

TEMPORARY WORK

The growth of temporary work--both as offered through the temporary help services industry (THS), and directly by employers--presents some new and largely unrecognized questions of public policy.

Extent and Growth:

- o In 1988, there were approximately one million workers in temporary help services at any given time.
- o It is estimated that three million workers may be engaged in temporary work, including direct hires, "self-employed" consultants, and workers with contract arrangements.
- o Temporary work is growing much faster than total employment and may be developing into a permanent arrangement with many employers.

Characteristics of Temporary Work:

- o Clerical help is the mainstay of the THS industry; various estimates place the proportion of THS workers who are in clerical jobs at 45-70 percent of the total.
- o Other important occupational categories are industrial, medical, and technical and professional; medical temporary help is believed to be the fastest growing segment.
- o Nearly two-thirds of the THS industry's employees are women, compared with 36 percent of the non-temporary labor force.
- o About one-fifth of all THS workers are black, about twice the proportion of blacks in the total labor force. The racial disproportion is greater for men than for women.
- o Although it is frequently stated that the growth in temporary work reflects the desire of many women for flexible work schedules, the available data do not support this view:

Female THS workers are not different from full-time female workers with respect to marital status, presence of other family earners, and age of youngest child.

The Institute for Women's Policy Research is an independent non-profit research institute dedicated to conducting and disseminating research that informs public policy debates affecting women. This fact sheet is based on an IWPR paper, <u>Temporary Work</u>, by Heidi Hartmann and June Lapidus.

Seventy-one percent of female THS workers reported that they worked full time or were working part time involuntarily.

Male temporary workers, in contrast, are on average younger than non-temporary male employees. Married men and fathers are less likely to be temporary employees.

o Pay and benefit levels of temporary workers are substantially lower than for full-time permanent workers, especially for males. Because of their intermittent work schedules, temporaries often experience difficulty in meeting eligibility requirements for certain fringe benefits.

Reasons for Growth in Temporary Work:

- o The rise in temporary work appears to be demand-led rather than supply-led. Workers may take these jobs by default rather than by choice.
- o The growth of the THS industry may reflect a "core and ring" strategy on the part of many employers, resulting in a two-tiered labor market.
- o The increased use of temporary help reflects pressure for cost reduction and is part of the trend toward corporate downsizing and contracting out for various services.
- o The trend toward greater reliance on temporary workers has been facilitated by technological factors and by the decline in unionization.

Public Policy Considerations:

- o The THS industry boom may, in effect, represent a redistribution of economic uncertainty and risk from employers to workers.
- o There may be undesirable (and, perhaps, unintended) equal employment opportunity effects: THS employment is more minority- and female-dominated than the labor force as a whole, i.e. depends heavily on the more economically vulnerable workers.
- o Both THS firms and organizations that use temporaries should be required to report on the number, type and duration of temporary assignments. Increased information could point the way to needed public policy measures.
- o Steps should be considered that would regulate the pay and benefits of temporary workers. These might include: automatic access to benefits after a limited employment period; pay parity with permanent workers; equal access to parental leave and child care benefits and similar measures.

About this study: The study was conducted for the U.S. Department of Labor, Commission on Workforce Quality and Labor Market Efficiency. Data used in this study came from several sources, including the Current Population Survey (CPS)--a monthly Census Bureau survey of approximately 60,000 households. Opinions stated in this document do not necessarily represent the official position or policy of the U.S. Department of Labor, Commission on Workforce Quality and Labor Market Efficiency; all views expressed are the authors.