Temporary Workers in the Construction Industry

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In today’s economy, more businesses use temporary workers to quickly and efficiently address changing labor needs (GAO, 2015). Temporary workers, often referred to as “temps,” are easily hired when demand increases, and laid off when demand decreases, which is perceived to be a result of employers’ desire to reduce labor costs (Luo et al., 2010). Temporary workers are more vulnerable to workplace safety and health hazards and retaliation from employers than workers in traditional employment arrangements since they are often not given adequate safety and health training (OSHA, 2015). Despite the importance of worker safety and health, information on temporary workers in the construction industry is scarce. To provide insights for the development of construction safety and health interventions, this report profiles temporary workers in the construction industry, including the overall trends for “temps,” worker demographics, employment experiences, job exposures, and income and fringe benefits.

1. Percent change in employment, 2003-2014
(Seasonally adjusted: private wage-and-salary workers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Temporary help services</th>
<th>Construction</th>
<th>All nonfarm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>-10%</td>
<td>-5%</td>
<td>-7%</td>
</tr>
<tr>
<td>2004</td>
<td>20%</td>
<td>-6%</td>
<td>-8%</td>
</tr>
<tr>
<td>2005</td>
<td>10%</td>
<td>-5%</td>
<td>-8%</td>
</tr>
<tr>
<td>2006</td>
<td>0%</td>
<td>-5%</td>
<td>-8%</td>
</tr>
<tr>
<td>2007</td>
<td>0%</td>
<td>-5%</td>
<td>-8%</td>
</tr>
<tr>
<td>2008</td>
<td>-10%</td>
<td>-6%</td>
<td>-8%</td>
</tr>
<tr>
<td>2009</td>
<td>-20%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
<tr>
<td>2010</td>
<td>-20%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
<tr>
<td>2011</td>
<td>0%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
<tr>
<td>2012</td>
<td>0%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
<tr>
<td>2013</td>
<td>0%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
<tr>
<td>2014</td>
<td>0%</td>
<td>-10%</td>
<td>-12%</td>
</tr>
</tbody>
</table>

Note: Chart 1 - See page 2 for description.
SECTION 1: Trends in Temporary Employment

The U.S. economy experienced a boom and collapse during the last decade. Between 2003 and 2014, employment in the construction industry showed more volatility than all nonfarm industries combined. However, the temporary help services industry¹ (NAICS 56132) fluctuated the most, and employment in this industry grew by nearly 20% from 2003 to 2006 and plummeted to 18% below the 2003 employment level in 2009 (Chart 1, see page 1). By 2014, employment in temporary help services was up 25% over the 2003 level, compared to a 7% rise in all nonfarm industries. While the recovery was evident in the construction industry, by 2014, payroll employment in construction was still 9% below the 2003 level.

Different from the pattern of the temporary help services industry, the proportion of temporary workers² in construction peaked in 2010 at 15% — the same year that construction employment bottomed out following the recession of 2007-2009 (Chart 2). This suggests that it was more difficult for workers to find a permanent job during the recession.

¹Definition from Current Employment Statistics (CES); Temporary Help Services (NAICS 56132) — This industry is comprised of establishments primarily engaged in supplying workers for limited periods of time to supplement the workforce of the client. The individuals provided are employees of the temporary help service establishment. These establishments do not provide direct supervision of their employees at the clients’ work sites.

²Definition from the Medical Expenditure Panel Survey (MEPS): If the respondent answered “yes” to either of these two questions, “Is your current main job a temporary job?” or “Is your current main job a seasonal job?” then the worker was counted as a temporary worker. The MEPS data only include respondents that have jobs.

Source: 2003-2013 Medical Expenditure Panel Survey. Calculations by the authors.
From 2003 to 2013, the proportion of temporary workers in construction increased by 30%. In 2013, about 1.3 million temporary workers were employed in construction, accounting for nearly 14% of the construction workforce (Chart 3). However, temporary employment in non-construction jobs stayed relatively flat during the same period.

On average, the construction industry had the second highest proportion of temporary workers (13%) among the major industry sectors from 2011 to 2013 (Chart 4).

Source: Chart 3 - 2003-2013 Medical Expenditure Panel Survey. Calculations by the authors.
Source: Chart 4 - 2011-2013 Medical Expenditure Panel Survey. Calculations by the authors.
Despite the large number of temporary workers in construction, very few construction workers were paid by temporary agencies (< 1%; Chart 5). In terms of other work arrangements, 29% of construction workers worked as independent contractors, consultants, or freelance workers; 7% worked for a contractor who provided workers or services to others under contract; and some were on-call workers (5%). Overall, nearly half (44%) of construction workers had non-traditional work arrangements in 2010.

5. Work arrangements among construction workers, 2010

<table>
<thead>
<tr>
<th>Work Arrangement</th>
<th>% of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular permanent employee</td>
<td>55.9%</td>
</tr>
<tr>
<td>Independent contractor/consultant/freelance worker</td>
<td>28.8%</td>
</tr>
<tr>
<td>Works for a contractor who provides workers/services to others under contract</td>
<td>7.1%</td>
</tr>
<tr>
<td>On-call worker</td>
<td>5.3%</td>
</tr>
<tr>
<td>Paid by a temporary agency</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: 2010 Occupational Health Supplement to the National Health Interview Survey. Calculations by the authors.
SECTION 2: Worker Demographics

Temporary employment in construction has a high proportion of young workers. On average, about 35% of temporary workers were under age 35, compared to less than 30% of regular workers between 2011 and 2013 (Chart 6). In addition, temporary construction workers were more likely to be Hispanic. The proportion of Hispanic workers was twice as high among temporary workers (43%) compared with regular workers (21%) in construction (Chart 7).

6. Age distribution in construction, temporary vs. regular employment, 2011-2013 average

7. Hispanic workers in construction, temporary vs. regular employment, 2011-2013 average
Similarly, temporary workers were twice as likely to be foreign-born when compared to workers with regular employment (41% vs. 19%, respectively; Chart 8). Over 38% of temporary workers spoke a language other than English at home versus just 15% of regular workers. Even more striking, nearly one-quarter of temporary workers were not comfortable speaking English compared to only 6% of regular workers.

Educational attainment also varied between temporary and regular workers. Nearly half of temporary workers did not finish high school compared to about one in five regular workers in construction (Chart 9). Furthermore, very few temporary construction workers (< 1%) held a Bachelor’s degree.

8. Foreign-born and English ability in construction, temporary vs. regular employment, 2011-2013 average

9. Educational attainment in construction, temporary vs. regular employment, 2011-2013 average
SECTION 3: Employment Characteristics

Temporary construction workers were more likely to have production (or blue-collar) jobs but much less likely to have management or professional positions compared to regular construction workers (Chart 10). Between 2011 and 2013, 84% of temporary construction workers had a production job, while 69% of regular workers were in such occupations.

Source: 2011-2013 Medical Expenditure Panel Survey. Calculations by the authors.
Although the majority of workers in construction had full-time positions, the proportion was lower among temporary workers (72%) than among regular workers (85%; Chart 11). Moreover, three-quarters of temporary workers were employed by establishments with 10 or fewer employees, compared to three in five regular workers (Chart 12).

11. Percentage of full-time workers in construction, temporary vs. regular employment, 2011-2013 average

12. Establishment size in construction, temporary vs. regular employment, 2011-2013 average

Note: Chart 12 - Records without establishment size information were excluded.

Source: 2011-2013 Medical Expenditure Panel Survey. Calculations by the authors.
SECTION 4: Income and Fringe Benefits

Temporary workers earned less than regular workers in construction. In 2013, temporary construction workers earned an average of $15.50 per hour compared to $20.50 per hour for their regular counterparts (Chart 13). In terms of annual wage-and-salary income, temporary workers earned about $14,000 (2012 dollars) less than regular workers (Chart 14). Similar inequality was found with regard to total family income.

13. Hourly wage rate in construction, temporary vs. regular employment, 2013

14. Average annual income in construction, temporary vs. regular employment, 2012

Source: Chart 13 - 2013 Medical Expenditure Panel Survey. Calculations by the authors.
Source: Chart 14 - 2012 Medical Expenditure Panel Survey. Calculations by the authors.
In 2012, nearly 16% of temporary workers in construction were considered poor (< 100% of the poverty line) compared to 6% of regular workers (Chart 15). Overall, temporary workers were twice as likely as regular workers to have low income or worse (44% vs. 22%, respectively).

15. Family income as a percentage of the poverty line in construction, temporary vs. regular employment, 2012

Source: 2012 Medical Expenditure Panel Survey. Calculations by the authors.
Temporary workers were far behind regular workers in terms of health insurance coverage and fringe benefits. Between 2011 and 2013, over half of temporary construction workers were uninsured compared to 30% of regular workers (Chart 16). Temporary workers were also more likely to have public insurance than their counterparts. With regard to fringe benefits, few temporary workers received paid vacation time (Chart 17). Paid sick leave was even less common, covering just 7% of temporary workers. In addition, about 19% of temporary workers had a pension plan, which was much less than their regular counterparts (41%).

16. Type of health insurance coverage in construction, temporary vs. regular employment, 2011-2013 average

17. Fringe benefits in construction, temporary vs. regular employment, 2011-2013 average

*Source*: 2011-2013 Medical Expenditure Panel Survey. Calculations by the authors.
SECTION 5: Job Exposures and Employment Security

Temporary workers\(^3\) appeared more likely to experience occupational hazards than regular workers. In 2010, over 84% of temporary construction workers performed outdoor work at least twice a week compared to 70% of regular workers (Chart 18). Furthermore, 57% of temporary workers reported exposure to vapors, gas, dust, or fumes at least twice a week, which was higher than 49% of regular workers. Temporary workers were also more likely to have skin contact with chemical substances than regular workers (38% vs. 30%, respectively).

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\(^3\)Definition from the Occupational Health Supplement to the National Health Interview Survey (NHIS-OHS): Respondents who answered “yes” to the following question: “Some people are in temporary jobs that last only for a limited time or until the completion of a project. [Is your/Was your] job temporary?” The NHIS sample includes adults aged 18+ years who are currently employed or were employed at some point in the past 12 months.

Source: 2010 Occupational Health Supplement to the National Health Interview Survey. Calculations by the authors.
Nearly one-third of temporary workers were extremely worried about becoming unemployed compared to 11% of regular construction workers in 2010. In general, nearly 60% of temporary workers had fears of unemployment compared to 31% of regular workers (Chart 19).

**19. Feels worried about becoming unemployed, temporary vs. regular workers in construction, 2010**

![Bar chart showing the percentage of temporary and regular workers worried about becoming unemployed](chart.png)

Source: 2010 Occupational Health Supplement to the National Health Interview Survey. Calculations by the authors.
Conclusion

This report shows that temporary employment in construction was more common than for all industries combined, even though only a small number of such workers were paid by temporary agencies. The increase in temporary employment suggests that employers rely more on temporary workers to achieve greater workforce flexibility and reduction of labor costs. The employment trends in temporary help services indicate that during economic expansions, “temps” are among the first to be hired, and during times of recession, temporary workers are laid off in disproportionate numbers, which confirms previous findings (Luo et al., 2010).

The findings also demonstrate that temporary workers in construction were more likely to be younger, Hispanic, foreign-born, and less educated compared to other workers in the industry. The majority of temporary construction workers were employed in blue-collar occupations and by small construction establishments. Significant disparities exist between temporary and regular workers in terms of wages and income, health insurance, and fringe benefits. Although data are limited, the findings imply that temporary workers experienced hazardous job exposures more frequently and were more worried about unemployment than regular workers. While some of these results may be generally consistent with expectations, this report quantifies the disparities among temporary employees in the construction industry.

Although the Occupational Safety and Health Administration (OSHA) temporary worker initiative focuses on workers from the temporary help services industry, the large number of self-reported temporary employees in construction suggests that many temporary workers on jobsites may be outside the scope of this initiative.
Note: The findings in this report are from different data sources. Thus, the definitions and study periods vary accordingly. Readers are advised to note the various data sources and corresponding definitions for temporary workers in this report and charts.

Data Sources

- 2003-2013 Medical Expenditure Panel Survey (MEPS)

- 2010 Occupational Health Supplement to the National Health Interview Survey (NHIS-OHS)
  http://www.cdc.gov/niosh/topics/nhis/.

  http://www.bls.gov/ces/.

References


Occupational Safety and Health Administration. 2015. Protecting temporary workers,

About the CPWR Data Center

The CPWR Data Center is part of CPWR - The Center for Construction Research and Training. CPWR is a 501(c)(3) nonprofit research and training institution created by North America’s Building Trades Unions, and serves as its research arm. CPWR has focused on construction safety and health research since 1990. The Quarterly Data Reports - a new series of publications analyzing construction-related data, is part of our ongoing surveillance project funded by the National Institute for Occupational Safety and Health (NIOSH).

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