

What is the Cost of Precarious Employment?

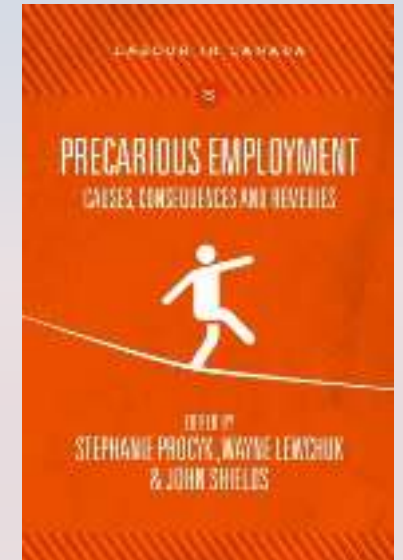
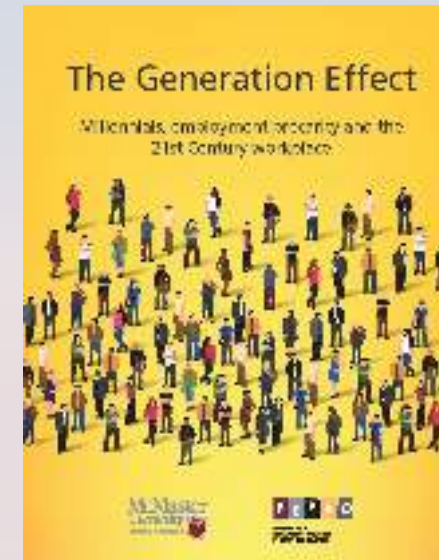
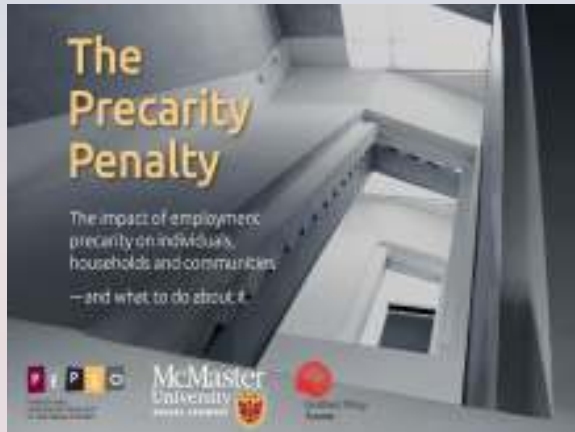
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Economics
McMaster University



Peterborough November 6, 2018

The Poverty and Employment Precarity in Southern Ontario (PEPSO) research project

- Joint initiative of McMaster University and United Way Greater Toronto
- Funded by the Social Sciences and Humanities Research Council
- Initial focus was the GTHA labour market
- Now includes studies in Peterborough, London and St. Catharines



What is precarious employment?



How did we get to where we are today?



What is precarious employment?

- There have always been insecure jobs
- Sometime after the mid-1970s something changed
- The kinds of jobs my dad had became less common and the kinds of jobs my mom had became more common

Defining Precarious Employment

- **Form of the employment relationship**
 - Is it temp agency work, short-term, casual, own account self-employed?
- **Characteristics of the employment relationship**
 - **Employment Precarity Index**

The Employment Precarity Index

What is included?

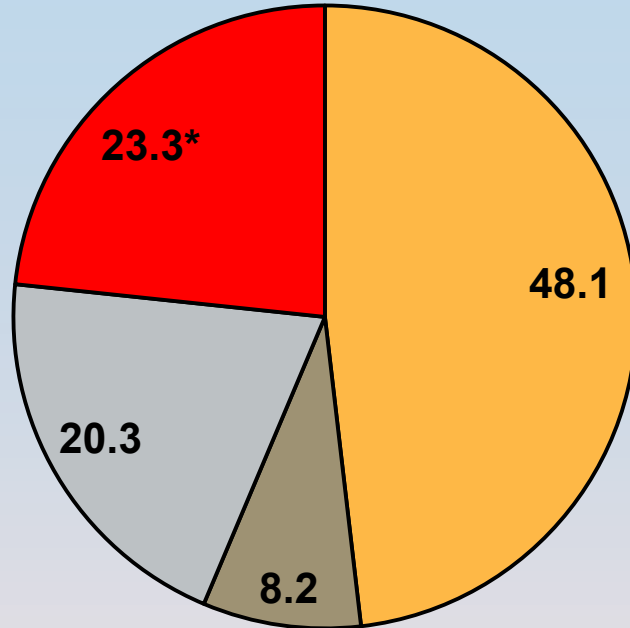
- ⦿ Not paid if miss work
- ⦿ Not in standard employment relationship
- ⦿ Weekly income not stable
- ⦿ Hours worked not stable
- ⦿ Work on-call
- ⦿ Don't know work schedule in advance
- ⦿ Paid in cash
- ⦿ Temporary employment
- ⦿ No benefits
- ⦿ Weak voice at work

What is not included?

- ⦿ Income

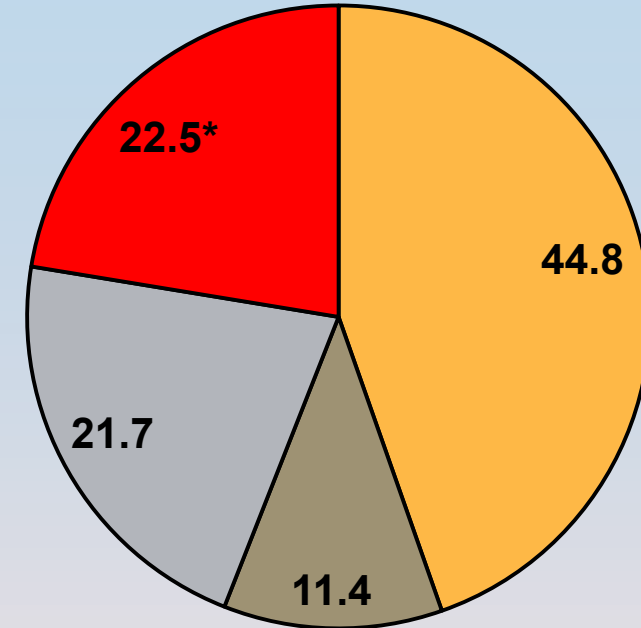
Form of the Employment Relationship: Age 25-65

GTHA 2014



- Permanent fulltime with benefits
- Permanent parttime
- Precarious forms
- Other

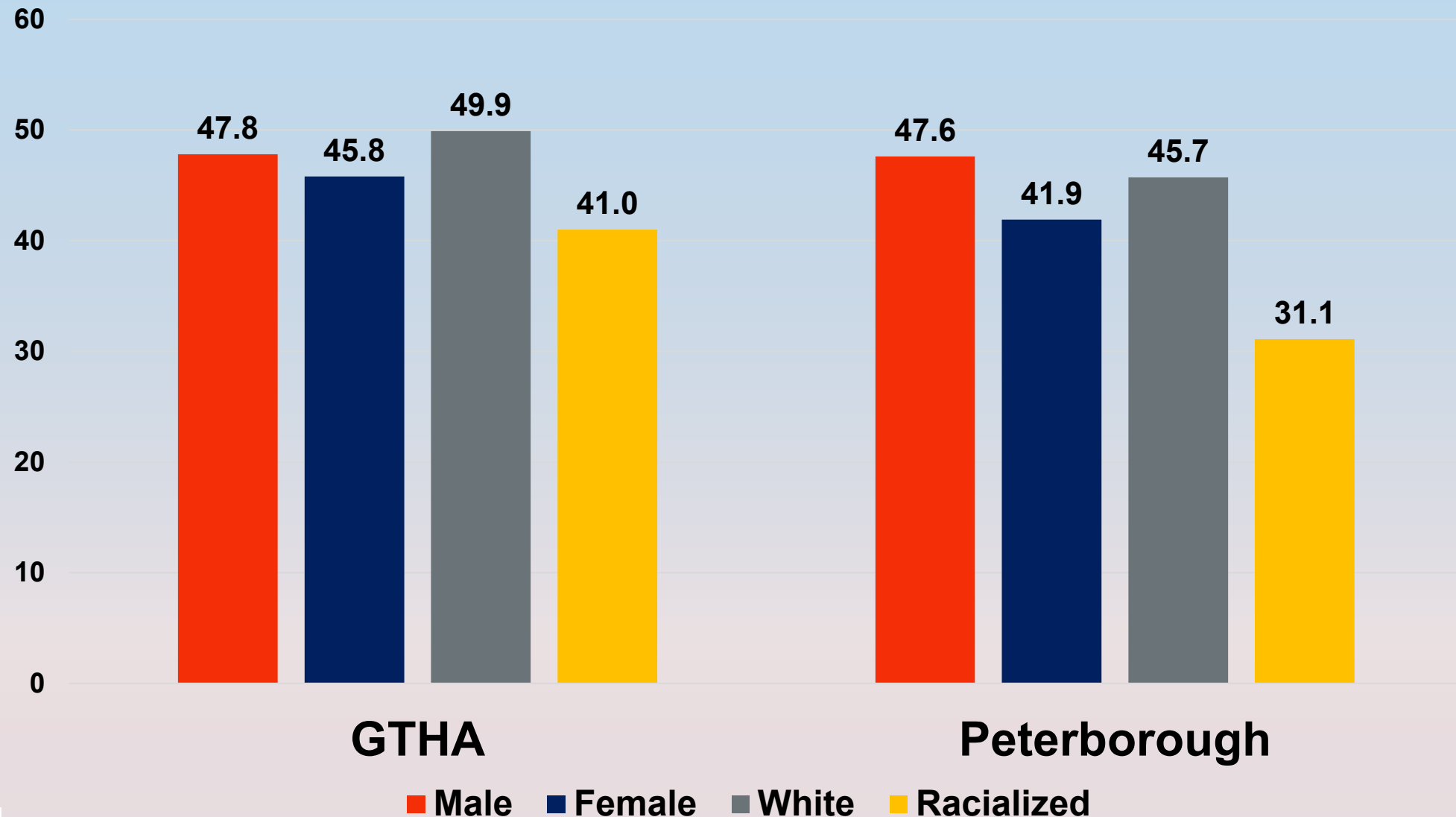
Peterborough 2017



- Permanent fulltime with benefits
- Permanent parttime
- Precarious forms
- Other

* Other includes workers in permanent full-time employment without benefits, or with variable hours plus self-employed with employees

Permanent full-time employment with benefits (%)



How did we get here?

1650-1950

1600s



British Poor
Laws 1834



MBW
1950s



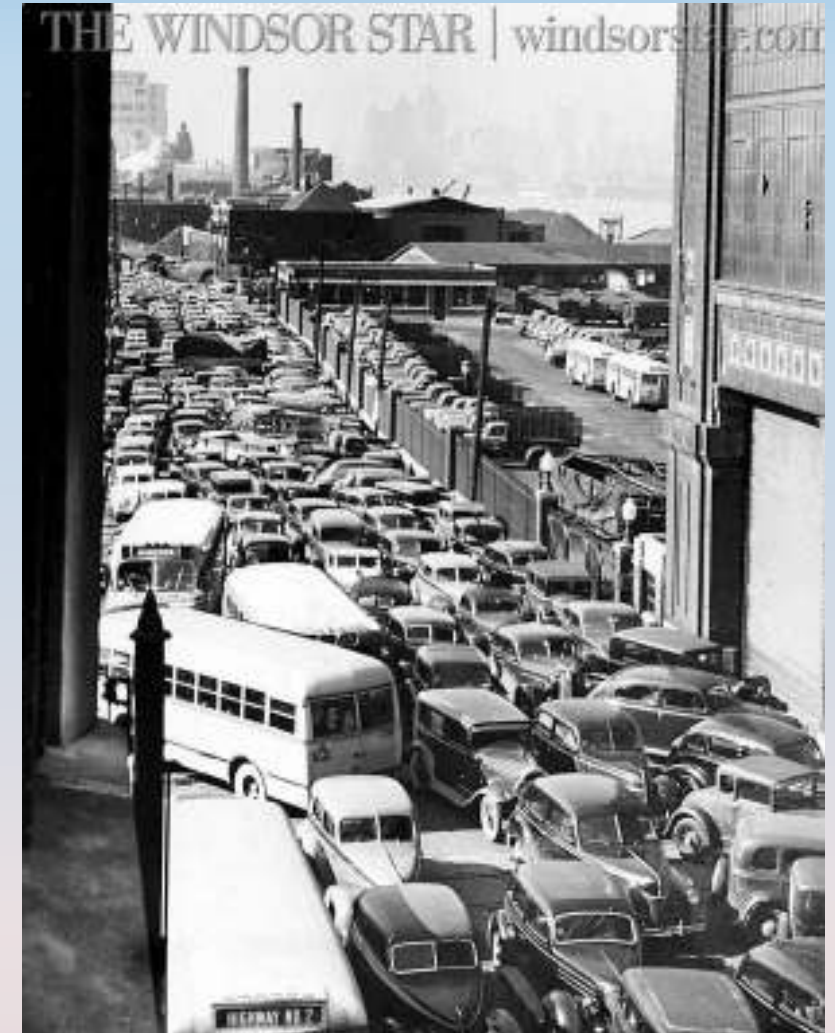
Pullman
strike 1894



The Canadian Story



Winnipeg General Strike 1919

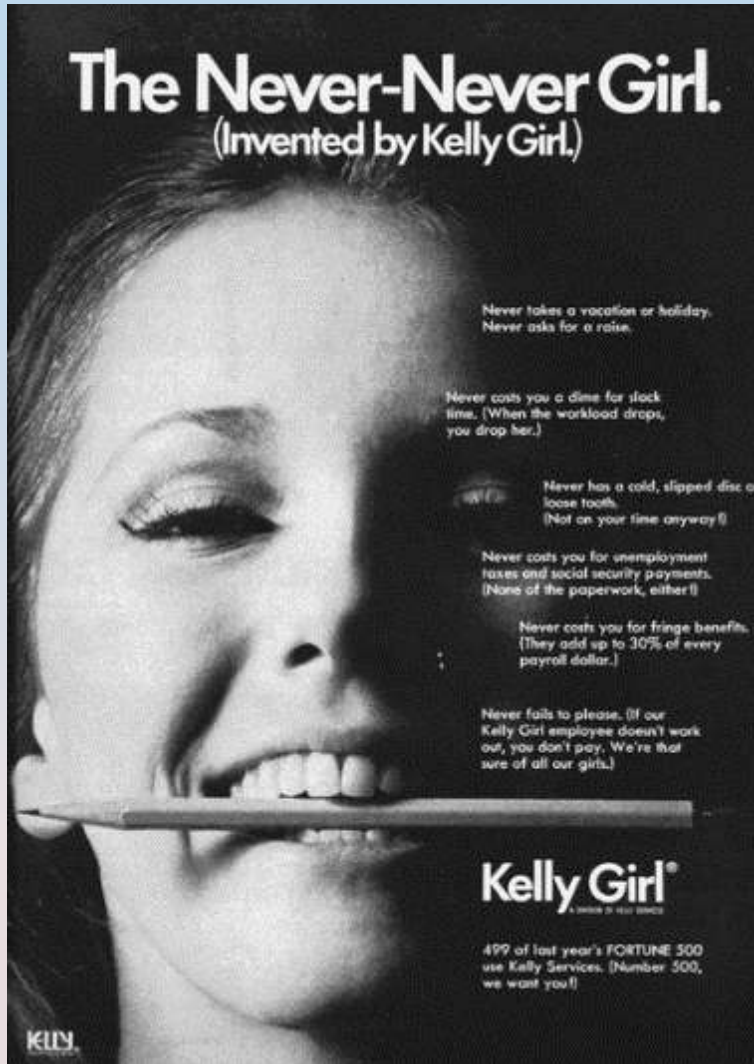


**Ford Windsor Power Plant
blockade 1945**

Treaty of Detroit 1950 & The Standard Employment Relationship & The Male Breadwinner Model



The anti-employment security campaign



The Never-Never Girl.
(Invented by Kelly Girl.)

- Never takes a vacation or holiday.
Never asks for a raise.
- Never costs you a dime for sick time. (When the workload drops, you drop her.)
- Never has a cold, slipped disc or loose tooth.
(Not on your time anyway!)
- Never costs you for unemployment taxes and social security payments. (None of the paperwork, either!)
- Never costs you for fringe benefits. (They add up to 30% of every payroll dollar.)
- Never fails to please. (If our Kelly Girl employee doesn't work out, you don't pay. We're that sure of all our girls.)

Kelly Girl®
A DIVISION OF KELLY SERVICES

499 of last year's FORTUNE 500 use Kelly Services. (Number 500, we want you!)

KELLY



**Turn extra time into extra money.
Call Kelly Services,
the temporary help people.**

If you have extra time in your schedule and you want to earn extra money, call Kelly Services, the temporary help people. We want to help.

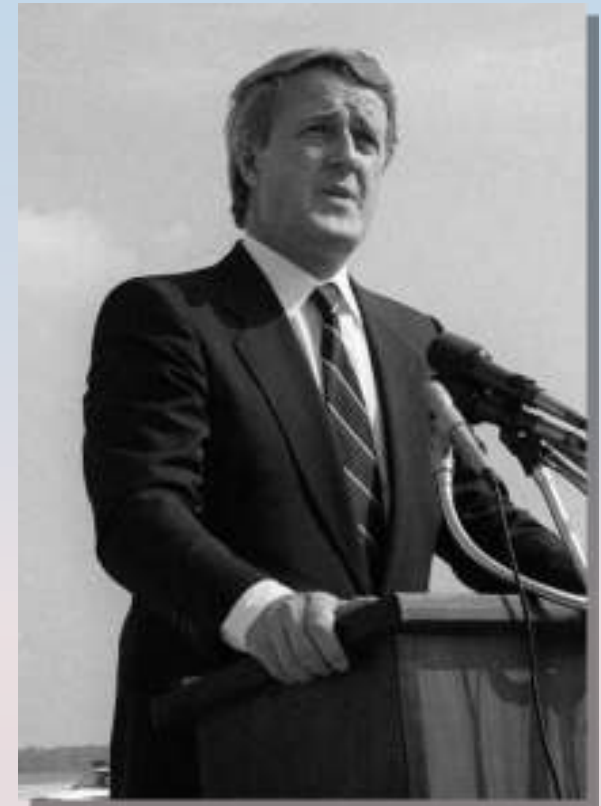
With Kelly, you can work a flexible schedule on our temporary assignments. We're not an employment agency. You pay no fee and sign no contracts.

There are over one hundred different job classifications in the Kelly Service Description System so you'll be able to stretch your job experience and sharpen your skills. You'll be working with a leader in the temporary help business. And, of course, you'll be making good money. So look in the white pages and call — or stop in — the Kelly Services office near you. Let Kelly Services, the temporary help people, work for you.

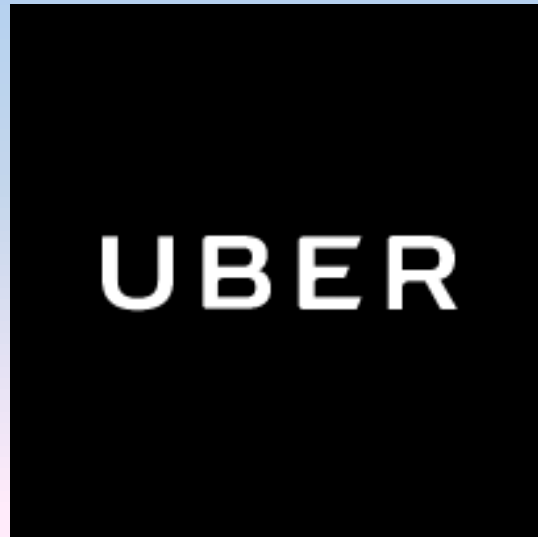
KELLY The "Kelly Girl" People
SERVICES

Let Kelly work for you.

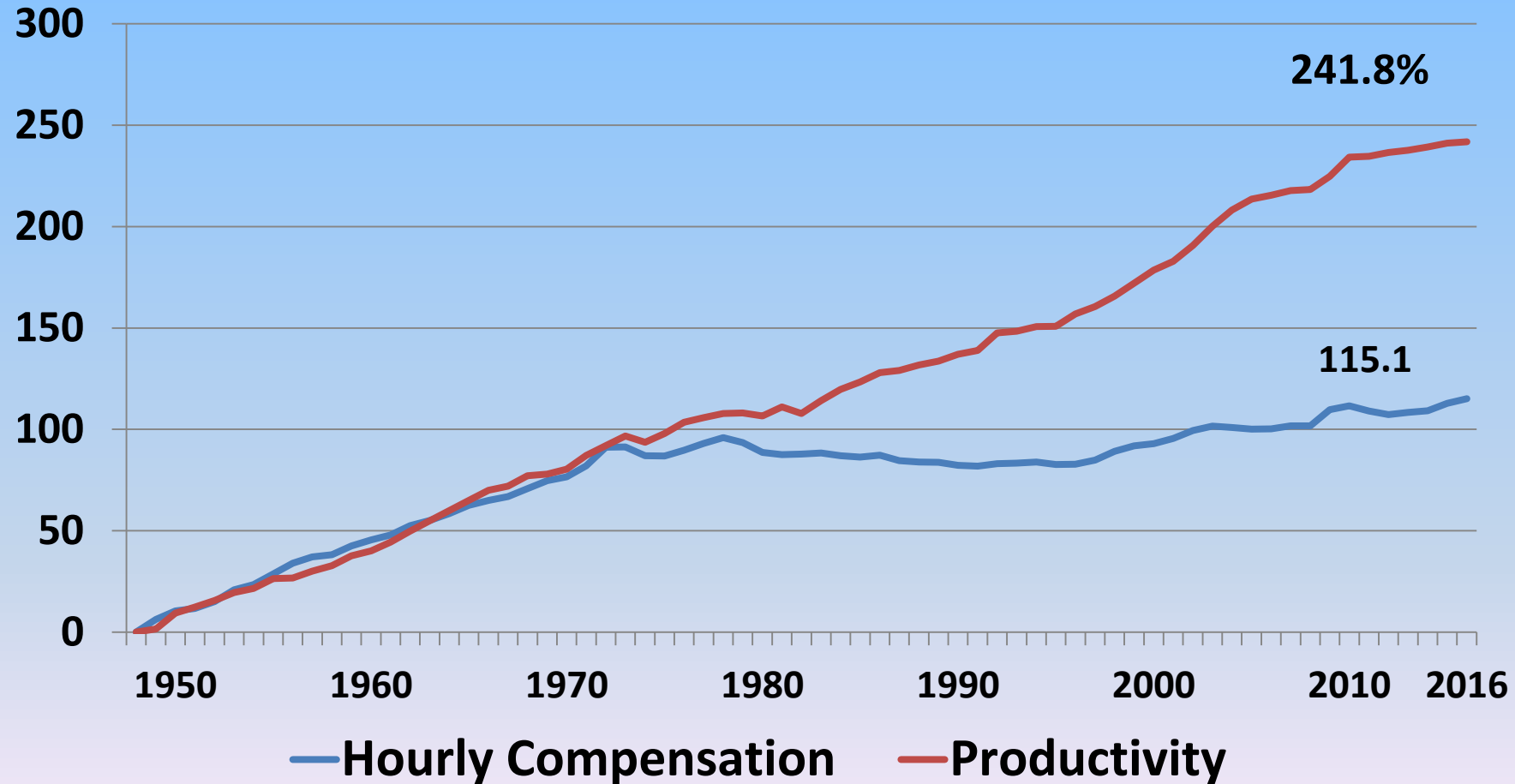
The Neoliberal Revolution and the Marketized Economy



The GIG Economy



Cumulative percentage change in hourly wages and benefits and net productivity per hour: United States 1948-2016 (%)



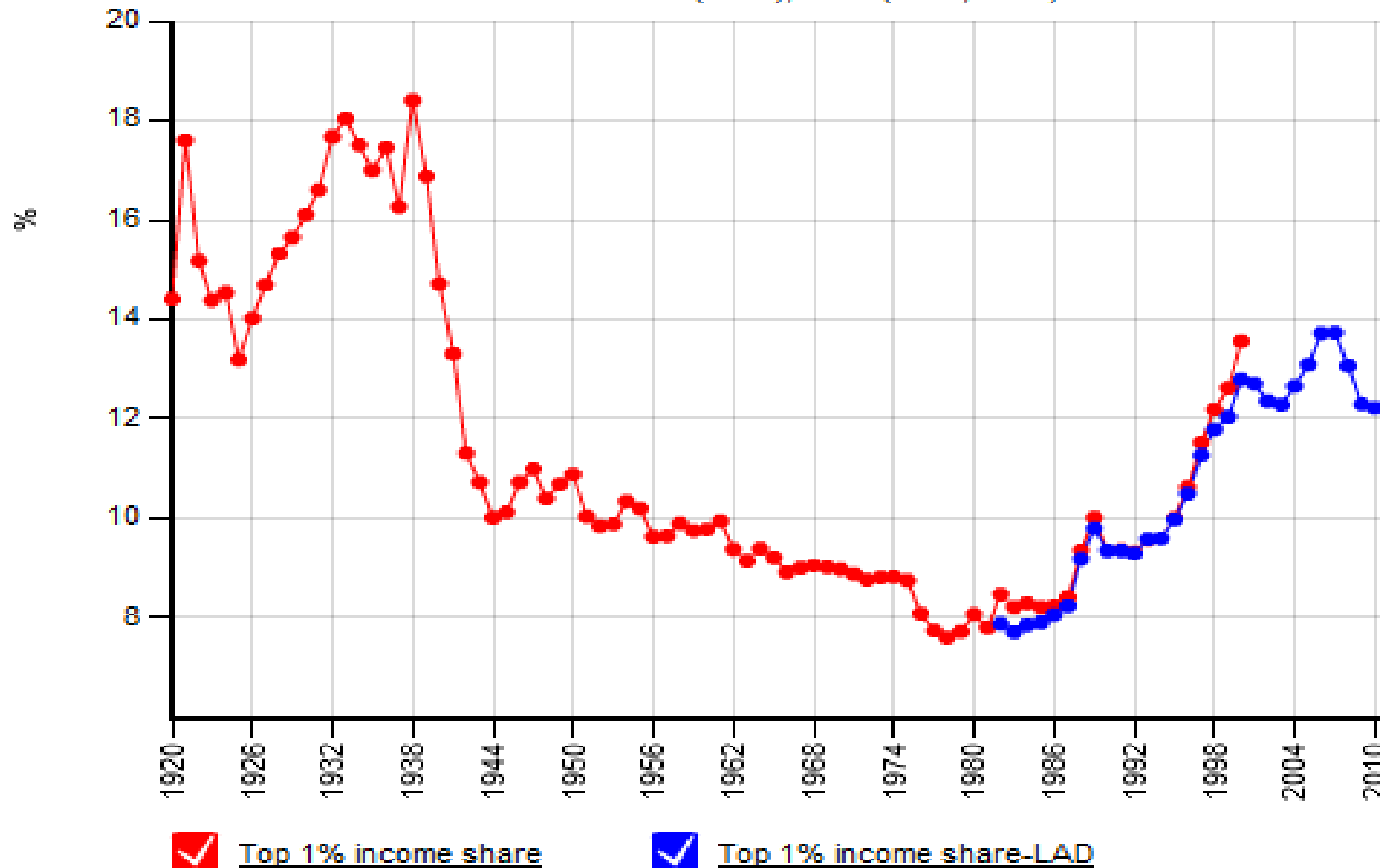
Notes: Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector. They represent about 80 percent of payroll compensation. "Net productivity" is the growth of output of goods and services in the total economy less depreciation per hour worked.

Source: EPI analysis of Bureau of Labor Statistics and Bureau of Economic Analysis data. <http://www.epi.org/productivity-pay-gap/>

Income is less equally distributed

Top income shares. Canada. 1920-2010

Sources: The World Top Incomes Database. <http://topincomes.g-mond.parisschoolofeconomics.eu/>
Saez & Veall (2007); Veall (2010, 2012)



What is the cost of precarious employment?

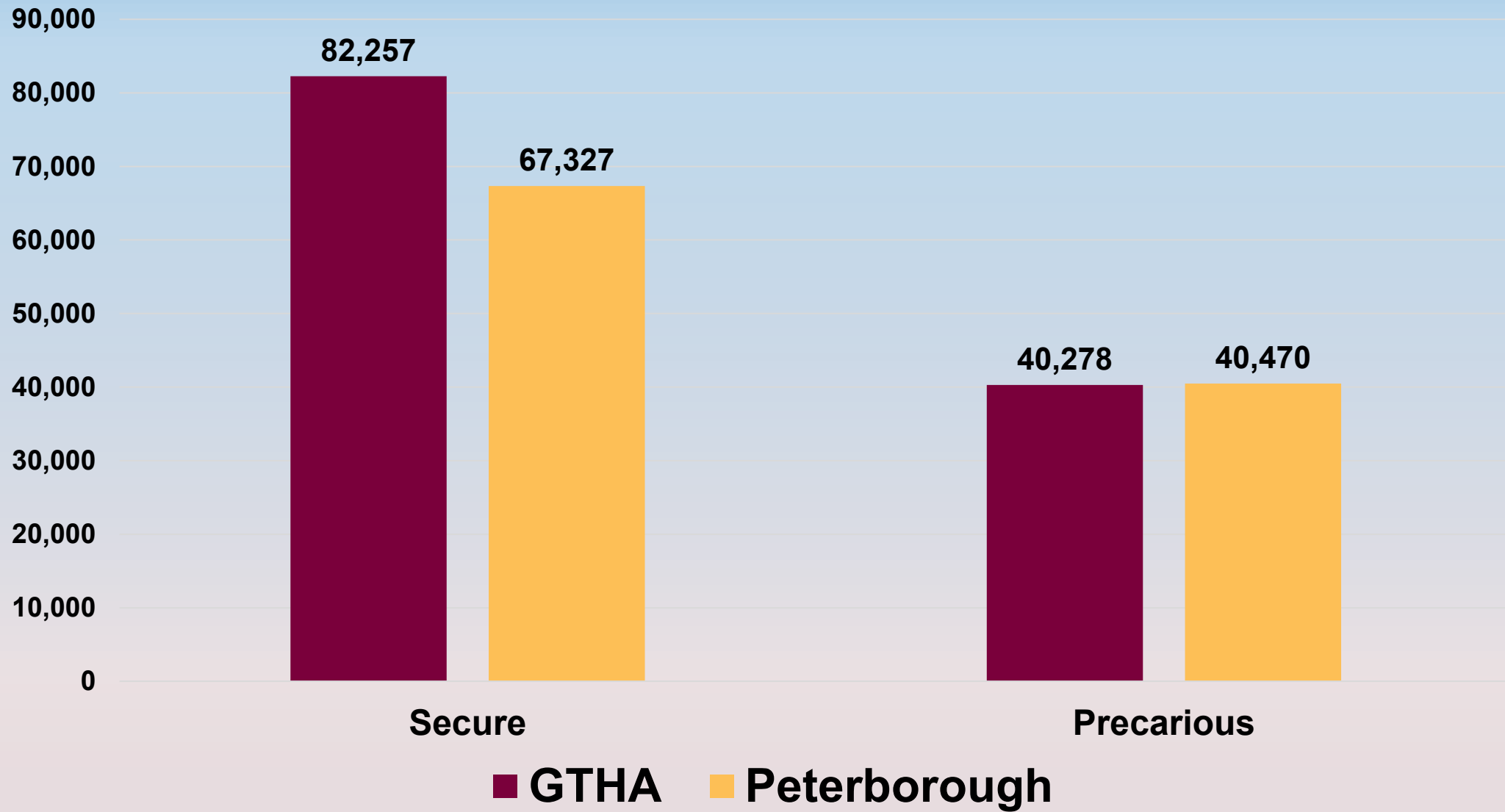
- Individuals
- Households
- Communities



What is the cost of precarious employment for individuals?

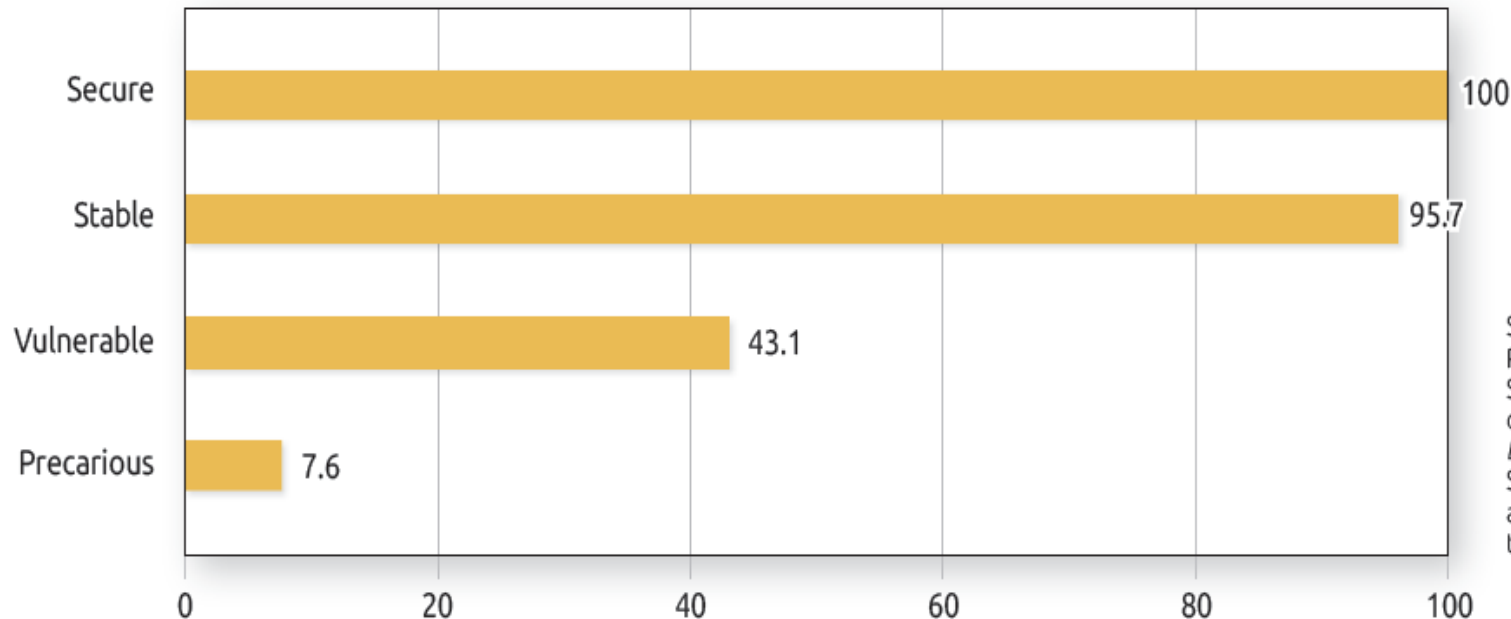


Individual Income: Age 25-65 (\$2011)



Workers in precarious employment do not receive supplemental health benefits

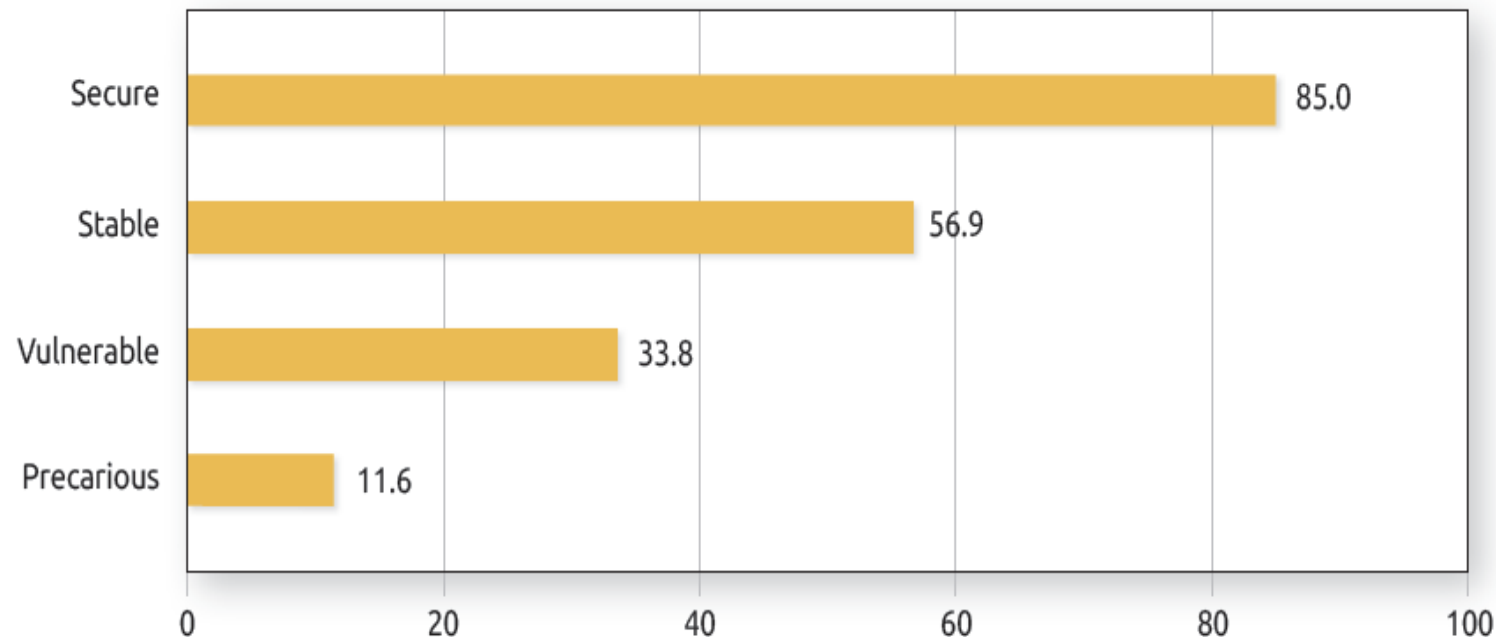
Figure 33: Employer funds drug, vision and/or dental benefits by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p \leq .001$. This
question is included in the
Employment Precarity Index.
Survey respondents were
asked if they have any of
these benefits.

Workers in precarious employment do not receive pension benefits

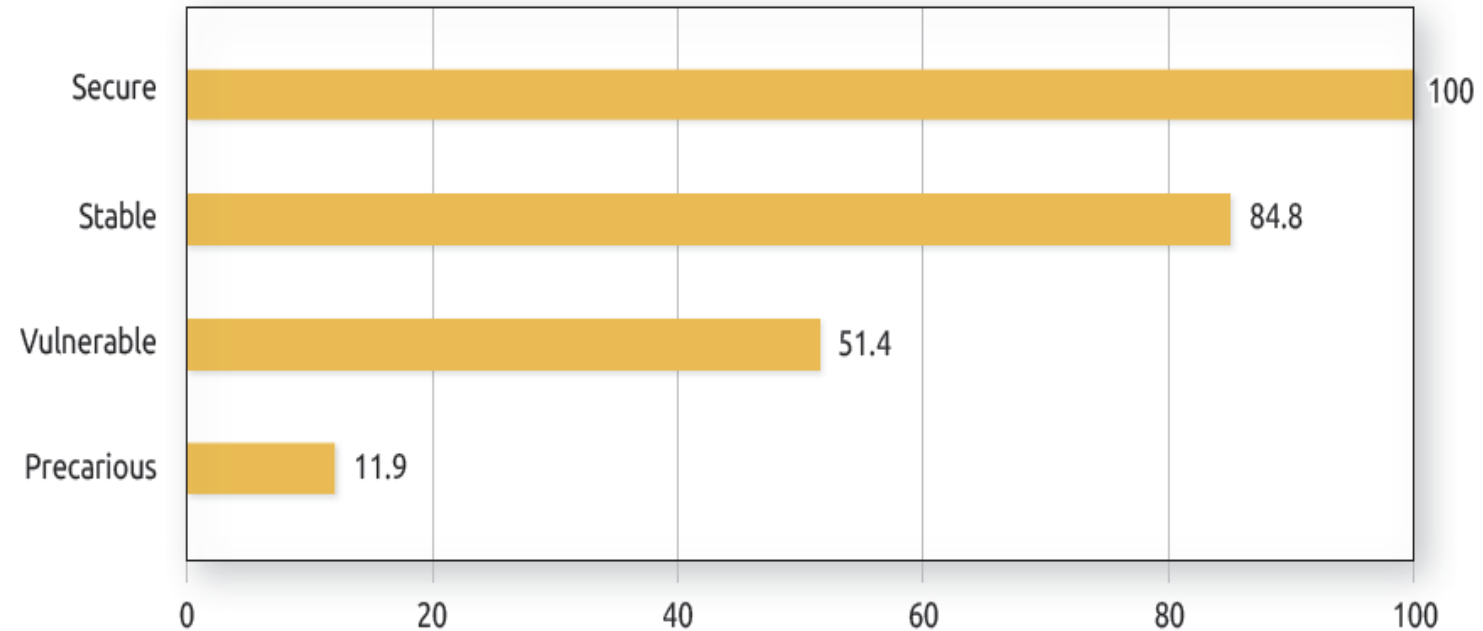
Figure 31: Employer contributes to a company pension by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p \leq .001$.
This question is included
in the *Employment
Precarity Index*.

Workers in precarious employment do not get paid if they miss work.

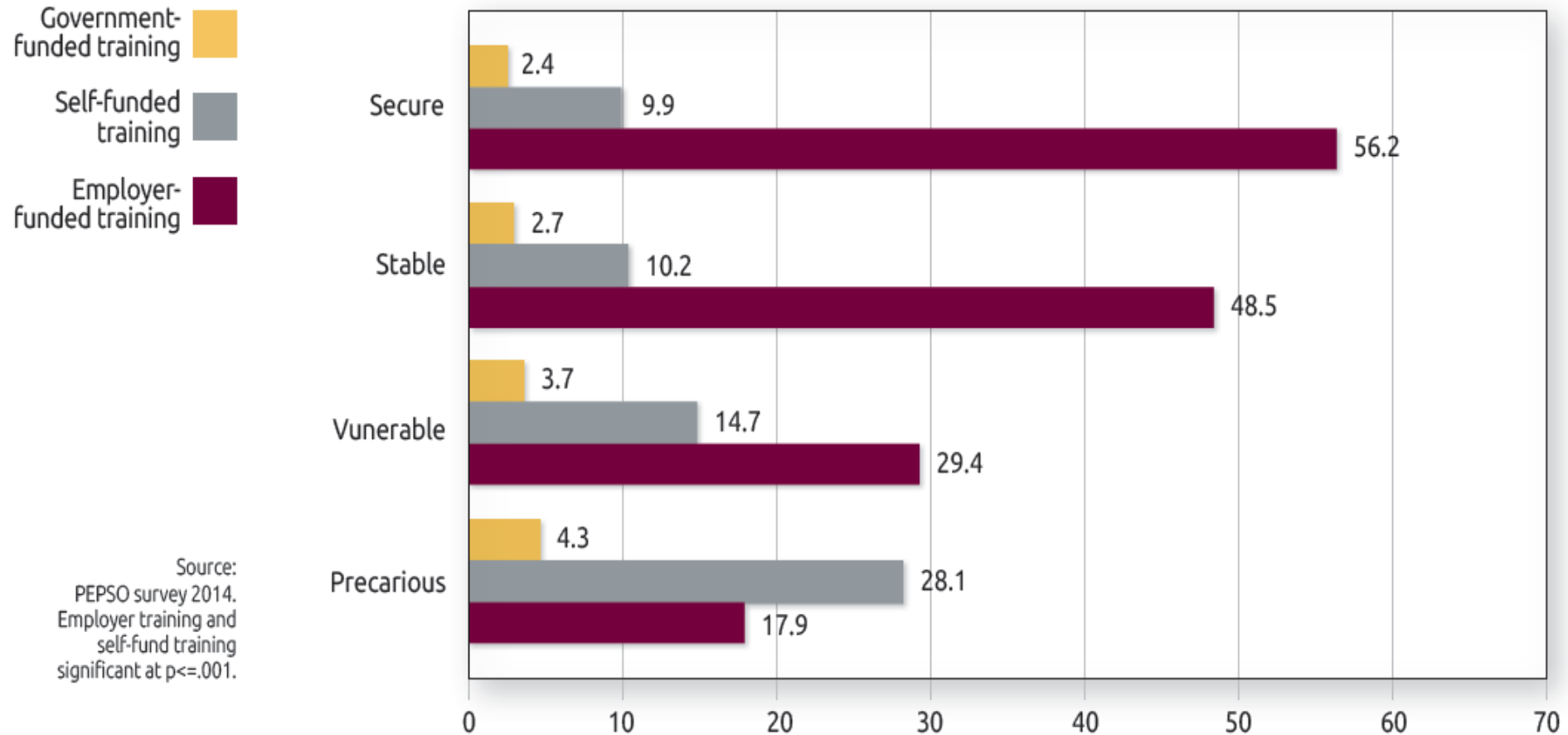
Figure 35: Paid if misses a day's work by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p \leq .001$. This
question is included in the
Employment Precarity Index.

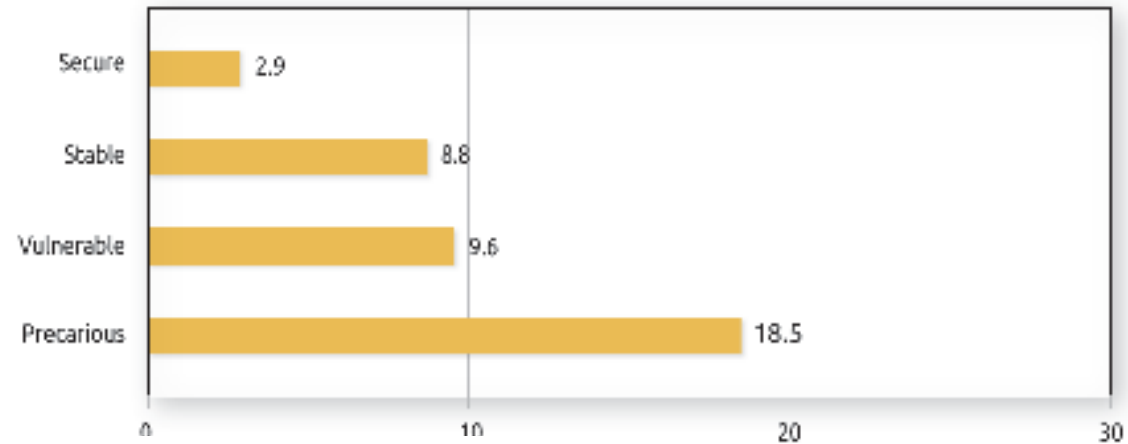
They have less access to training

Figure 37: Access to training by employment security (%)



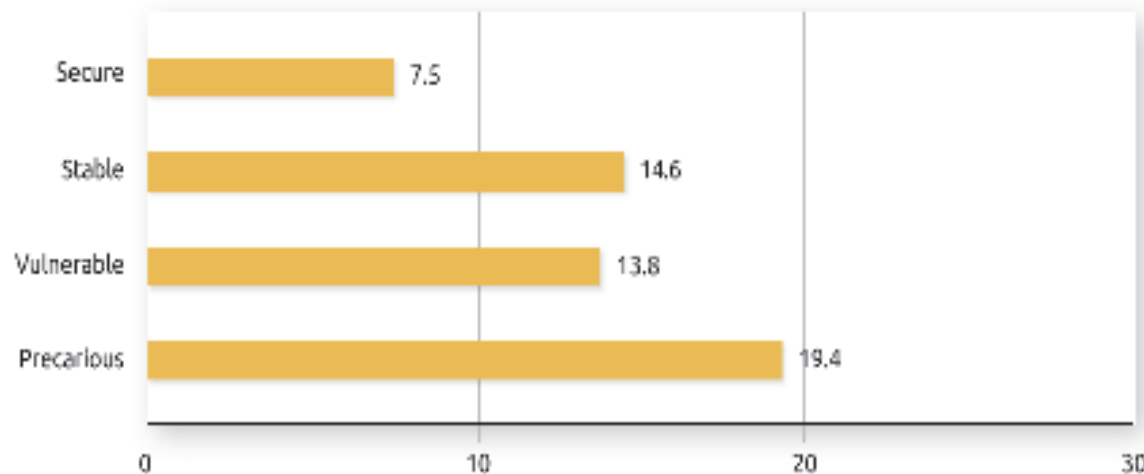
Workers in precarious employment face more discrimination

Figure 46: Discrimination is a barrier to getting work by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p < .001$.

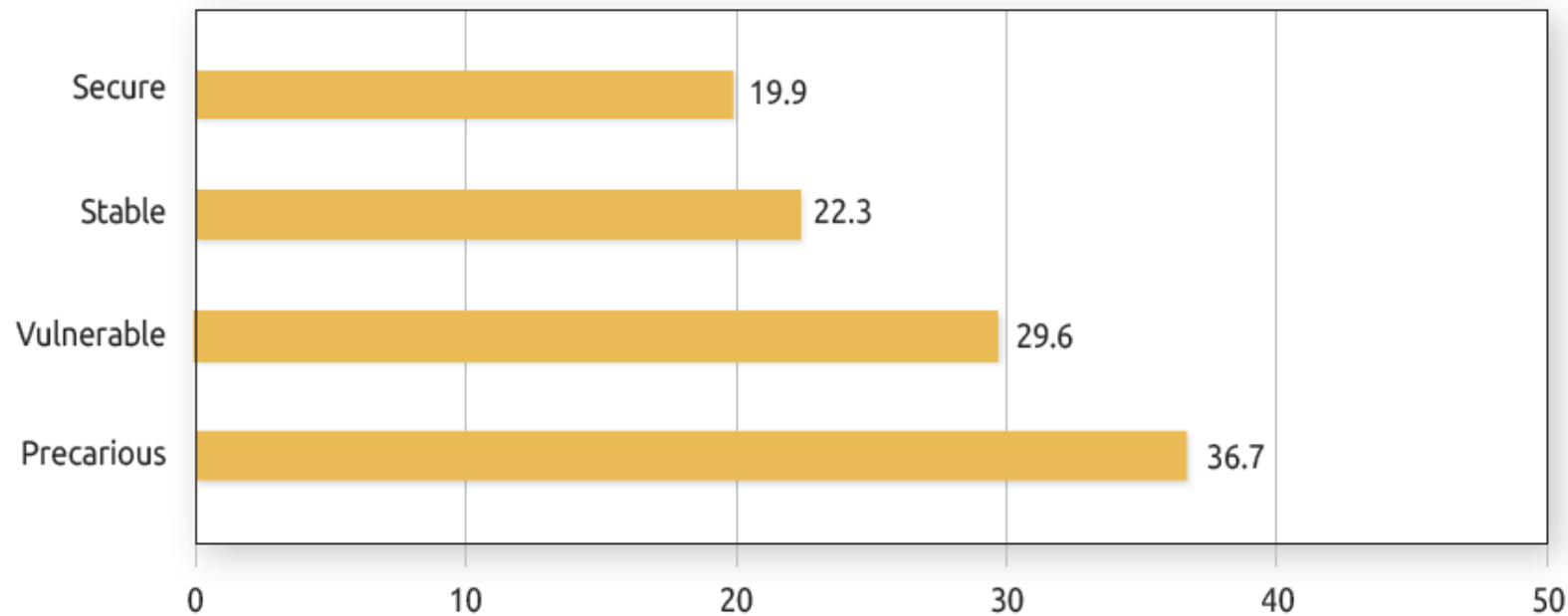
Figure 52: Discrimination is a barrier to advancement by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p < .001$.

Precarious employment is associated with increased risk of mental health issues.

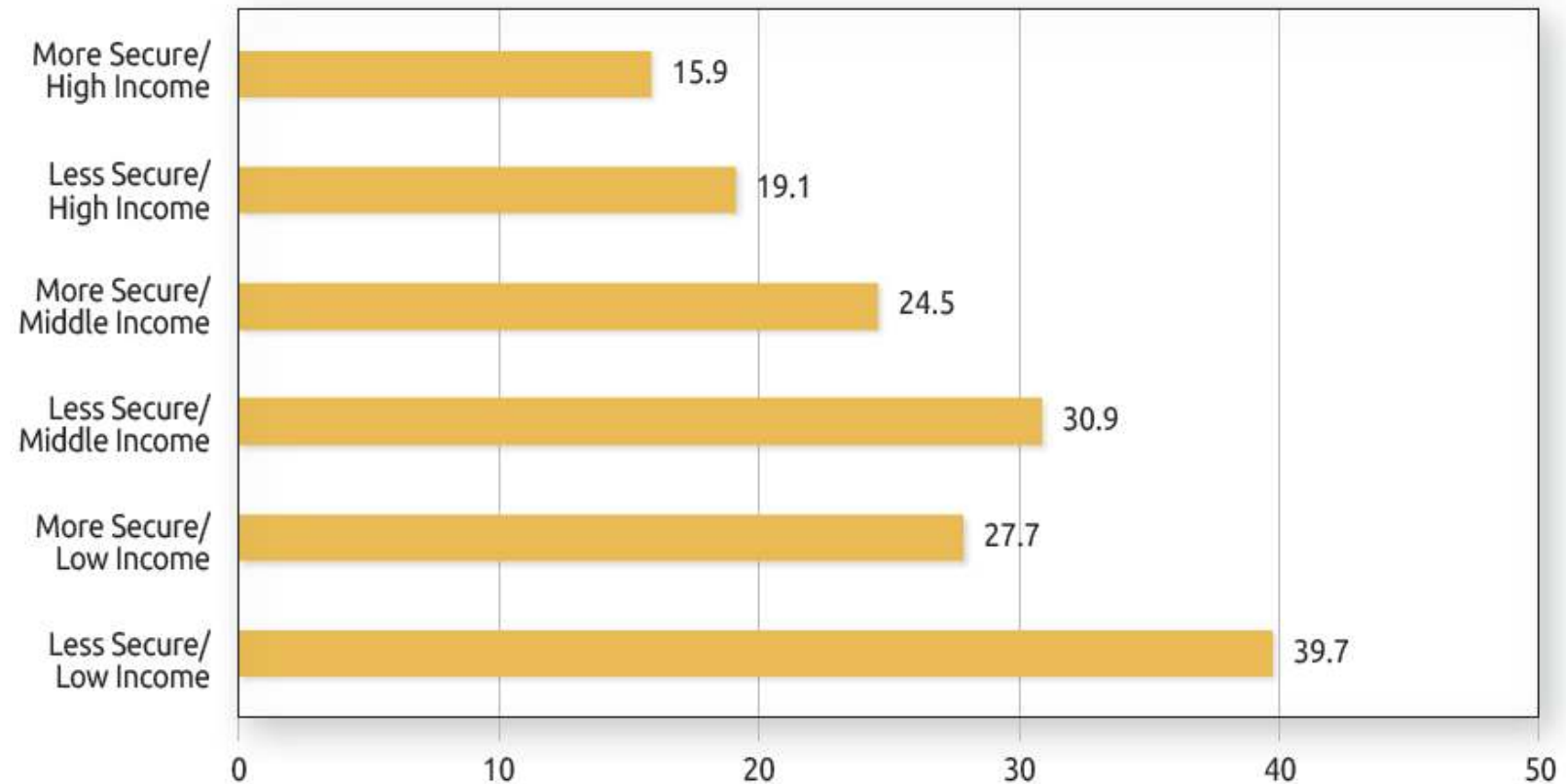
Figure 58: Mental health is less than very good by employment security (%)



Source:
PEPSO survey 2014.
Significant at $p \leq .001$.

The cost of precarious employment on individuals does not fall only on low income workers

Figure 59: Mental health is less than very good by employment security and individual income (%)

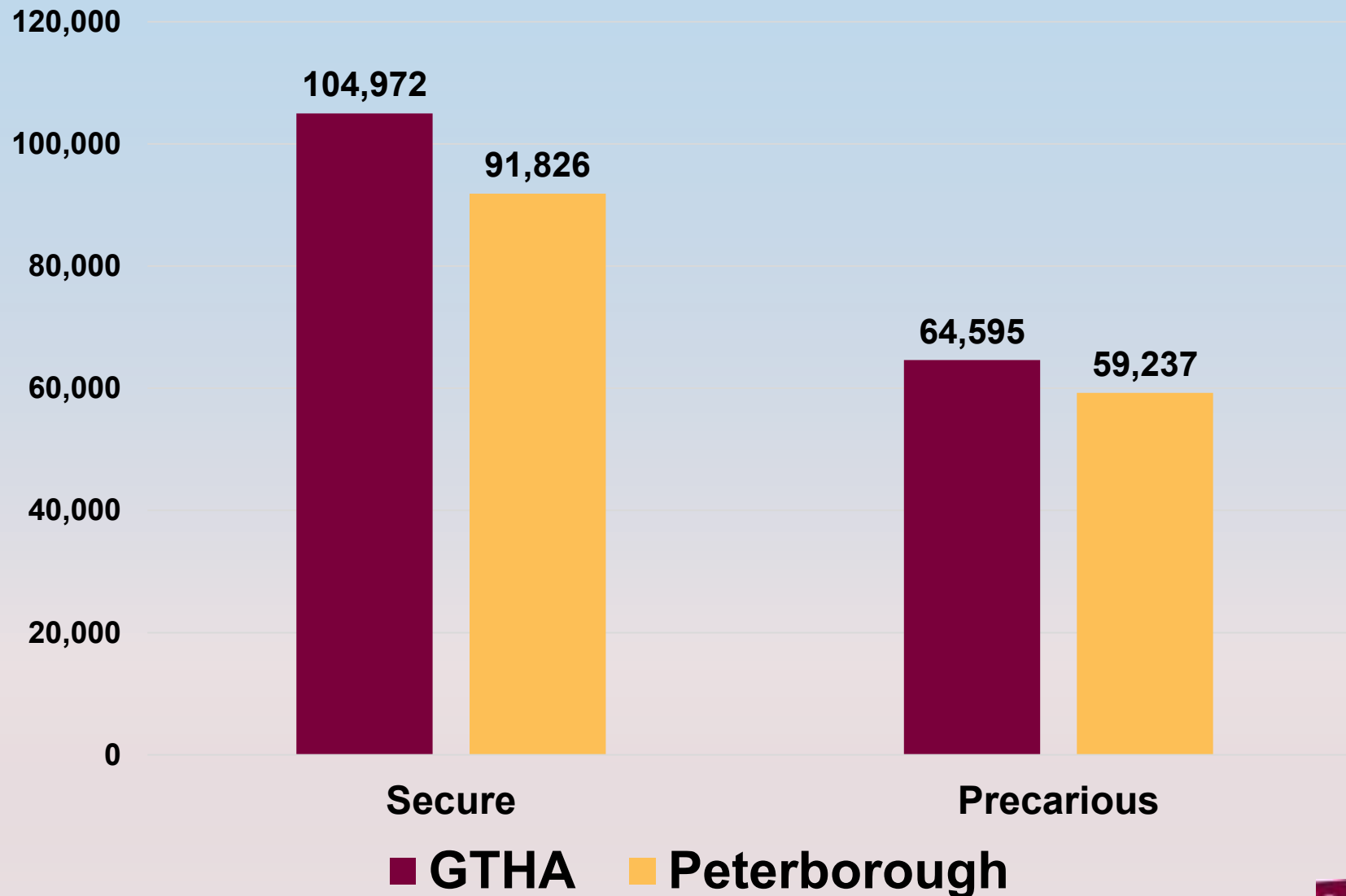


Source:
PEPSO survey 2014.
Low-income < \$40,000,
middle-income
\$40,000-\$79,999,
high-income >= \$80,000.
Significant at $p \leq .001$.

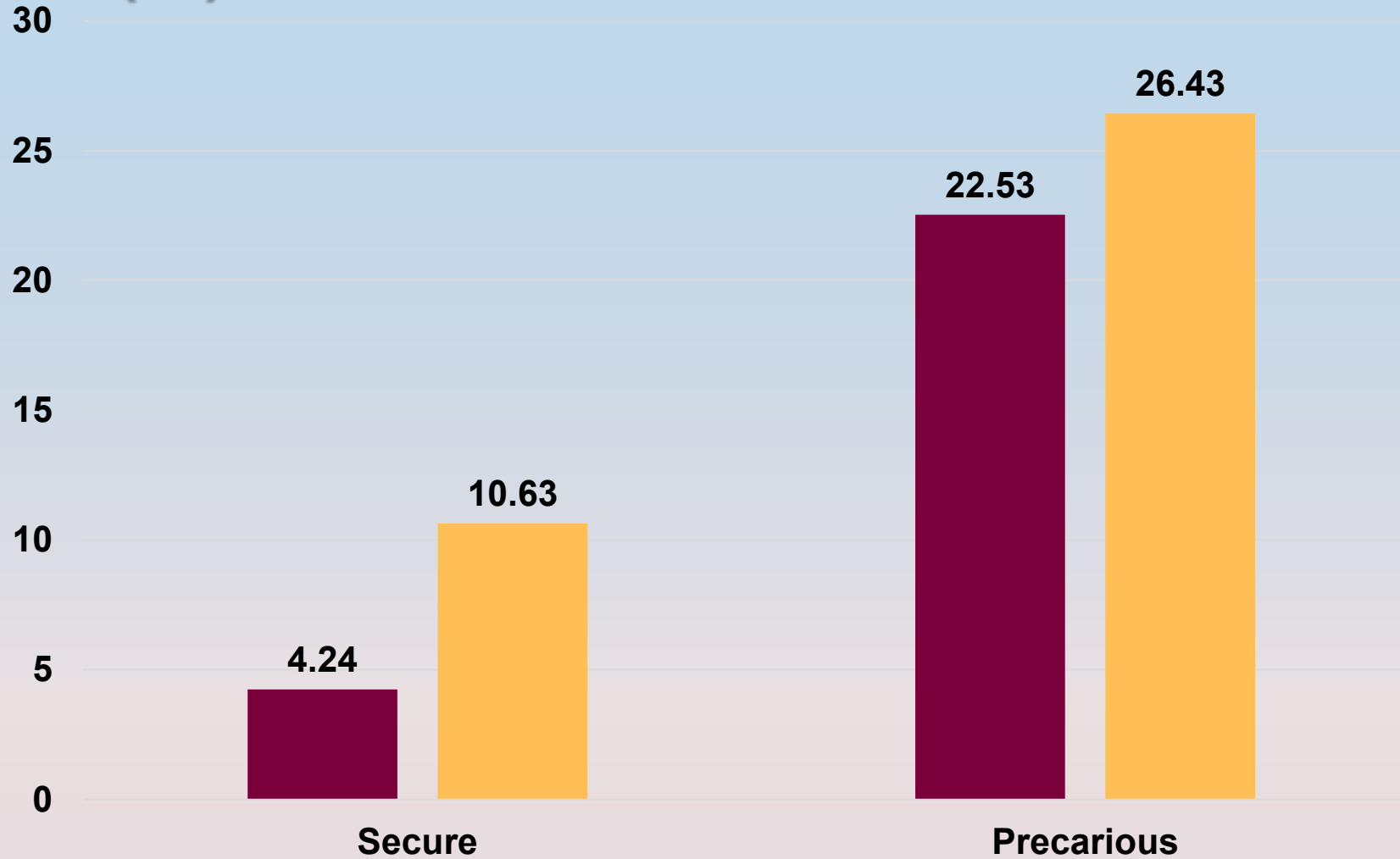
What is the cost of precarious employment for families?



Household Income: Age 25-65 & Multi-member households only (\$2011)



Precarious Employment and Family Formation: GTHA Age 25-34 (%)

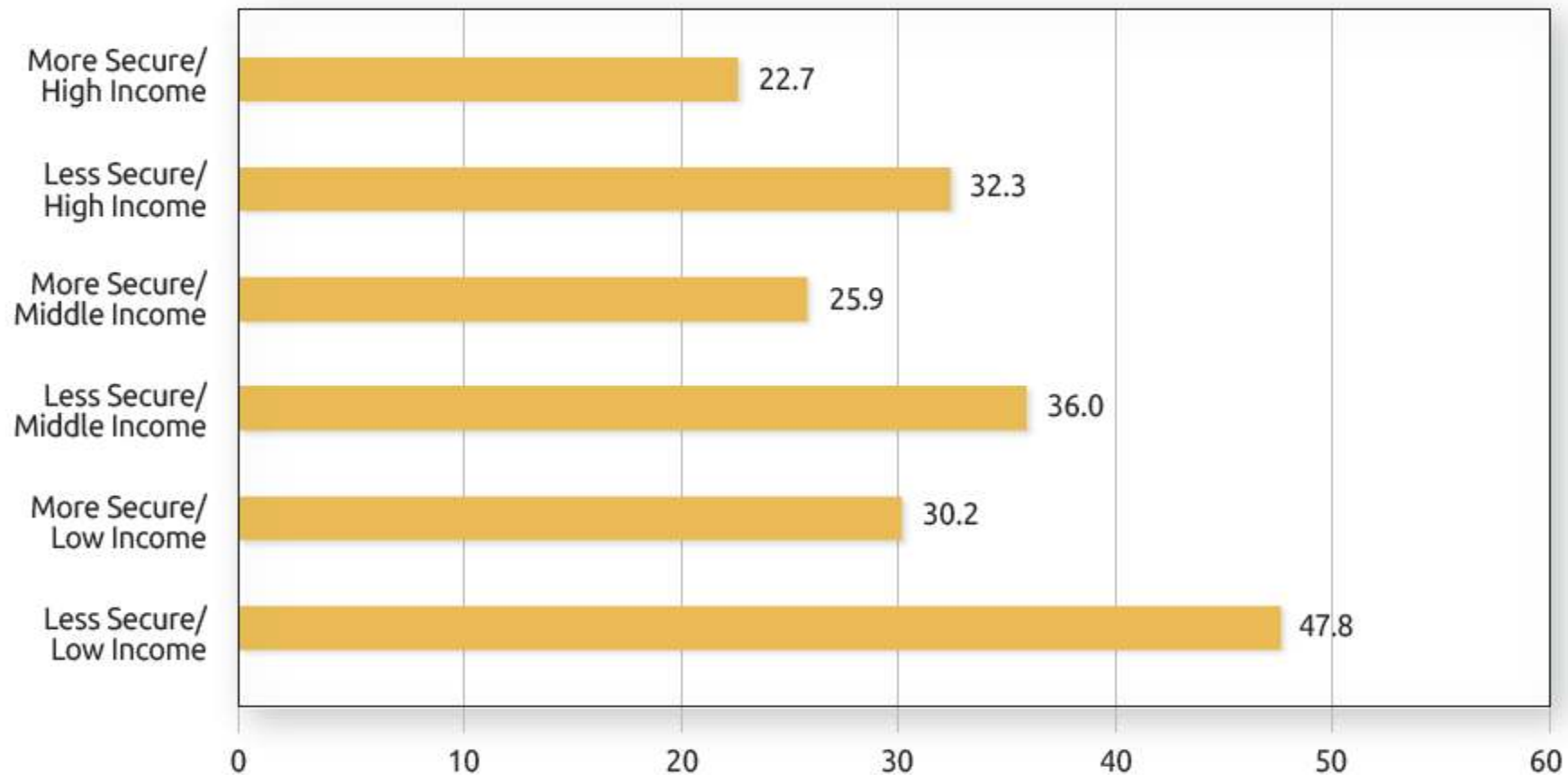


■ Delay starting relationship

■ Delay having children

Precarious employment increases stress at home

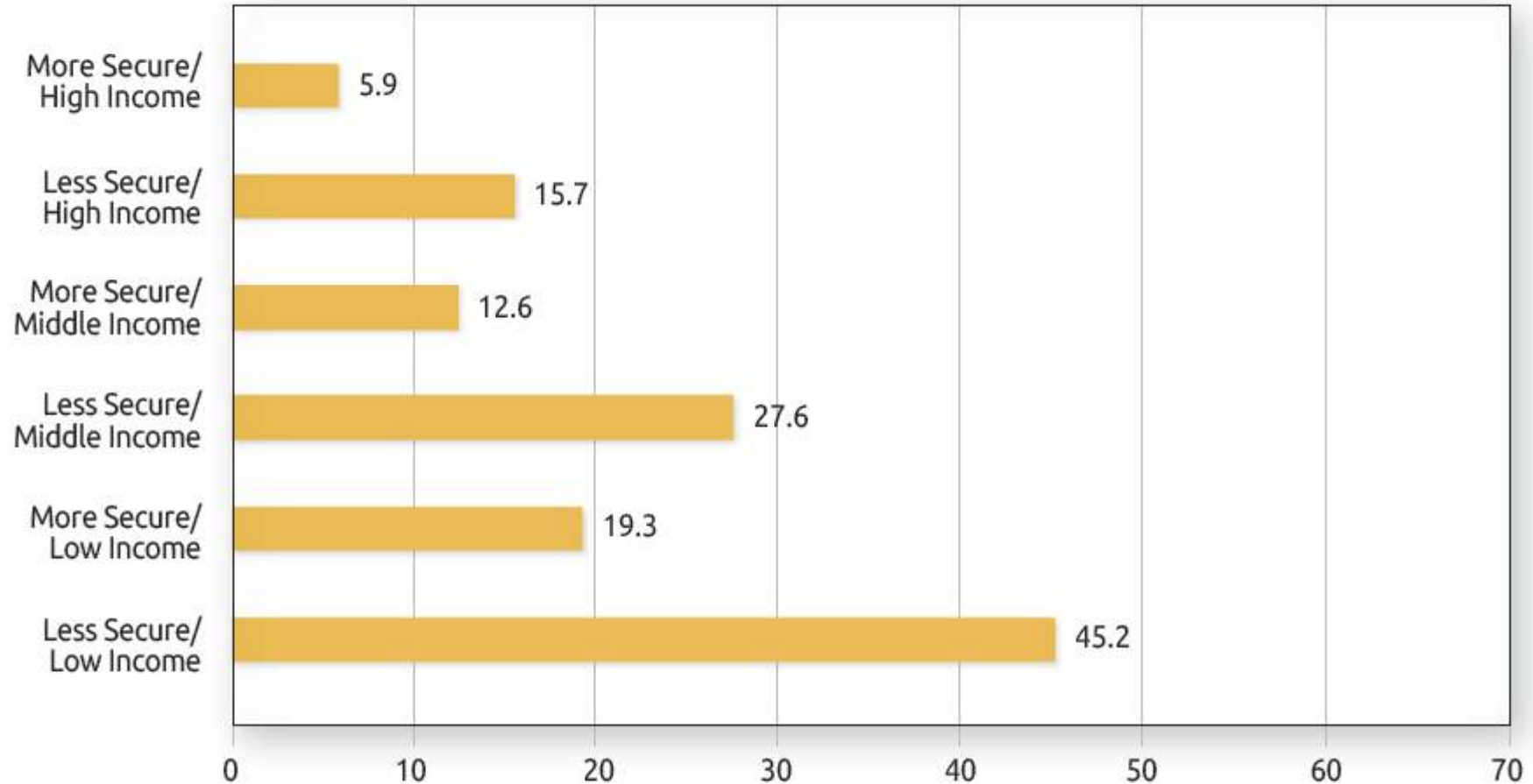
Figure 66: Anxiety about employment situation interferes with personal or family life by employment security and household income (%)



Source:
PEPSO survey 2014.
Significant at $p \leq .001$.
Household low-
income < \$60,000, middle-
income \$60,000-\$99,999,
high-income \geq \$100,000.

Precarious employment increases concern regarding future standard of living

Figure 74: Concerned about maintaining standard of living in the next 12 months by employment security and household income (%)

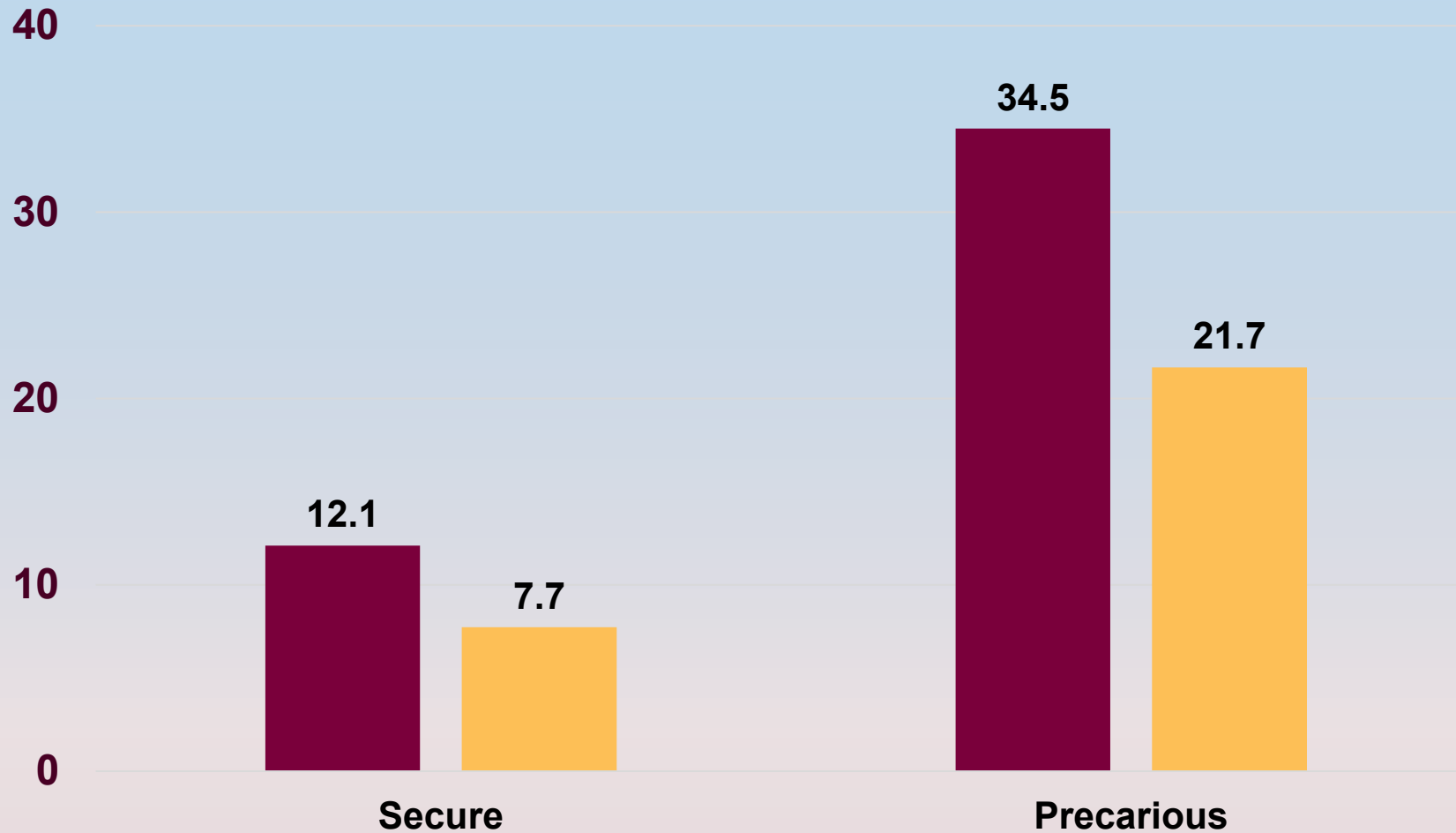


Source:
PEPSO survey 2014.
Significant at $p < .001$.
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income => \$100,000.

What are the community costs of precarious employment?

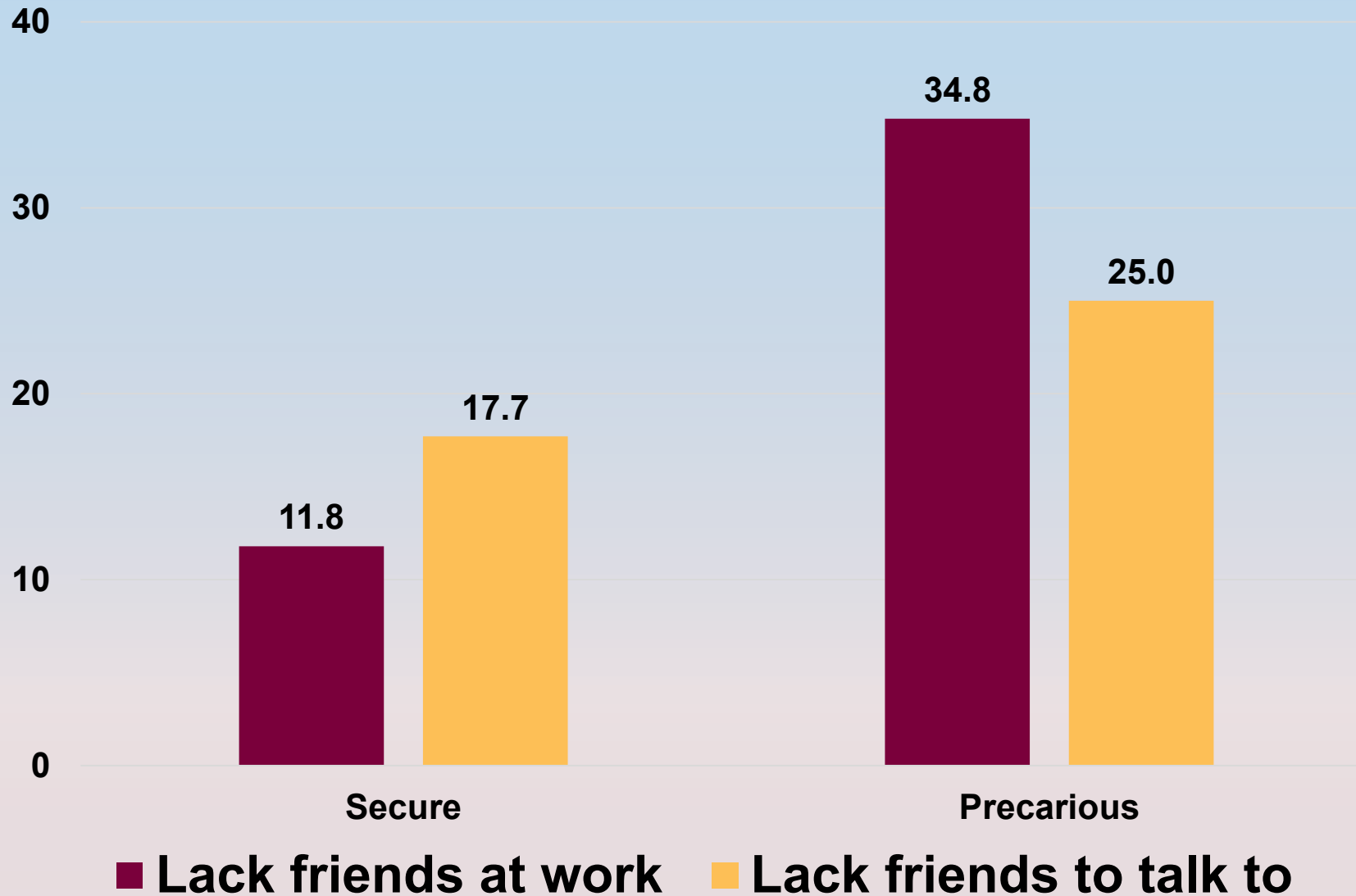


Precarious employment affects why people volunteer



■ To improve job opportunities ■ Not to contribute to community

Precarious employment and friendships



Getting Left Behind

Who gained and who didn't in an improving labour market



POVERTY AND
EMPLOYMENT PRECARIETY
IN SOUTHERN ONTARIO



United Way
Greater Toronto

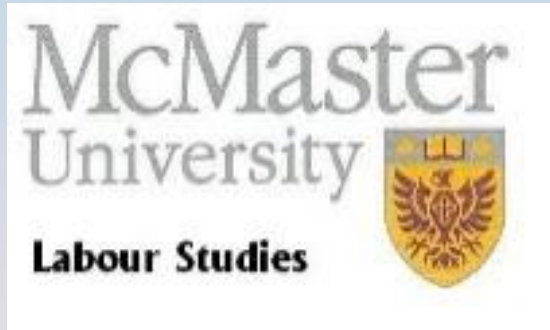
Good times are only good for some (%)

	Permanent full-time employment	
	2011	2017
Male/white/degree	58.0	66.3**
Female/white/degree	51.9	58.5**
Male/racialized/degree	49.4	60.3**
Female/racialized/degree	51.7	50.7
Male/white/no degree	51.2	52.8
Female/white/no degree	43.5	48.7
Male/racialized/no degree	42.6	45.9
Female/racialized/no degree	48.3	49.0
Total	50.2	55.9**

p-values: *** <.001 ** <.05<.10, *<.10.

Learn your employment Precarity Score

www.pepso.ca/jobprecarityscore



www.pepso.ca