



NEWS RELEASE

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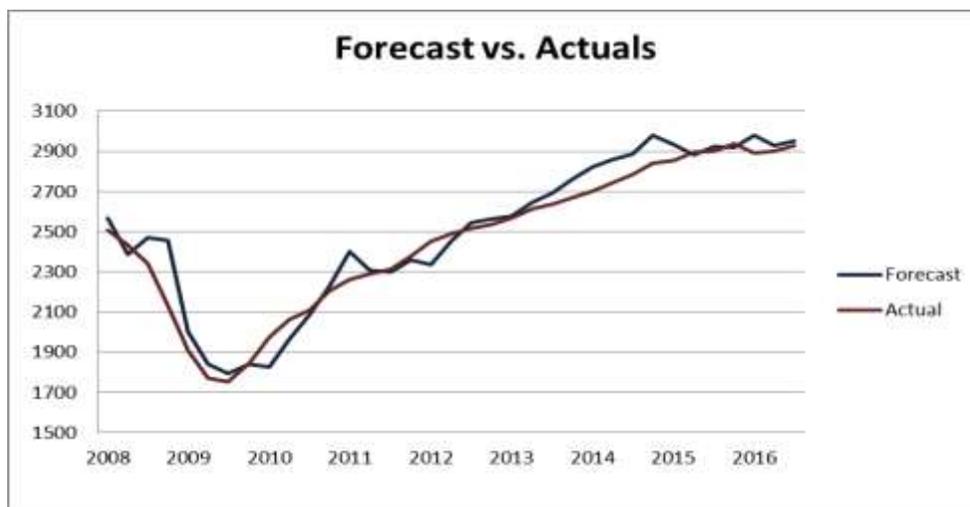
Labor Forecast Predicts 1.5% Increase In Demand for Temporary Workers for 2016 Fourth Quarter

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

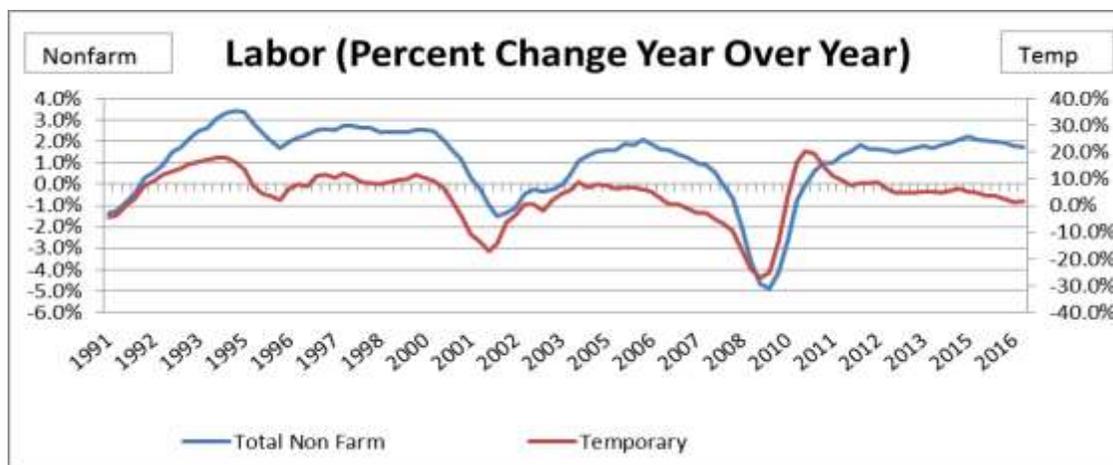
Newport Beach, California, October 13, 2016 — Demand for temporary workers in the United States is expected to increase 1.5% on a seasonally adjusted basis for the 2016 fourth quarter, when compared with the same period in 2015, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 2.3% increase in temporary help for the just ended 2016 third quarter. Actual results came in slightly lower than anticipated at 1.6% primarily due to declines in the manufacturing and mining labor sectors. Conversely, August and September were revised up by 5,800 jobs.

“Our temporary help forecast for the 2016 fourth quarter indicates modest rates of growth,” 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 27th consecutive quarter of year-over-year increases in demand for temporary workers, the data continues 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: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



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Year-over-year growth rates for the first nine months of 2016 were relatively flat in temp help employment – with only about 1,000 jobs added, an average of 100 per month. However, September was positive with temp help employment adding 23,200 new jobs and was up 1.9% over the same month in 2015. In 2015, 94,500 jobs were added, averaging 7,900 per month. 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 123,000 temp jobs added, compared with 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 156,000 seasonally adjusted non-farm jobs were added in September 2016, which was less than consensus expectations of 174,000. In addition, the trailing three month average decreased slightly to 192,000 compared to the 12 month average of 204,000.

The key job categories of growth and declines are as follows:

- **Service providing employment: +156,000**
- **Professional and Business Services: +67,000**
- **Healthcare and Social services: +33,000**
- **Construction: +23,000**
- **Education: +15,000**
- **Hospitality and Leisure: +15,000**
- **Government: -11,000**
- **Manufacturing: -13,000**

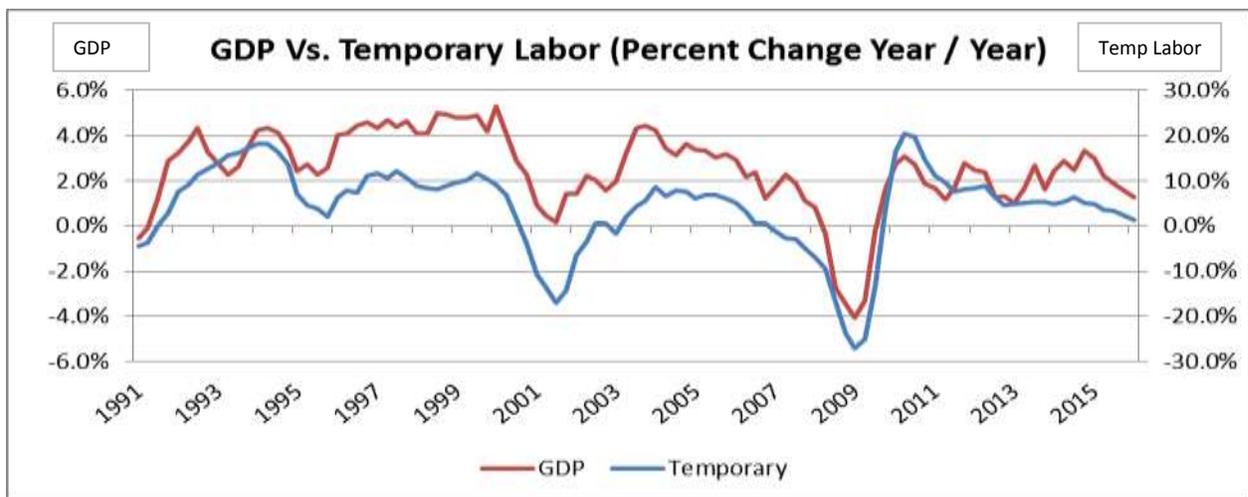
U.S. employment trends are underpinned by near all-time lows in the labor participation rate. The participation rate remains soft at 62.9% in September 2016, as 444,000 workers entered the job market. The commonly referred to unemployment rate, U3, ticked up slightly to 5.0% in September due to the surge of new entrants into the labor market. As reported by the BLS, for the same period, the rate of unemployment for workers with college degrees decrease 20bps to 2.5% from August, and the unemployment rate for workers with less than a high school education increased 130 bps to 8.5%. 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 unchanged at 9.7%. 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 September 2016, nearly 5 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 Q1 2016 are as follows:

1. Podiatrists
2. Photographic process workers and processing machine operators
3. Heavy and tractor-trailer truck drivers
4. Oral Surgeons
5. Psychiatrists
6. Forest fire inspectors and prevention specialists
7. General internist
8. Genetic counselors
9. Merchandise displayers and window trimmers
10. Occupational therapist

“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 September, the penetration remained at near all-time highs, at 2.03% of the total labor market versus 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.