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**INTERNATIONAL LABOUR
ORGANIZATION**

Joint UNECE-Eurostat-ILO Seminar
on Measurement of the Quality of Employment
(Geneva, 27-29 May 2002)

**The Quality of U.S. Employment
As Reflected Through Contingent and Alternative Work Arrangements**

Invited paper submitted by the U.S. Bureau of Labor Statistics¹

Summary

1. In the late 1980's and early 1990's, concern began to mount that the durability of employee-employer relationships in the U.S. was declining as employers turned to more flexible, and possibly less direct, employment arrangements. To address these concerns BLS, developed 3 increasingly broad measures of contingent workers and separate, but overlapping measures of four alternative work arrangements –working as an independent contractor, on-call, as an agency temporary or for a contract company. Using these measures, it was estimated that contingent workers under the broadest estimate constituted 4.0% of the U.S. work force in February 2001. The proportion of the U.S. work force in alternative work arrangements ranged from a low of 0.5% employed as contract company workers to a high of 6.3% working as independent contractors. Between February 1995 and February 2001, despite unprecedented economic expansion in the U.S., the proportion of the work force in contingent arrangements steadily declined, while the proportion of workers in alternative work arrangements remained relatively constant (with the exception of independent contractors). Throughout this time period, the characteristics of these workers were quite stable. However, at any point in time, the demographic characteristics and the earnings of workers in contingent and alternative arrangements varied greatly between arrangements. For instance, independent contractors tended to be older, white men who had high weekly earnings, while agency temporaries were disproportionately minority females, with lower than average weekly earnings. Despite the many differences across arrangements, individuals in contingent and alternative work arrangements almost uniformly had both lower rates of health insurance coverage, and less access to employer-provided pension plans. Nevertheless, even though their non-wage benefits were lower, the contribution of these workers to the overall proportion of the U.S. workforce without health insurance or pension coverage was relatively modest. Further, despite the tendency for workers in many contingent and alternative work arrangements to have below-average earnings, the probability of workers in these arrangements living in poor families was no different than that of the entire working population, with the exception of agency temporaries.

¹ Paper written by Anne E. Polivka.