



NEWS RELEASE

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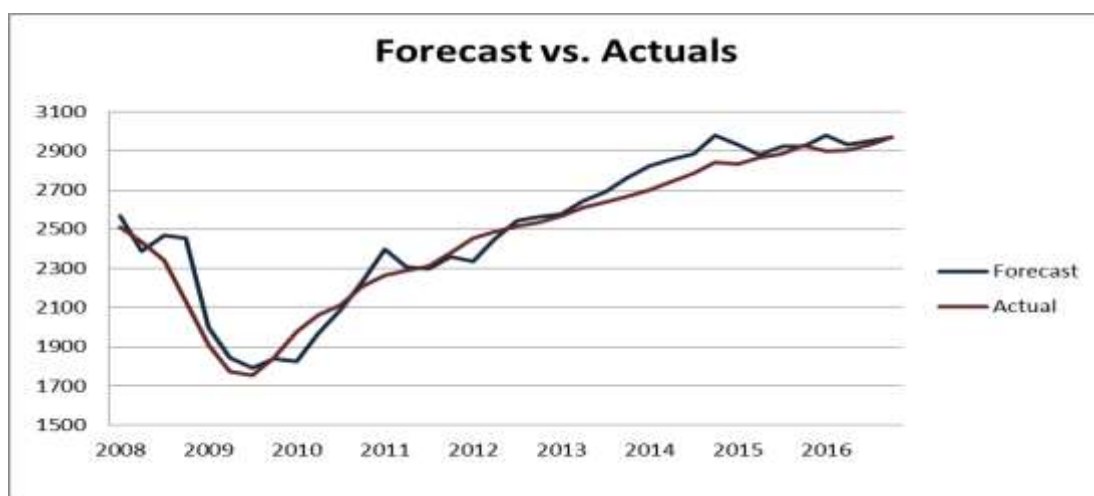
Labor Forecast Predicts 2.9% Increase In Demand for Temporary Workers for 2017 First Quarter

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

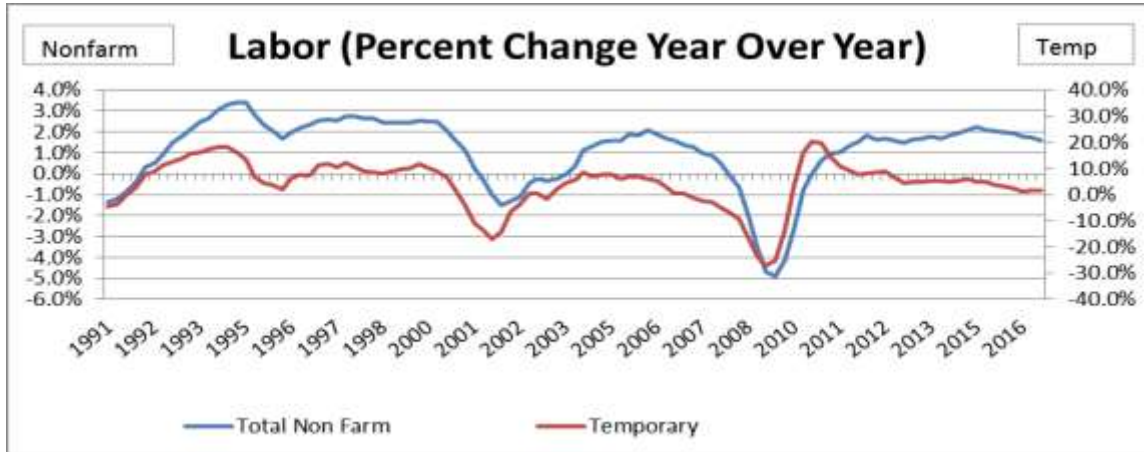
Newport Beach, California, January 11, 2017 — Demand for temporary workers in the United States is expected to increase 2.9% on a seasonally adjusted basis for the 2017 first quarter, when compared with the same period in 2016, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 1.5% increase in temporary help for the just ended 2016 fourth quarter. Actual results came in as anticipated.

“Our temporary help forecast for the 2017 first quarter predicts an accelerating rate of growth versus recent previous quarters,” 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. “This is the 28th consecutive quarter of year-over-year increases in demand for temporary workers. The data shows that temp help as a percentage of new job growth remained constant in Q4. In addition, wages were up nearly 3%, which historically indicates the likelihood of increases in pricing, gross margins, direct hires and conversion fees in the staffing industry.”



Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

Year-over-year growth rates for 2016 were modest in temp help employment – with 23,100 jobs added, an average of 1,925 per month versus 94,500 jobs added in 2015, and 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.



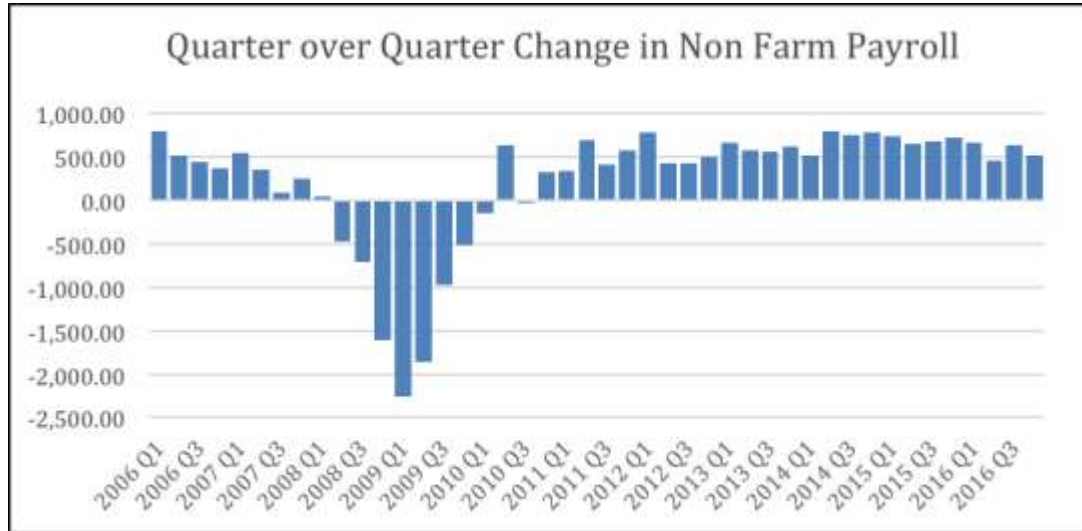
Source: Bureau of Labor Statistics (BLS)

The Labor Department reported that a net of 156,000 seasonally adjusted non-farm jobs were added in December 2016, which was less than consensus expectations of 180,000. In addition, the trailing three month average decreased slightly to 165,000, compared to the 12 month average of 180,000. This compares to a total of 2.7 million jobs added in 2015, averaging 225,000 per month.

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

- **Private Sector: +144,000**
- **Service providing employment: +132,000**
- **Professional and Business Services: +15,000**
- **Healthcare and Education: +70,000**
- **Food Service: +30,000**
- **Government: +12,000**

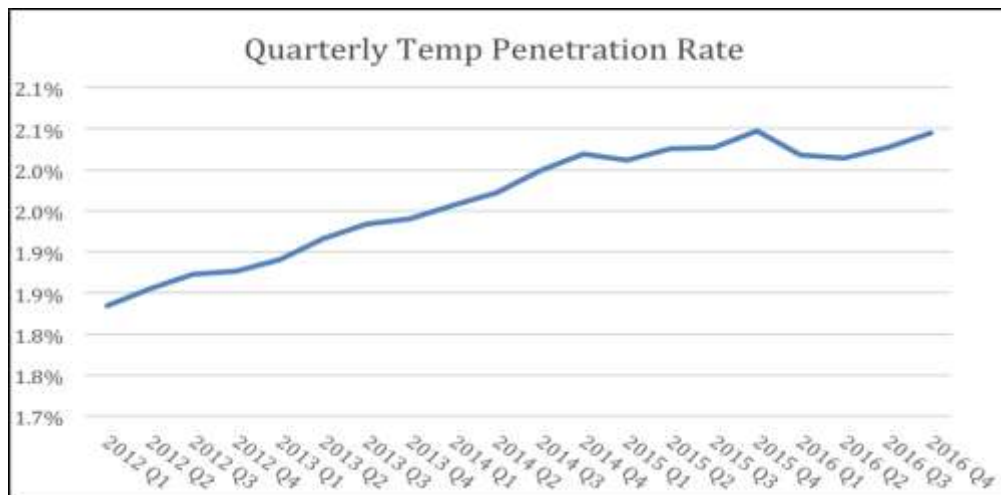
- **Manufacturing: +17,000**
- **Construction: -3,000**
- **Mining: - 2000**



Source: Bureau of Labor Statistics (BLS)

U.S. employment trends are underpinned by near all-time lows in the labor participation rate. The participation rate remains soft at 62.7% in December. The commonly referred to unemployment rate, U3, ticked up slightly to 4.7% in December. As reported by the BLS, for the same period, the rate of unemployment for workers with college degrees increase 10bps to 2.5% from November, and the unemployment rate for workers with less than a high school education was unchanged at 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 up 10bps at 9.2%. The U6 rate is considered the rate that most broadly depicts those most affected by the downturn and measures the rate of discouraged workers.

“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 2.04% of the total labor market versus a low of 1.34% in June 2009,” Palmer said.



Source: Bureau of Labor Statistics (BLS)

The next few quarters...

With the election behind us, there appears to be optimism in the jobs market regarding lower corporate tax rates and less government regulation, indicating more jobs anticipated as we enter 2017.

However employers are still reporting difficulty in filling vacancies, with nearly 6 million jobs going unfilled monthly. 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 Q4 2016 are as follows:

1. Heavy and tractor-trailer truck drivers
2. General internist
3. Podiatrists
4. Psychiatrists
5. Physician Assistant
6. Merchandise displayers and window trimmers
7. Obstetricians and gynecologists
8. Surgeons
9. Occupational therapist
10. Nurse Practitioner

Physician assistants, obstetricians and gynecologists, and nurse practitioners moved into the top 10 list of hardest-to-fill positions. Health care continues to dominate the list with eight of the 10 most difficult-to-fill occupations falling within that sector. The rankings are based on CareerBuilder supply and demand data.

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.

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