



U.S. Department of Labor
Bureau of Labor Statistics

Are Workers More Secure?

Between February 1995 and 1997, the proportion of workers holding contingent jobs declined slightly. (See table.) Some contingent jobs are explicitly temporary; others are held by persons who do 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 slight decline in the contingency rate could suggest that job security had increased somewhat over the 2-year period.¹ Confidence in that conclusion would be enhanced if the decline in contingency or “insecurity” were consistent with other data from the survey, were broadly spread among demographic and economic groups, and were supported by other measures of job security.

The data from the supplement support the finding of increased job security. In 1995,

¹ 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 in the CPS also provide a useful approach to measuring job security.

The definition of a contingent worker is any individual 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, assuming their work performance remains adequate and economic conditions stay the same.

Wage and salary workers were asked the following questions:

- Some people are in temporary jobs that only last for a limited time or until the completion of a project. Is your job temporary?
- 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?

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.

34.7 percent of contingent workers said they were in this type of job because of economic factors, such as the “hope that this job would lead to permanent employment.” The biggest single economic factor, 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” category.

While the number of workers taking contingent jobs for economic reasons was declining, the number and share citing personal reasons were rising. These reasons include family obligations, flexibility of work schedule, and being in school. In 1995, 41 percent of contingent workers reported such personal reasons for accepting a contingent job. By 1997, more than 48 percent of contingent workers cited personal reasons. These comparisons indicate that contingency was more likely to be voluntary in 1997 than in 1995.

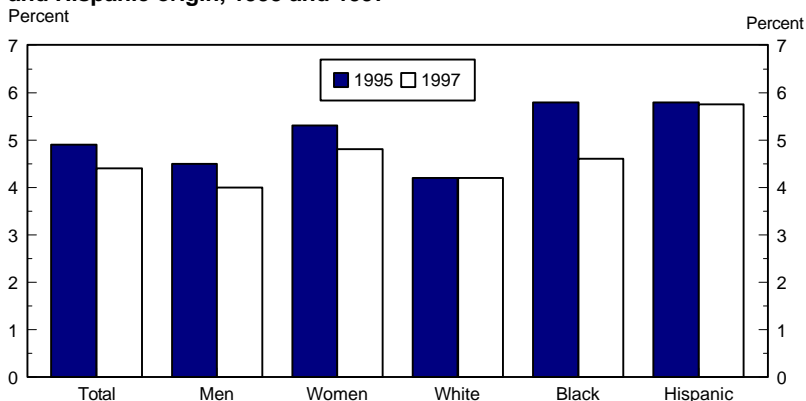
The decline in contingency was widespread. Contingency rates for men and women declined by half a percentage point, in line with the fall in the total. Among the major race and ethnic groups, the rate for

black workers’ fell by a full percentage point, while rates for 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 10 major industry divisions, contingency fell in 5, rose in 3, and was little changed in 2. The fall in contingency was widespread among industries and occupations and evenly spread among men and women.

Job tenure. To analyze employment security, analysts often use statistics on tenure with one’s current employer and data on job displacement. The most recent report on tenure found that the overall median tenure had risen slightly by the mid-1990s. The rise was very uneven across gender lines, suggesting that men may feel slightly less secure while women may feel a bit more secure. Tenure data, however, must be analyzed carefully in studies of job security. For example, in the mining industry, which has undergone major structural changes, employment dropped by 300,000 between 1983 and 1996 while median tenure rose from 3.4 to 6.1 years.

Displacement. Between 1991-92, about 2.8

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



rate fell from 3.9 percent to 3.2 percent. This decline may indicate some degree of improved job security. These data also conform to a tendency of displacement rates to rise and fall

with unemployment rates. For the first quarters of 1995 and 1997, the jobless rates were 5.5 and 5.3 percent, respectively. In comparison, the unemployment rate average 7.5 percent in 1992.

The contingent worker supplements to the CPS provide insights on workers' perceptions of employment security. Despite concerns about job security in today's economy, recent contingency data suggests job security is increasing. Rising security is supported by data on reasons for contingent work and is widespread among sex, occupation, and industry groups. A sense of rising security is also consistent with the low unemployment rate in 1997 and with earlier declines in displacement.

An earlier version of this report appeared in *Monthly Labor Review*, March 1998. For additional information on the contingent work force and job security, contact Richard M. Devens, Jr., Office of Publications and Special Studies, Bureau of Labor Statistics, Room 2850, 2 Massachusetts Avenue, NE, Washington, DC 20212. Telephone (202) 606-5865; E-mail: Devens_R@bls.gov

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Percent of workers holding contingent jobs by occupation and industry, February 1995 and February 1997

Occupation and industry	February 1995	February 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