

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

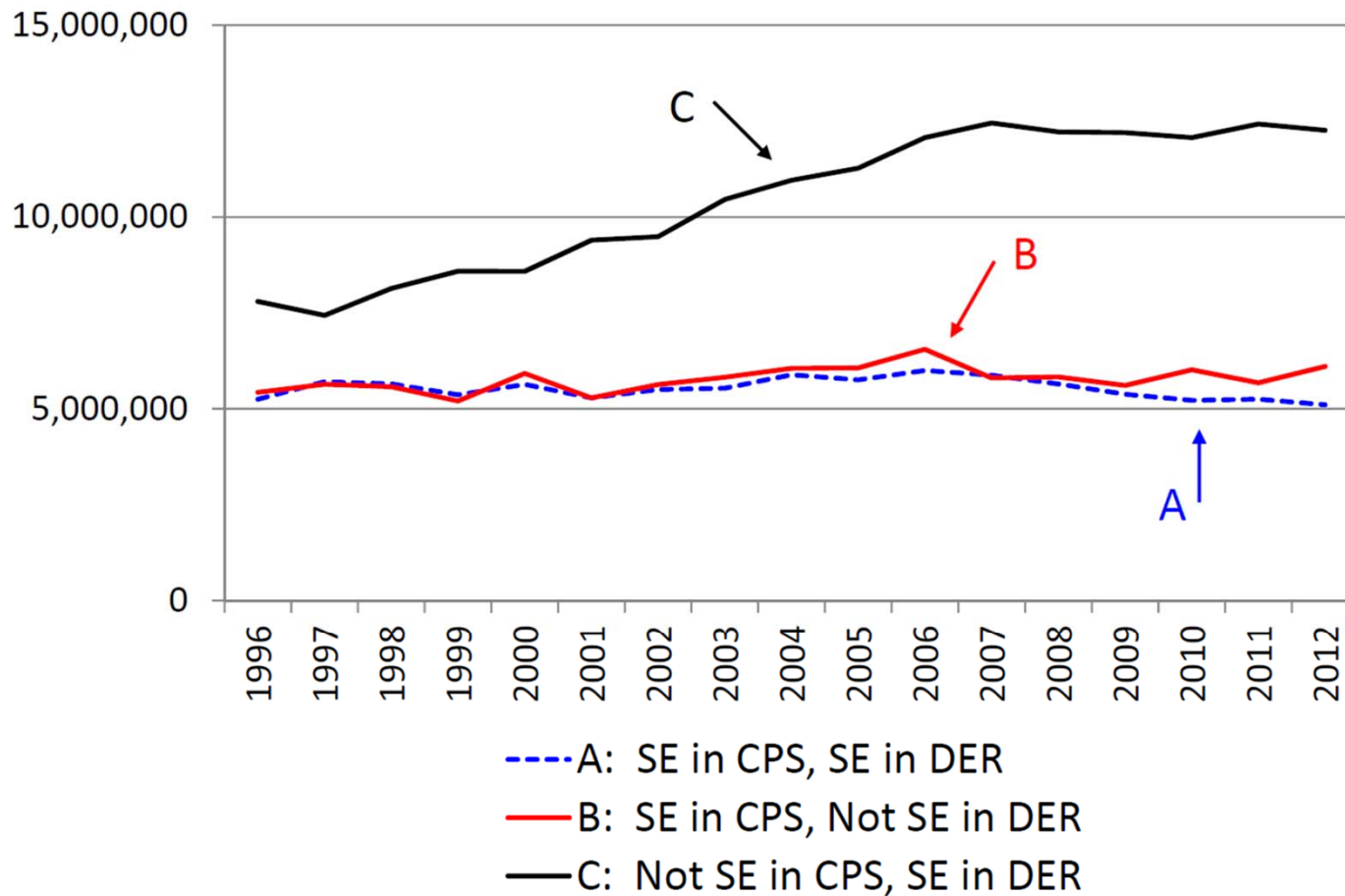
- Using Multiple Data Sources to Improve Estimates of Contingent Worker/Independent Workers.
 - Katharine Abraham, John Haltiwanger, Kristin Sandusky and James Spletzer
 - Emilie Jackson, Adam Looney, Shanthi Ramnath

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



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!

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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