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NEWS RELEASE

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Labor Forecast Predicts 24.0% Decrease in Demand for Temporary Workers In 2009 Second Quarter, Representing Ninth Consecutive Quarter of Declines

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

Newport Beach, Calif., March 26, 2009 — Demand for temporary workers in the United States for the 2009 second quarter is expected to fall 24.0% on a seasonally adjusted basis over the same period in 2008, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 21.2% decline in staffing for the just-ending 2009 first quarter, which thru the February has come in at a 24.7 % decline—wider than anticipated, primarily because of higher than expected unemployment figures.

“Not surprisingly, our 2009 second quarter forecast shows the ninth consecutive quarter of year-over-year declines in demand for temporary workers—a trend that we believe will continue at least through the third quarter of 2009,” said Greg Palmer, founder and chief executive officer of G. Palmer & Associates, an Orange County, Calif.-based staffing industry consulting firm. “The economic slowdown that was initially triggered by the crisis in the financial sector has now clearly permeated most segments of the job market.”

Palmer said the pace of the year-over-year declines in the labor market is continuing to accelerate in a downward direction. Non-farm payroll numbers declined in February, January and December by 3.02%, 2.65% and 2.18%, respectively. Temp numbers showed greater weakness, down 24.7% year-over-year in February, 22.8% in January, and 16% in December. Temporary workers in the U.S. have been the most impacted by the job loss numbers, as compared to the non-farm work group. Furthermore, temp employment was down 3.5% sequentially from January to February, which was well below the historical average increase of .5%. “This accelerating downward movement all points to another challenging job market in second quarter of 2009,” Palmer added.

(more)

The unemployment rate spiked to 8.2% in February from 7.6% in January, representing the highest increase since December of 1983. The Labor Department report also indicated that 651,000 jobs were eliminated in February, which was the fourth month of sequential declines. Total job loss since December 2007 has now reached 5.19 million workers. The only areas of growth were health care and education, where 35,000 jobs were added.

The increase in the unemployment rate had wide reaching effects across a broad spectrum of workers. As reported by the BLS, Palmer said the unemployment rate increased to 4.1% in February from 3.8% in January for workers with college degrees. He also said workers with less than high school degrees during the same period experienced most of the burden of workforce declines, with the unemployment rate for this group increasing to 12.6% from 12.0%. The U6 unemployment rate, which is the rate that captures the widest unemployment perspective—tracking those who are unemployed, as well as those who are underemployed and are working part time for economic reasons—jumped to 14.6% in February from 13.9% in January. The U6 rate was 580 basis points higher than the same comparable year-over-year period.

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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