

While some researchers have considered part-time work to be an alternative arrangement, the classification of workers in alternative arrangements in this study was made irrespective of their part-time status. Part-time work is defined in the CPS solely on the basis of a person's usual weekly hours (less than 35 at all jobs combined). Part-time workers were classified in an alternative arrangement only if they met the criteria for that arrangement. Most part-time workers did

Sharon R. Cohany is an economist in the Office of Employment and Unemployment Statistics, Bureau of Labor Statistics.

**Exhibit 1. Workers in alternative arrangements as a percent of total employment, February 1995 and 1997**

Type of alternative arrangement	Percent of total employed, February 1995	Percent of total employed, February 1997
<b>Independent contractors</b> Workers identified as independent contractors, independent consultants, or freelance workers, whether they were self-employed or wage and salary workers .....	6.7	6.7
<b>On-call workers</b> Workers called to work only as needed, although they can be scheduled to work for several days or weeks in a row .....	1.6	1.6
<b>Temporary help agency workers</b> Workers paid by a temporary help agency, whether or not their job actually was temporary .....	1.0	1.0
<b>Workers provided by contract firms</b> Workers employed by a company that provides them or their services to others under contract and who are usually assigned to only one customer and usually work at the customer's worksite .....	.5	.6

not, in fact, fall into an alternative arrangement, and, conversely, a majority of workers in alternative arrangements worked full time.

## Independent contractors

In February 1997, 8.5 million people were identified as independent contractors, independent consultants, or freelance workers. Referred to as independent contracting for short, this category was by far the largest of the alternative arrangements, accounting for 6.7 percent of all workers and two-thirds of workers in alternative arrangements. Both proportions were essentially unchanged between 1995 and 1997, as were the major characteristics of the group. The rate of growth of these workers over the 2-year period, 1.8 percent, was somewhat slower than that of traditional workers (2.8 percent).

Independent contractors did not have to be identified as self-employed in the basic CPS questionnaire, but, in fact, most (88 percent) were. On the flip side, of all the self-employed, about one-half were identified as independent contractors, rather than other types of self-employed individuals, such as restaurant or shop owners.<sup>2</sup>

*Characteristics.* Independent contractors differed from traditional workers in significant ways. For instance, two-thirds of independent contractors were men, compared with slightly more than one-half of traditional workers. Because running one's own business often requires significant human and financial capital, it is not surprising that independent contrac-

tors were older and had more schooling than the average worker.<sup>3</sup> Nearly 4 out of 5 independent contractors were at least 35 years old, compared with 3 out of 5 traditional workers. Also, 34 percent of independent contractors between the ages of 25 and 64 had a college degree, almost 5 percentage points higher than the proportion of traditional workers. (See tables 2 and 3.)

Other traits of independent contractors were at least partly a reflection of their older age profile. Nearly 70 percent of independent contractors were married, compared with 59 percent of traditional workers. About 54 percent of women in the arrangement combined independent contracting with raising children, roughly the same percentage as that for traditional workers, although the mothers working as independent contractors were more likely than other mothers to have preschoolers. (See table 4.) Mothers maintaining families on their own (with no husband present) made up a very small part of the group.<sup>4</sup>

*Part-time status.* About 26 percent of independent contractors worked part time (less than 35 hours) in a typical week, compared with 18 percent of traditional workers. (See table 5.) This difference reflects a much greater tendency for independent contractors—especially women—in the central working ages (25 to 64) to work part time. Adult men who worked part time as independent contractors were more likely to prefer to work full time than were their traditional counterparts (42 and 31 percent, respectively).

The distribution of hours worked by independent contractors illustrates the diversity that can be found within a given

arrangement. While part-time work was relatively common, some independent contractors worked very long hours. This is reflected in the average workweek for full-time workers in that arrangement, 46.3 hours, about 4 hours longer than the workweek of traditional workers. Nearly 30 percent of independent contractors worked 49 hours or more in a typical week, compared with only 17 percent of traditional workers. Women who worked full time as independent contractors put in almost as many hours as men.

*Occupation and industry.* The occupational and industry distributions of independent contractors were also unlike those of traditional workers, with the former group more likely than the latter to hold managerial, sales, or precision production jobs and less likely to work in technical, administrative support, or operator, fabricator, and laborer positions. The most common occupations for male independent contractors were managers, construction craftworkers, proprietors, writers and artists, and real estate and insurance

**Table 1. Incidence of alternative and traditional work arrangements, by selected characteristics, February 1997**

[Percent distribution]

Characteristic	Total employed (thousands)	Workers with alternative arrangements				Workers with traditional arrangements
		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>Age and sex</b>						
Total, 16 years and older .....	126,742	6.7	1.6	1.0	0.6	90.1
16 to 19 years .....	6,031	1.1	3.2	1.3	.3	94.1
20 to 24 years .....	11,958	1.7	2.0	1.8	.6	93.9
25 to 34 years .....	31,647	4.9	1.4	1.2	.9	91.6
35 to 44 years .....	35,282	7.5	1.4	.8	.7	89.6
45 to 54 years .....	26,146	8.6	1.1	.8	.4	89.1
55 to 64 years .....	12,032	9.7	1.6	.7	.5	87.4
65 years and older .....	3,646	16.3	3.5	1.0	.6	78.7
<b>Men, 16 years and older .....</b>						
Men, 16 years and older .....	67,931	8.3	1.4	.9	.8	88.6
16 to 19 years .....	3,068	.8	3.5	1.2	.3	94.2
20 to 24 years .....	6,269	2.0	2.0	2.0	1.0	92.8
25 to 34 years .....	17,185	5.6	1.4	1.1	1.1	90.8
35 to 44 years .....	18,965	9.2	1.3	.5	.9	88.1
45 to 54 years .....	13,775	10.9	1.0	.6	.5	87.0
55 to 64 years .....	6,558	12.8	1.2	.4	.6	84.9
65 years and older .....	2,111	20.5	2.5	1.1	.3	75.7
<b>Women, 16 years and older .....</b>						
Women, 16 years and older .....	58,811	4.8	1.7	1.2	.4	91.9
16 to 19 years .....	2,963	1.4	2.9	1.4	.2	94.1
20 to 24 years .....	5,689	1.4	1.9	1.6	.1	95.1
25 to 34 years .....	14,462	4.1	1.5	1.4	.6	92.5
35 to 44 years .....	16,317	5.4	1.6	1.2	.5	91.4
45 to 54 years .....	12,371	6.0	1.2	1.1	.3	91.4
55 to 64 years .....	5,474	6.1	2.1	1.1	.4	90.3
65 years and older .....	1,535	10.6	5.1	.9	1.0	82.8
<b>Race and Hispanic origin</b>						
White .....	107,899	7.1	1.7	.9	.6	89.7
Black .....	13,465	3.3	1.2	2.1	.8	92.7
Hispanic origin .....	12,026	5.1	2.2	1.3	.4	90.9
<b>Full- and part-time status</b>						
Full-time workers .....	102,813	6.1	.9	1.0	.7	91.4
Part-time workers .....	23,929	9.3	4.4	1.1	.6	84.6
<b>Educational attainment (ages 25 to 64)</b>						
Less than a high school diploma .....	10,135	6.5	1.9	1.1	.5	90.0
High school graduate, no college .....	34,261	6.7	1.2	.9	.8	90.4
Less than a bachelor's degree .....	29,420	6.9	1.6	1.2	.6	89.8
College graduate .....	31,292	8.3	1.2	.7	.7	89.1

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details may not sum to total employed because a small number of workers are both "on call" and "provided by contract firms" and total employed includes day laborers, an

alternative arrangement not shown separately. Details 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.

**Table 2. Employed persons with alternative and traditional work arrangements, by selected characteristics, February 1997**

[Percent distribution]

Characteristic	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>Age and sex</b>					
Total, 16 years and older (thousands) .....	8,456	1,996	1,300	809	114,199
Percent .....	100.0	100.0	100.0	100.0	100.0
16 to 19 years .....	.8	9.7	6.1	2.0	5.0
20 to 24 years .....	2.4	11.9	16.5	8.2	9.8
25 to 34 years .....	18.3	22.4	30.3	34.2	25.4
35 to 44 years .....	31.1	25.4	21.5	31.1	27.7
45 to 54 years .....	26.5	14.4	16.2	14.2	20.4
55 to 64 years .....	13.9	9.7	6.7	7.7	9.2
65 years and older .....	7.0	6.5	2.8	2.7	2.5
<b>Men, 16 years and older .....</b>					
16 to 19 years .....	.3	5.3	2.8	1.1	2.5
20 to 24 years .....	1.5	6.4	9.6	7.7	5.1
25 to 34 years .....	11.4	11.8	15.2	24.0	13.7
35 to 44 years .....	20.7	12.1	6.9	22.0	14.6
45 to 54 years .....	17.7	6.9	6.2	9.1	10.5
55 to 64 years .....	9.9	3.9	2.2	5.1	4.9
65 years and older .....	5.1	2.6	1.8	.9	1.4
<b>Women, 16 years and older .....</b>					
16 to 19 years .....	.5	4.3	3.2	.7	2.4
20 to 24 years .....	.9	5.5	6.9	.5	4.7
25 to 34 years .....	7.0	10.6	15.2	10.3	11.7
35 to 44 years .....	10.4	13.4	14.5	9.1	13.1
45 to 54 years .....	8.8	7.5	10.0	5.1	9.9
55 to 64 years .....	4.0	5.8	4.5	2.6	4.3
65 years and older .....	1.9	3.9	1.1	1.9	1.1
<b>Race and Hispanic origin</b>					
White .....	90.7	89.3	75.1	81.6	84.8
Black .....	5.3	7.8	21.3	12.9	10.9
Hispanic origin .....	7.3	13.3	12.3	6.3	9.6

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details 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. Details for other characteristics may not sum to totals because of rounding.

salespersons. For women, the most frequently occurring occupations were managers, writers and artists, real estate and insurance salespersons, door-to-door sales, and child care providers. Compared with traditional workers, independent contractors were more frequently employed in the agriculture, construction, and services industries. (See tables 6 and 7.)

*Preference and reason for arrangement.* One of the most striking characteristics of independent contractors has to do with job satisfaction. Compared with workers in the other alternative arrangements, independent contractors were quite content with their employment arrangement, with 84 percent of the group preferring that arrangement to a traditional job. (See table 8.) Further, about three-fourths of independent contractors gave a personal reason for being in the arrangement. (See table 9.) Among men, most said they worked as an independent contrac-

tor because they liked being their own boss. Among women, the most common reasons given were the flexibility of scheduling and the ability to meet family obligations that the arrangement afforded. Even among those who said they would prefer a traditional job, a majority gave a personal, rather than an economic, reason for remaining in the arrangement.

*Tenure and contingency.* As in February 1995, only a small fraction of independent contractors reported that they were contingent workers—3.5 percent in February 1997. (See table 10.) This remained the lowest proportion by far of the alternative arrangements. In effect, the vast majority of independent contractors believed that they could continue in the arrangement for as long as they wished.

Independent contractors had been in the arrangement for a relatively long time—7.7 years (median), considerably longer

than traditional workers had been with their current employer (4.8 years). More than 40 percent of independent contractors had at least 10 years of tenure in the arrangement, and 18 percent had 20 years or more. These percentages were considerably higher than those for traditional workers, in part a reflection of the older ages of independent contractors. (See table 11.) Men in the independent contracting arrangement had a lengthier average tenure than women (9.2 years and 5.6 years, respectively), but both exceeded the tenure for their counterparts in traditional jobs.

The lengthy tenure of independent contractors is consistent with the high level of job satisfaction and the low level of contingency they report. If corporate employees are being forced out of "regular" jobs and into working for themselves on a large scale, as some have asserted, there is scant evidence in these data.

*Paid employees.* Most independent contractors worked alone; only 25 percent had employees. Of these, nearly three-fourths had fewer than six employees. Men were twice as likely as women to have at least one employee, but even among the men, the proportion was only 30 percent. The self-employed who were not independent contractors were much more likely to have paid employees than were the independent contractors. This is because many of the former were operating businesses, such as restaurants and shops, that typically require workers in addition to the owner.

About 23 percent of independent contractors who reported that they were self-employed had incorporated their businesses, compared with 34 percent of the other self-employed. Supporting the idea that the more substantial businesses are incorporated, independent contractors who had incorporated their businesses were more than three times as likely to retain a paid staff as those whose businesses were unincorporated (59 percent, compared with 18 percent).

*Earnings and benefits.* Earnings of independent contractors who usually worked full time were higher (by 15 percent, on average) than those of workers in traditional arrangements. This differential reflects several factors, including the older age profile (and therefore experience levels) of independent contractors and their predominance in the higher paying occupational categories. The picture was very different by gender, however, as earnings of men in the independent contracting arrangement exceeded those of their counterparts in traditional arrangements, while earnings of female independent contractors were less than those of their traditional counterparts. (See table 12.)

Among independent contractors, men's earnings (\$621) were more than 50 percent higher than women's (\$409). Among traditional workers, the difference was 28 percent. The relatively large gender gap reflects in part the men's longer tenure as independent contractors. For both men and women in the arrangement, earnings peaked in the

**Table 3.** Employed persons with alternative and traditional work arrangements, by educational attainment and sex, February 1997

[Percent distribution]

Educational attainment and sex	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 25 to 64 years (thousands) .....	7,590	1,437	970	705	94,424
Percent .....	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma .....	8.7	13.4	11.1	7.1	9.7
High school graduate, no college .....	30.3	28.7	30.7	36.9	32.8
Less than a bachelor's degree .....	26.8	32.0	36.3	23.3	28.0
College graduate .....	34.1	25.9	21.9	32.7	29.5
Men, 25 to 64 years old (thousands) .....	5,047	692	397	486	49,873
Percent .....	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma .....	9.9	18.6	13.9	6.4	11.3
High school graduate, no college .....	31.3	33.4	27.5	35.6	31.9
Less than a bachelor's degree .....	25.2	30.3	35.1	24.9	26.4
College graduate .....	33.5	17.6	23.5	33.1	30.4
Women, 25 to 64 years old (thousands) .....	2,543	745	573	219	44,551
Percent .....	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma .....	6.2	8.6	9.2	9.1	7.9
High school graduate, no college .....	28.4	24.3	33.0	39.5	33.8
Less than a bachelor's degree .....	30.0	33.6	37.2	20.0	29.8
College graduate .....	35.3	33.6	20.6	31.4	28.5

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details may not sum to totals due to rounding.

**Table 4.** Employed women in alternative and traditional work arrangements, by marital status and presence and age of children, February 1997

[Percent distribution]

Characteristic	Total employed	Workers with alternative arrangements				Workers with traditional arrangements
		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>All marital statuses</b>						
Employed women, total (thousands) .....	58,811	2,824	1,017	719	244	54,019
Spouses/reference persons, total .....	39,771	2,180	687	431	159	36,324
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years .....	56.3	53.6	61.0	48.0	66.0	56.4
With children under 6 years .....	22.7	25.6	26.6	21.8	32.7	22.4
With children 6 to 17 years .....	33.6	28.0	34.2	26.2	33.3	34.0
With no children under 18 years .....	43.7	46.4	39.2	52.0	34.0	43.6
<b>Married, spouse present</b>						
Employed, total (thousands) .....	32,543	1,896	556	319	140	29,639
Spouses/reference persons, total .....	32,082	1,881	552	309	136	29,211
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years .....	53.7	51.5	62.3	40.1	61.0	53.7
With children under 6 years .....	22.6	26.0	29.0	16.8	31.6	22.3
With children 6 to 17 years .....	31.0	25.4	33.3	23.3	29.4	31.4
With no children under 18 years .....	46.3	48.5	37.7	59.9	38.2	46.3
<b>All other marital statuses</b>						
Employed, total (thousands) .....	26,268	928	461	400	104	24,380
Spouses/reference persons, total .....	7,689	299	135	122	23	7,113
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years .....	67.3	67.2	54.8	68.0	( <sup>1</sup> )	67.5
With children under 6 years .....	23.0	23.1	17.0	34.4	( <sup>1</sup> )	22.9
With children 6 to 17 years .....	44.3	44.1	37.8	33.6	( <sup>1</sup> )	44.6
With no children under 18 years .....	32.7	32.8	45.2	32.0	( <sup>1</sup> )	32.5

<sup>1</sup>Percentage 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 arrangements" categories. Details may not sum to totals due to rounding. Estimates by presence and age of children are only for women who are either the spouse of the reference person or the reference person herself—that is, the person in whose name the home is owned or rented.

45- to 54-year-old age category, the same as for traditional workers.

Nearly three-fourths of independent contractors had health insurance coverage. Men obtained it most often by purchasing it on their own (36 percent), followed by obtaining it through their spouse or other family member (19 percent). Women obtained health insurance most often through a spouse or other family member (38 percent), followed by purchasing it on their own (25 percent). Women were more likely than men to have health insurance coverage. (See table 13.)

Pension coverage was less common than health insurance coverage. About 37 percent of independent contractors reported some type of pension coverage, often a tax-deferred savings account, such as an individual retirement account or a Keogh plan. Men and women were about equally likely to have pension coverage, but blacks and Hispanics were far less likely than whites to have coverage. In contrast, among traditional workers, men were somewhat more likely than women, and whites and blacks were considerably more likely

than Hispanics, to have coverage.

In sum, independent contracting was made up disproportionately of middle-aged workers who had relatively high levels of education and experience and, typically, were well compensated. These workers reported a widespread preference for working on their own, and very few were contingent—that is, they viewed their employment arrangement as permanent.

### On-call workers

Some workers report to the job only when specifically asked to do so, although they can be scheduled to work several days or weeks in a row. In the February supplements, these individuals are referred to as on-call workers. Workers who often are on call are substitute teachers, construction workers, nurses, and truckdrivers. (People with regularly scheduled work that might include periods of being on call at unusual hours, such as medical residents or computer technicians,

were not included in this category.)

In February 1997, there were 2 million on-call workers, and they accounted for 1.6 percent of all employment. Both figures were about the same as 2 years earlier.

*Characteristics.* The demographic characteristics of on-call workers were similar to those of traditional workers, although on-call workers were somewhat more likely to be women and youths. (See table 2.) Slightly more than one-half (51 percent) of on-call workers were women, compared with about 47 percent of traditional workers. A somewhat larger proportion of the women who worked on call had children, 61 percent, versus 56 percent for traditional workers. (See table 4.) Nearly 22 percent of those on call were under the age of 25, compared with 15 percent of traditional work-

ers. Youths in the on-call arrangement were somewhat more likely to be attending school than were their counterparts in traditional arrangements.

On-call workers had somewhat less education, on average, than other workers had. (See table 3.) Of those aged 25 to 64, nearly 1 in 7 had dropped out of high school, compared with 1 in 10 among traditional workers, and just about 26 percent of on-call workers had a college degree, compared with nearly 30 percent for workers in traditional arrangements. Among men in the on-call category, 19 percent were high school dropouts, and only 18 percent were college graduates. Women who worked on call, on the other hand, actually were more likely to have been to college than their counterparts in traditional jobs. This sharp difference between men and women in the arrangement is echoed in other ways, as is

**Table 5. Employed persons with alternative and traditional work arrangements, by full- and part-time status, reason for part-time work, sex, and age, February 1997**

[Percent distribution]

Characteristic	Total employed	Workers with alternative arrangements				Workers with traditional arrangements
		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>Total</b>						
Employed, total (thousands) .....	126,742	8,456	1,996	1,300	809	114,199
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers .....	81.1	73.6	47.4	80.3	82.8	82.3
Part-time workers .....	18.9	26.4	52.6	19.7	17.2	17.7
At work part time for economic reasons .....	3.5	6.3	15.2	9.1	3.7	3.0
At work part time for noneconomic reasons .....	15.0	20.4	36.5	13.3	12.6	14.2
<b>Men, 20 years and older</b>						
Employed, total (thousands) .....	64,863	5,608	872	544	555	57,289
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers .....	91.7	84.8	71.6	86.6	92.1	92.7
Part-time workers .....	8.3	15.2	28.4	13.4	7.9	7.3
At work part time for economic reasons .....	3.1	7.4	19.5	6.1	1.6	2.4
At work part time for noneconomic reasons .....	5.9	10.4	14.3	8.5	6.3	5.3
<b>Women, 20 years and older</b>						
Employed, total (thousands) .....	55,848	2,783	931	677	238	51,231
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers .....	74.8	52.0	32.5	77.5	64.3	76.8
Part-time workers .....	25.2	48.0	67.5	22.5	35.7	23.2
At work part time for economic reasons .....	3.7	3.8	12.4	10.6	7.1	3.4
At work part time for noneconomic reasons .....	20.1	39.6	50.2	15.4	27.3	18.5
<b>Both sexes, 16 to 19 years</b>						
Employed, total (thousands) .....	6,031	66	193	79	16	5,678
Percent .....	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers .....	26.4	( <sup>1</sup> )	10.4	60.8	( <sup>1</sup> )	26.4
Part-time workers .....	73.6	( <sup>1</sup> )	89.6	39.2	( <sup>1</sup> )	73.6
At work part time for economic reasons .....	6.0	( <sup>1</sup> )	9.3	16.5	( <sup>1</sup> )	5.6
At work part time for noneconomic reasons .....	65.9	( <sup>1</sup> )	69.9	29.1	( <sup>1</sup> )	66.4

<sup>1</sup> Percentage 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 arrangements" categories. Details may not sum to totals due to rounding, and total employed includes day laborers, an alternative arrangement not shown separately. Part time is defined as working 1 to 34 hours per week; full time is 35 hours or more. The classification of full- and part-time

workers is based on the number of hours usually worked. The sum of the two at-work-part time categories does not equal the part-time worker estimate, because the latter includes those not at work during the reference week. Also, persons at work part time for an economic reason can work either full or part time on a usual basis; persons at work part time for a noneconomic reason are limited to those who usually work part time.

**Table 6.** Employed persons with alternative and traditional work arrangements, by occupation and sex, February 1997

[Percent distribution]

Occupation and sex	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands) .....	8,456	1,996	1,300	809	114,199
Percent .....	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial .....	20.7	2.7	6.9	8.0	14.1
Professional specialty .....	17.9	21.2	6.6	19.8	15.3
Technicians and related support .....	.8	4.1	5.8	7.2	3.4
Sales occupations .....	17.9	6.7	1.7	2.8	11.7
Administrative support, including clerical .....	3.9	8.6	34.1	5.2	15.3
Service occupations .....	9.1	20.4	9.1	27.7	13.5
Precision production, craft, and repair .....	17.9	14.7	5.1	19.8	10.3
Operators, fabricators, and laborers .....	6.8	18.8	29.1	9.3	14.3
Farming, forestry, and fishing .....	5.1	2.8	1.6	.2	2.2
Men, 16 years and older (thousands) .....	5,633	979	581	565	60,180
Percent .....	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial .....	23.1	3.2	4.6	8.1	14.4
Professional specialty .....	15.6	9.7	9.5	17.9	13.4
Technicians and related support .....	.8	3.4	8.1	6.9	3.2
Sales occupations .....	16.1	2.8	1.5	2.7	10.8
Administrative support, including clerical .....	1.0	4.0	13.9	3.5	6.3
Service occupations .....	2.4	11.7	7.9	23.5	10.5
Precision production, craft, and repair .....	25.6	29.1	10.3	26.5	17.8
Operators, fabricators, and laborers .....	8.8	31.7	41.1	10.4	20.4
Farming, forestry, and fishing .....	6.7	4.5	2.9	.4	3.3
Women, 16 years and older (thousands) .....	2,824	1,017	719	244	54,019
Percent .....	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial .....	15.9	2.3	8.8	7.8	13.8
Professional specialty .....	22.5	32.3	4.3	24.2	17.5
Technicians and related support .....	.8	4.7	3.9	7.8	3.6
Sales occupations .....	21.5	10.5	1.7	2.9	12.7
Administrative support, including clerical .....	9.6	13.0	50.3	9.0	25.3
Service occupations .....	22.4	28.8	9.9	37.7	16.8
Precision production, craft, and repair .....	2.5	.8	1.0	4.1	1.8
Operators, fabricators, and laborers .....	2.8	6.5	19.5	6.6	7.6
Farming, forestry, and fishing .....	1.9	1.2	.6	—	.9

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details may not sum to totals due to rounding. Dash indicates less than 0.05 percent.

discussed below.

Few on-call workers, either men or women, were represented by a union—just 1.9 percent, compared with 15.6 percent of workers in traditional jobs.

*Part-time status and hours.* On-call workers had the shortest workweek of any alternative arrangement. At 26.7 hours, their average week was almost 12 hours less than that of workers in traditional arrangements. More than half (53 percent) of on-call workers worked part time in a typical week, compared with only 18 percent of traditional workers. The incidence of part-time work for adult women who were on call (about 68 percent) was much higher than that of adult men in the arrangement (28 percent). (See table 5.)

Most on-call employees who worked part time had a

preference for their shorter week, but a substantial minority did not: nearly 30 percent were part time for an economic reason and would have preferred a full-time job, compared with 18 percent of traditional workers. There were also clear distinctions by gender: only about 20 percent of the women who worked on call worked part time for an economic reason, but 58 percent of the men did so, compared with 16 percent of women and 32 percent of men in a traditional arrangement.

*Occupation.* On-call workers were found in a number of occupations and were more likely to be in professional, service, precision production, and operator, fabricator, and laborer positions than were traditional workers. (See table 6.) One in 8 on-call workers (1 in 5 of the women) was a

teacher (presumably a substitute), and 1 in 8 workers in the on-call category (1 in 4 of the men) was a carpenter, electrician, painter, or other construction craftworker. A sizable number of on-call workers were in a medical care field, including registered nurses, nursing aides, and health technicians.

There was very little overlap in the jobs done by men and women in this arrangement. The men who worked on call were likely to be construction craftworkers, motor vehicle operators (especially truckdrivers), and cleaners, helpers, and construction laborers, while the women were most often working as substitute teachers, clerical workers, food preparation workers, nurses, and retail salesclerks.

*Preference and reason.* One-half of on-call workers would

have preferred a traditional job. (See table 8.) This figure represents a decline from that registered 2 years earlier, when about 57 percent had such a preference, suggesting that more on-call workers were in the arrangement voluntarily in the more recent survey.

About equal numbers of on-call workers gave economic and personal reasons for working in the arrangement. (See table 9.) A majority of the men gave an economic reason; a majority of the women gave a personal one. The most often-cited economic reason was that the current job was the only one the individual could find. The most common personal reason was the flexibility of the schedule. Of those who gave an economic reason for working on call, nearly one-fourth were actively looking for another type of work, compared with only 5 percent of those who gave

**Table 7. Employed persons with alternative and traditional work arrangements, by industry and sex, February 1997**

[Percent distribution]

Industry and sex	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands) .....	8,456	1,996	1,300	809	114,199
Percent .....	100.0	100.0	100.0	100.0	100.0
Agriculture .....	5.7	3.4	—	.3	2.1
Mining .....	.2	.4	.7	2.2	.5
Construction .....	20.7	14.5	2.5	5.0	4.9
Manufacturing .....	4.7	5.3	31.8	20.3	17.5
Transportation and public utilities .....	5.1	8.7	6.1	13.7	7.1
Wholesale and retail trade .....	13.6	14.4	8.4	8.3	21.1
Finance, insurance, and real estate .....	8.4	1.6	8.5	7.9	6.4
Services .....	41.4	47.8	42.0	28.2	35.5
Public administration .....	.2	4.0	—	14.0	4.8
Men, 16 years and older (thousands) .....	5,633	979	581	565	60,180
Percent .....	100.0	100.0	100.0	100.0	100.0
Agriculture .....	7.1	5.5	—	.4	3.0
Mining .....	.3	.7	—	2.5	.8
Construction .....	29.4	29.1	3.5	7.3	8.4
Manufacturing .....	5.1	6.4	38.2	22.4	22.9
Transportation and public utilities .....	6.4	13.6	9.2	16.1	9.6
Wholesale and retail trade .....	11.9	11.7	11.0	7.5	21.1
Finance, insurance, and real estate .....	8.1	1.4	6.8	6.7	4.8
Services .....	31.6	26.2	31.3	22.6	24.4
Public administration .....	.1	5.3	—	14.7	5.1
Women, 16 years and older (thousands) .....	2,824	1,017	719	244	54,019
Percent .....	100.0	100.0	100.0	100.0	100.0
Agriculture .....	3.0	1.4	—	—	1.1
Mining .....	—	.1	1.3	1.7	.2
Construction .....	3.4	.5	1.6	—	1.1
Manufacturing .....	4.1	4.2	26.6	15.7	11.5
Transportation and public utilities .....	2.4	3.9	3.5	8.5	4.3
Wholesale and retail trade .....	17.0	16.8	6.3	10.2	21.2
Finance, insurance, and real estate .....	9.1	1.7	9.8	10.6	8.2
Services .....	60.8	68.4	50.9	40.9	47.8
Public administration .....	.3	2.9	—	12.3	4.5

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details may not sum to totals due to rounding. For temporary help agency workers and workers provided by contract firms, the industry classification is that of the place to which they were assigned. Dash indicates less than 0.05 percent.

**Table 8.** Employed persons with alternative work arrangements, by sex and preference for arrangement, February 1997

[(Percent distribution)]

Preference and sex	Independent contractors	On-call workers	Temporary help agency workers
Total, 16 years and older (thousands) .....	8,456	1,996	1,300
Percent .....	100.0	100.0	100.0
Prefer traditional arrangement .....	9.3	50.1	59.2
Prefer alternative arrangement .....	83.6	40.0	33.5
It depends .....	4.6	6.4	4.8
Not available .....	2.5	3.5	2.5
Men, 16 years and older (thousands) .....	5,633	979	581
Percent .....	100.0	100.0	100.0
Prefer traditional arrangement .....	9.4	52.5	62.4
Prefer alternative arrangement .....	83.9	35.5	31.4
It depends .....	4.4	8.1	4.5
Not available .....	2.2	3.9	1.7
Women, 16 years and older (thousands) .....	2,824	1,017	719
Percent .....	100.0	100.0	100.0
Prefer traditional arrangement .....	9.0	47.7	56.7
Prefer alternative arrangement .....	83.0	44.3	35.1
It depends .....	5.0	4.8	5.0
Not available .....	2.9	3.1	3.2

NOTE: Details may not sum to totals because of rounding. Information on preferred arrangement was not collected for workers employed by contract companies.

a personal reason.

*Tenure and contingency.* On-call workers had been in the arrangement an average of 2.1 years. (See table 11.) Full-time workers had been in the arrangement twice as long as part-time workers (2.9 years versus 1.4 years).

About 27 percent of on-call workers were contingent under the broadest measure (estimate 3 in table 10); that is, they believed that their current assignment could not continue for as long as they wished it to. Among workers in traditional arrangements, less than 4 percent were contingent. Two years ago, the proportion of on-call workers who were contingent was considerably higher—about 35 percent.

*Compensation.* On-call workers who worked full time (at least 35 hours per week) earned \$432 a week, or 85 percent of the median for traditional workers. (See table 12.) There was a particularly large gender gap for workers in this arrangement: among full-time workers, women earned just 56 percent of what men earned. By contrast, the earnings of women who worked in traditional jobs were 78 percent of those of men in the same category.

Two-thirds of on-call workers had health insurance, and 20 percent received it through their current employer (compared with 83 percent and 61 percent, respectively, for traditional workers). (See table 14.) Women who worked on call were more likely to have coverage from

any source, but men were more likely to have it from their employer. Many of the women were covered through another family member. Only 31 percent of on-call workers reported that they were eligible for health insurance coverage from their employer, less than half the proportion for traditional workers (73 percent).

About one-fourth of on-call workers were eligible for an employer-provided pension, and 19 percent were actually included in such a plan. These proportions were considerably lower than those for traditional workers (57 percent and 50 percent, respectively). Men in the on-call arrangement were somewhat more likely than the women to have a pension, as well as to be eligible for one through their employer.

In sum, employment in the on-call arrangement was essentially flat between 1995 and 1997, and large differences by gender remained. There was some evidence that workers were more likely to prefer the arrangement to a traditional job and were less likely to be contingent in February 1997 compared with 2 years earlier.

## Temporary help agency workers

The February supplements have collected information on two types of employment arrangements in which workers are employed by one company while performing work for another. The larger of the two is temporary help agencies, which place (as well as screen, evaluate, and sometimes train) work-

ers with client organizations, often (but not necessarily) on a short-term basis.<sup>5</sup> Workers in this arrangement indicated that they were paid by a temporary help agency, whether or not their employment was temporary. (Thus, the category likely includes the permanent staffs of the agencies, a relatively small number.)

In February 1997, 1.3 million people were employees of temporary help agencies, accounting for 1 percent of all workers.<sup>6</sup> The number of workers in this arrangement increased by 10 percent from February 1995, considerably faster than the growth in traditional employment (2.8 percent). As with the other alternative arrangements, most characteristics of these workers changed little between the survey dates, although there is some evidence of an increase in the number who preferred the arrangement to a traditional job and a decline in the number who were contingent.

*Characteristics.* Confirming the results of the 1995 survey, workers employed by temporary help agencies in February 1997 were more likely than other workers to be young, female, black, or Hispanic. (See table 2.) Nearly one-fourth of temps were under the age of 25, compared with 15 percent of traditional workers. Relatively few of the young workers in this arrangement were going to school; just 16 percent were attending high school or college, compared with 43 percent of young people working in a traditional job. About 55 percent of temps were women, compared with 47 percent of traditional workers. Nearly one-half of the women who temped were raising children; this was a smaller proportion than that for traditional workers, who tend to be older. (See table 4.)

The proportion of temps who were black (21 percent) was nearly double that for other workers, and the share that was Hispanic also exceeded the proportion of Hispanics in the

**Table 9.** Employed persons with alternative work arrangements, by sex and reason for arrangement, February 1997

[Percent distribution]

Reason and sex	Independent contractors	On-call workers	Temporary help agency workers
Total (in thousands) .....	8,456	1,996	1,300
Percent .....	100.0	100.0	100.0
Economic reason .....	9.4	40.7	59.6
Only type of work I could find .....	2.7	27.1	34.6
Hope job leads to permanent employment .....	.7	5.3	17.7
Other economic reason .....	6.0	8.3	7.2
Personal reason .....	76.0	39.4	29.3
Flexibility of schedule .....	23.6	22.4	16.1
Family or personal obligations .....	3.9	6.0	2.4
In school or training .....	.6	6.4	4.5
Other personal reason .....	48.0	4.6	6.4
Reason not available .....	14.6	19.9	11.1
Men (in thousands) .....	5,633	979	581
Percent .....	100.0	100.0	100.0
Economic reason .....	10.2	50.1	65.2
Only type of work I could find .....	2.7	33.1	41.0
Hope job leads to permanent employment .....	.6	5.0	15.7
Other economic reason .....	6.9	12.0	8.4
Personal reason .....	74.7	27.6	22.2
Flexibility of schedule .....	18.0	15.9	10.7
Family or personal obligations .....	1.4	1.6	.9
In school or training .....	.4	5.1	4.3
Other personal reason .....	55.1	4.9	6.4
Reason not available .....	15.1	22.4	12.7
Women (in thousands) .....	2,824	1,017	719
Percent .....	100.0	100.0	100.0
Economic reason .....	7.8	31.7	55.0
Only type of work I could find .....	2.8	21.2	29.4
Hope job leads to permanent employment .....	.8	5.6	19.3
Other economic reason .....	4.1	4.8	6.3
Personal reason .....	78.5	50.7	35.1
Flexibility of schedule .....	34.6	28.5	20.4
Family or personal obligations .....	9.1	10.1	3.6
In school or training .....	1.0	7.6	4.7
Other personal reason .....	33.8	4.4	6.4
Reason not available .....	13.7	17.7	9.9

NOTE: Details may not sum to totals because of rounding. Information on reason for alternative arrangement was not collected for workers employed by contract companies.

**Table 10. Employed persons with alternative and traditional work arrangements, by sex and contingent and noncontingent employment, February 1997**

Arrangement and sex	Total (thousands)	Percent distribution			
		Contingent workers <sup>1</sup>			Noncontingent workers
		Estimate 1	Estimate 2	Estimate 3	
<b>Total</b>					
With alternative arrangements:					
Independent contractors .....	8,456	( <sup>2</sup> )	3.5	3.5	96.5
On-call workers .....	1,996	13.9	14.2	26.7	73.3
Temporary help agency workers .....	1,300	27.7	42.5	56.8	43.2
Workers provided by contract firms .....	809	5.3	12.0	16.7	83.3
With traditional arrangements .....	114,199	1.5	1.6	3.4	96.6
<b>Men</b>					
With alternative arrangements:					
Independent contractors .....	5,633	( <sup>2</sup> )	2.5	2.5	97.5
On-call workers .....	979	17.2	17.9	30.6	69.3
Temporary help agency workers .....	581	28.7	41.8	56.5	43.5
Workers provided by contract firms .....	565	6.7	12.6	17.0	83.0
With traditional arrangements .....	60,180	1.3	1.4	3.1	96.9
<b>Women</b>					
With alternative arrangements:					
Independent contractors .....	2,824	( <sup>2</sup> )	5.5	5.5	94.5
On-call workers .....	1,017	10.6	10.6	22.8	77.2
Temporary help agency workers .....	719	26.8	43.1	57.2	42.8
Workers provided by contract firms .....	244	2.0	10.6	15.9	84.1
With traditional arrangements .....	54,019	1.7	1.8	3.7	96.3

<sup>1</sup>For a definition of estimates 1, 2, and 3, see the appendix to Steven Hipple's article, pp. 34-35, this issue.

<sup>2</sup>Not applicable.

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Independent contractors, as well as the self-employed, are excluded from estimate 1.

general workforce. (See table 2.) In contrast to the situation among whites and blacks, more Hispanic men than Hispanic women worked in this arrangement.

A somewhat higher proportion of temps than traditional workers aged 25 to 64 had dropped out of high school. A majority of temps had at least 1 year of college, but fewer had a college degree, compared with traditional workers (22 percent and 30 percent, respectively). (See table 3.)

*Part-time status.* Perhaps surprisingly, given the episodic nature of their work, the great majority (80 percent) of temps worked a full-time week of at least 35 hours. (See table 5.) Men in this arrangement averaged 39 hours per week on the job, and women averaged 34 hours, almost as much as traditional workers (41 and 35 hours, respectively). Of those temps who worked part time, a very large share—41 percent—would have preferred a full-time job, compared with only 18 percent of workers in traditional jobs. Male and female temps had a similar incidence of involuntary part-time work.

*Occupation and industry.* Temporary help agency employees

worked predominantly in clerical and machine operator occupations, although there were substantial differences by gender. Of the women in the arrangement, one-half held clerical jobs, 20 percent were in machine operator, fabricator, and laborer positions, and 13 percent worked as managers and professionals. Among the men, 41 percent worked as operators, fabricators, or laborers, while clerical jobs and managerial and professional jobs accounted for 14 percent apiece. (See table 6.)

Manufacturing companies and, to a lesser extent, service industry firms, were heavy users of temporary help workers, relative to their share of total employment, while retail establishments and government agencies were relatively infrequent users. Manufacturing and services combined accounted for three-fourths of the temporaries' assignments. (See table 7; data on the industries temps were assigned to were not available for about 13 percent of persons in the arrangement—hence, the preceding conclusions characterize just those who responded to the survey question about industry of assignment.)

*Preference and reason.* Just 1 in 3 temporary help agency workers preferred their arrangement to a traditional job.

Women had a slightly higher preference for the arrangement than did men; still, nearly 60 percent of all temps said that they would prefer a traditional job. (The remainder did not express a clear preference.) (See table 8.)

Even so, the February 1997 survey found a higher proportion of workers who were in the arrangement voluntarily compared with the figure 2 years earlier. Those who preferred the arrangement rose by about 7 percentage points.

When asked about the main reason they were working in the arrangement, a majority of temps provided an economic

reason, the most common being that that was the only type of work they could find. The second most common economic reason was the hope that the assignment with the temporary agency would lead to permanent employment. The most often-cited personal reason was the flexibility of the schedule. Percentagewise, more men than women gave an economic reason for working in this arrangement; even so, more than one-half of all female temps gave an economic reason. (See table 9.) One-third of temps who said they would prefer a traditional job were actively looking for one.

**Table 11. Employed persons with alternative and traditional work arrangements, by tenure in the arrangement and sex, February 1997**

[Percent distribution]

Tenure and sex	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands)	8,456	1,996	1,300	809	114,199
Percent .....	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure .....	97.6	96.2	95.4	97.4	96.1
1 year or less .....	14.5	44.8	71.0	40.5	24.7
Less than 6 months .....	5.4	25.3	42.6	19.2	10.2
6 to 12 months .....	9.1	19.5	28.3	21.4	14.5
More than 1 year .....	83.2	51.4	24.5	56.9	71.4
Less than 4 years .....	15.8	21.5	15.9	27.2	19.0
4 to 9 years .....	25.4	17.3	7.0	18.7	24.3
10 to 19 years .....	24.2	9.2	1.6	9.4	17.9
20 years or more .....	17.8	3.4	—	1.6	10.2
Specific tenure not available .....	2.4	3.8	4.6	2.6	3.9
Median tenure (in years) .....	7.7	2.1	.5	2.1	4.8
Men, 16 years and older (thousands) .....	5,633	979	581	565	60,180
Percent .....	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure .....	97.6	95.7	94.5	97.0	95.8
1 year or less .....	11.9	41.3	67.7	40.2	23.3
Less than 6 months .....	3.9	20.6	42.8	19.5	9.8
6 to 12 months .....	8.0	20.7	24.9	20.7	13.5
More than 1 year .....	85.7	54.4	27.0	56.8	72.5
Less than 4 years .....	14.3	20.0	19.1	25.8	18.2
4 to 9 years .....	24.4	16.3	7.2	19.6	23.6
10 to 19 years .....	25.0	12.2	.7	9.0	18.2
20 years or more .....	21.9	5.9	—	2.3	12.5
Specific tenure not available .....	2.4	4.2	5.3	3.0	4.2
Median tenure (in years) .....	9.2	2.4	.5	2.0	5.2
Women, 16 years and older (thousands) .....	2,824	1,017	719	244	54,019
Percent .....	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure .....	97.7	96.7	96.0	98.4	96.5
1 year or less .....	19.7	48.3	73.6	41.2	26.3
Less than 6 months .....	8.3	29.9	42.3	18.5	10.7
6 to 12 months .....	11.3	18.4	31.3	22.6	15.6
More than 1 year .....	78.1	48.4	22.4	57.2	70.2
Less than 4 years .....	18.8	22.9	13.2	30.5	19.9
4 to 9 years .....	27.2	18.2	7.0	16.5	25.1
10 to 19 years .....	22.6	6.3	2.1	10.3	17.6
20 years or more .....	9.6	1.0	—	—	7.6
Specific tenure not available .....	2.3	3.4	4.0	1.6	3.5
Median tenure (in years) .....	5.6	1.8	.5	2.2	4.4

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Details may not sum to totals due to rounding. For workers with traditional arrangements, estimates reflect tenure with the current employer. Median tenure was calculated only for those who reported a specific tenure. Dash indicates less than 0.05 percent.

**Table 12.** Median weekly earnings of full-time workers with alternative and traditional work arrangements, by selected characteristics, February 1997

Characteristic	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	Workers with traditional arrangements
<b>Age and sex</b>					
Total, 16 years and older .....	\$587	\$432	\$329	\$619	\$510
16 to 19 years .....	( <sup>1</sup> )	243	( <sup>1</sup> )	( <sup>1</sup> )	237
20 to 24 years .....	478	328	286	( <sup>1</sup> )	328
25 years and older .....	590	457	364	681	550
25 to 34 years .....	481	440	373	679	486
35 to 44 years .....	588	501	343	686	579
45 to 54 years .....	670	408	351	734	613
55 to 64 years .....	590	456	( <sup>1</sup> )	( <sup>1</sup> )	575
65 years and older .....	500	231	( <sup>1</sup> )	( <sup>1</sup> )	458
<b>Men, 16 years and older .....</b>					
16 to 19 years .....	621	508	385	685	578
20 to 24 years .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	252
25 years and older .....	523	328	312	( <sup>1</sup> )	343
25 to 34 years .....	624	524	406	727	613
35 to 44 years .....	513	576	403	783	523
45 to 54 years .....	618	521	405	702	630
55 to 64 years .....	739	636	( <sup>1</sup> )	( <sup>1</sup> )	717
65 years and older .....	622	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	679
65 years and older .....	731	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	669
<b>Women, 16 years and older .....</b>					
16 to 19 years .....	409	286	305	439	450
20 to 24 years .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	217
25 years and older .....	( <sup>1</sup> )	( <sup>1</sup> )	252	( <sup>1</sup> )	309
25 to 34 years .....	414	287	323	439	479
35 to 44 years .....	378	253	323	396	425
45 to 54 years .....	434	450	308	( <sup>1</sup> )	506
55 to 64 years .....	508	234	338	( <sup>1</sup> )	515
65 years and older .....	397	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	440
65 years and older .....	298	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	361
<b>Race and Hispanic origin</b>					
White .....	603	455	324	675	524
Black .....	399	378	332	394	428
Hispanic origin .....	438	321	281	( <sup>1</sup> )	357
<b>Educational attainment</b>					
Less than a high school diploma .....	398	289	265	( <sup>1</sup> )	302
High school graduate, no college .....	512	423	310	491	427
Some college, no degree .....	581	498	306	522	494
Associate's degree .....	523	558	433	( <sup>1</sup> )	519
College graduate .....	752	521	497	910	769

<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.

*Tenure and contingency.* The February 1997 survey confirmed that people employed by temporary help agencies can be assigned to one client for a relatively long time. While about 35 percent of temps had been in their current assignment for less than 3 months, nearly one-quarter had been in their assignment for more than a year. The median current tenure in the assignment was about 5 months.

Tenure in the employment arrangement was somewhat higher than tenure in the assignment. About 37 percent had been in the arrangement for at least 1 year, and 23 percent had been in the arrangement for 2 or more years; the median tenure was 6 months. (See table 11.)

About 57 percent of temporary help agency workers were

contingent under table 10's estimate 3, which, for temps, is based on their attachment to the current assignment. While this contingency rate continued to be the highest of any of the alternative arrangements studied, it was down by 10 percentage points from the rate obtained in the 1995 survey.

Although their assignments typically were short lived, many temps believed that they could remain in the arrangement indefinitely. Under estimate 1, in which temporary help agency workers were counted as contingent if they believed they could not remain in the arrangement for as long as they wished, only 28 percent were contingent.

*Special characteristics.* Nearly all temps reported being

assigned to just one place in the reference week. Eighty percent were registered with just one temporary help agency. Less than 2 percent were represented by a union or an employee association.

**Compensation.** Temporary help agency workers had the lowest earnings of workers in the four alternative arrangements studied. At \$329 per week for full-time workers, their median earnings were about two-thirds of the earnings of traditional workers (\$510). (See table 12.) The low earnings of temporary help agency workers are, in part, a reflection of the fact that the clerical and machine operator jobs they typically hold pay lower-than-average wages.

Women in the arrangement earned about 79 percent of what men earned, a gender gap comparable to that of other workers. Younger temps and those with less schooling generally had earnings closer to those of their counterparts in traditional arrangements, while older and college-educated workers who temped experienced a more substantial earnings deficit. The earnings of black and white temps were about the same, unlike the situation of traditional workers.

Temporary agencies did not commonly provide health insurance and pension benefits to their workers. (See table 14.) In fact, the rates of coverage for these workers were the lowest of the arrangements studied. For instance, 26 percent of temporary help agency workers were eligible for their

employer's health insurance coverage, compared with nearly 75 percent of traditional workers, and only 7 percent of temps obtained health insurance through their employer, compared with 61 percent of traditional workers. Just 46 percent of temps had health insurance from any source, compared with 83 percent of traditional workers. Women were more likely than men to have coverage at all, often through a family member.

Pension coverage was even lower than health insurance coverage: about 1 temp in 10 was eligible for his or her employer's pension plan, and about 4 percent of all temps actually participated in such a plan. For traditional workers, the proportions were 57 and 50 percent, respectively.

In sum, most temporary help agency workers were employed as clerical workers and machine operators. Most temps worked full time, and one-quarter had been on their current assignment for more than a year. Pay and benefits were at relatively low levels. Still, one-third of temps preferred their arrangement to a traditional job, and there was evidence that this proportion rose between 1995 and 1997 and that the proportion who were contingent fell.

## Contract company workers

The smallest of the four alternative arrangements was contract company employment, with about 800,000 workers. These individuals worked for a company that provides employees or

**Table 13.** Percent of independent contractors with health insurance and pension coverage, by selected characteristics, February 1997

Characteristic	Number (thousands)	With health insurance coverage					With pension coverage	
		Total (percent)	Through current employer at main job	Through spouse or other family member	Purchased on own	Other sources	Total (percent)	IRA or Keogh
<b>Age and sex</b>								
Total, 16 years and older .....	8,456	72.7	2.5	25.5	32.3	11.5	37.4	35.1
16 to 24 years .....	272	55.9	5.9	29.8	10.7	7.7	6.6	4.0
25 years and older .....	8,185	73.2	2.4	25.3	33.0	11.6	38.4	36.2
25 to 34 years .....	1,549	64.7	1.8	26.1	28.5	7.1	18.9	17.2
35 to 44 years .....	2,631	70.9	3.1	30.7	31.2	5.4	37.8	34.6
45 to 54 years .....	2,237	74.0	2.2	25.4	36.6	9.3	43.6	41.8
55 years and older .....	1,768	83.1	2.1	16.6	35.0	27.9	50.0	47.9
Men .....	5,633	70.6	2.6	19.0	36.1	12.4	38.1	35.9
Women .....	2,824	76.8	2.5	38.3	24.7	9.8	36.0	33.6
<b>Race and Hispanic origin</b>								
White .....	7,667	74.1	2.5	25.9	33.0	11.8	39.1	36.8
Black .....	448	52.2	3.8	20.5	19.6	8.3	15.2	12.5
Hispanic origin .....	614	45.4	2.8	14.3	19.1	8.1	13.2	11.6
<b>Full- and part-time status</b>								
Full-time workers .....	5,980	72.0	2.9	21.7	37.9	8.8	38.9	36.4
Part-time workers .....	2,378	74.2	1.6	35.2	17.8	18.6	33.4	31.5

NOTE: Details 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. Details for full- and part-time workers will not sum to totals because the usual status

on the principal job is not identifiable for a small number of multiple jobholders. Details for sources of health insurance coverage will not sum to totals because information on a specific source was not always available.

**Table 14.** Percent of persons in alternative and traditional work arrangements with health insurance and pension coverage, by selected characteristics, February 1997

Characteristic	Number (thousands)	With health insurance coverage			Eligible for employer- provided health insurance	With pension coverage, total (percent)	Eligible for employer- provided pension
		Total (percent)	Through current employer at main job	Through other job or union			
<b>On-call workers</b>							
Age and sex:							
Total, 16 years and older .....	1,996	67.3	19.6	4.4	31.0	19.2	24.5
16 to 24 years .....	430	70.7	11.4	1.4	19.1	4.9	7.2
25 years and older .....	1,567	66.4	21.8	5.2	34.2	23.2	29.3
25 to 34 years .....	448	58.3	23.7	4.5	38.6	19.9	28.6
35 to 44 years .....	508	64.8	23.8	4.7	38.2	26.8	32.1
45 to 54 years .....	288	68.4	21.9	5.2	32.3	22.6	26.7
55 years and older .....	322	78.9	16.1	7.5	23.6	22.7	28.3
Men .....	979	60.3	29.3	8.0	38.2	23.1	28.3
Women .....	1,017	74.1	10.2	1.0	24.0	15.5	20.8
Race and Hispanic origin:							
White .....	1,783	68.1	19.4	4.8	30.7	19.5	24.7
Black .....	156	61.5	20.5	1.3	28.8	19.9	21.2
Hispanic origin .....	265	37.7	17.7	3.0	26.0	8.7	14.3
Full- and part-time status:							
Full-time workers .....	896	62.5	34.6	7.9	48.2	30.2	37.6
Part-time workers .....	1,079	70.9	7.5	1.4	17.2	10.5	13.8
<b>Temporary help agency workers</b>							
Age and sex:							
Total, 16 years and older .....	1,300	46.4	7.0	1.9	26.0	3.7	10.5
16 to 24 years .....	293	39.6	4.4	1.7	19.8	2.0	6.8
25 years and older .....	1,007	48.5	7.7	1.9	27.9	4.2	11.5
25 to 34 years .....	394	35.5	6.6	.5	27.2	3.3	9.6
35 to 44 years .....	279	47.0	9.0	1.1	32.3	4.3	10.4
45 to 54 years .....	211	54.0	10.9	3.3	28.9	5.2	18.5
55 years and older .....	124	83.1	3.2	5.6	18.5	3.2	8.9
Men .....	581	37.9	8.1	2.2	27.9	3.4	11.2
Women .....	719	53.3	6.1	1.7	24.5	3.8	9.9
Race and Hispanic origin:							
White .....	976	49.8	7.9	1.4	27.7	4.9	12.0
Black .....	277	32.1	4.0	1.8	13.0	( <sup>1</sup> )	2.9
Hispanic origin .....	160	28.1	3.8	( <sup>1</sup> )	26.9	1.9	9.4
Full- and part-time status:							
Full-time workers .....	1,023	42.2	8.6	1.3	29.9	4.7	11.8
Part-time workers .....	275	61.5	.7	4.0	10.9	( <sup>1</sup> )	4.7
<b>Workers provided by contract firms</b>							
Age and sex:							
Total, 16 years and older .....	809	81.7	50.2	3.3	68.7	35.6	45.9
16 to 24 years .....	82	74.4	43.9	( <sup>1</sup> )	57.3	28.0	43.9
25 years and older .....	728	82.4	50.8	3.7	70.1	36.4	46.0
25 to 34 years .....	277	85.9	59.2	3.2	73.3	34.3	43.7
35 to 44 years .....	252	75.0	46.8	3.2	69.0	35.3	46.4
45 to 54 years .....	115	87.0	55.7	6.1	71.3	43.5	51.3
55 years and older .....	84	86.9	29.8	3.6	61.9	38.1	45.2
Men .....	565	81.2	57.0	4.2	72.0	42.7	52.0
Women .....	244	83.2	34.8	1.2	61.1	19.3	32.0
Race and Hispanic origin:							
White .....	660	82.7	49.1	4.1	67.1	36.5	47.6
Black .....	104	69.2	42.3	( <sup>1</sup> )	67.3	31.7	41.3
Hispanic origin .....	51	( <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 .....	659	81.8	58.6	3.6	75.6	39.8	50.7
Part-time workers .....	148	81.1	12.8	2.0	37.8	16.2	23.6

**Table 14.** Continued—Percent of persons in alternative and traditional work arrangements with health insurance and pension coverage, by selected characteristics, February 1997

Characteristic	Number (thousands)	With health insurance coverage			Eligible for employer-provided health insurance	With pension coverage, total (percent)	Eligible for employer-provided pension
		Total (percent)	Through current employer at main job	Through other job or union			
<b>Workers with traditional arrangements</b>							
Age and sex:							
Total, 16 years and older .....	107,689	83.0	60.9	.8	73.4	49.7	56.9
16 to 24 years .....	16,716	67.7	29.9	.2	44.8	14.4	27.1
25 years and older .....	90,973	85.8	66.6	.9	78.7	56.1	62.4
25 to 34 years .....	27,965	80.7	63.8	.6	77.3	47.6	56.9
35 to 44 years .....	29,789	86.5	68.0	.7	80.0	58.9	64.6
45 to 54 years .....	21,596	89.0	70.9	.8	82.0	64.2	68.3
55 years and older .....	11,623	90.3	62.0	2.0	72.9	54.5	58.7
Men .....	56,167	82.2	66.1	1.2	75.9	51.8	58.4
Women .....	51,522	83.8	55.2	.3	70.7	47.3	55.2
Race and Hispanic origin:							
White .....	90,818	84.1	60.8	.8	73.6	50.0	57.1
Black .....	12,263	77.0	62.3	.6	73.4	49.8	57.6
Hispanic origin .....	10,654	61.8	48.4	.6	60.4	31.2	38.3
Full- and part-time status:							
Full-time workers .....	87,685	84.8	70.7	.8	82.7	57.1	64.5
Part-time workers .....	19,757	75.0	17.6	.8	32.5	16.6	23.0
		<sup>1</sup> Less than 0.05 percent. <sup>2</sup> Data not shown where base is less than 75,000.			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. Details for full- and part-time workers will not sum to totals because the usual status on the principal job is not identifiable for a small number of multiple jobholders.		

their services to other organizations under contract, and they usually worked for one customer at a time at the customer's work site. This arrangement grew by 24 percent from 1995 to 1997, much faster than the growth of traditional employment (2.8 percent). Even so, contract company workers accounted for just 0.6 percent of all workers in February 1997.<sup>7</sup>

Contract company workers differed from other workers in several respects: they were disproportionately male (70 percent), relatively few were young or old, and about two-thirds were 25 to 44 years old. Also, two-thirds of the women had at least one child, reflecting the preponderance of workers of childbearing age. (See tables 2 and 4.)

*Part-time status.* At 16 percent, the proportion of contract company employees who worked part time was essentially the same as that of traditional workers. (See table 5.) There was a large difference by gender in part-time work, as 36 percent of women who were contract company workers, but only 8 percent of men, worked part time. As with traditional workers, roughly 80 percent of the part-timers in the arrangement voluntarily worked a shorter week.

*Occupation and industry.* The occupational distribution of contract company workers was quite unlike that of traditional

workers: contract company workers were more likely to hold professional, technical, service, and precision production jobs, while comparatively few held managerial, sales, and clerical positions. Fully one-half of the men were in service and precision production positions, compared with just 28 percent of men in traditional arrangements. More than 60 percent of the women were in professional and service occupations, compared with just 34 percent of women in traditional jobs. Government agencies, manufacturing firms, and transportation and utility companies were large users of contract company workers relative to their share of total employment. (See tables 6 and 7.)

The contract company employment arrangement had the highest rate of union representation of the four alternative arrangements, but, at 5 percent, was still just a fraction of the rate among traditional jobholders (about 16 percent).

*Tenure and contingency.* Many contract company workers had been in the arrangement a relatively short time. About 40 percent had been contract company workers for 1 year or less, and only 30 percent had 4 or more years of tenure. (See table 11.)

About 17 percent of contract company workers were contingent under the broadest measure and believed that they could not remain on their current assignment indefinitely. By

contrast, the contingency rate for traditional workers was 3.4 percent. (See table 10.) It is perhaps surprising that more than 80 percent of contract company employees believed that they could remain on their current assignment indefinitely, given the relatively short tenure of many of the workers in their current assignment.

(Information on reasons for being in the arrangement and on the preferred arrangement was not collected for contract company workers, due to the difficulty of devising questions whose wording would capture the desired information for this group.)

*Compensation.* Median weekly earnings for contract company workers employed full time (\$619) were higher than earnings for workers in any other arrangement, including a traditional one (\$510). (See table 12.) There was a large gender gap in earnings among workers in the arrangement, with women earning 64 percent of men's earnings (\$439 versus \$685).

With respect to health insurance, the overall rate of coverage for employees of contract companies (82 percent) was about the same as that for workers in traditional arrangements. Almost 70 percent of contract company workers were eligible for employer-provided health insurance, and one-half received it from their employer, the highest such rates of any alternative arrangement. (See table 14.)

Nearly half of the workers in the arrangement were eligible for their employer's pension plan, and 36 percent actually participated in the plan. While these proportions were lower than those for traditional workers, they were by far the highest

among the alternative arrangements.

In sum, contract company workers are a small, but well-compensated, group in which men under the age of 45 are disproportionately represented.

A NUMBER OF OBSERVERS HAVE BEEN TEMPTED to generalize about workers in nontraditional types of employment arrangements and to conclude that their existence is evidence of shortcomings in the U.S. labor market.<sup>8</sup> The results of the two surveys on alternative arrangements that have been conducted as part of the CPS, however, suggest the dangers in trying to stereotype the jobs that workers in such arrangements hold.

Of the four alternative arrangements examined in this article, independent contracting dwarfs all the others in size and is of particular note for several other reasons as well: in general, workers in this arrangement preferred it to a traditional arrangement, viewed their jobs as permanent, tended to work full time—many putting in quite long workweeks—and, on average, were quite highly paid.

In contrast, other arrangements appear to offer less security, lower pay, or fewer hours than many workers might prefer. But, perhaps most important, each of the arrangements includes many workers who responded that they preferred the arrangement, felt secure in their jobs, and received competitive pay. Thus, it seems fair to say that there is as much diversity in the characteristics of jobs and workers *within* each type of employment arrangement, whether traditional or otherwise, as there is *between* different types of arrangements. □

## Footnotes

<sup>1</sup> Data from the February 1997 supplement to the Current Population Survey (CPS) were initially published as news release USDL 97-422, "Contingent and alternative employment arrangements, February 1997," issued Dec. 2, 1997. The CPS, conducted for the Bureau of Labor Statistics by the Bureau of the Census, is a monthly survey of some 50,000 households that is the primary source of information on the labor force. All employed persons, except unpaid family workers, were eligible for inclusion in the February supplement. The current article updates two that appeared in the October 1996 *Monthly Labor Review*: "Workers in alternative employment arrangements," by Sharon R. Cohany, pp. 31-45; and "Earnings and benefits of workers in alternative work arrangements," by Steven Hipple and Jay Stewart, pp. 46-54.

<sup>2</sup> It may be tempting to classify independent contractors who were identified as wage and salary workers in the main questionnaire as workers who otherwise would have been employees of their client company or as individuals who were "converted" to independent contractors to avoid legal requirements. However, the basic CPS questionnaire does not permit this distinction. Two individuals who are in exactly the same work arrangement may answer the question from the main questionnaire, "Were you employed by government, by a private company, a nonprofit organization, or were you self-employed?" differently, depending on their interpretation of the words "employed" and "self-employed." It was not possible with the CPS supplement to collect information on the legal aspects of employment arrangements.

<sup>3</sup> See two articles by John E. Bregger in the *Monthly Labor Review*: "Self-employment in the United States, 1948-62," January

1963, pp. 37-43; and "Measuring self-employment in the United States," January/February 1996, pp. 3-9. See also Theresa J. Devine, "Characteristics of self-employed women in the United States," *Monthly Labor Review*, March 1994, pp. 20-34.

<sup>4</sup> For a study of firms' family-oriented policies toward independent contractors (as well as toward temporary agency workers and direct-hire temporaries), see Kathleen Christensen, "Countervailing Human Resource Trends in Family-Sensitive Firms," in Kathleen Barker and Kathleen Christensen, eds., *Contingent Work: American Employment Relations in Transition* (Ithaca, NY, Cornell University Press, 1998).

<sup>5</sup> The temporary help industry has been the subject of numerous studies, including Anne E. Polivka, "Are Temporary Help Agency Workers Substitutes for Direct Hire Temps? Searching for an Alternative Explanation of Growth in the Temporary Help Industry," paper presented at the Society of Labor Economists Conference, Chicago, May 3-5, 1996; Lonnie Golden and Eileen Applebaum, "What was Driving the 1982-88 Boom in Temporary Employment?" *American Journal of Economics and Sociology*, October 1992, pp. 473-93; Karylee Laird and Nicolas Williams, "Employment Growth in the Temporary Help Supply Industry," *Journal of Economic Perspectives*, spring 1997, pp. 117-36. For a history of the temporary help industry, see Martha I. Finney and Deborah A. Dasch, *A Heritage of Service: The History of Temporary Help in America* (Alexandria, VA, National Association of Temporary Services, 1991). For views of the industry primarily from the temporary workers' perspective, see Kevin D. Henson, *Just a Temp* (Philadelphia, Temple University Press, 1996); Jackie Krasas Rogers, "Just a Temp: Experience and Structure of Alienation in Temporary

Clerical Employment,” *Work and Occupations*, May 1995, pp. 137–66; and Maureen Martella, *Just a Temp: Expectations and Experiences of Women Clerical Temporary Workers*, report prepared for the U.S. Department of Labor, Women’s Bureau, November 1991.

<sup>6</sup> Since 1982, data on the temporary help industry have been available from the Bureau of Labor Statistics through the Current Employment Statistics (CES) survey, which collects information on employment, hours, and earnings from employers in nonagricultural industries. Estimates of employment in the temporary help industry, as measured by the CES, are considerably higher than CPS-derived estimates, reflecting substantial differences between the two surveys. For instance, the CES category “Help supply services” (SIC 7363) includes some contract and employee-leasing companies, in addition to temporary help agencies. In the CES, multiple jobholders are counted on each payroll; in the CPS, they are counted on their main job only. Also, in the CES, individuals on multiple temporary help agency payrolls are counted on each payroll on which they appeared during the reference week. In the CPS, they are counted only once. For additional information on these differences, see Cohany, “Alternative employment arrangements,” pp. 39–40; and Anne E. Polivka, “Contingent and alternative work arrangements, defined,” *Monthly Labor Review*, October 1996, p. 9, footnote 12.

<sup>7</sup> Recent research on contract companies includes Katharine G. Abraham and Susan K. Taylor, “Firms’ Use of Outside Contractors: Theory and Evidence,” *Journal of Labor Economics*, July 1996, pp. 394–424; and two pieces by Susan N. Houseman: *Temporary, Part-time, and Contract Employment: A Report on the W. E. Upjohn Institute’s Employer Survey on Flexible Staffing Arrangements* (U.S. Department of Labor, Office of the Assistant Secretary for Policy, 1996); and “Labor Standards in Alternative Work Arrangements,” *Proceedings of the 50th Annual Meeting of the Industrial Relations Research Association*, vol. 2 (Chicago, Industrial Relations Research Association, 1998), pp. 1135–42.

<sup>8</sup> See, for instance, Arne L. Kalleberg, Edith Russell, Naomi Cassirer, Barbara F. Reskin, Ken Hudson, David Webster, Eileen Appelbaum, and Roberta M. Spalter-Roth, *Nonstandard Work, Substandard Jobs: Flexible Work Arrangements in the U.S.* (Washington, DC, Economic Policy Institute and Women’s Research and Education Institute, 1997); and the series of articles in the Mar. 29, 1993, issue of *Time* magazine under the general title, “Society: A Nation of Part-Timers”: Lance Morrow, “The Temping of America,” pp. 40–41; Janice Castro, “Disposable Workers,” pp. 43–44; and Robert Reich, “Nobody Is Safe,” pp. 46–47.