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## STAFFING FIRMS ADDED NEARLY 1 MILLION JOBS OVER FOUR YEARS SINCE RECESSION, ASA SAYS

By Ben Penn

Oct. 8 –Staffing agency employment rose by nearly 1 million jobs in the four years since the recession ended in June 2009, leading temporary and contract jobs to their highest share of overall nonfarm employment since 2000, according to the American Staffing Association's 2013 annual economic analysis released Oct. 8.

With an increase of 952,700 jobs, not seasonally adjusted, in the second quarter of 2013 from the second quarter of 2009, temporary help services accounted for 16 percent of overall payroll gains over that time period, the Alexandria, Va.-based industry trade group said in the report, "Navigating the 1 Percent Economy."

While staffing industry employment gains and losses have historically been exaggerated by economic expansions and contractions, the extraordinary growth since the end of the last recession indicates a possible shift to a more permanent role for temporary help in the labor market, ASA says.

"Businesses are using staffing services differently in this recovery than in past ones," Steven P. Berchem, chief operating officer of ASA, wrote in the report. "And that changed use presages a fundamental shift in the role of staffing services in the economy."

### TEMP WORK'S LABOR PENETRATION NEARING ALL-TIME HIGH

Chief among the data pointing to this transition is that temporary help services accounted for 1.98 percent of all nonfarm jobs in the public and private sector in July, the second-highest level ever recorded and approaching the high of 2.03 percent in April 2000, ASA said, based on an analysis of figures from the Labor Department's Bureau of Labor Statistics.

By comparing monthly payroll gains in the three years following the latest recession with the two previous recessions—ending in 1991 and 2001—ASA found job growth to be more robust in the most recent recovery. Further distancing the industry from past recoveries, while strong temporary employment growth had preceded gains in overall employment by just a few months in recent recoveries, in this recovery, "overall employment growth has been anemic," the report said.

Citing a 2011 report from Human Capital Institute, an association that provides research on talent management, ASA found the shift to structural changes in staffing agency employment was driven by "flexibility and the ability to quickly expand and contract the work force, as well as being able to access skills and experience that are not available internally."

Consequently, ASA called on policymakers to allow temporary workers more flexible access to benefits, such as health insurance and retirement savings, comparable to what is already offered to workers in "traditional employment arrangements."

### STAFFING PROJECTED TO CONTINUE TO GROW, BUT SLOWLY

Although much of the temporary and contract work job growth occurred from 2009-2011, before slowing since 2012, signs point to a pick-up over the rest of the decade, ASA said.

For instance, staffing firms hired 11.5 million temporary and contract workers in 2012, an 11 percent drop from the 12.9 million hired in 2011, and employment has remained mostly flat in 2013.

That should improve in the coming months, ASA said, as real gross domestic product growth of 2.0 percent or higher "virtually ensures growth in temporary and contract staffing," and the Federal Reserve Board projected in June that GDP growth would be between 2.0 percent and 2.6 percent in 2013 and from 2.2 percent to 3.6 percent in 2014.

Further, BLS forecast GDP gains at an annual rate of 2.9 percent from 2010-2020 in its biannual employment outlook released in January 2012, ASA noted.

BLS went on to project the employment services industry—primarily composed of staffing agencies—will add 631,000 jobs from 2010 to 2020.

"If a structural shift is occurring, and temporary and contract staffing are becoming a more important part of America's work force, then even more robust growth could be on the horizon," Berchem wrote.

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