



## NEWS RELEASE

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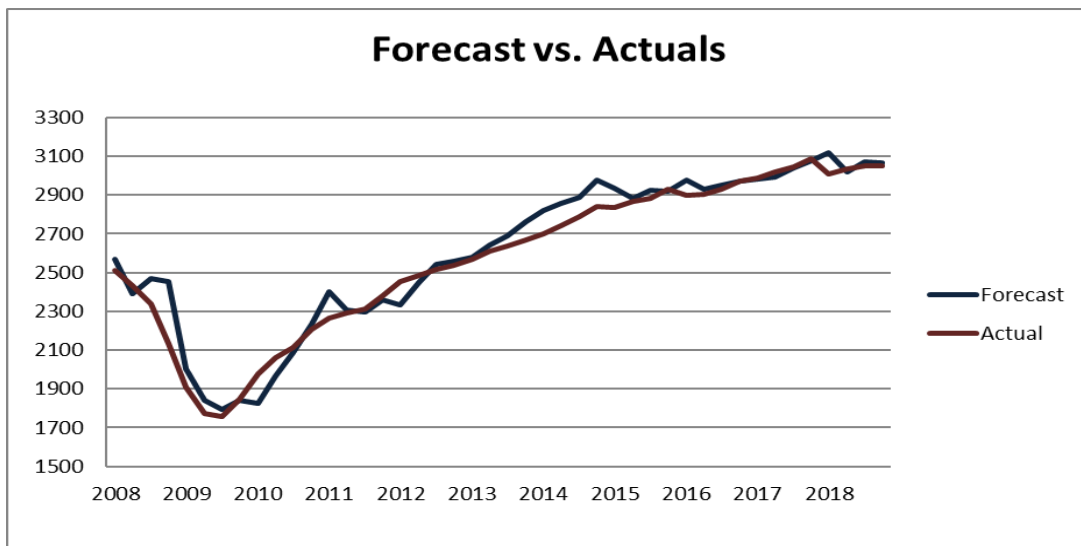
### Labor Forecast Predicts 2.9% Increase in Demand for Temporary Workers for 2019 First Quarter

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

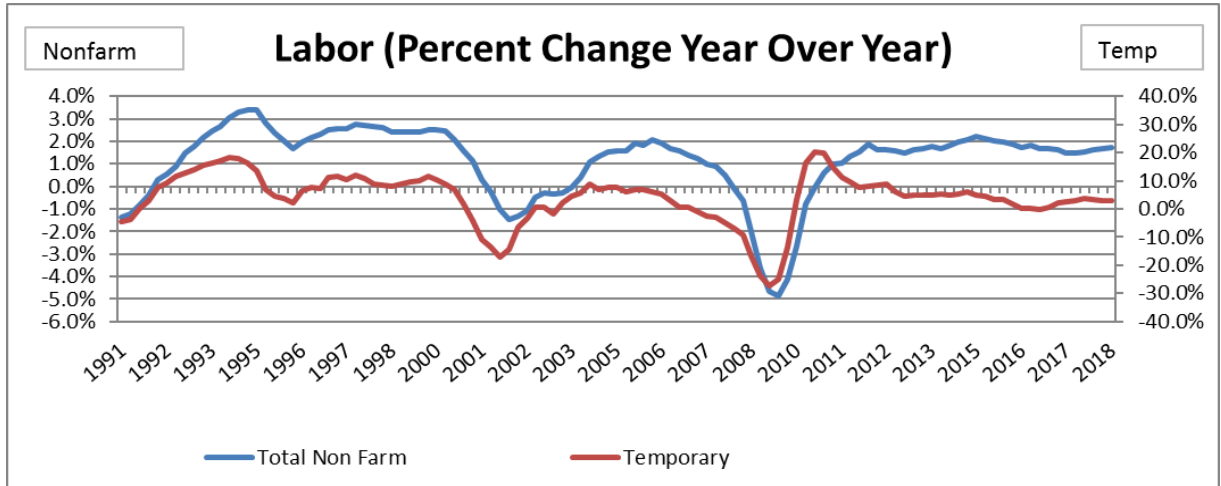
**Newport Beach, California, January 10, 2019** — Demand for temporary workers in the United States is expected to increase 2.9% on a seasonally adjusted basis for the 2019 first quarter, when compared with the same period in 2018, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 2.2% increase in temporary help for the 2018 fourth quarter. Actual results from the Bureau of Labor Statistics (BLS) came in at 3.0%, with 10,300 net temp help jobs added.

“The 2018 fourth quarter marked the 36<sup>th</sup> consecutive quarter of year-over-year increases in demand for temporary workers, and our forecast for the 2019 first 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.

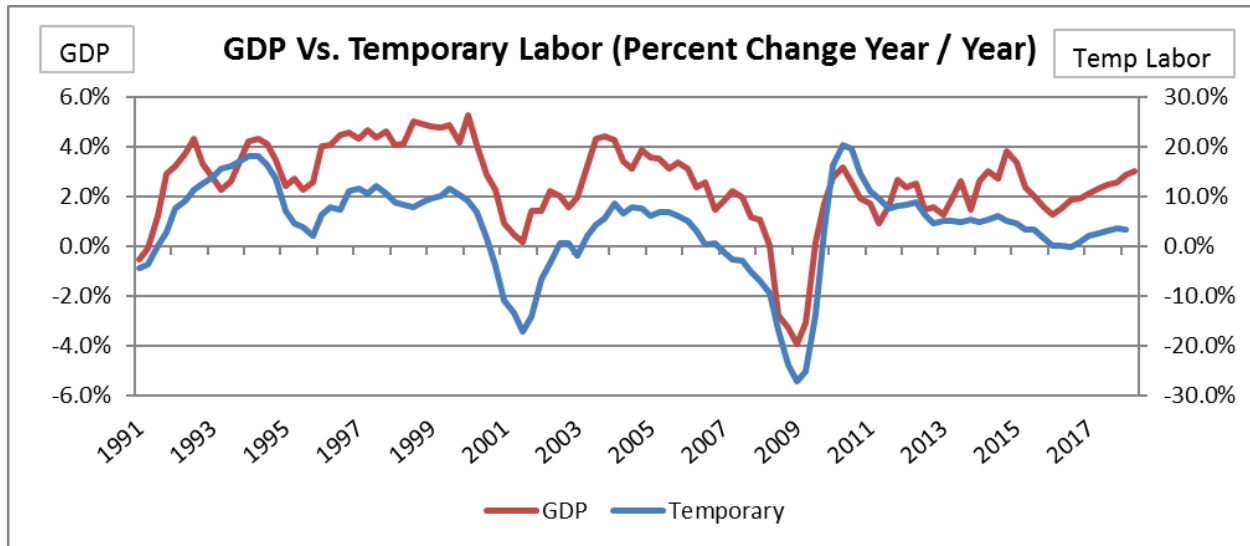


Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

According to the BLS, more than 99,000 temp help jobs were added in 2018, an average of 8,200 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.

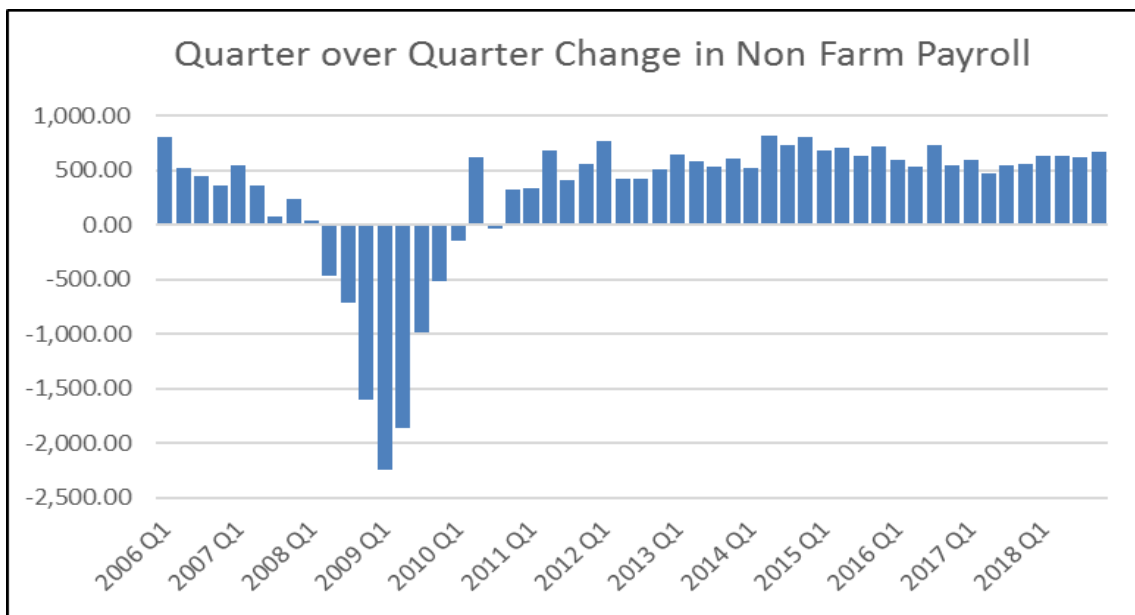


Source: Bureau of Labor Statistics (BLS)

The Labor Department reported an additional 312,000 seasonally adjusted non-farm jobs in December 2018, which was considerably above consensus expectations of 176,000. The department also revised new jobs upward by 58,000 for October and November, averaging approximately 254,000 new jobs created per month in the 2018 fourth quarter, 220,000 new jobs per month for 2018, and 2.6 million total for the year. 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 up in December at 1.79%, compared with 1.70% in November. It's important to note the BLS job survey occurred on December 12<sup>th</sup>, and several unfavorable headlines emerged later in the month. Therefore, not too much emphasis should be placed in the new jobs report for just one month.

The key job categories of growth are as follows:

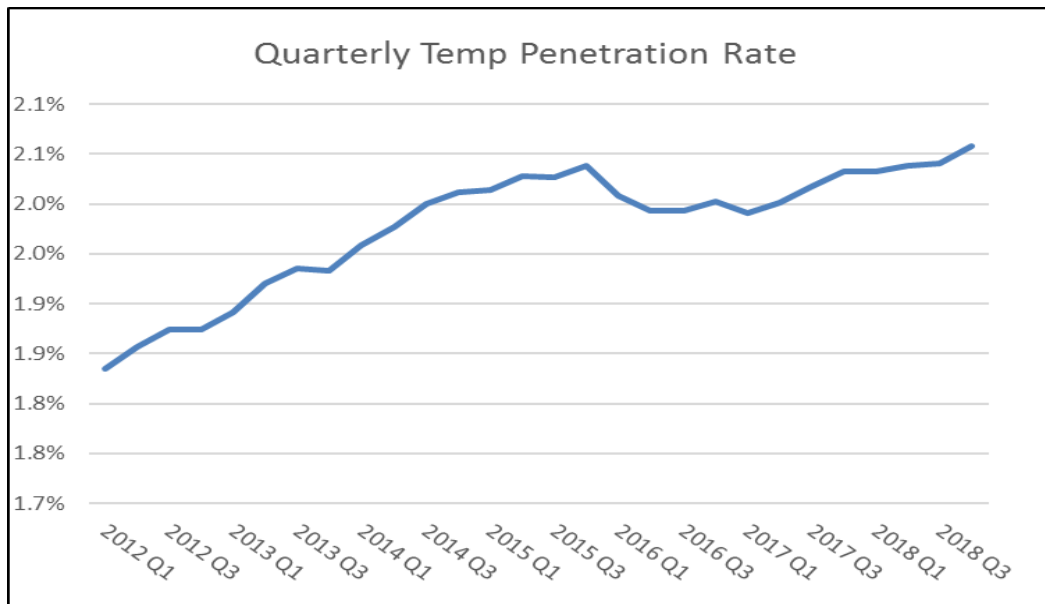
- **Non-farm jobs: +312,000**
- **Private sector: +301,000**
- **Government sector: +11,000**
- **Education and Health Services: +82,000**
- **Service providing employment: +227,000**
- **Professional and business services: +43,000**
- **Healthcare and social assistance: +50,20,000**
- **Manufacturing: +32,000**
- **Goods Producing: +74,000**
- **Construction: +38,000**



Source: Bureau of Labor Statistics (BLS)

In December 2018, the participation rate increased 20 bps from November to 63.1% with 419,000 new workers entering the labor market, which was an unexpected positive surprise. The U3 unemployment rate, generally reported as the official unemployment rate, consequently increased to 3.9%. As reported by the BLS, the rate of unemployment for workers with college degrees ticked down 10 bps in December from November to 2.1%, and the unemployment rate for workers with less than a high school education ticked up 20 bps to 5.8%. 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 unchanged at 7.6% in December. 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 December 2018, the penetration rate remained unchanged 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, primarily due to GDP growth, rising wages (3.2% in December) and the expected positive effects of lower corporate tax rates and reduced government regulation. However, these positive factors are offset by worries of trade relations with China, political uncertainty in the U.S. and in Europe, as well as in other parts of the world. With the GDP forecast in Q1 2019 expected around 2.5%, growth is anticipated to continue at least through the first half of 2019.

**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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