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## NEWS RELEASE

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### Labor Forecast Predicts 5.9% Increase in Demand for Temporary Workers In 2013 Second Quarter

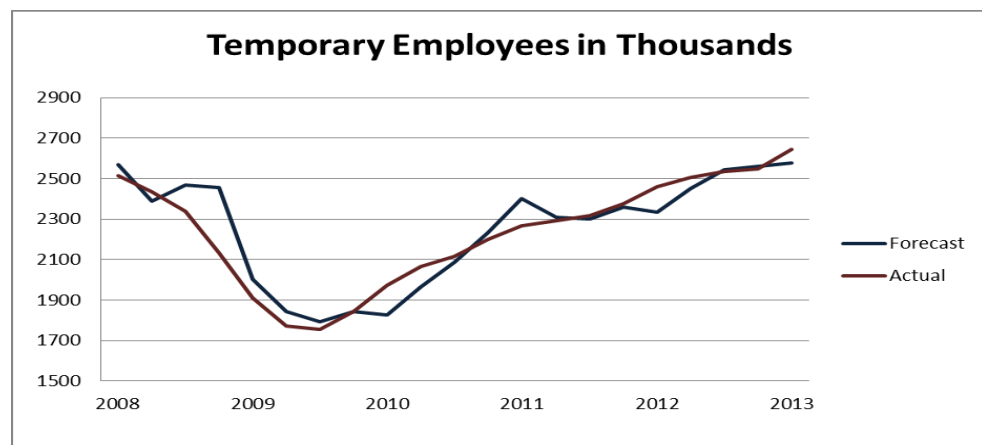
*- - Industry Advisory Firm G. Palmer & Associates' Quarterly Forecast  
Assists in Previewing Near-Term Hiring Patterns - -*

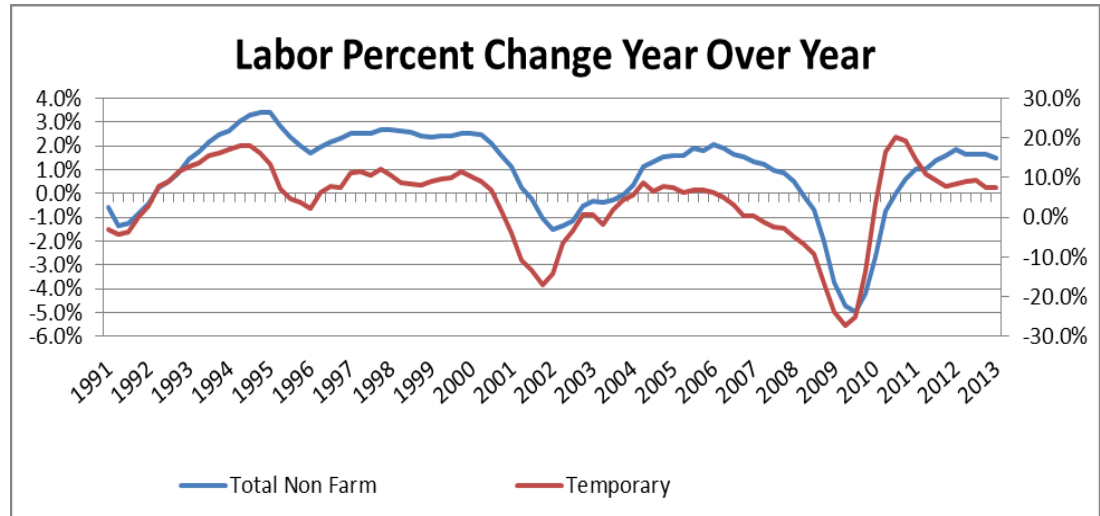
**Newport Beach, Calif. April 10, 2013** — Demand for temporary workers in the United States is expected to increase 5.9 % on a seasonally adjusted basis for the 2013 second quarter, when compared with the same period in 2013, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 4.7% increase in temporary help for the just-ended 2013 first quarter. Actual results came in as slightly higher at a 6.0 % increase. Results, in part, reflected increasing uncertainty on behalf of employers with respect to permanent hiring.

Temp help created approximately 11.0% of new jobs reported since the recovery began, and 23% in March, while representing only about 2% of the total labor market. There is also speculation among temp industry veterans that the increase could be an early sign of the anticipated positive impact on temp labor relative to the Affordable Care Act, planned for implementation in 2014. At such time, companies may begin to increase the use of temp labor as a strategic measure to offset anticipated increases in health care costs.

GPalmer Forecast since inception





“Our forecast for the 2013 second quarter follows recent trends showing growth and indicating another increase in demand for temporary workers, marking the fourteenth-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.

“So far in 2013, the BLS reported an average of 18,400 temp jobs per month. Most of the trends remain positive for continued single digit temp help growth for 2013. To put the first quarter numbers in perspective, 174,000 temp jobs were added in 2012. This is following the 167,000 temp jobs added in 2011 and the 339,000 temp jobs added in 2010,” Palmer said.

The Labor Department reported that a net of 88,000 non-farm jobs were added in March 2013, which was far below expectations. Of the jobs created, 79,000 were service-related, and 16,000 jobs were in the goods producing sectors. The winners were education and health services at 51,000, and construction had 18,000 new jobs. The weak spots in the period were in retail, where 24,000 jobs were lost followed by government declining by 7,000 and manufacturing by 3,000. For the most recent three-month period, average monthly non-farm jobs increased to 168,000 versus the previous three-month period’s average monthly of 157,000 of jobs.

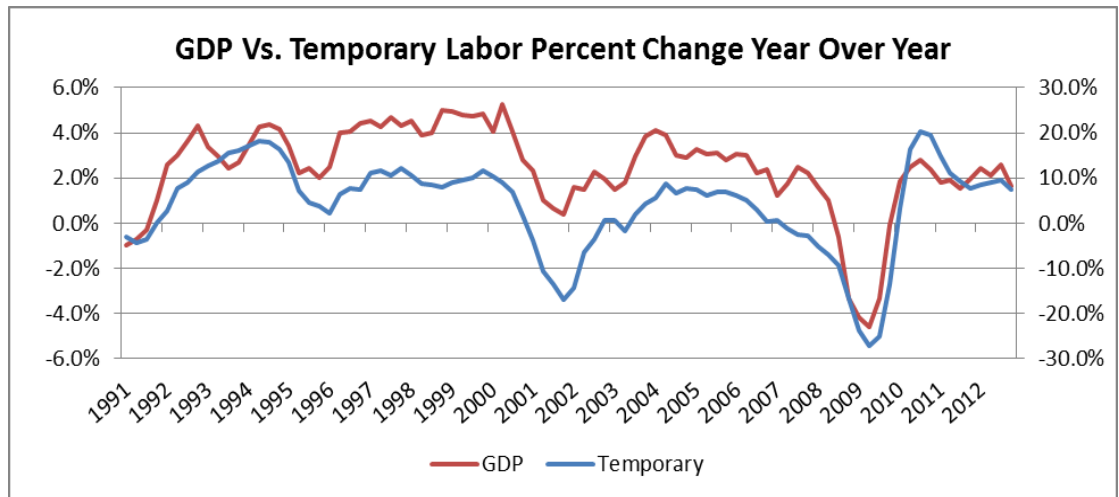
“While these trends show improvement, it must be kept in perspective that between 2008 and 2009, 8.7 million jobs were shed from the economy and roughly 12 million people are still looking for work today. These latest statistics all point to a modestly improving labor market, but with an uneven distribution as it relates to new job growth,” Palmer said. “Although showing some improvement, the persistently high unemployment rate continues 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 those seeking jobs (478,000 in March alone) have boosted the rates of improvement and masked the fundamental weakness in the job market.”

The commonly referred to unemployment rate, U3, decreased slightly to 7.6% in March 2013. As reported by the BLS, the rate of unemployment for workers with college degrees remained flat at 3.8%. The unemployment rate for workers with less than a high school degree during the same period decreased to 11.1% in March from 11.2% in February. 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 lower by 50 basis points at 13.8%. 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 rate 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 has continued steady at 1.94% of the total labor market from a low of 1.34% in June 2009. The penetration rate peaked in May 2000 at 1.96% and hasn’t been this high since April 2007,” 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](http://www.GPalmerandAssociates.com).