

# The Precarity Penalty

The impact of employment  
precarity on individuals,  
households and communities  
—and what to do about it

**Peterborough Good Jobs Summit**  
**16 June 2015**



POVERTY AND  
EMPLOYMENT PRECARITY  
IN SOUTHERN ONTARIO



**United Way**  
Toronto

# Why we looked at employment

- Shift toward a community impact orientation in 2003
- Losing Ground research in 2007
- Intelligence from member agencies — our city's social barometer
- Wanted to examine the impact of changing employment on life outside of work

*“We’re just giving you jobs or work as it comes. . . . You don’t have benefits. . . . If you get assigned work, great; if you don’t, you don’t get any. . . . That was stressful because you could get a month without work and then suddenly work a long weekend, twelve hour shifts. . . . You get all this money, but you have to make it last because who knows when they’re going to call you again.”*

*-Rafael*

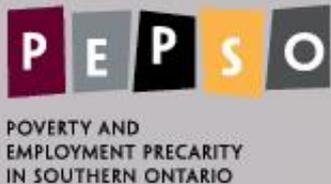


#PEPSO



# It's More than Poverty

Employment Precarity  
and Household Well-being



# The Precarity Penalty

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# The Study

- Random survey of 4,193 individuals by Leger Marketing
- Covers Hamilton and the GTA
- 28 interviews with individuals in precarious employment

# How to measure precarious employment?

- Form of the employment relationship
  - Is it temp agency work, short-term, casual, own account self-employed?
- Characteristics of the employment relationship
  - Employment Precarity Index

# The Employment Precarity Index

## What is included?

- ⦿ Not paid if miss work
- ⦿ Not in standard employment relationship
- ⦿ Weekly income not stable
- ⦿ Hours worked not stable
- ⦿ Work on-call
- ⦿ Don't know work schedule in advance
- ⦿ Paid in cash
- ⦿ Temporary employment
- ⦿ No benefits
- ⦿ Weak voice at work

## What is not included?

- ⦿ Income

Many people can be trapped in precarious jobs that make it hard to build a stable, secure life.

*“I’ve done so much temporary work, and no one’s ever made me permanent or extended the contract. . . and it’s really frustrating because I’m tired of temping. I just want some stable employment, and it’s so frustrating.”*

*-Tanvi*

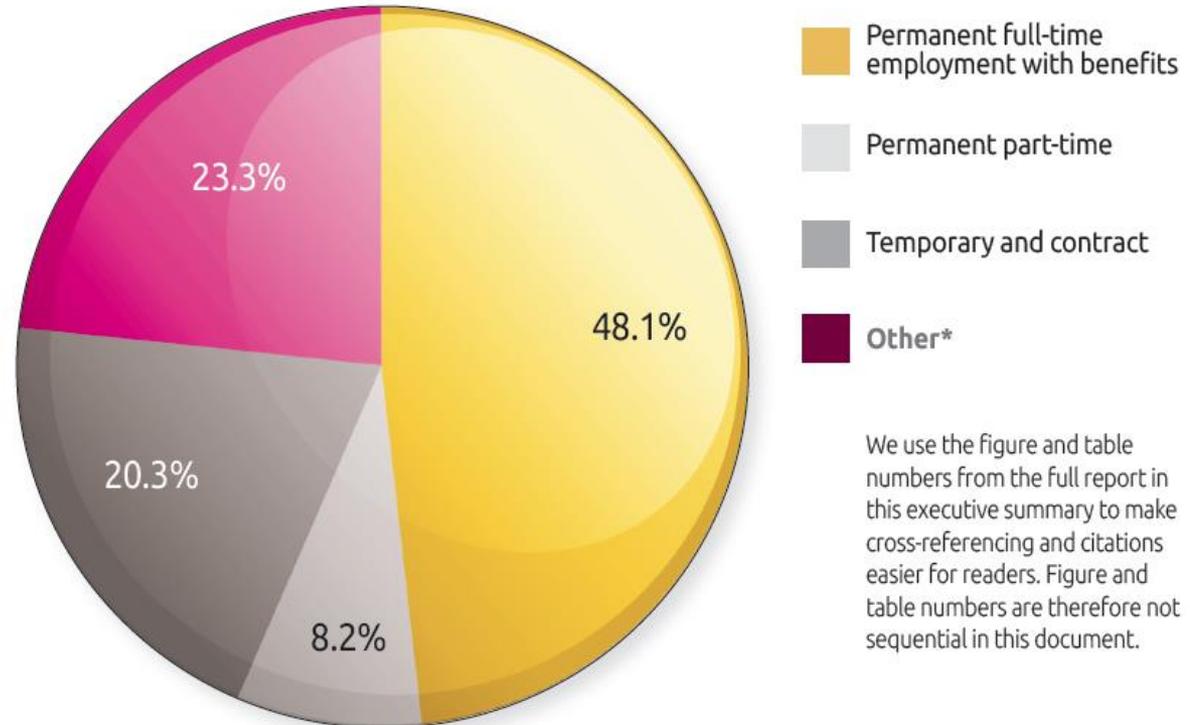


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# Fewer workers are in permanent full-time employment in the 2014 sample

Figure 1: Employment categories in the GTHA, 2014(%)



\* In the "Other" category, 70% are in full-time employment but either receive no benefits beyond a wage or are unable to confirm they would be with their current employer for at least 12 months. 15% are self-employed with employees and 14% are in full-time employment but their hours varied from week to week and in some cases could be less than 30 hours.

Source: PEPSO survey 2014. This figure is a revised version of Figure 1 in the full report.

We use the figure and table numbers from the full report in this executive summary to make cross-referencing and citations easier for readers. Figure and table numbers are therefore not sequential in this document.

# Many people in precarious jobs have a hard time moving into better opportunities.

*“I’ve never been at a job where they were offering that kind of training. They actually wanted you to know the stuff already. . . . They’re not going to say “Oh, we’re going to be willing to train.” All they see is a bunch of applicants in front of them and they’re not going to take somebody on that doesn’t have the training or the experience.”*

*-Francesca*

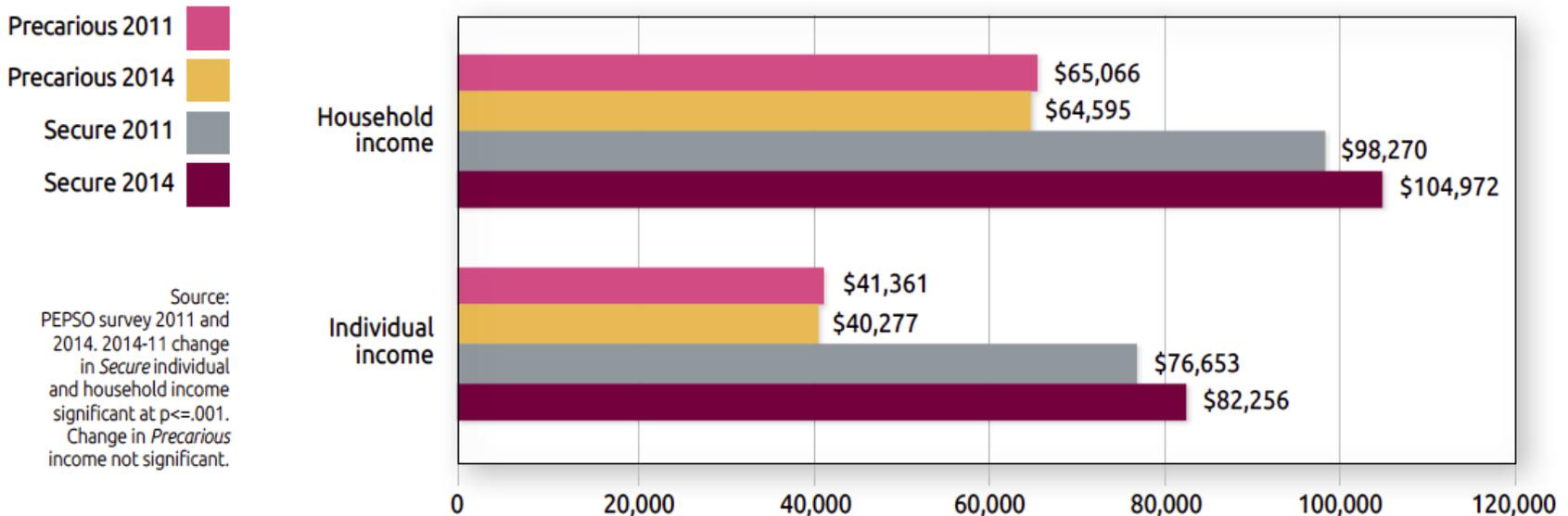


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# They earn less income and live in households with less income

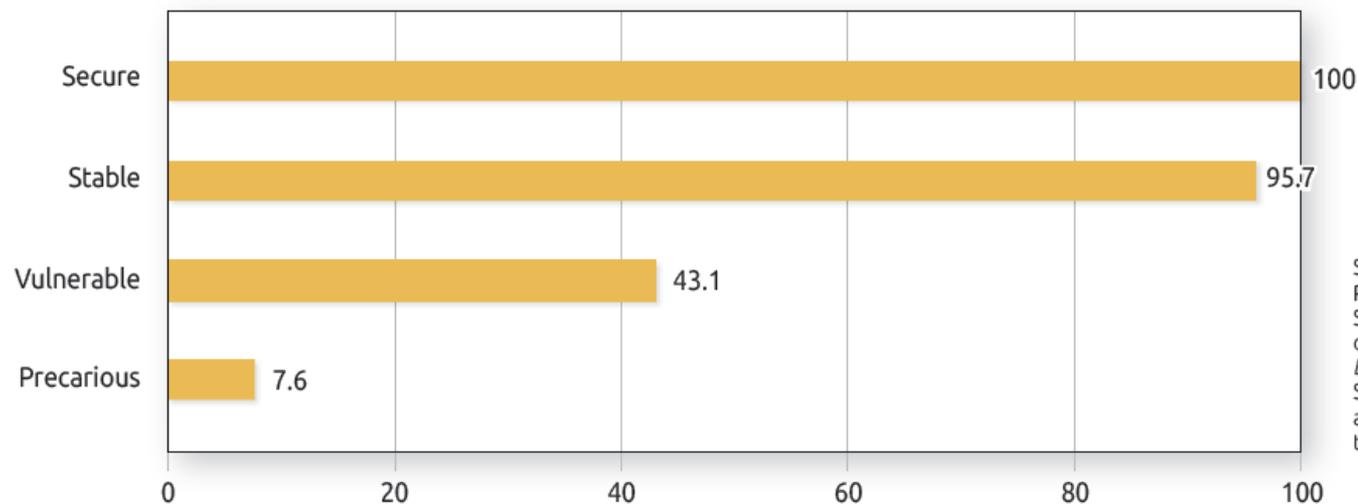
Figure 14: Average individual and household income by employment security: 2011–2014 GTHA (\$)



Source: PEPSO survey 2011 and 2014. 2014-11 change in *Secure* individual and household income significant at  $p < .001$ . Change in *Precarious* income not significant.

# Workers in precarious employment do not receive supplemental health benefits.

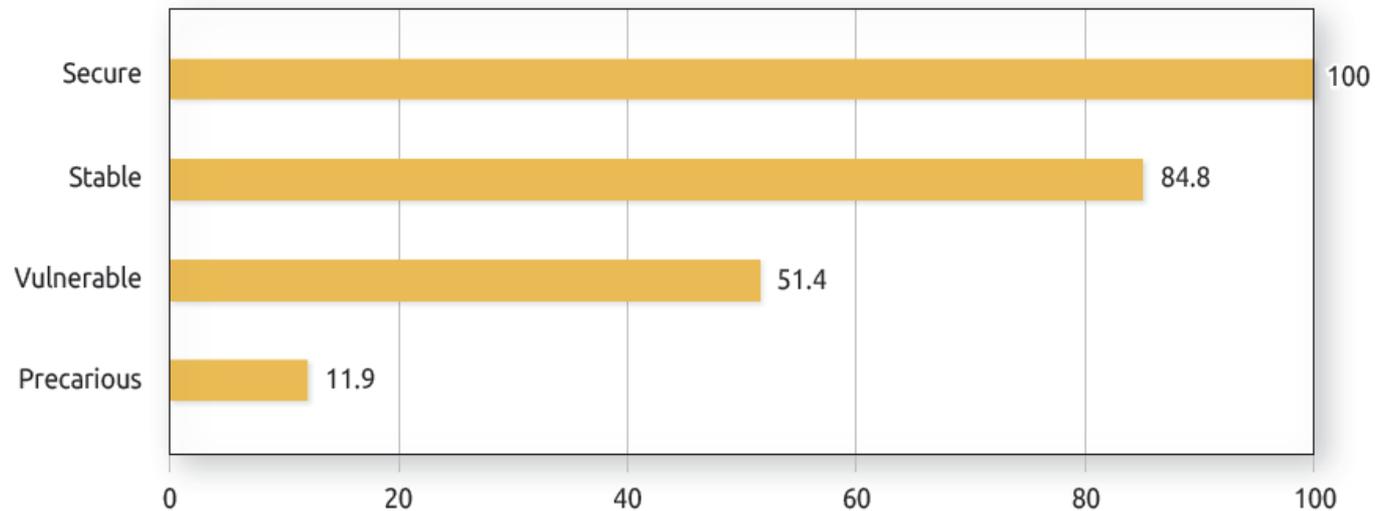
Figure 33: Employer funds drug, vision and/or dental benefits by employment security (%)



Source: PEP SO survey 2014. Significant at  $p < .001$ . This question is included in the *Employment Precarity Index*. Survey respondents were asked if they have any of these benefits.

# Workers in precarious employment do not get paid if they miss work.

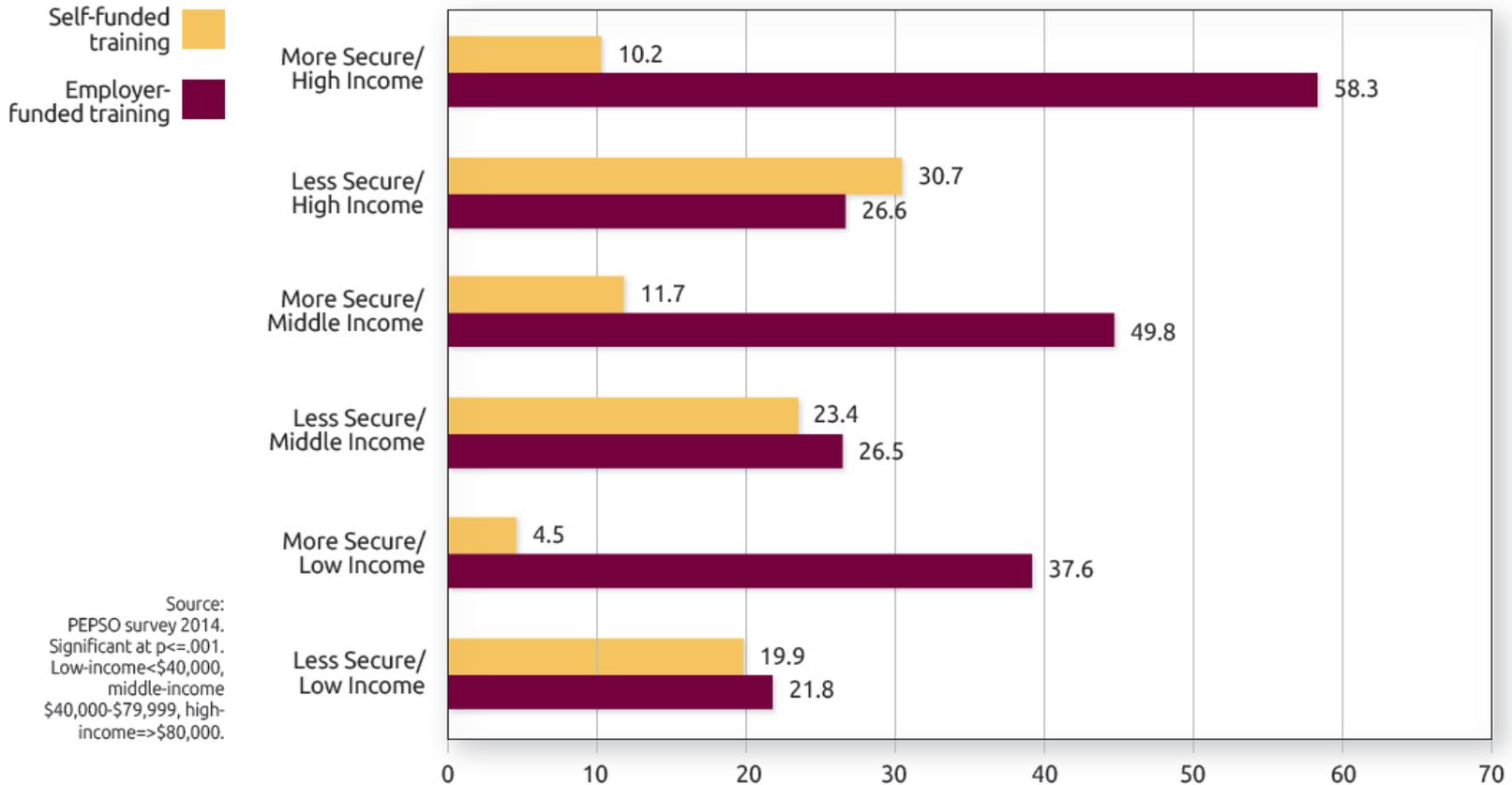
Figure 35: Paid if misses a day's work by employment security (%)



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ . This  
question is included in the  
*Employment Precarity Index*.

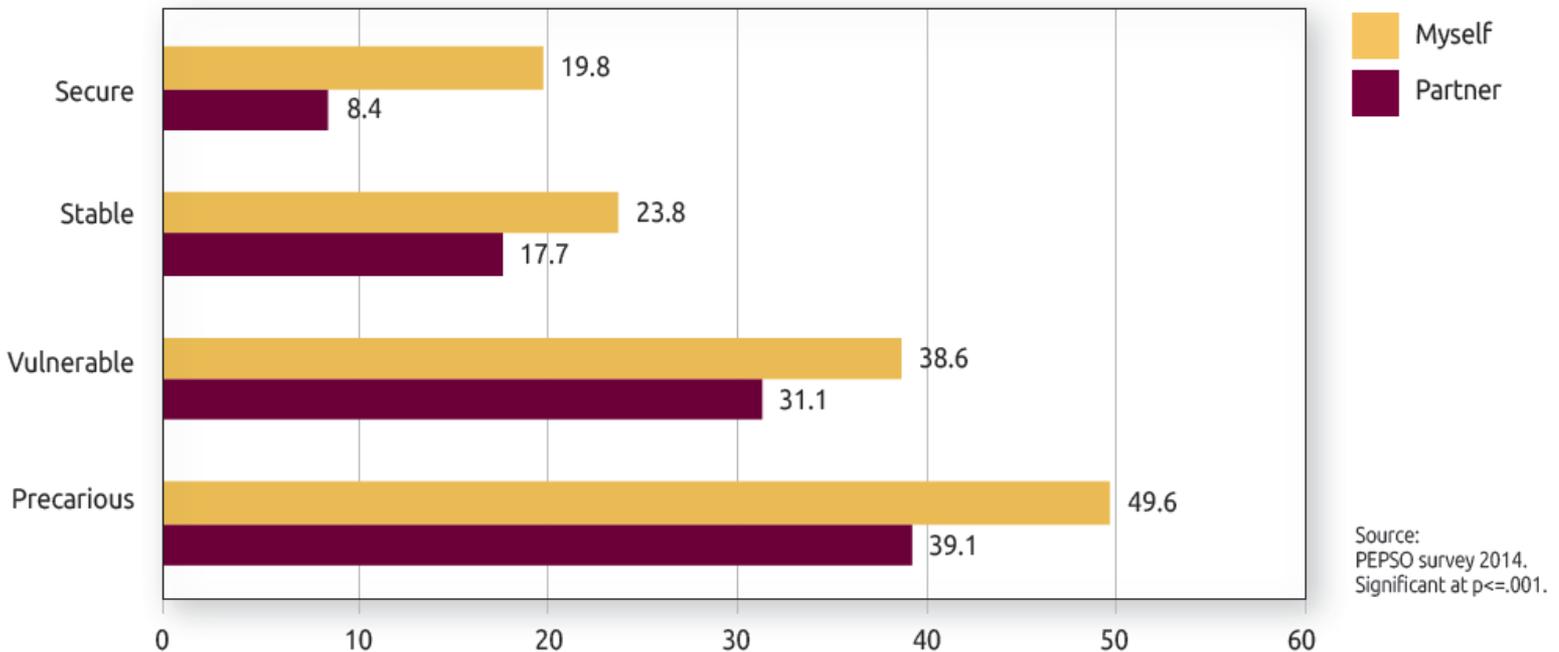
# They have less access to training.

Figure 38: Self-funded versus employer-funded training by employment security and individual income (%)



# Lack of childcare is an issue for workers in precarious employment.

Figure 85: Lack of access to childcare limits ability to work by employment security (%)



Precarious employment has a major impact on the health and well-being of individuals and their families.

*“You’re just constantly fighting for work; you’re constantly trying to find work. . . . But the way that my brain is going right now is like I just need a steady income because this is just getting ridiculous. Where I’m at right now is, financially, really precarious; it’s really precarious.”*

*-Eva*

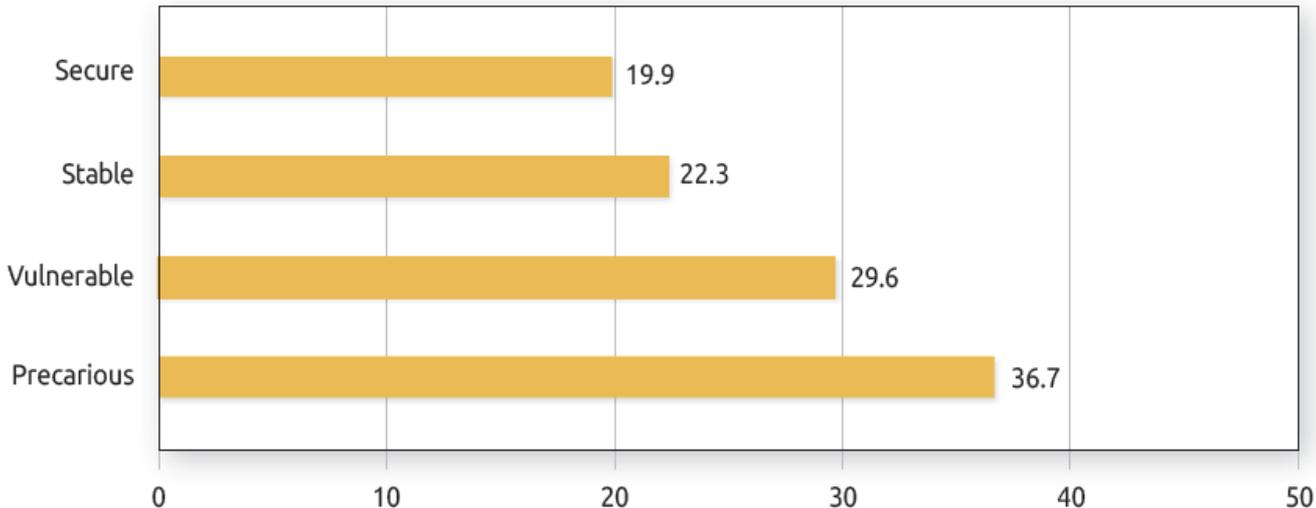


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# Precarious employment is associated with increased risk of mental health issues.

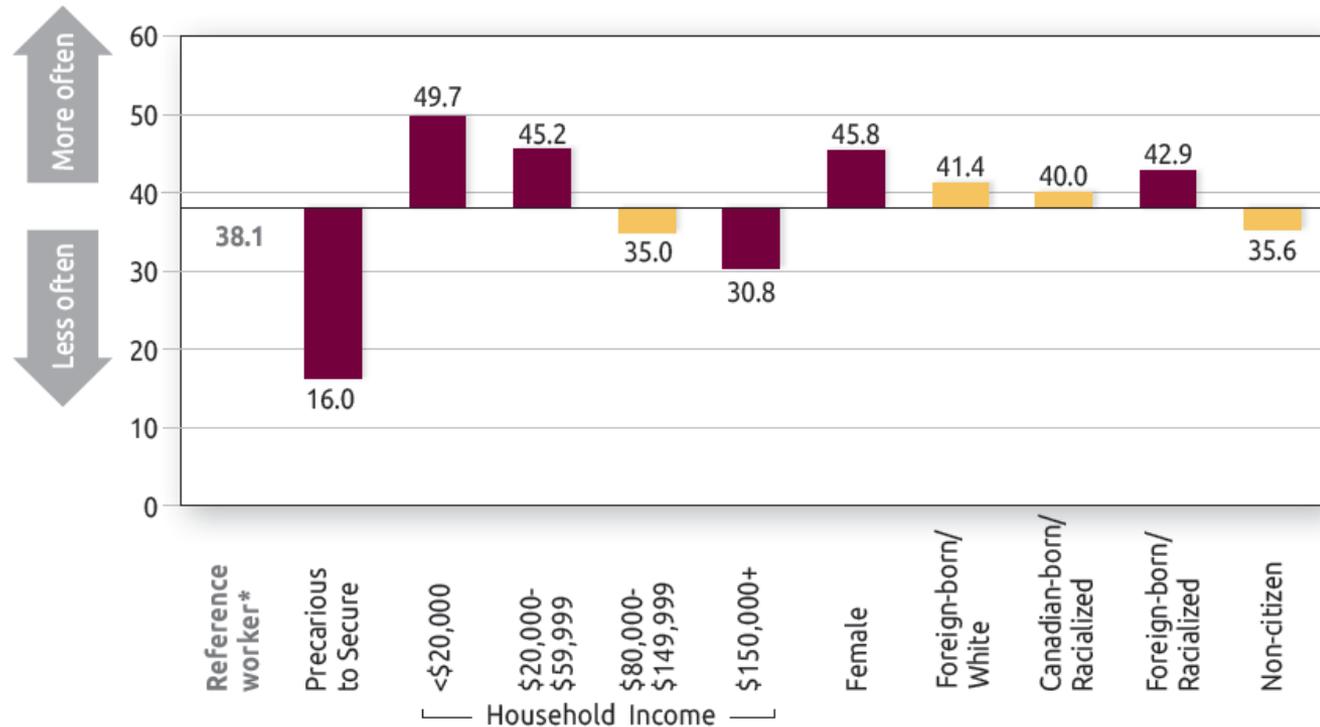
Figure 58: Mental health is less than very good by employment security (%)



Source:  
PEPSO survey 2014.  
Significant at  $p \leq .001$ .

# Precarious employment is associated with increased anxiety at home.

**Figure 67: Percentage reporting anxiety over employment interferes with personal or family life (Reference worker=38.1%\*)**

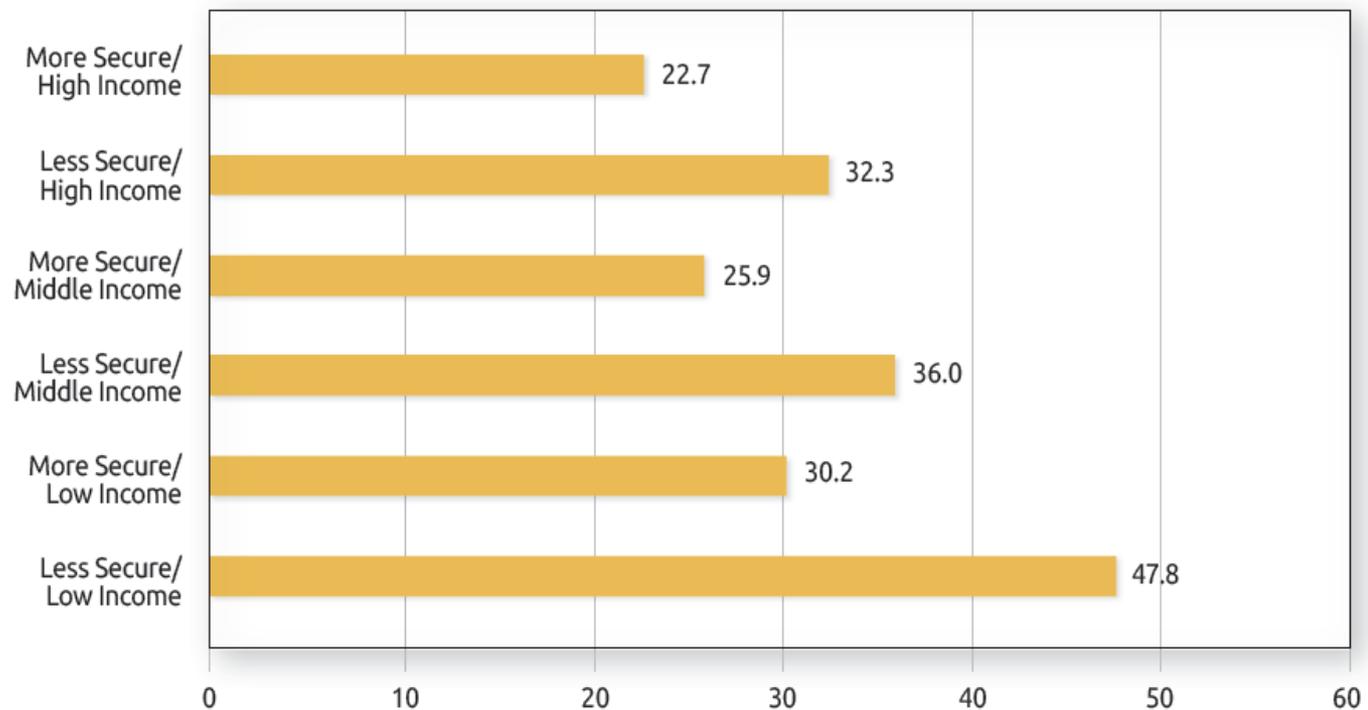


\* Reference worker: Canadian-born, white male in *Precarious* employment, household income \$60,000-\$79,999, aged 35-44. The analysis also controls for living alone, children in household.

Source: PEPSO survey 2014. Maroon bars significant at the 5% level. Analysis based on logistic estimations. The non-citizen category included 219 workers of whom about two-thirds are racialized.

# Precarious employment is associated with increased anxiety at home.

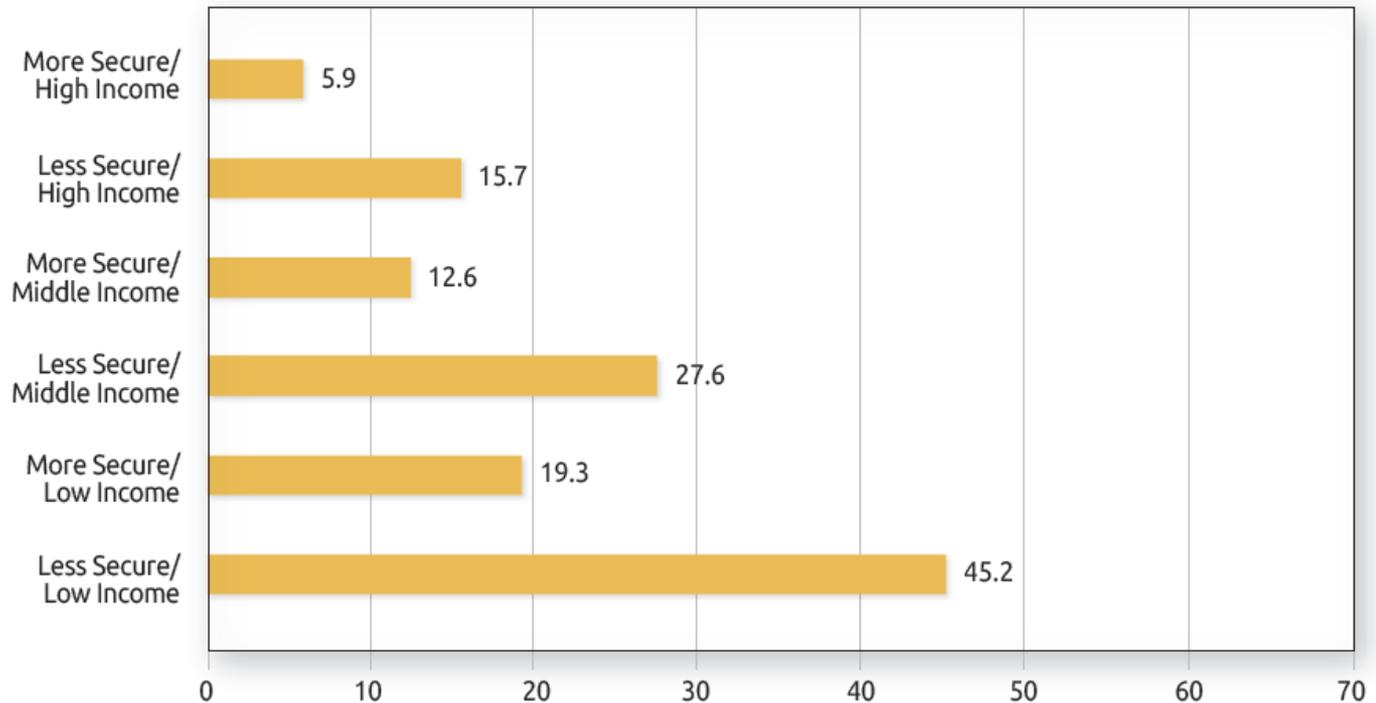
**Figure 66: Anxiety about employment situation interferes with personal or family life by employment security and household income (%)**



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

# Precarious employment is associated with increased income stress.

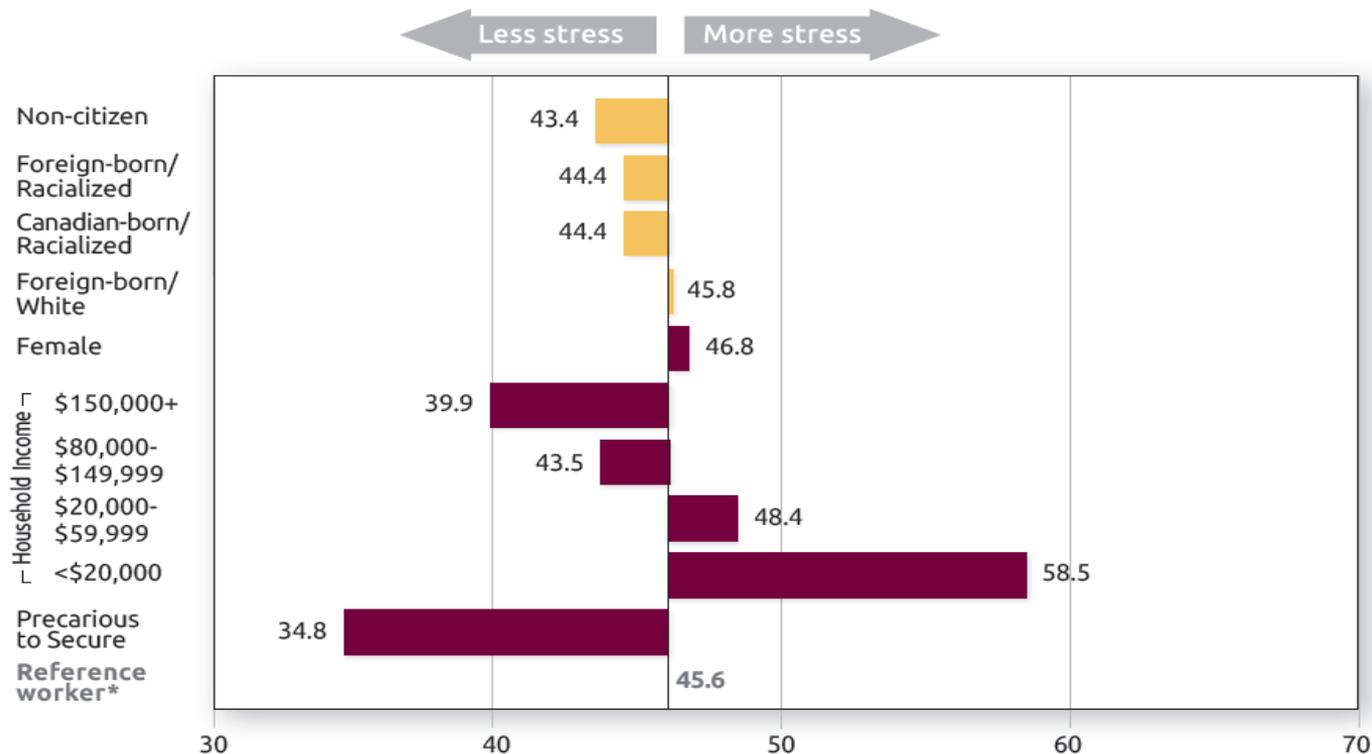
Figure 74: Concerned about maintaining standard of living in the next 12 months by employment security and household income (%)



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income  $\geq$  \$100,000.

# Precarious employment is associated with increased income stress.

**Figure 70: Impact of income and employment security on Income Stress Index (Reference worker score=45.6\*)**

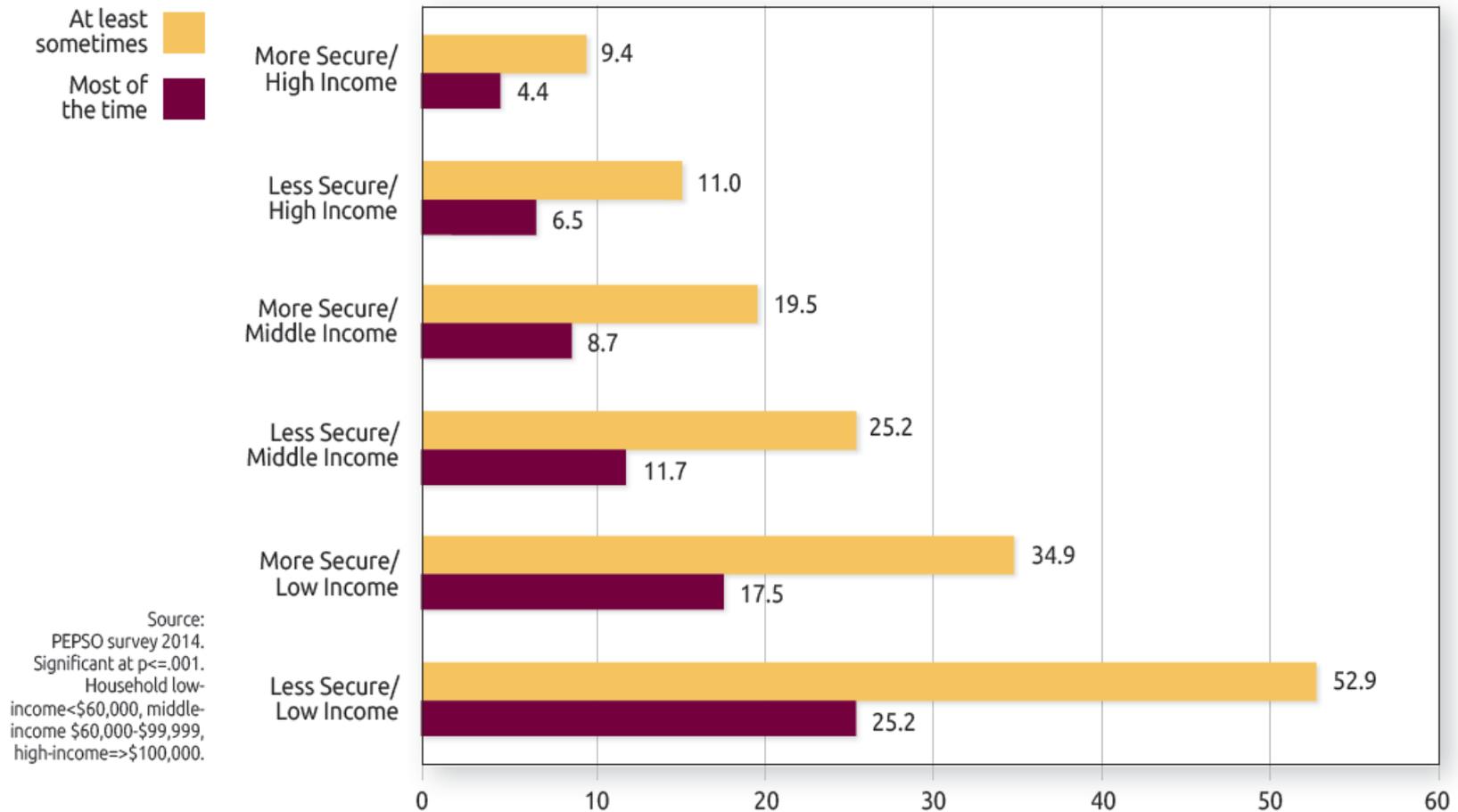


\* Reference worker: Canadian-born, white male in *Precarious* employment, household income \$60,000-\$79,999, aged 35-44. The analysis also controls for living alone and children in household.

Source: PEPSO survey 2014. The Income Stress Index includes: employment affects large spending; keeping up with bills; concern about debt; concern about maintaining standard of living; income lower this year. Estimates calculated using OLS regression. Maroon bars significant at the 5% level. The non-citizen category includes 219 workers of whom about two-thirds are racialized.

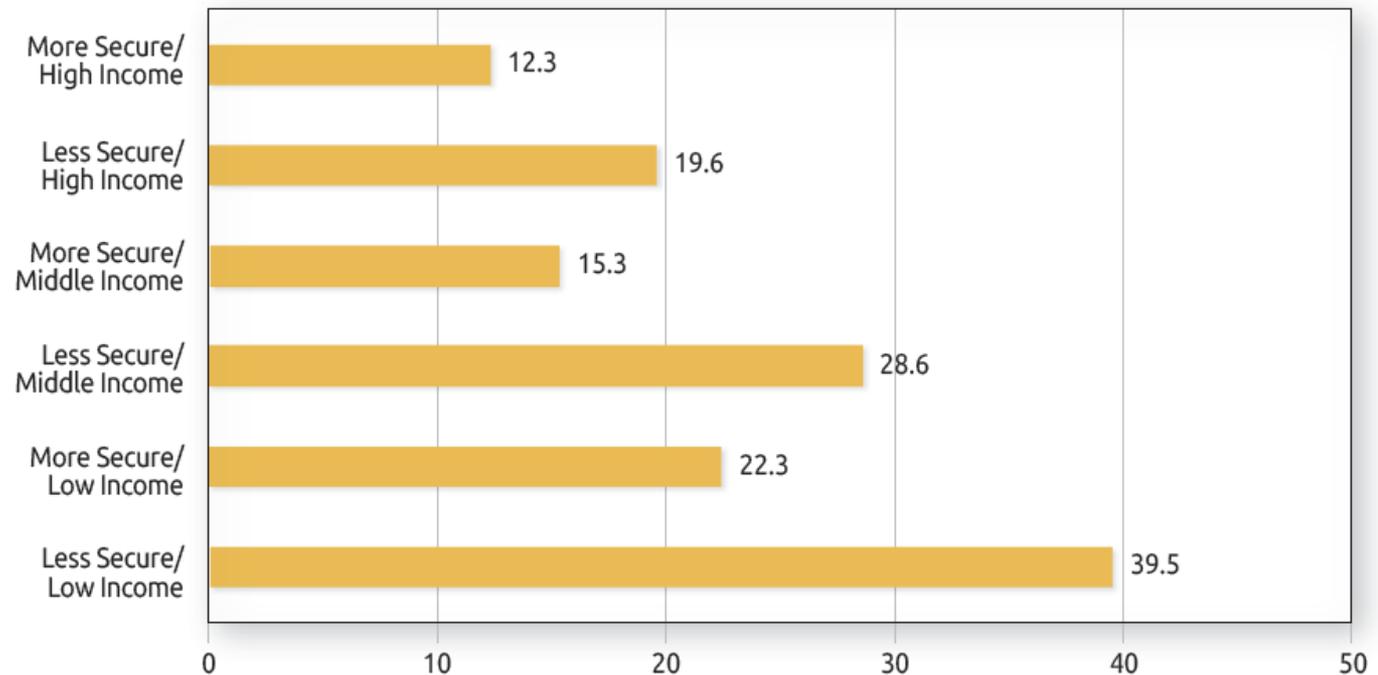
# Precarious employment can affect children.

**Figure 82: Unable to pay for activities outside of school by employment security and household income (%)**



# Workers in precarious employment can be more isolated.

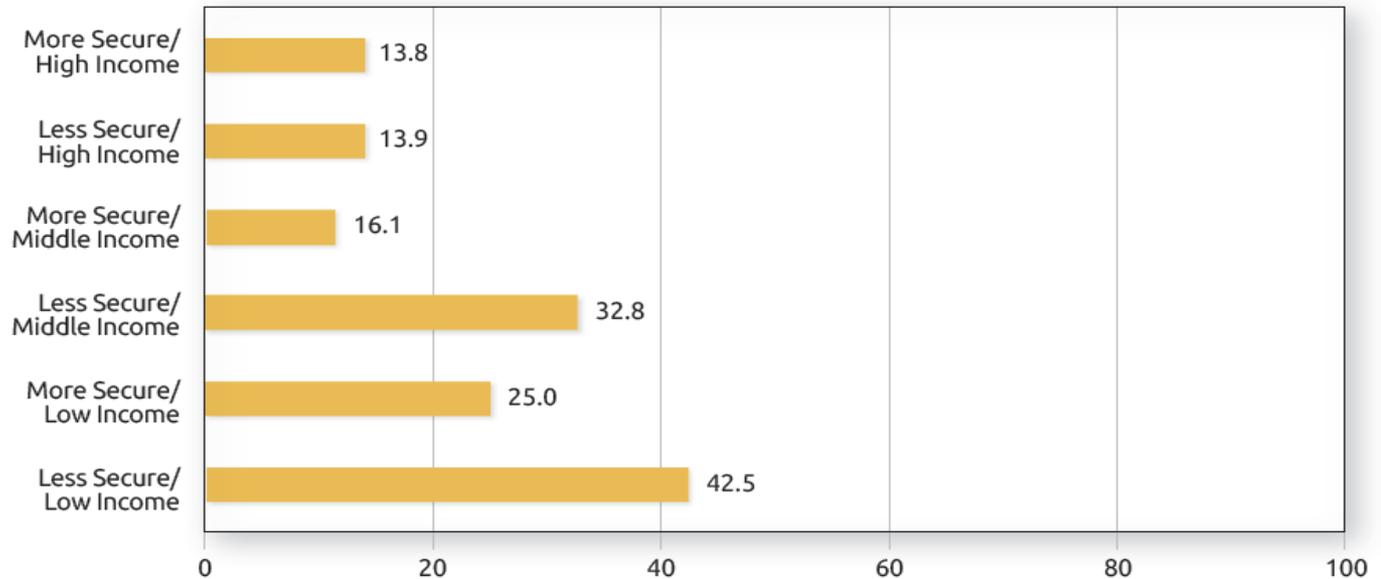
Figure 102: Does not have a friend at work to ask a favour of by employment security and household income (%)



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-  
income < \$60,000, middle-  
income \$60,000-\$99,999,  
high-income  $\geq$  \$100,000.

# They volunteer more for job opportunities.

Figure 95: Volunteers to improve job opportunities by employment security and household income (%)



Source:  
PEPSO survey 2014.  
Significant at  $p < .001$ .  
Household low-income < \$60,000, middle-income \$60,000-\$99,999, high-income > \$100,000.

Precarious employment is bad for everyone—but your race, gender and where you were born can make things worse.

*“I couldn’t find job. I looked and looked . . . so I said “you know what? It is not there”. . . This is very, it’s very degrading, it’s very humiliating. . . . It makes me feel like “okay, I’m not doing well here, so maybe I had to go back to where I come from, because I’m just getting by in this country.”*

*-Sofia*



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# Workers in precarious employment face more discrimination

Figure 46: Discrimination is a barrier to getting work by employment security (%)

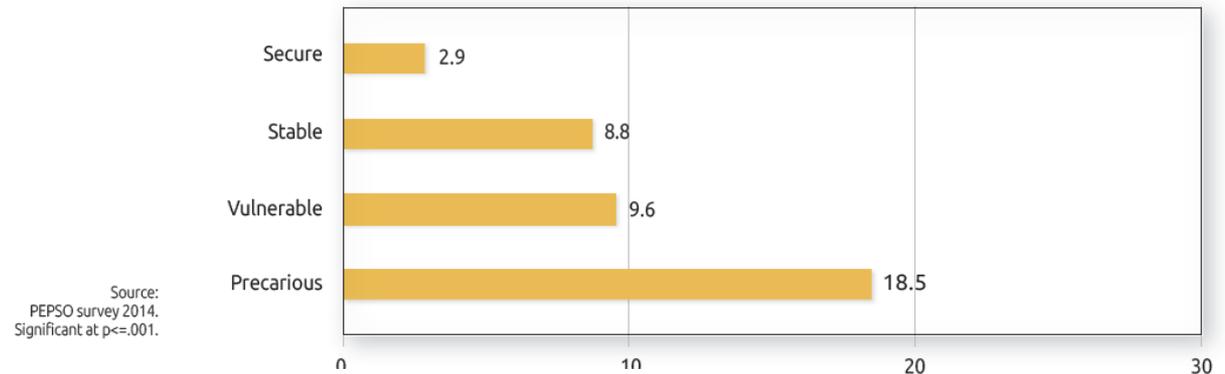
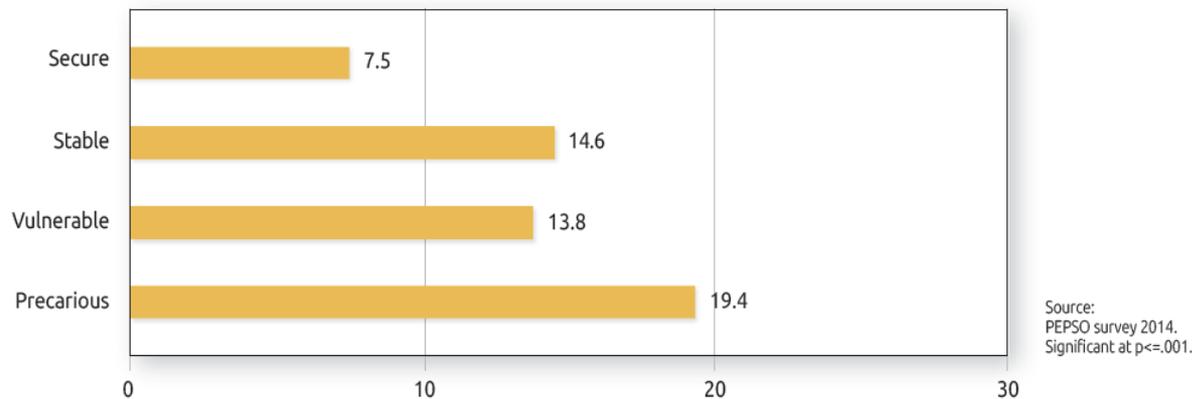


Figure 52: Discrimination is a barrier to advancement by employment security (%)

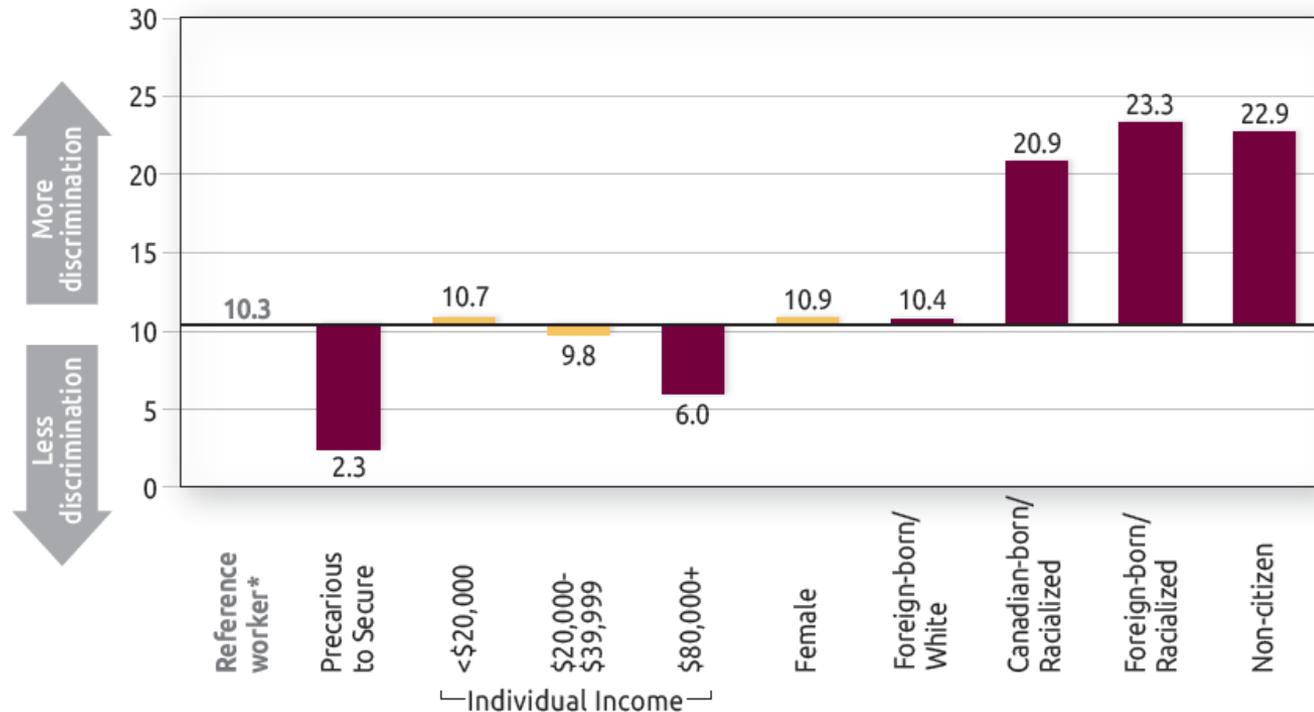


# Racialized workers report more discrimination

**Figure 48: Percentage for whom discrimination is a barrier to getting work (Reference worker=10.3%\*)**

\* Reference worker: Canadian-born, white male in *Precarious* employment, individual income \$40,000-\$79,999, aged 35-44.

Source: PEPSO survey 2014. Maroon bars significant at the 5% level. Analysis based on logistic estimations. The non-citizen category included 219 workers of whom about two-thirds are racialized.



# There are practical solutions that will give people in precarious jobs a pathway to more stability and security

1. Building a dynamic labour market that supports workers in precarious employment
2. Ensuring that jobs are a pathway to income and employment security
3. Enhancing social and community supports for a new labour market

# 1. Building a dynamic labour market that supports workers in precarious employment

- Building a workforce-development plan for a changing labour market
- Providing training opportunities for those in insecure employment
- Enabling more secure employment
- Addressing discrimination in hiring, job retention and advancement

## 2. Ensuring that jobs are a pathway to income and employment security

- Modernizing employment standards
- Reducing the impacts of irregular work schedules for workers
- Improving income security for workers in precarious jobs
- Enhancing access to benefits for workers in insecure jobs
- Supporting voice at work

### 3. Enhancing social and community supports for a new labour market

- Enabling flexible, quality childcare
- Improving access to community services
- Creating accessible opportunities for children and youth
- Ensuring meaningful volunteer opportunities

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