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## NEWS RELEASE

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### **Labor Forecast Predicts 21.2% Decrease in Demand for Temporary Workers In 2009 first Quarter, Representing Eighth Consecutive Quarter of Declines**

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

**Newport Beach, Calif., January 13, 2009** — Demand for temporary workers in the United States for the 2009 first quarter is expected to fall 21.2% on a seasonally adjusted basis over the same period in 2008, according to the Palmer Forecast™, released today.

The Palmer Forecast™ indicated an 11.2% decline in staffing for the just-ended 2008 fourth quarter, which came in at an 16.0 % decline—wider than anticipated, primarily based on actual unemployment figures being higher than expected.

“Our 2009 first quarter forecast, not surprisingly, shows the eighth consecutive quarter of year-over-year declines in demand for temporary workers,” said Greg Palmer, founder and chief executive officer of G. Palmer & Associates, an Orange County, CA-based staffing industry consulting firm. “The economic slowdown that was initially triggered from the crisis in the financial sector has now spilled into most segments of the job market. We believe this trend will continue at least through the first half of 2009.”

Palmer said the pace of the year-over-year declines in the labor market is continuing to accelerate in a downward direction. Non-farm payroll numbers declined in December, November and October, by 1.9%, 1.4% and 1%, respectively. Temp numbers showed greater weakness, down 19.9% year-over-year in December; 16% in November; and 13 % in October. Temporary workers in the U.S. have been the most effected by the job loss numbers, as compared to the non-farm work group. Furthermore, temp employment was down 6.2% sequentially from November to December, which was below the historical average of 2.1% sequential declines. “This accelerating downward movement all points to a rather challenging job market in first Quarter of 2009,” Palmer added.

(more)

The unemployment rate spiked to 7.2% in December from 6.8% in November, representing the highest increase since January 1993. The Labor Department report also indicated that 760,000 jobs were eliminated for the first nine months of 2008. But in the 4<sup>th</sup> quarter alone, there were 1.5 million jobs lost, pointing to further evidence that the rate of decline is accelerating. The only areas of growth were health care and education, where 45,000 jobs were added.

Palmer said that for people with college degrees, unemployment increased in the 2008 fourth quarter to 3.7% from 2.5% in the preceding third quarter, representing a 1.2% change and a 1.7% change from 2.0% a year ago. He said those with less than high school degrees have felt most of the burden of workforce declines, with an unemployment rate increase in the 2008 fourth quarter to 10.9% from 9.6% in the 2008 third quarter, equal to a 1.0 % change and a 3.4% change from 7.5% last year, according to the most recent Bureau of Labor Statistics (BLS) report.

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](http://www.GPalmerandAssociates.com).

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