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May 15, 2010

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# EMPLOYMENT NEWS ALERT

## *MAY NEWSFLASH*

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### AFTER THE RECESSION ¿ WILL ¿TEMPORARY¿HIRES BECOME THE NEW ¿PERMANENT¿WORKFORCE?

#### *How Companies Can Benefit By Using Freelancers and Contract Workers*

What does the ¿employment landscape¿ in NJ look like right now? Is it a barren wasteland? Or is it a lush forest filled with exciting opportunities? As one might guess, the answer to any one of these questions depends on your perspective. For employers looking to expand, it is definitely a lush forest. The loss of millions of jobs in the Great Recession, coupled with persistently high unemployment numbers, translates into good news for those companies that are cautiously starting to hire again. And many of those companies are using the vast pool of unemployed and under-employed people to fill their hiring needs. Any HR manager today can search Monster.com and see the enormous spike in contract job postings over the course of the last few months. In fact, it was reported in April that the Monster.com job board saw a 46.2% increase in postings for contract and temporary assignments just this past March compared to the same month last year, whereas overall permanent job listings increased by just 32% during this same time period. Any real stats on the number of individuals working on a contract basis are hard to pin down, since the federal government stopped tracking these numbers in 2005 due to budget cuts. Alas, we must rely on Monster.com and other big job boards for these numbers.

What we have seen recently in NJ is that many of the workers laid off in the last two years who are finding work are returning to their former employers -- the difference now, of course, is that these companies are re-hiring their laid-off workers as temps and freelancers. These contract employees are a boon to employers and their ¿bottom line¿ as companies do not have to provide health benefits, paid vacation and sick time, or other such perks. For many companies, this emerging new workforce of contract employees could, and probably will, become a permanent solution as it will allow businesses to stay lean and competitive. It is this ¿flexibility¿ that is the greatest benefit to companies in today's job climate.

#### ***WHAT CAN YOUR COMPANY DO RIGHT NOW?***

The trick for HR right now is to ensure that flexibility and the ¿competitive edge¿ stays with the company once the economy heats up again and hiring starts in earnest ¿ stay ahead of the curve and see what is happening in the marketplace in real time by maintaining regular contacts with your recruiters, placement firms, and employment counsel. If your company is currently hiring contract workers, be sure to classify them correctly. An incorrect classification, even as an innocent mistake, can result in significant fines, penalties, and back taxes. ***We can help you maintain your company's flexibility and insure your contract workers are properly classified. CALL US NOW!***

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*Revised June 1, 2010  
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