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NEWS RELEASE

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Labor Forecast Predicts 22.2% Decrease in Demand for Temporary Workers In 2009 Third Quarter, Representing Tenth Consecutive Quarter of Declines

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

Newport Beach, Calif., July 7, 2009 — Demand for temporary workers in the United States is expected to fall 22.2% on a seasonally adjusted basis for the 2009 third quarter over the same period in 2008, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 24.0% decline in temporary help for the just-ended 2009 second quarter, which came in at a 27.2 % decline—wider than anticipated, primarily because of higher than expected unemployment figures.

“Our 2009 third quarter forecast, as expected, shows another anticipated decline in demand for temporary workers—a trend marking ten 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.

The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs were down 27.2% year over year in June, deteriorating from May's 26.9% year-over-year decline. Temp jobs, seasonally adjusted, were down 2.1% sequentially, versus the normal 0.3% sequential increase from May to June.

The unemployment rate inched up to 9.5% in June from 9.4% in May, representing the highest jobless rate since August 1983. The Labor Department report also indicated that 467,000 non-farm jobs were eliminated in June, which was up from May's loss of 322,000. For the first six months of 2009, the economy shed nearly 3.4 million jobs.

Palmer said unemployment during this recession has had wide reaching effects across a broad spectrum of workers. As reported by the BLS, workers with college degrees experienced a slight decrease in their rate of unemployment in June to 4.7% vs. 4.8% in May. Workers with less than high school degrees during the same period held their rate at 15.5%. The U6 unemployment rate, which tracks those who are unemployed, as well as those who are

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underemployed and are working part time for economic reasons, was 16.6%. 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 continuing to increase, approaching 10%, but at the same time, we believe temp help declines are nearing the bottom and will likely turn positive by the second quarter of 2010,” Palmer said. “With temp help being a leading labor indicator, and unemployment a lagging barometer, we expect to see between a 1.2% - 1.7% improvement in temp labor demand from second quarter 2009 to third quarter 2009. 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 2010,” 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.

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