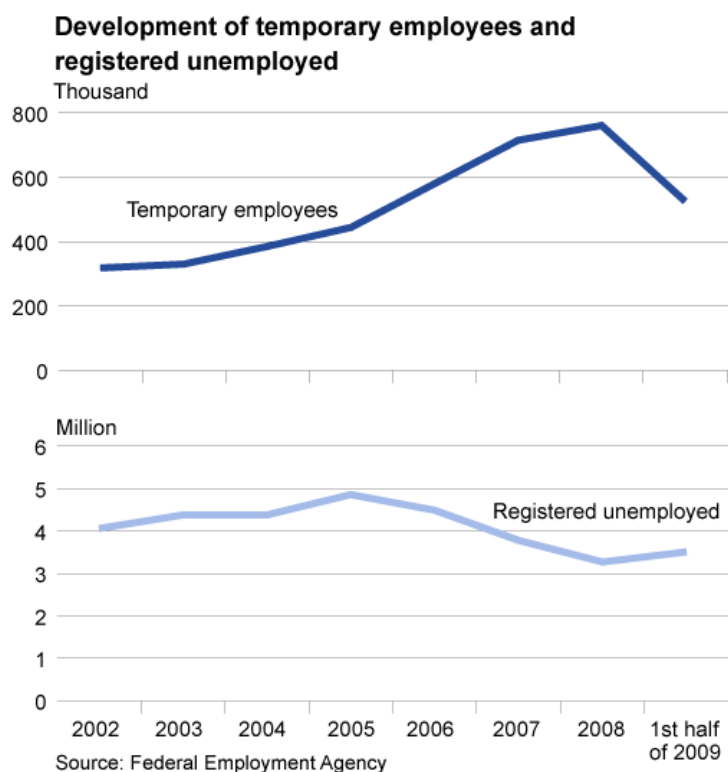


TEMPORARY EMPLOYEES PARTICULARLY AFFECTED BY ECONOMIC CRISIS

Destatis, 24 November 2009

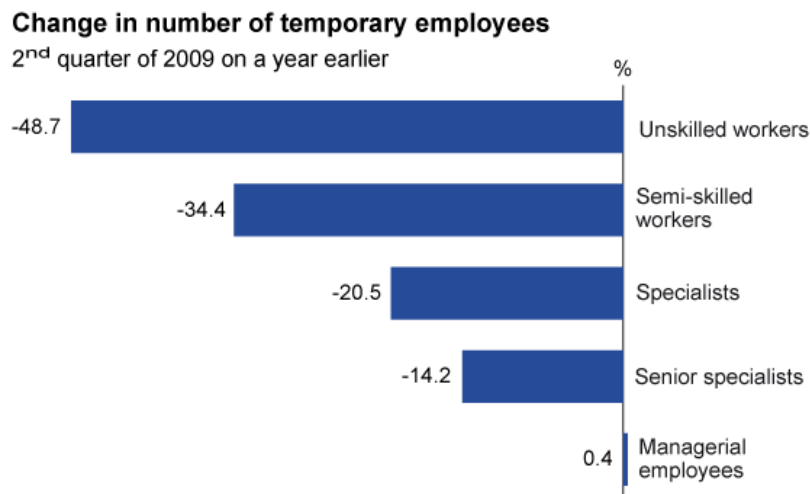
Temporary employees are among the first to lose their job due to the economic crisis. In the course of the staff reduction caused by the economic crisis, the number of temporary employees decreased markedly by 31% to a good 520,000 in the first half of 2009 compared with the year of 2008. Accordingly, the number of registered unemployed rose by 8% in the same period.

The fact that the employment of temporary employees generally depends on the economic situation is also shown by the trend between 2002 and 2008 when the number of temporary employees more than doubled from just under 320,000 to over 760,000 as a result of the economic upturn. Temporary employees are employees of temporary work agencies which hire out workers to other enterprises for a limited period of time in order to increase their number of staff or to temporarily support their staff. At times of high capacity utilisation, enterprises employ more temporary employees to meet their high demand for labour. Temporary work allows enterprises to react flexibly to short-term economic fluctuations and it is an employment opportunity for unemployed and first-time employees. However, many temporary employees have to accept lower wages and, in case of an economic downturn, the risk of dismissal at short notice.



Especially low-skilled workers losing their job

Not all groups of employees are equally affected by the job cuts caused by the economic crisis. Temporary employees who are low skilled or who do low qualification jobs were dismissed particularly often. In the second quarter of 2009, the number of unskilled workers decreased by 49% on the same quarter of the previous year and the number of semi-skilled workers by 34%. However, the numbers of senior specialists (-14%) and specialists (-21%) decreased, too.



Source: Quarterly earnings survey

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Earnings of temporary employees decreasing, too

The economic crisis has not only led to many dismissals but has also had a negative impact on the earnings of temporary employees. After temporary employees achieved marked pay rises on average in 2008, they had to suffer in part high income losses in 2009. In the second quarter of 2009, the salaries were down 5.5% on a year earlier for managerial employees, 2.8% for senior specialists and 2.4% for unskilled workers. Only specialists and semi-skilled workers recorded slight increases in earnings.

Who works as a temporary employee in Germany?

The average temporary employee is male, young and low qualified. In 2006 three out of four (74%) temporary employees were men. One quarter (24%) were younger than 25 years and another 16% were aged between 26 and 30 years. With growing age, the share of temporary employees decreased.

The largest share of temporary employees had a secondary general school certificate or an intermediate school leaving certificate without vocational qualification (35%) or with vocational qualification (58%). Only a very small percentage had a university entrance qualification (4%) or an academic degree (3%). Compared with all employees, temporary employees had a lower level of educational attainment.

Many temporary employees are low-wage earners

A temporary employee in the second quarter of 2009 earned an average EUR 1,725, which is just slightly more than half of the earnings of an average employee (EUR 3,128). However, that earnings gap is not the same for all groups of employees. On average, temporary employees in a management job earned as much as 86% of the earnings of all managerial employees. By contrast, unskilled and semi-skilled temporary employees earned just 69% each of the salary of all unskilled and semi-skilled employees.

To define low wage, generally a threshold is set at two thirds of the average earnings of all employees. Using that definition, about two thirds (67%) of all temporary employees received low wage according to results of 2006. Among all employees, the share of low wage earners was just one fifth (20%).

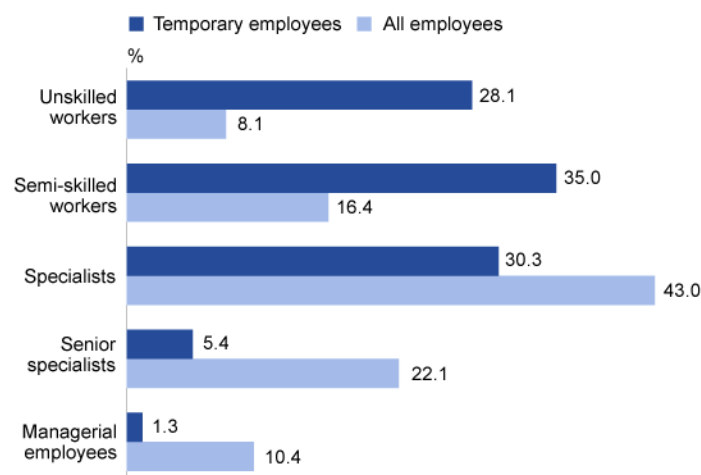
Temporary work offering especially short-term employment in simple jobs

Half (53%) of the employees of temporary work agencies worked in an enterprise for less than one year in 2006. One third worked there between one and two years and just 16% stayed there for more than two years.

Most jobs of temporary employees were characterised by unskilled (28%) and semi-skilled activities (35%). Another just under one third of temporary employees worked as specialists. Just 5% are senior specialists and only 1% are managerial employees.

That distribution markedly differs from that of all employees. Among all employees, the share of unskilled and semi-skilled workers was much smaller than among temporary employees, while that of specialists, senior specialists and managerial employees was markedly larger.

Share of temporary employees and all employees by performance groups, 2006



Source: Structure of earnings survey, 2006
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