

Charting the Contingent Workforce

New policies needed to address the changing American labor force



Cathy Liu

What do a temp secretary, a seasonal agricultural worker and a high-concept IT consultant have in common? Each belongs to the “contingent workforce,” a labor model that is becoming increasingly more common according to Assistant Professor Cathy Liu and Ric Kolenda, a Ph.D. student in Public Policy in the Andrew Young School of Policy Studies at Georgia State University.

Contingent work arrangements are characterized by a lack of job security, unpredictable work hours and the absence of benefits usually associated with the traditional labor market. Beyond these basics, however, this workforce has remained largely undefined and uncharted; a problem that Liu and Kolenda attempt to rectify in their article titled, “Counting and Understanding the Contingent Workforce,” published online in *Urban Studies* in June.

Their research shows that over the last decade, contingent workers have grown to represent between 10 percent and 50 percent of the total labor force in Georgia, depending on how this workforce is defined.

The authors point to the rise of the service economy and, more recently, plummeting employment levels to explain this trend. “Businesses turn to contingent labor arrangements because of the increased workforce flexibility offered by this approach,” says Liu. “We expect continued growth in this sector as private enterprises strive to cut costs and boost workforce flexibility.”

They also caution that for governments, this sector’s growth heralds the need for a new approach to labor policy. “Today’s government policies are based on the assumption that traditional work arrangements are the norm. As our research has shown, however, this is rapidly changing,” Liu says.

“The contingent workforce is a highly diverse, heterogeneous population that presents entirely new and complex sets of problems for states attempting to formulate tax policy, attract jobs or improve levels of worker satisfaction,” Liu notes. “As such, there is a pressing need to address the policy factors most affected by the expansion of this labor force, such as unemployment insurance, employer-paid benefits and workforce training.”

A disproportionately high number of women, older workers, and minorities – especially Hispanics – comprise the contingent workforce, which will require governments to reframe labor policy with the contingent workforce in mind. “Ultimately, we need labor policies that offer protection to the vulnerable segments of the workforce. For example, when we set out to attract jobs, we need to consider the quality of the jobs as well as the quantity,” Liu says.

With the size of the contingent workforce projected to increase in the wake of the recession, government institutions at the state and federal levels are likely to turn their attention to contingent work arrangements. Policy analysts who are keenly aware of current labor trends, such as Cathy Liu, are in a strong position to assist these institutions in their policymaking efforts.