NEWS RELEASE

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Labor Forecast Predicts 3.6% Increase
In Demand for Temporary Workers for 2017 Second Quarter

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

Newport Beach, California, April 13, 2017 — Demand for temporary workers in the United States is expected to increase 3.6% on a seasonally adjusted basis for the 2017 second quarter, when compared with the same period in 2016, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 2.9% increase in temporary help for the just ended 2017 first quarter. Actual results from the Bureau of Labor Statistics (BLS) came ahead of forecast at 3.5% with 10,500 net new temp help jobs added in March and 34.500 for the quarter.

"2017 first quarter marks the 29th consecutive quarter of year-over-year increases in demand for temporary workers, and our forecast for the second quarter predicts a similar rate 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. "The data shows that temp help as a percentage of new job growth remained constant in Q1 while wages were up nearly 2.7%."
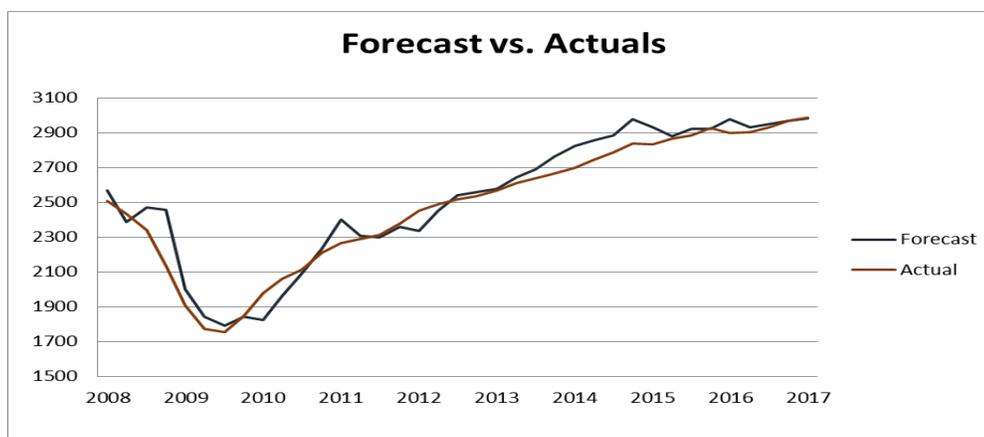

Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)
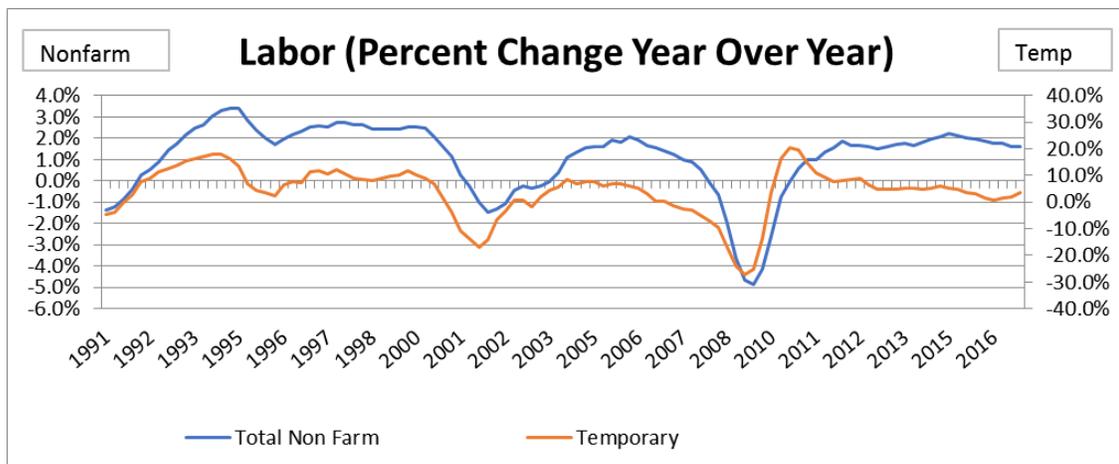
Source: Bureau of Labor Statistics (BLS)

According to updated data from BLS, 32,000 temp jobs were added in 2016, an average of 2,600 per month, versus 97,000 temporary jobs in 2015, an average of 8,000 per month. In 2014, the agency reported a total of 162,000 new temp jobs, preceded by 139,000 added temp jobs in 2013, and 142,000 temp jobs in 2012.
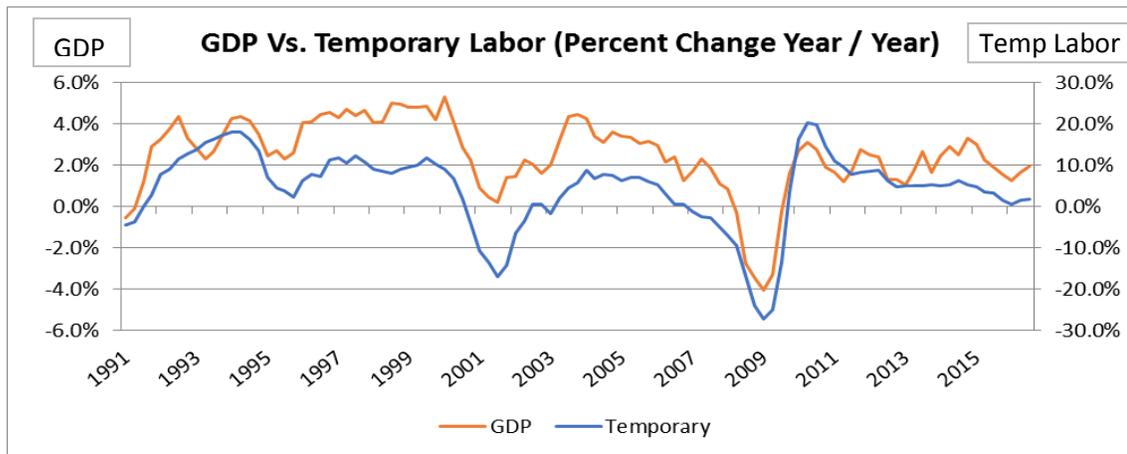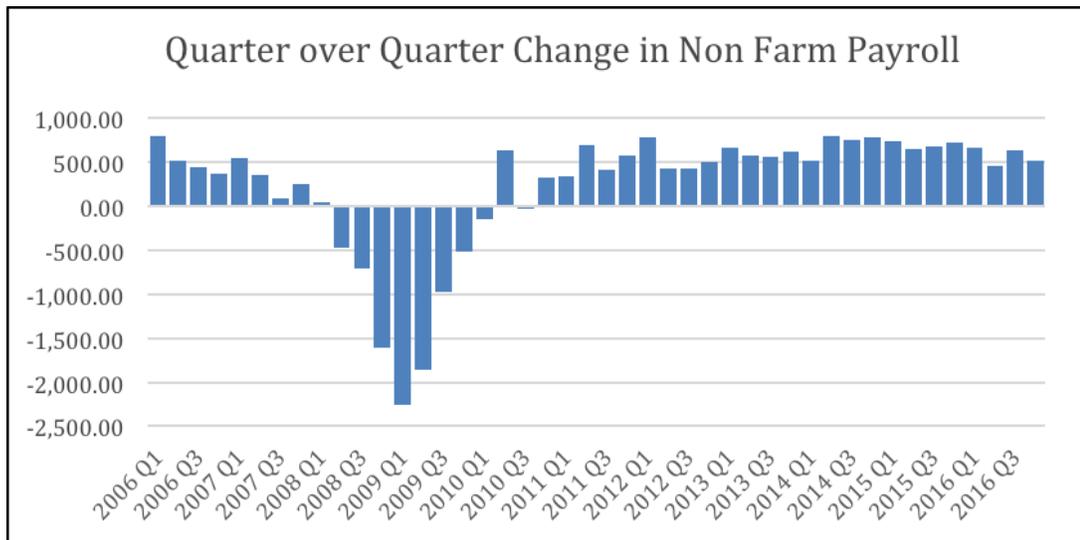

Source: Bureau of Labor Statistics (BLS)

The Labor Department also reported that a net of 98,000 seasonally adjusted non-farm jobs were added in March 2017, which was less than consensus expectations of 180,000. The trailing three-month average decreased slightly to 178,000, compared to the 12-month average of 182,000.

The key job categories of growth and declines are as follows:
- **Non-farm jobs: +98,000**
- **Private sector: +89,000**
- **Government sector: +9,000**
- **Service providing employment: +61,000**
- **Professional and business services: +56,000**
- **Healthcare and education: +16,000**
- **Manufacturing: +11,000**
- **Construction: +6,000**
- **Mining: -11,000**

Quarter over Quarter Change in Non Farm Payroll

Source: Bureau of Labor Statistics (BLS)

U.S. employment trends are underpinned by near all-time lows in the labor participation rate. In March 2017, the participation rate remained soft at 63%, with 90,000 workers dropping out of the workforce, and the commonly referred to unemployment rate, U3, ticked down slightly to 4.5%. As reported by BLS, for the same period, the rate of unemployment for workers with college degrees decreased 10bps to 2.5% from February, and the unemployment rate for workers with less than a high school education decreased 110bps to 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, was down 10bps at 8.9%. The U6 rate is considered the rate that most broadly depicts those most affected by the downturn and measures the rate of discouraged workers.

"One of the most revealing indictors to watch is the temp help penetration rate, which is significant because it measures temp help as a percentage of total employment. In March 2017, the penetration remained at near all-time highs, at 2.05% of the total labor market versus a low of 1.34% in June 2009," Palmer said.

Quarterly Temp Penetration Rate
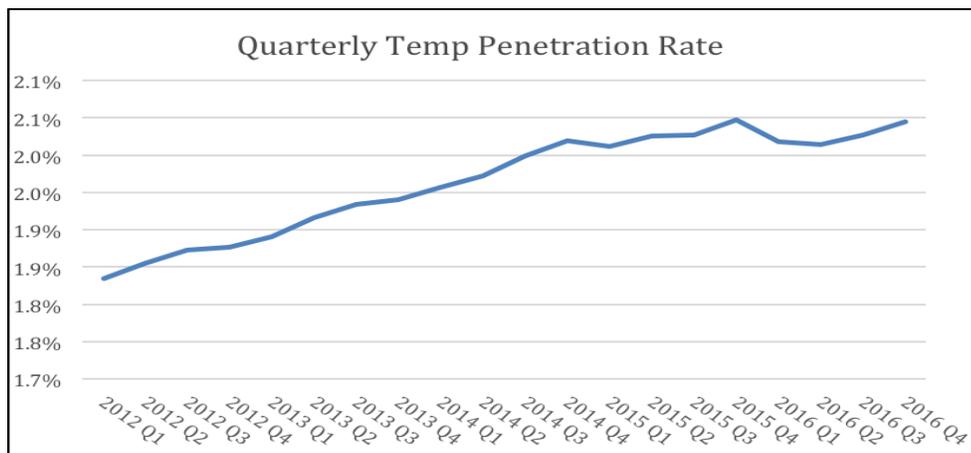
Source: Bureau of Labor Statistics (BLS)

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 anticipated jobs in 2017.

However, employers still are 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. As of Q4 2016, the 10 most difficult positions to fill reported by the American Staffing Association 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.

About the Palmer Forecast™
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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