What temporary workers earn: findings from new BLS survey

Study of firms supplying temporary help to other businesses reveals sharp variations in pay rates, as well as in the proportions of 'temps' offered vacation pay and other benefits

HARRY B. WILLIAMS

In recent years, many businesses have experienced a growing need to fill short-term job assignments, replacing regular employees who are absent because of illness, vacation, or other reasons. At the same time, many individuals, including students and recent labor market entrants and reentrants, have sought part-time or intermittent work that does not involve a long-term commitment to a single employer. These dual needs have resulted in massive growth for the Nation's temporary help supply services firms which match short-term job requests with the available pool of temporary workers or "temps." These workers are supervised by the client firm but are on the payroll of the temporary help organization.

Until recently, little was known about the pay and benefits offered by these firms. In September 1987, the Bureau of Labor Statistics began its first study of occupational pay and employee benefit provisions in the temporary help supply services industry. The survey covered more than 600,000 workers and revealed wide variations in pay rates, reflecting the diversity of occupations, skill levels, and assignments reported.[1] Employees studied included both temporary workers and the relatively small number of permanent full-time employees who manage and administer day-to-day operations of the firms in the industry.

The temporary work force earned an average of $6.42 an hour in September 1987.[2] (See table 1.) Pay for individual temps ranged from the Federal minimum wage of $3.35 an hour to $20 an hour or more.[3]

The survey developed earnings data for eight major occupational groups selected to represent the diversified assignments and wage levels of temporary workers. Group averages ranged from $4.65 an hour for operators, fabricators, and laborers to $16.96 for professional specialty occupations, which included engineers and registered nurses. Administrative support occupations, including clerical—the largest group, with 328,828 workers—averaged $6.46 an hour.

Earnings data were tabulated for almost 100 individual job classifications selected to represent the wide range of occupations, pay, and levels of responsibility associated with temporary workers. Among the classifications for which data could be published, engineers had the highest average rate—$24.74 an hour. Computer systems analysts and scientists averaged $18.17, the second highest job average published; computer programmers followed with $15.96.

In the medical field, registered professional nurses averaged $14.99 an hour, but some earned $25 or more. Licensed practical nurses averaged $10.03 an hour, about $3 more than clinical laboratory technologists and technicians ($7.11) and $4.50 more than nursing aides, orderlies, and attendants.

General office clerks, the most numerous of the jobs studied, averaged $5.11 an hour. This compared with $5.97 for typists, $6.11 for data entry keyers, $7.79 for executive secretaries, and $9.46 for word processors—an occupation currently in heavy demand.

Among the blue-collar jobs, construction laborers averaged $3.72 an hour. Pay levels for assemblers, material

Harry B. Williams is a labor economist in the Division of Occupational Pay and Employee Benefit Levels, Bureau of Labor Statistics.

handlers, and nonconstruction laborers ranged between $4 and $5.

Earnings also were estimated separately for temporary workers employed in all large metropolitan areas combined, that is, all areas with at least 1 million inhabitants (based on the 1980 census). The 384,037 temporary workers in these large areas averaged $6.82 an hour—6 percent more than the $6.42 average recorded in the nationwide survey. This pattern usually held for occupational pay comparisons as well, with the average differences generally ranging up to 10 percent in favor of the large areas.

Local wage rates for temps varied widely around the nationwide average. In the 26 areas studied separately, the overall average for temporary workers ranged from $5.20 in Fort Lauderdale–Hollywood–Pompano Beach to $9.91 in Boston.

The industry's permanent full-time staff includes office managers, service coordinators, sales representatives, and clerical support workers. Office managers averaged $14.21 an hour, compared with $11.50 for business services sales representatives, $8.58 for accounting clerks, and $7.11 for receptionists (table 2).

Nearly three-fifths of the permanent full-time staff were coordinators and sales representatives. Service coordinators, whose primary responsibilities are to interview, hire, and place temporary workers with client firms, averaged $9.30 an hour. Coordinators-sales representatives, who regularly split their duties between the hiring and placing of temporary workers and the search for prospective clients, averaged $9.61. As a group, about one-fourth of the coordinators and sales representatives earned at least part of their pay through incentives, such as bonuses and commissions.

Within individual areas, pay for full-time permanent staff usually averaged between $9 and $11 an hour. The New York metropolitan area topped the averages with $13.02, while the Fort Lauderdale area was lowest at $8.49.

Table 1. Average straight-time hourly earnings and number of temporary workers in temporary help supply establishments, selected occupational categories, United States and large metropolitan areas, September 1987

Occupational categories	United States		Large metropolitan areas[1]	
	Number of workers[2]	Average hourly earnings[3]	Number of workers[2]	Average hourly earnings[3]
All temporary workers	628,592	$6.42	384,037	$6.82
Selected categories				
Executive, administrative, and managerial	2,483	12.31	2,239	12.14
Professional specialty	20,653	16.96	13,670	18.71
Computer systems analysts and scientists	512	18.17	354	21.56
Engineers	3,071	24.74	2,282	26.43
Registered nurses	13,451	14.99	7,935	17.18
Technical and related support	24,301	11.02	15,500	11.78
Clinical laboratory technologists and technicians	546	7.11	96	8.98
Computer programmers	463	15.96	324	17.62
Drafters	4,571	12.78	2,962	13.32
Electrical and electronic technicians	1,889	10.30	1,529	10.43
Licensed practical nurses	9,714	10.03	4,844	11.42
Mechanical engineering technicians	889	11.00	428	10.48
Sales and marketing	9,744	5.39	5,983	5.62
Cashiers	592	4.54	461	4.65
Demonstrators, promoters, and models, sales	2,582	5.51	1,281	5.86
Telemarketing, sales	2,704	5.26	2,041	5.33
Administrative support	328,828	6.46	207,768	6.82
Bookkeepers, accounting, and auditing clerks	12,987	6.61	8,227	6.84
Computer equipment operators	10,938	7.83	7,131	8.26
Data entry keyers	40,468	6.11	23,383	6.36
General office clerks	71,723	5.11	42,629	5.33
Messengers	3,913	4.74	3,056	4.67
Receptionists	25,667	$5.66	16,685	$5.96
Nontyping	13,164	5.67	8,749	5.94
Typing	12,503	5.65	7,936	5.99
Secretaries	45,086	7.66	26,380	8.24
Executive	24,399	7.79	13,675	8.32
Legal	1,247	8.06	713	9.54
Stock and inventory clerks	3,856	4.97	3,180	4.82
Typists and word processors	61,810	7.89	41,702	8.67
Word processors	33,745	9.46	24,741	10.27
Typists	25,435	5.97	15,028	6.33
Service	46,347	5.13	25,153	5.44
Guards	2,571	6.36	1,503	6.99
Health aides, except nursing	2,955	4.89	1,989	4.85
Kitchen workers, food preparation	2,568	4.35	1,068	4.58
Janitors and cleaners	6,526	4.36	3,313	4.30
Nursing aides, orderlies, and attendants	22,964	5.50	13,265	5.77
Precision, production, craft, and repair occupations	7,708	8.14	4,753	8.06
Construction trade (journeyman)	502	9.03	117	10.27
Electrical and electronic equipment assemblers	1,988	6.97	1,948	6.99
Machinists	276	12.43	136	11.88
Precision inspector, testers and related workers	604	9.09	578	9.27
Operators, fabricators, and laborers	160,631	4.65	90,403	4.63
Assemblers	30,380	4.59	12,527	4.68
Construction laborers	8,555	3.72	6,668	3.73
Freight, stock, and material handlers	23,341	4.57	12,910	4.55
Helpers, mechanics and repairers	1,177	5.78	179	5.47
Laborers, except construction	45,589	4.33	26,190	4.32
Material moving equipment operators	1,249	5.72	755	5.91
Motor vehicle operators	3,439	9.25	1,842	11.37

[1]Defined as metropolitan areas with 1 million or more population based on the 1980 census.

[2]Estimates of the number of workers are intended as a general guide to the size and composition of the industry's labor force, rather than as precise measures of employment. The study excluded workers in establishments employing fewer than 50 workers and establishments in Alaska and Hawaii.

[3]Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments and cost-of-living increases, where found, were included as part of the workers' regular pay. Excluded were performance bonuses and lump-sums, such as profit-sharing payments, Christmas or yearend bonuses and other nonproduction bonuses.

NOTE: Broad occupational groups may include data for subclassifications not shown separately.

Table 2. Average straight-time hourly earnings and number of full-time permanent workers in temporary help supply establishments, selected occupational categories, United States and large metropolitan areas, September 1987

Occupational categories and method of pay	United States		Large metropolitan areas[1]	
	Number of workers[2]	Average hourly earnings[3]	Number of workers[2]	Average hourly earnings[3]
All full-time workers	19,515	$10.15	11,788	$10.71
Time	15,352	9.77	8,768	10.25
Incentive	4,163	11.57	3,020	12.02
Office managers	2,667	14.21	1,707	14.81
Time	1,995	13.78	1,168	14.37
Incentive	672	15.49	539	15.76
Coordinators and sales representatives	11,151	9.76	6,633	10.18
Time	8,052	9.31	4,434	9.62
Incentive	3,099	10.92	2,199	11.31
Service coordinators	7,787	9.30	4,460	9.64
Time	6,177	9.14	3,363	9.53
Incentive	1,610	9.90	1,097	9.99
Business services sales representatives	2,171	11.50	1,437	12.09
Time	1,214	10.40	702	10.61
Incentive	957	12.90	735	13.50
Coordinators-sales representatives	1,193	9.61	736	9.69
Time	661	8.92	369	8.55
Incentive	532	10.47	367	10.85
Accounting clerks[4]	564	8.58	333	9.12
Accounting clerks II	266	8.92	196	9.34
Accounting clerks III	190	8.49	75	8.84
Receptionists[4]	499	7.11	286	7.36

[1]Defined as metropolitan areas with 1 million or more population based on the 1980 census.

[2]Estimates of the number of workers are intended as a general guide to the size and composition of the industry's labor force, rather than as precise measures of employment. The study excluded workers in establishments employing fewer than 50 workers and establishments in Alaska and Hawaii.

[3]Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments and cost-of-living increases, where found, were included as part of the workers' regular pay. Excluded were performance bonuses and lump-sums, such as profit-sharing payments, Christmas, or year-end bonuses, and other nonproduction bonuses.

[4]Virtually all workers were time-rated.

NOTE: Broad occupational groups may include data for subclassifications not shown separately.

Employee benefits

The survey developed information on the incidence of selected benefit provisions for the industry's temporary workers and full-time permanent staff. As in other industries, workers had to meet a variety of requirements to become eligible for paid leave, health care, and other benefits. The study determined proportions of workers employed by establishments providing specified benefit plans, but did not ascertain the proportions who had achieved the minimum requirements to be eligible to receive the benefits. Because of their intermittent work schedules, temporaries often have more difficulty than permanent staff in meeting eligibility requirements related to length of service.

Where available to temps, eligibility for paid holidays and vacation benefits generally required a specified number of hours worked (for example, 1,000 or 1,500 hours). Workers often were allowed up to 1 year to accumulate these hours. Establishments providing paid holidays, typically 6 days annually, employed about two-fifths of the temporary workers; those providing vacation pay employed nearly three-fourths of these workers. Most temps could qualify for 1 week of vacation pay if they worked 1,500 hours within a 1-year period; one-fifth could qualify for 2 weeks after working 2,000 hours.

Health insurance eligibility requirements for temps almost always included a qualifying period, specified in hours, days, or weeks of work. For example, an individual may be required to work a specified number of hours to qualify for health insurance and to work a minimum number of hours per month thereafter to maintain coverage. Such requirements may vary by benefit within a single establishment.

About one-fourth of the temporary workers were in establishments paying at least part of the cost of hospitalization, surgical, medical, and major medical insurance plans; most of these workers could qualify for initial coverage by working fewer than 500 hours. One-fifth were in establishments providing life insurance.

Three-fifths of the temps could earn referral bonuses for recommending new hires who sign on and work for a specified period of time. Slightly more than half of the temps were in establishments providing job training, and nearly one-fourth were in establishments providing free transportation or cash allowances for traveling to and from the job site. Child care and credit union membership

were rarely available, applying to 2 percent and 5 percent of the temporary work force.

Employee benefit plans for permanent workers resembled those offered to workers in other industries. Paid holidays and paid vacations were available to virtually all of the permanent workers in temporary help supply establishments. Paid holiday provisions were usually 6 to 8 days, annually. Typical vacation provisions were 2 weeks of vacation pay after 1 year of service, 3 weeks after 5 years, and 3 or 4 weeks after 15 years or more.

Almost all of the permanent workers were offered employer-sponsored health benefit plans including hospitalization, surgical, medical, and major medical coverage. Seven-eighths were offered life insurance; the same proportion had short-term disability protection. Seven-tenths had accidental death and dismemberment insurance and two-thirds had dental care available. These plans were usually financed jointly by the employer and employee. However, retirement plans, covering slightly more than half of the permanent workers, were usually financed by the employer.

The survey covered establishments with 50 workers or more primarily engaged in supplying temporary help, except agricultural, on a contract basis to other businesses as defined in the 1972 *Standard Industrial Classification Manual*, prepared by the U.S. Office of Management and Budget. □

——*FOOTNOTES*——

[1]Estimates of the number of workers are intended as a general guide to the size and composition of the industry's labor force, rather than as precise measures of employment. The study excluded workers in establishments employing fewer than 50 workers and establishments in Alaska and Hawaii. The estimate of employment in the industry differs from other statistical sources, such as, the Bureau's Current Employment Survey series, largely because of the survey's design.

[2]Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments and cost-of-living increases, where found, were included as part of the workers' regular pay. Excluded were performance bonuses and lump-sum payments, such as profit-sharing payments, Christmas or yearend bonuses, and other nonproduction bonuses.

[3]A comprehensive report on the survey findings, *Industry Wage Survey: Temporary Help Supply, September 1987* (Bulletin 2313), may be purchased from the Superintendent of Documents, Washington, DC 20402, or from the Bureau of Labor Statistics, Publication Sales Center, P.O. Box 2145, Chicago, IL 60690.