



# PondelWilkinson

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

Investor Relations  
Strategic Public Relations

T (310) 279 5980  
F (310) 279 5988  
[www.pondel.com](http://www.pondel.com)

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

## NEWS RELEASE

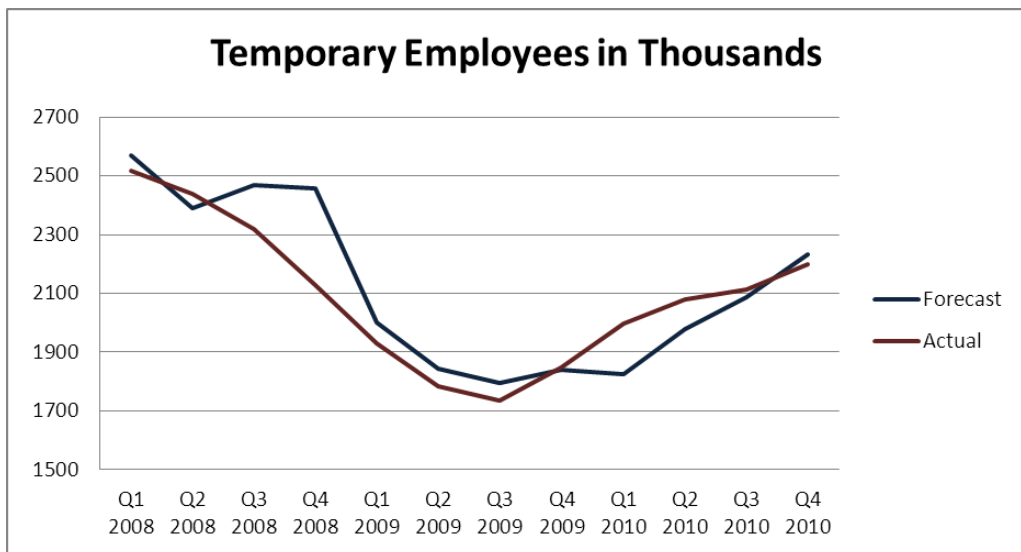
Philip Boronow  
Analyst – G. Palmer & Associates  
949.201.7296  
[www.GPalmerandAssociates.com](http://www.GPalmerandAssociates.com)

### Labor Forecast Predicts 20.3% Increase in Demand for Temporary Workers In 2011 First Quarter

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

**Newport Beach, Calif., January 13, 2011** — Demand for temporary workers in the United States is expected to increase 20.3% on a seasonally adjusted basis for the 2011 first quarter, when compared with the same period in 2010, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 20.9% increase in temporary help for the just-ended 2010 fourth quarter, which actually came in slightly lower than anticipated, at a 19.2% increase, reflecting the likelihood of an upward revision in the job growth numbers, as was the case in November and October, when the BLS revised job growth upward by 70,000 jobs.



(more)

“Following recent trends, our 2011 first-quarter forecast shows continued steady growth and indicates another increase in demand for temporary workers, marking the fifth-consecutive quarter of year-over-year increases,” said Greg Palmer, founder and chief executive officer of G. Palmer & Associates, an Orange County, California-based staffing industry consulting firm. “It is clear that the flexible labor markets are showing signs of continued improvement, when compared with both historical sequential and year-over-year trends. As we move into 2011, we anticipate that growth will be at steady, mid-teen double digit rates, but not at the same 20%+ rates we had in 2010, primarily due to the year-over-year comparisons being more difficult to surpass.”

"At the same time, it is important to be cognizant that although consumer spending is improving, it remains relatively soft, the real estate and construction sector is still depressed in many markets, and many state and local governments continue to make additional job cuts. This all adds up to measured optimism and mixed uncertainty as it relates to full time employment," Palmer added.

The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs grew 16.4% year-over-year in December, while creating nearly 16,000 new jobs. Temp job growth, seasonally adjusted, was down .4% sequentially from November. “This trend, however, is an encouraging sign of a rebound in the flexible labor markets, since historically the November to December decrease has been greater, at 1.37%, and December was the 14th out of the last 13 months of consecutive positive seasonal gains,” said Palmer. December’s increase added to the creation of 308,000 temp jobs since the beginning of the year and 495,000 since September of 2009.

The commonly referred to unemployment rate (U3) decreased to 9.4% in December from 9.8% in November, primarily reflecting that fewer people (260,000) were looking for work vs. seeing a large number of new jobs created.

The Labor Department report also indicated that 103,000 non-farm jobs were added in December, of which 115,000 were service related jobs, with more than 10,000 jobs cuts in the government sector.

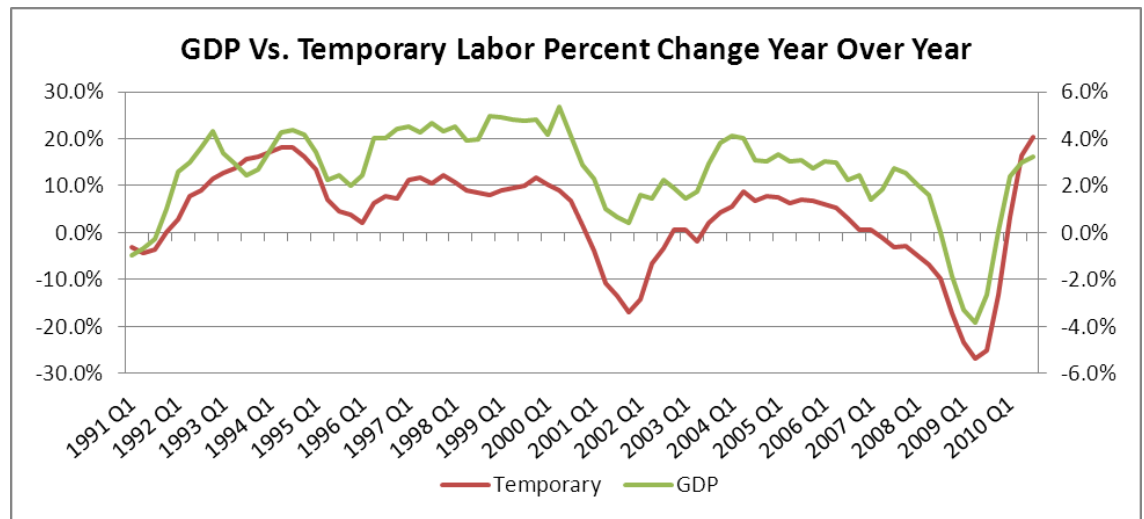
“The positive direction of sequential increases in temporary help was supported by December’s gain in overall non-farm numbers,” Palmer said. “Temporary help, which typically is the first job category to improve at the beginning of an economic expansion, continues to see gains. However, the non-farm jobs are still seeing less-than-anticipated positive movement as compared with previous recoveries. Continued unevenness also is being experienced in certain temp labor categories, such as industrial staffing, which has been a strong segment and is expected to continue its growth. Other sectors within healthcare and IT are also expected to continue to demonstrate strong year-over-year gains in the 2011 first quarter. Conversely, professional staffing and direct hire, both of which historically lag, are seeing signs of renewed growth, but at somewhat softer rates.”

Palmer said the high unemployment rates during this recession continue to have far-reaching effects across a broad spectrum of workers. As reported by the BLS, workers with college degrees experienced a slight decrease in their unemployment rate in December to 4.8% from 5.00% in November. The unemployment rate for workers with less than high school degrees during the same period decreased to 15.3% in December from 15.7% in November. 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 down slightly at 16.7%. The U6 rate is considered the rate that most broadly depicts those most affected by the

downturn, and measures the rate of discouraged workers. Palmer added, “The breakdown of the stubbornly high unemployment rate continues to reflect the much talked about skills gap found in available workers and their current skills, versus the required skills necessary for today’s increasing technical and skills-based positions.”

**The next few quarters...**

“We still expect the unemployment rate to remain high for the foreseeable future,” Palmer said. “At the same time, we believe that temp help job losses reached the bottom in the third quarter of 2009, as evidenced by the gains since then. We expect the positive trend will continue, and with the recently reported upward revisions in GDP growth, we believe future rates of growth will be consistent throughout the year. There continues to be uncertainty in private sector hiring decisions, and this typically bodes well for temp staffing, as evidenced with 16% of jobs created in December (16,000) being temp positions—an especially eye-opening statistic when considering the temp sector only accounts for only about 2 % of the average daily work force.”



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](http://www.GPalmerandAssociates.com).