

## Labor Subcontracting in California: Key Facts

### Subcontracted and Temporary Jobs are on the Rise:

- According to the Government Accountability Office, an **estimated 31 percent of the workforce** could be considered “contingent workers” in 2005.<sup>i</sup>
- According to the Bureau of Labor Statistics, there are **2.68 million temporary workers** in the United States—approximately the same number of workers in the airline, real estate, and mining industries combined.<sup>ii</sup>
- Almost **one-fifth of total job growth** since the end of the recession in 2009 is in the temporary sector; according to the American Staffing Association, one in every ten workers finds a job at a staffing agency.<sup>iii</sup>
- More than **one in twenty blue-collar workers** nationwide are temporary workers.<sup>iv</sup>

### Workers and Communities Suffer in Jobs Provided by Labor Suppliers:

- Temporary workers earn **lower wages, fewer benefits, and have less job security**. A UC Berkeley study found that median hourly wages were \$13.72 for temps, versus \$19.13 for non-temporary workers in California.<sup>v</sup> Studies have found that outsourced call center workers earn 8 percent less than in-house counterparts; contract company janitors earn 4 to 7 percent less, and contract security guards earn 8 to 24 percent less than directly employed counterparts.<sup>vi</sup>
- Workers in jobs provided by labor suppliers face **greater risks of workplace illness, injury, and death**. California recorded the highest number of fatal occupational injuries among contractors in the United States. California’s temporary workers face a 50 percent higher risk for injury on the job and are twice as likely as regular workers to be stricken by heat exhaustion. These workers are more likely to be placed in dangerous jobs, without proper training or safety equipment.<sup>vii</sup>

### Low-Income, Immigrant, and Communities of Color Workers Are More Likely to Work for Labor Suppliers:

- **Temporary workers are twice as likely to be on government assistance**. 18.8 percent of temporary workers in California lived in poverty, as compared to 8.9 percent of non-temp workers.<sup>viii</sup>
- Temporary workers are more likely to be **non-white or Hispanic** and **without a high school diploma** or GED. 65 percent of temporary workers are non-white or Hispanic, compared to 55.6 percent of non-temp workers. 21 percent of temporary workers did not have a high school diploma or GED, as compared to 15.7 percent of non-temp workers.<sup>ix</sup>

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<sup>i</sup> Government Accountability Office, *Employment Arrangements: Improved Outreach Could Help Ensure Proper Worker Classification* 5 (2006). Contingent workers include temporary workers, contract company workers, day laborers, on-call workers, independent contractors, self-employed workers, and part-time workers.

<sup>ii</sup> Aimee Picchi, *America Now Has a Record 2.7 Million Temp Workers*, MSN Money (Jun. 28, 2013); Bureau of Labor Statistics, [Table B-1: Employees on Nonfarm Payrolls by Industry Sector and Selected Industry Detail \(2014\)](#).

<sup>iii</sup> Michael Grabell, [The Expendables: How the Temps Who Power Corporate Giants Are Getting Crushed](#), ProPublica, Jun. 27, 2013.

<sup>iv</sup> Id.

<sup>v</sup> Miranda Dietz, [Temporary Workers in California Are Twice as Likely as Non-Temps to Live in Poverty: Problems with Temporary and Subcontracted Work in California](#) (2012).

<sup>vi</sup> Bureau of Labor Statistics, U.S. DOL. 2012. *Occupational Outlook Handbook, 2012-13 Edition, Janitors and Building Cleaners*; Dietz, *Temporary Workers in California*.

<sup>vii</sup> Sherry I. Brandt-Rauf, et al., *Improving the Health and Safety of Temporary Workers* (Dec. 9, 2013); Michael Grabell, Olga Pierce, and Jeff Larson, [Temporary Health, Lasting Harm](#), Pro Publica, Dec. 18, 2013.

<sup>viii</sup> Dietz, *Temporary Workers in California*.

<sup>ix</sup> Id.