

SHARE OF WORKERS IN 'NONSTANDARD' JOBS DECLINES

Latest survey shows a narrowing — yet still wide — gap in pay and benefits

by Jeffrey Wenger

The booming U.S. economy and the strong labor market of the late 1990s through early 2001 benefited nearly all workers. Unemployment rates declined to 30-year lows, real wages grew even for those on the bottom of the economic ladder, and the percentage of Americans lacking health insurance declined. Yet nonstandard employment – part-time work, temping, contract work, self-employment, on-call work, day labor – remained commonplace in this booming economy. In 2001 more than one-quarter of the workforce was employed in nonstandard arrangements. While strong economic growth reduced this share – from 29.4% in 1995, to 27.4% in 1999, and to 26.6% in 2001 – the large differences between nonstandard and regular full-time jobs in terms of pay, benefits, and job security continue to pose serious problems for workers in nonstandard jobs.

Although the U.S. labor force includes a large share of nonstandard workers, little was known about the prevalence of these work arrangements or their pay and benefits until February 1995, when the U.S. Bureau of Labor Statistics (BLS) surveyed workers for the first of its Contingent Work Supplements to the Current Population Survey (CPS). The BLS conducted biennial follow-up surveys in 1997, 1999, and 2001. The 1995 and 1997 data were analyzed by the Economic Policy Institute in the reports, *Nonstandard Work, Substandard Jobs* (1997), *Managing Work and Family* (1997), and *No Shortage of 'Nonstandard' Jobs* (1999). This report on the 1999 and 2001 surveys updates EPI's work in this area using methodologically consistent definitions of nonstandard work. (See Appendix A for definitions of types of nonstandard work.)

The 2001 survey may prove especially useful over time because it was conducted when the labor market was approximately at its peak in the last economic cycle. The unemployment rate was 4.2% in February 2001, up slightly from a business-cycle low of 3.9% the previous October. The official start to the recession was March 2001. The key findings from the 2001 and the 1999 survey include the following:

- Nonstandard jobs continue to be filled more by women than men. In 2001, 31.0% of women worked in nonstandard employment, compared to 22.8% of men. These shares have declined only slightly from earlier levels.
- Wages for nonstandard workers are sensitive to the type of nonstandard arrangement. Typically part-time, temporary help, and on-call/day workers are paid lower wages than regular full-time workers – even after adjusting for personal characteristics such as age, education, and race. Workers in more entrepreneurial forms of nonstandard employment, such as the self-employed and independent contractors, often earn more per hour than regular full-time workers.
- Health insurance coverage continues to fall below that of regular full-time workers. Only 14.8% of women and 12.4% of men in nonstandard employment receive health insurance through their own employer, compared to 66.8% of women and 70.8% of men employed in regular full-time jobs.
- Pension coverage continues to lag behind as well. Only 20.1% of women and 11.1% of men in nonstandard employment receive a pension through their own employer, compared to 66.5% of women and 66.0% of men employed in regular full-time jobs.
- The tight labor markets of the late 1990s through 2001 allowed many workers to leave nonstandard work for regular full-time jobs. Those remaining in nonstandard employment in 2001 tended to be more satisfied with their arrangements than they had been in the past. In 1999, 18.0% of women in regular part-time jobs said they wanted to work a full-time work week (35 or more hours). By 2001 that percentage had decreased to 17.4%. However, men employed at temporary help agencies and in on-call arrangements continued to prefer regular full-time work.
- Overall, tight labor markets benefited nonstandard workers by raising wages, increasing health care and pension coverage, and reducing job dissatisfaction. Nevertheless, gaps in compensation are still large and substantial, especially within the least desirable forms of nonstandard work such as temporary help and on-call employment.

Prevalence of nonstandard work

Nonstandard work refers to all forms of employment other than regular, full-time work, an arrangement that implies an employer/employee relationship in which the employee works at the employer's worksite on an ongoing basis, is paid a wage or salary, and works 35 or more hours per

week. Nonstandard workers fall into seven categories: regular part-time, temporary help agency (temps), contract company workers, independent contractors (both self-employed and wage and salary), self-employed (not independent contractors), and on-call/day laborers. Workers who report being employed for fewer than 35 hours per week are classified as regular part-time only if they do not work in another nonstandard arrangement.

Table 1 breaks down these seven types of nonstandard work by sex, race, and ethnicity. Women workers are more likely than men, and white workers are more likely than blacks, Hispanics, or other racial/ethnic groups, to work in nonstandard jobs. From 1999 to 2001, the share of male, female, white, and Hispanic workers in nonstandard employment declined; the share among blacks held steady.

Wages among nonstandard workers compared to regular full-time workers

The decline in the share of workers in nonstandard work (coupled with low unemployment rates and continued strong labor demand), resulted in real wage increases¹ for nearly all workers. Nonstandard employees saw considerable real wage growth during the 1999-2001 period,² as illustrated in **Table 2**. Wages grew almost across the board; the only exceptions were for women employed in on-call/day labor and contract company jobs and men working as self-employed independent contractors.

Large wage growth in nonstandard work arrangements served to reduce the size of the wage gaps between nonstandard workers and regular full-time workers. In 1999 regular part-time workers earned \$3.97 less per hour than regular full-time workers; in 1997 the gap was \$4.54 (Hudson 1999). The gap also narrowed for temporary and on-call/day laborers. Conversely, the most remunerative types of nonstandard employment – independent contracting, contract company work, and self-employment – experienced considerable wage gains between 1997 and 1999, and their wage advantage over regular full-time work widened.

Table 3 shows wage penalties and premiums for workers in nonstandard employment. These wage differences are “regression adjusted,” meaning that they account for age, education, race, marital status, urbanicity, region, and citizenship – other factors besides employment arrangement that can have an effect on wages. Controlling for these factors shows that nearly all types of nonstandard employment offer lower hourly pay. The exceptions, among both men and women, are independent contractors (both wage and salary and self-employed) and workers employed by contract companies. (For men employed as temps, the wage penalty is not statistically significant.)

An analysis that adjusts for industry and occupation tends to show smaller hourly wage differences and more instances of an advantage for nonstandard workers. Male part-time workers and female on-call and self-employed workers still experience statistically significant wage penalties. By contrast, male self-employed workers, self-employed independent contractors, and contract company workers as well as female independent contractors (both wage and salary and self-

TABLE 1
Workers by work arrangement, 2001, 1999, and 1997

Work arrangement	All	Women	Men	White	Black	Hispanic	Other
2001							
Regular part time	12.8%	19.7%	6.8%	13.5%	11.0%	10.9%	10.7%
Temporary help agency	0.9	1.1	0.7	0.6	1.9	1.4	0.9
On-call/day laborer	1.7	1.6	1.7	1.6	1.8	2.2	1.1
Self-employed	4.1	3.2	4.9	4.9	1.1	2.1	4.1
Independent contractor, wage/salary	0.7	0.7	0.8	0.7	0.8	0.7	0.8
Independent contractor, self-employed	5.4	4.1	6.7	6.0	3.2	3.5	5.8
Contract company	1.0	0.6	1.2	0.9	0.9	1.1	1.2
All nonstandard arrangements	26.6%	31.0%	22.8%	28.2%	20.7%	21.9%	24.6%
Regular full time	73.3	69.1	77.1	71.7	79.4	78.0	75.3
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1999							
Regular part time	13.0%	20.2%	6.7%	13.5%	11.0%	11.6%	12.3%
Temporary help agency	0.9	1.1	0.7	0.7	1.8	1.2	0.9
On-call/day laborer	1.6	1.7	1.5	1.5	1.8	2.2	1.2
Self-employed	4.6	3.7	5.4	5.1	1.8	2.9	6.4
Independent contractor, wage/salary	0.6	0.7	0.6	0.7	0.4	0.4	0.5
Independent contractor, self-employed	5.5	3.9	6.9	6.2	2.8	3.4	4.6
Contract company	1.2	0.7	1.5	1.2	1.1	0.8	1.4
All nonstandard arrangements	27.4%	32.0%	23.3%	29.0%	20.7%	22.5%	27.3%
Regular full time	72.6	68.0	76.7	71.0	79.3	77.5	72.7
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1997							
Regular part time	13.6%	21.3%	6.9%	14.1%	12.0%	12.3%	12.2%
Temporary help agency	1.0	1.2	0.8	0.8	2.0	1.4	0.9
On-call/day laborer	1.5	1.6	1.4	1.4	1.1	2.2	1.2
Self-employed	4.8	4.1	5.5	5.6	1.5	2.3	5.0
Independent contractor, wage/salary	0.7	0.8	0.7	0.8	0.6	0.7	0.4
Independent contractor, self-employed	5.7	3.9	7.3	6.3	2.6	4.3	6.1
Contract company	1.3	0.8	1.7	1.3	1.4	0.8	1.6
All nonstandard arrangements	28.7%	33.7%	24.3%	30.4%	21.3%	24.1%	27.5%
Regular full time	71.3	66.3	75.7	69.6	78.7	75.9	72.5
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Author's analysis of February 2001 Current Population Survey.

TABLE 2
Average hourly wages (2001\$) and percent change in wage since 1999,
by work arrangement and sex

	All		Women		Men	
	2001 wage	Percent change	2001 wage	Percent change	2001 wage	Percent change
Regular part time	-	-	-	-	-	-
Temporary help agency	\$13.60	18.1%	\$11.85	11.5%	\$16.28	27.6%
On-call/day laborer	14.32	2.2	12.85	-6.2	15.62	9.1
Self-employed	19.08	1.6	15.78	4.5	20.81	0.1
Independent contractor, wage/salary	20.21	9.2	18.00	7.5	21.73	7.1
Independent contractor, self-employed	20.60	-1.1	19.45	3.7	21.19	-2.7
Contract company	20.94	3.2	17.32	-3.3	22.51	5.1
Regular full time	-	-	-	-	-	-

Note: Regular part-time and full-time wage are unavailable in the 2001 sample due to sample changes.

Source: Author's analysis of February 2001 Current Population Survey.

TABLE 3
Hourly wages of nonstandard workers compared to regular full-time workers,
by work arrangement and sex, 1999 (difference in %)

	Women	Men
Controlling for personal characteristics		
Regular part time	-14.8%*	-24.9%*
Temporary help agency	-10.7*	-9.6
On-call/day laborer	-20.0*	-12.1*
Self-employed	-25.3*	-11.5*
Independent contractor, wage/salary	0.3	2.1
Independent contractor, self-employed	25.0*	13.6*
Contract company	5.9	16.2*
Controlling for personal and job characteristics		
Regular part time	-1.2%	-11.0%*
Temporary help agency	1.5	3.2
On-call/day laborer	-8.1*	-4.7
Self-employed	-7.2*	9.4*
Independent contractor, wage/salary	14.8*	10.7
Independent contractor, self-employed	22.3*	7.0*
Contract company	8.6	14.9*

* Significant at the .05 level.

Source: Author's analysis of February 2001 Current Population Survey.

employed) earn significantly higher hourly wages than their regular full-time counterparts once occupation/industry and personal characteristics are accounted for. These patterns are a common finding in the literature, and they are likely due largely to the limited set of occupation and industry choices workers in nonstandard work arrangements face. In particular, part-time workers are highly concentrated among industries and occupations in which full-time workers earn low wages (Wenger 2001).

One implication of Tables 2 and 3 is that compensation for workers in nonstandard arrangements is broadly split by level of worker autonomy. Employees such as independent contractors, the self-employed, and those working for contract companies tend to be well paid, while those who work part-time hours, at temporary help agencies, and in on-call arrangements tend to earn less than their comparable full-time counterparts.

Benefits among nonstandard workers compared to regular full-time workers

Tables 4 and 5 show the percentage of both nonstandard and regular full-time workers with health insurance and pension coverage. Due to the tight labor market of the late 1990s through early 2001, a trend of growing health insurance coverage continued for all workers. In 1999, 84.3% of all workers (85.2% of women and 83.4% of men; see the tables in Appendix B for data for 1999) had health insurance; in 2001, the share rose to 84.8% (86.0% of women and 83.8% of men). This relatively small percentage increase meant that approximately 650,000 more workers had health insurance in 2001 than would have if coverage rates remained at 1999 levels. Rates of employer-provided health insurance rose more strongly, from 53.3% in 1999 to 54.3% in 2001.

Like their full-time counterparts, workers in nonstandard employment arrangements saw sizable increases in their health insurance coverage. In 1999 coverage for nonstandard workers stood at 74.5%. The share rose to 75.6% by 2001, and the differences between men and women were considerable. In contrast to the 1997-99 period, when men saw their health insurance coverage increase while women saw their coverage decline, from 1999 to 2001 women's health insurance coverage increased faster than men's coverage.

Overall, the lower rates of health insurance coverage for workers in nonstandard employment points to one of the continuing problems of nonstandard work. Even those workers with the highest levels of remuneration, such as contract workers and independent contractors, have insurance rates below those of regular full-time workers.

For workers in nonstandard employment, receipt of health insurance through an employer is particularly low, although coverage rose for both women and men from 1999 to 2001. In 1999 12.4% of workers in nonstandard jobs received health insurance from their employer; by 2001 that percentage had increased to 13.7%. Even part-time workers (the bottom section of Table 4) saw their employer-provided health insurance benefits increase. However, fewer than one in six of them receives health insurance benefits from his or her employer. Thus, despite increases in wages

TABLE 4
Health insurance coverage, by work arrangement and sex, 2001

	All		Women		Men	
	Any coverage	Through own employer	Any coverage	Through own employer	Any coverage	Through own employer
All	84.8%	54.3%	86.0%	50.7%	83.8%	57.4%
All nonstandard arrangements	75.6%	13.7%	77.7%	14.8%	73.0%	12.4%
Full time						
Temporary help agency	46.9%	12.8%	49.9%	11.0%	43.0%	15.2%
On-call/day laborer	69.1	49.0	76.4	39.8	66.3	52.5
Self-employed	82.2	na	80.1	na	83.0	na
Independent contractor, wage/salary	66.8	23.2	65.4	17.6	67.5	25.8
Independent contractor, self-employed	73.2	na	75.2	na	72.5	na
Contract company	84.7	58.2	88.8	54.9	83.3	59.4
Regular full time	88.2	69.0	89.6	66.8	87.0	70.8
<i>All</i>	86.5	61.8	88.3	61.9	85.1	61.7
Part time						
Temporary help agency	58.3%	0.6%	70.0%	0.9%	36.9%	0.0%
On-call/day laborer	67.0	11.0	69.9	10.6	60.8	12.0
Self-employed	85.6	na	88.0	na	78.5	na
Independent contractor, wage/salary	72.8	10.1	77.8	4.7	64.5	19.0
Independent contractor, self-employed	75.1	na	81.5	na	61.4	na
Contract company	81.0	14.9	80.5	12.7	82.0	19.0
Regular part time	76.6	18.5	78.5	19.4	72.0	15.9
<i>All</i>	76.3	15.5	78.7	16.2	70.2	13.6

Source: Author's analysis of February 2001 Current Population Survey.

and tight labor markets, workers in nonstandard employment were far less likely than regular full-time workers to receive health insurance coverage from their employers.

The pension data in **Table 5** show that pension coverage rates for employees in nonstandard work arrangements are considerably below those for regular workers. From 1999 (see Table B2 in Appendix B) to 2001, pension coverage increased from 59.0% to 60.4% for all workers, from 57.0% to 59.3% for women and from 60.8% to 61.5% for men. Those levels of coverage are driven primarily by regular full-time workers. In 2001, over two-thirds of regular full-time workers had a pension of some sort, compared to 38.5% of nonstandard workers. Yet that relatively small percentage was an improvement from 1999, when just 36.3% of workers in nonstandard arrangements had pension coverage.

Total compensation (salaries and benefits) increased for most workers during the late 1990s

TABLE 5
Pension coverage, by work arrangement and sex, 2001

	All		Women		Men	
	Any coverage	Through own employer	Any coverage	Through own employer	Any coverage	Through own employer
All	60.4%	52.8%	59.3%	52.4%	61.5%	53.3%
All nonstandard arrangements	38.5%	16.0%	37.7%	20.1%	39.6%	11.1%
Full time						
Temporary help agency	24.1%	11.3%	24.9%	10.2%	23.0%	12.7%
On-call/day laborer	51.9	47.7	48.2	40.4	53.3	50.4
Self-employed	51.7	na	38.8	na	57.0	na
Independent contractor, wage/salary	37.2	17.8	36.7	15.8	37.5	18.7
Independent contractor, self-employed	44.5	na	44.4	na	44.5	na
Contract company	64.7	56.1	68.7	64.0	63.3	53.2
Regular full time	68.3	66.2	68.9	66.5	67.9	66.0
<i>All</i>	65.8	58.7	66.6	61.4	65.2	56.7
Part time						
Temporary help agency	7.7%	2.2%	11.5%	3.3%	0.0%	0.0%
On-call/day laborer	30.9	17.3	33.6	18.7	25.5	14.4
Self-employed	43.9	na	42.7	na	47.2	na
Independent contractor, wage/salary	32.7	8.8	28.0	4.3	40.1	15.9
Independent contractor, self-employed	41.5	na	44.9	na	34.0	na
Contract company	27.5	14.5	28.3	17.1	26.1	9.6
Regular part time	32.0	25.2	36.1	28.0	21.4	17.1
<i>All</i>	32.9	20.7	36.6	23.2	23.9	14.0

Source: Author's analysis of February 2001 Current Population Survey.

and into 2001. Not only did workers see wage gains, but the percentage with health insurance and pension coverage also increased. Additionally, many of the wage gaps between nonstandard workers and regular full-time workers seem to have narrowed. But contingent workers are still far less likely to be paid a wage or earn benefits similar to those in regular full-time work. With the recession that began in March 2001, much of the gains in wages and benefits that these workers received in the late 1990s through early 2001 are likely to be reversed.

Demographic characteristics of nonstandard workers

The least remunerative types of nonstandard work – part-time, temporary, and on-call jobs – continue to be dominated by women (**Table 6**). Overall, women are considerably overrepresented in nonstandard work arrangements: in 2001, 54.5% of nonstandard workers were women, com-

TABLE 6
Work arrangement by sex, 2001

Work arrangement	Women	Men	All
Regular part time	71.8%	28.2%	100.0%
Temporary help agency	58.5	41.5	100.0
On-call/day labor	45.0	55.0	100.0
Self-employed	36.7	63.3	100.0
Independent contractor, wage/salary	41.7	58.3	100.0
Independent contractor, self-employed	35.1	64.9	100.0
Contract company	30.5	69.5	100.0
All nonstandard arrangements	54.5%	45.5%	100.0%
Regular full time	44.2%	55.8%	100.0%
<i>All</i>	46.9%	53.1%	100.0%

Source: Author's analysis of February 2001 Current Population Survey.

TABLE 7
Work arrangement by race/ethnicity, 2001

Work arrangement	White	Black	Hispanic	Other	All
Regular part time	77.8%	9.3%	9.2%	3.7%	100.0%
Temporary help agency	52.8	24.5	17.8	4.9	100.0
On-call/day labor	70.7	11.8	14.5	3.0	100.0
Self-employed	87.2	2.8	5.5	4.5	100.0
Independent contractor, wage/salary	73.4	11.0	10.9	4.7	100.0
Independent contractor, self-employed	81.9	6.3	7.1	4.8	100.0
Contract company	71.8	9.9	12.6	5.6	100.0
All nonstandard work arrangements	78.5%	8.4%	9.0%	4.2%	100.0%
Regular full time	72.1%	11.7%	11.6%	4.6%	100.0%
<i>All</i>	73.8%	10.8%	10.9%	4.5%	100.0%

Source: Author's analysis of February 2001 Current Population Survey.

pared with 46.9% of all workers. The gender composition of nonstandard employment has changed little since 1997.

Whites are overrepresented in nonstandard employment; 78.5% of nonstandard employees are white, compared to 73.8% of the overall workforce (**Table 7**). Racial and ethnic minorities are not only underrepresented in nonstandard employment, they are especially underrepresented in the most remunerative types of nonstandard work arrangements. While blacks make up 10.8% of the labor force, they represent only 2.8% of the self-employed and 6.3% of self-employed independent contractors. Hispanics are similarly underrepresented in these higher-paying categories.

TABLE 8
Workers by work arrangement, sex, and race/ethnicity, 2001

Work arrangement	All	White	Black	Hispanic	Other
Women					
Regular part time	19.7%	21.3%	13.4%	17.5%	14.5%
Temporary help agency	1.1	0.7	2.3	2.3	0.9
On-call/day labor	1.6	1.6	1.5	1.8	1.6
Self-employed	3.2	3.9	0.8	1.4	3.7
Independent contractor, wage/salary	0.7	0.7	0.4	0.7	0.9
Independent contractor, self-employed	4.1	4.4	2.2	3.3	5.3
Contract company	0.6	0.6	0.8	0.8	0.6
All nonstandard work arrangements	30.9%	33.1%	21.5%	27.9%	27.4%
Regular full time	69.1%	66.9%	78.5%	72.1%	72.6%
All	100.0%	100.0%	100.0%	100.0%	100.0%
Men					
Regular part time	6.8%	6.7%	8.1%	6.1%	7.4%
Temporary help agency	0.7	0.5	1.5	0.8	1.0
On-call/day labor	1.7	1.6	2.2	2.5	0.8
Self-employed	4.9	5.8	1.4	2.6	4.6
Independent contractor, wage/salary	0.8	0.8	1.1	0.8	0.7
Independent contractor, self-employed	6.7	7.5	4.2	3.7	6.2
Contract company	1.2	1.2	1.0	1.3	1.7
All nonstandard work arrangements	22.9%	24.1%	19.6%	17.8%	22.3%
Regular full time	77.1%	75.9%	80.4%	82.2%	77.7%
All	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Author's analysis of February 2001 Current Population Survey.

Low representation of blacks and Hispanics in nonstandard work is partly explained by gender composition (**Tables 8 and 9**). White women who work in nonstandard employment tend to be employed in part-time jobs or be self-employed. White men tend to be overrepresented in self-employment or as self-employed independent contractors. Relative to other racial and ethnic minorities, this skews the representation in these more remunerative jobs toward white males.

Overall, the pattern in nonstandard work mirrors that of the workforce at large. Men tend to work in the jobs with higher pay, greater likelihood of health insurance, and greater pension coverage. Women tend to be overrepresented in lower-paying jobs such as part-time, temporary, and on-call work. Racial discrimination may also help explain the patterns in nonstandard work. Whites are overrepresented in the most remunerative forms of nonstandard employment – independent contracting, contract work, and self-employment – while blacks and Hispanics are overrepresented in the lowest-paying jobs. Too often proponents of nonstandard employment argue that workers choose these options in an effort to balance work and family responsibilities. If this is the case, it remains to be explained why proportionately more blacks and Hispanics “choose” the least remunerative employment types.

TABLE 9
Work arrangement by sex and race/ethnicity, 2001

Work arrangement	White	Black	Hispanic	Other	All
Women					
Regular part time	79.6%	8.5%	8.7%	3.3%	100.0%
Temporary help agency	49.2	26.5	20.7	3.7	100.0
On-call/day labor	72.6	11.9	11.2	4.4	100.0
Self-employed	87.6	3.2	4.3	5.0	100.0
Independent contractor, wage/salary	76.4	8.0	9.7	5.9	100.0
Independent contractor, self-employed	79.6	6.8	7.9	5.8	100.0
Contract company	67.5	15.0	12.9	4.6	100.0
All nonstandard work arrangements	78.7%	8.6%	8.7%	3.9%	100.0%
Regular full time	71.1%	14.1%	10.1%	4.7%	100.0%
All	73.5%	12.4%	9.7%	4.4%	100.0%
Men					
Regular part time	73.1%	11.2%	10.7%	4.9%	100.0%
Temporary help agency	58.0	21.6	13.9	6.6	100.0
On-call/day labor	69.1	11.7	17.2	2.0	100.0
Self-employed	87.0	2.6	6.3	4.2	100.0
Independent contractor, wage/salary	71.3	13.1	11.8	3.8	100.0
Independent contractor, self-employed	83.1	6.0	6.6	4.2	100.0
Contract company	73.8	7.7	12.5	6.1	100.0
All nonstandard work arrangements	78.3%	8.1%	9.3%	4.4%	100.0%
Regular full time	72.9%	9.8%	12.7%	4.6%	100.0%
All	74.1%	9.4%	11.9%	4.5%	100.0%

Source: Author's analysis of February 2001 Current Population Survey.

Preferences for work arrangements

Among analysts of nonstandard employment research there is a longstanding debate about the extent to which these work arrangements reflect workers' demands for work/life balance versus employers' efforts to reduce costs. **Tables 10** and **11** examine two important factors in this debate: workers who are simultaneously enrolled in school and employed (Table 10), and workers with young children (Table 11).

Table 10 shows that, while many workers use nonstandard employment to enable them to enroll in school, the vast majority of 18-24-year-old nonstandard workers are not enrolled in school. Part-time workers, especially males, are the most likely among nonstandard workers to be enrolled in school, and the self-employed (including self-employed independent contractors) are the least likely. But overall, only 13.2% of women and 13.7% of men are *both* employed in nonstandard arrangements and enrolled in school.

Proponents of nonstandard arrangements often point to the benefits of nonstandard work in balancing work with family responsibilities. For the most part these family responsibilities fall on

TABLE 10
Percentage of nonstandard workers age 18-24
enrolled in school, by work arrangement, 2001

Work arrangement	Female	Male
Regular part time	19.4%	41.5%
Temporary help agency	4.2	6.4
On-call/day labor	11.4	7.6
Self-employed	0.3	0.2
Independent contractor, wage/salary	3.5	2.3
Independent contractor, self-employed	0.1	0.5
Contract worker	1.4	4.3
All nonstandard workers in school	13.2%	13.7%
Regular full-time workers in school	1.7%	1.4%
All workers in school	5.2%	4.2%

Source: Author's analysis of February 2001 Current Population Survey.

TABLE 11
Percentage of nonstandard workers age 18-45 with a child under 6 years old,
by work arrangement, 2001

Work arrangement	Women		Men	
	Child under 6	No child under 6	Child under 6	No child under 6
Regular part time	25.1%	19.2%	3.1%	7.2%
Temporary help agency	1.5	1.0	0.1	0.7
On-call/day labor	1.8	1.6	1.5	1.8
Self-employed	3.5	3.2	4.5	5.0
Independent contractor, wage/salary	0.8	0.7	0.7	0.8
Independent contractor, self-employed	4.5	4.0	5.5	6.8
Contract company	0.9	0.6	1.5	1.2
Regular full time	61.9%	69.7%	83.0%	76.5%
<i>All</i>	100.0%	100.0%	100.0%	100.0%

Source: Author's analysis of February 2001 Current Population Survey.

women, yet women between the ages of 18 and 45 with children under 6 do not show a strong preference for nonstandard employment. However, overall they are about eight percentage points more likely to choose nonstandard employment than are women without children under 6. Most of that share comprises women who work in part-time jobs. This preference should perhaps not be surprising, since the needs of parents with young children typically involve dependable schedules, like those provided by regular part-time work, not schedules that vary week-to-week

TABLE 12
Nonstandard workers who prefer standard employment, 2001

Response	Regular part time	Temporary help agency	On call	Self-employed	Independent contractor, wage/salary	Independent contractor, self-employed
Women						
Yes	17.4%	43.7%	44.2%	8.1%	23.6%	6.8%
No	72.7	50.4	50.3	88.1	68.2	87.2
Depends/other	9.9	6.0	5.5	3.8	8.2	6.0
Men						
Yes	23.4%	56.3%	55.1%	7.3%	22.8%	7.7%
No	65.9	38.7	38.9	89.4	68.1	88.0
Depends/other	10.6	5.0	6.0	3.3	9.1	4.3

Source: Author's analysis of February 2001 Current Population Survey.

with only limited control by the worker, such as those often offered in temporary jobs or self-employment.

Further evidence of the strong economy of the late 1990s is found in **Table 12**, which shows the percentage of nonstandard workers who would prefer standard employment. The percentage of women workers in nonstandard arrangements who prefer standard employment remained relatively constant from the 1999 (shown in Table B7 in Appendix B) to the 2001 period. Women working part-time hours showed a small decrease (from 18.0% to 17.4%) in their preference for a full-time job; the drop was larger among men (from 27.1% to 23.4%). For the first time since the survey has been conducted more than half (50.4%) of all women in temporary jobs say they prefer their current work arrangement. Men working at temporary help agencies were the least satisfied with their work arrangement. Overall, temporary help and on-call work were the arrangements that workers liked least, but less than half of all women in these arrangements wanted a regular full-time job.

Self-employment continues to be the arrangement with the lowest percentage of workers desiring regular full-time employment. Women who are self-employed or are self-employed independent contractors show a strong preference for these types of arrangements; only 8.1% of self-employed women and only 6.8% of female self-employed independent contractors would rather work for someone else. Men were even more satisfied with this arrangement, with only 7.3% of the self-employed wanting to work for someone else. This share represented a slight increase from 1999, but in general, workers' preferences for nonstandard work increased between 1999 and 2001. The notable exception was among wage-and-salary independent contractors, who expressed increasing dissatisfaction with their nonstandard work arrangement.

Conclusion

The tight labor markets of the late 1990s through early 2001 made nonstandard work increasingly attractive by making possible higher wages and increased health insurance and pension coverage. Yet as a percentage of the U.S. labor force, fewer workers chose to work in nonstandard jobs. Evidence continues to mount that these employment relations are predominately driven by employer preferences rather than those of workers. That is, while wages have risen as a result of increased demand and continued short supply of these types of workers, as a share of the labor force nonstandard work has declined since 1995, with significant declines occurring in part-time employment. Despite the relative increase in wages, workers are forgoing the nonstandard employment option and are opting for regular full-time jobs.

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APPENDIX A:

Distinguishing between regular full-time and nonstandard work

Nonstandard arrangements differ from regular full-time jobs in a least one of the following ways:

- (1) the absence of an employer, as in self-employment and independent contracting;
- (2) a distinction between the organization that employs the worker and the one for which the person works, as in contract and temp work; or
- (3) the temporal instability of the job, characteristic of temporary, day labor, on-call, and some forms of contract work.

Defining the types of nonstandard work

Regular part time

Workers in this group were respondents in the Contingent Work Supplements to the Current Population Survey who reported they were wage-and-salary workers, they worked fewer than 35 hours each week, *and* they were not classified in any of the other nonstandard work arrangements (NSWAs) listed below.

Temporary help agency (or temps)

Workers in this group were respondents who reported being wage-and-salary workers and answered “yes” to the following question: “Are you paid by a temporary help agency? (A temporary help agency supplies workers to other companies on an as-needed basis or supplies workers to other companies primarily for short-term assignments.)”

On-call

Workers in this group were respondents who reported being wage-and-salary workers and answered “yes” to the following 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?”

Day labor

Workers in this group were respondents who reported being wage-and-salary workers and answered “yes” to the following question: “Some people get work by waiting at a place where employers pick up people to work for a day. These people are sometimes called day laborers. Were you a day laborer last week?”

Self-employed

Worker in this group were respondents who reported being self-employed and answered “yes” to the following question: “Are you self-employed,” for example, “as a shop or restaurant owner?”

Independent contractors

In the 1995, 1997, 1999, and 2001 Contingent Work Supplements, the BLS made a distinction between independent contractors who report they are wage-and-salary employees and those who report they are self-employed. The reasons that independent contractors might classify themselves in these two different ways are unclear, but the data from the surveys reveal important distinctions between these two groups of nonstandard workers. Wage-and-salary and self-employed independent contractors often differ on the basis of their occupational characteristics as well as the quality of the jobs and personal characteristics.

Independent contracting – wage and salary. Workers in this group were respondents who reported being wage-and-salary workers and answered “yes” to the following question: “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. Independent contractors, independent consultants, and freelance workers can have other employees working for them.”

Independent contracting – self-employment. Workers in this group were respondents who answered “yes” to the following question: “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. Independent contractors, independent consultants, and freelance workers can have other employees working for them”; *and* answered “yes” to the question: “Are you self-employed as an independent contractor, independent consultant, or freelance worker?”

Contract company

Workers in this group were respondents who reported being wage-and-salary workers and answered “yes” to the following 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?”

Classified as “contract workers” in this study were all persons who did contract work, regardless of whether they worked at the employer’s worksite, the worksite of a single contractee, or the worksite of more than one contractee. This conception of contract work differs from that used by the BLS, which does not classify as contract workers persons who did not work at the contractee’s worksite. BLS requires a respondent to answer “no” to the question, “Are you usually assigned to more than one customer” and “yes” to the question, “Do you usually work at the customer’s worksite?” This study does not require any particular answer to those questions.

Regular full time

Workers in this group were respondents who reported that they were wage-and-salary workers, worked 35 hours or more each week, and were not classified in any of the nonstandard work arrangements listed above.

APPENDIX B: Characteristics of nonstandard work arrangements and workers, 1999

TABLE B1
Health insurance coverage, by work arrangement and sex, 1999

	All		Women		Men	
	Any coverage	Through own employer	Any coverage	Through own employer	Any coverage	Through own employer
All	84.3%	53.3%	85.2%	49.1%	83.4%	57.0%
All nonstandard arrangements	74.4%	12.4%	76.0%	13.3%	72.4%	11.3%
Full time						
Temporary help agency	40.0%	7.5%	42.3%	6.7%	37.0%	8.6%
On-call/day laborer	63.8	36.9	72.7	29.0	59.8	40.5
Self-employed	81.4	na	77.5%	na	83.0%	na
Independent contractor, wage/salary	67.1	21.9	76.4	17.8	60.6	24.7
Independent contractor, self-employed	74.6	na	77.1	na	73.8	na
Contract company	84.5	61.0	87.8	54.4	83.4	63.2
Regular full time	88.0	68.7	89.5	66.0	86.8	70.9
<i>All</i>	86.3	61.1	88.1	60.9	84.9	61.3
Part time						
Temporary help agency	49.9%	0.0%	57.1%	0.0%	36.6%	0.0%
On-call/day laborer	69.0	9.0	73.4	7.7	59.0	11.8
Self-employed	82.8	na	84.6	na	78.3	na
Independent contractor, wage/salary	69.0	9.1	67.6	6.0	72.1	15.7
Independent contractor, self-employed	75.4	na	79.7	na	67.9	na
Contract company	65.3	12.6	79.5	12.5	39.9	12.9
Regular part time	74.5	17.0	76.5	17.6	69.1	15.4
<i>All</i>	74.3	14.0	76.8	14.6	68.2	12.6

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B2
Pension coverage, by work arrangement and sex, 1999

	All		Women		Men	
	Any coverage	Through own employer	Any coverage	Through own employer	Any coverage	Through own employer
All	59.0%	51.2%	57.0%	49.9%	60.8%	52.3%
All nonstandard arrangements	36.3%	13.9%	35.0%	17.8%	37.8%	9.4%
Full time						
Temporary help agency	16.9%	7.8%	15.2%	4.1%	19.2%	12.3%
On-call/day laborer	37.2	32.1	39.8	30.7	36.0	32.7
Self-employed	49.6	na	41.1	na	53.1	na
Independent contractor, wage/salary	39.2	19.8	40.5	17.3	38.2	21.5
Independent contractor, self-employed	43.8	na	41.1	na	44.7	na
Contract company	57.0	50.3	56.6	46.5	57.2	51.7
Regular full time	67.6	65.1	67.3	64.6	67.8	65.6
<i>All</i>	64.6	57.2	64.8	59.2	64.5	55.8
Part time						
Temporary help agency	15.6%	3.0%	19.5%	2.0%	8.7%	4.8%
On-call/day laborer	33.7	20.1	37.7	24.1	24.7	11.3
Self-employed	42.3	na	40.8	na	46.0	na
Independent contractor, wage/salary	38.2	7.2	40.6	9.3	33.1	3.0
Independent contractor, self-employed	39.1	na	42.0	na	34.2	na
Contract company	23.4	11.5	29.9	12.5	11.0	9.9
Regular part time	29.5	22.6	32.9	24.9	20.2	16.1
<i>All</i>	31.0	18.5	34.1	20.8	23.2	12.3

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B3
Work arrangement by sex, 1999

Work arrangement	Women	Men	All
Regular part time	72.6%	27.4%	100.0%
Temporary help agency	58.2	41.8	100.0
On-call/day labor	50.4	49.6	100.0
Self-employed	37.4	62.6	100.0
Independent contractor, wage/salary	47.7	52.3	100.0
Independent contractor, self-employed	33.0	67.0	100.0
Contract company	29.9	70.1	100.0
All nonstandard arrangements	54.6%	45.4%	100.0%
Regular full time	43.8%	56.2%	100.0%
<i>All</i>	46.7%	53.3%	100.0%

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B4
Workers by work arrangement and race/ethnicity, 1999

Work arrangement	White	Black	Hispanic	Other	All
Regular part time	77.9%	9.0%	9.1%	4.0%	100.0%
Temporary help agency	61.0	21.0	13.8	4.3	100.0
On-call/day labor	70.7	12.0	14.2	3.1	100.0
Self-employed	83.6	4.1	6.4	5.9	100.0
Independent contractor, wage/salary	82.3	7.3	7.1	3.2	100.0
Independent contractor, self-employed	84.8	5.4	6.3	3.6	100.0
Contract company	77.9	10.3	6.7	5.2	100.0
All nonstandard work arrangements	79.4%	8.0%	8.4%	4.2%	100.0%
Regular full time	73.3%	11.6%	10.9%	4.2%	100.0%
<i>All</i>	75.0%	10.6%	10.2%	4.2%	100.0%

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B5
Work arrangements by sex and race/ethnicity, 1999

Work arrangement	All	White	Black	Hispanic	Other
Women					
Regular part time	20.2%	21.5%	13.9%	19.3%	17.4%
Temporary help agency	1.1	0.9	2.0	1.5	1.1
On-call/day labor	1.7	1.7	1.6	2.3	1.1
Self-employed	3.7	4.0	1.8	2.9	4.8
Independent contractor, wage/salary	0.7	0.7	0.4	0.5	0.8
Independent contractor, self-employed	3.9	4.5	1.7	2.5	2.9
Contract company	0.7	0.8	0.7	0.5	1.1
All nonstandard work arrangements	32.0%	34.1%	22.0%	29.4%	29.3%
Regular full time	68.0%	65.9%	78.0%	70.6%	70.7%
All	100.0%	100.0%	100.0%	100.0%	100.0%
Men					
Regular part time	6.7%	6.5%	7.7%	6.3%	7.8%
Temporary help agency	0.7	0.6	1.5	1.0	0.7
On-call/day labor	1.5	1.3	2.1	2.1	1.2
Self-employed	5.4	6.1	1.7	2.9	7.8
Independent contractor, wage/salary	0.6	0.7	0.5	0.4	0.2
Independent contractor, self-employed	6.9	7.7	4.1	4.0	6.1
Contract company	1.5	1.6	1.7	1.0	1.7
All nonstandard work arrangements	23.3%	24.5%	19.3%	17.7%	25.6%
Regular full time	76.7%	75.5%	80.7%	82.3%	74.4%
All	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B6
Workers by work arrangement, sex, and race/ethnicity, 1999

Work arrangement	White	Black	Hispanic	Other	All
Women					
Regular part time	79.5%	8.4%	8.5%	3.6%	100.0%
Temporary help agency	61.9	22.2	11.8	4.1	100.0
On-call/day labor	73.9	11.3	12.1	2.7	100.0
Self-employed	81.4	6.1	7.0	5.5	100.0
Independent contractor, wage/salary	80.8	6.9	7.2	5.1	100.0
Independent contractor, self-employed	86.0	5.2	5.6	3.2	100.0
Contract company	77.6	10.7	5.6	6.1	100.0
All nonstandard work arrangements	79.5%	8.4%	8.2%	3.8%	100.0%
Regular full time	72.4%	14.0%	9.2%	4.4%	100.0%
All	74.7%	12.2%	8.9%	4.2%	100.0%
Men					
Regular part time	73.9%	10.5%	10.6%	5.0%	100.0%
Temporary help agency	59.7	19.4	16.4	4.5	100.0
On-call/day labor	67.5	12.7	16.3	3.5	100.0
Self-employed	84.9	2.9	6.1	6.2	100.0
Independent contractor, wage/salary	83.8	7.8	7.1	1.4	100.0
Independent contractor, self-employed	84.2	5.4	6.6	3.7	100.0
Contract company	78.0	10.1	7.1	4.8	100.0
All nonstandard work arrangements	79.2%	7.5%	8.6%	4.7%	100.0%
Regular full time	74.1%	9.6%	12.1%	4.1%	100.0%
All	75.3%	9.2%	11.3%	4.3%	100.0%

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B7
Percentage of nonstandard workers age 18-24 enrolled in school, by work arrangement

Work arrangement	Female	Male
Regular part time	20.7%	41.6%
Temporary help agency	5.9	6.3
On-call/day labor	7.7	9.0
Self-employed	0.1	0.4
Independent contractor, wage/salary	5.2	2.8
Independent contractor, self-employed	0.7	0.9
Contract worker	6.3	3.3
All nonstandard workers in school	14.0%	13.3%
Regular full-time workers in school	1.2%	1.4%
All workers in school	5.3%	4.2%

Source: Author's analysis of February 1999 Current Population Survey.

TABLE B8
Nonstandard workers who prefer standard employment, 1999

Response	Regular part time	Temporary help agency	On call	Self-employed	Independent contractor, wage/salary	Independent contractor, self-employed
Women						
Yes	18.0%	56.8%	49.3%	8.4%	14.5%	8.5%
No	73.4	37.7	44.9	87.1	76.7	86.0
Depends/other	8.6	5.5	5.8	4.5	8.8	5.5
Men						
Yes	27.1%	63.6%	56.3%	5.5%	18.8%	8.0%
No	64.3	29.8	38.6	90.8	74.2	87.0
Depends/other	8.5	6.6	5.1	3.7	7.0	5.1

Source: Author's analysis of February 1999 Current Population Survey.

Endnotes

1. All wages in this analysis are adjusted using the CPI-RS and are in 2001 dollars.
 2. Wages for the 2001 sample are incomplete; noncontingent and regular workers were not asked about their wages. Consequently, only nonstandard work wages are available in 2001.
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