

Gains in job security

The proportion of workers who hold contingent jobs—that is, any job that the worker does not expect to last—declined slightly between February 1995 and February 1997. (See table.) While the Current Population Survey (CPS) supplements used to create these estimates were intended to identify contingent workers—those who do not have an implicit or explicit contract for ongoing employment—the questions are also a useful approach to measuring a general sense of job security.

The broad definition of contingent worker used here includes those with an explicitly temporary job and anyone who does not think they could continue to work for their employer for as long as they wish, even assuming their performance is adequate and that economic conditions stay the same.

The specific questions asked of wage and salary workers¹ were:

1. Some people are in temporary jobs that only 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?

Taken in another light, these questions can be used to measure the worker's sense of job security. In that context, the slight decline in the contingency rate could suggest that job security had increased somewhat in the 2-year period. Whether that conclusion is sound would depend on whether the decline in contingency or "insecurity" is consistent with other data from the survey, is broadly spread among demographic and economic groups, and is supported by other measures of job security.

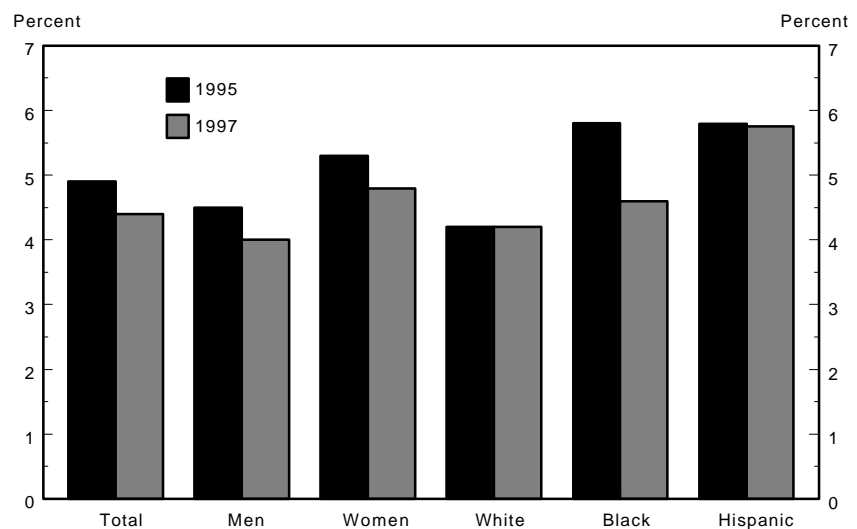
¹"At Issue" was prepared by Richard M. Devens, Jr., of the Office of Publications, Bureau of Labor Statistics

From within the supplement, data on the reasons for contingent work arrangements provide support for the increasing job security idea. In 1995, 34.7 percent of contingent workers cited economic factors as the reason they were in a contingent work arrangement. The biggest single reason, cited by nearly a quarter of all contingent workers, was that they "could only find this type of employment." In February 1997, fewer than one-fifth of contingent workers were in "the only type of work [they] could find." While the absolute number of workers taking contingent jobs for economic reasons was declining, the number and share citing reasons such as family obligations, flexibility of schedule, and being in school were rising. In 1995, 41 percent of contingent workers reported such personal reasons for accepting such arrangements. By 1997, more than 48 percent of contingent workers cited personal reasons. These comparisons indicate that contingency was somewhat more likely to be voluntary in 1997.

The decline in contingency was fairly widespread. Contingency rates for men and women each declined by half a percentage point, in line with the fall in the total. Among the major race and ethnic groups, however, the entire decline appeared to have occurred among black workers. Their contingency rate fell by a full percentage point, while rates among white and Hispanic workers were virtually unchanged. Among the nine major occupational groups, contingency rates fell in six, rose in two, and was unchanged in one. Among the ten major industry divisions, contingency fell in five, rose in three, and was little changed in two. In general, the fall in "insecurity" was widespread among industries and occupations and evenly spread among men and women.

Analysts have used statistics on tenure with one's current employer and data on displacement to analyze employment security. The most recent report on tenure found that the overall median tenure had risen a bit by the mid-1990s, but the rise was very uneven across gender lines.

Contingent workers as a share of employed, by sex, race, and Hispanic origin, 1995 and 1997



Share of workers who feel their jobs are not secure has declined slightly

Among men, median tenure fell between 1983 and 1996 in nearly every age group. The median among all men remained flat at about 4.0 years, however, as the age distribution of employed men shifted to older age groups in which workers have longer tenure. Median tenure for women had changed little from 1983 to 1991, but edged up to 3.5 years in 1996.

Taken together, these observations suggest that men could feel slightly less secure while women could feel a bit more secure. The latter observation provides some support for interpreting the contingent worker data as suggesting increasing employment stability, but the former does not. Tenure data, however, must be analyzed carefully in studies of job or employment security. For example, in periods of strong economic growth, median tenure could fall because more job opportunities are available for new entrants to the labor force and experienced workers have better opportunities to take better jobs with new employers. In any case, these comparisons are from a time frame that only partially overlaps that of the contingent worker data.

Worker displacement in the mid-1990s was at a lower level than had been the case earlier in the decade. A total of 2.4 million workers were displaced between 1993 and 1994 from jobs that they had held for at least 3 years. By comparison, about 2.8 million long-tenured workers were displaced in 1991–92. The displacement rates for these two periods were 3.2 percent for 1993–94 and 3.9 percent for 1991–92. This decline could be interpreted as indicating some degree of improved job security as of 1993–94. Also, a slight increase in the re-employment rate among displaced workers from

Occupation/industry	1995	1997
Total	4.9	4.4
Occupation		
Executive, administrative, and managerial	2.7	2.2
Professional specialty	6.8	6.1
Technicians and related support	4.2	4.8
Sales occupations	2.6	2.1
Administrative support, including clerical	5.8	5.9
Services	5.8	5.0
Precision production, craft, and repair	4.6	4.2
Operators, fabricators and laborers	5.4	4.4
Farming, forestry, and fishing	5.6	5.9
Industry		
Agriculture	5.0	5.3
Mining	2.7	3.6
Construction	8.4	7.1
Manufacturing	3.1	2.2
Transportation and public utilities	3.0	2.6
Wholesale trade	2.3	2.1
Retail trade	3.0	2.5
Finance, insurance, and real estate	2.0	2.1
Services	7.5	6.7
Public administration	3.6	4.2

75 to 79 percent, may indicate a modest rise in employment security as well. These data also conform to a general tendency of displacement to rise and fall roughly in step with unemployment. While displacement data are not yet available for the period covered by the contingency supplements, note that jobless rates in the first quarters of 1995 and 1997 were 5.5 and 5.3 percent, respectively.

The contingent worker supplements to the CPS can be used to obtain useful insights on workers' perceptions of employment security. Despite concerns about the nature of job security in today's economy, the impression of increasing job security the most recent contingency data point to seems to be born out by most of the complementary data exam-

ined. Rising security is consistent with data on reasons for contingent work from within the supplement itself and is widespread among sex, occupation, and industry groups. A sense of rising security among women is supported by displaced worker data and one common interpretation of the tenure data. Among men, a similar sense is supported by the displaced worker data, but somewhat at odds with the tenure data. A sense rising security is also consistent with the low unemployment rate in 1997. □

Footnote

¹ Self-employed workers and independent contractors were asked a separate set of questions and were classified as contingent if they had been working under that arrangement for a year or less and expected to remain in that arrangement for a year or less.