Discussion: Contingent Work and the Gig Economy

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What We Need to Make Progress

• A Classification System for Work Arrangements
  • Abraham, Haltiwanger, Sandusky and Spletzer provide a very useful one.

• Reliable Measures of Employment, hour|employment, and compensation, by work arrangement
  • Survey data and DER data. LEHD?
  • More specialized data from internet platforms (e.g. Uber)
  • Fringe benefits, transfer

• Rich covariates, labor market outcomes to understand labor market behavior, assess level and distribution of wellbeing

Today’s presentations: Progress in all three areas!
Comments

• Using Multiple Data Sources to Improve Estimates of Contingent Worker/Independent Workers.
  • Katharine Abraham, John Haltiwanger, Kristin Sandusky and James Spletzer
  • Emilie Jackson, Adam Looney, Shanthi Ramnath
Combining CPS-ASEC and DER

• 51% of people with SE income in CPS do not report SE income in DER
• 65% of people with SE income in DER do not report SE income in CPS
• Why the discrepancy?
  • SE activity is complex, heterogenous—hard to pick up.
Substantial Growth in Not SE in CPS, SE in DER.

Self-employment in CPS-ASEC and DER

- **A**: SE in CPS, SE in DER
- **B**: SE in CPS, Not SE in DER
- **C**: Not SE in CPS, SE in DER
SE in DER, not in CPS-ASEC

1) No employment income in the CPS-ASEC; self-employment income in the DER.

2) Self-employment second job not reported in CPS:
   • Only wage-and-salary income in the CPS-ASEC; both wage-and-salary income and self-employment income in the DER.

3) Only wage-and-salary income in the CPS-ASEC; only self-employment income in the DER.

Classification Issue

The 3 contribute equally to growth
SE in CPS-ASEC, not in DER

4) No DER employment:
   No employment income in the DER; self-employment income in the CPS-ASEC.

5) SE 2nd job not recorded in the DER:
   Only wage-and-salary income in the DER
   Both wage-and-salary income and self-employment income in the CPS-ASEC.

6) CPS job self-employed, classification issue:
   Only wage-and-salary income in the DER; only self-employment income in the CPS-ASEC.

   No growth in these.
Modelling the Discrepancies

Use CPS-ASEC variables with matched CPS-ASEC to estimate prediction model for

1) No CPS employment, SE income in DER. Predict amount quantity of income missed

2) Self-employment second job not reported in CPS, associated income missed.

3) CPS job wage and salary, classification issue.
   1) Use to correct misclassification of SE as wage and salary
Prediction Model for Other Categories

- Jackson, Looney and Ramnath (2018): Growth in SE filers driven by filers with few expenses. Online gig economy?
- “Principle Business or Profession” (taxi/driver)
Full Use of CPS-ASEC, DER for Prediction

• Prediction variables from both data bases
• Labor Market Activity Measures from both.
• Include people with W2s and/or 1099s even if they don’t file a tax return.
• Panel data
Variables, Modeling

• Insights from audits, studies of matched data, Contingent Worker Survey
• Demographics
• Education
• Industry and Occupation
• Receipt of income contingent transfers (EITC)
• Proxy Reports in CPS.

Machine Learning Methods
Challenges

• Timeliness of matched data
• Weights
• Stability of the Links:
  • Changes in tax and transfer policy alter behavior and reporting
  • Example: EITC.
Implications for Survey Re-design to Improve Measurement

• Optimal CPS questions may change when DER is available.

• Abraham and Amaya: Show that probing about types of gig employment has big effects on reporting.

• Constraint---Cannot just add questions to CPS. Occasional Supplements
Thank You!
Other Data to Match to DER: American Time Use Supplements

- Only 1 day for one respondent—need to pool several years.
- But might provide insights about how Contingent workers divide time
- How contingent work is coordinated with main job, household production
- Contingent Worker Survey