



Comments Regarding the 2017 Current Population Survey Contingent Worker Supplement

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Etsy operates marketplaces where millions of people around the world connect, both online and offline, to make, sell and buy unique goods. As of September 30, 2016, Etsy hosts 1.7 million active sellers around the globe who collectively sold \$2.39 billion worth of goods in 2015. These micro-business owners, 86% of whom are women, personify the new face of entrepreneurship. For 30% of Etsy sellers, their creative business is their sole occupation. For the rest, their creative business provides an important source of supplemental income, contributing 17% to total household income on average.¹

Operating in gray areas between amateur and professional, business and worker, consumer and provider, Etsy sellers are often inconsistently captured in government statistics and poorly understood by policymakers. It is our hope that the 2017 Contingent Worker Supplement will close this data gap, however, the new questions would not capture all Etsy sellers, particularly those who earn income from selling goods, but do not consider running their shop to be "a business" or "a job."

Many Etsy sellers are self-employed and combine income from multiple sources. The majority—51%—work independently, meaning they either run their creative businesses full-time or they are self-employed or work part-time in addition to their Etsy businesses. Only 36% have full-time employment outside their creative business. While Etsy sellers differ greatly from the gig economy workers that have dominated the public debate, they are part of the larger community of people who are impacted by the changing economy and operate outside traditional employment. Unlike the on-demand workers who sell their labor via online intermediaries, Etsy sellers often sell their goods both online and offline. Further, they operate in the retail sector, and so would likely not respond affirmatively to any question that is narrowly scoped to service work. It is important to remember that the same shifts in the nature of work that have led to the call for an updated CWS have been underway for some time and affect more people than those who earn income online.

The Bureau of Labor Statistics is charged with the task of collecting, analyzing, and disseminating essential economic information to support public and private decision-making. However, the information obtained from the four new questions proposed by the CWS will only capture a slim margin of those participating in the gig economy. Economists Katz and Krueger estimate that only about 0.5% of workers indicate that they are working through an online intermediary like Uber or Lyft.² In contrast, the Freelancing in America report estimates that 35% of the workforce is comprised of those working outside the traditional employee-employer relationship.³ This variance among definitions and estimates is precisely why we feel the Contingent Worker Survey has the potential to be a vital tool for policymakers in the upcoming year.

The collection of information pertaining to the contingent workforce is necessary for advancing policy solutions that equally help Uber drivers, Etsy sellers, nannies, freelancers, and everyone that has worked independently long before the creation of platforms that facilitate these transactions. Yet, the new questions are framed in a way that would further segment the independent workforce by capturing a fraction of those actually working in the broadly defined gig economy. While the original questions included in the Contingent Work Supplement better reflect the broader array of work arrangements, they still fail to capture the nuanced picture of independent work

¹ "Building an Etsy Economy: The New Face of Creative Entrepreneurship," Etsy. (July 2015).

² "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015," Katz and Krueger. (March 2016).

³ "Freelancing in America," Freelancers Union and UpWork. (October 2016).



because they rely heavily on the terms “business”, “work” and “job”. Unfortunately, those terms no longer mean exactly the same thing to different people, and two individuals earning exactly the same amount of income from a side business on Etsy could easily answer the questions pertaining to work, jobs, and business ownership in different ways.

We recommend adding additional questions to the Contingent Work Supplement that ask respondents to detail additional sources of income outside the “jobs” and “businesses” they list in the original questionnaire. This approach would help to capture supplemental economic activity regardless of how the respondents self-identify. In our own survey of active Etsy sellers, 75% self-identify as business owners, while 25% identify as hobbyists. To truly understand the new forms of work, the Contingent Worker Supplement should capture that 25% of self-identified hobbyists as well.

We urge you to consider the impact that these statistics will surely have on the outcomes of public policy in the new year. The figures generated from the outcomes of this expanded survey will be helpful in reports that push forward new proposals for portable benefits, asset building, economic security, and workforce development initiatives. Rather than focusing on a single silo of non-traditional work, we have the opportunity to expand the conversation to truly capture all of the new ways that we earn income in the US. With a new Congress, and new administration starting in 2017, this survey is an opportunity to correctly measure the size, scope, and impact of the entire gig economy by modifying the new questions to capture the full contingency of the gig economy.

As you continue the rulemaking process, we encourage you to consider the nuances of the gig economy, and the diversity of the micro-entrepreneurs that help it thrive. If you have any follow up questions, please contact our Senior Director of Global Policy, Althea Erickson (althea@etsy.com).