

MODERNIZING THE CONTINGENT WORK SUPPLEMENT TO BETTER UNDERSTAND ALTERNATIVE WORK ARRANGEMENTS

LIYA PALAGASHVILI
Senior Research Fellow

Notice of information collection, request for comment

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The Bureau of Labor Statistics is seeking feedback for the proposed questionnaire of the Contingent Worker Supplement (CWS) to the Current Population Survey, to be collected in July 2023. I am a senior research fellow at the Mercatus Center at George Mason University, a center dedicated to advancing knowledge about the effects of government policy on society, which includes policies and programs regarding government-collected data. My research expertise is on the gig economy and alternative work arrangements. Accordingly, my comment seeks to aid the Bureau of Labor Statistics as it considers the new content to measure second jobs and task-based and app-based work in the CWS.

I commend the Bureau of Labor Statistics for including in the CWS, for the first time, questions about a workers' second jobs in alternative work arrangements. In previous iterations of this survey, asking only about a workers' main job was a key limitation. Most other data sources indicated that many individuals working as independent workers do so as a secondary job, especially those individuals engaged in the newer forms of work, such as work offered through gig or digital platforms. For example, using IRS tax data, Brett Collins and coauthors find that the majority of workers using online labor platforms use them for a supplemental, not primary, job. They conclude, "We find that the exponential growth in labor [online platform economy] work is driven by individuals whose primary annual income derives from traditional jobs and who supplement that income with platform-mediated work."¹

Therefore, and in accordance with the recommendations of the 2020 report by the Committee on National Statistics, the Bureau of Labor Statistics is taking important steps to modernize the CWS by including questions on individuals who engage in alternative work arrangements for primary or

¹ Brett Collins et al., "Is Gig Work Replacing Traditional Employment? Evidence from Two Decades of Tax Returns" (working paper, IRS SOI Joint Statistical Research Program, March 25, 2019).

supplementary income. Without it, the CWS would have continued to underestimate the presence of workers in alternative arrangements.

In addition to the questions about health insurance, I recommend that CWS include questions to understand whether there is demand for portable benefits for these workers. We know from the 2017 CWS that 79 percent of independent contractors prefer their arrangements over a traditional arrangement. At the same time, these independent contractors do not have access to traditional benefits, even beyond health insurance. In a research paper published in the *Journal of Economic Perspectives* in 2020, economists Tito Boeri and coauthors find preliminary evidence that 80 percent of self-employed workers would prefer access to a flexible or portable benefits fund.² Their paper also unpacks the exact types of benefits self-employed individuals would like, and it attempts to measure willingness to pay for those benefits.

There is scholarly and public interest in understanding whether workers in alternative work arrangements might prefer access to portable benefits, which are benefits that are not tied to a specific employer but can travel with the worker. Across the United States, many states are currently experimenting with or considering portable benefits solutions for independent contractors. Legislation has also been introduced on portable benefits at the federal level. A set of questions on portable benefits in this survey would aid researchers, policymakers, and the general public about the needs and desires of this workforce.

² Tito Boeri, Giulia Giupponi, Alan B. Krueger, and Stephen Machin, “Solo Self-Employment and Alternative Work Arrangements: A Cross-Country Perspective on the Changing Composition of Jobs,” *Journal of Economic Perspectives* 34, no. 1 (2020): 170–95.