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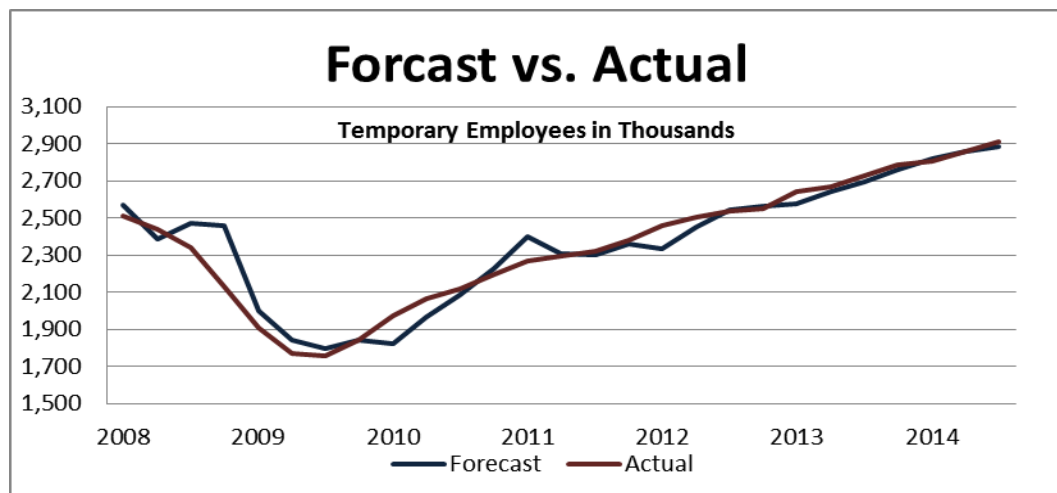
Labor Forecast Predicts 8.7% Increase in Demand for Temporary Workers in 2014 Fourth Quarter

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

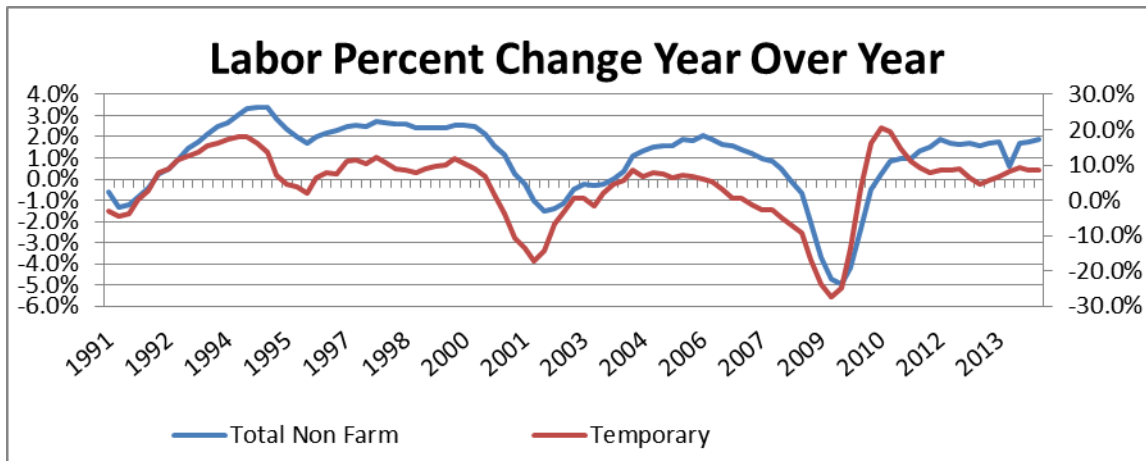
Newport Beach, California, Oct 8, 2014 — Demand for temporary workers in the United States is expected to increase 8.7% on a seasonally adjusted basis for the 2014 fourth quarter, when compared with the same period in 2013, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 7.6% increase in temporary help for the just-ended 2014 third quarter. Actual results came in slightly better than anticipated, at an 8.6% increase, mainly due to higher than expected Gross Domestic Product (GDP).

“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 fourth quarter follows recent trends, demonstrating growth and indicating another increase in demand for temporary workers, marking the 19th consecutive quarter of year-over-year increases,” Palmer said. “The data is also showing that with the advent of lower unemployment rates, labor is tightening, wages in certain categories are increasing, and temp help as a percentage of new job growth is beginning to taper off. This points to the likelihood of increases in margins, direct hire and conversion fees in the staffing industry.”

Temp help employment added 19,700 new jobs in September and has averaged 18,000 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 248,000 seasonally adjusted non-farm jobs were added in September 2014, which was ahead of expectations. Of the jobs created, 207,000 were service-related, and 29,000 jobs were in the goods-producing sectors. Within goods-producing employment, 16,000 jobs were in construction, while manufacturing was flat. Government employment added a total of 12,000 positions, of which the bright spot was state government adding 22,000 jobs. The job growth was offset by losses of 2,000 in federal and 8,000 in local government positions. For the most recent three-month period ended September 2014, the moving three-month average of non-farm jobs declined to 224,000 from 272,000 in June 2014, while the trailing 12-month average remained steady at 216,000.

“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 trended down, but discouraged workers opting out of the ranks of seeking jobs continue to be one of the leading reasons for improvement.”

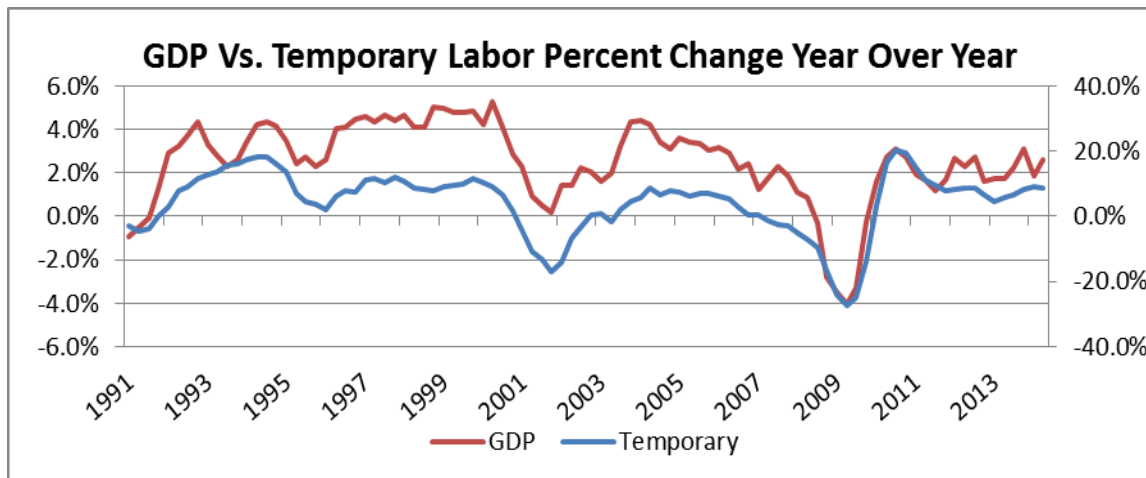
This is evidenced by near all-time lows in the labor participation rate in September 2014, at 62.7%. The commonly referred to unemployment rate, U3, ticked down to 5.9% in September 2014 versus August 2014. As reported by the BLS, for the same period, the rate of unemployment for workers with college degrees was down slightly at 2.9%. The unemployment rate for workers with less than a high school degree also went down to 8.4% from 9.1%. 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 11.8%. 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 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 September, 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 September, the penetration rate reached an all-time high of 2.10% of the total labor market from a low of 1.34% in June 2009.” 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. 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.