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## NEWS RELEASE

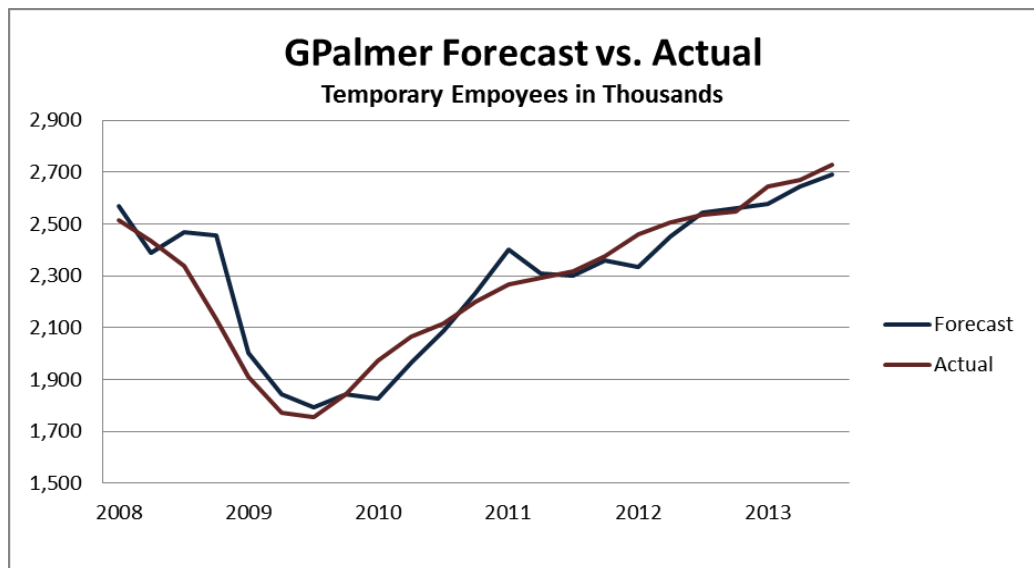
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### Labor Forecast Predicts 8.2% Increase in Demand for Temporary Workers In 2013 Fourth Quarter

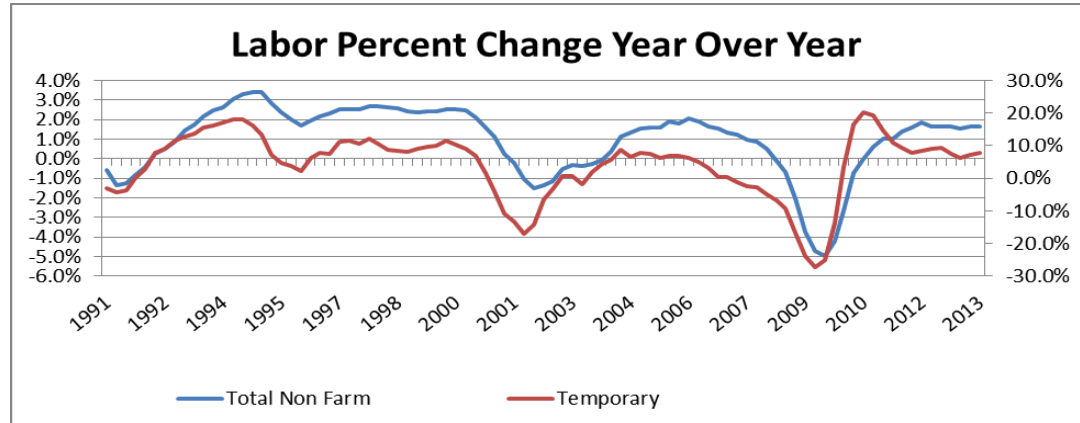
*-- Industry Consulting Firm G. Palmer & Associates' Quarterly Forecast  
Assists in Previewing Near-Term Hiring Patterns --*

**Newport Beach, Calif. Oct 30, 2013** — Demand for temporary workers in the United States is expected to increase 8.2% on a seasonally adjusted basis for the 2013 fourth quarter, when compared with the same period in 2012, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 6.4% increase in temporary help for the just-ended 2013 third quarter. Actual results came in slightly better than anticipated, at a 7.9% increase. Results, in part, reflected increasing uncertainty in the economy, where temp help created approximately 11.0% of new jobs reported since the recovery began, while representing only about 2.0% of the total labor market.



Source: GPalmer & Associates; Bureau of Labor Statistics



Source: Bureau of Labor Statistics

“Our forecast for the 2013 fourth quarter follows recent trends demonstrating growth and indicating another increase in demand for temporary workers, marking the fifteenth-consecutive quarter of year-over-year increases,” said Greg Palmer, founder and managing director of G. Palmer & Associates, an Orange County, California-based human capital advisory firm.

“So far in 2013, the BLS reported an average of 20,000 temp jobs created per month and slightly more than 180,000 year-to-date. The trends point to increasing single digit temp help growth for 2013 with year-over-year growth rates of 9.0% and 7.7% in September and August, respectively. The BLS report reflects that with 20,200 temp jobs created in September versus 21,200 in August. There was an acceleration of growth in the quarter, when you combine the upward revisions of 13,400 jobs for July and August. There were 174,000 temp jobs added in 2012 and 167,000 additional temp jobs added in 2011 over 2010, following an increase of 339,000 temp jobs in 2010 over 2009.” Palmer said.

The Labor Department reported that a net of 148,000 non-farm jobs were added in September 2013, which was lower than most expectations. Of the jobs created, 100,000 were service-related and 26,000 jobs were in the goods producing sectors. The winners were education and health services at 36,000, professional and business services at 32,000, transportation and warehousing at 23,000, government with 22,000, construction had 20,000 and manufacturing saw 2,000 jobs created. For the most recent three-month period ended September, the moving average of non-farm jobs decreased to 143,000 versus 151,000 for the three-month period ended August.

“While these trends show improvement, it must be kept in perspective that between 2008 and 2009, 8.7 million jobs were shed from the economy and roughly 11 to 12 million people are still looking for work today. These latest statistics all point to a modestly 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, are experiencing the greatest challenges. The unemployment rates have slowly trended down, but discouraged workers opting out of the ranks of seeking jobs have boosted the rates of improvement.”

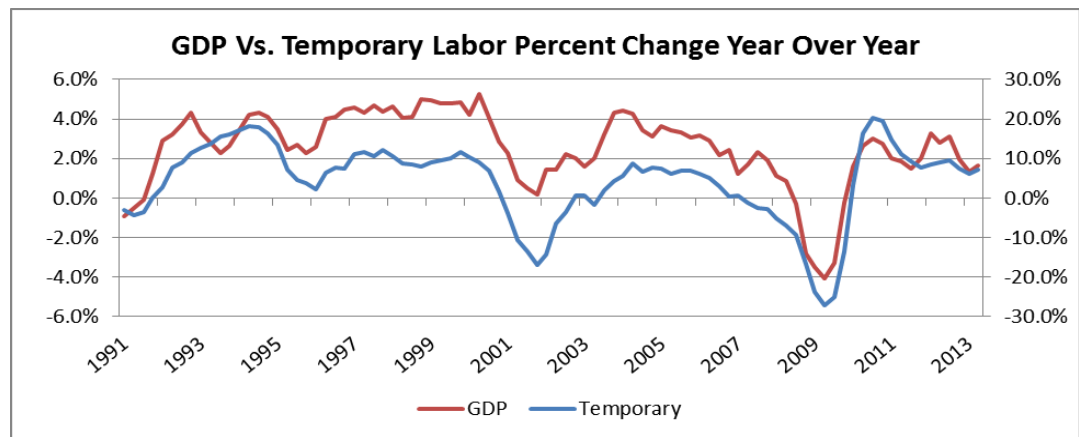
The commonly referred to unemployment rate, U3, ticked down 10 basis points to 7.2% in September from 7.3% in August. As reported by the BLS, the rate of unemployment for workers with college degrees also was down 20 basis points to 3.7% in September versus October. The unemployment rate for workers with less than a high school degree during the same period decreased to 10.3% in September from 11.3% in August. 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, decreased by 10 basis points to 13.6%. 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 unemployment rates to remain stubbornly high for the foreseeable future,” Palmer said. “One of the key aspects of the high rates continues to be the much talked about skills gap found in available workers, namely, the lack of required skills or education needed for today’s increasing technical and skills-based positions. The key skill areas most severely impacted are those in Health Care, Information Technology, Skilled Trades and those positions that require high degrees of math and science. The gaps in these areas are beginning to widen and could cause pressure on wages in the future, as evidence by a recent McKinsey survey, showing that 40% of companies are reporting that certain jobs are remaining open for six months or longer.

“One of the most revealing indicators to watch during this uneven recovery relative to Temp Help growth will likely be the Temp Help penetration rate. The Temp Help penetration rate is significant because it measures Temp Help as a percentage of total employment. The penetration rate increased to 2.02% of the total labor market from a low of 1.34% in June 2009. The penetration rate peaked in May of 2000 at 2.03% and hasn’t been this high since April 2007. If current trends continue, it’s expected that the previous peak will be surpassed by year end,” Palmer added.



Source: Bureau of Labor Statistics

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, provides advisory services in the human capital sector with the purpose to increase 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).