



# Temporary measures

Does good news for temporary workers today suggest better news for all nonfarm workers tomorrow? Data on temporary help services employment from the U.S. Bureau of Labor Statistics (BLS) suggests that it does. These data—often viewed as an indicator of broad future employment trends—have been climbing steadily for much of the past year.

In times of economic uncertainty, firms are often hesitant to hire or fire permanent employees. Many businesses, therefore, first respond to changing demand for their goods or services in other ways. One method is to alter the length of the workweek of current employees. Another method, shown in the chart, is to increase or decrease the use of temporary workers.

Temporary help service companies provide temporary workers (also called temp workers, or temps) to their clients, usually as a supplement to the client's permanent workforce. Temp workers are employees of the temporary help supplier and have no permanent

relationship with the client. This flexible arrangement allows the client to quickly add or subtract workers in response to changing business conditions. At economic turning points, many businesses tend to increase or decrease their use of temps before they hire or terminate permanent employees. Thus, employment in the temporary help industry tends to lead total nonfarm employment, a measure used by economists to determine the economic health of a nation.

In recent cycles, as the chart shows, job losses in temporary employment began more than a year before those in total nonfarm employment. The lag during recoveries, however, has been much shorter, with gains in total nonfarm employment beginning just 3 or 4 months after those in the temp industry.

These data are from the Current Employment Statistics Survey. For more information, call (202) 691-6555 or visit online at [www.bls.gov/ces](http://www.bls.gov/ces). 

