

# Temporary Help Workers in the U.S. Labor Market

## Executive Summary

The number of jobs in the temporary help services industry reached an all-time high of 2.9 million in May 2015, accounting for 2.4 percent of all private sector jobs in the U.S. economy.<sup>1</sup> This short report looks at the latest official U.S. government statistics on the temporary help services industry and its workforce to provide an overview of its role in the labor market and the U.S. economy. The temporary help services industry tends to be a leading indicator of employment and fluctuates with the business cycle.

By  
Jessica R. Nicholson

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Specifically, as shown below:

- Temporary help workers tend to be younger than the average worker, are more likely to be female, and are less likely to have earned a master's, doctorate, or professional degree.
- Two-thirds of temporary workers fall into three major occupational groups: transportation and material moving; production; and office and administrative support.
- Temp workers generally earn a lower hourly wage than their directly-hired counterparts in the same occupation.
- In recent years, the states in the middle and Southeastern part of the United States have been using temp workers more than other states.

<sup>1</sup> Data on employment in the temporary help services industry is available from the Bureau of Labor Statistics' Current Employment Statistics survey from January 1990 to the present. Data can be accessed online at: <http://www.bls.gov/ces/>.

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## Introduction

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## Classifying the Temporary Help Services Industry

From a business perspective, temporary workers offer flexibility and possibly savings relative to hiring workers directly onto company payrolls. Temporary workers allow firms to use labor for shorter periods of time without a long-term commitment and without the cost of offering benefits, such as paid leave, health insurance, or a retirement plan. Temp workers also free businesses from the high costs of hiring and firing workers.<sup>3</sup> Part-time workers offer companies some, but not all, of these potential savings and flexibility. From the workers' perspective, temporary work might be attractive for people seeking a better work-life balance, more flexible hours, higher job mobility, or the opportunity to experience work in different industries. On the other hand, the

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<sup>2</sup> Data on employment in the temporary help services industry is available from the Bureau of Labor Statistics' Current Employment Statistics survey from January 1990 to the present. Historically, this industry has accounted for between 1.2 and 2.4 percent of all private sector employment.

<sup>3</sup> Ono, Yukako, "Why do firms use temporary workers?" Federal Reserve Bank of Chicago, Chicago Fed Letter, March 2009, No. 260, available online at: <https://www.chicagofed.org/publications/chicago-fed-letter/2009/march-260>. Also, businesses who hire temps pay administrative costs, but pay them indirectly through the bill rates charged by the temporary help agency.

price of flexibility is often reduced wages, unpredictable hours, little job security, and generally no paid leave or employer-provided benefits.

As classified by the North American Industry Classification System (NAICS), the temporary help industry (NAICS 56132) "comprises establishments primarily engaged in supplying workers to clients' businesses for limited periods of time to supplement the working force of the client." The temporary help industry is part of the employment services industry (NAICS 5613). As a share of the employment services industry, the temporary help industry has grown over the past decade and a half. In 2000, the temporary help industry accounted for 68 percent of all employment services industry jobs. By 2014, the share grew to 81 percent (see Figure 1). The rest of the jobs in the employment services industry are in employment placement agencies and executive search services (NAICS 56131) and professional employer organizations (PEOs, NAICS 56133).<sup>4</sup> PEOs provide human resource management services to client firms, including payroll services.

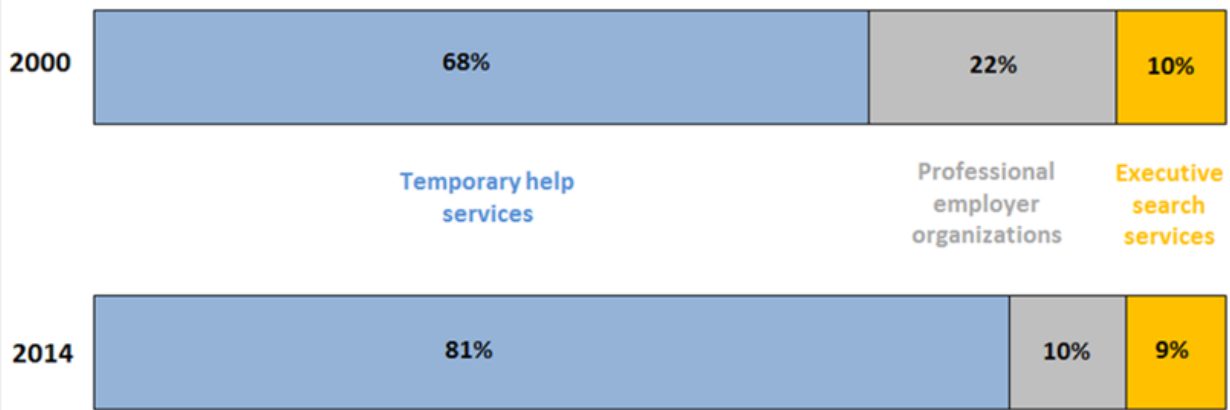
## Demographic Characteristics of Temporary Help Workers

The American Community Survey gives some insights into the demographic characteristics of workers in the employment services industry; data on workers specifically in the temporary help industry is not available. Figure 2 shows that workers in the employment services industry are more likely than the average

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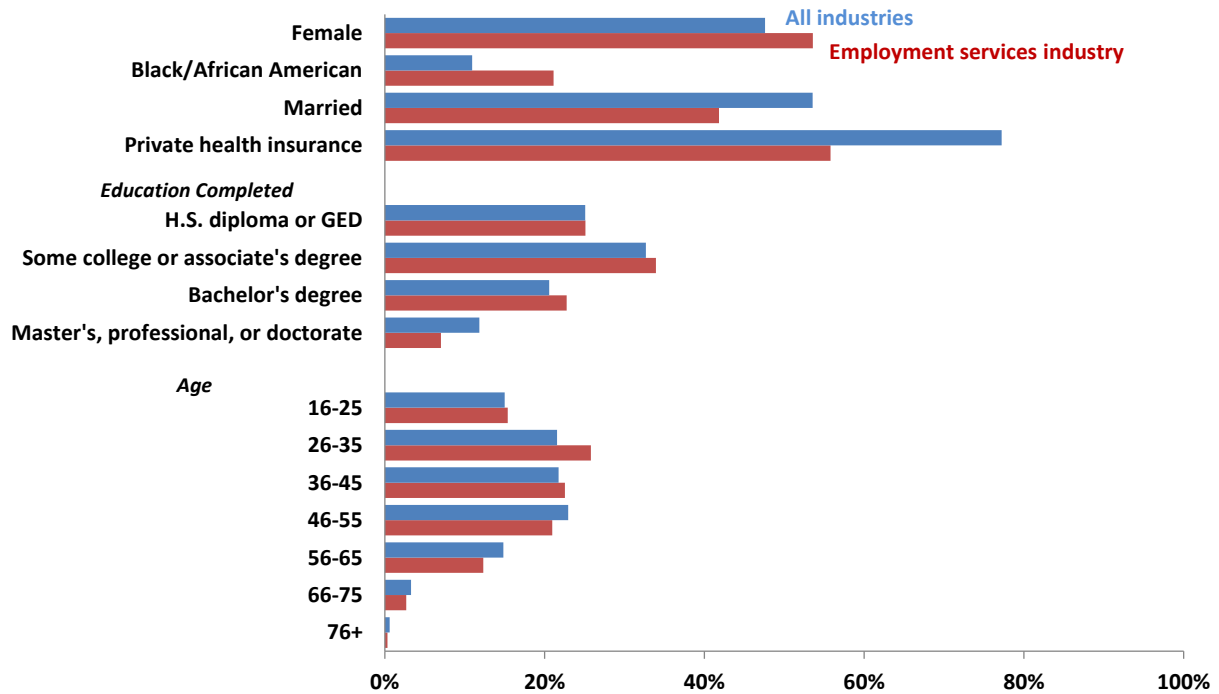
<sup>4</sup> Employment in PEOs peaked in September 2000 at 865,300. The industry began shedding jobs consistently in 2006 through 2015, with employment in the industry dropping more than 50 percent over that period. In April 2015, PEO employment stood at 354,200. Employment in placement agencies and executive search services firms follows the business cycle and has nearly recovered its recession losses.

**Figure 1. Employment in Employment Services Industry, by Sub-Industry**



Source: Bureau of Labor Statistics, Current Employment Statistics

**Figure 2. Share of Workers in Employment Services Industry and All Industries by Selected Characteristics and Age, 2011-2013**



Source: Department of Commerce, Office of the Chief Economist analysis using data from the Census Bureau, American Community Survey.

worker to be female and black or African American. They are less likely to be married (42 percent vs. 54 percent) and to have private health insurance.

In terms of education, only 7 percent of workers in the employment services industry have a degree beyond a bachelor's degree, as compared to 11.8 percent for the workforce as

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a whole. Employment services workers are about equally as likely as other workers to have obtained a GED or high school diploma and to have completed some college or obtained an associate's degree. They are also likely to be younger than the average worker—48 percent of workers in the employment services industry are between the ages of 26 and 45 compared to 43 percent in all industries.

## Industry Spending on Temporary Help Workers

One important point to remember is that for official statistics, temporary workers are counted as employees of the temporary help firm and not as employees of the firm for which they perform their job duties and that supervise their work. Neither the Bureau of Labor Statistics' (BLS') monthly payroll survey, which measures employment by industry, or the Census Bureau's Economic Census, asks temporary help services companies about the industries where they place their clients.<sup>5</sup> As a result, regular payroll employment statistics do not provide information on industries that are using temporary workers.

Thus, because temporary help workers are classified in the temporary help industry and not the industry where they perform their job duties, official employment statistics by industry provide only limited information about how temporary workers are being used in the

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<sup>5</sup> For example, suppose a nurse asks a large temporary help firm for help in seeking employment. The temporary help firm finds the nurse a two-week assignment in a small doctors' office (NAICS 621111) followed by an assignment at a private elementary school (NAICS 611110) and then an automobile assembly plant (NAICS 336111). For statistical purposes, the nurse is counted as an employee of the temporary help firm and not any of the client firms. This is similar for PEOs in that client firms' employees are counted on the payroll of the PEO and not on the payroll of the client firm.

U.S. economy. However, there are other data sources that can be used to gain insights into the use of temporary workers. For example, data on firms' spending for temporary help services is available, and provides insight into which industries rely most heavily on temporary help workers.<sup>6</sup> Included in the cost of selected temporary staff and leased employee expenses are total costs that were paid directly to staffing agencies and PEOs for personnel and include the "bill rate" or administrative cost of hiring temporary and leased employees, which can be quite high.<sup>7</sup> These expenses include all charges for payroll, benefits, and services. It is not possible to isolate expenses on temporary help services exclusively or to isolate the portion of the expense paid directly to the employee.

Table 1 shows the average establishment's expenses on temporary and leased employees as a share of gross payroll by industry for 2012.<sup>8</sup> Notably, four of the top eight industries on the table are related to the mining of crude oil and natural gas, the production of refined products, and transporting these goods. In several manufacturing industries (petroleum and coal products, plastics and rubber products, chemicals, transportation equipment, food, machinery, and textile mills), establishments spent, on average, 5 percent or more on top of

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<sup>6</sup> Data for manufacturing, mining, and construction expenses on temporary and leased employee expenses are available from the Census Bureau's Economic Census. Data are available at:

<http://www.census.gov/econ/census/>. Data for

services industries are available from the Census Bureau's Services Annual Survey. Data are available at: <https://www.census.gov/services/index.html>.

<sup>7</sup> Bill rates may vary substantially between firms and include mandatory regulated costs such as workers compensation and federal and state unemployment taxes. See

<http://www.entrepreneur.com/article/234665> and <http://www.pacestaffing.com/2014/06/25/how-to-read-your-staffing-invoice/> for more information.

<sup>8</sup> These expenses are not included in the gross payroll numbers. They are separate expenses and include non-wage items.

**Table 1. Firm Expenses on Temporary Staff and Leased Employees as a Percentage of Gross Annual Payroll, 2012**

NAICS	Industry Name	Percentage
517	Telecommunications <sup>1</sup>	25.6%
486	Pipeline transportation	24.0%
22	Utilities	19.1%
493	Warehousing and storage	18.8%
324	Petroleum and coal products manufacturing	14.0%
211	Oil and gas extraction	13.2%
484	Truck transportation	9.1%
213	Support activities for mining	8.2%
518	Data processing, hosting, and related services	7.7%
519	Other information services	7.7%
488	Support activities for transportation	7.5%
512	Motion picture and sound recording industries	7.2%
212	Mining (except oil and gas)	7.1%
326	Plastics and rubber products manufacturing	7.1%
541	Professional, scientific, and technical services <sup>2</sup>	6.9%
325	Chemical manufacturing	6.5%
511	Publishing industries (except Internet)	6.1%
524	Insurance carriers and related activities	6.0%
492	Couriers and messengers	5.9%
61	Educational services <sup>3</sup>	5.9%
562	Waste management and remediation services	5.9%
336	Transportation equipment manufacturing	5.6%
311	Food manufacturing	5.5%
532	Rental and Leasing Services	5.2%
333	Machinery manufacturing	5.1%
314	Textile product mills	5.0%

Notes: Only industries with expenses equal to 5 percent or more of payroll are shown on this table.

1. Excludes NAICS 5179 (Other telecommunications).

2. Excludes NAICS 54112 (Offices of notaries).

3. Excludes NAICS 6111 (Elementary and secondary schools), NAICS 6112 (Junior colleges), and NAICS 6113 (Colleges, universities, and professional schools).

Source: Department of Commerce, Office of the Chief Economist analysis of data from the Census Bureau, 2012 Economic Census and 2012 Services Annual Survey.

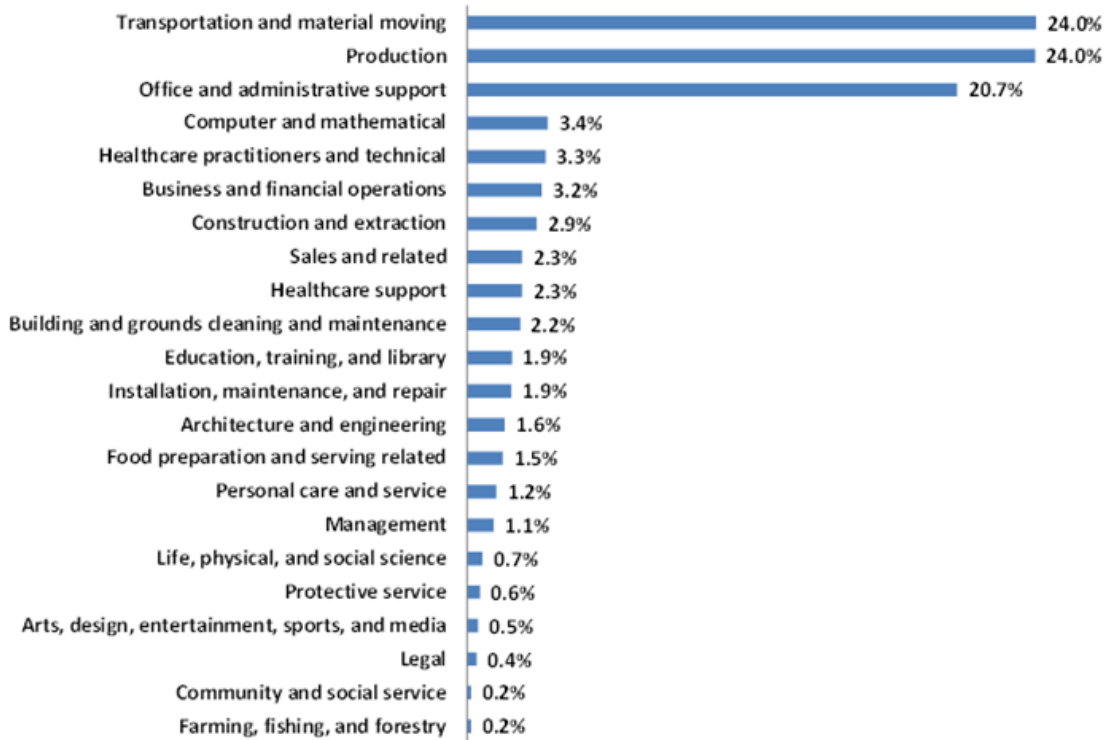
their gross annual payroll for temporary and leased employee services, as shown in the table.

## Occupations and Wages of Temporary Help Workers

Knowing which industries are using temp workers is only part of the story. Looking at the

occupations of temporary help workers sheds some light on the work temporary workers are hired to do. The Bureau of Labor Statistics' Occupational Employment Statistics (OES) survey provides data on the distribution of workers across occupations in various industries. According to the OES, in 2014, almost 70 percent of temporary help workers were employed in three major occupational groups as classified by the Standard Occupational Classification (SOC)

**Figure 3. Occupations in the Temporary Help Industry, 2014  
(share of total)**



Source: Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics, Occupational Employment Statistics

system:<sup>9</sup> transportation and material moving occupations (SOC 53-000, 24 percent), production occupations (SOC 51-000, 24 percent), and office and administrative support occupations (SOC 43-000, 21 percent) (see Figure 3).<sup>10</sup>

<sup>9</sup> To learn more about the Standard Occupational Classification system, visit <http://www.bls.gov/soc/>.

<sup>10</sup> Department of Commerce, Office of the Chief Economist analysis using OES data. The first year for which OES data on the occupations of temporary help services industry is available is 2014. Data for occupations of workers in the employment services industry, which includes the temporary help services industry, is available historically. The employment services industry and the temporary help services industry had a similar distribution of jobs across the major occupations in 2014. Looking at data back to 2006, workers in employment services have consistently worked primarily in the same three major occupational groups as in 2014: transportation and

The OES program also provides data on the hourly earnings of temp workers and workers in other industries by their occupation. Table 2 displays average hourly wages for select occupations in the temporary help services industry and in all private industries; these are the wages workers receive and not what firms pay, so the administrative charges firms pay when hiring temporary workers, or bill rates, are not included here as they are in Table 1. Temporary help services workers in the three occupational groups mentioned above earned lower wages, on average, than their directly-hired counterparts. Of the three major groups, temp workers in office and administrative support positions (SOC group 43) did the best

material moving, production, and administrative support.



**Table 2. Temporary Help Services Industry and Total Private Industry Occupational Wage Comparison, 2014**

SOC Code	Occupation Name	Temporary help services hourly mean wage/total private hourly mean wage	Temporary help services		All industries	
			Hourly mean wage	Share of employment	Hourly mean wage	Share of employment
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	85%	\$ 11.05	15.7%	\$ 13.07	1.8%
51-2092	Team Assemblers	78%	\$ 11.58	6.1%	\$ 14.78	0.8%
43-9061	Office Clerks, General	93%	\$ 13.78	5.3%	\$ 14.82	2.1%
53-7064	Packers and Packagers, Hand	90%	\$ 9.96	4.4%	\$ 11.08	0.5%
51-9198	Helpers--Production Workers	88%	\$ 10.78	3.6%	\$ 12.31	0.3%
43-4051	Customer Service Representatives	90%	\$ 14.58	3.2%	\$ 16.29	1.9%
51-2099	Assemblers and Fabricators, All Other	91%	\$ 12.58	2.8%	\$ 13.81	0.2%
51-9199	Production Workers, All Other	87%	\$ 13.17	2.6%	\$ 15.08	0.2%
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	97%	\$ 16.08	2.3%	\$ 16.59	1.6%
51-9111	Packaging and Filling Machine Operators and Tenders	82%	\$ 11.46	2.2%	\$ 13.92	0.3%
53-7051	Industrial Truck and Tractor Operators	87%	\$ 13.87	2.1%	\$ 16.02	0.4%
47-2061	Construction Laborers	75%	\$ 12.97	1.5%	\$ 17.19	0.6%
13-1071	Human Resources Specialists	86%	\$ 25.93	1.5%	\$ 30.09	0.3%
43-5081	Stock Clerks and Order Fillers	92%	\$ 11.26	1.5%	\$ 12.20	1.4%
29-1141	Registered Nurses	102%	\$ 34.35	1.4%	\$ 33.55	2.0%
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	90%	\$ 10.97	1.1%	\$ 12.24	1.6%
31-1014	Nursing Assistants	106%	\$ 13.36	1.1%	\$ 12.62	1.1%
43-9021	Data Entry Keyers	93%	\$ 13.50	1.0%	\$ 14.48	0.2%
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	79%	\$ 14.50	1.0%	\$ 18.46	0.4%
25-3098	Substitute Teachers	90%	\$ 12.91	0.9%	\$ 14.32	0.5%
43-4171	Receptionists and Information Clerks	96%	\$ 12.89	0.9%	\$ 13.38	0.7%
51-2022	Electrical and Electronic Equipment Assemblers	83%	\$ 12.73	0.9%	\$ 15.42	0.2%
29-2061	Licensed Practical and Licensed Vocational Nurses	106%	\$ 22.19	0.9%	\$ 20.87	0.5%
15-1151	Computer User Support Specialists	92%	\$ 22.89	0.8%	\$ 24.76	0.4%
43-3081	Bookkeeping, Accounting, and Auditing Clerks	96%	\$ 17.50	0.8%	\$ 18.30	1.2%
43-5071	Shipping, Receiving, and Traffic Clerks	87%	\$ 13.21	0.8%	\$ 15.27	0.5%
51-4041	Machinists	82%	\$ 16.39	0.8%	\$ 19.97	0.3%
31-1011	Home Health Aides	104%	\$ 11.24	0.7%	\$ 10.77	0.6%
49-9071	Maintenance and Repair Workers, General	93%	\$ 17.21	0.7%	\$ 18.46	0.9%
51-4031	Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and	80%	\$ 12.43	0.6%	\$ 15.59	0.1%
43-6011	Executive Secretaries and Executive Administrative Assistants	93%	\$ 23.94	0.6%	\$ 25.76	0.5%
39-9021	Personal Care Aides	102%	\$ 10.41	0.6%	\$ 10.20	0.9%
41-3099	Sales Representatives, Services, All Other	92%	\$ 27.38	0.6%	\$ 29.79	0.6%
37-2012	Maids and Housekeeping Cleaners	88%	\$ 9.51	0.6%	\$ 10.82	0.7%
15-1132	Software Developers, Applications	99%	\$ 47.20	0.5%	\$ 47.85	0.5%
51-4121	Welders, Cutters, Solderers, and Brazers	92%	\$ 17.73	0.5%	\$ 19.25	0.3%

Note: Occupations that represent less than 1% of temporary help services jobs are not presented on this table.  
 Source: Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics, Occupational Employment Statistics.

and tended to earn wages that were within 90 percent of direct-hires.

Given that temporary help workers are less likely to earn benefits; the total hourly compensation they receive is likely an even smaller percentage of the total compensation of direct hires in occupations that do receive employer-paid benefits.<sup>11</sup>

Temporary workers earned higher wages than direct hires in only five occupations out of all those shown in Table 2. Past research has shown that temporary workers in occupations that require more skills or education, or more contact with customers earn wages that are

<sup>11</sup> According to the 2005 Current Population Survey Contingent Worker Supplement (the latest available), 8.3 percent of all temporary workers were covered by employer-provided health insurance and 3.8 percent

were included in an employer-provided pension plan. The comparable figures for workers in traditional work arrangements were 56.0 percent and 47.7 percent. Available at: <http://www.bls.gov/news.release/pdf/conemp.pdf>.

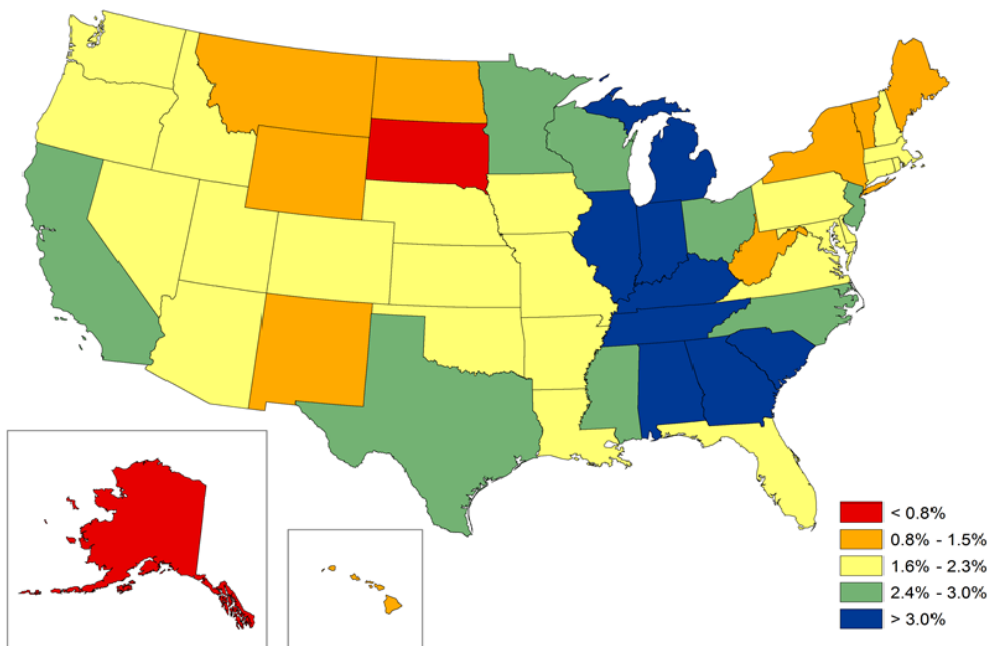
higher than or equal to wages of direct hires.<sup>12</sup> These workers' skills tend to be more portable across jobs, rather than firm-specific. An example of this is registered nurses (SOC 29-1141), who, in 2014, earned 2 percent more than direct hires that year (\$34.35 in the temporary help services industry vs. \$33.55 for registered nurses in all industries) and computer programmers (SOC 15-1131, not shown on the table) who earned 9 percent more (\$43.46 vs. \$39.75). Employers typically require the same skills from direct hires and temps in more highly-skilled occupations. Temp workers filling these jobs might not accept the reduced job security that comes with temporary work without higher wages. Additionally, employers might be paying a premium to

secure last-minute, on-demand labor.<sup>13</sup>

## Geographic Distribution of Temporary Help Workers

Temporary help jobs are scattered across the country (see Figure 4). Overall, in 2014, the temporary help industry accounted for 2.4 percent of all private sector employment in the United States. In eight states, temporary help accounted for greater than 3 percent of private employment: Tennessee (4.0 percent), South Carolina (4.0 percent), Kentucky (3.6 percent), Illinois (3.5 percent), Indiana (3.4 percent), Alabama (3.3 percent), Michigan (3.3 percent),

**Figure 4. Temporary Help Services Employment as a Share of Total Private Employment by State, 2014**  
(U.S. average = 2.4%)



Note: Preliminary data were used in these calculations.  
Source: Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

<sup>12</sup> Kilcoyne, Patrick. "Occupations in the Temporary Help Services Industry," Bureau of Labor Statistics, May 2004, available at: <http://www.bls.gov/oes/2004/may/temp.pdf>.

<sup>13</sup> Ono.



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and Georgia (3.3 percent) (See Figure 4). At the lowest end, the temporary help industry accounts for less than 1 percent of state employment in Alaska (0.4 percent), South Dakota (0.7 percent), Wyoming (0.8 percent), Vermont (0.9 percent), and Montana (0.9 percent).

Variations in the concentration of temporary help across states are likely a result of the industries and occupations that tend to rely on temp workers. As discussed above, almost one-quarter of temporary workers are employed in production occupations; among workers directly-hired into production occupations, the vast majority work in the manufacturing sector.<sup>14</sup> Thus, perhaps not surprisingly, the states shaded in blue in Figure 4, where temp workers constitute a larger share of the employed, are in the Midwest and South, areas known for manufacturing.<sup>15</sup> Although it is difficult to estimate using official statistics how much manufacturers are using temp workers to fill their labor needs, there has been anecdotal evidence that manufacturers' use of temp workers is growing.<sup>16</sup> After experiencing

uncertainty over the past decade or more, manufacturers may be making use of the flexibility of temporary work arrangements in some cases, rather than entering into longer-term labor contracts.<sup>17</sup>

## Jobs Gains and Losses in the Temporary Help Industry

When demand for goods or services begins to decline, firms may not be able to immediately shed workers or cut hours. As noted earlier, employing temporary workers allows firms greater flexibility. Because temporary workers do not have a long-term contract with the firm and firms do not have separation costs (such as severance packages) with temporary employees, these workers are the first to be let go by firms at the start of an economic downturn. Likewise, when the downturn is over and demand for goods and services returns, hiring temporary workers is a good solution to quickly fill labor needs. Firms might be reluctant to bring on permanent employees until the recovery is well-established or it might take time for firms to find the right match in a prospective employee. Therefore, the share of total jobs that temporary help services comprise not only tends to fluctuate with the business cycle, it tends to be a leading indicator of recessions and recovery from recessions.

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<sup>14</sup> Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics' Occupational Employment Statistics (OES). OES data may be accessed online at: <http://www.bls.gov/oes/>.

<sup>15</sup> See Helper, Susan, Timothy Krueger, and Howard Wial, "Locating American Manufacturing: Trends in the Geography of Production," Brookings, Metropolitan Policy Program, April 2012, available at: [http://www.brookings.edu/~media/research/files/reports/2012/5/09-locating-american-manufacturing-wialh/0509\\_locating\\_american\\_manufacturing\\_report.pdf](http://www.brookings.edu/~media/research/files/reports/2012/5/09-locating-american-manufacturing-wialh/0509_locating_american_manufacturing_report.pdf)

<sup>16</sup> For more information on this, see Nicholson, Jessica R., "An Update on Temporary Help in Manufacturing," Economics and Statistics Administration, April 2015, available at: <http://esa.doc.gov/reports/update-temporary-help-manufacturing/>. Also, see <http://www.navexglobal.com/company/news/manufacturings-temporary-worker-boom>, <http://www.economicmodeling.com/2014/04/08/temp-workers-and-the-slow-return-of-manufacturing/>, and

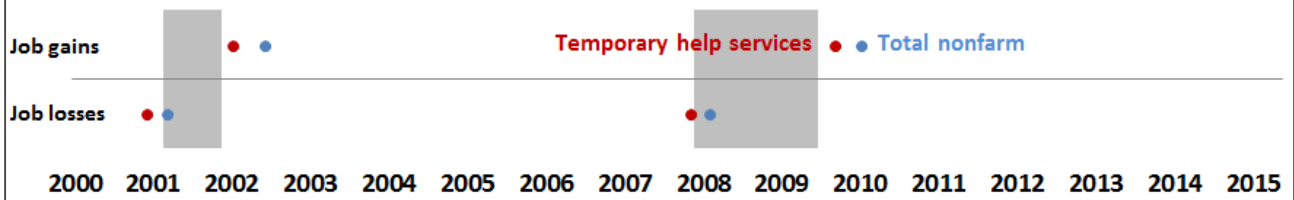
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<http://www.propublica.org/article/temporary-work-lasting-harm>.

<sup>17</sup> To learn more about recent trends in manufacturing, see Nicholson, Jessica R., "Recent Trends in Manufacturing," Economics and Statistics Administration, Office of the Chief Economist, June 2015, available at: <http://esa.doc.gov/economic-briefings/recent-trends-manufacturing> and Jessica R. Nicholson and Ryan Noonan, "Manufacturing Since the Great Recession," Economics and Statistics Administration, Office of the Chief Economist, June 2014, available at: [http://esa.doc.gov/sites/default/files/manufacturingsin\\_cethegreatrecession2014-06-10final.pdf](http://esa.doc.gov/sites/default/files/manufacturingsin_cethegreatrecession2014-06-10final.pdf).

**Figure 5. Temporary Help is a Leading Indicator**

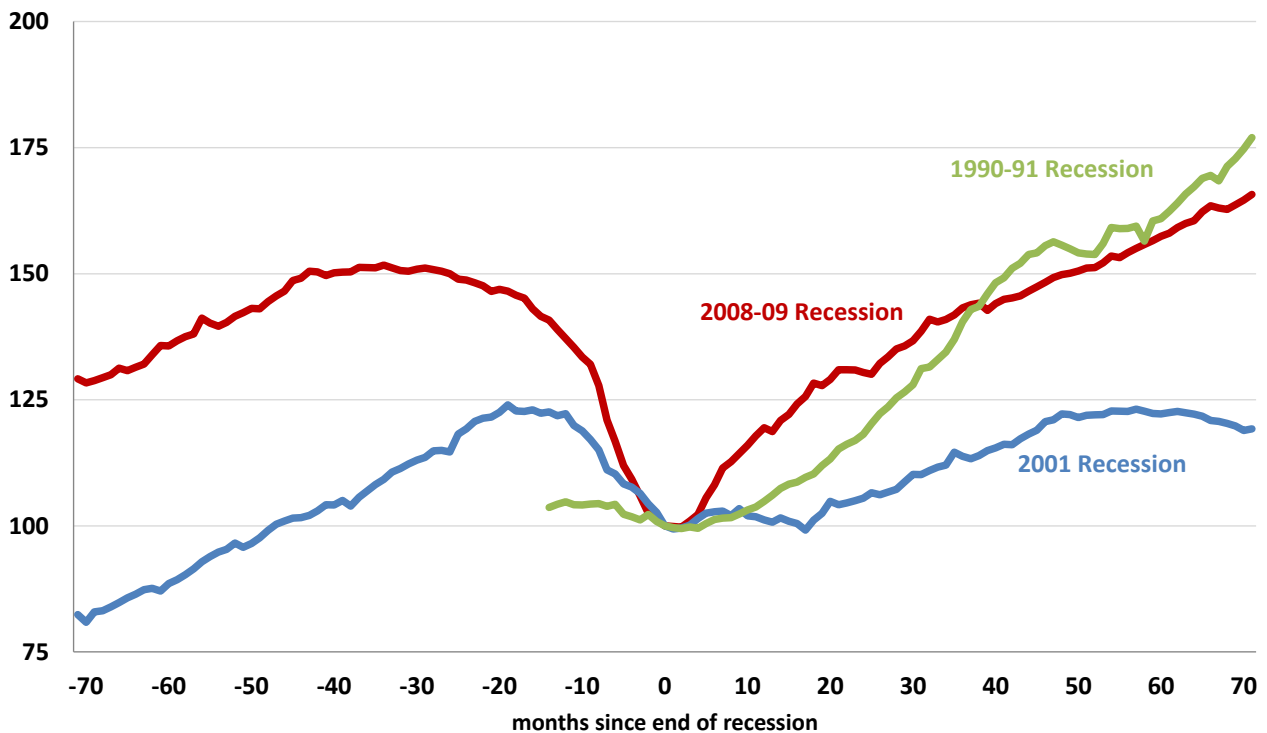
The dots indicate where jobs first turned negative prior to the recession and first turned positive after the recession.



Note: Gray bars indicate recession.

Source: Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics, Current Employment Statistics.

**Figure 6. Index of Temporary Help Services Employment Before and After Recessions**  
(final month of recession = 100)



Note: Data on employment in the temporary help services industry begins in January 1990.

Source: Department of Commerce, Office of the Chief Economist analysis using data from the Bureau of Labor Statistics, Current Employment Statistics

Figure 5 supports the concept of employment in temporary help services as a leading indicator of the labor market.<sup>18</sup> In the last two recessions, temporary help services employment began

decreasing before overall employment. And post-recession, employment of temporary help workers started increasing before overall hiring picked up across the labor market.

<sup>18</sup> See Ono; Kilcoyne.

During the most recent (2008-09) recession, the temporary help services industry accounted for

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11 percent (815,200) off all private sector jobs lost, a much higher percentage than would be expected based on the size of the industry in the overall economy. Since the end of the recession, the industry has accounted for 10 percent (about 1.2 million) of all private sector jobs added to the economy (through May 2015). Employment in the temporary help industry fell dramatically in the 20 months before the recession ended and the shedding of temporary help jobs was also more severe than in the 2001 recession. The number of jobs in the temporary help services industry fell from a high of 2.7 million in August 2006 to 1.7 million in August 2009. The most dramatic decreases occurred between February 2008 and June 2009, when employers were shedding an average of 46,500 temporary help jobs each month. During the previous recession, employment in temporary help services dropped from 2.7 million to 2.1 million. However, hiring of temp workers began to rebound just a few months later (see Figure 6), which was a quicker recovery than in the previous two U.S. recessions (no comparison can be made for the 1990-91 recession because of lack of data).

## Conclusion

Jobs in the temporary help services industry have hit an all-time high as the labor market recovery continues in the United States. Temporary help has been and continues to be a way for workers and firms to enter into flexible employment relationships. Nevertheless, the picture of how temporary help is used in the economy is still incomplete. This report examined the data available for workers formally hired to perform temporary work through temporary help agencies. However, firms can also hire temporary workers directly, avoiding the sometimes high bill rates charged by temporary help agencies. There are also other types of worker arrangements that firms use to increase the flexibility of their labor pool:

placing workers on-call, hiring contract workers, and offering part-time positions in lieu of full-time positions all provide firms with greater control over how they staff their business. Taken together, these arrangements are often referred to as “contingent” or “non-standard” work arrangements.

Recently, the U.S. Government Accountability Office (GAO) released a report estimating that non-standard work arrangements have accounted for anywhere from 5- to 40 percent of jobs in the United States over the past several years, depending on how inclusive the definition.<sup>19</sup> The GAO report also raised concerns that non-standard work arrangements provide workers with less stability, increase their reliance on social services, and, in some cases, provide less job satisfaction. The Organization for Economic Cooperation and Development (OECD) recently released research that non-standard work arrangements around the world have led to increased income inequality.<sup>20</sup> As noted in both the OECD and GAO reports, measuring the extent that firms in the United States are using temporary help and other forms of non-standard work arrangements is challenging. However, in this report, we presented the available evidence on the role of temp workers in the U.S. economy, showing that they tend to be used in production and transport roles, largely in oil and gas and in manufacturing. In addition, because of the flexibility of these work arrangements, temp workers tend to be a leading indicator of recessions and recovery from recessions.

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<sup>19</sup> U.S. Government Accountability Office, GAO-15-168R Contingent Workforce, April 2015, available at: <http://www.gao.gov/assets/670/669899.pdf>.

<sup>20</sup> Organization for Economic Cooperation and Development, “In It Together: Why Less Inequality Benefits All,” May 2015, available at: <http://www.oecd.org/social/in-it-together-why-less-inequality-benefits-all-9789264235120-en.htm>.

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Ryan Noonan, Economist  
William Hawk, Economist  
Adji Fatou Diagne, Pathways Economist  
Mary Vansuch, Pathways Economist  
Jane Callen, Editor

The author is an economist in the Office of the Chief Economist of the U.S. Department of Commerce's Economics and Statistics Administration.

Technical inquiries:  
Office of the Chief Economist  
(202) 482-3523

Media inquiries:  
Office of Communications  
(202) 482-3331

U.S. Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230  
[www.esa.doc.gov](http://www.esa.doc.gov)