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## Positive Role of Temporary Staffing in the U.S. Economy

### ***Economic Benefits of Flexible Labor***

Labor market flexibility is widely recognized by economists as a key factor in innovation, growth of new technologies, and job creation. Staffing firms play a vital role in providing that flexibility—for workers and businesses.

Staffing firms employ about 2.8 million temporary and contract workers in the U.S. every day—about 10 million annually—in virtually every job category, including industrial labor, office support, health care, information technology, and professional and managerial positions.

### ***Benefits to Workers***

- Choice and flexibility—people can work when, where, and how they want
- Skills training and upgrading
- Wage income and social benefits (Social Security, unemployment insurance, and workers' compensation)
- Bridge to permanent employment for people starting out, changing jobs, or out of work—lets them try out prospective employers and showcase their skills

### ***Benefits to Business***

- Ready access to talent provides flexibility to meet economic conditions and seasonal demands and be optimally staffed at all times
- Ability to staff noncore functions and maintain focus on core business
- In weak economies, helps meet demand until conditions justify permanent hires
- Ready and available source of experienced workers for permanent hire when economic conditions improve

### ***Reduces Unemployment***

Temporary jobs reduce unemployment. In a major study, Alan Krueger, current chairman of the president's Council of Economic Advisors, concluded that the staffing industry's expertise in matching individuals and skills to available work accounted for nearly half the decline in the U.S. unemployment

rate during the economic expansion that ended in 2000.<sup>\*</sup> Temporary jobs continue to play a vital role in moderating unemployment. In the two year period following the technical end of the recession in June 2009, staffing firms added nearly 500,000 jobs, accounting for 91% of total nonfarm job growth during the period.

For a detailed economic analysis of the staffing industry and its role in job creation, see Steven P. Berchem, *Leading U.S. Job Growth*, American Staffing Association (2011) <http://www.asa-digital.net/amstaffingassoc/spissue#pg14>.

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<sup>\*</sup> See Katz & Krueger, *The High-Pressure U.S. Labor Market of the 1990s*, Princeton University Working Paper #416 (May 1999) at pp. 40–41