

It's More than Poverty

Employment
Precarity
and Household
Well-being



POVERTY AND
EMPLOYMENT PRECARIETY
IN SOUTHERN ONTARIO

McMaster
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SOCIAL SCIENCES



United Way
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Summary

He's a twenty-something with a university degree, working for a government agency on contract through a temporary employment agency. He does similar work to the other members of his team and reports to the same boss. The difference is that they get salaries, benefits, a collective agreement, and some measure of job security. He is paid only an hourly wage.

She worked in the financial services industry for 20 years and took a package offered during a corporate restructuring. Now she works from home, for the same bank, on contract, as a self-employed person with no benefits or job security.

He does heavy manual work for a manufacturing company for an hourly wage. He is 'on-call' and does not know from one week to the next how many hours he will be working. He and his wife find it very difficult to manage the budget and juggle the child care. The work is dangerous, but he doesn't complain. He's afraid of losing the work.

Sound like anyone you know? If you live in the Greater Toronto or Hamilton regions, chances are you know someone in one of these work situations. You might even be in one yourself.

Social scientists adopted the term 'precarity' to describe states of employment that do not have the security or benefits enjoyed in more traditional employment relationships. These precarious employment relationships are becoming the 'new normal' for our workforce.

In its 2007 report, *Losing Ground*, United Way Toronto voiced the concern that employment precarity was aggravating many of the social problems facing the city of Toronto. This concern led directly to the *It's More than Poverty* report, prepared by the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group.

Income inequality has been growing in the GTA-Hamilton labour market since the 1980s, and it is well established that poverty creates serious stresses on households. At the same time, the nature of employment itself has changed. Only half of the sample in the study that forms the basis for this report described themselves as having a permanent, full-time job with benefits.

It's More than Poverty expands the discussion of the social consequences of Canada's polarizing income distribution by examining the effects of precarious employment on people's lives. It explores how employment precarity and income together shape social outcomes.

Precarity has real implications for economic well-being and job security of workers. But it also reaches out and touches family and social life. It can affect how people socialize, and how much they give back to their communities. It causes tensions at home. The *It's More than Poverty* report puts a special focus on how precarious employment affects household well-being and community connections.

The report shows that employment insecurity has an independent effect on household well-being and community connections, regardless of income. That said, the study demonstrates how precarity greatly magnifies the difficulties of supporting a household on a low income. We argue that the social effects of precarity are a concern for Canadians at all income levels.

The *It's More than Poverty* report draws its data from two main sources. The first is a specially commissioned survey that examined the characteristics of employment in the GTA-Hamilton labour market. We refer to this as the PEPSO survey. The second is a series of intensive interviews with people from our communities who are precariously employed.

We present key findings on five different questions related to employment precarity:

- How many workers are precariously employed?
- What are the characteristics of precarious employment?
- How does precarious employment affect household well-being?
- How does precarious employment affect children in the household?
- How does precarious employment affect community connections?

How many workers are precariously employed?

The report begins by examining the prevalence of both precarious and stable employment in the labour market stretching from Hamilton in the west to Whitby in the east, and centred on the City of Toronto. This includes the regions of Durham, Halton, Peel, and York.

Drawing on data from Statistics Canada and from the PEPSO survey, we find:

- At least 20% of those working are in precarious forms of employment.
- This type of employment has increased by nearly 50% in the last 20 years.
- Another 20% are in employment relationships that share at least some of the characteristics of precarious employment. This includes full-time employees who receive a wage, but no benefits, workers who may work variable hours, and workers who believe they are unlikely to be employed by the same firm a year from now.



- Barely half of those working are in permanent, full-time positions that provide benefits and a degree of employment security.
- Another 9% are in permanent, part-time employment.
- In the Toronto Census Metropolitan Area (CMA), the number of people who describe their job as temporary has increased by 40% since 1997.
- Across Canada, the category of 'self-employed without employees' increased almost 45% between 1989 and 2007.
- Newcomers to Canada are more likely to be in precarious employment.
- The percentage of the workforce in precarious employment is similar across the different regions of the GTA-Hamilton labour market.

"Once in a while an opportunity pops up where it's basically a trial period where they send you to a site. If you do a good job they will offer you a job, but that's really irregular. It doesn't happen a lot especially nowadays. I noticed it ten years ago when I was working at a temp agency. [For] most of the jobs, most of the time it was a gateway into a full-time job. Now it doesn't seem to be the case. Now it's just cheap labour."

"I used to get parachuted into secretary [jobs]. Well one contract I remember . . . the lady next to me who was also a secretary is making 10 dollars an hour and this is in the 70's and 80's. I'm earning 12 dollars an hour. The reason being I don't have any permanence ... Now, the lady next to me is earning \$19.50 at the bank and I'm earning \$10.25 ... So now A) I don't have benefits and B) I don't have security and, on top of that I'm getting minimum wage. And the agencies seem to think that they're doing you some kind of wonderful service by paying you the vacation pay."

What are the characteristics of precarious employment?

The PEPSO survey included a number of questions on the characteristics of employment relationships. We used this data to construct an *Employment Precarity Index* that is less reliant on the form of the employment relationship and considers other important factors to identify the precariously employed.¹ The *Index* provides a more precise indicator of insecure employment and how its characteristics differ from secure employment. When looking only at differences related to different levels of employment security, we compare the 25% of the sample with the highest scores on this *Index* (the *precarious* cluster) with the 25% with the lowest scores (the *secure* cluster). When we examine the combined effects of employment precarity and household income we use the *Index* to define insecure employment (half of the sample with the highest *Index* scores) and secure employment (half with the lowest *Index* scores).

1. The *Employment Precarity Index* is made up of ten different questions, each having the same weight in the index. It includes questions on variability of earnings and hours of employment, how people are paid, whether they are paid if they miss work, if they feel they can voice concerns at work without risking loss of employment, and if they view their jobs as temporary or permanent. High scores indicate high levels of precarity. The average *Index* score for those in the *precarious* cluster was 53.3. In the *secure* cluster it was 0.6.



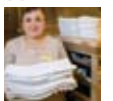
Using the *Index*, we find that:

- A significant number of those who describe themselves as being in permanent employment still have many of the employment characteristics of those in precarious employment.
- Men and women are about equally likely to be in the *secure* and the *precarious* clusters.
- White people, people born in Canada, and immigrants who have been in Canada for 20 or more years are more likely to be in the *secure* cluster.
- New immigrants are mainly in the *precarious* cluster.
- People working in the knowledge, service, and manufacturing sectors are equally likely to be in the *precarious* cluster. People working in manufacturing are the least likely to be in the *secure* cluster.
- Most regions in the GTA-Hamilton area have a similar proportion of workers in the *secure* and the *precarious* clusters. Halton is the exception with a high proportion of workers in the *secure* cluster.

Compared to those in the *secure* cluster, people in the *precarious* cluster:

- Earn 46% less and report household incomes that are 34% lower.
- Experienced more income variability in the past and expect to experience more in the future.
- Rarely receive employment benefits beyond a basic wage.
- Are often paid in cash and are more likely not to get paid at all.
- Often don't know their work schedule a week in advance and often have unexpected work schedule changes.
- Have limited career prospects and are less likely to be satisfied with their job.
- Have more weeks without work and are more likely to anticipate future hours reductions.
- Fear that raising an issue of employment rights at work might negatively affect future employment.
- Are more likely to have their work performance monitored.
- Are less likely to be unionized.
- Often hold more than one job at the same time.
- Often work on-call.
- Rarely receive training provided by the employer and often pay for their own training.

"I found a job working for a temporary agency but working with them it was so frustrating because you would work for a little bit of time and they would cut off your hours, lay you off for two or three weeks then call you back ... The employers are not willing to pay for your benefits so they use you when they like."



“When someone from the agency is looking for you it is easy, but when you call back and say, ‘Oh do you have a job for me?’ they say ‘Yeah come back in tomorrow’ ... You go there, sit and wait and no one shows up ... Everything they tell you to do is a heavy job or dirty job ... If they ask you to do it you have to do it ... [If not] they won’t call you because you don’t want the job. A job that takes two people to carry the heavy stuff, they ask you because you are [from] the temporary agency. They don’t care about you. If you can’t handle it, that is it, the next day they will not call you.”

How does precarious employment affect household well-being?

The third section of the report explores how precarious employment affects household well-being. How do income and precarity interact to shape people’s home lives? While those who participated in the PEPSO study showed remarkable resilience in sustaining healthy households despite the challenges of precarious employment, there are clear indications of increasing stress.

First, we looked at family and household status, and we find:

- People in the *secure* cluster are more likely to be living with a partner than people in the *precarious* cluster.
- When a person in the *precarious* cluster did have a partner or spouse, that partner is less likely to be employed full-time, and less likely to be working at all, than partners in the *secure* cluster.
- People in the *secure* cluster are more likely to be raising children than those in the *precarious* cluster.

Next, we looked at how precarity affects household well-being:

- People who have insecure employment and who live in low- and middle-income households are two to three times more likely to report that anxiety about employment interferes with personal and family life than other workers.
- People who have insecure employment and who live in low- and middle-income households are one and a half to twice as likely to say that work uncertainty interferes with fulfilling household activities.
- Regardless of household income, uncertainty over work schedules prevents those in insecure employment from doing things with family and friends more frequently than it does for others.
- People who have insecure employment and who live in low-income households are twice as likely to find it difficult to make ends meet or to run out of money to buy food, compared to workers with secure employment in the same low-income category.

Overall, the findings in this section raise serious concerns regarding the potential breakdown of social structures as precarious employment becomes more of the norm in Canadian society.

They suggest that employment precarity increases the stress on households and limits community participation.



“The only thing I would like to change is that I would like the income to be regular so I knew how much money to expect every week because it could disappear in an instant ... If I was stable and I could expect a certain amount of money a week it would make it easier in terms of going out and knowing how much money I have and sort of budget better.”

“I have not been able to take my daughter [on holiday] in the past 10 years because I don't have a fixed schedule. Always something happened when I had booked holidays.”

How does precarious employment affect children in the household?

What are the implications for children when household income becomes less certain and when income distribution becomes more polarized? Most parents make heroic efforts to provide for their children, to put food on the table, and to be a part of their communities. **The combination of low income and precarious employment makes the task of maintaining a healthy household much more of a challenge.** These are issues we must address if, as the evidence shows, precarious employment continues to rise.

These are our key findings about precarity and the well-being of children:

- Low-income households are the most likely to report problems buying school supplies, paying for school trips, and financing children's activities outside of school.
- Employment insecurity significantly increased the problem of paying for these expenses within low- and middle-income households.
- Those in low-income households are least likely to report that they attend school-related meetings or volunteer at children's activities outside of school.
- Insecure earners in middle-income households are almost as unlikely as low-income earners to volunteer at children's activities outside of school.
- Finding appropriate child care is much more of an issue for low- and middle- income households in insecure employment.
- Insecure earners in low- and middle-income households are the most likely to report delaying having children as a result of employment uncertainty.

“I told my supervisor that my son [needed to go] for a check-up on Monday and I was not sure how it is going to go ... which means, I may not be available. All of sudden the next day they called me and told that the job was no longer available. My friends had the same job and told me that they called him in this morning. You cannot disclose the truth.”

“Before when I had a job I had no problem, I would talk to my kids, play with kids, take them shopping. Without a job, I don't want to go anywhere even with my kids. I don't have the mood to play with my kids. They ask



why and I say, leave Daddy alone. I tell them that Daddy is busy looking for a job, calling my friends. I try anything to get a job."

How does precarious employment affect community connections?

Does precarious employment make it more difficult for people to be socially and civically engaged? By 'community connection', we mean family and friends, and also activities like volunteering and charitable giving – having a feeling of belonging to one's community.

We find that:

- Employed women living in high-income households, are the most likely to report a strong sense of belonging to their community, regardless of whether their employment relationship is secure or insecure.
- Most of the people in our study report making a financial contribution to a charity in the last year. This was somewhat more likely in high-income households.
- Employment insecurity reduced the probability of individuals donating to charities in low- and middle-income households.
- Women in insecure employment are more likely to volunteer 20 or more hours a month than women in secure employment.
- Men in secure employment and in high-income households are more likely than all other men to volunteer 20 or more hours a month.
- Men in low- and middle-income households are the least likely to volunteer at all.
- People in insecure employment are only moderately more likely to say that scheduling problems prevent them from volunteering.
- People in households with insecure employment and low income are less likely than other groups to report having a close friend to talk to.
- People in low-income households are less likely to have a friend to help with small jobs.
- Men in insecure employment and in low- or middle-income households are less likely to report having a friend to do things with.

"I wouldn't do it right now ... Yeah, I actually applied for a [volunteer] job on a board in the child and family support services and backed out of it because I thought, I just can't do it right now. I need to put that time into finding a job."

"When you're not working you're not physically drained but you're mentally drained ... The not-working takes away from you wanting to participate ... You're mentally tired from not working. It is [depressing]. There's no doubt about it, and it's hard to get out of it."



“Before I knew I had a job, I went and did it, I came home and I had a life. Now it’s like, okay what are we going to sacrifice so we can all go to the dentist, what are we going to do? ... There has to be sacrifices made, do you know what I mean? And it’s like this precarious work crap ... it changes you as a person.”

What can be done to improve household well-being and community connections?

The final section of this report explores a wide range of policy options to enhance family well-being and community participation in the face of the increasing prevalence of precarious employment.

The *It’s More than Poverty* report is a first step in understanding more fully how changing labour market structures are likely to affect households and community participation. As we learned from our survey respondents, the rise in precarious employment and its accompanying insecurity is having a large impact on our society.

While low income clearly affects household well-being and community participation, the *It’s More than Poverty* report has pointed to the independent effect of precarious employment on well-being. The policy recommendations put forth by a wide range of stakeholders, both national and international, give us the opportunity to start the conversation on what can be done to improve conditions for this class of workers.

Labour market regulations and income security policies were designed in an era when precarious employment was less prevalent. What is needed today is a new public policy framework that will be responsive to those in precarious employment and buffer them from the challenges associated with employment uncertainty and lack of control over work schedules. Using the findings of this report, we can begin to assess how current labour market regulations and income security policies are supporting people in precarious employment and explore options for making them more responsive.

The *It’s More than Poverty* report illustrates the need to examine policies that can either limit the spread of insecure employment or mitigate its negative effects. Raising incomes is critical, but it is not enough. More attention also needs to be given to the restructured labour market and the negative effects of employment precarity on households in all income brackets. We need a more comprehensive set of policies to ensure healthy households and full participation in community life.

The category of
‘self-employed without employees’
increased almost **45%**
between **1989** and **2000**.





Background

There is overwhelming evidence that labour market conditions in Canada, and in much of the developed world, are in transition. For those in their 20s and 30s, today's labour market is fundamentally different from the one their parents knew. In social research, this shift in labour market conditions is characterized by two phenomena: increasing income inequality and the rise of precarious employment.

Income inequality

Much of the discussion on social issues in cities like Toronto in recent years has focused on increasing income inequality. In the last 30 years, those at the top of the income profile have made substantial gains. Those in the middle have not shared in the growth of the economy. Many at the bottom of the income ladder are worse off. By 2010, the share of income going to the top 1% of earners nearly doubled to 12% of all income.

The standard of living of the worker in the very middle of the income distribution is virtually unchanged over the past 30 years. For men in the bottom third of the wage distribution, it may have actually fallen. Young workers are starting at a lower wage and there is evidence that they are not catching up as they move through their careers. The Canadian economy today has an income profile comparable to what it was in the 1920s.²

In Toronto, this growth in income inequality has manifested itself in both an increased prevalence of poverty and a changing geography of neighbourhood poverty. The *Three Cities Report* examined income polarization in Toronto between 1970 and 2005. In 1970, the average income in most neighbourhoods of the city was within 20% of the average income in Toronto as a whole. Toronto was a city of middle-class neighbourhoods. However, by 2005, neighbourhood income levels were much more polarized. There was an increase in the area of the city where average individual income was 40% or more above the average Toronto income. There was also an increase in the area where average individual income was 40% or more below the Toronto average. The net result was a dramatic reduction in the area of the city that could be classified as middle income.³



2. For discussion of the changing profile of income distribution in Canada see Veal 2012; Saez & Veal 2006; Fortin et al. 2012; Jacobson 2012.
3. Hulchanski 2010.

We are becoming increasingly aware of how these changes are linked to social problems. In *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City*, United Way Toronto documented how the changing income profile is affecting household well-being. Evictions are on the rise, more families find themselves seriously in debt, and more are making use of payday loan facilities. Providing even the basic necessities has become more of a challenge for many households.

In Hamilton, the *Code Red* project documented how low income translates into poorer health and diminished quality of life. Life expectancy in Hamilton's low-income neighbourhoods is 21 years less than that in its high-income neighbourhoods. "Where poverty is deeply entrenched, some neighbourhoods live with Third World health outcomes and Third World lifespans."⁴

Precarious employment

While the spread of poverty has been well documented, less is understood about the effects of precarious employment on household well-being or on communities. Compared to the decades following World War II, fewer people have permanent, full-year, full-time jobs. Average job tenure is falling, and seniority provides less protection from job loss. This means that workers face increased income variability. Fewer enjoy benefits such as drug plans or employer pension plans.⁵

Many factors have brought this change about. Large companies, an important source of secure employment in the past, have repeatedly reduced their workforces. This was a result of technological change, increased contracting out, and extended supply lines – often involving suppliers in other countries. Companies reorganize or even disappear at an increasing rate, the result of financial reorganizations, decisions to relocate, the entry of new competitors, or the inability to keep up with the rapid pace of innovation. Companies that provided secure employment just a few years ago now face an uncertain future. This has created employment instability for large numbers of workers, and resulted in labour market polarization. There has been growth in high wage employment and in low wage employment, but a decline in middle-income jobs.⁶

The origins of the standard employment relationship

The shift to a wage-based, industrial society in the 19th century led to a household structure where men earned income and women were responsible for maintaining the home and raising children. This happened first amongst better-paid, white collar and professional middle class families. As men in manufacturing and other manual trades successfully won a wage sufficient to support a family towards the end of the century, it became the norm in working class households as well. During the World War II era, a growing number of Canadians came to be employed in what has become known as the standard employment relationship or SER. This relationship was based on permanent, full-time employment paying a family wage, benefits to cover unexpected expenses, and a retirement plan to provide for old age. By the early 1950s, most Canadians viewed themselves as middle class and the dominant family

4. Steve Buist, *Worlds Apart*, Hamilton Spectator, Code Red Series 2010. <http://www.thespec.com/news/article/251417--worlds-apart>.

5. On the increase in non-standard employment and precarious employment see Vosko et.al. 2003; 2009; Vosko 2006; on falling job tenure see Farber 2008a; 2008b; on the increased risk of involuntary job loss see Hallock 2009; Uchitelle 2007; on increased income inequality, income variability and decreased prevalence of long-term employment benefits including pension plans see Hacker 2006.

6. Kalleberg 2011.



model involved a male breadwinner and a female caregiver.⁷

SER provided workers with job security and training that enabled them to advance inside a single organization. They benefited from government policies that protected their right to bargain collectively and to form unions. In Ontario, they were able to influence workplace health and safety through the provincially-legislated Internal Responsibility System.⁸ They could refuse dangerous work without fear of losing their jobs. They received protection from discrimination and unfair treatment through human rights legislation and minimum labour standards legislation.⁹

The social fabric of post-1945 Canadian cities such as Toronto and Hamilton was a reflection of this class of workers.¹⁰ The stability of employment facilitated greater participation in community activities including political activity, coaching children's sports teams, or helping volunteer organizations.

Beginning in the 1970s, the single-earner, male-breadwinner family came under increasing stress. Women were better educated and more able to control the size of their families. They demanded to play a different role in society. There was a decline in manufacturing jobs and a rise in service sector employment. The power of unions was weakening. All of these things made it necessary for most households to have a second wage earner. It became more common for women, through both choice and necessity, to work outside the home.

The rise of precarity

However, most of these women did not find work under the SER model. Their employment relationships were more likely to be temporary and short-term. Few of these jobs were viewed as careers. Compared to those in standard employment, these jobs were precarious.

Since the mid-1980s, precarious employment has spread beyond its impact on women and racialized people to reach throughout the economy. One way of coping with the irregularity of any one individual's income is to increase the number of family members in paid employment. This is another reason for the increased rate of female participation in paid employment.¹¹

Some refer to precarious employment as the new norm in employment relationships.¹² Fewer of us can expect lifetime employment with a single employer. Even those who describe their employment as permanent are aware that change can come suddenly and unexpectedly.

People in precarious employment face a very different set of working conditions compared to those in SER. Many are in contract jobs and temporary positions, working irregular hours or on-call. Many piece together year-round, full-time hours by working for multiple employers. They often lack supplemental health benefits to cover unexpected expenses and have to rely on their own savings to fund retirement.¹³ Employers have less incentive to invest in

7. Seacombe 1993.

8. The Internal Responsibility System was introduced by the provincial government in Ontario in the late 1970s. It relies on employers and employees to ensure safe working conditions with limited government intervention. It relies on employees being willing to voice their concerns through Joint Health and Safety Committees and by refusing dangerous work. It has largely supplanted a system of health and safety regulations that relied on government appointed health and safety inspectors.

9. While this form of employment was a norm in the 1950s and the 1960s, this does not mean that everyone was employed under these conditions. It was especially common amongst white men but less so amongst women or workers from racialized groups. See Vosko 2000; Galabuzi 2006.

10. Castells 2010; High 2003; Carnoy 2000.

11. Parrado 2005.

12. Vosko 2000.

13. Cappelli 1999.



training for this category of workers, preferring to find the skills they need on the open market. The existing labour law framework provides less protection. They are less likely to belong to unions. It is more difficult to voice concerns about health and safety at work, and they are only marginally protected by human rights legislation.

Employment relationships and household well-being

How does precarity affect family and community life? In its 2007 report, *Losing Ground*, United Way Toronto voiced the concern that employment precarity was aggravating many of the social problems facing the city of Toronto. This concern led directly to the *It's More than Poverty* report, prepared by the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group.

How widespread is precarious employment? What does it mean for our households and the communities we live in? Are the effects similar for low and for middle-income households? What does it mean for civil society and the ability of individuals to volunteer and to participate in community activities? The *It's More than Poverty* report offers insights into the social effects of precarious employment and its impact on household well-being and community participation.

Research has shown that the spread of precarious employment is reshaping how households are organized and the nature of community participation.¹⁴ Insecure employment is associated with delayed marriages and postponing the start of families for men, but has potentially the opposite effect on women.¹⁵ It has been suggested that young people are more likely to live together rather than marry to gain some of the benefits of marriage, including companionship and the sharing of housing costs, without making commitments into an uncertain future.¹⁶ Others have suggested that renting will become a better option over home ownership as a way of dealing with employment risks.¹⁷ Employment insecurity may increase tension at home as parents and children cope with varying income flows and periods of unemployment.¹⁸ Among immigrants, early employment precarity may have long-term negative consequences.¹⁹

This leads to the key questions that the *It's More than Poverty* report sheds light on: How is the decline of the SER and the spread of precarious employment affecting the well-being of families and the nature of community participation? In what follows, we use the results from a survey commissioned for this report and nearly 100 interviews with individuals in different forms of precarious employment to explore what is happening to families and our communities.

By **2010**, the share of income
going to the **top 1% of earners**
nearly doubled to **12%** of all income.

14. Research has also suggested that precarity can lead to negative health outcomes. See Lewchuk, Clarke, de Wolff 2011. There are also reports that it affects the health of those who live with the precariously employed. See Giatti, L. et al. 2008.

15. Golsch 2005.

16. Mills et.al. 2005.

17. Quilgars and Abbott 2000.

18. Chan 2011; Russell, O'Connell and McGinnity 2009; Bohle et.al. 2004.

19. Goldring and Landolt 2009, 2011.





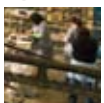
PART 1: The Rise of Precarious Employment

In Part 1, we use data from the Labour Force Survey and the PEPSO survey to estimate the prevalence of precarious employment in the GTA-Hamilton labour market and in Canada.

KEY FINDINGS

These are our key findings about the rise in precarious employment:

- In 2011, only half of the employed people aged 25-65 in the GTA-Hamilton labour market were in a 'standard employment relationship' or SER. This is defined as permanent, full-time employment with benefits.
- Another 9% were in permanent part-time employment.
- When precarious employment is narrowly defined as employment that is temporary, casual, short-term, fixed-term, or self-employed without employees, its prevalence in the GTA-Hamilton labour market is at least 18%.
- An additional 22% of the workforce is composed of people employed under conditions that fall short of a standard employment relationship. Their work has at least some of the characteristics of precarious employment. This broader definition includes full-time employees who receive a wage, but no benefits, and workers who believe they are unlikely to be employed by the same firm a year from now.
- In the Toronto Census Metropolitan Area (CMA), the number of people who describe their job as temporary increased by 40% between 1997 and 2011.
- Across Canada, the category of 'self-employed without employees' increased almost 45% between 1989 and 2007.
- Newcomers to Canada are more likely to be in precarious employment.
- The percentage of the workforce in precarious employment is similar across the different regions of the GTA-Hamilton labour market.



Defining precarious employment

Temporary employment

There is as yet no common definition of precarious employment. Toward the end of 1996, Statistics Canada began collecting data on the number of Canadians reporting their employment was seasonal, temporary, or casual. This is the narrowest definition of precarious employment.²⁰ **Table 1** uses this data to explore trends in temporary employment. It has increased over 40% since 1997 in the Toronto Census Municipal Area (CMA).

Table 1: Temporary employment as a percentage of all employees (all ages)

% of employees in:	1996*	1997	2001	2006	2011
City of Toronto	–	9.7	11.1	13.4	–
Toronto CMA	7.2	8.9	10.8	12.2	12.6
Ontario	8.6	9.4	11.7	12.6	12.9
Canada	11.3	12.9	14.3	13.8	14.1

Sources: United Way Toronto: *Losing Ground*, page 10. Other areas: Labour Force Survey, Statistics Canada, various years.

* 1996 data is an estimate based on data for the last couple of months of the year.

Broadening the definition

A second, more comprehensive measure of precarious employment includes people who are self-employed without any employees. Some examples of workers in this category are contractors, people doing child care for others from home, truck drivers, freelance editors, and, until recently, rural mail carriers.

While it is true that some of the self-employed are innovators and wealth creators, many in this category are simply in a disguised form of employment without the benefits associated with standard employment. They may be dependent on a single client for all of their work, receiving direction on how to perform that work just as an employee would. Even for those who are not in a disguised employment relationship, being self-employed without any employees can be a precarious way to earn a living.²¹

Vosko and her colleagues estimate that the nationwide prevalence of temporary plus self-employment has increased by more than 50% since 1989 (**Table 2**). Women are more likely than men to be employed in temporary positions. Men are more likely to be self-employed without employees.

Table 2: Percentages of precarious employment in Canada for workers age 15-64

% of Canadians working in:	1989	2007
Temporary employment	6.5	10.9
Self-employed no employees	6.8	9.8
Total precariously employed	13.3	20.7

Source: Vosko et al. 2009, p. 30.

20. This measure excludes the self-employed, who have many of the same characteristics as temporary employees. It also excludes the growing number of workers who would not describe themselves as temporary employees but still work with a high degree of insecurity. For some, the insecurity is a result of concerns that the work they are doing might be contracted out. For others, the concern comes from possible corporate reorganizations. These can result in whole departments – even entire plants – moving in the search for efficiencies.

21. The PEPSO sample includes both employees and the self-employed. About 12% of the sample report they were self-employed. Of these, over 70% report they were self-employed but without any employees.



Table 3 breaks down the different forms of precarious employment from the PEPSO survey for workers age 25-65. In our survey, we focussed on this age group for three reasons:

1. Our main interest is how precarity affects household well-being and community participation. We wanted to focus on individuals who were more likely to have completed their schooling, fully entered the labour market, and possibly established family units of their own.
2. We omitted younger workers because they have always been more likely to enter the labour market through insecure employment.²²
3. We also omitted workers over 65, because seniors tend to end their careers in temporary or casual employment.²³ There is some evidence that this practice is increasing as older workers look for ways to supplement meagre pensions.

The changing employment conditions for both of these omitted groups are worthy of study, but our focus is on workers who would most likely prefer regular employment.

The numbers include those who had worked in the last three months and who lived in the GTA-Hamilton labour market.

Table 3: Precarious employment, GTA-Hamilton labour market 2011: ages 25-65

% of those in paid employment:	Entire region	City of Toronto	Hamilton	Halton	Peel	York
Temporary employment	9.9	9.9	7.6	6.7	10.5	14.1
Self-employed no employees	8.5	9.5	7.6	11.3	6.5	6.9
Precarious employment	18.4	19.4	15.2	18.0	17.0	21.0

Source: PEPSO Survey.

Just under one in five working people who responded to the PEPSO survey are in temporary or self-employment with no employees. There are minor differences across the region, from a low of 15.2% in Hamilton to a high of 21.0% in York.

The PEPSO estimate is comparable to that generated by Vosko and her colleagues. This represents a conservative estimate of precarious employment in the GTA-Hamilton labour market.

Comparing standard employment relationships with precarity

Another way to estimate the prevalence of precarious employment is to study the reverse – those who are in ‘standard employment relationships’ or SER. Here the focus is on people in permanent, full-time employment that they expect will continue into the near future.

22. In 2011, young workers below the age of 25 were two to three times more likely than the workforce as a whole to report their employment was not permanent. They represented 14% of the employed labour force. (Labour Force Survey, Annual summary, Toronto CMA)

23. In 2011, workers 65 and older were 25 - 50% more likely than the workforce as a whole to report their employment was not permanent. They represented just over 2% of the employed labour force. (Labour Force Survey, Annual summary, Toronto CMA)



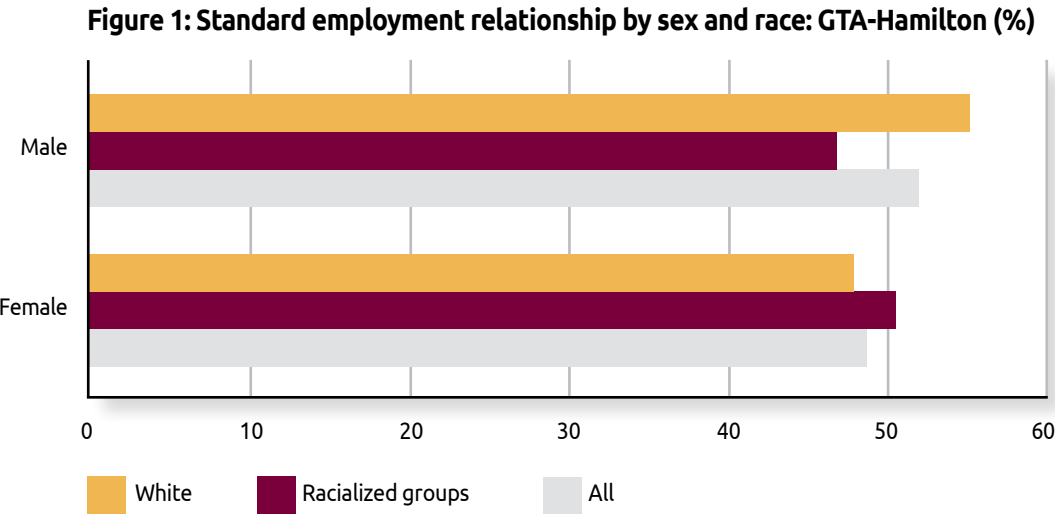
To determine the prevalence of SER, PEPSO survey participants were asked if they had a single employer:

- who provides at least 30 hours of employment a week
- who pays benefits as well as a wage, and
- with whom they expect to be working a year from now.

The individual also had to reply to a separate question that they had a permanent full-time job and that they received some benefit (such as a drug plan, vision or dental benefits, or life insurance) in addition to their basic wage.

We find that barely half of all respondents who worked in any form of paid employment in the last three months report they are in SER. Just over half of employed men and just under half of employed women are in SER.

Figure 1 shows the prevalence of SER for men and women from white and racialized groups.²⁴ We limit the analysis to white and non-white or racialized groups. Only the results for men from racialized groups are statistically significant, with white men more likely to report being in SER than men from racialized groups. While there is a historical legacy of SER as the norm for white men, that advantage appears to have diminished.



Source: PEPSO Survey. All men relative to women $p < .05$; Racialized men $p < .001$; Racialized women $p > .10$

Newcomers to Canada
are more likely to be in
precarious employment.

24. Racialized groups are under-represented in our sample. Because racialized groups are less likely to be in secure jobs and standard employment relationships, our figures underestimate the prevalence of precarious employment in the region. Please see Appendix 1.



While there are relatively small differences in the prevalence of SER between men and women and between white workers and workers from racialized groups, this does not mean they are in equivalent jobs. **Figure 2** reports average annual earnings by sex, race, and form of the employment relationship for people working at least 30 hours a week in the last 3 months.

On average, the study found that women are paid less than men in similar employment relationships. People from racialized groups are paid less than white people in similar employment relationships.

Figure 2 shows that there is a substantial income advantage to being in SER. However, not all categories of workers experience the same earnings premium. Women in SER earn on average about one third more than women not in SER. White men in SER earn on average about one quarter more than white men who are not in SER.

Racialized men gain the least from being in SER – just over 10% more in earnings than racialized men not in SER. Racialized men are disadvantaged in finding standard employment as shown in **Figure 1**, and gain the least monetarily when they do find such employment.

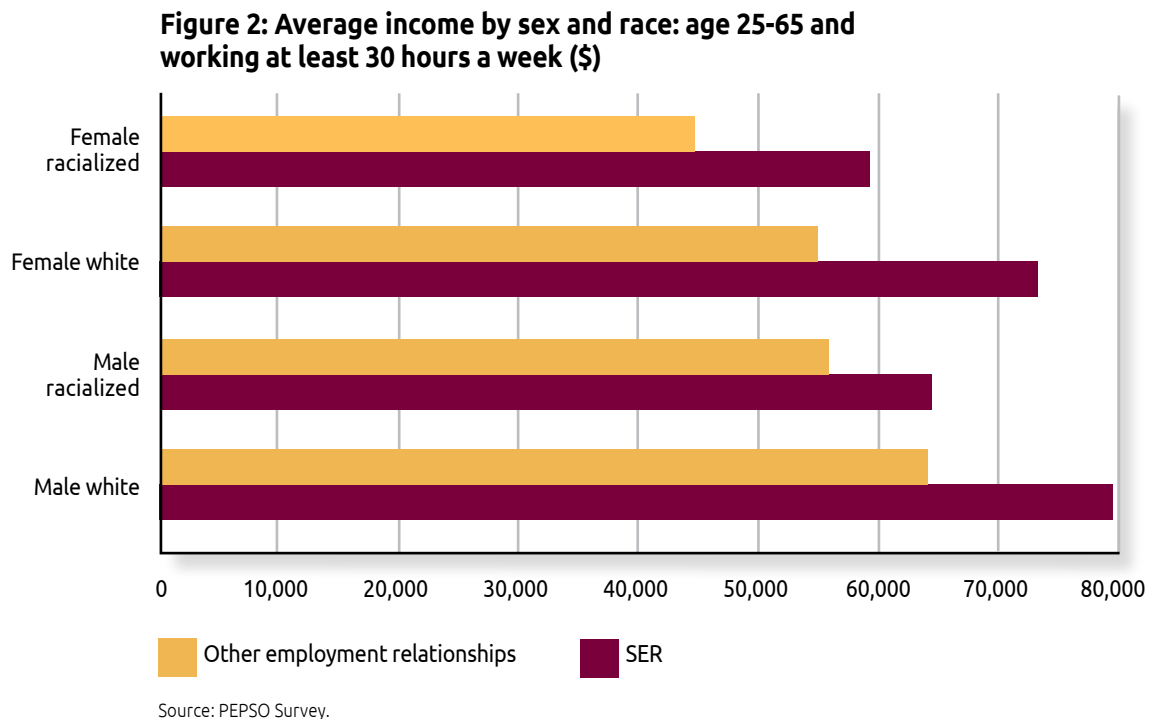


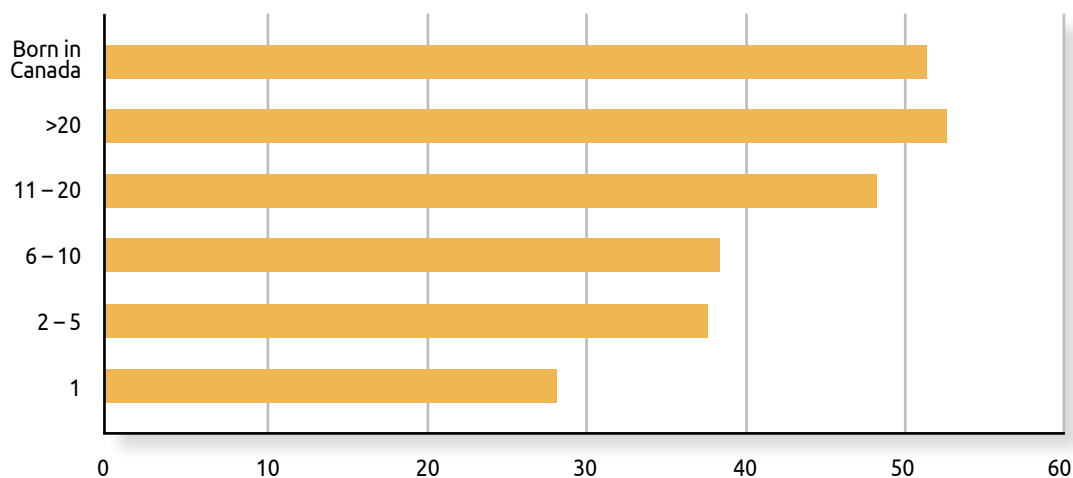
Figure 3 reports the percentage of Canadian newcomers in SER by years since arriving in Canada. Barely one in four immigrants is employed in SER upon arriving. Between years 2 and 10, there is a gradual increase in access to permanent, full-time employment. Only after 10 years in Canada are immigrants as likely to be in SER as workers born in Canada.

We are unable to determine if this rise to parity is the result of years spent in Canada. Other



differences, such as the state of the labour market when different cohorts of immigrants arrived in Canada, could play a role.²⁵

Figure 3: Percentage of immigrants in standard employment relationships by years since moving to Canada



Source: PEPSO Survey. $p < .001$

The challenges of finding work in Canada

Many of those in precarious employment relationships that we interviewed had come to Canada with a high level of education and experience in their chosen profession. A young immigrant said that being on a work visa limits options and often results in precarious employment:

I think [being on a work visa] is a huge factor. I think people are worried because you're on a temporary work permit, you're going to take off, you're not going to stay on the job long-term ... I think that it's a big factor, just the fact that a lot of my friends that I came here with, they were all Australian, New Zealanders, English. None of them could find work either. I have friends that have PhDs, friends that have worked in sales for about 4 - 5 years - none of them could find work.

An immigrant woman whose husband had been trained as an engineer recounted the challenges she and her husband face:

Both my husband and I have good jobs before. My husband is a chief engineer ... We decided to apply here, just apply. If they don't accept us, okay, if they do accept us, okay. But fortunately, they accepted us so we decided to come here ... In my country, I used to have maids, I never worked in my house, I never cleaned my house ... I'm lucky to have a job right away. But my husband had a hard time to find a job because my husband, he cannot easily swallow his pride because he was the boss before.

25. Goldring and Landolt 2009, 2011 controlled for time in Canada and found that it was not a significant predictor of employment precarity for their sample of Latin American and Caribbean immigrants. Literature on the declining fortunes of immigrants finds that recent entrants are faring worse than the comparably educated, Canadian-born population (Picot and Sweetman 2012).

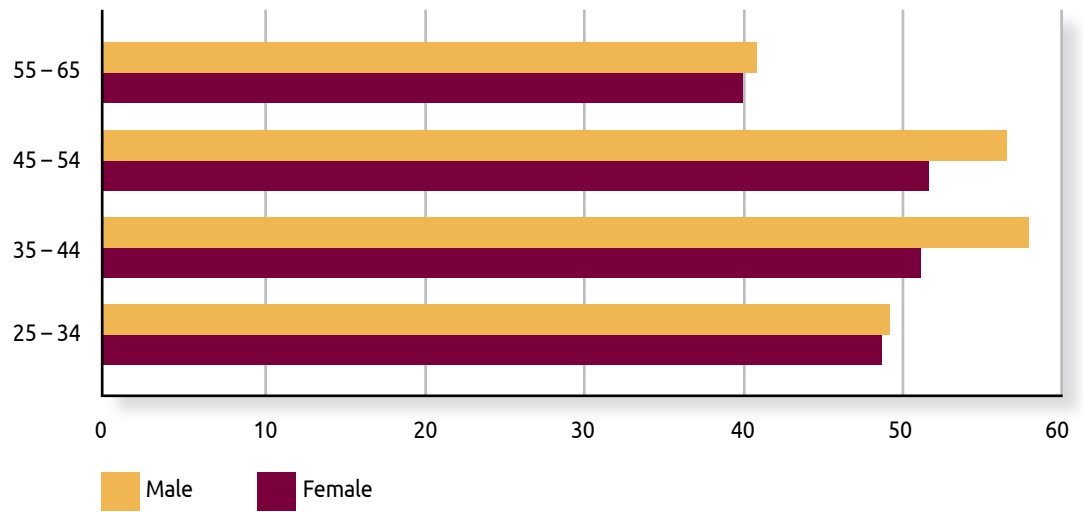


Age and standard employment relationships

The prevalence of SER varied between age cohorts. **Figure 4** shows a small increase in the percentage of individuals in SER as they approach middle age, followed by a fairly significant drop for those over 55.

The surprise here is how many individuals in their prime earning years, age 35 - 54, are not in SER. This cohort is also the most likely to be raising a family and paying off a mortgage. Yet they are doing this without the security of a stable job with benefits.

Figure 4: Percentage in standard employment relationships by age and sex

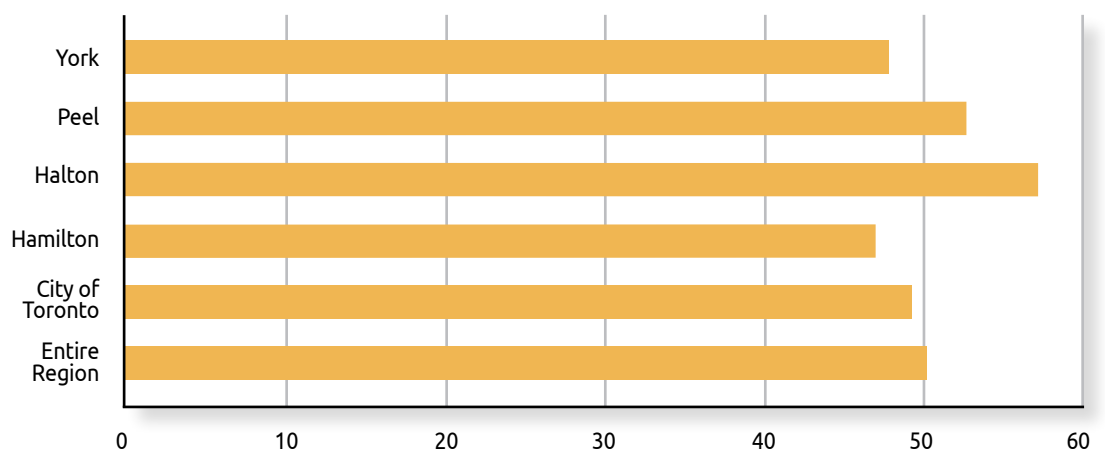


Source: PEPSO Survey. $p < .001$

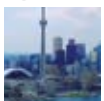
Distribution of standard employment relationships through the region

Figure 5 shows that the prevalence of SER in different parts of the region is relatively constant. The City of Toronto, Hamilton, and York all report less than half the employed workforce in SER. Standard employment is the most prevalent in Halton.

Figure 5: Percentage of individuals in standard employment relationships



Source: PEPSO Survey. $p < .10$



Forms of employment for those not in standard employment relationships

Figure 6 shows that close to 40% of those not in SER still indicate they are employed full-time. But being employed full-time is not the same as being in SER. This group also report that:

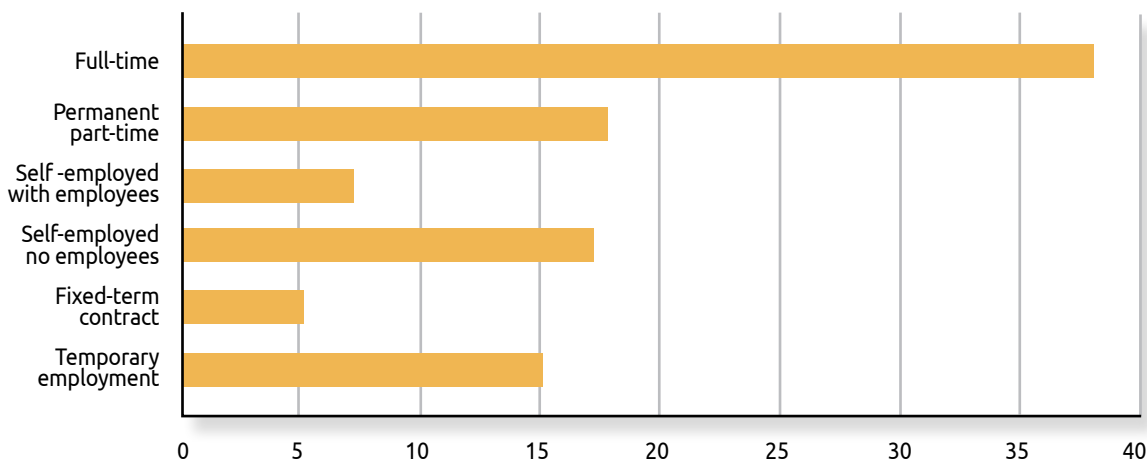
- they do not expect to be with their current employer a year from now, or
- they have multiple employers, or
- they do not receive any benefits beyond their basic wage, or
- their work hours vary and are sometimes less than 30 hours a week.

Another 40% are employed in temporary jobs or fixed-term contracts, or are self-employed without employees.

Permanent, part-time employment represented about 18% of those not in SER and just under 9% of the entire sample.

The high number of full-time employees who are not in SER is important. It suggests that, rather than the workforce simply being divided into precarious and permanent, full-time employment, there is a continuum. A significant number of workers have some of the characteristics of the precariously employed. **Part 2** of our report examines this in more detail.

Figure 6: Form of employment for those not in a standard employment relationships (%)



Source: PEPSO Survey.

In **2011**, only **half** of the employed people **aged 25-65** in the GTA-Hamilton labour market are in a **standard employment relationship**.



Forms of employment in the regions

Table 4 reviews the different forms of employment in the GTA-Hamilton labour market. It is noteworthy that 18% of the employed workforce overall are in precarious forms of employment. Another 23% are in other forms of the employment relationship that have at least some of the characteristics of precarious employment.

Only 50% of the sample are in SER, with 9% in permanent part-time relationships. These findings indicate that precarity is a common characteristic of employment in the labour market under study, and that it is found in all regions of the GTA-Hamilton labour market.

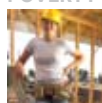
Table 4: Forms of employment in the GTA- Hamilton labour market 2011: ages 25-65 (%)

% working in:	GTA Hamilton Region	City of Toronto	Hamilton	Halton	Peel	York
Standard employment relationship	50.3	49.4	47.1	57.5	52.8	48.0
Permanent part-time	8.8	9.0	12.3	8.0	8.0	7.1
Precarious employment	18.4	19.4	15.2	18.0	17.0	21.0
Other employment forms	22.5	22.2	25.4	16.5	22.2	23.9

Source: PEPSO Survey.

* Of this group, about 70% are in full-time employment but not in SER. 16% are self-employed with employees. 13% are in full-time employment but their hours varied from week to week and in some weeks could be less than 30 hours.

In the Toronto Census Metropolitan Area (CMA),
the number people
who describe their job as **temporary**
has increased by **40%** since **1997**.







PART 2: The Characteristics of the Precariously Employed

This section compares the characteristics of the precariously employed with the characteristics of those employed in permanent and stable employment relationships. By making this comparison, we can begin to understand the challenges of precarious employment and how they might impact household well-being and community participation.

KEY FINDINGS

These are our key findings about the characteristics of the precariously employed:

- A significant number of those who describe themselves as being in permanent employment still have many of the employment characteristics of those in precarious employment.
- Men and women are about equally likely to be in the *secure* and in the *precarious* clusters.
- White people, people born in Canada, and immigrants who have been in Canada for 20 or more years are more likely to be in the *secure* cluster.
- New immigrants are mainly in the *precarious* cluster.
- People working in the knowledge, service, and manufacturing sectors are equally likely to be in the *precarious* cluster. People working in manufacturing are the least likely to be in the *secure* cluster.
- Most regions in the GTA-Hamilton area have a similar number of workers in the *secure* and the *precarious* clusters. Halton is the exception with a high number of workers in the *secure* cluster.



The Employment Precarity Index

In **Part 1**, we divided the PEPSO survey sample by different forms of employment relationships. This section uses an *Employment Precarity Index* developed for this study to distinguish the precariously employed from those in secure employment.

The *Index* is a person's average score on 10 survey questions. It includes:

- measures of the employment relationship, including whether the person is in temporary employment or in a SER
- measures of expected changes in hours of employment
- variability of earnings
- ability to voice concerns at work without fear of job loss
- how often a person works on-call or is paid in cash
- whether they are paid if they miss a day's work.

Appendix Two describes in detail how the *Employment Precarity Index* was constructed.²⁶

The *Index* has two advantages:

1. It provides a continuous measure of precarity from most precarious to least precarious. This allows us to examine how the level of job insecurity affects individuals, their families and communities.
2. The *Index* allows us to construct a measure that includes multiple indicators of precarity. This provides a more comprehensive indicator than measures that rely only on the form of the employment relationship.

Because precarity is measured along a continuum, it is unclear what percentage of the workforce should be classified as precarious. Individuals receive a score from 0 (low precarity) to 100 (high precarity). Any choice of a cut point above which an individual is precarious could be seen as arbitrary. However, the research group decided to proceed with the *Index* because it allows better insights into the realities facing workers, their families, and their communities.

We use the *Index* to divide the sample into four relatively equal-sized clusters. The cluster with the lowest scores is described as having *secure* employment. The next cluster, which has somewhat higher precarity scores, is described as having *stable* employment. The third cluster, with even higher precarity scores, is described as being in *vulnerable* employment. The cluster with the highest scores on the *Index* is referred to as being in *precarious* employment.

26. Researchers have developed a number of indexes of precarity. While they all have common elements, each is designed to explore different dimensions of the impact of precarity. Goldring and Landolt 2009, 2011 developed an index to measure employment precarity that takes into account the specificity of precarious work for immigrants and is also relevant for all workers. Lewchuk, Clarke and de Wolff 2011 created an index to capture the concept of Employment Stress and how it affects the health of workers in precarious employment. The EPRES scale developed by Vives 2010 and his colleagues is a single continuous measure used to assess the health effects of precarity.



Employment characteristics in the four clusters

Employment relationships

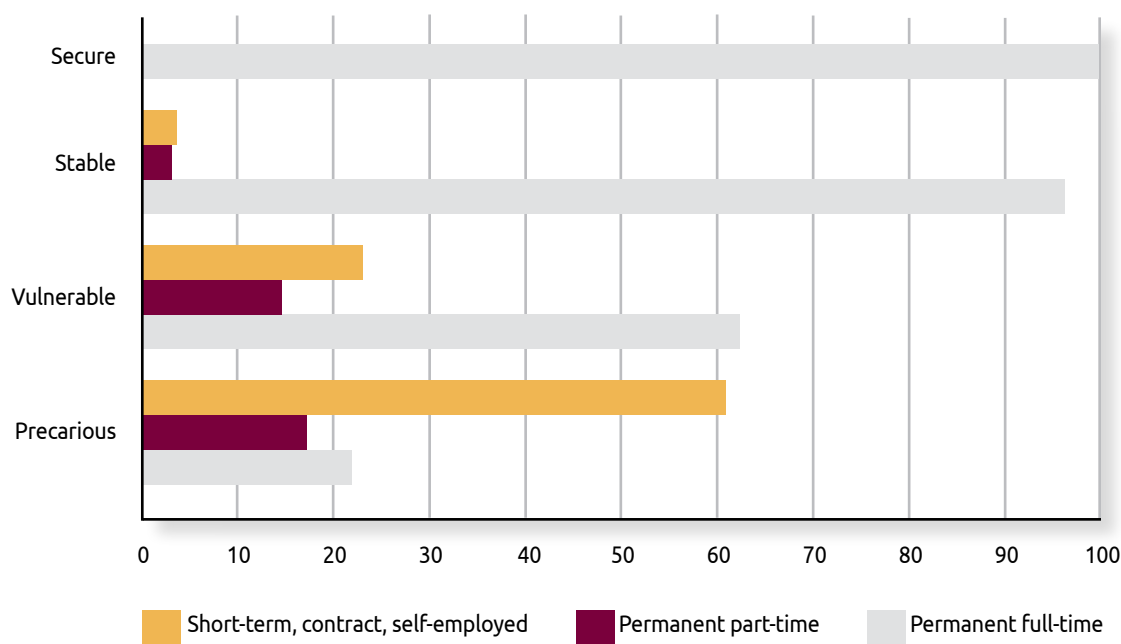
Figures 7 and 8 look at the form of the employment relationship across the four employment precarity clusters. Almost everyone in the *secure* and the *stable* clusters describe themselves as being in a permanent, full-time position and in a standard employment relationship. However, more than 20% of those in the *precarious* cluster also report having permanent, full-time employment. This group, while describing themselves as permanently employed, also report income uncertainty, concern about job loss, scheduling uncertainty, and other employment characteristics that are often associated with precarious employment. Many jobs that are labeled permanent have, on closer inspection, a high degree of insecurity.

Those in permanent, part-time employment relationships are found in all but the *secure* cluster.

The majority who describe themselves as not in permanent employment are in the *vulnerable* and the *precarious* clusters. This includes people who describe themselves as:

- employed through a 'temp' agency
- in short-term or casual employment
- on a fixed-term contract or
- self-employed without employees.

Figure 7: Form of employment relationship and precarity (% of each cluster)

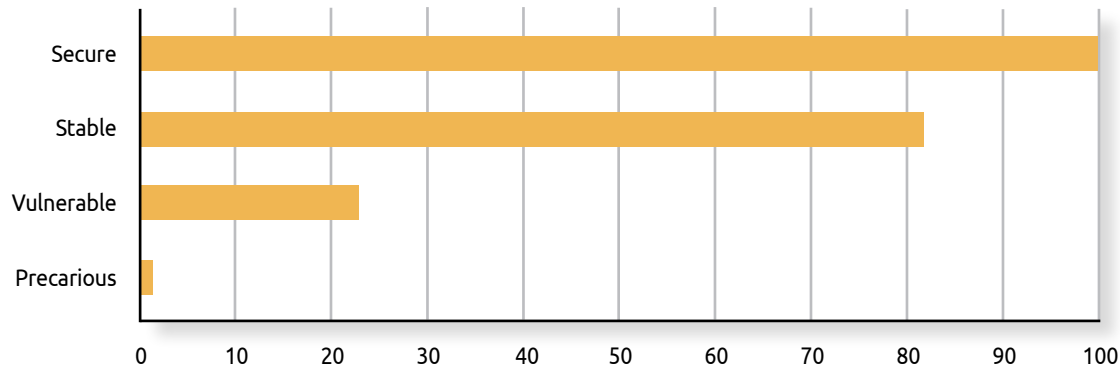


Source: PEPSO Survey. $p < .001$

Note: Being employed short-term or contract, or being self-employed without employees is one component of the *Employment Precarity Index*.



Figure 8: Percentage in standard employment relationships (% of each cluster)



Source: PEPSO Survey, $p < .001$

Note: Being employed in SER is one component of the *Employment Precarity Index*.

Temp agency work

In **Figure 7**, we see that most of the workers who are not in permanent employment are either in the *vulnerable* or the *precarious* clusters. This includes all of our survey participants who found at least half of their employment through temp agencies. We interviewed close to 40 individuals who work mainly through temp agencies. Their descriptions of their work experience provide a first window into what it means to be in the *precarious* cluster.

Finding employment through a temp agency can be a mixed blessing. On the one hand, temp agencies are a source of employment. On the other, most temp workers expressed serious reservations about this form of employment. A worker in Canada on a temporary work visa reported:

I'm registered with lots of agencies ... To be honest, they talk a lot of rubbish ... They are very evasive and hard to get a hold of and you may have a promising lead one week and you're expecting a call back ... You try to call them when they don't call back, you can't get through ... They've got a whole list of jobs on the website when you're first eligible and looking and you think it's great, but then you quickly find out that these jobs don't exist, or if they did they are long gone.

A young worker in the service sector noted the challenges in finding quality employment through agencies:

They string you along offering different jobs. It feels like they say they have this great job and then 50 horrible ones that you really don't want to do and they are not going to last forever and they are 2 or 3 days. But just come in and register for this job.

Several interviewees had decided to stop using temp agencies for leads, as they felt they could be as successful on their own finding minimum wage jobs. These have become the

norm at a number of temp agencies. A middle-aged woman working at various clerical jobs reported:

It was like the agency kept half the money and I was better off working doing a mediocre job getting same amount of money than working for an agency that's going to take half the money.

Finding work through temp agencies also involved significant effort. A worker employed in the service sector said:

I am currently registered at three different ones cause there are so many people at them ... You have to call them at the beginning of the week, tell them that you're available and hope they call ... It was pretty good and then it just stopped ... I'm sure they have work but they have to put other people out too, and maybe they've called in before I've called. It's just a matter of getting up earlier and calling them.

A middle-aged man in the manufacturing sector had a similar experience:

When someone from the agency is looking for you it is easy, but when you call back and say, 'Oh do you have a job for me?' they say 'Yeah come back in tomorrow' ... You go there, sit and wait and no one shows up ... Everything they tell you to do is a heavy job or dirty job ... If they ask you to do it you have to do it ... [If not] they won't call you because you don't want the job. A job that takes two people to carry the heavy stuff, they ask you because you are [from] the temporary agency. They don't care about you. If you can't handle it, that is it, the next day they will not call you. The jobs are very hard from the agencies.

Gender

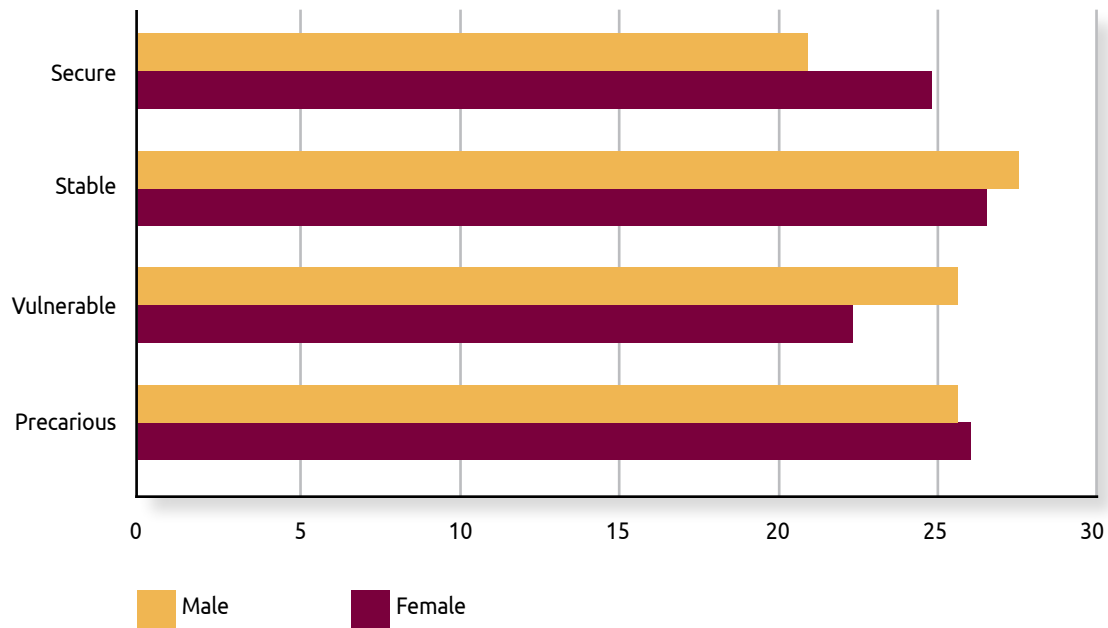
Figure 9 looks at the relationship between gender and the *Employment Precarity Index*. Men and women are equally likely to be in the *precarious* cluster, while women are marginally more likely to be in the *secure* cluster. At first, this may seem counterintuitive, but it reflects recent research suggesting that many of the secure jobs men once had preferred access to have been eliminated since the 1980s. This is a result of:

- the decline of manufacturing
- the falling rate of unionization
- technological changes that reduced the demand for unskilled manual labour
- the growth of the service sector.

Women have been less affected by these changes and, they have benefited from more secure employment in sectors such as health care, education, and the public sector. These sectors have been somewhat shielded from the recent turmoil in labour markets. This shift also reflects some of the real gains women have made since the 1970s in their demands for more equal treatment in labour markets.



Figure 9: Gendered pattern of precarity (% of each sex)

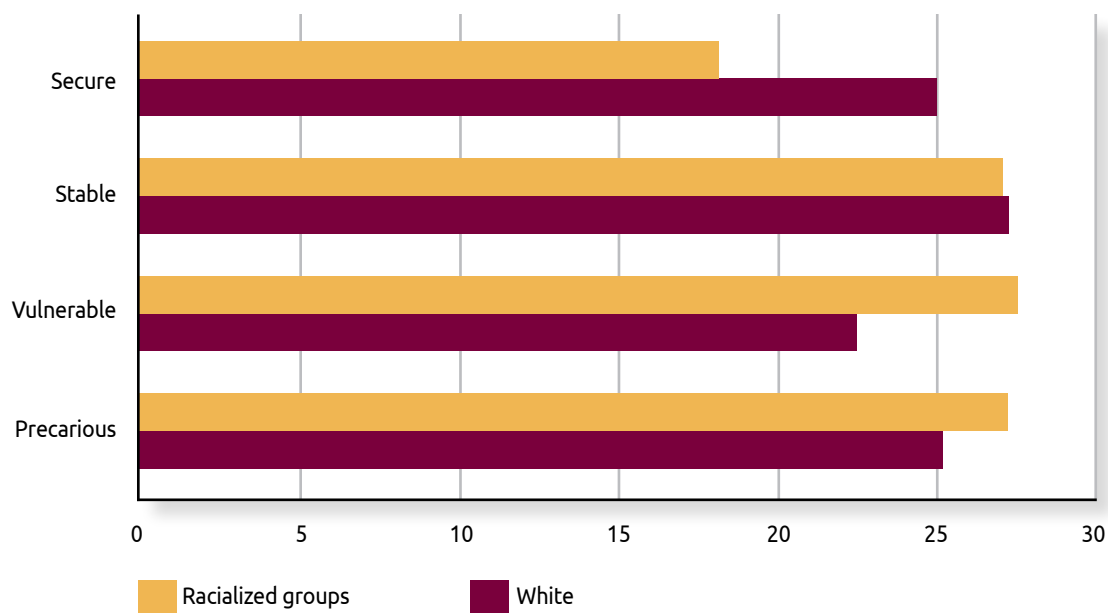


Source: PEPSO Survey. $p < .05$

Race

Although, employment precarity is found across all types of workers, it is more pronounced among racialized workers. **Figure 10** shows that white workers are more likely to be in the *secure* cluster relative to workers from racialized groups. The opposite is true in the *vulnerable* and the *precarious* clusters. There, racialized workers are more likely to be found.

Figure 10: Racialized pattern of precarity (% of racialized groups and white group)



Source: PEPSO Survey. $p < .001$

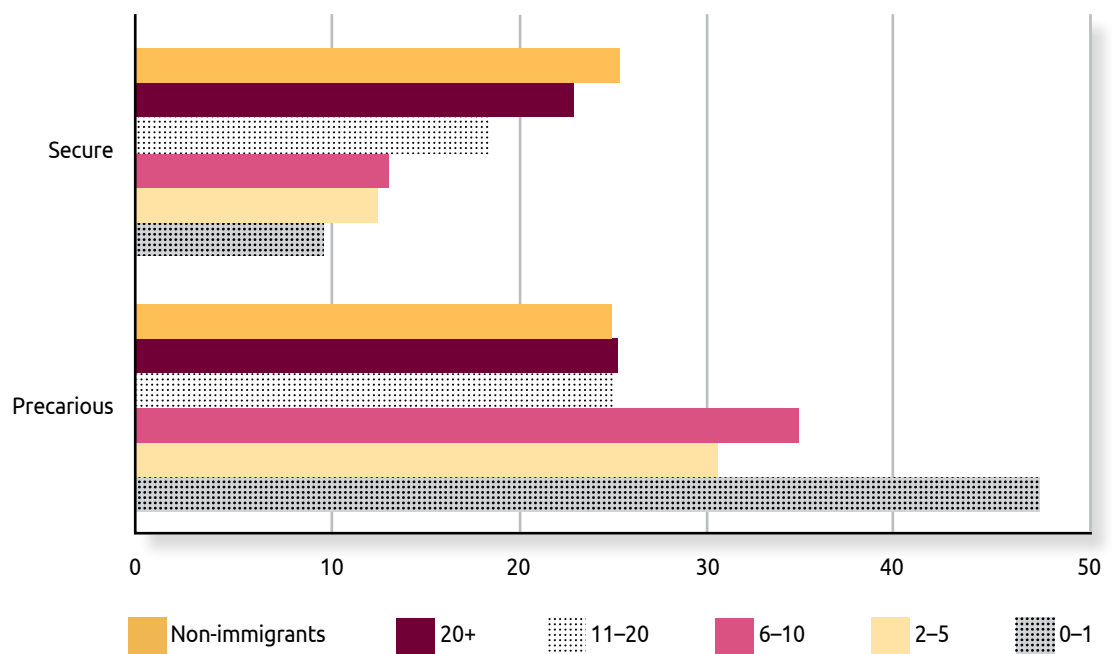


Newcomers

New immigrants are more likely to be in the *precarious* cluster when they first arrive in Canada. They remain more likely to be in precarious employment for the first decade of life in Canada. **Figure 11** highlights the percentages of immigrants in the *secure* and the *precarious* clusters. This is broken down by number of years in Canada.

Immigrants are also slow to move into the *secure* cluster. **Figure 11** shows that only immigrants in our study who had been in Canada for 20 or more years are as likely to be in the *secure* cluster as non-immigrant workers.²⁷ This suggests that, while many immigrants may eventually escape the uncertainty of precarious employment, on average, they continue to have less secure employment than non-immigrants.²⁸

Figure 11: Percentage of non-immigrants and immigrants in secure and precarious employment (% of immigrants by years living in Canada)



Source: PEPSO Survey. $p < .001$

Age

In **Figure 12**, we see that people at both ends of the working age spectrum are marginally more likely to be in the *precarious* cluster and less likely to be in the *secure* cluster.

The prevalence of older workers in the *precarious* cluster may reflect voluntary movement into more temporary employment following a successful career. However, there is some evidence that not all of this shift is voluntary.²⁹ Older workers are no longer as protected by seniority as was the case twenty years ago. They can often find themselves out of work in their 50s as a result of company reorganizations.



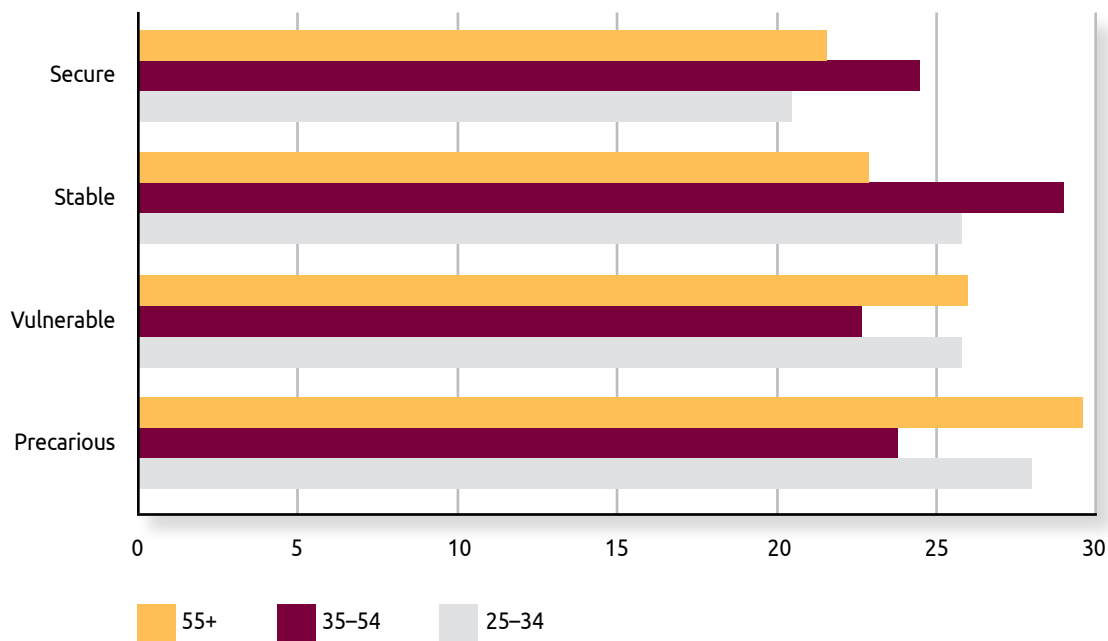
27. As we noted in Part 1, we are unable to separate the effects of length of residence in Canada from differences in the labour markets at the moment of immigration.

28. See Goldring and Landolt (2011, 2012) for a discussion of some of the factors associated with the persistence of precarious employment among immigrants.

29. Vrankulj 2012.

Among individuals aged 35-54, an equal number are in the *secure* cluster and the *precarious* cluster.

Figure 12: Age pattern of precarity (% of each age category)

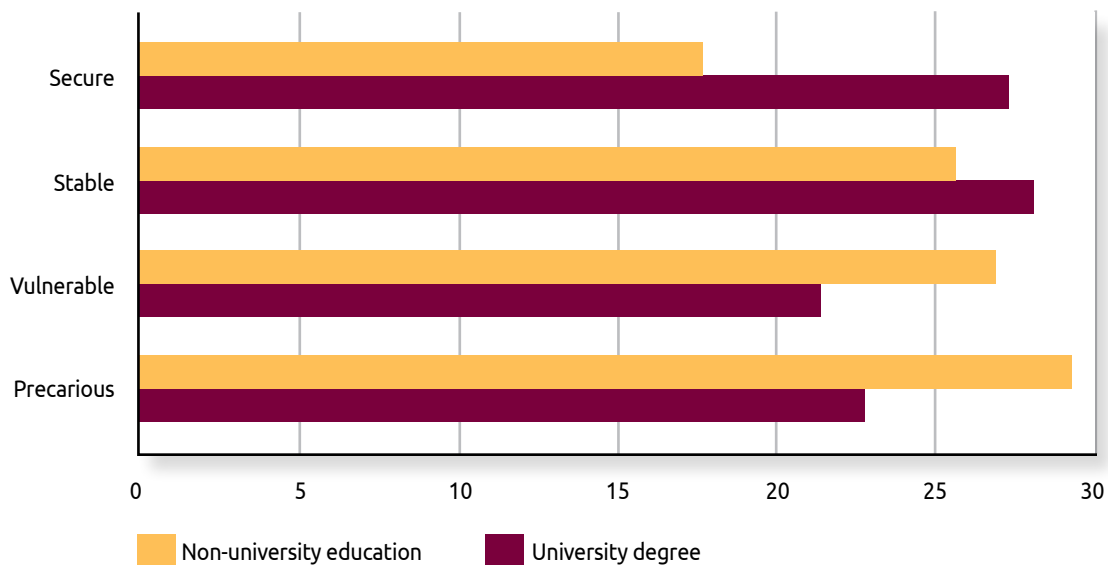


Source: PEPSO Survey. $p < .001$

Education

Figure 13 compares the education of people in the four clusters. Individuals with a university degree are more likely to be in the *secure* or *stable* clusters. However, it is worth noting that a university degree is not a guarantee of secure employment. More than one in five with a degree are in the *precarious* cluster. The opposite is true for those with less than a university education who are more likely to find themselves in the *vulnerable* or *precarious* clusters.

Figure 13: Educational attainment and precarity (% of each education category)

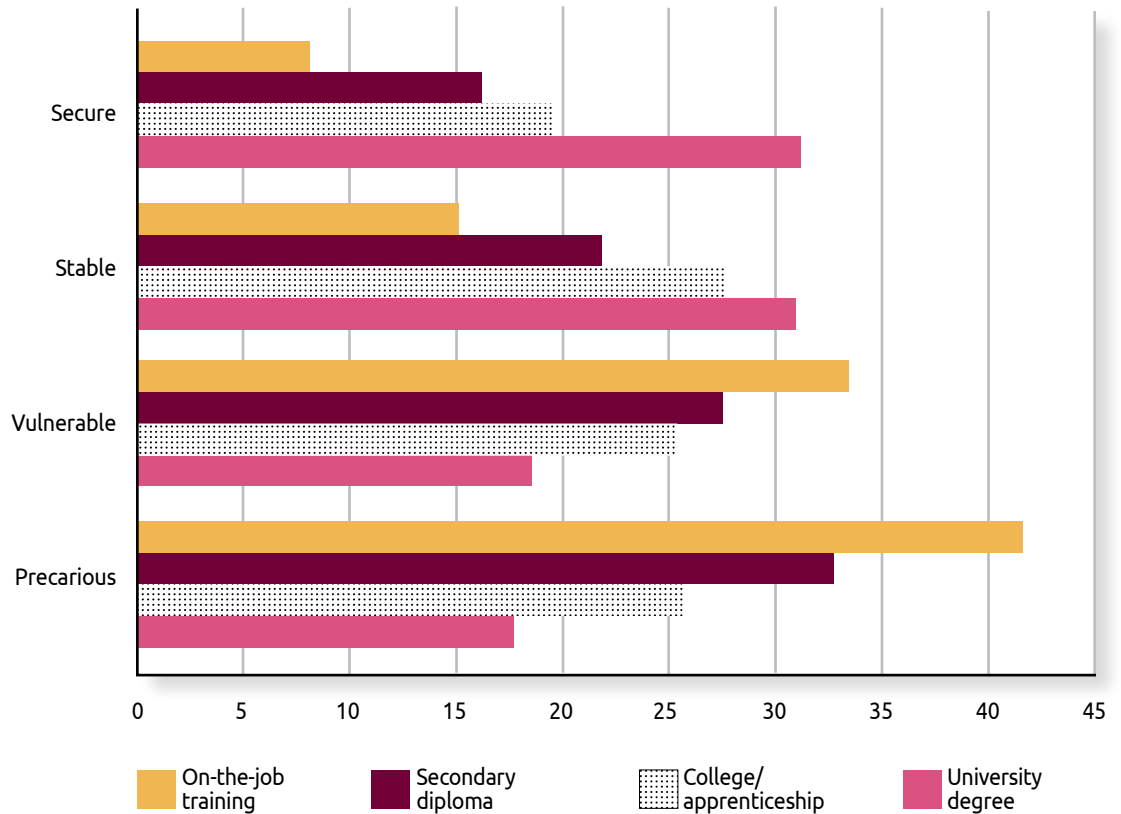


Source: PEPSO Survey. $p < .001$



Figure 14 compares the education needed to perform jobs in the four clusters. Jobs that require only on-the-job training tend to be in the *precarious* cluster. Less than 20% of the jobs in this cluster require a university degree. More detailed analysis indicated that almost half of those with a university degree in the *precarious* cluster are in jobs that did not require one.

**Figure 14: Education needed for job and precarity
(% of each education category)**



Source: PEPSO Survey. $p < .001$

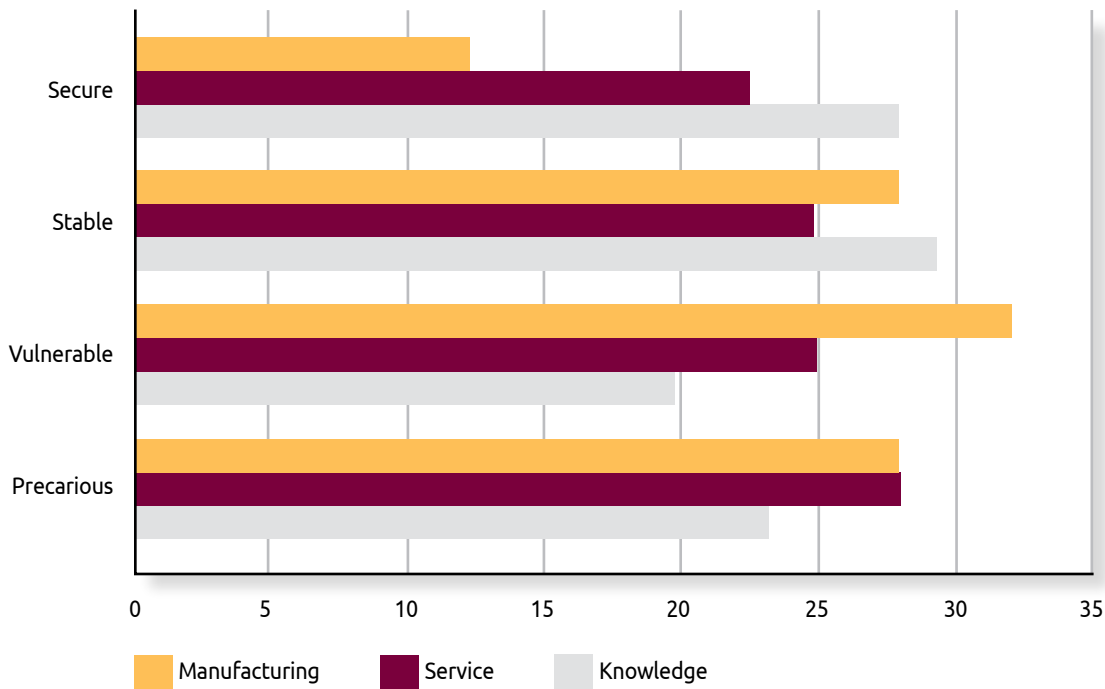
In **2011**, only **half** of the
employed people **aged 25-65** in the
GTA-Hamilton labour market were in a
standard employment relationship.



Sectoral patterns

Figure 15 shows the extent of precarity across three major sectors of the economy. People working in manufacturing are significantly less likely to be in the *secure* cluster. Nearly 60% of those in manufacturing are either in the *vulnerable* or the *precarious* clusters. People working in the knowledge or creative sector are the most likely to have *secure* or *stable* employment.³⁰ However, there are still a significant number of knowledge workers in the *precarious* cluster. People working in the service sector are more evenly divided across the different clusters of precarity. This reflects the wide variety of jobs in this sector.

Figure 15: Sectoral pattern of precarity (% of each sector)



Source: PEPSO Survey, $p < .001$

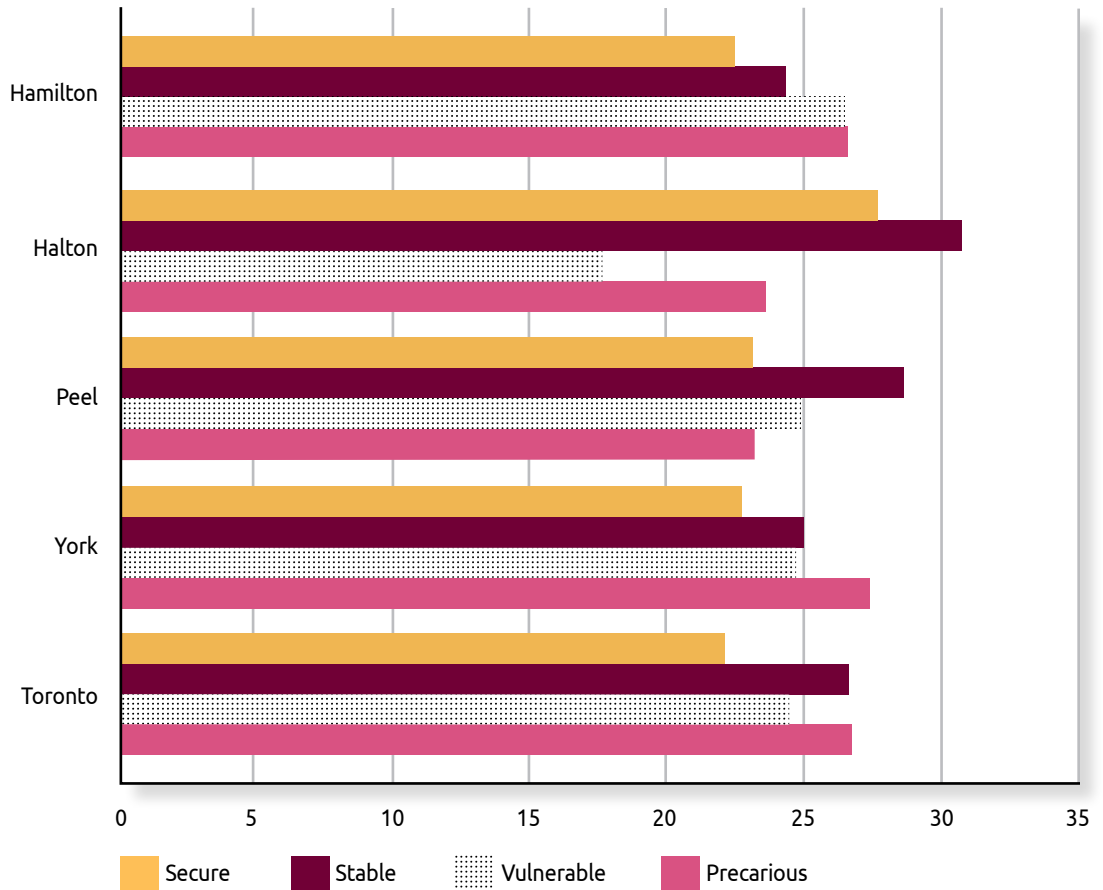
Regional patterns

Halton stood out as having a substantially different pattern in the prevalence of precarity, with just under 60% in the *secure* and *stable* clusters. The cities of Toronto and Hamilton, as well as York Region, have a higher proportion of workers in the *precarious* cluster.

30. Survey participants self-defined whether they were in the manufacturing, service or knowledge sector. There is a blur between the knowledge and creative sectors. The Toronto Workforce Innovation Group has defined a knowledge occupation as one where the percentage of workers with either university or college training was in the upper quintile relative to all occupations. See Toronto Workforce Innovation Group 2010.



Figure 16: Regional pattern of precarity (% of each region)



Source: PEPSO Survey. $p \geq .10$

Comparing *secure* and *precarious* employment

A key finding of this report is that, regardless of a worker's personal characteristics, work sector, or the region they live in, there is a reasonable chance that their employment will have many of the characteristics of precarious employment.

Precarity is a reality for men and women, for immigrants and non-immigrants, for workers in different sectors, and for people with different levels of education. Unlike poverty, which is often concentrated in neighbourhoods, precarity is found in both high- and low-income regions. Because precarious employment is so widespread, its social effects are unlikely to be limited to isolated clusters of Canadians. We should be even more concerned about these social effects if, as a growing body of evidence suggests, precarity is becoming a new norm for Canadian workers.

Before we can begin to understand how precarity affects household well-being and community participation, we need to understand more fully what it means to be precariously employed. With this understanding, we can begin to design policies to ease some of the stresses associated with employment precarity.

What are the characteristics of employment relationships that lead to insecurity? Here we compare the two clusters at the extremes of the spectrum, the *secure* and the *precarious* clusters. Each represents about 25% of our sample. The *secure* cluster represents an older



employment norm based on SER. The *precarious* cluster may represent a new employment norm. There are significant differences in the terms of employment of these two clusters. The precariously employed are paid less and face uncertainty in many other aspects of their employment relationships.

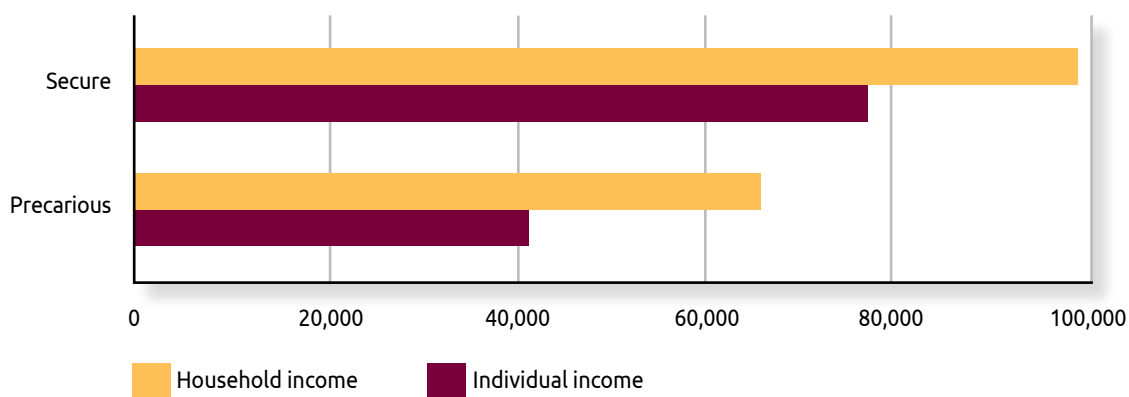
Compared to those in the *secure* cluster, people in the *precarious* cluster:

- Earn 46% less and report household incomes that are 34% lower.
- Experienced more income variability in the past and expect to experience more in the future.
- Rarely receive employment benefits beyond a basic wage.
- Are often paid in cash and are more likely not to get paid at all.
- Often don't know their work schedule a week in advance and often have unexpected work schedule changes.
- Have limited career prospects and are less likely to be satisfied with their job.
- Have more weeks without work and are more likely to anticipate future hours reductions.
- Fear that raising an issue of employment rights at work might negatively affect future employment.
- Are more likely to have their work performance monitored.
- Are less likely to be unionized.
- Often hold more than one job at the same time.
- Often work on-call.
- Rarely receive training provided by the employer and often pay for their own training.

Income levels

In **Figure 17**, we see that the precariously employed earn less and live in lower income households. Those in the *precarious* cluster earn 46% less than those in the *secure* cluster and their household income is 34% lower. In **Part 3**, we will discuss one reason for this difference in household income. This is the lower probability that the partner of a person in precarious employment is working in paid employment or working full-time.

Figure 17: Average individual and household income (\$)



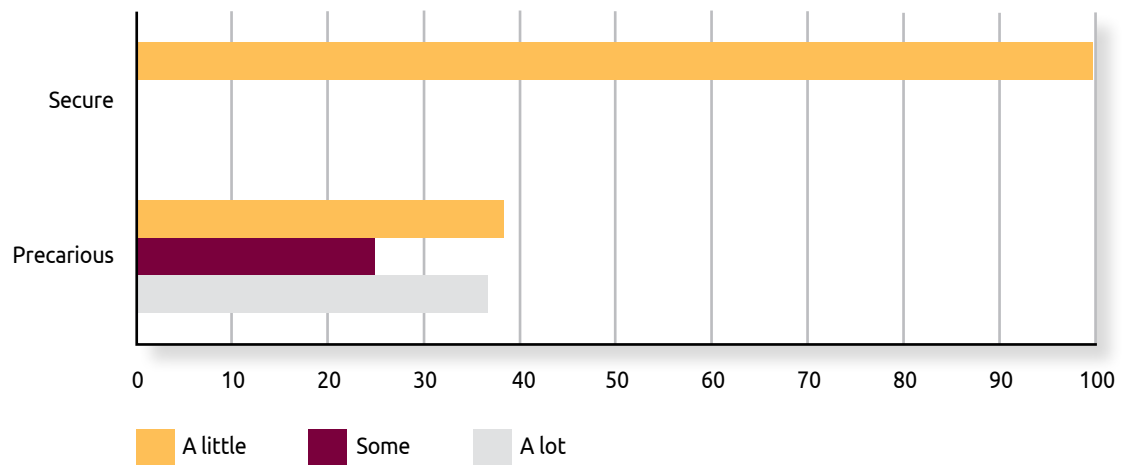
Source: PEPSO Survey. $t < .001$

Income variability

Good jobs allow individuals to plan for their futures. **Figures 18 and 19** show two indicators of income variability. Those in the *precarious* cluster are more likely to have experienced income variability over the last year and more likely to report they anticipated their income falling in the next six months. None of the workers in the *secure* cluster report more than a little income variability in the last 12 months. Only 10% anticipate their income declining in the next 6 months.

Income instability can be a serious stressor on household well-being. The uncertainty may interfere with community participation. Many people told us that if you don't know what your income is going to be in the near future, it is hard to commit to family or community activities that might require future expenses.

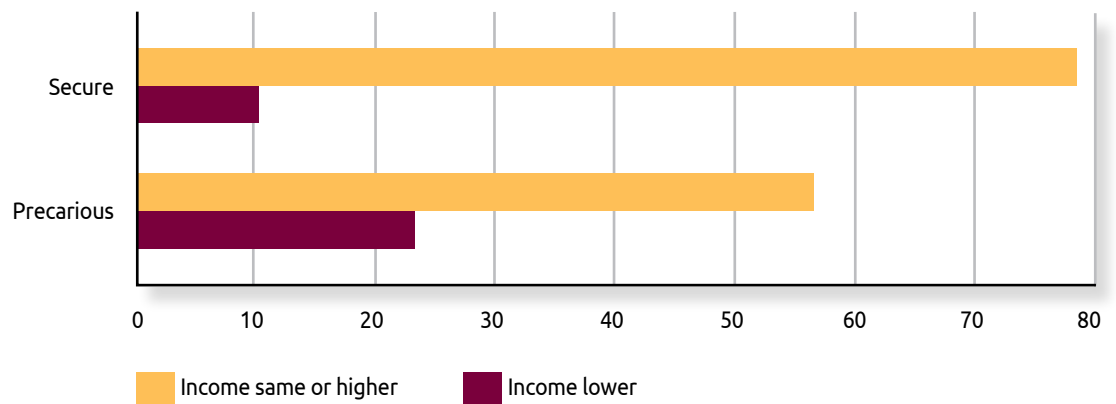
Figure 18: Degree of income variability from week to week in the last 12 months (% of each cluster)



Source: PEPSO Survey. $p < .001$

Note: Income variability is one component of the *Employment Precarity Index*.

Figure 19: Expected change in income in 6 months (% of each cluster)



Source: PEPSO Survey. $p < .001$

Several of the individuals we interviewed raised the issue of income insecurity. A construction worker noted the irregularity of employment through temp agencies:

I found a job working for a temporary agency but working with them it was so frustrating because you would work for a little bit of time and they would cut off your hours, lay you off for two or three weeks then call you back ... The employers are not willing to pay for your benefits so they use you when they like. Someone is lined up to do the same job that you are doing.

A worker employed in the service sector noted the challenge of managing an irregular income flow:

The only thing I would like to change is that I would like the income to be regular so I knew how much money to expect every week because it could disappear in an instant ... If I was stable and I could expect a certain amount of money a week it would make it easier in terms of going out and knowing how much money I have and sort of budget better.

Income uncertainty often manifested itself through irregular hours of work and significant gaps in employment as noted by this worker employed in the knowledge sector:

The longest [lapse between assignments] was about six, seven weeks maybe more. It was the end of the spring through to the summer where I had nothing at all. That was a very slow time with absolutely nothing at all. A few weeks could go into a month and two months.

Workers across the income spectrum expressed frustration at employment and income gaps associated with irregular work. A worker reporting a household income in excess of \$70,000, working in the health care sector notes:

A couple of weeks ago I didn't work for two weeks ... The event was on a Saturday and there were still odds and ends to wrap up on the Sunday. So then on the Monday because we just finished an event, we're going to just regroup so don't look into coming in next week. So that was one week downtime for that job. Then the following week was 'Okay we don't have anything too much so get back to me in the middle of the week so we can plan for the following.' So that was two weeks down time.

Precarity gets more precarious

In **Part 1**, we presented evidence that precarious employment has become more prevalent in the last decade. The individuals we interviewed suggested that many of these jobs are also becoming more precarious. For example, a worker employed through a temp agency reported how it has become less common for temp positions to lead to permanent employment:

Once in a while an opportunity pops up where it's basically a trial period where they send you to a site. If you do a good job they will offer you a job, but that's really irregular. It doesn't happen a lot especially nowadays.



I noticed it ten years ago when I was working at a temp agency. [For] most of the jobs, most of the time it was a gateway into a full-time job. Now it doesn't seem to be the case. Now it's just cheap labour.

A worker on a temp placement in the service sector described how, in the past, temp workers were paid a premium to compensate for the lack of permanency and benefits. Now, most temp jobs she finds pay minimum wage.

I used to get parachuted into secretary [jobs]. Well one contract I remember . . . the lady next to me who was also a secretary is making 10 dollars an hour and this is in the 70's and 80's. I'm earning 12 dollars an hour. The reason being I don't have any permanence ... Now, the lady next to me is earning \$19.50 at the bank and I'm earning \$10.25 ... So now A) I don't have benefits and B) I don't have security and, on top of that I'm getting minimum wage. And the agencies seem to think that they're doing you some kind of wonderful service by paying you the vacation pay.

Finding these jobs has also become more of a challenge. A woman told us how, in her view, labour markets had changed:

I think that [the labour market has] changed dramatically. Definitely in the last five years and probably going back a few years before that too. I feel that it has changed a whole lot. Years ago ... it was very easy to me and countless others to find a job. Now it's becoming more difficult. And I find the jobs you might find are not what you know but who you know ... You only got that job because you know somebody.

These statements suggest that, much like the increasing polarization of income, there appears to have been a polarization of employment relationship security. Those in precarious relationships now are in jobs that are even more precarious than a decade ago.

Contract work

Contract workers are another group facing challenges in managing irregular income. Many of the contract workers we interviewed worked in the university sector managing research projects or in the not-for-profit sector. Their contracts could often last up to 3 years. These are often better-paid jobs and many of these individuals live in middle-income or even high-income households. However, income uncertainty was still a significant concern, especially as they approached the end of a contract.

The workers quoted below are employed in various research roles in universities and hospitals. Together, they paint a picture of stress and uncertainty associated with contract work, even when it is well paid and includes benefits.

I am always thinking about how many months left, then how are you going to be able to pay the mortgage? I am always concerned about renewal of the contract ... It is long-term pressure all the time to perform. I just don't want to lose my job.



As a research coordinator I am relying on soft money. Since the research work is funded for 1, 3, or 5 years, I found myself a year and half into the research work thinking of my future income if the funding stops. I came to the realization that I am at the mercy of these researchers ... This was a very stressful time for me since I am the sole income earner in my household ... I thought research work for a hospital or academic setting would be secure, but I have found that research work is soft money, and since it is based on funding, it does not provide a secure place to work. However the job at the university offers good benefits, which is an attractive feature for me.

It would be very nice if I just knew, even if I just had a contract for the next three years, or even right now a year would be wonderful. But if you had that three years of, okay, I can live for three years and not have to worry about what's going to happen in the next couple of months with regards to money and my job, and will there be income coming in. But just be able to breathe and say, okay, I'm safe for this period of time.

You have this short-term contract, therefore you're looking for renewal or looking for someone else to hire you ... You're always being monitored. You always have to be on, you have to be doing an excellent job to try and improve your chances of getting that next job, next contract. I'm very aware that her opinion of me and my work is very important, in terms of my ability to get another job here or really anywhere. I don't feel like I have a lot of room to not do a really good job.

Lack of benefits

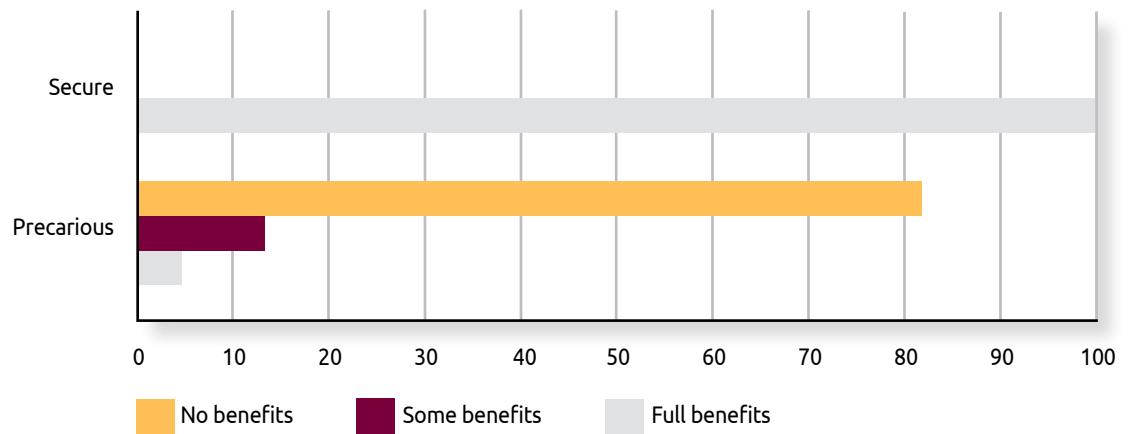
The precariously employed are vulnerable in a number of ways other than the irregularity of the income they receive. In **Figure 20**, we see they are less likely to report having benefits such as a drug or vision plan, dental coverage, life insurance, or a pension. More than 80% report that they do not receive any benefits. This makes those in the *precarious* cluster vulnerable to unexpected life circumstance such as illness, injury, or premature retirement.

Those in precarious employment who *do* receive benefits are more likely to report that their benefits do not cover their family members. For those in the *precarious* cluster, a dental crisis or the need to fill an expensive drug prescription can seriously strain household budgets. This is an issue we will return to in more detail in **Part 3**.

People working in **manufacturing**
are the **least likely**
to be in the *secure* cluster.



Figure 20: Employment benefit entitlements – vision, dental, drugs, life insurance, pension (% of each cluster)



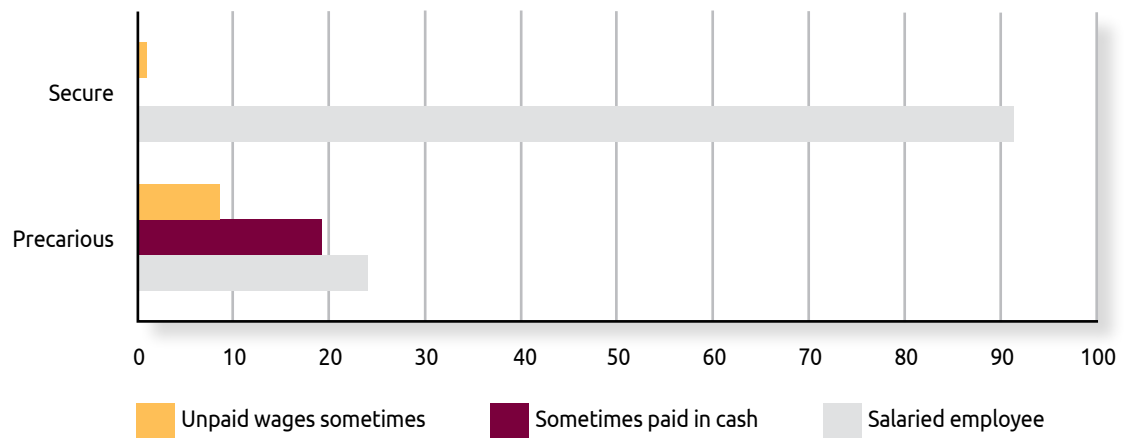
Source: PEPSO Survey. $p < .001$

Note: Employment benefits are one component of the *Employment Precarity Index*.

Unpaid work

Even when the precariously employed are working, they run a substantially higher risk of not being paid. **Figure 21** shows that nearly 10% of those in the *precarious* cluster are sometimes not paid for their work. Nearly 20% are paid in cash. This can mean not having a record of payment, and no method of verification if a worker is not paid the correct amount.

Figure 21: Unpaid wages and payment in cash (% of each cluster)



Source: PEPSO Survey. $p < .001$

Note: Being paid in cash is one component of the *Employment Precarity Index*.

Interviews with people in precarious employment indicate that not getting paid is a real concern. People working for larger organizations or established temporary help agencies reported fewer problems getting paid. Those working at the margins of the labour market through smaller temp agencies often felt they were being cheated out of pay for work they had done.

A sole-income earner who often finds work through temp agencies noted their unreliability:

Some temp agencies ... their cheques bounce. They're not even accepted by my bank ... Cheque cashing places won't accept certain agencies' cheques because they bounce. The agency closes, becomes a new agency, same name it just becomes a new agency a week later. I've had employers -- telemarketing jobs where they just don't want to pay. And I go, 'Well, you got to pay.' 'Well, we don't want to pay,' And they're not a licensed business so you can't even collect.

A worker currently on a temp placement at a warehouse reported a similar experience:

You had to watch your pay stub. I tracked all my hours and the mistakes were never in my favor. There was one temp agency I was in the office every week because of a mistake.

A woman working at a fitness club complained about her employer not paying overtime:

After working there I realized that they pay once a month, not bi-weekly, and then they do the math. They don't calculate your hours weekly but instead they do it monthly. So even though you work like 50 hours per week but when they divide the number by the month you don't get overtime.

Sometimes it is the temp agency that comes to the aid of the worker who is being cheated by the firm they were assigned to. An example was reported by a worker employed in the retail sector:

Once they said I didn't do the hours that I did and then the temporary went to bat for me and I got the money and they were up against a millionaire and they actually beat him. I couldn't believe it. Yes, they stood up for me ... In the end, the temporary agency actually helped me.

Another retail worker reported a similar experience:

Most of the time they [temp agencies] are good, pretty decent. I find them to be better than the actual employers cause they are looking out for both ends - finding employees and trying to fulfill a contract.

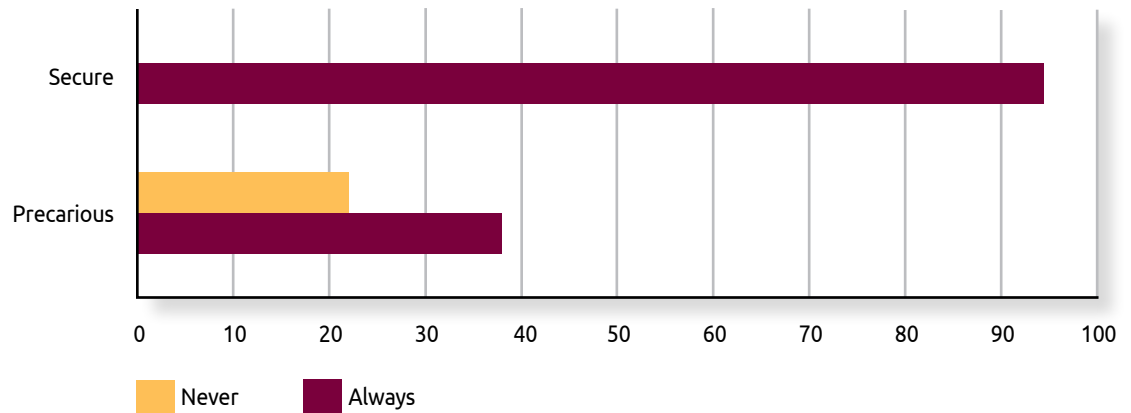
New immigrants are mainly
in the *precarious* cluster.



Work schedules

Another challenge facing those in precarious employment is uncertainty over their work schedules. **Figures 22 and 23** compare uncertainty surrounding work schedules. Less than half of those in the *precarious* cluster always know their work schedule at least a week in advance. Nearly one third face unexpected changes in their work schedule, which can create problems for those with children or those who want to take part in community activities. Those in secure employment face these problems less frequently.

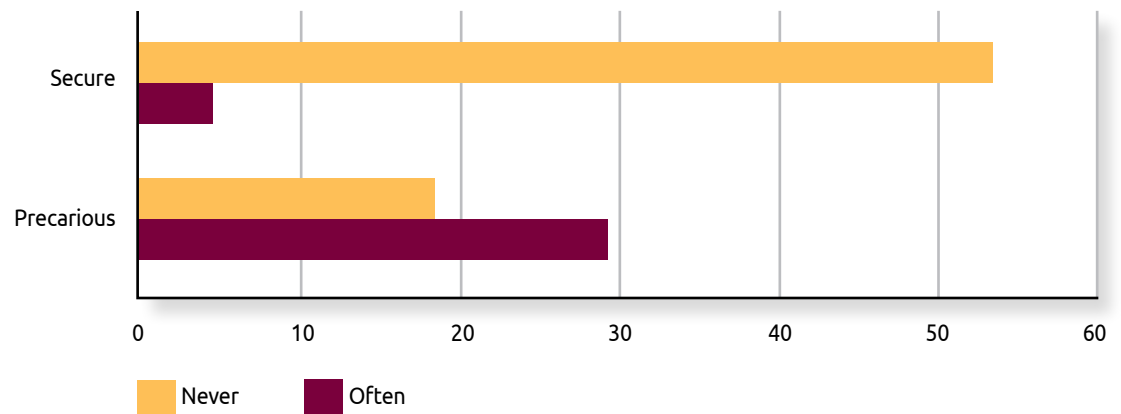
Figure 22: Know schedule one week in advance (% of each cluster)



Source: PEPSO Survey. $p < .001$

Note: Knowing your work schedule is one component of the *Employment Precarity Index*.

Figure 23: Schedule changes unexpectedly (% of each cluster)



Source: PEPSO Survey. $p < .001$

Lack of control over work schedules and frequent, unexpected schedule changes create unique problems for workers in precarious employment relationships. A woman working in retail said:

You only get maybe 24 to 48 hours notice. When I go on Friday I am hoping he tells me to come on Monday because you can only work Fridays and Mondays there. So you don't get much notice and it's not guaranteed and if you can't do the job they won't invite you back.



A woman in the manufacturing sector said:

They call in the morning and we have to get ready for 3:00 pm and we have to go to work... Now what we do is we wake up in the morning and we start cooking for the afternoon to get ready. As soon as she calls us we have to get ready and go, sometimes it's 2:30pm and we are not ready and we have to rush.

Several of the people we interviewed told us how scheduling interferes with family life and planning social activities. A father of a young child told us:

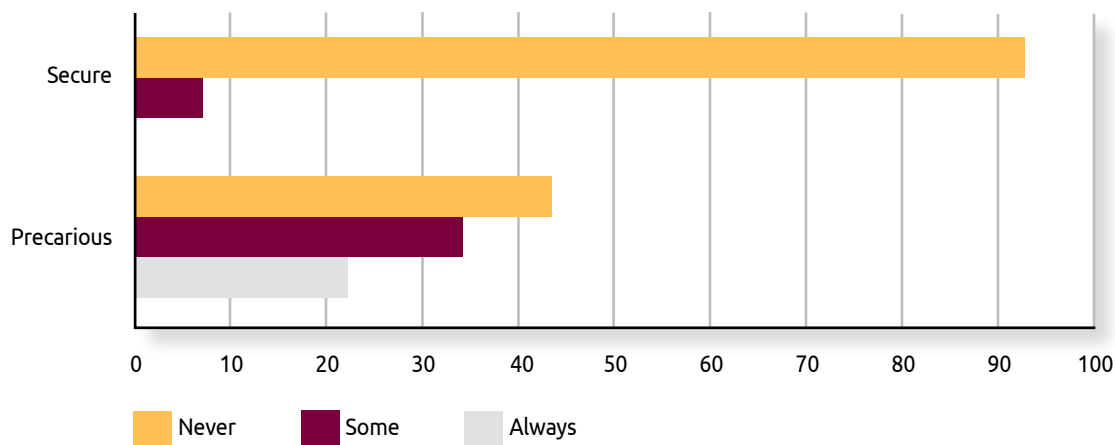
As a family person we are trying to make plans. If your son's birthday is on the 5th you want to plan ahead instead of [the agency] calling you up on the day before and you have to go to this place at a certain time and usually the hours are completely off. You are working in the morning, nights, continental hours. You cannot tell them 'I have a headache' or 'My stomach hurts because I am not used to those kinds of hours.' There is no regulation binding them to what or how they should treat you. It is unbelievable.

For middle-income households, scheduling uncertainty limits their flexibility to plan things like holidays. A university research worker employed on contract told us:

I have not been able to take my daughter [on holiday] in the past 10 years because I don't have a fixed schedule. Always something happened when I had booked holidays.

Figure 24 gives more evidence of scheduling irregularity for those in precarious employment. Most people in the *precarious* cluster work on-call at least some of the time and nearly one in four work on-call all the time. On-call employment is the exception for those in the *secure* cluster, with only 7% reporting on-call working conditions.

Figure 24: Working on-call (% of each cluster)



Source: PEPSO Survey. $p < .001$

Note: Working on-call is one component of the *Employment Precarity Index*.



Working on-call is especially challenging for people with families. A young father working for a major employer explained how having young children complicates working on-call:

In the past couple of years ... I've been on an on-call basis ... They hardly ever call me in and the odd time when they do, there was one time when we didn't have a babysitter. You can't have a babysitter on-call ... [The employer] calls me at 1:30 a.m. and I never thought that that would happen. But they can call you if you're a relief [worker] yeah, anytime. And you're supposed to sit by your phone and if you don't answer it so many times in 6 months you're off the list.

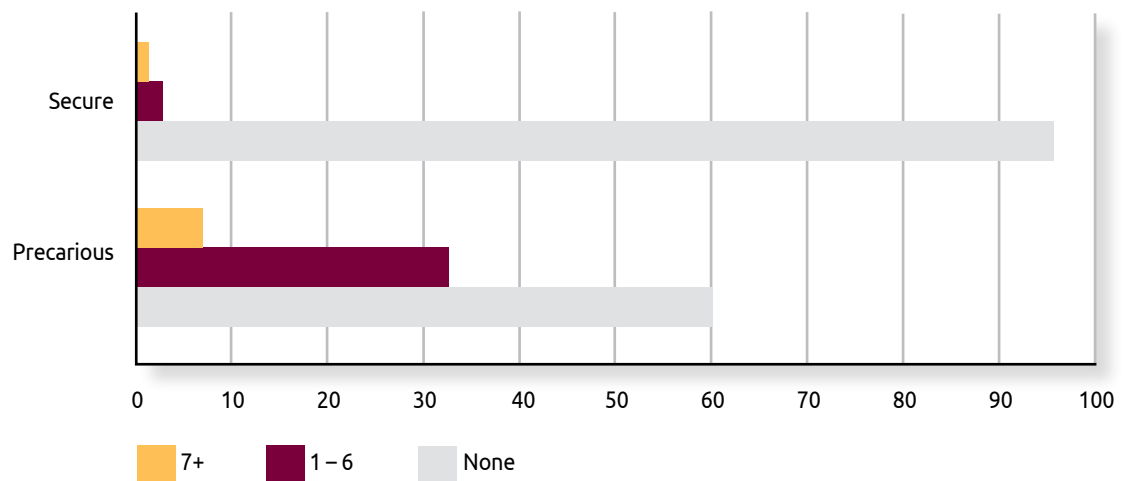
Even in middle-income households, the constant uncertainty of on-call work interferes with family life and requires the extra effort of constantly searching for work. A woman in the health sector noted:

This situation that I am in now, it is not regular employment. There aren't any benefits, it's on-call, temporary, seasonal type of work ... You don't know what you are doing from one day to the next. It is basically you are on-call, it is inconvenient when you don't know what you are going to be doing for the next few days or weeks ... [In] the spare time that I have I am trying to look for work or follow up leads ... trying to keep up with responses to emails or phone calls. It is mentally exhausting, physically frustrating, it is very energy zapping.

Periods without employment

Periods without employment are common for those in precarious employment. **Figure 25** indicates that nearly 40% of those in the *precarious* cluster had one or more weeks of unemployment in the last three months. Seven per cent were unemployed at least half the time in the last three months.

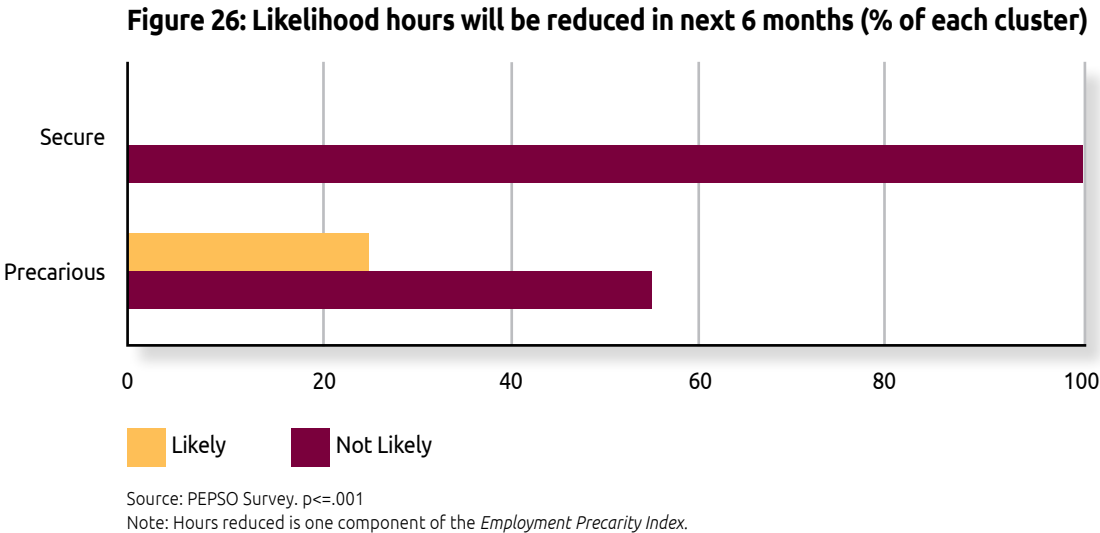
Figure 25: Weeks without work (% of each cluster)



Source: PEPSO Survey. $p < .001$



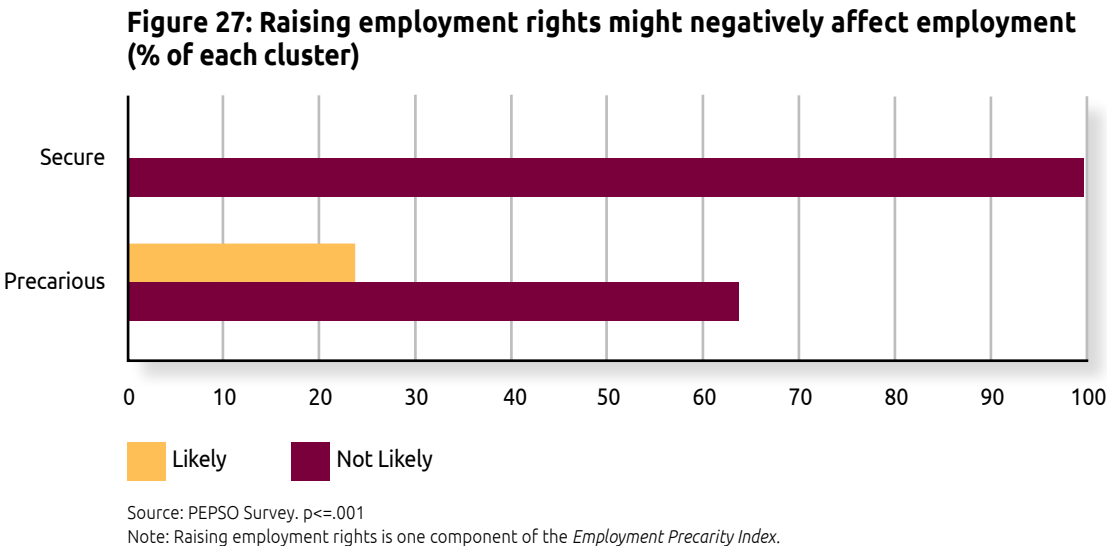
Figure 26 reports on expectations of future hours reductions. Those in the *precarious* cluster are more likely to be concerned about future hours reductions in the next six months. None of those in the *secure* cluster expect any reductions.



Employment rights

The precariously employed find it more difficult to exercise the rights given them by labour law. In **Figure 27**, nearly one in four report that raising a health and safety concern or other issue related to employment rights would threaten their future employment. This has serious implications for workers who:

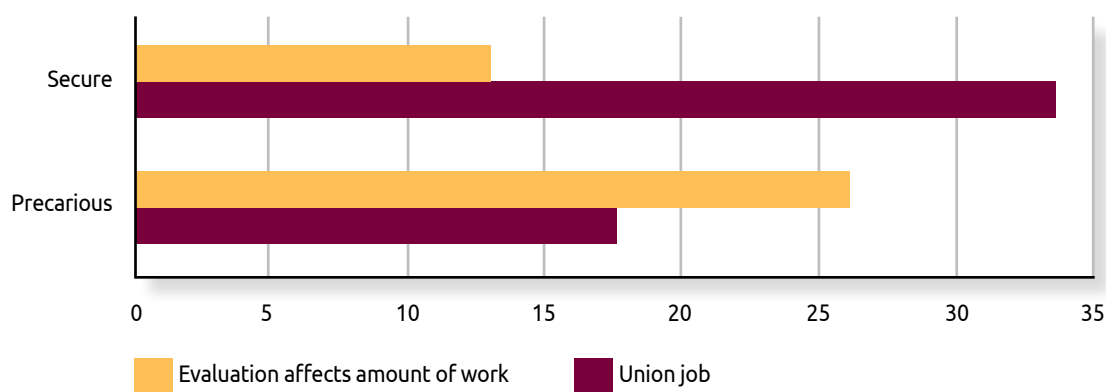
- are not being paid what they are entitled to
- are asked to work long hours
- have to accept unhealthy working conditions or
- get injured on the job.



Unions and workplace relations

Figure 28 shows that the precariously employed are less likely to be unionized. At the same time, they are more likely to have evaluations of their work that affect the amount of employment they get. The lack of unions may make it more difficult to challenge unfair evaluations.

Figure 28: Workplace relations (% of each cluster)



Source: PEPSO Survey. $p < .001$

During our interviews, people in precarious employment often commented on their sense of powerlessness in relations with their employers. There was a sense that if they wanted more work, they had to accept things that workers in permanent employment might not.

A worker on a temp agency placement made it clear he had little option but to do as his employer asked if he wanted to continue working:

... [Temp employment] is cheap and easy employment. You know if they don't like you they tell you to leave and they call someone in the next day. There's not a lot of give and take from these jobs. Basically you do what you've been told or you don't come back ... If you get on the wrong side then you're screwed.

Contract workers, also expressed a sense of powerlessness, particularly when nearing the end of a contract:

Between that [contract] extension and the next few months I had become more outspoken about some of the problems with the team leader and my job and that probably consolidated why I wasn't hired going forward ... When I became outspoken that is when things began to fall apart.

[Employers] make you feel like you're lucky to have this job – don't say anything. We're allowed to do with you what we want sort of thing. If you don't like it here's the door type thing.

Temp agency workers are also at the mercy of the agencies in terms of scheduling work. Refusal to accept an assignment on very short notice could lead to being dropped from the agency list. A worker on a temp placement in the retail sector said:



If they call me on Tuesday and they ask me to work on Wednesday and I say 'Well I got a doctor's appointment, can I come in Thursday?' they'll say no it's okay, we'll call someone else. I'll be at the bottom of the list and I'll never hear from the agency again. I'm registered with every single agency in Hamilton and Burlington.

A woman on a placement in manufacturing described her sense of powerlessness, relying on temp agencies:

Every day we have to think how we are managing the money. Waiting for the agency to call or not. Sometimes it has been 2 or 3 days and we have to call them, is there something please. We have to beg them. Our life is like a dog ... [If they call] you have to go right now, right now. There is no time. We have to leave everything, we forget everything and we just go because we need money.

This sense of powerlessness also applied to the interviewees' relationships with other workers. They reported that contract workers are sometimes marginalized by permanent workers and are given the worst jobs by co-workers. Another woman working in manufacturing said:

The work I am doing now is a metal company and it is a heavy job. We have to do it and we are working for \$10.25 and as soon as we go inside people know that we came from agencies and it is hard, you know. They are taking advantage of us. The people working there are giving us more work to do ... The supervisor yells but we cannot open our mouths because we need money. They are taking advantage, even the people inside, the workers even take advantage.

Some temporary workers resort to bribes to keep their employment:

We call the agencies saying please, please. To tell you the truth, sometimes we have to give something to them. Like a present. Nowadays it is like that, you give and then you can take something. Then they give you maybe two times or three times a week the job. A lot of people are doing that but people don't want to say but now you have to do it, you give something then they will give you something or else no. We have to do this or else they are not going to give the job to us.

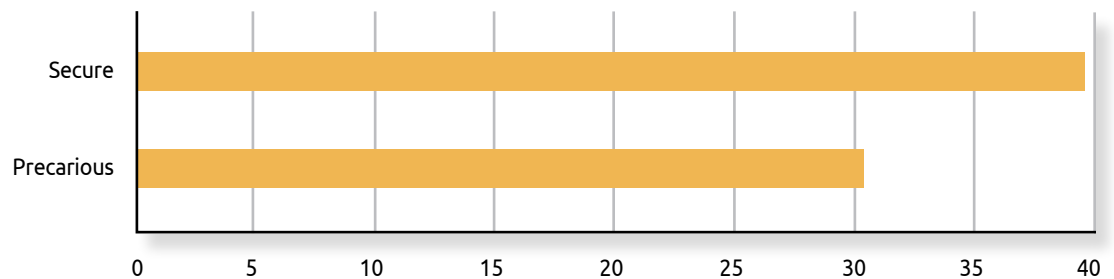
Compared to those in the **secure** cluster,
people in the **precarious** cluster earn **46%** less
and report household incomes that are **34%** lower.



Hours of work per week

Figure 29 shows that on average, those in the *precarious* cluster work fewer hours than those in the *secure* cluster. However, on average, those in precarious employment still work more than 30 hours a week.

Figure 29: Average weekly hours last 3 months (#)

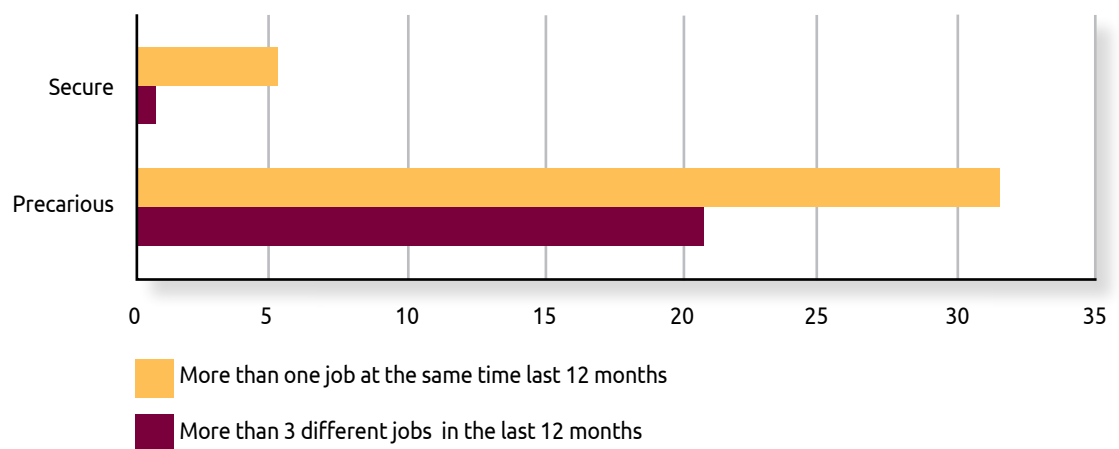


Source: PEPSO Survey. $t < .001$

Working multiple jobs

Figure 30 indicates that those in the *precarious* cluster are more likely to have had three or more jobs in the last 12 months. They are more likely to work more than one job at the same time. Working multiple jobs increases transit times. It creates added stress in trying to manage the conflicting expectations from different employers. Arranging child care to accommodate the work schedule is more complex.

Figure 30: Multiple jobs in the last 12 months (% of each cluster)



Source: PEPSO Survey. $p < .001$

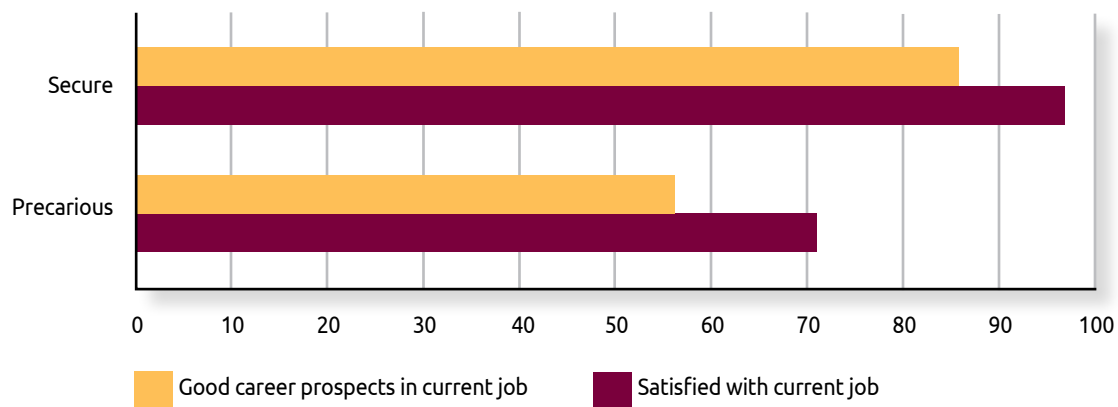
Career prospects and job satisfaction

Figure 31 indicates that the precariously employed are more likely to be in dead-end jobs without career prospects than those in the *secure* cluster. They are also more likely to be dissatisfied with their current employment. Just over half of those in the *precarious* cluster report good career prospects with their current employer. About two thirds report being



satisfied with their current employment. Both figures are substantially lower than that reported by those in the *secure* cluster.

Figure 31: Career prospects, satisfaction (% of each cluster)



Source: PEPSO Survey. $p < .001$

The people in precarious employment that we interviewed did not see much chance of using their current employment as a springboard to something more permanent. A temp agency worker told us how the temp agencies have an incentive to keep you in temporary assignments:

[The agency] is a pretty big place. I would say for a temp agency they were a pretty good temp agency but for the most part temp agencies want to keep you as a temp worker cause that's money coming in. Once they lose you to a company you're no longer working for them.

Others in temp work suggested the agencies have limited interest in an individual's long-term well-being.

It [moving from a temporary to a permanent job] rarely comes up. Companies are just looking for people to fill certain needs for a few weeks or a few months, and that's it. And you know that yourself. You're not going in there hoping. If you are, most likely you're going to be let down.

But many still hold out hope that a temporary job will convert into something more permanent:

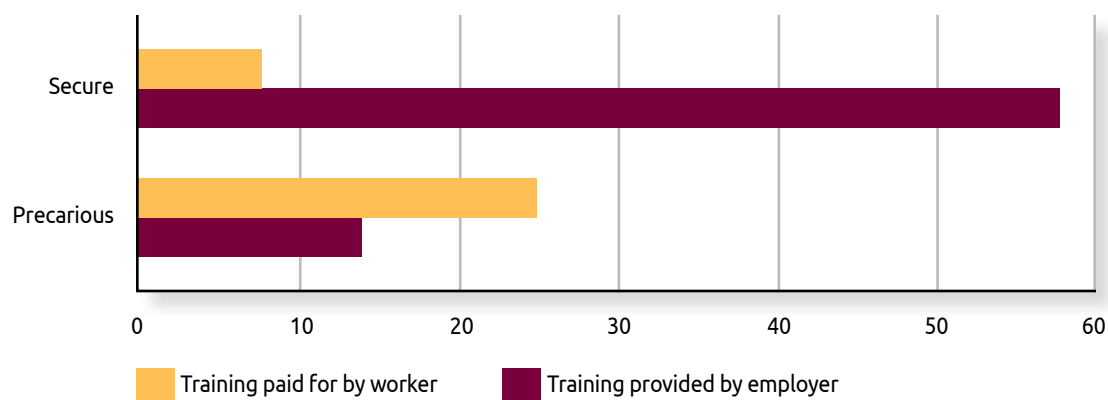
I feel like [a permanent job is] available like with the right company or the right place. I've heard from friends that they got hired on at their work from a temp agency from years ago ... I think the opportunity is there. It's just a matter of getting your foot in the door. Just going every day – showing up and doing what you're asked to do and proving you'd be a benefit to the company.

I think that they will hire me. That is my hope, that I will be hired there because my friends after 6 or 7 months were hired. Me, I have been working there almost 3 months now in that company so I like it.



The lack of upward mobility facing many in precarious employment is reflected in the limited provision of employer-provided training. In **Figure 32**, nearly one in four of those precariously employed resort to funding their own training in the hopes of finding better employment. The lack of employer-supplied training affects advancement with an existing employer. But it also limits the accumulation of transferable skills that might facilitate moving between employers.

Figure 32: Training (% of each cluster)



Source: PEPSO Survey. $p < .001$

The contract workers we interviewed were concerned that they were not being given full access to training and that this was limiting their chances of moving to better jobs. A contract worker in the knowledge sector told us:

I remember once we had to meet with [the supervisor] to talk about our future growth or something, if we wanted to stay in our positions or if we wanted to take more classes. When she got to me she asked what I was going to do when my contract ends. Little things like that rub you the wrong way. I know it is a contract but it is like you feel that if they really like you they will make room for you.

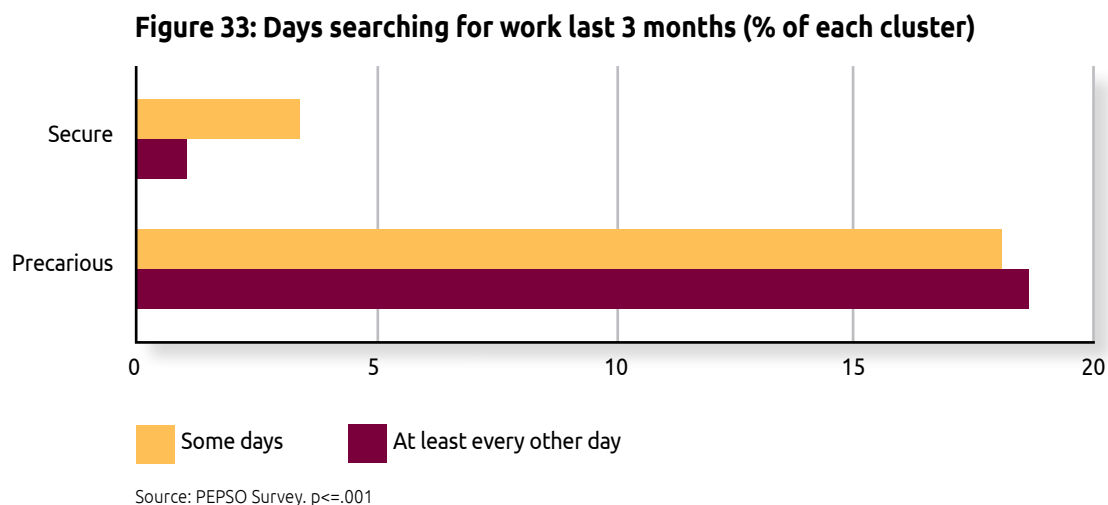
Another university researcher suggested:

I had asked if I could take those five courses so I could get a certificate for my resume and was told, no ... I was told, no, because I was at the end of the project and it didn't affect my job. So that was a very clear message in my mind that I'm not interested in helping you get to the next spot, I'm looking at you as a person who's filling this discrete role and whether or not you have what you need to get to the next point is not my concern and it's not gonna happen on my time.

The precariously employed invest much more time looking for additional work. In **Figure 33**, nearly 40% of workers in the *precarious* cluster report looking for work at least some days in the last three months compared to less than 5% of individuals in the *secure* cluster. Nearly 20% of those in the *precarious* cluster report looking for work at least every other day. Only



1% of those in the *secure* cluster report such an intensive job search. The extra effort expended looking for work by those in the *precarious* cluster reduces the time they have for family, community, and leisure.



The interviews shed further light on the effort that the precariously employed expend looking for work. Often this is because one job has ended and they need to find another. But many are looking – even when employed – for something more permanent. Half of those in the *precarious* cluster report preferring more permanent employment. A woman in the manufacturing sector told us:

It takes time. It's a job looking for a job. It is hard, you really can't work full-time and look for a job and if you go to a temp agency and accept full-time work for a couple of weeks you really don't want to leave them high and dry when you have interviews. You can do it once or twice with that kind of stuff but then after that they aren't going to want you.

A middle aged male working mostly in the knowledge sector reported:

To be honest, when I am in a temporary role I'm still looking; not as much but I am still looking ... Plus I'm always looking for something better ... So I'm always looking for work and have always been looking for work as long as I can remember. We may stop for a while because you get tired, but you get back to it as the money's not enough. It gets stressful, really.

The need to be constantly searching for work also results in added costs – having a cell phone, for example, so that you are always accessible. A woman doing clerical work indicated:

I don't want to get a cell phone because I don't want another bill but I think that I am being hurt by not having a cell phone because I can't answer any job offers at any given moment of the day while I am on the bus, subway, or walking down the street. I try to be at home on the internet ... You have to be online all the time so I try to stay home a lot.





PART 3: Precarity and Household Well-being

Part 2 of this report explored the characteristics of those in precarious employment. In Part 3, we look at how working in precarious employment impacts the well-being of households and families.³¹

KEY FINDINGS

These are our key findings about household status in the study:

- Workers in the *secure* cluster are more likely to be members of a household that includes a spouse or partner than people in the *precarious* cluster.
- People in the *secure* cluster are more likely to be members of a household with children than those in the *precarious* cluster.
- When a person in the *precarious* cluster has a partner or spouse, that partner is less likely to be employed full-time than household partners in the *secure* cluster.
- The partners of the precariously employed are also less likely to be working for pay.

These are our key findings about how precarity affects household well-being:

- People who have insecure employment and who live in low- and middle-income households are two to three times more likely to report that anxiety about employment interferes with personal and family life than other workers.
- People who have insecure employment and who live in low- and middle-income households say that work uncertainty interferes with fulfilling household activities one and one half to twice as frequently as for other workers.
- Regardless of household income, uncertainty over work schedules that prevents doing things with family and friends is more frequent for those in insecure employment. Compared to households in the same income category, it increases by two thirds for those in low-income households and by one third for those in middle- and high-income households.

31. Readers should keep in mind that we limited the PEPSO survey to individuals age 25 to 65. Our focus is on employment patterns of people who could reasonably be expected to have formed their own household and to be looking for regular employment.



- People who have insecure employment and live in low-income households are twice as likely to find it difficult to make ends meet or to run out of money to buy food, compared to workers with secure employment who live in low-income households.

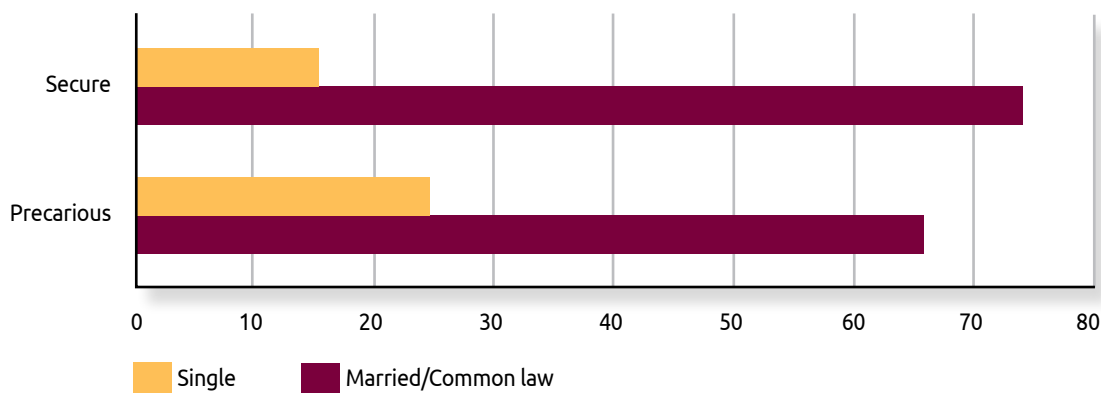
Overall, the findings in this section raise serious concerns regarding the potential breakdown of social structures as precarious employment becomes more of the norm in Canadian society. They suggest that employment precarity increases the stress on households and limits community participation.

Household status

Figure 34 compares the household status of people in the *secure* and *precarious* clusters. Those in the *precarious* cluster are more likely to be single and less likely to be living with a partner or spouse. Part of this difference is driven by the fact that young people are less likely to be married or in common-law relationships, and more likely to be precariously employed.

However, a closer examination of household status within age cohorts suggests that precarity does have an impact independent of age on the probability of being in a relationship. For those aged 25-34, 31% in the *secure* cluster are single, compared to 54% in the *precarious* cluster. These differences persist for people aged 35-44. Eight per cent of those in the *secure* cluster are single, compared to 14% in the *precarious* cluster.

Figure 34: Household status by precarity (% of each cluster)



Source: PEPSO Survey. $p \leq .001$

Differences in marital status for men and women

There are significant differences in marital status between men and women within the different employment precarity clusters. More men in the *precarious* cluster report they are single (31%) than do women (19%). Women in the *precarious* cluster are more likely to be married or in a common law relationship (68%), when compared to men (63%).

More men in the *secure* cluster also report being single (17%) than did women (14%). However, men in this cluster are more likely to be married or in common-law relationships (77%) compared to the women (72%).³²

32. The remainder of the sample report they are widowed, separated, or divorced.



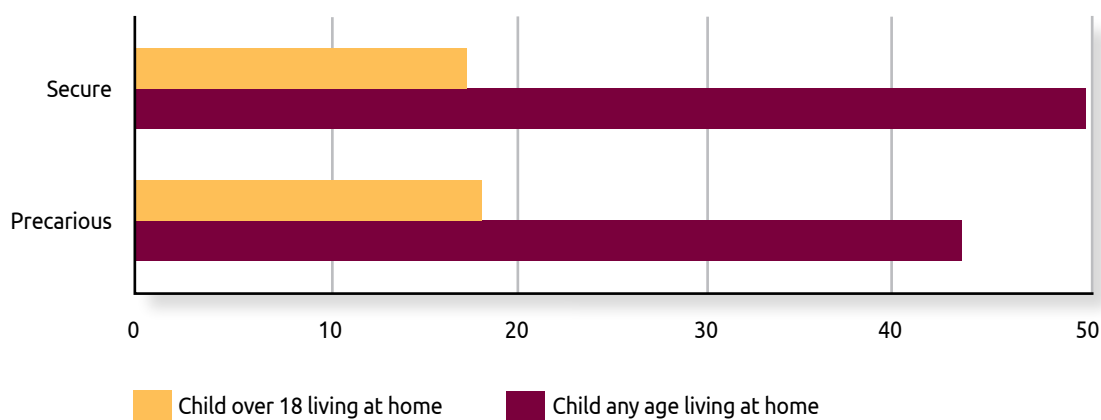
There are also differences between clusters. Men in the *precarious* cluster are less likely to be married or in common-law relationships (63%) than men in the *secure* cluster (77%). Men in the *precarious* cluster are more likely to be single (31%) relative to men in the *secure* cluster (17%). For women, the differences in their household formations between employment clusters are less significant.

Children living in the household

Figure 35 looks at the pattern of children still living at home by employment precarity.³³ Those in the *precarious* cluster are less likely to have any children living at home compared to those in the *secure* cluster. These differences persist within age cohorts. Of individuals age 25-34 in the *secure* cluster, 34% have children living at home compared to only 20% of those in the *precarious* cluster. This difference persisted for those age 35-44 years old.

There was no significant difference between the *secure* and the *precarious* clusters in reporting children over 18 living at home.

Figure 35: Children at home by precarity (% of each cluster)



Source: PEPSO Survey. Child at home $p \leq .05$; Child over 18 at home $p \geq .10$

Living with parents as an adult

Figure 36 reports that those in the *precarious* cluster are more likely to live with parents but less likely to live with a spouse compared to those in the *secure* cluster.

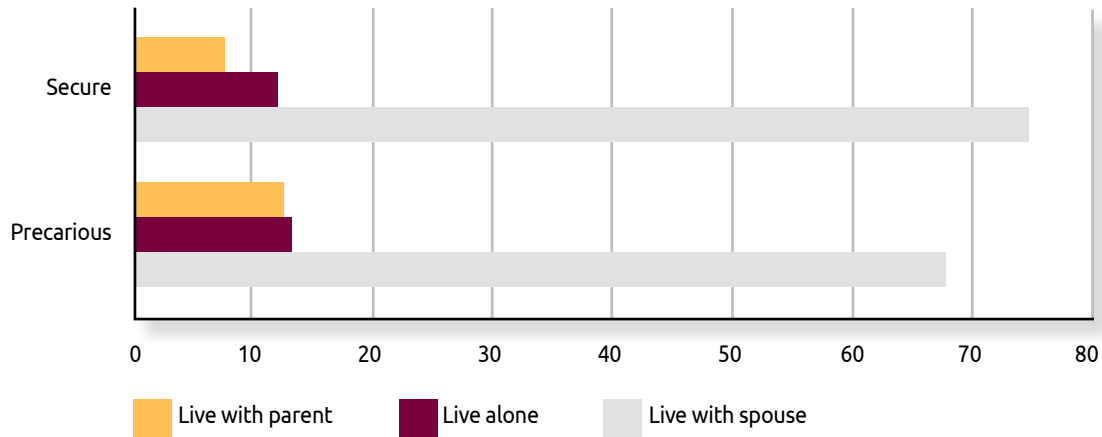
Our findings of delayed household formation, especially for men, are consistent with other studies on this subject. Australian studies suggest that men who are unable to find full-time employment delay forming relationships and that employment insecurity in general delays household formation. A study of several European countries argued that, for men, employment insecurity delayed household formation and starting a family. However it actually had the opposite effect on women, who were better able to combine child care with various forms of insecure employment. There is also evidence that insecure employment may be contributing to the falling rate of marriage in Britain as well as delaying the decision to start a family.³⁴



33. The average age of individuals in the four precarity clusters ranged from a high of 43.8 for those in the *secure* cluster to a low of 43.1 in the *stable* cluster. The average age of those in the *precarious* cluster was 43.4.

34. See Birrell et al. 2004; Pocock et al. 2004; Golsch 2005; Standing 2011. In 2008, there were 232,990 marriages in Britain, the lowest number since 1895.

Figure 36: Living arrangements by precarity (% of each cluster)

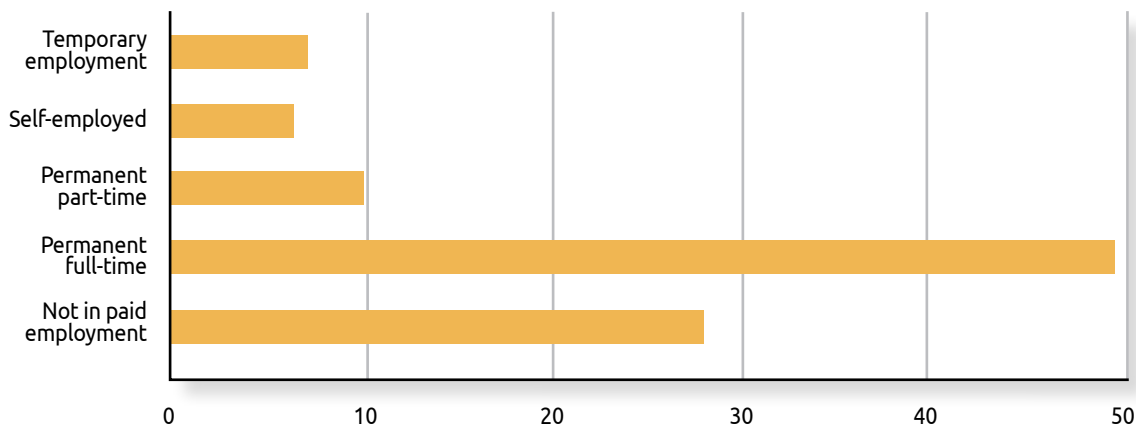


Source: PEPSO Survey. Live with spouse or parents live in home $p \leq .05$; Live alone $p \geq .10$

Partners not working for pay

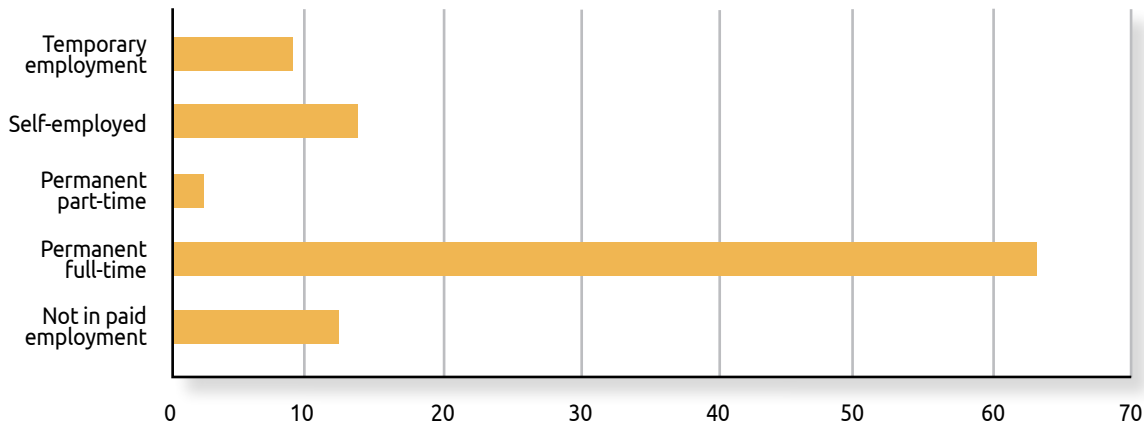
In **Figures 37** and **38**, we see that men are more likely to report that their partner does not work for pay. Women are marginally more likely to report their partner works in a permanent, full-time job.

Figure 37: Employment relationship of males' partners (%)

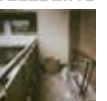


Source: PEPSO Survey.

Figure 38: Employment relationship of females' partners (%)



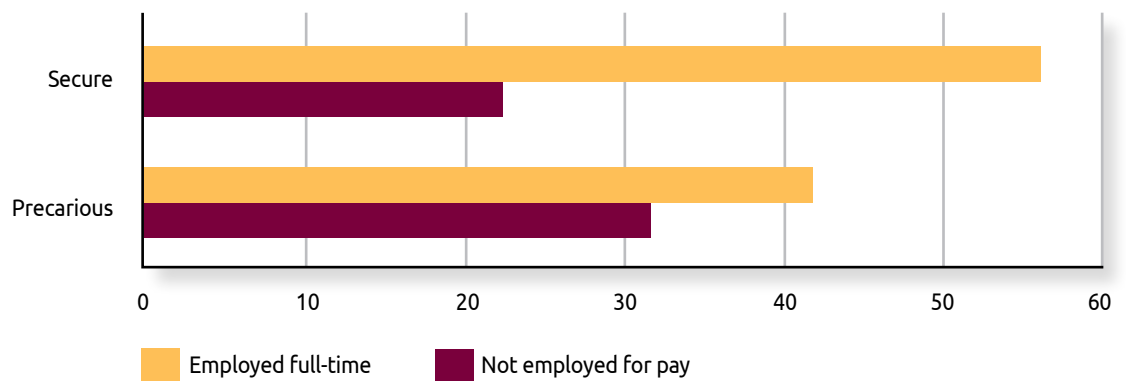
Source: PEPSO Survey.



There are significant differences in the employment status of people's partners in the *secure* and the *precarious* clusters. Fewer people in the *precarious* cluster report having a partner employed full-time. They are more likely to have a partner not working for pay. For these households, the economic uncertainty associated with higher levels of employment precarity is not being balanced by a partner with full-time employment.

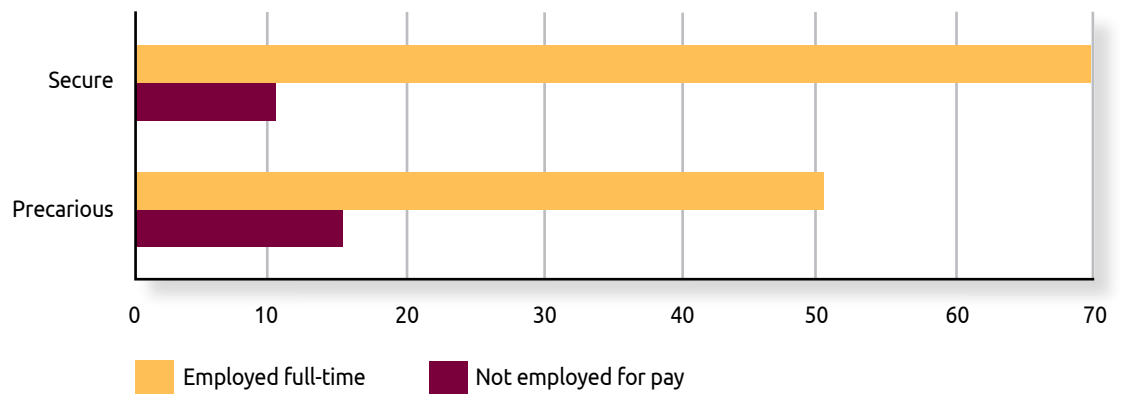
Figures 39 and 40 suggest that being precariously employed creates barriers that limit a partner's ability to secure permanent employment. Scheduling may become more complex, arranging child care more difficult. These difficulties, plus uncertainty about future employment locations, may prevent a partner from working full-time, or working for pay at all. This is a question that deserves further investigation.

Figure 39: Employment relationship of males' partners by precarity (% of each cluster)



Source: PEPSO Survey. $p \leq .05$

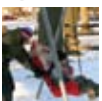
Figure 40: Employment relationship of females' partners by precarity (% of each cluster)



Source: PEPSO Survey. $p \leq .001$

Household well-being

This section explores how low income and employment precarity interact to affect household well-being. How do uncertainty, lack of control over schedules, and vulnerability in the workplace compound the stresses of earning a low income? Are there differences between low- and



middle-income households where at least one person is in precarious employment?

We approach these questions by dividing the sample into six categories, as shown in **Table 5**. There are three income categories:

1. Low-income households earning less than \$50,000
2. Middle-income households earning \$50,000 to \$100,000
3. High-income households earning over \$100,000.³⁵

We then divided each of the three income categories into an ‘insecure’ employment category and a ‘secure’ employment category. We used the *Employment Precarity Index* to make this split, using the median value (17.5) of the *Index* for the entire sample. In other words, the term ‘insecure employment’ includes everyone with scores in the bottom half of all *Index* scores. In previous sections of this report, these people were shown in the *precarious* and *vulnerable* clusters. We use the term ‘secure’ to refer to those previously included in the *secure* and *stable* clusters.

The analysis is limited to the 2,906 households of two or more people in the sample that report household income. We excluded those who said they lived on their own, because many of the questions in this section are not relevant for these individuals.

In **Table 5**, we see that people in the low-income category are more likely to be in insecure employment. Those in the high income category are more likely to be in secure employment. However, a significant number of households in each of the three income brackets are classified as being in insecure employment:

- Just over 75% of the people in low-income households are in insecure employment.
- About half of those in middle-income households are in insecure employment.
- Just over one third of the individuals in high income households are in insecure employment.

Table 5: Construction of income/precarity categories (households with at least two individuals)

	Household Income	Employment Security	Percentage of sample in category	Number of households in each category	Number of households with children living at home
Insecure / Low income	<\$50,000	Insecure	16.8	489	269
Secure/ Low income	<\$50,000	Secure	4.3	124	76
Insecure/ Middle income	\$50-\$100,000	Insecure	16.9	491	247
Insecure/ Middle income	\$50-\$100,000	Secure	16.9	490	272
Insecure/ High income	>\$100,000	Insecure	15.4	448	232
Secure/ High income	>\$100,000	Secure	29.7	864	478

Source: PEPSO Survey.

35. Please see Appendix C for more detail on how we determined low, middle, and high household income brackets.



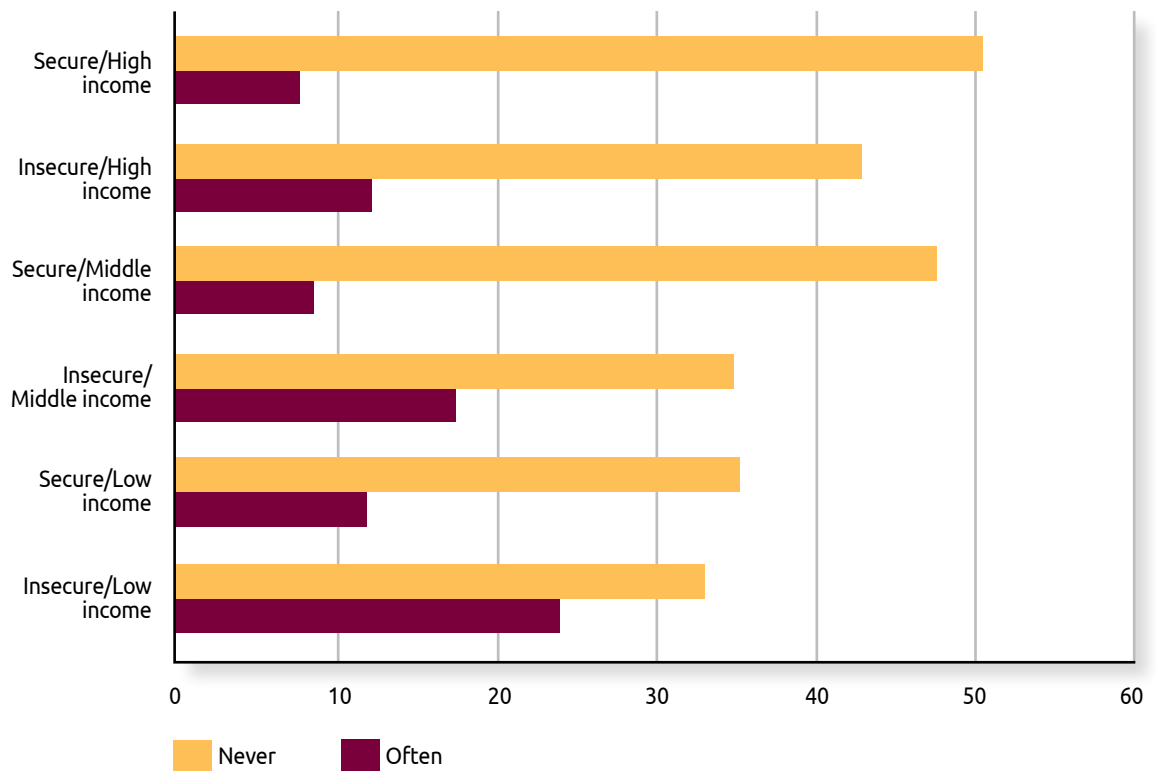
Anxiety about employment

Figure 41 provides our first insight into the effect of precarity on social relations and family life. This creates strain at all income levels, but people in households with both insecure employment and low income are three times more likely to report that anxiety about employment interfered with personal and family life than those with secure employment and high incomes.

In the low- and middle-income categories, people with insecure employment are twice as likely to report anxiety as are people with secure employment in the same income bracket. This is important from a social policy point of view. Suppose, through an adjustment to minimum wage, an individual moved from a low-income to a middle-income household, while keeping the same level of employment insecurity. This would have some beneficial effect, but it would be smaller than if someone moved from insecure employment to secure employment, while still making the same money as before.

For example, we see in **Figure 41** that moving from insecure employment and low income to insecure employment and middle income results in a 25% decrease in the frequency of anxiety affecting personal and family life. However, moving from insecure employment and low income to secure employment and low income reduces the frequency by almost 50%. One of the clear policy implications of this finding is that reducing employment insecurity can have broad, beneficial effects on social relations and on family life.

Figure 41: Anxiety about employment situation interferes with personal and family life (% of each category)



Source: PEPSO Survey. $p < .001$



Household characteristics and employment anxiety

What might explain why so many people with middle incomes who are in households with insecure employment report that employment anxiety often interferes with social relations? And why are they more likely to report this than people with secure employment in low-income households?

Table 6 compares the household characteristics and the employment relationship characteristics of these two income brackets. It does not appear that this finding has its source in differences in the composition of these households. The low-income households are marginally more likely to have children living at home and are marginally less likely to be 25-44, but the differences are small.

The differences are more significant when we look at the characteristics of the employment relationship of the two groups. The middle-income group are almost as likely to be unionized, but they are far more likely to be in their current jobs for less than one year. They are less likely to be paid if they missed work. They experience more income variability and weeks without work. They are much more likely to work on-call and to get unexpected changes in work schedules. They also lack benefits such as a pension plan, employer-provided benefits, or benefits that cover their family members.

So we can see that, while this group report higher income, it was clearly not an income they could count on. We would argue that this explains why people in this category face more challenges in maintaining social relations than those in secure employment with low incomes.

Table 6: Household and employment relationship characteristics by employment security and household income (%)

	Secure employment / low income household	Insecure employment / middle income household
Child in household	61.3	50.2
Age 25-44	55.5	61.4
Unionized job	25.2	22.6
Job tenure less than 1 year	8.9	16.0
Paid if miss work	87.1	34.9
Income varied a lot last 12 months	4.0	21.4
Work on call most of the time	4.0	19.8
Work schedule often changes unexpectedly	8.1	21.0
At least one week without work last 3 months	14.6	22.9
Employer provided pension	80.7	28.5
Receive at least some employer provide benefits	99.2	30.1
Benefits received also cover family members	78.9	62.1

Source: PEPSO Survey. Sample limited to households with at least 2 individuals.



In our interviews, people described how the insecurity of their employment interfered with fulfilling family responsibilities. For some, this was a result of irregular work patterns. For others it reflected a reluctance to say no to short-term jobs, for fear this would interfere with future prospects. A middle-aged man, an older woman, and a young man each speak here about how precarious employment impacts life at home:

I told my supervisor that my son [needed to go] for a check-up on Monday and I was not sure how it is going to go ... which means, I may not be available. All of a sudden the next day they called me and told that the job was no longer available. My friends had the same job and told me that they called him in this morning. You cannot disclose the truth.

You cannot relax because you don't have steady work ... I think the most stress is the financial component of it. When you don't know how much you may be making per month or per week ... We can't plan trips.

Like there are little things - like we don't fix things when they break we just keep broken appliances in our house. If I had more money I would in a heartbeat clean these things up and get rid of it, replace things.

The irregularity of precarious employment can create self-doubts that in turn influence a worker's sense of worth and how they interact with other family members. A middle-aged woman expressed how not having employment leads to a sense of rejection:

When I am working I feel that I am a much better parent because you have that adult time and then you are really looking forward to spending time with your daughter. Again when you don't have that I mean I guess there is a huge sense of rejection - wondering why.

A middle-aged man told us how the pressure of looking for work affects his relationship with his children:

Before when I had a job I had no problem, I would talk to my kids, play with kids, take them shopping. Without a job, I don't want to go anywhere even with my kids. I don't have the mood to play with my kids. They ask why and I say, leave Daddy alone. I tell them that Daddy is busy looking for a job, calling my friends. I try anything to get a job.

This can also be an issue for middle-income households. For example, a woman in the university sector indicated:

I had received this one-year contract and I wasn't sure if it was ever going to be renewed, I also took on this casual position. So I ended up working full-time when in fact I only wanted to work part-time ... I wanted to really have a bit more of a work/life balance. I'm finding it now stressful ... I don't know when they post this casual position, if it would be enough hours for me to then only work one of the two contracts, or how long that



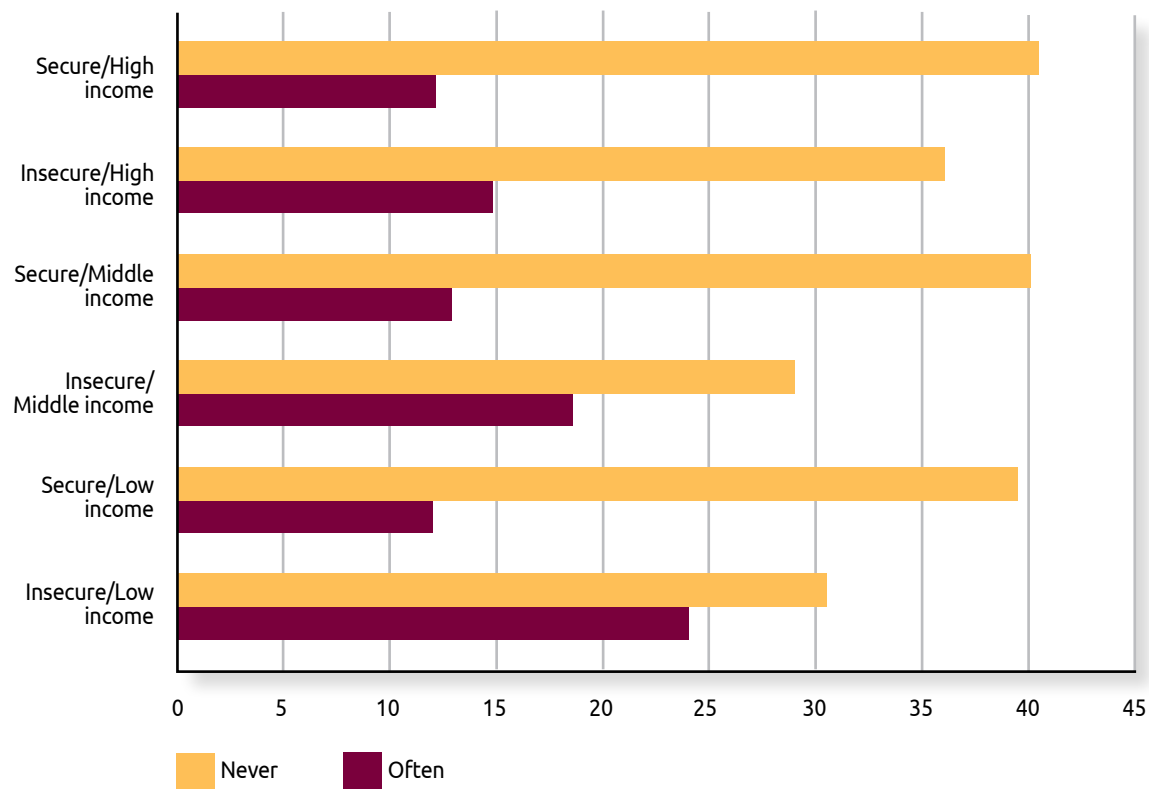
contract would be ... I don't know if it's going to be renewed again. And just a year is such a short amount of time and I just think, okay, I'll work these two jobs and forget about the house and the garden and other responsibilities and just focus on that for the year ... I don't know what's gonna come next.

Work schedule uncertainty

Figure 42 explores how uncertainty over work schedules makes it hard for people to fulfill household responsibilities, such as chores and helping children with homework and extra-curricular activities. In all three income brackets, insecure employment increases the number reporting that uncertainty over work schedules makes it hard to fulfill household activities.

Nearly one in four people in insecure employment and who are in low-income households report difficulties fulfilling household activities. Again, we find that insecure employment, even with a middle income, makes it harder to fulfil household activities than it is for a person in secure employment with a low income. In other words, reducing uncertainty over work schedules has a greater impact on the ability to carry out household activities than increases in income.

Figure 42: Uncertainty over work schedule makes it difficult to fulfill household activities (% of each category)



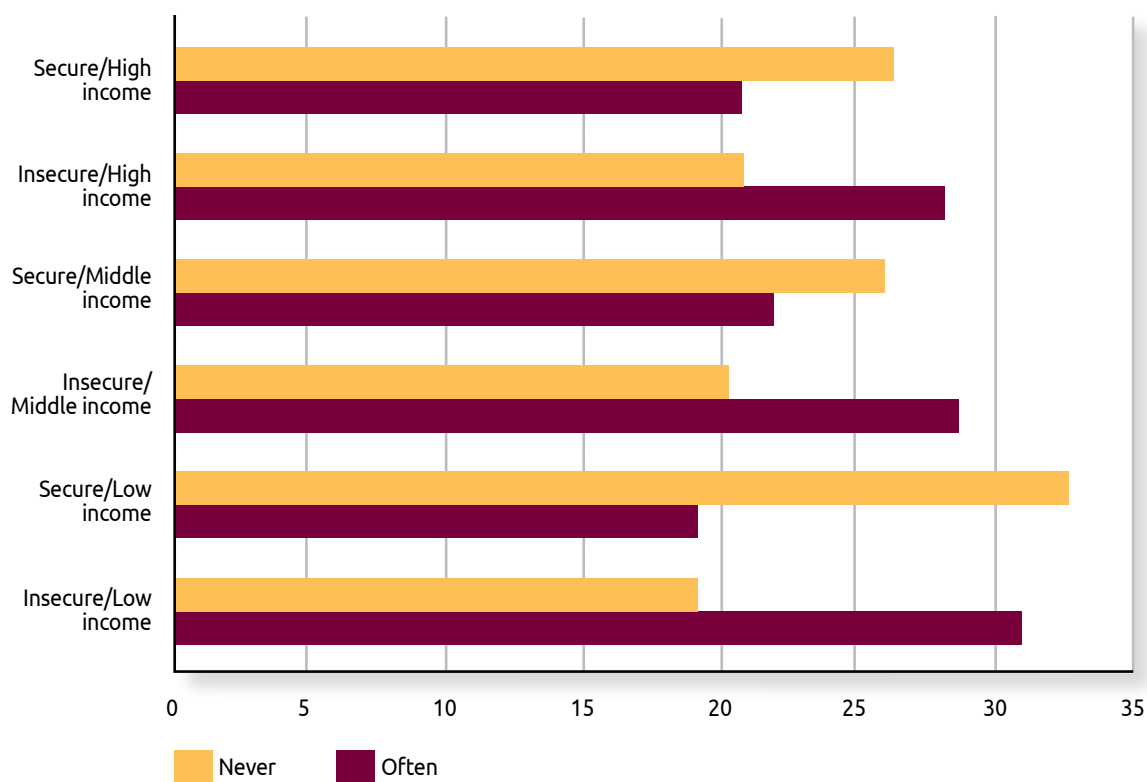
Source: PEPSO Survey. $p < .001$

Figure 43 looks at how work scheduling uncertainty affects doing things with family members and friends. People in insecure employment from households in all three income categories are more likely to report scheduling uncertainty is a barrier.



The effect of higher household income in easing the challenge of maintaining social relations when your work schedule is uncertain appears to be relatively minor. People in insecure employment from low-income households are only slightly more likely than other groups to report that scheduling uncertainty is often a challenge in maintaining social relations with families and friends.

Figure 43: Uncertainty over work schedule prevents doing things with friends and family (% of each category)



Source: PEPSO Survey. $p \leq .001$

For many of the precariously employed individuals we interviewed, not knowing what the future holds puts stress on relationships. For men, being unable to contribute to the household budget can be especially stressful:

Even when I was working, the work was here and there. While she paid for all the bills and the money that did come in I was spending on groceries which I thought was meaningless because I wasn't contributing to the family household. On the days I wasn't working I was miserable and I would be sleeping and miserable when the kids came home. I wasn't the happy-go-lucky guy.

For a middle-aged woman in the health care sector, her husband's precarity was a major source of stress in the household:

I can work all my time but when he stays home he doesn't feel good because I am working hard and he is at home doing nothing but he tried his best. He calls the agency to look for jobs for him ... Sometimes when I get stressed out and I just blow up with him but he keeps quiet and that adds to his stress. So



sometimes I try to be neutral because if we both get stressed then we blow up at the same time and we get more stressed ... He says that maybe this job is too much for me because I am older because when you work at the agency they treat you like a machine, do this, do that and you do the hardest, the dirtiest. With the agency you cannot complain, if you complain then they tell you to stay home.

A middle-aged man in transition from the manufacturing sector to a social work job talked about the stress that not being in regular employment was creating in his household:

I feel so discouraged at times because it makes our relationship very strained. I am not violent or angry at anyone in the house but I make very angry comments in general about the world around me so I sound like a very unhappy person, which is not a good environment for anyone ... It is extremely stressful - we have no peace of mind. We try going for walks, as much as we can, because I believe that if we stay physically active as much as we can it is good. I admire her courage, I feel ashamed of this entire situation. I feel ashamed because I am partly responsible for the situation that she is in.

For people in middle-income households, uncertainty can still create stress at home. In some cases, this is a result of young workers having to live with parents and feeling they are failures:

I would prefer not be there [girlfriend's mother's house] at all but I feel like I am a grown man and she is a grown woman and I feel like we should be having our own life together ... I don't think anyone at our age should be living with their mom. It is really not ideal because it puts a strain on the relationship.

This sort of tension was also common in middle-income households relying on contract work. Often this form of employment was found in the knowledge sector and involved work that required a university degree. A female university researcher employed on a contract told us:

...it's a stress on myself and so it comes out with my husband. I'm constantly trying to think of ways to make a career that's more stable for myself ... So I'm continuously bringing it up with him. I think he starts to think I'm crazy ... I'm always thinking, okay, maybe I should do this, maybe I should go back to school or maybe I should look for another job that's more permanent. It definitely has an impact on us.

Making ends meet

Figure 44 looks at the impact of low income and precarity on people's ability to manage household budgets. It measures two factors:

- moderate deprivation – difficulty making ends meet at least sometimes
- severe deprivation – difficulty making ends meet often.

In our study, almost one in five households with insecure employment and low income experience severe deprivation. Nearly 70% had experienced moderate deprivation in the last three months.



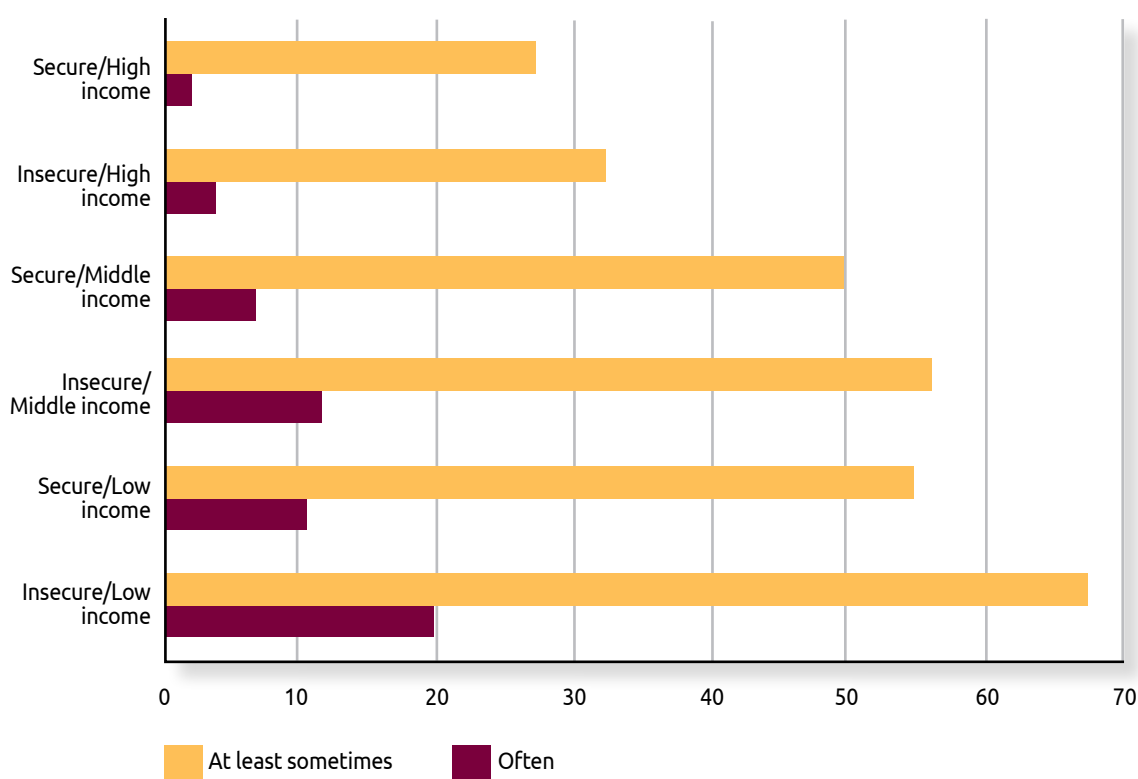
The impact of insecure employment is substantial in low-income households. It almost doubles the prevalence of severe deprivation, compared to households with secure employment and low income.

A household income of \$40,000 appears to mark an important transition. Almost one in three people from households earning less than this and in precarious employment report severe deprivation. Three quarters report moderate deprivation.

Employment insecurity also makes it difficult to make ends meet in middle-income households. As we saw in **Table 6**, people in middle-income households where employment was insecure face uncertainty about future employment and income. They are less likely to have benefits like an extended health plan or an employer-funded pension. Such benefits supplement wages and cushion families from the shock of a sudden emergency.³⁶ This may partly explain why this group is just as likely to report difficulty making ends meet as people with secure employment in low-income households. It may also be the case that middle-income households feel more social pressure to involve their children in expensive extra-curricular activities – expenses that low-income households are less likely to even consider feasible.

Low-income households, on the other hand, are more likely to benefit from social programs, such as child care and housing subsidies, although these programs fall far short of the need. For example, in 2010, the City of Toronto provided 24,000 subsidized child care spots, but more than 15,000 children were on the waiting lists.³⁷

Figure 44: Difficulty making ends meet (% of each category)



Source: PEPISO Survey. $p < .001$



³⁶ See Guy Standing 2011, pp.40-45.

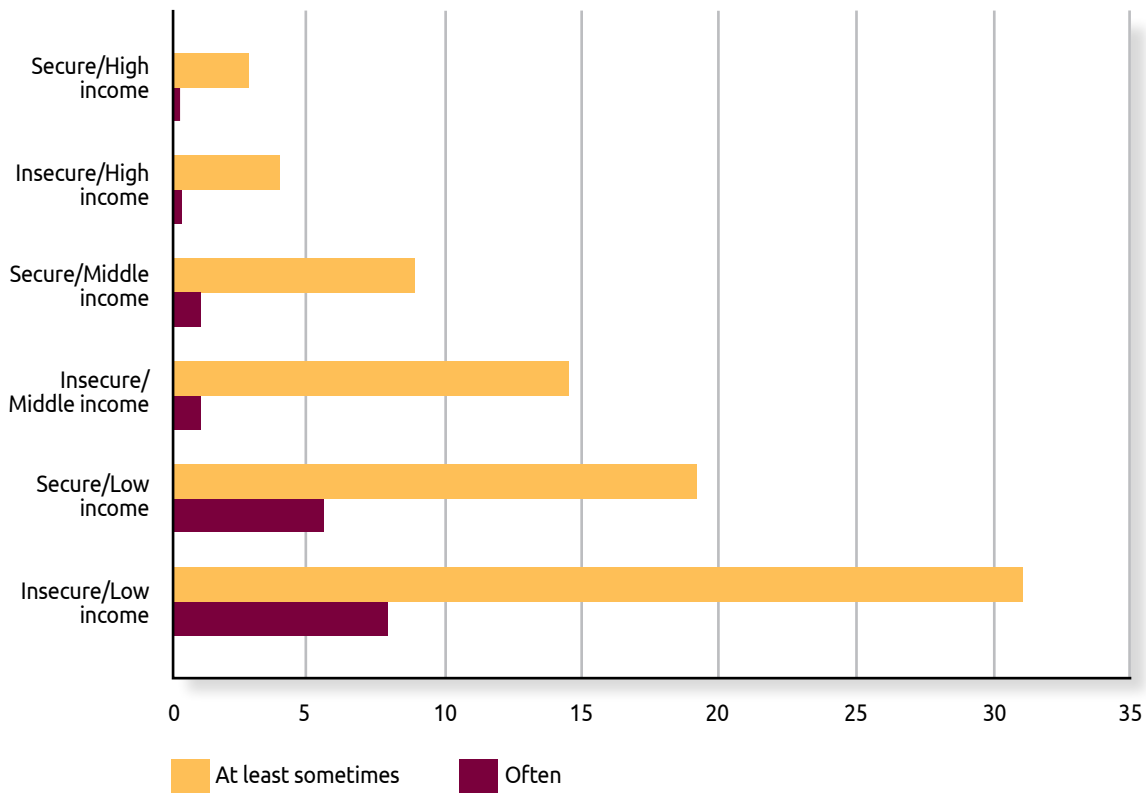
³⁷ Details of child care services in Toronto can be found at http://www.toronto.ca/children/pdf/serv_plan_2010/servplan_2010_care_system.pdf.

Running out of money for food

Figure 45 explores difficulty meeting food needs. Among individuals in insecure employment and low-income households, almost one in ten report often running out of money to buy food. Nearly one in three report running out of money for food at least some of the time.

Employment insecurity moderately increases the frequency and severity of food deprivation in low-income households. It has less effect in middle-income households and is rare in high-income households.

Figure 45: Run out of money to buy food (% of each category)



Source: PEPSO Survey. $p < .001$

Lack of money combined with uncertainty about the future makes budgeting a real challenge for workers in precarious employment relationships. This was a large theme in the interviews. A woman employed in administrative work reported how the uncertainty caused her to limit outside activities:

I find that I may not do as many things. Like you know I'm not going to go out. I'll do more things at home. I'll eat at home, and not go out as much ... I think it could have affected me at some point but it doesn't anymore because I know this is temporary; or at least I'm trying to believe it is.



Another interviewee reflected on how the lack of extended health benefits resulted in decisions that could have long-term health implications:

Before I knew I had a job, I went and did it, I came home and I had a life. Now it's like, okay what are we going to sacrifice so we can all go to the dentist, what are we going to do? Okay we aren't going to go out for dinner this month or the next couple of months. We are saving now to go to the dentist. [My son] has two appointments lined up and they already said that it is going to be \$800 because we have no dental insurance ... There has to be sacrifices made, do you know what I mean? And it's like this precarious work crap ... it changes you as a person.

In some cases, people from middle-income households reported even more stress, from not being able to sustain a lifestyle they were either used to, or expected to have. For middle-income households with a mortgage, income uncertainty can be particularly stressful:

I am worried about making the mortgage payments, I know that we will not have to go to a food bank or anything but it is the payments that make me worried. Cancel the piano lessons for my daughter and emotionally it would be a big change on our lives I think.

We have to worry about paying off the mortgage. Not paying it off, just paying it on time because it is bi-weekly. Every two weeks you need to have enough money in your account so ... we just worry, 'Okay, if I get laid off...' It's not that much, only five hundred a week at the most ... but every time I think of the financial situation ... it's that [part] of ... contract work that worries me the most. It's not yet happened but sometimes I wake up in the night I [start] calculating how much can I afford for groceries, for gasoline, for whatever. It just keeps coming up.

For others, the uncertainty prevents buying a house, even when there is enough saved for a down payment:

I don't have problems paying my rent. I don't have problem buying groceries. I can support myself. I don't have to rely on other resources or on my parents or anything like that. I can completely support myself but there's things that I'd like to do or that I need to do in the near future but can't do. For instance, I would like to get a house and I've been saving for a down payment on a house but I never know, if my contract ends, will I be able to make those mortgage payments? Or if I don't have a job in a couple of months, if that money I've saved for a down payment on a house now I need to support me to pay my rent and pay for food.



Relying on outside support

A significant number of people in our study rely on regular financial support from someone not living in their household. This type of support is evenly distributed across the different age cohorts – it is not mainly a phenomenon of younger people. Of those in the *precarious* cluster who are living with a partner, more than 5% rely on external financial support. This is nearly triple the number using such support amongst those in *secure* employment. Of those in the *precarious* cluster with children living at home, nearly 7% rely on external financial support. This is nearly double the number among those in *secure* employment.

A woman stressed the need for a support network to manage her precarity:

The problem with precarious employment is that you don't know what is going to happen next so it is difficult not to be anxious half of the time – unless you have a built-in support network.

A married woman in her late forties with children told us:

Last winter we couldn't make payments, so we didn't because it was my parents (who made them). But if we had had it through the bank we would have lost the house for sure. We maxed out a line of credit and my credit cards. The only thing that got us through besides my parents is that my father-in-law passed away and it is awful but we got paid out – we were able to pay down some debt.

Sometimes it was older children helping out middle-aged parents:

They are good, independent children. They don't rely on me to give them money because I don't have money at this point. When we earn a good salary we saved everything and put money into the RRSP so then we can make it through this period ... My kids are helping out. They have gotten good jobs, they give me pocket money to buy groceries or whatever – they are very good kids.

Some people starting their careers were unable to support themselves. Parents sometimes helped out to provide a basic standard of living. A woman in her late twenties and working in the arts sector said:

I've gone through all my savings. My parents have lent me money or gifted me money, it's unclear. Last month my mom sent me grocery store gift cards 'cause she was worried that we didn't have enough money for food, which is a valid worry. I am receiving help from my parents.

The partners of the **precariously employed**
are also **less likely** to be working for pay.





PART 4: Precarity and the Well-being of Children

We now turn our attention to how children are affected when they live in households where there is low income and employment precarity. In our study, people living in low- and middle-income households are more likely to report difficulty in providing for their children if their employment is insecure.

KEY FINDINGS

These are our key findings about about precarity and the well-being of children:

- Low-income households are the most likely to report problems buying school supplies, paying for school trips, and financing children's activities outside of school.
- Employment insecurity significantly increased the problem of paying for these expenses within low- and middle-income households.
- Those in low-income households are least likely to report that they attend school-related meetings or volunteer at children's activities outside of school.
- Insecure earners in middle-income households are almost as unlikely as low-income earners to volunteer at children's activities outside of school.
- Finding appropriate child care is much more of an issue for low- and middle-income households in insecure employment.
- Insecure earners in low- and middle-income households are the most likely to report delaying having children as a result of employment uncertainty.



Financial concerns

Paying for school expenses

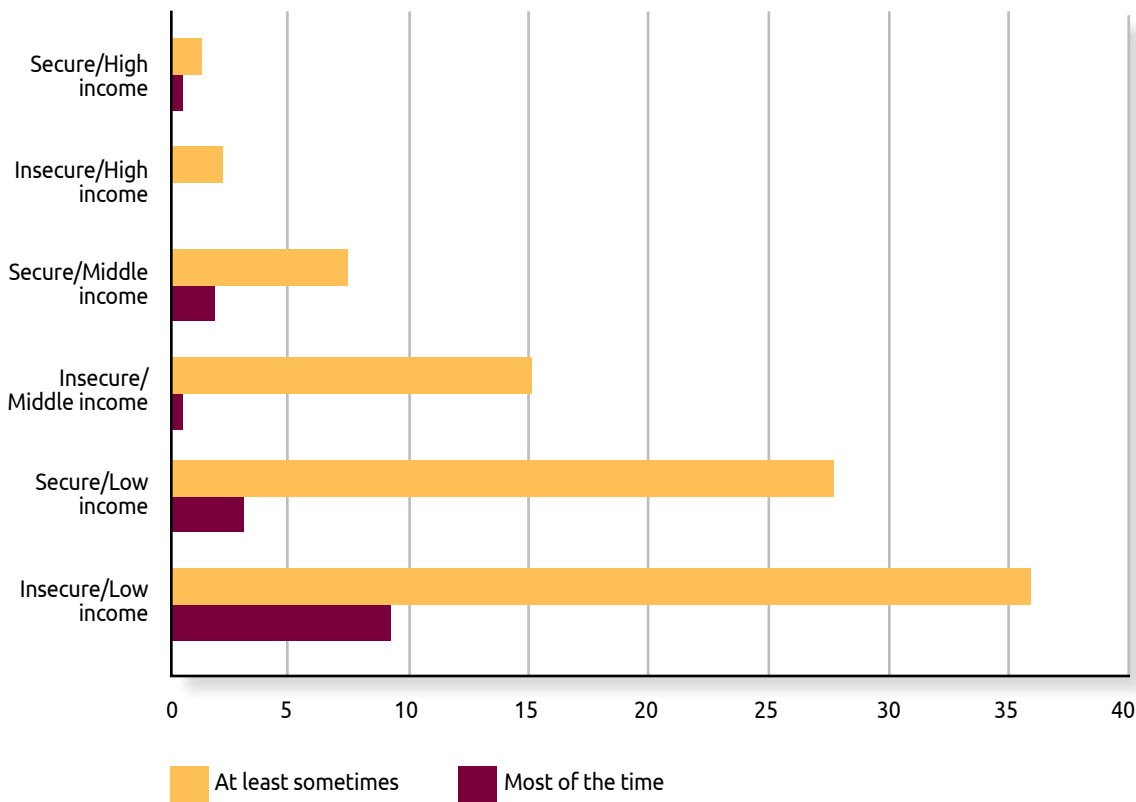
Even with a public education system, parents still need to find money to pay for various school-related costs, such as supplies and clothing. **Figure 46** explores the impact of low income and precarity on household ability to pay for these things, using two measures:

- moderate deprivation (inability to buy things at least some of the time)
- severe deprivation (inability to buy things most of the time).

Here we have again divided each of our three income categories into an ‘insecure’ employment category and a ‘secure’ employment category. Both household income and employment security have independent effects on ability to pay for school supplies. The most serious impact of employment insecurity occurs among low-income households, but we also see an impact on some middle-income households.

More than one third of all insecure/low-income households report they are unable to buy school supplies and clothing for children at least some of the time. This compares with less than 2% in high-income households. Nearly one in 10 of those in insecure employment and low-income households are unable to pay for school supplies most of the time.

Figure 46: Unable to buy school supplies and clothing for children (% of each category)



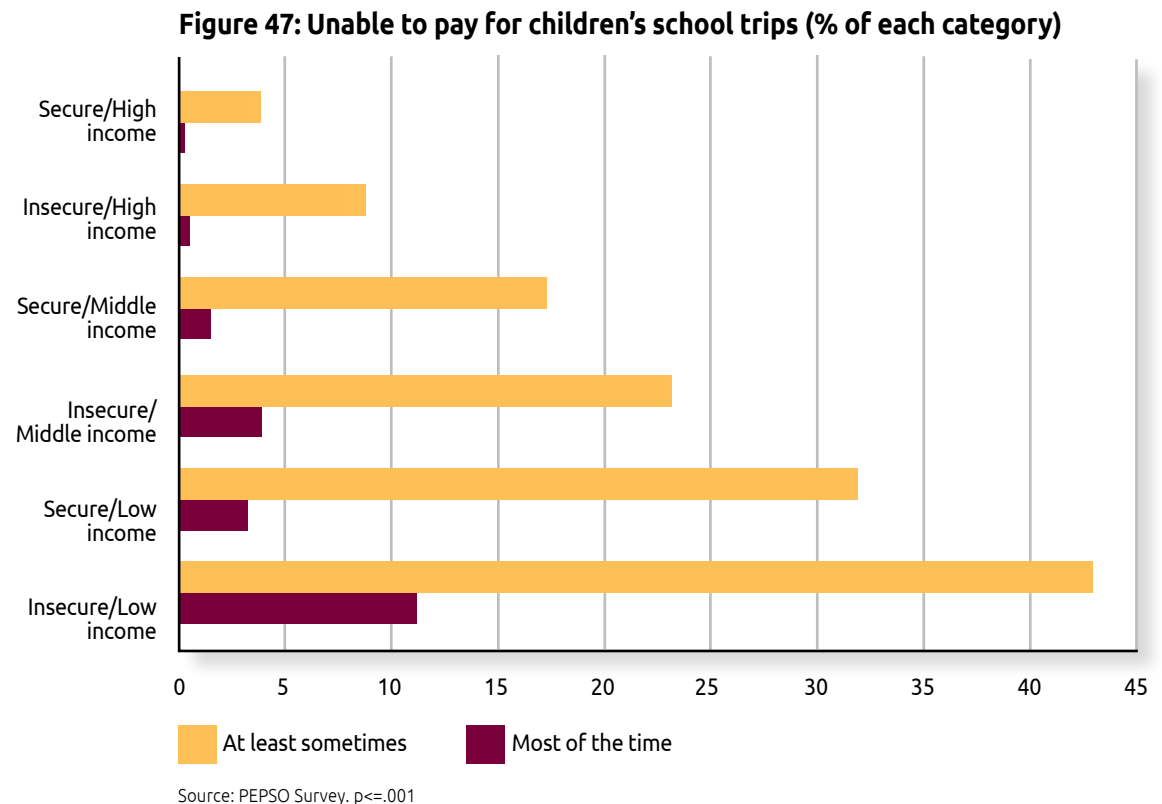
Source: PEPSO Survey. $p < .001$



Paying for school trips

Figure 47 explores the ability to pay for school trips. Almost half of those in insecure employment and low-income households are unable to pay for school trips at least sometimes. More than one in ten are unable to pay for school trips most of the time.

For people in middle-income households with insecure employment, providing these items is less of a challenge. Nevertheless, nearly one in four still find it hard to pay for school trips sometimes. This is rarely a problem in high-income households.



The interviews again provided a window into how parents face these challenges. A mother with young children described how it felt when she was unable to support her son's school fundraising efforts:

My son just brought home a fundraiser package and I would like to be able to get something off that for my boy. You know, he needs to have some of things filled and I'd like to do that for my boy but I can't do it, 'cause that fourteen or eighteen dollars for that teddy bear or whatever, you know, I can't do it. It makes me feel like crap you know? ... He understands. My son is so easy-going and mellow. He doesn't ask me for nothing. He's a good boy.

For other parents, the requests to support extra-curricular expenses were difficult. A mother told us:

He wears uniforms, so that's been a saving grace, but they just went on a three-day camping trip which was \$250. Part of their gym requirement is to go snowboarding or skiing and to be able to go on field trips like the one



coming up. Last year was to Barcelona. He didn't attend. The year before it was France, and I don't know what they'll be doing this year. He's limited in what he can do.

Many parents make heroic efforts to support their children at school and to give them what they need to succeed. The same woman continues:

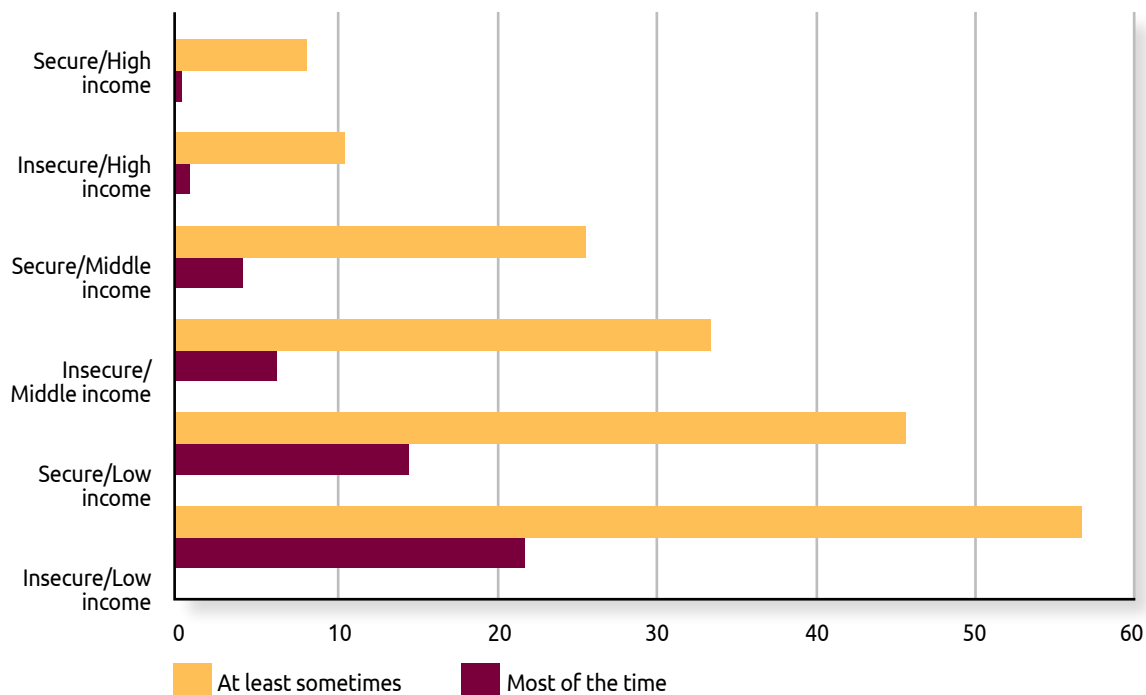
Well, everything I've done, even in terms of programs that I've put them in is definitely to make sure that their lifestyle will pass the lifestyle I've lived. My daughter's in a Francophone school, speaks three languages. My son is in the bilingual schools so all of his core subjects are in two languages. He also speaks three languages. He attends an independent school so he's going to school with people who are, in terms of socioeconomic, are quite higher than any of the friends I could ever hope to have. So hopefully he'll network with an elitist group of people.

Paying for out-of-school activities

Figure 48 looks at ability to pay for children's activities outside of school – a serious problem for insecure/low-income households. Nearly one quarter are unable to pay for such activities most of the time. Over half are unable to pay at least some of the time.

Middle-income households are better able to fund these activities, but even here those in insecure employment face challenges. Almost half of those in insecure employment are unable to pay for such activities at least some of the time.

Figure 48: Unable to pay for children's activities outside of school by income and precarity (% of each category)



Many of the parents we interviewed described the challenges of finding the money for non-school activities. However, a surprising number still found the funds in their limited budgets. Sometimes this came at the cost of going without other things. A mother of teenaged children described her dilemma:

When the money's tight, especially with teenage kids, they want to go to the movies and stuff like that, or they want to go hang with their friends and they want to go to McDonald's. I'm unable to give that to them every time they ask. Sometimes, you know, certain days of the month I can but then it's like I gotta stretch it and that is also unhappy to me when you can't provide the simplest things in life.

In some cases, children were asked to go without birthday parties:

We don't have birthday parties for the kids because we can't afford it.

For other parents, the uncertainty results in them holding funds back. This can be true even in higher-income households, where a mother told us:

Precarious employment affects other decisions that you make - even decisions about music lessons or something like that. You are not sure if you should be saving that money for the future.

A mother of a young child doing temporary administrative work described her creative approach:

It's hard to have to explain to her why we can't go to that restaurant or why we can't do the things that she wants to do when we've done them before. I've been really creative - use my Air Miles to get passes to the CN tower - so she's been now but wants to go again ... A friend gave us passes to the Wonderland to go last year, but that was a once-in-a-lifetime opportunity. It is really hard to explain to her our financial limitations, 'cause she doesn't get it.

Putting something aside to provide for children to attend university, can put a serious strain on the budgets of the precariously employed. A middle-aged woman working in temporary manufacturing jobs found a way to support her daughter at university:

Some college books are very expensive \$300, \$400, \$500. Two weeks ago I worked for 3 days and I got \$213 and I give it to her to buy her book it was \$300 and something. My husband put in and I put in and she bought the book ... She wants to work to make some money to pay for the school books and stuff but she can't get a job, it is very hard. I said, 'Don't worry, you go to school and me and your father will help you in any way.' So I took my RRSP for her books and uniform, everything. I took my own RRSP to help her so we help her with the school fees, books, and everything.



Another woman described the challenge of supporting her son at college:

The youngest is in Queen's University. He's residing in Kingston. Residence fees are more expensive than tuition fees. Last year, I was so hesitant to tell him, no don't go there ... They gave him a scholarship for the tuition fees but expenses are for me. Don't you know that tuition fees are nothing? Every month I have to pay for his Visa, \$1000 plus. Where am I going to get this money? Now I really don't know where I got the money. How did I pay those credit cards, I don't know now.

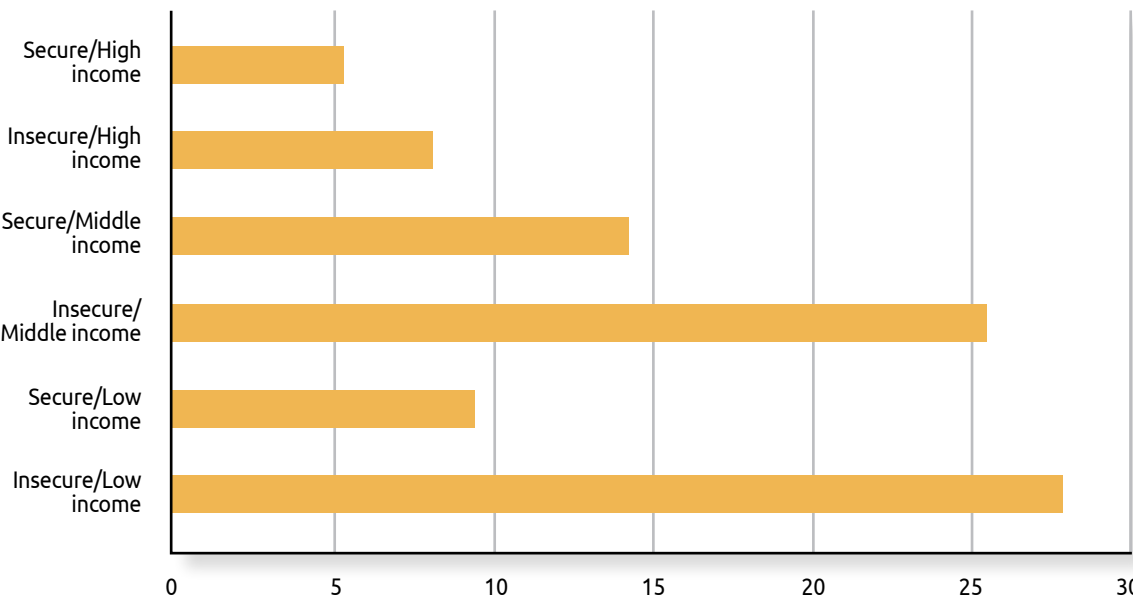
Accessing child care

Figure 49 indicates that employment insecurity increases the challenge of accessing child care for both low- and middle-income households. More than one quarter of each of those groups report difficulty accessing appropriate child care. This could be a result of irregular work hours and issues of affordability.

This difficulty may also go some way toward explaining our observation that individuals in the precarious cluster are less likely to have a partner working for pay or a partner working full-time (see Figures 39 and 40). Difficulty accessing child care may be limiting the ability of these households to adopt employment strategies that could minimize economic insecurity.

In middle-income households, people with insecure employment are much more likely to have difficulty finding child care than those in secure employment with low incomes. Access to child care subsidies is likely a factor in explaining the better access to child care reported by low-income households with secure employment.

Figure 49: Employment situation makes it difficult to access appropriate child care (% of each category)



Source: PEPSO Survey. p<=.001

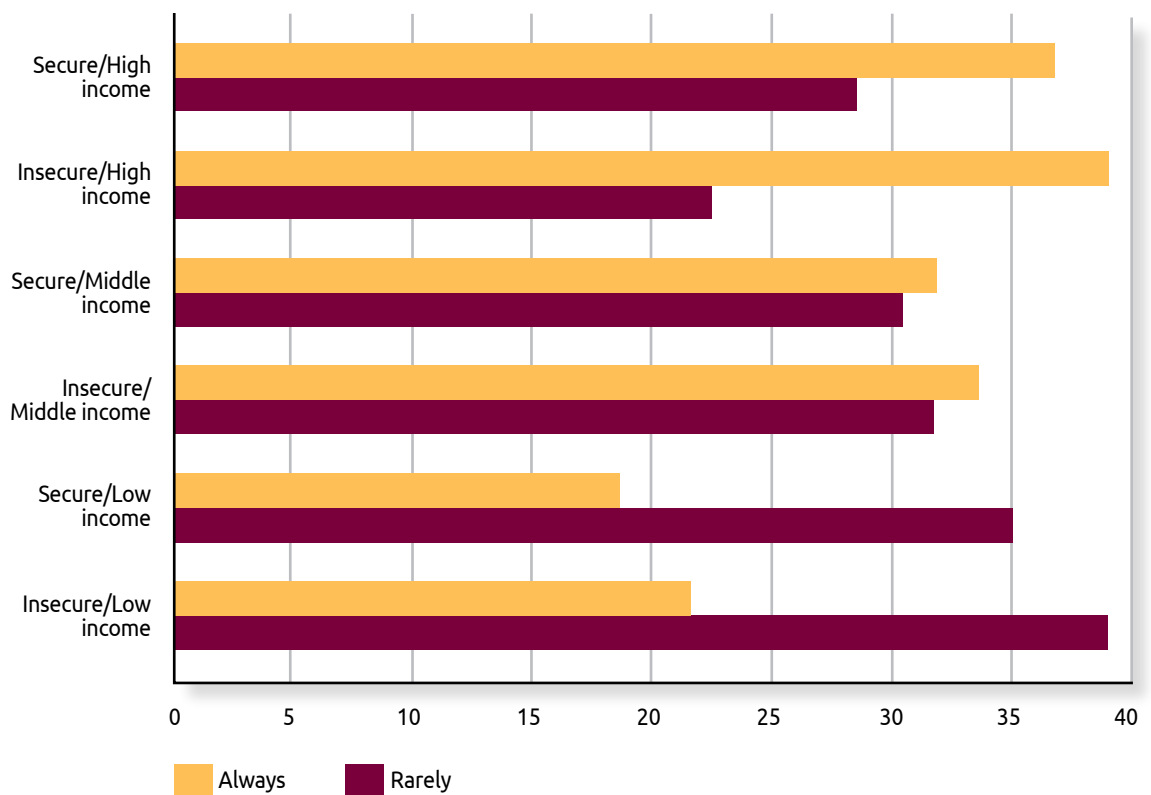


Parent involvement

Figures 50 and 51 give a different perspective on the impact of low income and precarity on the welfare of children. They explore the extent to which parents spend time on activities associated with their children.

Parents from low-income households are generally less involved in their children's schools, as well as activities outside of school. However, low-income parents in insecure employment are marginally more likely to always be involved in their children's school activities than low-income parents who have secure employment. During our interviews, some parents told us that they opted for precarious forms of employment in order to have the flexibility to attend school meetings and other child-related activities.

Figure 50: Able to attend or volunteer at school-related meetings and activities by income and precarity (% of each category)

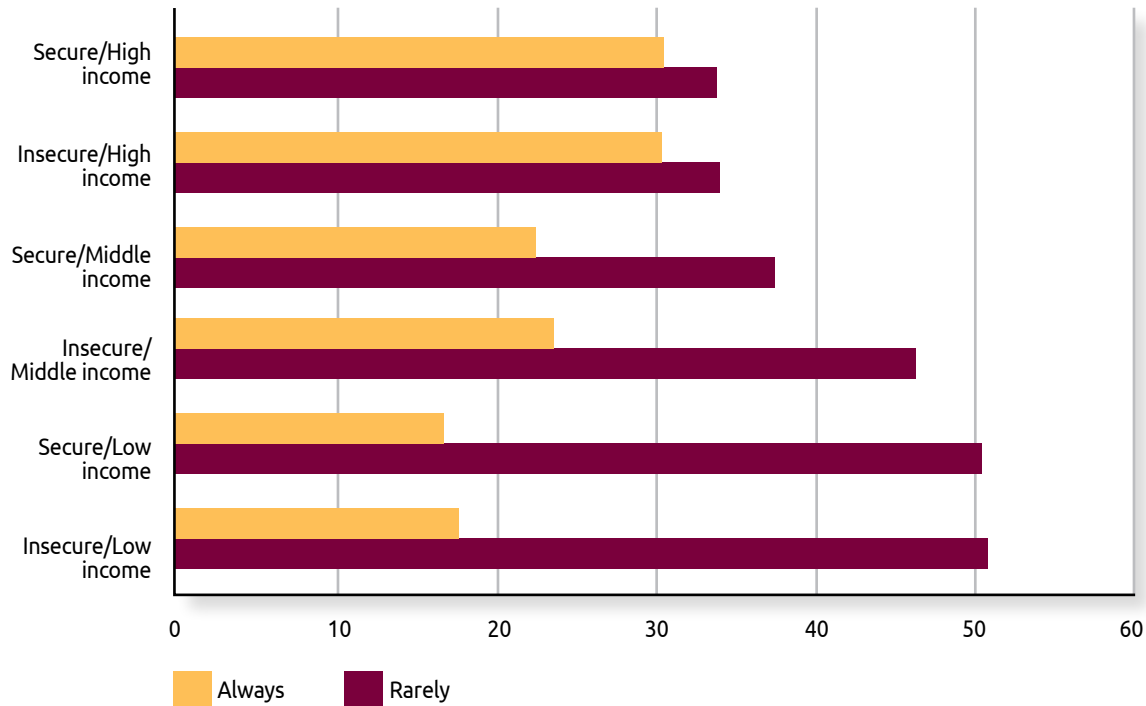


Source: PEPSO Survey. $p < .001$

Finding appropriate child care
is **much more of an issue**
for low- and middle-income households
in **insecure employment**.



Figure 51: Able to volunteer at children's activities outside of school by income and precarity (% of each category)

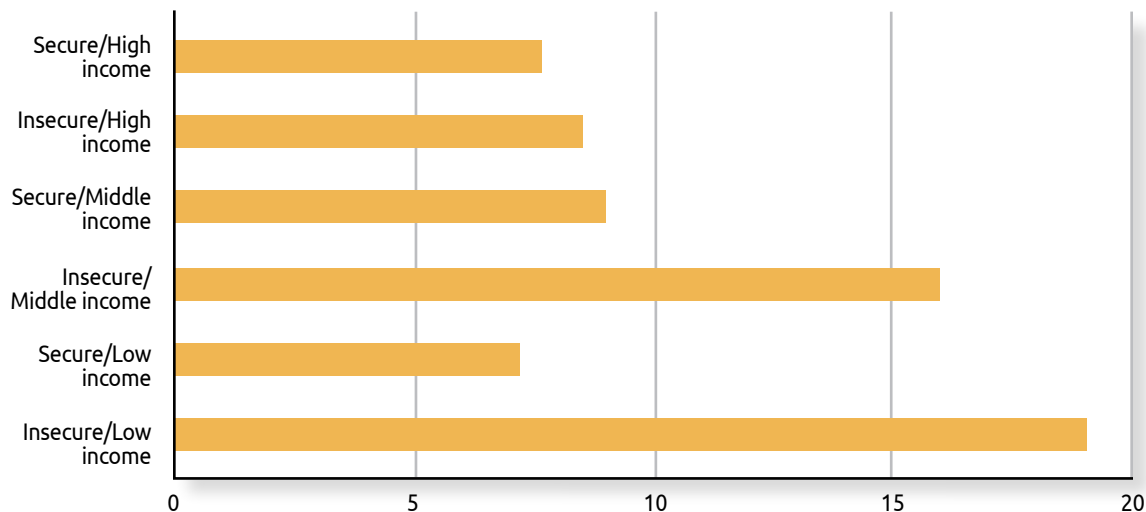


Source: PEPSO Survey, $p < .05$

Delaying having a family

Figure 52 explores the impact of low income and precarity on decisions to have children. Employment insecurity has a substantial negative effect on this decision for people in low- and middle-income households. Those in insecure employment are twice as likely to report that this uncertainty led them to delay starting a family, compared to others in the same income bracket but in secure employment.

Figure 52: Delayed having children as a result of employment uncertainty by income and precarity (% of each category)



Source: PEPSO Survey, $p < .001$



This pattern was evident in our interviews, where many interviewees told us they had adjusted their life strategies – including marriage and children – because of insecure employment. Most of the people quoted below were in middle-income households.

A young man working in the arts sector saw his employment insecurity as a major barrier to starting a family:

Eventually I want to be able to have a family and stuff, but right now I don't have big savings or the ability to support a kid, nor the type of bank account to be approved for mortgage and stuff like that. I want to be at the stage where I'm getting paid better and more often and more regularly.

A young woman working in the service sector said:

I guess you just feel better because you are stable ... I don't want to get pregnant now because I don't know what will happen with Mat. Leave. So I would be jobless after I have my kid, so that is a really big factor, bigger than the house I would say ... Like I say, we would like to start a family. Because of this you just have to basically hold it back. Eventually we are just going to go and forget about it but right now we are holding back because of this job.

A young woman with a household income in excess of \$70,000 told us:

At this time, family planning is not a priority. My partner and I have been living together for about 5 years and we are not married ... His work situation is delaying the decision on family planning.

A knowledge worker in an even higher family income bracket is also delaying starting a family:

We have started to think about it but then we think maybe next year. I think I will be ready but I don't know what will happen to my contract, and if I will have a job. I want to have a permanent job so I have benefits and that sort of thing ... I think for people especially my age who are getting married, trying to start a family and all that kind of thing – it sucks. It is hard to plan anything when you never know if you are going to have a paycheque two to six months from now.

We heard a similar story from a young man working a retail job:

I want to work and have a good job and pay my debt and be a provider and be able to have children and provide for them ... I wouldn't even think of it [having children] right now ... I don't think if anyone gets a job these days they keep it for very long. Seems like that was the way it was 30-40 years ago ... I was lucky that I grew up in a well-off family and work was good. My family didn't have to worry about food in our mouths and roofs over our head. It was easily done and it doesn't feel like it is easily done anymore.



The emotional toll

Raising children is a challenge for anyone. When you work irregular hours, or don't know how much you will earn in the future, there are added stresses. Children can't be expected to understand why things are the way they are, but they can sense the tension in the household.

Our interviews provided a window into what families go through when they are precariously employed. They described how adult stress related to insecure employment, or the embarrassment of not having a regular job, had negative effects on their children.

A middle-aged immigrant with a professional background, now living in Toronto, talked about how the family used to enjoy a relatively high standard of living. He became very emotional in telling how his current, precarious employment situation was affecting his teenage children:

Initially my son was very happy. Now I feel he is feeling stressed. He is feeling depression ... Our children are getting more stressed than us. For one thing, financially we cannot provide them what others are getting. They know their parents are poor.

A father was concerned that his employment situation was setting a bad example for his son:

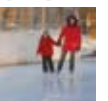
I don't think that I am projecting a very good image for my son, who is very discouraged. I use to bite my skin and nails a lot and I have stopped that now. It would happen when my tension was too high and I would say it is about 90% under control. He must have picked that up from me. He bites his fingers and his tension is very high. I don't know what to do - I am sure that I have something to do with that. I am not being a model of hope. I feel that and it is discouraging. I feel powerless.

For a mother in her 40s, the stress related to her employment situation created health problems for her children:

This year, our oldest son started to crumble under the pressure through last year in high school, so he's been in counselling for depression. Unfortunately, the kids went through the ringer when I look back on it ... It was bad at times.

Precarity can also create stress for children in middle-income households. A woman with a family income in excess of \$80,000, working in casual jobs in the knowledge sector, often had to work weekends and nights from home. This had an effect on her relationship with her children:

[With] the casual job that I have ... There are some weekends where I'll have to spend half a day or so working from home. It's a disappointment for the kids to see me stuck behind a computer instead of out playing at the park with them or whatever ... And they're used to me saying, 'I can't cuddle with you at night ... I have to go downstairs and sit behind the computer!' ... That happens at least once a week that I have to go down and do something.



The focus on getting employment can lead to neglect of children's needs. A middle-aged man looking for more work in the manufacturing sector recalled how the time he spent looking for work affected his son:

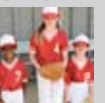
The first year when I didn't have a job, he was not doing well in school because he was not paying attention to the teacher and I had to go to the school and talk with the teacher ... The teacher told me that my son was not doing homework ... I can't check my son's homework because I was looking for a full-time job ... He was failing everything and not doing well ... Me and [my] wife have no mood to look after the kids because we worry about income. This month we have money to pay rent but next month we worry and we ask too much from our friends to borrow money (we feel so bad and we are embarrassed) ... Before me and my wife were so nervous to get a job we did not pay attention to the kids.

The inability to provide for their children is seen by some parents as a reason their children begin acting out:

When I was employed full time, we'd go out mini-putting or go-carting on the weekends, so we always had the weekends. Now it's harder to do those things. The money's not there anymore. I think the kids noticed things have stopped. I think the eight-year-old might be acting out because of that. It's not happening and he doesn't understand why ... It (working) helps because when I work everybody's happy. I'm happy 'cause I'm working and the family is happy because there is money to do and buy stuff ... New clothes are there, new shoes, rent's paid.

Insecure earners in
low- and middle-income households
are **more likely** to report
delaying having children
as a result of unemployment uncertainty.







PART 5: Precarity and Community Connection

Does precarious employment make it more difficult for people to be socially and civically engaged? By 'community connection', we mean family and friends, and also activities like volunteering and charitable giving – having a feeling of belonging to one's community.

For single people, levels of community participation are very weakly associated with any of the measures used in this study, including income and level of employment precarity. Other factors are likely at work for individuals living on their own. For this reason, we limit our analysis here to households with at least two individuals.

The associations between low income, precarity, and community are complex. Some of our indicators showed only a limited association, while others indicated a stronger one. In part, this reflects the multiple factors that go into decisions about how to participate in one's community.

KEY FINDINGS

These are our key findings about precarity and community connection:

- Employed women living in high-income households are the most likely to report a strong sense of belonging to their community, regardless of whether their employment is secure or insecure.
- Most of the people in our study report making a financial contribution to a charity. This was somewhat more likely in high-income households.
- Employment insecurity reduced the probability of individuals donating to charities in low- and middle-income households.



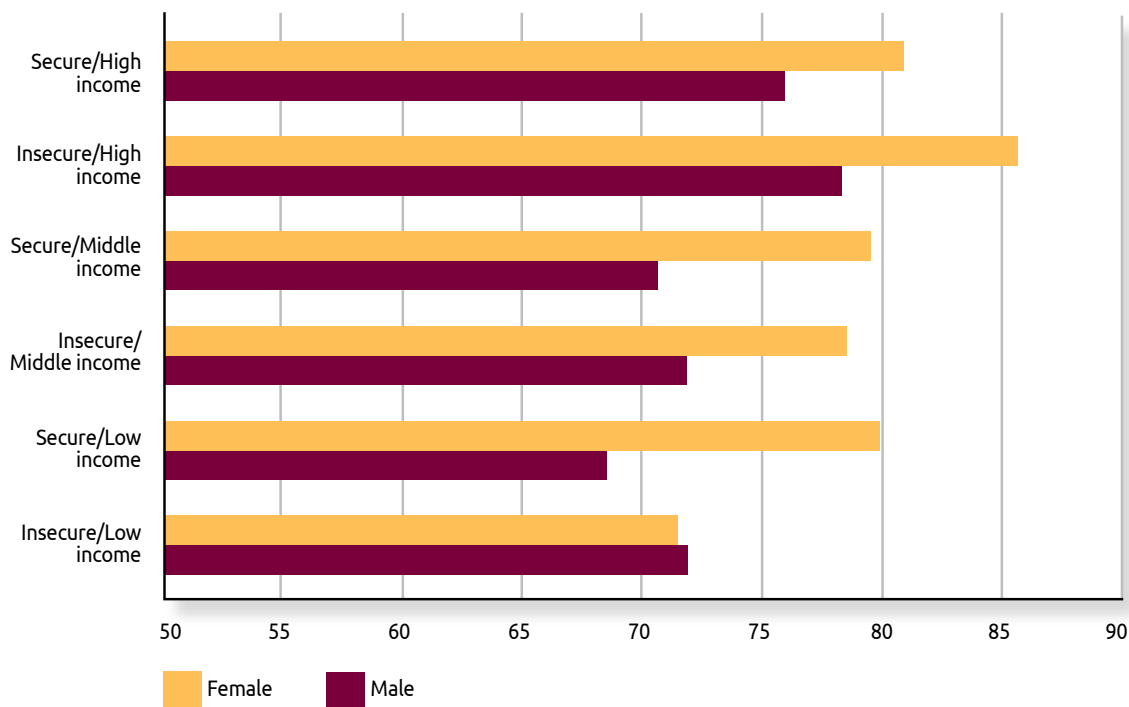
- Women in insecure employment are more likely to volunteer 20 or more hours a month than are women in secure employment.
- Men in secure employment and in high-income households are more likely than all other men to volunteer 20 or more hours a month.
- Men in low- and middle-income households are the least likely to volunteer at all.
- People in insecure employment are only moderately more likely to say that scheduling problems prevented them from volunteering.
- People in households with insecure employment and low income are less likely than other groups to report having a close friend to talk to.
- People in low-income households are less likely to have a friend to help with small jobs.
- Men in insecure employment and in low- or middle-income households are less likely to report having a friend to do things with.

Sense of belonging

Figure 53 explores the sense of belonging to a community in the six categories of income and employment security. People from low-income households are marginally less likely to say they have a strong sense of belonging to their community. Men are generally less likely than women to report a strong sense of belonging. These findings are virtually unaffected by employment insecurity.

Women with secure employment in low-income households are more likely to report a strong sense of belonging to their community than those with insecure employment. Employment insecurity has little or no effect on women in middle- and high-income households.

Figure 53: Strong sense of belonging to community (% of each category)



Source: PEPSO Survey. Male $p > .10$; Female $p < .01$



In our interviews, people said the lack of a regular income kept them from socializing more:

If we had more money I would definitely be involved as a social outing. I have a group of friends in Brampton that I stay in touch with but I probably see them two times a year.

A young man working temporary jobs commented on his lack of energy to get out:

When you're not working you're not physically drained but you're mentally drained ... The not-working takes away from you wanting to participate ... You're mentally tired from not working. It is [depressing]. There's no doubt about it, and it's hard to get out of it.

Volunteering

There was no single pattern of volunteer activity amongst people in insecure employment. Some chose insecure employment because it gave them more flexibility which allowed them to do more volunteering. Women in insecure employment were the most likely to volunteer more than 20 hours a month. For other people, volunteering was a strategy to find new contacts and more work. For a third group, the effort expended looking for work, and the uncertainty regarding future work schedules created barriers to volunteering. People in permanent full-time employment also had trouble finding the time to volunteer. This was particularly true for women in secure employment and in middle income households. The evidence below provides a window into these different approaches to volunteer activity by those in insecure employment.

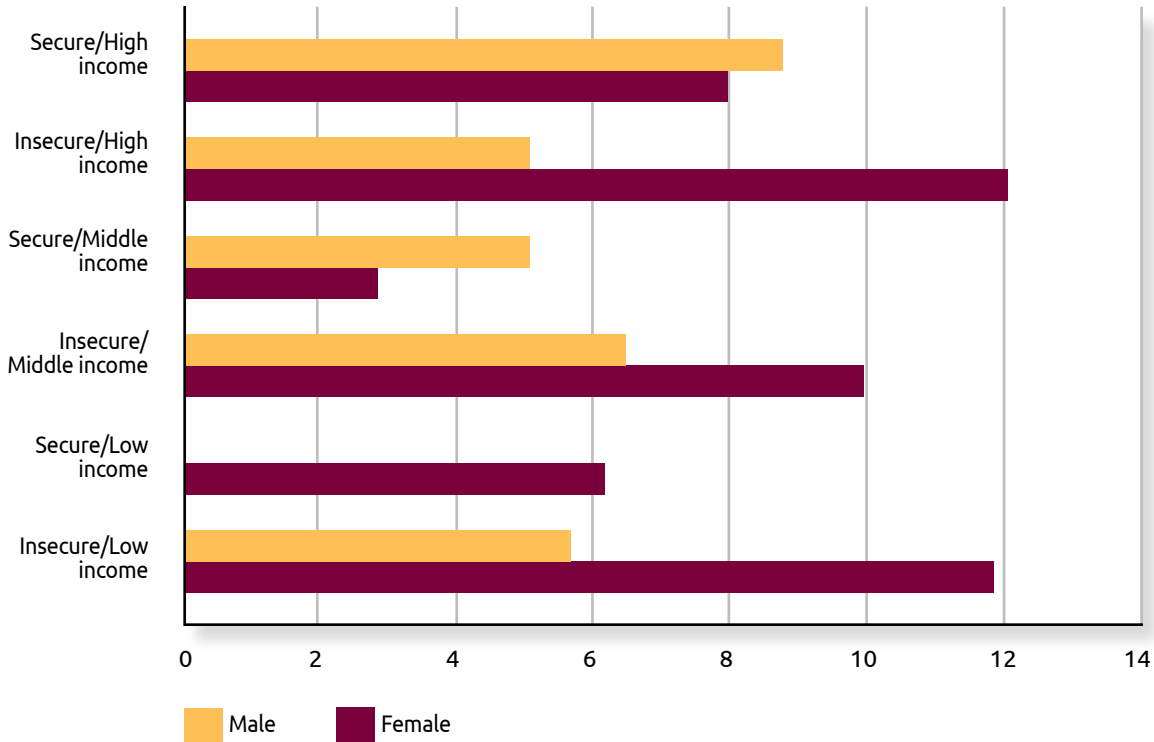
In **Figure 54**, we see that women in insecure employment are the most likely to report that they volunteer 20 or more hours a month, regardless of their household income. Men in secure employment and high-income households are also more likely to be active volunteers. None of the men in secure employment with low-income households volunteer 20 or more hours a month.

Figure 55 indicates that employment insecurity has only a minor influence on whether people volunteer at all. In keeping with their high levels of volunteer activity in **Figure 54**, women in insecure employment living in high-income households are the least likely women's category to report no volunteer activity.

Employed women in **high-income households** are more likely to report a **strong sense of belonging** to their **community**.

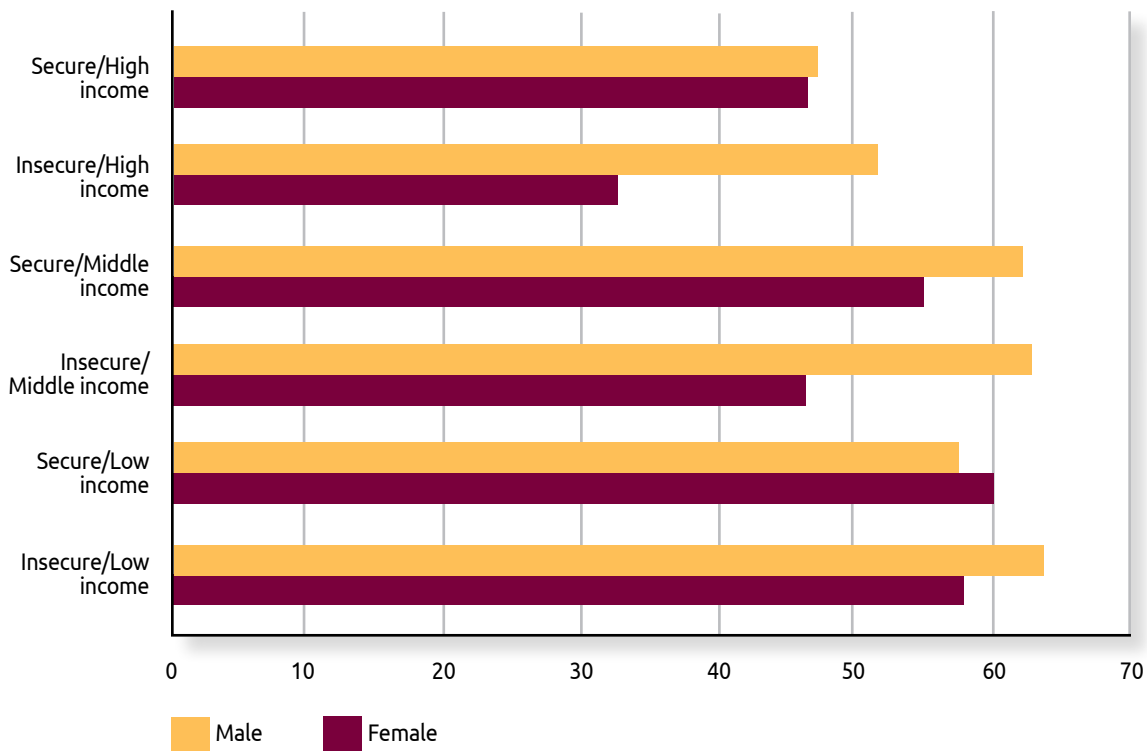


Figure 54: Volunteer more than 20 hours a month (% of each category)



Source: PEPSO Survey. Male and female $p \leq .001$

Figure 55: No volunteer activity last 12 months (% of each category)



Source: PEPSO Survey. Male and female $p \leq .001$



Figures 56 and 57 examine the challenges individuals face trying to engage in volunteer activities. Neither household income nor employment insecurity has a large effect. There is little difference between men and women in the degree to which scheduling uncertainty affects volunteer activity. Neither household income nor employment security affects an individual's ability to make volunteer commitments.

Figure 56: Uncertainty over work schedule prevents volunteer activity (% of each category)

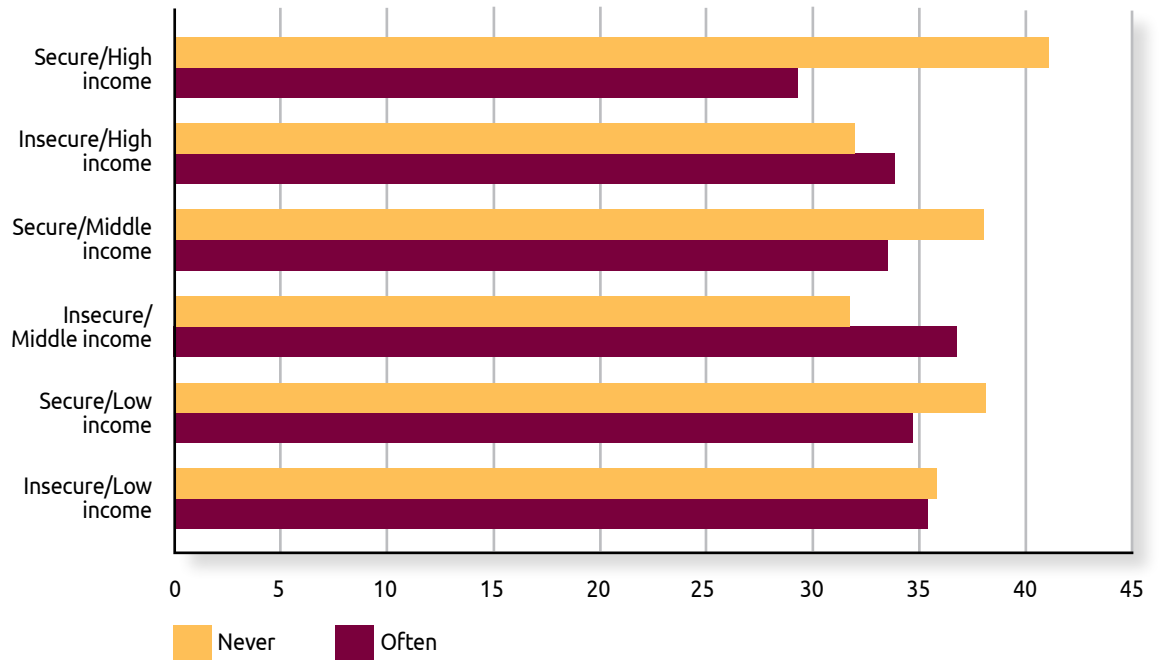
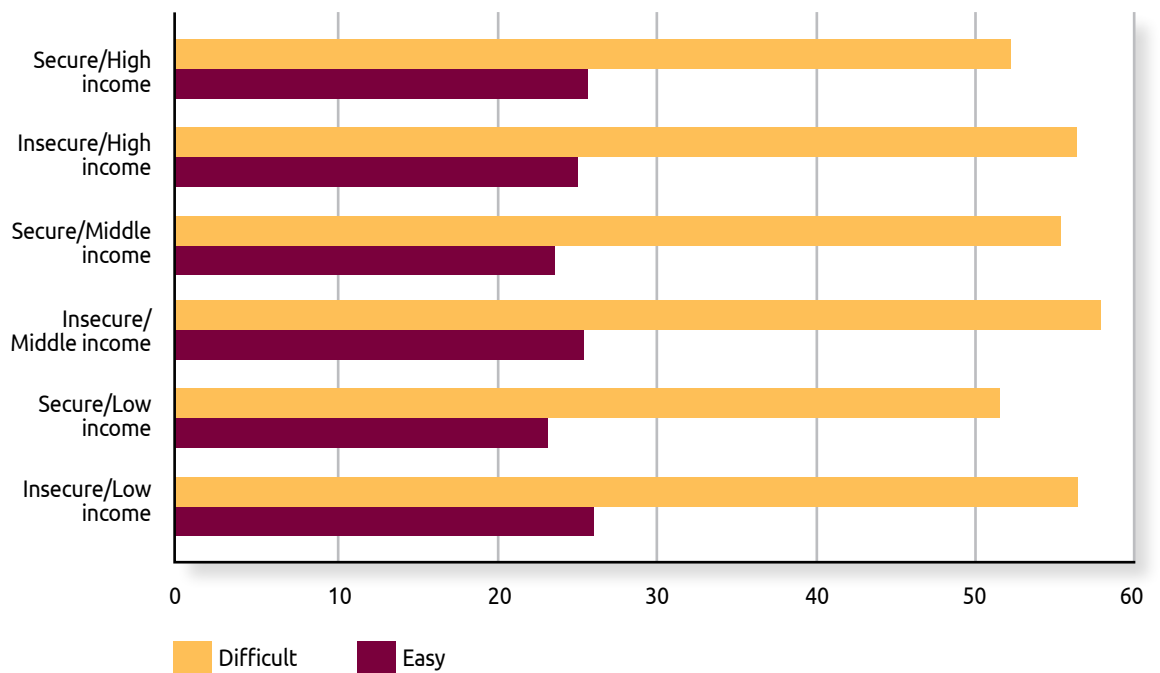


Figure 57: Able to make ongoing volunteer commitments (% of each category)



Precarity as a barrier to participation

In our interviews, we learned more about the complex relationship between employment insecurity and community participation. For some, precarious employment was a barrier to participation. For others, it provided the flexibility to be engaged. The interviews were evenly divided between these two points of view.

Those who found it a challenge focussed on the financial issues and the demands of precarious employment, including the lack of control over work schedules.

For one woman working through temp agencies, the cost of volunteering prevented her from doing more:

I wouldn't have the transportation money [to volunteer], you know, 'cause I take the bus everywhere.

For this man, it was a time issue:

I am doing some volunteering but I would like to fundraise in the company ... I don't have time with my schedule. I am working and searching for a new job.

Another said:

If I had time I would want to work, work, work, because especially we need money to keep the house.

One woman working on contract noted:

I wouldn't do it right now ... Yeah, I actually applied for a [volunteer] job on a board in the child and family support services and backed out of it because I thought, I just can't do it right now. I need to put that time into finding a job.

Another woman was also focused on finding work:

You are supposed to be looking for work when you are not working.

As was this male in the knowledge sector:

I don't have time with my schedule. I am working and searching for a new job.

A woman shared her reluctance to give up potential work time:

Yes I would like to be more involved with my community ... but I can't afford to be giving away my time for free, or any more of my time.

For many, it was the lack of control over their work schedules that prevented full engagement in their community. A woman from a middle-income household noted this lack of control:

My job is very precarious. All of a sudden they call you and you have to run back to the office and do something. It is very difficult to plan something



more solid ... I have lost my job – I need to put my focus back into getting jobs and getting my life back on track and stabilize my income.

Scheduling uncertainty presented a barrier to volunteering for several of the individuals we interviewed. A young man was reluctant to make a long-term volunteer commitment:

They wanna have a year commitment and they also wanna have so many hours a month and so that is something with scheduling that I haven't gone into that area of volunteering ... I'm just afraid of how that's gonna tie in with all of the other responsibilities I have. Especially working ... Until I know what's happening with this contract that's going to be posted and so on and so forth I'm just still holding back with that.

A female temp agency worker was reluctant to be away from the home in case the agency called with more work:

I don't have the time [for volunteer activities]. One time – I will tell you the truth – when I was waiting for the agencies I just don't want to go anywhere because I don't want to miss the call, right? That is why I don't have the time. I don't even go to the store; I go to the store at night around 7 p.m. because the agencies close at 5 to 6 p.m. so they won't call. That is the time I will go to the store. In the day time I will never go anywhere because I know they might call us and I am going to miss the call. I don't want to do that.

Precarity as an incentive to participation

For many other interviewees, volunteering was a way to leave behind the stress of being in precarious employment. It provided a sense of community that is sometimes lacking at work when you are not in permanent employment. A self-employed woman was finding it easier to volunteer at her children's school and other activities:

The nice thing about being self-employed is that there's time to do other things, the committee work, volunteer work. I have been able to help out at my kid's school. So there are a lot of these hidden benefits. In a lot of respects I have to be grateful, for losing my wonderful career, because until then, I was not able to volunteer at school and with different charities and volunteer at the cancer society, children's soccer teams and all kinds of different things because I had no time.

For some of the precariously employed, community participation filled the gap created by the loss of workplace companionship. A male working in the health sector said his irregular work pattern prevented forming close friends at work:

It (involvement in community) helps. Well for one thing it keeps me in contact with people, I can sit at home and occupy myself there with the exception of going out to eat ... So it's a reason to get out and get into contact with people. It tends to help.



An immigrant with a professional background, now precariously employed, also saw community involvement as compensation for not having a work community:

I do a lot of voluntary work. I want to learn with these people. It helps my depression ... You feel you are with the society.

For a woman working short-term jobs in the service sector, the lack of commitment to regular employment created an opportunity to spend more time with her children:

We go to watch their games for my son. We travel ... Yeah if I was working I wouldn't go. He would go with my husband or my daughter or one of the other coaches who drives a van and takes kids. A lot of the kids their parents don't go ... We love it, we go shopping. My daughter and I drop them off and go shopping and the girls have fun because they meet all the other player's siblings that come. This is their third year on the team and they've become our friends and family technically because we see them more than we see our own family.

For a contract researcher, her job created a degree of flexibility:

My job is very flexible. I can put in 10 hours one day and by doing this it frees up time the next day ... At times I have to be prepared to go to Toronto to work ... On those days to Toronto, I plan to be very productive and get as much work as I can so I do not have to go back the following day.

For some of those interviewed, the range of community activities was exceptional. A woman working on a research contract provided a long list of her activities:

I volunteer mostly at Christmas time. For the past 10 years I have volunteered with Canada Post and I do the Santa letters at Christmas time. I have done it as a family thing, so my mom, my aunts, and me do them together. This year I looked into volunteering at the hospital. Because I have had such a crappy year I haven't really thought of that lately. This year I signed up for Neighbor to Neighbor to help with their Christmas hampers. My family and I also sponsor a family through Children's Aid.

Another volunteered at an arts-based service:

I volunteer with Arts for All. It's basically anything to do with the Arts. The people that run it, they are actors, so we talk about art and also we put on plays and stuff. It's interesting and I enjoy it. I'm also involved in the community church I'm involved in. And they do a lot of stuff in the community like outreach and stuff like that.

A woman found companionship supporting an environmental group:

I'm an alumni of ... an organization that provides local enhancement ... They have the backyard tree planting. They educate, they plant trees,



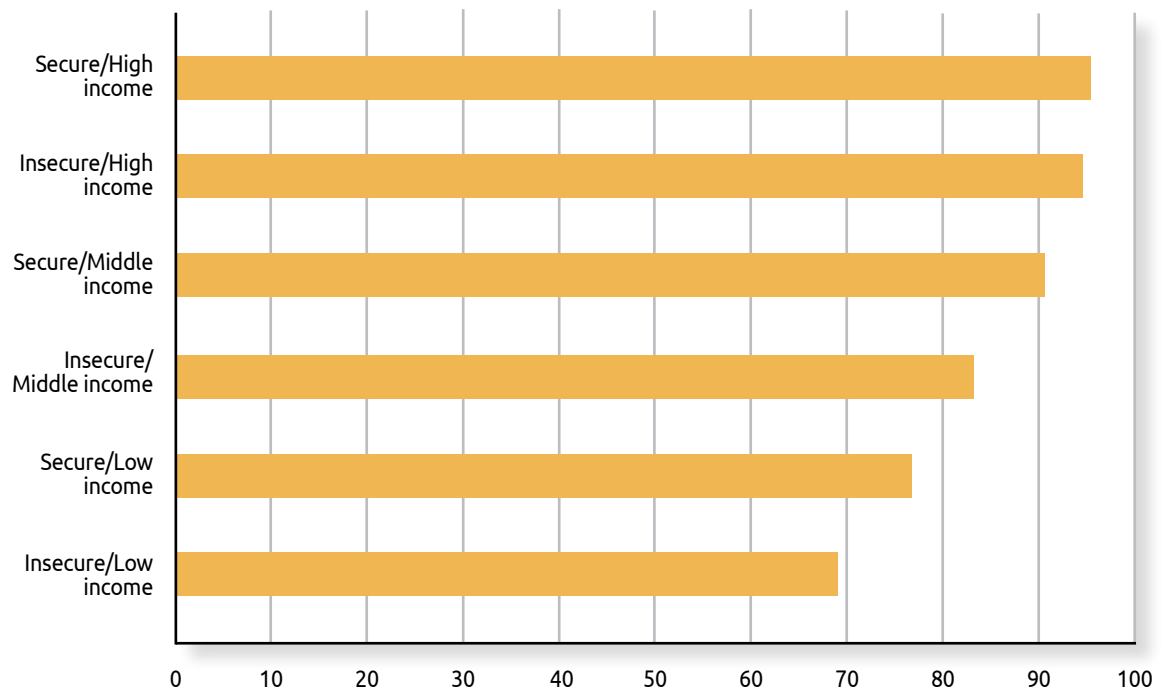
guided city walks. Very green, very progressive, very exciting community. I always check out what they're doing and see if I can work my way back in there and do more.

Donating to charities

Figure 58 examines patterns of donating to charities. The majority of participants in our study had made contributions to a charity in the last 12 months. We did not ask how much they contributed.

Individuals from low-income households are less likely to report having made a contribution to a charity. Employment insecurity reduces the likelihood of having made a contribution for individuals in low- and middle-income households, but not in high-income households.

**Figure 58: Made a donation to a charity in the last 12 months
(% of each category)**



Source: PEPSO Survey. $p < .001$

People in **low-income households**
are less likely to have a **friend**
to **help** with small jobs.



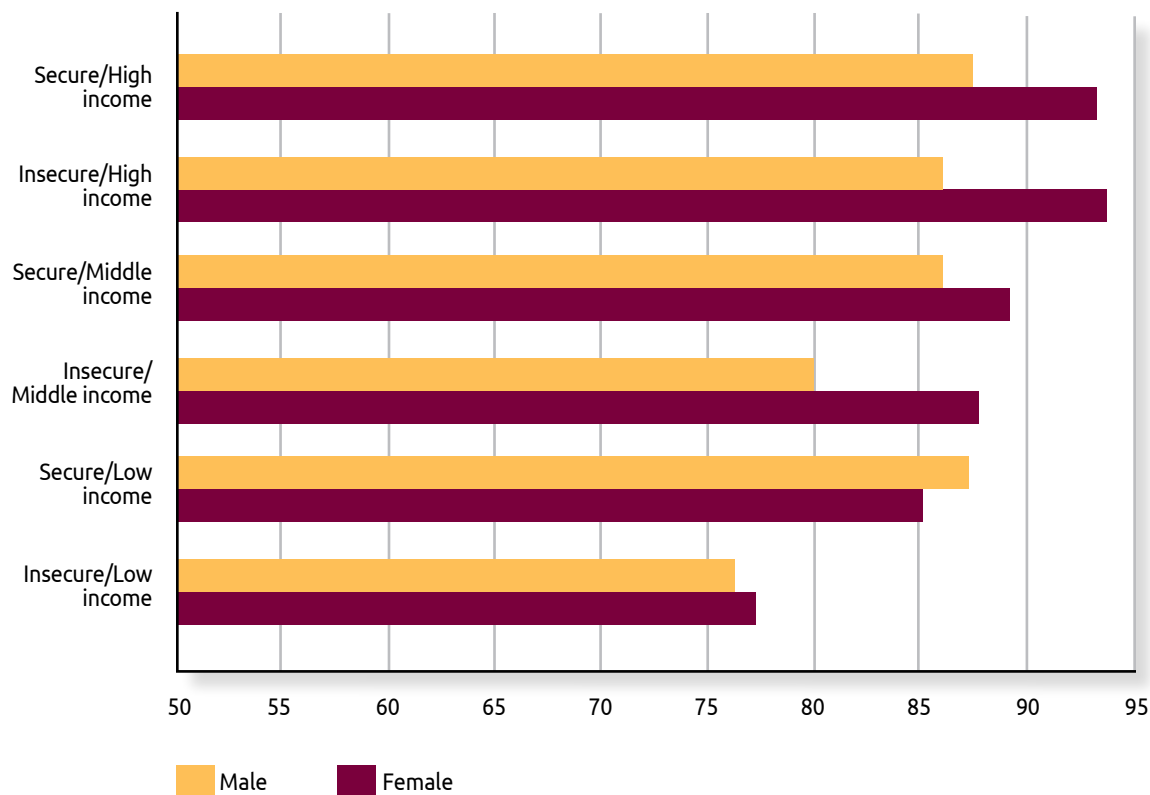
Friendship

Having someone to talk to

In **Figure 59**, we turn our attention to indicators of community involvement at a more personal level. Women in middle- and high-income households are generally more likely to report having a close friend. Employment insecurity has only a small impact on women in middle- and high-income households and men in high-income households.

However, both men and women in insecure employment and low-income households are less likely to report having a close friend to talk to.

**Figure 59: Have close friend to talk to by income and precarity
(% of each category)**



Source: PEPSO Survey. Male $p \leq .01$; Female $p \leq .001$

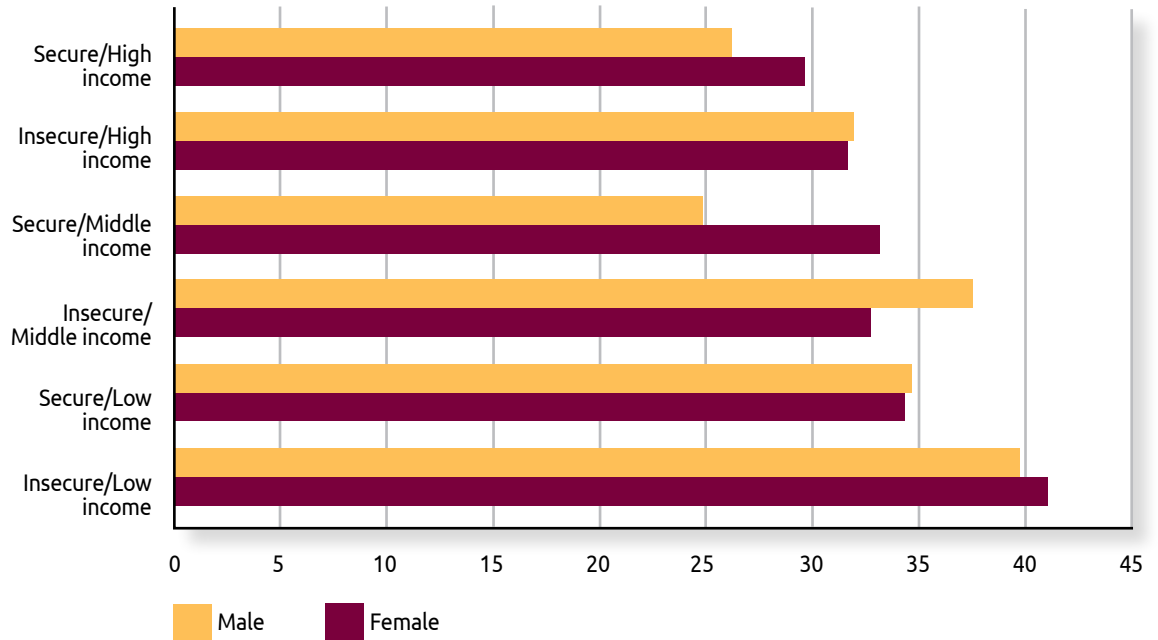
Having a friend to help out

Figure 60 examines whether income and precarity have an impact on having a friend to help out with small jobs around the house or occasional child care. Low income and employment insecurity reduces the probability of having a friend to help, but the effects are small. Men appear to be affected more than women.

On the other hand, men in secure employment and middle-income households are the most likely to have such a friend.



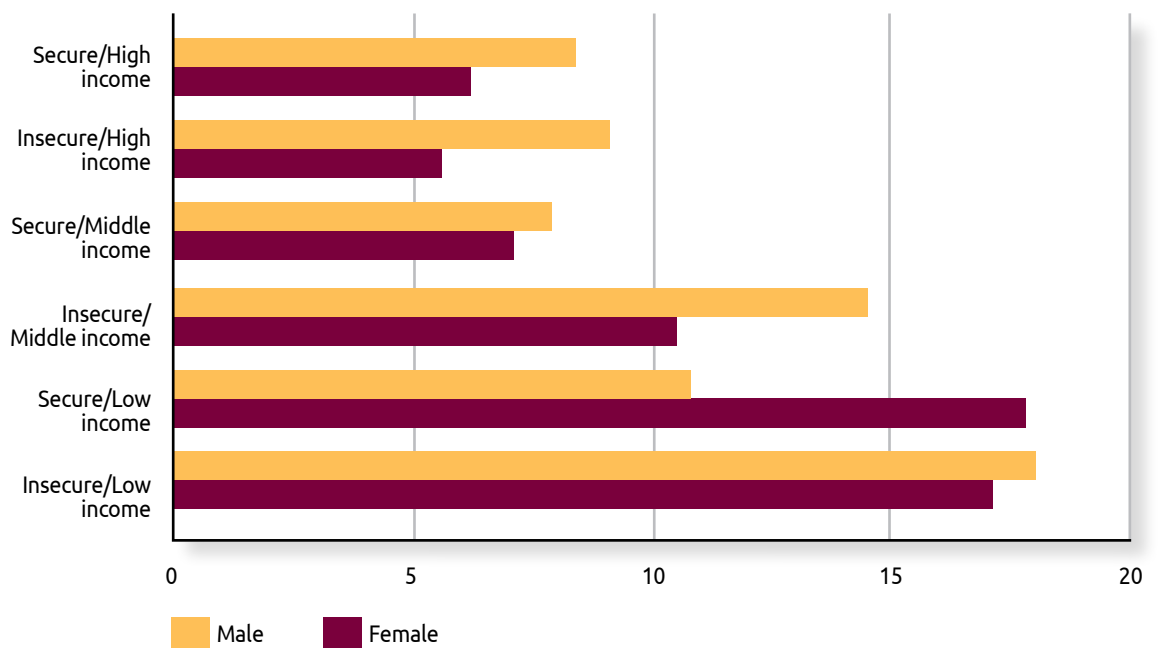
Figure 60: No friend to help with occasional child care or small jobs around the house (% of each category)



Having a friend to do things with

Figure 61 examines the likelihood of having a friend to do things with, such as have a meal. People from low-income households are less likely than those with high incomes to have such a friend. Employment insecurity reduces the probability that men in low- and middle-income households have such a friend compared to securely employed men in the same income bracket.

Figure 61: No friend to do things together (% of each category)



Our interviews confirmed the challenges some workers in precarious employment relationships faced in finding the time and money to maintain friendships. An older woman doing temp jobs in the knowledge sector reported:

Work is controlling my life. If anyone were to ask me – family, relatives or friends, let's get together, I always had to work. This is always the answer I would give. So I always say to my friends that I need to get out, to see people, but most of the time I'm tired or I don't feel energetic, happy or healthy enough to go out and hang out with people.

For others it is the stress of not having regular work that limits socializing. A young woman doing administrative work said:

Some days I just don't feel like being social and people know I'm looking for work, so I find it a bit tiring to say, no, no ... People ask how I'm doing. I'm saying I'm fine. It's really not the truth.

A young man in the education sector was reluctant to take time from job search to socialize:

I am looking for work right now ... It does take a lot of time, because you have to be on the computer a lot, you always have to be on the phone. I think that a lot more people are in that situation right now where you spend a lot more time applying for jobs, and learning new stuff I would say that right now I am doing a lot of school stuff looking into different careers and stuff like that.

Finding time can also be an issue for households with a bit more money. A young man from a middle-income household noted how the lack of permanency at any one workplace makes holding on to friends a challenge:

I was friends with these people because I worked there and you lose those friends because you lose those jobs. I will have friends in other places and then you will lose them because you switch jobs. I feel like I have contract friends, every time I get a job I get a friend and every time I lose a job I lose a friend. I know I have lost some really good friends due to the fact that I wasn't making as much money as they were and they just dropped me.

For a woman in the health care sector, the constant changes in schedules limited her socializing:

It's touch and go with the work schedule because if you plan something with a friend and then all of a sudden you get a piece of work that is going to interfere or interrupt what you previously planned with your friend. You have to weigh the pros and the cons and then figure out what you're going to do ... I tell them I don't like to plan too much in advance because my work schedule is kind of erratic because I'm looking for work.



For many in precarious employment, lower and uncertain income makes them reluctant to socialize. An older woman working in retail told us:

Going out with your friends, financially, you can't really afford because your income is so limited.

A young woman, now in a low-level management position, recalled how lack of a steady income had been a barrier to making friends:

You're living and you're trying to find a house, trying to make rent every month and not having a steady income. In that sense, you don't have much of a social life ... Poor people don't like to go over to other people's places for dinner and don't like to go out for dinner or have people over for dinner ... If you can't afford to feed yourself how can you afford to have other people to dinner? ... Before [I found more permanent employment] I would opt not to go out or have people over because I couldn't really even afford to feed myself let alone other people. So your social life and social existence definitely becomes pretty minimal.

For people from middle-income households, who are used to making more money, the loss of prestige when they no longer have permanent work can prevent socializing. This was the case for a middle-aged woman who used to socialize often but was doing so less after she lost a well-paying job:

When we had full-time jobs and fixed hours ... it was easier for us to get together because we also had a fixed income ... But after the company closed down we don't have enough money and I think when you are stressed out you don't want to invite people because you have to spend money ... We used to have three or four parties a year but now we can't do that. We can't afford it now ... Now I have to work more hours, less pay, I am so tired I don't have time anymore ... I just want to go home and relax a little bit, work on the computer, it's hard ... You try to save money, the friends around you are still enjoying a good income and you are used to living a certain lifestyle. You may become a little bit more withdrawn when they are saying let's go and do something.

For contract researchers, the problems begin when their contract is nearing an end:

In times where I have that contract and I know that I'm good for the next year I try and live how I think I should live ... When I'm, okay, I have a year, I'm safe, then, yeah. Last April I went away to Europe for three weeks and visited a good friend of mine over there and got to travel around and got to have a really great vacation and wasn't really concerned, when is my contract going to end.





PART 6:

Options for Change

TOWARD A SHARED AGENDA FOR REFORM

The purpose of the *It's More than Poverty* report is to start a public conversation about the fundamental changes taking place in today's labour market, and how they affect family and community well-being. As PEPSO begins publishing its research, we want to engage a broad range of stakeholders from our communities, governments, labour, and the private sector. This conversation is about best practices and best policies that can support precariously employed people.

As a starting point, we have used what we learned in completing this report to outline some of the more pressing issues that require the attention of policy makers. We have culled from our research a range of policy options that have the potential to either reduce the incidence of precarity or mitigate its effects on households and communities.

These solutions are broader than raising the income of precariously employed people. They also address concerns that employment uncertainty and a lack of control over work schedules affect people's choices to form households, take care of their families, or take part in their communities.

We focus on three areas:

1. Ensuring jobs are a pathway to income and employment security.
2. Supporting human capital development.
3. Enhancing social and community supports for families and communities.

These three focus areas do not comprise a comprehensive list. Nor is this report endorsing any of the options that we have laid out. Our aim is to propose a framework for thinking these issues through as a caring society.



Ensuring jobs are a pathway to income and employment security

The minimum wage as a pathway out of poverty

While insecurity played a major role in the challenges that respondents in this study faced, low income was also an important barrier. Increasing household income by raising the minimum wage is one option that has the potential to decrease poverty and help mitigate the impacts of precarious employment. The minimum wage plays an important role, not just in setting a basic floor for wages, but also because many wage rates are connected to the minimum wage.³⁸ Recently, Ontario raised the minimum wage to \$10.25 an hour.

However, to give context to the current minimum wage, a family with two full-time, full-year income earners, working at the minimum wage, would earn \$42,640. This is more than \$2,000 dollars below the 2011 Low Income Measure (LIM) for a family of four.³⁹

As we learned in earlier chapters, a large part of the GTA-Hamilton workforce in precarious employment regularly experience weeks without work and weeks with insufficient work. As a result, many would fall even further below the minimum wage needed to support a family and would be faced with the many challenges of living in or near poverty.

In 2011, the Ontario government announced its intention to strike a panel of business, labour, and community representatives to review government minimum wage policy. The panel's role was to determine if it reflects the economic reality of the province. The province has yet to act on this commitment. However, the idea is supported by many organizations, including the Ontario Chamber of Commerce and the Law Commission of Ontario. It was also one of the central recommendations of the Modernizing Income Security Task Force in 2006.⁴⁰

Others have called for a shift to a wage standard which would be substantially higher than existing minimum wages. The Workers' Action Centre has called for a minimum wage that is 10% higher than established Low Income Measures (LIM).⁴¹ Economists Huge Mackenzie and Jim Stanford from the Canadian Centre for Policy Alternatives, as well as the Social Planning and Research Council of Hamilton have proposed a "living wage" be used as the standard.^{42, 43}

In Australia, workers in precarious employment receive a "casual loading" equivalent to about 20% of the minimum wage to compensate for the lack of certainty in their employment. This covers anyone employed in a temporary job. Currently, about two million Australians qualify for this supplement.

The role of collective representation in bolstering job quality

People in precarious employment are less likely to have access to collective representation, including labour unions. Labour unions have historically provided mechanisms for protecting collective interests. This has raised the likelihood of job security and has empowered workers to raise concerns over health, safety, and employment rights.

38. Noack and Vosko 2012.

39. Statistics Canada 2012; City of Toronto August 2011. Household Income Eligibility Chart.

40. For provincial commitment and Ontario Chamber of Commerce recommendation see <http://occ.on.ca/2011/ontario-government-acts-on-occ-minimum-wage-recommendation/>; Law Commission of Ontario 2012.

41. Workers' Action Center 2012.

42. Mackenzie and Stanford 2008.

43. Social Planning and Research Council of Hamilton 2011.



The precariously employed often have multiple employers and workplaces. This means they lack access to the single-firm, single-employer model that is the basis of collective bargaining and labour law. Nevertheless, several strategies have emerged to strengthen the access of the precariously employed to collective rights:

- Short-term contract workers in the construction trades and in the arts sector have found new ways to represent workers and provide employment benefits for those who are not in standard employment relationships. Some of these methods could be used to expand collective representation to other groups of precariously employed workers.
- Several unions are looking at how to organize precariously employed people who are outside of the collective bargaining framework.⁴⁴ Labour organizations such as the Workers' Action Centre and Steel City Solidarity also serve the needs of the precariously employed through lobbying efforts and direct assistance to workers who have been denied their rights.
- Another option would be to revise existing labour laws, making it easier for workers to negotiate collective agreements and employment benefits on different levels. For example, contracts could be negotiated at the sectoral or occupational level, as opposed to only within a single employer.⁴⁵
- In the United Kingdom, unions have shifted their approach to representing the precariously employed. They have accepted that their needs are not the same as those in permanent, full-time employment. This has increased their capacity to improve employment conditions and to give voice to the needs of these workers. Examples include Prospect's campaign to organize field archaeologists and the Broadcasting, Entertainment, Cinematograph and Theatre Union's success in winning paid leave for temporary workers.⁴⁶

Employment standards and enforcement

Our research revealed numerous cases where employment standards, as defined by the *Employment Standards Act*, were breached and workers found it difficult to exercise their rights as a result of their employment precarity. This was especially true for immigrants and other marginalized workers. There are many reasons for this. While the provincial government took important steps in 2009 to update labour standards, many working in precarious jobs remain outside the scope of employment standards legislation. This is sometimes as a result of employers redefining jobs as self-employment to avoid legislated responsibilities under the Act.

The World Health Organization has argued that stronger labour protections, coupled with independent, strong unions have the potential to decrease precarious employment and its accompanying health inequalities.⁴⁷

There have been many calls made to increase the enforcement of employment standards. The Workers' Action Centre,⁴⁸ Parkdale Community Legal Services, and CivicAction, among others, have recommended increased government resources for investigating, resolving, and



44. New Union Project (CAW-CEP) 2012.

45. Lewchuk, Clarke and de Wolff 2011; Noack and Vosko 2012.

46. Heery 2009.

47. Benach et.al. 2007.

48. Gellatly and Singh 2010.

enforcing current employment standards.⁴⁹ Vosko et al. recommend taking a more proactive approach in enforcing employment standards and allowing for third party complaints to violations of employment standards.⁵⁰

The Law Commission of Ontario recommended a range of actions to the Ministry of Labour, including launching a public awareness campaign and education initiatives to inform more workers and employers of their rights and obligations.⁵¹

Existing employment standards exclude many workers, such as the self-employed.⁵² The Metcalf Foundation, in their *Made in Canada* report, has encouraged the Ontario government to expand coverage under the Employment Standards Act to ensure that workers, no matter how precariously employed, are protected.⁵³

Several participants in this study raised the issue of enforcing employment standards for people employed through temporary agencies. While not everyone interviewed was critical of this path to employment, many argued it can lead to abuses from overwork, not being paid, being asked to do unsafe work, or working without a clear statement of the terms and conditions of employment. These findings point to the need for greater regulation of temporary employment agencies as well as improved enforcement of labour standards for this group of workers.

Providing benefits for the precariously employed

Many of those who took part in this study cited the challenge of living without employer-provided benefits. Benefits affect a worker's ability to take care of their own health and that of their families, and greatly enhance income security. The lack of employer-provided benefits was a factor explaining why some people in insecure employment and middle-income households report more concerns on several of our indicators than those in low-income households who had secure employment.

The European Union has implemented a framework agreement on fixed-term work, which ensures that workers in precarious employment relationships, including those on short-term contracts and in work obtained through a temporary employment agency, have the same rights and benefits as those in permanent relationships.⁵⁴

The Commission for the Review of Social Assistance in Ontario has proposed making health and dental benefits available to all low-income Ontarians, regardless of their receipt of social assistance. This option would allow more precariously employed individuals to gain access to key benefits.⁵⁵

Recent debates over pension reform have called on the government to provide more generous pension benefits and to facilitate pension portability for those employed mainly through short-term contracts.

49. Baldwin, Procyk and Stapleton 2011.

50. Vosko, Tucker, Thomas and Gellatly 2011.

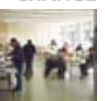
51. Law Commission of Ontario 2012.

52. Vosko, Zukewich and Cranford 2003.

53. See Faraday 2012; Law Commission of Ontario 2012, Gellatly and Singh 2010.

54. European Commission 2012.

55. Lankin and Sheik 2012.



Insuring those in precarious employment against unemployment

People in precarious employment report more weeks without work and significant uncertainty about future wage rates and having work at all. This speaks to the need to examine income insurance coverage for people in precarious employment – not just for those who are in low-income jobs, but for those in middle-income jobs as well.

The Mowat Centre for Policy Innovation recommends treating workers equally under Employment Insurance and removing the higher entrance requirements for re-entrants to the workforce. This would make unemployment benefits more accessible to those in short-term contracts who exit and re-enter the workforce on a regular basis.⁵⁶

The Canadian Council on Social Development recommends expanding parental leave coverage through Employment Insurance to more women who are self-employed.⁵⁷

Another option is to explore new models of insurance that cover not only periods of unemployment, but also periods when people are fully employed, but at reduced wage rates. The United States has explored the adoption of wage insurance programs that temporarily insure workers against this sort of income loss.⁵⁸ The Mowat Centre for Policy Innovations also recommended exploring this option.⁵⁹

The Institute for Competitiveness and Prosperity recommends that Ontario harmonize the federal Working Income Tax Benefit (WITB) with provincial income security systems to better serve low-income workers.⁶⁰

The Commission for the Review of Social Assistance in Ontario recommends increasing social assistance rates to adequately cover healthy food, secure housing, and other basic necessities. This is an important income support for those who may temporarily be unemployed, but do not qualify for Employment Insurance.⁶¹

Workers aged 55 and older are among the least likely to be in standard employment relationships. Many experience difficulty finding suitable jobs and are financially unable to retire. They are forced into accepting poor quality work. Research shows that targeted training supports can equalize opportunity and optimize employment outcomes for these workers.⁶² Options to help older workers include broadening eligibility for existing retraining programs and re-evaluating recent changes to OAS that extend the eligibility age for benefits. Enhanced income supports should also be considered for older workers who are unable to find appropriate work and need to bridge into retirement.

56. Mowat Centre for Policy Innovation 2011.

57. Schetagne 2000.

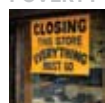
58. Hacker 2006.

59. Mowat Centre for Policy Innovation 2011.

60. Milway, Chan and Stapleton 2009.

61. Lankin and Sheikh 2012.

62. Vrankulj 2012.



Supporting human capital development

The role of training and human capital development for insecure workers

Vulnerable and insecure workers tend to exit and re-enter the labour market much more often than workers in standard employment relationships. They are less likely to be included in human capital development, such as training programs provided by the employer. Policy makers should consider how to help workers who enter and re-enter the labour market to build the skills that are in demand and enable employment mobility.

It is also true that, while training and human capital development used to be provided by employers, to a great extent it has now been downloaded to individuals. This poses a major challenge for workers in precarious employment. They have fewer options for improving their skills or developing skills as demand for them arises in the labour market.

One solution, proposed by the Commission for the Review of Social Assistance in Ontario, is for the province to work with the Jobs and Prosperity Council to develop a comprehensive human capital development strategy for Ontario.⁶³

Another opportunity, proposed by the European Expert Group on Flexicurity, is to create labour market policies that view retraining as a public responsibility, in the same way that public education is viewed.⁶⁴ This could help mitigate the impacts of precarious employment by helping people transition smoothly from job to job.⁶⁵

In its report on precarious employment, the Law Commission of Ontario suggested that programs are needed that will give employers more of an incentive to develop the skills of their precariously employed workers. A system of accreditation for skills learned on the job could make the precariously employed more employable. The report argues for expanding eligibility for training programs and for relaxing the need to be either unemployed or qualified for EI. This latter restriction results in many workers in precarious employment being unable to qualify for these programs. The Commission also suggested refining existing training so that it is more likely to lead to higher quality, more secure jobs. Finally, the Commission pointed out the need to enhance supports for self-directed and self-funded education and training.⁶⁶

The Good Jobs for All Coalition suggests a focus on the promotion of “green” jobs that will contribute to environmental sustainability while also improving equal access to employment and providing training and apprenticeships to those having difficulty finding employment.⁶⁷

Many of the people who took part in our research possess university educations and advanced skills. They are working in vulnerable and precarious employment, often in the knowledge sector. Such employment arguably requires some of the most advanced education and skills. We need to explore incentives for employers to maintain and expand stable employment opportunities for these workers. Many knowledge sector jobs are found in the public service and in institutions dependent on public funding. We should consider how these organizations are funded, as this can shape the characteristics of the employment they offer.

63. Lanki and Munir 2012.

64. Active labour market policies are programs in which governments take an active role in providing for continuous lifelong training and human capital development.

65. European Expert Group on Flexicurity 2007.

66. Law Commission of Ontario 2012.

67. Good Jobs for All: A Community-Labour Coalition 2009.



The racialization of precarity

There is a racial dimension to the problem of insecure employment. As we have seen, people from non-white or racialized groups are less likely to find secure employment. When they do, they seem to make fewer gains than do white individuals. This intensifies the need to look for options that will enhance human capital development for all members of the workforce.

Teelucksingh and Galabuzi recommend that governments, employers, and regulators of professions and trades systematically examine issues of labour market discrimination and investigate how barriers to better employment can be removed for racialized groups.⁶⁸

Similarly, the World Health Organization recommends regulation to avoid employment discrimination of workers coming from groups that are disproportionately vulnerable in the labour market.⁶⁹

The Workers' Action Centre, in their Stop Wage Theft proposals, recommends that the Ministry of Labour map the labour market practices in sectors where racialized workers are concentrated. They should then develop a strategic plan for regular inspections.⁷⁰

Supporting immigrants

Overlapping the issue of race is the experience of immigrants to Canada, who can spend decades in precarious employment before moving into even moderately secure employment. This speaks to supporting immigrants trying to settle in Canada. It also speaks to opening up opportunities faster, so that they can support healthy households and fully participate as citizens.

Goldring and Landolt recommend placing more emphasis on permanent immigration and less on temporary immigration, which make immigrants more vulnerable to precarious work.⁷¹

It was widely confirmed by the participants in our study that many recent immigrants have extensive qualifications that are not recognized in Canada. They end up working in low-skilled, precarious employment – a waste of valuable human capital. More ways need to be found to address this issue and to allow skilled immigrants to work in jobs they are already qualified for.

Tracking and understanding the changing labour market

One of the major themes emerging from this report is that labour conditions are continuing to change. Our labour market and income security policies are not keeping pace. One of the reasons for this is that research into the growth of precarious employment is still an emerging field. We do not know enough about its impact on the health and well-being of Canadian people, households, and communities. The Metcalf Foundation's work on the working poor in the Toronto region recommends further research on the structure of the labour market, to determine whether this structure is contributing to the growth in precarious jobs.⁷²

68. Teelucksingh and Galabuzi 2005.

69. Benach, Muntaner and Santana 2007.

70. Workers' Action Centre 2011.

71. Goldring and Landolt October 2012.

72. Stapleton, Murphy and Xing 2012.



Enhancing social and community supports for people and families

Early learning and child care

For most of the parents in our study, access to high-quality, affordable child care was important. But across income levels, it was a greater concern for those in insecure employment. We saw evidence that lack of access to child care was preventing the partners of the precariously employed from entering the labour market or working in permanent, full-time positions.

This research demonstrates that one of the key characteristics of precarious employment is uncertainty over work schedules and hours. Securing child care is particularly challenging for parents employed in jobs requiring shift work, irregular hours and inconsistent work schedules. Most regulated child care options are still suited to parents who work during the day Monday to Friday.

We need to enhance access to affordable, regulated, *flexible* child care – child care that reflects the changing nature of work hours and schedules reported by parents participating in this research.

In the submission on modernizing child care in Ontario, Campaign 2000 recommended that the number of public and non profit child care centres be expanded in order to get universal, accessible child care. This could enhance access for low and middle income parents and parents who require more flexibility. The recent Ontario budget provided some funds towards this objective.⁷³

Accessible recreation

Many of the precariously employed in our study found it hard or impossible to pay for social and recreational programs for their children. Consideration should be given to making more recreational activities available at no cost or low cost, particularly activities aimed at children.

Campaign 2000 has proposed raising the Canada Child Tax Benefit, and increasing the Ontario Child Benefit to \$125 per child. They suggest broadening tax incentives for sending children to sports activities.

Safe, affordable housing

Many challenges can exacerbate the insecurity and low income of people working in precarious employment. One of these is the availability of affordable, quality housing.

The Federal Labour Standards Review points out the need for more housing supports to help people who are living in poor conditions due to the nature of their jobs.⁷⁴ Ontario's Poverty Reduction Act of 2008 also states that there is a need for improved housing supports.

Many other groups have recommended investments in housing supports. Their recommendations include options for closing the gap between household incomes and rent. This could be done through housing benefits or supplements targeted at families in need.

Some people interviewed for this report said that, even when they felt they were in a financial position to buy a home, financial institutions were reluctant to lend them money, given their lack of secure employment. Ways need to be found to make it possible for such households to qualify for loans.

73. Ontario Campaign 2000 no date; <http://www.childcareontario.org/?p=5637>

74. Arthurs 2006.





Appendix A: How we collected our data

PEPSO commissioned Leger Marketing to conduct the PEPSO survey. The sample consisted of residents of:

- Toronto
- surrounding GTA municipalities
(Ajax, Brampton, Markham, Milton, Mississauga, Oakville,
Pickering, Richmond Hill, Toronto, Vaughan)
- Hamilton
- Burlington.

Respondents were between the ages of 25 and 65. A total of 4,165 qualified respondents completed the survey. An initial pretest was conducted with 51 respondents from October 31 to November 2, 2011.

The participants were randomly selected. The sample is representative by sex, age and the different regions that make up the GTA-Hamilton study area.

The majority of interviews (n=4097) were completed via random digit dialing. 4,032 surveys were completed between November 4 and December 18, 2011. Interviews were conducted in English. Leger was provided with a list of questions designed by the PEPSO research team. The average length of the survey was 15 minutes.

Under-representation of racialized groups

Examination of the final data revealed that racialized ethnic groups were under-represented in the sample. This was particularly significant in the case of ethnic Chinese participants in the city of Toronto. The 2006 census indicates that ethnic Chinese individuals represented 11.4% of people in Toronto, but only 4.7% of our sample. People from all racialized ethnic groups represented 43.9% of the 2006 census but only 30% of our sample. Efforts to recruit additional ethnic Chinese participants were unsuccessful. This has the effect of making our overall sample marginally less precarious than it would be if racialized groups were fully represented. The average score on the *Employment Precarity Index* for whites was 22.8 and 24.9 for racialized groups. Whites were marginally more likely to be in a standard employment relationship and marginally less likely to be in precarious employment. The prevalence of precarious employment would have increased by several percentage points had the sample been representative of racialized groups in the region.



Intensive interviews with the precariously employed

A second source of data was a series of interviews with individuals in precarious employment conducted between the fall of 2010 and late 2011. We used several methods to recruit participants. An advertisement was placed in the online and regional newspaper editions of Employment News. This job posting publication is free of charge and is distributed weekly across the GTA-Hamilton through street side boxes. It is often available at locations offering employment support services. Participants were also recruited through online postings on Kijiji and Craigslist websites. Postings were updated regularly and remained online for about a year. PEPSO community partners assisted in recruitment by distributing flyers throughout their organizations and networks. These include United Way agencies in Toronto, York, Peel, Durham, and Burlington and Greater Hamilton. They in turn distributed flyers to their partner agencies. This broadened recruitment efforts to include a wide variety of community service providers engaged in the delivery of employment supports across the GTA and Hamilton region.

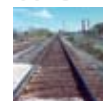
To enhance efforts to recruit participants with young children, we enlisted the help of the Milton Community Resource Centre and Today's Family Early Learning and Child Care. Flyers inviting parents to participate in interviews were posted in common areas in each centre. We also directed our recruitment efforts at people employed by McMaster University, in order to explore issues related to precarious employment among university support staff and contract academic workers. Recruitment flyers were distributed in a mass email to McMaster University workers through the email contact lists of CAW Local 555 and CUPE Local 3906. Several people who had recently been in a standard employment relationship and were now in precarious employment were recruited through the Progressive Moulded Products (PMP) Action Centre.

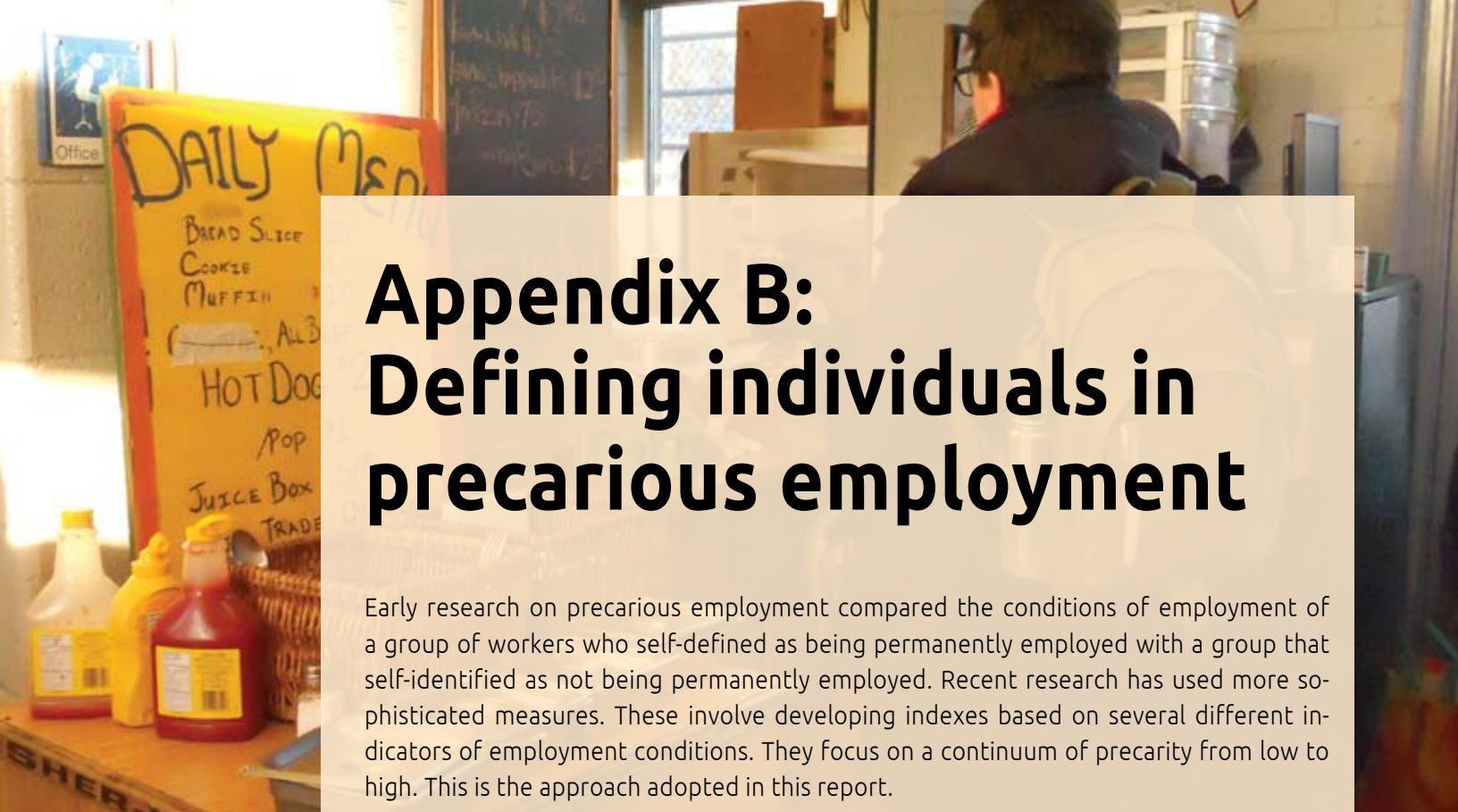
The research team conducted the interviews in several locations including:

- United Way of Burlington and Greater Hamilton
- WoodGreen Community Services
- Davenport-Perth Neighbourhood and Community Health Centre
- 519 Church Street Community Centre
- UNITE HERE Local 75 Hotel Workers Co-op
- PMP Action Centre
- McMaster University.

A small number of the interviews were conducted over the phone when this was the preference of the subject. Each interview was about one hour in length. They were semi-structured and open-ended in nature. Questions explored a range of issues related to employment relationships, employment history, household characteristics, children, family, and community engagement.

In total, 83 individuals were interviewed. Just under half of those interviewed were born outside of Canada. Half were from racialized groups. 60% were female. One third were younger than 35 and just over half were between 35 and 54. Two thirds were living with a partner. Just over 40% had children living at home.





Appendix B: Defining individuals in precarious employment

Early research on precarious employment compared the conditions of employment of a group of workers who self-defined as being permanently employed with a group that self-identified as not being permanently employed. Recent research has used more sophisticated measures. These involve developing indexes based on several different indicators of employment conditions. They focus on a continuum of precarity from low to high. This is the approach adopted in this report.

We used 10 questions as indicators of employment security to build the *Employment Precarity Index*. The respondents' answers to each question were scored out of 10. The exact value depended on the answer choices for each question. Yes/no questions were scored as either 0 or 10. Questions with more than two choices could have some values between 0 and 10.⁷⁵ The *Index* took a value between 0 (low precarity) and 100 (high precarity).

These are the questions used:

- Do you usually get paid if you miss a day's work?
- Do you have one employer, who you 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 6 months?
- In the last 3 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 3 months, what portion of your employment income was received in cash?
- Form of 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.?



75. Details on how we scored the individual questions is available from the authors.

- 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 Cronbach's Alpha for the *Index* was 7.3 which is an acceptable level of internal consistency between index items.

The *Employment Precarity Index* was used to divide the sample into four quartiles of approximately equal size.

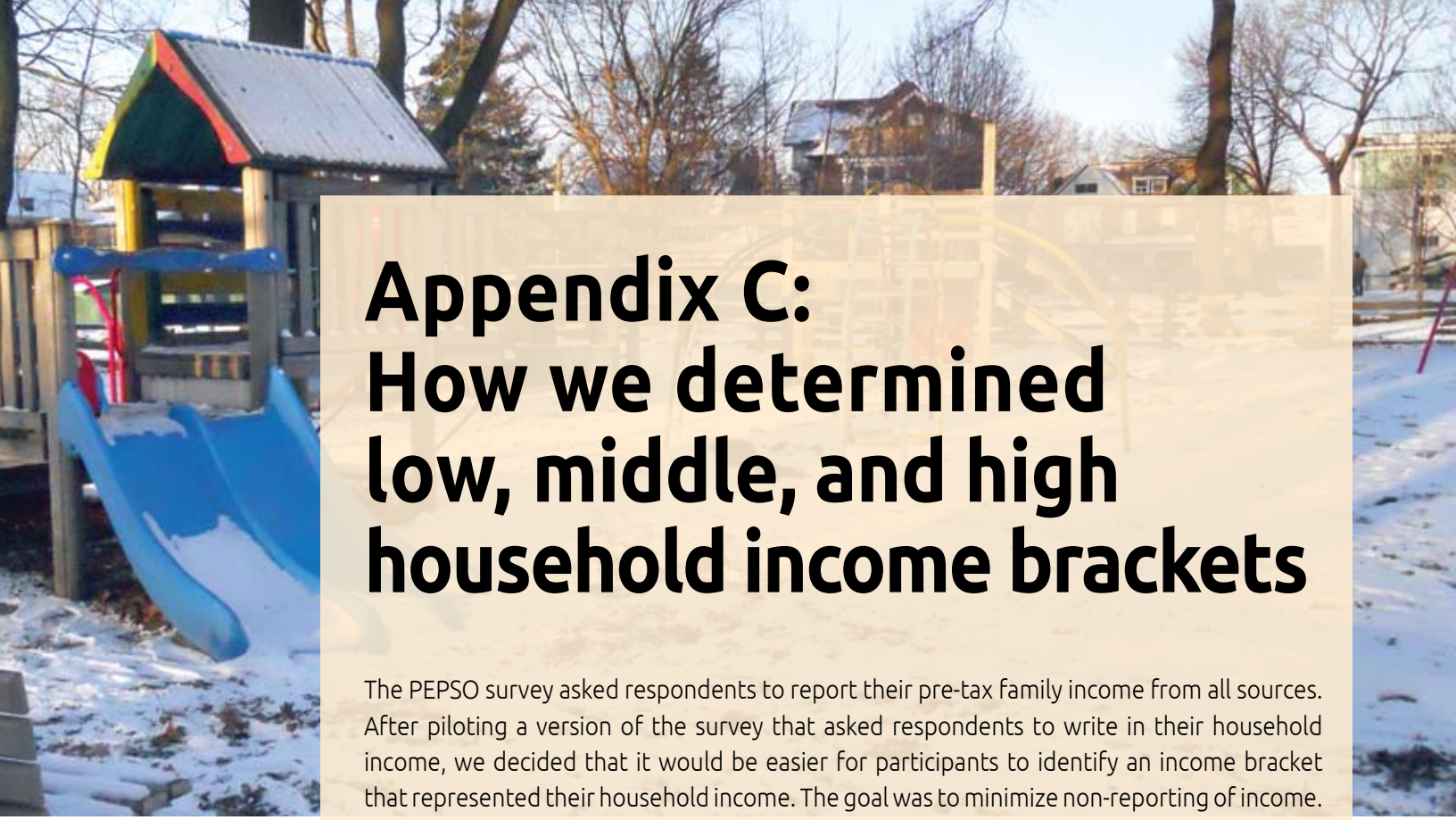
Precarity level	Index range	Average within cluster	Number in each cluster
<i>Precarious</i>	38-95.0	53.3	1,052
<i>Vulnerable</i>	18-37.5	28.1	977
<i>Stable</i>	3-17.5	10.3	1,097
<i>Secure</i>	<=2.5	0.6	932

To be in the *secure* cluster, an individual had to indicate the following:

- I usually get paid if I miss a day's work.
- I have one employer, who I expect to be working for a year from now, who provides at least 30 hours of work a week, and who pays benefits.
- It is unlikely that my total hours of paid employment will be reduced in the next 6 months.
- In the last 3 months, I was not paid in cash.
- I have a pension benefit and other benefits.
- My current employment would not be negatively affected if I raised a health and safety concern or raised an employment rights concern with my employer(s).

At least **20%** of those working
are in precarious forms of employment.
This has **increased** by nearly **50%**
in the last **20 years**.





Appendix C: How we determined low, middle, and high household income brackets

The PEPSO survey asked respondents to report their pre-tax family income from all sources. After piloting a version of the survey that asked respondents to write in their household income, we decided that it would be easier for participants to identify an income bracket that represented their household income. The goal was to minimize non-reporting of income. Respondents selected from one of seven income brackets ranging from less than \$20,000 to more than \$100,000.

To simplify the presentation of findings, these seven income categories were compressed into three income ranges:

- Low income (<\$50,000)
- Middle income (\$50,000-\$100,000)
- High income (>\$100,000).

In deciding on these three income ranges, we consulted existing common measures of low income. Two of the more popular measures are Low Income Cut-off (LICO) and Low Income Measure (LIM), as calculated by Statistics Canada. The income levels that define low household income are reported in Table One. According to this measure, a household of four would need about \$45,000 to escape a low income designation.



Table 1: LICO/LIM

LICO 2011 (500,000+)¹	
	Before tax income plus transfers
1 person	\$23,298
2 persons	\$29,004
4 persons	\$43,292
LIM 2011²	
4 persons	\$44,806
1 person	\$22,403

Source: Statistics Canada 2012. Low Income Lines, 2010 to 2011, Income Research Papers, Catalogue no. 75F0002M — No. 002, <http://www.statcan.gc.ca/pub/75F0002M/75F0002M2012002-eng.pdf>

1. Based on an income level where average family expenditures on food, shelter and clothing would represent 63% of income.
2. 50% of median household income (calculated values). The 2010 reported LIM of \$43,544 was increased by 2.9% to produce an estimate for 2011.

Recently, there has been a growing interest in Living Wage Rates as a measure of the minimum a household needs to provide the basic needs of a reasonable standard of living. A minimum Living Wage is substantially higher than either the LICO or the LIM measures. For Toronto in 2008, the Living Wage was calculated at \$16.60 an hour based on two income earners in a family, each working full-time (52 weeks at 37.5 hours a week).

Table 2 shows how this results in a household income of just under \$70,000 in 2012. The Hamilton living wage was calculated at \$14.95 in 2011. This would require household income of just under \$60,000 in 2012 for a family of four with two income earners.

Table 2: Living wage rates¹

	Cost of Living (Toronto 2008) (Hamilton 2011)	Before tax income plus transfers (Toronto 2008) (Hamilton 2011)	2012 Living wage before tax adding inflation² (8% since 2008) (1.5% since 2011)
Toronto Estimate			
Couple with 2 children	\$57,400	\$64,740	\$69,919
Single parent	\$31,400 + \$7,876 child care subsidy	\$32,370 \$40,246 if no child care subsidy	\$34,960 \$43,465 if no child care subsidy
Hamilton Estimate			
Couple with 2 children	\$50,616	\$58,305	\$59,179
Single parent	\$32,340 + \$8,328 child care subsidy	\$29,153 \$37,481 if no child care subsidy	\$29,589 \$38,043 if no child care subsidy
Single person	\$22,884	\$29,153	\$29,589

Source: Mackenzie and Stanford 2008; Social Planning and Research Council of Hamilton 2011.

1. Assumes 37.5 hour week, 52 weeks a year. Two earners for a family of 4 and one earner for a single-parent family.
2. January to January 2012 inflation <http://www.rateinflation.com/consumer-price-index/canada-historical-cpi.php?form=cancpi>

We define a low-income household as one with less than \$50,000 in before-tax earnings from all sources. A couple with two children at the upper end of this range would be just over a low family income as defined by LICO and LIM, but well below a Living Wage for a family of four in the region under study. Most households in the middle-income bracket would enjoy at least a Living Wage.



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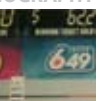
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