

5-28-2015

Use of Temporary-Help Workers Continues to Rise

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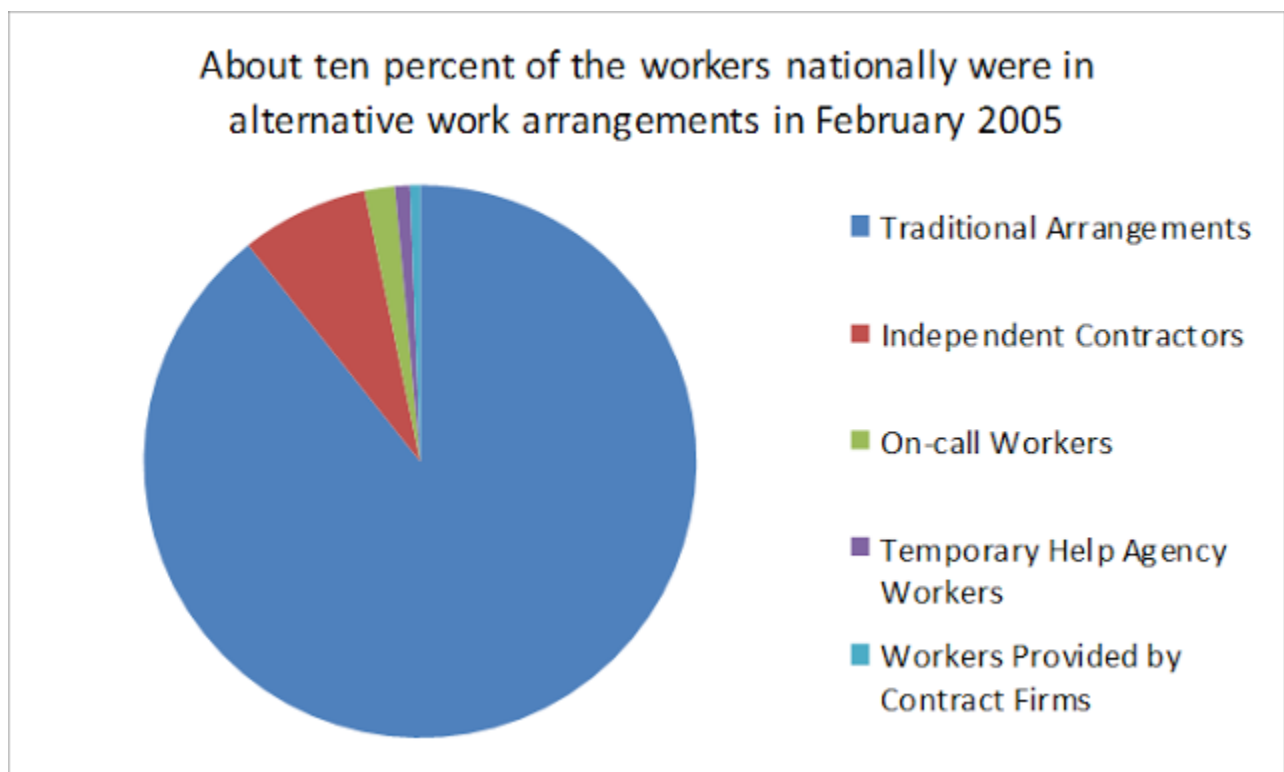
Recommended Citation

Maine Center for Workforce Research and Information and Evans, Dana, "Use of Temporary-Help Workers Continues to Rise" (2015). *Center for Workforce Research and Information Documents*. Paper 229.
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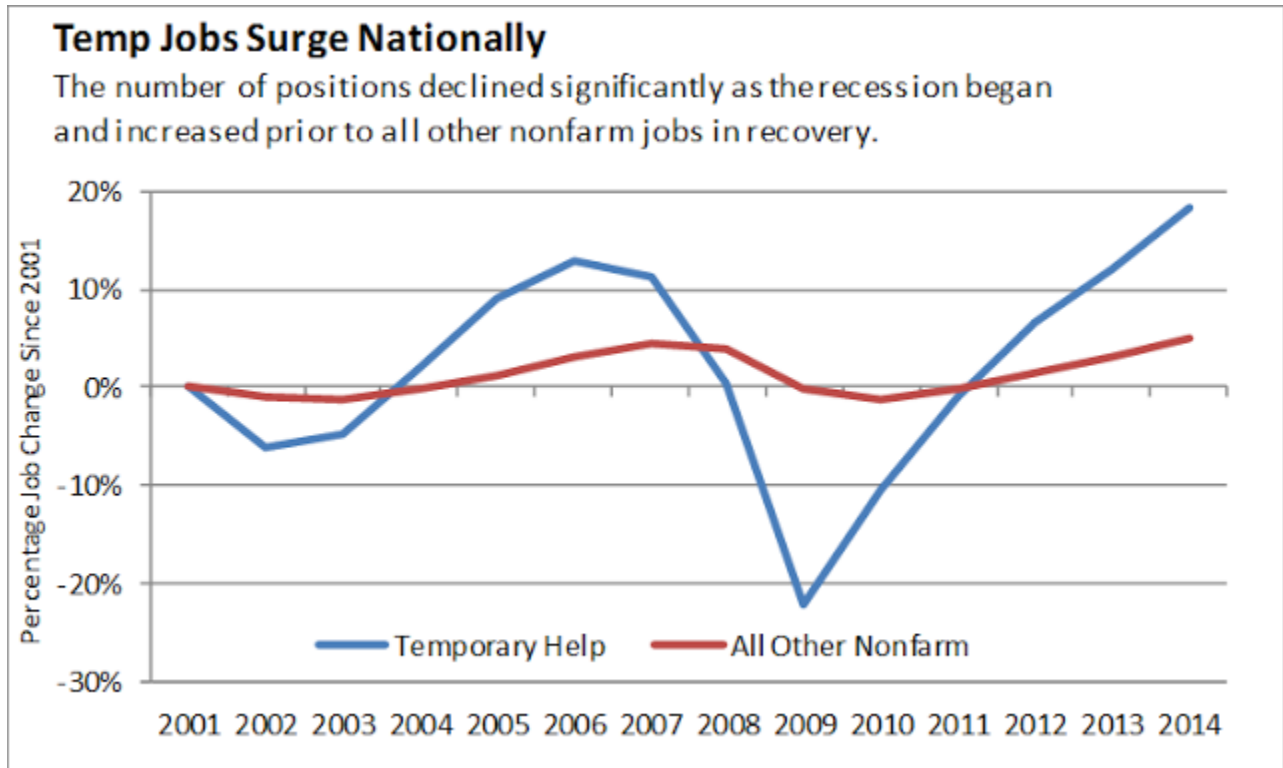
Most workers are employed by an organization and have an established work schedule. In 2005, about one in 10 people worked in such alternative work arrangements (AWAs) as through a temporary help firm or their places, times, and quantities of work were unpredictable according to the U.S. Bureau of Labor Statistics. About 7 percent of workers were independent contractors, 2 percent were on-call workers, and nearly 2 percent were employed by temporary help agencies or contract staffing firms. Employers use these arrangements to meet irregular product demand, take advantage of economies of scale, or for cost savings.



Temporary Help Services

There has been much discussion about the reasons for the continued growth of AWAs and in which sectors temporary workers may be likely to be employed, but the only industry category for which data is currently available is temporary help services. Nationally, the number of temporary jobs increased 139 percent between 1990 and 2014, much faster than the 26 percent growth for all other nonfarm jobs. Growth was due to several factors including emphasis on specialization or flexibility in response to changes in demand. In addition, staffing firms not only became more sophisticated at matching individuals to jobs, but they also expanded services and included more training.

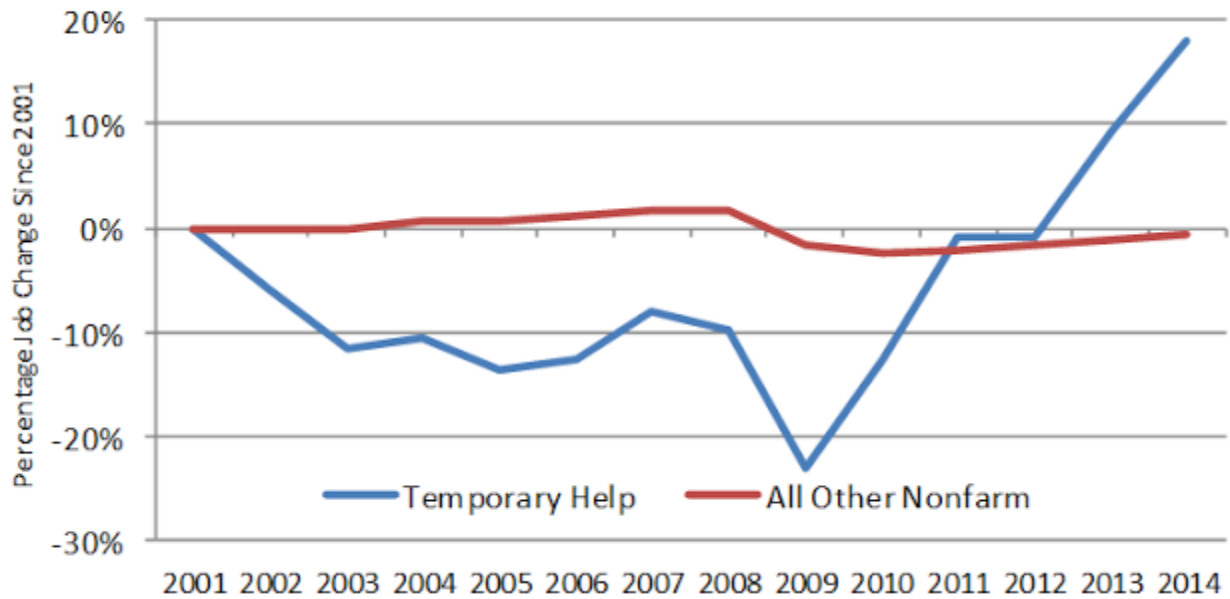
The number of temp jobs goes up or down more than traditional jobs throughout the course of the business cycle. In the United States, temp jobs fell 4.9 percent compared to 1.4 percent for all nonfarm jobs from 2001 to 2003 during and shortly after that recession. In the most recent recession, temp jobs fell 30 percent while other nonfarm jobs declined 5 percent between 2007 and 2009. As the recovery began, temp job growth preceded gains in other industries in 2010 and continued to rise more rapidly as the recovery broadened to more industries in successive years.



Similar to the national trend, temp jobs in Maine declined much more during the last two recessions and began to increase earlier in the recovery. The 6,800 jobs in temporary help agencies were just 1 percent of nonfarm jobs in 2014, but they accounted for 30 percent of the net job gain since 2009.

Maine Temp Jobs up 53% between 2009 and 2014.

Although only one percent of nonfarm jobs, use of temps has risen dramatically since 2009, comparable to the national trend.

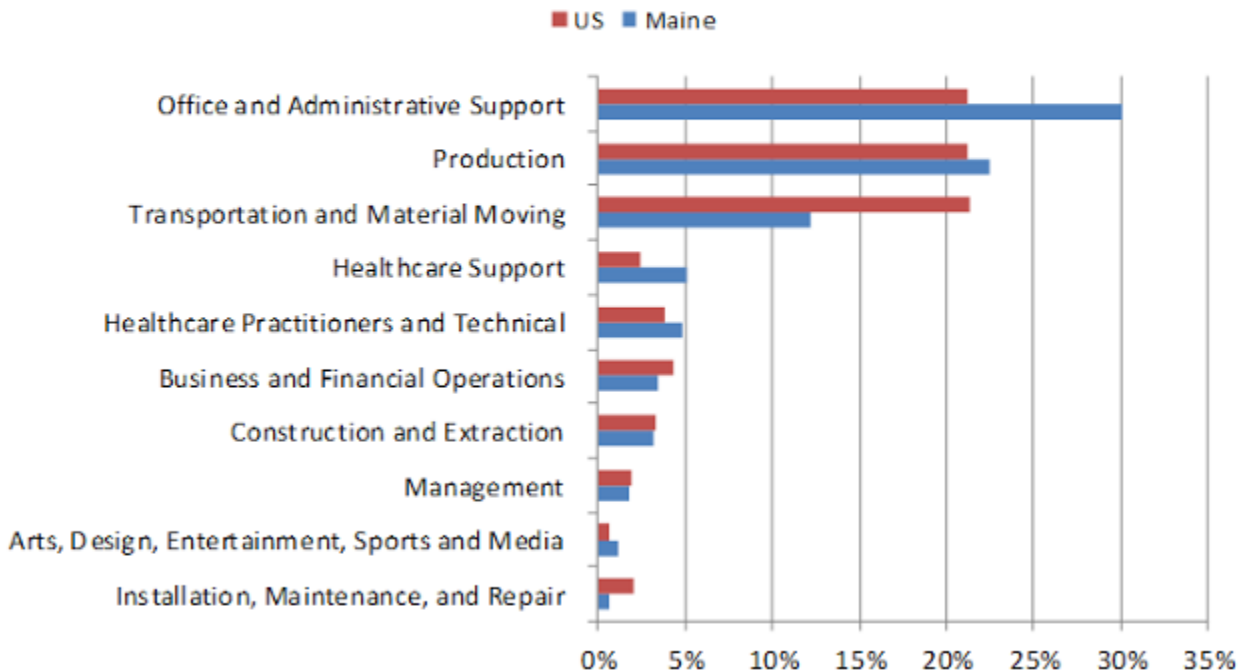


Who Are Temporary Workers?

Office administrative workers, such as secretaries, accounted for most U.S. temp jobs 30 years ago, but comprise just 20 percent today. The share in other occupations, many of them with higher education and skill requirements, increased significantly over the years. In Maine, jobs in office administrative support and healthcare occupations comprise a higher share of temp jobs than the national average.

Employment service workers fill a variety of occupations

In Maine and the U.S., nearly 65% of these workers are in office, production, and transportation occupations. About 10% of Maine workers are in health care.



Source: Occupational Employment Statistics Program, May 2013.

Future Growth

As the economy recovers from a recession, employers typically hire temp workers as a way to address workforce need while being cautious about adding permanent staff. In time, they rely less on temp workers and turn to increasing core staff. Six years into a slow recovery, employers are still adding temporary jobs both in Maine and the nation. A CareerBuilder and Harris Poll study reported that 46 percent of U.S. employers plan to hire temporary or contract workers in 2015.

Whether this trend will revert to practices of the past when employers gained confidence in the economy and started hiring more permanent staff remains to be seen. Some believe that continued addition of temp jobs is the result of current business uncertainty. Others see this as a trend that will continue as employers seek to become more flexible.