



US Staffing 2023 & 2024

Temporary Trends to Watch

If you haven't already....

If you haven't already entered the US staffing industry or expanded your staffing business within, there's no better time to get started. The US staffing market is the largest in the world (33% market share). More than the combined staffing revenue size of the UK, Japan, Canada, Sweden, Belgium, India, and France. If you require evidence to enter the US staffing market, the data in this report will back you up.

We have refreshed our original 2023 & 2024 Temporary Staffing Trends report with new data from Staffing Industry Analyst's US Staffing Industry September 2023 update, the American Staffing Association, Robert Half, and PGC internal data. We hope this will give you a good indication of the state of the US staffing industry and that you can use it to help determine the direction of your business.

The US contract market is a particularly lucrative market right now for recruitment leaders, generating 90% of the entire US staffing revenue. With the use of contingent workers on an upward trajectory even higher growth is expected for the temporary segment in the upcoming years. Keep reading to find out how the US staffing industry performed in 2023, predictions for 2024, and opportunities for driving growth.

As Managing Director at PGC Group, I am here to provide strategic support to our recruitment clients making contract placements in the US. If you would like to discuss the following trends in more detail or arrange a US strategy session with a US expansion consultant click [here](#).

Amy
Amy Davies
Managing Director



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MetLife

2023 US Staffing Market Size



2023 US Staffing Market Size

Before we jump into US staffing revenue projections for 2024, here's the latest 2023 estimated data from SIA.

\$201.7B

Projected size of the US staffing industry in 2023.

-10%

Projected revenue y/y decrease for the US staffing industry in 2023

Setting the Context

The US still holds the number one spot for generating staffing revenue worldwide. The US staffing industry is estimated to be worth \$201.7 billion according to the latest update by Staffing Industry Analysts (SIA). This is a decrease of 10% from the record-breaking year of 2022. Let's set some context. Why has the market value declined?

First off, this decline is reasonable considering the record-breaking growth of 34% in 2021 and 20% in 2022. Despite the value receding, it is important to note that the industry is almost \$50 billion larger than prior to the pandemic. Temporary job levels were at an all-time high in early 2022 (US Bureau of Labor Statistics), as economic growth was stimulated by government spending. These record levels simply proved unsustainable as economic baseline resumed.

Depending on what sector you recruit in, this decline is more moderate, or in the case of some segments, doesn't exist at all. Whilst the clerical, and life sciences segments are anticipated to decrease by 7% in 2023, the finance, and tech segments are expected to decrease by a more moderate 6% and 3% respectively. The engineering segment is predicted to increase by 5% whilst the education segment is set to increase by a huge 20%.

The overall US staffing market decrease is being driven by a 30% decline in the medical sector, particularly the travelling nurse segment which previously witnessed a sixfold increase in the previous four years. The exclusion of this segment implies a more moderate decline of 5.6% for the 2023 staffing industry (SIA). Other macro factors played their role. Recession fears led to a cooling of hiring in 2023, as many companies adopted a more cautious attitude. Moreover, as trends shifted back towards office working and more employers required their teams to return to the office, geographic constraints affected the supply of candidates.

Overall, the US staffing market is in a very healthy state, particularly compared to pre-pandemic levels. Employment-wise, the US had over 4 million more jobs in August 2023 than February 2020, up 2.7% over that time period. (US Bureau of Labor Statistics).



\$181.4B

The US temporary staffing is predicted to be worth \$195.5 billion in 2023 (-10% y/y)

(SIA US Staffing Industry Forecast: September 2023 Update)

2.5M

Temporary and contract workers employed by staffing companies per week in the second quarter of 2023

(American Staffing Association, September 2023)



\$20.3B

Place & search contribution to total US staffing revenue in 2023

(SIA US Staffing Industry Forecast: September 2023 Update)



IT Temporary Staffing Revenue 2023

22%

Of total temp US staffing revenue was generated from the tech in 2023

\$41.2B

Size of the US IT temporary staffing market in 2023

Finance/Accounting Temporary Staffing Revenue 2023

5%

Of total temp US staffing revenue was generated from finance & accounting in 2023

\$8.7B

Size of US finance & accounting temp staffing market in 2023

(SIA US Staffing Industry Forecast: September 2023 Update)

Life Sciences Temporary Staffing Revenue 2023

\$3.4B

The size of the US Life Sciences temporary staffing market in 2023

2%

Of total temp US staffing revenue was generated from life sciences in 2023

Marketing/Creative Temporary Staffing Revenue 2023

1%

Of total temp US staffing revenue was generated from marketing/creative in 2023

\$2.0B

US marketing/creative temporary staffing revenue in 2023

(SIA US Staffing Industry Forecast: September 2023 Update)





Engineering Temporary Staffing Revenue 2023

\$9.6B

The size of the US engineering temporary staffing market in 2023

5%

Of total temp US staffing revenue was generated from engineering in 2023

Education Temporary Staffing Revenue 2023

1%

Of total temp US staffing revenue was generated from education in 2023

\$2.1B

US education temporary staffing revenue in 2023

(SIA US Staffing Industry Forecast: September 2023 Update)



2024 US Staffing Market Projections



Moderate growth expected in 2024

Turning our attention to 2024, SIA is projecting a 3% growth for the staffing industry, predicting that the US market will be worth \$207.2 billion, over 4 times more than the UK market.

Overall, the US staffing market is in a very healthy state, particularly compared to pre-pandemic levels. Employment-wise, the US had over 4 million more jobs in August 2023 than February 2020, up 2.7% over that time period. (Bureau of Labor Statistics).



\$207.2B

The US staffing industry is projected to reach a market size of \$207.2 billion in 2024



+3%

Revenue increase projected for the US staffing industry in 2023. A 10% increase from 2021.

(SIA US Staffing Industry Forecast: September 2023 Update)



\$185.6B

The US temporary staffing market is projected to be worth \$185.6B in 2024

+2%

Increase in revenue expected from temp in the US staffing industry in 2024



\$21.7B

Place & search is expected to contribute \$21.7 billion to total US staffing revenue in 2024

(SIA US Staffing Industry Forecast: September 2023 Update)



IT Temporary Temporary Staffing Revenue Projections 2024

5%

Y/y revenue growth expected for the IT temporary staffing segment in 2024

\$43.2B

The projected size of the US IT temporary staffing market in 2024

Finance/Accounting Temporary Staffing Revenue Projections 2024

4%

Y/y growth projected for the US finance/accounting temporary staffing in 2024

\$9.1B

The projected size of the US finance/accounting temporary staffing market in 2024

(SIA US Staffing Industry Forecast: September 2023 Update)

Life Sciences Temporary Staffing Revenue Projections 2024

5%

Y/y revenue growth expected for the US Life Sciences temporary staffing segment in 2024

\$3.5B

The projected size of the US Life Sciences temporary staffing market in 2024

Marketing/Creative Temporary Staffing Revenue Projections 2024

5%

Y/y growth projected for the US marketing/creative temporary staffing in 2024

\$2.1B

The projected size of the US marketing/creative temporary staffing market in 2024

*(SIA US Staffing Industry Forecast:
September 2023 Update)*



Engineering Temporary Staffing Revenue Projections 2024

8%

Y/y revenue growth expected for the US engineering temporary staffing segment in 2024

\$10.4B

The projected size of the US engineering temporary staffing market in 2024

Education Temporary Staffing Revenue Projections 2024

7%

Y/y growth projected for the US education temporary staffing in 2024

\$2.2B

The projected size of the US education temporary staffing market in 2024

(SIA US Staffing Industry Forecast: September 2023 Update)





Opportunities for Driving Growth in 2024 & Beyond

Hiring Trends to Watch in 2024



Increased pay transparency

Pay transparency will be a growing trend, as more governmental bodies mandate it and more job seekers demand it. According to Robert Half research, 42% of workers expect to see a salary range in the job posting, and 57% would take themselves out of consideration if the employer doesn't provide it upon request.



More gig workers

Today's workers are increasingly willing to accept temporary and temp-to-hire positions. Some see it as an opportunity to test-drive an employer before making the commitment to permanent employment. Others embrace gig work to gain flexibility in their work scheduling.



Hiring for growth

In 2024, the applicant pool is likely to be somewhat larger, and that will bring with it an increased focus on hiring for long-term growth. This is concurrent with research from Robert Half where surveyed respondents cited company growth and employee turnover as the top reasons they need to add to their teams.



Faster hiring and onboarding

Virtual onboarding is on the rise, and the use of AI by both talent managers and applicants is expected to increase.



Worker classification

The coming year is likely to bring more attention to the issue of worker classification. Online staffing platforms that provide workers as 1099 independent contractors are undergoing greater scrutiny by governmental agencies.

Growing US Recruitment Sectors

If you are already making placements within the US, here are some of the top contract staffing sectors poised for growth. This can help you identify new verticals to explore as they grow in demand. Learn more on the growing sectors on [our blog](#).



Tech and IT

IT makes up the largest share of professional temporary staffing revenue in the US. Tech and IT is the second-largest driver of the US economy, and the North American tech sector controls 35% of the global market. SIA forecast that the IT staffing segment will grow by 7% y/y in 2024 to reach a size of \$43.2 billion.

Popular IT roles in the US

- IT security
- Data scientists
- Software developers
- Database administrators
- Computer and information systems managers
- Systems analysts
- Web developers
- Information security analysts
- Help desk support professionals
- Network and computer systems administrators
- Computer programmers



Energy

A great growing recruitment niche is energy, particularly clean energy. With the topic being of political importance and recent climate scares, it's expected that there's going to be a lot of money pumped into the energy sector in the US. The growth of the renewable power sector in the United States has made it the second-largest producer of renewable electricity in the world, following only China.

Popular energy role specialisms

- Energy efficiency
- Renewable energy
- Clean fuels
- Clean vehicles roles

Did you know?

Wind Turbine Service Technicians are projected to be the second-fastest growing occupation of the next decade.

(Bureau of Labor Statistics, 2022)



Life Sciences

Even though this sector has seen recent layoffs and volatility, a tight labour market remains for Life Science companies. This means that hiring continues to be a challenge, and staffing agencies that can provide a strong service will be seen as highly valuable.

Salaries for the industry continue to grow (3%), though at a reduced pace in comparison to previous years. Staffing Industry Analysts have predicted a growth of 5% for this temporary staffing segment in 2024, marking its value at \$3.5 billion.

Salary growth in Life sciences

Increased salary growth within Life Sciences means many companies cannot source and seek talent for these roles alone. They are seeking help from specialized agencies to bridge the gap, making it an attractive and popular sector for staffing agencies to recruit in.

Growing US Recruitment Sectors

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Engineering

Engineering is one of the few US staffing segments predicted to experience growth in 2023. This follows strong levels of growth in the previous two years, and you'll not be shocked to hear that the engineering segment is expected to strengthen further in 2024 with growth of 8%, translating to a market value of \$10.4 billion.

Key Legislation

Legislation passed in the last three years has promoted the development of infrastructure and manufacturing, including the Infrastructure Investment and Jobs Act, the CHIPS Act, and more recently the Fiscal Responsibility Act which was signed into law by President Biden in June 2023. Projects supported by these bills will carry on or start next year and beyond, creating and sustaining demand for staffing agencies.



Marketing

With caution arising around fears of recession, many companies reduced or in some cases halted advertising and marketing activity. This has resulted in the marketing staffing segment predicted to decline in 2023. However, as activity resumes heading into 2024, it is expected that this segment will witness a 5% increase equating to a market value of \$2.1 billion.

The Perfect Storm for Recruiters

SIA cites that drivers leading the growth for this segment are similar to those experienced in tech and IT, as the marketing function develops and is transformed by advancement in digital technology, resulting in higher need for specialised skillsets.

According to Statista, digital advertising expenditure by US firms is expected to increase by 50% between 2023 and 2027, growing from \$264 billion to \$395 billion.

Furthermore, as per a report from Robert Half, 63% of marketing and creative managers planned to hire more contract professionals in the first half of 2023 - an increase from 44% for the second half of 2022.

This all points to a huge opportunity for staffing agencies to recruit within the marketing segment in the US.

PGC Best States for Contract Placements

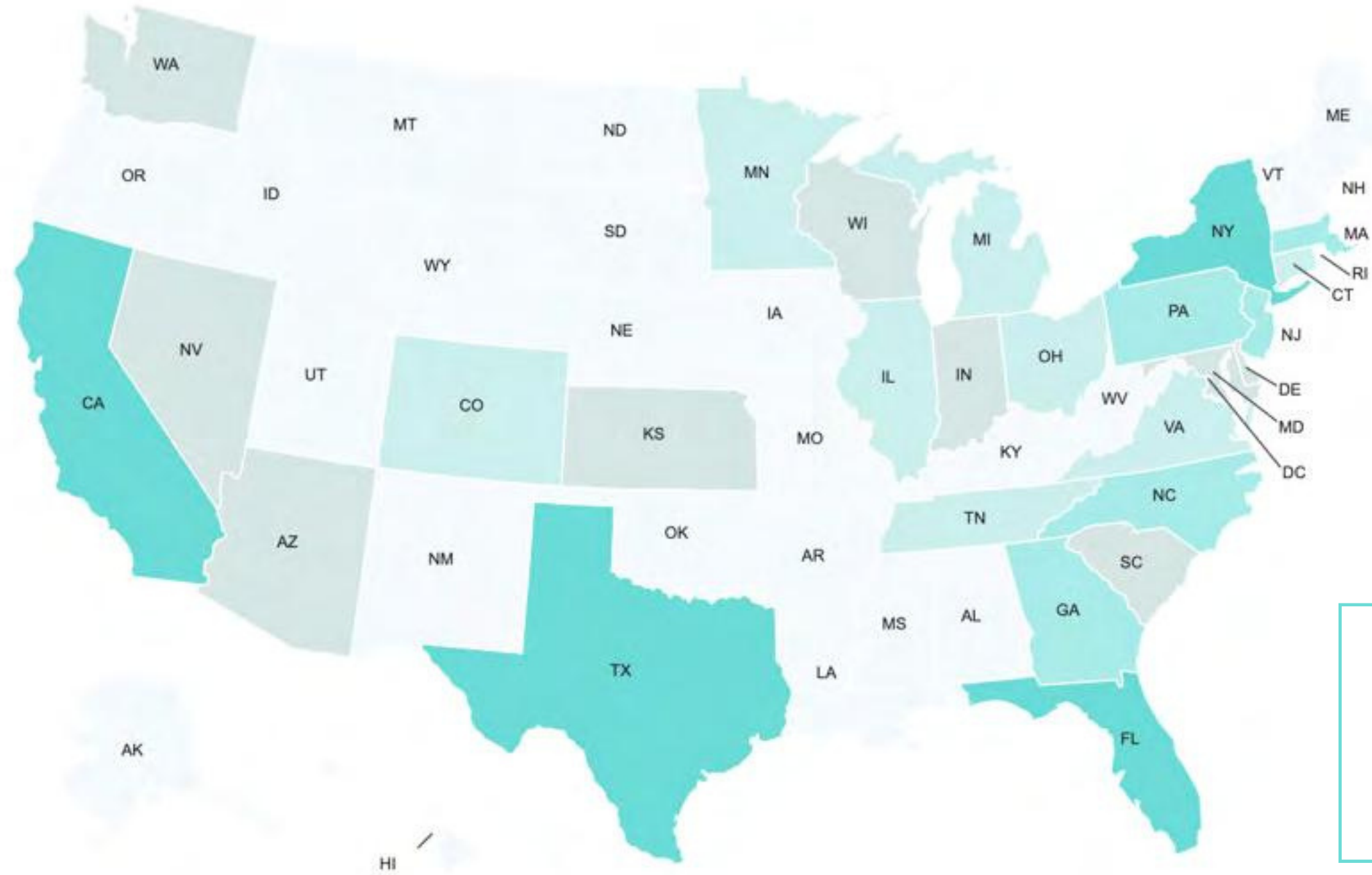
The heat map shows the states with the highest concentration of worker onboards in 2023 based on PGC's internal data from international recruitment clients making contract placements in the US. This will give you an idea of the popular areas for contract placements. Learn more on our [Best States for Business 2023 blog](#).

Workers onboarded

Most onboards



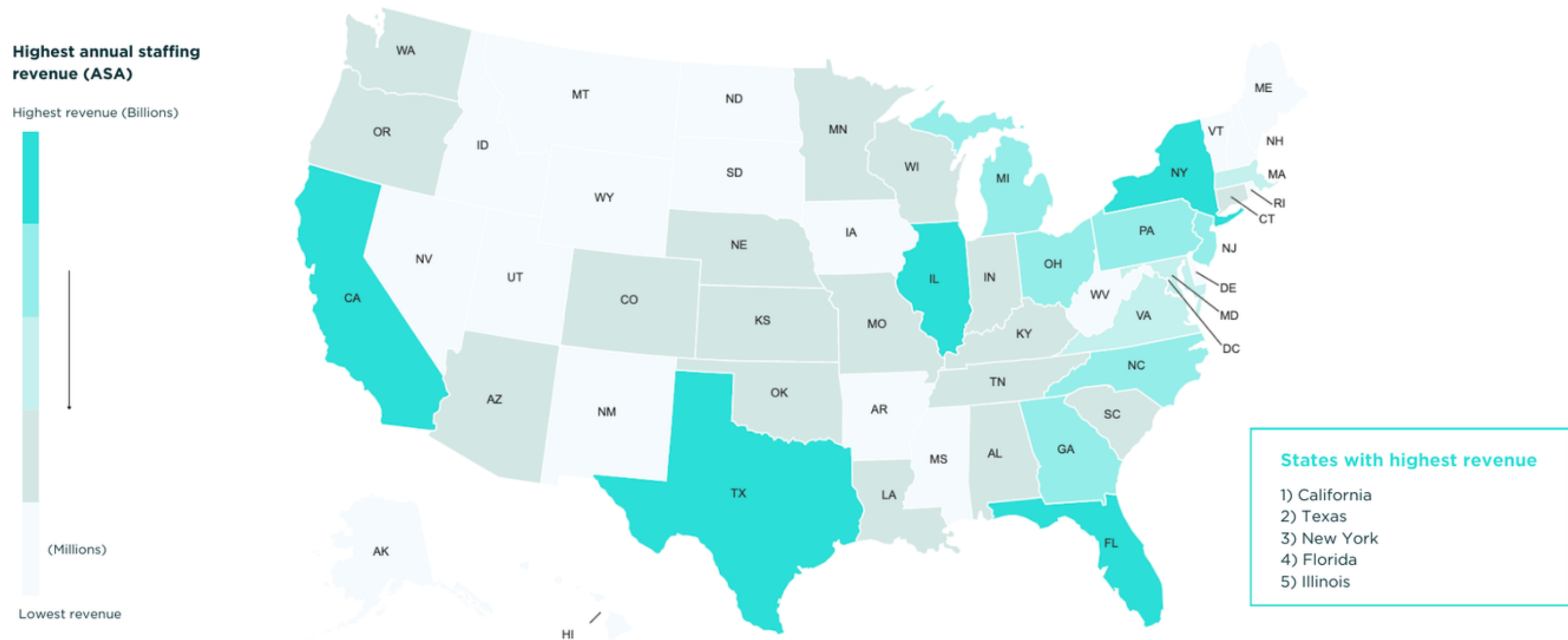
Least onboards



States with strong 2023 growth
📍 MD, IL, NC, SC
Highest concentration of workers
📍 CA, NY, TX, FL

Top 5 States for Staffing Revenue

The heatmap below is based on ASA’s US staffing statistics on the highest annual estimated staffing revenue per state. The green-colored state’s total estimated annual sales range from \$1 billion to \$41.4 billion, with the brighter greens representing the areas at the top end of the scale. Learn more [here](#).



(Source: America Staffing Association)



Market Demand and Opportunity for a Contract Solution



PRECISION
GLOBAL
CONSULTING



Why Contract?

Increase Business Valuation

Demonstrating competency and capability in the biggest market add multiples to your business valuation.

Increased Margins and Profitability

Staffing agencies make average 25-35% in contract margins in the US.

Recurring Revenue

US contractors are paid per hour = earn ongoing margins in accordance with these terms vs one off permanent fees.



78%

Of companies relied on the contingent workforce in 2023 rather than adding new staff

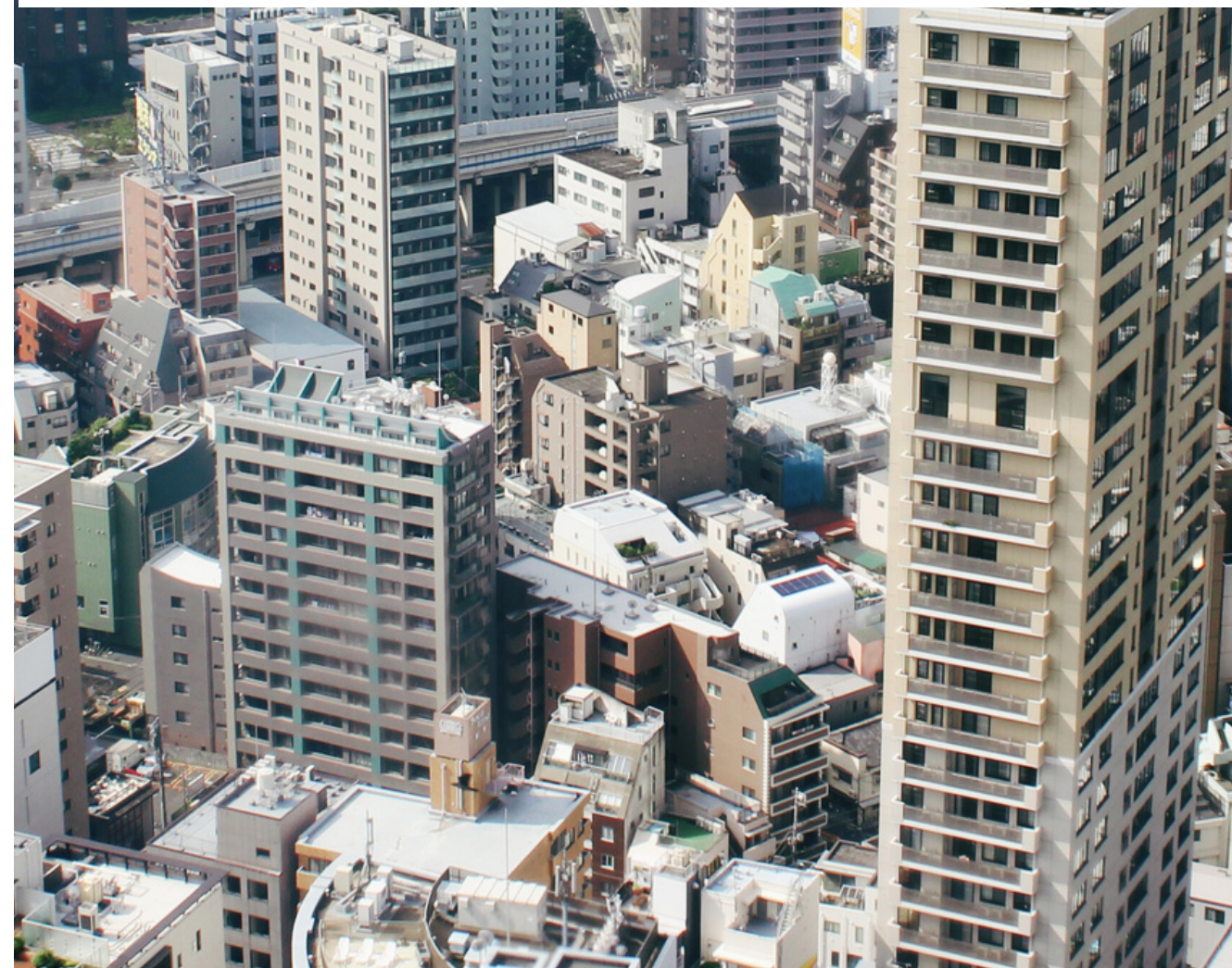
(Fiver, 2023)



50%

By 2050, 50% of the US workforce is estimated to be made up of contingent workers

(Staffing Industry Analysts, October 2023)



64%

Of employers plan to increase their use of contract professionals.

(Robert Half, 2023)



23%

**Contingent workers comprised of
23% US companies workforce,
+1% vs last year's survey**

(Staffing Industry Analysts)



19.4M

**People in the US completed
contingent work in 2022, generating
\$1.4 trillion in revenue.**

(Staffing Industry Analysts, October 2023)



64%

**Of employers plan to increase their
use of contract professionals.**

(Robert Half, 2023)



Pay Rate Growth

While salaries are expected to rise in 2024, increases are likely to be more measured than in recent years, according to Robert Half’s latest salary guide.

For some professionals, that might be a reason to look for other opportunities. This is not lost on hiring managers, many of whom continue to increase compensation to retain key staff and better compete for top talent in a tight hiring market.

PGC Average Contract Pay Rates 2020 - 2023

According to our own internal data, the average pay rate for US contractors has consistently increased since 2020.

The majority of contract roles we engage on behalf of international recruitment clients in the US are white collared office-based roles. The predominant industries we have witnessed traction in are IT, life sciences, and marketing, Higher pay rates translate to higher fees and margins.

PGC Average Hourly Rate



Start Your US Staffing Growth Plans Now

We hope the insights we shared help you kickstart your growth plans in the US staffing industry. If you want to start recruiting in the US contract market or expand to a new state, but don't know where to start, we're here to help.

Our Employer of Record solution means staffing agencies can easily make contract placements in any state, without payroll and US employment compliance worries. All you have to do is find the talent, we sort out the rest.

[Get Started in the US Market](#)



