

Contingent work in the late-1990s

Despite the strong labor market, the incidence of contingent work changed little between 1997 and 1999; characteristics of contingent workers are similar to those of earlier surveys

Steven Hipple

In February 1999, 5.6 million workers held contingent jobs, that is, jobs that are structured to be short term or temporary. The contingency rate—the proportion of total employment composed of contingent workers—was 4.3 percent.¹ Both the number of contingent workers and the contingency rate were virtually the same as those in the 1997 survey. The fact that both the number of individuals with contingent jobs and the contingency rate were little different is interesting, because the period covered by the two surveys was one of strong labor market conditions. For example, total employment grew by 4.8 million over the two periods, and the unemployment rate—at 5.3 percent in February 1997—had fallen to 4.4 percent in February 1999.² (See chart 1.)

This article discusses the results of the February 1999 Contingent and Alternative Work Arrangements Supplement to the Current Population Survey (CPS), including an examination of the characteristics of contingent workers and the jobs they hold, and their earnings and employee benefits.³ Information on contingent work was first collected by the Bureau of Labor Statistics in February 1995, and when the results of that survey were published, three alternative measures of contingent work were introduced.⁴ (See the appendix.) The analysis in this article fo-

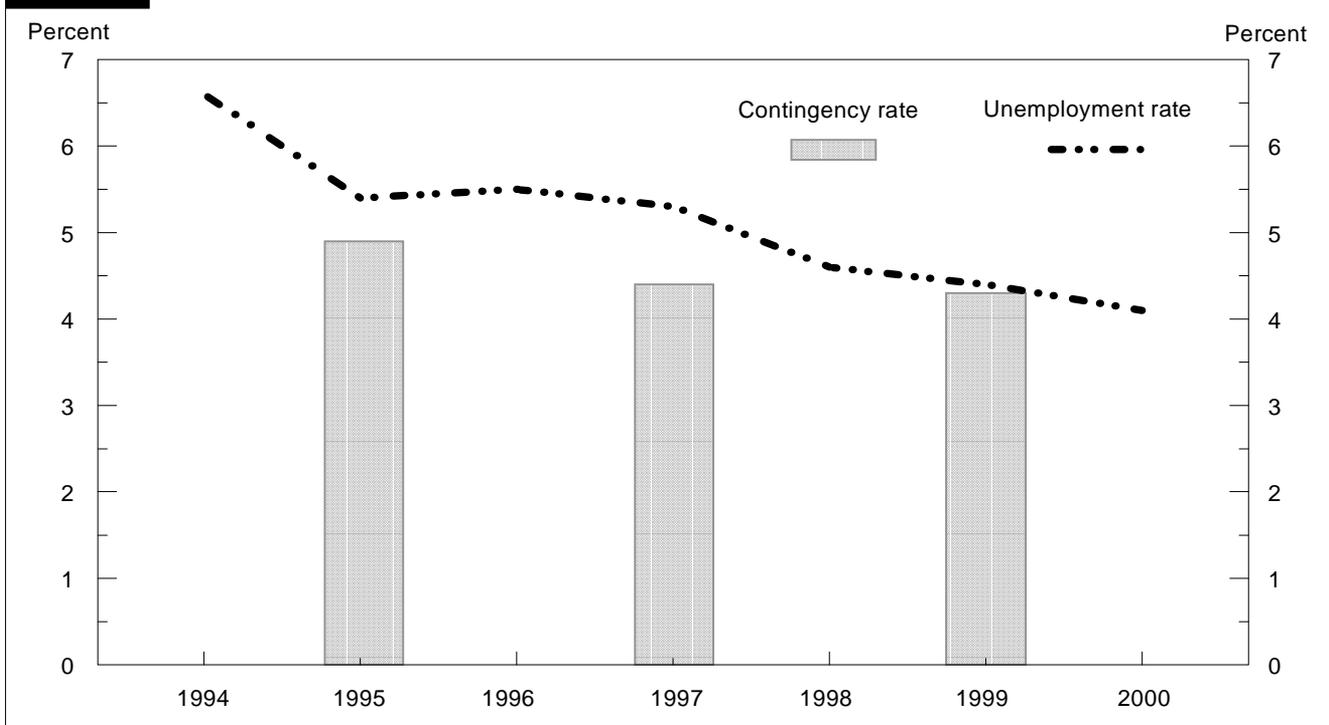
cuses on the broadest measure of contingent work—estimate 3. Noncontingent workers, employed individuals who do not fall under any of the estimates of contingent work, are used as a point of comparison.

Prior analyses have shown that the characteristics of workers in contingent and noncontingent employment arrangements differ substantially. The incidence of contingent work is higher among certain demographic groups, for instance, and in certain industries and occupations. Moreover, the groups differ by other characteristics including employee tenure and work schedules. Disentangling the impact of these differences on earnings or employee benefits, for example, can be very complicated. Using descriptive statistics, this article provides an overview of contingent workers in 1999.

Why are contingent jobs temporary?

The phrase “contingent work” was first proposed by Audrey Freedman in 1985 to refer specifically to “conditional and transitory employment arrangements as initiated by a need for labor—usually because a company has an increased demand for a particular service or a product or technology, at a particular place, at a specific time.”⁵ The term, however, took on a

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Chart 1. Unemployment rates and contingency rates, February 1994–2000

negative connotation, implying less job security, and soon became used to describe a wide variety of employment arrangements including part-time work, self-employment, temporary help agency employment, contracting out, employee leasing, and employment in the business services industry. In fact, to some analysts, any work arrangement that differed from the commonly perceived norm of a permanent, full-time wage and salary job would be considered “contingent.” For many people, nonstandard or contingent work has come to represent a just-in-time work force, the human equivalent of just-in-time inventories. Although studying “nonstandard” arrangements is of interest to a number of analysts, combining these very diverse arrangements into a single category and labeling them contingent may cause workers to be classified incorrectly and may cause confusion among analysts studying this topic.⁶

In order to turn the focus on the attachment between the worker and the employer and to identify a common underlying trait that could be used to classify workers, the Bureau of Labor Statistics proposed the following definition of contingent work in 1989: “Any job in which an individual does not have an explicit or implicit contract for long-term employment.”⁷ Essentially, contingent workers are individuals who hold jobs that are temporary or not expected to continue.

In the survey, the key factor used to determine if a job fits the conceptual definition of a contingent work arrangement

is whether the job was temporary or not expected to last. (For a detailed explanation of the criteria used to determine if a job is contingent, see the appendix.) Jobs are considered to be temporary if a person is working only until the completion of a specific project, temporarily replacing another worker, being hired for a fixed time period, filling a seasonal job, or if business conditions dictated that the job was temporary. Workers who are temporarily holding jobs for *personal* reasons are excluded from the count of contingent workers.

In 1999, the majority of contingent workers—53 percent—reported that their jobs were temporary because they were working only until a specific project was completed.⁸ Another 18 percent said that they were hired for a fixed time period, 9 percent were hired to temporarily replace another worker, 8 percent were holding a seasonal job, and 12 percent gave another economic-related reason. These proportions were similar to those measured in the 1995 and 1997 surveys.

A study conducted by Susan N. Houseman used data from a nationwide survey of employers on their use of flexible staffing arrangements. The author found that the most common reasons that *employers* use temporary workers were to fill seasonal needs, to help with special projects, to help during unexpected increases in business, to fill in for an absent employee, and to fill in until a regular worker is hired.⁹

Text continues on page 8.

Table 1. Contingent and noncontingent workers by selected characteristics, February 1995–99

[Percent distribution]

Characteristic	Contingent workers ¹									Noncontingent workers ²		
	Estimate 1			Estimate 2			Estimate 3			1995	1997	1999
	1995	1997	1999	1995	1997	1999	1995	1997	1999			
Age and sex												
Total, 16 years and older (thousands)	2,739	2,385	2,444	3,422	3,096	3,038	6,034	5,574	5,641	117,174	121,168	125,853
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
16 to 19 years	16.6	19.2	20.9	15.2	16.0	17.8	10.7	12.4	13.2	4.3	4.4	4.7
20 to 24 years	25.0	23.9	23.5	22.2	21.0	22.1	19.8	17.9	19.8	9.6	9.0	9.0
25 to 34 years	26.0	23.7	23.1	27.5	24.4	24.7	26.3	24.8	24.4	26.1	25.0	23.5
35 to 44 years	18.5	17.5	15.6	19.8	20.6	17.5	21.0	20.9	18.8	28.0	28.2	28.1
45 to 54 years	8.2	8.3	11.0	9.5	10.8	11.8	12.6	13.6	13.2	19.8	21.0	21.8
55 to 64 years	3.8	5.3	3.9	3.7	5.4	3.9	5.9	7.3	6.4	9.4	9.6	10.1
65 years and older	1.8	2.1	1.9	2.1	1.9	2.1	3.7	3.1	4.1	2.8	2.9	2.8
Men	49.3	49.5	46.9	49.4	48.4	46.6	49.6	49.3	48.7	54.0	53.8	53.5
Women	50.7	50.5	53.1	50.6	51.6	53.4	50.4	50.7	51.3	46.0	46.2	46.5
Race and Hispanic origin												
White	80.0	79.5	80.9	80.1	80.6	80.5	80.9	81.9	80.2	85.6	85.3	84.5
Black	13.9	13.3	11.8	13.6	13.0	12.7	13.3	11.1	12.2	10.5	10.6	11.1
Hispanic origin	13.6	12.2	13.8	12.9	12.8	13.6	11.3	12.4	13.2	8.3	9.4	10.0
Country of birth and U.S. citizenship status												
U.S. born	87.5	87.6	85.2	87.3	87.1	85.3	86.8	85.3	84.0	91.0	89.4	89.0
Foreign born	12.5	12.4	14.8	12.7	13.0	14.7	13.2	14.7	16.0	9.0	10.6	11.0
U.S. citizen	1.6	3.2	3.0	1.7	3.7	3.1	2.2	3.9	3.9	3.2	4.2	4.4
Not a U.S. citizen	10.9	9.1	11.8	11.0	9.2	11.7	11.0	10.7	12.1	5.8	6.4	6.6
Full- or part-time status												
Full-time workers	52.9	53.5	48.4	53.6	54.8	52.0	57.1	57.5	55.9	81.8	82.2	83.0
Part-time workers	47.1	46.6	51.6	46.4	45.2	48.0	42.9	42.5	44.1	18.2	17.8	17.0
School enrollment												
Total, 16 to 24 years (thousands)	1,142	1,029	1,086	1,279	1,143	1,212	1,841	1,690	1,863	16,215	16,299	17,261
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Enrolled	55.3	61.4	63.8	53.7	57.7	62.1	58.1	63.7	65.9	38.4	40.0	41.4
Not enrolled	44.7	38.6	36.2	46.3	42.3	37.9	41.9	36.3	34.1	61.6	60.0	58.6
Educational attainment												
Total, 25 to 64 years (thousands)	1,547	1,308	1,311	2,070	1,893	1,762	3,968	3,710	3,546	97,633	101,397	105,043
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	14.0	10.0	12.7	13.6	11.0	12.6	12.0	10.4	11.9	9.6	9.6	9.1
High school graduates, no college	27.9	27.9	27.8	27.5	28.5	28.5	27.3	26.8	25.8	32.4	32.8	31.4
Some college, no degree	22.8	21.9	19.1	23.3	20.2	18.5	19.6	18.8	17.0	19.9	18.9	19.3
Associate degree	8.4	10.7	7.7	8.0	10.1	8.0	7.9	8.2	6.9	9.1	9.1	9.2
College graduates	27.0	29.4	32.6	27.7	30.1	32.4	33.2	35.8	38.5	28.9	29.5	31.0
Advanced degree	9.4	10.5	11.6	10.0	9.3	11.4	14.9	14.7	16.0	9.9	10.0	10.3

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 1 is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any

of the three definitions of contingent work.

NOTE: 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. Detail for other characteristics may not sum to totals due to rounding.

Table 2. Contingency rates by selected characteristics, February 1995–99

[In percent]

Characteristic	Contingency rates ¹								
	Estimate 1			Estimate 2			Estimate 3		
	1995	1997	1999	1995	1997	1999	1995	1997	1999
Age and sex									
Total, 16 years and older	2.2	1.9	1.9	2.8	2.4	2.3	4.9	4.4	4.3
16 to 19 years	8.1	7.6	7.7	9.2	8.2	8.1	11.4	11.5	11.2
20 to 24 years	5.5	4.8	4.6	6.1	5.4	5.4	9.6	8.4	9.0
25 to 34 years	2.2	1.8	1.8	2.9	2.4	2.4	4.9	4.4	4.5
35 to 44 years	1.5	1.2	1.0	2.0	1.8	1.5	3.7	3.3	2.9
45 to 54 years .....	.9	.8	1.0	1.4	1.3	1.3	3.2	2.9	2.6
55 to 64 years .....	.9	1.1	.7	1.1	1.4	.9	3.1	3.4	2.8
65 years and older	1.4	1.3	1.2	2.1	1.6	1.7	6.3	4.8	6.1
Men	2.0	1.7	1.6	2.5	2.2	2.0	4.5	4.0	3.9
Women	2.4	2.0	2.1	3.0	2.7	2.6	5.3	4.8	4.7
Race and Hispanic origin									
White	2.1	1.8	1.8	2.6	2.3	2.2	4.6	4.2	4.1
Black	2.9	2.4	2.0	3.5	3.0	2.6	6.1	4.6	4.7
Hispanic origin	3.6	2.4	2.5	4.2	3.3	3.1	6.5	5.7	5.6
Country of birth and U.S. citizenship status									
U.S. born	2.1	1.8	1.8	2.7	2.4	2.2	4.7	4.2	4.1
Foreign born	3.0	2.2	2.5	3.8	2.9	3.0	7.0	6.0	6.1
U.S. citizen	1.1	1.4	1.3	1.5	2.2	1.6	3.5	4.1	3.8
Not a U.S. citizen	4.0	2.6	3.2	5.0	3.4	3.9	8.9	7.2	7.6
Full- or part-time status									
Full-time workers	1.5	1.2	1.1	1.8	1.7	1.5	3.5	3.1	2.9
Part-time workers	5.4	4.6	5.3	6.6	5.8	6.1	10.8	9.9	10.4
School enrollment									
Total, 16 to 24 years	6.3	5.7	5.7	7.1	6.4	6.3	10.2	9.4	9.7
Enrolled	8.7	8.3	8.3	9.4	8.7	9.0	14.7	14.2	14.7
Not enrolled	4.7	3.8	3.7	5.5	4.7	4.3	7.2	5.9	5.9
Educational attainment									
Total, 25 to 64 years	1.5	1.2	1.2	2.0	1.8	1.6	3.9	3.5	3.3
Less than a high school diploma	2.2	1.3	1.7	2.9	2.1	2.2	4.8	3.8	4.2
High school graduates, no college	1.3	1.1	1.1	1.7	1.6	1.5	3.3	2.9	2.7
Some college, no degree	1.7	1.4	1.2	2.4	1.9	1.6	3.8	3.5	2.9
Associate degree	1.4	1.5	1.0	1.8	2.0	1.4	3.4	3.2	2.4
College graduates	1.4	1.2	1.3	1.9	1.8	1.7	4.5	4.3	4.0
Advanced degree	1.4	1.3	1.3	2.0	1.6	1.8	5.8	5.1	5.0

¹ Contingency rates are calculated by dividing the number of contingent workers in a specified worker group by total employment for the same worker group. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

Table 3. Contingency rates by occupation and industry, February 1995–99

[In percent]

Occupation and industry	Contingency rates ¹								
	Estimate 1			Estimate 2			Estimate 3		
	1995	1997	1999	1995	1997	1999	1995	1997	1999
Occupation									
Total, 16 years and older	2.2	1.9	1.9	2.8	2.4	2.3	4.9	4.4	4.3
Managerial and professional specialty	1.7	1.4	1.5	2.1	1.7	1.8	4.8	4.2	4.4
Executive, administrative, and managerial .....	.8	.7	.5	1.1	1.0	.8	2.7	2.2	2.0
Professional specialty	2.6	2.0	2.4	3.1	2.4	2.7	6.8	6.0	6.7
Technical, sales, and administrative support ...	2.1	2.1	2.1	2.5	2.6	2.6	4.4	4.3	4.3
Technicians and related support	1.3	1.8	2.0	1.9	2.7	2.5	4.2	4.7	4.4
Sales occupations	1.2	1.1	1.2	1.6	1.5	1.7	2.6	2.1	2.4
Administrative support, including clerical	3.1	3.0	2.9	3.4	3.5	3.3	5.8	6.0	5.8
Service occupations	3.0	2.3	2.3	4.1	3.2	3.1	5.8	5.0	4.7
Precision, production, craft, and repair	2.3	1.8	1.4	2.9	2.3	1.8	4.6	4.1	3.3
Operators, fabricators, and laborers	2.7	2.2	2.0	3.1	3.0	2.4	5.4	4.4	4.0
Farming, forestry, and fishing	2.2	2.0	2.9	3.2	3.0	3.3	5.6	5.9	7.3
Industry									
Total, 16 years and older	2.2	1.9	1.9	2.8	2.4	2.3	4.9	4.4	4.3
Agriculture	2.4	1.6	2.6	3.3	2.6	3.2	5.0	5.2	6.1
Mining	1.0	1.1	.7	1.0	1.8	.7	2.6	4.0	2.6
Construction	4.5	3.7	2.3	5.7	4.7	2.9	8.4	7.2	5.2
Manufacturing	1.3	.8	.8	1.6	1.1	1.0	3.1	2.1	2.2
Durable goods	1.3	.7	.9	1.6	1.0	1.1	3.4	2.0	2.4
Nondurable goods	1.3	1.0	.6	1.5	1.1	.9	2.8	2.3	2.0
Transportation	1.1	.7	.6	1.1	1.4	1.0	2.3	2.7	1.7
Communications and public utilities	1.4	.6	1.6	1.6	1.0	1.6	4.0	2.3	2.7
Wholesale trade .....	.7	.8	1.1	1.0	1.3	1.5	2.3	2.1	2.8
Retail trade	1.6	1.5	1.6	2.0	1.7	1.8	3.0	2.6	2.7
Finance, insurance, and real estate .....	.7	1.1	.6	.8	1.3	1.0	2.0	2.1	1.9
Services	3.4	2.8	2.9	4.3	3.7	3.6	7.5	6.7	6.9
Private household	8.2	6.1	8.8	11.9	9.8	11.8	17.9	15.7	16.8
Business, auto, and repair services	5.3	3.8	3.2	7.3	5.8	4.7	9.6	8.0	7.5
Personal services	3.6	2.5	3.6	3.9	3.3	4.3	5.6	5.7	6.2
Entertainment and recreation services	4.3	3.6	3.9	5.3	4.0	4.3	8.2	6.8	5.7
Professional services	2.7	2.4	2.6	3.3	3.0	3.1	6.7	6.3	6.6
Hospitals .....	.8	1.1	1.0	.8	1.2	1.0	2.2	3.8	3.7
Health services, excluding hospitals	1.2	1.0	.7	1.5	1.3	.9	2.7	2.4	1.7
Educational services	5.3	4.6	5.0	5.5	4.8	5.1	12.3	11.4	11.6
Social services	2.3	1.6	2.1	5.6	4.5	5.2	7.8	6.2	7.3
Other professional services	1.1	1.7	1.5	2.1	2.4	2.0	4.2	3.6	4.1
Public administration	1.2	1.2	1.2	1.2	1.2	1.4	3.6	4.2	3.1

¹ Contingency rates are calculated by dividing the number of contingent workers in a specified worker group by total employment for the same worker group. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

Table 4. Contingent and noncontingent workers by full- and part-time status, reason for part-time work, usual hours at work on primary job, and multiple job holding, February 1999

Characteristic	Contingent workers ¹			Noncontingent workers ²
	Estimate 1	Estimate 2	Estimate 3	
Full- or part-time status³				
Total employed, 16 years and older (thousands)	2,444	3,038	5,641	125,853
Percent	100.0	100.0	100.0	100.0
Full-time workers	48.4	52.0	55.9	83.0
Part-time workers	51.6	48.0	44.1	17.0
At work part time for economic reasons	9.1	9.0	7.2	2.5
At work part time for noneconomic reasons	40.3	37.7	35.8	14.0
Hours of work				
Average hours, total at work	27.3	28.4	30.0	38.8
Average hours, usually work full time	38.7	39.3	40.8	42.7
Average hours, usually work part time	16.8	16.8	16.9	20.6
Multiple jobholding				
Total, 16 years and older (thousands)	143	196	457	8,109
Percent ⁴	100.0	100.0	100.0	100.0
Primary job full time, secondary job part time	28.0	34.7	36.8	55.3
Primary and secondary job both part time	51.7	46.4	40.9	21.3
Hours vary on primary or secondary jobs	20.3	18.9	20.1	19.1
Proportion of full-time workers who combined part-time jobs	6.3	5.8	5.9	1.7
Multiple jobholding rate ⁵	5.9	6.5	8.1	6.4

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Part-time is defined as 1 to 34 hours per week; full time is 35 hours or more. The classification of full- or part-time is based on the number of hours usually worked. The sum of the at-work part time categories would not equal the estimate for part-time workers as the latter includes those who had a job

but were not at work in the reference week. Persons who are at work part time for an economic or noneconomic reason are limited to those who usually work part time.

⁴ A small number of individuals who worked full time on both their primary and secondary jobs or worked part time on their primary jobs and full time on their secondary jobs are not shown separately.

⁵ Multiple jobholding rates are calculated by dividing the number of multiple jobholders in a specified worker group by total employment for the same worker group.

NOTE: Detail may not sum to totals due to rounding.

Demographics

Both the number of contingent workers and the contingency rate were about unchanged between 1997 and 1999 for most of the major demographic groups. (See tables 1 and 2, pp. 5–6.) As in prior surveys, the contingency rate was highest for younger workers. In 1999, roughly 10 percent of both teenagers (aged 16 to 19 years) and 20- to 24-year-olds held contingent jobs.

Among workers aged 16 to 24, the likelihood of holding a contingent job was much greater for those enrolled in school; the contingency rate for students was 2.5 times higher than that for their counterparts not enrolled in school. The greater tendency of students to hold contingent jobs suggests that flexibility and lack of a long-term commitment to an employer is compatible with attending school. In fact, among those enrolled in college, a large proportion work in colleges and universities, that is, on their campuses. Many of these jobs, by nature, are designed to be temporary. For example, of

the 715,000 college students employed at their schools in 1999, about three-fifths reported that they were holding contingent jobs.

Although the contingency rates for men and women changed little between 1997 and 1999, women continued to be more likely than men to hold contingent jobs. Working women are more likely than their male counterparts to be employed in industries—services, for example—that have a large proportion of contingent workers. Moreover, compared to men, a much higher proportion of women are employed part time, and part-time workers have a higher probability of being contingent than full-time workers.

Blacks and Hispanics continued to be somewhat more likely than whites to hold temporary jobs. In 1999, contingency rates for blacks and Hispanics were 4.7 percent and 5.6 percent, respectively, while the rate for whites was 4.1 percent.

As was the case in 1995 and 1997, contingent workers were found at both ends of the educational spectrum. Among

Table 5. Union affiliation of contingent and noncontingent wage and salary workers by industry, February 1999

Industry	Contingent workers (estimate 3) ¹			Noncontingent workers ²		
	Unionization rate ³			Unionization rate ³		
	Total (in thousands)	Members of unions	Represented by unions	Total (in thousands)	Members of unions	Represented by unions
Total, 16 years and older	5,301	5.9	7.4	112,720	14.8	16.3
Agriculture	159	.0	.0	1,283	2.9	2.9
Mining	14	(⁴)	(⁴)	399	6.4	9.8
Construction	389	22.6	23.1	5,627	18.8	19.2
Manufacturing	444	6.5	7.4	18,646	16.5	17.6
Transportation and public utilities	175	18.3	19.4	9,025	32.2	34.4
Wholesale trade	121	.8	3.3	4,173	4.2	5.1
Retail trade	578	3.1	5.4	20,115	5.3	5.7
Finance, insurance, and real estate	154	(⁵)	(⁵)	7,535	2.9	3.5
Services	3,079	4.0	5.2	39,737	15.1	17.0
Public administration	188	10.6	18.1	6,180	34.3	39.7

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. For the specific criteria used, see the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Unionization rates are calculated by dividing the number of persons

who are members of a labor union or are covered by a union contract in a specified worker group by total employment for the same worker group.

⁴ Data not shown where base employment is less than 75,000.

⁵ Less than 0.05 percent.

NOTE: Data refer to members of a labor union or employee association similar to a union as well as workers who report no union affiliation but whose jobs are covered by a union or employee association contract.

25- to 64-year-olds, workers with advanced degrees and those with less than a high school diploma had relatively high contingency rates—5.0 and 4.2 percent, respectively. (The overall contingency rate for workers aged 25 to 64 was 3.3 percent.) The probability of holding a contingent job was lower for workers with an associate degree, high school graduates with no college, and workers with some college but no degree. (See table 2, p. 6.)

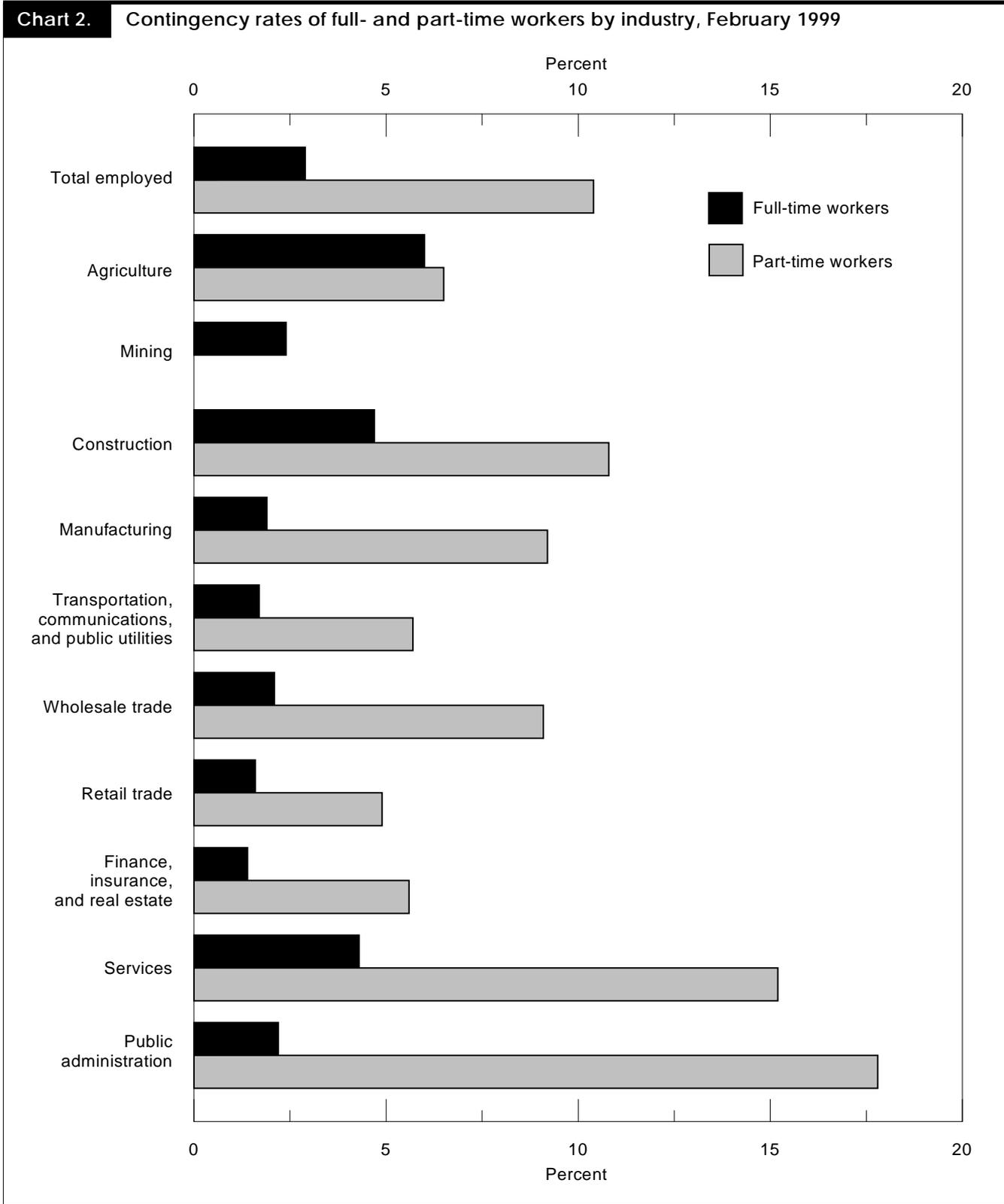
Workers who were natives of the United States were much less likely than the foreign-born to hold contingent jobs. The contingency rate for U.S. natives was 4.1 percent, in contrast to 6.1 percent for the foreign-born.¹⁰ The above-average rate among the foreign-born is due entirely to the high rate of contingency among noncitizens; the rate for this group—7.6 percent—was twice as high as that for naturalized citizens—3.8 percent. (See table 2, p. 6.) Employment among noncitizens tends to be concentrated in many of the industries and occupations in which contingent employment arrangements are most common. For example, compared with U.S. natives and naturalized citizens, noncitizens were twice as likely to work in agriculture and 5 times as likely to work in private household services, two industries that have above-average contingency rates. But, even *within* agriculture, the rate for noncitizens is much higher than that for U.S. natives and naturalized citizens. The contingency rate in agriculture for noncitizens was 24.5 percent, in contrast to 3.2 percent for

U.S. natives and only 1.2 percent for naturalized citizens. The high rate for noncitizens in this industry is largely due to their concentration in farm laborer occupations, which have very high contingency rates. Conversely, the low rate of contingency among U.S. natives working in agriculture is due, in part, to the fact that a large proportion (more than two-fifths) of these workers were employed as farm operators and managers, occupations that have extremely low rates of contingency—less than 1 percent.

Industry and occupation

Industry. As in 1997, the probability of holding a contingent job was highest for workers in the agriculture, construction, and services industries. Between 1997 and 1999, the contingency rate for construction declined, while the rates for agriculture and services were little different.¹¹ (See table 3, p. 7.) Within services, specific industries that had relatively high contingency rates in 1999 included private household services (16.8 percent); educational services (11.6 percent); business, auto, and repair services (7.5 percent); social services (7.3 percent); and personal services (6.2 percent).

Major industry groups that had very low contingency rates—less than 3 percent—included transportation; communications and public utilities; finance, insurance, and real estate; manufacturing; and mining.



Occupation. As in the prior survey, contingent workers were found in a wide range of occupations. (See table 3, p. 7.) Occupational categories that had the highest rates of contingency were farming, forestry, and fishing; professional specialty; and administrative support.

Within the professional specialty category, the contingency rate was highest—29 percent—for college and university instructors. In contrast, the rate for elementary and secondary teachers was much lower (7.6 percent). The high rate among postsecondary teachers most likely reflects the use of more adjunct or temporary teachers by colleges and universities, but also could be a result of the inherent uncertainties of the tenure process, which plays an important role in higher education.¹² Many younger college and university instructors, for instance, may perceive their jobs to be insecure because they have not yet earned tenure with their institution. The high contingency rate among postsecondary teachers also may explain the high rate among workers with advanced degrees. Of the 621,000 contingent workers with advanced degrees in 1999, 156,000, or 1 in every 4, was employed as a college or university instructor. Interestingly, among postsecondary teachers, individuals with contingent jobs were much more likely than their noncontingent counterparts to be working part time; nearly three-fifths of postsecondary teachers employed in contingent jobs were working part time, in contrast to only about one-tenth of noncontingent workers in the same occupation.

Other professional specialty occupations with relatively high rates of contingency include physicians (12.3 percent); biological and life scientists (11.8 percent); photographers (9.1 percent); and actors and directors (7.8 percent). Within the administrative support category, occupations that had high contingency rates include library clerks (24.1 percent); interviewers (19.2 percent); general office clerks (14.0 percent); receptionists (8.9 percent); and typists (8.9 percent). Not surprisingly, of the contingent workers employed in these five administrative support occupations, a large proportion were working through a temporary help agency, an alternative work arrangement that employs a large number of contingent workers.¹³

Contingent work and marital status

In addition to the impact of contingent work on individuals, some researchers have expressed concern that the lack of job security characterized by contingent employment arrangements has had a negative impact on families.¹⁴ As shown below, however, married men and women have below-average contingency rates.

	<i>Aged 16 years and older</i>	<i>Aged 25 years and older</i>
Men	3.9	3.0
Married, spouse present	2.5	2.4
Married, spouse absent	7.7	8.2
Widowed	1.9	1.9
Divorced	3.9	4.0
Separated	4.3	4.0
Never married	7.2	4.8
Women	4.7	3.7
Married, spouse present	3.5	3.4
Married, spouse absent	5.0	5.2
Widowed	4.2	4.2
Divorced	3.2	3.2
Separated	4.0	4.0
Never married	8.1	5.4

Contingency rates tend to be higher for individuals who have never been married and for those who were married, but whose spouse was absent. (An absence of a spouse, in this context, could be due to a temporary work-related assignment overseas, for example.) By comparison, workers who were widowed, divorced, or separated had a lower probability of holding a temporary job. The fact that contingent work has somewhat more appeal to younger individuals undoubtedly has some effect on the rates of contingency by marital status.

Hours of work and multiple jobholding

Hours of work. As in prior surveys, part-time workers, that is, those who usually work less than 35 hours per week, were much more likely than full-time workers to hold contingent jobs. In 1999, about 10 percent of part-time workers were contingent, in contrast to only 3 percent of full-time workers.

Contingency rates for part-time workers were higher than the overall rate for all the major industry groups. (See chart 2, p. 10.) Among full-time workers, the rate of contingency was above the overall rate in only two industries—agriculture and construction. Although contingent work is a characteristic of part-time work regardless of the industry, this implies that it also is closely related to certain kinds of work (farm work and construction, for example).

As was the case in the 1995 and 1997 surveys, part-time contingent and noncontingent workers were about equally likely to choose part-time work, that is, they worked part time voluntarily and not for economic reasons; about four-fifths of workers in each group chose to work part time. Of those working part time for an economic reason, only about 1 in every 10 was holding a job that was structured

Table 6. Contingency rates by census region and division, February 1995–99

Census region and division	Contingency rates ¹								
	Estimate 1			Estimate 2			Estimate 3		
	1995	1997	1999	1995	1997	1999	1995	1997	1999
Total, United States	2.2	1.9	1.9	2.8	2.4	2.3	4.9	4.4	4.3
Northeast	2.0	1.6	1.8	2.5	2.1	2.1	5.1	4.3	4.1
New England	2.3	2.1	2.1	2.8	2.5	2.4	5.4	4.6	4.3
Middle Atlantic	1.9	1.4	1.6	2.4	1.9	2.0	5.0	4.1	4.0
Midwest	2.1	1.7	1.6	2.6	2.2	2.0	4.6	3.9	3.6
East North Central	2.1	1.5	1.4	2.6	1.9	1.8	4.4	3.5	3.4
West North Central	2.0	2.1	2.1	2.7	2.6	2.4	5.1	4.6	4.2
South	2.1	1.7	1.7	2.7	2.3	2.1	4.5	3.9	3.9
South Atlantic	2.1	1.7	1.5	2.6	2.3	2.0	4.4	4.0	3.9
East South Central	1.8	1.5	1.9	2.3	1.8	2.1	4.1	3.4	3.9
West South Central	2.5	1.9	1.9	3.2	2.5	2.3	4.9	4.0	3.9
West	2.7	2.6	2.4	3.3	3.3	3.1	5.7	5.9	5.8
Mountain	2.6	2.6	2.7	3.2	3.3	3.3	5.5	5.4	5.8
Pacific	2.7	2.7	2.4	3.3	3.3	3.0	5.8	6.1	5.7

¹ Contingency rates are calculated by dividing the number of contingent workers in a specified worker group by total employment for the same worker group. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

to be temporary.

Compared with their noncontingent counterparts, workers holding contingent jobs put in slightly fewer hours per week. For persons who usually worked full time, contingent workers averaged 40.8 hours per week, compared with 42.7 hours per week for noncontingent workers. Among workers who usually worked part time, average weekly hours for contingent workers were 16.9, compared with 20.6 for noncontingent workers. (See table 4, p. 8.)

Multiple jobholding. Because contingent workers are much more likely than noncontingent workers to be employed part time, one way to obtain more hours of work is to work at more than one job. In 1999, the multiple jobholding rate—the proportion of workers who hold more than one job—for contingent workers was higher than that for noncontingent workers. (For respondents who hold more than one job, questions concerning contingency refer to their main job, that is, the job at which they worked the most hours during the survey reference week.) Compared with noncontingent workers, contingent workers who were multiple jobholders were much more likely to hold two or more part-time jobs; in contrast, noncontingent workers were more likely to have one full-time and one part-time job. The high multiple jobholding rate among contingent workers may be due to the fact that they tend to work fewer hours and earn less, re-

gardless of whether they are employed full or part time, and, therefore, may need an additional job to supplement their income. (See table 4, p. 8.)

Union affiliation

As in 1995 and 1997, contingent workers were much less likely than noncontingent workers to be members of unions. In 1999, the unionization rate for contingent workers was 5.9 percent, in contrast to 14.8 percent for noncontingent workers. (See table 5, p. 9.) The proportion of contingent workers who were covered by a union contract, regardless of whether the worker was a union member, also was much lower than that for noncontingent workers.¹⁵

Although *overall* rates of union membership and union representation were much lower for contingent workers, there is a great deal of variation among the different industries. For instance, unionization rates among contingent workers were highest for individuals employed in construction and lowest for workers in agriculture and finance, insurance, and real estate. In fact, in construction, the proportion of contingent workers who were members of unions or covered by a union contract was actually *higher* than that for noncontingent workers. The higher rate of unionization in the construction industry may be due to the nature of employment for at least some of the workers in the industry, but also may

Table 7. Contingent workers by reason for contingency and preference for contingent and noncontingent work, February 1999

[Percent distribution]

Reason and preference	Contingent workers ¹		
	Estimate 1	Estimate 2	Estimate 3
Total			
Total, 16 years and older (thousands)	2,444	2,657	5,259
Percent	100.0	100.0	100.0
Economic reasons	30.3	31.5	25.6
Only type of work could find	19.2	20.3	15.3
Hope job leads to permanent employment	5.9	5.6	5.2
Other economic reason	5.2	5.7	5.1
Personal reasons	57.8	56.5	52.3
Flexibility of schedule and only wanted to work a short period of time	12.7	13.5	12.5
Family or personal obligations and child-care problems	5.2	4.8	3.6
In school or training	22.8	21.1	19.0
Money is better	1.1	1.3	1.1
Other personal reason	16.0	15.7	16.1
Reason not available	11.9	12.0	22.1
Prefer contingent employment			
Total, 16 years and older (thousands)	959	1,210	2,197
Percent	100.0	100.0	100.0
Economic reasons	7.5	6.4	5.6
Only type of work could find	2.2	2.0	1.3
Hope job leads to permanent employment .....	.8	.7	.6
Other economic reason	4.5	3.8	3.6
Personal reasons	83.1	69.1	70.6
Flexibility of schedule and only wanted to work a short period of time	18.8	16.7	17.4
Family or personal obligations and child-care problems	6.9	5.5	4.6
In school or training	40.5	32.6	31.1
Money is better .....	.4	.3	.4
Other personal reason	16.4	14.0	17.3
Reason not available	9.3	24.4	23.8
Prefer noncontingent employment			
Total, 16 years and older (thousands)	1,320	1,622	2,997
Percent	100.0	100.0	100.0
Economic reasons	49.5	46.7	40.5
Only type of work could find	33.6	31.7	25.8
Hope job leads to permanent employment	9.7	8.4	8.4
Other economic reason	6.2	6.2	6.3
Personal reasons	37.1	34.6	33.4
Flexibility of schedule and only wanted to work a short period of time	7.7	8.0	7.3
Family or personal obligations and child-care problems	4.1	3.4	2.6
In school or training	9.5	8.4	8.6
Money is better	1.7	1.8	1.6
Other personal reason	13.9	12.9	13.3
Reason not available	13.3	18.7	26.0

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest

definition. For the specific criteria used for each definition, see the appendix, p. 25.

NOTE: Detail may not sum to totals due to rounding.

be due to the historic role unions have played in construction. In this industry, much of the work involves projects that are designed to last a limited period of time. Once a project is completed, the workers move on to new ones. One function of unions has been to provide job stability, and thus, it may be that some contingent workers in construction have consistently turned to unions, which traditionally have played a significant role in helping construction work-

ers transition between jobs through the use of hiring halls, for example.

Regions

As in prior surveys, the likelihood of holding a contingent job was greatest in the western region. In 1999, the contingency rate in the West was 5.8 percent, compared with 4.1

Table 8. Contingent and noncontingent workers who actively searched for a new job in the prior 3 months, by selected characteristics, February 1999

Characteristic	Contingent workers ¹			Noncontingent workers ²
	Estimate 1	Estimate 2	Estimate 3	
Total				
Total, 16 years and older (in thousands)	2,444	3,038	5,641	125,853
Actively searched for a new job				
Percent	100.0	100.0	100.0	100.0
"Permanent"	86.1	87.0	86.5	90.8
Temporary	6.2	5.8	5.9	4.1
Any type	7.7	7.2	7.6	5.1
Job search rate	19.3	18.7	15.4	3.6
Total, 25 years and older				
Total (in thousands)	1,358	1,827	3,778	108,592
Actively searched for a new job	100.0	100.0	100.0	100.0
Percent				
"Permanent"	90.5	90.1	88.6	93.2
Temporary	4.2	4.4	4.2	2.5
Any type	5.3	5.5	7.2	4.2
Job search rate	22.4	20.6	16.5	3.2
Total, 16 to 24 years				
Total (in thousands)	1,086	1,212	1,863	17,261
Actively searched for a new job	100.0	100.0	100.0	100.0
Percent				
"Permanent"	78.3	80.9	81.2	82.6
Temporary	9.7	8.5	10.1	9.3
Any type	12.1	10.6	8.6	8.1
Job search rate	15.5	15.9	13.1	5.9
Prefer noncontingent employment				
Total, 16 years and older (in thousands)	1,320	1,622	2,997	(³)
Actively searched for a new job				
Percent	100.0	100.0	100.0	(³)
"Permanent"	91.0	91.5	89.9	(³)
Temporary	2.7	2.3	2.8	(³)
Any type	6.3	6.3	7.4	(³)
Job search rate	32.5	31.6	25.9	(³)

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 1 above is calculated using the narrowest definition of contingent work; estimate 3 uses the broadest definition. For the specific criteria used for each definition, see the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Not applicable.

NOTE: Detail may not sum to totals due to rounding.

percent in the Northeast, 3.9 percent in the South, and 3.6 percent in the Midwest.¹⁶ (See table 6, p. 12.)

The higher rate in the West is due, in part, to the region's industry composition. For example, the proportion of total employment consisting of agriculture, which has an above-average contingency rate, is slightly higher in the West than in other regions. But, even in the West, workers in agriculture were much more likely than their counterparts in other regions of the United States to hold a contingent job. The

contingency rate for agricultural workers in the western region was roughly 14 percent; in contrast, the rates in the other regions ranged from about 2 percent in the Midwest to nearly 4 percent in the South.

In the West, the proportion of workers employed in construction was higher than all but one of the other regions; furthermore, the contingency rate for construction in the West (6.9 percent) was higher than the rates for the other three regions. Finally, as was the case with construction, the pro-

Table 9. Median weekly earnings of full- and part-time time contingent and noncontingent wage and salary workers by selected characteristics, February 1999

Characteristic	Median weekly earnings			
	Full-time workers ¹		Part-time workers ²	
	Contingent estimate 3 ³	Noncontingent ⁴	Contingent estimate 3 ³	Noncontingent ⁴
Age and sex				
Total, 16 years and older	\$415	\$542	\$114	\$160
16 to 19 years	257	278	83	104
20 to 24 years	350	362	106	143
25 years and older	471	581	159	207
25 to 34 years	444	510	171	218
35 to 44 years	504	599	175	210
45 to 54 years	494	647	164	229
55 to 64 years	540	616	144	194
65 years and older	(⁵)	369	111	149
Men, 16 years and older	494	614	119	150
Women, 16 years and older	340	476	112	166
Race and Hispanic origin				
White	420	564	113	161
Black	350	447	122	150
Hispanic origin	313	396	116	159
Educational attainment				
Less than a high school diploma	295	334	92	110
High school graduates, no college	353	447	133	171
Some college, no degree	438	512	93	155
Associate degree	445	590	142	218
College graduates	581	840	191	268

¹ Full-time workers are those who usually work 35 hours per week or more.

² Part-time workers are those who usually work 1 to 34 hours per week.

³ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers

for ongoing employment. Estimate 3 is calculated using the broadest definition of contingent work. See the appendix, p. 25.

⁴ Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

⁵ Data not shown where base employment is less than 75,000.

portion of total employment in the West consisting of services was higher than all but one other region. The contingency rate for the services industry in the West (8.7 percent) was more than 2 percentage points higher than the rates for the other three regions.

Preferences, reasons, and job search

Preferences and reasons. In the survey, contingent workers were asked if they preferred such work to noncontingent employment, as well as the reason why they were employed in a temporary job. Although more than one-half of contingent workers reported that they would rather be employed in a noncontingent job, about two-fifths said they preferred holding a temporary job, slightly higher than the proportion

in 1997. Contingent workers aged 16 to 24 were much more likely to be satisfied with their current employment arrangement than their older counterparts aged 25 years and older. More than half of the younger workers were happy with their contingent jobs, in contrast to about one-fifth of adult men and roughly one-third of adult women. (See chart 3.) As discussed earlier, a large proportion of younger workers enrolled in school held contingent jobs, and these students probably preferred the flexibility afforded by temporary work in order to balance work and school attendance. Indeed, three-fifths of younger contingent workers enrolled in school said that they were satisfied with their temporary job.

The following tabulation shows preferences of older contingent workers for their current arrangement by race and Hispanic origin.

*Contingent workers
(estimate 3)*

	White	Black	Hispanic origin
Total, 25 years and older (In thousands)	3,023	459	516
Percent	100.0	100.0	100.0
Prefer noncontingent employment ..	54.3	65.4	73.1
Prefer contingent employment	29.8	20.2	15.5
It depends	5.3	4.6	2.7
Preference not available	10.6	9.8	8.7

Hispanics were most likely to be dissatisfied with being in a contingent job. Nearly three-fourths of Hispanics aged 25 years and older would prefer a permanent job, compared with about two-thirds of blacks and more than half of whites.

Research conducted by Susan N. Houseman and Anne E. Polivka helps shine some light on why many older contingent workers feel unhappy with their current employment arrangement.¹⁷ Using the longitudinal capability of the cps, the authors matched information from households in the February 1995 Contingent and Alternative Work Arrangements Survey and the February 1996 "Basic" cps. Houseman and Polivka found that workers employed in temporary jobs in 1995 were more likely than individuals with "regular" jobs to

have changed employers, to be unemployed, or to have dropped out of the labor force when surveyed again in 1996. For older workers, it appears that the lack of job stability associated with contingent employment is less desirable probably because, in general, older workers tend to be more risk-averse than their younger counterparts. Many older workers may perceive that they have more to lose in terms of benefits such as pensions, for example, which typically accrue to workers with permanent jobs, especially those employed full time.

In 1999, contingent workers were more likely to provide a personal reason for choosing to accept their contingent jobs than were their counterparts in the prior surveys. The proportion who gave a personal reason for holding a contingent job has risen steadily since the first survey on contingent work was conducted, suggesting that, since 1995, contingent work has become more of a voluntary choice, coinciding with a period of declining unemployment and strong job growth.

About 1 in every 5 contingent workers reported attending school or training as the reason they held their current job, and roughly 1 in every 10 gave either flexibility of schedule, or family or personal obligations as the reason for holding a contingent job. (See table 7, p. 13.) These reasons imply that contingent work enabled some individuals to join the workforce despite their involvement in other activities. The

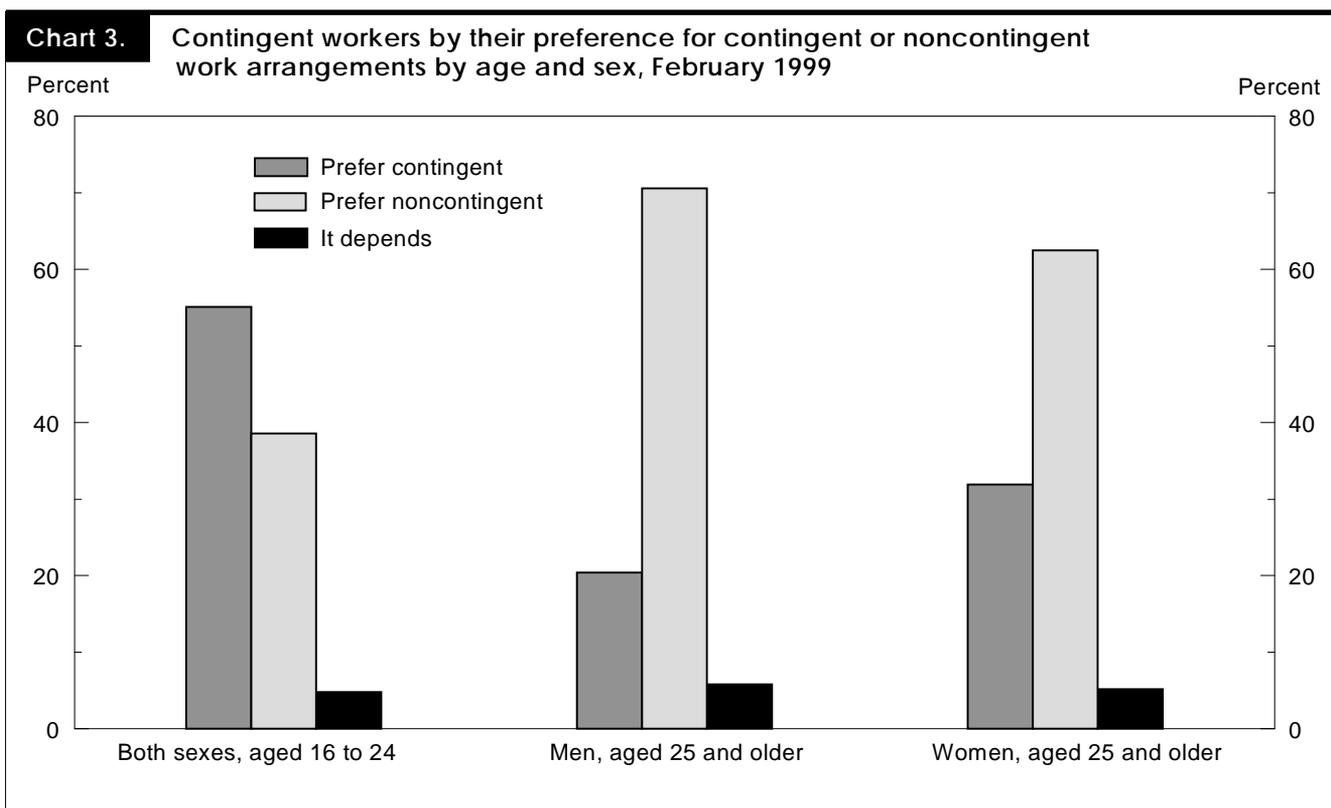


Table 10. Median weekly earnings of full- and part-time contingent and noncontingent wage and salary workers by occupation and industry, February 1999

Occupation and industry	Median weekly earnings			
	Full-time workers ¹		Part-time workers ²	
	Contingent (estimate 3) ³	Noncontingent ⁴	Contingent (estimate 3) ³	Noncontingent ⁴
Occupation				
Managerial and professional specialty	\$620	\$786	\$150	\$268
Executive, administrative, and managerial	662	776	150	260
Professional specialty	591	792	150	271
Technical, sales, and administrative support	381	482	109	161
Technicians and related support	550	583	124	302
Sales occupations	515	521	105	133
Administrative support, including clerical	434	442	109	186
Service occupations	288	346	97	140
Private household	123	220	104	119
Other services	301	351	95	140
Precision, production, craft, and repair	583	589	132	230
Operators, fabricators, and laborers	343	417	123	148
Farming, forestry, and fishing	248	333	88	185
Industry				
Agriculture	243	318	87	166
Mining	(⁵)	705	(⁵)	(⁵)
Construction	641	552	143	182
Manufacturing	389	551	196	198
Durable goods	407	585	209	274
Nondurable goods	358	505	124	175
Transportation, communications, and other public utilities	504	675	174	255
Wholesale trade	405	575	(⁵)	156
Retail trade	316	386	110	135
Finance, insurance, and real estate	377	578	153	209
Services	417	552	110	181
Private household	131	229	107	134
Other services	421	558	110	183
Professional services	474	596	106	199
Public administration	660	663	124	180

¹ Full-time workers are those who usually work 35 hours per week or more.

² Part-time workers are those who usually work 1 to 34 hours per week.

³ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 3 is calculated using the broadest definition of

contingent work. For the specific criteria used for each definition, see the appendix, p. 25.

⁴ Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

⁵ Data not shown where base employment is less than 75,000.

most common economic reason reported by contingent workers was that it was the only type of work that could be found; 15 percent gave such a reason in 1999, somewhat lower than the proportion in the 1997 survey.

Although slightly more than half of contingent workers gave personal reasons for holding their contingent jobs, the proportion was much lower—one-third—for those who were dissatisfied with their contingent job.¹⁸ The most common economic reason given by contingent workers who preferred

a permanent job was that it was the only job they could find; about 1 in 4 contingent workers dissatisfied with their current arrangement gave such a reason. Not surprisingly, the majority of contingent workers who preferred *temporary* work gave a personal reason for holding a contingent job. A large proportion—nearly one-third—reported that they preferred temporary work because they were attending school or in training and an additional 17 percent cited the flexibility of the arrangement as the main reason for

Text continues on page 20.

Table 11. Contingent and noncontingent wage salary workers with health insurance coverage by selected characteristics, February 1999

[In percent]

Characteristic	Contingent workers (estimate 3) ¹					Noncontingent workers ²				
	Total (in thousands)	Percent with health insurance coverage				Total (in thousands)	Percent with health insurance coverage			
		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance		Total	Through current employer at main job	Through other job or union	Eligible for employer- provided health insurance
Age and sex										
Total, 16 years and older (thousands)	5,259	64.8	22.1	1.6	33.9	111,801	83.0	61.5	0.7	74.2
16 to 19 years	726	73.8	3.9	(³)	11.7	5,852	73.3	10.0	.1	23.8
20 to 24 years	1,062	60.7	14.1	.5	26.6	10,987	66.8	43.0	.3	59.4
25 years and older	3,472	64.1	28.4	2.3	40.7	94,961	85.4	66.8	.8	79.0
25 to 34 years	1,240	55.8	30.1	1.1	44.0	27,391	80.1	64.1	.6	77.3
35 to 44 years	978	63.6	28.0	1.7	37.6	31,212	85.6	68.1	.6	80.2
45 to 54 years	697	67.1	29.3	3.3	45.3	23,646	89.3	70.7	.9	82.5
55 to 64 years	341	76.2	30.2	3.5	40.5	10,260	89.4	68.1	1.4	78.7
65 years and older	215	85.6	14.9	6.0	21.9	2,452	89.2	36.9	1.9	50.9
Men	2,569	60.0	24.1	2.3	35.3	58,057	82.3	66.9	1.1	77.0
Women	2,691	69.3	20.2	.9	32.6	53,744	83.7	55.6	.3	71.2
Race and Hispanic origin										
White	4,201	66.6	22.6	1.7	34.2	93,646	84.1	61.5	.8	74.3
Black	651	50.1	15.4	1.1	30.9	13,248	76.3	61.4	.4	74.1
Hispanic origin	704	37.8	17.5	.0	26.6	11,796	63.0	49.5	.8	61.1
Full- or part-time status										
Full-time workers	2,828	59.4	33.3	2.2	46.7	92,480	84.9	70.7	.7	82.7
Part-time workers	2,414	71.0	8.7	.9	18.6	19,079	74.0	17.0	.7	32.9
Educational attainment⁴										
Less than a high school diploma	538	29.7	11.0	.9	20.8	10,752	59.8	43.9	.6	56.6
High school graduates, no college	1,108	53.3	16.5	3.2	29.3	34,631	79.6	60.0	.9	73.3
Some college, no degree	707	59.7	26.9	2.1	43.3	20,104	84.9	65.2	.9	79.0
Associate degree	267	65.9	25.8	3.4	41.2	9,367	88.1	67.6	1.0	81.7
College graduates	1,449	76.5	37.9	1.2	50.5	29,905	93.5	77.0	.5	87.5
Advanced degree	573	84.8	47.1	2.6	59.2	9,445	95.4	80.9	.5	90.5

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 3 uses the broadest definition of contingent work. See the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Less than 0.05 percent.

⁴ Excludes workers aged 16 to 24 years enrolled in school.

NOTE: 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. Detail for other characteristics may not sum to totals due to rounding. Data exclude the incorporated self-employed and independent contractors.

Table 12. Contingent and noncontingent wage and salary workers with health insurance coverage by occupation and industry, February 1999

[In percent]

Occupation and industry	Contingent workers (estimate 3) ¹					Noncontingent workers ²				
	Percent with health insurance coverage					Percent with health insurance coverage				
	Total (in thousands)	Total	Through current employer at main job	Through other job or union	Eligible for employer-provided health insurance	Total (in thousands)	Total	Through current employer at main job	Through other job or union	Eligible for employer-provided health insurance
Occupation										
Managerial and professional specialty	1,689	81.2	37.4	1.1	47.8	32,874	93.1	75.3	0.4	86.8
Executive, administrative, and managerial	343	80.5	47.2	1.2	56.3	15,788	92.3	75.6	.4	87.1
Professional specialty	1,345	81.5	34.9	1.1	45.7	17,086	93.9	75.0	.3	86.6
Technical, sales, and administrative support	1,556	64.8	16.5	1.0	31.7	33,794	84.5	58.2	.5	73.2
Technicians and related support	170	67.1	27.1	1.8	46.5	3,892	90.9	70.9	.5	84.1
Sales occupations	317	58.7	14.2	.9	22.7	12,795	79.5	48.4	.6	64.3
Administrative support, including clerical	1,069	66.1	15.3	.8	32.0	17,107	86.8	62.7	.4	77.3
Service occupations	715	57.8	8.3	.3	17.8	15,678	69.1	38.9	.6	52.7
Private household	102	54.9	7.8	(³)	7.8	489	44.0	4.1	(³)	5.3
Other services	613	58.2	8.3	.3	19.4	15,189	69.9	40.0	.6	54.3
Precision production, craft, and repair	432	54.4	18.8	8.6	31.3	12,030	80.2	67.1	2.4	76.5
Operators, fabricators, and laborers	676	50.0	18.5	1.6	29.9	16,044	76.7	59.9	1.1	71.9
Farming, forestry, and fishing	193	21.2	5.7	(3)	8.8	1,381	58.9	36.1	.6	48.6
Industry										
Agriculture	159	18.2	6.3	(³)	8.2	1,310	58.9	32.9	.1	44.6
Mining	14	(⁴)	(⁴)	(⁴)	(⁴)	503	87.1	83.7	(³)	88.9
Construction	382	48.7	20.2	10.5	34.0	5,669	69.8	49.4	4.4	61.0
Manufacturing	434	62.4	32.7	1.1	46.3	19,275	88.7	78.2	.3	87.6
Durable goods	284	62.3	35.6	1.1	52.8	11,849	90.0	80.1	.3	89.2
Nondurable goods	150	62.7	29.3	1.3	35.3	7,369	86.6	75.2	.3	85.3
Transportation and public utilities	175	70.3	34.9	5.1	44.6	8,628	87.6	75.6	1.0	84.3
Wholesale trade	121	66.9	27.3	(³)	33.1	4,442	85.9	68.5	.9	81.3
Retail trade	569	57.3	10.4	.8	20.4	19,406	70.7	36.4	.8	53.2
Finance, insurance, and real estate	150	66.7	38.7	(³)	46.0	7,559	89.2	68.4	.5	81.9
Services	3,062	69.4	20.9	.8	33.2	39,078	84.5	59.2	.5	73.3
Private household	109	51.4	7.3	(³)	7.3	528	44.5	4.7	(³)	5.9
Other services	2,953	70.0	21.4	.9	34.1	38,551	85.1	59.9	.5	74.2
Professional and related services	2,006	79.7	25.7	.8	36.2	27,753	89.4	64.4	.4	78.8
Public administration	187	81.3	37.4	.4	56.1	5,930	95.0	85.6	.3	92.7

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 3 uses the broadest definition of contingent work. See the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Less than 0.05 percent.

⁴ Data not shown where base employment is less than 75,000.

NOTE: Data exclude the incorporated self-employed and independent contractors.

holding a contingent job. (See table 7, p. 13.)

Job search. An additional way to gauge workers' satisfaction with their current employment arrangement is whether they are looking for another job. In the survey, employed individuals are asked whether they had searched for a job in the 3 months prior to the survey date, or since the start of their current job if they began working at the job sometime during those 3 months.¹⁹ Additional information is obtained with respect to whether the jobseeker is looking for an additional job or a new job, and, if an individual is seeking a new job, he or she is asked whether the job sought is a permanent job, a temporary job, or simply *any* type of job that can be found. The focus in this section is on contingent and noncontingent workers who used active methods to search for a *new* job. Active job-search methods include scheduling interviews, contacting an employer directly, registering at a public or private employment agency, contacting friends or relatives about available jobs, sending out résumés or filling out applications, and placing or answering ads.

In the 3 months prior to February 1999, approximately 15 percent of contingent workers had actively looked for a new job, compared with only about 4 percent of noncontingent workers. (See table 8, p. 14.) Interestingly, the job search rate for both contingent and noncontingent workers has steadily declined since the first survey was conducted in 1995. As was the case in prior surveys, the vast majority of contingent and noncontingent workers were looking for a "permanent" job instead of a new temporary job. Among contingent workers, the proportion aged 25 years and older who had looked for work was only slightly higher than that for 16- to 24-year-olds. In contrast, the fraction of younger noncontingent workers who had actively looked for a new job in the 3 months preceding the survey was nearly twice that of their older counterparts.

Contingent workers who reported that they preferred a noncontingent job were most likely to have actively searched for a new job in the 3 months preceding the February 1999 survey. Indeed, more than 1 in every 4 had actively looked for a new job, in contrast with only 4 percent of contingent workers who were happy with their temporary job.

Compensation

Earnings. As in 1995 and 1997, contingent workers in 1999 earned less than noncontingent workers. Median weekly earnings for all contingent workers, that is, both full- and part-time workers combined, were \$261, compared with \$479 for their noncontingent counterparts. The large disparity in earnings between the two groups reflects differences in demographics, work schedules, occupational and industry

concentrations, and employee tenure. As mentioned earlier, contingent workers were twice as likely as noncontingent workers to be employed part time.

Yet, even among individuals employed full time, median weekly earnings for contingent workers (\$415) were only 77 percent of the median for noncontingent workers (\$542). A similar pattern was found among part-time workers. Median weekly earnings for part-time contingent workers were \$114, or only about 71 percent of what noncontingent workers earned (\$160). The contingent-to-noncontingent earnings ratios among both full- and part-time workers were roughly similar for all the major demographic groups—men, women, whites, blacks, and Hispanics. (See table 9, p. 15.)

Interestingly, between 1997 and 1999, median weekly earnings for both full- and part-time contingent workers were little changed, while earnings for full- and part-time noncontingent workers rose by 6.3 percent and 9.6 percent, respectively. The stagnation in earnings growth for contingent workers between the two surveys could be due to shifts in the demographic composition of contingent workers between the two survey dates. For instance, compared with 1997, somewhat larger proportions of contingent workers in 1999 either were high school dropouts or under the age of 25, and workers in these groups, in general, tend to be on the lower end of the earnings spectrum.

As in the 1995 and 1997 surveys, contingent workers were found in both low- and high-skilled occupations, and, as a result, there is a large degree of variation in their earnings by occupation. Among occupations that had relatively high rates of contingency, full-time workers in professional specialty occupations had the highest weekly earnings (\$620), followed by administrative support (\$343), and farming, forestry, and fishing (\$248). (See table 10, p. 17.)

Health insurance. As in prior surveys, contingent workers in 1999 were much less likely than noncontingent workers to have employer-provided health insurance; slightly more than one-fifth had health insurance from their employer, compared with more than three-fifths of noncontingent workers.²⁰ (See table 11, p. 18.) As was the case with earnings, the low coverage rates among contingent workers can be explained, in part, by the composition of the contingent workforce—its age, work schedules, employee tenure, and occupational and industry concentrations.

Although most contingent workers did not receive health insurance from their employers, a substantial proportion—nearly two-thirds—had health insurance from some source, including coverage from another family member or by purchasing it on their own. Although the overall health insurance coverage rate for contingent workers was lower than that for noncontingent workers, the absolute number of non-

Table 13. Contingent and noncontingent wage and salary workers with pension coverage by selected characteristics, February 1999

[In percent]

Characteristic	Contingent workers (estimate 3) ¹			Noncontingent workers ²		
	Total (in thousands)	Percent with pension coverage	Eligible for employer-provided pension	Total (in thousands)	Percent with pension coverage	Eligible for employer-provided pension
Age and sex						
Total, 16 years and over	5,259	14.6	23.0	111,801	51.4	59.0
16 to 19 years	726	.6	8.3	5,852	4.3	14.1
20 to 24 years	1,062	4.7	14.3	10,987	22.9	37.8
25 years and older	3,472	20.7	28.8	94,961	57.6	64.2
25 to 34 years	1,240	14.9	25.1	27,391	49.7	59.6
35 to 44 years	978	20.3	26.9	31,212	59.9	66.2
45 to 54 years	697	24.2	31.1	23,646	65.0	69.5
55 to 64 years	341	36.7	43.7	10,260	60.6	64.9
65 years and older	215	18.6	27.4	2,452	31.8	37.3
Men	2,569	15.6	24.4	58,057	53.8	60.6
Women	2,691	13.6	21.7	53,744	48.8	57.3
Race and Hispanic origin						
White	4,201	15.3	23.8	93,646	52.0	59.3
Black	651	13.1	21.8	13,248	49.7	59.2
Hispanic origin	704	8.9	16.3	11,796	34.0	41.0
Full- and part-time status						
Full-time workers	2,828	21.1	31.6	92,480	58.3	66.1
Part-time workers	2,414	6.8	12.9	19,079	17.6	24.7
Educational attainment³						
Less than a high school diploma	538	4.8	10.4	10,752	25.6	33.3
High school graduates, no college	1,108	12.3	20.9	34,631	47.9	56.1
Some college, no degree	707	17.3	26.0	20,104	54.4	63.0
Associate degree	267	20.2	27.0	9,367	59.6	67.4
College graduates	1,449	28.4	38.7	26,905	70.7	76.5
Advanced degree	574	29.8	40.4	9,444	76.4	80.5

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 3 above is calculated using the broadest definition of contingent work. For the specific criteria used for each definition, see the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Excludes workers aged 16 to 24 years enrolled in school.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented. Hispanics are included in both the white and black population groups. Detail for other characteristics may not sum to totals due to rounding. Data exclude the incorporated self-employed and independent contractors.

contingent workers *lacking* health insurance (19.0 million) greatly exceeded the number of uninsured contingent workers—1.9 million.

Among contingent workers, health insurance coverage rates were highest—and nearly equal to their noncontingent counterparts—for teenagers and those aged 65 years and older. Even though these two groups were among the least likely to have coverage through their employer, teenagers often are covered under their parents' health insurance plans, and individuals in the older age group have almost universal

coverage under medicare. Among workers in the central-age group (aged 25 to 54 years), however, there was a substantial disparity in coverage rates between contingent and noncontingent workers: about three-fifths of contingent workers had coverage, in contrast to more than four-fifths of those with noncontingent jobs.

As was the case in 1995 and 1997, women with contingent jobs were less likely than men to receive health insurance from their employers, although a higher proportion of women had coverage from some source. The most common source

of health insurance coverage for female contingent workers was another family member; more than one-third had coverage from another member of their family, mostly through their spouses.

Of workers in contingent arrangements, whites had much higher health insurance coverage rates than either blacks or Hispanics. Two-thirds of whites had health insurance, compared with half of blacks, and nearly two-fifths of Hispanics.

Whites also were more likely than blacks or Hispanics to receive coverage from their employers.

More-educated workers were more likely than their less-educated counterparts to have health insurance. This relation holds for receipt of, and eligibility for, employer-provided coverage, and applies to both contingent and noncontingent workers. Still, at each level of educational attainment,

Table 14. Contingent and noncontingent wage and salary workers with pension coverage by occupation and industry, February 1999

[In percent]

Occupation and industry	Contingent workers (estimate 3) ¹			Noncontingent workers ²		
	Total in thousands	Percent with pension coverage	Eligible for employer-provided pension	Total in thousands	Percent with pension coverage	Eligible for employer-provided pension
Occupation						
Managerial and professional specialty	1,689	27.5	36.3	32,874	68.5	74.4
Executive, administrative, and managerial	343	36.2	42.9	15,788	66.9	72.9
Professional specialty	1,345	25.3	34.6	17,086	70.0	75.7
Technical, sales, and administrative support	1,556	10.4	20.0	33,794	49.4	58.9
Technicians and related support	170	16.5	27.1	3,892	62.1	70.9
Sales occupations	317	6.0	15.1	12,795	38.6	48.7
Administrative support, including clerical	1,069	10.8	20.3	17,107	54.6	63.9
Service occupations	715	2.8	9.7	15,678	29.0	36.3
Private household	102	(³)	(³)	489	.8	1.8
Other services	613	3.3	11.3	15,189	29.9	37.4
Precision production, craft, and repair	432	15.3	21.3	12,030	52.2	58.1
Operators, fabricators, and laborers	676	8.3	17.8	16,044	44.5	53.5
Farming, forestry, and fishing	193	.5	4.1	1,381	18.7	24.3
Industry						
Agriculture	159	.0	4.4	1,310	17.0	19.8
Mining	14	(⁴)	(⁴)	503	62.4	69.6
Construction	382	19.4	23.3	5,669	35.1	40.2
Manufacturing	441	20.0	28.6	19,275	64.4	72.3
Durable goods	284	23.6	31.0	11,849	66.3	73.8
Nondurable goods	150	14.0	25.3	7,369	61.6	70.1
Transportation and public utilities	175	25.7	41.1	8,628	65.2	71.0
Wholesale trade	121	6.6	28.1	4,442	51.8	60.9
Retail trade	569	3.7	11.2	19,406	25.2	36.1
Finance, insurance, and real estate	150	22.7	26.7	7,559	59.5	69.0
Services	3,062	14.0	22.6	39,078	51.2	58.4
Private household	109	(³)	(³)	528	.8	1.7
Other services	2,953	14.5	23.4	38,551	51.9	59.1
Professional and related services	2,006	18.1	26.4	27,753	59.4	66.3
Public administration	187	31.6	41.7	5,930	87.1	89.4

¹ Contingent workers are defined as individuals who do not perceive themselves as having an explicit or implicit contract with their employers for ongoing employment. Estimate 3 is calculated using the broadest definition of contingent work. See the appendix, p. 25.

² Noncontingent workers are those who do not meet the criteria for any of the three definitions of contingent work.

³ Less than 0.05 percent.

⁴ Data not shown where base employment is less than 75,000.

NOTE: Data exclude the incorporated self-employed and independent contractors.

contingent workers were less likely than noncontingent workers to have health insurance from any source.

With the exception of private household workers, contingent workers were less likely than noncontingent workers to have health insurance coverage from any source in every occupational category; they also were much less likely to have, or be eligible for, employer-provided health insurance coverage. However, eligibility and employer-provided coverage rates vary considerably by occupation. For instance, managers and professionals in both contingent and noncontingent employment arrangements were more likely to have, or be eligible for, employer-provided health insurance than their counterparts in other occupations. At the other end of the spectrum, workers in service and farming occupations in both contingent and noncontingent jobs had the lowest employer-provided coverage and eligibility rates. (See table 12, p. 19.)

In terms of industry, there was a large degree of heterogeneity among the various industries in employer-provided coverage and eligibility rates. Among both contingent and noncontingent workers, individuals employed in public administration and durable goods manufacturing tended to have higher employer-provided coverage and eligibility rates than their counterparts in other industries. Moreover, rates for contingent workers in public administration and durable goods manufacturing exceeded the rates for noncontingent workers employed in private household services and agriculture.

As mentioned earlier, the proportion of contingent workers in the construction industry who were union members was higher than that of their noncontingent counterparts. In addition to possibly helping contingent workers transition between jobs through the use of hiring halls, unions in the construction industry also appear to be a source of health insurance coverage for many of these workers. Indeed, in construction, the proportion of contingent workers who received coverage through their union (11 percent) was more than twice that of noncontingent workers (4 percent).

Pensions. As in prior surveys, contingent workers were much less likely than those with noncontingent arrangements to participate in employer-sponsored pension plans.²¹ In 1999, only 15 percent of contingent workers participated in such plans, in contrast to a bit more than half of noncontingent workers. (See table 13, p. 21.) Furthermore, the proportion of contingent workers eligible to participate in their employers' pension plan—approximately one-fourth—was much lower than that for noncontingent workers (nearly three-fifths). Although the coverage rate for contingent workers is much lower than the rate for noncontingent workers, the number of noncontingent workers who lack pensions (54.3 million) greatly exceeded the number of contingent workers without pensions—4.5 million.²²

Contingent workers aged 16 to 24, who constitute one-third of all contingent workers, were much less likely than those aged 25 and older to participate in pension plans or to work in industries that are more likely to offer pensions to their employees. Among every major demographic group, individuals in contingent employment arrangements were less likely than their noncontingent counterparts to have, or be eligible for, employer-provided pensions. However, even though there was a great deal of variation among the different industries in coverage and eligibility rates, contingent workers were less likely than noncontingent workers to have pensions in nearly every occupation and industry group. (See table 14.)

DESPITE THE ECONOMIC EXPANSION that continued into the late-1990s, both the number of contingent workers and the proportion of total employment composed of such workers changed little between 1997 and 1999. Characteristics of workers with contingent jobs also were very similar to those identified in the prior surveys. The probability of holding a contingent job continued to be greater for women, workers under the age of 25, students, noncitizens, and those employed part time. As in earlier surveys, contingent work was more prevalent in agriculture, construction, and services. Contingent workers also continued to be found in both high- and low-skilled occupations. Individuals employed in professional specialty, administrative support, and farming occupations were about equally likely to hold a contingent job.

A majority of contingent workers would have preferred a permanent job, although many were happy with their current arrangement. Students, in particular, were most likely to be satisfied with temporary jobs, probably because many wanted the flexibility afforded by contingent work. Compared with prior surveys, individuals with contingent jobs were more likely to have cited personal, as opposed to economic, reasons for being employed in a contingent arrangement, suggesting that contingent work was more of a voluntary choice in 1999. Nevertheless, individuals employed in contingent jobs continued to be much more likely than noncontingent workers to have actively searched for a new job in the 3 months prior to the survey date, indicating that many contingent workers were not satisfied with their current employment arrangement.

Data from the most recent survey continued to show that contingent workers earned less and were less likely than those with noncontingent jobs to have been included in employer-provided health or pension plans. However, when comparing the wages and employee benefits of workers in contingent and noncontingent arrangements, there was a large degree of variation with regard to age, educational attainment, occupation, and industry. □

Notes

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¹ Contingency rates are calculated by dividing the number of contingent workers in a specified worker group by total employment for the same worker group.

² Data on employment and unemployment are derived from the Current Population Survey (CPS), a nationwide sample survey of about 50,000 households, conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics. The CPS collects information about the demographic characteristics and employment status of the noninstitutional civilian population aged 16 years and older.

³ Special supplements to the CPS are routinely added to obtain information on a wide range of topics including, for example, income and work experience, displaced workers, employee tenure and occupational mobility, employment status of veterans, work schedules, home-based work, and school enrollment.

⁴ For more information on the concepts and definitions of contingent work, see Anne E. Polivka, "Contingent and alternative work arrangements, defined," *Monthly Labor Review*, October 1996, pp. 3–9.

⁵ Testimony of Audrey Freedman before the Employment and Housing Subcommittee of the Committee on Government Operations, U.S. House of Representatives, May 19, 1988.

⁶ A recent study, using data from the Contingent and Alternative Work Arrangements Survey, divided total employment into eight mutually exclusive groups: agency temporaries, on-call workers, contract company workers, direct-hire temporary workers, independent contractors, regular self-employed, regular part-time workers, and regular full-time workers. Excluding regular full-time workers, the seven "nonstandard" arrangements totaled 32.5 percent of total workers in 1995 and 31.3 percent in 1997. (Although the study focuses on data from the 1995 and 1997 surveys, 29.9 percent of the workforce was in a nonstandard employment arrangement in 1999.) The authors found that the characteristics of workers in these different arrangements varied considerably, as do the types of jobs they perform. In addition, measures of job quality such as earnings, health insurance coverage, and job satisfaction varied greatly. The authors conclude that, because of this variation, combining all of these workers into a single category is arbitrary and misleading, and that all jobs in nonstandard arrangements should not be automatically viewed as "bad jobs." See Anne E. Polivka, Sharon R. Cohany, and Steven Hipple, "Definition, Composition, and Economic Consequences of the Nonstandard Work Force," in Françoise Carré, Marianne A. Ferber, Lonnie Golden, and Stephen A. Herzenberg, eds., *Nonstandard Work: The Nature and Challenges of Changing Employment Arrangements* (Industrial Relations Research Association, 2000), pp. 41–94.

⁷ See Anne E. Polivka and Thomas Nardone, "On the definition of 'contingent work'," *Monthly Labor Review*, December 1989, pp. 9–16.

⁸ The large proportion of contingent workers reporting that "they were working only until a specific project was completed" may be due, in part, to an "order" effect. In the survey, a series of questions collects information on the reason a job is temporary. Once a respondent gives a "yes" answer to one of the questions in the series, he or she is skipped to questions on expected duration of employment. Because the question, "Are you working only until a specific project is completed?" is the first one in the series, respondents may have a tendency to respond affirmatively to this question, and thus, are skipped over the other questions pertaining to "reasons." In addition, because February is a month in which seasonal work is relatively uncommon, the small proportion reporting that their job was

temporary because it was a "seasonal job" might be due to the timing of the survey.

⁹ In the survey, conducted in 1996 by the Upjohn Institute for Employment Research, employers could provide more than one reason for employing temporary workers. The specific percentages by reason were: to fill seasonal needs (54.8 percent); to help with special projects (37.6 percent); to help during unexpected increases in business (31.0 percent); to fill in for an absent employee (30.0 percent); to fill in until a regular worker is hired (20.5 percent); to employ workers with special expertise (15.7 percent); to screen candidates for "regular" jobs (9.0 percent); to reduce the cost of wages and benefits (8.0 percent); and to provide assistance during company restructuring or merger (6.2 percent). In the study, data on reasons for using flexible employment arrangements also were reported for agency temporaries, part-time workers, and on-call workers. See Susan N. Houseman, "Why Employers Use Flexible Staffing Arrangements: Evidence from an Establishment Survey," *Industrial and Labor Relations Review*, forthcoming.

¹⁰ Beginning in 1994, questions on nativity and U.S. citizenship status were added to the basic monthly CPS. Respondents are asked to name their country of birth. Those who said that they were born in the United States, Puerto Rico, or another U.S. territory, or that they were born abroad of an American parent, or parents, are classified as U.S. natives. Individuals who provided another response were classified as foreign-born.

¹¹ Although contingent workers were found in all industries, they were disproportionately concentrated in construction and services. In 1999, more than half of all contingent workers were employed in services, and an additional 8 percent were employed in construction. These proportions are similar to those found in prior surveys. As the contingency rates show, however, the vast majority (93 percent in services and 95 percent in construction) of workers in both industries were not holding contingent jobs.

¹² For more information on the use of contingent work in postsecondary education, see Kathleen Barker, "Toiling for Piece-Rates and Accumulating Deficits: Contingent Work in Higher Education," in Kathleen Barker and Kathleen Christensen, eds., *Contingent Work: American Employment Relations in Transition*, pp. 195–220, (Ithaca, NY, Cornell University Press, 1998).

¹³ For instance, in February 1999, more than half of the 1.2 million temporary help agency workers were contingent under estimate 3. An overview of workers in alternative employment arrangements is provided by Marisa DiNatale in "Characteristics of and preference for alternative work arrangements, 1999," this issue, pp. 28–49.

¹⁴ See Kathleen Christensen, "Countervailing Human Resource Trends in Family-Sensitive Firms," in Barker and Christensen, eds., *Contingent Work*, pp. 103–25.

¹⁵ The proportion of workers covered by a union contract is a broader measure of unionization and includes individuals who report no union affiliation, but whose jobs are covered by a union or employee association contract.

¹⁶ The four census regions of the United States are Northeast, South, Midwest, and West. Within the Northeast, the New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and the Middle Atlantic division includes New Jersey, New York, and Pennsylvania. Within the South, the South Atlantic division includes Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; the East South Central division includes Alabama, Kentucky, Mississippi, and Tennessee; and the West South Central division includes Arkansas, Louisiana, Oklahoma, and Texas. Within the Midwest, the East North Central division includes Illinois, Indiana, Michigan, Ohio, and Wisconsin; the West North Central division

includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Within the West, the Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; the Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.

¹⁷ See Susan N. Houseman and Anne E. Polivka, "The Implications of Flexible Staffing Arrangements for Job Security," in David Neumark, ed., *On the Job: Is Long-Term Employment a Thing of the Past?* (New York, Russell Sage Foundation, forthcoming).

¹⁸ In the survey, information concerning preferences for a contingent or noncontingent employment arrangement was collected separately from the reasons for holding a contingent job. Therefore, a contingent worker could prefer a noncontingent job but still give a personal reason for being in a contingent work arrangement.

¹⁹ For further discussion of job search among the employed, see Joseph R. Meisenheimer and Randy Ilg, "Looking for a 'better' job: job-search activity of the employed," *Monthly Labor Review*, September 2000, pp. 3–14; and, also, Peter Kuhn and Mikal Skuterud, "Job search methods: Internet versus traditional," *Monthly Labor Review*, October 2000, pp. 3–11.

²⁰ In the survey, respondents were asked, "Do you have health insurance from any source?" If the response was "yes," they were then asked if their insurance was provided by 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

if they were eligible for employer-provided health insurance. Respondents who said "no" to the initial question were asked, "Does (employer's name) offer a health insurance 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 answer to this question was used to determine whether or not the respondent was eligible to receive insurance from his or her employer. For further discussion on the prevalence of health insurance (and pension) coverage among contingent workers, see *Contingent Workers: Incomes and Benefits Lag Behind Those of the Rest of the Workforce* (Washington, D.C., U.S. General Accounting Office, June 2000).

²¹ In the survey, respondents were asked, "Does (employer's name) offer a pension or retirement plan to any of its employees?" If they answered "yes," they were then asked, "Are you included in this plan?" If the response was "no," respondents were then asked, "Why not?" The response to this last question was used to determine eligibility for those not in the plan.

²² In 1999, the Advisory Council on Employee Welfare and Pension Benefit Plans of the U.S. Department of Labor's Pension and Welfare Benefits Administration studied the issue of pension coverage and contingent work. For more information, see *Report of the Working Group on the Benefit Implications of the Growth of a Contingent Workforce*, Advisory Council on Employee Welfare and Pension Benefit Plans, U.S. Department of Labor, November 1999, on the Internet at <http://www.dol.gov/dol/pwba/public/adccoun/contrpt.htm> (visited Feb. 21, 2001).

Appendix: Concepts and definitions

The data presented in this article were collected through a supplement to the February 1999 Current Population Survey (CPS), a monthly survey of about 50,000 households that provides the basic data on employment and unemployment for the Nation. This supplement obtained information from workers on whether they held contingent jobs, basically, jobs that were expected to last only a limited period of time. In addition, information was collected on several alternative employment arrangements, namely, working as independent contractors or being "on call," as well as working through temporary help agencies and contract firms. Characteristics of workers in alternative employment arrangements are discussed on pp. 28–49.

All employed persons, except unpaid family workers, were included in the supplement. For persons holding more than one job, the questions referred to the characteristics of their main job—the job in which they worked the most hours. A similar survey was conducted in February 1995 and February 1997. (The survey was conducted again in February 2001, and the results are scheduled to be released later this year.)

The contingent workforce

Contingent workers were defined as those who do not have an explicit or implicit contract for long-term employment. Sev-

eral pieces of information were collected in the supplement from which the existence of a contingent employment arrangement could be discerned. These include: whether the job was temporary or not expected to continue, how long the worker expected to be able to hold the job, and how long the worker had held the job. For workers who had a job with an intermediary, such as a temporary help agency or contract company, information was collected about their employment at the place they were assigned to work by the intermediary, as well as their employment with the intermediary itself.

The key factor used to determine if a worker's job fit the conceptual definition of contingent was whether the job was temporary or not expected to continue. The first questions of the supplement were:

1. Some people are in temporary jobs that last only for a limited time or until the completion of a project. Is your job temporary?
2. Provided the economy does not change and your job performance is adequate, can you continue to work for your current employer as long as you wish?

Respondents who answered "yes" to the first question, or "no" to the second, were then asked a series of questions to distinguish persons who were in temporary jobs from

those who, for personal reasons, were temporarily holding jobs that offered the opportunity of ongoing employment. For example, students holding part-time jobs in fast-food restaurants while in school might view those jobs as temporary if they intend to leave them at the end of the school year. The jobs themselves, however, would be filled by other workers once the students leave.

Jobs were defined as being short term or temporary if the person was working only until the completion of a specific project, temporarily replacing another worker, being hired for a fixed time period, filling a seasonal job that is available only during certain times of the year, or if other business conditions dictated that the job was short term.

Workers also were asked how long they expected to stay in their current job and how long they had been with their current employer. The rationale for asking how long an individual expects to remain in his or her current job was that being able to hold a job for a year or more could be taken as evidence of at least an implicit contract for ongoing employment. In other words, the employer's need for the worker's services is not likely to evaporate tomorrow. By the same token, the information on how long a worker has been with the employer shows whether a job has been ongoing. Having remained with an employer for more than a year may be taken as evidence that, at least in the past, there was an explicit or implicit contract for continuing employment.

To assess the impact of altering some of the defining factors on the estimated size of the contingent workforce, three measures of contingent employment were developed, as follows:

Estimate 1. The narrowest definition, estimate 1, defines contingent workers as wage and salary workers who indicated that they expected to work in their current job for 1 year or less and who had worked for their current employer for 1 year or less. Self-employed workers, both incorporated and unincorporated, and independent contractors are excluded from the count of contingent workers under estimate 1; the rationale was that people who work for themselves, by definition, have ongoing employment arrangements, although they may face financial risks. Individuals who worked for temporary help agencies or contract companies are considered contingent under estimate 1 only if they expect their employment arrangement with the temporary help or contract company to last for 1 year or less and they had worked for that company for 1 year or less.

Estimate 2. This measure expands the definitions of contingent workers by including the self-employed (incorporated and the unincorporated) and independent contractors who expect to be, and had been, in such employment arrange-

ments for 1 year or less. (The questions asked of the self-employed are different from those asked of wage and salary workers.) In addition, temporary help and contract company workers are classified as contingent under estimate 2 if they had worked and expected to work for the customers to whom they were assigned for 1 year or less. For example, a "temp" secretary who is sent to a different customer each week but has worked for the same temporary help firm for more than 1 year and expects to be able to continue with that firm indefinitely is contingent under estimate 2, but not under estimate 1. In contrast, a "temp" who is assigned to a single client for more than a year is not counted as contingent under either estimate.

Estimate 3. The third definition expands the concept of contingency by removing the 1-year requirement both on expected duration of the job and current tenure for wage and salary workers. Thus, the estimate effectively includes all the wage and salary workers who do not expect their employment to last, except for those who, for personal reasons, expect to leave jobs that they would otherwise be able to keep. Thus, a worker who had held a job for 5 years could be considered contingent if he or she now viewed the job as temporary. These conditions on expected and current tenure are not relaxed for the self-employed and independent contractors, because they were asked a different set of questions from wage and salary workers.

Alternative employment arrangements

To provide estimates of the number of workers in alternative employment arrangements, the February 1999 CPS supplement included questions about whether individuals were paid by a temporary help agency or contract company, or whether they were on-call workers or independent contractors. Definitions of each category, as well as the main questions used to identify workers in each category, follow.

Independent contractors. Workers who were identified as independent contractors, consultants, and freelance workers in the supplement, regardless of whether they were identified as wage and salary workers or self-employed in the responses to basic CPS labor force status questions. Workers identified as self-employed (incorporated and unincorporated) in the basic CPS were asked, "Are you self-employed as an independent contractor, independent consultant, or something else (such as a shop or restaurant owner)?" in order to distinguish those who consider themselves to be independent contractors, consultants, or freelance workers from those who were business operators such as shop owners or restaurateurs. Those identified as wage and salary workers in

the basic CPS were asked, “Last week, were you working as an independent contractor, an independent consultant, or a freelance worker? That is, someone who obtains customers on their own to provide a product or service.” About 88 percent of independent contractors were identified as self-employed in the main questionnaire, while 12 percent were identified as wage and salary workers. Conversely, about half of the self-employed were identified as independent contractors.

On-call workers. These are persons who are called into work only when they are needed. This category includes workers who answered affirmatively to the question, “Some people are in a pool of workers who are ONLY called to work as needed, although they can be scheduled to work for several days or weeks in a row, for example, substitute teachers and construction workers supplied by a union hiring hall. These people are sometimes referred to as ON-CALL workers. Were you an ON-CALL worker last week?” Persons with regularly scheduled work which might include periods of being “on call” to perform work at unusual hours, such as medical residents, were not included in this category.

Temporary help agency workers. These are workers who were paid by a temporary help agency. To the extent that permanent staff of temporary help agencies indicate that they are paid by their agencies, the estimate of the number of

workers whose employment was mediated by temporary help agencies is overstated. This category includes workers who said their job was temporary and answered affirmatively to the question, “Are you paid by a temporary help agency?” Also included are workers who said their job was not temporary and answered affirmatively to the question, “Even though you told me your job was not temporary, are you paid by a temporary help agency?”

Workers provided by contract firms. These are individuals identified as working for a contract company, and who usually work for only one customer and usually work at the customer’s worksite. The last two requirements were imposed to focus on workers whose employment appeared to be very closely tied to the firm for which they are performing the work, rather than include all workers employed by firms that provide services. This category included workers who answered affirmatively to the question, “Some companies provide employees or their services to others under contract. A few examples of services that can be contracted out include security, landscaping, or computer programming. Did you work for a company that contracts out you or your services last week?” These workers also had to respond negatively to the question, “Are you usually assigned to more than one customer?” In addition, these workers had to respond affirmatively to the question, “Do you usually work at the customer’s worksite?”