



# Focus

Volume 23

Number 1

Winter 2004

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ISSN: 0195–5705

## Temporary help employment and disadvantaged workers

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A disproportionate share of temporary help agency employees consists of young, female, predominantly minority workers, many of them recent or current welfare recipients. In 2001, for example, nearly 60 percent of temporary services workers were women, half of them between the ages of 16 and 34. And whereas the proportion of black and Hispanic workers in traditional employment—around 11 percent—generally reflected their share of the population, blacks and Hispanics accounted for 25 and 18 percent, respectively, of temporary agency employees.<sup>1</sup> In 1990, about 14 percent of women in temporary services supplemented their earnings with means-tested welfare benefits, compared to 3 percent of all women with permanent work and 6 percent of permanent part-time workers.<sup>2</sup>

The temporary services industry has become an increasingly important source of low-skilled work, and temporary employment grew five times faster than overall employment between 1972 and 2000.<sup>3</sup> In a number of states, temporary help service firms are registered providers of welfare-to-work services. Directly or indirectly, public policies may be encouraging the growth of temporary help service employment.

Workers hired through temporary help service firms are much less likely to receive fringe benefits than workers hired directly by the firms in which they are working. Temporary workers are more likely than others to work fewer hours, with less predictable schedules, and to be paid less than permanent employees in similar jobs. Some commentators have suggested that they have less control over working conditions and work assignments than others, and are less likely to receive job skills training or useful feedback on performance. Their social interactions in the workplace and sometimes their attachment to the workforce itself can be quite marginal.<sup>4</sup>

There is, however, a more positive view of the temporary services industry: that employment through labor market

**Table 1**  
**Characteristics of Individuals Entering Employment Programs in Missouri, 1997**

	Women			Men	
	TANF	JTPA	Employment Service	JTPA	Employment Service
Age (yrs)	28.1	37.2	34.5	38.9	34.1
Education (yrs)	11.3	12.4	12.3	13.0	12.3
High School Diploma (%)	57.8	86.9	87.2	86.6	87.2
College Degree (%)	1.1	5.5	7.8	16.9	7.8
Nonwhite (%)	38.1	32.9	26.6	28.0	23.2
Area of Residence (%)					
St. Louis Co. and St. Louis City	24.8	27.0	21.4	29.2	20.4
Kansas City central area (Jackson Co.)	16.1	13.5	10.9	14.8	11.0
Suburban areas	10.6	15.1	12.5	20.0	14.6
Small metro	12.1	9.9	12.5	8.1	13.1
Outside metro	36.5	34.3	42.0	27.7	39.9
Employment and Earnings History					
Working in previous 8 qtrs (%)	51.1	62.7	62.8	65.8	64.0
Working all of previous 8 qtrs (%)	17.4	35.9	39.0	37.8	40.7
No work in any of previous 8 qtrs (%)	19.3	15.9	17.9	14.3	17.6
Total annual earnings in prior yr (\$)	3,904	8,965	8,946	13,842	13,565
Total annual earnings 2 yrs prior (\$)	3,564	8,929	7,810	14,162	12,033
<i>N</i>	26,172	5,391	133,766	3,028	163,080

**Source:** Data from Missouri TANF files and Unemployment Insurance files.

intermediaries may provide many low-skilled workers with their best employment opportunity, providing some with their only feasible path to permanent and stable employment. By limiting the employer's commitment and hence the risk, such jobs may enable low-skilled workers to gain access to informal training and screening. And some proportion of temporary employees may prefer the flexibility and shorter hours that such jobs offer—those who value nonmarket time highly, those with young children or other family responsibilities.<sup>5</sup>

Weighing the costs and benefits of temporary employment for particular groups is not easy. In this article, we summarize our recent research that examines, in particular, the consequences of temporary employment for women who are or have recently been on public assistance (see box). Our ultimate aim has been to determine whether, in the long run, temporary employment helps or

hurts these low-skilled and otherwise disadvantaged workers. Earnings, although important, are only one item in the balance. Has entry in the labor market through a temporary job improved women's circumstances, as measured by wage growth, stability of employment, and welfare receipt, or do they remain mired at the lowest and most unstable employment levels? Who among welfare recipients goes to work for temporary services firms? Is there evidence that they would have preferred more permanent jobs, or does temporary employment fit well with their expectations and circumstances? How do they view their jobs and working conditions?

To explore questions like these, we followed several strategies. We examined the employment dynamics of welfare mothers who took temporary services jobs in two states, North Carolina and Missouri, where over 17 and 13 percent, respectively, of employed welfare recipients were working for temporary services firms in 1999, and where the proportion of recipients with such jobs more than doubled from 1993 to 1997. One study compared those working in temporary services jobs with similarly disadvantaged women who entered jobs in other employment sectors. A second study compared the experiences of Missouri welfare participants in temporary services employment with somewhat more advantaged workers who had sought employment assistance from the state Division of Employment Services and from programs under the Job Training Partnership Act (JTPA).<sup>6</sup> A third strategy explored women's own expectations and attitudes regarding temporary employment through a survey

The research summarized here is discussed in three papers: Carolyn J. Heinrich, "Temporary Employment Experiences of Women on Welfare," forthcoming in the *Journal of Labor Research*, and two papers by Carolyn J. Heinrich, Peter R. Mueser, and Kenneth R. Troske, "Welfare to Temporary Work: Implications for Labor Market Outcomes," forthcoming in the *Review of Economics and Statistics*, and "The Impact of a Temporary Help Job: An Analysis of Outcomes for Participants in Three Missouri Programs," working paper, Department of Economics, University of Missouri–Columbia.

In this issue of *Focus*, we include articles describing research by scholars who joined the core IRP faculty through awards made to departments under University-wide “cluster hiring” competitions. “New areas of knowledge and complex societal issues,” the University administration noted, “do not always fall neatly into departmental disciplines and structures,” and the cluster hiring initiative was designed to advance knowledge at interdisciplinary crossroads. Michael Handel, Assistant Professor of Sociology, came to UW in 2000 through the Economic Sociology initiative. Carolyn Heinrich, Associate Professor of Public Affairs, and Joe Soss, Associate Professor of Political Science, became faculty members and IRP affiliates in Fall 2003 through the Poverty Studies Cluster initiative.

of recipients of Temporary Assistance for Needy Families (TANF) in North Carolina. This information informs and strengthens our quantitative analysis.

In studying employment outcomes we made use of administrative data from state assistance programs (after 1996, TANF). In Missouri, data were available for all welfare recipients beginning in 1993 and through 2002; in North Carolina, data first became available for the population of welfare recipients in 1995.<sup>7</sup> We matched income assistance data with earnings and employment data from state unemployment insurance programs in North Carolina and (for Missouri) in Missouri and Kansas, thus ensuring coverage for TANF recipients in Kansas City, MO, who often work across state lines. In 2001, we undertook a telephone survey of a representative sample of North Carolina welfare recipients ( $n=74$ ) who had recently worked in temporary services (although they were not necessarily in a temporary services job at the time of the survey). We asked about their job search experiences and their expectations, the kinds of jobs they held and their satisfaction with these jobs, and their levels of well-being, and matched the interviews to individual data from administrative files.

### **The characteristics of the participants**

Welfare recipients in our two states differed substantially in race and residence. In 1997, the proportion of nonwhite welfare recipients was nearly 20 percentage points higher in North Carolina than in Missouri. Over 50 percent of Missouri welfare recipients lived in large metropolitan areas (St. Louis and Kansas City). In North Carolina, less than 15 percent lived in Charlotte, the state’s largest metropolitan area, and nearly 40 percent lived outside any metropolitan area at all. A much higher percentage of the women in Missouri were long-time welfare recipients, and their work experience and earnings were lower than those of the women in North Carolina.

Table 1 shows how these welfare recipients compare to a more general pool of low-wage workers. TANF entrants in Missouri were substantially more disadvantaged than applicants to the other two employment programs (JTPA and Employment Services). For example, only 58 percent had a high school diploma, compared to nearly 90 percent of both men and women in the other programs. TANF recipients were younger and more likely to be nonwhite. In all programs, women had lower average employment and earnings

than men, but the average prior earnings of TANF recipients were not even half those of women in the other programs. In large part, these differences reflect TANF program restrictions, which limit participation to those with very low incomes.

### **Who worked for temporary help agencies?**

Who, among these disadvantaged Missouri women, were most likely to end up in temporary help services jobs? Neither age nor education showed any particular relationship with a temporary job. Nor did previous earnings; indeed, some women with a history of higher earnings were less likely to be employed in temporary services than they were to be unemployed. These characteristics, combined with the state of the local economy, were important predictors of the likelihood of *any* employment, but none was specifically linked to employment in the temporary help sector.

We did not find that women with more or with younger children—and hence presumably greater responsibilities—were more likely to work for temporary service agencies. By far the most powerful predictor of temporary sector employment was race. In all groups, nonwhites were much more likely to be in temporary jobs. Another important predictor was region within the state: those in metropolitan counties, which offer a larger marketplace for temporary services firms, were much more likely to be in temporary jobs than those in nonmetropolitan counties.

These findings suggest that selection into temporary help jobs is not effectively explained by observed differences in human capital—what matters most is “race and place.” The importance of race is perhaps explained by employers’ difficulty in judging the ability of nonwhite workers, or their belief that nonwhite workers are less productive; they are thus less willing to hire them into regular jobs that imply long-term commitments. If this is the case, temporary help jobs may provide nonwhites with opportunities not otherwise available.

### **Earnings and welfare receipt of recipients working in temporary help services**

In both Missouri and North Carolina, those employed in temporary services resembled other employed welfare

**Table 2**  
**The Characteristics of TANF Recipients in Different Industries, 1997**

	No Job	Temporary Help	Manufacturing	Retail Trade	Service <sup>a</sup>	Other
<b>Missouri</b>						
Education < 12 yrs (%)	48.0	41.9	45.9	47.0	41.3	34.3
Nonwhite (%)	45.0	73.2	43.9	50.8	63.0	63.3
No. months on welfare in previous two yrs	16.6	16.4	13.2	14.9	16.1	15.8
% of previous 8 qtrs employed	25.0	54.5	49.4	53.6	54.5	55.4
<b>North Carolina</b>						
Education < 12 yrs (%)	41.6	33.8	41.2	36.2	28.8	28.9
Nonwhite (%)	66.9	81.1	68.7	64.3	77.1	66.6
No. months on welfare in previous two yrs	15.5	14.3	12.3	13.9	14.7	13.6
% of previous 8 qtrs employed	28.0	57.1	60.1	58.2	59.5	57.3

**Source:** Data from Missouri and North Carolina TANF files.

**Note:** Sample includes women aged at least 18 and younger than 65 in single-parent families, not in child-only cases. Sampling frame is quarter by welfare recipient.

<sup>a</sup>“Service” excludes temporary help employment.

recipients much more than they resembled those without jobs (Table 2). The only significant demographic difference between temporary services employees and other employed recipients, as already suggested, was race. The jobless, in contrast, were less educated, more likely to be white, and had spent fractionally more time on welfare but worked much less than those in temporary services. Nor does it appear, from the Missouri data, that TANF recipients were taking temporary services positions in much greater proportions than job-seekers through JTPA or the Employment Service; temporary employees in the TANF program were, however, much less likely to be

combining temporary help with other kinds of jobs (Table 3).

Patterns of welfare receipt and earnings in both Missouri and North Carolina confirm that TANF recipients in the temporary work sector resembled jobholders in other industries more than they resembled the jobless. Their current earnings are generally lower than workers in other sectors, always by at least 10 percent (Table 4). For those working in multiple sectors, the earnings disadvantage attached to temporary services diminished, or, in some cases, reversed. In both states over the next two years,

**Table 3**  
**Jobs of Low-Wage Workers in Missouri, at Entry into the Employment Program, 1997**

	Women			Men	
	TANF	JTPA	Employment Service	JTPA	Employment Service
No Job (%)	52.7	40.8	33.4	34.7	32.1
Job in Only One Sector (%)					
Temp help	4.6	4.8	4.1	5.3	4.3
Manufacturing	3.9	4.3	4.6	5.8	4.5
Retail trade	3.1	6.9	9.7	11.5	14.2
Service (excluding temp help)	14.7	19.9	19.0	12.9	8.6
Other	12.6	8.2	12.6	6.7	9.3
Jobs in Multiple Sectors (%)					
Temp help and any other industry	3.6	9.2	8.5	15.4	19.5
Any industry, not temp help	4.8	6.0	8.1	7.6	7.7
Employed 8 qtrs after qtr of entry (%)	57.0	68.7	63.9	65.1	62.9
N	26,172	5,391	133,766	3,028	163,080

**Source:** Data from Missouri TANF files and Missouri and Kansas Unemployment Insurance files.

**Table 4**  
**Distribution of Jobs among Industries, and Earnings of Welfare Recipients**

Industry Combinations	Missouri			North Carolina		
	Employed in Sector 1997 (%)	Earnings (\$)		Employed in Sector 1997 (%)	Earnings (\$)	
		Quarter of Entry <sup>a</sup>	Summed over Next 2 Yrs		Quarter of Entry <sup>a</sup>	Summed over Next 2 Yrs
<b>One Sector</b>						
Temp help	11.0	940	11,600	10.2	1,035	12,549
Manufacturing	4.9	1,565	13,391	9.5	1,604	14,444
Retail	25.3	1,090	10,705	30.1	1,128	11,329
Service <sup>b</sup>	34.1	1,461	13,798	26.6	1,413	14,218
Other	7.8	1,973	16,810	5.1	1,682	15,542
<b>Multiple Sectors</b>						
Temp help and any other industry	8.3	1,535	14,779	8.6	1,528	15,085
No jobs in temp help industry	8.6	1,615	13,981	9.9	1,652	14,569

**Source:** State Unemployment Insurance data from Missouri, Kansas, and North Carolina.

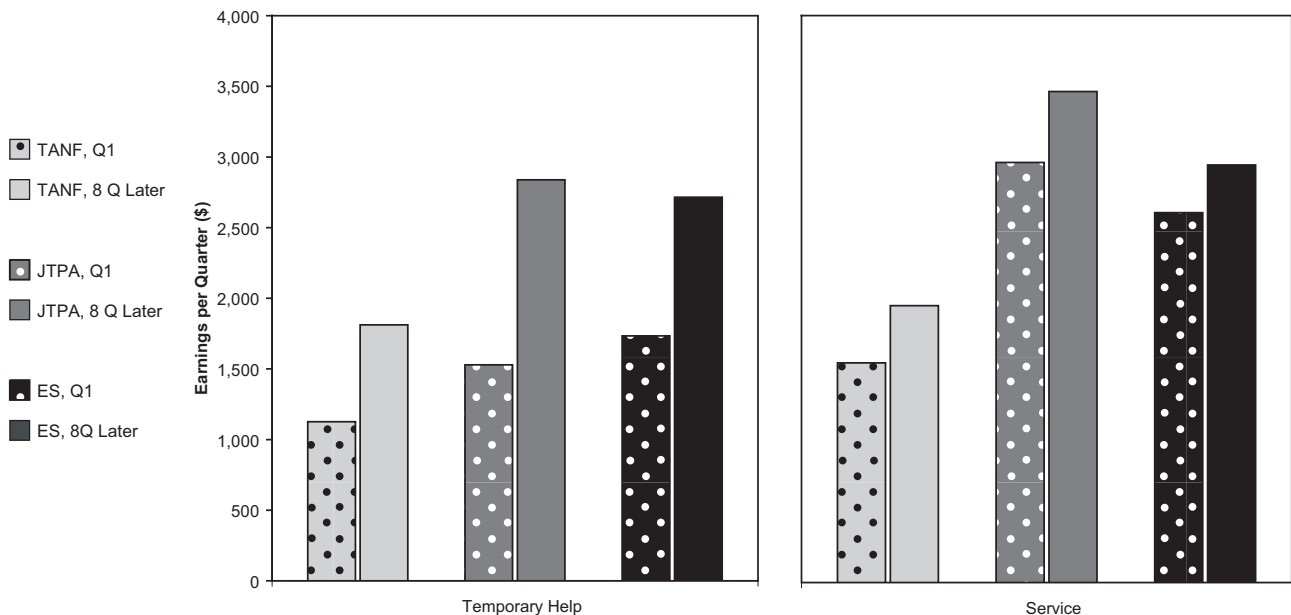
**Note:** Sample includes females aged at least 18 and less than 65 in single-parent families, not in child-only cases. Sampling frame is quarter by welfare recipient.

<sup>a</sup>Earnings in first job following observed quarter on welfare.

<sup>b</sup>Service excludes temporary help.

earnings for those originally in the temporary sector closed much of the disparity observed in current earnings (Table 4). Temporary sector earnings were, for example, only 14 percent less than manufacturing sector earnings and were higher than earnings in the retail sector. And among those with multiple jobs, women with both a temporary sector job and another job had higher earnings than those working more than one job in other sectors. Recipients working in the temporary help sector thus show higher rates of earnings growth than recipients employed in other industries, even after we have taken into account differences in workers' personal characteristics.

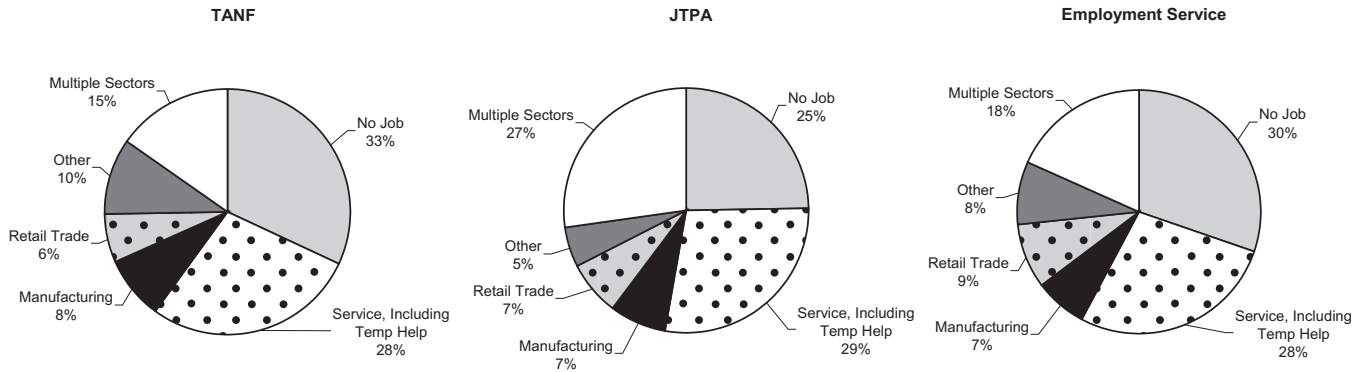
The evidence regarding comparative earnings from our Missouri study also suggests that the earnings disadvantage of other workers entering the temporary help sector declined over time.<sup>8</sup> The samples of women in the JTPA and Employment Service programs were quite heterogeneous, and their characteristics and employment histories substantially different from those of the TANF recipients, yet the role of temporary help employment appears remarkably similar. Figure 1 presents earnings in the quarter after program participation and earnings eight quarters later for women in temporary help industry jobs, comparing these earnings with earnings for women in



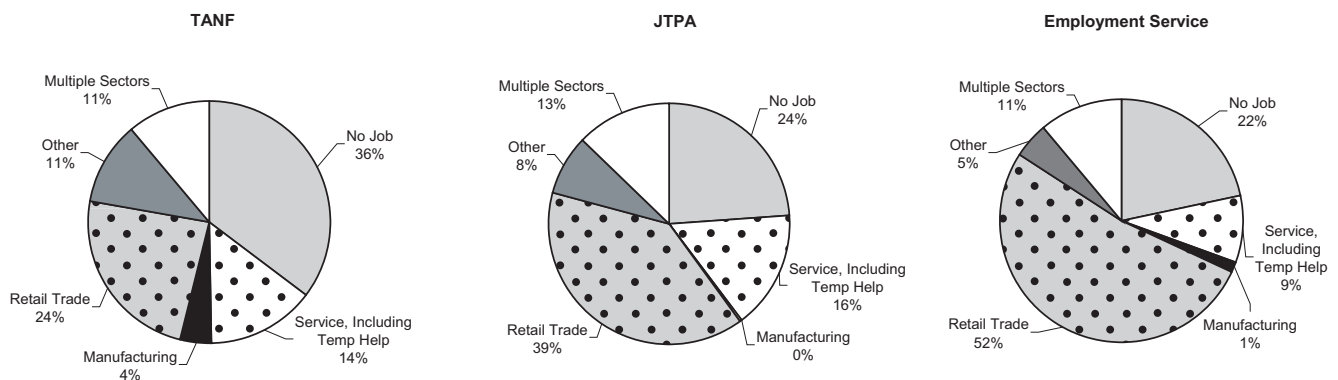
**Figure 1. Earnings Growth among Low-Wage Workers in Employment Programs in Missouri.**

**Source:** State Unemployment Insurance data from Missouri and Kansas.

Employment Sector after Two Years, for Those Who Entered in a Temporary Services Job



Employment Sector after Two Years, for Those Who Entered in Retail Trade



**Figure 2. Employment Two Years Later for Those in the Temporary Help and Retail Trade Sectors When They Entered the Employment Program.**

Source: State Unemployment Insurance data from Missouri and Kansas.

other service jobs (this is the sector in which the highest proportion of all women were employed at entry into the program). Once again, TANF participants earned least of all, and those differences hardly diminished over the next two years. Yet TANF recipients working in the temporary help sector also had the highest earnings growth, over 60 percent; the earnings of TANF workers in service jobs, by comparison, grew by just 25 percent. Among participants in both other programs, earnings growth in the temporary sector also outpaced growth in other sectors, and by large magnitudes.

**Job transitions**

What is the key to labor market advancement for disadvantaged workers who begin with a temporary job? Our evidence suggests that these workers improve their employment and earnings at least in part by moving to another job sector. Figure 2 offers a snapshot of the three groups of Missouri women in employment programs, comparing the employment experiences of those who

were in temporary jobs and in retail employment when they entered the program. There is little evidence here that those in temporary jobs were “stuck.” Over the next two years, women in temporary help positions were more likely to move to some other major sector than were individuals in the other sectors. For example, only 28 percent of TANF recipients were in temporary help services two years later, whereas 42 percent of recipients working in other service jobs were still working in some kind of service position (not in the figure).

**Women’s expectations and employment outcomes**

Evidence from our telephone survey of North Carolina welfare participants tends to confirm the positive effects of temporary services jobs, but also makes clear the difficulties faced by these women in obtaining satisfactory employment. Among the welfare participants, 30 reported that their current or most recent job was with a temporary help services firm. On average, they had worked 16.5 of the past 52 weeks

in such jobs, the vast majority for one or two firms. Almost all had worked on more than one assignment—most commonly clerical (47 percent) and industrial blue-collar (46 percent); 21 percent had worked in the services industry, and less than 10 percent in professional/managerial, sales, or technical services.

### **How did women find temporary services jobs?**

Although nearly three-quarters had participated in welfare-to-work program activities and another 18 percent in a workforce development program, 77 percent of the women had learned about temporary help services from other sources—by contacting the firm directly, from friends or word of mouth, from newspapers or other media. Information from the survey permits us to explore how the jobs they took compared with their expectations, and administrative data provide information about their earnings.

### **What sort of job did women expect to find, and what jobs did they take?**

Asked about their job hunting, about 90 percent of women said that they had been looking for full-time, permanent work. Their wage expectations were modest—on average, just under \$8 an hour. Over 80 percent wanted to work a 40-hour week, and another 8 percent 30–39 hours.

How did women's actual jobs over the past year measure up to their expectations? On average, the typical hourly wage was just 37 cents less than the desired hourly wage, and for nearly half of respondents, it was equal to or more than the desired wage. When asked how satisfied they were with their wages in the past year, almost three-quarters of the women reported themselves to be highly satisfied or satisfied. None reported being highly dissatisfied.

### **The difference between expectations and actual earnings**

If welfare recipients with temporary work experience had been able to achieve their goals of full-time work at about \$8 an hour, their annual earned income would have been about \$16,000. Yet in 2000, only 3 of the 74 women earned \$16,000 or more. Average earnings for 2000 were just over \$5,000. The average reported work week, 35.8 hours, explains only \$2,000 of the difference between what women hoped to earn and what they actually earned.

Our information suggests that time without work between assignments played a large role in the deficit between expected and actual earnings. Almost 40 percent of the women said that the typical temporary assignment lasted less than 3 months—most jobs, indeed, lasted less than a month. For almost half, the job assignment lasted 3–6 months. Only 9 percent found a temporary assignment that lasted a year or more. About half said they were without a job assignment for a month or less, and the remainder reported that the longest time without a job was 3 or more months. Reports of quarterly earnings show that 57 percent of the sample had at least one quarter with no reported earnings. And sector of employ-

ment matters: those whose temporary work assignments were in the services industry saw lower earnings than those who, for example, received clerical assignments.

Although these comparisons suggest that temporary help employees were frustrated in their goals, it is worth keeping these experiences in perspective. We know that, whatever their industry of employment, TANF recipients' earnings are low, since this is a requirement of participation. Other workers must face problems of similar import.

### **Work circumstances and benefits**

Despite the failure to meet earnings expectations, women expressed few major dissatisfactions with their current employment circumstances. Two-thirds thought it likely (though not "highly likely") that their current temporary assignment would lead to a permanent position; 57 percent were also "satisfied" with their opportunities for permanent employment. The greater part of the women expressed high levels of satisfaction with the kind of work they were doing, with their relationships with supervisors and coworkers, and, to a lesser degree, with their hours and work locations.

One important aspect of employment that evoked much criticism was the lack of employment benefits such as health insurance and paid vacations. More than two-thirds were dissatisfied or highly dissatisfied with this aspect of their work. Only about 8 percent received fully or partially paid medical insurance—a percentage consistent with national data.<sup>9</sup> About the same percentage received vacation or holiday pay, and only negligible numbers received any other kind of benefit. In our sample, over half said they did not receive any benefits in the past year because none were offered; another 35 percent said that they had not worked long enough to become eligible. Only 15 percent said that they could not afford their share of the cost or did not need or want the benefits offered.

### **What opportunities for training or advancement did women receive?**

About 80 percent of the women had received some kind of formal or informal training in the past year. This is very similar to the national average; one study has found that some 75 percent of temporary help services firms offer training and that it is typically offered before or in between assignments, on the worker's own time. Moreover, both our work and other national studies show that temporary firms favor those with high school degrees and more work experience.<sup>10</sup>

Women in the survey most commonly received occupational safety training, though this had been offered to only 43 percent of the women in the past year. Basic skills training—elementary reading, writing, math, and language—was offered to nearly 40 percent (among those surveyed, 38 percent had less than 12 years schooling). One-third or fewer of the group received any occupation-

specific training, mostly in clerical, computer, sales and customer relations, and communication skills.

Did the women see any future benefits from these training activities? About 70 percent were optimistic that training might lead to future advancement. Two-thirds said that training was mandatory to keep their current job, but also that they had gained valuable skills to improve their performance. But barely 40 percent identified tangible benefits from the training, such as a move from a temporary to a permanent position, more work hours, or a higher rate of pay.

## Is temporary employment a good thing or a bad thing for welfare recipients?

What then, can we conclude about the consequences of temporary services jobs for this group of disadvantaged women? The good news from the North Carolina survey appears to be that, in general, women who take such jobs are not being pushed into them and are not unhappy with their experiences on the job. Nor does the evidence suggest that those who take temporary jobs are stuck at the bottom of the wage ladder: earnings increases over two years are greater than in other low-wage job sectors, and job mobility is high and frequently positive. The TANF participants in the survey did not earn much less than comparable recipients in other types of jobs. Despite their greater disadvantages, their employment experiences and outcomes are not markedly inferior to those of welfare participants taking jobs in other sectors or more advantaged workers taking temporary sector jobs.

Among welfare recipients, those with jobs—whether in temporary help firms or in direct employment environments—face much better prospects than do those without jobs, in terms of both their future earnings and their chance of leaving welfare. If the availability of temporary help employment induces even a small growth in employment among recipients, it is clear that temporary help jobs are on net beneficial. Other studies we have conducted suggest that such jobs may provide employment opportunities for other disadvantaged workers as well. Nonetheless, it is useful to recognize that none of these jobs appear to offer a direct route out of poverty. TANF recipients who obtain employment remain subject to chronic problems of low wages and job instability. ■

<sup>2</sup>K. Barker and K. Christensen, eds., *Contingent Work: American Employment Relations in Transition* (Ithaca, NY: Cornell University Press, 1998).

<sup>3</sup>Nevertheless, temporary services employees still accounted for only around 2 percent of total employment in 1996. See M. Pressler, “Temp Workers Credited with Cushioning Recession’s Blow,” *Washington Post*, July 7, 2002; L. Segal, “Flexible Employment: Composition and Trends,” *Journal of Labor Research* 17 (Fall 1996): 525–41. A general review of the temporary help industry and the shifting emphasis on work for welfare recipients is D. Autor and S. Houseman, “The Role of Temporary Employment Agencies in Welfare to Work: Part of the Problem or Part of the Solution?” *Focus* 22, no. 1 (Special Issue, 2002):63–70.

<sup>4</sup>For discussions of these and other issues see R. Blank, “Contingent Work in a Changing Labor Market,” in *Generating Jobs: How to Increase Demand for Less-Skilled Workers*, ed. R. Freeman and P. Gottschalk (New York: Russell Sage Foundation, 1998), pp. 258–94; L. Pavetti and G. Acs, “Moving Up, Moving Out, or Going Nowhere? A Study of the Employment Patterns of Young Women and the Implications for Welfare Mothers,” *Journal of Policy Analysis and Management* 20 (2001): 721–36; L. Segal and D. Sullivan, “The Growth of Temporary Services Work,” *Journal of Economic Perspectives* 11 (Spring 1997):117–36; J. McAllister, “Sisyphus at Work in the Warehouse: Temporary Employment in Greenville, South Carolina,” in *Contingent Work*, ed. Barker and Christensen, pp. 221–42.

<sup>5</sup>S. Cohany, “Workers in Alternative Employment Arrangements: A Second Look,” *Monthly Labor Review* 121 (November 1998): 3–21; M. Morris and A. Vekker, “An Alternative Look at Temporary Workers, Their Choices, and Growth in Temporary Employment,” *Journal of Labor Research* 22 (Spring 2001): 373–90.

<sup>6</sup>The federally financed JTPA provided job skills training with an emphasis on disadvantaged workers. (It was replaced with a similar program, the Workforce Investment Act, in 1998.) Participants in JTPA registered for services as adult or dislocated workers. The adult program was means tested and limited to individuals whose income in the previous six months was below specified levels. Dislocated workers have generally lost employment through firmwide layoffs. Most individuals who receive unemployment insurance are required to register for job services under the Employment Service, which also serves employed individuals seeking a better job. In 1998, state Employment Services were required by federal law (the amended Wagner-Peyser Act) to become part of the One-Stop services delivery system, with the goal of assisting job seekers and employers alike and, in some areas, providing job training and related services.

<sup>7</sup>The 1993 findings are not reported in this article.

<sup>8</sup>In Figure 1, we compare only women workers in the three employment programs. Earnings for males are somewhat lower in the temporary sector. Nevertheless, for every male who holds a job in the temporary sector, there are four or five who hold a temporary help job and a job in another sector, and earnings for these men are higher than earnings in almost every other category. Temporary help employment appears usually to be supplementary for men, either as a second job or because it is held for only a portion of the quarter, followed by a rapid move to another job. These data suggest that, for men, temporary sector employment may facilitate continued involvement in other forms of employment.

<sup>9</sup>Cohany, “Workers in Alternative Employment Arrangements.”

<sup>10</sup>Survey questions about training used categories established by the Bureau of Labor Statistics. On training in general, see D. Autor, “Outsourcing at Will: The Contribution of Unjust Dismissal Doctrine to the Growth of Employment Outsourcing,” *Journal of Labor Economics* 21 (January 2003): 1–42; and “Why Do Temporary Help Firms Provide Free General Skills Training?” *Quarterly Journal of Economics*, forthcoming; H. Frazis, M. Gittleman, and M. Joyce, “Correlates of Training: An Analysis Using Both Employer and Employee Characteristics,” *Industrial and Labor Relations Review* 53 (April 2000): 443–68.

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<sup>1</sup>The research presented in these papers focuses specifically on employees in the temporary help sector, identified by SIC code=7363 in their unemployment insurance records. These employees are one category of contingent workers (including others such as part-time, short-term contract, seasonal employees, etc.), as defined by the Bureau of Labor Statistics. See, e.g., U.S. Department of Labor, Bureau of Labor Statistics, *Contingent and Alternative Employment Arrangements*, February 2001, Table 6; <<http://www.bls.gov/news.release/conemp.t06.htm>>