



The conflicting and somewhat flawed data recently released by the feds has caused confusion about whether the staffing and recruiting industry is on the rise or on the fritz. The ASA research team has conducted a deep dive into all of the current data specific to industry growth, and can confidently conclude that the news is actually quite good.



**RELIABLE
ANALYSIS
CONFIRMS:**

STAFFING **CONTINUES TO** **GROW**

By Cynthia Davidson



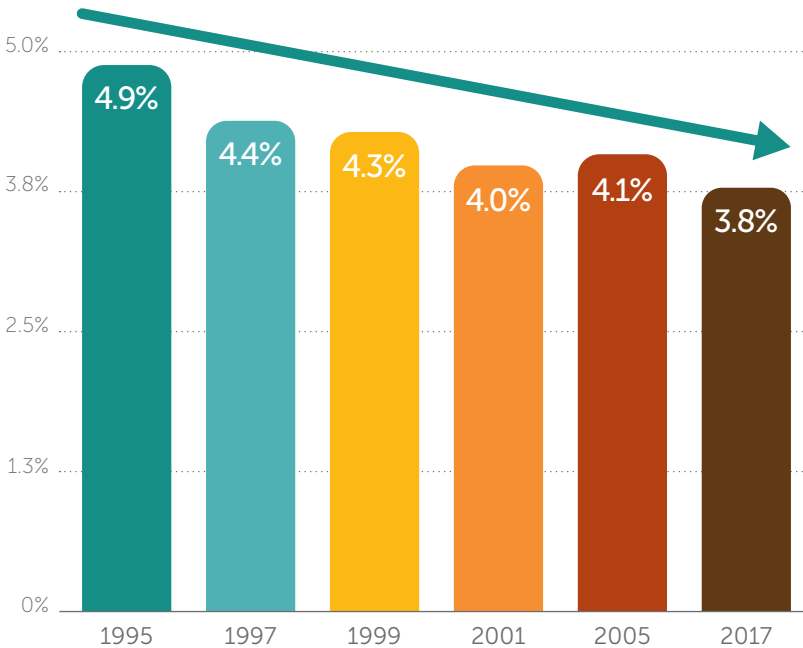
Since the U.S. Bureau of Labor Statistics released the findings of its May 2017 Survey of Contingent and Alternative Employment Arrangements, confusion has mounted about whether staffing employment has slowed or grown. Additionally, some of the survey findings place temporary and contract employees in a “contingent workers” category, causing even more misunderstanding about the types of employees the feds are including in their research. >>>



BLS Says 'Contingent' Has Declined

"Contingent" Workers as a Percent of Total Employed

February 1995–2005 and May 2017, as defined by BLS Contingent Worker Supplement

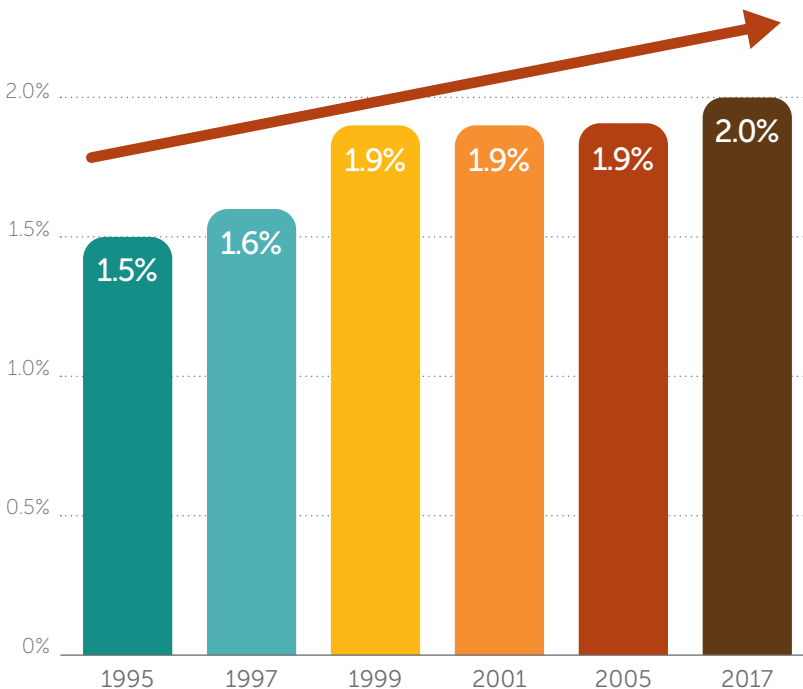


Source: U.S. Bureau of Labor Statistics Contingent and Alternative Employment Arrangements Survey

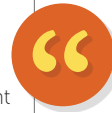
ASA Shows Staffing Employment Is on the Rise

Staffing Employment Penetration Rate as a Percent of Total Nonfarm Workers

February 1995–2005 and May 2017



Source: U.S. Bureau of Labor Statistics Current Establishment Survey and American Staffing Association



*Rather than bringing clarity in sizing the gig economy, the **BLS study raises questions because it's inconsistent with ASA industry data** that show significant growth in flexible work arrangements."*

—Steve Berchem,
ASA chief operating officer

To help cut through the fog, ASA re-examined the growth of staffing employment from well-established data sources, as well as temporary and contract employee perceptions and understanding of the term "contingent." The two overarching conclusions conflict directly with the BLS findings, and those are: Staffing is on the rise. Staffing jobs and the percent of workers increased from 1995 to 2017. And, most temporary and contract employees don't identify with the term "contingent," which means the BLS methodology for its research may have been significantly flawed from the start.

Here is a top-level look at the various data and findings, and how ASA research and analysis provides a more realistic view of the industry's growth and trajectory.

Analyzing the Disparate Data

The BLS Contingent and Alternative Employment Arrangements Survey is a periodic supplement to its monthly Current Population Survey—last conducted in February 2005 prior to the recent release of the data, collected in May 2017.

The conclusion of the May 2017 BLS study is that contingent work has not only decreased over the 12-year period from 2005 to 2017, but has declined since the inception of the BLS supplement in 1995.

BLS says that 3.8% of workers, or 5.9 million people, held contingent jobs in May 2017, compared with 4.1% in February 2005 and 4.9% in February 1995.

The alternative employment arrangements studied by BLS included independent contractors (6.9% of workers), on-call workers (1.7%), temporary help agency workers (0.9%), and workers provided by contract firms (0.6%). ASA has historically combined BLS's temporary help agency workers and those provided by contract

firms as temporary and contract staffing employees, which would be approximately 1.5% of workers, according to BLS.

Separately, BLS measures temporary help agency jobs in its monthly Current Employment Statistics Survey among establishments or businesses. The BLS CES reported 2.9 million staffing employees for May 2017, or 2.0% of the nonfarm workforce, compared with 2.5 million (1.9%) in February 2005 and 1.7 million (1.5%) in February 1995.

The quarterly ASA Staffing Employment and Sales Survey among staffing companies, which was initiated in 1992 when BLS stopped measuring the temporary help services industry in the 1990s, also indicates that staffing employment has increased from 2.2 million workers in the first quarter of 1995, to 3.0 million in the first quarter of 2005, and up to 3.1 million in the second quarter of 2017.

Defining 'Contingent' Work

Further muddying the waters is the categorization methodology for the BLS Contingent Worker Supplement, which defines contingent work as jobs that workers do not expect to last.

The BLS study is designed in such a way that survey respondents end up classifying themselves into BLS's loosely defined categories of workers based on a lengthy series of questions that makes it easy for a staffing employee to mistakenly be grouped with independent contractors, just as an example.

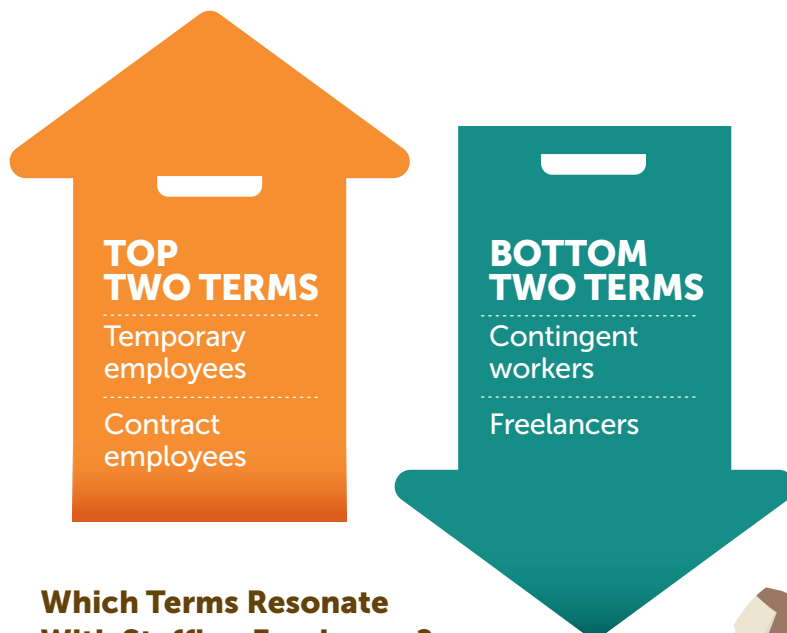
ASA knows from extensive research that staffing employees and the general public believe that the most appropriate terms to refer to people who are employed by a staffing company to work at another business are "temporary employees" or "contract employees."

Americans say that the least appropriate terms, by far, that should be used to refer to staffing employees are "freelancers" and "contingent workers." It's no wonder temporary and contract employees have a challenging time appropriately classifying themselves into categories defined using questions with language and labels that they don't believe describe their employment situation.

Focusing on Reliable Data and Analysis

The conflicting data understandably leave staffing professionals wondering what research to rely on to make business decisions.

You can be sure that any data that ASA publishes has been vigorously validated and benchmarked against the U.S. Census, or at least notes where to



Which Terms Resonate With Staffing Employees?

When assessing job seeker preferences and perceptions of the staffing industry, ASA research revealed the terms that resonate most when describing individuals who work through staffing and recruiting companies.



Source: American Staffing Association, Message Testing Study

use caution due to smaller sample sizes. Staffing professionals should ask questions about the methodology for collecting any data they plan to use, and members should feel free to contact the ASA research team to aid in the assessment of industry research.

To gain a better understanding of the industry overall and track staffing employment trends, refer to the following:

- ASA Staffing Industry Playbook, americanstaffing.net/playbook
- ASA Data Dashboard, americanstaffing.net/data-dashboard
- ASA Staffing Employment and Sales Survey, americanstaffing.net/quarterly-survey
- ASA Staffing Index, americanstaffing.net/index

Additionally, follow @StaffingData on Twitter for up-to-the-minute research and data news from the ASA research team. ■

Cynthia Davidson is director of research for ASA. Send feedback on this article to success@americanstaffing.net. Engage with ASA on social media—go to americanstaffing.net/social.