
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.

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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.

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:

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

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

<input type="checkbox"/> all	<i>If checked, classify response in Question 1 as "temporary/short term contract (less than a year)"</i>
<input type="checkbox"/> most	<i>If checked, classify response in Question 1 as "temporary/short term contract (less than a year)"</i>
<input type="checkbox"/> half	<i>If checked, classify response in Question 1 as "temporary/short term contract (less than a year)"</i>
<input type="checkbox"/> some	<i>If checked, move on to component 2</i>
<input type="checkbox"/> none	<i>If checked, move on to component 2</i>

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:

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

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.

<input type="checkbox"/> yes	<i>If checked, score 0, they fulfill part (B) of component 2, move on to Question 4 in component 2</i>
<input type="checkbox"/> no	<i>If checked, score 10 and move on to component 3</i>

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

<input type="checkbox"/> yes	<i>If checked, score 0, they fulfill part (C) of component 2 and are defined as being in a standard employment relationship</i>
<input type="checkbox"/> no	<i>If checked, score 10 and move on to component 3</i>
<input type="checkbox"/> does not apply	<i>If checked, score 10 and move on to component 3</i>
<input type="checkbox"/> don't know	<i>If checked, score 10 and move on to component 3</i>

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

<input type="checkbox"/> yes	<i>If checked, score 0 for component 3, and move on to question 5</i>
<input type="checkbox"/> no	<i>If checked, score 5 and move on to question 5</i>
<input type="checkbox"/> does not apply	<i>If checked, score 5 and move on to question 5</i>
<input type="checkbox"/> don't know	<i>If checked, score 5 and move on to question 5</i>

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

<input type="checkbox"/> yes	<i>If checked, score 0 for component 3, and move on to component 4</i>
<input type="checkbox"/> no	<i>If checked, score 5</i>
<input type="checkbox"/> does not apply	<i>If checked, score 5</i>

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

<input type="checkbox"/> yes	<i>If checked, score 0</i>
<input type="checkbox"/> no	<i>If checked, score 10</i>

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

<input type="checkbox"/> a great deal	<i>If checked, score 10</i>
<input type="checkbox"/> a lot	<i>If checked, score 7.5</i>
<input type="checkbox"/> some	<i>If checked, score 5</i>
<input type="checkbox"/> a little	<i>If checked, score 2.5</i>
<input type="checkbox"/> not at all	<i>If checked, score 0</i>

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

<input type="checkbox"/> very likely	<i>If checked, score 10</i>
<input type="checkbox"/> likely	<i>If checked, score 7.5</i>
<input type="checkbox"/> somewhat likely	<i>If checked, score 5</i>
<input type="checkbox"/> not likely	<i>If checked, score 0</i>
<input type="checkbox"/> not likely at all	<i>If checked, score 0</i>

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

<input type="checkbox"/> all the time	<i>If checked, score 10</i>
<input type="checkbox"/> most of the time	<i>If checked, score 7.5</i>
<input type="checkbox"/> half the time	<i>If checked, score 5</i>
<input type="checkbox"/> some of the time	<i>If checked, score 2.5</i>
<input type="checkbox"/> never	<i>If checked, score 0</i>

Component 8: Knowing schedule in advance

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

<input type="checkbox"/> always	<i>If checked, score 0</i>
<input type="checkbox"/> most of the time	<i>If checked, score 2.5</i>
<input type="checkbox"/> half the time	<i>If checked, score 5</i>
<input type="checkbox"/> some of the time	<i>If checked, score 7.5</i>
<input type="checkbox"/> never	<i>If checked, score 10</i>

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

<input type="checkbox"/> most	<i>If checked, score 10</i>
<input type="checkbox"/> about half	<i>If checked, score 7.5</i>
<input type="checkbox"/> less than half	<i>If checked, score 5</i>
<input type="checkbox"/> none	<i>If checked, score 0</i>

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

<input type="checkbox"/> very likely	<i>If checked, score 10</i>
<input type="checkbox"/> likely	<i>If checked, score 7.5</i>
<input type="checkbox"/> somewhat likely	<i>If checked, score 5</i>
<input type="checkbox"/> not likely	<i>If checked, score 0</i>
<input type="checkbox"/> not likely at all	<i>If checked, score 0</i>

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.

Data Cut Points			
Precarity level	Cut points	Average within cluster	Number in each cluster (2011)
<i>Precarious</i>	>=38	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

APPENDIX A: A VISUAL GUIDE FOR COMPONENT 2

