

National Employment Law Project

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Temp Work At An All Time High

Rise of Temp Work, Staffing Agencies Ushers in Lower Wages, Dangerous Conditions for Workers, Report Says

There are a record high 2.8 million temporary help jobs in today's economy, making up 2 percent of total employment, according to a report released Tuesday by the National Employment Law Project.

The report, [*Temped Out: How The Domestic Outsourcing of Blue-Collar Jobs Harms America's Workers*](#), examines the employment services industry, which includes temporary help agencies (also called staffing agencies), professional employer organizations and employment placement agencies. It finds that as a whole, the industry represents 2.5 percent of all jobs, up from 1.4 percent in 1990. More than 12 million people flowed into and out of a staffing agency in 2013 alone.

America's staffing industry has also shifted its reach to new sectors like manufacturing and warehousing. The use of third-party staffing agencies creates a layered employment structure that empowers the client-employers at the top and puts downward pressure on staffing agencies in the middle competing for contracts. Many of those agencies in turn keep costs low by cutting corners on pay and safety for workers. In fact, staffing workers' median hourly wages are 22 percent lower than wages of all private-sector workers.

"The shift towards temp work is creating an economy in which working people who move and produce products for some of our nation's largest and most profitable corporations are treated like any other input, to be acquired at the cheapest cost," said **Rebecca Smith**, who co-authored the report. "Staffing agencies not only fail to provide livable wages, benefits or job security for their workers, but their influence in an industry can lower standards for all workers in that industry."

In fact, "temp work" is becoming a misnomer—with many workers in "temporary jobs" for months or years, doing the same work as their direct-hire counterparts, but for lower pay, few benefits, and no job security. When staffing workers lose their jobs, arcane rules keep many from receiving the benefits to which other unemployed workers are entitled.

With more than three quarters of Fortune 500 firms now relying on third-party logistics firms to manage their warehouses, temporary work is not only growing, it is shifting from administrative jobs to low-skill blue-collar occupations. Jobs in transportation and material moving and production now account for 42 percent of the temp industry. With the use of temp workers, who often have no safety

training and no right to organize, these already-hazardous jobs are becoming even more dangerous. The incidence of reported workplace injury among temp workers is substantially higher than among their directly-employed counterparts, with an alarming number of fatal injuries, many occurring on temps' first day of work.

“You haven't felt cold until you've worked an overtime shift in sub-zero temperatures on a warehouse loading dock during the Christmas rush,” said David Fields, a 45-year-old father of four who worked for LINC Logistics Inc. in a Walmart Consolidation Center in Hammond, Indiana. “It's dangerous to move heavy equipment when you can't feel your hands and you're walking on ice. Frostbite was a common. But as temp workers, we were expendable, so we just kept on working.” Fields, a “permatemp,” worked for staffing agencies at numerous warehouses throughout Chicago and Northwest Indiana for several years.

The fractured employment structure created by employers' reliance on third-party staffing agencies causes confusion over who is ultimately responsible for the workers, and increases the likelihood of labor law violations. A shortsighted 2004 National Labor Relations Board decision makes it next to impossible for temp workers to unionize. Even so, workers like David Fields are organizing through dynamic grassroots groups like the Warehouse Worker Resource Center, Warehouse Workers for Justice, the Chicago Workers' Collaborative, New Labor, and the Immigrant Worker Center Collaborative—all part of the National Staffing Worker Alliance—which is winning higher wages and safer conditions on the job.

States are also beginning to combat the staffing industry's downward pull on wages and working conditions by passing legislation locally to establish accountability for labor violations and worker welfare throughout the employment chain. California's state legislature, for example, passed [AB1897](#) on August 28, which requires that client employers share civil liability for worker wages, safety and workers' compensation taxes. Illinois and Massachusetts have similar laws on the books already.

“Third-party staffing does not necessarily have to drive down wages and safety standards,” said Rebecca Smith. “By enforcing existing laws and passing new measures that strongly establish employer accountability at the top of the chain, we can improve temp work and improve the lives of millions of working people in America.”

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The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

Read the full report: [Temped Out: How The Domestic Outsourcing of Blue-Collar Jobs Harms America's Workers](#)