

Alternative Staffing Sector At-A-Glance

Alternative staffing organizations (ASOs) identify labor market opportunities and help low-skilled, unemployed and disadvantaged individuals access them by making temporary and temp-to-perm job placements on a competitive, fee-for-service basis.

- ASOs serve a broad base of low-income jobseekers with obstacles to employment. People with disabilities, ex-offenders and homeless individuals are major target populations.
- ASOs are located primarily in urban centers, and provide staffing services within their local metro area markets.
- Most ASOs are organized as in-house programs or subsidiaries of nonprofit parent organizations.
- Intensive pre- and post-placement supports for workers distinguish ASOs from conventional staffing suppliers. Job coaching, case management, social service referrals (for child care, housing, health insurance, etc.), transportation, and supplying tools and work clothing are the most prevalent types of support.
- Temporary and temp-to-perm staffing are core business services offered by all ASOs. Some ASOs also offer additional services including direct placements, on-site coaching and managed work crews.
- Jobseekers are primarily placed in entry-level office/clerical and warehouse/ industrial positions. Some ASOs also supply higher-skilled workers.
- Individual ASOs place from 35 to over 2,000 persons per year. An average size ASO places 300 to 500 persons annually.
- Established ASOs cover at least 75% of their program expenses with fee revenues, and some generate an operating surplus. Earning fees from employers for worker recruitment, screening and retention services makes ASOs more cost-effective than traditional nonprofit job placement programs and less reliant on government funding and charitable support.
- Approximately 50 practitioner organizations comprise the alternative staffing sector in the US and Canada.
- The oldest ASOs began operating in the 1970s and 80s and now post annual billings in the millions of dollars. Many ASOs are at least a decade old, and were launched in the late 90's following welfare reform and during a period of low unemployment that favored market entry. New practitioners continue to enter the field as workforce development professionals become increasingly aware of this sustainable transitional jobs strategy.