



TEMPORARY WORK, PERMANENT ABUSE

HOW BIG BUSINESS DESTROYS GOOD JOBS

EXECUTIVE SUMMARY

“[M]ajor companies have shifted the direct employment of workers to other business entities that often operate under extremely competitive conditions. This “fissuring” or splintering of employment . . . means that enforcement policies must act on higher levels of industry structures in order to change behavior at lower levels, where violations are most likely to occur.”

—David Weil, Administrator of the Wage and Hour Division, U.S. DOL

Big brand name companies have fundamentally restructured blue-collar jobs in the United States using temp work. Companies like Amazon, Walmart and Home Depot, and even companies like Johnson & Johnson that project an image of corporate responsibility, have, en masse, outsourced management of their supply chains, including the production, procurement and movement of their goods. By contracting with temp agencies that promise more for less at the expense of workers, this outsourcing model is driving the replacement of well-paid and often unionized direct hire jobs with permanently unstable temp work in factories and warehouses across the country. As companies con-

tain their costs and squeeze profit out of workers’ wages, benefits and working conditions, they make these blue-collar workers disposable, easily replaced without cost to the contracting company.

The cost to workers living on the margins, however, is tremendous. Caught in a permanent cycle of temporary work and forced to always be on the search for enough work to make ends meet, workers are in a poor position to negotiate fair terms around work. The message of expendability directed at temps poses a constant threat to workers who try to improve their jobs through organizing or to defend their rights against abuse. In fact, retaliation for claiming basic rights is

deployed as a standard business practice, forcing workers who live paycheck to paycheck to remain silent about abuse. Employers reinforce this repressive culture through discriminatory hiring that targets workers perceived to be most fearful and least likely to claim rights.

Temped out work has turned good workplaces into sweatshops. It has forced warehouse and factory workers to accept on-demand hours and unnecessarily dangerous conditions for low wages and no benefits or suffer having no work at all. Under these conditions, temp workers experience significantly higher rates of injury than their direct hire counterparts. They are also pushed to work while sick and injured, leading to greater complications. Adding further injury, temp agencies must compete to win low-bid contracts, which creates a market imperative for them to make up profit margins by stealing from workers' already low wages. Even some temp agencies concede that it is impossible to stay competitive in this unbridled market while complying with labor laws. Out of necessity, temp workers bear the abuse, while big corporations profit.

Enforcement of every workplace protection depends on legal recognition of "employer" status. Despite the reality that the temp industry adds no value beyond controlling a company's supply of workers, the industry has successfully lobbied legislatures and government agencies for this recognition as "employer," shielding companies up the supply chain from legal liability for workplace abuses. As a result, the industry has become a major vehicle for companies to extract the fruits of workers' labor while avoiding legal obligations owed to workers.

Enforcement also relies on workers being able to claim their rights and blow the whistle on abuse. The current system of complaint resolution, however, is an obstacle course for low-wage workers. Like non-temps, temp workers face the risk of job loss due to retaliation and discouraging barriers to justice in a fractured complaint system that delivers too little too late. But, for temps, these challenges are exacerbated by the additional difficulties of proving who is their employer and holding accountable key decision-makers at the top of supply chains.

To address this landscape of abuse and restore rule of law, workers need critical reforms, which should be implemented through public policy but can also be achieved or reinforced through legally binding supply chain contracts:

PERMANENT INSECURITY

NATIONAL TEMP WORKER SURVEY RESULTS

PERMANENTLY TEMPORARY

Six years	Average time worked in temp industry
Three years	Average length of typical assignment
Four out of five	Never had a temp job lead to being directly hired
Zero	Prefer temp work to a direct hire position

JOB INSTABILITY

Two days	Average days sought work but found none each week
30-39 hours	Average hours of work received each week
69 percent	Have gone without work for extended period of time
66 days	Average length of time gone without work

DISCRIMINATION & RETALIATION

47 percent	Filed complaint with DOL or tried to improve wages or working conditions and experienced retaliation
53 percent	Latino workers felt targeted for immigration status
22 percent	Experienced racial discrimination
12 percent	Experienced sexual harassment



1. Legal liability must extend fully up supply chains, holding companies with the power and influence to monitor and regulate intermediaries accountable for working conditions, as they are regularly held accountable for product quality.
2. Penalties must be designed to incentivize legal compliance and corrective action.
3. An effective path to workplace accountability must be made available for workers to defend their rights and improve these jobs for the benefit of all.

Temp workers in four regions of the country are showing the way forward, building power through innovative organizing and policy campaigns at the local and state level. In California, temp workers are testing a new union organizing model that leverages solidarity between temps and direct hires at a shared job site. In Illinois, workers are campaigning to win legislation that will strengthen enforcement of previously enacted groundbreaking laws regulating the temp industry. Massachusetts and Rhode Island temps have proposed bills to hold companies at the top of supply chains accountable for wage theft. And in New Jersey, temp workers are organizing around wage and safety abuses on the job, using their own stories to generate public demand for needed legal reforms. These local and state based efforts are more important than ever as a Trump Administration promises to deepen the crisis captured in this report.

TEMPED OUT SWEATSHOPS

NATIONAL TEMP WORKER SURVEY RESULTS

DANGEROUS CONDITIONS

- 84 percent** Experienced violation of basic health and safety rights
- 64 percent** No safety training
- 43 percent** No safety equipment
- 28 percent** Severe work-related injury
- 56 percent** Worked while sick or injured

LIMITED BENEFITS

- 1 percent** Employer-provided health insurance
- 10 percent** Paid sick days
- 3 percent** Paid vacation days

POVERTY WAGES

- \$9.07** Average hourly wage
- \$13,966** Average annual income

WAGE THEFT

- 74 percent** Experienced illegal wage theft
- 57 percent** Not paid all hours worked
- 30 percent** Not paid overtime
- 3 percent** Not paid at all
- 29 percent** Charged for transportation an agency required
- 57 percent** Forced to wait without pay for over 15 minutes to begin work
- 26 percent** Charged for job necessities, including clothes, equipment and cashing checks