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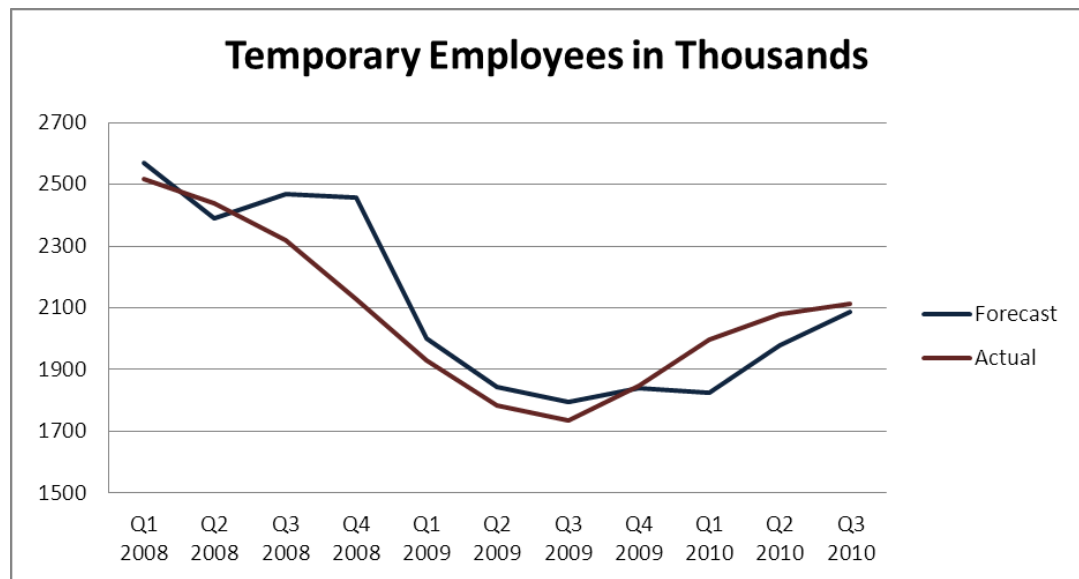
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Labor Forecast Predicts 20.9% Increase in Demand for Temporary Workers In 2010 Fourth Quarter

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

Newport Beach, Calif., October 18, 2010 — Demand for temporary workers in the United States is expected to increase 20.9% on a seasonally adjusted basis for the 2010 fourth quarter when compared with the same period in 2009, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated a 20.3% increase in temporary help for the just-ended 2010 third quarter, which actually came in higher than anticipated, at a 21.6% increase, reflecting stronger than expected GDP growth, along with slightly larger gains in labor productivity.



(more)

“Following recent trends, our 2010 fourth-quarter forecast shows continued steady improvement and indicates another increase in demand for temporary workers, marking the fourth-consecutive quarter of year-over-year increases,” said Greg Palmer, founder and chief executive officer of G. Palmer & Associates, an Orange County, California-based staffing industry consulting firm. “It is clear that the flexible labor markets are showing signs of improvement, when compared with both historical sequential and year-over-year trends.

“Nevertheless, it is important to be cognizant that consumer spending remains sluggish, the real estate and construction sector is still depressed in many markets, and many state and local governments continue make additional job cuts. This all adds up to measured optimism and continued uncertainty,” Palmer added.

The Bureau of Labor Statistics (BLS) reported that seasonally adjusted temp jobs grew 23.4% year-over-year in September. Temp jobs, seasonally adjusted, were up 3.4% sequentially from August. Palmer said, “This trend is an encouraging sign of a rebound in the flexible labor markets, since historically the August-to-September increase has been much lower, and September was the 11th out of the last 12 months of consecutive positive seasonally gains.” September’s increase added to the creation of 217,000 temp jobs since the beginning of the year.

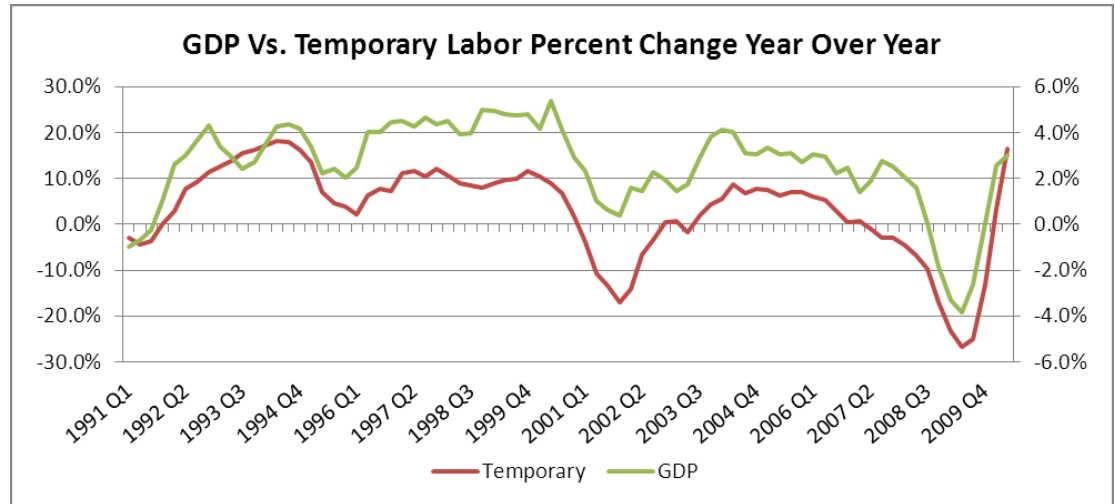
The commonly referred to unemployment rate (U3) held steady at 9.6% in September. The Labor Department report also indicated that 95,000 non-farm jobs were lost in September, of which 77,000 were temp government census jobs, and 76,000 were other local and state government positions. It was also reported that 64,000 private sector jobs were created, with the bulk being service-related.

“The positive direction of sequential increases in temporary help, were offset by September’s negative overall non-farm numbers,” Palmer said. “Temporary help, which typically is the first job category to improve at the beginning of an economic expansion, continues to see gains. However, the non-farm jobs are seeing less-than-anticipated positive movement versus previous recoveries. We are also expecting continued unevenness in certain categories, such as industrial staffing. Certain sectors within healthcare and IT are expected to continue to demonstrate strong year-over-year gains in the 2010 fourth quarter, while professional staffing and direct hire, both of which historically lag, are expected to remain somewhat softer.”

Palmer said the high unemployment rates during this recession continue to have far-reaching effects across a broad spectrum of workers. As reported by the BLS, workers with college degrees experienced a slight decrease in their unemployment rate in June to 4.4 % from 4.5% in August. The unemployment rate for workers with less than high school degrees during the same period increased to 15.4% in September from 14.1% in August. 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 slightly at 16.5%. The U6 rate is considered the rate that most broadly depicts those most affected by the downturn, and measures the rate of discouraged workers. Palmer added, “The breakdown of the stubbornly high unemployment rate continues to reflect the much talked about skills gap found in available workers and their current skills, versus the required skills necessary for today’s increasing technical and skills-based positions.”

The next few quarters...

“We still expect the unemployment rate to remain high for the foreseeable future,” Palmer said. “At the same time, we believe that temp help job losses reached the bottom in the third quarter of 2009, as evidenced by the gains since then. We expect the positive trend will continue, but with the recently reported downward revisions in GDP growth, we believe future rates of growth will be uneven. There continues to be uncertainty in private sector hiring decisions, and this typically bodes well for temp staffing, as evidenced with 36% of jobs created this year (217,000) being temp positions—an especially eye-opening statistic when considering the temp sector only accounts for 1.6% of the average daily work force.”



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, advises companies in the human capital sector with sales, operations and margin enhancement, and to explore strategic alternatives for increasing shareholder value. 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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