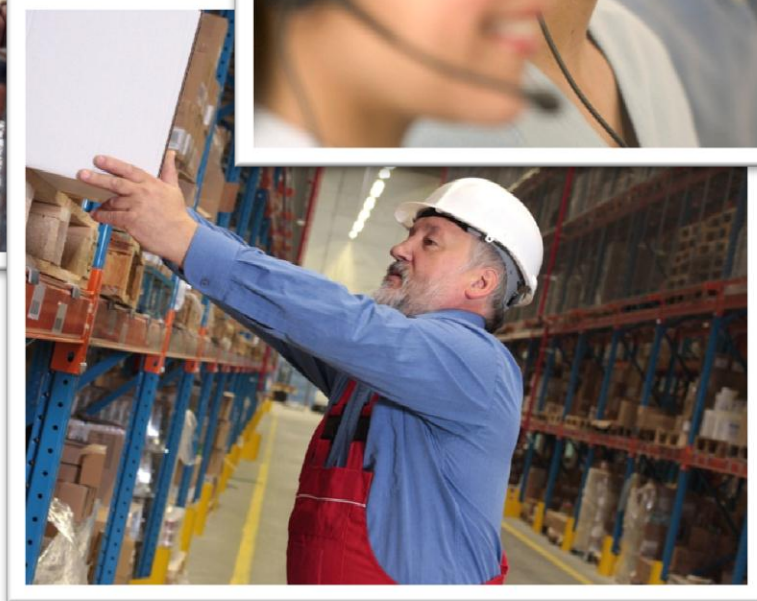
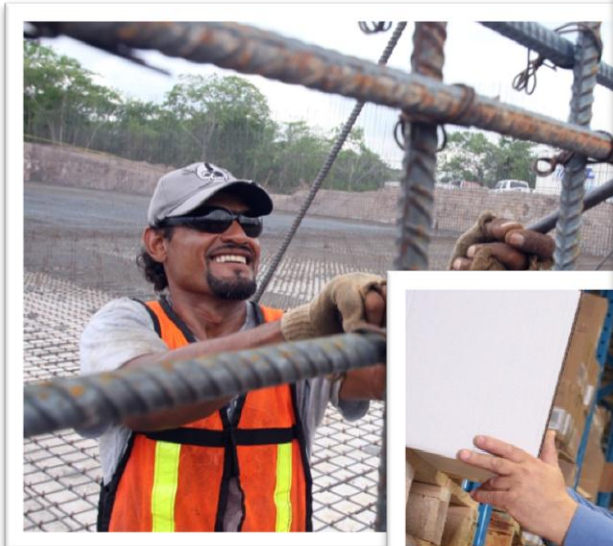


2011 Annual Performance Survey



ALTERNATIVE STAFFING ALLIANCE

People-Based, Market-Driven

2011 ANNUAL PERFORMANCE SURVEY

Introduction

The Alternative Staffing Alliance conducts an annual performance survey to collect data about alternative staffing agencies' business and employment outcomes. The purpose of the survey is to help practitioners evaluate their operating results in the context of others' performance, demonstrate the scale and impacts of the alternative staffing sector to policy makers and funders, and build on previous survey results to identify significant trends.

This is the sixth annual performance survey conducted by Alternative Staffing Alliance; copies of past surveys are available in the members section of the website (www.altstaffing.org). The original survey instrument was developed by Alliance staff and the following members of the Alliance's Research Committee:

- Karen Caldwell, Primavera Works, Tucson, Arizona
- Françoise Carré, Ph. D., John W. McCormack Graduate School of Policy Studies, University of Massachusetts, Boston, Massachusetts
- Dennis Moore, The Galt Foundation, Salem, Oregon
- Mike Wynne, Emerge Community Development, Minneapolis, Minnesota

A total of 50 surveys were distributed by email in August 2012. The survey was also posted on the Alternative Staffing Alliance website. The data collection and analysis was augmented with follow-up interviews to clarify responses.

Twenty four alternative staffing organizations (ASOs) participated in the survey. Fifteen of the ASOs that completed the survey last year participated in this year's survey.

Number of Responding ASOs

	2011	2010
Completed Survey	24	17
Completed Previous Year	15	14

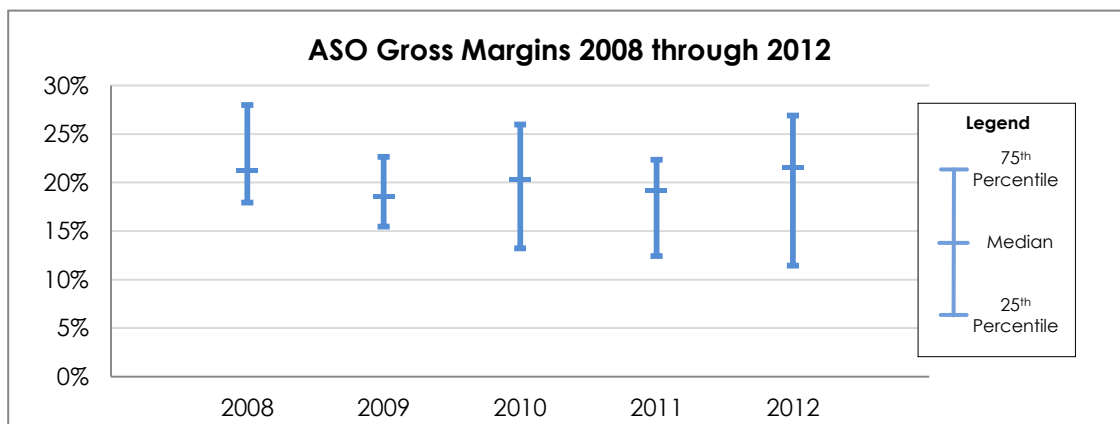
Although 63% of respondents participated in both this and last year's survey, care must still be taken when drawing conclusions about overall year over year changes. In cases where the sample size for a given question differs year to year, year over year differences may be attributable to changes in individual ASOs performance and/or changes in the cohort of responders.

For additional copies of the survey, or for questions concerning the data, please contact:

David Hammer
Alternative Staffing Alliance
(617) 232-8765 x 113
dhammer@altstaffing.org

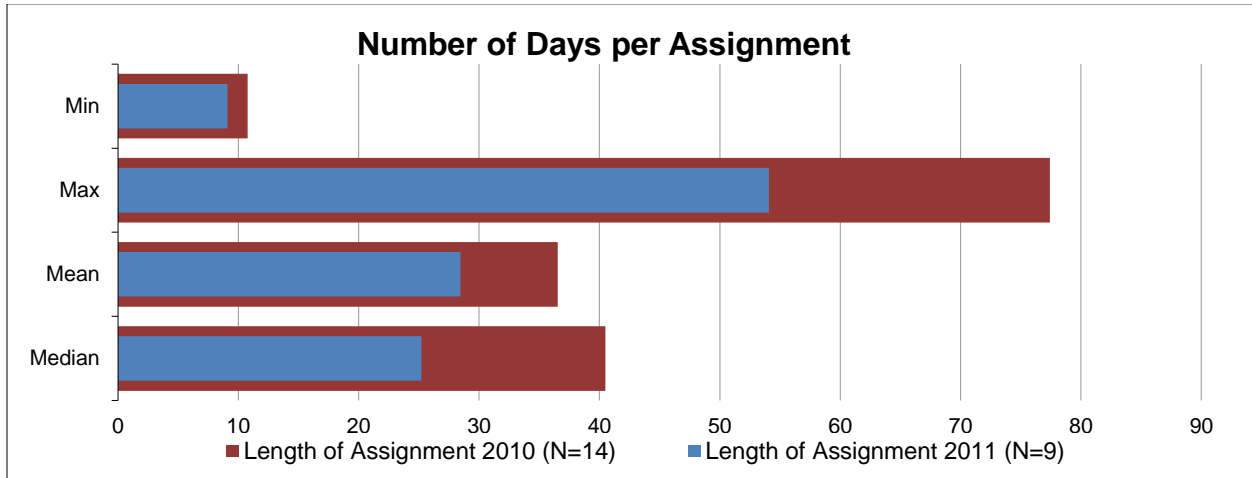
Key Findings

- **Temporary staffing accounts for 84% of ASO revenue.** Direct placements account for 6%, grants account for 8% and other business services accounts for 2%.
- **Seventy five percent of ASOs cover at least 85% of their total operating costs with staffing revenue.** 63% cover at least 95% of total operating costs with staffing revenue, making alternative staffing one of the most cost effective workforce development strategies.
- **ASOs have a median gross margin of 22%.** This compares to a gross margin of 24% for firms with less than \$15 million in revenues in the conventional staffing industry. In the Industrial and Office-Clerical sectors, where ASO business is concentrated, conventional staffing firms report gross margins of 21% and 27%, respectively.

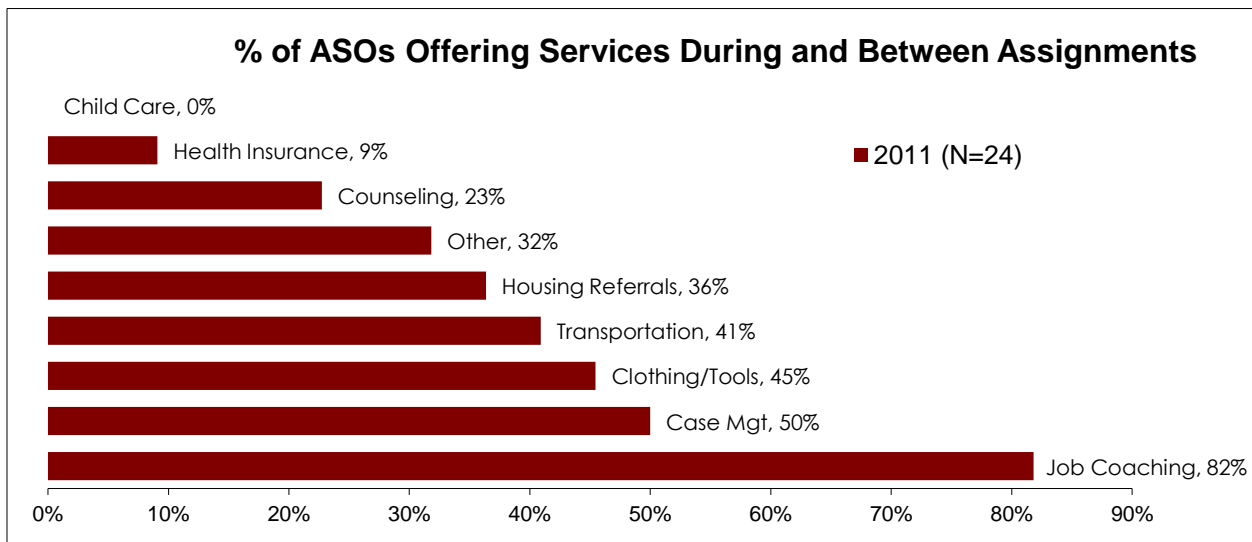


- **ASO staffing revenues tend to be concentrated among a few large customers.** 33% of respondents received 75% or more of their revenues from their top five customers, while an additional 25% received between 50% and 75% of revenues from their top five customers.
- **Ex-offenders, low-income individuals, recovering drug users, people with disabilities, and people who are homeless are the key populations served by participating ASOs.** 71% of participating ASOs listed ex-offenders as one of the top three populations they serve; 54% named low-income individuals/TANF recipients, 42% named recovering drug users, 42% named people with disabilities, and 25% named people who are at risk of homelessness.
- **People served by ASOs are twice as likely as the employed population to lack a high school diploma.** 16% of people served lack a high school diploma and only 31% have continued their education past high school.

- ASOs' median wage rate was \$9.70, a 9% decrease from the previous year. The median bill rate was \$14.25, a 1% decrease from the previous year.
- The average duration of job assignments for people employed by ASOs was 28 days, down from 37 days in the previous year.



- Participating ASOs placed 10,041 individuals into competitive employment in 2011 and 1,842 people secured permanent employment while working for a participating ASO.
- 15% of employees in the average ASO secured permanent employment.
- Job coaching and case management are the most common services ASOs offer to employees during and between assignments. 82% of ASOs offer job coaching, 50% offer case management, and 45% offer clothing, work shoes, or tools. While these percentages are lower than in previous years, a greater percentage of ASOs offer services between during and between assignments (92% v. 76%).



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Section 1: Sales & Financial Information

Table 1.0 - Number of Responding ASOs

	2011	2010
Completed Survey	24	17
Completed Previous Year	15	14

Table 1.1 - Revenue by Category

	2011	2010
< \$1 Million	58%	58%
\$1 - \$5 Million	25%	29%
\$5 - \$10 Million	8%	4%
\$10 Million +	8%	8%

Table 1.2a - Revenue Data 2011 (N=18)

	Median	Mean	Max	Min
Total Revenue	\$1,116,225	\$4,335,629	\$33,000,000	\$3,000
Staffing Only Revenue	\$1,099,475	\$3,504,612	\$19,831,270	\$3,000
Combined Revenue	\$78,041,319	N/A	N/A	N/A
% Change in Combined Revenue	4%	25%	303%	-56%

Table 1.2b - Revenue Data 2010 (N=17)

	Median	Mean	Max	Min
Total Revenue	\$1,266,848	\$4,187,468	\$24,000,000	\$1,500
Temporary Staffing Revenue	\$1,005,692	\$3,141,513	\$16,233,416	\$0
Combined Revenue	\$71,186,959	N/A	N/A	N/A

Table 1.3a - Revenue Sources 2011 (N=18)

	Median	Mean	Max	Min
Temporary Staffing	98%	84%	100%	0%
Direct Placement	0%	6%	100%	0%
Other Business Services	0%	3%	40%	0%
Grants	0%	8%	44%	0%

Table 1.3b - Revenue Sources 2010 (N=17)

	Median	Mean	Max	Min
Temporary Staffing	90%	79%	100%	0%
Direct Placement	0%	9%	100%	0%
Grants	0%	3%	32%	0%
Other Business Services	0%	9%	50%	0%

Table 1.4a - Percentage of Gross Sales 2011 (N=18)

	Median	Mean	Max	Min
Staffing Costs	70%	67%	95%	0%
Agency (internal) staff	8%	15%	43%	0%
Advertising Costs	1%	1%	2%	0%
Non Labor Costs	6%	7%	24%	0%

Table 1.4b - Percentage of Gross Sales 2010 (N=16)

	Median	Mean	Max	Min
Staffing Costs	81%	77%	97%	32%
Agency (internal) Staff Costs	9%	14%	46%	4%
Advertising Costs	1%	1%	1%	0%
Non Labor Costs	4%	7%	22%	0%

Table 1.5a - Billing Data 2011

	Median	Mean	Max	Min
Net Margin (N=16)	1%	-1%	18%	-19%
Gross Margin (N=18)	22%	26%	100%	0%
Bill Rate (N=10)	\$14.24	\$14.70	\$18.03	\$12.46
Pay Rate (N=10)	\$9.70	\$9.95	\$12.23	\$7.65
Mark Up (N=10)	44%	50%	89%	29%

Table 1.5b - Billing Data 2010

	Median	Mean	Max	Min
Net Margin (N=13)	1%	1%	22%	-14%
Gross Margin (N=0)	19%	19%	42%	3%
Bill Rate (N=15)	\$14.45	\$16.09	\$23.51	\$11.30
Pay Rate (N=15)	\$10.69	\$11.71	\$17.00	\$7.62
Mark Up (N=14)	40%	42%	92%	20%

Table 1.6 - Age of Receivables

	Within 30 days	31-45 days	45-60 days	Over 60 days
2011 Receivables (N=0)	21%	29%	17%	4%
2010 Receivables (N=15)	53%	13%	33%	0%

Table 1.7 - Time Required to Fill a Job Order

	2011	2010
One Day or Less	59%	59%
Two to Three Days	35%	35%
More Than Three Days	0%	0%

Table 1.8 - Customer Concentration by Industry

	2011	2010
Warehouse/Manufacturing	27%	35%
Other	15%	10%
Building Services	21%	7%
Construction	12%	8%
Government	20%	22%
Education	5%	6%
Hospitality	0%	4%
Transportation	0%	7%
Retail	0%	0%
Business & Professional	0%	1%
Healthcare	0%	0%

Table 1.9 - Portion of Business from Gov't Set Aside Contracts

	% with Set Aside	Median	Mean
2011 (N=15)	53%	67%	58%
2010 (N=15)	40%	82%	67%

Table 1.10 - Percent of Revenue top 5 Customer Make Up

	Median	Mean	Max	Min
2011 (N=12)	69%	64%	100%	30%
2010 (N=14)	95%	85%	100%	49%

Table 1.11 - Customer Concentration by Category

	2011 (n=12)	2010 (n=14)
Under 25%	0%	0%
25%-50%	42%	7%
50%-75%	25%	29%
75%+	33%	64%

Table 1.12 - Agency (Internal) Staff Information

	2011 (N=16)	2010 (N=17)
Employees (Median)	3	4
Turnover (Median)	14%	7%

Table 1.13a - Operational Data - 2011

	Median	Mean	Max	Min
Current Accounts (N=16)	28	112	530	0
Number of W-2's Issued (N=19)	250	528	2,800	42
Hours Billed (N=10)	124,344	283,433	1,100,000	11,657

Table 1.13b - Operational Data - 2010

	Median	Mean	Max	Min
Current Accounts (N=14)	31	79	372	4
Number of W-2's Issued (N=15)	374	598	2,087	72
Hours Billed (N=15)	97,340	238,244	922,877	20,240

Table 1.14a - Employee Performance Measures 2011

	Median	Mean	Max	Min
Hours Billed per Employee (N=9)	18,473	24,957	63,136	3,504
Revenue per Employee (N=15)	\$330,570	\$536,052	\$1,632,577	\$1,500

Table 1.14b - Employee Performance Measures 2010

	Median	Mean	Max	Min
Hours Billed per Employee (N=15)	27,877	27,477	48,564	2,891
Revenue per Employee (N=16)	\$411,201	\$534,867	\$1,601,664	\$78,054

Section 2: Employment Outcomes

Table 2.1a - Employment Data 2011

	Median	Mean	Max	Min
Employment Applications Received (N=17)	564	1,115	3,598	65
Number of W-2's Issued (N=19)	250	528	2,800	42
Days to place a job ready candidate (N=13)	14	26	90	3
Total Temporary Job Placements (N=17)	309	1,098	10,000	25

Table 2.1b - Employment Data 2010

	Median	Mean	Max	Min
Employment Applications Received (N=12)	813	1,601	5,322	120
Number of W-2's Issued (N=15)	374	598	2,087	72
Days to place a job ready candidate (N=10)	5	7	14	1
Total Temporary Job Placements (N=16)	465	713	2,357	0

Table 2.2a - Transition into Permanent Employment 2011

	Median	Mean	Max	Min
Temps transition into permanent jobs (N=19)	20	57	278	0
% Transition in permanent jobs	5%	9%	36%	0%
# Secured permanent job on own (N=19)	5	40	385	0
% Secured permanent job on own	5%	9%	36%	0%
Total Transition in permanent job (N=19)	40	97	650	0
% Transition into permanent jobs	7%	15%	71%	0%

Table 2.2b - Transition into Permanent Employment 2010

	Median	Mean	Max	Min
Temps transition into permanent jobs (N=16)	41	69	265	2
% Transition in permanent jobs	15%	14%	35%	2%
# Secured permanent job on own (N=16)	22	53	321	0
% Secured permanent job on own	12%	19%	60%	0%
Total Transition in permanent job (N=16)	71	122	541	13
% Transition into permanent jobs	22%	28%	75%	4%

Table 2.3a - Length of Assignment 2011

	Median	Mean	Max	Min
Length of Assignment 2011 (N=9)	25	28	54	9
Length of Employment (N=9)	40	37	61	15

Table 2.3b - Length of Assignment 2010

	Median	Mean	Max	Min
Length of Assignment 2010 (N=14)	40	37	77	11
Length of Employment (N=14)	46	50	81	13

Table 2.4 - Average Percentage of Placements by Occupational Sector

	2011	2010	2009	2008
Cleaning & Property Maintenance	26%	23%	24%	26%
Office / Clerical	15%	28%	45%	46%
Warehouse / Manufacturing	15%	29%	37%	19%
Construction	6%	5%	17%	2%
Food Service	5%	5%	5%	6%
Transportation & Moving	4%	3%	4%	3%
Other	3%	0%	4%	50%
Professional / Managerial	1%	3%	9%	20%
Security	1%	2%	0%	2%
Information Technology	1%	1%	4%	7%
Healthcare	0%	1%	0%	1%

	Cleaning & Property Maintenance	Office / Clerical	Warehouse / Manufacturing	Construction	Food Service	Transportation & Moving	Other	Professional / Managerial	Security	Information Technology	Healthcare
1	8%	65%	10%	0%	0%	10%	0%	5%	0%	2%	0%
2	5%	80%	0%	0%	5%	0%	0%	5%	0%	5%	0%
3	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	60%	0%	10%	5%	5%	20%	0%	0%	0%	0%	0%
5	45%	2%	48%	1%	3%	1%	0%	0%	0%	0%	0%
6	20%	50%	10%	0%	0%	0%	0%	20%	0%	0%	0%
7	20%	10%	36%	0%	20%	3%	0%	3%	5%	1%	2%
8	44%	25%	18%	9%	4%	0%	0%	0%	0%	0%	0%
9	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
10	0%	20%	20%	0%	30%	0%	0%	0%	30%	0%	0%
11	50%	0%	0%	50%	0%	0%	0%	0%	0%	0%	0%
12	5%	85%	10%	0%	0%	0%	0%	0%	0%	0%	0%
13	85%	0%	15%	0%	0%	0%	0%	0%	0%	0%	0%
14	30%	10%	30%	1%	20%	5%	0%	2%	0%	0%	2%
15	75%	5%	2%	3%	0%	15%	0%	0%	0%	0%	0%
16	8%	1%	50%	0%	0%	37%	4%	0%	0%	0%	0%
17	75%	2%	5%	0%	10%	3%	5%	0%	0%	0%	0%
18	0%	0%	5%	80%	0%	0%	15%	0%	0%	0%	0%
19	5%	15%	0%	5%	15%	0%	55%	0%	0%	5%	0%
2011 Average	33%	19%	19%	8%	6%	5%	4%	2%	2%	1%	0%
2010 Average	23%	28%	29%	5%	5%	3%	0%	3%	2%	1%	1%
2009 Average	21%	26%	23%	13%	3%	3%	6%	3%	0%	0%	1%

Section 3: Outcomes & Employment Tracking

Table 3.1 - Main Characteristics of Populations Served

The three main populations services are focused on

	2011 (N=24)	2010 (N=17)	2009 (N=15)	2008 (N=12)
Ex-Offenders	71%	71%	87%	75%
Low Income	54%	53%	73%	58%
Recovering Drug Users	42%	29%	47%	17%
Disabled	42%	41%	47%	58%
At Risk of Homelessness	25%	18%	27%	17%
Currently Homeless	21%	29%	20%	17%
Immigrants	13%	18%	7%	0%
Recently Homeless	13%	12%	13%	25%
Older Workers (Age 55+)	4%	12%	7%	25%
Other	0%	18%	13%	8%
Youth	0%	0%	0%	8%

Table 3.2 - Educational Attainment of Population Served 2011

	Median	Mean	Max	Min	Weighted Average
Less than a high school diploma	10%	17%	75%	0%	16%
High School graduate or GED	53%	51%	90%	12%	53%
Some post-secondary , no degree	10%	15%	35%	0%	16%
Vocational certificate	5%	4%	10%	0%	4%
Associate's degree	3%	5%	20%	0%	5%
Bachelor's degree or higher	2%	7%	40%	0%	6%

Table 3.3 - Offer Services Before an Application is Recorded

	2011 (N=23)	2010 (N=17)
Offer Services	74%	59%
Referrals	71%	70%
Screening	59%	40%
Training	47%	40%
Case Managements	35%	20%
Open Houses, Public Seminars	24%	10%
Other	18%	20%

Table 3.4 - Offer Services During and Between Assignments

	2011 (N=24)	2010 (N=17)
Offer Services	92%	76%
Job Coaching	82%	92%
Case Management	50%	62%
Clothing/Tools/Boots	45%	77%
Transportation	41%	38%
Housing Referrals	36%	62%
Other	32%	23%
Individual & Group Counseling	23%	54%
Health Insurance	9%	15%
Child Care	0%	8%

Table 3.5 - Offer Services After Transition Into Permanent Jobs

	2011 (N=24)	2010 (N=17)
Offers Services	58%	47%
Job Coaching	79%	63%
Case Management	50%	63%
Transportation	21%	25%
Group Counseling	21%	25%
Other	14%	13%
Child Care	0%	0%

Table 3.6 - Track Outcomes after transition into permanent employment

	2011 (N=24)	2010 (N=17)
Track Outcomes	29%	18%
Employment Retention	100%	100%
Earnings	57%	0%
Change in usage of Public Assistance	0%	0%
Other	0%	0%

Table 3.7 - Payment Method for Employment Tracking

	2011 (N=7)	2010 (N=3)
Service Fees	57%	100%
Grants	71%	67%
Other	0%	0%