

Measuring the Gig Economy

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Abstract

In recent years, the popular press has been full of stories premised on the idea that the share of U.S. jobs that do not involve a formal employer-employee relationship is large and growing. As has been noted by some writers, there is in fact very limited hard statistical evidence of significant growth in the prevalence of non-traditional employment, including gig employment. Further, very little is known about the nature of work in these non-traditional jobs—the characteristics of the people working in them, the type of work they are doing, or how informal and gig employment interact with more traditional employment arrangements.

Available survey data seem at odds with the popular perception that there has been significant growth in the overall prevalence of gig employment. In the Current Population Survey (CPS), the percentage of the workforce that is self-employed has shown no upward trend and in fact has been drifting downwards at least since the mid-1990s. However, administrative data derived from tax filings provide somewhat stronger support for the popular perception that gig employment is a growing phenomenon. Census Bureau statistics on non-employers capture individuals who report business earnings of \$1,000 or more on a Form 1040 Schedule C but have not hired any employees. The ratio of non-employers to the number of people counted as employed in the CPS rose from 12 percent in 1997 to 16 percent in 2013.

Our analysis attempts to understand whether and how the pattern of self-employment has changed. It rests on a unique data infrastructure that allows us to link records for CPS respondents to administrative data derived from Federal income tax filings. By comparing the labor force status reported in the CPS for members of our sample to the information about these same individuals' earnings in the administrative records, we hope to shed light on the growth in informal and gig employment.

Any opinions and conclusions expressed herein are those of the authors and do not necessarily represent the views of the U.S. Census Bureau. All results have been reviewed to ensure that no confidential information is disclosed.