

Characteristics of and preference for alternative work arrangements, 1999

Characteristics of individuals employed in alternative work arrangements were similar to those of the 1995 and 1997 surveys; however, the proportion of these workers who prefer these arrangements has increased since the mid-1990s

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The proportion of the workforce consisting of independent contractors, on-call workers, temps, and contractors is small, and the shares of these workers are not growing, according to the Bureau of Labor Statistics 1999 Contingent and Alternative Work Arrangements Survey.¹ In 1999, workers in all four alternative arrangements combined accounted for 9.3 percent of total employment, compared with 9.9 percent in 1997 and 9.8 percent in 1995. Although independent contractors remained the largest group numerically, their share of total employment declined slightly between 1997 and 1999. The proportions of total employment comprised of the other three arrangements changed little over the period. (See exhibit 1 and table 1.) Alternative work arrangements are defined in exhibit 1.

Perhaps the most significant finding from the 1999 data is that more workers in alternative employment arrangements are *choosing* these arrangements. Data on preference for the arrangements show that more workers actually prefer their alternative work arrangements to traditional jobs. This was true overall for on-call workers, and for temps and independent contractors with 3 or fewer years of tenure. Furthermore, among the four groups, enormous diversity exists in terms of demographics, earnings, benefit coverage, and preference for the arrangements.

This article uses the data from the 1999 Contingent and Alternative Work Arrangements supplement to the February Current Population

Survey (CPS) to address several issues relating to job quality and how or if it has changed since the prior surveys. In 1995 and 1997, the arrangements differed widely from each other in their demographics, preferences, and pay. Although it may be tempting to lump these arrangements together, a clear distinction can be drawn among them in terms of job quality and satisfaction. In particular, independent contractors and workers provided by contract companies have very different experiences from both on-call and temporary help agency workers.

Since the mid-1980s, some employment analysts have debated the issue of the size and growth of the workforce in “nonstandard” or alternative employment arrangements. Is a growing trend in nontraditional employment arrangements an indication that more American workers are being forced into “bad” jobs?² Some analysts stereotype workers who are in alternative arrangements as being in substandard jobs, often citing low earnings, low rates of health insurance and pension coverage, job instability, and dissatisfaction with work.³ These concerns have ushered in a host of articles and debates on the topic. Proponents of the arrangements argue that these jobs provide much needed flexibility in a tight labor market for both employers and employees. They claim that these arrangements enable employers to more easily modify their hiring levels and cost effectiveness when demand for their goods or services fluctuates.⁴ On the

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Exhibit 1. Workers in alternative arrangements as a percent of total employment, February 1995, 1997, and 1999

Alternative arrangement	February 1995	February 1997	February 1999
Independent contractors Workers identified as independent contractors, independent consultants, or freelance workers, whether they were self-employed or wage and salary workers	6.7	6.7	6.3
On-call workers Workers called to work only as needed, although they can be scheduled to work for several days or weeks in a row	1.7	1.6	1.5
Temporary help agency workers Workers paid by a temporary help agency, whether or not their job actually was temporary	1.0	1.0	.9
Contract company workers Workers employed by a company that provides them or their services to others under contract and who are usually assigned to only one customer and usually work at the customer's worksite .....	.5	.6	.6

supply side, these alternative arrangements allow individuals to balance work with nonlabor market activities.⁵

In response to the emerging interest about workers in alternative work arrangements, the Bureau of Labor Statistics conducted the first supplement to the Current Population Survey on this topic (and on contingent workers) in February 1995; subsequent surveys were conducted in February 1997 and February 1999.⁶ This article focuses on workers in alternative arrangements; an accompanying article beginning on page 3 profiles contingent workers from the same CPS supplement and further defines alternative employment arrangements.⁷

Independent contractors

More than 8 million persons worked as independent contractors, freelancers, or independent consultants in 1999. (BLS refers to these three groups of workers collectively as independent contractors.) These workers accounted for more than 6 percent of all employed persons, slightly below their shares of total employment in 1995 and 1997. (See exhibit 1.)

Demographic characteristics. The demographic characteristics of independent contractors have not changed significantly across the three surveys. (See table 2.) Compared with traditional workers, independent contractors were more likely to be men, older, and white. (See table 3.) Independent con-

tractors were also somewhat more highly educated than traditional workers. A little more than one-third of independent contractors aged 25–64 were college graduates, and about 12 percent held an advanced degree. These proportions were slightly lower for traditional workers—31 percent were college graduates, and 10 percent held advanced degrees. (See table 3.)

Part-time status and hours. Both male and female independent contractors older than 20 years were twice as likely as their counterparts in traditional arrangements to work part time. (See table 4.) Despite the relatively high incidence of part-time work among independent contractors, full-timers in this arrangement worked longer hours than did traditional full-time workers. The average workweek for full-time independent contractors was 46.4 hours, compared with 42.5 hours for traditional workers. In 1999, 15 percent of independent contractors worked more than 60 hours per week, compared with only 6 percent of traditional workers.

For women, the propensity to work part time may reflect a desire to balance work with child care. Female independent contractors were somewhat less likely to have children overall than women with traditional work arrangements; however, they were more likely to have pre-school children than women in traditional arrangements. Along the same lines, adult women were more likely than men in the arrangement to be working

part time by choice (35 percent and 11 percent, respectively). (See table 4.)

Occupation and industry. The occupational and industrial distribution of independent contractors did not change from the prior surveys. In 1999, independent contractors were more likely than traditional workers to hold managerial, professional specialty, sales, and production jobs, but were less likely to work in technical, administrative support, and service occupa-

tions. In terms of industry, independent contractors were more likely than traditional workers to be employed in the agriculture, construction, finance, and services industries. (See table 5.)

Paid employees. Nearly one-quarter of independent contractors had paid employees in 1999. Of this group, about two-thirds had fewer than six employees. This proportion of independent contractors with paid employees fell slightly from the previous surveys. Depending on whether the business was

Table 1. Incidence of alternative and traditional work arrangements by selected characteristics, February 1999

[Percent distribution]

Characteristic	Total employed (thousands)	Workers with alternative arrangements				Workers with traditional arrangements ¹
		Independent contractors	On-call workers	Temporary help agency workers	Contract company workers	
Age and sex						
Total, 16 years and older ²	131,494	6.3	1.5	.9	.6	90.6
16 to 19	6,662	1.1	2.7	1.0	.6	94.0
20 to 24	12,462	2.0	1.6	2.0	.7	93.4
25 to 34	30,968	4.8	1.5	1.1	.8	91.7
35 to 44	36,415	6.8	1.4	.6	.6	90.5
45 to 54	28,144	7.7	1.1	.6	.5	90.0
55 to 64	13,062	9.3	1.6	.6	.4	88.1
65 and older	3,781	14.8	4.4	.9	.4	79.3
Men, 16 years and older						
16 to 19	70,040	7.8	1.4	.7	.8	89.2
20 to 24	3,339	1.4	2.8	1.1	.9	93.3
25 to 34	6,489	2.4	1.8	1.8	1.1	92.5
35 to 44	16,617	5.4	1.2	.9	1.0	91.3
45 to 54	19,603	8.7	1.2	.4	.8	88.9
55 to 64	14,684	9.6	1.1	.5	.5	88.3
65 and older	7,186	11.3	1.4	.4	.5	86.3
Women, 16 years and older						
16 to 19	2,122	8.0	4.0	.8	.6	74.2
20 to 24	61,454	4.5	1.7	1.1	.4	92.2
25 to 34	3,323	.9	2.6	.9	.2	94.8
35 to 44	5,973	1.6	1.4	2.2	.3	94.3
45 to 54	14,351	4.0	1.9	1.4	.5	92.2
55 to 64	16,812	4.7	1.6	.9	.4	92.4
65 and older	13,459	5.7	1.1	.8	.4	91.9
Race and Hispanic origin³						
White	110,887	6.7	1.5	.8	.5	90.2
Black	14,620	3.3	1.8	1.7	.7	92.6
Hispanic origin	13,356	3.8	1.8	1.2	.3	92.5
Full- or part-time status						
Full-time workers	107,630	5.8	.9	.9	.6	91.8
Part-time workers	23,864	8.6	4.3	1.1	.4	85.2
Educational attainment (aged 25 to 64)						
Less than a high school diploma	10,027	5.5	2.0	1.2	.4	90.6
High school graduates, no college	33,867	6.4	1.3	.8	.4	90.9
Less than a bachelor's degree	20,842	7.1	1.4	1.0	.6	89.9
College graduates	33,930	7.4	1.2	.5	.7	90.1

¹ Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

² Detail may not sum to total employed because a small number of workers are both "on call" and "provided by contract firms," and total employed includes

day laborers, an alternative arrangement not shown separately.

³ Detail for the above race and Hispanic-origin groups will not sum to totals because data for "other races" group are not presented and Hispanics are included in both the white and black population groups.

incorporated or unincorporated, the share of workers with paid employees differed widely. Among independent contractors, more than 50 percent with incorporated businesses had paid employees, compared with only 14 percent of unincorporated business owners.

Contract company workers

In 1999, contract company workers (769,000) were the smallest of the four alternative work arrangement groups. These workers are employees of one company but carry out assignments for another company—that is, they work for only one client at the client’s place of business. Workers in this arrangement made up about the same proportion of total employment across the three surveys. (See exhibit 1.)

Demographic characteristics. As was the case in prior surveys, contract company workers in 1999 were more likely than traditional workers to be men, aged 20–44, and black. (See table 3.) The proportion of contract company workers aged 25–64 that had a college degree—more than one-third—was the highest of all the work arrangements, including the traditional arrangement, and the share that had an advanced degree (10 percent) was about the same for traditional workers.

Part-time status and hours. In 1999, contract company workers were somewhat less likely than traditional workers to be employed part time. (See table 4.) In prior surveys, they had been as likely as traditional workers to work part time. The average workweek for full-time contract company workers was 44.2 hours in 1999, slightly above the average for traditional workers—42.5 hours.

Occupation and industry. Compared with traditional workers, contract company workers were more likely to hold professional specialty, service, production, and technical jobs, and were less likely to be in managerial, sales, administrative support, and operator, fabricator, and laborer positions. (See table 5.) Nearly 1 in 10 contract company workers were employed as security guards, and a little more than 1 in 10 workers were computer scientists and computer systems analysts. With regard to industry, services, manufacturing companies, transportation and public utilities companies, and the government were most likely to use contract company workers. (See table 5.)

On-call workers

Workers in on-call arrangements numbered 2 million in 1999, or 1.5 percent of total employment. (See exhibit 1.) Both the level and the proportion were similar in the prior two surveys. On-call workers do not have an established schedule for reporting to work, but work, rather, on an as-needed basis; how-

ever, they may be scheduled to work for months at a time, as a substitute teacher, for example.

Demographic characteristics. As in the prior survey, on-call workers were similar to workers in traditional arrangements, except that they were slightly more likely to be female and younger than traditional workers. (See tables 2 and 3.) Among women, the proportion of on-call workers who were mothers (61 percent) was slightly higher than their counterparts in traditional arrangements (56 percent). (See table 4.) Slightly more than half (56 percent) of 16- to 24-year-olds in the on-call arrangement were attending school, compared with 44 percent of workers of the same age range in traditional arrangements.

The educational attainment of on-call workers was lower than the education levels of traditional workers. For instance, among 25- to 64-year-olds, 13 percent of on-call workers were high school dropouts, compared with 9 percent of traditional workers. (See table 3.) The proportion of on-call workers who had college degrees (28 percent) was slightly lower than that for traditional workers (31 percent). Compared with women, male on-call workers were more likely to have dropped out of high school. Women in the arrangement were actually more likely to have graduated college than women in traditional work arrangements (35 percent and 30 percent, respectively).

Part-time status and hours. The proportion of on-call workers employed part time (51 percent) was much higher than that for traditional workers (17 percent). (See table 4.) Reflecting this, the average workweek for on-call workers was 28.1 hours, the lowest of all arrangements. Among on-call workers in 1999, adult women were nearly 2½ times more likely than men in the arrangement to work part time (67 percent versus 27 percent, respectively). The number of on-call workers who preferred to be working part time was up slightly from 1997, although there was still a substantial share (27 percent) who would have preferred to work a full-time schedule. This was nearly twice the rate for traditional workers.

Occupation and industry. There were clear distinctions between gender in the occupational distribution of on-call workers. A large proportion of men in the arrangement were operators, fabricators, and laborers, and most women were employed in professional specialty and service occupations. (See table 5.) About 1 in 5 women were teachers, presumably substitutes, and about 1 in 10 women were in health occupations such as registered nurses and therapists. For women, personal- and food-service occupations were also among the most common, and for men the most common occupations were motor vehicle operators, cleaners and helpers, and other construction trades.

On-call workers were most likely to work in services, trade, construction, and transportation industries. They were much

Table 2. Workers in alternative arrangements by selected characteristics, February 1995, 1997, and 1999

Characteristics	1995	1997	1999	Characteristics	1995	1997	1999
Independent contractors							
Age and sex:				25 to 34 9.2 10.3 8.8			
Total 16 years and older	100.0	100.0	100.0	35 to 44	4.3	9.2	8.0
16 to 19	1.5	.8	.9	45 to 54	6.3	5.1	7.8
20 to 24	2.4	2.4	3.1	55 to 64	1.5	2.6	1.6
25 to 34	19.7	18.3	17.9	65 and older	-	1.9	.3
35 to 44	30.8	31.1	30.2	Race and Hispanic origin¹			
45 to 54	25.3	26.5	26.4	White	83.0	81.5	79.2
55 to 64	13.6	13.9	14.7	Black	11.7	12.9	12.6
65 and older	6.7	7.0	6.8	Hispanic origin	8.4	6.3	6.0
Men, 16 years and older	67.3	66.6	66.2	Educational attainment:			
16 to 19 .....	.9	.3	.6	Total, 25 to 64 years	100.0	100.0	100.0
20 to 24	1.6	1.5	1.9	Less than a high school diploma	9.5	7.2	6.4
25 to 34	12.6	11.4	10.9	High school graduate, no college	29.8	36.8	22.7
35 to 44	21.0	20.7	20.7	Some college, no degree	30.2	23.4	31.9
45 to 54	16.7	17.7	17.0	College graduates	30.6	32.7	38.9
55 to 64	9.6	9.9	9.9	Marital status:			
65 and older	4.9	5.1	5.2	All marital statuses	100.0	100.0	100.0
Women, 16 years and older	32.7	33.4	33.8	Married, spouse present	55.7	58.1	44.1
16 to 19 .....	.6	.5	.4	Married, spouse absent	2.6	3.5	6.5
20 to 24 .....	.8	.9	1.1	Divorced	8.3	10.8	10.4
25 to 34	7.1	7.0	7.0	Widowed	2.1	1.4	1.3
35 to 44	9.8	10.4	9.5	Never married	31.3	26.2	37.6
45 to 54	8.5	8.8	9.4	On-call workers			
55 to 64	4.0	4.0	4.8	Age and sex:			
65 and older	1.8	1.9	1.6	Total 16 years and older	100.0	100.0	100.0
Race and Hispanic origin:¹				16 to 19	7.9	9.6	8.8
White	92.3	90.7	90.6	20 to 24	12.6	11.9	9.9
Black	5.0	5.3	5.8	25 to 34	24.6	22.5	23.1
Hispanic origin	5.2	7.3	6.1	35 to 44	23.7	25.4	24.9
Educational attainment:				45 to 54	15.7	14.4	14.9
Total, 25 to 64 years	100.0	100.0	100.0	55 to 64	9.2	9.7	10.1
Less than a high school diploma	8.7	8.7	7.5	65 and older	6.4	6.5	8.2
High school graduate, no college	29.1	30.3	29.7	Men, 16 years and older	50.1	49.0	48.8
Some college, no degree	27.9	26.8	28.5	16 to 19	4.1	5.3	4.6
College graduates	34.4	34.1	34.3	20 to 24	7.4	6.4	5.9
Marital status:				25 to 34	13.0	11.8	10.0
All marital statuses	100.0	100.0	100.0	35 to 44	11.8	12.1	11.6
Married, spouse present	70.7	69.2	68.8	45 to 54	6.8	6.9	7.6
Married, spouse absent	2.8	3.4	2.7	55 to 64	3.7	3.9	5.0
Divorced	10.0	11.5	11.5	65 and older	3.4	2.6	4.2
Widowed	2.9	2.2	2.0	Women, 16 years and older	49.9	51.0	51.2
Never married	13.5	13.7	15.0	16 to 19	3.8	4.3	4.2
Contract company workers				20 to 24	5.1	5.4	4.0
Age and sex:				25 to 34	11.6	10.6	13.1
Total 16 years and older	100.0	100.0	100.0	35 to 44	11.9	13.4	13.4
16 to 19	2.5	1.9	4.8	45 to 54	8.9	7.5	7.3
20 to 24	12.7	8.1	11.3	55 to 64	5.5	5.8	5.1
25 to 34	39.0	34.2	30.5	65 and older	3.0	3.9	4.1
35 to 44	23.3	31.1	28.1	Race and Hispanic origin¹			
45 to 54	11.8	14.2	17.2	White	84.0	89.3	84.2
55 to 64	6.7	7.7	6.1	Black	11.0	7.8	12.7
65 and older	4.1	2.8	1.9	Hispanic origin	12.5	13.3	11.6
Men, 16 years and older	71.5	69.8	70.5	Educational attainment:			
16 to 19	1.4	1.1	3.8	Total, 25 to 64 years	100.0	100.0	100.0
20 to 24	6.4	7.7	9.2	Less than a high school diploma	13.4	13.4	13.4
25 to 34	29.8	24.0	21.8	High school graduate, no college	35.1	28.7	29.6
35 to 44	19.0	21.9	20.1	Some college, no degree	30.7	32.0	29.1
45 to 54	5.7	9.1	9.4	College graduates	20.8	25.9	27.9
55 to 64	5.2	5.1	4.6	Marital status:			
65 and older	4.1	0.9	1.6	All marital statuses	100.0	100.0	100.0
Women, 16 years and older	28.5	30.2	29.5	Married, spouse present	54.8	51.4	52.3
16 to 19	1.1	.8	1.0	Married, spouse absent	3.8	4.8	3.9
20 to 24	6.1	.4	2.0	Divorced	9.2	10.2	8.2
				Widowed	2.8	3.5	3.2
				Never married	29.4	30.2	32.3

¹See Footnote at end of table.

Table 2. Continued—Workers in alternative arrangements by selected characteristics, February 1995, 1997, and 1999

Characteristics	1995	1997	1999	Characteristics	1995	1997	1999
Temporary help agency workers				35 to 44	13.5	14.6	12.4
Age and sex:				45 to 54	7.7	10.0	9.0
Total 16 years and older	100.0	100.0	100.0	55 to 64	2.9	4.4	4.2
16 to 19	5.2	6.1	5.8	65 and older .....	.8	1.1	1.3
20 to 24	19.7	16.5	20.9	Race and Hispanic origin¹			
25 to 34	34.1	30.3	29.3	White	72.7	75.1	74.3
35 to 44	21.3	21.5	19.4	Black	21.8	21.3	21.2
45 to 54	12.1	16.2	15.4	Hispanic origin	11.3	12.3	13.6
55 to 64	5.8	6.7	6.5	Educational attainment:			
65 and older	1.8	2.8	2.8	Total, 25 to 64 years	100.0	100.0	100.0
Men, 16 years and older	47.2	44.7	42.2	Less than a high school diploma	14.2	11.2	14.6
16 to 19	3.0	2.9	3.2	High school graduate, no college	33.4	30.7	30.5
20 to 24	11.4	9.6	9.6	Some college, no degree	32.1	36.3	33.7
25 to 34	16.8	15.1	12.2	College graduates	20.3	21.8	21.2
35 to 44	7.7	6.9	7.0	Marital status:			
45 to 54	4.4	6.2	6.3	All marital statuses	100.0	100.0	100.0
55 to 64	2.8	2.2	2.2	Married, spouse present	42.1	40.2	34.1
65 and older	1.1	1.7	1.6	Married, spouse absent	5.8	6.3	4.1
Women, 16 years and older	52.8	55.3	57.8	Divorced	11.1	12.2	15.7
16 to 19	2.3	3.2	2.5	Widowed	1.4	1.5	1.3
20 to 24	8.3	6.9	11.3	Never married	39.7	39.8	44.9
25 to 34	17.4	15.1	17.1				

¹ Detail for the race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are

included in both the white and black population groups.
NOTE: Dash indicates data not available.

more likely than workers in traditional arrangements to be employed in the services industry.

Temporary help agency workers

In February 1999, there were 1.2 million temporary help agency workers who accounted for 0.9 percent of total employment. (See exhibit 1.) The proportion was almost unchanged from the previous survey. Like contract company workers, temp workers are paid employees of the temp agency and work at the clients' sites.

Demographic characteristics. As with all other alternative arrangements, the characteristics of temporary help workers were similar to those found in past surveys. (See table 2.) Temp workers were disproportionately young, black or Hispanic origin, and female. The temporary help arrangement had the highest concentration of women of any arrangement—nearly three-fifths of workers in the arrangement were women. In terms of age, more than one-quarter of temp workers were under 25 years, and more than half were under 34 years. Compared with other work arrangements, temp help agency workers had the largest proportions of blacks and Hispanics. In fact, temps were nearly twice as likely as traditional workers to be black. School enrollment among young temporary agency workers was up from 16 percent in 1997 to 23 percent in 1999. This arrangement had the highest rate of high school dropouts among the four alternative arrangements—15 percent of those aged 25–64. About 21 percent of this age group were college graduates—10 percentage points lower than traditional workers. (See table 3.)

Of women in any alternative arrangement, temps were most likely to have children. (See table 4.) In February 1999, two-

thirds of women in the arrangement had children, compared with a little more than half in traditional arrangements. The share of women with children in the temp arrangement increased substantially from 1997, when not quite half had children.

Part-time status and hours. Just under four-fifths of temp workers were on a full-time schedule in February 1999, which was slightly below the traditional workers' rate. (See table 4.) Of those employed part time, roughly one-half were doing so for economic reasons—that is, they would have preferred full-time work. This was a substantially higher proportion than for workers in all other arrangements.

Occupation and industry. Temporary help agency workers were most likely to work in administrative and clerical jobs and in operator, fabricator, and laborer jobs. Women in this arrangement were more likely to be in the former occupations, and men were more likely to be in the latter ones.

Temp workers were much more likely to work in the manufacturing and services industries (relative to traditional workers), and they were less likely than traditional workers to be assigned to government agencies, and trade companies. (See table 5.)

As can be seen from the above analysis, independent contractors and contract company workers are overwhelmingly male and highly educated. Temporary agency and on-call workers are more likely than traditional workers to be female, black or of Hispanic origin. Independent contractors are generally older than all other categories of workers, and are much more likely to be white. In contrast, temporary help agency workers tend to be much younger than workers in other types of arrangements. Independent contractors and contract com-

Table 3. Employed persons with alternative and traditional work arrangements by age and sex, race and Hispanic origin, and educational attainment, February 1999

[Percent distribution]

Characteristic	Independent contractors	Workers with alternative arrangements			Workers with traditional arrangements ¹
		On-call workers	Temporary help agency workers	Contract company workers	
Age and sex²					
Total, 16 years and older (thousands)	8,247	2,032	1,188	769	119,109
Percent	100.0	100.0	100.0	100.0	100.0
16 to 19 .....	.9	8.8	5.8	4.8	5.3
20 to 24	3.1	9.9	20.9	11.3	9.8
25 to 34	17.9	23.1	29.3	30.5	23.9
35 to 44	30.2	24.9	19.4	28.1	27.7
45 to 54	26.4	14.9	15.4	17.2	21.3
55 to 64	14.7	10.1	6.5	6.1	9.7
65 and older	6.8	8.2	2.8	1.9	2.5
Men, 16 years and older					
16 to 19	0.6	4.6	3.2	3.8	2.6
20 to 24	1.9	5.9	9.6	9.2	5.0
25 to 34	10.9	10.0	12.2	21.8	12.7
35 to 44	20.7	11.6	7.0	20.1	14.6
45 to 54	17.0	7.6	6.3	9.4	10.9
55 to 64	9.9	5.0	2.2	4.6	5.2
65 and older	5.2	4.2	1.6	1.6	1.3
Women, 16 years and older					
16 to 19	0.4	4.2	2.5	1.0	2.6
20 to 24	1.1	4.0	11.3	2.0	4.7
25 to 34	7.0	13.1	17.1	8.8	11.1
35 to 44	9.5	13.4	12.4	8.0	13.0
45 to 54	9.4	7.3	9.0	7.8	10.4
55 to 64	4.8	5.1	4.2	1.6	4.5
65 years and older	1.6	4.1	1.3	0.3	1.2
Race and Hispanic origin³					
White	90.6	84.2	74.3	79.2	84.0
Black	5.8	12.7	21.2	12.6	11.4
Hispanic origin	6.1	11.6	13.6	6.0	10.4
Educational attainment²					
Total, 25 to 64 years					
Thousands	7,359	1,485	838	631	98,207
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	7.5	13.4	14.6	6.4	9.2
High school graduates, no college	29.7	29.6	30.5	22.7	31.4
Less than a bachelor's degree	28.5	29.1	33.7	31.9	28.3
College graduates	34.3	27.9	21.2	38.9	31.1
Men, 25 to 64 years					
Thousands	4,826	695	330	430	51,769
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	9.5	16.7	19.7	8.4	10.4
High school graduates, no college	30.7	38.1	33.6	23.7	30.8
Less than a bachelor's degree	26.8	25.0	25.2	31.6	26.8
College graduates	33.0	20.3	21.5	36.0	32.0
Women, 25 to 64 years					
Thousands	2,533	790	508	201	46,439
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	3.8	10.5	11.2	2.0	7.9
High school graduates, no college	27.6	22.2	28.3	20.9	32.0
Less than a bachelor's degree	31.7	32.8	39.4	31.8	29.9
College graduates	36.9	34.7	20.9	45.3	30.1

¹ Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

² Detail for other characteristics may not sum to totals because of rounding.

³ Detail for race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 4. Employed persons with alternative and traditional work arrangements by reasons for full- and part-time status and marital status, February 1999

[Percent distribution]

Characteristic	Workers with alternative arrangements					Workers with traditional arrangements ²
	Total employed ¹	Independent contractors	On-call workers	Temporary help agency workers	Contract company workers	
Full or part-time status						
Employed, total (thousands)	131,494	8,247	2,032	1,188	769	119,109
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers	81.9	75.1	49.4	78.5	86.9	82.9
Part-time workers	18.1	24.9	50.6	21.5	13.1	17.1
Economic reasons	2.7	4.8	13.7	9.8	4.4	2.3
Noneconomic reasons	14.9	20.0	34.6	14.1	9.9	14.2
Men, 20 years and older						
Employed (thousands)	66,701	5,412	900	463	513	59,348
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers	92.0	85.1	72.7	83.2	91.6	93.0
Part-time workers	8.0	14.9	27.3	16.8	8.4	7.0
Economic reasons	2.4	5.5	12.2	9.1	5.5	1.9
Noneconomic reasons	6.1	11.3	17.8	11.0	5.8	5.4
Women, 20 years and older						
Employed (thousands)	58,131	2,759	954	657	219	53,496
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers	76.7	56.9	33.4	76.1	79.5	78.5
Part-time workers	23.3	43.1	66.5	23.9	20.5	21.5
Economic reasons	3.0	3.6	16.5	10.5	2.7	2.6
Noneconomic reasons	19.0	35.3	44.7	15.2	14.6	17.7
Both sexes, 16 to 19 years						
Employed (thousands)	6,662	76	179	68	37	6,265
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Full-time workers	25.2	22.4	16.2	(⁴)	(⁴)	24.9
Part-time workers	74.8	77.6	83.2	(⁴)	(⁴)	75.1
Economic reasons	4.5	(⁵)	6.1	(⁴)	(⁴)	4.5
Noneconomic reasons	67.7	76.3	65.9	(⁴)	(⁴)	68.1
Marital status						
Employed women, (thousands)	61,454	2,788	1,040	687	227	56,645
Spouses/reference persons, total	40,821	2,092	686	394	130	37,489
Percent	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years	56.1	53.1	61.4	66.0	52.3	56.1
Under 6 years	22.2	24.3	20.1	28.9	13.1	22.1
6 to 17 years	33.9	28.7	41.3	37.1	40.0	34.0
With no children under 18 years	43.9	46.9	38.6	34.0	46.9	43.9
Married, spouse present						
Employed (thousands)	33,050	1,844	590	238	89	30,261
Spouses/reference persons	32,590	1,826	577	227	89	29,843
Percent	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years	52.7	51.7	58.4	47.6	51.7	52.7
Under 6 years	21.7	24.9	18.2	21.1	9.0	21.7
6 to 17 years	31.0	26.8	40.2	26.4	42.7	31.0
With no children under 18 years	47.3	48.4	41.6	52.4	48.3	47.3
All other marital statuses						
Employed (thousands)	28,405	944	450	449	138	26,384
Spouses/reference persons	8,231	266	109	167	41	7,646
Percent	100.0	100.0	100.0	100.0	100.0	100.0
With children under 18 years	69.4	62.4	76.1	91.0	(⁴)	69.1
Under 6 years	24.0	20.7	30.3	39.5	(⁴)	23.7
6 to 17 years	45.4	42.1	45.9	51.5	(⁴)	45.4
With no children under 18 years	30.6	37.2	22.9	9.0	(⁴)	30.9

¹Detail may not sum to totals due to rounding, and total employed includes day laborers, an alternative arrangement not shown separately.

²Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

³Part time is defined as working 1 to 34 hours per week; full time is 35 hours and over. The classification of full- and part-time workers is based on the number of hours usually worked. The sum of the two at work part time

categories do not equal the part-time worker estimate as the latter includes those not at work during the reference week. Persons at work part time for an economic reason can work either full or part time on a usual basis; persons at work part time for a noneconomic reason are limited to those who usually work part time.

⁴Less than 0.05 percent.

⁵Percentage not shown where base is less than 75,000.

Table 5. Employed persons with alternative and traditional work arrangements by occupation and industry, February 1999

[Percent distribution]

Occupation and Industry	Independent contractors	Workers with alternative arrangements			Workers with traditional arrangements ¹
		On-call workers	Temporary help agency workers	Contract company workers	
Occupation²					
Total, 16 years and older (thousands)	8,247	2,032	1,188	769	119,109
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	20.5	5.3	4.3	12.0	14.6
Professional specialty	18.5	24.3	6.8	28.8	15.5
Technicians and related support	1.1	4.1	4.1	6.7	3.3
Sales occupations	17.3	5.7	1.8	1.5	12.0
Administrative support, including clerical	3.4	8.2	36.1	3.4	15.0
Service occupations	8.8	23.5	8.1	18.8	13.7
Precision production, craft, and repair	18.9	10.1	8.7	16.0	10.5
Operators, fabricators, and laborers	7.0	16.0	29.2	10.7	13.6
Farming, forestry, and fishing	4.4	2.9	.9	2.2	2.0
Men, 16 years and older (thousands)	5,459	993	501	542	62,464
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	22.6	7.2	4.4	10.7	14.7
Professional specialty	16.0	13.1	7.0	27.3	13.5
Technicians and related support	1.2	3.1	5.4	5.7	3.0
Sales occupations	15.2	4.4	2.0	.9	11.8
Administrative support, including clerical	1.0	2.5	16.7	1.1	6.1
Service occupations	2.5	18.4	5.2	16.6	10.5
Precision production, craft, and repair	26.8	18.4	15.7	21.8	18.1
Operators, fabricators, and laborers	9.2	28.1	42.0	13.1	19.4
Farming, forestry, and fishing	5.5	4.7	1.6	2.8	2.9
Women, 16 years and older (thousands)	2,788	1,040	687	227	56,645
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	16.5	3.6	4.1	15.0	14.6
Professional specialty	23.5	35.0	6.7	32.6	17.6
Technicians and related support	1.1	5.1	3.2	8.8	3.6
Sales occupations	21.2	6.8	1.6	2.6	12.2
Administrative support, including clerical	8.3	13.7	50.4	8.8	24.7
Service occupations	21.1	28.3	10.3	23.8	17.2
Precision production, craft, and repair	3.4	2.0	3.6	2.2	2.1
Operators, fabricators, and laborers	2.7	4.4	19.7	5.3	7.2
Farming, forestry, and fishing	2.3	1.1	.4	0.9	0.9
Industry²					
Total, 16 years and older (thousands)	8,247	2,032	1,188	769	119,109
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	4.9	2.2	.4	.4	2.0
Mining .....	.2	.4	.1	2.7	.4
Construction	19.9	9.6	2.5	9.0	5.1
Manufacturing	4.6	4.5	29.7	18.0	16.5
Transportation and public utilities	5.7	9.5	6.1	14.0	7.4
Wholesale and retail trade	13.7	16.4	8.1	5.4	21.6
Finance, insurance, and real estate	8.8	2.7	7.0	8.9	6.7
Services	42.1	52.0	38.7	27.1	35.2
Public administration .....	.2	2.6	(³)	10.7	5.1
Men, 16 years and older (thousands)	5,459	993	501	542	62,464
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	5.9	3.9	1.0	.2	2.6
Mining .....	.3	.9	.2	3.5	0.7
Construction	28.1	18.5	4.8	12.7	8.6
Manufacturing	4.8	5.0	31.3	21.4	21.6
Transportation and public utilities	7.2	15.0	6.4	14.2	9.8
Wholesale and retail trade	12.4	17.6	11.0	6.6	21.7
Finance, insurance, and real estate	7.8	2.3	3.8	6.6	5.2
Services	33.3	33.0	34.1	22.5	24.4
Public administration .....	.2	3.7	.2	9.2	5.3

See footnotes at end of table.

Table 5. Continued—Employed persons with alternative and traditional work arrangements by occupation and industry, February 1999

[Percent distribution]

Occupation and Industry	Independent contractors	Workers with alternative arrangements			Workers with traditional arrangements ¹
		On-call workers	Temporary help agency workers	Contract company workers	
Industry²					
Women, 16 years and older (thousands)	2,788	1,040	687	227	56,645
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	3.0	.6	—	.9	1.2
Mining .....	.1	—	.1	.9	.1
Construction	3.7	1.1	.7	(³)	1.3
Manufacturing	4.2	3.9	28.4	10.1	10.9
Transportation and public utilities	2.8	4.2	5.8	13.7	4.7
Wholesale and retail trade	16.1	15.1	6.0	2.6	21.5
Finance, insurance, and real estate	10.6	3.1	9.5	14.1	8.3
Services	59.3	.7	42.1	38.3	47.2
Public administration .....	.2	1.6	1.7	14.5	4.8

¹Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

²Detail may not sum to totals due to rounding and/or to persons not reporting. For temp workers and workers provided by contract firms, the

industry classification is that of the place to which they were assigned.

³Less than 0.05 percent.

NOTE: Dash indicates data not available.

pany workers also are more likely to have graduated from college than other groups of workers.

One common characteristic of the alternative work arrangements is that workers in every arrangement, except for contract company workers, are more likely to work part time than workers in traditional arrangements. Perhaps this phenomenon is related to the fact that female on-call and temporary help agency workers are more likely to have children than women in other arrangements. Although female independent contractors are less likely than traditional workers to have any children, they are more likely to have children under 6 years old, perhaps explaining their propensity to work part time. Full-time independent contractors and contract company workers work longer hours per week than any other type of worker. Also, temps and on-call workers have lower average weekly hours than workers in the other arrangements.

The following discussion focuses on further differences among the four groups in alternative work arrangements in terms of their preferences and reasons for being in their employment arrangements.

Tenure and contingency

One perceived aspect of job quality is stability, a trait which most analysts view as desirable. Not all workers prefer a job that continues, however. The two indicators of job stability for workers in alternative arrangements are tenure and contin-

gency. Tenure measures the length of the relationship between the worker and the employer. Workers are contingent if they believe the nature of their jobs to be temporary, or if there is no explicit or implicit contract for ongoing employment in the positions. Being in an alternative arrangement does not automatically make a worker contingent; indeed, contingency rates vary greatly across the four arrangements, and the vast majority of contingent workers are in traditional arrangements.

BLS constructs three measures of contingency. The first measure is the narrowest. The third is the broadest, and is also the one most commonly cited. However, for temporary help agency workers and contract company workers, it is interesting to look at the rate of contingency using the BLS first estimate of contingency because it measures attachment to the arrangement, rather than to the worker's particular assignment. Specifically, a temp or a contract company worker is considered contingent under this estimate if their employment arrangement with the temporary help or contract company is expected to last for 1 year or less, and they work for that expected duration. This is an important distinction for contract company workers and temps because even if they think they cannot continue in a particular assignment indefinitely, they may believe they can continue working in the arrangement for as long as they wish. Therefore, it is misleading to consider a high rate of contingency under estimate 3 as an indication of job instability if the worker can stay indefinitely with the contract company or temp help agency.

Independent contractors had the most stable jobs by these criteria. As in 1997, only a small fraction of independent contractors in 1999 reported that their job was contingent—3 percent. (See table 6.) These workers had the lowest rate of contingency across all alternative arrangements, and they had about the same contingency rate as workers in traditional arrangements. Therefore, independent contractors perceive their jobs to be very stable.

Not surprisingly, independent contractors also had the longest median tenure across all arrangements; in fact, they had higher median tenure than did workers in traditional arrangements. (See table 7.) A substantial number of independent contractors had been in their arrangement for quite a long time: 43 percent had been in their jobs for at least 10 years, and 18 percent had been in the arrangement for more than 20 years. These rates were much higher than those for traditional workers, perhaps reflecting the older age profile of independent contractors.

Judging from these data, it appears that independent contractors generally have stable work arrangements. This probably reflects the fact that they have a stronger attachment to their arrangement than to a particular client or employer.

In 1999, 20 percent of *contract company workers* were contingent under the broadest (estimate 3) definition. By contrast, only 3 percent of traditional workers were contingent. Looking at the rate of contingency under estimate 1 (which measures attachment to the arrangement rather than to the assignment), only 6 percent were contingent. (See table 6.)

For contract company workers, the median tenure in the *arrangement* was 2.1 years, and the median tenure in the *assignment* was 1.6 years. The majority of contract workers had been in the arrangement for more than a year, but 43 percent had been in their jobs for a year or less. Only 10 percent had been contract workers for more than 10 years, and 2 percent had more than 20 years of tenure.

Contract company workers, on average, are younger than traditional workers, and this may help explain some of the tenure disparity between the two arrangements.

Under contingency estimate 3, about 28 percent of *on-call workers* felt that they could not continue in their jobs for as long as they wished. (See table 6.) Median tenure for those in the arrangement also has not changed since 1997, remaining at about 2 years. (See table 7.)

In 1999, 56 percent of *temporary help agency workers* were

Table 6. Employed persons with alternative and traditional work arrangements by contingent and noncontingent employment, February 1999

[Percent distribution]

Work arrangements	Total (thousands)	Contingent workers			Noncontingent workers ¹
		Estimate 1	Estimate 2	Estimate 3	
Total					
With alternative arrangements:					
Independent contractor	8,247	(²)	2.9	2.9	97.1
On-call workers	2,032	12.6	13.2	28.0	72.0
Temporary help agency workers	1,188	24.2	36.1	55.9	44.1
Contract company workers	769	6.0	12.7	20.2	79.8
With traditional arrangements ³	119,109	1.4	1.5	3.2	96.8
Men					
With alternative arrangements:					
Independent contractor	5,459	(²)	2.1	2.1	97.9
On-call workers	993	14.6	15.1	29.8	70.1
Temporary help agency workers	501	25.3	36.3	57.1	42.9
Contract company workers	542	5.0	11.3	19.6	80.6
With traditional arrangements ³	62,464	1.2	1.3	3.0	97.0
Women					
With alternative arrangements:					
Independent contractor	2,788	(²)	4.3	4.3	95.7
On-call workers	1,040	10.6	11.3	26.3	73.8
Temporary help agency workers	687	23.4	36.0	55.2	45.0
Contract company workers	227	8.4	15.9	22.0	78.0
With traditional arrangements ³	56,645	1.6	1.8	3.5	96.5

¹Noncontingent workers are those who do not fall into any estimate of "contingent" workers.

²Not applicable.

³Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Independent contractors, as well as the self-employed, are excluded from estimate 1.

contingent under the broadest measure (estimate 3)—the highest rate of all arrangements. This estimate of contingency measures the temps' attachment to their assignment. Under estimate 1, only 24 percent of temps were contingent. (See table 6.) These data indicate that although the majority of temps did not think they could continue indefinitely in their current assignment, about 75 percent believed that they could

continue temping for as long as they wished.

The median tenure at the place assigned was about 5 months—the same as 2 years ago. About 32 percent had been in their current assignment for less than 3 months, and 20 percent had been in the assignment for more than a year.

For temps, median tenure in the arrangement was somewhat higher than the 7-month tenure in the assignment.

Table 7. Employed persons with alternative and traditional work arrangements, tenure in the arrangement, February 1999

[Percent distribution]

Tenure and sex	Workers with alternative arrangements				Workers with traditional arrangements ¹
	Independent contractors	On-call workers	Temporary help agency workers	Contract company workers	
Total, 16 years and older (thousands)	8,247	2,032	1,188	769	119,109
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	97.4	96.1	92.4	97.4	95.3
1 year or less	14.8	49.3	68.9	42.5	26.0
Less than 6 months	5.1	26.2	39.3	16.7	10.3
6 to 12 months	9.7	23.1	29.5	25.8	15.7
More than 1 year	85.2	50.8	31.1	57.5	74.0
Less than 4 years	15.7	20.8	23.0	24.8	20.1
4 to 9 years	26.5	17.0	6.8	22.8	24.5
10 to 19 years	24.6	9.2	1.3	7.6	18.4
20 years or more	18.3	3.8	—	2.1	11.0
Specific tenure not available	2.6	3.9	7.7	2.6	4.7
Median tenure (in years)	7.7	1.9	.6	2.1	4.6
Men, 16 years and older (thousands)	5,459	993	501	542	62,464
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	96.8	96.5	93.4	97.8	95.1
1 year or less	12.6	46.9	69.4	44.9	24.1
Less than 6 months	4.7	24.5	40.6	16.2	9.5
6 to 12 months	7.9	22.3	28.6	28.7	14.7
More than 1 year	87.4	53.1	30.3	55.1	75.9
Less than 4 years	14.5	22.1	21.4	25.8	19.8
4 to 9 years	24.7	15.0	8.1	19.4	24.2
10 to 19 years	26.4	10.8	.9	7.5	18.6
20 years or more	21.1	5.3	—	2.3	13.3
Specific tenure not available	3.2	3.4	6.8	2.4	4.9
Median tenure (in years)	9.1	2.1	.6	2.0	5.0
Women, 16 years and older (thousands)	2,788	1,040	687	227	56,645
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	98.5	95.6	91.7	96.5	95.5
1 year or less	19.0	51.6	68.3	36.5	28.1
Less than 6 months	5.9	27.7	38.4	17.4	11.3
6 to 12 months	13.1	23.9	29.8	19.2	16.8
More than 1 year	81.0	48.4	31.7	63.5	71.9
Less than 4 years	18.1	19.5	24.1	22.4	20.5
4 to 9 years	30.1	18.8	6.0	31.1	24.9
10 to 19 years	21.2	7.6	1.6	8.2	18.1
20 years or more	11.6	2.4	—	2.2	8.1
Specific tenure not available	1.5	4.4	8.3	3.5	4.5
Median tenure (in years)	5.7	1.7	.6	2.6	4.2

¹Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Detail may not sum to totals due to rounding. For workers with traditional arrangements, estimates reflect tenure

with the current employer. Median tenure was calculated only for those who reported a specific tenure.

NOTE: Dash indicates data not available.

About 31 percent had been temping for more than 1 year. (See table 7.)

Earnings

The earnings “gap” between workers in alternative arrangements and traditional workers is one of the most oft cited criticisms of these arrangements.⁸ However, when comparing the earnings of workers in those alternate arrangements, factors such as age, tenure, work experience, hours, educational attainment, and occupation must be considered.⁹ For example, there are stark demographic differences between the arrange-

ments in which workers earn more than traditional workers and those in which they earn less. Older, highly educated men who work long hours in higher paying occupations are over-represented in independent contracting and in contract company work. The arrangements in which earnings are lower than in traditional arrangements—on-call work and temp help work—are more likely than traditional jobs to have young, minority, or female workers, groups which traditionally have lower levels of education, higher rates of school enrollment, and greater incidence of part-time work. Furthermore, workers in alternate arrangements are concentrated in lower-paying occupations such as administrative and production occupa-

Table 8. Median weekly earnings of full-time workers with alternative and traditional work arrangements by selected characteristics, February 1999

Characteristics	Workers with alternative arrangements				Workers with traditional arrangements ¹
	Independent contractors	On-call workers	Temporary help agency workers	Contract company workers	
Age and sex					
Total, 16 years and older	\$640	\$472	\$342	\$756	\$540
16 to 19	300	227	(²)	(²)	275
20 to 24	424	314	321	507	362
25 years and older	652	497	356	813	580
25 to 34	624	484	348	785	509
35 to 44	689	505	370	908	599
45 to 54	662	625	326	792	647
55 to 64	651	465	557	(²)	616
65 and older	419	278	(²)	(²)	368
Men, 16 years and older					
16 to 19	689	507	367	770	613
20 to 24	(²)	237	(²)	(²)	283
25 years and older	478	311	367	(²)	388
25 to 34	697	586	378	834	657
35 to 44	666	557	371	786	537
45 to 54	726	518	354	932	688
55 to 64	689	673	321	(²)	759
65 and older	755	622	(²)	(²)	755
Women, 16 years and older					
16 to 19	441	348	331	690	474
20 to 24	(²)	158	(²)	(²)	245
25 years and older	(²)	320	313	(²)	335
25 to 34	459	352	346	(²)	493
35 to 44	414	318	329	(²)	477
45 to 54	478	469	376	(²)	492
55 to 64	500	337	329	(²)	515
65 and older	445	347	(²)	(²)	504
Race and Hispanic origin					
White	662	478	338	734	562
Black	414	393	354	719	445
Hispanic origin	504	308	296	(²)	396
Educational attainment					
Less than a high school diploma	474	290	302	(²)	335
High school graduate, no college	520	485	311	572	445
Some college, no degree	621	451	354	717	512
Associate degree	607	677	(²)	816	588
College graduates	844	619	515	966	832

¹Workers with traditional arrangements are those who do not fall into any of the “alternative arrangement” categories.

²Data not shown where base is less than 75,000.

tions. In addition, other personal characteristics exist that may influence earnings.¹⁰ Data on earnings of workers with alternate work arrangements are in table 8.

The difference between the median weekly earnings of full-time *independent contractors* and their traditional counterparts widened further in 1999. In 1997, independent contractors' earnings were 15 percent higher than traditional workers' earnings, and in 1999, they were 19 percent higher. A disparity in earnings still existed between genders, however. Earnings of male independent contractors continued to out-pace their counterparts in traditional jobs, but women independent contractors continued to earn less. Shorter tenure in the arrangement and fewer hours worked per week help explain much of this gap between male and female independent contractors.

Contract company workers who usually worked full time continued to have the highest median weekly earnings across all arrangements—including traditional arrangements—and also experienced the largest percentage increase in wages over the three surveys. The median weekly earnings for full-time contract workers in February 1999 were \$756, compared with \$540 for traditional workers. Both men and women out-earned their counterparts in traditional jobs.

The median weekly earnings of full-time *on-call workers* were \$472 in 1999—87 percent of the median for full-time traditional workers. Earnings by gender differed significantly in the arrangement: women earned 73 percent of the median for women in traditional jobs, and men earned 83 percent of the median for men in traditional arrangements.

Unlike the other arrangements, the majority of on-call workers worked part time. Because of this, it is interesting to note that this is the only arrangement in which part-time workers made less than part-time workers in traditional work arrangements. The median weekly earnings of part-time on-call workers in 1999 were \$119, compared with \$157 for part-time traditional workers. Furthermore, the median wage for part-time on-call workers stayed the same since 1997, while the median wage for traditional part-timers increased by 9 percent from its 1997 level.

Temporary help agency workers who usually worked full time had median weekly earnings of \$342 in February 1999. This was the lowest earnings figure across all arrangements. Differing from other arrangements, earnings among the major demographic groups in the temporary help arrangement were very similar. Women temps earned 90 percent of the median

Table 9. Percent of independent contractors with health insurance and pension coverage by selected characteristics, February 1999

Characteristics	Number (thousands)	With health insurance coverage ¹					With pension coverage	
		Total (percent)	Through current employer at main job	Through spouse or other family member	Purchased on own	Other sources	Total (percent)	IRA or Keogh
Age and sex								
Total, 16 years and older	8,247	73.3	1.8	26.7	33.0	10.6	40.5	38.6
16 to 24 years	328	52.1	3.7	31.1	8.2	5.5	7.6	3.7
25 years and older	7,920	74.2	1.7	26.6	34.0	10.8	41.9	40.1
25 to 34 years	1,479	63.6	2.8	27.7	25.2	6.9	27.0	24.9
35 to 44 years	2,491	70.8	1.2	27.9	36.7	4.7	38.9	37.1
45 to 54 years	2,491	70.8	1.2	27.9	36.7	4.7	38.9	37.1
55 years and older	1,773	83.8	1.8	19.6	34.2	26.8	52.3	50.3
Men	5,459	71.6	1.8	20.4	37.2	11.4	40.7	38.8
Women	2,788	76.8	1.9	39.1	24.8	9.2	40.1	38.4
Race and Hispanic origin²								
White	7,471	74.2	1.6	27.4	33.7	10.3	42.3	40.4
Black	476	58.6	3.4	17.2	22.7	13.7	15.1	13.2
Hispanic origin	506	48.6	1.0	11.7	27.1	4.0	20.6	20.0
Full- and part-time status³								
Full-time workers	5,997	72.3	2.1	23.0	38.4	7.8	41.3	39.2
Part-time workers	2,191	76.4	.9	37.4	18.2	18.3	38.6	37.2

¹Detail for sources of health insurance coverage will not sum to totals because information on a specific source was not always available.

²Detail for race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included

in both the white and black population groups.

³Detail for full- and part-time workers will not sum to totals because the usual status on the principal job is not identifiable for a small number of multiple jobholders.

Table 10. Percent of persons in alternative and traditional work arrangements with health insurance and pension coverage, by selected characteristics, February 1999

Characteristic	Number (thousands)	With health insurance coverage ¹				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer-provided health insurance	Total	Eligible for employer-provided pension
On-call workers							
Age and sex:							
Total, 16 years and older	2,032	67.3	21.1	3.1	31.6	22.5	29.1
16 to 24 years	381	58.3	8.9	0.3	16.3	4.5	12.1
25 years and older	1,652	69.3	23.8	3.7	35.2	26.7	33.0
25 to 34 years	470	61.1	28.7	2.3	38.1	28.9	37.0
35 to 44 years	507	65.7	23.5	1.0	34.9	25.6	32.3
45 to 54 years	303	70.3	25.4	5.6	38.0	24.8	31.4
55 years and older	372	83.9	16.7	7.5	30.1	26.9	29.8
Men	993	61.8	29.7	4.9	40.6	23.3	30.5
Women	1,040	72.4	12.8	1.3	23.1	21.7	27.8
Race and Hispanic origin: ²							
White	1,711	70.0	20.9	3.3	32.0	23.2	29.5
Black	258	46.9	22.5	1.2	30.6	19.4	28.7
Hispanic origin	237	37.6	15.6	0.8	23.2	11.0	16.0
Full- and part-time status: ³							
Full-time workers	919	64.7	35.9	4.2	46.1	29.5	37.8
Part-time workers	1,080	69.9	7.8	2.1	19.0	16.1	21.2
Temporary help agency workers							
Age and sex:							
Total, 16 years and older	1,188	41.0	8.5	1.0	31.4	5.8	12.6
16 to 24 years	317	38.5	8.2	-	31.5	4.4	14.2
25 years and older	871	41.9	8.7	1.4	31.5	6.4	12.2
25 to 34 years	348	35.6	10.3	-	36.5	5.7	12.1
35 to 44 years	231	39.8	7.8	(⁴)	27.7	4.8	10.4
45 to 54 years	182	38.5	7.7	3.8	28.6	5.5	11.5
55 years and older	110	72.7	7.3	4.5	28.2	12.7	17.3
Men	501	36.1	7.8	1.6	29.7	9.6	16.0
Women	687	44.4	9.2	0.6	32.6	3.2	10.2
Race and Hispanic origin: ²							
White	883	42.9	10.2	1.4	33.2	5.9	12.3
Black	252	30.6	2.8	-	27.0	3.6	11.9
Hispanic origin	161	30.4	6.2	-	19.9	6.8	13.7
Full-and part-time status: ³							
Full-time workers	916	38.3	10.5	0.8	34.0	6.3	14.1
Part-time workers	270	49.3	1.1	1.9	22.2	3.3	7.4
Contract company workers							
Age and sex:							
Total 16 years and older	769	80.0	56.2	2.0	71.1	40.2	55.0
16 to 24 years	124	66.9	46.8	1.6	65.3	21.8	46.0
25 years and older	645	82.3	58.1	2.2	72.2	43.7	56.7
25 to 34 years	235	85.1	67.2	2.1	76.2	44.3	65.0
35 to 44 years	216	78.7	57.9	3.2	70.8	50.5	58.8
45 to 54 years	132	81.1	50.8	1.5	72.7	34.1	43.2
55 years and older	61	(⁴)	(⁴)	(⁴)	(⁴)	37.7	47.5
Men	542	79.0	60.5	2.4	73.4	43.9	57.6
Women	227	82.4	45.8	1.3	65.6	31.3	48.9
Race and Hispanic-origin: ²							
White	609	81.4	58.1	2.3	72.1	41.7	56.5
Black	97	56.7	33.0	2.1	59.8	35.1	48.5
Hispanic origin	46	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Full- and part-time status: ³							
Full-time workers	663	83.1	64.0	2.3	79.9	45.2	61.8
Part-time workers	106	60.4	7.5	(⁴)	16.0	8.5	13.2
See footnotes at end of table.							

Table 10. Continued—Percent of persons in alternative and traditional work arrangements with health insurance and pension coverage, by selected characteristics, February 1999

Characteristic	Number (thousands)	With health insurance coverage ¹				With pension coverage	
		Total	Through current employer at main job	Through other job or union	Eligible for employer-provided health insurance	Total	Eligible for employer-provided pension
Workers with traditional arrangements⁶							
Age and sex:							
Total, 16 years and older	112,829	82.9	61.1	.7	73.7	50.9	58.5
16 to 24 years	17,720	69.5	30.2	.2	45.3	15.5	28.3
25 years and older	95,109	85.4	66.8	.8	79.0	57.4	64.1
25 to 34 years	27,534	80.0	63.9	.6	77.0	49.1	59.1
35 to 44 years	31,213	85.7	68.2	.6	80.1	59.8	66.1
45 to 54 years	23,677	89.4	70.8	.9	82.6	65.1	69.5
55 years and older	12,685	89.4	62.5	1.4	73.5	55.4	60.1
Men	58,483	82.2	66.3	1.1	76.3	53.2	60.0
Women	54,346	83.7	55.4	.3	70.8	48.3	56.8
Race and Hispanic origin: ²							
White	94,415	84.0	61.2	.7	73.8	51.5	58.9
Black	13,283	76.6	61.4	.4	73.4	49.5	59.0
Hispanic origin	11,977	62.7	49.2	.8	60.7	33.6	40.6
Full- and part-time status: ³							
Full-time workers	92,711	84.8	70.6	.7	82.6	58.2	65.9
Part-time workers	19,894	74.3	16.9	.7	32.3	16.8	23.9

¹Detail for sources of health insurance coverage will not sum to totals because information on a specific source was not always available.

²Detail will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

³Detail will not sum to totals because usual status on the principal job is not

identifiable for a small number of multiple jobholders.

⁴Less than 0.05 percent.

⁵Data not shown where base is less than 75,000.

⁶Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

NOTE: Dash indicates data not available.

for men. Earnings for blacks and whites in the arrangement were nearly the same. Temps who worked part time in 1999 out-earned part-time traditional workers.

Benefits

Employer-provided benefits such as health insurance and pension coverage also are a measure of job quality. For this reason, analysts have been concerned that workers in alternative arrangements do not enjoy the same rates of benefit and pension coverage as do workers in traditional jobs. Like earnings, benefit coverage of workers in alternative arrangements varies widely by arrangement—generally following the same pattern as earnings. Demographics, hours, and occupations play a large role in the extent to which employees in a particular arrangement received health insurance and pension coverage.

In 1999, as in past survey years, the incidence of health insurance coverage and pension coverage was lower for workers in alternative arrangements than for workers in traditional jobs. Coverage levels differ between independent contractors and contract company workers on one hand, and on-call workers and temps on the other. The alternative arrangements showed some improvement in coverage in the benefits area

since the last survey: pension coverage rates increased for all the arrangements, although the rates were still below that of traditional workers. The proportion of contract company workers and temps who had healthcare coverage also increased from 1997, while the rate for traditional workers stayed the same. Tables 9 and 10 present the incidence of health insurance and pension coverage for workers in alternate arrangements.

Because *independent contractors* do not have employers that can provide them with health insurance or pension benefits, they must purchase them on their own. About 73 percent of independent contractors had health insurance from some source, compared with 83 percent of workers in traditional arrangements. In both arrangements women were somewhat more likely than men to have some source of healthcare coverage. This is most likely due to the fact that more women are covered under the plan of a relative. Nearly twice the percentage of men with health insurance purchased their plans (52 percent) as were covered under another family member's plan (29 percent). For women with insurance, the percentages were nearly reversed—51 percent were covered under another family member's plan, while only 32 percent purchased it on their own.

Perhaps because the vast majority of female independent

contractors were working part time, part-timers in the arrangement were more likely to have health insurance than were full-time independent contractors. The reverse was true for traditional workers. As would be expected, coverage rates rose, with rising levels of educational attainment. While the same was true for traditional workers, they were still more likely to have coverage than independent contractors at all levels of educational attainment.

In 1999, 41 percent of independent contractors had some type of pension plan, compared with 37 percent in 1997. The corresponding rates for traditional workers were 51 percent in 1999 and 50 percent in 1997. Nearly all covered independent contractors had either an IRA or a Keogh plan.

In 1999, 80 percent of *contract company workers* had health insurance from some source. This rate was the highest among the alternative work arrangements, and was very close to the coverage rate for workers in traditional jobs. The percentage of contract company workers with employer-provided insurance rose to 56 percent in 1999 from 50 percent in 1997. This also was about the same rate as workers in traditional arrangements.

With regards to pension coverage, contract company workers had similar rates of coverage as independent contractors, and higher rates than the other three alternative arrangements. The percentage of contract company workers who were eligible for employer-provided pensions rose to 55 percent in 1999 from 46 percent in 1997. This was the same rate as workers in traditional arrangements. About 40 percent of workers in the arrangement actually participated in their employer's pension plan, compared with 48 percent of traditional workers. The rates for both arrangements rose since 1997.

Despite the fact that independent contractors, and to a lesser degree, contract workers, had insurance and pension coverage rates that were below those of traditional workers, it could be that these workers are forgoing coverage by choice because these two groups substantially out-earn their traditional counterparts.

A little more than two-thirds of *on-call workers* had health insurance in 1999, but only one-fifth of them had insurance through their employer. Of those who had insurance from another source, two-thirds were covered under another family member's plan. Nearly 10 percent of on-call workers who had insurance from another source relied on Medicare or Medicaid for health insurance coverage, compared with only 6 percent of traditional workers. Women who worked on-call were more likely than men to have insurance, although men were more likely to have coverage through their employer. This may occur because most women who worked on-call in 1999 were part-timers, and thus may not have been eligible for employer-provided health benefits.

About 29 percent of on-call workers were eligible for their

employer's pension plan, and 23 percent were included in the plan; these rates were about half those for traditional workers. Of the on-call workers who were not included in their employer's pension plan, 80 percent were not allowed to participate in the plan. Men were more likely than women to be eligible for their employer's pension plan, and also were more likely to actually participate in the plan. The reason for men's higher eligibility rate was partially due to men being more likely to work full time.

Temporary help agency workers had the lowest levels of both health insurance coverage and pension coverage among all arrangements. Only 41 percent of temps had health insurance in 1999, and only 9 percent had it through their employer, although the share of temps who had insurance through their employer rose slightly between 1997 and 1999. Women were more likely than men to have insurance. Both sexes were most likely to have it through another family member. In 1999, 31 percent of temps were eligible to participate in their employer's health insurance plan, but nearly half cited cost as their reason for not participating. Only 13 percent of temp workers were eligible to participate in their employer's pension plan, and 6 percent were included in that plan. Both rates were up by 2 percentage points from 1997.

Prior activity of recent starters

In 1996, Anne E. Polivka studied workers in alternative arrangements who had 3 or fewer years of tenure in their respective jobs.¹¹ Polivka analyzed the prior labor force status of recent starters in alternative arrangements, their preferences and reasons for entering into them, and the extent to which these workers were searching for traditional jobs, in an attempt to measure the degree to which workers were being forced into these arrangements by labor market conditions.

Updating portions of Polivka's analysis using the 1999 data reveals that more workers enter alternative arrangements by choice. The 1999 data also show that more workers in alternative arrangements, regardless of tenure, prefer to be in them than was in the case in 1997.

About 30 percent of *independent contractors* had 3 or fewer years of tenure in this arrangement. These short-tenured independent contractors were more likely than traditional workers with similar tenure to have been employed prior to entering the arrangement. (See table 11.) Nearly three-quarters of independent contractors were employed previously—a slightly higher proportion as Polivka reported in 1995. Among the independent contractors who were previously employed, 61 percent had quit their last job, compared with 57 percent in February 1995.

About 68 percent of *contract company workers* with 3 or fewer years of tenure were previously employed prior to en-

Table 11. Prior labor force status of previously employed persons currently in alternative and traditional work arrangements with 3 or fewer years of tenure in current job by school enrollment status, and reason for termination, February 1999

[In thousands]

Characteristic	Workers in alternative arrangements								Workers in traditional arrangements ¹	
	Independent contractors		On-call workers		Temporary help agency workers		Contract company workers			
	Total	Not in school ²	Total	Not in school ²	Total	Not in school ²	Total	Not in school ²	Total	Not in school ²
Prior status										
Total, 16 years and older	2,432	2,321	1,375	1,165	1,039	967	510	478	52,670	45,510
Employed	1,766	1,730	610	530	634	589	346	334	34,060	31,160
Looking for work ³	132	125	241	196	218	199	65	49	6,853	5,501
Not employed directly										
prior to looking	89	82	178	143	147	139	52	37	4,943	3,760
Previously employed	43	43	58	48	69	58	12	12	1,871	1,701
Not in the labor force:										
Going to school	166	98	124	61	56	47	29	23	5,706	3,007
Retired	22	22	45	45	18	18	5	5	401	393
Had personal or family obligations	275	275	133	133	74	74	5	5	3,488	3,418
Other activities	62	62	38	25	36	36	42	42	1,323	1,258
Status not reported	9	9	183	175	4	4	19	19	840	776
Reason for termination from previous job										
Total, 16 years and older (thousands)	1,809	1,773	668	577	702	647	358	346	35,931	32,861
Percent:										
Lost last job	11.4	11.4	13.3	13.8	18.3	18.9	6.5	6.7	9.9	10.6
Quit last job	60.9	60.8	51.8	52.3	49.4	48.1	66.5	65.3	69.3	68.6
Temporary job ended	8.4	8.4	15.0	13.2	20.9	20.6	18.3	18.9	9.2	8.8
Other reason	18.1	18.2	19.5	20.2	11.1	12.0	8.8	9.1	10.3	10.8

¹Workers in traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

²Only individuals 16 to 24 years old are asked for their school enrollment status in February.

³Subcategories do not sum to total looking for work because there were a few individuals whose activity directly prior to looking for work was unknown.

NOTE: Data on tenure of 3 or fewer years exclude persons who did not report specific tenure, but did report that tenure was more than 1 year.

tering into their arrangement—about the same rate as traditional workers. There have been some dramatic shifts in the reasons for separating from the previous job. About 67 percent of contract workers reported they quit their last job in 1999, compared with 47 percent in 1995. In 1999, only 7 percent reported losing their jobs, while those individuals accounted for 17 percent in 1995. About 19 percent of contract workers in 1999 had been in a temporary job that ended, while in 1995, that percentage was 24 percent. The proportion of those in the arrangement who were looking for work prior to becoming contract workers has declined since the first supplement in 1995.

Among the *on-call workers* who were previously employed, 52 percent had quit their last job in 1999. In 1995, this proportion was 44 percent. The percentages of on-call workers who lost their jobs or had temporary jobs that ended were down from that in 1995, suggesting that more of these workers volun-

tarily left permanent jobs to work on-call. (See table 11.) The percentage of on-call workers with 3 or fewer years of tenure who looked for work prior to entering the arrangement—18 percent—suggests that this arrangement may provide access to the labor market for those having difficulty finding employment. The percentage of on-call workers who looked for work prior to entering the arrangement in 1995 was 23 percent.

In 1999, 61 percent of *temporary help agency workers* with 3 or fewer years of tenure were employed prior to entering their arrangements. Surprisingly, this was close to the 65-percent rate for traditional workers. By contrast, 21 percent of new temps were looking for work prior to starting in the arrangement, compared with 13 percent of traditional workers. This was the highest previous unemployment rate across all arrangements in 1999. There has been considerable change over the years: in 1995, about 27 percent of temps were previously unemployed.

It is also interesting to compare the reasons why those temps left their previous jobs to enter the arrangement. Here again, there is a considerable difference between temps and other workers. Temps with 3 or fewer years of tenure in the arrangement were most likely—of any arrangement—to have lost their previous job. About 18 percent of all temps had lost their previous job, compared with only 10 percent of workers in traditional arrangements. (See table 11.) In 1995, this figure was 25 percent for temps. Temps were also the most likely workers in any arrangement to have been in a temporary job that ended prior to becoming a temp worker.

Preference and reason for the arrangement

The overwhelming majority of *independent contractors* were very happy in their arrangement and had entered it voluntarily. About 84 percent of independent contractors reported that they preferred their arrangement to a traditional one in Febru-

ary 1999. (See table 12.) This was unchanged since the 1997 survey. Among independent contractors with 3 or fewer years of tenure, this rate has decreased since 1995, when it was last collected, but only by a small amount. The majority of independent contractors preferred this arrangement rather than being someone else's employee, regardless of prior labor force status. About 10 percent of independent contractors reported being in the arrangement for an economic reason. Even among those who said that they would prefer a traditional arrangement, most were in the arrangement for personal reasons rather than economic ones. (See table 13.)

Among *on-call workers*, fewer than half preferred that arrangement. About 45 percent of them preferred on-call work, compared with 37 percent in 1995. The proportion who said they would prefer a traditional employment arrangement in 1999 was slightly lower as in 1997. (See table 13.) When only those workers with 3 or fewer years in the arrangement were examined, the majority still preferred traditional work, but the

Table 12. Preference of employed persons in alternative work arrangements for a traditional or an alternative work arrangement, by prior activity, February 1999

Preference	Total	With 3 or fewer years of tenure ¹					
		Total	With prior labor force status of—				
			Employed	Looking for work	Going to school	Retired	Had personal or family obligations
Independent contractors							
Total, 16 years and older							
Thousands	8,247	2,432	1,766	132	166	22	275
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prefer traditional arrangement ²	8.5	14.5	14.3	42.1	12.1	(³)	6.5
Prefer alternative arrangement	83.8	77.8	77.8	50.9	79.4	(³)	88.6
It depends	5.2	5.4	6.4	2.7	3.5	(³)	2.6
Preference not available	2.5	2.3	1.6	4.3	5.1	(³)	2.3
On-call workers							
Total, 16 years and older							
Thousands	2,032	1,375	610	241	124	45	133
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prefer traditional arrangement ²	46.7	50.2	52.2	68.9	57.9	(³)	28.0
Prefer alternative arrangement	44.7	41.9	37.5	25.2	38.8	(³)	65.3
It depends	4.8	5.1	5.9	4.6	0.5	(³)	3.7
Preference not available	3.8	2.8	4.4	1.3	2.8	(³)	3.0
Temporary help agency workers							
Total, 16 years and older							
Thousands	1,188	1,039	634	218	56	18	74
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prefer traditional arrangement ²	57.0	59.3	60.7	70.9	(³)	(³)	(³)
Prefer alternative arrangement	33.1	32.7	31.6	18.9	(³)	(³)	(³)
It depends	5.3	4.8	4.1	5.1	(³)	(³)	(³)
Preference not available	4.6	3.2	3.5	5.1	(³)	(³)	(³)

¹Data exclude persons who did not report specific tenure, but did report that tenure was more than 1 year, and include those whose prior activity was classified as "other" and a small number of persons for whom prior activity was not reported.

²Workers in traditional arrangements are those who do not fall into any of

the alternative arrangement categories.

³Data not shown where base is less than 75,000.

NOTE: Data on workers provided by contract firms are not shown because these workers were not asked for their preferences. Detail may not sum to 100 percent due to rounding.

proportion has decreased since 1995. Half of on-call workers preferred a job with regularly scheduled hours, while the proportion in 1995 was 62 percent. Preferences for the arrangement varied depending upon the worker's prior labor force status in the arrangement. For example, 69 percent of workers who were unemployed prior to entering the arrangement would have preferred a traditional job. (See table 12.) For workers who were previously out of the labor force attending to personal or family obligations, only 28 percent preferred a traditional arrangement. Overall, since 1995, there seems to be increased preference for the arrangement regardless of prior status, except in the case of those who attended school prior to working on-call. For them, the proportion preferring a traditional job increased from the 1995 share.

In 1999, only 35 percent of on-call workers were in that arrangement for economic reasons,¹² compared with 47 percent in 1995, and 41 percent in 1997. This suggests that more workers chose to enter the arrangement for reasons unrelated to labor market constraints. The most common economic reason for being in the arrangement was that it was the only type

of work to be found; however, in 1999, these individuals made up only 21 percent of total employment in the arrangement, compared with 27 percent in 1997. (See table 13.)

Note that data on reasons for being in the arrangement and on the preferred arrangement were not collected for contract company workers due to the difficulty of devising questions that would capture the desired information for this group.

The majority of temp workers in 1999—57 percent—would have preferred a traditional job. (See table 12.) This was down slightly from 1997. For temps who had been in the arrangement for 3 years or less, about the same proportion preferred to work in a traditional job, but interestingly, this proportion decreased substantially since 1995 when 66 percent of new temps preferred a traditional job. The decrease occurred both for temps who were previously employed prior to beginning in the temp arrangement and for those who were previously looking for work. The 1999 survey found that more temps were in the arrangement for personal reasons than in 1997, although most temps (53 percent) still cited an economic reason for being in the arrangement. About a third of temps said it was

Table 13. Employed men and women 16 years and older in alternative work arrangements, by reason for arrangement and preference for a traditional work arrangement, February 1999

[Percent distribution]

Reason and preference	Independent contractors			On-call workers			Temporary help agency workers		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Reason for arrangement									
Economic reasons	9.6	10.0	8.9	35.4	39.2	31.9	52.4	55.5	50.1
Could only find this type of employment	2.6	2.5	2.8	21.3	21.1	21.3	32.4	33.3	31.6
This job may lead to permanent one .....	.5	.5	.4	6.2	5.9	6.3	12.3	13.2	11.8
Other economic reasons	6.2	7.0	5.7	8.1	12.0	4.3	7.7	9.0	6.7
Personal reasons	75.6	76.0	74.7	47.0	38.3	55.4	32.0	31.1	32.6
Flexibility of work schedule	25.9	21.9	34.0	28.5	22.9	33.9	17.2	15.8	18.2
Child care problems	3.1	1.3	6.6	1.8	.6	2.9	.5	.6	.4
Other family or personal obligations	1.3	.2	3.4	3.7	1.0	6.3	3.4	1.8	4.7
In school or training .....	.5	.2	1.0	4.4	3.4	5.3	4.7	5.6	4.1
Other personal reasons	44.7	52.4	29.7	8.6	10.4	6.9	6.1	7.4	5.2
Reason not reported	14.8	14.0	16.4	17.5	22.6	12.8	15.7	13.4	17.5
Prefer traditional arrangement									
Economic reasons	33.4	36.0	28.6	61.2	61.7	60.8	65.0	64.7	65.1
Could only find this type of employment	19.0	18.9	19.2	40.0	37.7	42.9	43.0	43.1	42.7
This job may lead to permanent one	2.9	4.4	—	11.0	8.6	13.6	14.5	15.7	13.2
Other economic reasons	11.4	12.5	9.4	10.1	15.6	4.5	7.7	5.9	9.1
Personal reasons	51.9	51.0	53.5	25.2	20.8	29.7	23.2	23.5	22.6
Flexibility of work schedule	19.3	17.4	22.9	13.6	10.7	16.7	10.8	11.4	10.2
Child care problems	3.7	2.2	6.1	1.3	.4	2.2	.4	1.0	—
Other family or personal obligations	2.0	.2	5.7	1.5	.8	2.2	2.8	.7	4.6
In school or training .....	.7	1.1	—	3.9	4.1	3.9	4.4	4.6	4.3
Other personal reasons	26.1	30.1	18.4	4.8	4.9	4.8	4.7	5.9	3.8
Reason not reported	14.7	13.2	18.0	13.6	17.5	9.5	12.0	11.4	12.1

NOTE: Detail may not sum to 100 percent due to rounding. Information was not collected for contract company workers because of the difficulty of devis-

ing questions that would capture the desired information for these workers. Dash indicates data not available.

the only kind of work they could find. And 12 percent were in the arrangement because they hoped that the job would lead to a permanent position. (See table 13.)

Job search

Job search activity among workers in alternative arrangements corresponds closely with their preference for and satisfaction with their current arrangements. (See table 14.) The pattern has stayed about the same since the 1995 survey: independent contractors had job search rates similar to those of traditional workers; and contract company workers, on-call workers, and temporary help agency workers had rates higher than those of their traditional counterparts.

The job search activity of independent contractors mirrored the activity of traditional workers. Only 3 percent of all independent contractors had searched for a new job in the 3 months prior to the survey; this rate was 4 percent for traditional workers. For independent contractors with 3 or fewer years of tenure, 7 percent had searched for a new job, compared with 6

percent of traditional workers.

In 1995, the job search activities of on-call workers and contract company workers were very similar. In 1999, however, the two groups diverged somewhat—particularly for workers with 3 or fewer years of tenure in the arrangement. On-call workers had a job search rate of 17 percent, and contract workers had a 12 percent rate. In the 1995 survey, the rates for new on-call workers and contract workers were 19 percent and 20 percent, respectively.

Temp workers saw a drop of about 7 percentage points in new job searches since the first survey. Their job search rate was still nearly six times the rate for traditional workers—about the same magnitude as in 1995.

As would be expected, there was considerably more job search activity for persons who preferred to be in a traditional work arrangement. Among the relatively small number of independent contractors who preferred to be someone else's employee, 23 percent were searching for a new job. For on-call workers who preferred a job in which they would work regularly scheduled hours, 24 percent were searching for a new

Table 14. Job search of employed workers in alternative and traditional work arrangements who searched for a job in the previous 3 months, by selected characteristics, February 1999

[Percent distribution]

Characteristic	Workers in alternative arrangements				Workers in traditional arrangements ¹
	Independent contractors	On-call workers	Temporary help agency workers	Contract company workers	
Total					
Total, 16 years and older					
Thousands	8,247	2,032	1,188	769	119,110
Percent	100.0	100.0	100.0	100.0	100.0
Searched for a job	5.3	19.4	27.4	12.7	5.3
Searched for a new job	3.2	14.1	24.2	10.9	4.3
"Permanent"	2.7	12.8	22.6	9.4	3.8
Temporary .....	.2	.7	.8	.5	.2
Any type .....	.4	.6	.9	1.0	.2
With 3 or fewer years of tenure²					
Searched for a job	10.8	23.3	28.8	14.4	8.0
Searched for a new job	7.0	16.6	26.1	11.8	6.3
"Permanent"	5.7	15.0	24.8	11.1	5.5
Temporary .....	.2	1.1	.6	⁽³⁾	.4
Any type	1.1	.5	.6	.4	.4
Prefer a traditional arrangement					
Searched for a job	28.6	32.0	37.3	⁽⁴⁾	⁽⁵⁾
Searched for a new job	23.4	24.0	34.2	⁽⁴⁾	⁽⁵⁾
"Permanent"	19.3	22.3	32.5	⁽⁴⁾	⁽⁵⁾
Temporary	0.7	.5	.8	⁽⁴⁾	⁽⁵⁾
Any type	3.5	1.2	.8	⁽⁴⁾	⁽⁵⁾

¹ Workers in traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

² Excludes persons who did not report specific tenure, but did report that tenure was more than 1 year.

³ Less than 0.05 percent.

⁴ Workers provided by contract firms were not asked their preference.

⁵ Not applicable.

NOTE: Detail may not sum to total due to rounding.

job. For temps who preferred to work in a traditional arrangement, this rate was 34 percent. All of these rates dropped from the 1995 survey. For temps, the rate fell by 10 percentage points from 44 percent in 1995. Nearly all workers (regardless of their arrangement) who preferred a traditional arrangement were looking for a permanent job rather than a temporary job.

PREFERENCE FOR AND SATISFACTION WITH THEIR JOBS has increased among workers in alternative arrangements since 1995. There is a clear dichotomy between independent contractors and contract company workers on one hand, and temporary agency workers and on-call workers on the other, in terms of arrangement preferences. The former group overwhelmingly prefers to be in their arrangements, while the latter group prefers

traditional arrangements.

Because of the claim that their job was the only one they could find, a significant proportion of temps and on-call workers might very well be unemployed without these arrangements. These alternative arrangements allow a level of flexibility that most traditional jobs do not. Mothers with small children, people going to school, and people taking care of family members can balance these responsibilities with working.

While there continue to be startling disparities between some of these arrangements and traditional jobs in terms of health insurance coverage, pension coverage, and earnings, these disparities are at least partially the result of differences in demographics, education levels, the occupational makeup of these arrangements, and personal choice. □

Notes

¹ The Current Population Survey (CPS) is a monthly survey of 50,000 households in the U.S. The first supplement to the CPS on contingent and alternative work arrangements was conducted in February 1995. Subsequent surveys were done in February 1997 and February 1999.

² The issue of “good jobs—bad jobs” is discussed in Neal H. Rosenthal, “More than wages at issue in job quality debate,” *Monthly Labor Review*, December 1989, pp. 4–8. See also Joseph R. Meisenheimer II, “Services industry in the ‘good’ versus ‘bad’ jobs debate,” *Monthly Labor Review*, February 1998, pp. 22–47.

³ See, for example, Helene J. Jorgensen, *When Good Jobs Go Bad* (Washington, DC, 2030 Center, 1999).

⁴ See, for example, Katharine G. Abraham and Susan K. Taylor, “Firms’ Use of Outside Contractors: Theory and Evidence,” *Journal of Labor Economics*, July 1996.

⁵ See, for example, Anne E. Polivka, “Into contingent and alternative employment: by choice?” *Monthly Labor Review*, October 1996, pp. 55–74.

⁶ See “Contingent Workers & Alternate Work Arrangements” articles in the *Monthly Labor Review*, October 1996.

⁷ It should be noted that the classification of workers in alternative employment arrangements was made separately from their contingent work status, that is, whether the job was temporary or not expected to

continue. Individuals employed in alternative arrangements were classified as contingent only if they met the requisite criteria.

⁸ See, for example, Arne L. Kalleberg and others, *Nonstandard Work, Substandard Jobs* (Washington, DC, Economic Policy Institute and Women’s Research and Education Institute, 1997).

⁹ See Anne E. Polivka, Sharon R. Cohany, and Steven Hipple, “Definition, Composition, and Economic Consequences of the Nonstandard Workforce” in *Nonstandard Work: The Nature and Challenges of Changing Employment Arrangements* (Chicago, Industrial Relations Research Association, 2000).

¹⁰ For an example of this type of analysis, see Marianne A. Ferber and Jane Waldfogel, “The long-term consequences of nontraditional employment,” *Monthly Labor Review*, May 1998, pp. 3–12; see also, Lewis M. Segal and Daniel G. Sullivan, “The Nature of Temporary Services Employment: Evidence from State UI Data,” *Journal of Economic Perspectives*, 1997.

¹¹ This analysis for those with 3 or fewer years of tenure was not done for the 1997 Contingent and Alternative Work Supplement; however, basic data on preference and reasons for being in the arrangements were collected that year.

¹² Nearly 18 percent of workers in the on-call arrangement who were surveyed did not provide a reason for being in the arrangement.