- telecommuting trends
- wk at home / home businesses
- how why

www.freeagentnation.com
dan@freeagentnation.com

Help why businesses spend more time @ home:
① encourage telecommuting
② more leave
③ not get overtime

#s are really bad:
there's no perfect #

- BLS only counts alternative wk - using bad data defs
relying on old #s

Home Office / Nej

IDC - Int'l Data Corp → home based businesses
IDC.com
508 872 8200

home office assoc of Am
home based business owners assoc
Beverly Williams

Ray Boggs

- Nat Assoc for the self employed

1998 22.2 million
2002 30 million

home office hshlds w/ mult PC
1998 7.8 million
2002 12.1 million

- Home based wkg moms
Austin TX
512-266-0900

---

telecommuters 11 million
Gil Gordon - 732-329-2266
N.J.

this brd phenom has outgrown our statistical analysis

15 mill telec
25 mill home based

40 mill who's main place of business

Teleagents: 25 mill
1 out of 5 wkrs - includes temps, ind contractors, solo practitioners, self employed, home based bus operators, freelancers

BLS self employed 9 mill
+ Incorp'd self employed 4 mill
BLS counts - basement 2 mill

15 mill

temps 2 1/2 - 3 mill

ind contractors 9 1/2 - 10 mill

husband-wife couple business

PEOs professional employee organizations

Tom Nardone; BLS
606-6378
randy rlg - update
proportion ppl who move

survey on time-use
Ls actual ways people spend their time
Diane Hers

Julia Shore
The overwork'd American

John Robinson
more a perceptn
MLR: '94-'95

Gil Gordon - Gil@gilgordon.com
· 2nd Hand resources:
telecommuty: corporate salaried employees
spending at least one day a wk at home mostly in place of going to office
- 8.9 million today
rule out: - self employed home based bus owners
- corporate day extenders
- "road warriors" - sales rep.

1997 press release
pvt orgs
only w/in last 15 yrs become 1 day a wk
· total wk at home pop: 35-40 million
plumbers, farmer,

$145.20
40¢ each

spouse - corp employee telecommutr
home office sales rep
- run own home based business
- day extender too

Over last 10-12 yrs growth rate
10-15%/yr

Tom Miller, - 1984 - not what hang.
Ithaca, Cyberdialogue 607-275-9590
tmiller@cyberdialogue.com

Dr. Wendell Joyce
GSA
202-291-8839

Joanne Pratt - 214-528-6540

Joanne Pratt

SBA Characteristics of Business Owners Survey
Sample 125 thousand
U.S. bureau of Census

Total # of firms file sched C partnership or subchapter S tax form

Sm. businesses 17.3 million — looking for supplementary income

52.1% operated from home or 9 million

1992 tax forms
survey 1996

♀ owned: 5.9 million total firms
55.2% op'd fr. home (3.25 million)

non minority male owned: 10 million
51.7% op'd from home
(5.23 million)

blk owned: 621,000
48.3% from home (.3 million)

hispanic: 772,000
46.2% homebased (.36 million)

other min: 606,000
34.3% home based (.2 million)

17.5
.8
18.3

CyberDialogue
telecommuters: 1 or more days/month at home during norm. bus. hrs. includes ind contrxrs + employees

1990	4.0 million	
91	5.6 million	penetration of p.c.s as prices come ↓
92	6.6 "	
93	7.3 "	
94	9.1	
95	8.5	[bec. of dip in eco]
96	8.7	
97	11.1	↑ use in internet
98	15.7	pushing the (B)

- P.C. cheaper
- reason to have one more compelling

- 7.4 corp employees, up 7% from 6.9 million in 1997
- 4.6 million contract wkrs, up 11% from 3.6 mill '97 — semi retirees + homemakers
- 4.3 million p/t wkrs telec informally

Cyber Dialogue

	use pc at home by ppl who wk at home	go online
90 ~~usage~~	18% U.S. population	
91	20%	
92	29%	
93	34%	4%
94	45%	10%
95	59%	21%
96	69%	29%
97	74%	34%

Joanne H. Pratt Associates

joannepratt.com

citing the new invisible white

roughly

Cyber Dialogue   Self employed

1998   19.6 million self employed X

homebased 12.6 million

Work at home: 54.6 million - 1998

office bus in home
95-97

U.S. Work-at-Home Household Forecast

Segment Definitions

The home office market is composed of two major segments: income-generating home-based businesses and corporate home workers. These segments are broken down further into primary self-employed workers, part-time self-employed workers, corporate after-hours workers, and telecommuters. Each segment is defined in this section.

Income-Generating Home-Based Businesses

Income-generating home-based businesses comprises two classes of workers:

- **Primary self-employed workers.** This segment includes home workers who report self-employment as their primary source of income.
- **Part-time self-employed workers.** This segment includes those with full- and part-time or multiple part-time jobs. These home workers differ from the primary self-employed workers in that home work is not their most important income-generating activity.

Corporate Home Office Households

The corporate home office market consists of two types of workers:

- **Corporate after-hours workers.** This segment includes corporate workers who bring work home from traditional jobs after normal business hours. Although they work in the evening or on weekends, corporate after-hours employees are not compensated separately. Their reward would (they hope) come through raises and promotions associated with their greater productivity.
- **Telecommuters.** These home workers include corporate employees who work at home at least part time *during normal business hours*. The threshold for telecommuters is three days a month or more, although some telecommuters may spend essentially no time in traditional offices.

Don't Add the Percentage of Home Offices by Type to Get a Total!

Because a dual-income household can have multiple workers from multiple home-worker segments, a single household can be placed in more than one segment for tabulation purposes.

The percentages of primary and part-time self-employed households added together do not equal the total of income-generating home offices, and the percentages of corporate after-hours workers and telecommuters do not equal the total of corporate home offices. Similarly, the total of the percentages of income-generating home offices and corporate home offices does not equal the percentage of total work-at-home households. Because a single household may have more than one worker, it could be included in more than one category.

For example, one adult could be described as an after-hours worker, and that person's spouse could work exclusively at a home-based business. This household would be tabulated as both a corporate after-hours home office household and as a primary self-employed home office. At the next level, it would also be counted in both the income-generating home office category and the corporate home office category. When these two categories are combined, however, the household would be counted only once. Thus, the number of work-at-home households, 37.3 million at the end of 1998, is less than the sum of income-generating home office households (22.2 million) and corporate home office households (27.2 million).

IDC Expects Multiple PC Home Office Households to Reach 12.1 Million by 2002

Success of Home Networking Products Will Depend on Ease of Use

FRAMINGHAM, Mass., February 22, 1999 - According to a new bulletin from International Data Corporation (IDC), the number of home office households with multiple PCs will soar from 7.8 million in 1998 to 12.1 million by 2002. This spectacular growth is creating enormous opportunities for vendors to connect these PCs.

IDC believes that Internet use in homes will ultimately be the application that drives widespread adoption of home networking solutions in multiple PC households. As the importance of the Internet increases as a resource for news, finance, shopping, and education, multiple-PC-owning households will have to decide whether to ration use of the PC that has Internet access, subscribe to an additional telephone line and Internet account, or implement a solution that allows them to share Internet access between PCs.

"Most homeowners will find implementing a networking solution is the most cost-effective way to have two or more PCs in a home access the Internet," said Warren Childs, research manager with IDC's Home Office Market research program. "These homes will not only reap the benefit of shared Internet access, but also all the other benefits of networking at home, such as peripheral sharing, file sharing, and e-mail."

Although networks established at the home will provide the same benefits as networks set up in offices, the types of networks in the home will look quite different from those set up at businesses.

"Networking products that will have broad appeal to home users must be simple, easy to install, and easy to maintain. Low price or high performance will not be able to overcome perceived or real difficulties with installation and maintenance of home networks," Childs said. "The short-term success of home networks will depend upon ease-of-use issues. Not only will vendors have to convince prospective users that networks can be easily set up and run in the home, but prospective users will also rely on word-of-mouth experiences that the networks really are as easy to use as the vendors claim."

IDC believes that successful networking solutions will be those designed to enable applications beyond PC-to-PC applications, such as sharing Internet access in the home, home automation, and those that enable another TV to become a PC.

Networking vendors have focused on three areas of technology to bring networking into homes: phone line, power line, and wireless. According to Childs, phone line technology has the early momentum in home networking because of broad industry support and because products based on the technology already exist. Electrical wiring's advantage is that it is accessible throughout a house. However, technical problems are inhibiting the success of this technology in the home networking market. Wireless offers the ultimate in flexibility and mobility in locating devices throughout the house, but high prices and the lack of standards-based products are hampering its home networking success.

www.TVguidelines.org

Connecting PCs in the Home Office: Networking Market Forecast (IDC #W18320) focuses on current efforts to develop networks designed for residential PC-to-PC communication and to connect these networks to the Internet. To order a copy of the bulletin, contact Janis Dempsey at 1-800-343-4952, ext. 4145 or at jdempsey@idc.com. Additional information on IDC can be found on its Web site at http://www.idc.com.

About IDC

International Data Corporation is the information technology industry's most comprehensive resource on worldwide IT markets, trends, products, vendors, and geographies. IDC provides data, analysis, and advisory services to the world's leading IT suppliers as well as IS professionals in finance, insurance, entertainment, advertising, consumer goods, and publishing. IDC's research and opinions are based on the results of more than 300,000 end-user surveys, in-depth competitive analysis, broad technology coverage, and strategic analysis. IDC is committed to providing global research with local content through its 500 analysts in more than 40 countries worldwide. Additional information on IDC can be found on its Web site at http://www.idc.com.

IDC is a division of International Data Group, the world's leading IT media, research, and exposition company.

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Home Networking Poised to Explode: 6 Million Nodes to Ship in 1999

Laying the Infrastructure for Intelligent Homes

The ability to connect PCs in the home represents a significant opportunity, both in networking technologies and in new PC usage models. IDC expects almost 6 million network nodes to ship into homes during 1999, and this number will grow rapidly through 2002.

There is already considerable demand among consumers, who can benefit from resource and peripheral sharing. Approximately 34% of PC-owning homes have two or more active systems, and the number of multiple PC households is growing faster than the overall PC penetration rate. "The demand for sharing peripherals and data will increase significantly as the penetration and usage of broadband Internet access expands," says Kevin Hause, manager of Consumer Devices research for IDC.

Given the interest by technology leaders, networking companies, and PC vendors in providing consumers with the tools to create intrahome networks, the market for suppliers is immense. Most of these nodes will enter the home within new PC shipments, but aftermarket sales of nodes will benefit from the need to equip existing computers.

Further, as communication networks become more common in homes, the opportunity for non-PC devices to leverage PCs and other devices for processing power, storage, and communications gateways will enable lower-cost information appliances. "The ability for entertainment, communication, information access, and other consumer products to communicate with each other and the outside world promises tremendous benefit for users," Hause says.

However, several issues will delay consumer use of these nodes in a network. First, the adoption of broadband Internet access, a key driver for home networking, will be gradual. Second, although PC vendors are already adding networking to systems, it will take time before the installed base of networking nodes in multiple PC homes reaches critical mass. Third, consumers must be educated on the benefits of networking in the home and the ease with which networks can be installed and maintained. As such, IDC believes that by the end of 1999, only 1.9 million U.S. homes will actually have an installed home network. Over the next few years, however, the number of homes with installed networks will swell to almost 12 million, or 12% of all U.S. homes.

IDC's report, "*To Connect or Not to Connect: Home Networking Market Review and Forecast, 1998-2002*" (IDC #W18220), is currently available. For more information or to purchase this report, contact Cheryl Toffel at 1-800-343-4952, ext. 4389 or at ctoffel@idc.com. IDC's Web site (http://www.idc.com) contains additional company information and recent news releases, and it offers full-text searching of the latest available research.

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Family and Work Trends and Statistics

Making A Living From Home

The number of people who make a living from their homes has increased. This category of worker can be subdivided into those who telecommute to a central corporate or government office, owners of home-based business, and other self-employed "free agents."

The data on the number of people who make more of their income from home is difficult to aggregate and trend for a number of reasons. The government and corporate organizations, such as CyberDialogue, a New York based research firm cited below, that do measure these statistics use very different definitions for people who make their living from home (e.g. the definition of telecommuters ranges from people who telecommute once a month, to people who telecommute twice a week). In addition to a lack of consistent definitions, there has never been a uniform measuring system that has chronicled trends year to year.

Overall Work at Home Statistics

Every six years the Bureau of Labor Statistics (BLS) releases "Work At Home" Statistics which apply to people who telecommute approximately once a week, home-based business owners, and other self employed people. Because the data is measured every six years, the short term trend line is more difficult to determine. According to the BLS report released in March 1998, more than 21 million people did some work at home in May 1997. The BLS figures show:

- The number of people who did some work at home only grew by 1.5 million since 1991 – however, of people specifically paid for the work they did at home (i.e. not just those who took their briefcases home) increased substantially. In 1991, only 1.9 million wage and salary workers who worked at home got paid for their work while in 1997, 3.6 million wage and salary workers got paid for their work at home.
- More than 70% of people who made a portion of their income from home were married-couple families, and over 9 million of those who did some work at home had children under 18.

Overall Work at Home Trends

The following CyberDialogue statistics show a year to year trend in people who make a living from home, however the BLS and CyberDialoge numbers cannot be aggregated because they use different definitions for people who made a portion of their income from home. The CyberDialogue count – noticeably higher than BLS's -- includes once-a-month telecommuters, people (whether self-employed or working for a company) who bring work home after hours, independent contractors, and home-based business owners.

1990: 25.3 million
1991: 27.9 million
1992: 27.3 million
1993: 28.7 million

1994: 34.9 million
1995: 40.9 million
1996: 42.2 million
1997: 52.1 million
1998: 54.6 million

Therefore, according to CyberDialogue data, we could reliably say that **the number of people who make some part of their living from the home has more than doubled in this decade alone.**

Home-Based Businesses
According to BLS, of the 21 million people who did some work at home in 1997, about 6.5 million were self-employed. More than 4.1 million self-employed workers were working in home-based businesses. The vast majority of these people -- 3.8 million -- were white. According to a study produced by the Small Business Administration Office of Advocacy, age is not a factor for men entering business, while the likelihood of women becoming home-based business owners increases with age. The study also noted that home-based businesswomen in their 20s earn substantially less than self-employed women in their 20s who work outside of the home. However, businessmen of the same age make almost the same income, regardless of their business location.

Home-Based Business Trends
This CyberDialogue count includes self-employed people who do any type of work at home for which they are compensated (telecommuters not included) including home-based business owners. Here again, the CyberDialogue numbers appear more inflated than the BLS numbers, but they show a short term trend (the government numbers do not).

1990: 11.2 million
1991: 11.6 million
1992: 12.1 million
1993: 12.4 million
1994: 14.2 million
1995: 15.6 million
1996: 16.4 million
1997: 18.3 million
1998: 19.6 million

Therefore, according to CyberDialogue data, we could reliably say that **in the last decade the number of self employed people who do any type of work at home for which they are compensated has almost doubled.**

Telecommuting
According to a study by the U.S. Department of Transportation, in 1992 approximately 2 million people telecommuted, mostly from home (99% telecommuted from home). The study projected that by 2002, 7.5-15 million workers would telecommute from home and from telework centers

(a projected 50.3% would telecommute from telecommuting centers closer to home than the central office). The DOT defined telecommuting as people who work from home or from a satellite telework center at least one day a week. The study estimated that fuel emissions, time spent travelling, and gasoline costs would all sharply decline as a result of telecommuting.

Telecommuting Trends

CyberDialogue, a New York based research and consulting firm, has been tracking telecommuting rates for over a decade and has released data showing a rapid increase in telecommuters. CyberDialogue's definition of telecommuters – which is more liberal than the DOT definition -- includes people who work for a central office from home at least once a month, independent contractors, and part-time, informal telecommuters.

1993: 7.3 million telecommuters
1996: 8.7 million telecommuters
1998: 15.7 million telecommuters

Therefore we could reliably say that **since the President took office the number of telecommuters has doubled**. The rapid increase in telecommuters can be attributed in part to the decrease in cost of personal computers, and a more compelling reason to use them – the Internet. Between 1993 and 1997 the number of home-based business owners who were on-line increased roughly eight-fold.

Internet Facts

These facts are from the Department of Commerce, Secretariat of E-Commerce in May 1999.

- Today almost half of US households own personal computers compared to only one-fifth in 1992. [Commerce Department, 5/99]

- Today almost 30% of US households are connected to the Web, up from 3% in 1992 [waiting for the hard numbers]. [Commerce Department, 5/99]

- It took radio 38 years to reach 50 million households; television 13 years; cable television 10 year; and only five years for the internet to reach 50 million households. [Commerce Department, 5/99]

- There are approximately 76 million people on-line in the US. [Commerce Department, 5/99]

- Business to business e-commerce in 1998 is estimated at $43 billion, and business to consumer e-commerce (known as e-tailing) will rise from an estimated $3 billion in 1997 to $32 billion in 2000. [Commerce Department, 5/99]

- Demographics are changing reflecting a drop in the education level of on-line users from the affluent to the working class. [Commerce Department, 5/99]

- Since 1997, the percentage of retailers with web sites has more than tripled – from 12% to 39%. [Commerce Department, 5/99]

- Home businesses on-line are increasing: 36% in 1998, estimated 66% by 2002. [Commerce Department, 5/99]

- E-Commerce doubles every 12 to 18 months. [Commerce Department, 5/99]

Hours at Work

- In 1970, one in eight, two-parent families included both a mother and father who were year-round full-time workers. By 1993, that figure doubled. [BLS, Monthly Labor Review, 6/94]

- The proportion of families with preschool children in which both parents worked all year, full time, more than tripled between 1970 and 1993, from 7% to 24%. [BLS, Monthly Labor Review, 6/94]

- While the overall average hours at work changed little between 1976 and 1993, the average workweek for 25 to 54 year olds lengthened, showing a much greater increase for women. In 1976 48.9% of non-agricultural workers worked 40 hours per week, whereas in 1997 only 40.2% of these 25-54 year olds worked 40 hours per week. However, in 1997 29.4% of these workers worked 49 hours or more per week, whereas in 1976 22.2% of these workers worked 49 hours or more each week. The overall average hours at work have remained constant in part because young people are working fewer hours (and more are attending school). [BLS, Monthly Labor Review, 4/97, 5/99]

Therefore we could say that **the average workweek has lengthened considerably for people in a wide-range of professions – from managers to truck drivers – who are in their child-rearing years.**

Mothers at Work

- About 18 million mothers – or three-fourths of the total – worked at some time in 1992, whereas only about half of all married mothers worked during 1970. [BLS, Monthly Labor Review, 6/94]

- As of 1998, the percentage of women with young children who work full time, and year round, has more than doubled since 1969, and the percentage of women with children under age 3 who work full time, and year round, has increased by more than four-fold. [BLS]

Television and Families Statistics

- 99% of American households have a television set and 87% of American households have a VCR. [Mediascope Fact Sheet – will get better cite when web access returns]
- 65% of homes have cable television. [American Medical Association, 1996]

- Children spend an average of 28 hours per week watching television. Over the course of a year, this is twice as much time than they spend in school. [American Medical Association, 1996]
- 54% of U.S. children have a television set in their bedrooms. [Mediascope Fact Sheet – will get better cite when web access returns]

Children and Depression

The National Mental Health Association (MNHA) cites a number of studies and statistics on childhood depression. The MNHA also marked May 6 as Childhood Depression Awareness Day to bring attention to childhood depression.

- As many as one in every 33 children and one in eight adolescents may have depression. (U.S. Center for Mental Health Services (CMHS), 1996)

- Once a young person has experienced a major depression, he or she is at risk of developing another depression within the next five years. (CMHS, 1996)

- Two-thirds of children with mental health problems do not get the help they need. (CMHS, 1996)

- Suicide is the third leading cause of death for 15 to 24 year olds (approximately 5,000 young people) and the sixth leading cause of death for five to 15 year olds. (American Academy of Child & Adolescent Psychiatry (AACAP), 1995.)

- The rate of suicide for five to 24 year olds has nearly tripled since 1960, making it the leading cause of death in adolescents and the second leading cause of death among college age youth. (AACAP, 1995)

Youth Attitudes

The Ad Council produced a study entitled "Kids These Day: What American Really Think About the Next Generation," covering a range of issues. The study, a collection of surveys, demonstrated widely held concerns that young people today face a moral crisis because parents are careless and not sufficiently engaged in the lives of their children. The study further noted that parents do not feel that they are able to spend enough time with their children, because they must work harder.

The study had a special focus on teen's attitudes. Teenagers described themselves as happy and said that they have warm relationships with their parents and other adults. Many, however, noted that they have a lot of free, unstructured time and said that their environs are filled with hazards and potential trouble.

Current Population Reports

Population Characteristics

Household and Family Characteristics: March 1998 (Update)

By Lynne M. Casper and Ken Bryson

CENSUS BUREAU

P20-515
Issued October 1998

DATA HIGHLIGHTS

Detailed tabulations are now available which provide statistics on families and nonfamily households in the United States, based on the March 1998 Current Population Survey. In the highlights below, the numbers in *italics* are significantly different from the corresponding numbers in 1997; others are not significantly different. These new tables provide information such as:

- In 1998, there were ***70.9 million*** family and ***31.6 million*** nonfamily households — 69.1 and 30.9 percent of U.S. households.
- Fewer than half (49.0 percent) of the family households had own children under 18 living at home.
- 14.4 percent of the family households had own children 18 and older living at home.
- Single parents maintained 27.3 percent of the family households with own children under 18.
- There were 2.1 million father-child and 9.8 million mother-child family groups — related and unrelated subfamilies as well as family households.
- In the mother-child family groups, 42.2 percent of mothers had never married.
- Overall, families had an average of 3.18 members. Average family sizes differ significantly for race and origin subgroups— 3.92 for Hispanic; ***3.02*** for White, not Hispanic; and 3.42 for Black families.
- People living alone accounted for ***83.2 percent*** of the 31.6 million nonfamily households.

DETAILED TABULATIONS

The tables include 18 detailed tables (175 pages), 10 historical tables, 2 summary tables, and 1 state table. The electronic version of these tables is available on the Internet in portable document format using the Adobe Acrobat reader, at the Census Bureau's World Wide Web site (http://www.census.gov). Once on the site, click on "Subjects A-Z" then "F" for Families or "H" for Households.

A paper version of these tables is available as PPL-101 for $39.00. To receive a paper copy, send your request for "PPL-101, Household and Family Characteristics: March 1998 (Update)," along with a check or money order in the amount of $39.00 payable to Commerce-Census-88-00-9010, to U.S. Department of Commerce, Bureau of the Census, P.O. Box 277943, Atlanta, GA 30384-7943, or call our Statistical Information Office on 301-457-2422. A copy of these tabulations will be made available to any existing CPR P20 subscriber without charge, provided that the request is made within 3 months of the issue date of this update. Contact our Statistical Information Office on 301-457-2422.

For additional information on this topic, contact the Fertility and Family Statistics Branch, on 301-457- 2465, or E-mail (lcasper @census.gov).

The data in the detailed tables are from the March 1998 Current Population Survey. All survey data are subject to sampling variability as well as survey design flaws, respondent classification errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors. However, because of methodological differences, use caution when comparing these data with data from other sources. For information on the source of the data, the accuracy of the estimates, the use of standard errors, and the computation of standard errors for estimates, see the section on "Source and Accuracy" at (http://www.bls.census.gov/cps/ads/1998/ssrcacc.htm). For additional information, contact Andrew Zbikowski, Demographic Statistical Methods Division, on 301-457-4214 or E-mail (andrew.a.zbikowski @ccmail.census.gov).

NOTICE TO USERS

In order to keep you informed of the major findings from the Current Population Survey about household and family characteristics, short data updates will be made available in both printed and electronic forms for years when full reports are not produced. Additionally, the detailed tabulations that have been part of the printed reports will be updated annually in electronic form on the Internet. If you wish to obtain the new tabulations for March 1998, updating the prior report, "Household and Family Characteristics: March 1997" (Current Population Reports, P20-509), please see the "Detailed Tabulations" section.

Our decision to modify the format of the P20 series is based on a variety of factors. Ultimately we hope this decision will provide users with more timely data on a wider variety of topics. If you have comments about this change or the P20 series in general, please contact us on the Internet at: pop@census.gov, or write to Chief, Population Division, U.S. Bureau of the Census, Washington, DC 20233-8800.

Internet address: http://stats.bls.gov/newsrels.htm
Technical information: (202) 606-6378 USDL 98-217

For release: 10:00 A.M. EDT
Media contact: 606-5902 Thursday May 21, 1998

EMPLOYMENT CHARACTERISTICS OF FAMILIES IN 1997

The share of all U.S. families with at least one worker rose by 0.8 percentage point to 82.2 percent in 1997, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Over the year, the proportion of families with an unemployed person fell by 0.6 percentage point to 7.0 percent.

The data in this release are based on information collected in the Current Population Survey (CPS), a monthly sample survey of about 50,000 households that provides data on national employment and unemployment. For further information about this survey, see the Technical Note. Some of the highlights of the findings include:

--The number of dual-worker families--families in which both the husband and wife worked--grew by 352,000 between 1996 and 1997, while the number of "traditional" families--couples in which only the husband was employed--declined by 145,000.

--The labor force participation rate of mothers increased from 70.8 percent in 1996 to 71.9 percent in 1997, as the rate for unmarried mothers (single, widowed, divorced, or separated) increased by 3.2 percentage points to 75.0 percent.

--Among mothers with children under a year old, 57.9 percent were working or looking for work in 1997, compared with 54.3 percent the year before.

Families

Over the year, the proportion of families with employed persons increased by about 0.6 percentage point for white families and by nearly 2 percentage points for black and Hispanic families. Nevertheless, black families continued to be less likely to include an employed member (77.1 percent) than were either white (82.7 percent) or Hispanic families (84.1 percent). These data include families whose members are beyond working age. (See table 1.)

In an average week in 1997, about 4.9 million families--7.0 percent of all families--had at least one person who was unemployed. This proportion was down from 7.6 percent in 1996. The proportions of white and Hispanic families who had at least one person unemployed declined by 0.6 and 1.4 percentage points, respectively, while that of black families was about unchanged.

Overall, married-couple families and families maintained by men were more likely to include someone who was employed, about 83.8 and 85.9 percent, respectively, than were families maintained by women, 74.0 percent, in 1997. The proportion of families maintained by men that included a worker grew by 2.5 percentage points and that of families maintained by women that included a worker increased by 2.3 percentage points from 1996 to 1997. (See table 2.)

- 2 -

The number of married-couple families in which someone was unemployed fell by 320,000 to 3.1 million in 1997, while, among families maintained by men or women, the number with unemployment was about unchanged. (See table 3.)

Among married-couple families with children, the number in which both parents were employed increased by 165,000 for families whose youngest child was school age (6 to 17 years of age). The number was about unchanged for married-couple families with pre-school children (under 6 years of age). (See table 4.)

Mothers

The labor force participation rate of married mothers stayed a little below 71 percent. Among mothers of children under 6, the labor force participation rate increased by 1.6 percentage points to 64.8 percent. Married mothers with children under a year old were more likely to be in the labor force than their unmarried counterparts--59.2 and 54.0 percent, respectively. (See tables 5 and 6.)

The unemployment rate of mothers with children under 18 fell by 0.4 percentage point to 5.5 percent. This reflected a decline of 0.3 percentage point in the rate for mothers whose youngest child was school age and a decrease of 0.6 percentage point in the rate for mothers with pre-school children. (See table 5.)

Data shown in this release for 1997 incorporate revised population controls that were introduced into the household survey in January of that year. The revised controls primarily reflect improvements in the estimation of demographic characteristics for immigrants and emigrants and result in increases of about 37,000 in the number of families and of about 7,000 in the number of mothers with children under 18. Published estimates for 1996 have not been recalculated using the new population controls. Changes for the data levels shown in the text of this release reflect an allowance for the effect of the revised population controls and, therefore, may not agree with changes calculated directly from the attached tables.

Technical Note

The estimates in this release are based on annual average data from the Current Population Survey (CPS), a national sample survey of about 50,000 households conducted monthly for the Bureau of Labor Statistics by the Bureau of the Census. The information relates to the labor force status of persons 16 years old and over in the civilian noninstitutional population during an "average" week of the year.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-606-STAT; TDD phone: 202-606-5897; TDD message referral phone number: 1-800-326-2577.

Reliability of the estimates

Statistics based on the CPS are subject to both sampling and nonsampling error. When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. The exact difference, or sampling error, varies depending on the particular sample selected, and this variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the "true" population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

The CPS data also are affected by nonsampling error. Nonsampling error can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information, and errors made in the collection or processing of the data.

For a full discussion of the reliability of data from the CPS and information on estimating standard errors, see the "Explanatory Notes and Estimates of Error" section of the February 1994 and subsequent issues of Employment and Earnings.

Definitions

The principal definitions used in this release are described briefly below.

Family. A family is a group of two or more persons residing together who are related by birth, marriage, or adoption. The count of families is for "primary" families only, that is, the householder and all other persons related to and residing with the householder. Families are classified either as married-couple families or as families maintained by women or men without spouses.

Householder. The householder is the family reference person. This is the person (or one of the persons) in whose name the housing unit is owned or rented. The relationship of other individuals in the household is defined in terms of relationship to the householder.

Married, spouse present; other marital status. These terms denote the marital status of individuals at the time of interview. Married, spouse present, refers to husbands and wives living together in the same household, even though one may be temporarily absent on business, vacation, on a visit, in a hospital, etc. Other marital status includes persons who are never-married; married, spouse absent; widowed; or divorced. Married, spouse absent relates to persons who are separated due to marital problems, as well as husbands and wives who are living apart because one or the other was employed elsewhere, on duty with the Armed Forces, or any other reasons.

Children. Data on children refer to own children and include sons, daughters, adopted, and step-children of the husband, wife, or person maintaining the family. Not included are nieces, nephews, grandchildren, other related children, and all unrelated children living in the household.

Table 1. Employment and unemployment in families by race and Hispanic origin, 1

(Numbers in thousands)

Characteristic
TOTAL
Total families
With employed member(s)
As percent of total families
Some usually work full time(1)
With no employed member
As percent of total families
With unemployed member(s)
As percent of total families
Some member(s) employed
As percent of families with unemployed member(s)
Some usually work full time(1)
As percent of families with unemployed member(s)

White

Total families....................

With employed member(s)....................
As percent of total families....................
Some usually work full time(1)....................
With no employed member....................
As percent of total families....................

With unemployed member(s)....................
As percent of total families....................
Some member(s) employed....................
As percent of families with unemployed member(s)....................
Some usually work full time(1)....................
As percent of families with unemployed member(s)....................

Black

Total families....................

With employed member(s)....................
As percent of total families....................
Some usually work full time(1)....................
With no employed member....................
As percent of total families....................

With unemployed member(s)....................
As percent of total families....................
Some member(s) employed....................
As percent of families with unemployed member(s)....................
Some usually work full time(1)....................
As percent of families with unemployed member(s)....................

Hispanic origin

Total families....................

With employed member(s)....................
As percent of total families....................
Some usually work full time(1)....................
With no employed member....................
As percent of total families....................

With unemployed member(s)....................
As percent of total families....................
Some member(s) employed....................
As percent of families with unemployed member(s)....................
Some usually work full time(1)....................
As percent of families with unemployed member(s)....................

1 Usually work 35 hours or more a week at all jobs.
NOTE; Detail for the above race and Hispanic-origin groups will not sum to
races" group are not presented and Hispanics are included in both the white and
1997 are not strictly comparable with data for 1996 and earlier years because of
population controls in the household survey in January 1997. Detail may not sum

Table 2. Families by presence and relationship of employed members and family t

(Numbers in thousands)

Characteristic	Nu 1996
MARRIED-COUPLE FAMILIES	
Total...	53,214
Member(s) employed, total................................	44,448
Husband only..	10,103
Wife only...	2,846
Husband and wife..	28,077
Other employment combinations...........................	3,422
No member(s) employed....................................	8,766
FAMILIES MAINTAINED BY WOMEN(1)	
Total...	12,264
Members(s) employed, total...............................	8,788
Householder only..	4,964
Householder and other member(s).........................	2,385
Other member(s), not householder........................	1,438
No member(s) employed....................................	3,477
FAMILIES MAINTAINED BY MEN(1)	
Total...	3,724
Members(s) employed, total...............................	3,106
Householder only..	1,614
Householder and other member(s).........................	1,076
Other member(s), not householder........................	416
No member(s) employed....................................	618

1 No spouse present.
NOTE; Data for 1997 are not strictly comparable with data for 1996 and earl population controls in the household survey in January 1997. Detail may not sum

Table 3. Unemployment in families by presence and relationship of employed memb

(Numbers in thousands)

Characteristic	Nu 1996
MARRIED-COUPLE FAMILIES	
With unemployed member(s), total.........................	3,378
No member employed......................................	601
Some member(s) employed.................................	2,777
Husband unemployed....................................	1,207
Wife employed.......................................	746
Wife unemployed.......................................	1,016
Husband employed....................................	891
Other family member unemployed........................	1,155
FAMILIES MAINTAINED BY WOMEN(1)	

With unemployed member(s), total	1,485
No member employed	809
Some member(s) employed	676
Householder unemployed	670
Other member(s) employed	102
Other member(s) unemployed	569
FAMILIES MAINTAINED BY MEN(1)	
With unemployed member(s), total	407
No member employed	182
Some member(s) employed	224
Householder unemployed	200
Other member(s) employed	67
Other member(s) unemployed	206

1 No spouse present.
NOTE; Data for 1997 are not strictly comparable with data for 1996 and earl population controls in the household survey in January 1997. Detail may not sum

Table 4. Families with own children; Employment status of parents by age of you averages

(Numbers in thousands)

Characteristic	Nu 1996
WITH OWN CHILDREN UNDER 18 YEARS	
Total	33,980
Parent(s) employed	30,296
No parent employed	3,683
Married-couple families	24,818
Parent(s) employed	23,960
Mother employed	16,949
Both parents employed	15,851
Mother employed, not father	1,099
Father employed, not mother	7,010
Neither parent employed	858
Families maintained by women(1)	7,469
Mother employed	4,919
Mother not employed	2,550
Families maintained by men(1)	1,692
Father employed	1,417
Father not employed	275
WITH OWN CHILDREN 6 TO 17 YEARS, NONE YOUNGER	
Total	18,694
Parent(s) employed	16,892
No parent employed	1,802
Married-couple families	13,257
Parent(s) employed	12,786
Mother employed	9,896

Both parents employed	9,210
Mother employed, not father	687
Father employed, not mother	2,890
Neither parent employed	470
Families maintained by women(1)	4,393
Mother employed	3,221
Mother not employed	1,172
Families maintained by men(1)	1,044
Father employed	885
Father not employed	160
WITH CHILDREN UNDER 6 YEARS	
Total	15,286
Parent(s) employed	13,405
No parent employed	1,881
Married-couple families	11,562
Parent(s) employed	11,174
Mother employed	7,053
Both parents employed	6,641
Mother employed, not father	412
Father employed, not mother	4,121
Neither parent employed	388
Families maintained by women(1)	3,076
Mother employed	1,699
Mother not employed	1,378
Families maintained by men(1)	648
Father employed	532
Father not employed	115

1 No spoușe present.

NOTE; Own children include sons, daughters, step-children and adopted child grandchildren, and other related and unrelated children. Data for 1997 are not earlier years because of the introduction of revised population controls in the not sum to totals due to rounding.

Table 5. Employment status of the population by sex, marital status, and presen annual averages

(Numbers in thousands)

Characteristic	1996 Total	1996 Men
WITH OWN CHILDREN UNDER 18 YEARS		
Civilian noninstitutional population	62,733	27,319
Civilian labor force	50,866	25,803
Participation rate	81.1	94.5
Employed	48,521	24,933
Employment-population ratio	77.3	91.3
Full-time workers(1)	41,164	24,085
Part-time workers(2)	7,356	848
Unemployed	2,345	870
Unemployment rate	4.6	3.4

Married, spouse present		
Civilian noninstitutional population	51,128	25,349
Civilian labor force	42,185	24,043
Participation rate	82.5	94.8
Employed	40,743	23,305
Employment-population ratio	79.7	91.9
Full-time workers(1)	34,732	22,559
Part-time workers(2)	6,011	747
Unemployed	1,441	738
Unemployment rate	3.4	3.1
Other marital status(3)		
Civilian noninstitutional population	11,606	1,970
Civilian labor force	8,680	1,759
Participation rate	74.8	89.3
Employed	7,777	1,628
Employment-population ratio	67.0	82.6
Full-time workers(1)	6,432	1,526
Part-time workers(2)	1,344	101
Unemployed	903	132
Unemployment rate	10.4	7.5
WITH OWN CHILDREN 6 TO 17 YEARS, NONE YOUNGER		
Civilian noninstitutional population	33,411	14,601
Civilian labor force	28,221	13,645
Participation rate	84.5	93.5
Employed	27,123	13,229
Employment-population ratio	81.2	90.6
Full-time workers(1)	23,267	12,810
Part-time workers(2)	3,857	418
Unemployed	1,097	416
Unemployment rate	3.9	3.0
WITH CHILDREN UNDER 6 YEARS		
Civilian noninstitutional population	29,323	12,718
Civilian labor force	22,645	12,158
Participation rate	77.2	95.6
Employed	21,398	11,704
Employment-population ratio	73.0	92.0
Full-time workers(1)	17,898	11,274
Part-time workers(2)	3,500	430
Unemployed	1,247	454
Unemployment rate	5.5	3.7
WITH NO CHILDREN UNDER 18 YEARS		
Civilian noninstitutional population	135,902	66,931
Civilian labor force	81,618	44,736
Participation rate	60.1	66.8
Employed	76,717	41,748
Employment-population ratio	56.5	62.4
Full-time workers(1)	60,920	35,200
Part-time workers(2)	15,797	6,548
Unemployed	4,901	2,988
Unemployment rate	6.0	6.7

1 Usually work 35 hours or more a week at all jobs.
2 Usually work less than 35 hours a week at all jobs.
3 Includes never-married, divorced, separated and widowed persons.
NOTE: See NOTE, table 4.

Table 6. Employment status of mothers with own children under 3 years old by si marital status, 1996-97 annual averages

(Numbers in thousands)

Characteristic	Civilian noninstitutional population	Total	Percent of population	Tota
1996				
TOTAL MOTHERS				
With children under 3 years old...	9,610	5,710	59.4	5,2
2 years........................	2,899	1,836	63.3	1,6
1 year.........................	3,333	2,040	61.2	1,8
Under 1 year...................	3,378	1,834	54.3	1,6
Married, spouse present				
With children under 3 years old...	7,203	4,343	60.3	4,1
2 years........................	2,150	1,362	63.3	1,3
1 year.........................	2,500	1,555	62.2	1,4
Under 1 year...................	2,553	1,426	55.9	1,3
Other marital status(3)				
With children under 3 years old...	2,407	1,367	56.8	1,1
2 years........................	749	473	63.2	3
1 year.........................	833	486	58.3	3
Under 1 year...................	825	408	49.5	3
1997				
TOTAL MOTHERS				
With children under 3 years old...	9,347	5,738	61.4	5,3
2 years........................	2,871	1,890	65.8	1,7
1 year.........................	3,306	2,012	60.9	1,8
Under 1 year...................	3,170	1,836	57.9	1,6
Married, spouse present				
With children under 3 years old...	7,049	4,296	60.9	4,1
2 years........................	2,142	1,380	64.4	1,3
1 year.........................	2,459	1,468	59.7	1,3
Under 1 year...................	2,448	1,448	59.2	1,3
Other marital status(3)				
With children under 3 years old...	2,297	1,445	62.9	1,2
2 years........................	729	511	70.1	4
1 year.........................	847	545	64.3	4
Under 1 year...................	721	389	54.0	3

1 Usually work 35 hours or more a week at all jobs.
2 Usually work less than 35 hours a week at all jobs.
3 Includes never-married, divorced, separated and widowed persons.
NOTE: See NOTE, table 4.

MEDIA USE IN AMERICA

TELEVISION

GENERAL AUDIENCES

- 99% of American households have a television set.[1]
- 65% of homes have cable television.[2]
- Studies suggest that higher rates of television viewing are correlated with increased tobacco usage, increased alcohol intake and younger onset of sexual activity.[3]
- The elderly watch more television than any other age group.[4]
- People with low incomes watch more television than those with high incomes, and highly educated people watch less television than those with less formal education.[5]

CHILDREN

- Children spend an average of 28 hours per week watching television. Over the course of an average year, this is twice as much time as they spend in school.[6]
- 54% of U.S. children have a television set in their bedrooms.[7]
- 78% of Americans consider watching TV with their children to be a family activity.[8]
- The average child watches over 20,000 commercials each year.[9]
- Before age 18, the average child will witness over 200,000 acts of violence on television, including 16,000 murders.[10]
- For children, the probability of obesity increases by 2% with every hour of television watched per day.[11]
- African American children report more hours of television viewing per week than do White or Hispanic children.[12]
- Longitudinal studies have found that 8-year-old boys who viewed the most violent programs growing up, were the most likely to engage in aggressive and delinquent behavior by age 18 and serious criminal behavior by age 30.[13]

FILM AND HOME VIDEO

- U.S. movie box office receipts totaled $5.5 billion in 1995.[14]
- The largest segment of moviegoers are aged 21-39, averaging 42% of all tickets sold.[15]
- Moviegoers aged 12 to 20 are declining, with their share of admissions in 1995 at 25%.[16]
- Moviegoers ages 40 and older represent nearly one third of the audience.[17]
- 82% of the American public feel that the amount of violence in American movies today is a serious problem for society.[18]
- 75% of parents said they have turned off a television program or left a movie theater because it was too violent.[19]
- 87% of American households have a VCR.[20]
- Americans spent $10 billion on videotape rentals in 1994, twice the amount they spent going to the movies.[21]
- Watching a video is America's #1 favorite leisure activity.[22]

COMPUTERS

- In 1995, 39% of American households had personal computers. [23]
- In 1995, 18 million households were online,[24] with Internet users spending an average of 12.1 hours online each week.[25]
- Four million children (ages 2-18) are now online, with the number expected to grow nearly four times by the year 2000.[26]
- 32% of children in white households use personal computers, compared to 18% of children in African-American households.[27]
- U.S. children (ages 3-17) use computers for each of the following applications: games (70.3%), homework (47.4%), education (31.5%), word processing (30.9%), learning computer (23.7%).[28]

VIDEO GAMES

- Annual U.S. video game revenues total $10 billion, nearly twice the amount Americans spend going to the movies.[29]
- American children who have home video games play with them about 90 minutes a day.[30]
- According to video game manufacturers, boys are five times more likely than girls to own a Genesis or Super Nintendo video game system.[31]
- When asked to identify their preferences among five categories of games, seventh- and eighth-graders chose fantasy violence (32%), followed by sports (29%), general entertainment (20%), human violence (17%) and educational games (2%).[32]

MUSIC

- In 1994, Americans spent $10 billion on music.[33]
- American teenagers listen to an estimated 10,500 hours of rock music between the 7th and 12th grades-- just 500 fewer hours than they spend in school over twelve years.[34]
- Only 10 of the top 40 popular CDs on sale during the 1995 holiday season were free of profanity, or lyrics dealing with drugs, violence and sex.[35]
- Girls listen to music more than boys, African Americans more than whites.[36]
- 75% of 9- to 12- year-olds and 80% of 12- to 14-year-olds watch music videos.[37]

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Return to Mediascope's Media Policy Clearinghouse

Internet Access Providers Should Prepare for Fierce Competition in the Home Office Market

By 2002, Home Offices Will Spend $10.5 Billion on Internet Access

FRAMINGHAM, Mass., March 22, 1999 - Home offices represent a quickly expanding opportunity for Internet access providers. A recent report from International Data Corporation (IDC) indicates that the number of U.S. home offices accessing the Internet will skyrocket from 19.7 million in 1999 to 30.2 million by 2002. During that same time, home offices' annual spending for Internet access will jump from $6.5 billion to $10.5 billion.

U.S. Home Offices with Personal Computers on the Internet, 1998-2002 (M)

1998	1999	2000	2001	2002
17.3	19.7	23.7	26.9	30.2

Source: International Data Corporation, 1999

IDC believes the increase of Internet use in home offices is a direct result of the expanding home office population, which is expected to near 50 million by 2002, and a jump in the number of home offices with PCs, which will approach 38 million in 2002.

"Just as home office growth has contributed to expanding Internet use, Internet availability has contributed to the growth and success of home offices," said Raymond Boggs, director of IDC's Home Office Market research program. "The Web enables a small business operating out of the home to establish a worldwide presence to promote itself and transact business online. It also allows employees who work at home to stay connected with offices and customers."

The types of activities home offices are performing online will require an increasing amount of bandwidth and incite fierce competition among those who can provide quick access. "The availability of high-speed Internet access is of special interest to home office households," Boggs said. "The applications they are most interested in, such as remote accessing of corporate data, collaborative working, and file sharing, are all bandwidth intensive."

Home workers can obtain high-speed Internet access with a variety of technologies, including analog modems with speeds of 56 kilobits per second, ISDN lines, xDSL, and cable modems. "Different technologies offer a variety of cost/performance benefits," Boggs said. "Given the size of the potential market, including both consumers in general and home offices in particular, the expected rewards for the technology winners will encourage vigorous competition between and within different product categories."

To appeal to the home office market, IDC recommends that product and service providers highlight the advantages of broadband communications rather than the technical details.

For the near term, IDC expects home offices seeking greater bandwidth to turn to 56K modems and ISDN. Today, 56K modems, which use ordinary phone lines, are the norm on new PCs and are generating interest among those with older modems looking to upgrade. Users find these modems attractive because they offer a higher speed than previous modem generations. However, they are much slower than broadband solutions. ISDN was the first broadband solution to reach consumers. It is just now starting to generate interest in home offices. However, it is a relatively high-cost solution for home offices, and it can't match the speed offered by the newer alternatives, cable modems and ADSL.

IDC believes that, long term, cable modems will be the most successful technology in the home office market, with ADSL also emerging as a formidable competitor.

Home Offices on the Internet (IDC #W18331) assesses Internet use in home offices and forecasts Internet use through 2002. It discusses the nature and frequency of Internet access and closely examines the strengths and weaknesses of Internet access technologies. To order a copy of the report, contact Janis Dempsey at 1-800-343-4952, ext. 4145 or at jdempsey@idc.com. Additional information on IDC can be found on its Web site at http://www.idc.com.

About IDC

International Data Corporation is the information technology industry's most comprehensive resource on worldwide IT markets, trends, products, vendors, and geographies. IDC provides data, analysis, and advisory services to the world's leading IT suppliers as well as IS professionals in finance, insurance, entertainment, advertising, consumer goods, and publishing. IDC's research and opinions are based on the results of more than 300,000 end-user surveys, in-depth competitive analysis, broad technology coverage, and strategic analysis. IDC is committed to providing global research with local content through its 500 analysts in more than 40 countries worldwide. Additional information on IDC can be found on its Web site at http://www.idc.com.

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Issues in Labor Statistics

U.S. Department of Labor
Bureau of Labor Statistics

Are Workers More Secure?

Between February 1995 and 1997, the pro portion of workers holding contingent jobs declined slightly. (See table.) Some contingent jobs are explicitly temporary; others are held by persons who do not think they could continue to work for their employer for as long as they wish, even assuming their performance is adequate and that economic conditions stay the same.

The slight decline in the contingency rate could suggest that job security had increased somewhat over the 2-year period.[1] Confidence in that conclusion would be enhanced if the decline in contingency or "insecurity" were consistent with other data from the survey, were broadly spread among demographic and economic groups, and were supported by other measures of job security.

The data from the supplement support the finding of increased job security. In 1995, 34.7 percent of contingent workers said they were in this type of job because of economic factors, such as the "hope that this job would lead to permanent employment." The biggest single economic factor, cited by nearly a quarter of all contingent workers, was that they "could only find this type of employment." In February 1997, fewer than one-fifth of contingent workers were in "the only type of work [they] could find" category.

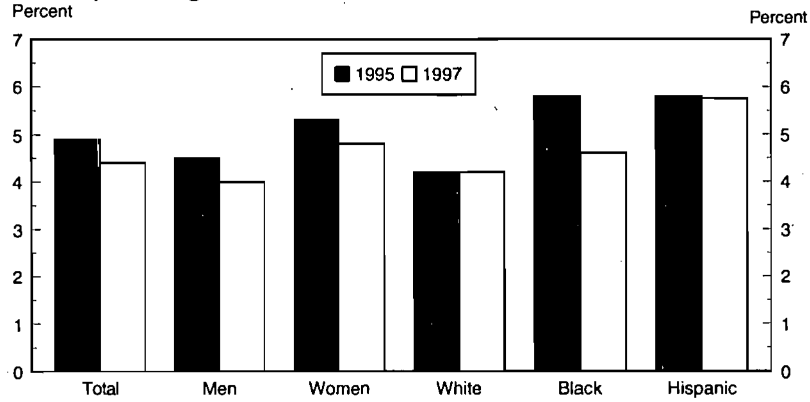
While the number of workers taking contingent jobs for economic reasons was declining, the number and share citing personal reasons were rising. These reasons include family obligations, flexibility of work schedule, and being in school. In 1995, 41 percent of contingent workers reported such personal reasons for accepting a contingent job. By 1997, more than 48 percent of contingent workers cited personal reasons. These comparisons indicate that contingency was more likely to be voluntary in 1997 than in 1995.

The decline in contingency was widespread. Contingency rates for men and women declined by half a percentage point, in line with the fall in the total. Among the major race and ethnic groups, the rate for black workers' fell by a full percentage point, while rates for white and Hispanic workers were virtually unchanged. Among the nine major occupational groups, contingency rates fell in six, rose in two, and was unchanged in one. Among the 10 major industry divisions, contingency fell in 5, rose in 3, and was little changed in 2. The fall in contingency was widespread among industries and occupations and evenly spread among men and women.

Job tenure. To analyze employment security, analysts often use statistics on tenure with one's current employer and data on job displacement. The most recent report on tenure found that the overall median tenure had risen slightly by the mid-1990s. The rise was very uneven across gender lines, suggesting that men may feel slightly less secure while women may feel a bit more secure. Tenure data, however, must be analyzed carefully in studies of job security. For example, in the mining industry, which has undergone major structural changes, employment dropped by 300,000 between 1983 and 1996 while median tenure rose from 3.4 to 6.1 years.

Displacement. Between 1991-92, about 2.8

Contingent workers as a share of employed by sex, race, and Hispanic origin, 1995 and 1997



[1] The Current Population Survey (CPS) supplements used to create these estimates were intended to identify contingent workers—those who do not have an implicit or explicit contract for ongoing employment. The questions in the CPS also provide a useful approach to measuring job security.

The definition of a contingent worker is any individual with an explicitly temporary job and anyone who does not think they could continue to work for their employer for as long as they wish, assuming their work performance remains adequate and economic conditions stay the same.

Wage and salary workers were asked the following questions:

- Some people are in temporary jobs that only last for a limited time or until the completion of a project. Is your job temporary?
- Provided the economy does not change and your job performance is adequate, can you continue to work for your current employer as long as you wish?

Self-employed workers and independent contractors were asked a separate set of questions and were classified as contingent if they had been working under that arrangement for a year or less and expected to remain in that arrangement for a year or less.

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rate fell from 3.9 percent to 3.2 percent. This decline may indicate some degree of improved job security. These data also conform to a tendency of displacement rates to rise and fall with unemployment rates. For the first quarters of 1995 and 1997, the jobless rates were 5.5 and 5.3 percent, respectively. In comparison, the unemployment rate average 7.5 percent in 1992.

Percent of workers holding contingent jobs by occupation and industry, February 1995 and February 1997

Occupation and industry	February 1995	February 1997
Total	4.9	4.4
Occupation		
Executive, administrative, and managerial	2.7	2.2
Professional specialty	6.8	6.1
Technicians and related support	4.2	4.8
Sales occupations	2.6	2.1
Administrative support, including clerical	5.8	5.9
Services	5.8	5.0
Precision production, craft, and repair	4.6	4.2
Operators, fabricators and laborers	5.4	4.4
Farming, forestry, and fishing	5.6	5.9
Industry		
Agriculture	5.0	5.3
Mining	2.7	3.6
Construction	8.4	7.1
Manufacturing	3.1	2.2
Transportation and public utilities	3.0	2.6
Wholesale trade	2.3	2.1
Retail trade	3.0	2.5
Finance, insurance, and real estate	2.0	2.1
Services	7.5	6.7
Public administration	3.6	4.2

The contingent worker supplements to the CPS provide insights on workers' perceptions of employment security. Despite concerns about job security in today's economy, recent contingency data suggests job security is increasing. Rising security is supported by data on reasons for contingent work and is widespread among sex, occupation, and industry groups. A sense of rising security is also consistent with the low unemployment rate in 1997 and with earlier declines in displacement.

An earlier version of this report appeared in *Monthly Labor Review*, March 1998. For additional information on the contingent work force and job security, contact Richard M. Devens, Jr., Office of Publications and Special Studies, Bureau of Labor Statistics, Room 2850, 2 Massachusetts Avenue, NE, Washington, DC 20212. Telephone (202) 606-5865; E-mail: *Devens_R@bls.gov*

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Issues in Labor Statistics
U.S. Department of Labor
Bureau of Labor Statistics

U.S. Department of Labor
Bureau of Labor Statistics

Workers Are On the Job More Hours Over the Course of the Year

The average length of the workweek has risen only slightly since the 1970s. But rephrasing the question from "What has been the trend in the length of the workweek?"—a question addressed in a companion piece released at the same time as this report—to the broader "What has been the trend in hours at work over an entire year?" identifies more dramatic shifts.

Two factors in addition to the length of the workweek affect time spent at work in a year. First, is the extent to which a person works at all during any particular year. Second, is the number of weeks that a person works during the year. In the calculation of average weekly hours, workers are included only when they work; they are "out of scope" when they do not. Yet we know that changes have taken place in the number of weeks a year that workers are spending on the job, particularly women who increasingly have been working year round (see table).

The following formula takes into account changes in the share of the population working and the extent of their work activity: The aggregate number of hours worked in a *week* is the product of the number of persons at work in an average week and their average hours. This is then multiplied by 52 weeks to obtain an estimate of the total number of hours worked during the *year*. Dividing this estimate of aggregate annual hours by the number who worked at any time during the year (obtained from the work experience questions in the March Current Population Survey) yields average hours worked per worker per year.

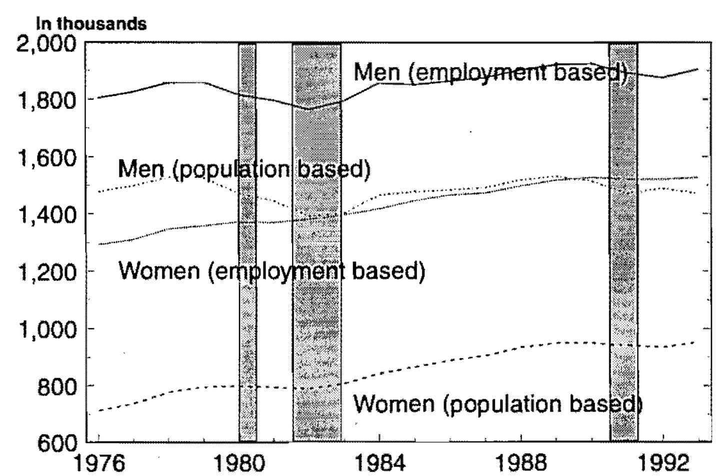
Annual hours calculated in this fashion rose steadily for women until the late 1980s when the rate of growth slowed slightly. Men's annual hours have risen much less than women's since the mid-1970s, and appear to be more sensitive to the business cycle. (See chart.) The hours series for men is higher than that for women because men both work longer work weeks and are more likely to work year round.

As shown in the tabulation, employed women worked an average of nearly 20 percent more in 1993 than in 1976, adding 233 hours to their average work year, while men added 100 hours to theirs. But, as with the weekly hours data, the changing age distribution of the population had an impact. Adjusting for this age shift in annual hours only modestly reduces the rise. Women's hours, after age-adjustment, were up nearly 200 (or 15 percent) over the period, while men's average workyear rose 62 hours or 3 percent.

	Average annual work hours	
	Men	*Women*
1976	1,805	1,293
1993	1,905	1,526
1976-93 change	100	233
Age-adjusted change	62	193

These calculations still leave one important trend unaccounted for: the change in the likelihood of an individual to work at all during the year could affect annual hours considerably. Using the entire population of males as the denominator, not just those who worked, there was no net change in the average annual hours worked by men since the mid-1970s. This is because men have become somewhat less likely to be employed. Their employment-to-

Average annual hours at work for men and women, 1976-93



NOTE: Shaded areas represent recessions.

Persons with work experience who worked year-round full time by age and sex, annual averages, 1976 and 1993
(Numbers in thousands)

Characteristic	Total who worked during the year		Percent who worked 50 to 52 weeks	
	1976	1993	1976	1993
Total, 16 years and over	104,219	135,464	54.3	60.9
16 to 24 years	26,251	22,936	27.2	29.0
25 to 54 years	61,491	94,794	64.9	69.9
55 years and over	16,475	17,734	57.7	54.2
Men, 16 years and over	59,507	72,049	64.2	68.1
16 to 24 years	13,919	11,919	29.2	32.0
25 to 54 years	35,619	50,458	77.4	78.1
55 years and over	9,969	9,671	66.1	60.5
Women, 16 years and over	44,712	63,415	41.1	52.8
16 to 24 years	12,332	11,017	25.0	25.8
25 to 54 years	25,874	44,337	47.8	60.6
55 years and over	6,507	8,062	44.8	46.6

NOTE: Data for 1976 and 1993 are not strictly comparable because they reflect population controls based on the 1970 and 1980 censuses, respectively.

population ratio was 75.2 percent in 1993 compared to 77.5 percent in 1976. In contrast to men, a growing share of women worked over the period. As a result, when women's total hours at work are distributed across their *population* base, the rise was even more rapid than in the *employment*-based series. When allocated across the entire population of women age 16 and over, the average number of hours each woman worked grew by 33 percent from 1976 to 1993 (See chart).

For additional information on hours at work and a technical description of the Current Population Survey from which the data used in this report were derived, contact Jennifer M. Gardner or Randy Ilg, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, Washington, DC 20212. Tel: (202) 606-6378. Information in this report is available to sensory impaired individuals on request. Voice phone: (202) 606-7828; TDD phone: (202) 606-5897; TDD message referral phone: 1-800-326-2577. The material is in the public domain and, with appropriate credit, may be reproduced without permission.

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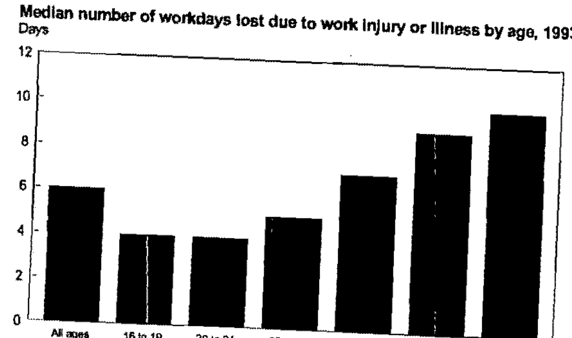
Median number of workdays lost due to work injury or illness by age, 1993



SOURCE: BLS, Survey of Occupational Injuries and Illnesses—cases involving days away from work

DANIEL H. PINK

FACSIMILE TRANSMITTAL SHEET

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Ruby:

Here are the two articles I mentioned. Call me if you have questions. And (at the risk of sounding like a 1990s cliché), check out my website (http://www.FreeAgentNation.com) when your computers are back up.

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Has any documentation survived? In August 1997, the Volcker Committee accountants reported that the banks still have a great deal of information which could be relevant to an investigation of the affair and which survived in many cases only by chance. Yet it was also clear to the accountants that a great deal of information really has been destroyed. At best, they reported, there is only partial information, and sometimes none at all, concerning the dates accounts were opened and closed—which is crucial to locating Holocaust victims' accounts. To make matters worse, banks have no clear idea what documentation they *do* have.

And, some banks, at least theoretically, could have drained the accounts by a different method. In 1937, the Swiss Bankers Association decided to stop paying interest on foreigners' checking accounts. Meanwhile, the real value of the deposits was eroded by inflation—and the banks deducted fees for maintaining the accounts even though they were inactive. There were also cases in which the banks sold assets that were in the accounts in order to pay these fees. The many postwar mergers in the Swiss banking establishment provided opportunities to transfer dormant accounts to the banks' own accounts, and it will be nearly impossible to reconstruct a list of clients accurate to the end of World War II. In October 1997, Stuart Eizenstat, the U.S. special envoy for property restitution in Europe, announced in Israel that "the exact number of accounts held by Jews in Swiss banks will never be known."

There is a final irony. According to Swiss law, the banks were entitled to destroy documents of Holocaust victims' accounts beginning only in the mid-'60s—that is, ten years after the accounts became dormant, plus another ten years after they were actually closed. This means that, when survivors and heirs approached the banks in the '50s, the banks should still have had information, but refused to divulge it. Now that the documents really have been destroyed, the only option—both morally and practically—is a global settlement under which the banks provide compensation to Jewish survivors via their designated organizational representatives. This will cost the banks hundreds of millions of dollars—far more than they would have had to pay if they had simply treated survivors and their heirs decently in the first place.

ITAMAR LEVIN is deputy editor of *Globes*, Israel's business newspaper.

The coming of "free agent" politics.

THE 1099 REBELLION

By Daniel H. Pink

It used to be that a conservative was a liberal who had been mugged. But, with crime rates falling and even lefties preaching law and order, that adage no longer applies. These days, a conservative is a liberal who as become a free agent. And in that new political adage e the seeds of what may be America's next tax revolt.

Across the country, 25 million working people have eclared free agency. They have abandoned traditional ›bs and instead are moving from project to project, ssignment to assignment, untethered to any particular nployer, unattached to any large institution, relying on iemselves, and living by their wits. They are 14 million elf-employed Americans, almost nine million independent contractors, and 2.5 million temps. Some have een pushed. Free agency is often the result of downting. Others have leaped. Free agency is often Dilbert's revenge. But, whatever their motivations, their numbers are eye-popping. Beneath the radar of the political and media establishment one out of six working Americans has become a free agent. And, although government statistics on this trend don't really exist, a wealth of circumstantial evidence—a sizeable increase in tax filings for independent contractors, a significant decline in employment among Fortune 500 companies, an explosion of temporary work firms—all suggest that the number of free agents is higher than ever before.

And if there's one thing this diverse collection of people has in common it's that everyone's steamed about taxes. Two hundred twenty-five years after the Boston Tea Party, free agents are not exactly storming the capital to hurl their 1099s into the Potomac River. They have few champions in Congress and only an incipient political organization. But free agents may come into political maturity sooner than anyone suspects. And the politician who finds a way to address the concerns of these new tax protesters may find himself the darling of a constituency

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whose allegiance is as yet unclaimed and whose numbers are large enough to sway elections.

The source of free agents' bubbling discontent is not taxes per se but the tax code itself. It was designed during an era when big business was ascendant and free agency an exotic choice. As a result the tax code is replete with biases—some invisible, some glaring—against those who work but don't hold a "job."

To begin with, free agents face double taxation on Social Security. Let's say you work for a typical mid-sized company. Each pay period, your employer takes 7.65 percent of your salary and sends it to the government to help pay for Social Security and Medicare. Then your employer takes the same amount from its own coffers and gives that to Social Security as well. This is the main financing scheme for one of the grand bargains of American life. But free agents don't get the same deal because the boundary between employee and employer doesn't correspond to the realities of their lives. Like everyone else, free agents must kick in the 7.65 percent of their income to Social Security that employees pay. But, since they are also their own employers, they must kick in the additional 7.65 percent employer contribution.

To add injury to insult, some unscrupulous companies will fire employees and then contract them to do the same job—in part to shift that second portion of Social Security taxes from the company to the individual. However, those unscrupulous companies aside, some might argue that since firms that hire free agents don't have to pay Social Security taxes they might be expected to give some portion of that money back to the free agent in the form of higher pay. But there is no evidence to suggest that this is actually happening.

A second bias is health insurance. On this free agents don't just get the short end of the stick—they get poked in the eye with it. Assuming, once again, that you worked for that mid-sized corporation, your health insurance would most likely be paid through a contribution from both yourself and your employer. The portion contributed by your employer is considered a cost of doing business, which means your employer gets to deduct it. But not only must free agents pay all of their health insurance themselves; since they're not employers in the traditional sense (particularly in the sense of having a big lobby to fight for tax breaks), they have also been barred from deducting most of their health insurance costs.

As recently as 1992, health insurance premiums for the self-employed weren't deductible at all. After that, Congress fought an annual battle to renew a 25 percent deduction. But, in 1996, the deduction was at long last made permanent. This year, free agents will be permitted to deduct 45 percent of their health insurance premiums, an amount that will rise slowly over the next decade. While less than half is better than next to nothing, this plan still means that free agents' health insurance premiums won't be fully deductible until 2007.

As more people migrate to free agency, there is of course one group that stands to benefit mightily: accountants. Tax calculations for most jobholders are rather straightforward—the W-2 does most of the heavy lifting. But, for free agents, simply trying to do the right thing can be a nightmare. Many expenses are legitimate deductions; others are not. Discerning the difference often requires the rigor of a Talmudic scholar. Making matters worse, says Beverly Williams of the American Association of Home-Based Businesses, "free agents are on the IRS hit list." You're more likely to get audited if you have self-employment income or if you take a deduction for a home office because these deviations from traditional practice are often presumed to indicate that a taxpayer is trying to shield other income or even scam tax collectors.

As if free agents weren't frustrated enough with the tax code, they are forced to confront it not once, but four times a year, because the law requires that they file estimated taxes every three months. If they live in a state with an income tax, they must also pay state estimated taxes—which are often due on different days from the federal payments. Thus, many free agents are preparing eight separate tax filings a year. And, whereas those in the rest of the workforce have their taxes automatically withheld from their paychecks, free agents must actually write out a check to Uncle Sam each time they pay the government. This last difference doesn't affect a free agent's bottom line the way the other provisions in the tax code do, but it has what is perhaps an even more powerful impact: It changes the entire psychology of taxation. For free agents, taxes aren't just higher, they're more visible.

In short, becoming a free agent means entering a sort of tax hell: You're hit with double taxation. You're not permitted to deduct much of your already sky-high health insurance premiums. You're forced to navigate a thick and complex tax code—with each decision potentially triggering an audit. And you're reminded of these happy facts between four and eight times a year. Add these factors together. Multiply by the 25 million free agents out there, and you can almost hear the rumble of a tax rebellion in the making.

For the moment, we're not hearing much at all. However, the wait may not be long. The first politician to offer any semblance of a free-agent spark is Republican Senator Kit Bond, a lifelong pol who began his career as auditor of his home state of Missouri. Bond is conservative both in his politics and his manner. But he has an intriguing history of independence from his party on workplace issues. In the early 1990s, he was one of the few Republican champions of the Family and Medical Leave Act. Last year, with the Clinton Administration's backing, he pushed to expand the tax deduction for home offices. And it was Bond who was the driving force behind the provision that this year will allow free agents to deduct 45 percent of their health insurance premiums. Bond originally sought an immediate 100 percent deduction, financed by an increase in the cigarette tax, but that measure was narrowly defeated.

One reason Bond is such a rarity is that he and his other 99 colleagues have felt neither the hot breath of angry constituents on the back of their necks nor the cool cash of PACs in their reelection tills. Unlike labor union members or large businesses, the 25 million free agents still don't have a single powerful political voice. "We're too busy trying to make a buck and pay our taxes to initiate changes on a policy level," explains Caren Ginsberg, a self-employed health care market researcher in Washington. "I want a lobbyist."

Ginsberg's answer may be a New York-based group called Working Today, the first organized political force for free agents. Working Today is the invention of Sara Horowitz, a 35-year-old who spent the bulk of her career as a union organizer and labor lawyer. Two years ago, animated by the labor movement's core aspirations, but fed up with its tactics and structure, Horowitz launched her group. It now has nearly 60,000 members.

Working Today is a curious hybrid. Like a labor union, it advocates for workplace fairness. But it is also something of a consumer's union. Members pay $10 to join, and Horowitz uses their collective buying power to negotiate group discounts on health insurance as well as on a range of other products and services like computer software, Internet service, and travel. Think of Working Today as the political love child of the AFL-CIO and the AARP.

Politicians in general, and Democrats in particular, would do well to take notice of groups like these. America's 25 million (and growing) free agents easily outnumber the 16 million (and shrinking) members of labor unions. Already there are signs the politicians are waking from their slumber. "When I used to go to Washington the Beltway people would say, 'We know who the powerful people are, and you're not one of them,'" says Horowitz. "Now I'm beginning to feel a difference."

While Horowitz's agenda is broader than taxes, she recognizes how the unfairness of the tax code can lure members to her cause. "This is the hip new workforce of the 1990s, but they're working under laws that are closer to the 1890s," she notes. "Taxes aren't everything, but they're a big part of getting these people to think of themselves as a constituency." And the politics of this new constituency, much like the form of their work, doesn't fit old categories. "This isn't liberal," says Horowitz. "This isn't conservative. It's something new." It presents a common ground for people who aren't usually linked politically—the downsized manager turned consultant, the working mom temp, and the new economy road warrior.

So far, the few policy suggestions for restoring tax fairness that have surfaced are more modulated than the blunt anger of earlier tax rebellions like Proposition 13 in California. One proposal is to end double taxation, then offset the lost revenues by rolling back corporate welfare. Such proposals hold some promise: Corporate welfare is one of the few issues that unite buttoned-down libertarians and scruffy Naderites. But ending corporate welfare has until now proved extremely difficult.

Another possibility, less tangible but perhaps more realistic, is for free agents to insert their tax concerns into the discussions about reforming Social Security. President Clinton's pledge to "save Social Security first" has enormous implications for the people who are financing the program with a disproportionate share of their income. This is a ready-made issue for a Social Security wonk like Senator Daniel Patrick Moynihan or for more ambitious risk-taking politicians like senators Bob Kerrey of Nebraska or John McCain of Arizona.

At the very least, the dialogue of our political system needs an expanded vocabulary. Republicans love thumping their chests and claiming to "promote business." And Democrats love wiping away a tear and promising to "protect jobs." But the truth is that many of us are already positioned somewhere between those two poles. We're becoming a nation of free agents—people who are their own employers and employees—and a leader who speaks this new language may find him or herself at the head of the next American tax revolt. •

A supply-sider woos the religious right.

THE CONVERSION OF STEVE FORBES

By Dana Milbank

HOUSTON

The annual gathering of the Harris County Republican Party is no place for moderates. It begins with a 7 a.m. prayer remembering the millions of innocents slaughtered in the womb, followed by a concert of religious hymns sung by a home-school choir. Throughout the day, presidential aspirants—former Vice President Dan Quayle, Missouri Senator John Ashcroft, conservative activist Gary Bauer—cross the stage to rehearse moral themes, while attendees line up in the back to buy bumper stickers saying "Lorena Bobbitt for White House Intern." Texas Governor George W. Bush sent his regrets. Local party leaders speculate, with some pride, that he doesn't wish to be linked to the religious conservatives who dominate Republican politics here.

The Politics of

BY DANIEL H. PINK

American election years have started to resemble Chinese New Years: Each one comes with its own living symbol. Nineteen ninety-four, recall, was the Year of the Angry White Male. Nineteen ninety-six, the Year of the Soccer Mom.

And 2000?

The answer to that political riddle may lie in one subsequent fate of the 1990's last two election-year icons. Like millions of other Americans, legions of angry white males and harried soccer moms have become free agents. They have abandoned traditional jobs and traditional relationships with employers to chart their own course. They are moving from assignment to assignment, project to project, unattached to any single employer, untethered to any large institution. Their ranks include freelancers, independent contractors, temps, self-employed Americans, and home-based entrepreneurs. Some, fed up with office politics and glass ceilings, have leapt. Others, rocked by corporate downsizing, have been pushed. But they've all landed in the same place — the uncharted territory of Free Agent Nation.

The government's statistical apparatus can't tell you how many Americans have become free agents. (No surprise really. A century after the United States ceased being a predominantly agricultural economy, federal bean counters still divide work into two categories: "farm" and "non-farm.") But the U.S. Bureau of Labor Statistics says that nine million Americans call themselves independent contractors, some 2.8 million Americans go to work each day as temps, roughly 15 million people are self-employed full-time, another two million are self-employed on the side, and nobody's sure how many free agents are operating in the informal, cash economy.

Daniel H. Pink, chief speechwriter for Vice President Al Gore from 1995 until 1997, is writing a book (Warner Books) about the free-agent economy. He can be reached by e-mail (dhpink@ix.netcom.com) or on the web (www.freeagentnation.com).


Free
Agents

It is perhaps one of the more fundamental economic change of our times. Yet, it is somehow also one of the less heralded. Well beneath the radar of the political and media elite, tens of millions of Americans — by some estimates, a full one-fourth of the nation's workforce — have declared free agency.

If free agency is a reality in America's economic life, then it will fast become a reality in America's political life. In fact, this group's initial show of force may come in the first elections of the next century — marking 2000 as the Year of the Free Agent and recasting the principles and practices of American politics well beyond.

The New Math of the New Economy

Begin with the numbers. The U.S. Senate Small Business Committee estimates that the number of self-employed Americans, a subset of free agents, totals between 22 and 25 million. Working Today, a New York-based advocacy group for independent professionals, puts the free agent figure at about 30 percent of the American workforce. That's the same portion that the Economic Policy Institute says is in "nontraditional work." According to the Bureau of Labor Statistic's July employment report, 30 percent of the workforce amounts to 39.3 million people.

Let's use a far more conservative figure: 25 million people. Although the precise arithmetic of free agency is a bit murky, the electoral math of even that cautious estimate is crystal-clear.

Twenty-five million people means that free agents outnumber all the Americans who work for federal, state, and local governments combined; the population of Free Agent Nation exceeds the population of the entire public sector. And because the U.S. labor force has contained more government workers than manufacturing workers since mid-1991, Free Agent Nation is also larger than the manufacturing sector by nearly seven million people.

But perhaps most significant in political terms is this: The American economy has about 50 percent more free agents than it does members of labor unions. Last year, even amid a booming economy and a spirited AFL-CIO organizing effort, union membership dropped — to 16.1 million people. Separate out the 6.7 million public employees, and the figures are even more striking. Last year, fewer than one in ten workers in America's $6.9 trillion private economy belonged to labor unions. Put it more starkly: Today, America Online has more members than all the nation's private sector labor unions combined.

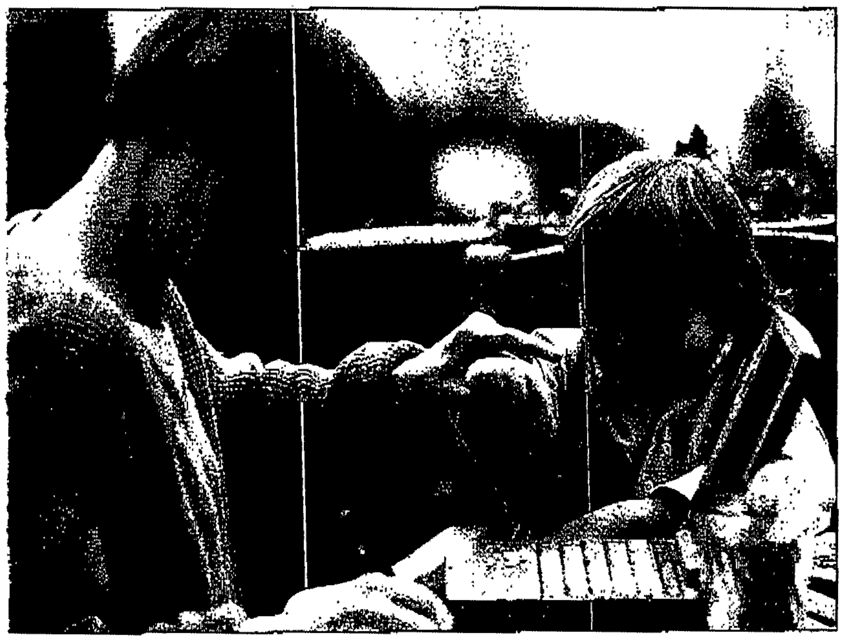
These figures suggest that in terms of sheer numbers, free agents (25 million and growing) are at least as relevant as organized labor (16 million and shrinking). Meanwhile, the union downswing has not loosed a corresponding upswing in favor of big business or corporate America. As Alan Wolfe notes in *One Nation, After All*, his perceptive study of American values in the 1990s, "If middle class Americans can be described as indifferent to unions, they are also increasingly hostile to corporations." Besides, the Fortune 500 today employ a smaller portion of the workforce than at any time in the history of that once august list.

Free agency links Americans who might otherwise not have a common bond — the proprietor of a home-based child care business, the itinerant construction worker, the downsized manager-turned-consultant, the GenX freelance web designer, and the mom who temps part-time. In the course of reporting and writing about this phenomenon, I've interviewed free agents from Harlem to Silicon Valley. It's an economic form that spans class and race, even if the forces that propel people into Free Agent Nation may differ significantly. Free agency is also especially prominent among women — who are generally more likely to experience both dissatisfaction and outright discrimination in the workplace, and who continue to shoulder the heavier load of family responsibilities.

However, recognizing the existence of free agents is merely the prelude. To win their allegiance, politicians must understand that free agents think and behave differently from any other group they've encountered.

Premises, Premises: The Foundation of a New Political Strategy

In politics, the only things more important than promises are premises. Set the terms of the debate, and you control the debate. An example: Once most people



agreed that the budget deficit was the most pressing national concern, every action or inaction began with that unquestioned assumption. Fierce opponents of federal spending said the deficit meant we could spend nothing. Ardent supporters of federal spending said we could spend just a little. Since they left from the same subway station on the same line, political adversaries arrived at merely different exits of the same stop. Not, as a fiscally responsible Seinfeld might say, that there's anything wrong with it. But the larger lesson is crucial: The way to prevail in the war of ideas is to win the silent and unannounced battle over premises.

Which leads back to free agency. Free agents are reconfiguring many of the standard assumptions of American work and life. It's here that free agency may leave its most lasting imprint. And it's here, in the realm of premises and values, that politicians face their gravest dangers and greatest opportunities. Oblivious pols risk sounding off-key, or even downright hostile, to huge numbers of citizens. Savvy ones creep closer to bagging America's new electoral trophy.

Two examples illustrate the premises point: Loyalty and security, a pair of values being redefined as more Americans migrate away from traditional jobs.

For much of this century, work in America was governed by an unspoken, yet unassailable, social contract: In exchange for security from employers, employees gave loyalty to employers. "Be loyal to the company," William Whyte wrote in *The Organization Man (1956)*, "and the company will be loyal to you." But in the last decade that bargain has crumbled. Few companies promise lifetime employment; fewer still deliver it. Consequently, individuals no longer pledge unflagging fealty in return.

That has prompted weepy eulogies from both the right and the left lamenting the demise of this American value. But in Free Agent Nation, loyalty isn't dead; it's different. When the tides of global competition and new technologies washed away lifetime job security, loyalty didn't disappear in the undertow. Instead, a new kind of loyalty began emerging. It's not the hierarchical loyalty of old, which flowed up to an institution or authority figure — and then back down to the giver. It's

lateral loyalty, a fierce commitment that bonds together peers, collaborators, and families.

Security, another national premise, has followed a similar pattern. Security once meant attaching oneself to a large institution for most of one's adult life. But even Americans who haven't declared free agency understand that today such a strategy is outdated, if not dangerous. Instead, as the middle class grows more sophisticated about investing, free agents are approaching their work lives in much the same way they approach their financial lives. They are diversifying. Nobody would invest all of her financial capital in IBM. Why should she invest all her human capital in IBM? Free agents are discovering they are more secure with several clients than with one employer.

These recast premises have already offered hints of a political strategy that speaks to free agents. For example, policies that foster lateral loyalty have proved wildly popular. President Clinton's very first legislative triumph, the Family and Medical Leave Act, put the force of the federal government behind the belief that a person's loyalty to family was, in a moment of need, more important than loyalty to an employer. By contrast, politicians who railed against corporate downsizing or who preached "corporate responsibility" did not capture the public imagination. One reason: Their complaints, however well intentioned, were based on an outdated premise about loyalty. They assumed both the existence and beneficence of hierarchical loyalty. They failed to comprehend that this brand of loyalty, and the paternalistic arrangements on which it was based, had largely disappeared — both as a reality and as an aspiration. Their crusade was analogous to a politician proposing the Great Society during the days of yawning budget deficits. A lovely sentiment maybe — but one that was wholly unrealistic and mostly unwanted.

Ditto for security. In 1994 some Clintonites advocated using "security" as the organizing principle for Democratic policies. The idea flopped. Voters understood that this sort of pledge amounted to an empty promise in a world where security had acquired a fundamentally different meaning.

The New Premises

The lesson for political strategists? Abandon appeals based on these outdated premises — and craft a new strategy around their successors, the three animating values of free agency: opportunity, mobility, and community.

Opportunity. In a world of free agency, government's duty is to offer not a false promise of security, but a real shot at opportunity. Its central mission must be to equip all individuals, especially the least well-off, with the tools they need to make their own way. The most important component of this commitment, of course, is education — childhood, college, and professional learning fashioned to the individual rather than standardized by a bureaucracy. Access to technology is also vital — but far less so than broadening access to the information that technology can harvest. For free agents, government can expand opportunity more by supplying information than by delivering services. Remember: From Census data to car safety ratings to the reports of the National Weather Service, hundreds of billions of private dollars already hinge on the information (sometimes reliable, sometimes not) that federal agencies produce. Improving the quality of that information and enlarging its scope — for example, lists of the skills most in demand in particular regions, cost comparisons for health insurance, report cards on temp agencies — can help free agents succeed. And it may be advisable to consider how to deal with companies that take the low road and reclassify employees as contractors merely to cut costs. Some of the most effective labor unions have already begun shifting their focus from security to opportunity. For instance, instead of negotiating long-term collective bargaining agreements with a single employer, the theatrical unions help sound and stage technicians find their next assignment, evaluate potential employers, and sharpen their skills. These are the models political strategists should examine.

Mobility. Government's duty is not to re-cement the old dependence, but to help foster a new mobility — to create the conditions that allow individuals to move freely and make their own decisions about their work lives.

This requires calling into question one of the sturdiest assumptions of American life: the idea that benefits like health insurance and pensions ought to be attached to an Industrial Age construct known as a "job." Instead, such benefits should be linked to the individual. People use health care coverage as people, not as jobholders — and since fewer people now are jobholders anyway, that system makes even less sense than before.

There is a hearty pragmatism in Free Agent Nation; the underlying ideology of a policy is far less important than its effectiveness. So free agent voters would be open both to, say, expanding Medicare to cover free agents and to making Medical Savings Accounts a more attractive choice for middle-class families. They would support a pension policy that both strengthened Social Security and created individual accounts. And a workforce policy premised on mobility would include vouchers for training and tax deductions for education on a far greater scale than the Clinton administration has already engineered.

Community. Free Agent Nation may value individual self-reliance, but the place is far from a libertarian free-for-all. Indeed, Tocquevillian intermediate institutions are more crucial to free agents than they were to the Organization Man. Professional and civic associations are growing stronger as people seek the connection they once had at traditional jobs. Free Agent Nation itself is coming together in small clusters — call them F.A.N. Clubs — to offer business advice and emotional support. And with more people working at home, neighborhoods that once were all but abandoned during the day are growing more vibrant. (A political cautionary tale: Last year when a Los Angeles City Council woman tried to force the city's home-based workers to buy business permits, both free agents and their jobholding neighbors rose up to repeal the proposal and effectively end her career.) Free agents have not rejected community; in fact, they seek it more fervently. Government policies that fortify these new communities will work well in Free Agent Nation.

Free agency is reshaping other premises of American work and life, and these subterranean shifts suggest many other reforms in public policy, particularly in the realm of tax policy. To render solutions that matter in people's lives — and to win the political rewards for doing so — leaders must learn the language and internalize the values of free agency. But that's still not enough: any political strategy aimed at this new group of voters, however well crafted, comes with an important caveat.

Caveat Caesar: The Just-in-Time Politics of Free Agent Nation

It is a mistake to think of free agents as a constituency. They play politics by a new set of rules. And these rules, which have already begun to take hold, draw their inspiration from a relatively recent innovation in American business.

Over the last fifteen years, American manufacturing has rehabilitated itself, in part, through a practice known as just-in-time manufacturing. Under the previous regimen, factories cranked out items and stored them in warehouses. If companies miscalculated demand, or if the overall economy weakened, they were stuck with huge inventories of unsold goods. Just-in-time manufacturing called for swift production lines and lean inventories. That reduced costs and allowed the type of customization of products well known to anyone who has bought a computer from Gateway, Dell, or a similar outfit.

Free agency is, in effect, a form of just-in-time staffing. Companies hire the person they need for the project at hand — no more, no less. Individuals take on an assignment of finite duration; their obligation is to perform a particular role as expertly as possible and move on to the next one.

The political world — most often a lagging indicator of innovation — is also morphing toward this form. In an era where there are small inventories of party loyalty, effective politicians must fashion coalitions in much the same way that Gateway fashions computers. Call it just-in-time politics.

Just-in-time politics operates differently from the warehouse politics of the old economy. In the past, one of the main tasks of politics was to keep a single coalition intact — in a sense, to establish a more or less stable inventory that could satisfy any political demand that arose. Time and again, the Democrats' New Deal coalition of union members, minorities, and senior citizens passed legislation and won elections. No more. With party affiliation waning and the once exotic split-ticket voter now a common species, the modern challenge is to assemble the available components to satisfy the current political demand, to do it in real time, and to move on to the next task.

President Clinton has proved to be a master of just-in-time politics, though he has never assigned it that name. In the summer of 1993, he passed major deficit reduction with an entirely Democratic coalition. A few months later, he put together a radically different coalition to expand trade with the North American Free Trade Agreement. He raised the minimum wage by assembling one set of political parts and reformed welfare by cobbling together another — all within the same month in 1996.

Most political commentators took the nail-biting finishes of some of those fights as a sign of President Clinton's political weakness. Instead, it was merely evidence of a new kind of politics — and if anything, proof that this President had mastered it. The naysaying commentary was akin to a securities analyst, who upon learning that Dell carries only eight days worth of inventory, declared such information a sign of the company's weakness rather than what it really is — a new way of doing business.

Free agents understand the just-in-time features of the economy. They will demand a just-in-time politics. If a party attempts to warehouse them, they will resist. For political forces, this means acknowledging that a huge portion of the electorate is permanently and regularly up for grabs. Politicians must earn their support issue by issue, candidate by candidate, election by election. It's possible for a politician who respects free agents' values, understands their premises, speaks their language, and develops approaches that promote opportunity, mobility, and community to begin to harness this political force.

But while it's possible to win free agents' momentary affection, it's probably very difficult to win their undying love. After all, as consumers, they look for the best deal. As workers, they search for the best assignment. And as voters, they are very likely to be in constant search of the best leader — in 2000 and beyond.◆

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NUMBER OF PAGES
(INCLUDING COVER SHEET):

MESSAGE: Take a look at some of these figures. I know many are not what you may specifically be looking for but I will see what I can get you tomorrow.

Internet Factoids

As of 5/11/99

- Today, almost half of US households own PC's compared to only one-fifth in 1992.

  '92 - 20.8%; '93 - 23.4%; '94 - 24.1%; '95 - 37.7%; '96 - 31.8%; '97 - 36.6%; '98 - 39.6%; '99 - 44.3%; '00 - 49.5%; '01 - 55.3%; '02 - 61.7% (NTIA/US Census Bureau)

- Today almost 30% of US households are connected to the Web, up from 3% in 1992.

  '92 - 3%; '93 - 3.9%; '94 - 5%; '95 - 8.2%; '96 - 14.3%; '97 - 21.1%; '98 - 25.8%; '99 - 30.6%; '00 - 35.9%; '01 - 45.4%; '02 - 53.9%. (PegasusRI)

- Today, there are 153.5M people online worldwide with approximately 76M in the US.
- The number if Internet Hosts has risen from 562 in 1983 to 43M in 1998 with a projected 7.7B by 2002.
- Internet radio stations has grown from 505 in 1996 to over 1100 in 1998.
- 41% of adults use the Internet
- The most popular online news attraction is weather.
- Last year, 32 % of Internet users had made purchases online - up from only 8% in 1995.
- 61% of those Internet users that have not made purchases online cite credit card security as the main reason.
- Business to business e-commerce (B2B) in 1998 is estimated at $43B.
- Business to consumer e-commerce or e-tailing will rise from an estimated 3B in 1997 to 32B in 2000.
- The Number of Web Pages has risen from 72M in 1996 to 320M in 1998.
- Demographics are changing reflecting a drop in the education and income level of online users from the affluent to the working class.
- Now over 51% of AOL users are female.
- Since 1997, the percentage of retailers with web sites has more than tripled – from 12 percent to 39 percent.
- 82 percent of Web users consider Web access indispensable.

- The number of online investors rose 42% from 1997 to 1998. Compared to the 4th quarter of 1998, online trading has risen 25% during the 1st quarter of 1999.

- IBM reports that their online sales are currently generating $1 billion per month, compared to $3.3 billion total for 1998. IBM expects online sales will reduce their costs by $340 million this year. Dell & Cisco Systems report online sales of $10 million per day.

- The online auction industry is expected to generate $19 billion per year by 2002.

- The fastest segment of online users who access the Internet are non-English speaking.
  - Spanish
  - French
  - German
  - Italian
  - Chinese
  - Polish
  - Korean
  - Japanese
  - Portuguese
  - Scandinavian languages

- Reasons for being online:
  - Gathering news/information
  - E-Mail
  - Research
  - Surfing
  - To play games
  - Chat
  - Post to message boards
  - Shop

- Home businesses on-line is increasing:
  '98 - 36%; '99 - 45%; '00 - 55%; '01 - 63%; '02 - 66%.

- EC doubles every 12 - 18 months.

- Some EC impacts:
  - Efficiency
    - Faster cycle times
    - Broader reach
  - Comfort and convenience
    - Shopping anytime, anywhere, anyone
    - Better deals and/or better service

- The number of years to reach 50 million households:
  Radio - - 38
  Television - - 13
  Cable Television - - 10
  Internet - - less than 5

Department of Commerce Specific:

PTO:

- The U.S. Patent and Trade Office (PTO) received over 41M hits in January 1999.
- The U.S. Patent and Trade Office (PTO) web site was named one of the "50 Best of The Web" for 1998 by Popular Science Magazine.

Census:

- Since it's inception in 1994 the Census Bureau's web site has grown from 1000 documents, serving 4,000 hits per day to 60,000 documents and 1.2M hits per day in 1999.
- Census Bureau's web site named by PC Magazine as one of the "Top 100 web sites" for two consecutive reviews. Note: PC Magazine is the largest circulated computer magazine in the world and performs a comprehensive review of web sites every 100 days.

NOAA:

- The NOAA home page receives an average of 25,000 hits per day or 375,000 hits per month during non-hurricane season.
- During hurricane season - - which runs June through September - - NOAA's National Hurricane Center web site receives it's heaviest traffic of the year. During the 1998 season, the web site had more than 1.6M hits per day.