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Defining Work Arrangements Subpanel

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Introduction

BLS convened an Employment and Work Arrangements Content Panel to provide recommendations for the collection of employment data from the planned National Longitudinal Surveys of Youth 2026 cohort. Information explaining the overall mandate, structure and coordination of the Employment and Work Arrangements Content Panel can be found in the Employment Panel Overview report. This report summarizes the recommendations of the Defining Work Arrangements subpanel.

The remainder of this report is organized as follows. The main body of the report reviews a number of types of work arrangements about which the panel recommends collecting information. For each type, as relevant, we present information about the research and policy landscape, provide recommendations for specific questions or topics to include in the survey, and discuss key methodological issues which may be encountered in data collection. The report closes with two brief sections discussing gender, racial and ethnic disparities in work arrangements and possible connections to alternative data sources.

Topic-Related Recommendations for the New Cohort

This section makes a number of recommendations on topics to cover with respect to defining work arrangements in a new cohort survey. We begin with an overview of various types of work arrangements and summarize our top-level recommendations. We then hone in on particular arrangements, discussing relevant research themes and specific data collection recommendations for each type.

Where relevant, each topical subsection concludes with a brief discussion of methodological issues for consideration including mode of administration and frequency of measurement, whether the data collected should be considered objective vs. subjective, the potential for cross cohort comparison with prior waves of NLSY, insights from existing measures of these concepts, and sample size considerations. Note that all work arrangements recommend using a set of survey items for measurement, and all measures will be objective rather than subjective.

Exhibit 1, which is appended to the Employment Panel Overview report, provides details about each recommendation, including whether the topic is included in earlier NLSY surveys, data collection method, recommended age for data collection, and so on. Each recommendation is also assigned a priority of high, medium, or low, as reflected in Exhibit 1 and also noted in the text sections below. Information about how the panel arrived at these priority recommendations is included in the Employment Panel Overview report.

Overview

Research themes, social trends and policy changes. Household surveys generally distinguish between at least two types of work arrangements: workers who are employees of an organization and those who work for themselves—the self-employed. We recommend that the NLSY26 categorize workers into seven mutually exclusive and exhaustive work arrangements: three types of employee arrangements and four types of self-employment arrangements, as depicted in the following template:

Employee

- Employee, not intermediated arrangement
- Temp agency workers (type of intermediated work)
- Other contract company work (type of intermediated work)

Self-employment

- Business owners, not independent contractors
- Independent contractors
  - Independent contractor work, not intermediated
  - Platform workers (type of intermediated work)
  - Other intermediated independent contractor work

For employees, the panel recommends following the current protocols for the NLSY79 and NLSY97 and distinguishing between work arrangements in which the organization hires workers directly as employees or indirectly through intermediated arrangements—that is, ones in which a company hires workers as employees and then contracts them out to other companies. These intermediated employee arrangements include temporary help agency workers and other contract company workers.

Among the self-employed, the NLSY79 and NLSY97 cohort surveys only partially distinguish between independent contractors—broadly defined to include independent contractors, as well as independent consultants, freelance workers, and those in informal nonemployee arrangements who may not have formal contracts—and other self-employed business owners. The subpanel recommends collecting more detail for the independent contractors, distinguishing between independent contractors who are hired directly by organizations and those who are hired and paid through intermediaries. The latter category includes workers hired through online platforms and other intermediaries.

Departing from protocol followed for the earlier cohorts, the subpanel recommends that on-call work be treated as a job characteristic, *not* as a work arrangement. The subpanel believes that on-call work falls on a continuum of work scheduling arrangements that may apply to those in all employee arrangements and to many in independent contractor arrangements.

Even within these seven work arrangements, there is a good bit of heterogeneity. For each work arrangement, therefore, the subpanel recommends adding a small number of questions that will help data users understand potentially important differences in work arrangement among workers within categories. Additionally, while the emphasis in data collection is often on primary, long-lasting jobs, the subpanel emphasizes the importance of collecting complete job history information on several work arrangement categories that are often temporary or sporadic in nature but nonetheless are important in helping many workers, especially low wage workers, make ends meet.

Data from the NLSY will be especially important for understanding how workers are employed in various alternative arrangements over their life course, how these arrangements affect worker outcomes in the short and long term, and how these effects vary by worker demographics, industry, occupation, and geography. Included in the following descriptions of the various work arrangements are specific questions that data from the NLSY26 cohort would ideally enable researchers to address.

Selected topics for data collection. Given emerging themes and research questions discussed above, this section identifies particular topics for data collection. Exhibit 1, which is provided in a separate attachment, summarizes the recommended topics and provides additional detail.

Key issues related to defining work arrangements concern 1) accurately categorizing work into the seven mutually exclusive and exhaustive arrangements, 2) ensuring that all primary and secondary work activities performed between wave interviews are captured and accurately categorized, and 3) adding a small number of questions pertaining to specific work arrangements that will provide important information for research and policy on the heterogeneity within these arrangements. With regards to the first, the research reviewed below indicates that accurately eliciting information about various work arrangements has proven difficult. Research shows, among other problems, respondent answers can be highly sensitive to small changes in question wording. Therefore, besides recommending wording changes to close-ended questions, the panel recommends that BLS experiment with adding open-ended questions that can be used to better identify a person's work arrangement. With advances in machine learning techniques, the use of open-ended questions is likely to become more common in future surveys, and its application to collecting information on work arrangements may be especially valuable. Recent research at the University of Michigan uses unpublished text narratives and machine learning models to classify workers into more detailed work arrangement categories, primarily among the self-employed, in the Panel Study of Income Dynamics (Abramowitz and Joung, 2023). These researchers are using existing narrative data in the PSID for their assignments. The design of open-ended questions for the purpose of uncovering work arrangements has the potential to greatly improve the accuracy of such assignments.

Recommendations for Questionnaire Content

Classify work arrangements into seven mutually exclusive and exhaustive categories (high priority). These are 1) employees not in intermediated arrangement, 2) temporary help workers/staffing agency workers, 3) other contract company workers, 4) self-employed not independent contractors, 5) independent contractors not intermediated, 6) platform worker independent contractors, 7) other intermediated independent contractors.

Improve question wording to determine if work arrangement is self-employed, general (high priority). Define self-employment in question to include freelance/independent contract and informal work. This addresses a concern that many types of self-employed are not being captured with the current wording.

Expand measure of independent contractors and alter question wording (high priority). Ask all workers—regardless of whether they identify as self-employed or not—whether they are independent contractors, as is done in the Contingent Worker Supplement (CWS). Drop wording that defines independent contractors as workers who obtain clients on their own; this is not applicable to many independent contractors, particularly those who work for one client or are in intermediated arrangements.

Add probe for informal and platform work held during period covered by wave (high priority). These types of activities are likely to be underreported. Informal work/platform jobs may be short-lived and underreported but play an important role in job dynamics and income smoothing.

If intermediated work arrangement: collect client employer identifying info to enable linkages (high priority). In work arrangements that are intermediated (temp help, contract company, platform), it is not sufficient to collect identifying information only on the employer of record or the platform making the referral. It is also useful to collect identifying information on the client using the worker's services.

If work arrangement is other contract company worker: measure additional aspects (high priority). If the work arrangement is other contract company worker, measure two additional aspects of the job. First, does the individual work primarily for one client? Second, does the individual work primarily at the client's worksite? In the past, the NLSY only asked those who worked primarily for one client about worksite. This additional information will allow researchers to better capture different types of contract company work.

If work arrangement is independent contractor: measure if primarily work for one client (high priority). If the work arrangement is independent contractor, measure if the individual works primarily for one client or whether they work for multiple clients.

If platform worker: measure types of services provided (high priority). If the work arrangement is platform worker independent contractor, measure different combinations of services provided (e.g., labor services, use of vehicle, use of housing, selling goods).

Drop questions about on-call employment (high priority). Drop on call questions because it is a job characteristic rather than a work arrangement and will be better captured by the recommended scheduling questions.

If work arrangement is other staffing: measure if a PEO worker (medium priority). Measure if other staffing workers are employed by a professional employer organization (PEO).

If work arrangement is self-employed: measure if incorporated and if have employees (medium priority). If the work arrangement is self-employed, measure two additional aspects of the job. First, is the business incorporated? Second, does the self-employed individual employ others?

Employees: Temporary Help Agency and Other Contract Company Workers

Research themes, social trends and policy changes

Contract companies are the employer of record and are responsible for paying taxes, including unemployment insurance taxes; providing workers compensation; and otherwise complying with employment law. Temporary help agencies (THA) are one type of company that contracts out their employees to work for clients. THA workers are generally distinguished from contract company workers by the often short duration of their assignments (Osterman, 2023).

Temporary help agency workers. There has been significant interest in Temporary Help Agency work since at least the 1980s when THA employment began to rise (Autor, 2003). Important questions revolve around how THA work has changed over time, not only in terms of prevalence, but also in terms of its distribution among workers and its consequences for workers' outcomes such as wages and working conditions (Autor and Houseman, 2010; Kalleberg et al., 2000; Smith and Neuwirth, 2008). There are also research questions of ongoing interest related to whether THA employment can serve as a

springboard to better jobs for workers or, rather, may limit their future opportunities (Addison et al., 2009; Addison and Surfield, 2009; Autor and Houseman, 2010; Autor et al., 2017; Pedulla, 2020).

A growing interest in the social sciences is to be able to examine variation within and between firms and workplaces (Song et al., 2019; Tomaskovic-Devey et al., 2020). Thus, we encourage the NLSY to continue to collect information on the names of the temporary agencies and on the name and industry of clients that individuals work for. Utilizing these names might enable researchers, with appropriate clearance to work with confidential micro data, to link the THAs and clients that respondents work for with other data sources on firm quality and potentially enable analyses of variation in THA quality, both in terms of the jobs they offer as well as how they shape the future trajectories of workers. Client information could enable researchers to better understand discrepancies in pay between direct-hire employees and contract workers and the extent to which temporary help employment is a pathway to a permanent job with clients.

Key Research Questions

1. Do THA jobs serve as "bridges" to better employment or "traps" that keep people in lower-paying jobs? Do those consequences vary with worker characteristics?
2. Who are the workers doing THA work in terms of key socio-demographic characteristics, such as race, gender, age, and educational background?
3. What is the overall "risk" of working for a THA agency at some point over the early years of one's career?
4. Under what conditions do workers turn to THA work rather than "gig" work or other types of independent contracting? Are people working in various types of positions, including THAs, at the same time?
5. Do THA workers experience higher levels of harassment, discrimination, and bullying at work across various axes of difference?
6. Can different components of THA work be uncovered inductively? Are there "higher end" and "lower end" THA jobs? Are these clustered in particular sectors, geographies, or occupations?

Other contract company workers. There is significant interest in understanding contract company employment more broadly. Employees who work for companies that contract out their services often (although not universally) are assigned to work at the worksite of client and the client directs their work (Osterman, 2022, 2023). Contract company employment is one aspect of broader trends in the "fissuring" of employment relations (Weil, 2014).

There is an important set of questions about why firms decide to use contract companies and the consequences of that use for various firm-level outcomes. The other side of that set of topics concerns the consequences of contract company use for the workers who labor in those positions. The NLSY will likely be most useful for this second set of topics. Indeed, significant work is needed to understand the consequences of working for a contract company in terms of wages, benefits, job satisfaction, career mobility, etc. Some empirical evidence indicates that among workers in certain relatively low-skilled occupations, those who are employed by contract companies, rather than as standard employees, earn less (Dube and Kaplan, 2010; Goldschmidt and Schmieder, 2017). This pattern does not necessarily hold for contract employees who have specialized skills and, thus, quite high earnings (Barley and Kunda, 2004; Bidwell and Briscoe, 2009). There is also evidence that, on average, contract company workers have more "bad job" characteristics than observationally similar standard workers; this relationship is larger for

women than it is for men (Kalleberg et al., 2000). In addition, some studies have found a higher incidence of workplace injuries among contract workers, including temporary staffing workers (Rebitzer, 1995; Morris, 1999; Smith et al., 2010; Muzaffar et al., 2013; Foley et al., 2014; Boden et al., 2016).

It will also be important to understand where in the economy – in terms of geography, industry, and occupation – contract company work is most and least heavily utilized. Relatedly, it would be valuable for the research community to know both the name of the contract company in which someone employed as well as the name of the firm where they perform their work (the "client" organization). In previous versions of the NLSY, the name of the temporary help agency or other contract company was collected, but the name and industry of the client organization was not. This type of data may be difficult to collect but would open the door to myriad new insights about the utilization, scope, and consequences of contract company employment.

Key Research Questions

1. What are the socio-demographic characteristics of the workers who are employed by contract companies? How do these characteristics differ from those of THA workers and independent contractors?
2. Does employment for a contract company more closely resemble standard employment relations, other types of intermediated employment (e.g., THA work), or independent contracting? Here, key axes of variation might include wages, benefits, working conditions, tenure, and career trajectory. Does this picture change over the career arc of a young worker?
3. Does contract company work serve as a "stepping stone" for workers to non-contract company work? Is there movement from the contract company to the "client" organization?
4. Do contract company workers have access to similar types of training and opportunities for skill development as other workers?
5. Do contract company workers experience higher levels of harassment, discrimination, and bullying at work across various axes of difference?
6. How highly concentrated is contract company work among firms in the United States?

Selected topics for data collection

Temporary Help Workers and Professional Employer Organizations. One of the key points of consideration here is making sure that workers are appropriately classified as working for a THA. Some workers may not be aware of this status. In particular, workers may list the "client" organization (e.g., the organization at which they perform their work), rather than the THA organization, as their employer. One strategy that may be useful in assisting workers to identify the THA is to ask them from which company they receive their paycheck and/or W-2 form.

The language of "temporary help agency" is somewhat outdated and may not be clear to workers, particularly younger workers. Including the language of "staffing agency" alongside "temporary help agency" may be useful.

Many companies also work with professional employer organizations (PEOs). Ensuring that PEO workers are properly classified will be important as this population and topic has received scant attention in the academic literature owing to lack of data. Similar strategies to those outlined above for THA workers could be useful for PEOs as well. At the same time, we encourage careful attention to ensure that PEO workers are not inaccurately classified as THA workers.

Contract Company Workers. A key consideration again is making sure that workers are appropriately classified as working for a contract company. Some workers may not be aware of this status. Similar to THA workers, it could be helpful to ask workers about the company they receive their paycheck from and/or the company they receive their W-2 form from. This type of question may help to guide respondents to thinking about the contract company as their employer, rather than the company where they perform their tasks.

Since one way that THA employment is often distinguished from contract company employment is by the duration of the assignments at the client organization (Osterman, 2023), it may be useful to collect information about the duration of workers' assignments at client organizations given. This information could be used to distinguish contract company workers who work for clients only briefly and from those who work for specific clients for a long period of time.

In earlier versions of the NLSY, for respondents to be classified as contract company workers, they would need to indicate that they "usually work at the customer's worksite." Given the rise of remote work options, particularly in the wake of the Covid-19 pandemic, it makes sense to remove this requirement for workers to be classified as working for a contract company although this information should still be collected to maintain comparability with prior NLSY surveys.

Relatedly, previous versions of the NLSY did not ask respondents if they "usually work at the customer's worksite" if they are assigned to "more than one customer." It makes sense to reconsider this skip pattern and to ask workers if they usually work at the customer's worksite, even if they are assigned to multiple customers. Janitors, for instance, may work for a contract company, be assigned to more than one customer (e.g., clean more than one building), and work at the customer's worksites.

Methodological issues

Temporary Help Workers. Level of detail needed to make data on the topic useful: It is most important that the classification of workers as working for a THA is accurate. We have discussed this in more detail above.

Frequency of measurement: Information about THA employment should be collected at every wave and, ideally, would be captured for each time period between waves. Given that workers often (although by no means exclusively) work for THAs for limited periods of time, making sure that the full "exposure" to THAs is collected will be highly useful.

Potential for cross-cohort comparisons in NLSY: This is important. As noted above, it will be of interest to researchers to see whether workers are gravitating to "gig" work in instances where earlier cohorts would have gone to THAs.

Existing measures outside of the NLSY: The Contingent Worker Supplement to the CPS contains important and relevant measures of THA employment.

Sample size considerations: THA employment is uncommon in cross-sectional data (somewhere around 2% of workers). However, over the life course exposure to THA employment is much higher.

Contract Company Workers. Level of detail needed to make data on the topic useful: It is most important that the classification of workers as working for a contract company is accurate. If possible,

having information on the name of both the contract company and the company where the worker performs their tasks would be highly useful.

Frequency of measurement: Information about contract company employment should be collected at every wave and, ideally, would be captured for each time period between waves. This would enable examination of how long workers stay with contract companies and whether this work arrangement resembles THA employment or other types of employment.

Potential for cross-cohort comparisons in NLSY: This is important. It would be quite useful to know whether contract company employment is changing over time in terms of its scope, content, and consequences.

Existing measures outside of the NLSY: The Contingent Worker Supplement to the CPS contains important and relevant measures of contract company employment. Also, Osterman (2023) and Abraham et al. (2003) present measures of contract company employment from original surveys.

Sample size considerations: Estimates from the most recent CWS suggest that contract company employment represents the smallest proportion of alternative work arrangements out of the four types the survey examines. Inclusion of workers who work offsite would increase estimates. More importantly, these are cross-sectional estimates, and a larger proportion of workers is likely to be employed in this type of arrangement over time.

Self Employment

Research themes, social trends and policy changes

Independent Contractors. Broadly speaking, workers who are not employees of an organization are self-employed—that is, people who are in business for themselves. Independent contractors are a subset of the self-employed. According to the Internal Revenue Service, independent contractors generally are individuals "who are in an independent trade, business, or profession in which they offer their services to the general public."[1] Like employees, independent contractors provide labor services to businesses, and are distinct from self-employed workers who have other types of businesses, such as a shop or restaurant. Federal and state law stipulates the circumstances under which businesses may legally classify workers who provide them with labor services as independent contractors instead of as employees. While the details have varied over time and by state, in general the law requires that independent contractors must have considerable autonomy over how the work they perform is done. Independent contractors may have many clients or customers, or they may work primarily for one. Workers in the latter situation are sometimes termed dependent contractors.

Just as employees of firms may work for a temporary help firm or other company that contracts out their services to clients, independent contractors may be in an intermediated arrangement. Online platforms are perhaps the most visible example of such an intermediated arrangement. Platforms, among other things, help workers connect with clients or customers wanting their services, and the customer pays the platform which, after taking its cut, pays the worker. Outside of online platforms, independent contractors sometimes find work with clients through an intermediary that handles payment for the job; such arrangements are common, for example, in IT services and construction.

People classified as independent contractors include workers with a wide range of skills and pay, such as freelance consultants providing technical services to businesses; drivers providing rideshare services through platforms like Uber and Lyft; and informal workers providing home maintenance, childcare, and elder care services.

As self-employed workers, independent contractors do not enjoy many of the basic rights and protections afforded to W-2 employees. For example, they are not covered by wage and hours laws, do not have the right to unionize, and are not eligible for workers' compensation or unemployment insurance. They also are not eligible for employer-provided benefits, such as retirement plans and health insurance. Key research and policy questions revolve around the implications of being in an independent contractor arrangement for wages, benefits, workplace safety, and other aspects of job quality; the effects of independent contractor arrangements on worker outcomes over the short and long term and their implications for workers' long-term career trajectories; and how these effects vary across demographic groups.

Reflecting concerns that many businesses classify workers, especially low-wage workers, as independent contractors to avoid the legal liabilities and costs associated with having employees, the Biden administration announced plans to increase enforcement actions against businesses that misclassify workers in violation of current rules (Kullgren and Penn, 2021). In addition, it has proposed tightening Federal regulations governing the classification of workers as independent contractors, reversing the loosening of these regulations during the Trump administration (Telford, 2022).

Likewise, California sought to tighten regulations on the classification of workers as independent contractors through Assembly Bill 5, which targeted the classification of platform workers as independent contractors. Some research, however, suggests that workers tend to be in platform and other informal work arrangements for short periods of time and use them to smooth income during spells of unemployment or financial distress (Abraham and Houseman, 2019; Koustas, 2019; Farrell et al., 2018; Jackson, 2019). To the degree that stringent regulations on platform work reduce its availability, some argue that regulations could harm rather than protect workers.

Data gaps and measurement challenges: Understanding the implications of independent contractor arrangements for workers and developing appropriate policy requires good data on the size and the composition of this workforce. It also requires longitudinal data that show how workers transition between various independent contractor arrangements and wage and salary jobs over their work lives. Yet, collecting or compiling accurate information on the independent contractor workforce has proven difficult, and large discrepancies in estimates of the size and composition of this workforce exist across data sets. Much of the recent research literature, therefore, has focused on data gaps and measurement challenges to collecting accurate data on the self-employed, particularly the independent contractor workforce.

Several studies have used Federal and state administrative tax data to estimate the size of the independent contractor workforce and how it has grown (Jackson et al., 2017; Collins et al., 2019; Lim et al., 2019; Bernhardt et al., 2021). Although income from self-employment is known to be significantly underreported in tax data, research suggests that tax data may sometimes yield more accurate estimates of self-employment than household survey data. In a study that links data from the CPS Annual Social and Economic Supplement to administrative data from the Social Security Administration, Abraham et al.

(2021) find substantially higher rates of self-employment in the administrative tax data than in the CPS, suggesting that respondents to the ASEC fail to report much self-employment work.

Other studies indicate that the amount of self-employment or independent contractor employment reported in household surveys depends critically on how questions are asked. Abramowitz (2022) links data for older workers in the Health and Retirement Study (HRS) to administrative tax data. She also compares the incidence of self-employment in both sources with that for older individuals in the ASEC. Like Abraham et al., she finds a substantially higher incidence of self-employment in tax data than in the ASEC, but reports of self-employment are 13-18 percentage points higher in the HRS than for comparable populations in the IRS data. Abramowitz argues that questions in the HRS seem to be better than those in the ASEC at cuing respondents to report self-employment activity.

In a study designed to better understand barriers to collecting accurate information on independent contracting in household surveys, researchers used insights from focus groups to develop a module about contract work in a large-scale Gallup telephone survey. A key insight from the focus groups is that many independent contractors view themselves as working for an organization rather than as being in business for themselves. Household surveys, however, generally code individuals who report working for an organization as an employee; this implicitly assumes that all workers hired by organizations are employees, not independent contractors. In the Gallup survey, researchers find that a sizable minority who report working for an employer, when probed, indicate that they are working for the employer as an independent contractor. The researchers also find that Black and Hispanic workers and low-educated workers are more likely to be miscoded as employees, and that taking these workers into account substantively changes the demographic profile of the independent contractor workforce (Abraham et al., 2023).

Several studies have sought to explicitly measure the prevalence of informal work, which typically is self-employment work and often, though not exclusively, is a secondary work activity. Detailed questions probing for various types of informal work in the Survey of Informal Work Participation, the Enterprising and Informal Work Activities, and the Survey of Household Economics and Decisionmaking (SHED) yield a very high incidence of this work; for example, 28% of adults reported at least one type of informal work in the prior month in the 2016 SHED (Robles and McGee, 2016; Abraham and Houseman, 2019; Bracha and Burke, 2021). Although these surveys, whose samples come from online panels, may overstate actual informal nonemployee work, research evidence based on A-B testing of survey questions shows that providing detailed examples of work arrangements in questions—as these surveys do—is likely to yield more accurate responses (Abraham and Amaya, 2019; Abraham et al., 2023). Allard and Polivka (2018) use detailed data on activities from the American Time Use Survey (ATUS) to show that some informal work is not reported by respondents. They estimate that in the ATUS over the 2012–2016 period, accounting for such activities would have raised the employment count by between 0.4 and 3.0 percent and raised the multiple job-holding count by between 3.0 and 20.7 percent.

Key Research Questions

1. What are the implications of being in an independent contractor arrangement for wages, benefits, workplace safety, and other aspects of job quality and how do these vary by demographic characteristics, occupation, and industry of employment?

2. How prevalent are "dependent contractor" arrangements—i.e., those in which the independent contractor primarily works for one client—and are there systematic differences in the occupations, industries, and job quality of these compared to other?
3. What is the tenure distribution of workers in various independent contractor arrangements and what are the implications for workers' long-term career trajectories? Are independent contracting arrangements stepping stones to permanent employee arrangements or to successful entrepreneurship?
4. How prevalent is informal "nonemployee" work or secondary independent contractor work, and to what degree do individuals use these arrangements to smooth fluctuations in income?

Platform Workers. As noted above, platform workers are generally classified as independent contractors, defined here as algorithmically mediated work that facilitates economic transactions between workers and customers (Lee et al., 2015; Katz & Krueger, 2016; Vallas & Schor, 2020; Cameron, 2022). With the advent of ride-hailing platform companies in the early 2010s and the rapid rise of platform work in the last decade, there has been significant interest in platform work in the research and policy community. This interest includes questions ranging from the number and characteristics of workers participating in the platform economy and their economic dependence and time spent on the platform, to work outcomes such as wages and career portfolios.

In household survey data, estimates of the prevalence of any online platform work in the prior week among the employed range from 1.1 to 3.1 percent in household surveys administered between 2017 and 2019. In administrative data, estimates of the share of workers who have done any work on platforms during a year range from 1.1 in 2016 tax data to percent to 4.5 percent in data from bank records for the year ending March 2018 (see Table 4.1 in Abraham and Houseman, 2021). Information on the demographic composition of platform workers comes from household surveys, which suggest that, controlling for other characteristics, this work is more common among young and prime age (25-54) workers than among older workers and more common among non-Hispanic Black workers than among other racial or ethnic groups (Abraham and Houseman, 2021).

Several studies based on administrative data provide some evidence on how workers use platform work. These studies suggest that platform workers typically engage in this type of work sporadically and as a second job (Farrell et al., 2018; Abraham et al., 2018). Moreover, existing studies suggest that many use platforms to smooth over income fluctuations that result from unemployment or other decline in earnings or to cover unusually high expenditures (Farrell and Greig, 2016; Koustas, 2018; Jackson, 2019). This emerging evidence has potential implications for whether and how this new form of intermediated work is regulated.

The evidence, however, is incomplete and longitudinal studies based on administrative data are limited by the fact that they contain little demographic information on workers. Longitudinal data from household surveys like the NLSY would enable researchers to examine how short and long-term effects of platform work vary across workers. For this, it will be important to have information on the number of hours a person works, their pay rate, and their level of economic dependence on platform. This information would enable researchers to gain a better sense of the scope of the platform and how much it "matters." For example while a 40-hour work week is considered the standard for being considered a full-time employee at a traditional job, many individuals in the gig economy may be wholly financially dependent on platform work, yet only work a 30-hour work week.

In addition, it would be valuable for the research and policy community to know the name of the platform company and type of platform for which someone works (i.e., a goods or labor platform) as well as the type of goods or services the worker offers on the platform. This type of data has been difficult to collect, and it would open the door to new insights about the utilization, scope, and consequences of platform work. It also would be useful to know the number of platforms and/or other forms of employment (independent contracting, traditional employment, etc.) between which individuals split their time.

Key Research Questions

1. Who are the workers doing platform work in terms of key socio-demographic characteristics, such as race, gender, age, and educational background? How do these differences play out in terms of goods versus labor platforms?
2. How do platform workers differ from other types of independent contract workers?
3. Why do individuals choose to work on on-line platforms? Have individuals adjusted their hours on a platform because of additional household expenses?
4. Does platform work help individuals who traditionally have a hard time gaining employment (e.g., ex-offenders, those who have been out of the labor market for some time) start working?
5. Are platform workers economically dependent on platform work (as opposed to doing this work purely to supplement earnings or for personal enjoyment)?
6. How do individuals "split" their time between platform work, other contract work, and traditional employment? Under what conditions do workers turn to "full-time" platform work versus other types of independent contractor work?
7. How, if at all, do workers create an on-going/future work portfolio of platform work?
8. Do individuals make a "career portfolio" out of platform work, progressing to more profitable and/or capital-intensive types of platform work over time?
9. Does platform work serve as a "bridge" to better employment or a "trap" that keeps people in lower-paying jobs? Do those consequences vary with worker characteristics or type of platform work?
10. Do platform workers experience higher levels of customer harassment and discrimination at work across various axes of difference?
11. What occupational health and safety hazards do platform workers experience? How do they try to mitigate these risks?
12. How concentrated is platform work in different cities and regions in the United States? Are different geographic regions associated with a higher concentration of specific types of platform work?

Selected topics for data collection

A key issue is identifying self-employed respondents. Studies referenced in this report show that many who are not being treated as employees by an organization or household for whom they perform tasks do not report themselves as being self-employed in household surveys. The goal of the committee's recommendation concerning the initial self-employment question is to better to capture all types of self-employed workers. This includes workers in independent contractor, freelance, and independent consultant arrangements. It also includes many workers doing informal work such as babysitting, eldercare, home and yard maintenance who are not treated as employees by clients.

Follow-up questions would then capture different arrangements under the broad self-employment category (independent contractor, platform, and other intermediated work). Even with improved question wording on self-employment, some in independent contractor or informal work arrangements may fail to report themselves as self-employed. Therefore, the committee recommends that the NLSY26 ask all workers about being an independent contractor and probe about informal work. The SHED and the new CWS offer models for the latter.

It is important for policy and research to accurately capture whether workers are being treated as employees on their jobs. The goal, in other words, is not to try to capture whether workers should be classified as employees but rather how they are being classified. Although audit studies suggest that employers often misclassify workers as independent contractors, such determinations are legally complicated and household surveys cannot accurately measure whether an individual is misclassified. Thus, while including questions about workers' autonomy in performing their tasks would be informative and useful for research, they cannot be used to determine what a worker's legal status should be.

Independent Contractors. For all primary and secondary self-employment work, distinguish between different types of self-employment: independent contractors v. other self-employed business owners, and among independent contractors, those engaged in platform work and in other intermediated independent contractor arrangements. In the NLSY question on self-employment, consider defining self-employment. Some household surveys now clarify that self-employment includes independent contractors, freelance workers, and independent consultants along with other business owners and family farmers. It would be desirable to also cue respondents who are in informal work arrangements and are not working as employees to report that they are self-employed.

For all who identify as self-employed, ask whether their business is incorporated and whether self-employed have employees (as is done in CPS). Ask all workers—regardless of whether they identify as self-employed or not—if they are independent contractors (independent consultants, or freelance workers), as is done in the CWS. Current NLSY surveys only pose the independent contractor question to those who do not report being self-employed. Because independent contractors are self-employed, this means that independent contractor status is captured only for those whose employment arrangement is initially miscoded. Drop wording used in the prior NLSY question that defines independent contractors as obtaining clients on their own; this is not applicable to many independent contractors, particularly those who work for one or a small number of clients or are in intermediated arrangements.

Capture whether independent contractors are in an intermediated arrangement. This could be achieved by asking independent contractors whether the client/organization that pays them assigns them to perform work for other organizations. Language on the new CWS that inquires about how individuals doing task or project work get their assignments may be helpful here.

Include questions designed to capture informal work (including platform work) that prior research indicates is underreported in standard household surveys (e.g., a variety of personal services and selling activities performed both online and at physical locations). For research and policy, it's important to understand how these (often) short-term ("gig") jobs are used over the life course, but the fact that many may not consider such work as "jobs" coupled with recall bias may mean that these types of work are underreported. Consider asking a question(s) that probes whether types of informal and platform work have been performed (over last year) and then query whether that work has been reported.

Platform Workers. Include questions about individuals' economic dependence on platform work (see Schor et al., 2020 and Cameron et al., 2022 about the importance of understanding economic dependence).

Collect comprehensive work data to provide a snapshot of individuals' "work portfolios" including platform work, independent contracting, and traditional employment in a given week, month, or longer period of time (year). Especially interesting is how individuals spend their time on an hourly basis. There's been little research on this; see Ravenelle, 2021 for a small-n study on individuals' long-term attachment to platform work.

Capture the name and/or type of platform individuals work on (goods or labor platforms). Workers using Airbnb, a capital intensive "goods" platform, are substantially different than those on Upwork, Uber, or Amazon MTurk, three less capital-intensive labor platforms which primarily offer higher-paid, middle-paid, or lower-paid work opportunities, respectively. For task-based platforms, what services do workers offer?

Methodological Issues

Independent Contractors. Level of detail needed to make data on the topic useful: Special care needs to be taken in developing questions to ensure that 1) independent contractors who do not identify as being self-employed are properly coded and 2) informal work on primary and secondary jobs is captured.

Frequency of measurement: Questions on work arrangement need not be repeated for jobs, particularly primary jobs, that do not change between waves. Questions on platform work and informal work arrangements should be repeated each wave and ideally would capture all work performed between waves.

Potential for cross-cohort comparisons in NLSY: Information on some, but not all, of these work arrangements was collected in prior NLSY cohorts. Additionally, the new cohort's survey instrument may include changes in question wording that will help elicit more accurate information. Questions pertaining to work arrangements must be updated as employment relationships in the economy evolve and research points to ways to improve accuracy, even though this may limit cross-cohort comparisons.

Sample size considerations: Self-employment and within self-employment independent contracting is prevalent and so questions in the NLSY should yield sufficient sample for analysis.

Platform Workers. Level of detail needed to make data on the topic useful: It is most important that we know what type of platform individuals are working on and their economic dependence on the work.

Frequency of measurement: Information about platform work should be collected at every wave and, ideally, would be captured for each time period between waves. Given that workers often (although by no means exclusively) engage in platform work for limited periods of time, sometimes in repeated intervals, making sure that researchers have full "exposure" to platform workers' histories will be highly useful.

Potential for cross-cohort comparisons in NLSY: This is important. Given the newness of platform work, it will likely be of interest to researchers to see whether workers are gravitating to platform work in instances where earlier cohorts would have gone to alternative independent contractor work.

Existing measures outside of the NLSY: The Contingent Worker Supplement to the CPS contains important and relevant measures on platform work.

Sample size considerations: Platform work does not seem to be particularly common in cross-sectional data (somewhere between 1 and 3% of workers in a given week). However, given the growing consumer demand for goods/services provided by platforms and the ease of entering platform-based work, it is likely that exposure to platform work is much higher over the prior year and larger still over individuals' life course.

Measuring Disparities and Inequalities

Available evidence from household surveys often indicates significant differences in the incidence of being in various nonstandard arrangements for workers with different demographic characteristics. For example, those employed in contract companies, particularly temporary help agencies, and on platforms are disproportionately minority. Independent contractors were thought to be disproportionately White, but, as discussed above, recent evidence suggests that standard household surveys may miscode many in independent contractor arrangements. Accounting for these workers substantially alters the demographic profile of independent contractors, suggesting that its prevalence may be higher among Black and particularly Hispanic workers. Large differences also are often evident by gender and age. Outside of these social characteristics, examining variation by education, occupation, industry, and geography will also be important. (See Abraham and Houseman, 2021, for a summary of the incidence by age, gender, race/ethnicity, and education by work arrangement; for studies specific to platform work, see Rosenblat, 2018; Schor, 2020; and McMillan-Cottom, 2021.)

Relevant alternative data sources to capture recommended topics

This section describes how to use external data sources in conjunction with or in place of NLSY26 survey data.

Data on most work arrangements are captured to varying degrees in other data sources. Temporary help employment is captured in various cross-sectional household surveys, in employer surveys (e.g., the Current Employment Statistics, the Occupational and Wage Statistics program), and in some administrative data. Other contract company work is primarily measured in selected household surveys, including the Contingent Worker Supplement and some privately conducted surveys. Employer surveys conducted by the Census Bureau (Annual Survey of Entrepreneurs and the Annual Business Survey) also have yielded estimates of contract company work in combination with independent contractors. Independent contractor arrangements have been measured in selected cross-sectional household surveys including the Contingent Worker Supplement to the CPS. Estimates of independent contracting have been generated using administrative tax data. Employer surveys conducted by the Census Bureau (Annual Survey of Entrepreneurs and the Annual Business Survey) also have generated estimates of contract company work in combination with independent contractors. Independent contractor work through online platforms has been captured in some household surveys and has been estimated using administrative banking data and tax data. Other intermediated independent contractor work has not been systematically measured in other data sources, although recent evidence suggests that it is common (Abraham et al., 2023).

The value of household survey data like the NLSY over cross-sectional household survey, employer survey, and administrative data is that it provides longitudinal information on individuals and their work arrangements along with a rich set of information on demographic, socio-economic, and job characteristics and geography. Such information is critical for understanding variation in patterns of work arrangements across workers' life course, the short and long-term consequences of these work arrangements, and heterogeneity in these consequences across worker groups.

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