



PondelWilkinson

Investor Relations
Corporate/Financial Communications

PondelWilkinson Inc.
1880 Century Park East, Suite 350
Los Angeles, CA 90067

T (310) 279 5980
F (310) 279 5988
W www.pondel.com

Contact: Roger S. Pondel/Judy Lin Sfetcu
PondelWilkinson Inc.
310.279.5980

NEWS RELEASE

Philip Boronow
Analyst – G. Palmer & Associates
949.201.7296
www.GPalmerandAssociates.com

Labor Forecast Predicts 13.7% Decrease in Demand for Temporary Workers In 2009 Fourth Quarter, Representing Eleventh Consecutive Quarter of Declines

Rate of Decline Shows Improvement Over Earlier Quarters this Year

-- Industry Consulting Firm G. Palmer & Associates' Quarterly Forecast Assists in Previewing Near-Term Hiring Patterns --

Newport Beach, Calif., October 8, 2009 — Demand for temporary workers in the United States is expected to fall 13.7% on a seasonally adjusted basis for the 2009 fourth quarter over the same period in 2008, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 22.2% decline in temporary help for the just-ended 2009 third quarter, which actually came in at a 24.5 % decline—more than anticipated, primarily because of the higher than expected unemployment figures.

“Our 2009 fourth quarter, forecast, as expected, shows another anticipated decline in demand for temporary workers—a trend marking eleven consecutive quarters that we now believe will continue through early 2010,” said Greg Palmer, founder and chief executive officer of G. Palmer & Associates, an Orange County, Calif.-based staffing industry consulting firm. “However, the percentage decline is sharply reduced when compared with the rates of decline in previous quarters earlier this year,” Palmer added.

The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs were down 23.3% year over year in September, improving from the 24.5% year-over-year decline in August. Temp jobs, seasonally adjusted, were down slightly, 0.1% sequentially from August. Palmer said this is an encouraging early sign of rebound and provided a 3.1% boost on a non-seasonally adjusted basis. The 2,000 temp job losses represented the lowest rate of loss since October 2007.

The unemployment rate inched up to 9.8% in September from 9.7% in August, which was the highest jobless rate since June 1983. The Labor Department report also indicated that 263,000 non-farm jobs were eliminated in September, up from the August loss of 201,000.

(more)

“Though these losses are significant, it’s important to remember that full time job creation is a lagging economic indicator,” Palmer said. “The narrowing of declines in temp help is positive, since temp help, which historically is the first job category to improve at the beginning of an expansion, is beginning to see the declines narrow.”

Palmer said the increase in the unemployment rates during this recession have had wide reaching effects across a broad spectrum of workers. As reported by the BLS, workers with college degrees saw a slight increase in their unemployment rate in September to 4.9% vs. 4.7% in August. The unemployment rate for workers with less than high school degrees during the same period declined slightly to 15.0% in September from 15.6% in August. The U6 unemployment rate, which tracks those who are unemployed, as well as those who are underemployed and are working part time for economic reasons, was 17.0%. The U6 rate is considered the rate that most clearly depicts those most affected by the downturn.

The next few quarters...

“We expect to see the unemployment rate continue to increase, approaching 10% and likely surpassing it,” Palmer said. “At the same time, we believe with temp help declines nearing the bottom, they will likely turn positive by the second quarter of 2010. While the economy has not yet turned the corner, there certainly are signs that we are likely nearing the bottom in the current economic cycle as it relates to temp labor. These views are predicated on generally anticipated GDP improvement for the 2009 fourth quarter, continuing into the new year,” Palmer added.

The Palmer Forecast™ is based, in part, on BLS and other key indicators. The model was initially developed by The A. Gary Anderson Center for Economic Research at Chapman University and serves as an indicator of economic activity. Companies that employ temporary staff use the forecast as a guide to navigate through fluctuating economic conditions in managing their workforce to meet business demands.

About G. Palmer & Associates

G. Palmer & Associates, founded in 2006, advises companies in the human capital sector with sales, operations and margin enhancement, and to explore strategic alternatives for increasing shareholder value. Founder Greg Palmer has served on the board of the American Staffing Association and was president and chief executive officer of RemedyTemp, Inc., one of the nation’s largest temporary staffing companies, prior to its sale in June 2006. For more information, visit www.GPalmerandAssociates.com.