

The Precarity Penalty: How Insecure Employment Disadvantages Workers and Their Families

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ABSTRACT: This paper examines the social and economic effects of precarious employment in the Greater Toronto-Hamilton area. The analysis is based on data from two surveys conducted in 2011 and in 2014 by the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group. The survey findings paint a picture of how low earnings and economic uncertainty translate into delayed formation of relationships, lower marriage rates for workers under the age of 35, and fewer households with children. They also suggest that workers in precarious employment are more likely to experience social isolation. These findings suggest that the Precarity Penalty is not limited to economic outcomes from employment but also includes disadvantages in establishing healthy households and being engaged in one's community. Workers in secure employment enjoy better economic outcomes from employment that provide the basis for better household wellbeing and increased social integration. While much has been made in recent years of the unequal distribution of income, the PEPSO study also points to the unequal distribution of many of the non-financial aspects of life that people value including companionship, having a family and having friends.

KEYWORDS: Precarious Employment; Household Wellbeing; Families; Communities

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The Poverty and Employment Precarity in Southern Ontario (PEPSO) research group was formed in 2010 to measure the prevalence of precarious employment in the Greater Toronto-Hamilton (GTHA) labour market and to examine the effects of insecure employment on workers, families and communities. In 2013, PEPSO released its first report *It's More than Poverty: Employment Precarity and Household Well-being* based on data collected in late 2011. In 2015, a second report was released *The Precarity Penalty: The impact of employment precarity on individuals, households and communities – and what to do about it* based on data collected in 2014. The results from these two reports are disturbing. They suggest that precarious employment is no longer an issue only for low paid workers, women or recent immigrants. It is becoming the norm in many sectors and amongst categories of workers who in the past were privileged to work in secure jobs with good career prospects. The reports show that the effects of insecure employment are much broader than simply low wages and irregular employment. Households where employment is insecure face added challenges in maintaining a healthy family and individuals face added challenges fully participating in their communities. Combined, these effects represent the Precarity Penalty associated with less secure employment.

Many of the survey questions asked in 2011 and in 2014 were identical. This chapter combines the two data sets to assess the nature of the Precarity Penalty focussing on the penalties that individuals experience as a result of their employment relationship. It is beyond the scope of this paper to explore in detail the effects on families and on communities. The discussion section of the paper will touch on some of the more obvious links between employment insecurity and the challenges maintaining a healthy family and participating fully in community life. These topics will be explored in more detail in future papers.

THE GROWTH OF PRECARIOUS EMPLOYMENT

There is overwhelming evidence that labour market conditions in Canada, and in much of the developed world, are in transition (Weil, 2014; Kalleberg, 2011; Standing, 2011; Vosko, et.al. 2009; Farber, 2008; Hacker, 2006; Cappelli, 1999). For workers in their 20s and 30s, today's labour market is fundamentally different from the one their parents knew. Older workers looking for work after the loss of a stable and secure job find a labour market fundamentally different from the one they first encountered as a younger worker. As noted by Hatton, many employers have moved from viewing workers as a long-term "asset" worth investing in to viewing them as a short-run "liability" and as a cost to be minimized

(Hatton, 2011). One outcome of this shift is an increased reliance on insecure precarious employment. Since the 1980s, precarious employment grew more rapidly than overall employment. Between 1989 and 2014, the percentage of Canadian workers in either temporary employment, or those who were self-employed without employees, increased from 13.7% of all workers to 21.8% (PEPSO, 2015, 24). As insecure forms of employment became more prevalent in the economy, earnings stagnated for the majority of workers in Canada and in the United States. Income in both countries has become less equally distributed (UWT 2015). In a recent comprehensive review of the performance of the U.S. economy, researchers from the Economic Policy Institute described the period from 1975-2000 as one of wage stagnation and slow economic growth and the first decade of the 21st century as a “lost” decade for most American households (Mishel et.al., 2012, 5).

The increasing prevalence of precarious employment has not only contributed to the slow rate of wage growth but it also means that more and more workers and their families are falling outside of the protective shield of permanent full-time employment. An increasing number of workers are working on short-term contracts, earn only a basic wage and lack supplementary benefits or pension plans (Kalleberg, 2011). The percentage of workers in Canada who report having an employer pension plan fell by more than 10% between 1990 and 2013, and the percentage in defined benefit plans fell over 30% (PEPSO, 2015, 24). Hacker (2006) describes this as the “Great Risk Shift” as workers and their families are exposed to the vagaries of the labour market with fewer protections from either employers or the state.

PRECARIOUS EMPLOYMENT AND FAMILY WELLBEING

It is easy to imagine the link between precarious employment and the conditions of work, but how does the employment relationship affect family wellbeing beyond the obvious question of household income? A large body of feminist-informed research has pointed to the role of the Fordist compromise of the post-World War II period in shaping the norms that govern relations between men and women, social reproduction and welfare regimes (Gottfried, 2000; Vosko et.al., 2009). It is generally agreed that the Fordist male – breadwinner/female care-giver model of economic and social organization privileged men and allocated to women the role of unpaid social reproduction. Women who did enter paid employment generally worked at jobs that were low paid and insecure. However, what the erosion of this model of economic and social organization means for male privilege, for female employment, for families and communities is

less well understood.

Within households, the transition from the male breadwinner/female caregiver model is likely to lead to new family dynamics and potentially to new opportunities for women. Kanji (2013) and Fulcher et.al. (2005) argue that as male employment becomes less secure, the rationale for the male breadwinner/female care giver model changes and many of the assumptions regarding the roles of men and women in the household and in labour markets may also change. They argue that as the contribution of women to household budgets increases, women's authority to shape household decisions may increase and their opportunities to launch their own careers may improve. A number of researchers including Chan (2011); Russell, O'Connell & McGinnity (2009); Hyman et.al. (2005); Bohle et.al. (2004); Carnoy (2000) argue that increased employment insecurity increases tension at home, as parents and children cope with varying income flows and periods of unemployment and the need to re-negotiate the boundaries between work and unpaid housework as work schedules change. Craig & Brown (2014) argue that precarious employment and the spread of non-standard hours and irregular work schedules may make it difficult to co-ordinate shared leisure time between couples with negative effects on the sustainability of relationships.

A number of researchers have explored how precarious employment may change decisions to form relationships. A German study by (Golsch, 2005) suggested for men, insecure employment is associated with delayed marriages and postponing the start of families. But, it has potentially the opposite association for women, providing them with opportunities to combine childcare and part-time employment. Fuwa (2014) argues that as precarious employment disrupts the male breadwinner/female caregiver model and increases women's "market related resources" while at the same time making men a less dependable source of income, women may find traditional marriage less attractive. Mills et.al. 2005 speculate that, rather than marry, young people are more likely to live together to gain some of the benefits of marriage, including companionship and the sharing of housing costs, without making commitments to an uncertain future. Quilgars & Abbott (2000) suggest that renting will become a better option than home ownership as a way of dealing with employment risks. If a reduction in home ownership results in workers having weaker attachments to their community, it could have profound social implications. Goldring & Landolt (2009 & 2011) argue that for immigrants, early career employment precarity may have long-term negative consequences.

A unique study based on 180 interviews with American families in

1998 and in 2010 provides strong evidence that insecure employment can lead to significant barriers to families trying to get ahead with implications for their children (Thomas, Boguslaw et.al., 2013). They found that families whose wealth grew more slowly were not necessarily the lowest paid, but rather lacked what the authors call “employment capital.” Employment capital is the product of non-wage job benefits, job flexibility and consistent work. Workers in a standard employment relationship will generally have more employment capital and those in precarious employment less. For families with limited employment capital, any savings from employment are used to finance the inevitable downturns and unexpected expenses associated with life and thus compromising their ability to accumulate wealth. Families whose wealth grew more slowly, or needed to conserve savings for the inevitable rainy day, also risked being less able to invest in their children at the same rate as families with higher levels of employment capital, potentially putting their children at a relative disadvantage. The challenges facing children as they become young adults in families with limited employment capital was vividly described by Putnam (2015) who explored how the social mobility of children has decreased in the Ohio community where he grew up.

HOW WE COLLECTED OUR DATA

To be eligible for the study, individuals had to be between the ages of 25 and 65 and have worked for pay in the last three months. The core objective of the PEPSO research group is to understand the impact of insecure employment on workers in the prime of their working lives who are more likely to be contributing to a household, raising a family and engaging as citizens in their communities. This is not to suggest that the challenges that younger workers face starting their careers or those of older workers who continue to work later in life are unimportant. Historically, both of these groups of workers were more likely to be employed in less secure employment relationships. How these historical patterns of youth and senior employment are changing in the face of the changing nature of employment relationships identified in the PEPSO reports needs to be the subject of separate research projects.

A representative sample of workers living in Toronto, surrounding GTA municipalities, Hamilton and Burlington was randomly selected and interviewed over the phone by experienced interviewers. Both survey samples are representative by sex, age and the different regions that make up the study area, based on the 2006 census. PEPSO commissioned Leger Marketing to conduct both the 2011 and 2014 surveys using Random Digital Dialing which included both land lines and cell phones. The

interviews were conducted in English. The average length of the survey was 15-18 minutes. The data was analyzed using Stata software. A total of 8,328 individuals were surveyed and form the data set examined in this chapter (See PEPSO 2015 for details on how the data was collected).

UNDERSTANDING WHO IS PRECARIOUS

While precarious employment is now recognized as an entrenched feature of our labour market, there is no agreed upon way to define it or to calculate how many workers are precariously employed. The challenge is that employment relationships vary across a wide range of characteristics other than simple rates of pay. Some employment is more stable. Some employment provides supplemental benefits, such as a prescription drug plan that insures workers from unexpected expenses. Some employment provides a secure pension for workers when they retire. Some employment provides a career path and helps workers acquire new skills. Some employment provides predictable work schedules. All of these characteristics shape the degree of employment precarity.

A simple approach is to focus on the form of the employment relationship including whether workers are in full-time, part-time, or temporary employment or whether they are self-employed. At best, this provides a rough indicator of precarious employment as the characteristics of employment can still vary widely within different forms of the employment relationship. PEPSO survey respondents were asked to identify both the form of their employment relationship (full-time, part-time, temporary, self-employment) and the characteristics of their employment (non-wage benefits, variations in earnings, future employment prospects). This makes it possible to identify the precariously employed with some precision.

A widely recognized standard for secure employment is the Standard Employment Relationship which represents a sub-set of workers in full-time employment. As well as being full-time, workers in a Standard Employment Relationship receive non-wage benefits such as a pension or supplemental medical benefits, work for one employer full-time, and have a degree of job security. About 65% of the PEPSO sample report they are in full-time employment. However, less than 50% are deemed to be in a Standard Employment Relationship. Another 8.5% of the PEPSO sample report they are in permanent part-time employment.¹²

¹² 19.1% of the PEPSO sample work less than 30 hours but only 8.5% report they are in permanent part-time employment. The majority of the remaining 10.6% of the sample working less than 30 hours report they are in temporary employment, on contract or self-employed.

This leaves about 40% of the PEPSO sample who are not in a Standard Employment Relationship or in permanent part-time employment. There is no general agreement over how many of this group should be classified as precariously employed. In one sense, this entire group experiences a level of precarity which is greater than workers in a Standard Employment Relationship. The most narrow approach to this question is to rely exclusively on the form of the employment relationship and to limit those in precarious employment to workers who self-report they are in some form of temporary employment. Temporary employment includes workers hired into jobs with a fixed end date, including seasonal, temporary, term and casual employment. Statistics Canada first collected such data in 1996. Using this narrow definition, 10.5% of workers in the PEPSO sample aged 25-65 would be classified as precarious. Using a similar definition, Statistics Canada reported that 11.3% of all Canadian workers over the age of 15 were in temporary employment in 2014 (PEPSO, 2015, 24). The U.S. Government Accountability Office (2006 and 2015) refers to this category of workers as the "core contingent" category. In 2010, they identified 7.9% of the workforce as the "core contingent" category. While there has been some upward trend in this category in countries like Canada and Australia, it has been relatively stable in countries like the United States and Britain since the late 1990s leading some researchers to argue that the spread of insecure employment has been exaggerated (Doogan, 2009; Cross, 2015).

Focusing only on workers who declare they are in temporary employment misses a large and growing segment of the workforce who may not self-declare as temporary, but are still precariously employed. This includes the growing share of the workforce employed as freelancers, contractors and the self-employed. 8.8% of the PEPSO sample were self-employed and worked on their own without employing any other workers. Statistics Canada estimated that 10.5% of all Canadian workers over the age of 15 in 2014 were self-employed without employees. U.S. Bureau of Labor Statistics identified 16.2% employed as independent contractors or self-employed in 2010. Temporary forms of the employment relationship plus the self-employed without employees represent 19.3% of the PEPSO sample, 21.8% using Statistics Canada data and 24.1% using data from the U.S. Bureau of Labor Statistics.

Weill (2014, 271-72) also includes part-time workers in the contingent category. This would increase the number of contingent workers to 30.1% of the U.S. workforce in 2005 and the most recent U.S. data suggests this may have grown to 40.4% in 2010 (U.S. Government Accountability Office, 2015).

Approaches described above that identify workers in precarious employment based on the form of the employment relationship provide a rough estimate of employment security. However, some workers classified as precarious using this approach may have a high degree of employment security and some not classified as precarious may be quite insecure once the characteristics of their employment relationships are taken into consideration. In the PEPSO survey, almost one-quarter of the sample is neither in a Standard Employment Relationship nor precariously employed based on the form of their employment relationship. Many of these workers report uncertainty regarding their future employment prospects, variable hours of employment, uncertain future earnings and few if any supplemental employment benefits beyond a wage (PEPSO, 2015, 26). In Ontario, workers in this category with less than one year of seniority can be terminated with one week's notice, and even those with up to 3 years of seniority might only get 2 weeks' notice. In a similar fashion, some workers who declare their job is temporary or are self-employed without employees can still experience a degree of employment stability that makes their employment relatively secure.

There is growing recognition that we can no longer assume that a worker who self-declares as being in full-time employment is also in secure employment.¹³ David Weil (2014, 273) argues that the U.S. workforce has become more fissured, by which he means large lead firms are reducing their core workforce and relying more heavily on the contracting out of tasks to subordinate companies or employing temporary workers hired from external agencies. As a result he argues that, "Though workers in those subordinate businesses may be classified as employed on a standard, full-time basis, the relationship between lead firms and those where these workers are employed may be fissured and therefore likely to have the characteristics of precarious employment."

Given the inaccuracy of relying on the form of the employment relationship to identify who is in secure employment and who is in precarious employment, PEPSO developed the *Employment Precarity Index* to provide a more precise way of identifying precarious employment. The *Index* is made up of 10 questions from the survey and includes both measures of the form of the employment relationship and measures of the characteristics of employment. Each of the questions below was scored on a scale of 0-10 and combined to generate the *Employment Precarity Index*.

¹³ Recent research suggests that many workers on short-term contracts mistakenly report on surveys that they are in permanent employment. See Pavlopoulos and Vermunt, 2015.

- Do you usually get paid if you miss a day's work?
- I have one employer, whom I expect to be working for a year from now, who provides at least 30 hours of work a week, and who pays benefits.
- In the last 12 months, how much did your income vary from week to week?
- How likely will your total hours of paid employment be reduced in the next six months?
- In the last three months, how often did you work on an on-call basis?
- Do you know your work schedule at least one week in advance?
- In the last three months, what portion of your employment income was received in cash?
- What is the form of your employment relationship (short-term, casual, fixed-term contract, self-employed, permanent part-time, permanent full-time)?
- Do you receive any other employment benefits from your current employer(s), such as a drug plan, vision, dental, life insurance, pension, etc.?
- Would your current employment be negatively affected if you raised a health and safety concern or raised an employment-rights concern with your employer(s)?

The *Index* is used to divide the sample into 4 more or less equal employment security categories as shown in Table 1. Nearly 20% of workers in the PEPSO sample in temporary forms of the employment relationship are not classified as precarious using the *Employment Precarity Index*.

Table 1: Employment Security Categories

	n	Percentage	Index range
Secure	1842	22.7	≤ 2.5
Stable	2120	26.1	$> 2.5 \ \& \ \leq 17.5$
Vulnerable	1943	24	$> 17.5 \ \& \ \leq 37.5$
Precarious	2208	27.2	> 37.5

Source: PEPSO surveys

Table 2 describes some of the key characteristics of each of the employment security categories. Men are under-represented in secure employment and marginally over-represented in precarious employment compared to the percentage of men in the entire sample. While somewhat surprising, this is indicative of the changes that are taking place in the economy of Southern Ontario as sectors where men enjoyed privileged access to secure employment such as manufacturing are shrinking. It is also a function of women being over-represented in the public sector where unions have been more successful in supporting secure employment and in the under-representation of women in self-employment which tends to be less secure. It is also evidence of the success women have had defending their employment rights through union representation where they now make up a majority of union membership.

White workers are over-represented in secure employment and under-represented in precarious employment compared to the percentage of white workers in the entire sample. However, white workers still made up almost two-thirds of workers in precarious employment. The relatively high percentage of men and white workers in precarious employment is indicative of the extent to which precarious employment has spread to socio-economic groups that in the past were largely insulated from this form of employment.

Young workers, aged 25-34 are under-represented in secure employment and over-represented in precarious employment compared to the percentage of young workers in the entire sample. Workers aged 35-54 are still the largest age group in precarious employment and made up just over half of all precariously employed workers. Young workers aged 25-34 represented about one-third of precariously employed workers and workers 55-65 represented just under 20% of the category. Workers in secure employment are more likely to be married and have children living in their household. Nearly two-thirds of the workers in precarious employment are married and over 45% have children living in their households. Workers in secure employment are more likely to be unionized.

Table 2: Socio-Economic Characteristics of the Employment Security Categories (% of each employment relationship category)

	% male	% white	% age 25-34	% age 35-54	% age 55-65	% married	% child living in the household	% unionized
Secure	42.6	75.1	20.4	61.7	17.9	73.6	55.2	33.9
Stable	50.3	67.6	22	61.5	16.5	71.4	52.8	27.3
Vulnerable	50.2	61.9	26.2	54	19.8	69.4	51.7	22.7
Precarious	50.4	60.6	31	50.5	18.5	62.3	45.5	15.1
Total Sample	48.6	66	25.1	56.8	18.1	68.9	51.1	24.5

Source: PEPSO surveys.

Table 3 describes some of the other characteristics of the four employment security categories. Workers who describe themselves as doing knowledge work are over-represented in secure employment and under-represented in precarious employment. The pattern in the service sector was the opposite with service sector workers being under-represented in secure employment and over-represented in precarious employment. Manufacturing and construction workers are under-represented in secure employment but about equally represented in the other three employment categories. It is not surprising that service sector workers represent the largest component of precarious employment. Perhaps somewhat surprising is the large number of service sector workers in secure employment and the large number of knowledge workers in precarious employment. Again this points to the extent to which precarious employment has spread to all sectors of the economy.

The last two columns of Table 3 report the distribution of jobs across the four employment categories by the education needed to perform these jobs. Workers doing jobs that require a university degree are over-represented in secure employment and under-represented in precarious employment. The exact opposite pattern can be found with jobs that require only on-the-job training. Jobs that require a university degree still represent almost one-third of all jobs in precarious employment. Almost half of all workers in precarious employment have a university degree meaning many are working at jobs that do not require the education these workers have obtained.

Table 3: Socio-Economic Characteristics of the Employment Security Categories (% of each employment relationship category)

	Knowledge worker	Service sector worker	Manufacturing & construction	Job requires a university degree	Job requires only on-the-job training
Secure	50.5	39.8	9.7	65.3	4.8
Stable	44.7	38.5	16.8	55.8	8.5
Vulnerable	34.1	45.9	20	36.8	20
Precarious	35.6	46.3	18.1	30.5	26.5
Total Sample	41	42.7	16.3	46.7	15.2

Source: PEPSO surveys.

Tables 1 to 3 provide a picture of precarious employment between 2011 and 2014 with a number of surprises. Racialized workers and young workers are over-represented in precarious employment. However, precarious employment is far from being mainly the preserve of racialized or young workers. Nor is it mainly the preserve of women workers, who are actually under-represented in precarious employment, nor is it predominantly found in the service sector. The two PEPSO surveys indicate that precarious employment has spread throughout the economy and that while racialized workers, young workers and workers doing jobs that require little training are over-represented in precarious employment, many of the precariously employed are white, work in the knowledge sector and do jobs that require university degrees.

THE EMPLOYMENT RELATIONSHIP PRECARIETY PENALTY

A critical penalty related to precarious employment with significant social implications is low pay. Many researchers examining precarious employment include low pay as a characteristic of precarious employment. The PEPSO research group opted to examine employment precarity independent of income allowing the analysis of poverty and precarity as two separate characteristics of individuals and families. The main advantage of this approach is that it facilitates the analysis of the social effects of precarious employment amongst middle income households and the impact of low wages on families where employment is secure. Over one-third of workers in precarious employment earn more than \$40,000 or live in households where household income exceeds \$80,000.

Table 4 reports average individual and household income by employment security categories. Being precariously employed results in a significant individual and household income penalty. Workers in precarious employment earn half as much as workers in secure employment and live in households that earn over one-third less than workers in secure employment. The income ratios of workers in precarious and secure employment are virtually unchanged when the sample is restricted only to married workers who are not separated or divorced.

It is often suggested that the model family in the last few decades of the twentieth century was one worker in a good paying secure job and a partner in a less secure low paid job. The findings from the PEPSO study suggest we are moving away from this model. If the average household was made up of one well-paid securely employed worker and one low-paid less secure worker, we would expect household earnings of married couples to be the same regardless of the survey participant's employment relationship. As shown in Table 4 this is not the case.¹⁴ Survey participants in secure employment report substantially higher household income than survey respondents in precarious employment. One reason for this was evidence that employment insecurity of one partner in a household negatively affects the labour market options of the other partner. There was a higher probability that the partners of workers in precarious employment were either not working for pay, or working in some form of less secure employment compared to partners of workers in secure employment.

Table 4: Average Individual and Household Income by Employment Security Categories

	Individual income	Household income	Individual income	Household income
	Entire sample		Married workers only	
Secure	79361	101511	81595	107493
Stable	72995	94016	75842	100291
Vulnerable	54420	78519	57582	84670
Precarious	40800	64821	43873	72284
Total Sample	60847	83898	64638	91327

Source: PEPSO surveys.

14 On the issue of clustering by employment relationships and how this affects family income and average neighbourhood family income, see Chen et.al., 2011.

Precariously employed workers are also penalized in not receiving employment benefits such as a pension or supplemental health benefits. Table 5 reveals the unequal distribution of employment benefits by employment security categories. Less than 20% of workers in precarious employment have an employer funded pension plan and less than 10% receive supplemental health benefits such as a dental plan or drug plan. Everyone in secure employment and the majority in stable employment enjoy both types of benefits as a result of their employment. Limiting the sample only to married couples does not result in a significant change in the access to benefits by employment security categories.

Table 5: Employment Benefits by Employment Security Categories (%)

	Employer Pension	Other benefits	Employer Pension	Other benefits
	Entire sample		Married workers only	
Secure	100	100	100	100
Stable	70.1	95	70.8	94.5
Vulnerable	38.82	41.3	37.4	40
Precarious	15.42	8.2	16.7	8
Total Sample	54.9	59.7	56.9	61.4

Source: PEPSO surveys.

In 2011, a supplemental question was asked whether workers were eligible for any benefits as result of their partner's employment. Just over one-third of workers in precarious employment report they received such benefits. This number increased to almost half for workers in precarious employment who were married. However, nearly 60% of all workers in precarious employment received benefits from neither their employment nor someone else's employment and over 45% of married workers in precarious employment received benefits from neither their employment nor someone else's employment.

Low income and lack of benefits are only two of the penalties that workers in precarious employment face. As shown in Table 6, they also face irregular employment and uncertain future prospects. Nearly 40% of workers in precarious employment experienced at least some weeks without work in 2014 and nearly 20% experienced more than two months

of unemployment. Over one-third of workers in precarious employment also report their income varied a lot in the last 12 months. Nearly one-quarter anticipate their hours of employment will be reduced in the next six months. In addition, workers in precarious employment face uncertainty over their work schedules.

Table 6: Employment Insecurity by Employment Security Categories (%)

	At least some unemployment last 12 months*	More than two months of unemployment last 12 months*	Income varied a lot last 12 months	Hours of employment likely to be reduced in the next 6 months	Work schedule often changes unexpectedly
Secure	1.6	0.9	0	0	3.9
Stable	4.1	2.5	3.7	4	9.1
Vulnerable	15.8	6.9	8	10	12.9
Precarious	39.5	18.9	34.7	24.5	27.4
Total Sample	16.4	7.9	12.3	10.1	13.7

Source: PEPSO surveys

*Only asked in 2014

Inability to find work when work is wanted, variation in income from week to week, uncertain future employment prospects, and unexpected work schedule changes can create both financial uncertainty as well as creating stress and anxiety at home. Over 15% of workers in precarious employment report work schedule uncertainty often negatively affected family life compared to less than 4% of workers in secure employment. In 2014, survey respondents were asked if scheduling uncertainty limited childcare choices. Over half of workers in precarious employment report this was a problem compared to just over 20% of workers in secure employment.

Workers in precarious employment also face long-term career penalties. They are less likely to benefit from training provided by their employer and less likely to report their job offers good career prospects. As shown in Table 7, less than 20% of workers in precarious employment receive training funded by their employer and over one-quarter fund their own training. One result of this is almost half of workers in precarious employment report their current job does not offer good career prospects. Age did not have a large effect on whether the current jobs held by workers in precarious employment offered good career prospects.

Table 7: Training and Career Prospects (%)

	Training paid for by employer	Training paid for by worker	Job does not offer good career prospects*
Secure	57	8.8	14.2
Stable	47.9	9.4	23.4
Vulnerable	28.6	16	31.6
Precarious	15.7	27.6	43.8
Total Sample	36.6	15.8	28.4

Source: PEPSO surveys.

* Only asked in 2011

DISCUSSION: THE PRECARIETY PENALTY, FAMILIES AND COMMUNITIES

Workers in precarious employment suffer a number of disadvantages related to their employment. Together these disadvantages can be thought of as the Precarity Penalty. Individual income and household incomes of workers in precarious employment are lower than for workers in secure employment. Fewer than 1 in 10 workers in precarious employment receive supplemental employment benefits such as a drug plan. They face more employment uncertainty than workers in secure employment including more frequent periods of unemployment, variable earnings, irregular work schedules and increased short-term employment uncertainty. There are also long-term penalties. Workers in precarious employment are less likely to receive training provided by their employer and are more likely to be in jobs with limited future career prospects.

The final section of this paper examines how the Precarity Penalty shapes entering relationships, decisions to start a family and social isolation.

A) *Forming a relationship.* There are many ways insecure employment can create barriers to forming a relationship with someone. Workers who are uncertain of future earnings or career prospects may be reluctant to enter into lasting relationships. Low earnings and irregular work schedules can make it difficult to engage in many of the social activities that might lead to a relationship. 18% of workers in precarious employment reported they had delayed forming a relationship with someone due to employment uncertainty compared to only 3% of workers

in secure employment.¹⁵ Such delays were most pronounced for workers under the age of 35. Nearly one-quarter of workers in precarious employment under the age of 35 had delayed forming a relationship compared to only 4% of workers in secure employment. Men in precarious employment were almost 50% more likely to delay forming a relationship than women. Racialized workers in precarious employment were almost twice as likely to delay forming a relationship compared to white workers. Young racialized men were the most likely to view their employment relationship as a barrier to forming relationships.

Decisions to delay forming a relationship with someone are reflected in the percentage of workers in different categories who are married. Almost 70% of the sample reported being married. Just over 62% of workers in precarious employment were married compared to just over 73% of those in secure employment. Most of this gap in the overall sample represents much lower rates of marriage of younger workers in precarious employment compared to younger workers in secure employment. 42% of workers under the age of 35 in precarious employment were married compared to 65% of those in secure employment. For workers 35 and older, the percentage married varied very little by employment security category. Women in precarious employment were marginally more likely to be married than men in precarious employment consistent with gender differences in delaying forming relationships discussed above. Racialized workers in precarious employment were marginally less likely to be married than white workers. The reluctance of young racialized men to pursue relationships with someone is reflected in low rates of marriage for this group. Only 31% of racialized men in precarious employment under the age of 35 were married compared to 41% of white men, 48% of racialized women and 56% of white women under the age of 35.

B) *Starting a family*. Insecure employment can also affect decisions to start a family.¹⁶ Over 16% of workers in precarious employment reported having delayed having children due to employment uncertainty compared to only 6% of those in secure employment. Decisions to delay having children were more significant for younger workers. Workers under the age of 35 in precarious employment were almost two and a half times more likely to delay having children than workers under 35 in secure employment. Workers aged 35-54 in precarious employment were almost as likely to be married as workers in secure employment however they were still more likely to report delaying having children. Over 16% of

15 Asked only in 2014.

16 Asked only in 2011.

workers in this age group in precarious employment reported delaying having children compared to just under 5% of workers in this age group in secure employment. Men and women in precarious employment were equally likely to report delaying having children due to employment uncertainty. Over 20% of racialized workers in precarious employment report having delayed having children due to employment uncertainty compared to 14% of white workers.

Decisions to delay having children as a result of employment uncertainty are reflected in the number of households with children. Just over 45% of workers in precarious employment had a child living in their household compared to just over 55% of workers in secure employment. The impact of the employment relationship was most substantial for workers under the age of 35. 28% of workers under the age of 35 in precarious employment had a child living in their household compared to 40% of workers in secure employment. Men and women in precarious employment appear to have approached the decision to start a family differently. 38% of men in precarious employment had a child living in their household compared to 52% of men in secure employment. 53% of women in precarious employment had a child living in their household compared to 57% of women in secure employment. Racialized workers and white workers in precarious employment were equally likely to have a child living in their households.

C) *Social isolation.* Precarious employment can also influence a capacity of workers to engage with their community. Factors include low and uncertain earnings that can limit the ability to participate in activities that might lead to friendships. 21% of workers in precarious employment reported not having a close friend who they could talk to about what was on their mind compared to 14% of workers in secure employment. This form of isolation was especially significant for younger workers. 28% of workers under the age of 35 reported not having a close friend who they could talk to about what was on their mind compared to 12% of workers in secure employment. Men in precarious employment were marginally more likely not to have a friend they could talk to than women. Racialized workers were less likely to have a close friend who they could talk to about what was on their mind compared to white workers. 29% of racialized workers in precarious employment did not have a close friend who they could talk to compared to 17% of white workers in precarious employment.

The temporary relationship many workers in precarious employment have to a workplace can also reduce the likelihood of co-workers being a source of friends. 35% of workers in precarious employment reported not

having a friend at work who they could ask a favour of, compared to 12% of workers in secure employment.¹⁷ The absence of friends at work was most significant for workers under the age of 55. Men and women in precarious employment were equally likely to not have a friend at work they could call on for support. Racialized workers were less likely to have a friend at work they could call on for support compared to white workers. 41% of racialized workers in precarious employment did not have a friend at work compared to 30% of white workers in precarious employment.

CONCLUSION

This paper has mapped out the disadvantages that workers in precarious employment face at work and how this shapes social outcomes such as decisions to form relationships, to start families and to participate in community activities. The survey findings paint a picture of how low earnings and economic uncertainty translate into delayed formation of relationships, lower marriage rates for workers under the age of 35, and fewer households with children. They also suggest that workers in precarious employment are more likely to experience social isolation. These findings suggest that the Precarity Penalty is not limited to economic outcomes from employment but also includes disadvantages in establishing health households and being engaged in one's community. Workers in secure employment enjoy better economic outcomes from employment that provide the basis for better household wellbeing and increased social integration. While much has been made in recent years of the unequal distribution of income, the PEPSO study also points to the unequal distribution of many of the non-financial aspects of life that people value including companionship, having a family and having friends.

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¹⁷ Asked only in 2014.

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