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## NEWS RELEASE

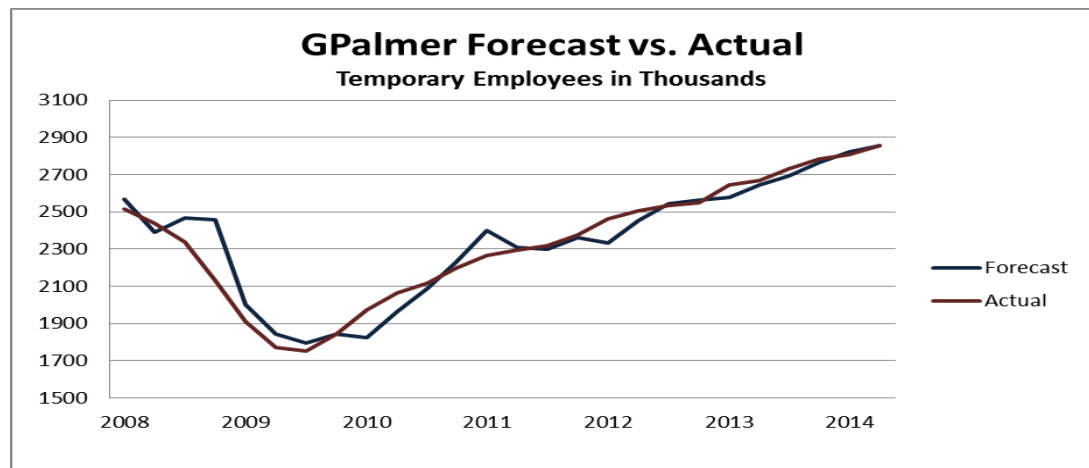
### Labor Forecast Predicts 7.6% Increase in Demand for Temporary Workers In 2014 Third Quarter

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

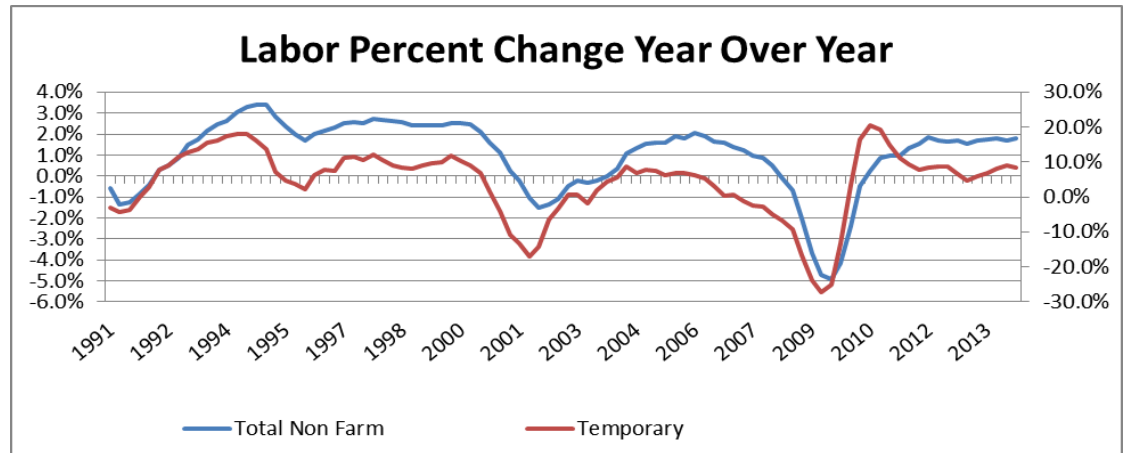
**Newport Beach, California, July 9, 2014** — Demand for temporary workers in the United States is expected to increase 7.6% on a seasonally adjusted basis for the 2014 third quarter, when compared with the same period in 2013, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated an 8.5% increase in temporary help for the just-ended 2014-second quarter. Actual results came in as very close to anticipation, at an 8.4% increase.

“It’s important to remember that temp help created approximately 10.0% of all new jobs reported since the recovery began, while representing only about 2.0% of the total labor market,” said Greg Palmer, founder and managing director of G. Palmer & Associates, an Orange County, California-based human capital advisory firm. “Reflected in our view is continued uncertainty in the future of the economy, the impact on employers regarding implementation of the Affordable Care Act, as well as business leaders’ understanding of the advantages and strategic importance of temp labor, as many companies are still recovering from the Great Recession.



Source: GPalmer & Associates; Bureau of Labor Statistics



Source: Bureau of Labor Statistics

“Our forecast for the 2014 third quarter follows recent trends, demonstrating growth and indicating another increase in demand for temporary workers, marking the 18<sup>th</sup> consecutive quarter of year-over-year increases,” Palmer added “The data is also showing that with the advent of lower unemployment rates, labor is tightening, wages are increasing, and temp help as a percentage of new job growth is beginning to decelerate. This points to the likelihood of increases in direct hire and conversation fees in the staffing industry.”

Temp help employment added 10,100 new jobs in June and has averaged 16,000 per month in 2014. In 2013, the BLS reported an average of 16,900 temp jobs created per month and slightly more than 203,000 in total. The current trends point to high single digit temp help growth for 2014, with year-over-year growth rates beginning to modestly decline. 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.

The Labor Department reported that a net of 288,000 non-farm jobs were added in June 2014, which was ahead of expectations. Of the jobs created, 236,000 were service-related, and 26,000 jobs were in the goods-producing sectors. Within goods-producing employment, 6,000 jobs were in construction, while manufacturing added 16,000. Government employment added a total of 26,000 positions, of which 2,000 were federal, 2,000 state and 22,000 were local government hiring. For the most recent three-month period ended June 2014, the moving three-month average of non-farm jobs increased to 272,000 from 244,000 in May.

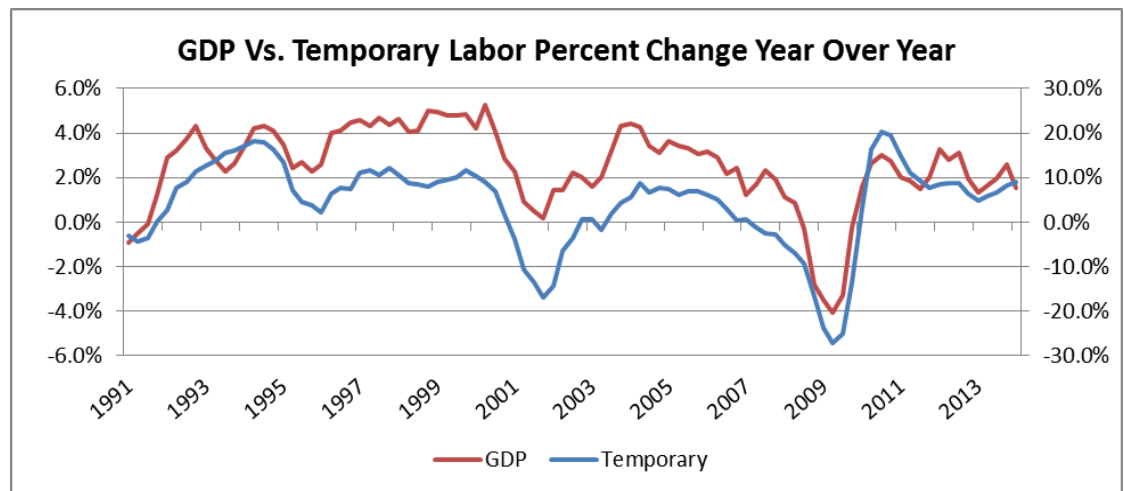
“While these trends show improvement, it must be kept in perspective that between 2008 and 2009, 8.7 million jobs were shed from the economy, and roughly 11 to 12 million people are still either under-employed, have dropped out of the labor force totally, or are still looking for work today. These latest statistics all indicate to an improving labor market, but with an uneven distribution as it relates to new job growth,” Palmer said. “The persistently high unemployment rates in certain sectors, along with education levels and geographies, 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 are experiencing the greatest challenges. The unemployment rates have slowly trended down, but discouraged workers opting out of the ranks of seeking jobs continue to be the biggest reason for improvement. This is evidenced by all-time lows in the labor participation rate in December 2013 at 62.8%, which is the lowest since 1978, and has remained unchanged through June of this year.”

The commonly referred to unemployment rate, U3, ticked down to 6.1% in June versus May. As reported by the BLS, the rate of unemployment for workers with college degrees also was down slightly at 3.3% in June versus May. The unemployment rate for workers with less than a high school degree during the same period was unchanged at 9.1% in June versus 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, ticked down slightly to 12.1%. 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. As of June, more than four million jobs remained open. 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 is the Temp Help penetration rate, which is significant because it measures Temp Help as a percentage of total employment. In June the penetration rate increased to 2.06% of the total labor market from a low of 1.34% in June 2009. The penetration rate has reached an all-time peak and surpassed the previous high of 2.03% reached in May of 2000,” 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.

G. Palmer & Associates  
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**About G. Palmer & Associates**

G. Palmer & Associates, founded in 2006, provides advisory services in the human capital sector. 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).

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