



NEWS RELEASE

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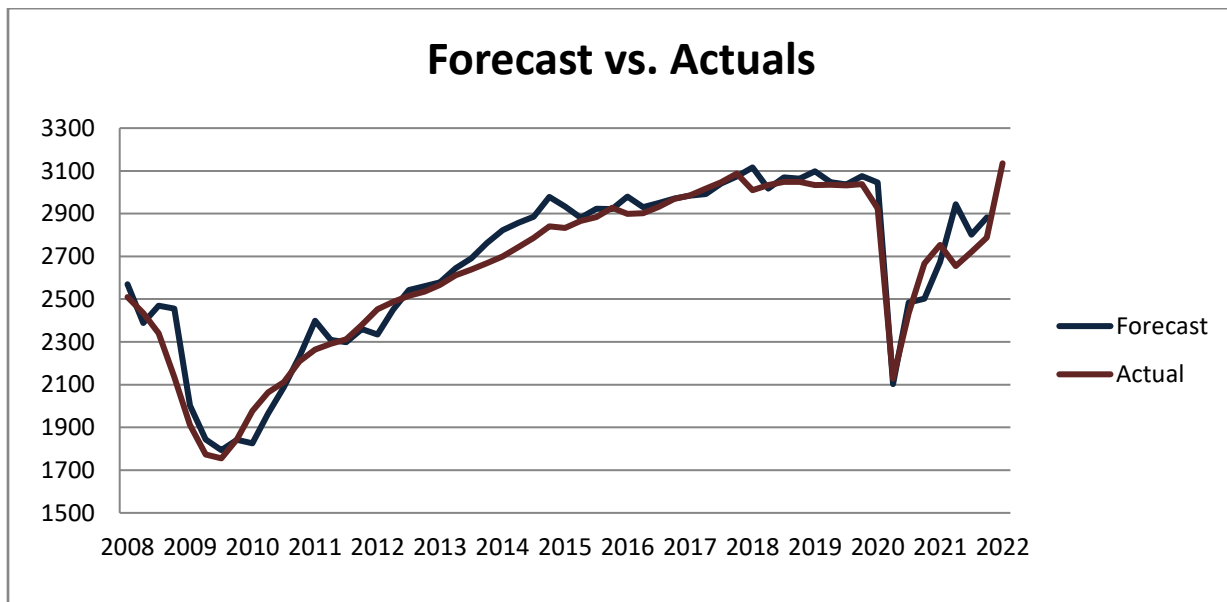
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Labor Forecast Predicts 7.4% Increase in Demand for Temporary Workers for 2022 Second Quarter, Signaling Further Signs of Recovery Ahead

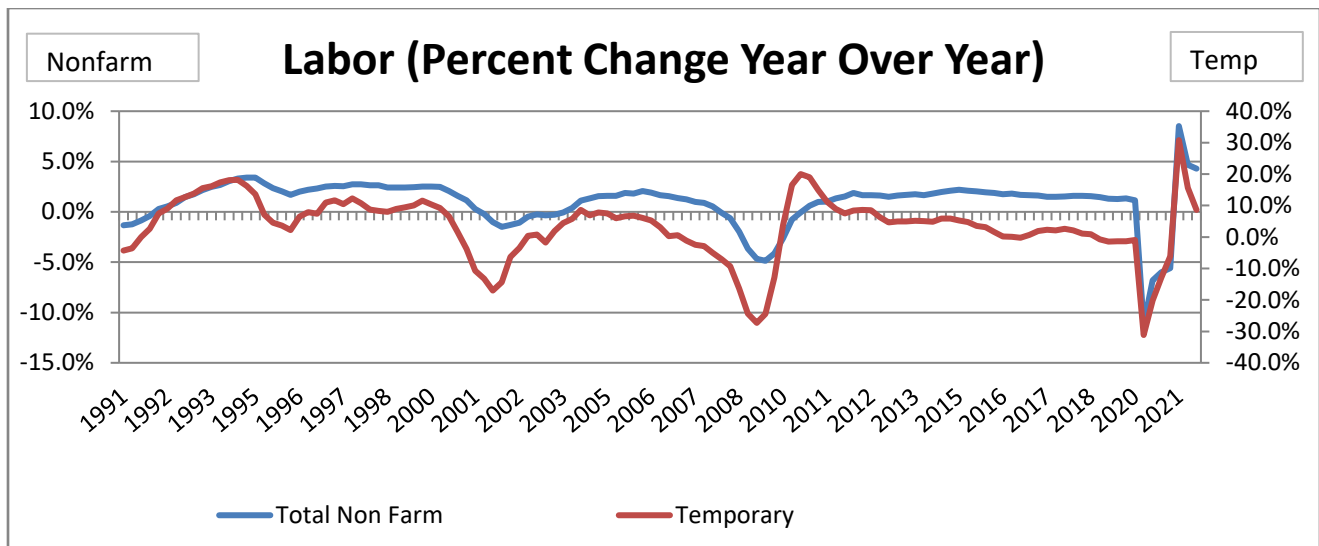
-- Industry Consulting Firm G. Palmer & Associates' Quarterly Forecast Assists in Previewing Near-Term Hiring Patterns --

Newport Beach, California, April 7, 2022 — Demand for temporary workers in the United States is expected to increase 7.4% on a seasonally adjusted basis for the 2022 second quarter, when compared with the same period in 2021, according to the Palmer Forecast™, released today. The increase in demand principally reflects the continuing economic recovery.

The Palmer Forecast™ indicated a 7.0% increase in temporary help for the 2022 first quarter. Actual results as reported by the Bureau of Labor Statistics (BLS) came in better, with an increase of 9.4%, reflecting a stronger than anticipated increase in GDP, with higher demand in jobs across all categories, including 11.3 million open jobs reported by the BLS as of March 29, 2022.



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



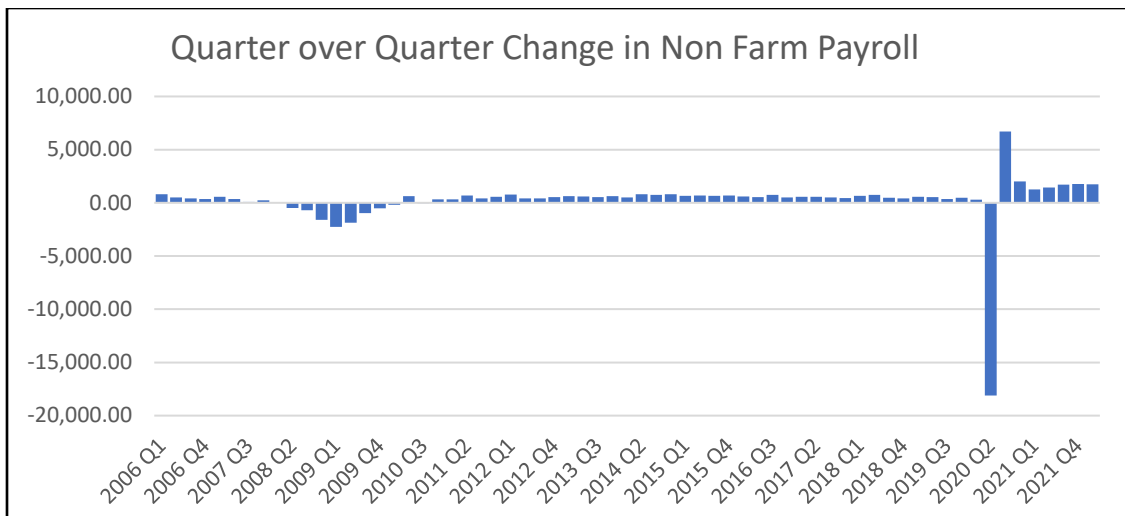
Source: Bureau of Labor Statistics (BLS)

The BLS reported that temp help jobs increased by 4,900 in March, equal to 9.0% year-over-year. There was a solid rebound in temp help jobs in 2021, with a total of 302,800 added for the year and 25,200 average per month. According to the BLS, 201,000 temp jobs were lost in 2020, or an average job loss of 16,700 per month. The BLS also reported 27,000 temp help jobs were lost in 2019, an average of 2,200 fewer jobs per month. In 2018, more than 99,000 temp help jobs were added versus 2017, an average of 8,200 per month. Additionally, 96,000 temp jobs were added in 2017 over 2016.

The Labor Department reported that nonfarm payroll employment increased by 431,000 jobs in March 2022, in line with consensus estimate increases of 477,000 jobs. For the 2022 first quarter, there were 1.7 million nonfarm jobs added, averaging of 562,000 per month, up 4.5% on a year-over-year basis. For 2021, nonfarm employment was up by 6.4 million jobs, compared with 2020. To put this in perspective, there were 9.4 million jobs lost in 2020, and 2.1 million total jobs added for 2019. For 2018, a total of 2.6 million new jobs were created, versus 2.1 million new jobs in 2017 and 2.2 million new jobs in 2016.

The key categories of jobs created are as follows:

- **Private Sector: +426,000**
- **Total Non Farm: +431,000**
- **Leisure and Hospitality: +112,000**
- **Professional and Business Services: +102,000**
- **Education and Health Services: +53,000**
- **Manufacturing: +38,000**
- **Construction: +19,000**
- **Government Sector: +5,000**
- **Temp Help: +4,900**

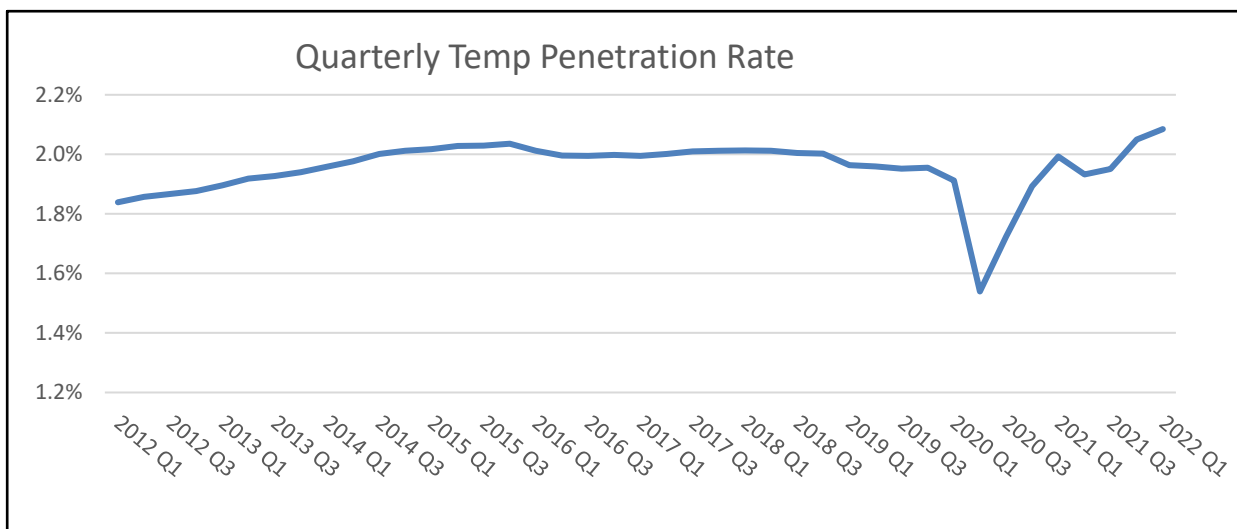


Source: Bureau of Labor Statistics (BLS)

In March 2022, the labor participation rate was unchanged at 62.4%, and it has been in a narrow range of 64.4% to 61.9% since June of 2020. The U3, commonly referred to as the unemployment rate, decreased slightly to 3.6% in March, from 3.8% in February.

As reported by the BLS, the rate of unemployment for workers with college degrees decreased 20 bps in March versus February, to 2.0%, and the unemployment rate for workers with less than a high school education increased 90 bps 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 30 bps to 6.9% in March versus February. 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.

“The temp help employment market improved again in March, and the trend likely will continue,” 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. “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, the temp penetration rate decreased marginally by 10 bps from February’s all time high, to 2.08% of the total labor market. This as compared to 1.57% pre-pandemic level. The penetration rate cycle last peaked at 2.05% in December 2015 and was at a low of 1.3% in June 2009.



Source: Bureau of Labor Statistics (BLS)

“The largest issue remains the number of workers re-entering the workforce, since there is greater selectivity in seeking new opportunities, with the current high demand for employees. Staffing companies are reporting extreme difficulty filling the many current open jobs they have. The American Staffing Association (ASA) Staffing Index also is continuing its rebound from an index low of 59.9 on May 10, 2020, to a strong close of 106 on March 13, 2022, a 11.4% increase from the comparable week last year, and exceeding the pre-pandemic levels in 2019. The BLS reported a year-over-year increase of 9% versus the ASA index of 11.4%, and we expect there will be revisions likely to come from the BLS in the near future. This all adds up to further signs of recovery in temp help,” Palmer added.

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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