

Ensuring New Jersey Temporary Workers have Good Jobs with Living Wages

Shipping goods to Walmart stores. Sorting recyclables for Waste Management. Processing New England seafood. Filling orders for Nike. Across the nation and across New Jersey, major companies are creating insecurity for workers and their families as corporate profits skyrocket. They have outsourced work—not overseas, but to temp agencies here in New Jersey—all along their supply chains, from production to shipping and packing of their products.

New Jersey represents a huge and growing portion of the staffing agency job market in the United States. Because the Port of Newark is the second-largest port in the country, temp and staffing agencies large and small have grown up all over the state, often in low-income communities of color. Two New Jersey counties appear on a 2012 list of top ten U.S. counties with the highest concentration of temporary help service workers.

Staffing agencies may take over all of the former employer's responsibilities for wages, compliance with discrimination laws, and provision of workplace benefits, but the competition they face produces intense pressure to cut costs by whatever means necessary, leading some to seek out the most vulnerable workers, and to cut corners and cheat on fundamental workplace protections and standards.

What Does Temp Work Look Like in 2018 in New Jersey?

"Temporary work" is a misnomer, since workers who permanently do temporary work make up one-third of the large and growing "temp" industry.

The number of U.S. workers in temporary help jobs has reached an all-time high.

Three million American workers are currently employed in temporary help services in any given week. Over a year, 16 million workers find work intermediated by an agency. In New Jersey, the Bureau of Labor Statistics estimates that there are approximately 127,000 workers employed by staffing agencies.

The industry has shifted from largely clerical to largely industrial.

The image of the "Kelly Girl" as a temp is outdated: Industrial jobs make up nearly half of the industry, while office and administrative jobs make up less than 17 percent.

Major corporations now use staffing as a permanent feature of their business model, hiring "temporary" workers for jobs that are permanently temporary.

Seventy-seven percent of Fortune 500 firms now use third-party logistics firms, who may then contract out to an army of smaller firms to move their goods. Out of 142 distinct logistics facilities captured in a New Jersey survey, over half had workers employed through staffing agencies working at their sites. On average, agency workers made up more than half of the total workforce (61.4%) at these sites. Three-quarters were dispatched to the same employer every day.

But while “temporary” workers may work alongside direct hires every day for years, the conditions they face are by no means equivalent. The pressure to deliver more for less leads some staffing agencies to cut corners and break the law.

Staffing agencies often locate in communities of color.

In a seminal 2011 study, experts mapped dozens of temp agencies in New Brunswick, Union City, Elizabeth, Paterson, Passaic, Plainfield, Trenton, and other cities. Nearly all the agencies were located in or bordering on neighborhoods with the highest percentage of Latinx residents.

Almost 60 percent of staffing agency workers in New Jersey are people of color.

Staffing agencies may engage in discrimination or provide cover for their clients’ discriminatory practices. A national study uncovered rampant discrimination against Black workers directly by staffing agencies and in the service of their clients’ racial prejudices, including using crude code words to discriminate on the basis of both race and gender.

Staffing work has serious impacts on workers’ safety and health.

Numerous studies confirm that temporary workers face an increased risk for work related injuries as compared to permanent workers.

Staffing work means a pay cut for workers.

In New Jersey, the median hourly wage of staffing industry workers is 31 percent less than that of workers overall. The table below shows the wage penalties for the three occupational groups that employ the most staffing agency workers in New Jersey. In addition, workers report high incidences of wage theft, and a near-total absence of work-related benefits.

What Can New Jersey Policymakers Do?

Existing New Jersey law inadequately protects workers and businesses. Under New Jersey law, a temporary agency must put up a small bond and apply for a license for each office it opens in the state. But a media check found prominent firms that appeared to be unlicensed, according to the state’s database. Temp agencies are also prohibited from requiring workers to use the agency’s van transportation, and from withholding wages for any unauthorized purpose, but workers report riding to work in overcrowded vans, ***paying daily fees above \$7.00.***

Other states have long regulated labor market intermediaries like day labor and temp agencies, including the following:

- Health and safety protections, including the creation of health and safety committees and notification by the agency of training and personal protective equipment to be provided by the host employer, to assure that workers know the protections they must receive to protect their health and lives;
- Strong retaliation protection, so that the path to justice for workers is reliable and safe;
- Clear written disclosures of essential terms and conditions of employment, including health and safety disclosures, so that workers can make their own decisions whether to accept or reject a job, with a minimum half day’s pay;
- Wage bonding, so that staffing agencies can pay their debts when workers are mistreated, required in nine states for employment agencies;
- Strong protections for safe, optional, and free transportation to and from jobsites;
- Provisions that the companies at the top of the contracting chain take responsibility for the workers at the bottom whose lives and livelihoods are in their hands.

In conclusion, New Jersey has the chance to follow the lead of other states to turn existing temp jobs into good-paying, permanent living wage jobs with stability, respect, and benefits.