

[Related BLS programs](#) | [Related articles](#)[August 2010, Vol. 133, No. 8](#)

## The expanding role of temporary help services from 1990 to 2008

*Tian Luo, Amar Mann, and Richard Holden*

Tian Luo is an economist, Amar Mann is a supervisory economist, and Richard Holden is a regional commissioner, all at the Bureau of Labor Statistics' West Regional Office for Economic Analysis and Information in San Francisco, California. Email: [luo.tian@bls.gov](mailto:luo.tian@bls.gov), [mann.amar@bls.gov](mailto:mann.amar@bls.gov), or [holden.richard@bls.gov](mailto:holden.richard@bls.gov).

---

### ABSTRACT

*During the 1990–2008 period, employment in the temporary help services industry grew from 1.1 million to 2.3 million and came to include a larger share of workers than before in higher skill occupations; employment in this industry has been very volatile because temporary workers are easily hired when demand increases and laid off when it decreases.*

► [Download full article in PDF](#)

---

### EXCERPT

Workers in the temporary help services industry, also referred to as contingent, contractual, seasonal, freelance, just-in-time, or "temp" employees, are those whose salaries are paid by a temporary help services agency that supplies them, upon request, to employers looking to fill a temporary full- or part-time staffing need.<sup>1</sup> Though the term of employment can range from a day or less to several years, a key feature is that the contractual employment relationship for temps is with their employment services firm and not with the requesting firm. Over time, temporary workers have grown in importance as firms have relied on them to meet their changing labor needs. Once known as a source of stopgap labor used primarily for routine clerical assignments, temp help services now plays an important role in the U.S. economy as a bridge to permanent employment<sup>2</sup> for those who are out of work or changing jobs and as an indicator of the overall job market closely watched by the Federal Reserve and other financial institutions as well as by policymakers.<sup>3</sup>

Using employment and wage data from the BLS Quarterly Census of Employment and Wages and Occupational Employment Statistics programs, this article examines the evolving role of the temp help services industry in the national economy and regional economies during the 1990-to-2008 period, which encompasses the explosive growth of temporary help services in the 1990s culminating in the 2000 peak in temp employment, as well as the economic recessions that began in 1990, 2001, and 2007. It also examines the factors that have contributed to the high growth and volatility seen in temp help services. The analysis also considers how employers' use of temps has evolved over the past two decades and the extent to which temp help services employment has expanded into a diversified base of industries, occupations, and geographic regions over the 18-year period.

This excerpt is from an article published in the August 2010 issue of the *Monthly Labor Review*. The full text of the article is available in Adobe Acrobat's Portable Document Format (PDF). See [How to view a PDF file](#) for more information.

#### Footnotes

[1](#) Wayne J. Howe, "Temporary help workers: who they are, what jobs they hold," *Monthly Labor Review*, November 1986, pp. 45–47; and Anne E. Polivka and Thomas Nardone, "On the definition of contingent work," *Monthly Labor Review*, December 1989, pp. 9–14.

[2](#) See page 129 of Lewis M. Segal and Daniel G. Sullivan, "The Growth of Temporary Services Work," *Journal of Economic Perspectives*, spring 1997, pp. 117–36, citing a study which states that 38 percent of temporary workers were offered permanent jobs at the firms where they worked as temps.

[3](#) Edward A. Lenz, "Staffing Industry 扮 Positive Role in U.S. Economy" (Alexandria, Virginia, American Staffing Association, Mar. 4, 2008) on the Internet at [www.americanstaffing.net/legalandgovernment/issue\\_papers/Staffing\\_Industry\\_Positive\\_Role.pdf](http://www.americanstaffing.net/legalandgovernment/issue_papers/Staffing_Industry_Positive_Role.pdf) (visited Aug. 2, 2010).

---

Related BLS programs

[Quarterly Census of Employment and Wages](#)

---

Related *Monthly Labor Review* articles

[Contingent work in the late-1990s—Mar. 2001.](#)

[Contingent and alternative work arrangements, defined.—Oct. 1996.](#)

[A profile of contingent workers.—Oct. 1996.](#)

[Earnings and benefits of contingent and noncontingent workers.—Oct. 1996.](#)

---

Within *Monthly Labor Review Online*:

[Welcome](#) | [Current Issue](#) | [Index](#) | [Subscribe](#) | [Archives](#)

Exit *Monthly Labor Review Online*:

[BLS Home](#) | [Publications & Research Papers](#)