



Employment Agencies and Headhunters: Who Pays, and Are They Worth It?

Paying someone to find you a job—and then giving that person a portion of your earnings—can sound like “buying a job.”

Before accepting that description, examine the arrangement. Is the employer paying a recruiter to fill a vacancy? Are you purchasing career advice? Or is an agency asking you to pay for placement?

These are different services with different financial consequences. Understanding the difference is the first step in deciding whether an agency can help you.

Know Whose Vacancy the Recruiter Is Filling

Traditional recruiting firms generally work for employers. Their assignment is to locate candidates for particular openings.

A recruiter may review your résumé, discuss your background, arrange interviews, and explain the employer’s requirements. But registering with a firm does not necessarily mean someone will conduct a personal job search for you.

The recruiter’s attention usually follows the vacancies the firm has been hired to fill. If your experience matches those assignments, the relationship can be useful. If it does not, the firm may have little to offer at that moment.

Understand Who Pays the Fee

In a typical employer-paid placement, the hiring organization pays the recruiter. The fee may be a flat amount or a percentage of an agreed salary measure. That percentage does not automatically represent a deduction from the candidate's earnings.

For illustration, suppose an employer hires someone at a salary of \$60,000 and separately agrees to pay a recruiter a fee equal to 20 percent of that amount. The employer's recruitment fee would be \$12,000. The employee's agreed salary would still be \$60,000 before ordinary taxes and deductions.

Those figures are a hypothetical calculation, not a universal rate. Actual employer fees depend on the firm, position, and agreement.

The [Federal Trade Commission](#) notes that honest placement firms typically do not charge candidates and advises job seekers to walk away from placement fees, particularly advance fees.

Distinguish Staffing Arrangements From Salary Deductions

Temporary and contract staffing often use another model. The staffing firm may employ you, pay your wages, and assign you to work for a client organization. The client pays the staffing firm a bill rate. That rate can cover your wages, employer payroll costs, benefits where applicable, administration, and the firm's margin.

The difference between the client's bill rate and your pay rate is not automatically money deducted from wages promised to you. Your concern should be whether your own pay, benefits, deductions, and employment terms are clearly stated and acceptable.

Ask who employs you, who issues your paycheck, and what happens when the assignment ends. The American Staffing Association's [job-seeker FAQs](#) explain common staffing arrangements from the industry's perspective.

Examine Applicant-Paid Placement Carefully

If an agency asks you to pay an upfront charge and a percentage of future earnings, you are being offered an applicant-paid service. That deserves careful scrutiny.

Calling it "buying a job" captures the concern, but it does not determine whether the arrangement is lawful or worthwhile. Some jurisdictions regulate applicant-paid employment agencies and permit certain fees under specified conditions. For example, [New York City's consumer guidance](#) addresses agency fees and prohibited charges.

Rules vary by location and type of service. Do not assume that a practice permitted elsewhere is permitted where you live. Even a legally permitted fee may be a poor purchase. Before signing, establish exactly what you owe, when payment becomes due, and what happens if the promised assistance produces nothing.

Separate Career Advice From Job Placement

Career coaches, résumé writers, and interview advisers may charge for their services. In those arrangements, you are purchasing defined assistance—such as a consultation, revised résumé, or practice interview. Assess that work on its own merits. Ask about deliverables, qualifications, price, cancellation terms, and realistic outcomes.

A service that submits applications on your behalf also needs a clear agreement about accuracy, authorization, and where your information will be sent. Paying for application assistance does not establish that the provider has special influence with employers.

Be particularly cautious when a provider blurs these distinctions by selling coaching while implying that employment is assured.

Decide Whether an Agency Fits Your Search

An agency can be effective when it understands your occupation and has relevant employer relationships. A specialist recruiter may explain an opening well, identify a credible match, and help both parties communicate.

Ask what kinds of roles the firm fills, which experience levels it handles, and whether it currently has suitable assignments. A useful recruiter should be able to explain the opportunity, discuss expectations, and describe the next steps. No recruiter can guarantee that an employer will select you.

Continue using employer websites, public employment resources, and networking. One agency's lack of interest is not a verdict on your employability.

Ask These Questions Before Agreeing

Before allowing a firm to represent you—or purchasing its services—ask:

- Who is the client, and who pays?
- Will I owe any fee, salary percentage, or recurring charge?
- What exact services will I receive?
- Does a fee apply if I find a job independently?
- What happens if the job ends shortly after I start?
- Will you obtain my permission before submitting my résumé?
- Are there cancellation, refund, or exclusivity terms?

For any earnings-based charge, clarify the calculation: gross or net pay, base salary or total compensation, the period covered, and any maximum amount.

Get the answers in writing. If the financial commitment is substantial or the terms are unclear, obtain independent advice before signing.

Recognize Pressure and Unsupported Promises

Promises of guaranteed employment, secret access to jobs, or exceptionally high salaries deserve verification. So do demands to pay immediately to preserve an opportunity.

Check the firm independently and confirm the identity of the recruiter. Reviews can provide clues, but they are not proof of reliability.

Do not mistake a polished website or an impressive title for evidence that a service will deliver. The FTC's [guidance on executive-placement scams](#) describes how job seekers can lose money to misleading placement promises.

Compare Paid Help With Available Alternatives

Before committing money, consider what you can obtain through an employer-paid recruiter, an American Job Center, a school career service, or your own contacts.

Our companion article, **“What Government Employment Services Can—and Cannot—Do for You,”** explains how to approach free public assistance with realistic expectations.

A recruiting service is useful when it connects your qualifications with a suitable opportunity on clear terms. Understand the service and its costs before deciding whether it deserves your time—or your money.