

Worker Advocates Say More Temp Worker Protections Are Needed

December 9, 2022

As the industry grows, worker advocates say it is ever more important to fix some of the issues they have been fighting against, including racial discrimination, wage theft and permatemping.

By Maia McDonald, Cristal Ramirez, Sarah Conway and City Bureau



Art: Veronica Martinez for City Bureau

[Lee este artículo en español.](#)

More than two decades ago, as companies increasingly turned to temp agencies to fill once well-paid blue-collar jobs, Illinois became [one of the first states to regulate how staffing agencies may treat workers.](#)

It wasn't enough.

Workers have since complained [about systemic racial and gender discrimination](#) by staffing agencies and the companies that contract them. In response, worker advocates have pushed lawmakers to add protections for temp workers, [failing at times](#) and [winning at others.](#)

Some companies, they said, use temp agencies to hire workers so they can shield themselves from liability over working conditions, worker compensation or legal problems for employing undocumented immigrants.

"Workers are deemed to be exploitable," said Kevin Herrera, legal director at Raise the Floor Alliance, a coalition of Chicago-area worker centers. "They are temporary in nature, there's no consequence for having a worker not work for you anymore because the idea is: there's this never-ending cycle of exploitable workers."

“The richest and most powerful companies in the entire economy completely depend on staffing agency workers,” said Roberto Clack, the executive director of Temp Worker Justice, a nonprofit that advocates for and supports temp workers.



Related: [Temp Workers' Labor Rights, Explained](#)

HISTORY

The Day and Temporary Labor

Services Act was [created to protect workers from exploitation](#) over two decades ago. The law, then known as the Day Labor Services Act, required day labor agencies to [clearly explain to workers the terms of employment](#), including the wages offered, the location where laborers would work and whether a meal or equipment would be provided.

Lawmakers have updated the law several times since to further regulate the industry on issues ranging from allowable wage deductions to transportation regulations to pay stub requirements.

In 2015, worker advocates [proposed amendments to the law](#), including a requirement that staffing agencies keep records of the race, ethnicity and gender of workers [applying for temp jobs](#). The proposal, which was opposed by the Staffing Services Association of Illinois, [was killed by a then-powerful Latinx lawmaker, who argued the proposal hurt people in his community](#).

Experts said the employment of Latinx and Black workers in the industry is not a coincidence. Companies, they said, prey on undocumented immigrants and people with a criminal record because they can be desperate for work and usually take any job they can get.

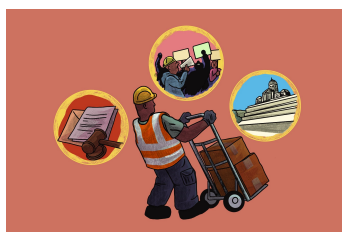
“When we’re talking about vulnerable communities, a lot of these employers understand that people have a hard time getting jobs elsewhere because of a criminal background, immigration status, and they exploit that,” said Clack of Temp Worker Justice. “It’s wrong and it’s racist.”

In 2017, worker advocates [tried again](#) to get agencies to report the race and gender of workers seeking jobs, not only those hired, as is the current requirement. While that effort failed, they [won the passage of an amendment](#) that prohibited temp agencies from charging workers for criminal background checks, credit reports or drug tests. The amendments also included language requiring agencies to “attempt” to place workers into permanent positions.

Despite the expanded protections in the state law, worker advocates said many of the issues they set out to address persist.

WAGE THEFT

A [report published earlier this year](#) by the National Employment Law Project, a worker advocacy group, [revealed](#) poverty wages, wage theft and pay inequity between temp workers and permanent employees for the same work. Nearly a quarter of temp workers interviewed for the report said they experienced wage theft, meaning they were paid less than the minimum wage, not paid overtime rates or not paid for all the hours worked.



Related: [Worker Advocates Offer Ideas to Reform the Temp Industry](#)

Amy Sanchez, a program director for Warehouse Workers for Justice, which helped with the report, said that when she worked as an agency recruiter between 2017 and 2020, she often noticed a discrepancy between the amount paid and the amount owed to workers. Sanchez said workers would wait on reporting missing wages and eventually disregard them. Once a worker moved to another temp

agency, she said recovering lost wages was nearly impossible. When she could, Sanchez said she tried to correct the errors, but wage theft and other issues she observed were so pervasive that she quit.

as effectively as it should be.

Jason Keller, the assistant director at the Illinois Department of Labor, said part of the issue is limited capacity. The department, he said, has six compliance officers in charge of enforcing the Day and Temporary Labor Services Act and eight other laws. Though the department has increased enforcement, it still relies on workers and advocates to make complaints, Keller said.

“While the department regularly initiates proactive compliance efforts, these investigations are time intensive and given the sheer number of known agencies and their branches, the department is only able to capture a fraction of issues,” Keller said.

There are 319 staffing agencies in the state with 798 branches, according to staffing agency registration data from September released under a public records request.

RACIAL DISCRIMINATION

Racial discrimination in the industrial staffing industry has long been an issue. A prominent case in Chicago is documented in a nearly decade-long battle between temp workers, a staffing agency and a Southwest Side food manufacturer.



Gold Standard Baking, now named 37th Street Bakery, and the staffing agency that fed workers to it were accused of racial discrimination against Black workers in a lawsuit filed in 2013. The companies agreed to settle the case earlier this year. (Photo: Sebastián Hidalgo/City Bureau)

The suit alleged civil rights violations of Black workers who sought to work at Gold Standard Baking through Personnel Staffing Group, also known as Most Valuable Personnel or MVP. According to the lawsuit, workers were not assigned to work at the industrial bakery even when positions were available. (Gold Standard Baking [was sold after filing for bankruptcy](#) and is [now named 37th Street Bakery](#).)

Earlier this year, after nearly a decade of litigation, the companies agreed to pay \$1.04 million to settle the case.



July 2009, the month of the industrial bakery, secured the lawsuit and a positive result for him and other Black workers at the factory.

“I think it’s making it better,” Rose said. “People got their eyes open on racism and discrimination. They’re not closing their eyes to that now that the lawsuit has come forth and they see what the outcome could be.”

Rose said since the lawsuit settlement was announced, he’s been promoted to line leader, a position he felt he was qualified for years ago but didn’t get due to racism.

Attorneys for the industrial bakery and Personnel Staffing Group did not respond to City Bureau’s request for comment.

Worker advocates say Rose’s experience is not unusual.

A 2021 report on industrial temp hiring by Partners for Dignity and Rights, a New York City-based human rights organization, found that Black temp workers often face discrimination. When workers of similar age, gender and employment history were paired and sent to look for jobs at staffing agencies, more than a third of the agencies tested favored Latinx applicants over Black applicants, according to the report. Some only allowed Latinx workers to apply or, when both applied, offered Latinx workers more or better jobs.

Marcos Cenicerros, the executive director of Warehouse Workers for Justice, said many of the workers who seek help have talked about the racial discrimination they’ve faced as temp workers. Some, he said, are separated by race, which reinforces the us vs. them mentality and creates divisions between Black and Latinx workers.

“There’s definitely systemic racism built into this whole process,” Cenicerros said.

Racial discrimination is why worker advocates pushed the industry to report the race and gender of people looking for jobs and not only those sent to fill jobs. The data the state collects shows Black and Latinx workers have filled the vast majority of industrial temp jobs since 2019. In particular, Latinx workers are overrepresented in the data.

Dan Shomon, a spokesperson for the Staffing Services Association of Illinois, which represents about 20 companies in the state, said that while his organization hasn’t reviewed the Illinois Department of Labor data, the association’s members report similar numbers of hired Black and Latinx workers. Shomon added that the state’s Day and Temporary Labor Services Act is already one of the strongest laws nationwide to protect workers in industrial staffing.

PERMATEMP

A third issue workers and advocates say must be addressed is “permatemping.” State law requires that staffing agencies “attempt” to place temp workers in permanent positions with client companies. But there are no limits on how long a worker can be a temp at a work site.

“A huge portion of the temp industry is really what we call ‘permatemps,’ where [they] work 14 years, 40 or more hours a week at the same job and they’re called temps,” said Chris Williams, director of litigation with the National Legal Advocacy Network. “All that means is they are full-time, permanent employees without full-time, permanent job security or benefits or anything like that.”

Williams said one way to address the issue would be to require pay equity between direct hires and temp workers. If pay equity existed, he said, there would be little motive to keep workers on for years as temps.

“One thing is to kind of get rid of the incentive of using staffing agency workers as a means of lowering labor costs because I do think it’s driven largely by profit motive,” Williams said.

Maia McDonald and Cristal Ramirez are 2022 Fall Civic Reporting Fellows. Siri Chilukuri and Daniela Tovar-Miranda, who are also fellows, contributed to this report. Sarah Conway is City Bureau’s senior reporter covering jobs and the economy of survival in Chicago. You can reach Sarah with tips at sarah@citybureau.org.

If you or someone you know experienced racial discrimination in temp hiring, connect with City Bureau reporting fellows at tips@citybureau.org.

sustaining donor today.

To get twice-monthly emails including Chicago news and events, sign up for City Bureau's Chicago newsletter.

♥ 0 Likes ← Share

tagged with [Fellows](#), [Maia McDonald](#), [Cristal Ramírez](#), [Sarah Conway](#), [Creative Commons](#)

[Newer](#) / [Older](#)



City Bureau
3619 S. State St.
Suite 400
Chicago, IL 60609