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Temporary Workers as Members of the Contingent Labor Force

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ABSTRACT

This report opens with a discussion of the contingent work force and the public policy issues associated with this labor market development. The focus of the report then narrows to analyze in detail one component of the contingent labor force, namely, temporary workers. Who and how many are they? Why have firms increased their use of temps supplied through staffing companies? Does temporary status in and of itself confer relatively low wages and few benefits? What policy responses have been advocated? The report is not intended to track legislation. It will not be updated. A related report is: CRS Report 98-695, *Part-Time Job Growth and the Labor Effects of Policy Responses: An Overview*.

Temporary Workers as Members of the Contingent Labor Force

Summary

Contingent work is, broadly speaking, any employee-employer relationship other than a full-time, secure position at a firm which offers benefits. Contingent workers may include temporary workers, part-time workers, on-call workers, leased employees, day laborers, the self-employed, independent contractors, and employees of contract services firms. Some observers dispute the inclusion of all these groups because they think not all nontraditional employment relationships are insecure. The lack of consensus on an operational definition for contingent work arrangements means that agreement also is absent on the size and growth of the phenomenon. Without knowing these things it is difficult to gauge whether a legislative response is warranted and, if one were, what would be the appropriate remedies.

Temporary workers employed by staffing companies for placement in assignments of varying duration at client firms are widely considered part of the contingent labor force. Agency temporaries are disproportionately young, female and minorities, and in clerical as well as low-skilled blue-collar occupations. They more often give economic (e.g., only kind of job they could get) than personal (e.g., family obligations) reasons for being in a nontraditional job. Most would prefer to have traditional jobs. They are more likely to be unemployed than permanent workers.

Some analysts believe the rapid growth of the temporary help supply (THS) industry has been fueled by changes in the economy that put a premium on staffing flexibility and labor cost savings. Agency temporaries afford a type of flexibility which, it is suggested, has become increasingly important to client firms — trying out workers before making permanent job offers. The temp-to-hire route enables firms to avoid poor hiring decisions which could become costly firing decisions. Many agency temporaries are not utilized in this way, however. Others argue that THS jobs have increased because they allow user firms to avoid costly legal obligations associated with the direct employment of workers (i.e., health benefits, pension plans, social security and unemployment insurance).

Policies to address the contingent worker issue most often are justified on the basis of workplace equity, that is, similarly endowed individuals who perform like jobs should receive equivalent hourly wages and benefits as well as equal treatment under labor regulations regardless of their employee-employer relationship. Because contingent workers at firms that fail to provide discretionary benefits would not be helped by certain proposals (e.g., shorter vesting periods and portability for pensions), some have suggested requiring all employers to offer a minimum benefit package. Rather than transforming discretionary into mandated benefits, others have recommended loosening the connection between work and benefits (e.g., encouraging people to self-insure through tax-favored treatment of health care expenses and retirement savings). Still others question the appropriateness of across-the-board measures being applied to the several different kinds of contingent work arrangements, and are concerned about balancing extension of the social welfare system with the loss of staffing flexibility for firms as well as the loss of jobs for those workers who prefer nontraditional employment.

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Temporary Workers as Members of the Contingent Labor Force

The report opens with an overview of the contingent labor force before focusing on one of its component groups, namely, temporary workers. The personal and job characteristics of workers supplied to client firms by temporary help agencies are analyzed. Employment trends in the temporary help supply industry are examined along with explanations for its long-term rise. The report closes with a discussion of the public policy implications of temporary employment and other contingent work arrangements.

The Contingent Labor Force

Contingent work is, broadly speaking, any employee-employer relationship other than a full-time, secure position at a firm which offers a range of benefits. Variations on the traditional or permanent employment relationship have become more prevalent in recent decades as they embody one response of firms to heightened global price competition and volatility in the demand for goods or services. (In this report, the terms contingent, nontraditional, flexible, and nonstandard are used interchangeably.)

For Want of a Definition

Contingent workers may be defined to include some or all of the following:

- agency temporaries (workers employed by staffing companies for placement in assignments of varying duration at client firms),
- short-term hires or direct-hire temporaries (workers whom firms put on their payrolls for limited periods of time, e.g., department stores during the winter holiday season and amusement parks during the summer),
- on-call workers (individuals who often make up a pool from which employers regularly hire as needed and who may be scheduled to work for several days or weeks in a row, e.g., construction workers supplied by union hiring halls, substitute teachers and nurses),
- day or casual laborers (people who get jobs by waiting at a location to which employers customarily come to pick up workers),
- the self-employed (owners of businesses, e.g., restaurants and law offices),
- independent contractors, consultants, or freelancers (individuals who obtain customers on their own to whom they provide products or services),
- leased workers (employees of professional employer organizations that specialize in payroll, benefit, and other personnel administration matters who work under contract on an ongoing basis at a client firm's location), and

- contract services workers (employees of firms that provide services to other companies under contract who may or may not work at the contractee's job site and who may or may not work for more than one contractee; examples include accounting, cleaning, computer and data processing, and protective services firms).

Part-time workers are often considered to belong to the contingent labor force because they work shorter than full-time schedules and have relatively low wages as well as limited access to employee benefits. But, many part-timers lack what some consider to be a necessary property of contingency, that is, the absence of a long-term relationship with a single employer.¹ And, because persons in the above-described employment relationships may be scheduled to work less than 35 hours a week, the consideration of part-timers as a separate category of nontraditional workers can result in double counting.² There also are analysts who dispute the inclusion of the self-employed in the contingent labor force because many of these individuals have stable employment situations (e.g., doctors).

Because little was known about contingent workers and because not all flexible employment relationships may be inherently tenuous, the U.S. Bureau of Labor Statistics (BLS) began to collect data in 1995 that distinguishes between *alternative* and *contingent* workers. The four alternative work arrangements that were identified — independent contractors, on-call workers, temporary help agency workers, and employees of contract firms — are composed of persons who obtain employment through labor market intermediaries (e.g., temporary help agencies and other business services companies) or whose place, time, or quantity of employment may be unpredictable. In 1997, the latest year for which data are available, about 12.6 million workers reported they were in alternative work arrangements. The proportions of these individuals who said they did not expect their employment to last long — that is, who said they held contingent jobs — ranged from 3.5% for independent contractors to 57% for agency temporaries.³

Many analysts nonetheless consider alternative and contingent work to be synonymous. They believe the distinction “complicates the popular understanding” of who is a contingent worker and think that the BLS’ means of determining contingency “cannot be used to describe business hiring practices because a firm does not hire a person based on his or her perceived job security. A firm hires on the basis of an employment arrangement.”⁴

¹ In 1997, just 1 out of 10 part-time workers said they were in contingent jobs (i.e., they lacked an implicit or explicit contract for long-term employment). U.S. Bureau of Labor Statistics (BLS). *Contingent and Alternative Employment Arrangements, February 1997*. USDL News 97-422, December 2, 1997.

² In 1997, 20% of temporary help agency workers were employed on a part-time basis as were 53% of on-call workers, 26% of independent contractors, and 17% of workers provided by contract services firms. *Ibid.*

³ *Ibid.*

⁴ Barker, Kathleen, and Kathleen Christensen. Charting Future Research [in] Barker and (continued...)

Rather than using “a sense of impermanence”⁵ about one’s job as the sole defining attribute of contingent labor, some researchers rely on multiple criteria. One set of characteristics that has been suggested is: little or no job security, irregular or variable work schedules that are dependent on management decisions rather than individual preferences, no access to benefits that firms provide to their employees, and lack of attachment to a particular company.⁶ Another example of a multipart definition is the following:

Nonstandard arrangements differ from standard jobs in at least one of the following ways:

- (1) the absence of an employer, as in self-employment and independent contracting;
- (2) a distinction between the organization that employs the worker and the one for whom the person works, as in contract and temp work; or
- (3) the temporal instability of the job, characteristic of temporary, day labor, on-call, and some forms of contract work.⁷

The lack of consensus on what constitutes contingent work means that agreement also is absent on the size and growth of the phenomenon. Estimates of the number of contingent workers range widely: perhaps 5.6 million or 4.4% of employed persons in 1997 according to the U.S. Bureau of Labor Statistics broadest definition,⁸ perhaps 34.0 million or 25.2% of the civilian labor force in 1996 according to the National Planning Association’s (NPA) narrowest definition.⁹ The NPA’s definition indicates that almost one-third of all jobs created between 1980 and 1996 were contingent positions, which expanded by 36% over the period or nearly 10 percentage points greater than growth in the overall labor force.¹⁰

Without knowing the size and growth of the phenomenon as well as the extent to which contingent workers would prefer traditional jobs, it is difficult to gauge whether the labor market development warrants a legislative response and, if it does,

⁴ (...continued)

Christensen (eds.) *Contingent Work: American Employment Relations in Transition*. Ithaca, NY, Cornell University ILR Press, 1998. p. 307.

⁵ Larson, Jan. Temps are Here to Stay. *American Demographics*, February 1996. p. 26.

⁶ Nollen, Stanley and Helen Axel. *Managing Contingent Workers: How to Reap the Benefits and Reduce the Risks*. NY, AMACOM, 1996.

⁷ Economic Policy Institute and Women’s Research & Education Institute. *Nonstandard Work, Substandard Jobs: Flexible Work Arrangements in the U.S.* Washington, DC, Economic Policy Institute, 1997. p. 8.

⁸ Hipple, Steven. Contingent Work: Results from the Second Survey. *Monthly Labor Review*, November 1998.

⁹ Belous, Richard S. The Rise of the Contingent Workforce: Growth of Temporary, Part-Time, and Subcontracted Employment. *Looking Ahead*, v. 19, no. 1, June 1997.

¹⁰ A comparable time-series is not available from the BLS’ contingent and alternative work supplement to the Current Population Survey because data were first collected for 1995.

what are the appropriate remedies. The very heterogeneity of the contingent labor force also could complicate the crafting of public policy.

The Connection to Public Policy

Concern has arisen in some quarters that the public-private social welfare system, which evolved with the traditional employee-employer relationship in mind, is not adequately serving an expanding share of the labor force. It is argued that while business has reaped benefits from its use of nontraditional employment arrangements (e.g., staffing flexibility and labor cost savings), the members of the contingent labor force have borne a variety of costs (e.g., limited opportunity for productivity-enhancing training and for union representation, and small paychecks that result in a low standard of living both in work and retirement years). More specifically, temporary and part-time workers may be unable to meet the eligibility requirements of certain mandated benefits, among them the unemployment insurance (UI) program's quarterly earnings and hours threshold or the Family and Medical Leave Act's annual hours threshold. When firms offer discretionary benefits, temporary and part-time workers also may find it difficult to qualify for participation:

Paid holidays were provided to 71% of temporary workers employed by temporary help supply firms [in 1994]; 74% worked for firms that provided paid vacations; and 49% for firms that offered health care coverage. However, because of minimum service and contribution requirements, less than 10% of workers employed in the temporary help supply industry received paid holidays and vacations or participated in health plans.¹¹

Others have countered that flexible work arrangements actually help those in the labor force and in the population generally by strengthening the competitiveness of U.S. firms and thereby promoting economic and job growth. They assert that further extending labor protections would inhibit expansion of the economy and prompt companies to cut or slow job growth in response to higher employment costs. Because some workers want flexibility in their schedules in order to engage in other pursuits — young workers, schooling; older workers, leisure activities; parents, family responsibilities — policies that would curb nonstandard work arrangements could adversely affect these individuals. In addition, it is noted that temporary help agencies offer training and benefits to their employees, and provide a pathway to traditional jobs.¹² For example, training in such skills as data entry and word processing was available to nearly 9 out of 10 temporary workers employed by staffing companies in 1994.¹³

There also is consternation in the public policy community that firms may be deliberately misclassifying employees as contingent workers in order to evade various

¹¹ BLS. *Occupational Compensation Survey: Temporary Help Supply Services*, November 1994. Bulletin 2482. Washington, DC, U.S. Govt. Print. Off., 1996. p. 1. (Hereafter cited as BLS, *Occupational Compensation Survey*).

¹² Pearlstein, Steven. Business and the Temp Temptation. *Washington Post*, October 20, 1993.

¹³ BLS, *Occupational Compensation Survey*.

employment laws.¹⁴ Because independent contractors are self-employed rather than employees of the company to which they are providing a good or service, client firms are not required to contribute on the contractors' behalf toward workers compensation, UI, and social security benefits. Independent contractors similarly are not covered by wage and hour protections, among other labor standards that apply to employees of firms as variously defined in federal statutes.¹⁵

In recognition of the greater diversity of employment relationships that exist today, policymakers have introduced proposals and held hearings to study or reshape the nation's public-private social welfare system.¹⁶ Federal agencies (e.g., the Internal Revenue Service, Department of Labor, and National Labor Relations Board) and the courts have become involved in defining who is an employee as well as which firm(s) the individual works for.¹⁷ Legislation also has been proposed and hearings held on the classification of workers as independent contractors or employees.¹⁸

Narrowing the Focus to Temporary Workers

Although the subject can be approached as though contingent workers are homogenous, such treatment masks important differences between the demographic and job characteristics of the member groups, their preferences for nonstandard versus traditional employment, and their compensation (i.e., earnings and benefits) compared to that of traditional workers. This report will analyze one prominent segment of the contingent labor force — temporary workers — for whom data are available over many years.

¹⁴ Houseman, Susan N. Labor Standards and Alternative Work Arrangements. *Labor Law Journal*, v. 49, September 1998.

¹⁵ For definitions of "employee" in federal statutes, see: CRS Report 93-622, *Employees and Independent Contractors*, by Marie B. Morris.

¹⁶ Legislation in the 105th Congress included H.R. 1695 (Retirement Savings Commission Act of 1997) and H.R. 2997 (Fairness in the Workplace Commission Act). Legislation in the 104th Congress included H.R. 3657 (The Contingent Workforce Equity Act of 1996) and H.R. 3682 (The Part-Time and Temporary Workers Protection Act of 1996). During the 103rd Congress, the Subcommittee on Labor of the Committee on Labor and Human Resources held two hearings on the labor market development: *Conference on the Growing Contingent Work Force: Flexibility at the Price of Fairness?*, S. Hrg. 103-472, February 8, 1994 and *Toward a Disposable Workforce: The Increasing Use of "Contingent" Labor*, S. Hrg. 103-620, June 15, 1993.

¹⁷ Speakers Agree on Need for Better Test to Determine Employee/Contractor Status. *Daily Labor Report*, February 3, 1999; and Coskey, Susan L. *Vizcaino v. Microsoft Corporation: A Labor and Employment Lawyer's Perspective*. *Labor Law Journal*, v. 48, February 1997.

¹⁸ In the 105th Congress, legislation was introduced (H.R. 769 and H.R. 770) that concerned federal contractors' classification of persons as employees or independent contractors. H.R. 3722 and H.R. 4622 (Independent Contractor Tax Simplification Act of 1998) as well as S. 473 (Independent Contractor Tax Reform Act of 1997) dealt specifically with the Internal Revenue Service's test for determining who is an employee.

Who are Temporary Workers?

Information on temporary workers largely is limited to employees in the temporary help supply (THS) industry. Consequently, the analysis in this report is confined to THS workers, also known as agency temporaries, rather than direct-hire temporaries. (See page 1 for definitions).

Demographic Characteristics

Agency temporaries are disproportionately young, female, and minorities. As shown in **Table 1**, over one-fifth of THS workers were below 25 years of age in 1997 while the same was true for under 15% of workers in traditional employment relationships. Women accounted for more than one-half of temps in contrast to less than one-half of traditional workers. A little over one-fifth of agency temporaries were black; a little over one-tenth of workers in traditional jobs were black. And, about 12% of temporary workers in 1997 were of Hispanic origin compared to almost 10% of traditional workers.

Agency temporaries have completed somewhat fewer years of schooling than have workers in traditional employment relationships. In 1997, about 22% of temps age 25-64 were college graduates compared to almost 30% of traditional workers.

Among young (16-24 year old) workers, many fewer agency temporaries (16%) than traditional workers (43%) were enrolled in high school or college in 1997.¹⁹ It appears, then, that the overrepresentation of youth employed as temps is not primarily motivated by a desire to combine school attendance and labor force participation. Similarly, mothers do not seem to rely heavily on staffing companies to provide them with a flexible means of combining paid work and family responsibilities. Fewer women employed as temps were raising children (48%) than was true of women in traditional jobs (56%).²⁰

Indeed, agency temporaries much more often offered economic than personal reasons for their employment relationship. In 1997, three out of every five temporary workers said that economic reasons (e.g., only kind of work they could get) explained their employment at staffing companies. Female temps were much more likely to indicate personal reasons than were male temps (35% and 22%, respectively). Most THS workers — three out of five — also reported they would have preferred traditional jobs.²¹ Female temps were somewhat more likely than male temps to prefer their flexible work arrangement to traditional jobs (35% and 31%, respectively).

¹⁹ BLS, *Contingent and Alternative Employment Arrangements, February 1997*.

²⁰ Cohany, Sharon R. Workers in Alternative Employment Arrangements: A Second Look. *Monthly Labor Review*, November 1998. (Hereafter cited as Cohany, Workers in Alternative Employment Arrangements).

²¹ *Ibid.*

Table 1. Selected Demographic Characteristics of Agency Temporaries and Workers in Traditional Jobs, February 1997

(numbers in thousands)

Characteristic	Agency temporaries		Workers in traditional jobs	
	#	%	#	%
<i>Age</i>				
Total, 16 or older	1,300	100.0	114,199	100.0
16-24	293	22.5	16,907	14.8
25-64	970	74.7	94,424	82.7
65 or older	37	2.8	2,868	2.5
<i>Sex</i>				
Men	581	44.7	60,180	52.7
Women	719	55.3	54,019	47.3
<i>Race & hispanic origin</i>				
White	976	75.1	96,834	84.8
Black	277	21.3	12,480	10.9
Hispanic origin	160	12.3	10,928	9.6
<i>Full/part-time status</i>				
Full-time	1,044	80.3	93,955	82.3
Part-time	256	19.7	20,244	17.7
<i>Educational attainment^a</i>				
Less than high school diploma	109	11.2	9,159	9.7
High school grad., no college	298	30.7	30,971	32.8
Less than bachelors degree	352	36.3	26,439	28.0
College graduate	211	21.8	27,855	29.5

Source: U.S. Bureau of Labor Statistics. *Contingent and Alternative Employment Arrangements, February 1997*. USDL 97-422, December 2, 1997.

^a Covers only 25-64 year olds.

Most agency temporaries (80%), like traditional jobholders (82%), work full-time (i.e., 35 or more hours a week). Full-time temps averaged only one or two fewer hours a week than full-time workers in traditional jobs. However, relatively more temporary (9%) than traditional (3%) workers were involuntarily employed part-time, that is, they would have preferred to work more hours but were unable to do so for economic reasons.²²

In addition to the greater extent of underemployment among THS workers, they are more likely to be unemployed or out of the labor force than permanent workers.²³ Differences in the personal and job characteristics of temporary and traditional workers account for a portion of these disparities in labor market outcomes.²⁴ Nonetheless, the increased use of agency temporaries is unlikely to have had much impact on aggregate job stability (i.e., number of workers switching jobs and number unemployed) because this nonstandard work arrangement still comprises a small proportion of all jobs in the nation. (See section on The Trend in Temporary Employment.)

Occupational and Industrial Composition

Agency temporaries are concentrated in administrative support (including clerical) and comparatively low-skilled blue-collar (i.e., operators, fabricators, and laborers) occupations. In 1997, these occupational groups accounted for almost two-thirds of THS workers compared to about 30% of individuals holding traditional jobs.²⁵ Because so many blue-collar jobs are in manufacturing industries, it is not surprising that agency temporaries are overrepresented at factories. Almost 32% of temps, as opposed to nearly 18% of traditional employees, worked at manufacturers in 1997.²⁶

With few exceptions, most of these demographic, occupational, and industrial patterns have remained largely unchanged over time.²⁷ Two related exceptions are that the incidence of male and of blue-collar temps has increased substantially. Between 1989 and 1994, for example, temporary help agencies increased blue-collar workers on their payrolls by 96% which led to a 10 percentage point rise, to 40%, in

²² *Ibid.*

²³ Segal, Lewis M. and Daniel G. Sullivan. The Growth of Temporary Services Work. *Journal of Economic Perspectives*, v. 11, no. 2, spring 1997. (Hereafter cited as Segal and Sullivan, The Growth of Temporary Services Work).

²⁴ Houseman, Susan N. and Anne E. Polivka. *The Implications of Flexible Staffing Arrangements for Job Security*. Unpublished paper, revised December 1998. (Hereafter cited as Houseman and Polivka, *The Implications of Flexible Staffing Arrangements for Job Security*).

²⁵ Cohany, Workers in Alternative Employment Arrangements.

²⁶ *Ibid.*

²⁷ Segal and Sullivan, The Growth of Temporary Services Work.

the blue-collar share of temporary employment.²⁸ As a consequence, many more factory jobs probably are being filled by temps today than was true in the recent past. Manufacturers' greater use of agency-supplied temporary workers could thus be understating the number of people whose livelihood actually depends on goods production and also could be contributing to sluggish hiring at the nation's factories since the 1990-1991 recession's end.²⁹

Another potential exception to the historical pattern concerns businesses' use of temps to fill technical jobs. There are reports that technical and professional workers (e.g., those with information technology skills) have been a fast-growing portion of the THS industry in the 1990s.³⁰

The Trend in Temporary Employment

At least part of the job growth in the THS industry could reflect a shift from firms directly hiring individuals for short-term assignments to firms instead obtaining them through staffing companies.³¹ To the extent such a shift has occurred, the observed employment gains at temporary help agencies would overstate the actual expansion of temporary jobs in the economy.

Based on the very limited data available, there appear to be many more direct-hire than agency-supplied temporaries.³² Direct-hire temps may have accounted for 2.7% of employed persons in 1995; agency temps, 1%.³³

The Cyclical Dimension

Employment in the THS industry is quite sensitive to changes in the business cycle. Based on 1972-1995 data of the National Association of Temporary and Staffing Services, the industry's annual employment growth ranged from -8% during

²⁸ BLS, *Occupational Compensation Survey*.

²⁹ Kuczynski, Sherry. Does Upturn in Temporary Hiring Mask Growth in Factory Payrolls? *Investor's Business Daily*, January 5, 1994.

³⁰ Contract Staffing to Increase in Next Few Years. *Daily Labor Report*, January 15, 1999; Brenner, Chris. Computer Workers Feel the Byte: Temp Jobs in Silicon Valley. *Dollars and Sense*, September/October 1996; and Gallaga, Omar L. High-Tech Firms Rely More on New Breed of Temp Worker. *Wall Street Journal*, July 31, 1996.

³¹ Polivka, Anne E. *Are Temporary Help Agency Workers Substitutes for Direct Hire Temps? Searching for an Alternative Explanation of Growth in the Temporary Help Industry*. Unpublished paper, revised December 16, 1996.

³² Houseman and Polivka, *The Implications of Flexible Staffing Arrangements for Job Security*.

³³ These data are based on a survey of households so they describe the number of people with jobs. The data in **Table 2** are based on a survey of establishments so they describe the number of jobs. Because an individual may have more than one job, the number of jobs is likely to exceed the number of employed persons.

recessions to +30% during expansions, while the all-industries' annual job growth fluctuated much more narrowly during the downswings (-2%) and upswings (+5%) of the business cycle.³⁴ Similarly, changes in national output from its 1972-1986 trend level produced much greater employment responses in the industry than in the total nonfarm economy.³⁵ As shown in **Table 2**, THS employment contracted slightly more (-1.5%) during the 1990-1991 recession than employment across all nonfarm industries (-1.1%).

These findings are consistent with the notion that client firms partly use agency temporaries to address short-run fluctuations in demand for goods and services.³⁶ Contracting with temporary help agencies for workers on an as needed basis allows firms to minimize the number of workers on their payrolls who become surplus and subject to termination when output demand subsequently slackens. In other words, agency temporaries seem to be used to insulate a firm's core or permanent employees from the vagaries of the business cycle. The painful corporate downsizings of the deep 1981-1982 recession have been credited with business' desire to stay "lean and mean" in order to avoid such large-scale layoffs in the future.

The rapid increase in temporary employment immediately after the 1990-1991 recession may reflect employers' reluctance to hire employees until they are certain that an economic recovery is well underway. Between 1991 and 1994, jobs at temporary help agencies rose 59% as against almost 6% across all nonfarm industries. (See **Table 2**.) Although the pace of employment gains in the THS industry (40%) compared to the economy overall (10%) has diminished considerably since the mid-1990s, some analysts believe the industry's still fast-paced job growth reflects a fundamental change in the way that business is utilizing labor. (See section on Reasons for Growth.)

The Long-Term Trend

Employment gains in the THS industry have been much greater than across all nonfarm industries on average. Since 1982 the number of jobs in the industry has risen 577%. In contrast, jobs throughout the nonfarm economy have increased by a much smaller 41%. This disparity elevated the industry's share of all nonfarm jobs from a negligible 0.5% in 1982 to over 2% today. (See **Table 2**.)

³⁴ Segal and Sullivan, *The Growth of Temporary Services Work*.

³⁵ Abraham, Katherine G. *Restructuring the Employment Relationship: The Growth of Market-Mediated Work Arrangements*, in: Abraham, Katherine G., and Robert B. McKersie (eds.) *New Developments in the Labor Market: Toward a New Institutional Paradigm*. Cambridge, Mass., The MIT Press, 1990. (Hereafter cited as Abraham and McKersie, *New Developments in the Labor Market*).

³⁶ *Ibid.*; and Golden, Lonnie. *The Expansion of Temporary Help Employment in the US, 1982-1992: A Test of Alternative Economic Explanations*. *Applied Economics*, v. 28, 1996. (Hereafter cited as Golden, *The Expansion of Temporary Help Employment*).

The THS industry has been fueling aggregate employment growth for decades. Most recently, it accounted for 9% of the net new jobs created in the nonfarm sector between 1989, the last peak in the business cycle, and 1998.

Employment in the personnel supply services industry — of which 90% is in its temporary help component — is projected to continue expanding at an above average rate.³⁷ While total nonfarm jobs might increase at a 1.7% annual average rate between 1996 and 2006, the employment gain of personnel supply firms is projected to be considerably larger at 4.3%.³⁸ Past experience suggests that temporary help agencies will account for much of this growth.³⁹

Staffing companies thus are expected to continue as a major contributor to job growth into the next century. Employment in the personnel supply services industry might rise, as a share of all nonfarm jobs in the economy in 2006, to 3% — a not inconsequential figure. (For purposes of comparison, the construction industry is projected to account for 4% of jobs in 2006; no single industry within the manufacturing sector is estimated to reach 2%; eating and drinking places are projected to account for 6.5%; and health services, 9%.)⁴⁰

Reasons for Growth

Explanations for the growth in contingent work, including temporary employment, typically have a demand rather than supply focus. Put another way, it is more often thought that companies have increased their demand for contingent vis-a-vis traditional work arrangements than that workers — due to changes in labor force composition (e.g., more mothers working for pay) — have increased their preference for short-term as compared to stable positions.⁴¹

Internationalization of product markets, industry deregulation, and technological innovations are widely thought to have made the business environment increasingly price competitive and product/service demand increasingly variable. A combination of work arrangements arguably enables companies to more efficiently achieve the

³⁷ In addition to temporary help supply and leasing services firms (SIC 7363), the personnel supply industry (SIC 736) is composed of employment agencies (SIC 7361) which assist employers seeking employees and workers seeking jobs (e.g., executive placement firms and labor contractors).

³⁸ Franklin, James C. Industry Output and Employment Projections to 2006. *Monthly Labor Review*, November 1997. (Hereafter cited as Franklin, Industry Output and Employment Projections to 2006).

³⁹ Clinton, Angela. Flexible Labor: Restructuring the American Work Force. *Monthly Labor Review*, August 1997.

⁴⁰ Franklin, Industry Output and Employment Projections to 2006.

⁴¹ For estimates of the role of supply and demand factors, see: Golden, The Expansion of Temporary Help Employment; and Laird, Karylee, and Nicolas Williams. Employment Growth in the Temporary Help Supply Industry. *Journal of Labor Research*, v. 17, no. 4, fall 1996.

staffing flexibility and labor cost savings believed necessary to operate successfully in the changed economy.

Table 2. Employment Trends in the Temporary Help Industry
(numbers in thousands)

Year	Employment in the help supply services industry	Employment in the nonfarm economy	Help supply as percentage of nonfarm employment
1982	417.0	89,544	0.5
1983	488.1	90,152	0.5
1984	642.6	94,408	0.7
1985	732.0	97,387	0.8
1986	836.5	99,344	0.8
1987	988.9	101,958	0.9
1988	1,125.9	105,209	1.1
1989	1,215.8	107,884	1.1
1990	1,288.2	109,403	1.2
1991	1,268.4	108,249	1.2
1992	1,410.6	108,601	1.3
1993	1,669.2	110,713	1.5
1994	2,017.1	114,163	1.8
1995	2,188.8	117,191	1.9
1996	2,352.4	119,608	2.0
1997	2,645.7	122,690	2.2
1998 ^a	2,823.5	125,830	2.2

Source: U.S. Bureau of Labor Statistics.

Note: The data from the Current Employment Statistics (CES) survey include not only the temporary or leased employees of staffing companies but also their employees who recruit, screen, place, and pay the workers supplied on a contract basis to other firms. Under the Standard Industrial Classification (SIC) system, the code for help supply service providers is 7363. Because the data cover all *jobs* in the industry, they count individuals registered with more than one temporary agency multiple times if the workers received payments from more than one agency. In addition, the CES survey includes as workers in the help supply services industry those persons moonlighting as temporaries whose primary jobs are in other industries.

^a Preliminary.

Greater flexibility in staffing can be achieved through such human resources strategies as: (1) bringing on board workers directly or through temporary help agencies when production must be increased to fill the more sporadic orders of customers who no longer want to maintain sizable inventories and then letting them go during slower periods in order to buffer a firm's core workforce from dismissals, and (2) contracting with individuals or business services firms having specialized skills to perform tasks that may not be cost-effectively provided by a firm's own employees.⁴²

Labor cost savings can be achieved through a reduction in non-productive time (i.e., having "just-in-time" employment rather than a constant staff level) and through the seemingly low wages and limited benefits of contingent compared to traditional jobs. Reliance on market-mediated work arrangements (e.g., companies using agency-supplied temporary workers and companies contracting out work to business services firms' employees) also can minimize hiring and firing costs associated with direct employment relationships.⁴³ Some analysts contend that firms have increased their demand for THS workers precisely because the arrangement allows them "to utilize labor without taking on the specific social, legal, and contractual obligations that have increasingly been attached to employer status since the New Deal."⁴⁴

Temp-to-Hire or Permatemps?

Workers supplied by temporary help agencies afford a type of flexibility which, it is suggested, has become more important to client firms over time — that is, enabling them to try-out workers before extending permanent job offers. The THS industry, in a sense, offers a risk-free recruitment channel for firms seeking new employees.

Many managers claim that it has become more difficult in recent years to dismiss poor performers, as an increasingly litigious society has combined with the erosion of the legal doctrine of employment-at-will and the provision of various equal employment opportunity laws. ... At the same time it has become more costly to hire poor performers, liability concerns have reduced the value of references from previous employers, as employers have become reluctant to offer negative appraisals of former workers.⁴⁵

The employment-at-will doctrine arose from common law. Under it, an employer controls nearly all aspects of the work environment, including the authority to terminate an employee at any time for any reason.⁴⁶ Some assert that Congress and

⁴² Abraham, *Restructuring the Employment Relationship*.

⁴³ *Ibid.*

⁴⁴ Gonos, George. *The Interaction Between Market Incentives and Government Actions*, in: Abraham and McKersie, *New Developments in the Labor Market*, p. 173. (Hereafter cited as Gonos, *The Interaction Between Market Incentives and Government Actions*).

⁴⁵ Segal and Sullivan, *The Growth of Temporary Services Work*, p. 129.

⁴⁶ Hylton, Maria O'Brien. *Legal and Policy Implications of the Flexible Employment* (continued...)

the courts have eroded the influence of the employment-at-will concept by prohibiting specified criteria (e.g., age) from serving as the basis for firing decisions.⁴⁷ The dismissal of an employee can have costly consequences if it is determined that the action violates such federal laws as the Civil Rights Act, the Americans with Disabilities Act, and the National Labor Relations Act. If, as alleged, expenses associated with wrongful dismissal litigation have escalated over time, the ability to preview workers supplied by temporary help agencies could have become more important to firms seeking to avoid poor hiring decisions.

Very little evidence exists concerning the temp-to-hire explanation for the growth in temporary jobs. A survey of former agency temporaries conducted for the National Association of Temporary and Staffing Services showed that 29% of THS workers obtained permanent positions based on their assignments at client firms.⁴⁸ Although a survey of employers sponsored by the Upjohn Institute for Employment Research found that 21% of businesses using agency temporaries did so to screen them for permanent jobs, other reasons were much more frequently offered by respondents for their use of temps.⁴⁹ However, over one-half of those companies that increased their use of THS workers in the 1990s were motivated by a desire to fill permanent positions: 24% did so to screen candidates for permanent jobs and 37% did so because they found it difficult to find qualified workers on their own.

Others claim that the temporary help agencies themselves actually discourage the transition of their employees into permanent jobs with user firms. Some agencies charge client firms a fee if they hire the temporary worker within “x” days of an assignment to deter firms from using temporary instead of permanent employment agencies. Or, they may contractually prohibit user firms from offering and temps from accepting permanent jobs for some period after completion of an assignment.⁵⁰

It also is contended that another and perhaps more important obstacle to the temp-to-hire pathway is resistance on the part of client firms who do not want agency temporaries to think that user firms are under any obligation to offer them permanent

⁴⁶ (...continued)

Relationship. *Journal of Labor Research*, v. 17, no. 4, fall 1996. (Hereafter cited as Hylton, Legal and Policy Implications of the Flexible Employment Relationship).

⁴⁷ Lee, Dwight R. Why is Flexible Employment Increasing? *Journal of Labor Research*, v. 17, no. 4, fall 1996; and Abraham, Restructuring the Employment Relationship.

⁴⁸ Lenz, Edward A. Flexible Employment: Positive Work Strategies for the 21st Century. *Journal of Labor Research*, vol. 17, no.4, fall 1996. (Hereafter cited as Lenz, Flexible Employment).

⁴⁹ Houseman, Susan N. *Temporary, Part-Time, and Contract Employment in the United States: A Report on the W.E. Upjohn Institute's Employer Survey on Flexible Staffing Policies*. Kalamazoo, MI, W.E. Upjohn Institute for Employment Research, revised June 1997. (Hereafter cited as Houseman, Temporary, Part-Time, and Contract Employment).

⁵⁰ Parker, Robert E. *Flesh Peddlers and Warm Bodies: The Temporary Help Industry and Its Workers*. New Brunswick, NJ, Rutgers University Press, 1994. Hereafter cited as Parker, *Flesh Peddlers and Warm Bodies*. (Hereafter cited as Parker, *Flesh Peddlers and Warm Bodies*).

positions. Rather than subscribing to the temp-to-hire viewpoint, these observers believe that market-mediated arrangements have flourished because they relieve user firms of expensive legal obligations associated with traditional employment — particularly those costs linked to the hiring/firing decision (e.g., mandated benefits including UI and social security as well as voluntarily provided benefits including pensions).⁵¹ It is suggested that firms in recent years have chosen a human resources strategy which uses THS workers on a regular, year-round instead of occasional basis.⁵²

The phenomenon of permanent temps is offered in support of this perspective. While 35% of agency temporaries in 1997 were on their current assignments for less than 3 months, according to BLS data, nearly 29% stayed on the same assignment for one year or longer. Based on transitions over the 1983-1993 period, over one-half of THS workers got permanent positions while over one-fifth were still in temporary jobs one year later.⁵³ And, among users of agency temporaries, 56% of firms indicated that they seldom or never moved temps into permanent positions compared to 43% who said they did so often, occasionally, or sometimes.⁵⁴ These findings suggest that a sizeable minority of individuals who work for temporary help agencies may be characterized as permatemps, either in the sense of having a long-term attachment to a particular client (non-employer) firm or to the temporary labor market in general.

Proponents of the permatemp viewpoint urge changes in employment regulations to better protect contingent workers, whom they regard as being trapped in a secondary labor market characterized by high job turnover, low compensation, as well as limited training and advancement opportunities. These changes typically include requiring pay and benefit equity for contingent and traditional workers in comparable positions, revising eligibility rules for UI and vesting requirements under the Employee Retirement Income Security Act (ERISA), and reforming the National Labor Relations Act. Advocates argue that those temporary workers and independent contractors who are in long-lasting relationships with client firms should be considered their employees and thus entitled to the same benefits and protections as permanent employees.⁵⁵ Some contingent workers have brought law suits and have involved the U.S. Department of Labor in efforts to secure benefits denied them by such client firms as Microsoft and Time Warner.⁵⁶ In addition, permatemps have begun to organize in order to give voice to what they believe is second-class treatment in the workplace.⁵⁷

⁵¹ Gonos, *The Interaction between Market Incentives and Government Actions*.

⁵² Parker, *Flesh Peddlers and Warm Bodies*.

⁵³ Segal and Sullivan, *The Growth of Temporary Services Work*.

⁵⁴ Houseman, *Temporary, Part-time, and Contract Employment*.

⁵⁵ Hiatt, Jonathan P. Policy Issues Concerning the Contingent Work Force. *Washington and Lee Law Review*, v. 52, no. 3, 1995.

⁵⁶ Bernstein, Aaron. When is a Temp not a Temp? *Business Week*, December 7, 1998.

⁵⁷ Bernstein, Aaron. Programmers of the World. *Business Week*, December 7, 1998.

Other observers, in contrast, recommend that “barriers to the creation of permanent positions” be removed by reasserting the employment-at-will doctrine or by rolling back regulations thought to impede the free functioning of the labor market.⁵⁸ At the least, they urge the preservation of staffing companies’ legal status as the employer of temporary workers. Temp-to-hire proponents argue that actions to dissuade firms from using agency temporaries by raising their cost vis-a-vis traditional workers could hamper the development of superior job matches which benefit firms, through improved productivity and lower labor costs, and workers, through greater job satisfaction and longer job tenure.

Two-Tier Compensation Systems

Another explanation put forth for the increase in contingent jobs is that they make it easy for firms to create two-tier compensation structures, which provide otherwise identical workers performing the same jobs different wage and benefit packages. A company may want to have different compensation systems for different classes of workers because (1) some jobs involve incentive and management problems that can be addressed through a particular pay structure (e.g., paying above-market wages only to those workers in whom the firm invested greatly in recruitment and training in order to curtail turnover); (2) some workers have varying preferences for and therefore assign different values to the components of compensation (e.g., young workers may prefer higher wages to receiving health benefits); and (3) some incumbent workers (e.g., unionized employees within a firm’s workforce) have more bargaining power than others. However, firms that provide health or pension benefits to only some employees risk losing the income tax exemption associated with benefit provision and firms that differently compensate similar employees performing the same jobs risk morale and productivity problems.

There are two reasons to think that THS workers have been more frequently utilized over time to establish two-tier compensation systems. The cost to employers of providing benefits generally and health insurance particularly has increased relative to wages in recent decades. Thus, the value to firms of reining in benefit expenditures would have risen. In addition, the appearance of morale problems at companies that had instituted two-tier compensation systems for their own employees coincided with the timing of rapid growth in blue-collar temps.

This suggests that firms that found it difficult to pay new regular employees lower wages than their established employees began to experiment with using lower-paid temporaries to fill the new openings. The relatively large gap between temporary and regular wages in the blue-collar occupations is also consistent with the notion of blue-collar temporaries filling the bottom of a two-tier pay structure.⁵⁹

Wages. Regardless of the different survey data examined, temporary workers would seem to be attractive to firms based on their relatively low pay levels. In 1997, according to data from BLS’ establishment survey, employees in the THS industry averaged \$10.18 per hour, or four-fifths of the \$12.77 per hour averaged by

⁵⁸ Lips, Brad. Temps and the Labor Market. *Regulation*, spring 1998. p. 39.

⁵⁹ Segal and Sullivan, The Growth of Temporary Services Work, p. 134.

production/nonsupervisory employees on private sector payrolls.⁶⁰ The pay gap is wider based on BLS' survey of individuals in alternative work arrangements, with full-time temps earning nearly two-thirds as much per week as full-time workers in traditional jobs (median weekly earnings of \$329 versus \$510, respectively).

Such gross pay comparisons may be misleading, however. They may overstate the cost-savings to firms using staffing companies if there are differences in the personal characteristics of temps and employees of client firms that result in productivity differentials. THS workers also may be concentrated in different occupations and industries than permanent workers. Moreover, the gross wage gap may not be evidence of employer discrimination against temporary workers.

One analysis estimated the hourly pay differential between temporary and permanent workers after adjustment for a variety of wage-related characteristics. On an unadjusted basis, the researchers calculated the wage rate of agency temporaries to be 22% less than that of permanent workers in 1996. After taking into account differences between the two groups in terms of age, race, sex, education, and geographic location, the pay gap shrank to 14%. By controlling for certain job characteristics (i.e., union and part-time status as well as broad occupational group) in addition to the aforementioned personal characteristics, the wage disparity narrowed further to 8%. Upon correcting for unobserved differences between the two groups of workers (e.g., years of experience), the researchers estimated that temporary status alone might reduce a person's hourly wage by 5%.⁶¹

In another study, the researchers separately analyzed women and men employed full-time in various work arrangements. They found that, in 1995, for women with similar personal and job characteristics, the hourly wage of full-time temps was not significantly different from that of full-time workers in traditional jobs. In contrast, among otherwise equivalent men, those employed full-time by staffing companies still earned about 8% less than men employed full-time in traditional jobs.⁶²

In addition, gross wage comparisons may overstate the cost-savings to firms that use temps because the reported pay levels do not reflect the premium that agencies charge client firms. In 1995, for example, firms paid temporary help agencies 40% more on average than temps received in wages.⁶³ When client firms were asked to compare the *billed* hourly rate for THS workers with the hourly wage rate of regular employees in similar positions, 62% replied that the cost of temps was higher.⁶⁴

Benefits. The cost-savings associated with the use of temps becomes more apparent upon including the fringe benefit component of the compensation package.

⁶⁰ Preliminary figures subject to revision.

⁶¹ Segal and Sullivan, *The Growth of Temporary Services Work*.

⁶² Economic Policy Institute and Women's Research and Education Institute, *Nonstandard Work, Substandard Jobs*.

⁶³ Segal and Sullivan, *The Growth of Temporary Services Work*.

⁶⁴ Houseman, *Temporary, Part-Time, and Contract Employment*.

When client firms were asked to compare the *billed* hourly rate for agency temporaries with the total hourly wage and benefit cost of regular employees in similar positions, just 19% replied that the cost of temps was higher while 38% said it was lower.⁶⁵

Agency temporaries are much less often covered by either health or pension benefits than traditional workers. In addition, they have lower coverage rates than other workers in nonstandard jobs. (See **Table 3.**) Adjusting for differences in personal and job characteristics between temporary and traditional workers does not much diminish the gap in health and pension benefit receipt between the two.⁶⁶ Temporary status thus reduces a workers' access to two benefits regarded as key to a person's current and future economic and physical well-being.

Less than one in ten agency temporaries had employer-provided health benefits in 1997, although more than one in four was eligible. According to unpublished BLS data, the disparity between eligibility and participation chiefly seems due to health insurance coverage through another source (e.g., a family member or individually purchased policy), the cost of the employer's health benefit plan, or the plan's length of service requirements.

Table 3. Persons in Alternative and Traditional Work Arrangements with Health and Pension Benefit Coverage, February 1997

Work arrangement	Number	% with health insurance coverage		% eligible for employer provided health insurance	% with pension coverage	% eligible for employer provided pension
		Total	Through current employer at main job			
Agency temporaries	1,300	46.4	7.0	26.0	3.7	10.5
On-call workers	1,996	67.3	19.6	31.0	19.2	24.5
Workers provided by contract firms	809	81.7	50.2	68.7	35.6	45.9
Traditional workers	107,689	83.0	60.9	73.4	49.7	56.9

⁶⁵ *Ibid.*

⁶⁶ Economic Policy Institute and Women's Research & Education Institute. *Nonstandard Work, Substandard Jobs*; and Segal and Sullivan, *The Growth of Temporary Services Work*.

Source: Cohany, Sharon. Workers in Alternative Employment Arrangements: A Second Look. *Monthly Labor Review*, November 1998.

The availability of health benefits through one's own job is likely to be of greater importance to contingent workers in single-earner than in dual-earner families where a spouse may be eligible for employer-provided insurance. For example, in 1995, fewer female THS workers who were married and in single-earner families with children had health care coverage than married female temps in similar families with dual-earners (53% and 68%, respectively). Being in a two-earner family did not increase the likelihood that male temps would have health benefits as much as it did among female temps. In addition, health insurance coverage rates were quite low for married male temps both in single-earner (36%) and dual-earner (47%) families with children.⁶⁷

As shown in **Table 3**, pension coverage also is very low among THS workers. Some 10.5% of agency temporaries were eligible for employer-provided pensions in 1997. An even smaller share, 3.7%, actually were included in plans. Although Congress passed legislation intended to induce people to save for retirement on their own, relatively few temps (11%) whose employers did not offer a pension plan have individual retirement accounts.⁶⁸

Policy Implications

Policies to address the contingent worker issue often are justified on the basis of workplace equity. It is asserted that similarly endowed individuals who perform like or comparable jobs within companies should receive equivalent hourly wages and benefits as well as equal treatment under labor regulations regardless of their employee-employer relationship.⁶⁹ Others contend, however, that

[p]art-time discrimination does not begin to approach the policy concerns of race or sex discrimination. Part-time status is not an immutable characteristic and the differentiation is not stigmatizing or invidious.⁷⁰

Parity advocates note, in response, that minorities and women are overrepresented in some contingent work arrangements and therefore are more adversely impacted than other groups by the disparate treatment employers accord part-time and temporary workers for example.

⁶⁷ Economic Policy Institute and Women's Research & Education Institute, *Nonstandard Work, Substandard Jobs*.

⁶⁸ Unpublished BLS data from the 1997 alternative work arrangement survey.

⁶⁹ For a discussion of "comparable worth," see: CRS Report 98-278, *The Gender Wage Gap and Pay Equity: Is Comparable Worth the Next Step?*, by Linda Levine.

⁷⁰ Schwab, Stewart J. The Diversity of Contingent Workers and the Need for Nuanced Policy. *Washington and Lee Law Review*, v. 52, no. 3, 1995. p. 929. (Hereafter cited as Schwab, *The Diversity of Contingent Workers and the Need for Nuanced Policy*).

Another justification, which is provided for the extension of certain benefits to contingent workers, is the effect on others due to their lack of coverage (i.e., the externality argument). Firms that do not offer health benefits “create a spillover burden on other health plans or on taxpayers because someone will pay for their [employees’] coverage.”⁷¹ Someone includes companies that provide health benefits to their employees’ family members who work at firms without plans. Someone also includes benefit-providing companies as well as their employees who must pay more for medical services marked up to cover the cost of giving uncompensated care to the uninsured population (e.g., employees of firms that do not offer health plans).⁷²

Some proposals meant to gain fair treatment for contingent workers actually extend to all workers with low earnings or few hours (e.g., changing the hours threshold in the Family and Medical Leave Act or the quarterly earnings/hours threshold in the UI program, raising the minimum wage, and expanding the Earned Income Tax Credit). Other proposals (e.g., sick leave, vacation, or health insurance eligibility on a pro rata basis; shorter vesting periods and portability for pensions) would put contingent workers on more equal footing with traditional workers *at companies that provide discretionary benefits*. Individuals in flexible work arrangements at firms that fail to offer voluntary benefits would not be helped by employment-based remedies unless, as some have suggested, all employers were required to offer a government-prescribed basic benefit package.⁷³

Instead of transforming discretionary into mandated workplace benefits, the idea of loosening the historical connection between employment and benefit provision has been embraced by diverse members of the public policy community. Their approaches to accomplishing the detachment markedly differ, however. Some favor encouraging people to self-insure their financial well-being later in life through establishment of tax-favored individually owned investment accounts or to self-insure their physical well-being through tax-favored treatment of health care expenditures for those who lack employment-based coverage. Others support a government-financed system of universal access to health benefits for example.

Some observers argue for a restrained policy response to the flexible work issue. As noted at the outset of this report, estimates range widely as to the size of the contingent labor force because a consensus definition is lacking. The appropriateness of applying “across-the-board regulatory proposals” to the several different kinds of employment relationships considered nonstandard has been questioned, as well.⁷⁴ Another oft-raised caution involves striking a balance between the benefits of extending the social welfare and regulatory systems to contingent workers against the loss of staffing flexibility for firms and of jobs for workers who prefer nontraditional

⁷¹ *Ibid.*, p. 930.

⁷² Handelman, Gwen Thayer. On Our Own: Strategies for Securing Health and Retirement Benefits in Contingent Employment. *Washington and Lee Law Review*, v. 52, no. 3, 1995.

⁷³ Economic Policy Institute and Women’s Research and Education Institute, *Nonstandard Work, Substandard Jobs*.

⁷⁴ Hylton, Legal and Policy Implications of the Flexible Employment Relationship.

employment.⁷⁵ Some also suggest that the expansion of the THS industry should be viewed positively and encouraged because it, among other things, acts as a job clearinghouse to help workers get the permanent jobs most want.⁷⁶ In addition, little information is available on some other components of the contingent labor force including direct-hire temporaries. Nonetheless, continuing public discussion of this issue shows a persistent effort to find a balance that will provide temporary workers with adequate benefits and other opportunities without impairing the capacity of private industry for job-creating growth

⁷⁵ Schwab, *The Diversity of Contingent Workers and the Need for Nuanced Policy*.

⁷⁶ Lenz, *Flexible Employment*.