

Contracted Out:

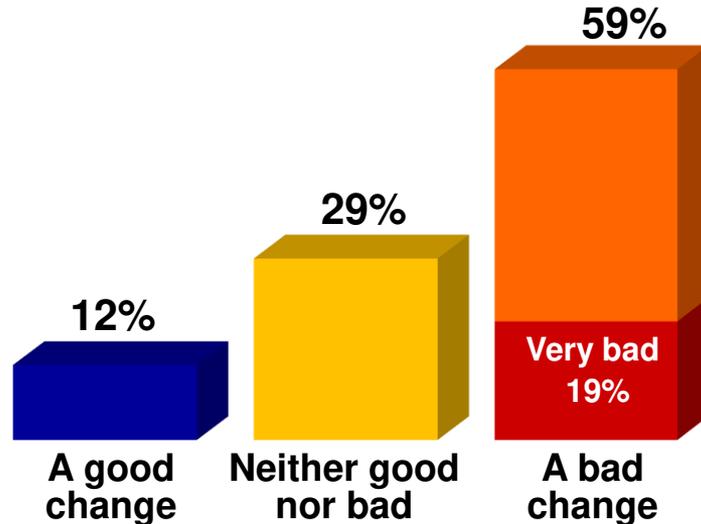
Findings from a National Voter Survey

Key findings from a survey among 1,000 voters nationwide conducted August 17 – 23, 2016

October 25, 2016

Negative View of Shift from Direct Employment to Contracting Out

Increasingly, companies that need work done hire a temp or staffing agency or subcontracting firm to supply workers, instead of directly hiring employees. For example, many workers in hotels today are employed by a subcontracting firm that provides food services or housekeeping, not by the hotel. In the past 10 years, the proportion of workers working for a contract firm has tripled.



View of Shift to Contracting Out

Proportions saying the shift to contracting out is a bad change

All voters	59%	Liberals	61%
Men	61%	Moderates	59%
Women	57%	Conservatives	58%
Age 18 to 34	45%	Democrats	59%
Age 35 to 49	56%	Independents	61%
Age 50 to 64	67%	Republicans	58%
Age 65/older	70%	Northeast	61%
Income under \$40K	50%	South	60%
Income \$40K to \$75K	62%	Midwest	57%
Income over \$75K	64%	West	57%
High school grad/less	56%		
Some college	55%		
College graduates	65%		
Postgrad education	66%		

Top Volunteered Concerns about Contracting Out

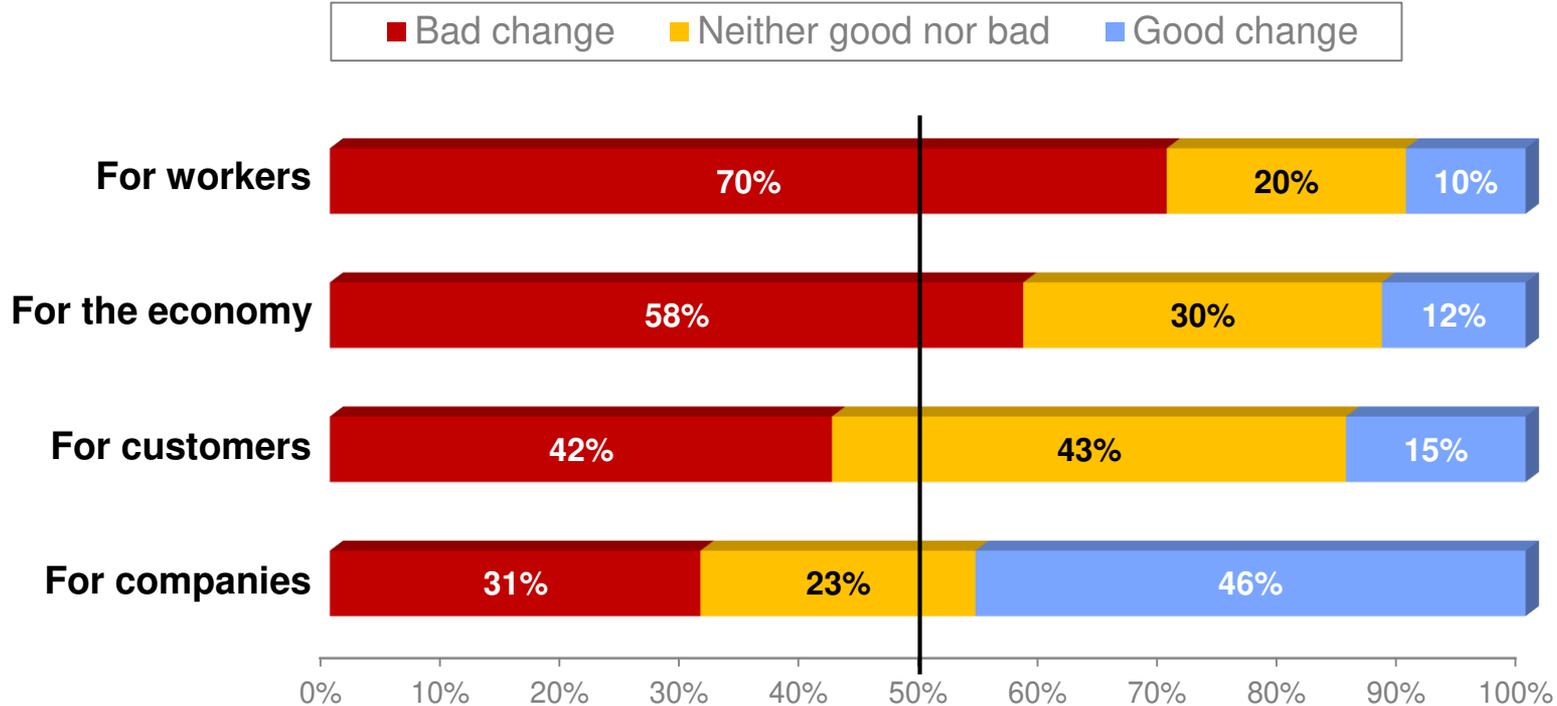
*Why do you feel that companies using temp agencies and contract workers, rather than hiring permanent employees, is a bad change?**

Effort to reduce benefits; workers get no benefits, no health benefits/medical insurance; employers get out of paying benefits	43%
No job security, no long-term job security, no stability; workers are disposable	22%
Hurts workers, lack of concern for workers, no loyalty toward workers, bad for workers' morale	20%
Lower salaries, lower pay, lower hourly wage	14%
Employer saves money by not hiring permanent employees, it is cheaper	6%

* Among the 59% of voters who say contracting out is a bad change

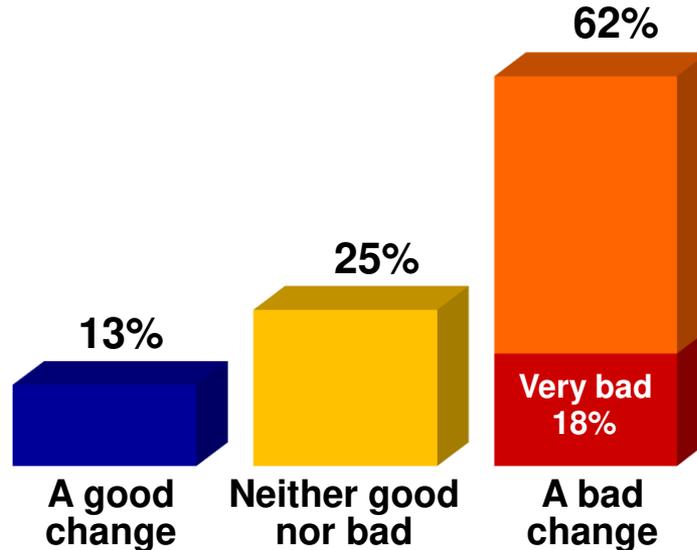
Contracting Out Seen As Bad for Workers, Economy

Perceived impact of shift from direct hiring to contracting out



Negative View of Shift from Direct Employment to Independent Contractor Status

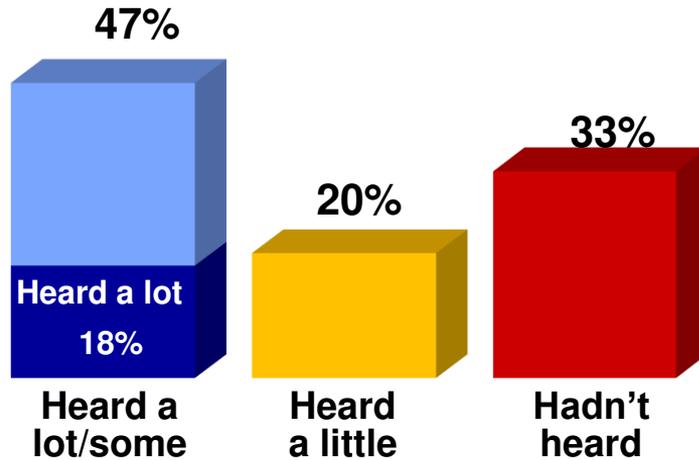
An increasing number of companies today hire workers as independent contractors, rather than as employees of the firm. In the past 10 years, the proportion of workers employed as independent contractors has grown substantially.



By 78% to 12% voters feel workers are better off as direct employees than as independent contractors.

About Half of Voters Familiar with Misclassification Problem

In some cases, companies have classified workers as independent contractors when legally they should be considered employees. That means the company does not have to pay minimum wage to workers, provide benefits, or make payroll deductions like Social Security or Medicare contributions for those workers. Prior to taking this survey, had you heard about this?



<i>Heard a lot/some</i>	
Men	54%
Women	41%
Age 18 to 34	46%
Age 35 to 49	45%
Age 50 to 64	48%
Age 65/older	48%
High school grad/less	39%
Some college	49%
College graduates	54%
Postgrad education	53%
Democrats	49%
Independents	53%
Republicans	41%

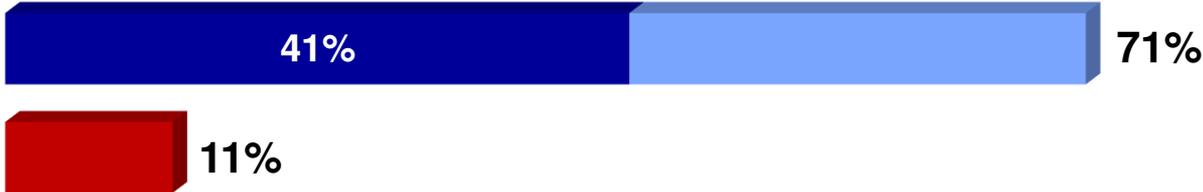
Support for Policies Addressing Misclassification and Subcontracting



Make it harder for companies to classify workers as independent contractors, and increase fines and penalties for companies that misclassify employees as independent contractors



Allow workers to hold lead companies legally responsible if their subcontractors fail to pay Social Security taxes, unemployment insurance contributions, or workers' compensation contributions, or fail to pay workers their legally earned wages



Support for Specific Policy Responses

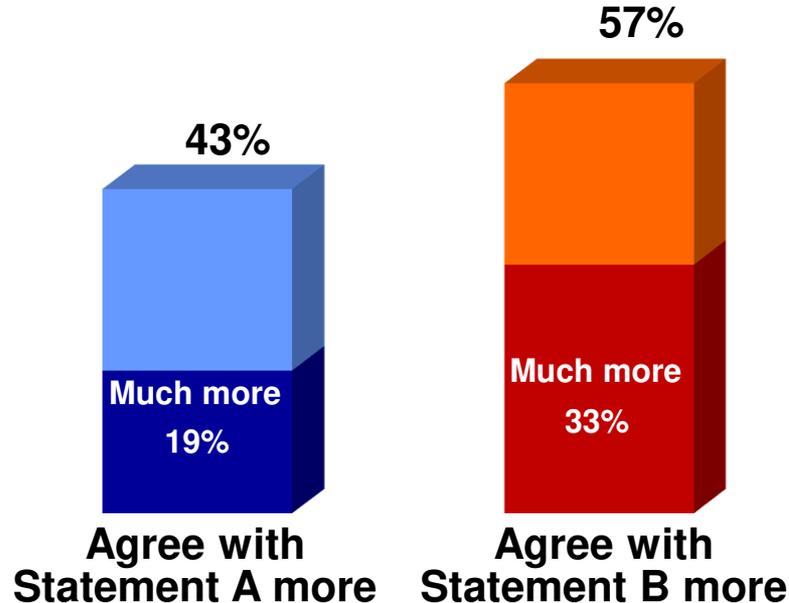
Proportions who strongly or somewhat favor each

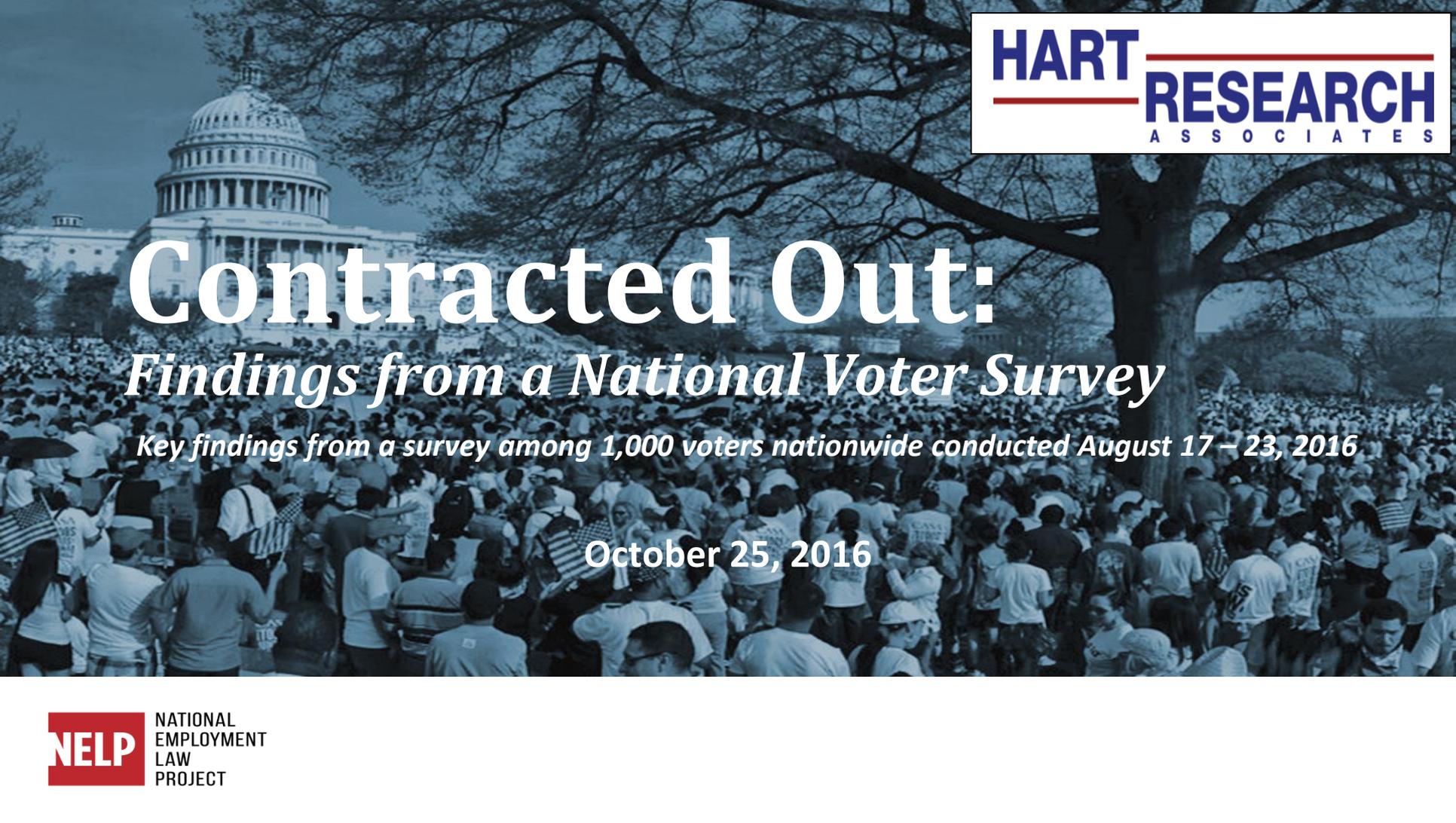
	Total favor	<i>Strongly favor</i>
Require lead company to provide in-person safety training , comparable to that for full-time employees, for temporary/contract workers before they start dangerous jobs	80%	53%
Eliminate loopholes in job definitions allowing companies to avoid paying benefits by “classifying” employees as independent contractors to avoid certain responsibilities and costs	74%	51%
Require companies to offer existing part-time employees additional hours of work before using subcontractors, temporary services, or staffing agencies to do work for the business	74%	38%
Require companies with both direct employees and contract workers doing similar jobs to ensure equal pay and benefits for equal work	73%	43%
Require that once a company has used a temp worker for six months, it must offer the option of taking a permanent position	71%	43%

Voters Don't Feel That Hard Work Is Enough to Do Well Today

Statement A: If you get a good education and work hard today, you can really do well and get ahead.

Statement B: Working hard often isn't enough anymore, because companies aren't loyal to their employees.





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