Manual for constructing the PEPSO Employment Precarity Index
(May 2016)

This is the manual for using the PEPSO Employment Precarity Index that was developed for and used data from two major surveys of workers in the Greater Toronto Area and Hamilton in Ontario, Canada. The results from these surveys were published in the reports *It’s More than Poverty* (2013) and *The Precarity Penalty* (2015). The purpose of this manual is to provide instructions for using the Employment Precarity Index so that other researchers may replicate it for their own purposes.

Please direct any questions to Dr. Wayne Lewchuk at lewchuk@mcmaster.ca

If using either the questions below or the index please acknowledge that they were produced by the United Way Toronto & York Region - McMaster University SSHRC CURA project on Poverty and Employment Precarity in Southern Ontario (PEPSO).

**PART ONE: CONSTRUCTING THE INDEX**

The Index has 10 components, each with a potential value of 10. Three of the components (employment type, standard employment relationship and benefits) are calculated using multiple questions from the survey. The remaining 7 components use only one survey question each. The Index is calculated by summing the values of the 10 components for a score between 0 and 100. Instructions on how to classify workers using this score is detailed in part three of the manual.

**Component 1: Employment Type**

This component uses two questions from the survey. The first is the general question that asks the respondent to define their employment type (Question 1). We supplemented this with a second question (Question 2) that asked how much of their employment came through a temporary employment agency. If they indicated on question 2 that at least half their work came from a temp agency, they were classified as employed on a "temporary/short term contract (less than one year)" regardless of how they responded to question 1.
POVERTY AND EMPLOYMENT PRECARITY IN SOUTHERN ONTARIO

Question 1: Which of the following best describes the job/contract that paid you the most in the last 3 months? Please check one only:

- □ casual (on-call, day labour)  
  If checked, score 10
- □ temporary/short term contract (less than a year)  
  If checked, score 10
- □ fixed term contract, one year or more  
  If checked, score 5
- □ self-employed-no employees  
  If checked, score 7.5
- □ self-employed-others work for me  
  If checked, score 0
- □ permanent part-time-less than 30 hour per week  
  If checked, score 2.5
- □ permanent full-time- hours vary from week to week and could sometimes be less than 30  
  If checked, score 2.5
- □ permanent full time-30 hours or more per week  
  If checked, score 0

Question 2: In the last 3 months, what portion of your paid hours came from temporary employment agencies? Please check one only

- □ all  
  If checked, classify response in Question 1 as “temporary/short term contract (less than a year)”
- □ most  
  If checked, classify response in Question 1 as “temporary/short term contract (less than a year)”
- □ half  
  If checked, classify response in Question 1 as “temporary/short term contract (less than a year)”
- □ some  
  If checked, move on to component 2
- □ none  
  If checked, move on to component 2

Component 2: Standard employment relationship

This component uses three questions from the survey. To determine if someone was in a standard employment relationship they had to:

A. Indicate in question 1 they were employed full-time and worked 30 or more hours per week
B. Reply yes to question 3
C. Received benefits, as indicated in question 4

All those who did not fulfill these characteristics are not in a standard employment relationship, and would receive a score of 10 out of 10 on this component
Note: the maximum score on this component is a total of 10 points. Appendix A has been added to the end of this document as a visual guide to help researchers understand this component.

**Question 1:** Which of the following best describes the job/contract that paid you the most in the last 3 months? **Please check one only:**

<table>
<thead>
<tr>
<th>Option</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ casual (on-call, day labour)</td>
<td>If checked, score 10, and move on to component 3</td>
</tr>
<tr>
<td>☐ temporary/short term contract (less than a year)</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ fixed term contract, one year or more</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ self-employed-no employees</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ self-employed-others work for me</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ permanent part-time-less than 30 hour per week</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ permanent full-time- hours vary from week to week and could sometimes be less than 30</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
<tr>
<td>☐ permanent full time-30 hours or more a per week</td>
<td>If checked, score 0, they fulfill part (A) of component 2, move on to Question 3 in component 2</td>
</tr>
</tbody>
</table>

**Question 3:** Does the following describe your current employment relationship? **Please check one only**

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.

<table>
<thead>
<tr>
<th>Option</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ yes</td>
<td>If checked, score 0, they fulfill part (B) of component 2, move on to Question 4 in component 2</td>
</tr>
<tr>
<td>☐ no</td>
<td>If checked, score 10 and move on to component 3</td>
</tr>
</tbody>
</table>
Question 4: Do you receive any other employment benefits from your current employer(s) such as a drug plan, vision, dental, life insurance etc.? Please check one only

- yes  
  If checked, score 0, they fulfill part (C) of component 2 and are defined as being in a standard employment relationship

- no  
  If checked, score 10 and move on to component 3

- does not apply  
  If checked, score 10 and move on to component 3

- don't know  
  If checked, score 10 and move on to component 3

Component 3: Benefits

This component uses two questions from the survey and determines if someone received benefits, regardless of their form of employment. If they received:
  A. Full benefits: Report yes to both question 4 and question 5.
  B. Part benefits: Report yes to either question 4 or question 5.
  C. No benefits: All other answers

Question 4: Do you receive any other employment benefits from your current employer(s) such as a drug plan, vision, dental, life insurance etc.? Please check one only

- yes  
  If checked, score 0 for component 3, and move on to question 5

- no  
  If checked, score 5 and move on to question 5

- does not apply  
  If checked, score 5 and move on to question 5

- don't know  
  If checked, score 5 and move on to question 5

Question 5: Does your current employer(s) provide a private retirement income plan such as a pension plan, or a contribution to an RRSP (CPP does not count)? Please check one only

- yes  
  If checked, score 0 for component 3, and move on to question 5

- no  
  If checked, score 5

- does not apply  
  If checked, score 5

Component 4: Getting paid if you miss work

Question 6: Do you usually get paid if you miss a day’s work? Please check one only

- yes  
  If checked, score 0

- no  
  If checked, score 10
Component 5: Income variability

Question 7: In the last 12 months, how much did your income vary from week to week? Please check one only

- □ a great deal If checked, score 10
- □ a lot If checked, score 7.5
- □ some If checked, score 5
- □ a little If checked, score 2.5
- □ not at all If checked, score 0

Component 6: Hours of paid employment reduced in the future

Question 8: How likely will your total hours of paid employment be reduced in the next 6 months? Please check one only

- □ very likely If checked, score 10
- □ likely If checked, score 7.5
- □ somewhat likely If checked, score 5
- □ not likely If checked, score 0
- □ not likely at all If checked, score 0

Component 7: Working on call

Question 9: In the last 3 months, how often did you work on an on-call basis? (That is, you have no set schedule, and your employer calls you in only when there is work) Please check one only

- □ all the time If checked, score 10
- □ most of the time If checked, score 7.5
- □ half the time If checked, score 5
- □ some of the time If checked, score 2.5
- □ never If checked, score 0

Component 8: Knowing schedule in advance

Question 10: Do you know your work schedule at least one week in advance? Please check one only

- □ always If checked, score 0
- □ most of the time If checked, score 2.5
- □ half the time If checked, score 5
- □ some of the time If checked, score 7.5
- □ never If checked, score 10
Component 9: Paid in cash

Question 11: In the last 3 months, what portion of your employment income was received in cash? Please check one only

- □ most If checked, score 10
- □ about half If checked, score 7.5
- □ less than half If checked, score 5
- □ none If checked, score 0

Component 10: Health and Safety rights

Question 12: 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)? Please check one only

- □ very likely If checked, score 10
- □ likely If checked, score 7.5
- □ somewhat likely If checked, score 5
- □ not likely If checked, score 0
- □ not likely at all If checked, score 0

PART TWO: LIST OF ALL INDEX QUESTIONS

1. Which of the following best describes the job/contract that paid you the most in the last 3 months? Please check one only:

- □ casual (on-call, day labour)
- □ temporary/short term contract (less than a year)
- □ fixed term contract, one year or more
- □ self-employed-no employees
- □ self-employed-others work for me
- □ permanent part-time-less than 30 hour per week
- □ permanent full-time-hours vary from week to week and could sometimes be less than 30
- □ permanent full time-30 hours or more per week

2. In the last 3 months, what portion of your paid hours came from temporary employment agencies? Please check one only:

- □ all
- □ most
- □ half
- □ some
- □ none
3. Does the following describe your current employment relationship? Please check one only:

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.

☐ yes
☐ no

4. Do you receive any other employment benefits from your current employer(s) such as a drug plan, vision, dental, life insurance etc.? Please check one only:

☐ yes
☐ no
☐ does not apply
☐ don’t know

5. Does your current employer(s) provide a private retirement income plan such as a pension plan, or a contribution to an RRSP (CPP does not count)? Please check one only:

☐ yes
☐ no
☐ does not apply

6. Do you usually get paid if you miss a day's work? Please check one only:

☐ yes
☐ no

7. In the last 12 months, how much did your income vary from week to week? Please check one only:

☐ a great deal
☐ a lot
☐ some
☐ a little
☐ not at all

8. How likely will your total hours of paid employment be reduced in the next 6 months? Please check one only:

☐ very likely
☐ likely
☐ somewhat likely
☐ not likely
☐ not likely at all
9. In the last 3 months, how often did you work on an on-call basis? (That is, you have no set schedule, and your employer calls you in only when there is work) Please check one only:

- all the time
- most of the time
- half the time
- some of the time
- Never

10. Do you know your work schedule at least one week in advance Please check one only:

- always
- most of the time
- half the time
- some of the time
- never

11. In the last 3 months, what portion of your employment income was received in cash? Please check one only:

- most
- about half
- less than half
- none

12. 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)? Please check one only:

- very likely
- likely
- somewhat likely
- not likely
- not likely at all
PART THREE: CLASSIFYING WORKERS USING THE INDEX

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 decided on a cut point for the precarious category that resulted in about 25% of the sample being precarious. This is a figure several Canadian researchers suggest are working in precarious employment.

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.

In both of our surveys, we used cut points calculated from the 2011 data reported in It’s More than Poverty. We used the same cut points in The Precarity Penalty so we could get a sense of trends.

<table>
<thead>
<tr>
<th>Precarity level</th>
<th>Cut points</th>
<th>Average within cluster</th>
<th>Number in each cluster (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precarious</td>
<td>&gt;=38</td>
<td>53.3</td>
<td>1,052</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>18-37.5</td>
<td>28.1</td>
<td>977</td>
</tr>
<tr>
<td>Stable</td>
<td>3-17.5</td>
<td>10.3</td>
<td>1,097</td>
</tr>
<tr>
<td>Secure</td>
<td>&lt;=2.5</td>
<td>0.6</td>
<td>932</td>
</tr>
</tbody>
</table>
APPENDIX A: A VISUAL GUIDE FOR COMPONENT 2

Response to Question 1: did the respondent indicate they were permanent full-time – 30 hours or more per week?

- **Yes**
  - Response to Question 3
    - **No**
      - Not in a standard employment relationship. This means their score is 10 for component 2. Move on to component 3.
    - **Yes**
      - Response to Question 4
        - **All other**
          - Not in a standard employment relationship. This means their score is 10 for component 2. Move on to component 3.
        - **Yes**
          - Respondent is in a Standard Employment Relationship. They score 0 on Component 2.

- **No**
  - Not in a standard employment relationship. This means their score is 10 for component 2. Move on to component 3.