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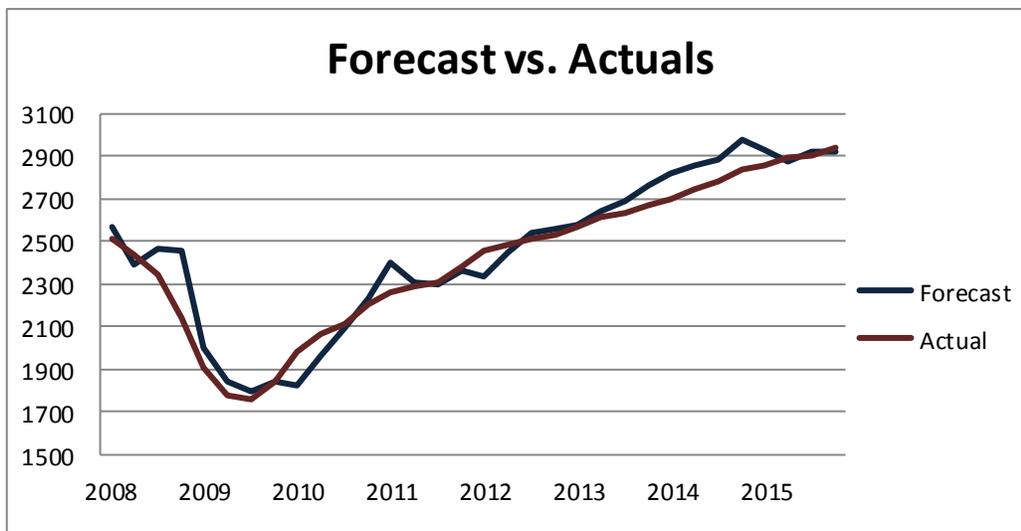
Labor Forecast Predicts 4.2% Increase in Demand for Temporary Workers for 2016 First Quarter

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

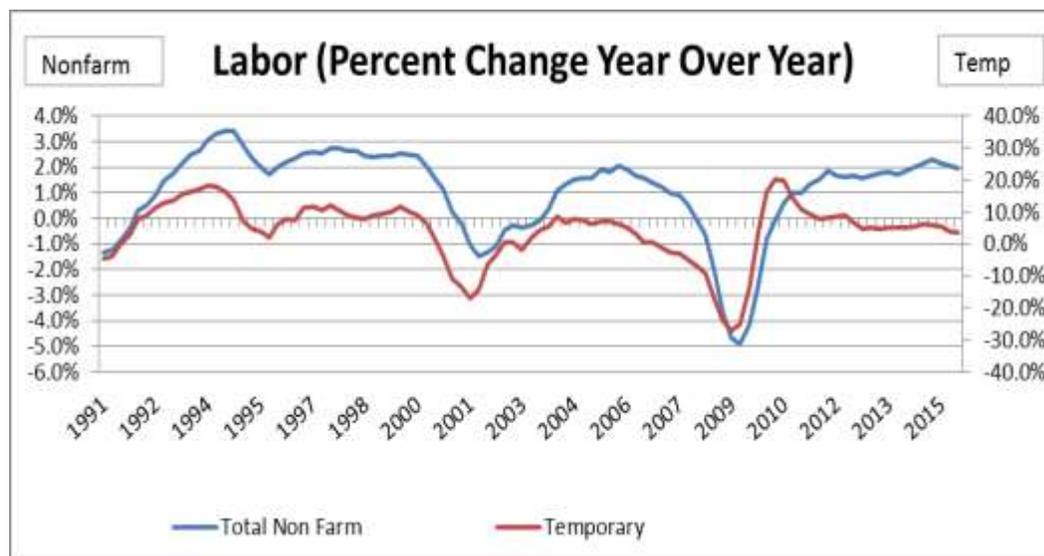
Newport Beach, California, January 12, 2016 — Demand for temporary workers in the United States is expected to increase 4.2% on a seasonally adjusted basis for the 2016 first quarter, when compared with the same period in 2015, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 2.9% increase in at temporary help for the just-ended 2015 fourth quarter. Actual results came in higher than anticipated at 3.5%.

“Our temporary help forecast for the 2016 first quarter continues to demonstrate improvement, with growth slightly accelerating compared with the previous quarter,” said Greg Palmer, founder and managing director of G. Palmer & Associates, an Orange County, California-based human capital advisory firm that specializes in workforce solutions. “Although this is the 24th consecutive quarter of year-over-year increases in demand for temporary workers, the data continue to show that temp help as a percentage of new job growth is tapering off, which historically indicates the likelihood of increases in pricing, wages, gross margins, direct hires and conversion fees in the staffing industry.”



Source: GPalmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

Temp help employment rebounded and added 34,500 new jobs in December and 94,500 jobs for 2015, averaging 7,900 per month. Current trends point to year-over-year growth rates continuing to be in the low single digits. In 2014, the BLS reported an average of 14,500 temp jobs created per month and approximately 174,000 in total, compared with an average of 12,100 temp jobs created per month in 2013 and slightly more than 146,000 in total. In 2012 there were 148,000 temp jobs added compared with the 2011. In 2011 148,000 additional temp jobs were added over 2010, and in 2010 there was an increase of 353,000 temp jobs compared with 2009.

The Labor Department reported that a net of 292,000 seasonally adjusted non-farm jobs were added in December 2015, which was sharply higher than consensus expectations of approximately 200,000 positions. 2.65 million jobs were added for the full year. The key job categories of growth and declines are as follows:

- **Total Private sector: +275,000**
- **Government: +17,000**
- **Healthcare and Education: +59,400**
- **Business Services: +31,000**
- **Retail: +23,700**
- **Goods Producing + 45,000**
- **Energy: - 9,000**

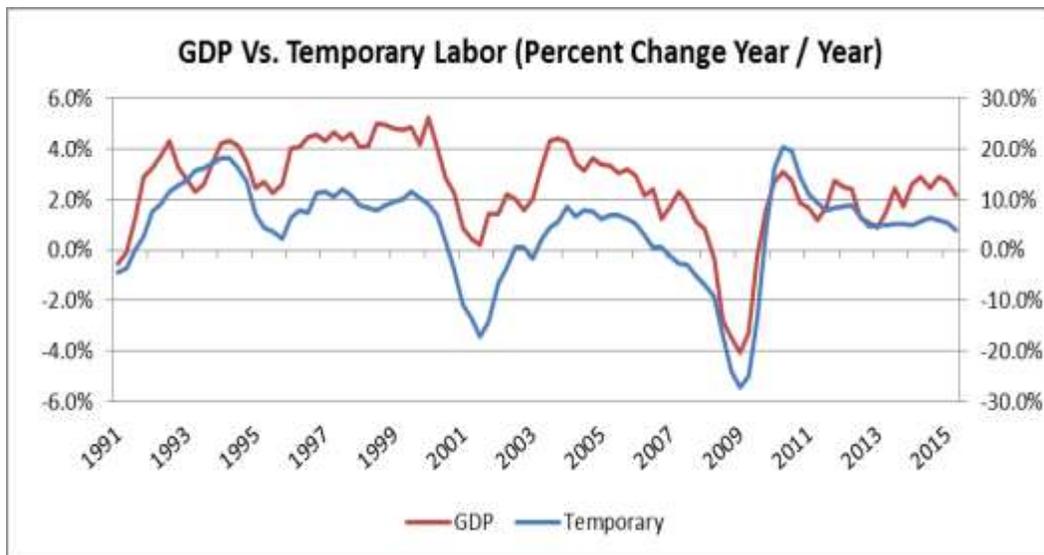
US employment trends are underpinned by near all-time lows in the labor participation rate resting at 62.6% in December 2015. The commonly referred to unemployment rate, U3, stayed flat at 5.0% in December. As reported by the BLS, for the same period, the rate of unemployment for workers with college degrees remained unchanged at 2.5% from November, and the unemployment rate for workers with less than a high school education decreased to 6.7% from 6.8%. 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, remained flat at 9.9%. 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 some unemployment rates, specifically the 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 December 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. The 10 most difficult to fill positions as reported by the American Staffing Association as of December are as follows:

1. Podiatrists
2. Photographic process workers and processing machine operators
3. Occupational therapists
4. Heavy and tractor-trailer truck drivers
5. Psychiatrists
6. Forest fire inspectors and prevention specialists
7. Internists, general
8. Physical therapists
9. Speech-language pathologists
10. Occupational therapy assistant

“One of the most revealing indicators to watch 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 December, the penetration reached an all-time high at 2.06% 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.