



## NEWS RELEASE

Contact: Roger S. Pondel/Judy Lin Sfetcu  
PondelWilkinson Inc.  
310.279.5980

Philip Boronow, Analyst  
G. Palmer & Associates  
949.201.7296  
[www.GPalmerandAssociates.com](http://www.GPalmerandAssociates.com)

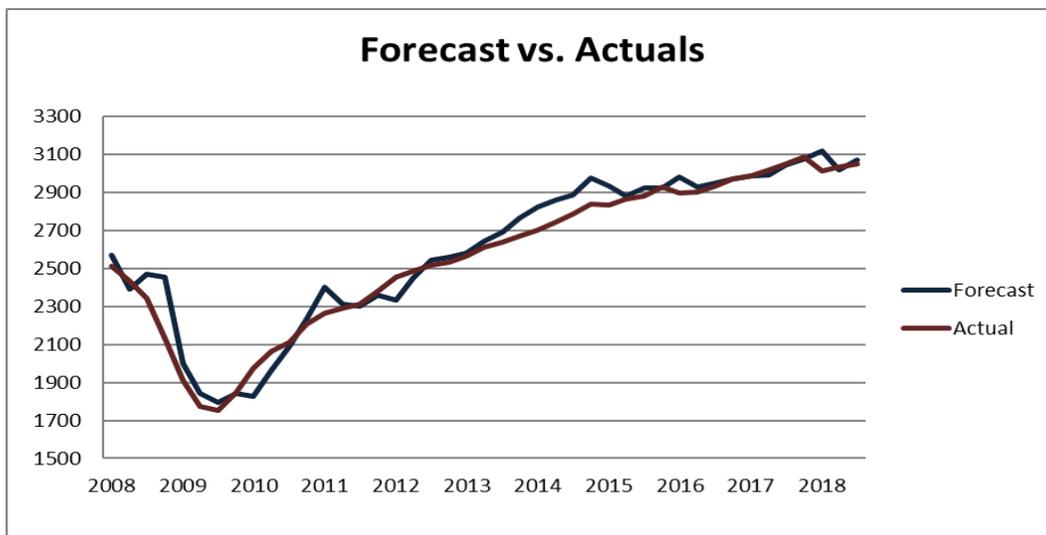
### Labor Forecast Predicts 2.2% Increase in Demand for Temporary Workers for 2018 Fourth Quarter

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

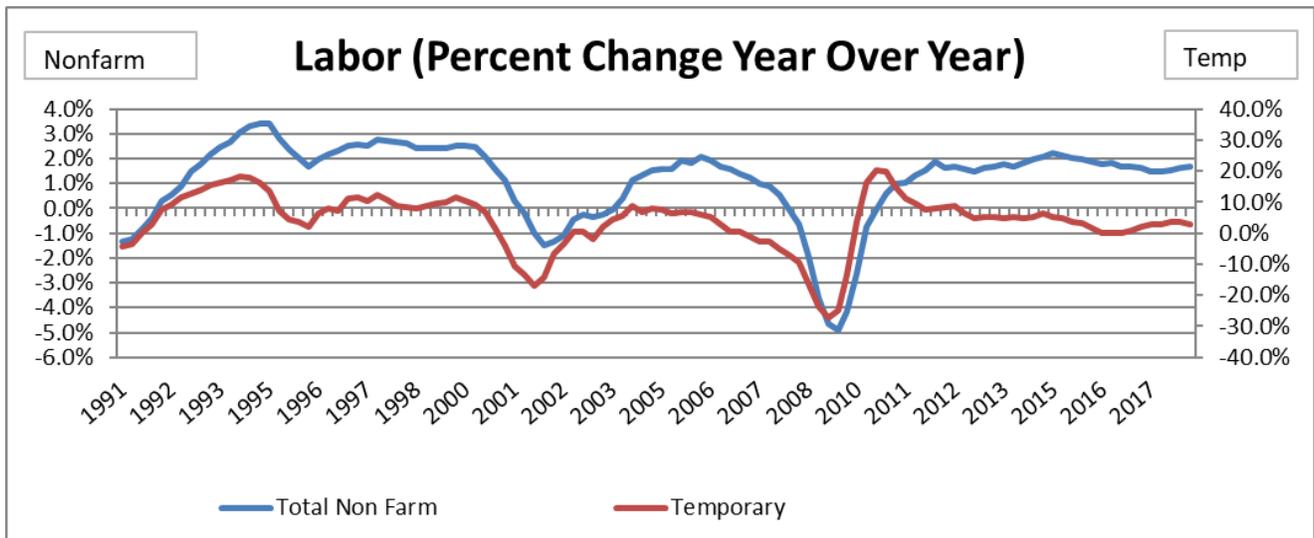
**Newport Beach, California, October 15, 2018** — Demand for temporary workers in the United States is expected to increase 2.2 % on a seasonally adjusted basis for the 2018 fourth quarter, when compared with the same period in 2017, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 3.6% increase in temporary help for the 2018 third quarter. Actual results from the Bureau of Labor Statistics (BLS) came in lower at 2.9%, with 10,600 net temp help jobs added, primarily due to the impact of hurricane Florence. The environment for labor growth remains strong.

“The 2018 third quarter marked the 35<sup>th</sup> consecutive quarter of year-over-year increases in demand for temporary workers, and our forecast for the 2018 third quarter predicts continued 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.

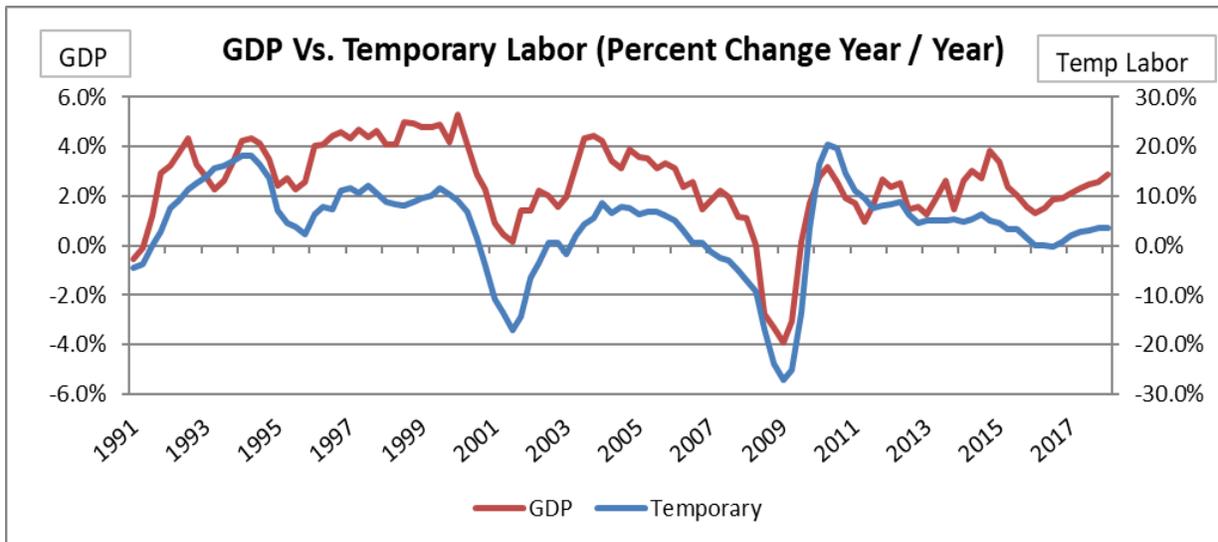


Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

According to the BLS, over 61,000 temp help jobs were added through the first three quarters of 2018, an average of 6,800 per month. Additionally, 96,000 temp jobs were added in 2017, an average of 8,000 per month, versus 32,000 temp jobs added in 2016, an average of 2,600 per month. In 2015, the BLS reported approximately 97,000 temporary jobs added, compared with 162,000 new temp jobs in 2014, 139,000 in 2013, and 142,000 additional temp jobs in 2012.



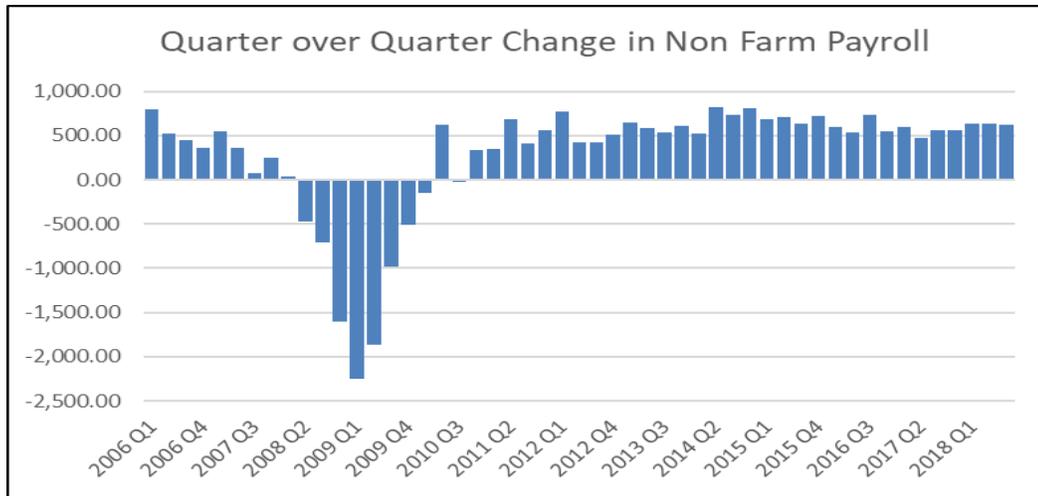
Source: Bureau of Labor Statistics (BLS)

The Labor Department reported an additional 134,000 seasonally adjusted non-farm jobs in September 2018, which was below consensus expectations of 184,000, mainly due to the effects of hurricane Florence. The department also revised new jobs up by 87,000 for July and August, resulting in approximately 190,000 new jobs created per month for the 2018 third quarter. For 2017, a total of 2.1 million new jobs were created, versus 2.2 million new jobs in 2016. The year-over-year growth rate was relatively flat in September at 1.62%, compared with 1.64% in August.

The key job categories of growth are as follows:

- **Non-farm jobs: +134,000**
- **Private sector: +121,000**
- **Government sector: +13,000**
- **Education and Health Services :+18,000**

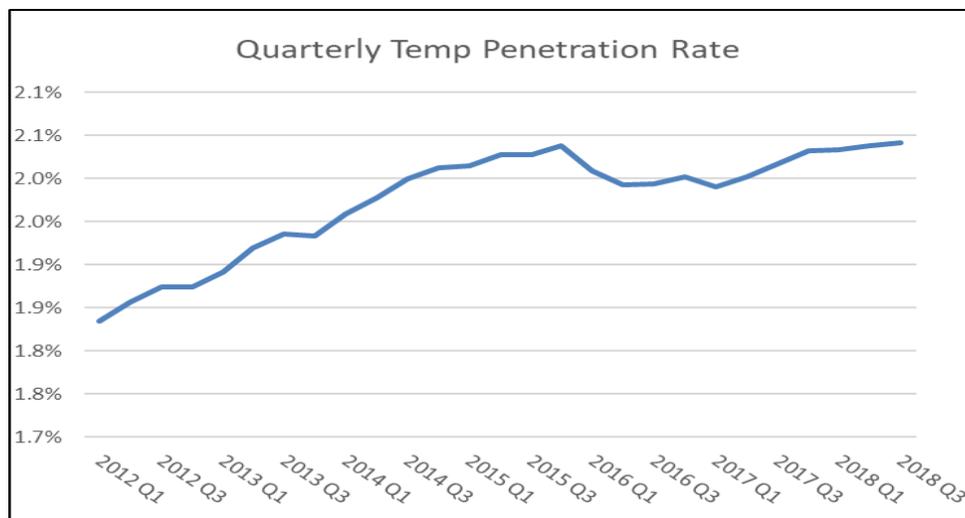
- **Service providing employment: +75,000**
- **Professional and business services: +54,000**
- **Healthcare and social assistance: +30,000**
- **Manufacturing: +36,000**
- **Goods Producing: +46,000**
- **Construction: +23,000**



Source: Bureau of Labor Statistics (BLS)

U.S. employment trends are underpinned by near all-time lows in the labor participation rate. In September 2018, the participation rate was unchanged from August at 62.7%. The U3 unemployment rate, generally reported as the official unemployment rate, ticked down to 3.7% in September 2018, the lowest rate since 1969, versus 3.9% in August. As reported by the BLS, the rate of unemployment for workers with college degrees ticked down 20 bps in September from August to 2.0%, and the unemployment rate for workers with less than a high school education ticked down 20 bps to 5.5%. 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 10 bps to 7.5% from August to September. The U6 rate is considered the rate that most broadly depicts those most affected by the last economic downturn, and measures the rate of discouraged workers.

“One of the most revealing indicators to watch, is the temp help penetration rate, because it measures temp help as a percentage of total employment. In September 2018, the penetration rate remained high at 2.1% of the total labor market, versus a low of 1.3% in June 2009,” Palmer said.



Source: Bureau of Labor Statistics (BLS)

## **The next few quarters...**

Momentum in the temp help employment market continues to be positive due to GDP growth and the expected effects of lower corporate tax rates and reduced government regulation. With GDP forecasts in Q4 2018 and Q1 2019 expected around 2.5%, growth is anticipated to continue at least through the next few quarters.

However, employers continue to report difficulty in filling vacancies, with nearly 6 million jobs remaining unfilled monthly. The key skill areas most severely impacted are in healthcare, information technology, skilled trades and positions that require high degrees of knowledge in math and science.

As of Q1 2018, the most difficult positions to fill defined by broad labor category, and as reported by the American Staffing Association include:

### **Engineering, information technology, scientific**

- Computer and information research scientists
- Information security analysts

### **Healthcare**

- Psychiatrists
- Internists, general

### **Industrial**

- Heavy and tractor-trailer truck drivers
- Food service managers

### **Office-clerical and administrative**

- First-line retail sales worker supervisors
- Repair shop or parts store salespeople

### **Professional-managerial**

- Tax preparers
- Sales engineers

### **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).

###