Duration of Non-standard Employment

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Over 6 in 10 working Canadians are employees with permanent, full-time jobs—the traditional standard form of employment in this country. The rest have part-time or temporary jobs, or are self-employed. While many workers deliberately choose non-standard forms of employment—for example, mothers working part time until their children are old enough to attend school, or older workers reducing their workweeks as a transition into retirement—many others would opt for permanent, full-time employment if it were available.

The incidence of non-standard work has been rising in recent years (Vosko et al. 2003). This has drawn more attention to some of the possible negative consequences of non-standard work, including employment insecurity, lower earnings, and limited or no access to employer benefits (such as pension plans) or social programs (such as Employment Insurance).

The economic consequences of non-standard work depend greatly on whether the situation is short-term or long-term. Hence, a longitudinal perspective is crucial.

This article examines the duration of non-standard jobs using the Survey of Labour and Income Dynamics (SLID) from 1999 to 2001. It looks at three distinct groups of non-standard workers: the self-employed (with and without paid help), employees with permanent part-time jobs, and temporary employees who work either full or part time (see Data source and definitions).

Extent of non-standard work

In 2001, about 38% of all employed Canadians were non-standard workers in their main job: 15% worked in temporary jobs, 14% were self-employed, and 9% were permanent part-time employees. Among the self-employed, 9% were own-account workers, and 5% had employees (Table 1). In addition, about 1 in 10 employees in permanent, full-time paid positions reported some non-standard employment. This was the result of multiple jobholding or switching from one type of job to another during the year.[3]

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Economic consequences

A primary concern regarding non-standard work is its potentially adverse financial consequences. For example, persons in temporary or part-time jobs work fewer hours, on average, than standard workers, and have lower hourly and annual earnings (Table 2). In 2001, temporary part-time workers worked less than 800 hours (compared with 1,961 hours for standard workers), and reported hourly earnings of only $11.58 (versus $18.89), and annual earnings of $10,900 (versus $40,900).[4]

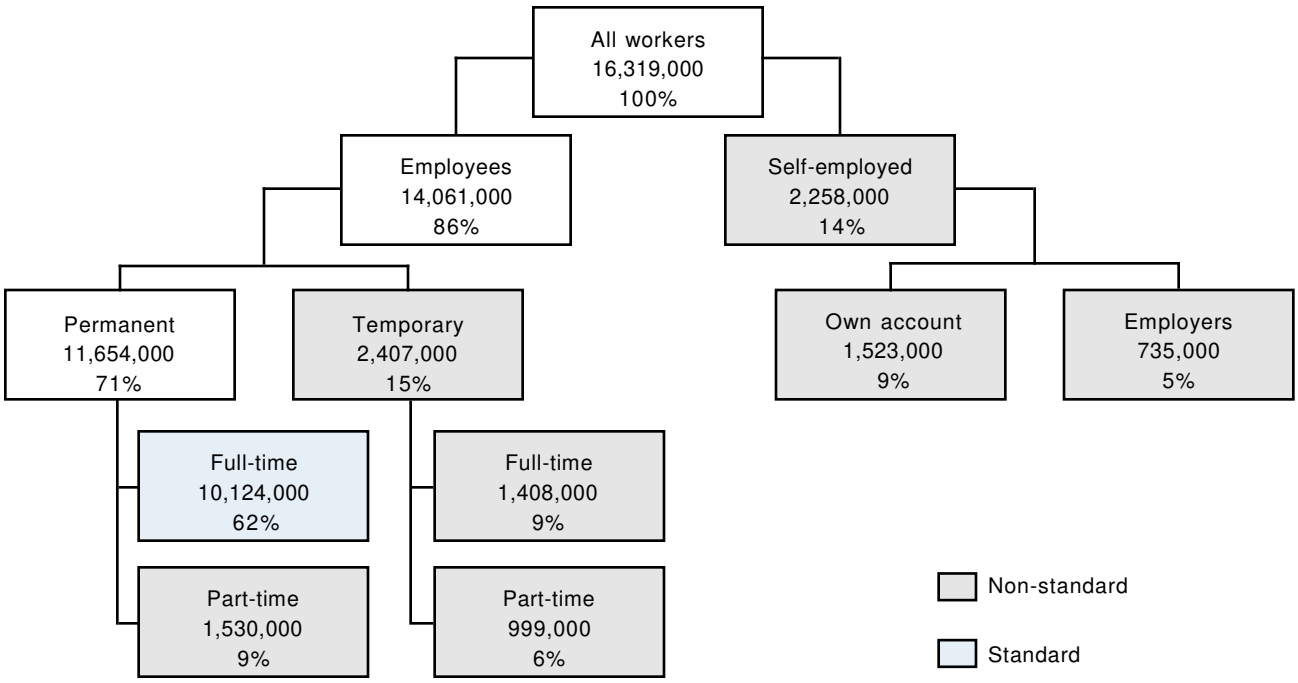
Non-standard workers were also more likely to experience unemployment during the year—particularly temporary full-time workers (41% in 2001). They were also less likely to receive Employment Insurance (EI) benefits (except temporary full-time workers, half of whom received benefits).

In terms of average family income, own-account workers were the worst off ($52,500 in 2001); they also experienced the highest incidence of low income (15%).[5] Employers reported the highest average family income (almost $77,000), followed by standard workers (just over $64,000). Only 3% of standard workers lived in low-income families, however, compared with 8% of employer families.[6]

Persistence

The duration, or persistence, of non-standard work is of particular interest. Although some people prefer to work at temporary or part-time jobs for extended periods, or choose to be self-employed, others see such jobs as mere stepping stones to permanent full-time

Table 1: Classification of workers aged 16 to 69, by type of main job



Source: Survey of Labour and Income Dynamics, 2001

work. Unfortunately, some individuals find themselves involuntarily working in some form of non-standard employment for years.

The evidence suggests that once engaged in non-standard employment, the majority of workers remain in such jobs for an extended period of time. More than half (54%) of the 5.0 million people in non-standard jobs in 1999 maintained this form of employment throughout the following two years. An additional 9% were non-standard workers in 1999 and 2001, but not during the interim year (Table 3).

In contrast, only 17% of those in non-standard jobs in 1999 were engaged in standard employment the fol- lowing year, while 12% were not working at all. How- ever, by 2001, almost one in four non-standard workers two years earlier had obtained standard employment (23%), while 14% were not working. (An alternative aspect of persistence is discussed later in the article in the context of the personal and job characteristics of non-standard workers.)

A gateway to standard employment

Non-standard employment is often a method of entering the workforce. Some 60% of individuals who moved from no employment in 1999 into employment in either 2000 or in 2001 initially found non-standard jobs (Table 4). Specifically, of the 1.2 million Canadians with jobs in 2000 who had been jobless in 1999, some 57% found non-standard employment. Similarly, in 2001, 69% of the 391,000 workers who had been jobless during the preceding two years were employed in non-standard jobs.

In contrast, the overall incidence of non-standard employment at any given time (38%, on average, in 2001) tends to be much lower than that of people

Data source and definitions

The longitudinal **Survey of Labour and Income Dynamics** (SLID), carried out since 1993, features questions on labour market participation patterns over time. SLID follows a panel of individuals over a six-year period, collecting detailed information for up to six jobs held during the course of each year. The survey also provides detailed information on family structure, personal and family income, educational attainment, disability, immigration status, and a wide range of other socio-economic characteristics. (Persistent non- standard employment cannot be measured using staticsnapshots such as those provided by the monthly Labour Force Survey.)

This study relies on SLID data from 1999 to 2001—for two reasons: First, prior to 1999, information was not collected on whether jobs were temporary or permanent.[1] Second, this time period doubles the sample size by using the over- lapping years of two panels: 1996-2001 and 1999-2002.

SLID provides labour market information for all individu- als aged 16 to 69. The 2001 sample used for the cross- sectional analysis portion of this article covers all individuals in this age range. The sample for the longitudinal analy- sis portion, however, is restricted to those aged 16 to 67 in 1999 (18 to 69 in 2001) who were survey respondents in all three years. Jobs were excluded from both samples if values were missing for any of the three key variables used to identify standard/non-standard employment: paid versus self-employment, permanent versus temporary work, and full- versus part-time job).

Non-standard jobs are all forms of self-employment (with or without paid help), part-time jobs (less than 30 hours weekly), and temporary jobs.

Non-standard workers: Workers whose main job during the year was non-standard. The main job corresponds to the one with the most annual hours of work.

In the literature, the self-employed with paid help are often excluded from the definition of non-standard workers. This study includes all the self-employed to provide a sharper contrast with the traditional notion of standard work—that is, full-time, permanent employees. Some researchers exclude voluntary part-time workers, self-employed professionals (for example, lawyers or doctors), or those working non-stand- ard schedules (such as rotating or night shifts, or working 'on call'). One proposed broad definition of a standard worker is one who has one employer, works full year, full time on the employer's premises, enjoys extensive statutory benefits and entitlements, and expects to be employed indefinitely (Vosko et al. 2003). All other workers are non-standard. Other definitions have included other groups, such as multiple jobholders (Krahn 1995) and shift workers (Sunter 1993).

Persistent non-standard workers: Those whose main job was non-standard in all three years.[2] This article exam- ines two persistence rates: the proportion of non-stand- ard workers in 1999 who remained in non-standard jobs during the following two years, and those who were in these types of jobs throughout the 1999-2001 period as a proportion of non-standard workers at any time during the period.

Own-account workers are self-employed and have no paid help.

Employers are self-employed with paid help.

Temporary employment includes seasonal work; non-seasonal temporary, term or contract jobs; casual jobs; and work obtained through a temporary help agency.

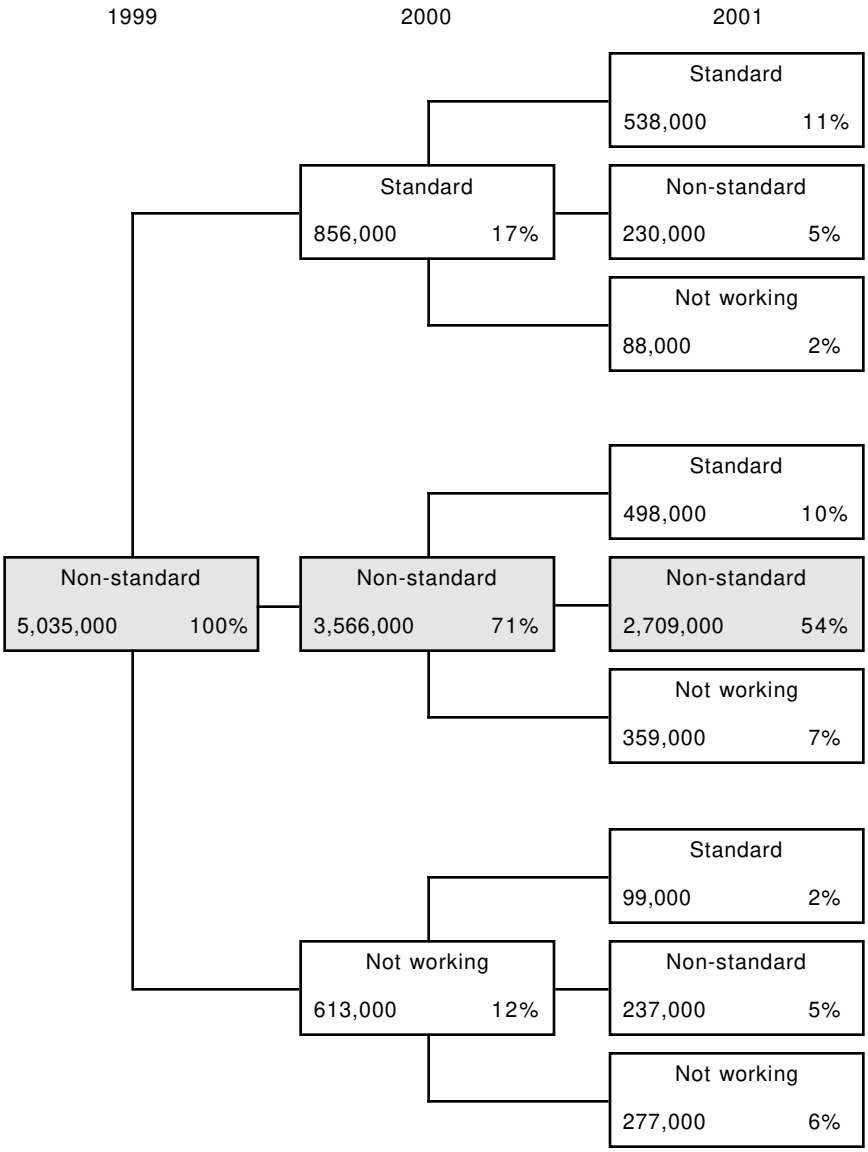
EI beneficiary–unemployed ratio: The percentage of unemployed during the year who received Employment Insurance.

Table 2: Economic aspects of non-standard work

		Non-standard jobs					
			Self-employed		Temporary		
	Standard jobs	Total	Own account	Employer	Full-time	Part-time	Permanent part-time
Work and earnings							
Average annual work hours	1,961	1,410	1,922	2,540	1,372	782	906
Average hourly earnings	18.89	13.17	16.99	19.26	13.65	11.58	13.20
Average annual earnings	40,900	22,100	24,400	55,600	19,100	10,900	15,100
Unemployment							
Unemployment rate	10	17	F	F	41	21	12
EI beneficiary–unemployed ratio (%)	41	34	F	F	49	16	14
Family income							
Average family income ($)	64,000	60,100	52,500	76,800	56,600	63,800	60,600
Below the low-income cut-off (%)	3	11	15	8	9	10	9

Source: Survey of Labour and Income Dynamics, 2001

Table 3: Labour market transitions of non-standard workers in 1999*



Source: Survey of Labour and Income Dynamics, 1999-2001
** Individuals aged 16 to 67 in 1999.*

making a transition from no job into non-standard employment. This finding indicates that while most working Canadians are standard workers, the majority of new entrants to the labour market, or re-entrants following a period of joblessness, are initially non-standard workers.

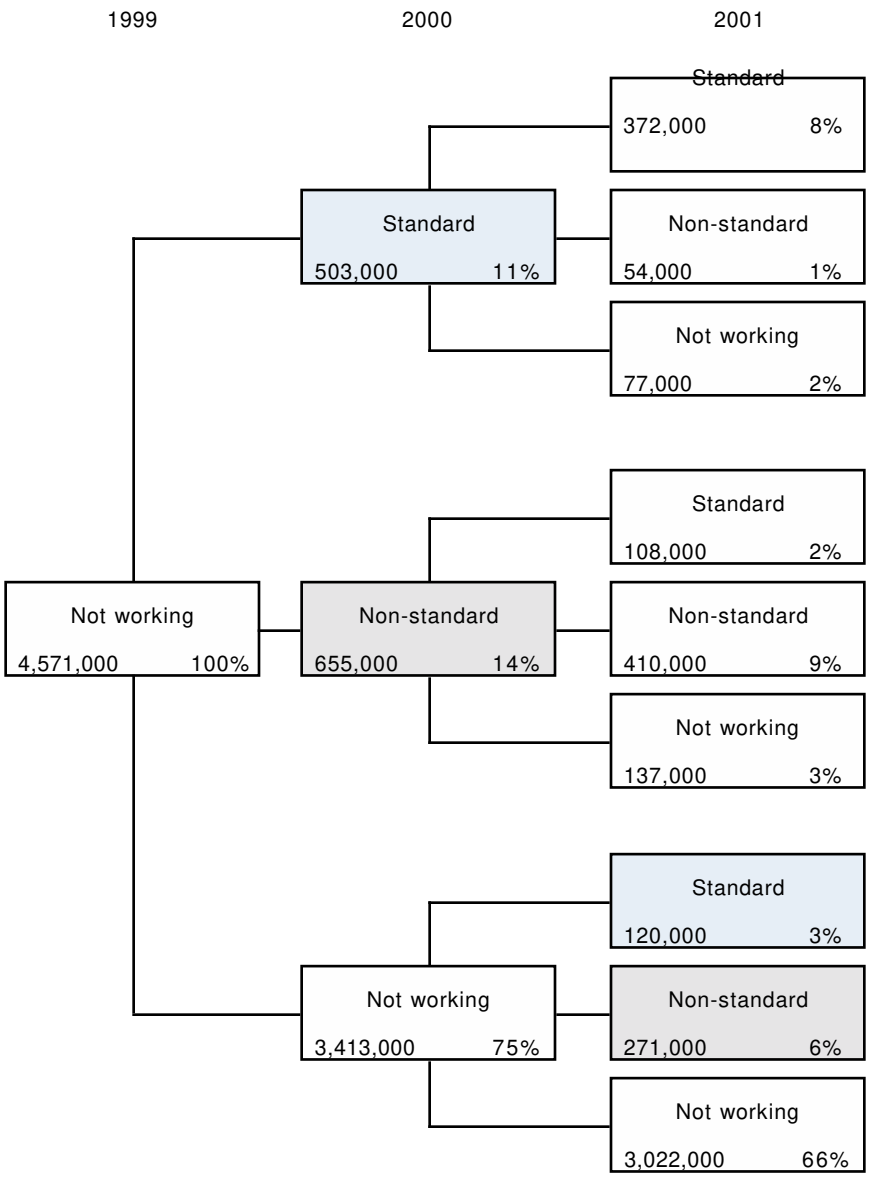
Non-standard jobs are a common way of entering the labour market for several reasons. Among employers, a temporary or part-time job may be a way of recruiting and screening new employees, who may eventually be offered standard employment. From a young person's point of view, a temporary job may be the easiest kind of work to find, particularly a first job. Part-time jobs offer a compromise solution for many students seeking to balance school and work. They are also popular among women re-entering the labour force who may wish to earn some income but still have time to deal with family responsibilities.

Non-standard workers

People in non-standard jobs were more likely to be younger or older than those in standard jobs. In 2001, 27% of non-standard workers were aged 16 to 24, and 15% were 55 to 69; the corresponding estimates for standard workers were 10% and 9%. Among younger workers, non-standard work may be preferred by those still in school, or seen as a temporary situation by those with little or no experience in the labour market. In contrast, some older workers may be opting for part-time, temporary or self-employed jobs as a stepping stone from a permanent full-time job to retirement.

Non-standard workers were somewhat more likely than standard workers to be women: 53% and 43% respectively (Table 5). In terms of life phase, 64% of standard workers versus 44% of non-standard workers were individuals aged 25 to 54 without preschool children. The most notable differ- ences were found among full-time students, who made up 5% of standard and 24% of non-standard workers, and men 25 to 54 with- out preschool children (35% and 20%). In contrast, women without preschool children represented only

Table 4: Labour market transitions of persons not employed in 1999*



Source: Survey of Labour and Income Dynamics, 1999-2001
** Individuals aged 16 to 67 in 1999.*
Note: The grey boxes identify transitions from no work to non-standard work; the blue boxes identify transitions from no work to standard work.

a slightly higher proportion of the standard workforce than the non-standard (29% versus 24%).

In terms of educational attainment, non-standard workers were more likely to have less than a high school diploma (20% compared with 13%) or some form of post-secondary schooling (20% versus 14%). This arises, in part, because many in these education categories are still attending school, and employed students tend to work in part-time or temporary jobs. In contrast, well over half (56%) of standard workers had a college certificate or diploma or a university degree, compared with 45% of non-standard workers.

Region of residence had little effect on the distribution of standard and non-standard jobs. Some differences existed, however, according to the size of a worker's area of residence. Higher proportions of non-standard jobs were found in rural and smaller urban areas (population under 30,000); the opposite was noted in urban areas with a population of 100,000 or more.

A different perspective on the frequency of non-standard forms of employment is offered by incidence rates (Table 5). While 38% of all employed workers aged 16 to 69 held non-standard jobs in 2001, the rate for specific subgroups varied extensively—from a low of 28% among 25 to 34 year-olds to a high of 62% among those 16 to 24, many of whom would likely be students. Indeed, the incidence of non-standard work among employed full-time students was extremely high, at 76%. In contrast, the incidence of non-standard work among women aged 25 to 54 with pre-school children was only marginally higher than the national average (42% versus 38%).

Non-standard employment rates were relatively high among older workers, at 53% for working women aged 55 to 69 and 47% for their male counterparts—again suggesting that many older workers may be opting for non-standard work as a form of semi-retirement following a full-time permanent career.

Table 5: Demographic profile of standard and non-standard workers

	Standard	Non-standard	Incidence of non-standard work
		%	
All individuals aged 16 to 69	**100**	**100**	**38**
Age			
16 to 24	10	27	62
25 to 34	26	17	28
35 to 44	30	22	31
45 to 54	25	20	33
55 to 69	9	15	49
Sex			
Men	57	47	34
Women	43	53	43
Life phase			
Full-time students, all ages	5	24	76
Youth 16 to 24, excluding full-time students	7	6	35
Men 25 to 54 with preschool children	9	5	24
Men 25 to 54 without preschool children	35	20	26
Men 55 to 69	6	8	47
Women 25 to 54 with preschool children	5	6	42
Women 25 to 54 without preschool children	29	24	33
Women 55 to 69	4	6	53
Education			
Less than high school	13	20	50
High school diploma	18	14	33
Some postsecondary	14	20	47
College certificate or diploma	37	29	33
University degree	19	16	35
Region of residence			
Atlantic	7	8	43
Quebec	24	23	37
Ontario	40	37	36
Prairies	17	18	40
British Columbia	12	13	40
Size of area of residence			
Rural	9	14	49
Urban			
Under 30,000	11	14	44
30,000 to 99,999	11	11	38
100,000 to 499,999	17	15	36
500,000 and over	52	45	35

Source: Survey of Labour and Income Dynamics, 2001

The incidence of part-time, temporary or self-employed jobs was highest in the Atlantic provinces (43%) and lowest in Ontario (36%). The incidence was also particularly high in rural areas—almost half, many of whom are likely self-employed in agriculture or some other primary industry.

Non-standard jobs

The greatest disparity between the distributions of standard and non-standard workers by industry was found in manufacturing, which accounted for 20% of the former but only 6% of the latter in 2001 (Table 6). In contrast, people in non-standard jobs were somewhat more likely to be found in the primary industries, accommodation and food services, construction, or trade; 42% were employed in one of these industries, compared with 28% of standard workers. Many of these industries have a strong seasonal component, which entails hiring workers on a temporary basis (for example, farming and construction from spring to fall, and retail trade during the Christmas season). Others, such as food services, and again retail trade, are char- acterized by a fluctuating demand for employees throughout the day or week—a situation that is handily met by part-time staff.

Although firms with 100 or more employees accounted for the majority of standard (63%) as well as non-standard (52%) workers (excluding the self-employed), only one in five standard workers were found in companies with fewer than 20 employees, compared with one in three non-standard workers. Employees in non-standard jobs were also less likely to be unionized (26% compared with 35%).

Three-quarters of standard workers had a regular daytime schedule, compared with only half of non- standard workers. Almost 4 in 10 of the latter group were on rotat- ing or split shifts, or had on-call or other irregularly scheduled work.

The incidence of non-standard employment varied widely across industries. At least half of all workers in the primary and utility

Table 6: Job profile of standard and non-standard workers

	Standard	Non-standard	Incidence of non-standard work
		%	
All individuals aged 16 to 69	**100**	**100**	**38**
Industry of main job			
Primary* and utilities	4	8	57
Construction	5	8	50
Wholesale and retail trade	14	17	42
Transportation and warehousing	5	4	32
Finance, insurance, real estate and leasing	6	4	31
Professional, scientific and technical	6	7	43
Business, building and other support	3	5	50
Educational services	7	7	37
Health care and social assistance	10	11	40
Information, culture, arts, entertainment and recreation	4	6	46
Accommodation and food	5	9	51
Other services	4	5	47
Public administration	7	4	25
Firm size**			
Under 20 employees	19	32	38
20 to 99	18	16	24
100 to 499	15	12	23
500 and over	48	40	23
Union member**			
Yes	35	26	22
No	65	74	31
Work schedule**			
Regular daytime	74	51	21
Regular evening or night	6	12	41
Rotating or split shift, on-call or irregular	20	38	43

Source: Survey of Labour and Income Dynamics, 2001
* *Includes agriculture, forestry, fishing and mining.*
** *Employees only.*

industries; accommodation and food services; construction; and business, building and other support services had non-standard jobs in 2001. In comparison, only 15% of jobs in manufacturing and 25% in public administration were non-standard.

Non-standard jobs were more common in small firms (under 20 employees) than in larger firms. They were also more common among non-unionized workers and those not working a regular daytime schedule.

Persistence depends on demographics…

Of individuals who experienced at least one year of non-standard work over the 1999-2001 period, 38% were non-standard workers in all three years (Table 7).[7] However, persistence varied by age, sex and life phase. For example, among 45 to 69 year-olds, half reported hav- ing a non-standard job over the three years, compared with 25% of those 25 to 34. In contrast, the persistence of non-standard work was relatively low among youth not attending school full time (only 14%)—an indication that this type of work is typically a temporary time employment.

Educational attainment was not a strong factor affecting persistence, although non-standard workers with a university degree were somewhat more likely to have held such jobs for the entire three-year period.

… and type of non-standard employment

Yet another facet of persistence is revealed by comparing a non-standard worker's employment status in 1999 with their status in 2001, regardless of any labour market activities during 2000 (Table 8).[8] Overall, almost half (47%) of non-standard workers in 1999 were in the same type of non-standard job two years later, but the percentage varied according to the type of non-standard work.

A high proportion of those self-employed in 1999 were in the same type of work two years later (68% of own-account workers and 76% of employers).[9] The remaining individuals were almost as likely to have found some other type of non-standard employment as they were to have standard jobs or no work at all.

Temporary part-time workers, on the other hand, were the least likely to continue in the same type of employment (only 18%). In most

Table 7: Persistence of non-standard work by demographic characteristics

	Non-standard work	
	One or two years out of three	All three years
	%	
All individuals aged 16 to 69	**62**	**38**
Age		
16 to 24	72	28
25 to 34	75	25
35 to 44	58	42
45 to 54	52	48
55 to 69	52	48
Sex		
Men	60	40
Women	64	36
Life phase		
Full-time students, all ages	66	34
Youth 16 to 24, excluding full-time students	86	14
Men 25 to 54 with preschool children	56	44
Men 25 to 54 without preschool children	55	45
Men 55 to 69	49	51
Women 25 to 54 with preschool children	66	34
Women 25 to 54 without preschool children	62	38
Women 55 to 69	56	44
Education		
Less than high school	63	37
High school diploma	60	40
Some postsecondary	64	36
College certificate or diploma	62	38
U	57	43

Source: Survey of Labour and Income Dynamics, 1999-2001

The relatively low persistence of both full- and part-time temporary work is not surprising. Since temporary work is of limited duration by definition, many incumbents migrate to a new job once their old one has ended. Often, that new job is full-time and permanent. Permanent part-time work may tend to be of longer duration, however, when it is voluntary and related to a particular phase in life—for example, while a person is attending school or taking care of young children. It can also be a transitional form of employment for an older worker approaching retirement. Finally, self-employment may last the longest, on average, because it is often a voluntary long-term career choice made at a relatively young age—although some older workers opt for this type of job in semi-retirement as well.

Summary

Non-standard employment is fairly common in Canada, accounting for almost two in five workers aged
16 to 69. Concerns about non-standard work arise because workers in these jobs tend to have low

cases, these people moved into another form of non-standard employment (36%) or a standard job (26%). Nevertheless, temporary part-time jobholders in 1999 were the most likely to have no job at all in 2001 (19%).

Temporary full-time workers in 1999 were the most likely to have found standard work by 2001 (39%), followed by permanent part-timers (28%). Nevertheless, almost 4 in 10 such employees remained in the same kind of non-standard job.

Table 8: Employment status of non-standard workers two years later*

	Type of work in 2001			
	Non-standard			
	Same type	Other type	Standard	No work at all
Type of non-standard work in 1999			%	
All non-standard workers	47	16	23	14
Self-employed own account	68	10	10	12
Self-employed employers	76	8	7	9
Temporary full-time	31	13	39	17
Temporary part-time	18	36	26	19
Permanent part-time	38	20	28	14

Source: Survey of Labour and Income Dynamics, 1999-2001
** Workers aged 18-69 in 2001.*

earnings and are more likely to live in low-income families. They also face greater risk of unemployment and enjoy fewer employer- or government-sponsored benefits.

Adding fuel to these concerns is the persistence of non-standard employment among the people who hold these jobs. For example, of the five million Canadians in non-standard jobs in 1999; half remained in such jobs throughout the following two years. Older work- ers (45 to 69) were particularly susceptible.

The potentially negative aspects of non-standard work are mitigated by many individuals choosing self-employment, or temporary or part-time jobs. Moreover, non-standard work often serves as a gateway to standard employment. For example, some 60% of individuals without jobs in 1999 who were subsequently employed in 2000 or 2001 initially found non-standard work. And the temporary nature of non-standard work among youth indicates that for this group non-standard work is typically a stepping stone to permanent full-time employment.

Notes

1 Job permanency is determined by the following two SLID questions: (a) Is [the] job permanent, or is there some way that it is not permanent? If not permanent, the respondent is also asked: (b) In what way is [the] job not permanent? Response choices are seasonal job; temporary, term or contract job (non-seasonal); casual job; work done through a temporary help agency; other (specify).

2 Some excluded individuals who appear to have experienced less than three years of non-standard work would have been counted as non-standard workers if their employment data prior to 1999 or following 2001 had been available.

3 Virtually all non-standard workers had only non-stand- ard jobs that year.

4 Differences in hourly wages and annual earnings among the various groups of non-standard workers, as well as between standard and non-standard workers generally, reflect the diverse job and worker characteristics associated with these groups (for example, varying distributions by age, education and occupation).

5 Low-income status is based on Statistics Canada's after- tax low-income cut-offs (LICOs): income thresholds at which a family would typically spend 20 percentage points more of its income than the average family on the necessities of food, shelter and clothing. LICOs vary according to family and community size.

6 The greater prevalence of low income among employers than among standard workers suggests greater income inequality in the former group.

7 This concept of persistence is different from the one discussed earlier. According to the previous concept, 54% of Canadians who were non-standard workers in 1999 (the denominator used in those calculations) remained non- standard workers throughout the remaining two years. In this section, the denominator used to determine the persist- ence of non-standard work is the number of workers with non-standard jobs at some time in the 1999-2001 period; for example, the overall rate of persistence using this method (38%) was calculated by dividing the number who were non- standard workers during all three years by the total number who were non-standard workers during one, two, or all three years.

8 The interim year (2000) is ignored because including it would complicate the display of results.

9 Self-employment was more common among male than among female non-standard workers (48% versus 26%) and virtually non-existent among youth.

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