



**ART OF WORKING PART-TIME:** Mary Ann McDonald, 42, of Santa Ana, shown with her artwork, recently quit her marketing job after 12 years because she wanted more time to paint.



LEONARD ORTIZ, THE REGISTER

## TEMPING BOOM

By ANDREW GALVIN  
THE ORANGE COUNTY REGISTER

Temporary workers are 3.2% of O.C.'s labor force, more than the state or nation. Low jobless rate may play a role.

For worker Mary Ann McDonald, it allows her to devote more time to her passion for painting.

For employer Marc Schnell, it's a way to grow his distribution company while riding the ups and downs of demand.

For entrepreneur John Porrello, it's a way to grow his staffing business by providing workers for clients like Schnell.

It's temporary employment, and it's a growing share of Orange County's economy.

Temporary-help services accounted for 3.2 percent of the total number of jobs in Orange County in the second quarter of 2006, according to the state's Employment Development Department. That's higher than the state (2.2 percent) or the nation (0.9 percent as of February 2005, according to the U.S. Bureau of Labor Statistics).

Why? It's hard to pin down a definitive answer, but the higher use of temporary workers here seems to have to do with the county's low unemployment rate (3.2 percent in December) and its mix of industries and people.

"The tighter the labor force, the harder it is (for employers) to find the workers with the skills and the abilities that you need because all the people with the most skills are taken," said Paul Wessen, an economist with EDD's Labor Market Information Division. "For employers, it's a way to screen some of the potential workers. On the other side of the equation, if you're a worker with limited skills, it's kind of hard to get your foot in the door. Through temporary help, you get your foot in the door and learn some skills."

The importance of cyclical and seasonal industries to Orange County's economy, like real estate and hospitality, also gives prominence to

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**TEMPORARY FORCE:** Kelmar Industries owner Marc Schnell, below left, uses temporary workers at the distribution company that stores, inspects, assembles and ships goods for its clients.



EUGENE GARCIA, THE REGISTER

## LACK OF HEALTH INSURANCE A CONCERN FOR MANY TEMPS

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temping here. Other reasons cited by Wessen are a youthful population, high proportion of foreign-born residents and abundant supply of workers with less than a high school education.

But perhaps the best explanations come from the people who work as temps and those who hire them.

### THE WORKERS

McDonald, 42, of Santa Ana, worked for 12 years in a corporate marketing job before quitting last summer.

"I wanted to spend more time painting; I didn't want to be held up with the 8-to-5 routine," she said. "Part of it was a little bit of burnout."

Giving up the security of a full-time position was frightening. McDonald heard from colleagues who said "I could never do that."

"They placed their fears on me," she said. "I had made up my mind probably six months before I quit that I needed to do this. So, yeah, it was scary. But I don't have a lot of debt so I'm able to make it work financially."

For the first few months after leaving her job, McDonald, who is single, "took classes, painted, took naps. Did whatever I wanted to do."

In the fall, she started taking assignments from a temporary-help service called the **Creative Group** as an advertising proof-reader and editor. On one job, she worked six hours a day. The pay was \$20 to \$30 an hour - that's less than she had earned when she was working full time.

She recently turned down an assignment that would have required her to work full time for a week because it would have interfered with freelance graphic-design work she is doing.

"I feel good," she said. "I still have plenty of savings, and I have an income. It's sporadic, but I feel comfortable with it because I'm so much more enjoy-

ing my life."

On the other hand, Donald Mell, 65, is an Irvine engineer working as a temp who would prefer to have a permanent job.

He was recently let go after a year of \$55-an-hour temping at a Tustin company because the employer didn't want to run afoul of federal rules restricting the long-term use of contract workers, he said.

"I took some forced time off," he joked. "The catch-22 of this is you've got to be off for 100 days. And, of course, by then, the company has already replaced me. I'm looking to get back in, but, of course, I have to wait until there's another job opening."

Another downside is that temp jobs generally don't provide employer-paid health insurance.

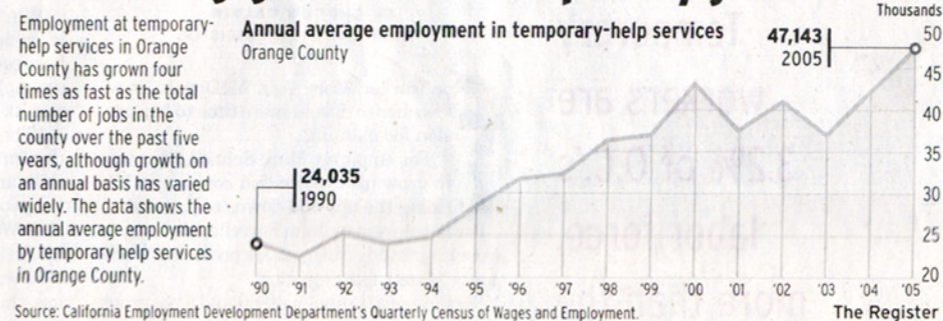
Christina Payne, 39, who temps in accounting, gambles by doing without insurance. "I've never really had any major health problems or been horribly sick. If anything were to happen, I'd probably be in trouble," she said.

### THE STAFFING FIRMS

John Porrello, chief executive of the **Priority Business Services** staffing firm in Aliso Viejo, said, "Our customers are not overly optimistic about their own future. The decision to hire people on a permanent basis scares them."

Many companies prefer to try out new employees on a tempo-

### Big growth for temporary jobs



rary basis "before they have to make the almighty commitment" of bringing them on staff, said Porrello, whose firm places mostly clerical and light industrial workers.

According to EDD, temporary-help services in Orange County employed 48,184 people - or more than the population of Brea - as of last year's second quarter. That figure has grown 28 percent over five years, or four times as fast as Orange County's total number of jobs.

Porrello's company has thrived on this employer cautiousness, growing from \$6 million in revenue in 2000 to \$83 million in 2006, he said. He's aiming for \$100 million this year.

The hard part, Porrello said, is persuading workers to leave a full-time job for what amounts to a 90-day tryout at another company, even though the new job could become permanent after that.

"Good applicants are saying, 'No way. If the client isn't willing to bring me on full time, I'll stay where I am,'" Porrello said. "It creates a standoff... and at some point, we have to do our best to persuade our applicant... If you really want to get in (at the new employer), you're going to have to go in on a temp-to-hire basis."

Kim Magonigal, president of **Kimco Staffing Services** in Irvine, said even with the current slowdown in real estate industries, he can't find enough

temps to meet demand for workers.

"We have more unfilled orders than we ever have had in the history of our company," he said.

### THE CLIENTS

One of Porrello's clients is **Kelmar Industries**, a third-party distribution and packaging company in Huntington Beach. The company offers a variety of services to garment and cosmetics manufacturers, including warehousing, assembly, inspection, packaging and shipping.

"Everybody is a temp except my management team," owner Marc Schnell said. "The reason why I use temps is the peaks and the valleys of the business. I can get slammed with work (where) I need to bring in 25 to 30 people, and I can have a lull where I don't need as many people. It gives me the flexibility to help me run my business very efficiently."

The ability to expand his work force literally overnight means "I'll never say no" to clients who need big jobs done fast, he said.

Schnell has a full-time staff of eight. His temporary work force ranges from up to 80 depending on need and has grown with the business. A few years ago, he employed three to five temps on an average day. Now it's 25. The temps do manual work and are mostly paid the minimum wage,

though those that stick with the company can get pay increases, Schnell said.

On a recent morning, his warehouse was alive with activity, as mostly female temps went through boxes of garments to make sure they were properly labeled. One worker, Irene Peralta, 35, said she has temped at Kelmar for more than two years.

Married with two children, Peralta doesn't have health insurance. She'd like to move into better-paid work but said, "I can't study anymore so I have to make do with what I've got."

Cara Bran, human resources manager for **SPS Technologies**, a Santa Ana company that makes fasteners for the aerospace industry, said she uses temps to supplement her mostly permanent work force when needed.

"There's certain times of the month or the quarter that we have a greater flux of work that pushes through the shop," she said. "Instead of hiring 40 permanent heads, I'll call Priority on a Wednesday and order 20 to 40 people for the remainder of the week."

Often, the same workers come back as temps week after week, she said. "They seem to get enough money here," she said. Pay is \$11.16 to \$12.07 an hour, "no experience or English required."

For Orange County, as long as the economy stays healthy and unemployment low, temping is likely to continue to be a noteworthy share of employment.

"It's just a way that businesses cope with finding enough people to fill positions," said Wallace Walrod, vice president of research and communications at the Orange County Business Council. "It's probably a symptom of a pretty strong employment economy around here."

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