



NEWS RELEASE

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Labor Forecast Predicts 0.4% Increase in Demand for Temporary Workers for 2020 First Quarter

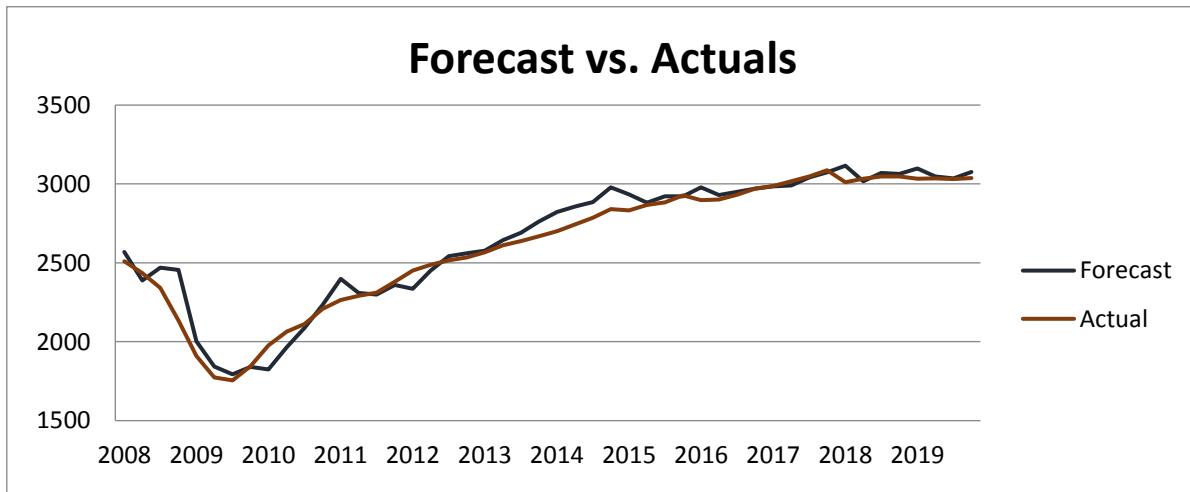
-- 2019 Fourth Quarter Marked First Decrease in Demand in past 39 Quarters --

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

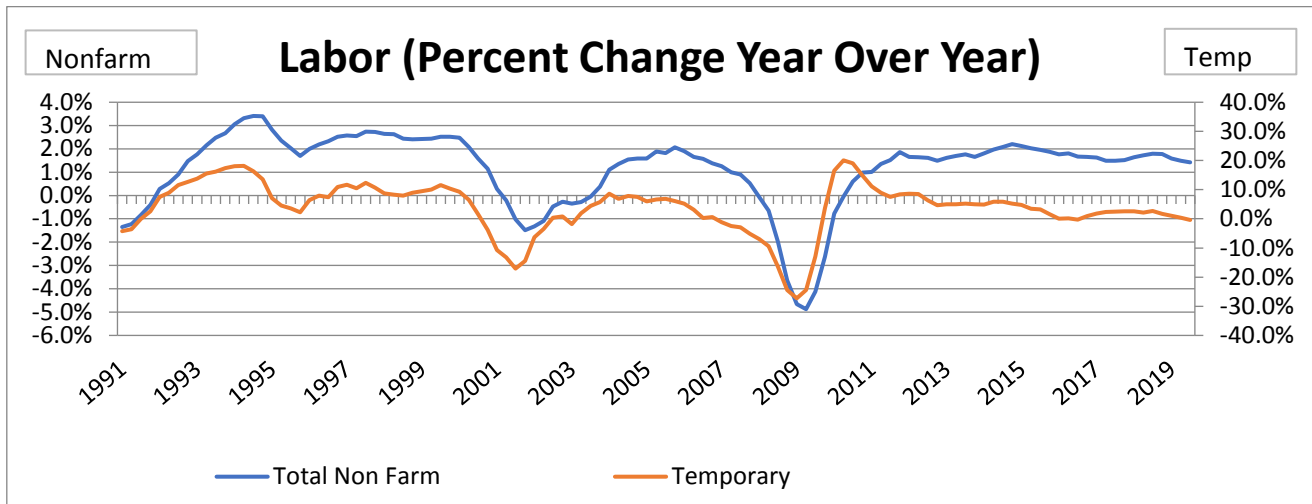
Newport Beach, California, January 16, 2020— Demand for temporary workers in the United States is expected to increase 0.4% on a seasonally adjusted basis for the 2020 first quarter, when compared with the same period in 2019, according to the Palmer Forecast™, released today.

According to the Bureau of Labor Statistics (BLS), results for temporary help for the preceding 2019 fourth quarter decreased by 0.4%. There were 1,400 temporary jobs lost in December.

“The 2019 fourth quarter marked the first year-over-year decrease in demand for temporary workers in the past 39 consecutive quarters,” 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. “Our forecast for the 2020 first quarter predicts a much slower rate of growth ahead, although despite currently mixed economic signals, the directional trend remains slightly upward, as we move into 2020.”

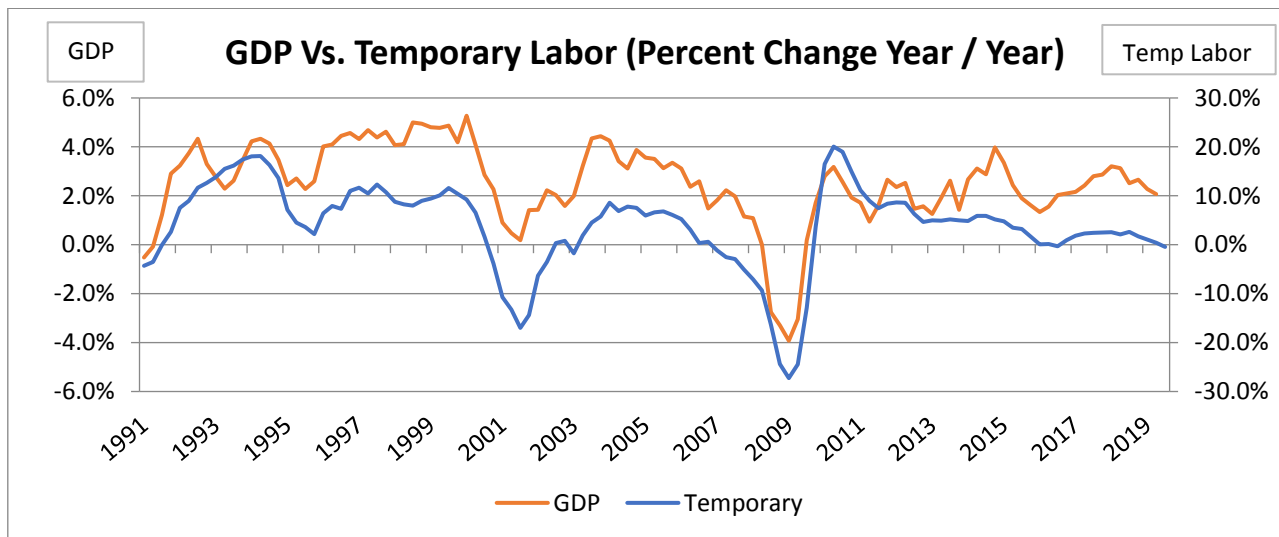


Source: G. Palmer & Associates; Bureau of Labor Statistics (BLS)



Source: Bureau of Labor Statistics (BLS)

According to the BLS, 17,000 temp help jobs were lost in 2019, an average of 1,400 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.



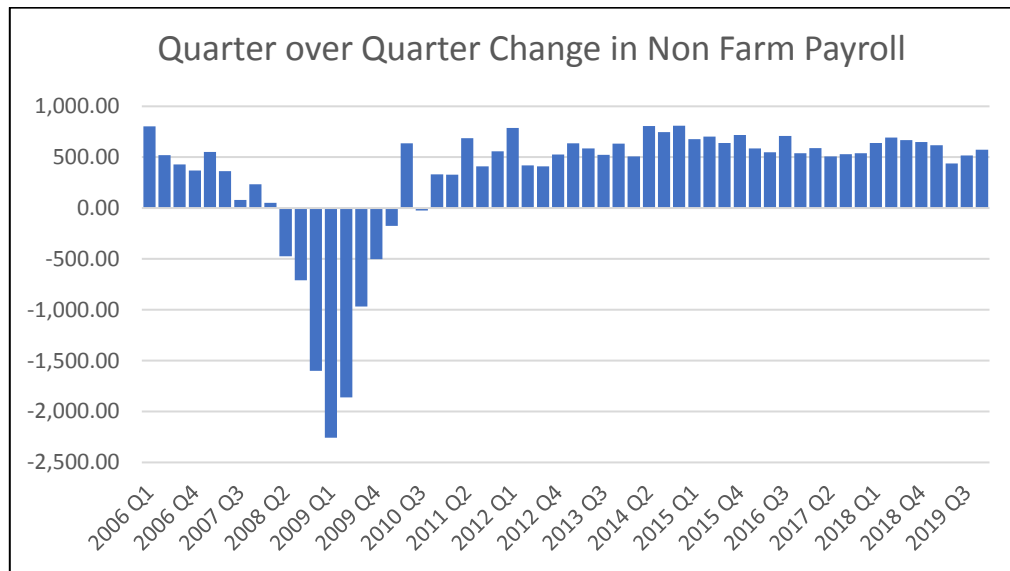
Source: Bureau of Labor Statistics (BLS)

The Labor Department reported an additional 145,000 seasonally adjusted non-farm jobs in December, a growth rate of 1.4%, which was below consensus expectations of 160,000. There were 176,000 jobs added on average per month in 2019 and 2.1 million for the year, less than the 220,000 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 jobs growth are as follows:

- **Non-farm jobs: +145,000**
- **Government sector: +6,000**
- **Education and Health Services: +36,000**
- **Service providing employment: +140,000**
- **Professional and business services: +34,000**
- **Healthcare and social assistance: +38,000**

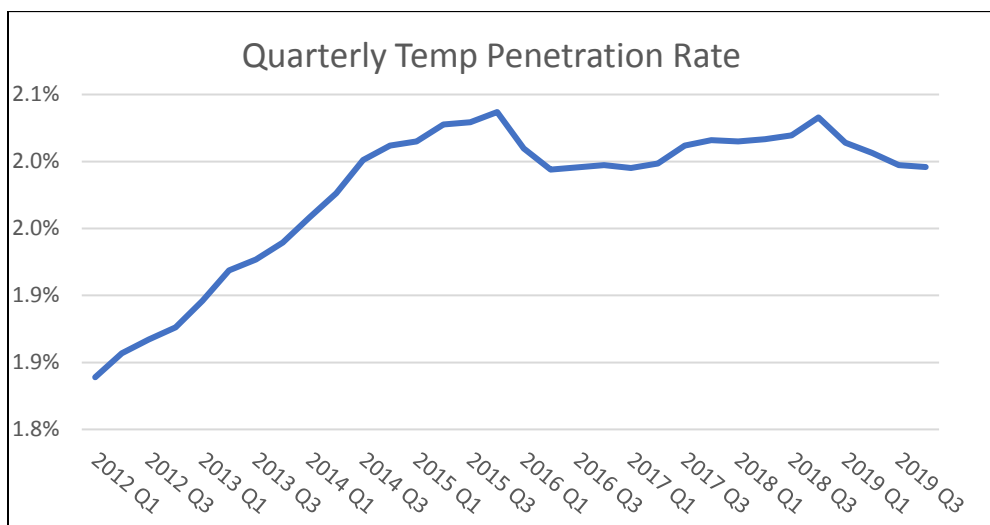
- **Construction: +20,000**
- **Goods Producing: -1,000**
- **Temp help Services: -1,400**
- **Manufacturing: -12,000**



Source: Bureau of Labor Statistics (BLS)

In December 2019, the participation rate was unchanged from November at 63.2%. The U3 unemployment rate, generally reported as the official unemployment was unchanged at 3.5%, the lowest rate since 1969. As reported by the BLS, the rate of unemployment for workers with college degrees ticked down 10bps in December from November, to 1.9%, and the unemployment rate for workers with less than a high school education ticked down 10bps to 5.2%. 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 20bps from November, to 6.7% 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 2019, the penetration rate remained unchanged at 2.0% 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...

The temp help employment market continues to show minimum growth, primarily due to relatively anemic GDP growth, as well as domestic and worldwide economic and political uncertainty. With the consensus GDP forecast for 2020 expected to be slightly below 2.0%, temp labor growth is anticipated to continue to be sluggish through the balance of 2020.

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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