

Labor Market Outcomes and Temporary Help Agencies in the United States

Fraser Summerfield
University of Guelph

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Supervisors: Louise Grogan, Miana Plesca
Second Reader: Thanasis Stengos

ABSTRACT

Using NLSY79 data for the late 1990s, the impact of a Temporary Help Agency (THA) job on an employee's future employment status and labor market income is examined. Several matching estimators are used to provide gender-specific estimates of the effects of temporary agency employment on future employment outcomes. Two comparisons are made: THA to direct-hire temps and THA to regular workers. When comparing THA to direct-hire temp workers, women's earnings two years after THA employment increase, while men's do not. Men and women in this temporary work arrangement are also contrasted to regular employees; THA workers are found to have lower earnings and are less likely to be employed two years later. THA firms arise as inefficient labor market intermediaries for men, however, programming encouraging mothers to use THA firms will for labor market re-entry would be beneficial.