



## NEWS RELEASE

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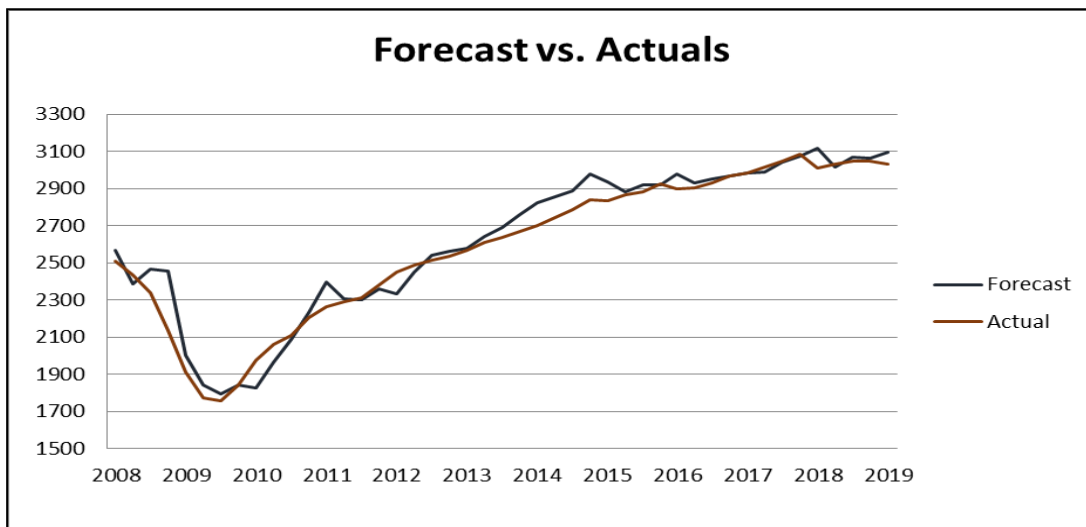
### Labor Forecast Predicts 1.6% Increase in Demand for Temporary Workers for 2019 Second Quarter

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

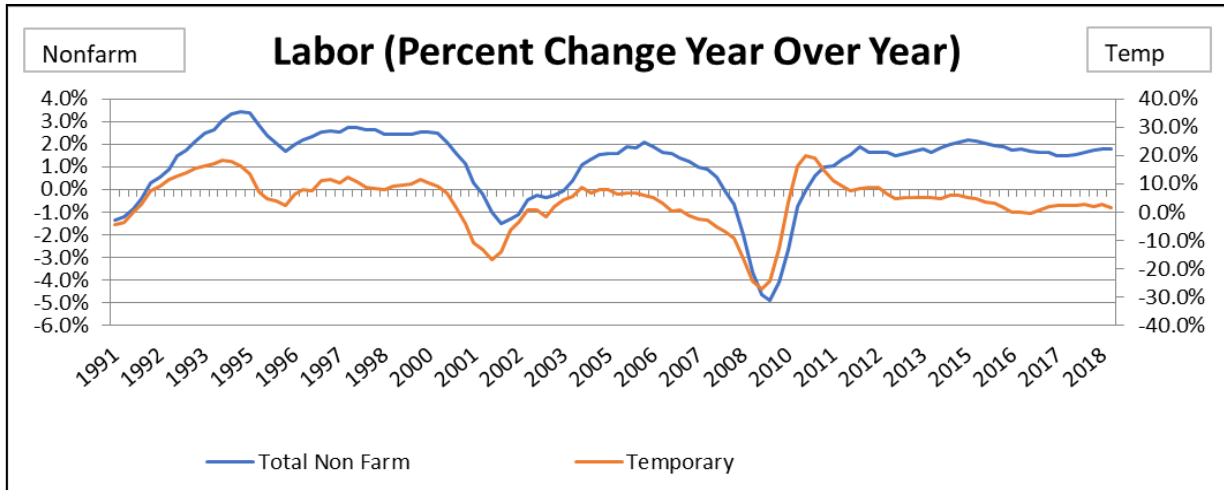
**Newport Beach, California, April 11, 2019** — Demand for temporary workers in the United States is expected to increase 1.6% on a seasonally adjusted basis for the 2019 second quarter, when compared with the same period in 2018, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 2.7% increase in temporary help for the 2019 first quarter. Actual results from the Bureau of Labor Statistics (BLS) came in at 1.7%. The forecast was off primarily due to a slower GDP growth rate of 1.5% versus a consensus expectation growth rate of 2.0%. In March, temp jobs were off by 5,400 jobs, and January and February were revised down by 17,500 jobs. The American Staffing Association member survey data has also pointed to a declining growth trend since December 2018, with the downward trend accelerating in 2019.

“The 2019 first quarter marked the 37<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 moderate 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. “With the economic signals being mixed, the directional trend is slightly down as we move into the second quarter.”

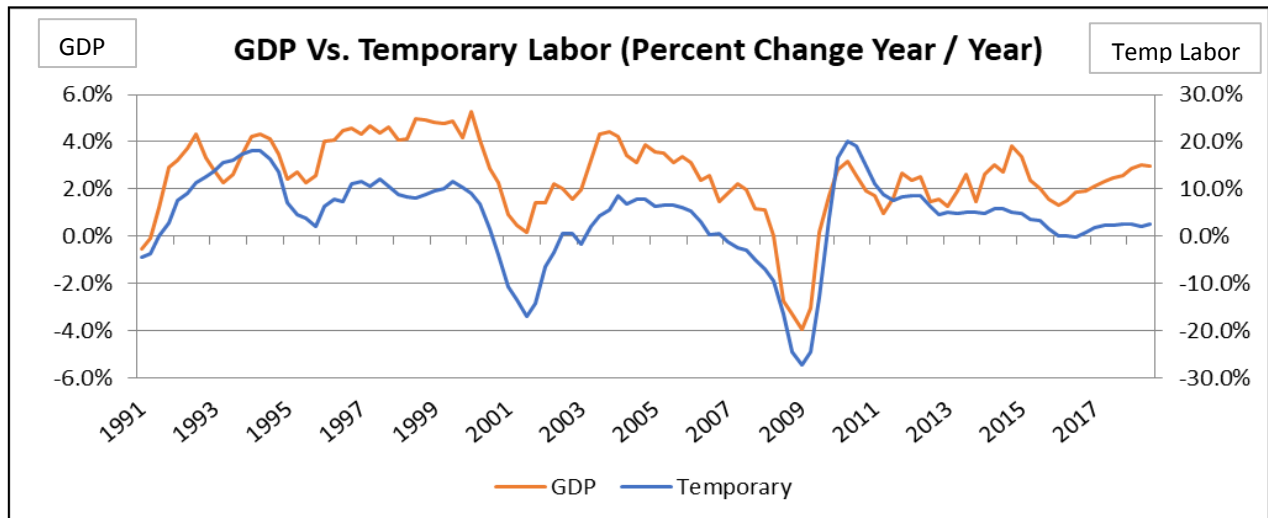


Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

According to the BLS, temp help jobs declined by 29,000 for the 2019 first quarter, an average of 9,500 fewer jobs per month. In 2018, more than 99,000 temp help jobs were added, 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, approximately 97,000 temporary jobs were added, compared with 162,000 new temp jobs in 2014, 139,000 in 2013, and 142,000 additional temp jobs in 2012.

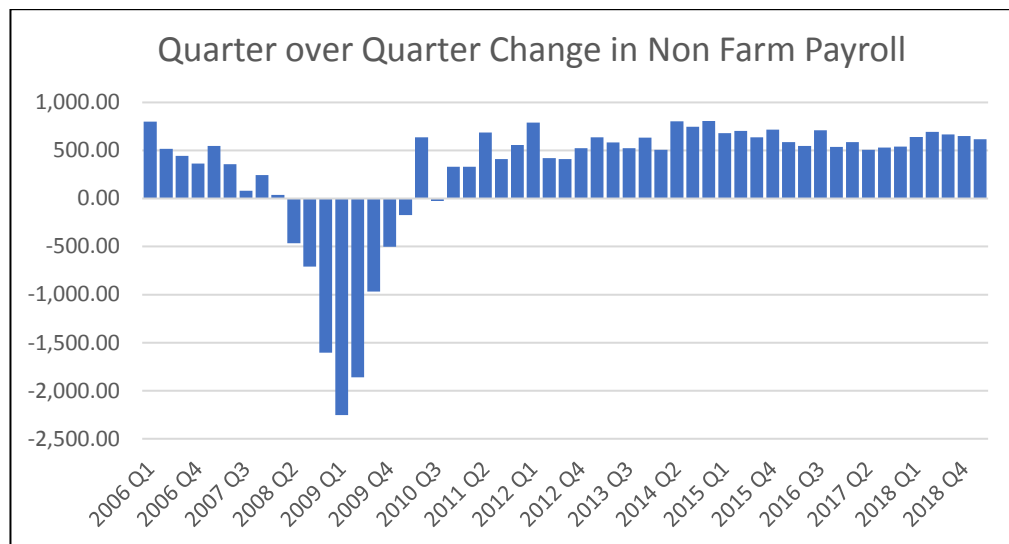


Source: Bureau of Labor Statistics (BLS)

The Labor Department reported an additional 196,000 seasonally adjusted non-farm jobs in March 2019, which was above consensus expectations of 175,000. This reflects a positive year-over-year growth rate of 1.79%, unchanged from February. The department also revised new jobs upward by 14,000 for January and February, averaging approximately 180,000 new jobs created per month in the 2019 first quarter. There were 220,000 new jobs added per month in 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 key job categories of growth are as follows:

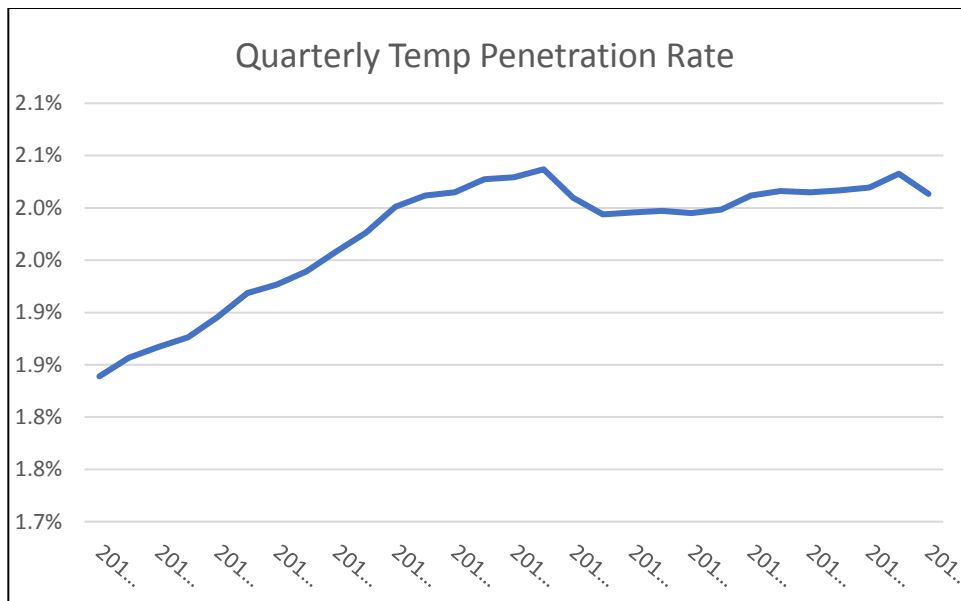
- **Non-farm jobs: +196,000**
- **Private sector: +182,000**
- **Government sector: +14,000**
- **Education and Health Services: +70,000**
- **Service providing employment: +170,000**
- **Professional and business services: +37,000**
- **Healthcare and social assistance: +61,200**
- **Goods Producing: +12,000**
- **Construction: +16,000**
- **Manufacturing: -6,000**



Source: Bureau of Labor Statistics (BLS)

In March 2019, the participation rate decreased 20 bps from February to 63.0% with loss of 201,000 new workers entering the labor market in the quarter. The U3 unemployment rate, generally reported as the official unemployment rate was unchanged at 3.8%. As reported by the BLS, the rate of unemployment for workers with college degrees ticked down 20 bps in March from February to 2.2%, and the unemployment rate for workers with less than a high school education ticked up 60 bps to 5.9%. 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 March. 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 March 2019, 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 moderately positive, but declining. The decline is primarily due to relatively anemic GDP growth and as well as by domestic and worldwide uncertainty. The worries regarding trade relations with China and others, as well as political uncertainty in the U.S., Europe, and other parts of the world, are causing the economy to sputter. With the consensus GDP forecast in Q2 2019 expected to be more than 2.0%, moderate growth is still 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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