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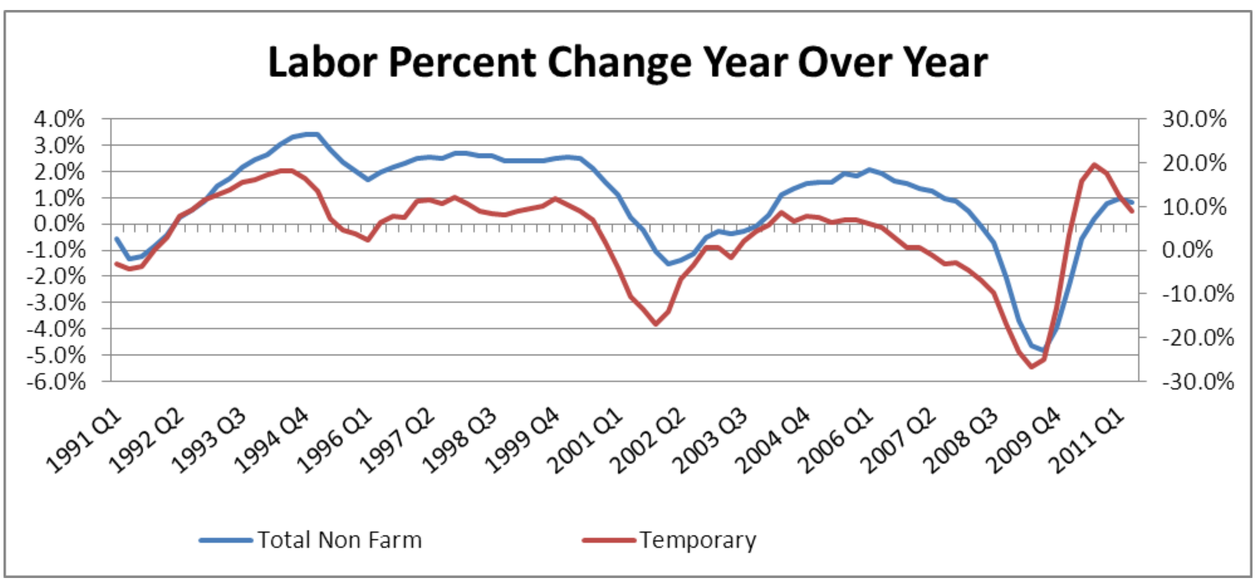
Labor Forecast Predicts 9.9% Increase in Demand for Temporary Workers In 2011 Third Quarter

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

Newport Beach, Calif., July 18, 2011 — Demand for temporary workers in the United States is expected to increase 9.9 % on a seasonally adjusted basis for the 2011 third quarter, when compared with the same period in 2010, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 12.4% increase in temporary help for the just-ended 2011 second quarter, which actually came in lower than anticipated, at an 8.9% increase, reflecting the downward trend in Q2 GDP.



"Following recent trends, our 2011 third-quarter forecast shows growth and indicates another increase in demand for temporary workers, marking the seventh-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. "What is not as clear is the sustainability of the growth. There have been three consecutive months of small sequential declines, and the-year-over-year growth rates are growing, but at a decelerating rate, as evidenced by Q1 increases at 12.4% and Q2 at 8.9%, respectively. It also is important to be cognizant that consumer spending is relatively soft, the real estate and construction sectors are still depressed in many markets, and both state and local governments continue to make additional job cuts," Palmer added.

The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs grew 7.3% year-over-year in June. Temp job growth, seasonally adjusted, was down 0.1% sequentially from May.

"This trend is a sobering sign of a pause in the flexible labor markets, since historically, the May to June increase has been higher, at 1.6%," said Palmer. "In 2010, temp help created 310,000 temp jobs and has been flat so far in 2011."

The commonly referred to unemployment rate, U3, increased to 9.2% in June from 9.1% in May, reflecting that 173,000 were added to the ranks of the unemployed.

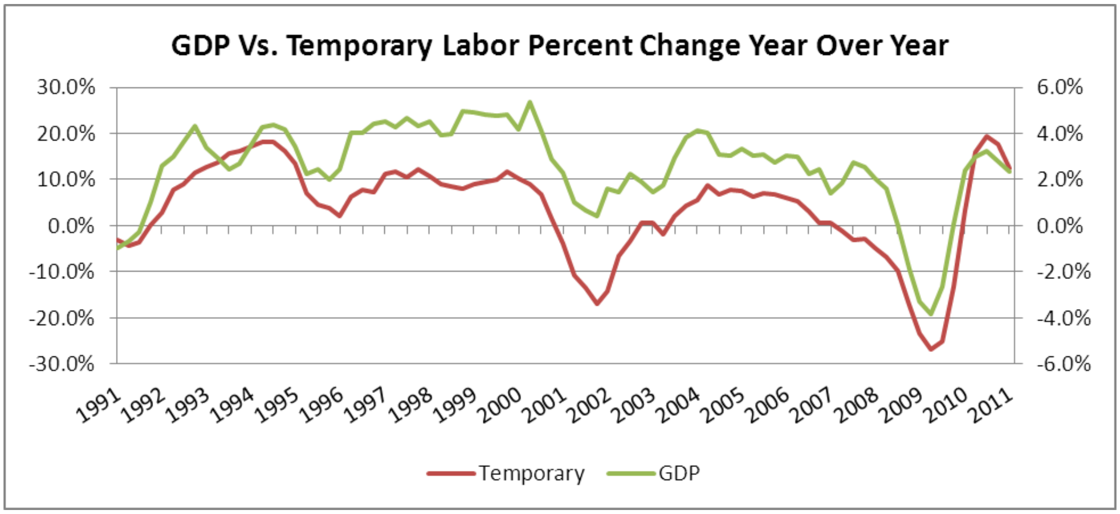
The Labor Department report also reported that 18,000 non-farm jobs were added in June, of which 53,000 were service-related, and 4,000 were goods-producing jobs. The largest employment headwind continues to remain in the government sector, with the loss of 39,000 jobs in June and 659,000 jobs in the last 12 months.

"These latest statistics all add up to a growing amount of uncertainly and an uneven distribution as it relates to new job growth." Palmer said. "The persistently high unemployment rates continue to have far-reaching effects across a broad spectrum of workers. Those at the lower end of the job market in terms of skills and education, along with workers in the previously mentioned hardest hit sectors of government, as well as in the real estate and construction sectors, are experiencing the greatest challenges."

As reported by the BLS, workers with college degrees experienced a slight decrease in their unemployment rates in June to 4.4% from 4.50% in May. The unemployment rate for workers with less than high school degrees during the same period decreased to 14.3% in June from 14.7% in May. 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 up slightly at 16.2%. The U6 rate is considered the rate that most broadly depicts those most affected by the downturn and measures the rate of discouraged workers.

The next few quarters…

"We still expect the unemployment rate to remain stubbornly high for the foreseeable future, with one of the key aspects of the high rate continuing to be 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," Palmer said. "The key indicator to watch is the GDP rate. Historically, there needs to be greater than 2% growth to create jobs, and in the last two quarters, the rates have been slightly below that figure."



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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