

What's Wrong With Temp Work?

A Report on the Temp Industry in Massachusetts
by the Campaign on Contingent Work

33 Harrison Avenue, 4th Floor
Boston, MA 02111
(617) 338-9966
ccw@igc.org

This report was prepared by the Campaign on Contingent Work, a network of activists and organizations including unions, community groups and advocacy organizations. The report uses data from government, industry, and academia to profile problems associated with the unregulated growth of the temporary help industry in Massachusetts.

The report argues that the expansion of the temporary help industry contributes to undermining the base of good jobs in Massachusetts. By creating an industrial infrastructure that allows firms to hire workers on an “as-needed” basis the temporary help industry is promoting a shift from permanent to temporary—and insecure—employment. The result is a significant reason why—despite the longest economic boom in US history—median wages fell for 90% of Massachusetts workers between 1989 and 1998.

The report concludes with a call for action by workers, unions, industry, and government to address the problems posed by the rapid growth of the temporary help industry.

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Summary

- The growth of contingent work is a significant reason for stagnant or falling wages during the current economic boom. Median wages actually fell for the bottom 90% of the Massachusetts workforce between 1989 and 1999 according to a Northeastern University report.
- In Massachusetts, over 71,000 workers are employed daily in temp jobs [see Appendix 1]. Because turnover is 450% per year in the temp industry, many times more than 71,000 are employed in temp jobs over the course of a year.
- Temp workers earn less, have fewer benefits, and little job security when compared to permanent workers. Temp workers are more likely to suffer periods of unemployment and more likely to be poor than are permanent workers. Workers in temp jobs are often excluded from coverage by many employment and labor laws which were created with permanent jobs as a standard. Temp workers lack an effective right to organize a union because of restrictive labor laws.
- The temporary help industry is among the fastest-growing segments of the economy: 1 in 8 new jobs since 1984 is a temp job. Predictions point to continued growth at a rapid pace.
- The temp industry is growing world-wide as firms use temps to cut labor costs. Giant global temp agencies like Manpower, Adecco, and Interim dominate the industry.
- The temp industry has branched out from its early concentration in clerical occupations. Today only 40% of temps are clerical workers, while 35% of temps are industrial workers.
- Many businesses use temps as part of a staffing strategy aimed at matching the workforce to small swings in the production cycle of goods or services. Firms hire fewer workers with standard benefits and a reasonable expectation of long-term employment, and a growing number of temps and other contingent workers on an as needed basis. This cuts labor costs for companies but increases economic insecurity for workers.

- Temp workers are part of a “triangular relationship”— “client, ” “temp agency, ” and “worker”—that creates significant disadvantages for workers since they have little leverage in the labor market and usually lack essential information such as what the mark-up (the difference between what a temp agency charges its client firm to provide a temp worker and what it pays the temp worker) of the temp firm is.
- State government is contributing to an increase in poverty by pushing current and former welfare recipients into temp and other contingent jobs—thereby increasing the number of workers competing for jobs. This puts downward pressure on wages.
- Action by government, unions, business, and workers is needed to improve conditions in the temp industry.

I. Introduction

Friday, December 3, 1999, was a typical day in the new economy. The stock market staged a sharp rally pushing the Dow industrial average up 247 points to near-record levels while NASDAQ and the S&P 500 set new records. The rally followed a November jobs report that showed strong job growth. But according to the *Boston Globe*, “the news that cheered investors, though it would not be welcome by workers, was data showing that the average wage rose only 2 cents an hour in November.”¹

A few weeks earlier, following a similar report in October, respected New York Times economic correspondent Louis Uchitelle wrote, “What is amazing in all these numbers is the failure of wages to rise, flatly contradicting established economic theory. Most economists expected, as unemployment fell below 5%, that the scramble to find enough workers would force employers to bid up wages at an accelerating rate. But the 5% line was breached in mid-1997 and nothing has happened.”²

The US economy is in the 9th year of an economic boom—the longest sustained period of economic growth in US history. Economic growth and corporate profits remain strong. The national unemployment rate is at its lowest point in almost 30 years. In Massachusetts, and in many other parts of the country, more people are currently employed than at any other time in history. Defying earlier economists’ predications, a sustained low unemployment rate has not triggered inflation. In fact, the inflation rate is also at its lowest point in 25 years.

So why are wages still more than 10% behind levels reached in the 1970s?³ Why did median wages fall for the bottom 90% of the Massachusetts workforce between 1989 and 1998?⁴ Why has the number of people without health insurance continued to climb nationally during the current economic boom?⁵ (In Massachusetts a slight dip in the uninsured in 1999 most likely resulted not from an increase employer provided health insurance but from new state programs for the uninsured.)

Why do families work so many more hours today than they did 10 years ago just to make ends meet?⁶ Why do one out of five children still live below the poverty line?⁷

One key reason for the persistence of poverty and the failure of wages to rise significantly is the rapid growth in contingent jobs—part-time, temporary, on-call, day labor, and contract jobs. Today, about 30% of all jobs are contingent. These jobs pay less, offer fewer benefits, and no job security. They also help to hold down wages. Temp jobs are especially important in this process. As Louis Uchitelle writes, “. . .the rising number of temporary workers gives jobs quickly to the unemployed and give employers a pool of people to draw from without having to bid for permanent hires.” Of the 215,000 jobs created in October, 1999, 45,000 were temporary jobs. And as the jobless rate fell to its lowest rate in 30 years, wages rose just one cent an hour.⁸

This report looks at one part of the rapidly growing contingent sector of the economy: the temporary help industry. The temporary help industry is one of the fastest-growing

industries in the US and in many other industrial societies. Predications are that it will continue to grow at a rapid pace. While temp work is still a relatively small part of both the contingent work force and the overall workforce, its growth is emblematic of the changes taking place in the world of work. By examining the temp industry, we can put a spotlight on these changes. Further, we will argue that the increasing number of temp jobs has enormous significance for workers, especially low-wage workers.

II. Rapid Growth of the Temporary Help Industry

The temporary help industry has experienced explosive growth in the last two decades. More than 1 in 8 of all new jobs created in the U.S. since 1984 has been a temp job.⁹ Employment in the temporary help industry grew from 250,000 temp workers employed daily in 1973, to 3 million by 1997.¹⁰ Most of this growth occurred in the 1990s when temp employment surged by 200%, jumping from 1 million in 1990 to 3 million today.¹¹

In Massachusetts, the number of temp agencies grew from 431 in 1980 to 1,405 in 1998 and the number employed by these agencies grew from 25,473 to 71,365.¹²

The daily number of temp workers, however, is a snapshot that does not capture the industry's growing impact on the workforce. Industry sources report that turnover in the temporary help industry is about 450% a year and that the average length of employment on a job is 9.6 weeks.¹³ A large number of workers is needed to feed this high turnover. 5 or 6 times the daily number of workers cycle through those jobs in a given year.

Since many more workers cycle through several jobs, we do not know exactly how many workers are employed as temps in a year, but some estimates that 5 or 6 times the daily number of workers cycle through temp jobs in a given year.¹⁴ According to industry reports, in 1998 more than 15 million workers, or more than 12 % of all workers in the U.S., worked at a temp job at one time or another during the year.¹⁵ In Massachusetts a similar pattern would mean that up to 350,000 workers, or about 12 % of all workers, are employed in a temp job at some point during the year.

Not included in these figures are temporary workers hired directly by firms. Large companies like Fidelity Investments operate their own internal temp agencies. According to surveys, direct-hire temporary workers actually outnumber agency temporaries.¹⁶ Although their employment status varies, they face many of the same problems of lower wages and more limited job security than comparable permanent employment provides.

III. Where Temps Work

The temporary help industry has expanded from its original base in clerical employment. The industry now provides workers across a broad spectrum of occupations ranging from professionals to manual laborers.

Occupational distribution of temp workers

Clerical—40%

Industrial—35%

Technical—11%

Professional—6%

Other—5%

Health Care—2%

Marketing—1%

(Source: Contingent Work and the Staffing Industry: A Review of Worker-Centered Policy and Practice, Nikolas Theodore and Chirag Mehta, Ford Foundation, October 1999)

The top three temp jobs for women

Secretaries

Data entry workers

Assemblers

(Source: Non-Standard Work, Sub-Standard Jobs, Economic Policy Institute, 1997)

The top three temp jobs for men

Non-construction laborers

Assemblers

Industrial truck and tractor operator.

(Source: Non-Standard Work, Sub-Standard Jobs, Economic Policy Institute, 1997)

Temporary help workers are also employed in increasing numbers in the public sector. Until 1995 only 6 temp

Forward into the Past with Labor Ready

Day labor is back with a vengeance in Massachusetts. Once considered all but wiped out in the Commonwealth, the practice of hiring poor workers from vans at street corners in Lawrence or Chinatown has received a corporate makeover by Labor Ready — a swiftly-growing firm based in Tacoma, WA.

Labor Ready has become the 25th largest temp agency in the U.S. According to Labor Ready's President, "What Labor Ready has done is put the structure to a very unstructured work program that has been around for centuries. There has always been a cash corner out there where you could pick up people, put them in the back of your pick-up, take them to work, and pay them cash and we have put structure to that."

Labor Ready deals in blue-collar work— 20 percent of its business is in construction. The rest is generally freight handling, warehousing, distribution, recycling, furniture moving, and assembly jobs.

For all its exploding revenues, however, the company has changed little else about the world of day labor. In fact, it seems to be spreading abusive practices.

Campaign on Contingent Work activists employed by Labor Ready have witnessed poor working conditions, discrimination in job assignments (particularly by sex), and lax health and safety monitoring on the job. These conditions accompany low pay (\$6.15-\$8/hour).

Worse still, although the company calls its day labor force "employees," it offers workers no benefits of any kind, and requires people to wait hours every day for jobs that sometimes never materialize. It sends people out to assignments without checking for dangerous work environments. It fires people for the small infraction of its many disciplinary rules. And it offers cash payment for workers each day through "ATMs" that are actually cash machines owned by Labor Ready itself. For providing this "service," the company takes fees of up to \$1.99 from every day's wages a worker receives in this manner.

Ominously for union labor, Labor Ready has publicly stated that it is perfectly willing to provide scab workers to help break strikes. It has done so on numerous occasions, particularly on the West Coast.

With 21 Labor Ready "stores" already up and running in Massachusetts—according to workers, the third highest-grossing store in the country is its South Boston branch—this rebirth of day labor in the guise of a temp agency is a development that will certainly benefit from regulatory scrutiny.

agencies contracted with the Massachusetts' state government. Yet by 1997, 35 temp agencies were serving the state, an increase of almost 500% in two years. The number of temps in state government jumped from 609 in 1995 up to 1229 in 1997, a 100% increase.¹⁷

The temp industry continues its robust growth. In 1998, the industry grew by 15%.¹⁸ Surveys indicate that two-thirds of those firms interviewed plan to increase their use of temps and other contingent workers over the next five years.¹⁹

IV. Who Are Temp Workers

- Over half of all temps are women.²⁰
- Over half of all temps are young.²¹
- 22% of all temp workers are African-American, as compared to 11% in the workforce as a whole.²²

V. The Problems with Temp Work

Temp work pays less than permanent work, offers few benefits, provides almost no opportunities for advancement, and no job security. That is why two-thirds of temp workers say that they would prefer to have a full-time permanent job with benefits.²³

- Temps make about 80% of what full-time workers make. In 1997, median weekly earnings of temp workers were \$329 a week, as compared to \$510 a week for workers in traditional jobs.²⁴
- 25% of temp workers fall below the federal poverty line. In comparison, 7.1% of regular full-time workers were in poverty. 19% of temp workers are in the bottom 10% wage earners.²⁵
- Only 14 % of temps receive health insurance from their temp agency,²⁶ 52% of the rest of the workforce receives health insurance from their employer.²⁷
- Only 46 % of temps have health insurance from any source (family, spouse's plan, etc.) versus 83 % of the rest of the workforce.²⁸
- 6 % of temps receive life insurance from their temp agency.²⁹
- 6 % are included in 401(K) retirement plans.³⁰
- 57 % of employers report that they seldom or never promoted temps into permanent jobs.³¹
- Temp workers are more than 3 times as likely to be unemployed than "regular" workers and to be unemployed for longer periods.³²

Table 1

Many of the temporary help firms that dominate the industry in Massachusetts are global corporations. The table below lists the top 15 agencies in the state. The top 5 are global giants.

Top 15 Mass. Temp Employment Services	Global Corps.?	1998 Total Revenue	Number of Mass. clients	Temps supplied daily in Mass.
1 Manpower, Inc.	Yes	\$10.8 billion	4000	7200
2 TAC Worldwide Cos.	Yes	\$863 million	2000	6000
3 Olsten Corp.	Yes	N/A	1300	5350
4 Adecco	Yes	\$9 billion	875	3500
5 Office Specialists	Yes	\$215 million	5000	3000
6 John Leonard	No	N/A	1900	1750
7 Entege	No	\$198 million	800	1550
8 Interim Personnel	Yes	\$2.1 billion	4000	1400
9 The Davis Cos. Inc.	No	\$44 million	1400	1300
10 Norrell Services	No	\$1.9 billion	N/A	1000
11 Alternative Solutions	No	\$15 million	2350	790
12 Pro Staff	No	N/A	230	730
13 Initial Staffing	No	\$348 million	100	550
14 Aquent, Inc.	Yes	\$128 million	210	505
15 KNF&T, Inc.	No	N/A	750	480

Sources: *Boston Business Journal* (2000) *2000 Book of Lists*. Boston, MA.
Staffing Industry Report, May 26, 2000.

VI. Discrimination Against Temp Workers

Temp workers often fall outside of the protective shield of labor and employment laws³³ which were usually drafted with full-time long-term work for a single employer as a standard

- Many laws have threshold requirements that often exclude temporary workers. For instance, the Family and Medical Leave Act requires workers to have been employed for the previous 12 months by a single employer and to have worked an average of 25 hours per week for that firm.
- Temp workers have no effective right to collective bargaining to improve their conditions. The National Labor Relations Act, as interpreted by the National Labor Relations Board rulings, makes unionization by temp workers extraordinarily difficult and usually impossible. If temp workers are employed at a unionized firm, they are generally barred from joining the union.
- Union organizers report that the growing use of temps working side by side with regular employees—often doing the same work but legally prevented from joining a bargaining unit with permanent employees—makes organizing even more difficult because it decreases the leverage of permanent workers in industrial disputes.
- Companies may legally refuse to do business with a unionized temp agency solely because of its union status.
- Temp workers hired through agencies are also vulnerable to discrimination that is illegal for permanent workers since legal responsibility is often ambiguous.. Women, racial minorities, and older workers are especially affected.
- Temp workers not only lack employer-sponsored benefits, but due to Unemployment Insurance earnings and time requirements they many also lack coverage for periods of unemployment.
- Many temp workers report having trouble accessing credit because creditors may not accept temp work as stable employment.

The rapid growth of temp work does not just impact those in temp jobs. It also affects full-time workers who fear losing their jobs if they ask for raises or better working conditions. About 20% of firms that downsized in 1999 replaced fired workers with temps.³⁴

VII. Why Businesses Use Temps

Companies use temp workers to increase flexibility and reduce labor costs.

- Sometimes the savings is a direct hour-for-hour savings based on the amount a client firm saves on benefits, taxes, and other costs associated with hiring workers. Even with high industry mark-ups, firms often have direct per-hour savings.³⁵ About 38% of surveyed firms report that they save money hiring temps, even with the temp agency mark-up.³⁶

- Sometimes the savings is indirect. 78% of surveyed firms report using temps to meet business and workload fluctuations.³⁷

The essence of modern staffing strategies is to match the number of workers with small changes in the production cycles of goods or services. Firms want the right number of workers on site for exactly the time needed in order to achieve maximum productivity. This avoids the necessity of carrying workers on the payroll when demand is slack. Many firms cut their core workforces to the bone and then use temps and other types of contingent workers to fill gaps on an as-needed basis. Labor costs are thus reduced over time. The existence of a temporary help industry helps provide the infrastructure needed for these “lean and mean” staffing strategies.

- Temp jobs sometimes directly replace permanent jobs. In 1999 about 50% of firms surveyed by the American Management Association eliminated jobs—about the same number as in 1995. 70% of these firms downsized for reasons having nothing to do with product demand. Almost 20% of these firms used temps to replace downsized workers.³⁸
- Similarly, as core workforces are cut, the need to fill in for workers absent because of illness or for other reasons increases. About 46% of companies use temps for this reason.
- 32% of surveyed firms report using firms for special projects.
- 21% of surveyed firms have replaced some regular workers with temps for routine tasks.
- 21% of surveyed firms use temps to find experts for projects.
- 21% of surveyed firms use temps to find a qualified regular employee.³⁹

There are also less obvious reasons for using temps. For example, headcount thresholds drive some firms to use temps.

- For instance, many employment laws exempt small firms. The Family and Medical Leave Act exempts firms

Lost Manufacturing Jobs?

The growth of the temp industry raises an interesting question. How many manufacturing jobs have actually been lost in Massachusetts since the economic crash of the late 1980s

Nationwide, about 30% of all temp jobs are manufacturing jobs. But these jobs are considered service occupations by state and federal government since the temp industry is considered to be a service industry. That means that a significant number of lost manufacturing jobs are not really lost at all but have been converted to low wage temp jobs.

This assumption is borne out by a recent report by the Federal Reserve which uses a new mathematical model to show that while the manufacturing industry officially generated 550,000 jobs between 1992 and 1997—with the inclusion of temp workers the industry actually used as many as 1,060,000 workers.^a

In addition, local economists like Richard DeKaser of BankBoston, routinely estimate that there is still a sizable manufacturing sector in Massachusetts.^b According to DeKaser, “One of the implications is clearly that the employment data that has historically been used isn’t as useful...”

It would positively impact many working families in this state if temp manufacturing jobs could be converted back to good full-time jobs with benefits.

^a Estevao and Lach (1999)

“Measuring Temporary Labor Outsourcing in U.S. Manufacturing,” Federal Reserve

^b “Changing Workforce: Factory Work Being Done by Temps,” *Providence Journal*, July 17, 1996

employing fewer than 50 workers. Title VII of the Civil Rights Act of 1964, which bars discrimination in hiring, exempts firms employing fewer than 15 workers. By employing agency temps—instead of directly hiring workers—some firms can stay below the threshold and avoid liability.⁴⁰

- A Conference Board Survey reports that 46% of firms surveyed have used temps to control headcount due to downsizing. These temp workers appear not on a company's roster but on vendor lines as a service purchased. In the public sector this may account for the jump in the use of temps by state government following payroll cut backs in the mid-1990s.⁴¹

VIII. A Powerless Situation: Temps in the Hiring Process

Temp workers are at an enormous disadvantage in the labor market. Entering into a complex “triangular relationship” involving the client firm, the temp agency, and the worker, the temp has little leverage to negotiate. When given an assignment, the temp lacks essential knowledge about pay scales and work requirements. An especially well-guarded secret is the mark-up of the temp agency (the difference between what a temp agency charges a client firm to provide temp labor, and what it pays the temp worker for that labor). The average industry mark-up is 30-50% of wages for every hour worked.⁴²

Maintaining a pool of ready workers with limited access to the sources of their work benefits the temp agency. For many workers, too, employment by a temp agency does not mean going to work. It means simply being available to the temp agency which conducts all discussion about the job with the client employers, including wages, assignments, and schedules. Even in today's labor market, agencies compete with each other for clients—less so for workers. The temp industry is highly competitive, and there are many incentives to cut prices charged for temp services. Yet little evidence suggests that temp agencies reduce their margins as they reduce their charges.⁴³ Instead, lower prices are passed on to temp workers as lower wages, placing downward pressure on wages for all workers.

IX. Tempfare: The Real Story Behind Welfare-to-Work Programs

Poverty remains a persistent problem: more people are poor today than were poor in 1975. The poverty rate in Massachusetts has remained steady even during the boom of the 1990s.⁴⁴ The advent of welfare reform is likely over time to increase the number of poor people by pushing down wages for low income workers. As Nobel Prize Winner Robert Solow of MIT explains, “...[T]he cost of adjusting to the influx of former welfare recipients is spread to the working poor, the working just-less-than-poor, and so on, in the form of lower wages and heightened job insecurity.”⁴⁵

In Massachusetts the booming economy has created tens of thousands of low-wage and low-quality jobs—many of them temp jobs. As the low-wage labor market has become

tighter, welfare reform is creating a pool of workers who are being pushed into these low wage jobs. Evidence is mounting that current and former recipients are being channeled into temp jobs with low pay and no security.

The welfare reform laws passed by the Massachusetts Legislature in 1996 made two sweeping changes. First, they mandated that all people on welfare would have to participate in new Welfare-to-Work programs—working in jobs found for them by the state's welfare department, the Department of Transitional Assistance (DTA), for 20 hours a week. Education and training hours could not be counted as work time.

The second change in Massachusetts welfare practice was the institution of a draconian two-year time limit on receiving welfare benefits. When two years are up, welfare recipients are kicked off the rolls—and are now expected to find jobs to sustain themselves. The DTA is supposed to provide some interim job placement assistance.

Although welfare reform laws ostensibly seeks to place people coming off welfare into jobs that would give former recipients a higher standard of living than they enjoyed on welfare, the reality has been much different.

Documentation obtained by the Campaign on Contingent Work from case workers at area non-profits indicates that both welfare recipients and former recipients who have reached the two-year time limit are being funneled into temp jobs. CCW has also confirmed these practices anecdotally in conversations with numerous area welfare advocacy organizations. However, DTA claims it is not tracking whether current or former welfare recipients are being placed in temp jobs.⁴⁶

Advocates argue that forcing current or former recipients into temp jobs is totally antithetical to the mission of a public jobs program. By doing so the state becomes, in effect, complicit in lowering wages and employment standards.

X. Conclusion: The Campaign on Contingent Work Action Program

Meeting the challenges posed by the rapid growth in temporary and other kinds of contingent work will require action in a number of different areas. Reforming and regulating the temporary help industry to meet the needs of Massachusetts workers will be a long process. They must do so at the workplace, in their communities, and in government.

The Campaign on Contingent believes that it will take a wide range concerted collective action to see the process of reform through to a satisfactory conclusion.

The specific actions necessary are as follows:

- Passage of the Workplace Equity Bill. (Mass. S.60; H.2849) This bill, already filed by legislative allies of the Campaign on Contingent Work, will mandate equal pay for equal work for all temps and contingent workers so that they gain parity with permanent workers, as well as comparable health care benefits.

- Passage of An Act to Promote Fairness in Unemployment (Mass. S.57 H1699) which would correct some important problems faced by part-time and low wage workers in the unemployment system.
- The Campaign on Contingent Work and allies around the country will launch a campaign to pressure temporary help agencies to sign the Campaign on Contingent Work Temporary Help Industry Code of Conduct. This code mandates living wages, benefits, and fair working conditions for all temp workers—while ensuring that temp agencies will take a neutral stance during union organizing drives in their sector.
- Government oversight and regulation of the temp industry aimed at leveling the playing field between workers and employers is necessary. This includes a complete review of all labor and employment laws to prevent discrimination based on employment status.
- Requiring that the Commonwealth of Massachusetts place unemployed workers and former welfare recipients in permanent jobs, with living wages, benefits, and a reasonable expectation of long-term employment.

Massachusetts is at a crossroads. We can choose to build a state economy that can guarantee steady jobs at good wages with a decent standard of living for all working people and their families. Or we can continue to allow temp work and other contingent work to go on unregulated—and allow it to gradually undermine good jobs and destabilize other industries, until our state's economy is in a shambles.

The choice is all of ours to make.

Appendix 1

The employment figures available from the Mass. Division of Employment and Training (DET) on the state temp industry seem a bit rough on the surface because they supposedly include a number of leasing service companies and "head hunting" agencies that are given a separate subcategory by the federal Bureau of Labor Statistics (BLS). DET employment statistics for temp workers are rolled into the larger Personnel Supply Services category (Standard Industrial Classification [SIC] Code 736).

The BLS breaks Personnel Supply services down further, giving separate subcategories for: Employment Agencies (SIC Code 7361), which are supposed to include employee leasing services and management-level "headhunter" agencies; and Help Supply Services (SIC Code 7363), which are all temp agencies as commonly understood by the general public.

Logic would dictate that all accurate statistics on the Mass. temp industry could only be gathered by using only the federal numbers for the "Help Supply Services" subcategory. However after careful examination by CCW of the 1997 Mass. DET's listing of all employers in the both federal subcategories, we found very little difference between companies reporting as temp agencies and companies reporting as leasing services/headhunters.

This is evident because many national chain temp agencies report their numerous local franchisees arbitrarily as either leasing services, temp agencies or both. Plus, many smaller "mom and pop" companies listing themselves as "employment agencies" make clear from their names that they are temp agencies. Temp agencies that voluntarily report the types of jobs they staff in business databases (e.g., the "American Business Disc" published by infoUSA, Inc. of Omaha, NE) often list themselves in 6 or more SIC Code categories.

Finally, CCW analysis of the 1997 Mass. employer listings for the "Employment Agencies" subcategory indicates that over 90 percent of all supposed "employment agencies" are actually temp agencies.

Therefore, the combined "personnel supply services" sector (SIC Code 736) is comprised almost entirely of temp agencies, and thus will render accurate enough numbers for the purposes of this study [see "Report on the American Workforce," US Department of Labor, 1999, pg. 18, for additional supporting documentation].

Appendix 2

CAMPAIGN ON CONTINGENT WORK TEMPORARY HELP INDUSTRY CODE OF CONDUCT

Advertising/Information

- Advertisements and information given to temporary workers accurately describes the position(s) and benefits in writing.
- The agency does not run misleading advertising about employment opportunities--particularly advertisements that promise prospective temporary workers permanent employment.

Treatment by the Agency

- All applicants and temp workers are to be treated courteously, with dignity and respect. A qualified counselor informs applicants if they lack the necessary qualifications and advises them of ways to improve their skills and qualifications.
- Applicants are not asked about family income, health, marital status, or other inappropriate or illegal questions.
- Temp workers are not given or refused assignments based on gender, race, age, national origin, religion, sexual orientation, size or physical ability.
- Temp workers can get copies of all documents they sign--including applications and agreements, plus copies of all of their own personnel files--in whatever form they are kept.

Job Description

- The agency provides a written job description before each new assignment detailing:
 - *the name of the supervisor and place to report,
 - *the hours, days, holiday schedule and anticipated assignment duration,
 - *tasks to be performed and any training required.
 - *the rate client employers are paying the agency for the assignment, and the rate the agency is paying the temporary worker for the assignment.
- Any changes will be reflected in an updated agreement.
- Once an assignment is made, the temporary agency makes sure that the actual duties match job descriptions and responds quickly to any inquires or problems the temporary worker may have.

Orientation and Training

- Adequate onsite orientation and training are provided for each assignment.
- If the job calls for safety equipment, the temporary worker receives comparable equipment to that of permanent employees at the same job site.
- The agency does not require workers to pay for safety equipment, tests, or training required for an assignment nor deduct such costs from their pay.
- The agency provides workers information about state and federal employment laws and what to do if they experience discrimination or a health and safety violation at a client company. The agency makes clear its responsibility to act on behalf of the worker in such an instance.

- The agency provides clear and timely feedback on performance which is given to temporary workers after each assignment. Reports on performance are recorded in the temp worker's personnel file.
- The agency encourages and supports temporary workers' efforts to upgrade their skills. If the Agency does not provide training, the Agency will develop a workplan to provide training free of charge or a training reimbursement program within two years.

Wages

The agency agrees to pay workers a fair wage consistent with local and occupational standards.

Benefits

- Workers have realistic access to benefits
- The agency will provide group rate health insurance. Eligibility requirements and costs associated with accessing healthcare benefits should be reasonable in regards to the healthcare insurance industry's current standards and the feasibility of a worker to pay.
- Sick and holiday pay will begin accruing after 80 hours of work, regardless of the number of assignments or worksites.
- Upon request, the agency fully discloses eligibility and premium requirements, as well as the percentage of temporary workers who actually participate in its insurance plan(s).
- All written materials that disclose benefit plans and qualifications are provided in languages most commonly spoken in the area served by the agency.

Transportation

Temp agencies agree to provide assignments that are accessible to public transportation. Where that is not possible, the agency agrees to provide free transportation to job sites--in properly registered and insured vehicles as per state law.

Day Labor Jobs

Agencies that provide day labor agree to pay their day laborers a standard living wage for all time spent waiting at the agency office for the day's assignment, for a minimum of 4 hours per day.

Moving to Permanent Jobs

- The agency does not require temp workers to register with only one agency or prohibit temp workers from accepting a job directly with a client company.
- The agency will not require client companies to pay an additional fee for hiring a temporary employee as a permanent employee.
- The agency will make known the percentage of long-term placements and rate of conversion to permanent jobs, including at specific clients.
- The agency allows time off for interviews, provides references promptly on request and won't discriminate in assignments for temporary workers looking for permanent work.

Turning Down Assignments/Unemployment

- The agency will not use a different standard for contesting unemployment claims than that for direct hires. At minimum, the agency does not deny appropriate assignments, place a person on the "ineligible" list or oppose a request for unemployment because the worker has:
 - *filed for workers' compensation or unemployment insurance
 - *complained about bad working conditions
 - *needed to take leave for health or family reasons, including
 - =travel time/distance
 - =insufficient notice
 - =hours incompatible with available child care arrangements
 - =dangerous working conditions or exposure to hazardous materials
 - =too short an assignment
 - =experience with discriminatory or disrespectful treatment at that worksite
 - =pay lower than currently earned
 - =refusal to serve as a replacement worker during a strike

Notice/Penalties

- While encouraging advance notice whenever possible, the agency does not fire workers who leave an assignment without written notice or who are unable to give advance notice for missing a day's work.
- The agency requests that client firms give written notification if the assignment is going to last less time than the worker was originally told. If the job is to be extended beyond the anticipated duration, the worker may decline without reprisal.

Relationship to Unions

- When a union contract is in effect at a client employer, the temporary worker may join the union in accordance with the collective bargaining agreement and union by-laws. The agency does not supply "new" temporary workers to avoid this provision.
- If a union organizing effort is underway under National Labor Relations Board regulations, the temporary agency takes a neutral position.

Appendix 3

FACT SHEET

The Workplace Equity Bill:

An Act Regarding Workers in Contingent and Part-time Work
(MA Senate 60; House 2849)

There has been an explosion of part-time and contingent jobs in the 1990s. These jobs include: part-time work, temporary work, on-call work, leased work, independent contracts, and day-labor. Together, they currently make up nearly 30 percent of the total workforce in Massachusetts. The growth of part-time and contingent jobs as a cost-cutting measure threatens the wage level and job security of all workers--whether they are in permanent or contingent jobs.

In Massachusetts, there are nearly a million workers in part-time and contingent jobs. These jobs are among the fastest-growing segment of the local and national labor market.

The problem is that most of these jobs are lower-paying than permanent jobs, lack benefits and offer no job security. Workers in part-time and other temp jobs make about 70-80 percent of what regular full-time workers make on average.

This landmark bill will create more fairness in the workplace. It will improve working conditions for those in part-time and other contingent jobs in a number of ways, including:

- Requiring **equal pay** for part-time and other contingent workers doing the same work as permanent employees **regardless of employment status**.
- **Preventing discrimination in benefits** against workers in part-time and other contingent jobs, including insurance and pensions--**by requiring comparable benefits** or compensation for all workers in part-time and other contingent jobs.
- Requiring the state to **set standards for state service contractors** employing workers in part-time and other contingent jobs.

The Workplace Equity Bill is sponsored by: **SB 60**: Senators **Stephen F. Lynch**, David P. Magnani, Richard T. Moore, Charles E. Shannon, Dianne Wilkerson, Representatives Christopher Hodgkins, Eugene L. O'Flaherty, Benjamin Swan, Martin Walsh; **HB 2849**: Representatives **Patricia Jehlen**, Ruth Balsler, Jarrett Barrios, Antonio Cabral, Vincent Ciampa, Michael Festa, Kevin W. Fitzgerald, Gloria L. Fox, Guy Glodis, Thomas Golden, Geoffrey Hall, Rachel Kaprielan, Kay Khan, Jay R. Kaufman, Thomas P. Kennedy, Elizabeth A. Malia, Thomas McGee, David Nangle, Harold Naughton, Anne M. Paulson, Ruth Provost, Charlotte Golar Richie, Byron Rushing, Charles E. Shannon, Jr., Theodore Speliotis, Benjamin Swan, Martin Walsh, Alice Wolf ; Senator Steven A. Tolman

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