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Sector Surcharges for Temporary Agency Workers in Germany: A Way Out of the Low-Wage Sector?

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ABSTRACT

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Sector-specific surcharge collective labor agreements between the bargaining partner in the staffing industry allow for a reduction of wage gaps between agency workers and permanent staff in case of long-term job assignments to user companies. Stepwise surcharges up to 50% after a surcharge-free period between four and six weeks gradually close the wage gap for temporary agency workers in nine industries. The paper summarizes the development that lead to these collective labor agreements and analyses repercussions on potential upward mobility of previously unemployed who start their career as agency workers in the low-wage sector. Furthermore, it highlights the interaction with the basic income scheme, documents new evidence on sustainable employment and draws conclusions for the precarious work discussion. It turns out that these new surcharges allow agency workers to leave the low-wage sector in case of longer job assignment in the core user company industries such as the metal and electrical industry.

JEL Classification: I2, J2, J4

Keywords: temporary agency work, staffing industry, collective labor agreement, low-wage sector, precarious work

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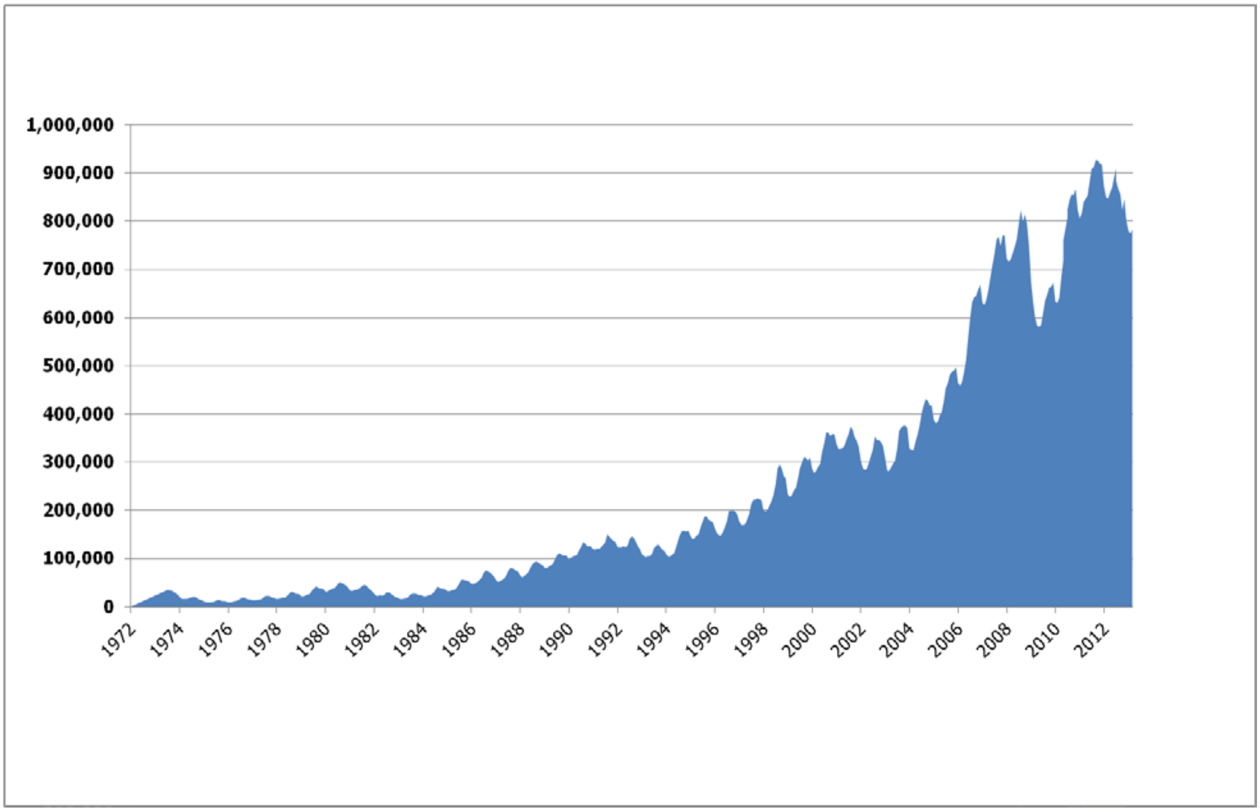
Sector Surcharges for Temporary Agency Workers in Germany: A Way Out of the Low-Wage Sector?

In 2012 and 2013, several German trade unions and staffing industry confederations agreed to what are known as *Branchenzuschlagstarifverträge* – or, roughly, sector-specific surcharge collective labor agreements. These agreements, which will be effective through 2017, provide for the gradual equalization of wage differences between agency workers and permanent staff in the most important sectors served by temporary work agencies. After nine months of assignment to a user company, temporary agency workers now earn as much as an equivalent permanent staff member. This equalization of earnings represented a response on the part of trade unions and industry to changed perceptions regarding fairness among the German citizenry: in this period of high employment and low unemployment rates, Germans have come to disapprove of permanent wage differences between groups of employees working in equivalent jobs. A number of specific issues have been raised in the public debate over temporary agency work, including low wages, the lack of upward mobility, the role of supplementary basic income (so-called *Aufstocker*), and precarious work. Against this backdrop, this paper explores whether the agreed-upon sector surcharges for temporary agency work will help the formerly unemployed to achieve permanent employment and escape the low-wage sector.

1. Forty Years of Temporary Agency Work in Germany

Since 1972, temporary agency work in Germany has been legally regulated by the Temporary Employment Act (AÜG). The demand for temporary employees is dependent on the economic cycle, and, in addition, fluctuates seasonally. In the three decades following 1972, temporary work played only an insignificant macroeconomic role. By the end of the 1980s, there were just 100,000 temporary agency workers in Germany, and prior to the enactment of the Hartz reform laws in 2003-2004, this number had only risen to 300,000. It was only with the deregulation of temporary agency work in 2003 in combination with an economic growth spurt during the last decade that temporary agency work turned into Germany’s "No. 1 Job Engine" in 2005 and 2006, as illustrated in Figure 1. While the economic and financial market crisis that erupted in 2007 led to an abrupt 30% decline in temporary agency work within a few months, demand for agency workers recovered rapidly, and by mid-2011, it had reached a new peak of over 900,000 agency workers. Since then, there has been a slight tendency toward a decline. In the spring of 2013, the estimated number of temporary agency workers in Germany fell significantly below 800,000 (see Federal Employers' Association of Staffing Services 2013).

Figure 1: Temporary Agency Workers in Germany, 1972-2013



Sources: Federal Labor Agency (2013e) and Federal Employers' Association of Staffing Services (2013)

As an external flexibilization instrument, temporary agency work has contributed to the fact that for the first time since 1970, the structural unemployment rate has once again begun to decrease (see Association of German Employers' Confederations 2013). In its annual reports, the German Council of Economic Advisors has repeatedly stressed the importance of temporary agency work for the labor market. In its 2011/2012 report, for example, the Council stated, "… the major flexibilization potential that temporary agency work has offered firms lends support to an overall positive assessment of temporary agency work" (Sachverständigenrat 2011, p. 297).

Nevertheless, the "new role" of temporary agency work (Spermann 2012) has been subjected to recurrent critical scrutiny, especially on the part of labor unions. Criticism generally revolves around three points: (1) the hypothesis that temporary agency workers displace permanent staff; (2) the disadvantages of temporary agency work compared to so-called normal employment; and (3) deficiencies in fairness when one compares pay levels between agency workers and permanent staff.

(1) Displacement of Permanent Staff by Agency Workers

There is anecdotal evidence for the fact that companies sometimes decrease their permanent staff in favor of agency workers (see Dauser 2009 and Wetzel & Weigand 2011). However, looking beyond isolated incidents of displacement, the real question is whether such displacement is widespread and, by extension, macroeconomically significant. Several statistical analyses comparing change in the number of temporary workers and the number of permanent staff within a firm or sector find no evidence to support the displacement hypothesis (see Crimmann et al. 2009 and Baumgarten & Kvasnicka 2012). However, newer empirical evidence based on a macroeconomic model does suggest that in the period up to 2010, while additional jobs were created, displacement also occurred (see Jahn & Weber 2013). The authors conclude, "If one considers, for example, an increase in the number of agency workers by 200,000 (such as occurred in the boom years of 2006 or 2010), about 100,000 jobs were displaced from outside the temporary agency work sector, but a total of 100,000 additional employment relationships were created" (Jahn & Weber 2013, p. 5).

(2) Comparisons to Normal Employment

Critics of temporary agency work frequently draw comparisons to so-called normal employment, i.e. permanent positions subject to social insurance contributions, in order to highlight the lesser desirability of temporary agency employment. Yet such comparisons implicitly assume that temporary agency workers have the alternative of working as permanent employees. Accordingly, a more realistic comparison would be to examine the alternative of unemployment. The Council of Economic Experts has made illustrative remarks in this connection: "Certainly, compared to a normal working situation, contract work is inferior, since it is characterized by lower wages and inadequate employment stability. However, notwithstanding this, agency work does not necessarily run counter to the preference of all temporary agency workers. Temporary agency work is always preferable to unemployment, and it helps the unemployed find a pathway to the primary labor market" (Sachverständigenrat 2011, p. 297).

A recent study by Gebel (2013) compares agency workers (treatment group) with unemployed individuals who are continuously looking for work (control group). Gebel applies a dynamic propensity score matching approach to examine data from the Socioeconomic Panel Study from 1991 through 2009. This database permits comparison of employment probabilities for up to five years after beginning employment through a staffing firm. The author identifies a positive causal effect of temporary agency work for the treatment group in comparison with the control group. The treatment group's probability of employment was 12 percent greater in Western Germany and 8 percent greater in Eastern Germany. Thus, according to the study, temporary agency work not only leads to improved chances of employment in the short term, but also in the long term.

(3) Deficiencies in Fairness

During periods of high employment, low unemployment, and full employment in a few regional labor markets, greater stress is placed on considerations of fairness with a view to compensation received than during periods of high unemployment. The debates over legal minimum wages, the low-wage sector, and equal pay for full-time staff and temporary agency workers are difficult to understand outside of this context. Möller (2012) originally proposed a phased model for equalizing the pay scales of full-time staff and agency workers. Labor unions and industry representatives reacted to changing perceptions concerning unfairness in Germany, and in 2012 and 2013, concluded sector surcharges based on a phased equalization model.

2. Sector Surcharges for Temporary Agency Workers

2.1 History

The collective labor agreements on sector surcharges, which were concluded with the unions IG Metall (metalworkers), IG Bergbau (mining), Chemie und Energie (IG BCE) (chemicals and energy), the Eisenbahn- und Verkehrsgewerkschaft (EVG) (railroad and transport workers union), and Ver.di (service sector trade union), provide for the equalization of temporary agency workers' wages to those earned by full-time permanent staff. These sector-specific surcharge collective labor agreements supplement the collective labor agreements concluded between the temporary work agency associations and the Federation of German Trade Unions (DGB), which were initially signed about ten years ago (see Federal Employers' Association of Staffing Services 2012). The focus at that time was on bringing more individuals into the work force, based on the argument that work generally makes people happier than being unemployed. With the signing of the collective bargaining agreement ten years ago, the unions and staffing industry established a permanent exemption from the legal requirement that equal pay be granted to permanent staff and temporary agency workers. The expectation was that this agreement would make it possible for a greater number of unemployed individuals to secure employment in the labor market.

Indeed, temporary agency work initially fulfilled these expectations in 2005 and 2006, serving as Germany's primary job engine. However, the steep decline in temporary agency work during the financial and economic crisis, the replacement of full-time staff with lower-paid temporary agency workers by the now bankrupt pharmacy chain Schlecker (which was perceived as a scandal), and the permanent discrepancies in pay between full-time staff and temporary agency workers in long-term client placements have all contributed to a change in public perceptions concerning temporary agency work. In the wake of numerous media reports and a negative publicity campaign by the IG Metall metalworkers union, the staffing industry found itself on the defensive. Negative publicity led to several responses on the part of Germany's temporary work agencies, including a collective labor agreement designed to prevent Schlecker-type cases, as well as a collective labor agreement for a unified sectoral minimum wage in Eastern and Western Germany.

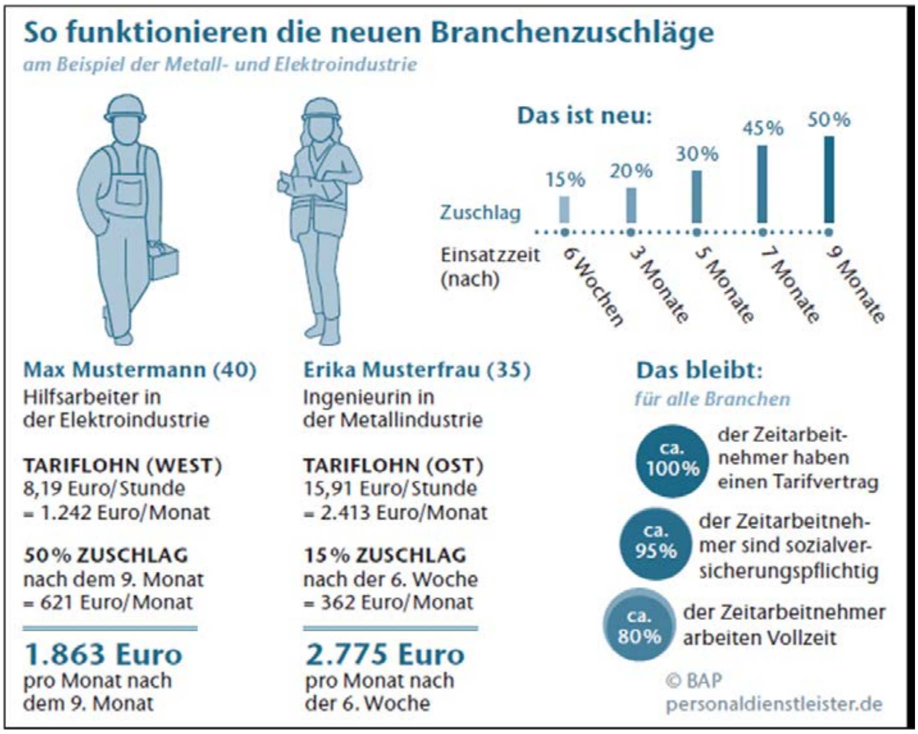
Despite these measures, policymakers felt compelled to take action. At the beginning of 2011, temporary agency work was the focus of a parliamentary conciliation procedure that increased long-term unemployment benefits by 5 euros. Suddenly, equalization of pay between permanent staff and temporary workers at the commencement of an assignment or following a brief orientation period was on the table, despite the collective labor agreement for the staffing industry that was currently in force. Ultimately, the policymakers issued an ultimatum to unions and management, giving them one year to come up with a collective labor agreement that would take into account debates concerning fairness. Moreover, in May 2011, in addition to the existing collective labor agreement, a so-called "revolving door clause" was incorporated into the Temporary Employment Act (AÜG). It aimed to reduce the replacement of permanent staff by temporary agency workers. The Federal Cabinet also decided to introduce a compulsory minimum wage for the staffing industry, effective 1 January 2012.

Accordingly, exploratory talks began in March 2011 between the Federal Employers' Association of Staffing Services (BAP) and IG Metall (the metalworkers union). On 2 December 2011, an initial negotiated agreement was reached between BAP and IG BCE (the chemicals and energy union) (see detailed discussion in Randstad 2012). As a result, on 22 February 2012, the two temporary work organizations, BAP and the IGZ (German Association of Temporary Employment Agencies), formed a joint negotiations association (VGZ), which went on to conclude a total of nine sector-specific collective labor agreements with the unions (see Annex 1) between 2012 and the end of June 2013.

2.2 Basic Structure

The nine sector-specific surcharge collective labor agreements that have been concluded, each of which has a term of five years, have a basic structure that is oriented to growth in agency worker productivity at the placement company: there is a surcharge-free period (4–6 weeks), followed by a staggered increase in surcharges up to a maximum of 50% after a period of assignment of nine months to the same user company. The example of an unskilled worker in the metals and electronics industry in Western Germany illustrates the scope of the wage increases – from €8.19 per hour to €12.29 per hour (or from €1,242 per month to €1,863 per month) during a company assignment (see Figure 2 and Annex 2).

Figure 2: **The New Sector Surcharges for Temporary Agency Workers**



Source: Federal Employers' Association of Staffing Services (2013)

The underlying rate is still based on the collective labor agreement for temporary agency work that runs through the end of October 2013 and is currently under renegotiation (see Federal Employers' Association of Staffing Services 2012a). The sector-specific surcharge collective labor agreements also apply to companies belonging to the same sector that are not bound by a collective labor agreement. However, they do not apply to the handcraft sector. A cap agreement establishes a maximum total wage for temporary agency workers in individual cases at 90 percent of the comparable wage through curtailment of the sector surcharge (see Federal Employers’ Association of Staffing Services 2012b, p. 4). In determining the cap, the formula uses the comparable wage earned by permanent staff at the time they are first hired – not the comparable wage of a permanent worker with an average number of years at the company.

2.3 Interim Summary

The nine sector-specific surcharge collective labor agreements may be interpreted as a response to changed sensitivity to unfairness on the part of the German populace during a period of low unemployment, increased demand for skilled labor, and full employment in several regions. The surcharge-free period during the first weeks of an job assignment as well as the staggered increases in wages within a nine-month period take into consideration the fact that to date, most temporary agency workers join the staffing industry having been unemployed or non-employed – and, accordingly, can only increase their productivity at a slow pace. Union and management negotiators have thus balanced sensitivity to unfairness with labor market necessities (for a detailed presentation, see Randstad 2012).

The terms set forth in the sector surcharge collective labor agreements are difficult for staffing firms to administer. Nevertheless, a survey of 40,000 temporary agency workers conducted by the IG Metall union found that the implementation of the surcharges has been largely successful (see IG Metall of 24 May 2013). According to the survey, 42% of respondents had received surcharges. Sixteen percent of respondents were already being paid above the level prescribed by the collective labor agreement; in such a case, surcharges are calculated based on compensation under the collective labor agreement. Among those surveyed, 23% reported that they were unsure if they were receiving surcharges. Only 7% reported receiving no surcharges, but it cannot be excluded that some respondents were unaware of the basic provisions concerning surcharges (especially that the first 4–6 weeks of a job assignment are surcharge-free).

More than six months after the introduction of the surcharges, leading staffing firms that the supplements are accepted by the overwhelming majority of placement companies (see Staffing Industry Analyst, 28 May 2013). According to industry associations, the decrease in the number of temporary workers witnessed since the introduction of the surcharges has been predominantly the result of the large numbers of temporary agency workers hired as permanent staff by user companies as well as changes in the business cycle. They were unable to determine any causal effects from the introduction of surcharges on the number of temporary agency workers in Germany, although it is plausible that the increased cost of temporary agency work resulting from the surcharges could cause a short-term decline in the demand for temporary agency workers.

3. The Low-Wage Sector in Germany

3.1 Defining Low Wages

At first glance, the OECD definition of the low-wage sector, widely used internationally, seems straightforward enough: The low-wage threshold is defined at two-thirds of the median full-time wage, and wages below this threshold are defined as low wages. However, the exact value of this threshold varies from database to database and from author to author, as can be seen in a 2010 comparison of low-wage thresholds for Germany.

According to figures issued by the German Federal Statistical Office based on the 2010 Structure of Earnings Survey, the 2010 low-wage threshold was an hourly wage of 10.36 euros. This meant that 20.6% of all employed individuals in 2010 were working for a low wage – nearly two percentage points higher than in 2006 (see Federal Statistical Office 2012). No absolute figures have been published. The Structure of Earnings Survey is based on data from about 1.9 million paid employees in 32,000 firms in the manufacturing industries and the service sector with ten or more employees, and it is conducted every four years.

The Socio-Economic Panel Study (SOEP) provides an additional source of data for determining the low-wage threshold. The SOEP, which is maintained by the German Institute for Economic Research (DIW) in Berlin, is the best-known household panel study in Germany. The SOEP does not directly survey hourly wages. Instead, it calculates them based on the typical number of working hours in the week and the gross monthly wage.

Karl Brenke, a labor market economist at DIW, used SOEP data from 2012 to calculate a low-wage threshold of 9.25 euros per hour. His analysis indicates that the low-wage sector has remained roughly the same size since 2006, comprising 22% of all employed persons. He estimates that the number of low-wage earners in 2010 was 7.3 million (see Brenke 2012). For a number of years, Kalina and Weinkopf (2012) have been analyzing SOEP data to determine the rate of low-wage employment. By their calculation, the low-wage threshold is 9.15 euros, and 23.1% of all employed individuals were working in the low-wage sector in 2010. If one includes secondary school and college students and retirees in the calculation, 7.9 million German employees were earning low wages.

The SOEP is not well suited for analyzing the scope of temporary agency work, despite the fact that since 2003, it has included questions about employment in a temporary agency work relationship. The responses suggest a much larger number of temporary agency workers than indicated by statistics from the Federal Employment Agency. The reason for this discrepancy may well be a misinterpretation of the question. In their understanding of temporary agency work, respondents to the SOEP survey also include forms of temporary placement within a firm, short-term assignments, and other kinds of time-limited employment (see Kalina & Weinkopf 2008, p. 457). For this reason, in the following discussion, we will apply the low-wage threshold as calculated by the Federal Statistical Office for 2010.

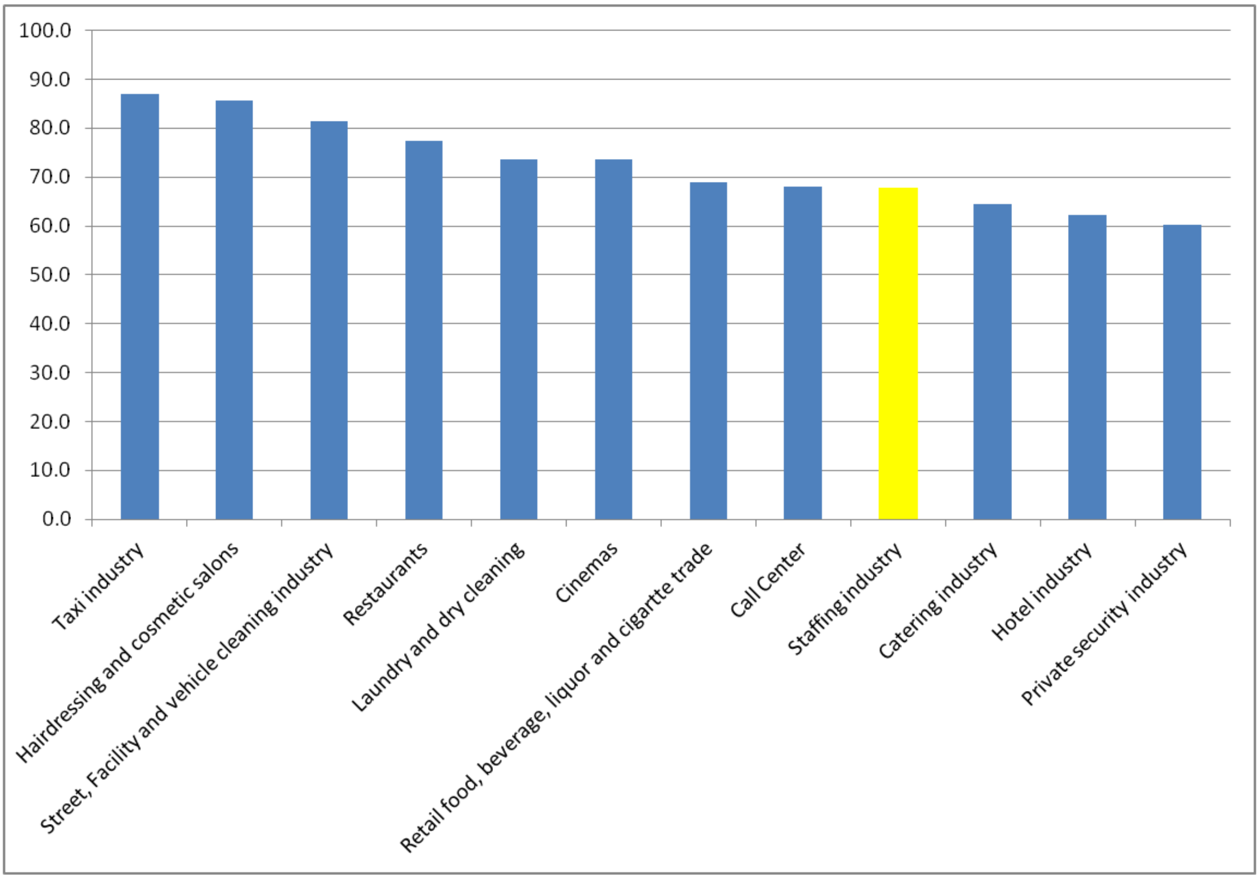
3.2 The Staffing Industry as part of the German Low-Wage Sector

Since temporary agency workers are typically young and relatively unskilled, and since two-thirds of them are emerging directly from unemployment or non-employment, one would expect that a significant proportion of temporary agency workers would be starting out in the low-wage sector (see Federal Employment Agency 2013a and Spermann 2011, 2012). The current minimum wage in the staffing industry is €8.19 per hour in Western Germany and €7.50 per hour in Eastern Germany – for the simplest jobs. Because the sector is almost totally subject to collective labor agreements and as a result of the minimum wage limit that has been in effect as part of the Temporary Employment Act since the beginning of 2012, no temporary agency workers in Germany are earning less than this hourly wage. Higher skilled jobs are paid according to higher pay categories (see also Annex 1 and 2).

The most reliable source of data on worker remuneration is the Structure of Earnings Survey. According to this data source, the low-wage threshold for 2010 is a gross hourly wage of 10.36 euros. A caveat with regard to this survey is that during the year under examination, the minimum wage for temporary agency work was still somewhat lower and no generally binding minimum wage was yet in force.

According to information from the Federal Statistical Office for 2010, 68% of temporary agency workers would be classified as low-wage earners. For the sake of comparison: 87% of employees in the taxi industry were low-wage earners; in hairdressing and cosmetic salons, this figure was 86%; in the street, facility, and vehicle cleaning industry, the low-wage rate was 82%. For workers at restaurants, eateries, fast-food stands, cafés, and ice cream parlors, the proportion of low-wage earners was 77%, and in the laundry and dry cleaning sector it was 74%, while in the retail food, beverage, liquor, and cigarette trade it was 69%. The staffing industry ranks below all of the sectors just named in its share of low-wage employees (see Figure 3).

Fig. 3: Proportion of Low-Wage Earners in Germany by Sector, 2010



Source: Federal Statistical Office 2012

3.3 Upward Mobility in Germany

It is problematic for society as a whole when people become permanently stuck in low-wage employment (i.e. the “low-wage trap”). This may result in “low-pay, no-pay” cycles (see OECD 2008). However, it is not a problem if people are able to move from unemployment to low-wage employment – and, after a certain interval of time, grow beyond the low-wage sector, whether through increased hours or a higher hourly wage. A certain measure of sustainable upward mobility does exist in Germany according to recent empirical studies.

Schäfer & Schmidt (2011) analyze SOEP data from 1994 to 2009 and come to the conclusion that there is a greater likelihood of rising out of the low-wage sector than falling into the low-wage sector. In their study, the authors examine entries and transitions into the low-wage sector as well as exits and transitions out of the low-wage sector. They show that during the period under examination, just about one half of all exits from the low-wage sector were in the direction of so-called normal employment. However, it was also clear that unskilled workers faced a greater likelihood of entering the low-wage sector than university graduates.

Grün et al. (2011) analyze administrative microdatabases for the period 1975-2004 from the IAB's employment survey (Institute for Employment Research, IABS). The authors explore whether low-wage jobs constitute a bridge to better-paid jobs or at least to stable employment. They show that unskilled workers are at particular risk of permanent low-wage employment – i.e. their chances of getting stuck in a low-wage trap is the greatest. Using estimates based on a hazard rate model with unobserved heterogeneity, they find no persuasive evidence for the existence of a "low-pay, no-pay" cycle in Germany. Instead, they find that labor market opportunities are better for low-wage earners than for the unemployed. By contrast, based on IABS data for 1984-2004, Aretz & Gürtzgen (2012) find that there is an increasing proportion of workers who remain stuck in the low-wage sector.

Stephani (2012) applies multivariate analytic methods to examine linked employer-employee data for Germany for 2001-2006. The study confirm that only 15% of all low-wage earners managed to move up to higher paid jobs over a three-year period. Yet the majority of low-wage earners (over 60%) who moved up from the low-wage sector by 2004 were still employed in higher paying jobs two years later. The authors believe that this finding indicates that upward mobility for low-wage earners is not merely a temporary phenomenon.

To summarize, it should be noted that existing studies only partially incorporate the positive changes in the labor market that followed the Hartz reforms in 2003 and 2004, as they generally consider only the period before 2009. Yet the empirical findings predominantly suggest some upward mobility – even if its scope is limited.

4. Do Sector-specific Surcharges Offer a Way Out of the Low-Wage Sector?

Management and labor representatives have signed surcharge collective labor agreements that equalize the earnings of agency workers with that of permanent staff in various sectors. The collective labor agreements are designed to take into consideration differences in pay scales between various sectors and regions. To date, however, little attention has been devoted to their impacts on the political debate concerning the low-wage sector.

4.1 Key User Company Industries for Staffing Agencies

In many sectors, the surcharges are conceptually designed to offer a way out of low-wage employment. If we take as a reference point the threshold of €10.36 per hour, as calculated by the Federal Statistical Office for 2010, and compare it with pay received, we discover some interesting findings. Temporary agency workers in the lowest pay category who receive job assignments by their staffing agency to a Western German firm in the metalworking and electrical industry or the chemicals industry grow out of the low-wage sector after just five months. In Eastern Germany, this transition takes seven months. In the Western German printing industry, the transition out of low-wage employment takes seven months, while in the Western German lumber industry, it takes nine months to rise above the threshold of €10.36 per hour. However, for job assignments in other industries (the plastics, rubber, rail traffic, paper, cardboard and plastics processing, textiles and clothing, and wallpaper industries) agency workers never exceed the €10.36 pay threshold (see Annex 2). Thus, the sector-specific surcharge collective labor agreements assure that lowermost pay categories in the industries of greatest importance for staffing agencies, workers are able to emerge from the low-wage sector through agency work – provided the agency worker is assigned to a company for a sufficient period of time.

One limiting factor is that these considerations are based on a comparison of collectively negotiated wages for 2013 with the 2010 low-wage threshold. In addition, the low-wage threshold does not distinguish between Eastern and Western Germany, which has divergent pay and price levels. However, more recent data on the low-wage threshold are not yet available, and the Federal Statistical Office only issues a single low-wage threshold for all of Germany. If one includes increases in the low-wage threshold from the previous year, as is suggested by the SOEP data in the comparison (annual figures are available, although the latest is also from 2010), we would have to assume a higher threshold. For example, if we based our calculations on an increase in the threshold to €11 per hour, the time it would take a worker to exit the low-wage sector would be prolonged accordingly. The fundamental conclusion, however, would remain the same.

In any case, surcharge collective labor agreements were not concluded with all industrial branches – particularly because in quite a few branches, the collectively bargained pay scale is below that paid to agency workers. This is typically true in other service branches (see Chapter 3). The collectively bargained salary scales in these branches could be raised through the adoption of a minimum wage – an issue debated intensely at present by all political parties.

4.2 The Role of supplementary basic income (*Aufstocker*)

The question of supplementary basic income (*Aufstocker*) is a complicated issue. The term *Aufstocker* refers to supplemental tax-financed public benefits received by low-income employees conditional on a means-test. In practice, however, the meaning of the term has become corrupted – and it is principally used to refer to long-term basic income recipients being supplemented by the limited pay received from a so-called “minijob” (marginal employment that does not pay more than 450 euros per month). The reason for this use of the terminology is not hard to understand: if a person earns more than a minijob income (450 euros), then the benefit reduction rate becomes (almost) 100 percent, and, as a result, net monthly pay is only marginally higher than what one would receive from the basic income system (Hartz IV benefits) and working a minijob. This is why basic income (=Hartz IV benefits=Arbeitslosengeld II) are supplemented (*aufgestockt*) through minijobs – and not vice versa. We will not delve into a detailed presentation of the benefit reduction rates of the German basic income system – we refer the reader instead to IAB summary report No. 24/2010 (see Bruckmeier et al. 2010).

According to the Federal Employment Agency (2013), the number of supplementary basic income recipients who are employees *(=Aufstocker)* has remained constant for years at between 1.2 and 1.3 million individuals. More than half of them have only a minijob, while an additional 20% work part time. Only 300,000 recipients of supplementary basic income are employed full-time – and their number has been falling steadily for years. According to calculations by the Institute for Employment Research (IAB), only 11,000 full-time employed single individuals were eligible for supplementary basic income for longer than one year (see BDA 2013, p. 35). According to the IAB, two thirds of the recipients of supplementary basic income in Western Germany work at an hourly rate below €7.50, and in Eastern Germany, this figure is as high as 85 percent (see Möller 2013). For the purpose of comparison: the minimum wage for temporary agency work in Western Germany is €8.19 per hour and in Eastern

Germany, it is €7.50 per hour. Thus, even temporary agency workers employed full time in jobs subject to social insurance contributions at the lowest wage standard generally have no claim to basic income – except when their rental costs are unusually high and/or a larger household has to live on the earned income.

A minimum wage of €8.50 per hour by no means resolves the problem of supplementary basic income, even though this is commonly claimed. There is no way that a minimum wage of €10, as proposed by the party Die Linke, would eliminate the need to supplement earned income across the board. Once again, in the event of a high rental burden and/or a large household, these employees would need to receive supplementary basic income. However, the current benefit reduction rates guarantee that basic income recipients are left with more money in their pockets than those individuals without working income – not a great deal more, but significantly more.

4.3 The Impact of the Child Supplement

For families earning a gross monthly income of at least €900, there is a less well-known path out of the basic income scheme (Hartz IV) – the *Kinderzuschlag*, or child supplement. The child supplement (not to be confused with *Kindergeld*, or the child benefit) is configured so that despite low income, families may not need to apply for means-tested basic income. The "Child Supplement" leaflet published by the Federal Employment Agency states that "the computed child supplement, together with other income and/or family assets and possibly allocated housing allowance, must be sufficient to meet the needs of the entire family, such that they have no entitlement to basic income (=*Arbeitslosengeld II=Hartz IV*)/income support" (see Federal Employment Agency 2013c). As a consequence, even before the introduction of the sector-specific surcharges, full-time temporary agency workers with a family to support did not need to draw on the basic income system. For single-person households the amount of their monthly rent is still the critical eligibility factor for supplementary basic income, with or without the sector surcharges.

4.4 Toward Sustainable Employment

On behalf of the Bertelsmann Stiftung, Baumgarten & Kvasnicka (2013) at RWI Essen used data from the IAB Sample of Integrated Labor Market Biographies (SIAB) through 2008 to examine two frequent questions of public debate. First, is there such a thing as a "glue" effect – that is, are temporary agency workers taken over as permanent staff by user companies? Second, does temporary agency work serve as a springboard for assuring the successful transition to so-called normal employment subject to social insurance contributions outside of the staffing industry?

There is, in fact, a "glue effect," that is, some proportion of new hires by companies that use temporary agency workers are former agency workers, but this proportion is relatively small – for the first half of 2008, it was only 12 percent. In the public discussion of the "glue effect," the figure often cited is 30 percent. The typical pattern is for the glue effect to fluctuate along with the economic cycle. At Randstad Deutschland, the glue effect even rises above 30% during periods of rapid economic growth, when user companies absorb large numbers of agency workers – with major implications for job applicant recruitment.

The springboard effect also exists, as was shown in a 2010 study by IAB authors Lehmer and Ziegler using a control-group comparison. Baumgarten & Kvasnicka (2012) reported even higher figures: those individuals who secured employment via temporary agency work were more likely to be employed two years after entry than their otherwise identical counterparts. After two years, their likelihood of being employed was 17 to 24 percentage points higher. This is a remarkably high figure when compared to the effects of other labor market policy interventions.

The authors also investigated the evolution of worker's income after entry into temporary agency work. This part of the study is of great importance for analyzing the sustainability of employment (see Figure 4). The authors write, "For the majority of individuals who were unemployed in 2005 and took on temporary agency work directly out of unemployment (a total of 4,885 individuals), the illustration first shows … for the initial 24 months after entry in temporary agency work (in three-month intervals) the proportion of those persons who are employed (inside or outside of temporary agency work), working in a temporary agency work setting or working in a job outside temporary agency work" (Baumgarten & Kvasnicka 2012, p. 20, my translation).

For a number of reasons, many employment relationships in temporary agency work are rapidly terminated. According to the official statistics on temporary work released by the Federal Employment Agency, during the first half of 2012, about 10 percent of all terminated temporary agency work relationships ended within the first week of employment (see Federal Employment Agency 2013a). This selection process is reflected in Figure 4. After one month, only 70 percent of previously unemployed individuals are still employed. Subsequently, the employment rate remains more or less constant over the first two years following entry into temporary agency work. After two years, 70% of these employees are still working (either within or outside temporary agency work). The authors summarize, "The majority of workers who undertake employment in temporary agency work directly from unemployment have clearly been able to achieve a long-term end to their unemployment in this way" (Baumgarten & Kvasnicka 2012, p. 20). Thus, the authors substantiate the fact that on average, entry into the labor market through temporary agency work leads to sustainable employment.

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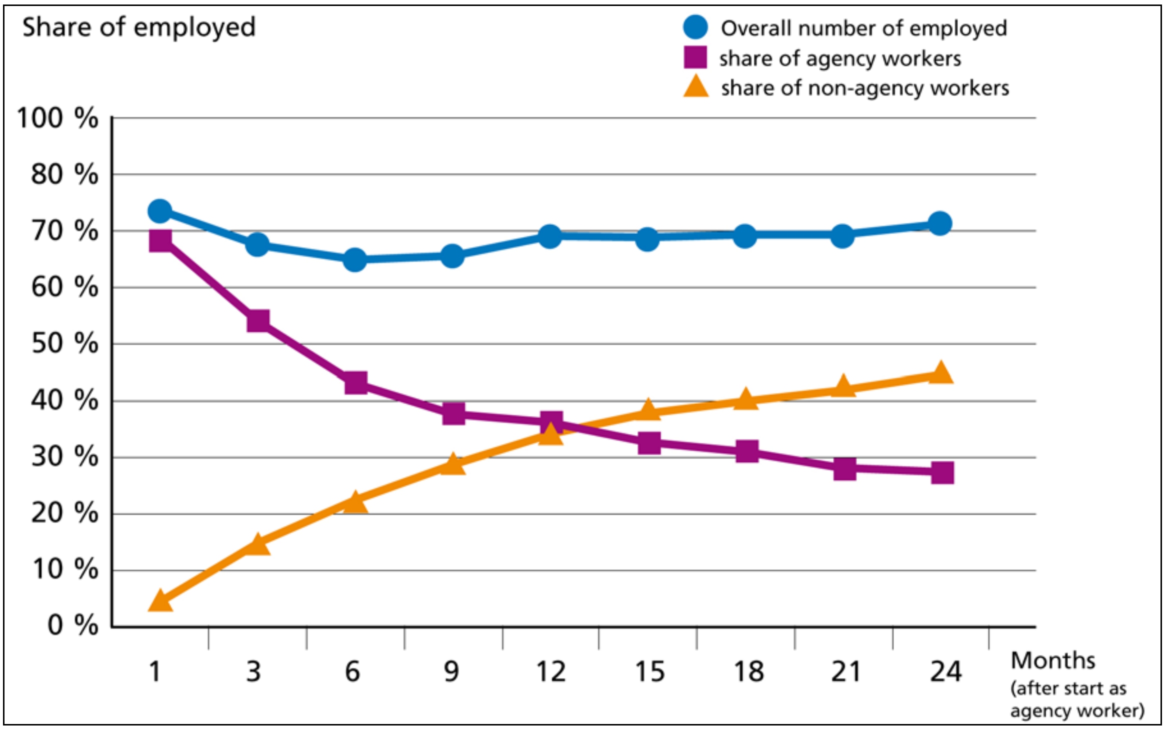
Figure 4: Agency work and sustainable employment



Source: Baumgarten/Kvasnicka 2012

An innovative statistical assessment by the Federal Employment Agency (2013b), which for the first time integrated an analysis of unemployment together with employment statistics, came to a similar conclusion. According to this study, in 2011 around 404,000 individuals ended unemployment by accepting a temporary agency work position subject to social insurance contributions. Six months later, of these new entries to agency work, 73% remained employed in a job subject to social insurance contributions, and twelve months later, this figure had only dropped to 61%. The authors summarize, "All in all, the findings indicate that the incorporation of unemployed individuals in the employment system through temporary agency work has a better rate of success than one might initially conclude from the brief employment periods reflected in the statistics on temporary agency work (Arbeitnehmerüberlassungsstatistik) ” (Federal Employment Agency 2013b, p. 16).

For both of these analyses, there is an important caveat: they each involve consideration of percentages at various time points. This method does not assure, for example, that seventy percent of all individuals were continuously employed during the same time period for two years. One person could become unemployed after six months while another person found a job; in this instance, the percentages would not change. Future research studies should follow individuals over time. Ideally, studies should not stop at identifying employment relationships by temporary agency workers at staffing agencies (through so-called linked employer-employee data), but in addition, should also survey the various job assignment at user companies. This research approach would better match the nature of temporary agency work – which involves the time-limited job placement of workers at companies.

4.5 Temporary Agency Work and Precarious Employment

In the political debate, temporary agency work is often characterized as precarious. Precarious employment is equated with insecure employment, poor wages, and brief tenure (see Standing 2011, Wetzel & Weigand 2011). As a rule, however, there has been no precise definition for the term “precarious.” For Germany, two empirical studies have attempted to operationalize this term.

Brehmer & Seifert (2008) seek to measure precariousness using the criteria of wages, employment stability, and participation in further training. The authors estimate a random effects model using data from the SOEP for the period 1989 to 2007. In their study they compare so-called atypical employment with a normal employment relationship, but not with the alternative of unemployment. Their analysis finds that temporary agency work is precarious by the criteria of wages and employment stability, but not with respect to participation in further training.

Dütsch (2011) operationalizes precariousness along seven dimensions: wages, employment stability, training options, recognition and social relationship, work stress, health status, and overall satisfaction. He also uses SOEP data, but focuses exclusively on temporary agency work for the years 2006 and 2007. Dütsch applies a propensity score matching method to compare temporary agency work with so-called normal employment. Compared to normal employment, temporary agency work ranks more poorly in all dimensions – but it is only precarious with respect to a single dimension. The author summarizes, “Thus, across most of the dimensions analyzed here, the form of employment known as temporary agency work cannot be characterized as precarious. … Moreover, temporary agency work is precarious due to the instability of employment" (Dütsch 2011, p. 299).

Combined with newer and higher-quality data from the Federal Employment Agency, the studies cited in the previous chapter indicate that temporary agency work leads to sustainable employment. Future research studies will show whether this finding can also be reproduced with SOEP data.

5. Summary and Outlook

Last year, after forty years of existence in Germany, the temporary agency industry came to a turning point. At the urging of political leaders, a series of sector-specific surcharges were negotiated between unions and management in the staffing industry. For each industry, the collective labor agreements stipulate that after an initial surcharge-free job assignment of 4 to 6 weeks, staggered surcharges are to be paid according to the length of the job assignment at a user company. After nine months on the job at a user company, temporary agency workers earn a surcharge of up to 50%, so that as a rule, they achieve equality of pay with permanent staff. The sector-specific surcharges will be in force for a period of five years. Implementation of the sector surcharges has been generally successful despite the fact that they are very difficult to administer, and consumers of temporary agency work – the companies using the services of staffing agencies – have largely accepted the associated increase in service costs (as of the end of June 2013).

In the context of high labor participation rates and low unemployment in Germany, a change in the level of public sensitivity to unfairness made it necessary to equalize the wage differences between permanent staff and temporary workers. Ten years ago, collective labor agreements were concluded between the largest employers association in the staffing industry and the German Trade Union Confederation (DGB), and these agreements explicitly encoded a permanent exemption from the principle of equal pay for permanent staff and temporary agency workers. This collective labor agreement will remain in effect until the end of October 2013 and is currently in the process of renegotiation. It appears that in principle, the unions have come to accept the once-rejected staffing industry as a negotiating partner, not least because tens of thousands of temporary agency workers have been solicited to become union members. Today, staffing agencies have been recognized as employers in Germany and temporary agency work is generally recognized as a legitimate sector.

Nevertheless, there are many labor market issues with a negative valence that are associated in the public mind with the staffing industry. This paper has taken a critical look at these issues based upon the professional literature. The most important findings include:

1. Even after the negotiated increases in contractual wages, the staffing industry is still primarily a low-wage sector in its lowest pay categories, as measured against a low-wage threshold of €10.36 per hour in 2010. For the sake of comparison, one should recall that the legally mandated minimum wage standard as promoted by a few political parties is likewise in the low-wages category.
2. A low-wage job as a point of entry to the labor market is not a dead end. According to recent empirical studies in Germany, upward mobility does exist in Germany, although it is small, and it is not just a transient phenomenon.
3. The agreed-upon sector-specific surcharge collective labor agreements are designed to provide a route out of the low-wage sector for the most important industries that make use of temporary agency workers. In the West German metals and electrical industry, the transition out of the low-wage sector may occur as soon as five months after starting a job assignment as an agency worker at a user company.
4. Even for those individuals employed at the lowest pay scales in agency work positions subject to social insurance contributions, there is typically no entitlement to supplementary basic income. So-called *Aufstocker* households (those receiving supplementary basic income) arise as the result of high rental costs in urban areas and when there are many children in the household. Yet, even in these cases, these supplementary basic income recipients are financially better off than those who are not working at all due to current benefit reduction rates within the basic income scheme.
5. The relatively little-known child supplement program is specifically designed in such a way as to keep families out of the basic income scheme; temporary agency workers with families need only earn €900 per month to avoid drawing on basic income. Self-earned income plus the child supplement can provide earnings that are significantly above the bare subsistence minimum.
6. Despite the relatively brief duration of employment through temporary agency work, recent statistical analyses show that temporary agency work allows previously unemployed individuals to continue to work in jobs subjects to social insurance contributions after a period of six months. On average, entry into the labor market through temporary agency work leads to sustainable employment.

7. Temporary agency work in Germany is not precarious. As recent studies of temporary agency work have attested to its lasting employment effects, this finding has eliminated the last criterion according to which temporary agency work could be considered as precarious.

Nevertheless, a review of the literature on temporary agency work also reveals that the opinion that dominated the debate of the 1990s remains prevalent: temporary agency work continues to be described as atypical – and thereby contrasted with “normal” employment relationships. Accordingly, the question of whether temporary agency work is a springboard to normal employment is no longer relevant for our times. From the perspective of labor market policy, it matters a great deal more whether previously unemployed individuals succeed in maintaining long-term employment that is subject to social insurance contributions. As long as temporary agency workers can stay in long-term employment, whether inside or outside the staffing industry, they no longer have to rely on short- or long-term unemployment benefits – they will no longer be permanent clients of the Federal Employment Agency, unless high rental costs and/or large families lead them back into poverty.

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Annex 1: Overview of Sector-specific Collective Labor Agreements

Bereits abgeschlossene Branchenzuschlagstarifverträge im Überblick

TV BZ	abgeschlossen mit:	Inkrafttreten
TV BZ ME	IG Metall	01.11.2012
TV BZ Chemie	IG BCE	01.11.2012
TV BZ Kunststoff	IG BCE	01.01.2013
TV BZ Kautschuk	IG BCE	01.01.2013
TV BZ Eisenbahn	EVG	01.04.2013
TV BZ TB (Textil- und Bekleidungsindustrie)	IG Metall	01.04.2013
TV BZ HK (Holz und Kunststoff)	IG Metall	01.04.2013
TV BZ PPK (Papier, Pappe, Kunststoff)	ver.di	01.05.2013
TV BZ Druck – gewerblich	ver.di	01.07.2013

Die Branchenzuschlagstarifverträge sind mit einer Frist von 3 Monaten erstmals zum 31. Dezember 2017 kündbar.

Source: Federal Employers' Association of Staffing Services (2013)

Pay framework: Surcharges in the metalworking and electrical industry (IG Metall)

Pay Subgroup / Surcharges	1		2		3		4		5		6		7		8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14.01	17.24	15.07	18.20	15.91
> 6 Weeks 15 %	9.42	8.63	10.05	8.79	11.75	10.27	12.43	10.87	14.04	12.28	15.79	13.80	18.43	16.11	19.83	17.33	20.93	18.30
> 3 Months 20 %	9.83	9.00	10.49	9.17	12.26	10.72	12.97	11.34	14.65	12.82	16.48	14.40	19.24	16.81	20.69	18.08	21.84	19.09
> 5 Months 30 %	10.65	9.75	11.36	9.93	13.29	11.61	14.05	12.29	15.87	13.88	17.85	15.60	20.84	18.21	22.41	19.59	23.66	20.68
> 7 Months 45 %	11.88	10.88	12.67	11.08	14.82	12.95	15.67	13.70	17.70	15.49	19.91	17.40	23.24	20.31	25.00	21.85	26.39	23.07
> 9 Months 50 %	12.29	11.25	13.11	11.46	15.33	13.40	16.22	14.18	18.32	16.02	20.60	18.00	24.05	21.02	25.86	22.61	27.30	23.87

Pay framework: Surcharges in the chemicals industry (IG BCE)

Pay Subgroup / Surcharges	1		2		3		4		5	
	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68
> 6 Weeks 10 % - 15 %	9.42	8.63	10.05	8.79	11.24	9.82	11.89	10.40	13.43	11.75
> 3 Months 14 % - 20 %	9.83	9.00	10.49	9.17	11.65	10.18	12.32	10.77	13.92	12.18
> 5 Months 21 % - 30 %	10.65	9.75	11.36	9.93	12.37	10.81	13.08	11.43	14.77	12.92
> 7 Months 31 % - 45 %	11.88	10.88	12.67	11.08	13.39	11.70	14.16	12.38	16.00	13.99
> 9 Months 35% - 50 %	12.29	11.25	13.11	11.46	13.80	12.06	14.59	12.76	16.48	14.42

Pay Subgroups 6 until 9 are surcharge-free

Pay framework: Surcharges Plastics (IG BCE)

Pay Subgroup / Surcharges	1		2		3		4		5	
	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68
> 6 Weeks 3 % - 7 %	8.76	8.03	9.35	8.17	10.63	9.29	11.24	983	12.58	11.00
> 3 Months 4 % - 10 %	9.00	8.25	9.61	8.40	10.83	9.47	11.46	10.02	12.70	11.11
> 5 Months 6 % - 15 %	9.42	8.63	10.05	8.79	11.14	9.73	11.78	10.30	12.94	11.32
> 7 Months 9 % - 22 %	9.99	9.15	10.66	9.32	11.55	10.09	12.21	10.67	13.31	11.64
> 9 Months 10 % - 25 %	10.24	9.38	10.93	9.55	11.75	10.27	12.43	10.86	13.43	11.75

Pay Subgroups 6 until 9 are surcharge-free

Pay Framework: Surcharges Rubber (IG BCE)

Pay Subgroup / Surcharges	1		2		3		4		5		6	
	W	E	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00
> 6 Weeks 3 % - 4 %	8.52	7.80	9.09	7.95	10.53	9.20	11.24	9.83	12.70	11.11	14.28	12.48
> 3 Months 4 % - 7 %	8.76	8.03	9.35	8.17	10.63	9.29	11.57	10.11	13.06	11.43	14.69	12.84
> 5 Months 6 % - 10 %	9.00	8.25	9.61	8.40	10.83	9.47	11.89	10.40	13.43	11.75	15.10	13.20
> 7 Months 9 % - 13 %	9.25	8.48	9.88	8.63	11.14	9.73	12.22	10.67	13.79	12.07	15.51	13.56
> 9 Months 10 % 16 %	9.50	8.70	10.14	8.86	11.24	9.82	12.54	10.96	14.16	12.39	15.93	13.92

Pay Subgroups 7 until 9 are surcharge-free

Pay Framework: Surcharges Rail traffic (EVG)

Pay Subgroup / Surcharges	1		2		3		4		5	
	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68
> 6 Weeks 3 % - 4 %	8.52	7.80	9.09	7.95	10.53	9.20	11.24	9.83	12.70	11.11
> 3 Months 4 % - 6 %	8.68	7.95	9.26	8.10	10.63	9.29	11.46	10.02	12.94	11.32
> 5 Months 6 % - 8 %	8.85	8.10	9.44	8.25	10.83	9.47	11.67	10.21	13.19	11.53
> 7 Months 9 % - 12 %	9.17	8.40	9.79	8.56	11.14	9.73	12.10	10.58	13.68	11.96
> 9 Months 10 % 14 %	9.34	8.55	9.96	8.71	11.24	9.82	12.32	10.77	13.92	12.18

Pay Subgroups 6 until 9 are surcharge-free

Pay Framework: Surcharges Lumber industry and Plastics (IG Metall)

Pay Subgroup / Surcharges	1		2		3		4		5		6		7		8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14.01	17.24	15.07	18.20	15.91
> 6 Weeks 7%	8.76	8.03	9.35	8.17	10.94	9.56	11.57	10.11	13.06	11.43	14.69	12.84	17.15	14.99	18.45	16.12	19.47	17.02
> 3 Months 10 %	9.01	8.25	9.61	8.40	11.24	9.82	11.89	10.40	13.43	11.75	15.10	13.20	17.63	15.41	18.96	16.58	20.02	17.50
> 5 Months 15 %	9.42	8.63	10.05	8.79	11.75	10.27	12.43	10.87	14.04	12.28	15.79	13.80	18.43	16.11	19.83	17.33	20.93	18.30
> 7 Months 22 %	9.99	9.15	10.66	9.32	12.47	10.89	13.19	11.53	14.90	13.03	16.75	14.64	19.56	17.09	21.03	18.38	22.20	19.41
> 9 Months 31 %	10.73	9.83	11.45	10.01	13.39	11.70	14.16	12.38	16.00	13.99	17.99	15.72	21.00	18.35	22.58	18.74	23.84	20.84

Pay Framework: Surcharges Textile and Clothing (IG Metall)

Pay Subgroup / Surcharges	1		2		3		4		5		6		7		8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 6 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14.01	17.24	15.07	18.20	15.91
> 6 Weeks 5 %	8.60	7.88	9.18	8.02	10.73	9.38	11.35	9.92	12.82	11.21	14.42	12.60	16.83	14.71	18.10	15.82	19.11	16.71
> 3 Months 10 %	9.01	8.25	9.61	8.40	11.24	9.82	11.89	10.40	13.43	11.75	15.10	13.20	17.63	15.41	18.96	16.58	20.02	17.50
> 5 Months 15 %	9.42	8.63	10.05	8.79	11.75	10.27	12.43	10.87	14.04	12.28	15.79	13.80	18.43	16.11	19.83	17.33	20.93	18.30
> 7 Months 20 %	9.83	9.00	10.49	9.17	12.26	10.72	12.97	11.34	14.65	12.82	16.48	14.40	19.24	16.81	20.69	18.08	21.84	19.09
> 9 Months 25 %	10.24	9.38	10.93	9.55	12.78	11.16	13.51	11.81	15.26	13.35	17.16	15.00	20.04	17.51	21.55	18.84	22.75	19.89

Pay framework: Surcharges Paper, Cardboard and Plastics (ver.di)

Pay Subgroup / Surcharges	1		2		3		4		5		6		7		8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 4 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14.01	17.24	15.07	18.20	15.91
> 4 Weeks 4%	8.52	7.80	9.09	7.95	10.63	9.29	11.24	9.83	12.70	11.11	14.28	12.48	16.67	14.57	17.93	16.67	18.93	16.55
> 3 Months 8 %	8.85	8.10	9.44	8.25	11.04	9.64	11.67	10.21	13.19	11.53	14.83	12.96	17.31	15.13	18.62	16.28	19.66	17.18
> 5 Months 12 %	9.17	8.40	9.79	8.56	11.45	10.00	12.11	10.58	13.68	11.96	15.38	13.44	17.95	15.69	19.31	16.88	20.38	17.82
> 7 Months 16 %	9.50	8.70	10.14	8.86	11.86	10.36	12.54	10.96	14.16	12.39	15.93	13.92	18.59	16.25	20.00	17.48	21.11	18.46
> 9 Months 20 %	9.83	9.00	10.49	9.17	12.26	10.72	12.97	11.34	14.65	12.82	16.48	14.40	19.24	16.81	20.69	18.08	21.84	19.09

Pay Framework: Surcharges Wallpaper industry (ver.di)

Pay Subgroup / Surcharges	1		2		3		4		5		.6		7		8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 4 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14,01	17.24	15.07	18.20	15.91
> 4 Weeks 7%	8.76	8.03	9.35	8.17	10.94	9.56	11.57	10.11	13.06	11.43	14.69	12.84	17.15	14,99	18.45	16.12	19.47	17.02
> 3 Months 11 %	9.09	8.33	9.70	8.48	11.34	9.91	12.00	10.49	13.55	11.85	15.24	13.32	17.79	15,55	19.14	16.73	20.20	17.66
> 5 Months 15 %	9.42	8.63	10.05	8.79	11.75	10.27	12.43	10.87	14.04	12.28	15.79	13.80	18.43	16,11	19.83	17.33	20.93	18.30
> 7 Months 19 %	9.75	8.93	10.40	9.09	12.16	10.63	12.86	11.25	14.53	21.71	16.34	14.28	19.08	16,67	20.52	17.93	21.66	18.93
> 9 Months 23 %	10.07	9.23	10.75	9.40	12.57	10.98	13.30	11.62	15.02	13.14	16.89	14.76	19.72	17,23	21.21	18.54	22.39	19.57

Pay framework: Surcharges Printing industry (ver.di)

Pay Subgroup / Surcharges	1		2		3		4		5		6		7		.8		9	
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
< 4 Weeks surcharge-free	8.19	7.50	8.74	7.64	10.22	8.93	10.81	9.45	12.21	10.68	13.73	12.00	16.03	14.01	17.24	15.07	18.20	15.91
> 4 Weeks 8%	8.85	8.10	9.44	8.25	11.04	9.64	11.67	10.21	13.19	11.53	14.83	12.96	17.31	15.13	18.62	16.28	19.66	17.18
> 3 Months 15 %	9.42	8.63	10.05	8.79	11.75	10.27	12.43	10.87	14.04	12.28	15.78	13.80	18.43	16.11	19.83	17.33	20.93	18.30
> 5 Months 20 %	9.83	9.00	10.48	9.16	12.26	10.72	12.97	11.34	14.65	12.81	16.48	14.40	19.24	16.81	20.69	18.08	21.84	19.09
> 7 Months 35 %	11.06	10.13	11.80	10.31	13.78	12.06	14.59	12.76	16.48	14.41	18.54	16.20	21.64	18.91	23.27	20.34	24.57	21.48
> 9 Months 45 %	11.88	10.88	12.67	11.08	14.82	12.95	15.67	13.70	17.70	15.49	19.91	17.40	23.24	20.31	25.00	21.85	26.39	23.07