Technical Note – May 2017 Contingent Worker Supplement

The data were collected through a supplement to the May 2017 Current Population Survey (CPS), a monthly survey of about 60,000 eligible households that provides data on employment and unemployment for the nation. The CPS is conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS).

Supplement questions were asked of all employed people except unpaid family workers. For people holding more than one job, the questions referred to the characteristics of their main job — the job in which they worked the most hours.

Contingent and Alternative Work Arrangements

In May 2017, 3.8 percent of workers – 5.9 million persons – held contingent jobs. These contingent workers are persons who do not expect their jobs to last or who report that their jobs are temporary. In February 2005, the last time the survey was conducted, the measure was higher at 4.1 percent of employment.

In addition to contingent workers, the survey also identified workers who have various alternative work arrangements. In May 2017, there were 10.6 million independent contractors (6.9 percent of total employment), 2.6 million on-call workers (1.7 percent of total employment), 1.4 million temporary help agency workers (0.9 percent of total employment), and 933,000 workers provided by contract firms (0.6 percent of total employment).

Contingent work and alternative employment arrangements are measured separately. Some workers are both contingent and working in an alternative arrangement, but this is not automatically the case. As mentioned above, the measures of contingent work and alternative employment arrangements apply only to a person’s sole or main job.

Defining and estimating the contingent workforce

Contingent workers are those who do not have an explicit or implicit contract for continuing employment. Several questions are asked in the supplement to determine whether a worker's job is contingent. These include whether the job is temporary or not expected to continue, how long the worker expects to be able to hold the job, and how long the worker has held the job.

The key factor used to determine if workers fit the conceptual definition of contingent is whether their job is temporary or not expected to continue. The first questions of the supplement are:

1. Some people are in temporary jobs that last 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?
Workers who answered either "yes" to the first question or "no" to the second are then asked a series of questions to distinguish workers who are in temporary jobs from those who, for personal reasons, are temporarily holding jobs that offer the opportunity of ongoing employment. A job is defined as being short term or temporary if the person holding it 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 that is available only during certain times of the year, or if other business conditions dictate that the job is short term.

For example, a person hired for 6 months to replace a teacher on paternity leave and a person hired to work in a company's shipping department for the holiday season would both be considered contingent workers. In contrast, students holding jobs at fast-food restaurants while in school might view their 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, and thus, the students are not contingent workers.

Workers also are asked how long they expect to stay in their current job and how long they have been with their current employer. Workers are asked how long they expect to remain in their current job because being able to hold a job for a year or more could demonstrate at least an implicit contract for ongoing employment. In other words, the employer's need for the worker's services is not likely to end tomorrow. Similarly, the information on how long a worker has been with their employer shows whether a job has been ongoing. Having remained with an employer for more than a year may demonstrate 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, however all of the analysis focuses on the broadest measure, which is explained below.

BLS defines the broadest definition of contingent work as people who do not expect their jobs to last. The narrower definitions have a less than 1-year expected duration of the job and a 1-year current tenure requirement. BLS expands the definition of contingent work by removing the 1-year requirement for wage and salary workers. The broadest estimate includes all 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 has held a job for 5 years could be considered contingent if he or she now views the job as temporary. The 1-year requirement on expected and current tenure is retained for the self-employed and independent contractors.

Defining alternative employment arrangements.

Alternative employment arrangements are determined by the workers' relationship to their employer. To provide estimates of the number of workers in alternative employment arrangements, the supplement includes questions about whether individuals are paid by a temporary help agency or contract company, or whether they are on-call workers or independent contractors. (The survey also includes questions about day laborers. Estimates for day laborers
Definitions of the four main alternative employment arrangements follow, as well as the key questions used to identify workers in each category:

**Independent contractors** are those who are identified as independent contractors, consultants, or freelance workers in the supplement, regardless of whether they are identified as wage and salary workers or self-employed in the basic CPS labor force status questions. To distinguish independent contractors from business operators such as a restaurant owner, the supplement includes a question for workers who identified as self-employed (incorporated and unincorporated) in the basic CPS that asks, "Are you self-employed as an independent contractor, independent consultant, freelance worker, or something else (such as a shop or restaurant owner)?" Those identified as wage and salary workers in the basic CPS are 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." Nearly 9 in 10 independent contractors are self-employed. Conversely, 3 in every 5 self-employed workers are independent contractors.

**On-call workers** are called into work only when they are needed. This category includes workers who answer "yes" 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?" Individuals with regularly scheduled work, which might include periods of being "on call" to perform work at unusual hours, such as medical residents, are not included in this category.

**Temporary help agency workers** are those who are paid by a temporary help agency. This category includes workers who say their job is temporary and answer "yes" to the question, "Are you paid by a temporary help agency?" Also included are workers who say their job is not temporary and answer affirmatively to the question, "Even though you told me your job is not temporary, are you paid by a temporary help agency?" Temporary help agency workers include both the permanent staff of the agencies and those who are placed with other companies in temporary assignments.

**Workers provided by contract firms** are those who work for a contract company, usually work for only one customer, and usually work at the customer's worksite. This refers to individuals who are employed by firms who contract out their workers or their workers' services, rather than all workers employed by firms that provide services under contract, such as advertising agencies and law firms. This category includes workers who answer "yes" 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 responded "no" to the question, "Are you usually assigned to more than one
customer?" Finally, these workers responded "yes" to the question, "Do you usually work at the customer's worksite?"

**Electronically mediated employment**

BLS added four new questions to the May 2017 Contingent Worker Supplement. These questions were designed to measure an emerging type of work — electronically mediated employment.

*Defining and estimating electronically mediated employment.*

**Electronically mediated employment** is defined as short jobs or tasks that workers find through websites or mobile apps that both connect them with customers and arrange payment for the tasks. This work can be done either in person or entirely online. The work could be done as a main job, a second job, or additional work for pay.

For example, some people use their own cars to transport others from place to place, having obtained customers through a mobile app (such as Uber or Lyft) that also facilitates payment. Others do household chores or yardwork after finding clients through a website (such as TaskRabbit or Handy). Those who do this work entirely online could take surveys or add descriptive keywords to photos or documents through a platform (such as Amazon Mechanical Turk or Clickworker).

To measure the number of people with electronically mediated employment, BLS added four questions to the May 2017 Contingent Worker Supplement. These data refer to electronically mediated work done during the survey reference week (May 7 to 13, 2017).

At the end of the CWS, employed people were asked the following questions:

**Introduction** I now have a few questions related to how the Internet and mobile apps have led to new types of work arrangements. I will ask first about tasks that are done in-person and then about tasks that are done entirely online.

**Q1.** Some people find short, IN-PERSON tasks or jobs through companies that connect them directly with customers using a website or mobile app. These companies also coordinate payment for the service through the app or website.

For example, using your own car to drive people from one place to another, delivering something, or doing someone’s household tasks or errands.

Does this describe ANY work you did LAST WEEK?
- Yes
- No

**Q1a.** Was that for your main job, your second job, or other additional work for pay?
- Main job
- Second job
- Additional work for pay

(The question wording and response option for "second job" only appears for people who were previously identified in the survey as having more than one job. For people with only one job, the question read "Was that for your job or additional work for pay?")

**Q2.** Some people select short, ONLINE tasks or projects through companies that maintain lists that are accessed through an app or a website. These tasks are done entirely online and the companies coordinate payment for the work.

For example, data entry, translating text, web or software development, or graphic design.

Does this describe ANY work you did LAST WEEK?
- Yes
- No

**Q2a.** Was that for your main job, your second job, or other additional work for pay?
- Main job
- Second job
- Additional work for pay

(The question wording and response option for "second job" only appears for people who were previously identified in the survey as having more than one job. For people with only one job, the question read "Was that for your job or additional work for pay?")

People who responded to “yes” to either question Q1 or Q2 (or both) were counted as electronically mediated workers.

Unfortunately, after extensive review, BLS determined that these questions did not work as intended and had a large number of incorrect “yes” answers. To eliminate these false positives, BLS manually recoded the data using additional information collected in the survey. BLS analysis uses the recoded data, which it believes to be superior. However, in the interest of transparency, BLS is releasing both the collected data and the recoded data. Using this recoded data, BLS estimates that electronically mediated workers accounted for 1.0 percent of total employment in May 2017.


**Additional Information**

The collection of these data was sponsored by the U.S. Department of Labor's Chief Evaluation Office.
Additional information on contingent and alternative work arrangements, including articles and archived news releases, is available online at www.bls.gov/cps/lfcharacteristics.htm#contingent. Answers to frequently asked questions are available at www.bls.gov/cps/contingent-and-alternative-arrangements-faqs.htm.


Contact Us

CPS economists are available to assist you Monday through Friday (8:30 A.M. – 4:30 P.M Eastern Time), excluding federal holidays.

E-mail: cpsinfo@bls.gov    Phone: (202) 691-6378