



Multiple Jobs, Multiple Counting

In the first seven months of 1998, household survey employment grew at an annual rate of only 0.4 percent, well below its 20-year average growth rate of 1.7 percent a year. Over that same seven-month period, nonfarm payroll employment grew at an annual rate of 2.1 percent, close to its 20-year average annual growth rate. As the graph at the top of Page 10 shows, a gap between the growth rates of payroll and household employment has existed for at least four years now, and it appears to be widening again. Similar gaps existed in the late 1970s and late 1980s, though neither persisted as long as the current one. The chart below shows the cumulative effect of these gaps since 1978: a convergence in the paths of household and payroll employment that began in the late 1980s. Can we account for the gaps and convergence?

Because the household and payroll series measure different outcomes, it is not unusual to observe differences in their growth patterns. The household employment series counts the number of *people* who are employed (currently, about 131 million), including agricultural workers, unpaid family workers and the self-employed. The payroll employment series, on the other hand, counts the number of *jobs* that are filled by wage and salary employees at nonfarm establishments (about 126 million). Thus, a gap exists between the two series because of the differences in the types of workers they include.

To adjust for this difference, the chart at right includes a third series that measures the number of wage and salary employees from the household survey who work at nonagricultural establishments (about 119 million workers). For most of the postwar era, this series tracked the payroll series closely, as would be expected. As the chart shows, however, this series has recently *not* been shadowing payroll

employment well; it is counting fewer workers. Where else can we look?

At multiple jobholders. Why? Because the payroll series, by counting jobs, double-counts people. And since labor markets are currently stretched about as thin as we have seen in decades, it is reasonable to believe that more people are working multiple jobs, thus driving up the growth rate of payroll employment while not affecting household employment. In fact, the data appear to show that the number of people working more than one job (about 8 million) has been increasing moderately since 1994, the earliest data available. Adding these workers to the level of household wage and salary workers stated above brings us close to the payroll employment level. (Workers with more than two jobs or jobs not on nonfarm payrolls distort this calculation.)

This answer may be too simple, though. Explaining the gap with multiple jobholders assumes that their importance has grown over time. But multiple jobholders' *share* of employment has remained pretty steady—around 6 percent—since 1994. So might multiple jobholders explain the earlier gaps? Perhaps, but, unfortunately, we are hindered by the lack of data.

—Adam M. Zaretsky

