



NEWS RELEASE

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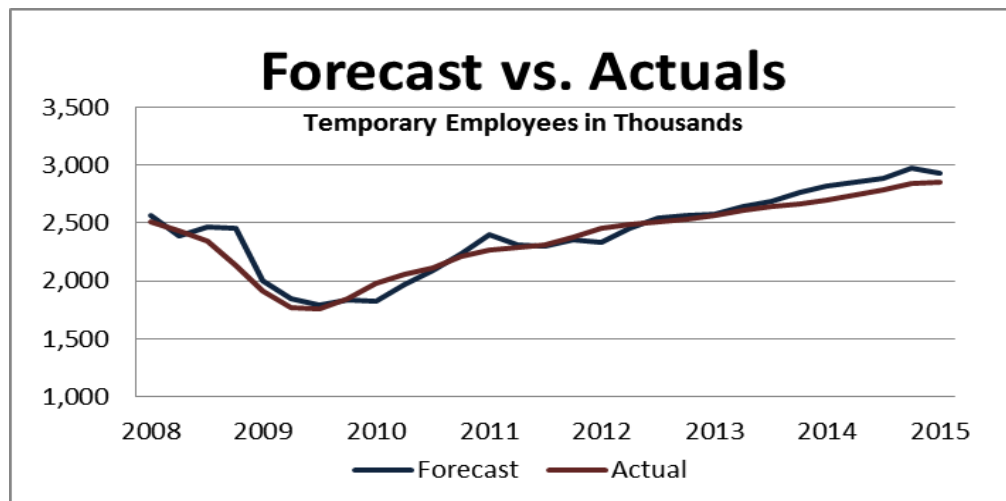
Labor Forecast Predicts 5.0% Increase in Demand for Temporary Workers in 2015 Second Quarter

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

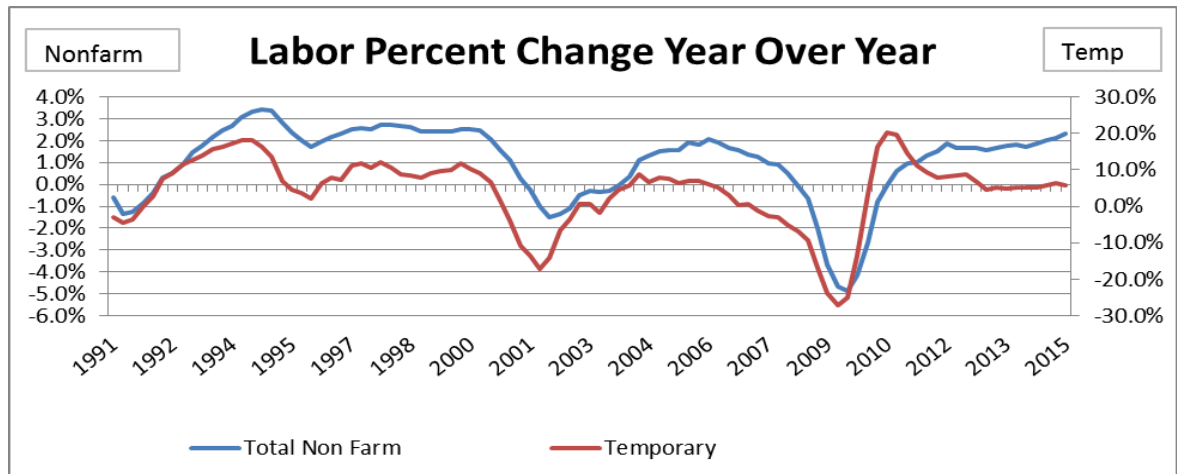
Newport Beach, California, April 10, 2015 — Demand for temporary workers in the United States is expected to increase 5.0% on a seasonally adjusted basis for the 2015 second quarter, when compared with the same period in 2014, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated an 8.5% increase in temporary help for the just-ended 2015 first quarter. Actual results came in lower than anticipated, at a 5.3% increase, primarily due to lower than anticipated GDP growth.

“Our temporary help forecast for the 2015 second quarter continues to demonstrate growth, albeit at a much slower pace compared with previous quarters,” said Greg Palmer, founder and managing director of G. Palmer & Associates, an Orange County, California-based human capital advisory firm. “The data show 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. These figures point to the likelihood of increases in pricing, margins, direct hire and conversion fees in the staffing industry. Nevertheless, it marks the 21th consecutive quarter of year-over-year increases.”



Source: GPalmer & Associates; Bureau of Labor Statistics



Source: Bureau of Labor Statistics

Temp help employment added 11,400 new jobs in March and averaged 18,100 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. Current trends point to mid-single digit temp help growth for the first half of 2015, with year-over-year growth rates beginning to 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 126,000 seasonally adjusted non-farm jobs were added in March 2015 that was well behind consensus expectations of over 225,000 positions. Of the jobs created, 142,000 were **Service-Related**, and 38,000 jobs were in **Education and Health Care**. The job growth was offset by losses from the following sectors:

- **Goods-Producing Sectors** lost 13,000 jobs
- **Mining and Logging** (including energy) declined by 11,000
- **Government Employment** lost a total of 3,000 positions, of which 2,000 jobs were in state and local government and 1,000 jobs at the Federal level.
- **Construction** jobs decreased by 1,000
- **Manufacturing** employment declined by 1,000

“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 10 to 11 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 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 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. 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.”

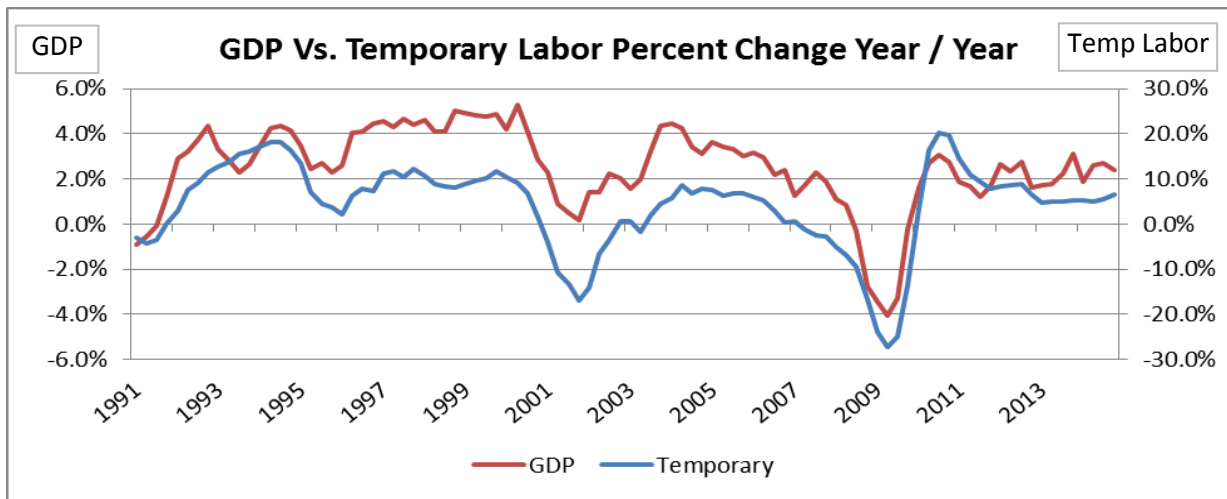
This is evidenced by near all-time lows in the labor participation rate in March 2015, at 62.7%. The commonly referred to unemployment rate, U3, remained flat 5.5% in March. As reported by the BLS, for the same period, the rate of unemployment for workers with college degrees declined 20 basis points from February to 2.5%. The unemployment rate for workers with less than a high school education increased to 8.6% from 8.4% 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, ticked down slightly to 10.9%. 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, specifically U6, 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 March 2015, 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.

“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 March, the penetration rate remained near an all-time high of 2.03% 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.