LABOR SHORTAGES, NEEDS AND RELATED

ISSUES IN SMALL AND LARGE BUSINESSES

Part B: Contingent Workers in Small and Large Firms

Final Report

Presented to the

Office of Advocacy,

U.S. Small Business Administration

By

Joel Popkin and Company
1155 15th Street, NW, Suite 614
Washington, DC 20005
(202) 872-0990
rkochhar@jpcecon.com

November 2, 1999

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Executive Summary

This study presents new evidence on the employment of contingent workers in small and large firms. These are workers who do not have an explicit or implicit contract for long-term employment and, depending upon the precise definition used, make up anywhere from two to five percent of the labor force in the U.S economy. Examples of contingent workers are persons hired from "temp" agencies or individuals hired on an independent contract basis. They may work part-time or full-time. The importance of contingent workers is the flexibility they provide firms in managing their work force in response to changing business conditions and skill needs. In particular, firms could turn to contingent workers to satisfy their work force requirements during periods of labor shortages. A companion report deals specifically with the issue of labor shortages faced by firms during the ongoing period of expansion in the U.S. economy.

The distribution of contingent workers by firm size shows that large firms (those with 500 or more employees) are more likely to hire contingent workers than small firms. Nonetheless, small firms are significant users of these workers as they account for the employment of over 40 percent of contingent workers. Regardless of firm size, contingent workers are younger than other workers, slightly more likely to be female, and somewhat less likely to be white. While contingent workers are more likely to work part-time in comparison to other workers, a sizeable majority does work full-time.

On average, contingent workers are more educated than the rest of workers. However, most of the well-educated contingent workers are employed in large firms. Small firms are found to employ college-educated contingent workers at a rate well below the rate at which other college-educated workers are employed by these firms. Consistent with this finding, it is noted that the proclivity to use white-collar contingent workers is more pronounced in large firms. Compared to large firms, small firms make greater use of contingent workers in blue-collar occupations such as precision production, craft and repair, operators, fabricators and laborers. Also, the employment of contingent workers in small firms is concentrated in the goods industry whereas large firms tend to hire contingent workers for use in the services industry.

Contingent workers in both small and large firms earn less than the median wage in those firms. The wage gap is more pronounced among part-time workers. Full-time contingent workers in both small and large firms earn almost as much as full-time non-contingent workers. With respect to benefits, the likelihood of contingent workers receiving health and pension benefits through their employer is lower than for other workers in firms of all sizes. However, contingent workers who receive health insurance from their employer are just as likely as other workers to have the employer pay all or part of the cost of the insurance. A notable finding is that, within the group of contingent and non-contingent workers receiving health insurance through their employer, workers in small firms are more likely to have all of their cost paid for by their employer.

Labor Shortages, Needs and Related Issues in Small and Large Businesses

Part B: Contingent Workers in Small and Large Firms

Final Report

1. Introduction

This paper contrasts the use of contingent worker arrangements in small and large firms. The term "contingent workers" came into use during the mid-1980s to describe workers whose jobs are structured to last for a limited period of time. The Bureau of Labor Statistics (BLS) defines contingent workers as "those individuals who do not perceive themselves as having an explicit or implicit contract for ongoing employment." These are workers who, for example, are in projects or activities that are of limited duration, have fixed-term employment contracts, or are temporarily filling in for permanent workers. It is important to note that contingent workers may be part-time or full-time workers. Also, the employment arrangement may be traditional or non-traditional. The latter arrangements include the hiring of workers from "temp" agencies, on an independent contract basis, or on an on-call or daily basis. The common thread that binds contingent workers is the temporary nature of their employment contract, whether explicit or implicit.

A companion report to this paper, titled "Labor Shortages in Small Firms," examines labor shortages and hiring difficulties faced by firms with less 100 employees during the past

year. The importance of contingent workers is the flexibility they provide firms in managing their work force in response to changing business conditions and skill needs. They constitute a pool of workers from which firms could potentially draw upon during periods of business expansion and labor shortages. Conversely, firms could return workers to this pool during adverse conditions. This phenomenon first received attention during the 1980s when American businesses came to face intensive competition from Asian firms. Because the spotlight on this phenomenon was only turned on recently, little is known about the history and growth of the contingent work force. Even less is known about the relative use of contingent workers in small and large firms. This section of the report helps fill the latter gap in the literature.[1]

The research objectives are fulfilled using data from the Current Population Survey (CPS.) In February 1995, the BLS sponsored a supplement to the CPS that marked the first attempt by a government statistical agency to chart the use of contingent workers in the U.S. economy. The survey was repeated in February 1997.[2] The BLS uses three definitions of contingent workers.[3] The "narrow" and "mid-range" definitions cover workers who have job tenure of less than or equal to one year and who do not expect to be in their job for more than another year. These two definitions differ in how they treat contract and temporary agency

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[1] The only other study on this subject is by David Drury and Sherry Almand (Berkeley Planning Associates), "Contingent Staffing Arrangements in Small and Large Firms," NTIS No. PB91-151209. That study is based on a survey of firms. The present report uses household survey data. Thus, the results from the two papers are not directly comparable.

[2] See Section 2 for details on the CPS data.

[3] For additional details on these definitions, see "New Data on Contingent and Alternative Employment Examined by BLS," U.S. Department of Labor, Bureau of Labor Statistics, Press Release No. USDL 95-318, August 17, 1995.

workers. Also, the mid-range definition includes self-employed and independent contractors, while the narrow definition does not.

The third or "broad" definition of contingent workers removes the time limit on job tenure and workers are defined to be contingent as long as they expect to lose their job at some point in the future. Thus, some of these contingent workers may have held their job for more than one year and may also expect to be in their jobs at least another year.[4] The analysis in this report uses the broad definition of contingent workers in the interest of maximizing the number of observations on contingent workers.

The report is organized as follows: The CPS data and the extraction of the samples needed for the analysis in this report are described in Section 2. Contingent worker arrangements in small and large firms are analyzed in Section 3. Section 4 concludes the paper. An appendix contains many of the tables that are discussed in Section 3.

2. Data Sources and Sample Characteristics

The data used for this research are CPS data for the months of February and March from 1995 and 1997.[5] The February 1995 CPS was the first survey by a government statistical agency

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[4] The self-employed and independent contractors are also included in this definition if they expect their employment to last an additional year or less and they had been self-employed or independent contractors for one year or less.
[5] The CPS is a survey of approximately 60,000 households conducted on a monthly basis by the U.S. Bureau of the Census.

to chart the use of contingent workers in the U.S. economy.[6] The survey was repeated in February 1997. Because questions on firm size were not asked in the February CPS, they were matched to the March CPS data to determine the firm size of contingent workers. These data were used to determine the extent to which contingent workers are employed in small and large firms.

Due to the design of the CPS sample, three-fourths of the sample of households in any given month is also supposed to be present in the sample for the subsequent month. Potentially, this means that one could determine firm size for about three-fourths of the sample of contingent workers. An important hindrance to achieving this goal is that the March CPS does not ask about the size of the current employer. Instead, the question is posed with respect to the principal employer (based on job duration) in the preceding year. Since contingent workers are more mobile than average, and also less attached to the workforce than permanent employees, careful screening was applied to retain only those contingent workers who reported a job tenure of eight months or more in the February CPS.[7] Contingent workers of this tenure would have job tenure of six months or more with the same employer during the preceding calendar year. Therefore, the firm size they report in the March CPS will be that of their current employer. Screening by job tenure would also have been desirable for non-contingent workers but information on their job

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[6] Details on the definition and characteristics of contingent workers can be found in several articles appearing in the October 1996 issue of the *Monthly Labor Review*. Also, see "New Data on Contingent and Alternative Employment Examined by BLS," U.S. Department of Labor, Bureau of Labor Statistics, Press Release No. USDL 95-318, August 17, 1995 and Steven Hipple, "Contingent Work: Results from the Second Survey," *Monthly Labor Review*, November 1998.

[7] The job tenure question is asked in the February 1995 and 1997 CPS supplements because it is an integral part of the definition of a contingent worker.

tenure is not recorded in the CPS data. Thus, for some of these workers, the reported firm size may actually be different from the size of their current employer.

After data editing, the February 1995 and February 1997 CPS contained 2,738 and 2,257 contingent workers respectively.[8] After merging with the March CPS and deletion of contingent workers with less than eight months tenure with their present employer, the sample size of contingent workers was 817 for 1995 and 677 for 1997.[9] While these numbers are below expectation, there need not be a bias in the results unless the attrition of contingent workers from the sample is somehow related to firm size.

3. Contingent Workers in Small and Large Firms

This section presents the demographic and labor market characteristics of contingent workers employed in small and large firms. Wages and benefits received by contingent workers in small firms are also contrasted with those received by contingent workers in large firms. Not all tables are presented in the main body of the paper. In particular, the larger, more detailed tables are contained in the appendix. References to those tables are made as necessary.

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[8] This is based on the use of the broad definition of contingent workers.

[9] Of the total number of contingent workers in the February samples, 2,055 workers in 1995 and 1,642 workers in 1997 could potentially be matched to the March CPS. However, after merging with the March CPS, these counts were reduced to 1,623 and 1,299 contingent workers respectively. Thus, instead of the expected 70 to 75 percent match rate, only about 58 percent of contingent workers could be matched from the February to the March CPS in both 1995 and 1997. For the February samples as a whole, the rate of matching with the March CPS was approximately 68 percent in both 1995 and 1997. The lower match rate for contingent workers is probably a consequence of their lesser than average attachment to the labor force.

3.1. The Demographic Characteristics of Contingent Workers by Firm Size

Table 1 shows the distribution of contingent workers and non-contingent workers by firm size in the data extracted from the CPS. After merging the February and March CPS data and retaining only those contingent workers with job tenure of eight months or more, the samples of contingent workers for 1995 and 1997 were 817 and 677 respectively. The samples of non-contingent workers were 41,480 and 37,745 in 1995 and 1997 respectively. This meant that contingent workers were 1.9 percent of the total sample in 1995 and 1.8 percent of the total sample in 1997. By contrast, BLS estimates show that 4.9 percent of employed workers in 1995 and 4.4 percent of employed workers in 1997 met the broad definition of contingent workers. Thus, the tenure criterion and the criteria used for matching CPS data from February and March cut the share of contingent workers by over 50 percent. This should be kept in mind while reviewing the data on the characteristics of contingent workers.

The main objective of Table 1 is to show the distribution of contingent workers by firm size. Because of the small sample of contingent workers with job tenure of at least eight months, only three firm size groups are used in this report. These three groups are as follows: less than 100 employees, 100-499 employees, and 500 or more employees. The data in Table 1 show that large firms are more likely than small firms to employ contingent workers.[10] For example, 44 percent of non-contingent workers in 1997 were employed in firms with 500 or more employees.

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[10] This finding is consistent with the one reported in study by Berkeley Planning Associates. That study found that three-quarters of firms with 100 or more employees and one-half of firms with less than 100 employees made use of contingent workers.

Table 1
Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995 and 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Number of Workers				
Contingent Workers				
1995	263	118	436	871
1997	203	84	390	677
Noncontingent Workers				
1995	17,354	5,875	18,251	41,480
1997	15,517	5,251	15,977	36,745
Percentage Distribution Across Firm Size				
Contingent Workers				
1995	32%	14%	53%	100%
1997	30%	12%	58%	100%
Noncontingent Workers				
1995	42%	14%	44%	100%
1997	42%	14%	44%	100%
Percentage Contingent Within Firm Size				
1995	2%	2%	2%	2%
1997	1%	2%	2%	2%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

These same firms employed 58 percent of contingent workers. By contrast, firms with less than 100 employees employed 42 percent of non-contingent workers but only 30 percent of contingent workers in 1997. Firms with 100-499 employees used contingent workers at the same rate as their overall share in employment. The use of contingent workers by small firms may be understated (overstated) if the contingent workers in small firms are more (less) likely to have job tenure of less than eight months.

The relative underemployment of contingent workers in small firms extends to both genders as shown in Table A1 in the appendix. It is worth noting that the gender distribution of

contingent workers is fairly similar to that of non-contingent workers. Nearly 50 percent of contingent workers in both 1995 and 1997 were males. Table A2 in the appendix shows that the racial composition of contingent workers is also very similar to that of non-contingent workers. The vast majority – about 85 percent – of both types of workers are white. The relative underemployment of contingent workers in small firms extends to white workers as well as workers of "other" races. However, small firms employ roughly the same share of African-American contingent workers and non-contingent workers. In 1997, for example, 41 percent of African-American contingent workers were employed in firms with less than 500 employees. Similarly, 42 percent of all African-American workers were employed in the same firms.

While contingent workers may not be distinguished from the overall work force by their race or gender, they are noticeably younger than the overall work force. Table A3 in the appendix shows that while 21 percent of contingent workers in 1997 were of age 16-24 years the corresponding proportion among non-contingent workers was only 11 percent. A similar finding emerges from the 1995 data. This tilt towards the young is present in both large and small firms, although it appears somewhat more pronounced in large firms. As is the case with gender and race, contingent workers of all age groups are relatively underemployed in small firms.

To summarize, small firms, which employed 57 percent of non-contingent workers in 1997, employed only 42 percent of contingent workers. Even though this indicates that small firms are less likely to make use of contingent workers than large firms, they nonetheless hire a

significant proportion of these workers. There was little difference with respect to the relative composition of contingent and non-contingent workers in firms of different sizes. Overall, contingent workers were slightly more likely to be female, somewhat less likely to be white, and noticeably more likely to be young. These characteristics are identical to those described by the BLS in its reports on contingent workers.[11]

3.2. The Labor Market Characteristics of Contingent Workers by Firm Size

The distribution of contingent workers by education and firm size is shown in Appendix Table A4. It can be seen that in both 1995 and 1997 contingent workers were, on average, better educated than non-contingent workers. The proportion of contingent workers with at least some college education in 1997 was 71 percent, well above the 56 percent of non-contingent workers with the same level of education. A similar disparity, although not as wide, is present in 1995.[12] Most contingent workers with at least some college education were employed in large firms. In 1997, 57 percent of contingent workers with some college education and 69 percent of contingent workers with a college degree were employed in large firms. These rates were well in excess of the rates at which large firms employ other workers with similar levels of education. By contrast, the employment of college educated contingent workers in small firms was well

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[11] See, for example, Steven Hipple, "Contingent Work: Results From the Second Survey," *Monthly Labor Review*, November 1998.

[12] These findings for contingent workers with job tenure of eight months or more are also consistent with those reported by BLS for all contingent workers. The level of education possessed by contingent workers also drives home the point that this concept captures a segment of the workforce that is distinctly different from just temporary workers ("temps") or part-time workers.

below the rates at which other workers with similar levels of education were employed by these firms.[13] This pattern was present in 1995 as well.

Contingent workers tend to be less experienced than other workers. As shown in Table A5, over one-third of contingent workers in both 1995 and 1997 had less than 10 years of labor market experience.[14] However, among non-contingent workers, less than one-quarter of workers have only this level of experience. This finding is consistent with the fact that contingent workers are younger than average and have spent more time in college than average. The majority of the relatively inexperienced contingent workers were employed in large firms.

The industry that makes the greatest use of contingent workers is the services industry. The data in Table 2 below show that, in 1997, 67 percent of contingent workers were in the services industry and the corresponding share in 1995 was 64 percent.[15] Within large firms, about three-fourths of contingent workers were in the services industry. In contrast, only about one-half of non-contingent workers in large firms were in the services industry. Within small firms, the industry distribution of contingent workers tended to be more alike the industry distribution of non-contingent workers. That is because small firms were more likely than average to employ contingent workers in the goods industry. In turn, this may be attributed to the

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[13] This is probably a reflection of the fact that contingent workers in small firms, compared to large firms, tend to be in the goods industry and in blue-collar occupations. By contrast, contingent workers in large firms tend to be in the services industry and in white-collar occupations. See the discussion of Tables 2 and 3 below.
[14] The reference here is to potential labor market experience computed as age-years of schooling-6.
[15] Table A6 in the appendix is a more complete version of Table 2.

Table 2
Industry Distribution of Contingent Workers and Noncontingent Workers by Firm Size

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Percentage Distribution Within Firm Size, 1997				
Contingent Workers				
Goods	27%	26%	11%	17%
Services	52%	61%	76%	67%
Trade	15%	8%	8%	10%
TCU	6%	5%	5%	6%
Total	100%	100%	100%	100%
Noncontingent Workers				
Goods	28%	30%	22%	26%
Services	44%	49%	50%	47%
Trade	24%	15%	19%	20%
TCU	5%	6%	10%	7%
Total	100%	100%	100%	100%
Percentage Distribution Within Firm Size, 1995				
Contingent Workers				
Goods	29%	20%	13%	19%
Services	49%	65%	72%	64%
Trade	18%	9%	7%	11%
TCU	5%	6%	7%	6%
Total	100%	100%	100%	100%
Noncontingent Workers				
Goods	27%	30%	22%	26%
Services	43%	48%	50%	47%
Trade	25%	16%	18%	20%
TCU	5%	6%	10%	7%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

relatively higher use of contingent workers in the construction industry,[16] an industry in which a large number of small firms are located.

Consistent with their industry distribution, most contingent workers are in white-collar occupations. As shown in Table 3, 41 percent of contingent workers were in managerial and professional specialty occupations and 27 percent were in technical, sales and administrative occupations in 1997. The proclivity to use white-collar contingent workers is more pronounced among the large firms. Compared to large firms, small firms make greater use of contingent workers in blue-collar occupations such as precision production, craft and repair, operators, fabricators and laborers.

While contingent workers are more likely than other workers to be engaged in part-time work, a sizeable majority actually works full time. In both 1995 and 1997, over 60 percent of contingent workers were employed full time (see Table 4.) The proportion of contingent workers that is part-time is slightly lower than the average in firms with less than 100 employees. By contrast, the opposite is true in the case of non-contingent workers. For instance, in 1997, 21 percent of non-contingent workers were part-time workers in firms with less than 100 employees. The corresponding proportion in firms with 500 or more employees was only 15 percent.

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[16] This observation is based on BLS reports on contingent workers.

Table 3

Occupational Distribution of Contingent Workers and Noncontingent Workers by Firm Size

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Within Firm Size, 1997				
Contingent Workers				
Managerial and Professional Specialty	31%	24%	49%	41%
Technical, Sales, and Administrative Support	23%	25%	29%	27%
Precision Production, Craft, Repair	16%	17%	5%	10%
Operators, Fabricators, Laborers	14%	16%	6%	10%
Farming, Forestry, Fishing	5%	4%	0%	2%
Service Occupations	11%	16%	11%	11%
Total	100%	100%	100%	100%
Noncontingent Workers				
Managerial and Professional Specialty	28%	32%	33%	31%
Technical, Sales, and Administrative Support	29%	27%	33%	31%
Precision Production, Craft, Repair	14%	10%	9%	11%
Operators, Fabricators, Laborers	12%	18%	13%	13%
Farming, Forestry, Fishing	5%	1%	1%	2%
Service Occupations	13%	13%	11%	12%
Total	100%	100%	100%	100%
Percentage Distribution Within Firm Size, 1995				
Contingent Workers				
Managerial and Professional Specialty	32%	37%	48%	42%
Technical, Sales, and Administrative Support	24%	25%	31%	27%
Precision Production, Craft, Repair	11%	9%	5%	7%
Operators, Fabricators, Laborers	14%	13%	9%	12%
Farming, Forestry, Fishing	7%	2%	1%	3%
Service Occupations	12%	15%	7%	10%
Total	100%	100%	100%	100%
Noncontingent Workers				
Managerial and Professional Specialty	26%	31%	34%	30%
Technical, Sales, and Administrative Support	30%	27%	33%	31%
Precision Production, Craft, Repair	13%	10%	8%	11%
Operators, Fabricators, Laborers	12%	18%	13%	14%
Farming, Forestry, Fishing	5%	1%	1%	3%
Service Occupations	13%	13%	12%	12%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table 4
Full and Part Time Distribution of Contingent Workers and Noncontingent Workers by Firm Size

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Within Firm Size, 1997				
Contingent Workers				
Full Time	63%	68%	58%	61%
Part Time	37%	33%	42%	39%
Total	100%	100%	100%	100%
Noncontingent Workers				
Full Time	79%	88%	85%	83%
Part Time	21%	12%	15%	17%
Total	100%	100%	100%	100%
Percentage Distribution Within Firm Size, 1995				
Contingent Workers				
Full Time	62%	58%	61%	61%
Part Time	38%	42%	39%	39%
Total	100%	100%	100%	100%
Noncontingent Workers				
Full Time	78%	87%	86%	83%
Part Time	22%	14%	14%	17%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

3.3. Wages and Benefits Received by Contingent Workers

The median weekly wages of contingent workers and non-contingent workers by firm size in 1995 and 1997 are shown in Table 5. The median weekly wage of non-contingent workers was $430 in 1995 and $443 in 1997. In comparison, the median weekly wage of contingent workers was $269 in 1995 and $305 in 1997.[17] As shown in the last two rows of

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[17] BLS estimates show that the median weekly wage of contingent workers was $285 in 1995 and $266 in 1997. The median weekly wage of non-contingent workers was estimated to be $416 in 1995 and $443 in 1997. Thus, BLS

Table 5
Median Weekly Earnings of Contingent Workers and All Workers by Firm Size, 1995 and 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Median Weekly Earnings				
Contingent Workers				
1995	$243	$240	$298	$269
1997	$289	$350	$341	$305
Noncontingent Workers				
1995	$350	$450	$500	$430
1997	$369	$462	$508	$443
Relative Earnings Across Firm Size				
Contingent Workers				
1995	1.00	0.99	1.23	
1997	1.00	1.21	1.18	
Noncontingent Workers				
1995	1.00	1.29	1.43	
1997	1.00	1.25	1.38	
Earnings of Contingent Workers Relative to All Workers				
1995	0.69	0.53	0.60	0.63
1997	0.78	0.76	0.67	0.69

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples of 1995 and 1997. The earnings data for contingent workers are from February and the earnings data for all other workers are from March.

Table 5, this means that contingent workers earned 63 percent as much as other workers in 1995 and 69 percent as much in 1997.

One reason for the gap between the median wages of contingent and non-contingent workers is the difference in the industry and occupations mix of the two sets of workers. An even

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estimates indicate that contingent workers earned 69 percent as much as non-contingent workers in 1995 and 60 percent as much in 1997. There are three reasons why the estimates in this report differ from BLS estimates. First, our sample is restricted to contingent workers with job tenure of eight months or more. Second, our sample excludes workers who could not be matched between February and March. Third, because of the structure of the CPS survey, the matching process excluded all non-contingent workers who were asked the earnings question in February. Therefore, the earnings data we gathered on non-contingent workers are for the month of March.

more important reason is that contingent workers are much more likely to be part-time workers and have less on-the-job tenure.[18] Table 5 also shows that the wage gap between contingent workers and non-contingent workers is less in small firms. In 1997, for example, contingent workers earned 78 percent as much as other workers in firms with less than 100 employees but only 67 percent as much as other workers in firms with 500 or more employees. However, this too is a consequence of differences in the part-time/full-time status of workers across firm sizes. Table A9 in the appendix shows that if part-time and full-time workers are considered separately, the ratio of the earnings of contingent workers to the earnings of non-contingent workers is higher in large firms.

As is well known, the median wage increases with firm size. In these samples, the median wage in firms with 500 or more employees is about 40 percent more than the median in firms with less than 100 employees (see Table 5).[19] However, the size of this wage gap is less among contingent workers, with the median wage among contingent workers in large firms being only about 20 percent above the median wage of contingent workers in firms with less than 100 employees.

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[18] Table A9 in the appendix presents data on the earnings of contingent and non-contingent workers separated by their part-time/full-time status. Part A of Table A9 shows that full-time contingent workers earn over 90 percent as much as full-time non-contingent workers.

[19] This earnings gap is higher than the more commonly cited statistic that wages in large firms are 10 to 20 percent higher than wages in small firms. The main reason is that the data in Table 5 represent raw wage gaps uncorrected for differences (across firm sizes) in hours worked or human capital characteristics. It is well known, for example, that workers in large firms are more likely to be college educated and less likely to be part time. Differences in industry and occupation distribution are also important but are not controlled for in Table 5. Another reason is that the comparisons in Table 5 are based on median earnings. When the same firm-size wage relative is computed using mean earnings, the raw wage gap estimate shrinks from 40 percent to 30 percent.

Appendix Table A10 presents the distribution of contingent workers and non-contingent workers by firm size and weekly earnings. Within firms of any given size, contingent workers are two to three times as likely to be earning less than $200 per week. For example, in 1997, 19 percent of non-contingent workers in firms with less than 100 employees earned less than $200 per week but the same was true of 36 percent of contingent workers in these firms. By the same token, contingent workers were much less likely to be at the upper end of the wage distribution than non-contingent workers combined.[20]

Evidence on health and pension benefits available to contingent and non-contingent workers is presented in Appendix Tables A12 to A16. As shown in Table A12, 81 percent of contingent workers in 1997 and 79 percent of contingent workers in 1995 had health insurance coverage. This is a fairly high rate of coverage, albeit somewhat lower than the rate of coverage of non-contingent workers in 1995 and 1997. For both non-contingent workers and contingent workers, the likelihood of being covered is lower in small firms than in large firms. In keeping with the general trend, contingent workers are slightly less likely to have health insurance coverage than non-contingent workers within any firm size category.

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[20] It should be noted that not everyone in the CPS sample is asked questions about earnings. Therefore, the number of observations over which earnings data are computed is different from the number of observations underlying the preceding tables. For that reason, Table A11 in the appendix shows the number of observations by firm size and median weekly earnings.

Table 6
Workers Receiving Health Insurance Through Their Employer, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Within Firm Size, 1997				
Contingent Workers				
From employer	35%	49%	47%	44%
Other sources	65%	52%	53%	56%
Total	100%	100%	100%	100%
Noncontingent Workers				
From employer	61%	80%	81%	74%
Other sources	39%	21%	19%	26%
Total	100%	100%	100%	100%
Percentage Distribution Within Firm Size, 1995				
Contingent Workers				
From employer	41%	36%	56%	49%
Other sources	59%	64%	44%	51%
Total	100%	100%	100%	100%
Noncontingent Workers				
From employer	59%	79%	82%	75%
Other sources	41%	21%	18%	25%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.
Note: This question is only asked of persons with health insurance.

Even though most contingent workers have health insurance coverage, less than 50 percent of them receive the coverage through their employer (see Table 6 and Appendix Table A13). The proportion of contingent workers getting coverage through their employers was 44 percent in 1997 and 50 percent in 1995. On the other hand, three-quarters of non-contingent workers get health insurance coverage through their employer. Both contingent and non-contingent workers who have health insurance are more likely to have received it through their employer if they worked for large firms.[21]

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[21] BLS estimates show that 65 percent of contingent workers in 1995 and 67 percent of contingent workers in 1997 had health insurance coverage. Of the contingent workers that had insurance, only one-third of the workers was

Given that a worker is obtaining health insurance coverage through his or her employer, a question that arises is whether the employer shares any part of the cost of purchasing the coverage. Table A14 in the appendix shows that there is little difference between contingent workers and non-contingent workers on this account. In 1997, 33 percent of contingent workers who received coverage through their employer had all of their premium paid by the employer and 59 percent had at least some part paid for by the employer. The corresponding proportions among non-contingent workers were 31 percent and 66 percent respectively. It is notable that small firms were more likely to pay the premium in full than large firms for either contingent workers or non-contingent workers. This was true in both 1995 and 1997.

Table A15 and A16 present data on the availability of pension coverage and enrollment in these plans on the part of workers. Table A16 reveals that the mere availability of pension coverage does not translate into actual enrollment in pension plans for most contingent workers. Among the workers whose employers offered pension coverage, only about 47 percent of contingent workers in both 1995 and 1997 were enrolled in those plans. Since about 64 percent of contingent workers were with employers that offered plans, this means that roughly 30 percent of contingent workers had pension plan coverage.[22] On the other hand, over 80 percent of non-contingent workers whose employers offered pension plans were enrolled in those plans. Since

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receiving it through their employer. Thus, compared to the results in this report, BLS estimates show not only a lower rate of coverage but also a lower probability of receiving coverage through an employer. That is probably due to the fact that the sample in this report is restricted to contingent workers with at least eight months of job tenure.

[22] BLS estimates indicate a pension-plan coverage rate of only 15 percent among contingent workers. Since the likelihood of enrollment in pension plans is closely tied to job tenure, it is not surprising that the coverage rate is higher in a sample that is restricted to contingent workers with at least 8 months of job tenure.

about 65 percent of non-contingent workers were in firms that offered pension plans, this means that approximately 50 percent of non-contingent workers had some form of pension plan coverage.

Within firms that offer pension plans, contingent workers in small firms are enrolled in these plans at higher rates than in large firms. In 1997, for example, the enrollment rate for contingent workers in firms with less than 100 employees was 59 percent. The same rate among large firms was 45 percent. A similar, but less sizeable, gap is observed in 1995 also. The enrollment rate for non-contingent workers is slightly higher in large firms. Overall, however, since small firms are much less likely to offer pension plans to any worker, the typical worker in large firms, contingent or not, is more likely to have pension coverage in large firms.

4. Conclusions

This paper has presented new evidence on the employment of contingent workers in small and large firms. These are workers who do not have an explicit or implicit contract for long-term employment and, depending upon the precise definition used, make up anywhere from two to five percent of the U.S. labor force. The importance of contingent workers is the flexibility they provide firms in managing their work force in response to changing business conditions and skill needs. The data gathered for this study show that large firms (those with 500 or more employees) are more likely to hire contingent workers than small firms. Nonetheless,

small firms are significant users of these workers as they account for the employment of over 40 percent of contingent workers.

Regardless of firm size, contingent workers are somewhat more likely to be female, slightly less likely to be white, and much more likely to be young than non-contingent workers. As expected, contingent workers are more likely than average to be part-time workers, but the majority of contingent workers do work full-time. On average, contingent workers are more educated than non-contingent workers. However, most of the well-educated contingent workers are employed in large firms. By contrast, the employment of college-educated contingent workers in small firms is well below the rates at which other college-educated workers are employed by these firms. Consistent with this finding, it was noted that the proclivity to use white-collar contingent workers is more pronounced in large firms. Compared to large firms, small firms make greater use of contingent workers in blue-collar occupations such as precision production, craft and repair, operators, fabricators and laborers. Also, contingent workers in small firms are concentrated in the goods industry whereas those in large firms are predominantly employed in the services industry.

Contingent workers in both small and large firms earn less than the median wage in those firms. The wage gap is more pronounced among part-time workers. Full-time contingent workers earn almost as much as full-time non-contingent workers in both small and large firms. With respect to benefits, the likelihood of contingent workers receiving health and pension benefits

through their employer is lower than for other workers in firms of all sizes. However, contingent workers who receive health insurance from their employer are just as likely as other workers to have the employer pay all or part of the cost of the insurance. A notable finding was that, within the group of contingent and non-contingent workers receiving health insurance through their employer, workers in small firms are more likely to have all of their cost paid for by their employer.

Data Appendix

Table A1 (a)
Gender Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Male	36%	12%	52%	100%
Female	24%	13%	63%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
Male	45%	14%	41%	100%
Female	39%	15%	46%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Male	58%	46%	44%	49%
Female	42%	54%	56%	51%
Total	100%	100%	100%	100%
Noncontingent Workers				
Male	57%	51%	50%	53%
Female	44%	49%	50%	47%
Total	100%	100%	100%	100%

Table A1 (b)
Gender Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Male	35%	14%	51%	100%
Female	30%	15%	55%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
Male	45%	14%	42%	100%
Female	39%	15%	47%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Male	52%	45%	46%	48%
Female	48%	55%	54%	52%
Total	100%	100%	100%	100%
Noncontingent Workers				
Male	57%	51%	50%	53%
Female	43%	49%	50%	47%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A2 (a)
Race Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
White	32%	13%	56%	100%
African-American	29%	12%	60%	100%
Other	16%	7%	78%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
White	44%	14%	42%	100%
African-American	28%	14%	58%	100%
Other	40%	15%	45%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
White	90%	89%	82%	85%
African-American	6%	6%	6%	6%
Other	5%	4%	12%	9%
Total	100%	100%	100%	100%
Noncontingent Workers				
White	91%	88%	85%	87%
African-American	6%	8%	11%	8%
Other	4%	4%	5%	4%
Total	100%	100%	100%	100%

Table A2 (b)
Race Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
White	34%	15%	52%	100%
African-American	27%	19%	53%	100%
Other	21%	7%	72%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
White	44%	14%	42%	100%
African-American	26%	15%	60%	100%
Other	39%	14%	47%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
White	88%	85%	81%	84%
African-American	8%	12%	9%	9%
Other	5%	3%	10%	8%
Total	100%	100%	100%	100%
Noncontingent Workers				
White	90%	87%	84%	87%
African-American	5%	8%	11%	8%
Other	5%	5%	6%	5%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A3 (a)
Age Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
16-24 years	33%	11%	56%	100%
25-44 years	27%	11%	62%	100%
45 and older	32%	15%	53%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
16-24 years	44%	13%	43%	100%
25-44 years	41%	15%	44%	100%
45 and older	44%	13%	43%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
16-24 years	23%	18%	20%	21%
25-44 years	42%	42%	50%	47%
45 and older	35%	41%	30%	33%
Total	100%	100%	100%	100%
Noncontingent Workers				
16-24 years	12%	11%	11%	11%
25-44 years	51%	56%	54%	53%
45 and older	37%	33%	35%	36%
Total	100%	100%	100%	100%

Table A3 (b)
Age Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
16-24 years	26%	19%	55%	100%
25-44 years	31%	15%	54%	100%
45 and older	38%	11%	51%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
16-24 years	44%	13%	43%	100%
25-44 years	41%	15%	44%	100%
45 and older	43%	13%	44%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
16-24 years	16%	25%	20%	20%
25-44 years	48%	50%	50%	49%
45 and older	37%	25%	30%	31%
Total	100%	100%	100%	100%
Noncontingent Workers				
16-24 years	13%	11%	12%	12%
25-44 years	52%	57%	53%	53%
45 and older	36%	32%	35%	35%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
   of 1995 and 1997.

Table A4 (a)
Distribution of Contingent Workers and Noncontingent Workers by Education and Firm Size, 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
Less than a high school diploma	53%	11%	36%	100%
High school graduate, no college	38%	16%	46%	100%
Less than a bachelor's degree	28%	15%	57%	100%
College graduate	22%	9%	69%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
Less than a high school diploma	54%	14%	32%	100%
High school graduate, no college	45%	15%	41%	100%
Less than a bachelor's degree	41%	14%	45%	100%
College graduate	36%	14%	50%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Less than a high school diploma	17%	8%	6%	10%
High school graduate, no college	24%	25%	15%	19%
Less than a bachelor's degree	30%	39%	31%	32%
College graduate	30%	27%	47%	40%
Total	100%	100%	100%	100%
Noncontingent Workers				
Less than a high school diploma	14%	11%	8%	11%
High school graduate, no college	35%	34%	31%	33%
Less than a bachelor's degree	28%	29%	30%	29%
College graduate	23%	27%	32%	28%
Total	100%	100%	100%	100%

Table A4 (b)
Distribution of Contingent Workers and Noncontingent Workers by Education and Firm Size, 1995

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
Less than a high school diploma	64%	17%	20%	100%
High school graduate, no college	42%	15%	43%	100%
Less than a bachelor's degree	27%	18%	55%	100%
College graduate	22%	10%	68%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
Less than a high school diploma	52%	14%	34%	100%
High school graduate, no college	45%	14%	41%	100%
Less than a bachelor's degree	41%	14%	45%	100%
College graduate	35%	14%	51%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Less than a high school diploma	19%	11%	3%	9%
High school graduate, no college	32%	26%	20%	25%
Less than a bachelor's degree	24%	37%	31%	30%
College graduate	25%	25%	46%	36%
Total	100%	100%	100%	100%
Noncontingent Workers				
Less than a high school diploma	13%	11%	8%	11%
High school graduate, no college	35%	33%	30%	33%
Less than a bachelor's degree	29%	29%	30%	29%
College graduate	23%	28%	32%	28%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
   of 1995 and 1997.

Table A5 (a)
Distribution of Contingent Workers and Noncontingent Workers by Labor Market Experience and Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
0-9 years	25%	9%	66%	100%
10-29 years	32%	15%	53%	100%
30 and more years	34%	14%	53%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
0-9 years	41%	15%	45%	100%
10-29 years	41%	15%	45%	100%
30 and more years	47%	13%	40%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
0-9 years	31%	27%	42%	37%
10-29 years	46%	50%	39%	43%
30 and more years	24%	23%	19%	21%
Total	100%	100%	100%	100%
Noncontingent Workers				
0-9 years	22%	23%	23%	23%
10-29 years	52%	56%	55%	54%
30 and more years	26%	21%	22%	24%
Total	100%	100%	100%	100%

Table A5 (b)
Distribution of Contingent Workers and Noncontingent Workers by Labor Market Experience and Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
0-9 years	25%	14%	61%	100%
10-29 years	33%	16%	51%	100%
30 and more years	41%	11%	48%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
0-9 years	40%	14%	45%	100%
10-29 years	41%	15%	45%	100%
30 and more years	47%	13%	41%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
0-9 years	26%	34%	39%	34%
10-29 years	46%	49%	42%	44%
30 and more years	28%	17%	19%	22%
Total	100%	100%	100%	100%
Noncontingent Workers				
0-9 years	22%	23%	24%	23%
10-29 years	52%	56%	55%	54%
30 and more years	25%	20%	21%	23%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
 of 1995 and 1997.

Table A6 (a)
Industry Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Goods	46%	19%	36%	100%
Services	23%	11%	65%	100%
Trade	44%	10%	46%	100%
TCU	35%	11%	54%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
Goods	46%	17%	37%	100%
Services	39%	15%	46%	100%
Trade	49%	11%	40%	100%
TCU	29%	11%	60%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Goods	27%	26%	11%	17%
Services	52%	61%	76%	67%
Trade	15%	8%	8%	10%
TCU	6%	5%	5%	6%
Total	100%	100%	100%	100%
Noncontingent Workers				
Goods	28%	30%	22%	26%
Services	44%	49%	50%	47%
Trade	24%	15%	19%	20%
TCU	5%	6%	10%	7%
Total	100%	100%	100%	100%

Table A6 (b)
Industry Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Goods	48%	15%	37%	100%
Services	25%	15%	61%	100%
Trade	54%	11%	35%	100%
TCU	24%	14%	63%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
Goods	45%	17%	38%	100%
Services	39%	15%	47%	100%
Trade	51%	11%	39%	100%
TCU	28%	12%	60%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Goods	29%	20%	13%	19%
Services	49%	65%	72%	64%
Trade	18%	9%	7%	11%
TCU	5%	6%	7%	6%
Total	100%	100%	100%	100%
Noncontingent Workers				
Goods	27%	30%	22%	26%
Services	43%	48%	50%	47%
Trade	25%	16%	18%	20%
TCU	5%	6%	10%	7%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
 of 1995 and 1997.

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Table A7 (a)
Occupational Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Managerial and Professional Specialty	23%	7%	70%	100%
Technical, Sales, and Administrative Support	26%	12%	62%	100%
Precision Production, Craft, Repair	49%	22%	29%	100%
Operators, Fabricators, Laborers	44%	20%	36%	100%
Farming, Forestry, Fishing	73%	20%	7%	100%
Service Occupations	29%	17%	54%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
Managerial and Professional Specialty	38%	15%	47%	100%
Technical, Sales, and Administrative Support	40%	13%	48%	100%
Precision Production, Craft, Repair	53%	13%	34%	100%
Operators, Fabricators, Laborers	38%	20%	42%	100%
Farming, Forestry, Fishing	87%	4%	9%	100%
Service Occupations	45%	15%	40%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Managerial and Professional Specialty	31%	24%	49%	41%
Technical, Sales, and Administrative Support	23%	25%	29%	27%
Precision Production, Craft, Repair	16%	17%	5%	10%
Operators, Fabricators, Laborers	14%	16%	6%	10%
Farming, Forestry, Fishing	5%	4%	0%	2%
Service Occupations	11%	16%	11%	11%
Total	100%	100%	100%	100%
Noncontingent Workers				
Managerial and Professional Specialty	28%	32%	33%	31%
Technical, Sales, and Administrative Support	29%	27%	33%	31%
Precision Production, Craft, Repair	14%	10%	9%	11%
Operators, Fabricators, Laborers	12%	18%	13%	13%
Farming, Forestry, Fishing	5%	1%	1%	2%
Service Occupations	13%	13%	11%	12%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A7 (b)
Occupational Distribution of Contingent Workers and All Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Percentage Distribution Across Firm Size				
Contingent Workers				
Managerial and Professional Specialty	25%	13%	62%	100%
Technical, Sales, and Administrative Support	28%	13%	59%	100%
Precision Production, Craft, Repair	49%	17%	34%	100%
Operators, Fabricators, Laborers	40%	16%	44%	100%
Farming, Forestry, Fishing	81%	10%	10%	100%
Service Occupations	40%	23%	38%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
Managerial and Professional Specialty	37%	15%	49%	100%
Technical, Sales, and Administrative Support	40%	13%	47%	100%
Precision Production, Craft, Repair	52%	13%	35%	100%
Operators, Fabricators, Laborers	38%	19%	43%	100%
Farming, Forestry, Fishing	87%	5%	8%	100%
Service Occupations	45%	14%	41%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Managerial and Professional Specialty	32%	37%	48%	42%
Technical, Sales, and Administrative Support	24%	25%	31%	27%
Precision Production, Craft, Repair	11%	9%	5%	7%
Operators, Fabricators, Laborers	14%	13%	9%	12%
Farming, Forestry, Fishing	7%	2%	1%	3%
Service Occupations	12%	15%	7%	10%
Total	100%	100%	100%	100%
Noncontingent Workers				
Managerial and Professional Specialty	26%	31%	34%	30%
Technical, Sales, and Administrative Support	30%	27%	33%	31%
Precision Production, Craft, Repair	13%	10%	8%	11%
Operators, Fabricators, Laborers	12%	18%	13%	14%
Farming, Forestry, Fishing	5%	1%	1%	3%
Service Occupations	13%	13%	12%	12%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A8 (a)
Full and Part Time Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
Full Time	32%	14%	55%	100%
Part Time	28%	10%	62%	100%
Total	30%	13%	57%	100%
Noncontingent Workers				
Full Time	40%	15%	45%	100%
Part Time	52%	10%	38%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Full Time	63%	68%	58%	61%
Part Time	37%	33%	42%	39%
Total	100%	100%	100%	100%
Noncontingent Workers				
Full Time	79%	88%	85%	83%
Part Time	21%	12%	15%	17%
Total	100%	100%	100%	100%

Table A8 (b)
Full and Part Time Distribution of Contingent Workers and Noncontingent Workers by Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
Full Time	33%	14%	53%	100%
Part Time	31%	16%	53%	100%
Total	32%	14%	53%	100%
Noncontingent Workers				
Full Time	40%	15%	46%	100%
Part Time	53%	11%	36%	100%
Total	42%	14%	44%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
Full Time	62%	58%	61%	61%
Part Time	38%	42%	39%	39%
Total	100%	100%	100%	100%
Noncontingent Workers				
Full Time	78%	87%	86%	83%
Part Time	22%	14%	14%	17%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A9 (a)
Median Weekly Earnings of Full-Time Contingent Workers and Noncontingent Workers by Firm Size, 1995 and 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
<u>Median Weekly Earnings</u>				
Contingent Workers				
1995	$346	$353	$519	$450
1997	$420	$438	$577	$485
Noncontingent Workers				
1995	$404	$500	$558	$500
1997	$428	$520	$580	$507
<u>Relative Earnings Across Firm Size</u>				
Contingent Workers				
1995	1.00	1.02	1.50	
1997	1.00	1.04	1.37	
Noncontingent Workers				
1995	1.00	1.24	1.38	
1997	1.00	1.21	1.36	
<u>Earnings of Contingent Workers Relative to All Workers</u>				
1995	0.86	0.71	0.93	0.90
1997	0.98	0.84	0.99	0.96

Table A9 (b)
Median Weekly Earnings of Part-Time Contingent Workers and Noncontingent Workers by Firm Size, 1995 and 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
<u>Median Weekly Earnings</u>				
Contingent Workers				
1995	$107	$118	$134	$123
1997	$84	$116	$112	$100
Noncontingent Workers				
1995	$138	$179	$150	$150
1997	$150	$168	$162	$154
<u>Relative Earnings Across Firm Size</u>				
Contingent Workers				
1995	1.00	1.10	1.25	
1997	1.00	1.38	1.33	
Noncontingent Workers				
1995	1.00	1.30	1.09	
1997	1.00	1.12	1.08	
<u>Earnings of Contingent Workers Relative to All Workers</u>				
1995	0.78	0.66	0.89	0.82
1997	0.56	0.69	0.69	0.65

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples of 1995 and 1997. The earnings data for contingent workers are from February and the earnings data for all other workers are from March.

Table A10 (a)

Distribution of Contingent Workers and Noncontingent Workers by Weekly Earnings and Firm Size, 1997

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
$0-$199	34%	10%	56%	100%
$200-$399	31%	14%	55%	100%
$400 and more	27%	13%	60%	100%
Total	30%	12%	58%	100%
Noncontingent Workers				
$0-$199	47%	13%	41%	100%
$200-$399	43%	16%	41%	100%
$400 and more	28%	17%	55%	100%
Total	35%	16%	49%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
$0-$199	36%	25%	31%	32%
$200-$399	27%	30%	25%	26%
$400 and more	37%	45%	44%	42%
Total	100%	100%	100%	100%
Noncontingent Workers				
$0-$199	19%	11%	12%	14%
$200-$399	35%	30%	25%	29%
$400 and more	46%	59%	64%	57%
Total	100%	100%	100%	100%

Table A10 (b)

Distribution of Contingent Workers and Noncontingent Workers by Weekly Earnings and Firm Size, 1995

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Percentage Distribution Across Firm Size				
Contingent Workers				
$0-$199	35%	18%	47%	100%
$200-$399	32%	15%	53%	100%
$400 and more	30%	12%	58%	100%
Total	32%	15%	53%	100%
Noncontingent Workers				
$0-$199	47%	12%	41%	100%
$200-$399	41%	17%	42%	100%
$400 and more	27%	17%	56%	100%
Total	34%	16%	50%	100%
Percentage Distribution Within Firm Size				
Contingent Workers				
$0-$199	40%	44%	33%	37%
$200-$399	28%	27%	28%	28%
$400 and more	32%	28%	39%	35%
Total	100%	100%	100%	100%
Noncontingent Workers				
$0-$199	21%	12%	13%	15%
$200-$399	35%	31%	25%	29%
$400 and more	43%	58%	63%	55%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997. The earnings data for contingent workers are from February and the earnings
data for all other workers are from March.

Table A11

Number of Contingent Workers and Noncontingent Workers by Weekly Earnings and Firm Size, 1995 and 1997

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
1997				
Contingent Workers				
$0-$199	73	21	121	215
$200-$399	54	25	97	176
$400 and more	76	38	172	286
Total	203	84	390	677
Noncontingent Workers				
$0-$199	711	191	620	1522
$200-$399	1355	523	1310	3188
$400 and more	1775	1045	3425	6245
Total	3841	1759	5355	10,955
1995				
Contingent Workers				
$0-$199	88	47	120	255
$200-$399	62	29	101	192
$400 and more	71	30	140	241
Total	221	106	361	688
Noncontingent Workers				
$0-$199	890	235	777	1902
$200-$399	1492	622	1519	3633
$400 and more	1830	1161	3875	6866
Total	4212	2018	6171	12,401

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Contingent Workers				
Number of Workers				
With insurance	141	66	334	541
Without insurance	60	17	52	129
Total	201	83	386	670
Percentage Distribution Across Firm Size				
With insurance	26%	12%	62%	100%
Without insurance	47%	13%	40%	100%
Total	30%	12%	58%	100%
Percentage Distribution Within Firm Size				
With insurance	70%	80%	87%	81%
Without insurance	30%	21%	14%	19%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
With insurance	10,780	4,274	13,259	28,313
Without insurance	2,774	488	1,054	4,316
Total	13,554	4,762	14,313	32,629
Percentage Distribution Across Firm Size				
With insurance	38%	15%	47%	100%
Without insurance	64%	11%	24%	100%
Total	42%	15%	44%	100%
Percentage Distribution Within Firm Size				
With insurance	80%	90%	93%	87%
Without insurance	21%	10%	7%	13%
Total	100%	100%	100%	100%

Table A12 (b)
Workers With and Without Health Insurance, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Contingent Workers				
Number of Workers				
With insurance	183	87	366	636
Without insurance	78	29	67	174
Total	261	116	433	810
Percentage Distribution Across Firm Size				
With insurance	29%	14%	58%	100%
Without insurance	45%	17%	39%	100%
Total	32%	14%	54%	100%
Percentage Distribution Within Firm Size				
With insurance	70%	75%	85%	79%
Without insurance	30%	25%	16%	22%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
With insurance	11,879	4,712	14,929	31,520
Without insurance	3,096	481	1,272	4,849
Total	14,975	5,193	16,201	36,369
Percentage Distribution Across Firm Size				
With insurance	38%	15%	47%	100%
Without insurance	64%	10%	26%	100%
Total	41%	14%	45%	100%
Percentage Distribution Within Firm Size				
With insurance	79%	91%	92%	87%
Without insurance	21%	9%	8%	13%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Table A13 (a)
Workers Receiving Health Insurance Through Their Employer, 1997

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Contingent Workers				
Number of Workers				
From employer	43	32	155	230
Other sources	79	34	177	290
Total	122	66	332	520
Percentage Distribution Across Firm Size				
From employer	19%	14%	67%	100%
Other sources	27%	12%	61%	100%
Total	24%	13%	64%	100%
Percentage Distribution Within Firm Size				
From employer	35%	49%	47%	44%
Other sources	65%	52%	53%	56%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
From employer	4,709	3,340	10,569	18,618
Other sources	3,048	860	2,530	6,438
Total	7,757	4,200	13,099	25,056
Percentage Distribution Across Firm Size				
From employer	25%	18%	57%	100%
Other sources	47%	13%	39%	100%
Total	31%	17%	52%	100%
Percentage Distribution Within Firm Size				
From employer	61%	80%	81%	74%
Other sources	39%	21%	19%	26%
Total	100%	100%	100%	100%

Table A13 (b)
Workers Receiving Health Insurance Through Their Employer, 1995

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Contingent Workers				
Number of Workers				
From employer	64	30	202	296
Other sources	93	54	159	306
Total	157	84	361	602
Percentage Distribution Across Firm Size				
From employer	22%	10%	68%	100%
Other sources	30%	18%	52%	100%
Total	26%	14%	60%	100%
Percentage Distribution Within Firm Size				
From employer	41%	36%	56%	49%
Other sources	59%	64%	44%	51%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
From employer	5,020	3,668	12,085	20,773
Other sources	3,479	954	2,638	7,071
Total	8,499	4,622	14,723	27,844
Percentage Distribution Across Firm Size				
From employer	24%	18%	58%	100%
Other sources	49%	14%	37%	100%
Total	31%	17%	53%	100%
Percentage Distribution Within Firm Size				
From employer	59%	79%	82%	75%
Other sources	41%	21%	18%	25%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Note: This question is only asked of persons with health insurance.

Table A14 (a)
Proportion of Health Insurance Premium Paid by Employer, 1997

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Contingent Workers				
Number of Workers				
All	22	11	42	75
Part	20	19	94	133
None	0	2	16	18
Total	42	32	152	226
Percentage Distribution Across Firm Size				
All	29%	15%	56%	100%
Part	15%	14%	71%	100%
None	0%	11%	89%	100%
Total	19%	14%	67%	100%
Percentage Distribution Within Firm Size				
All	52%	34%	28%	33%
Part	48%	59%	62%	59%
None	0%	6%	11%	8%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
All	1,771	970	2,841	5,582
Part	2,582	2,155	7,094	11,831
None	179	100	298	577
Total	4,532	3,225	10,233	17,990
Percentage Distribution Across Firm Size				
All	32%	17%	51%	100%
Part	22%	18%	60%	100%
None	31%	17%	52%	100%
Total	25%	18%	57%	100%
Percentage Distribution Within Firm Size				
All	39%	30%	28%	31%
Part	57%	67%	69%	66%
None	4%	3%	3%	3%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Note: This question is only asked of individuals who got health insurance coverage through their employer.

Table A14 (b)
Proportion of Health Insurance Premium Paid by Employer, 1995

| | Firm Size (No. of Employees) | | | |
	<100	100-499	500+	Total
Contingent Workers				
Number of Workers				
All	24	7	59	90
Part	33	21	123	177
None	5	1	18	24
Total	62	29	200	291
Percentage Distribution Across Firm Size				
All	27%	8%	66%	100%
Part	19%	12%	70%	100%
None	21%	4%	75%	100%
Total	21%	10%	69%	100%
Percentage Distribution Within Firm Size				
All	39%	24%	30%	31%
Part	53%	72%	62%	61%
None	8%	3%	9%	8%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
All	1,993	1,200	3,159	6,352
Part	2,651	2,242	8,224	13,117
None	193	116	368	677
Total	4,837	3,558	11,751	20,146
Percentage Distribution Across Firm Size				
All	31%	19%	50%	100%
Part	20%	17%	63%	100%
None	29%	17%	54%	100%
Total	24%	18%	58%	100%
Percentage Distribution Within Firm Size				
All	41%	34%	27%	32%
Part	55%	63%	70%	65%
None	4%	3%	3%	3%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Note: This question is only asked of individuals who got health insurance coverage through their employer.

Table A15 (a)
Availability of Pension Plans Through Employer, 1997

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Contingent Workers				
Number of Workers				
Available	62	48	287	397
Not available	109	29	80	218
Total	171	77	367	615
Percentage Distribution Across Firm Size				
Available	16%	12%	72%	100%
Not available	50%	13%	37%	100%
Total	28%	13%	60%	100%
Percentage Distribution Within Firm Size				
Available	36%	62%	78%	65%
Not available	64%	38%	22%	35%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
Available	4,169	3,455	11,878	19,502
Not available	6,908	983	1,648	9,539
Total	11,077	4,438	13,526	29,041
Percentage Distribution Across Firm Size				
Available	21%	18%	61%	100%
Not available	72%	10%	17%	100%
Total	38%	15%	47%	100%
Percentage Distribution Within Firm Size				
Available	38%	78%	88%	67%
Not available	62%	22%	12%	33%
Total	100%	100%	100%	100%

Table A15 (b)
Availability of Pension Plans Through Employer, 1995

	Firm Size (No. of Employees)			
	<100	100-499	500+	Total
Contingent Workers				
Number of Workers				
Available	81	69	335	485
Not available	155	37	79	271
Total	236	106	414	756
Percentage Distribution Across Firm Size				
Available	17%	14%	69%	100%
Not available	57%	14%	29%	100%
Total	31%	14%	55%	100%
Percentage Distribution Within Firm Size				
Available	34%	65%	81%	64%
Not available	66%	35%	19%	36%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
Available	4,298	3,643	13,222	21,163
Not available	8,070	1,172	2,055	11,297
Total	12,368	4,815	15,277	32,460
Percentage Distribution Across Firm Size				
Available	20%	17%	63%	100%
Not available	71%	10%	18%	100%
Total	38%	15%	47%	100%
Percentage Distribution Within Firm Size				
Available	35%	76%	87%	65%
Not available	65%	24%	14%	35%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Contingent Workers				
Number of Workers				
Enrolled	36	25	126	187
Not enrolled	25	23	156	204
Total	61	48	282	391
Percentage Distribution Across Firm Size				
Enrolled	19%	13%	67%	100%
Not enrolled	12%	11%	77%	100%
Total	16%	12%	72%	100%
Percentage Distribution Within Firm Size				
Enrolled	59%	52%	45%	48%
Not enrolled	41%	48%	55%	52%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
Enrolled	3,050	2,738	9,845	15,633
Not enrolled	1,060	668	1,854	3,582
Total	4,110	3,406	11,699	19,215
Percentage Distribution Across Firm Size				
Enrolled	20%	18%	63%	100%
Not enrolled	30%	19%	52%	100%
Total	21%	18%	61%	100%
Percentage Distribution Within Firm Size				
Enrolled	74%	80%	84%	81%
Not enrolled	26%	20%	16%	19%
Total	100%	100%	100%	100%

Table A16 (b)
Enrollment in Pension Plans Offered by Employers, 1995

	Firm Size (No. of Employees)			
	<100	**100-499**	**500+**	**Total**
Contingent Workers				
Number of Workers				
Enrolled	41	26	159	226
Not enrolled	39	41	173	253
Total	80	67	332	479
Percentage Distribution Across Firm Size				
Enrolled	18%	12%	70%	100%
Not enrolled	15%	16%	68%	100%
Total	17%	14%	69%	100%
Percentage Distribution Within Firm Size				
Enrolled	51%	39%	48%	47%
Not enrolled	49%	61%	52%	53%
Total	100%	100%	100%	100%
Noncontingent Workers				
Number of Workers				
Enrolled	3,175	2,936	11,028	17,139
Not enrolled	1,061	673	2,004	3,738
Total	4,236	3,609	13,032	20,877
Percentage Distribution Across Firm Size				
Enrolled	19%	17%	64%	100%
Not enrolled	28%	18%	54%	100%
Total	20%	17%	62%	100%
Percentage Distribution Within Firm Size				
Enrolled	75%	81%	85%	82%
Not enrolled	25%	19%	15%	18%
Total	100%	100%	100%	100%

Source: Database prepared by Joel Popkin and Company from the February and March CPS samples
of 1995 and 1997.

Note: This question is only asked of workers whose employers offer a pension plan.