



STATEMENT FOR THE RECORD

OF

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VICE PRESIDENT, DEPUTY GENERAL COUNSEL
AND CHIEF COMPLIANCE OFFICER
TRUEBLUE, INC.**

FOR THE HEARING ON

**“MOVING FROM UNEMPLOYMENT CHECKS TO PAYCHECKS:
ASSESSING THE PRESIDENT’S PROPOSALS TO
HELP THE LONG-TERM UNEMPLOYED”**

BEFORE

**THE U.S. HOUSE
COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HUMAN RESOURCES**

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Chairman Davis, Ranking Member Doggett, and members of the House Ways and Means Human Resources Subcommittee, thank you for the opportunity to submit this statement for the record on behalf of TrueBlue, Inc. (“TrueBlue”). We applaud the Committee and Subcommittee for their attention and work on the critical issue of reducing unemployment.

Our nation continues to grapple with the stalled economic recovery and persistent unemployment. As reforms are considered to unemployment insurance, we strongly urge Congress to consider opportunities to expand temporary employment, which is critical to mitigating unemployment.

TRUEBLUE

TrueBlue is a leading supplier of temporary work. In 2010, TrueBlue connected approximately 300,000 people to work, paying nearly \$600 million in wages and serving nearly 150,000 businesses in the service, retail, wholesale, manufacturing, transportation, and construction industries. TrueBlue also employs 2,500 regular headquarter and branch staff.

TrueBlue provides temporary blue collar and skilled work through five lines of business: Labor Ready; Spartan Staffing; CLP Resources; Plane Techs; and Centerline. The TrueBlue family of companies is committed to providing individuals with opportunities for growth and customers with the help they need to succeed in today’s competitive environment.

TEMPORARY WORK

Temporary employment plays a critical role in the economy by providing employment flexibility for workers and businesses. Temporary staffing firms employ more than 11 million people each year. These jobs offer millions of people the opportunity to work, particularly as the economy continues its fragile recovery.

Temporary employment is critical to mitigating unemployment, while offering a significant opportunity to find permanent employment through temporary jobs. Temporary employment also provides people with on-the-job training, allowing them to learn new skills and expand their knowledge base, which can be later transferred to other employers and strengthened.

At the same time, temporary employment provides businesses with the opportunity to support or supplement their workforce in various work situations, such as employee absences, skill shortages, seasonal workloads, and special assignments or projects. Moreover, in the current economy, temporary employment is leading the jobs recovery by allowing employers to gauge business and economic conditions before committing to permanent hires.

In TrueBlue’s experience, the average tenure of a temporary employee is approximately one month per year. However, even if someone works for us for *one day*, that person is an employee of the company rather than an independent contractor. Employee status integrates workers into the U.S. economy, ensuring that they are eligible to work in the U.S., that all workers’ compensation, unemployment, and income taxes – as well as any court-ordered garnishments – are withheld and collected, and that W-2s report income accurately.

COMBINED COMPENSATION PROGRAM

Issue

For many of the unemployed, temporary staffing agencies are an integral part of their job search. However, the current unemployment insurance system, in certain instances, creates a disincentive for individuals who receive unemployment insurance to work in a temporary job, which could serve as a working interview and possibly lead to permanent placement.

The following example provides an illustration. Let's say that an individual, who previously held a job as a carpenter, is now unemployed and receives \$350 per week in unemployment insurance. If she goes to a branch of a temporary staffing agency and applies as part of her required job search, she is often incentivized to turn down an offer for a temporary job because she is likely to lose her unemployment insurance and/or she may receive more money by collecting unemployment insurance. This keeps her from accepting a job that may teach her new skills or that could lead to an offer of permanent employment.

Proposal

One option for addressing this issue is to establish a new "Combined Compensation Program" ("Program"). The Program would modify the incentive structure of the unemployment insurance system by encouraging individuals to accept temporary or seasonal employment while maintaining their eligibility to remain on unemployment.

Under the Program, an individual who accepted a temporary or seasonal job would continue to be eligible to receive unemployment insurance, but at a reduced rate. The reduced unemployment insurance payment would compensate the individual for the gap between their earnings and their standard unemployment insurance payments.

For example, assume that an individual accepted a temporary or seasonal job that paid \$325 per week. In order to compensate for her lower weekly earnings (she received \$350 on unemployment insurance), unemployment insurance would pay her a flat percentage of her standard unemployment insurance payment in order to compensate for the difference.

The Program would have a number of benefits. First, the unemployed individual is back at work. Second, businesses that need workers on a temporary basis have the flexibility to position themselves for growth or meet short-term demand. Third, the unemployment insurance program benefits because fewer unemployment insurance funds are expended when transitioning the unemployed to work the individual is working at least part of the time. Finally, the unemployed individual also wins because this job could teach her new skills for her next job or could turn into a permanent job with one of the businesses to which she is assigned by the temporary staffing company.

CONCLUSION

TrueBlue greatly appreciates the opportunity to submit this statement. As Congress considers policies and programs to assist our nation's unemployed, we strongly urge consideration of proposals similar to the Combined Compensation Program, which are a win for the unemployed individual, a win for the business, and a win for the government. We are happy to be a resource to Congress, the Committee, and the Subcommittee and we look forward to our continued work together on these issues.