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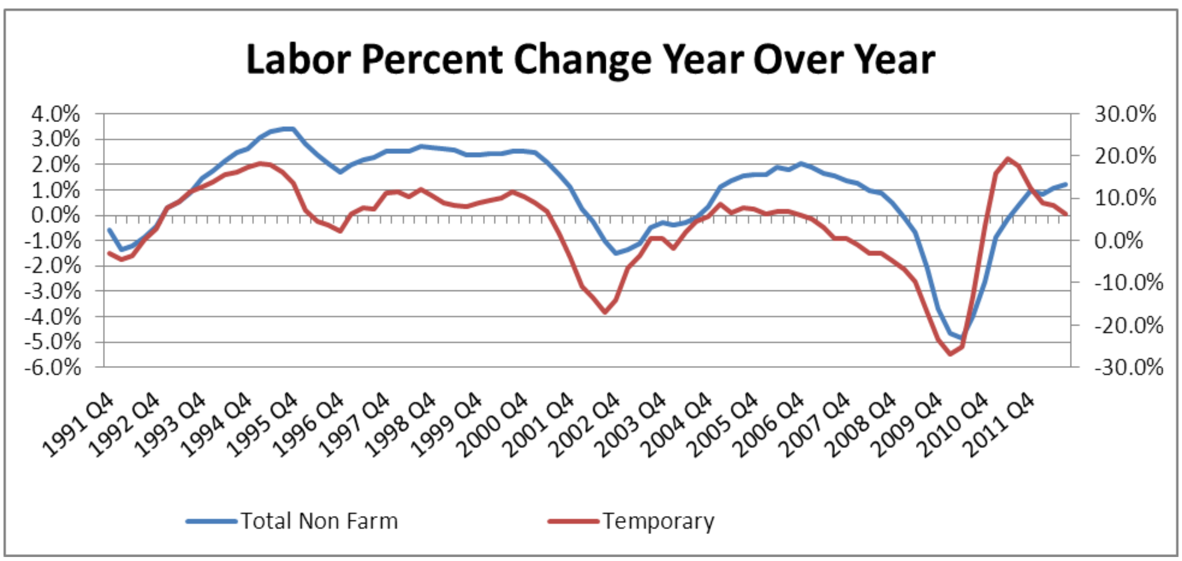
Labor Forecast Predicts 5.0% Increase in Demand for Temporary Workers In 2012 First Quarter

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

Newport Beach, Calif., January 17, 2012 — Demand for temporary workers in the United States is expected to increase 5.0% on a seasonally adjusted basis for the 2012 first quarter, when compared with the same period in 2011, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated an 8.8% increase in temporary help for the just-ended 2011 fourth quarter. Actual results came in at a 6.2% increase, which was slightly lower than anticipated, reflecting delayed hiring due to uncertainties in the marketplace.



"Our forecast for the first quarter of 2012 follows recent trends showing growth and indicating another increase in demand for temporary workers, marking the ninth-consecutive quarter of year-over-year increases," said Greg Palmer, founder and managing director of G. Palmer & Associates, an Orange County, California-based staffing industry consulting firm. "However, there have been three consecutive months of downward year-over-year increases, compared with 2010. In addition, there was a surprising sequential decrease of 0.3 % vs. the normal 0.3% seasonally adjusted increase from November to December, and a loss of 7,500 temp jobs in the month of December.

"There were 97,000 additional temp jobs in 2011 over 2010, following an increase of 310,000 temp jobs in 2010 over 2009. This trend reflects 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. Given the situation with respect to the EU debt crisis and Congress' inability to impact the U.S. budget deficits, the uncertainty in the labor market will likely continue," Palmer said.

The Labor Department reported that a net of 200,000 non-farm jobs were added in December, including 164,000 service-related and 48,000 goods-producing jobs, offset by the loss of 12,000 jobs in the government sector. There were 1.64 million non-farm jobs created in 2011 vs. 940,000 in 2010.

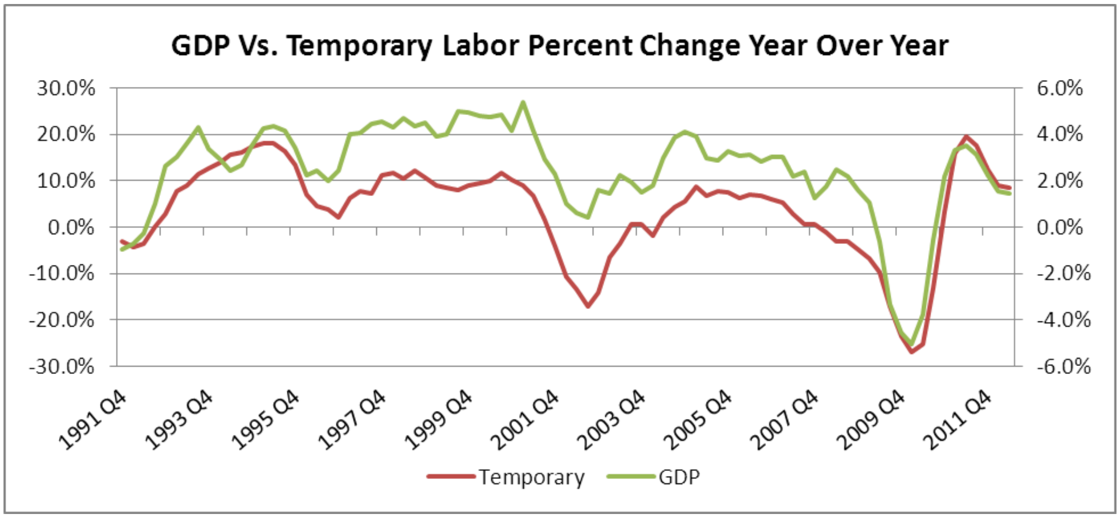
"While these signs are encouraging, it must be kept in perspective that between 2008 and 2009, 8.7 million jobs were shed from the economy, and if Temp Help growth continues to be an economic predictor for 2012, the decelerating growth rates in Q4 could indicate moderate growth at least for the first half of 2012. These latest statistics all point to an improving labor market, but with 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 government, as well as the real estate and construction sectors, are experiencing the greatest challenges."

The commonly referred to unemployment rate, U3, improved, with a decline to 8.5% in December. As reported by the BLS, workers with college degrees experienced a slight decrease in their unemployment rate in December to 4.1% from 4.2% in November. The unemployment rate for workers with less than a high school degree during the same period increased to 13.8% in December from 13.3% 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 to 15.2% in December from 15.6% in November. 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," Palmer said. "One of the key aspects of the high rate continues to be the much talked about skills gap found in available workers, namely, the lack of required skills for today's increasing technical and skills-based positions.

"Two key indicators to watch relative to Temp Help growth will be the GDP rate, as well as the Temp Help penetration rate. Historically, there needs to be greater than 2% growth in the GDP to create jobs. The Temp Help penetration rate is significant because it measures Temp Help vs. total employment. The penetration rate has continued to steadily improve to 1.75% of the total labor market from a low of 1.34% in June 2009." 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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