



## NEWS RELEASE

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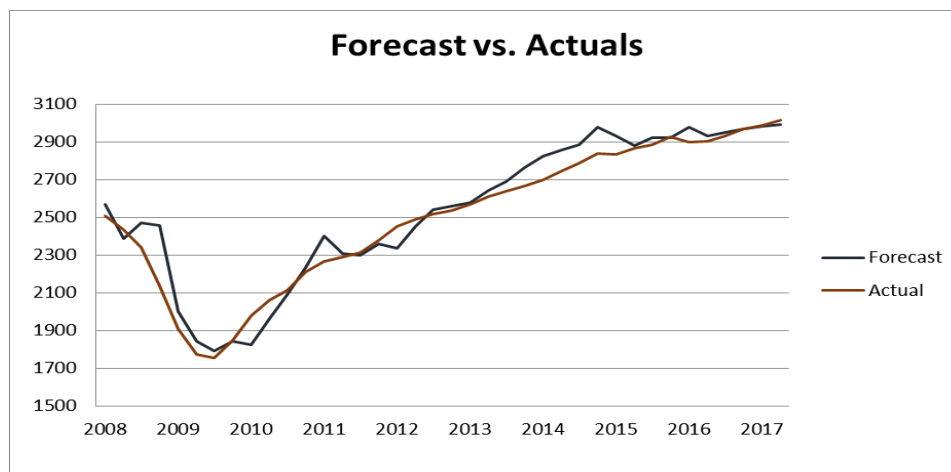
### Labor Forecast Predicts 4.1% Increase In Demand for Temporary Workers for 2017 Third Quarter

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

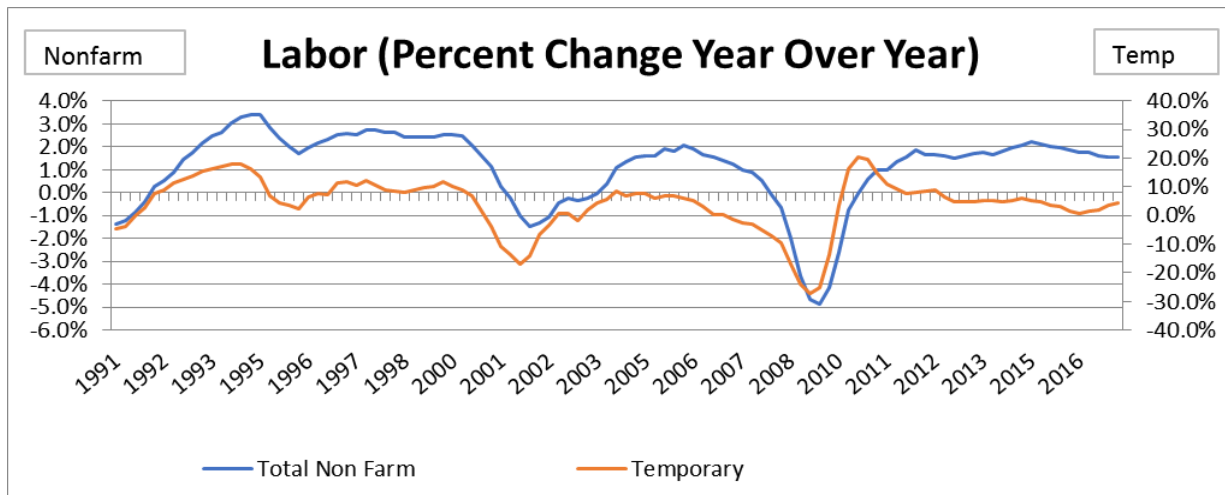
**Newport Beach, California, July 11, 2017** — Demand for temporary workers in the United States is expected to increase 4.1% on a seasonally adjusted basis for the 2017 third quarter, when compared with the same period in 2016, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 3.6% increase in temporary help for the just ended 2017 second quarter. Actual results from the Bureau of Labor Statistics (BLS) came in ahead of forecast at 4.5%, with 13,400 net new temp help jobs added in June and 70,000 year-to-date. Results were higher than expected due to higher than anticipated GDP growth and productivity gains, accompanied by lower than expected unemployment rates.

“The 2017 second quarter marked the 30<sup>th</sup> consecutive quarter of year-over-year increases in demand for temporary workers, and our forecast for the third quarter predicts continued 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. “The data shows that temp help as a percentage of new job growth remained constant in Q2, while wages were up nearly 2.3%.”

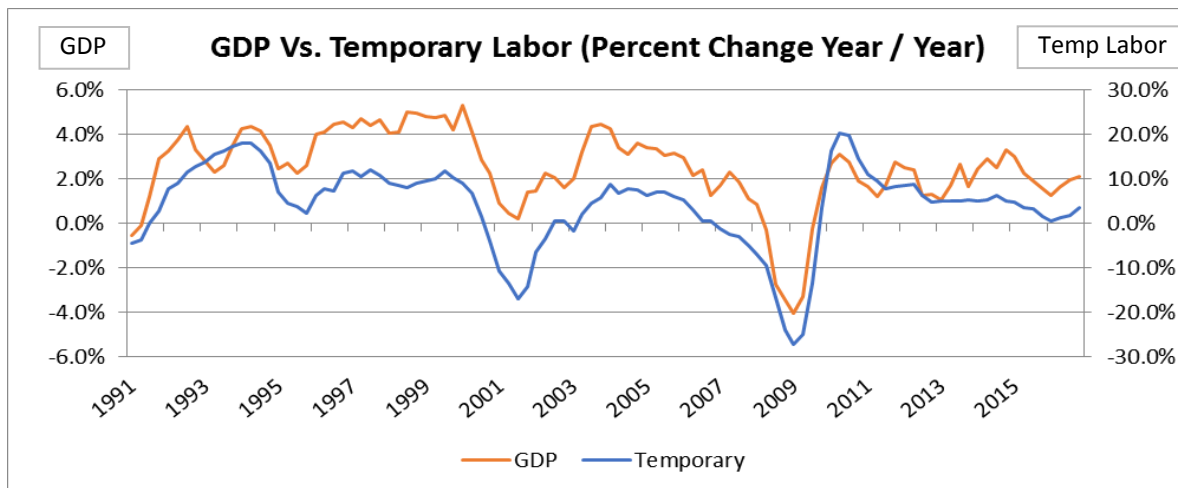


Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

According to the 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.

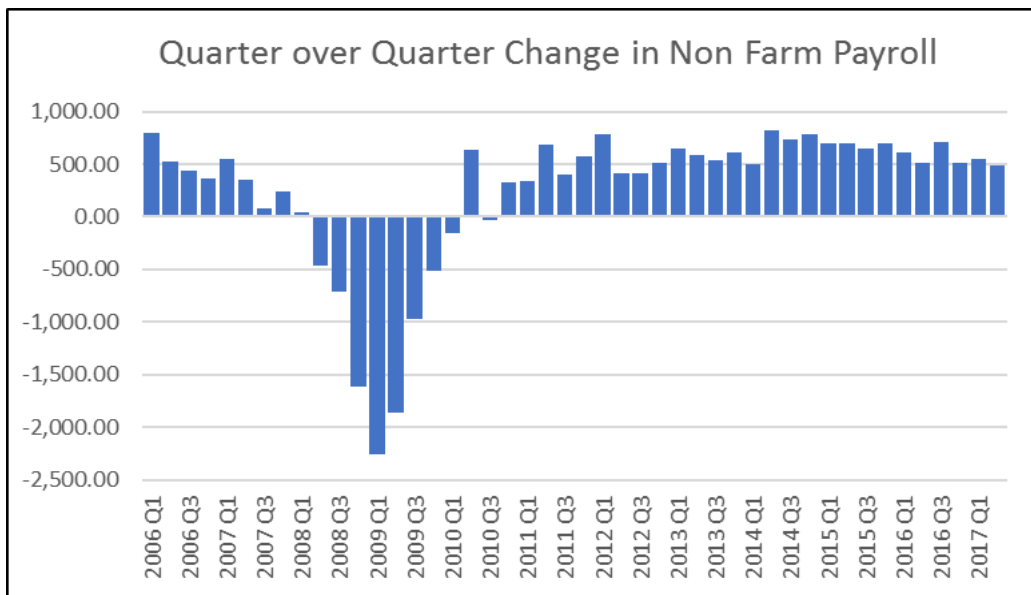


Source: Bureau of Labor Statistics (BLS)

The Labor Department also reported that a net of 222,000 seasonally adjusted non-farm jobs were added in June 2017, which was better than consensus expectations of 177,000. The trailing three-month average of additional non-farm jobs increased to 194,000, and the 12-month average increased to 187,000.

The key job categories of growth are as follows:

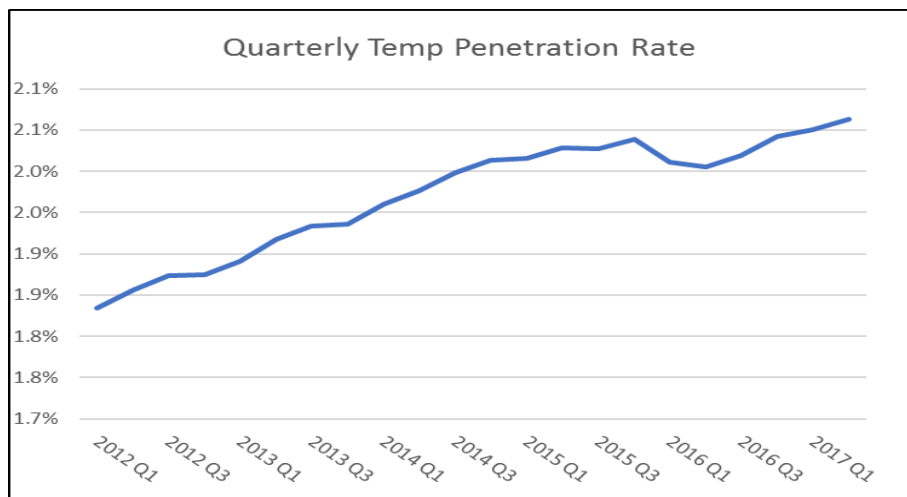
- **Non-farm jobs: +222,000**
- **Private sector: +187,000**
- **Government sector: +35,000**
- **Service providing employment: +162,000**
- **Professional and business services: +35,000**
- **Healthcare and education: +45,000**
- **Good Producing: +25,000**
- **Construction: +16,000**
- **Mining: +8,000**



Source: Bureau of Labor Statistics (BLS)

U.S. employment trends are underpinned by near all-time lows in the labor participation rate. In June 2017, the participation rate remained soft at 62.8%, and the U3 unemployment rate ticked up slightly to 4.4% from 4.3% in May. As reported by BLS, the rate of unemployment for workers with college degrees increased 10bps to 2.4% from May, and the unemployment rate for workers with less than a high school education increased 30bps to 6.4%. 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, increased 20bps at 8.6% from May. 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 is the temp help penetration rate, which is significant because it measures temp help as a percentage of total employment. In June 2017, the penetration remained at near all-time highs, at 2.07% 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...**

There appears to be momentum slowly building in the temp help employment jobs market due to the anticipation of lower corporate tax rates and less government regulation, indicating more anticipated jobs in 2017. Early evidence is exemplified by the recent unexpected pick-up in temp help growth rates – April 3.7%, May 4.9% and June 4.7% from a growth rate of 3.5% in Q1 2017 and 1.5% in Q4 2016.

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 include:

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](http://www.GPalmerandAssociates.com).

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