

# Employment growth in the temporary help industry

*The number of employees rose by 70 percent from November 1982 to November 1984, making the industry the fastest growing among those with employment over 50,000*

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Few industries have grown faster in recent years than the temporary help supply industry. Although still small in overall terms, with 735,000 workers representing less than one percent of total wage and salary employment in nonagricultural establishments in December 1985, the industry almost doubled in employment size in the 3 years since the trough of the recession in 1982 and accounted for 3 percent of the total job growth. Indications are that rapid growth of employment in the industry will continue through the mid-1990's.

As part of an ongoing Bureau of Labor Statistics study of the service-sector portion of the economy, this article documents the job gains recently experienced in the industry, and discusses reasons for the increase in demand for temporary workers and factors leading to the growth in supply of workers for temporary jobs. It also discusses differences in the occupational segments of the temporary help market. The article primarily uses data from the Current Employment Statistics survey and data from reports covered by unemployment insurance programs.<sup>1</sup> It also is based on information obtained through interviews with temporary help supply firms and their customers.

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## **How the industry works**

The temporary help supply industry (SIC 7362) is made up of establishments primarily engaged in supplying temporary help to other businesses. In exchange for providing an employee to a customer, the temporary help firm charges an hourly rate which is equal to the worker's wage plus the firm's markup for its service. The workers are under the supervision of the businesses to whom they are furnished; however, they are on the payroll of the supplying establishment.<sup>2</sup> Temporary help companies recruit and screen applicants for temporary jobs, check references, administer tests to help determine qualifications, and in some cases provide training. They have full responsibility as the employer even though the employee is working at the customer's place of business. They hire and fire, issue paychecks, withhold payroll taxes, and make required employer contributions to programs such as unemployment insurance and Social Security. They also are liable under laws intended to protect the health and safety of workers and assure equal employment opportunities.

## **Sources of demand**

Employers frequently experience short-term changes in their need for workers because of seasonal fluctuations or other factors. The absence of permanent employees for vacation or illness may also create a need. Overtime work can be a solution, but for some businesses it may not be practi-

cal. Overstaffing is another way to assure that a sufficient number of employees will be available at peak periods, but carrying workers who are underutilized much of the time is wasteful. Generally, a less expensive solution is the use of workers from outside the company on an occasional basis as needs arise. The use of temporary workers may be particularly attractive to organizations with high fringe-benefit costs.<sup>3</sup> One of the more pronounced trends in labor costs over the last several years has been the increase in the relative importance of employer-paid benefits. For example, between June 1981 and December 1985, wages increased 27.0 percent, but total compensation costs, including employer costs for employee benefits, rose 29.2 percent.<sup>4</sup> Traditionally, temporary employees have fewer benefits than permanent employees and therefore lower benefit costs.

Uncertainty about the economic climate also can increase employers' preferences for temporary labor. For example, dramatic changes in the overall business climate during the early 1980's made employers less certain about the future course of economic events and, therefore, less willing to bring on additional permanent staff to deal with increases in orders that they thought might be only temporary. In particular, the far-reaching negative experiences of the large layoffs and deep staff cuts undertaken during the 1981-82 recession influenced many employers' staffing decisions in the following recovery. To many employers, the vow to stay "lean-and-mean" has particular implications for the use of temporary help versus permanent staff.

### Sources of supply

For some people, temporary jobs are a stopgap until they find a permanent job. Others seek temporary jobs because they want the schedule flexibility that will allow time for activities such as taking care of children or attending school. Clearly the continuing increase in the labor force participation rates of women, many of whom combine work and family responsibilities, has contributed to the available pool of people seeking these jobs. Temporary jobs also can be attractive to retirees and other workers who want more leisure time. In addition, these jobs can be a way of keeping skills up to date or trying a variety of employers.

Although employers and individuals seeking temporary jobs often deal directly with each other in the labor market, both parties may benefit from using the temporary help firm as an intermediary. For short-term jobs, the markup for the service usually is lower than the customer's cost of recruiting a person and putting him or her on the payroll. These firms can also fill orders quickly because they maintain contact with large numbers of qualified personnel who will take brief assignments on short notice. In addition, the consequences of getting an unsatisfactory worker are less onerous because the customer can simply request a replacement. For workers who are looking for temporary assignments, the firm can reduce job-search costs. Finding a job on one's own can be costly in terms of time and money and may not

make sense if it is to last only a few days. Using this service can mean more time working and less time looking.

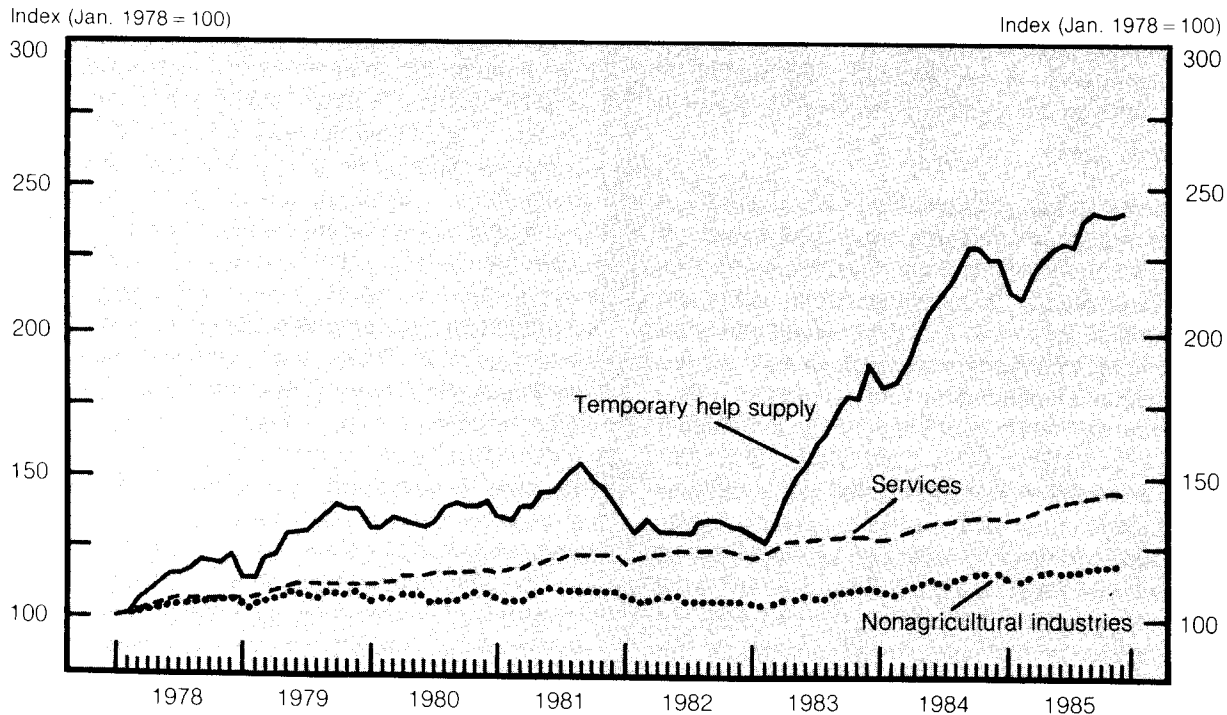
### Occupational markets

Establishments in the temporary help industry usually specialize in one of the following four markets: office, industrial, medical, or engineering and technical. Many establishments that are primarily suppliers of office help, however, also supply industrial workers. Those providing medical workers or engineering and technical workers are more likely to specialize exclusively in these fields. Some of the large firms in the industry are involved in more than one market and have separate subsidiaries or divisions to deal with each.

Occupational data are not available specifically for the industry, but its staffing pattern can be approximated from data on the personnel supply services industry group (SIC 736) of which it is a part. The temporary help industry made up about three-quarters of this group's employment in 1985; employment agencies (SIC 7361) accounted for most of the remainder. Analysis of the Bureau's 1984 industry-occupation matrix indicates that office occupations accounted for more than one-half of total employment in personnel supply services, industrial occupations, almost three-tenths, and medical occupations, about one-tenth. Only a small proportion of the employment was in engineering and technical fields.<sup>5</sup> The magnitude of employment in the latter occupations, however, may be much greater than the data would imply because many establishments that furnish temporary help in engineering and technician occupations apparently are frequently classified in the engineering and architectural services industry rather than in the temporary help industry.<sup>6</sup>

*Office market.* This market consists mostly of clerical workers such as secretaries, typists, receptionists, computer operators, and general office clerks. However, it also includes accountants and marketing and sales workers. Most industries use temporary office workers. Among the largest users are the following major industry groups—services; wholesale and retail trade; manufacturing; and finance, insurance, and real estate. Many office jobs can be filled by temporary workers because the basic skills needed for particular occupations do not vary much from one employer to another. Customers usually are very specific about requirements for assignments. For example, in placing an order, a company may specify that it needs one typist skilled in preparing statistical tables to assist on a rush project and another who can type more than 60 words per minute to substitute for a permanent employee who is recovering from an illness. The demand for temporary workers in office jobs generally is less sensitive to seasonal and cyclical changes than the demand for industrial workers and engineering and technical workers. Customers usually need experienced

**Chart 1. Comparison of employment growth indexes in the temporary help, services, and nonagricultural industries, 1978-85**



workers because they cannot afford to train persons for short assignments. Temporary help firms typically strive to ensure that all workers on their rolls meet specified minimum skill levels. Normally this is accomplished through clerical skills testing. Certification of the temporary employees' skills is felt to be quite important in the office market. In general, the firms do not offer skills training to applicants but prefer to deal with already trained and experienced personnel. However, when the local labor market is tight, they may sponsor clerical training classes in order to increase the pool of trained applicants. Some firms also provide basic and advanced instruction on word-processing equipment and personal computers.

The temporary help office market is dominated by relatively large, multi-establishment companies, some national in scope. They compete quite vigorously with one another within large metropolitan labor markets. Factors in the predominance of large firms include the customers' need for quick action on the filling of job-orders for temporary clerical and other office help. Typically, orders are placed at least one day in advance, but some orders are for personnel to report in a few hours. This fast turnaround necessitates a large and current file of clerical help available for almost instantaneous referral to customers' worksites.

Many workers with office skills are not looking for regu-

lar, full-time employment. A large number are mothers who want to schedule work around family responsibilities. Some are schoolteachers who supplement their income by working during summer. Others are recent college graduates who need some income until they find employment related to their studies. Temporary help companies try to accommodate preferences for particular days or hours of work, and the frequency and duration of assignments. Some of their employees, however, are seeking permanent jobs, and the temporary assignments can lead to these jobs.

The transfer of an employee from a temporary help firm's payroll to a customer's payroll is called a "T-to-P" conversion—that is, the hiring, on a permanent basis, of temporary workers supplied by the firm. This practice is thought to be more common for office workers than other occupations, although it also occurs with industrial workers. A potential exists for the customer to use the firm as a screening and placement tool, but without the associated agency fees. The firms deal with this dilemma in a variety of ways. Those which are active in both the temporary help market and the placement market simply charge the customer a negotiated placement fee. Others specify that in "T-to-P" conversions the customer will be billed for a certain minimum number of hours for the worker involved. Some specify the payment of a liquidation fee. A ban on the permanent hiring of tempo-

raries for some period of time after their use is sometimes contained in contracts between the supplying firm and the customer.

As a general rule, in a given labor market, temporary clerical workers are employed at lower wage rates than their permanent counterparts. The total hourly cost to the customer for the temporary worker, however, may be as much or more than the total hourly cost of the customer's permanent workers.

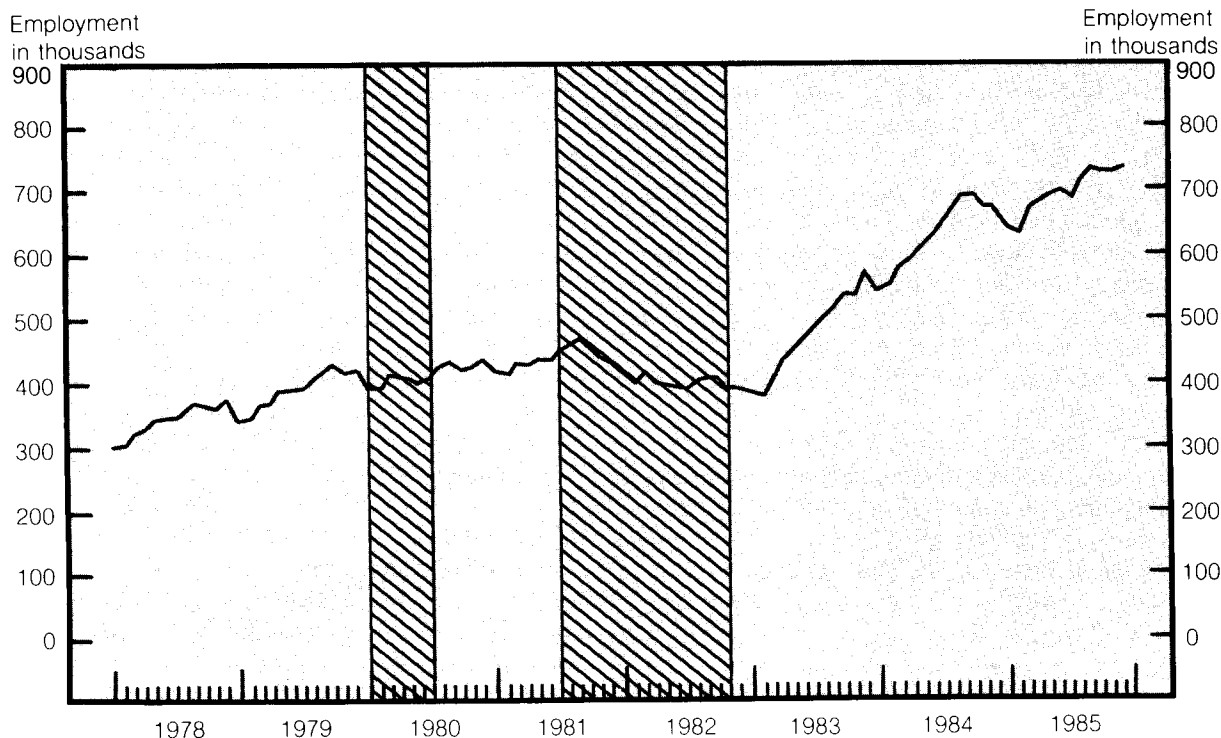
**Industrial market.** A large proportion of the employees in the industrial segment of the temporary help market are helpers, laborers, and material movers, and many others are service workers, such as food and beverage preparation workers. Little, if any, work experience is necessary for most of these jobs. Other occupations include truck drivers, machine operators and assemblers, and craft workers. Customers for industrial temporaries are found in many industries—wholesale and retail trade, construction, manufacturing, and transportation are major users. The reason for using industrial temporaries frequently is work overloads. For example, a manufacturer or wholesaler may need extra help to unload an unusually large shipment. A building contractor may need workers to assist in cleaning up around a project. Absences of regular employees also may be a reason. The

demand for industrial workers probably is more sensitive to seasonal and cyclical influences than the need for other temporary personnel.

Rates of pay for temporary workers in industrial occupations are low because the jobs usually require little training or skill. At the same time, the markup charged for supplying these workers tends to be high because the menial nature of the jobs results in a very large turnover, which adds to recruitment and administrative costs. The transportation of employees also may be a cost. To make sure customers receive the number of workers requested, some firms require employees to report to their offices each morning instead of going directly to customers' premises. Work crews are then assembled, transported to the jobs in company vehicles, and returned to the office at the end of the day. As a result of these costs, temporary workers in the least skilled jobs frequently have much lower pay rates than regular employees in the same kinds of jobs.

Although many of the industrial employees of temporary help firms are interested only in occasional employment, others see temporary assignments as stepping stones to higher paying regular jobs with the most desirable companies. Employers do hire temporaries who have demonstrated that they are good workers, but the demand for unskilled workers usually is much smaller than the number of people

**Chart 2. Employment growth in the temporary help industry, 1978-85**



NOTE: Shaded areas indicate recessions as designated by the National Bureau of Economic Research.

seeking the jobs. Many firms do not seek payment of liquidation damages from customers that hire their industrial employees.

*Medical market.* Registered nurses and licensed practical nurses represent most medical employees of the temporary help industry. Some employees also are nursing aides, orderlies, and attendants. The industry is relatively new to the medical market, having emerged during the 1970's when hospitals were faced with shortages of registered nurses attributed, in part, to population growth and greater coverage under health insurance programs. It provided an alternative to traditional sources of personnel for temporary duty—nursing registries which find assignments for self-employed nurses for a fee and on-call pools operated by hospitals and other health care institutions for their own needs.<sup>7</sup>

The principal users of medical personnel supplied by the temporary help industry are hospitals, nursing homes, and private households (home health care). Temporary workers are needed by hospitals and nursing homes to fill in for regular employees who are on vacation, ill, or absent for other reasons. A surge in a hospital's patient population as a result of an epidemic or disaster would temporarily increase the need for personnel too. In addition, temporaries have been used to alleviate shortages of registered nurses. Assignments in hospitals and nursing homes may be for as little as one work shift, but they are more likely to be for two or three days, and some last even longer. Temporaries may also get the least desirable shifts—evenings, nights, and weekends. Medical workers are needed in private households to care for patients who have been released from hospitals to recuperate at home or who have become too sick or frail to care for themselves. An assignment in a patient's home can be long term. The demand for medical temporary personnel is greatest during the summer, when many regular staff members take vacations and patients schedule elective surgery to coincide with their vacations. Use of temporary medical workers in hospitals is usually limited to registered nurses, while nursing homes and private households may use both registered nurses and licensed practical nurses, as well as nursing aides, orderlies, and attendants.

Temporary help companies generally hire only registered nurses and licensed practical nurses who have a year or more of work experience in their occupations. Nurses may want to limit work in order to care for children, attend school, or simply to have more leisure time. In some cases, they work primarily to keep their skills up to date instead of for the income. On the other hand, a small number of nurses have full-time jobs and moonlight to supplement their income. Firms in the industry usually provide malpractice insurance and bonding insurance; some also provide health insurance, life insurance, and other fringe benefits, but the benefits are less generous than those provided by hospitals and other institutions for their regular staffs.

*Engineering and technical market.* Businesses that specialize in this segment of the temporary help market frequently are called job shops. Most of their employees are engineers, designers, and nonmedical technicians such as drafters, engineering technicians, and computer programmers. Job shops provide essentially the same kind of services as other temporary help firms and charge for them in the same way. The scope of operation, however, may be national and even international, whereas companies that specialize in clerical, medical, or industrial temporary workers concentrate on local markets. An office in Boston, for example, may recruit engineers from New England for a customer in Los Angeles. Unlike other temporary help firms, the job shop generally does not select the applicant, but provides several resumes for the customer's consideration. Another thing unique about some job shops is that they offer in-house engineering and technical services—the work is done on their premises rather than on those of the customer. In-house work, however, accounts for only a small part of employment in this business.

A large proportion of job shop customers are in aerospace manufacturing, electronics manufacturing, shipbuilding and repairing, and other industries that depend heavily on defense work. Job shops serve a variety of other manufacturing industries, including producers of automobiles, industrial machinery, and chemicals. Organizations that contract to perform engineering services also are customers. The need for engineers and technicians on a temporary basis usually arises as a result of major projects to develop new products or facilities. An aerospace company may need additional personnel, for example, to help design a new aircraft and get it into production on schedule. An engineering services firm may require extra help on a contract to design and build a new plant for a customer. Employers also may turn to job shops when they are unable to recruit enough regular employees to staff a project. Relatively few engineers and technicians are employed temporarily to fill in for absent workers. Businesses frequently are able to anticipate their need for temporary personnel well in advance, and usually can estimate how long they will be needed. Assignments are of a relatively long duration—6 months to 12 months is typical, and up to 2 years is not uncommon. Temporary to permanent conversions usually do not occur during these assignments. The job shop may be able to place the employee with another customer when the assignment ends or the employee may take a permanent job elsewhere.

Engineers and technicians frequently can earn more take-home pay in temporary jobs than they can in regular jobs. Fringe benefits, however, usually are limited to paid vacations and holidays, and medical and life insurance at group rates. Although high pay probably is the main reason engineers and technicians seek temporary jobs, the variety of assignments and geographic locations also may be attractions. Not all of these workers are geographically mobile. "Freeway" or "subway" job shopper is industry parlance for

the person who goes from one assignment to another in the same metropolitan area. A "road" job shopper is a person who is willing to relocate. Work experience usually is a requirement for temporary assignments in engineer and technician fields. Many job shoppers are single persons in their late twenties and early thirties. Married workers, particularly those with children at home, are less likely to seek these jobs. Compared with engineers and technicians in regular jobs, job shoppers are more likely to be laid off of an assignment as a result of cutbacks in defense or research and development expenditures.

### Employment growth

Average annual employment in the temporary help industry grew from about 340,000 in 1978 to 695,000 in 1985, an increase of 104 percent, which was 3 times the rate of increase for the rapidly expanding services division and over 8 times the rate for all nonagricultural industries (chart 1). Employment in the industry reflected changing business conditions during this period. It increased significantly in 1978-79, slowed as the economy weakened in 1980, and then declined slightly during the 1981-82 recession (chart 2). At the trough of the recession in November 1982, the industry employed 400,000 workers, about 8.4 percent fewer than a year before. Employment increased 70 percent between November 1982 and November 1984; within a span of 2 years the industry had added about 280,000 workers to its payrolls. In fact, during these 2 years, temporary help was the fastest growing industry among those with employment greater than 50,000.<sup>8</sup>

The industry's employment expansion early in an economic recovery is related to the hesitancy of many employers to expand their own permanent staff until the upward course of business conditions has become more certain. Therefore, in order to adjust their work force to increases in product demand, employers turn to a variety of short-run strategies. These strategies may include increasing hours of work for those employees already on the payroll, subcontracting portions of work to other firms, hiring part-time or temporary workers themselves, and using employees of temporary help companies. There are a variety of causal factors at work and the exact mix of strategies used by any one firm or one industry depends on their relative importance. For some, the time needed to recruit, hire, or train additional workers may preclude the use of increased permanent staff. Other employers may have labor cost structures which inhibit, or labor contracts which limit, the use of greatly lengthened workhours. Many employers prefer not to subcontract additional work to other companies for obvious competitive reasons. Given these circumstances, the use of trained workers who are available on short notice from a temporary help firm is an attractive alternative to many employers. Indeed, the quick response of these firms to increases in the demand for workers is one of the most important attributes of the industry.

The initial cyclical expansion of temporary help employment tends to slow over time. The cyclical growth spurt associated with the most recent recovery ended in the fall of 1984. More modest growth has resulted in the addition of only 60,000 jobs in 1985 (chart 2). Even so, this 8.7-percent employment growth was nearly 3 times the rate for all industries in 1985. As the economic recovery matures, the use of temporary help is mitigated somewhat by employers' desires to hire full-time staff for their own payrolls. Several factors are at work here as well, including the realization that increases in business have become more certain and that there is a need for individual employers to compete for the available pool of trained labor. Therefore, employment increases in the industry that are solely attributable to the upswing in the business cycle tend to moderate during the later stages of recoveries.

Growth in the industry's employment has come principally from increasing numbers of establishments rather than from increasing establishment size. The number of reporting units in the industry rose from about 3,690 in the first quarter of 1978 to 7,750 for the same period in 1985, while the average number of employees per unit decreased slightly from 83.4 to 82.4. The increases in the number of establishments are largely attributed to what are perceived to be low barriers to entry and relatively small startup costs.

Temporary help industry employment varies substantially from State to State and from area to area. The States with above average growth rates tend to have higher proportions of the employment than those with below average growth. Many high growth States, such as Arizona, California, and Colorado have an incidence of employment in this industry that is about 50 percent higher than the Nation as a whole. The geographic relationship between high employment growth rates and concentration of temporary help mirrors the observation at the national level that the industry's growth is higher when the national economy is expanding.

### Projected growth

The Bureau of Labor Statistics has developed three alternative sets of economic and employment projections for the U.S. economy for the year 1995. The macroeconomic assumptions underlying these projections, which consist of a high-growth, moderate-growth and low-growth scenario, were presented in the November 1985 issue of the *Review*.<sup>9</sup> Based on the moderate-growth case, employment in the temporary help industry is projected to increase an average of 5 percent a year between 1984 and 1995, faster than the 4.2-percent rate for business services as a whole and much faster than the 1.3-percent rate for all industries. Employment in the industry would reach almost 1,060,000 in 1995, a gain of about 430,000 jobs over the 1984 level. Under the high-growth and low-growth scenarios, employment levels are expected to range from about 1 million to 1.1 million in 1995. The projected growth rates are much slower than the increases experienced by the industry during the recovery

from the recession, and more in line with the growth over the last year (December 1984 to December 1985).

Employment in office occupations is expected to grow about as rapidly as total employment in the temporary help industry. As the industry's customers automate offices, however, it should receive relatively more requests for temporary workers with the latest skills such as computer operators, peripheral equipment operators, and secretaries and typists who can operate word processors and personal computers. At the same time, office technology may result in relatively fewer orders for file clerks, mail clerks, and data entry keyers. Some temporary help companies see potential in "home based" offices for selected employees. Computerized equipment in the homes of these workers would enable them to transcribe material and produce printed copy in customer's offices miles away.

Employment of engineers and technical workers in temporary assignments may rise faster than total employment in the industry, at least through 1990. A large part of the growth in these jobs is expected to result from increased investment in capital equipment. An investment boom is projected because of expected lower real interest rates, the prospect of a stable economy, and the desire of manufacturers to take advantage of new technologies—purchases of which were postponed during the low-investment years of 1980–82. Growth also is expected in defense-related industries. Real defense purchases of goods and services are projected to increase 5.3 percent annually between 1984 and 1990, and then taper off. This spending should increase the number of temporary jobs for product design and related activities in the aircraft and guided missiles, ordnance, shipbuilding and repair, and communication equipment industries. If defense expenditures, however, are significantly different, job prospects will be altered.

Industrial jobs are expected to grow slower than the industry's employment as a whole. The demand for workers in these jobs depends significantly on orders from manufacturers. Employment in manufacturing is projected to rise at one-half the rate of employment in all industries during the 1984–95 period. Some rapid growth firms in high-tech fields may favor using temporaries because demand for their

products can change very quickly. The long-term prospects in manufacturing probably are not favorable, however, because industrial workers generally have the kinds of jobs most susceptible to labor-saving technology. Increases in the demand for industrial temporary workers are expected to come mostly from other sectors of the economy, such as construction and wholesale and retail trade.

Future increases in the demand for temporary workers in medical fields are expected to be concentrated in nursing homes and private residences. The growing number of elderly and disabled persons in need of long-term care is rising rapidly, which is increasing the demand for nurses in these settings. In addition, to hold down costs, hospitals are discharging patients as soon as possible, which means that more people will be recovering from surgery, stroke, or other major disabilities in nursing homes or their own homes. Many of them will need intravenous therapy, respirator support, and other equipment that requires the supervision of registered nurses. Changes in private insurance and Medicare coverage are making home health care more affordable for patients recovering from acute illnesses. Much of the increase in demand for temporary medical personnel will occur in home health care, because these jobs by their nature tend to be less continuous than those in hospitals and nursing homes. Some temporary help firms have developed comprehensive programs for delivering a package of services to the home patient, including periodic visits by a registered nurse and basic care by licensed practical nurses and nurses' aides. Competition from visiting nurses associations (classified in SIC 8091), nurses registries (classified in SIC 7361), and other industries that provide home health care services, however, may limit growth for the temporary help industry in this market. Expansion also may be limited by a lack of employees who are willing to work in the evening, at night, and on weekends.<sup>10</sup> The outlook in hospitals is not clear. Cost containment efforts probably are greatly reducing overstaffing as a way of handling variations in workloads, thus making hospitals more dependent on temporary nurses when needs suddenly rise. Many large hospitals, however, may prefer to operate their own temporary nurse pools. □

—FOOTNOTES—

<sup>1</sup> Wage and salary employment levels for 1978 through 1981 were obtained from State reports of establishments covered under State unemployment insurance laws. These reports cover about 98 percent of total civilian wage and salary employees on nonagricultural payrolls in the United States. Estimates of wage and salary employment for 1982–85 were obtained from the Bureau of Labor Statistics' Current Employment Statistics (CES) program, which provides information from payroll records of employees based on a sample survey of establishments. Employment data from these two sources are basically comparable. In fact, the State reports of establishments covered under unemployment insurance laws are the primary sources of benchmark information for the Current Employment Statistics program. A description of the two sources appears in the monthly Bureau of Labor Statistics publication, *Employment and Earnings*.

<sup>2</sup> Many businesses besides those in the temporary help supply industry provide personnel to other organizations on a contract or fee basis. Included

among these are employee leasing firms (SIC 7369) which supply all the workers needed by an organization, and companies that provide a special service such as managerial (SIC 7392), janitorial (SIC 7349), or guard (SIC 7393). Jobs with these firms, however, generally are not temporary. Also, workers usually are supervised by the supplying firm instead of the customer, except in the case of employee leasing.

<sup>3</sup> Donald Mayhall and Kristin Nelson, *The Temporary Help Supply Service and the Temporary Labor Market* (Salt Lake City, UT., Olympus Research Corporation, December 14, 1982).

<sup>4</sup> Employment Cost Index—December 1985, BLS News Release, January 28, 1985. The trend of larger increases in benefits than wages reversed in 1985, when wages were up 4.4 percent, compared with 4.3 percent for total compensation.

<sup>5</sup> Estimates for the four markets are based on the following occupational

categories from the Bureau's industry-occupation matrix for the personnel supply services industry. *Office*: administrative support occupations, including clerical; managerial and management related occupations; marketing and sales occupations; lawyers; teachers, librarians, and counselors; legal assistants and technicians. *Industrial*: helpers, laborers, and material movers; transportation and material moving machine and vehicle operators; precision production, craft, and repair occupations; machine operators, assemblers, and inspectors; agriculture related occupations; service occupations (except health service and related occupations). *Medical*: health diagnosing and treating occupations; health technicians and technologists; health service and related occupations. *Engineering and technical*: engineers, architects, and surveyors; natural, computer, and mathematical scientists; social scientists; writers and artists; technician occupations (except health technicians and technologists, and legal assistants and technicians).

<sup>6</sup> Establishments that supply engineers and other nonmedical technical personnel to customers for temporary assignments are called job shops. Analysis of available information indicates a lack of consistency in the industry classification of job shops. While some of these establishments are

classified in the temporary help supply industry (sic 7362), the bulk of them appear to be classified in the engineering, architectural, and surveying services industry (sic 8911). Many officials of job shop firms prefer classification under sic 8911 because they associate sic 7362 with clerical occupations. Data on the number of workers supplied by job shops are not available, but some industry observers estimate that it may have been as high as 150,000 in 1985.

<sup>7</sup> Barbara H. Kehrer and others, *Study of the Utilization and Effects of Temporary Nursing Services* (Princeton, NJ, Mathematica Policy Research, Inc., Feb. 28, 1983).

<sup>8</sup> Growth in the temporary help supply industry is compared with other industries described in the Standard Industrial Classification system at the detailed (4-digit) level.

<sup>9</sup> See several projection articles in the *Monthly Labor Review*, November 1985, pp. 3-59.

<sup>10</sup> Martin J. Gannon, "Preferences of temporary workers: time, variety, and flexibility," *Monthly Labor Review*, August 1984, pp. 26-28.

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### A note on communications

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

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