



# Staffing Industry Report Webinar December 2010



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President



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VP, Research



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Sr. Research Analyst

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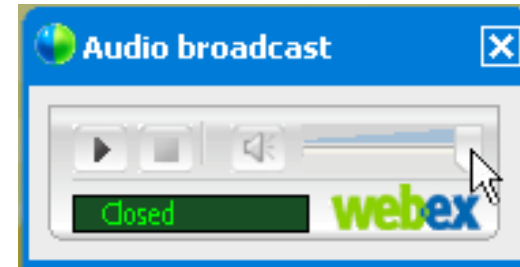
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Q&A icon



Q&A

All (0)

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Ask: All Panelists

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# Staffing Industry Analysts Executive Forum 2011

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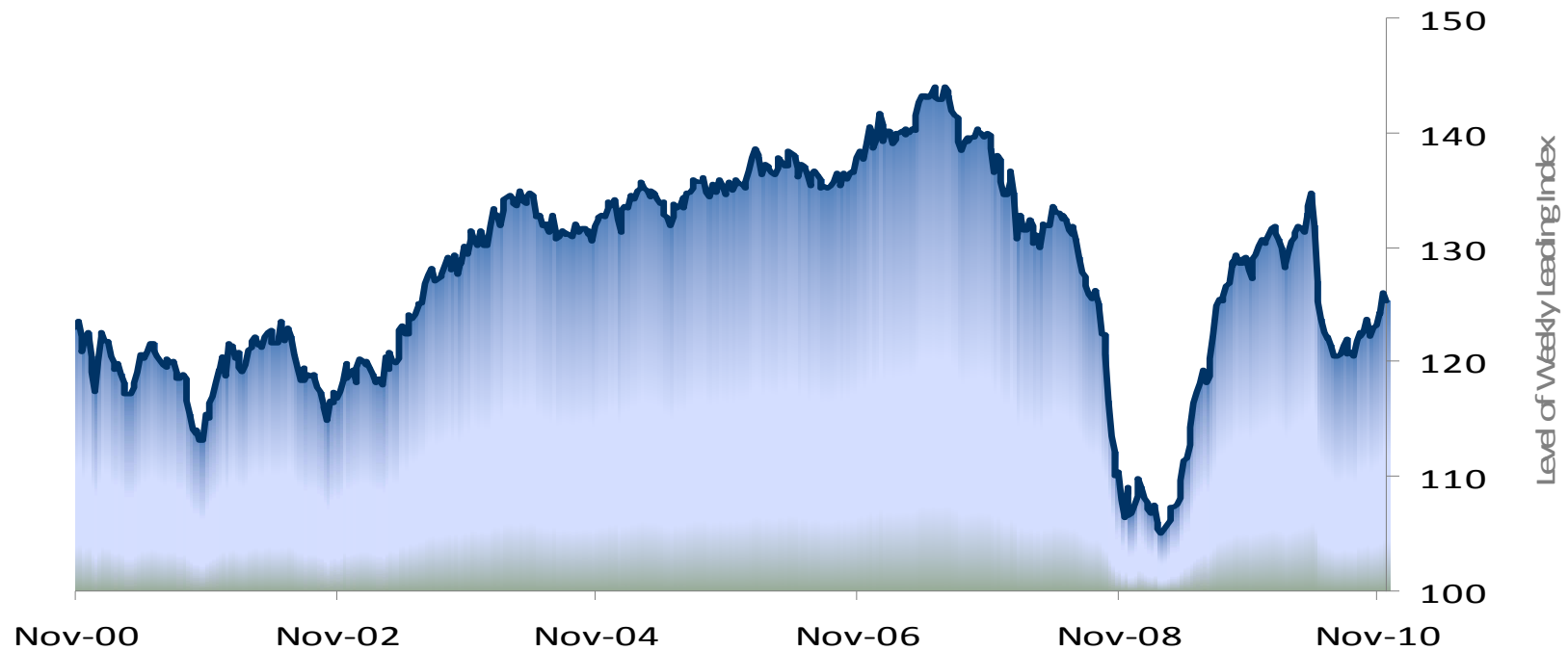
## Agenda

- Trends in economy & employment
- Staffing trends by segment & sector
- U.S. Staffing Industry Forecast
- Questions and answers



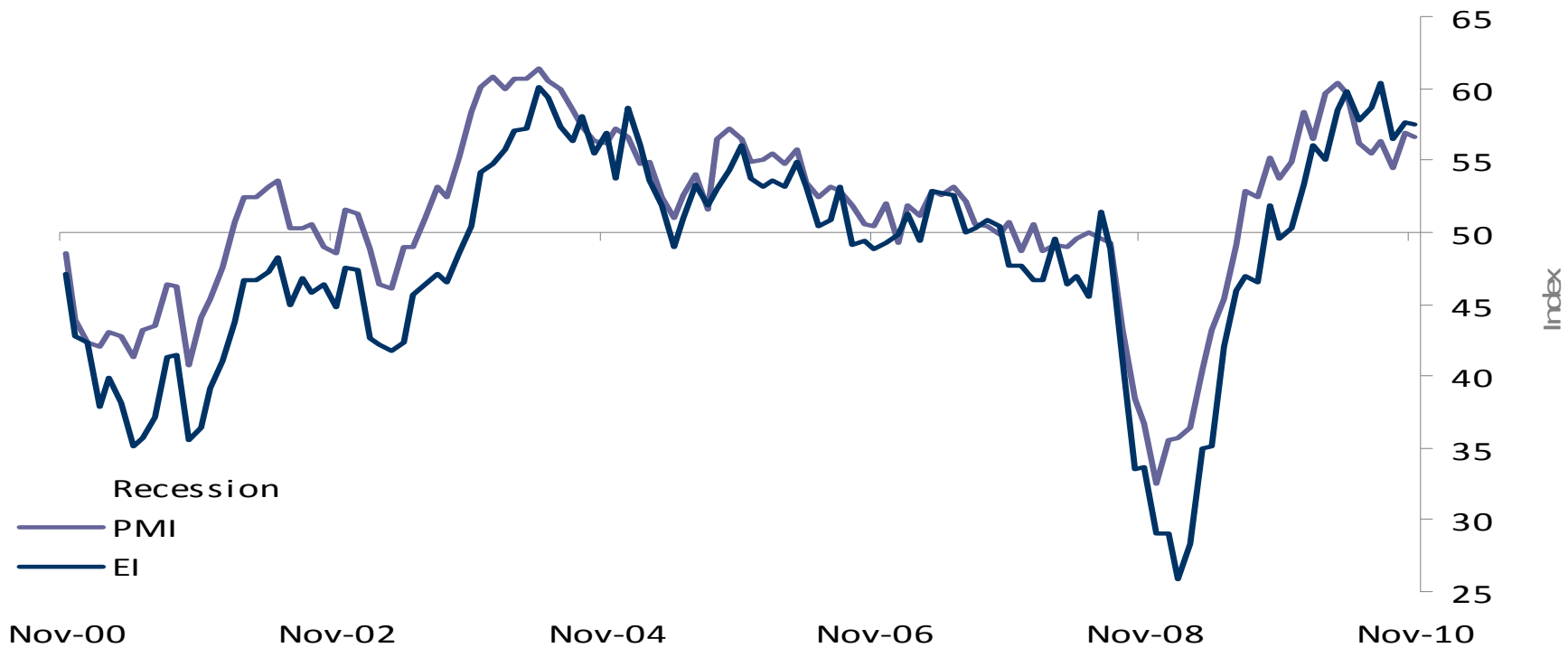


# ECRI gradually getting more optimistic





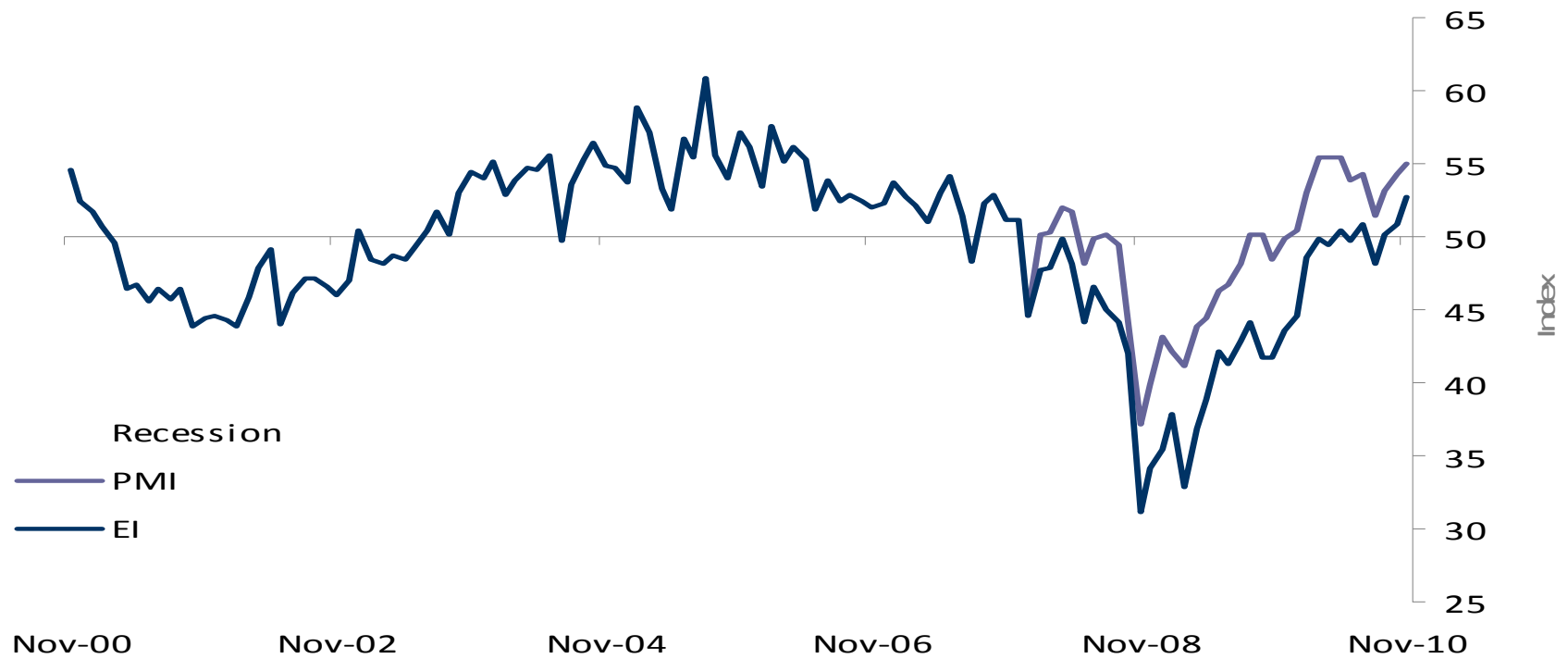
# PM Manufacturing Index: still indicates expansion, but at a decelerating rate







# PM Non-Manufacturing Index: accelerating expansion





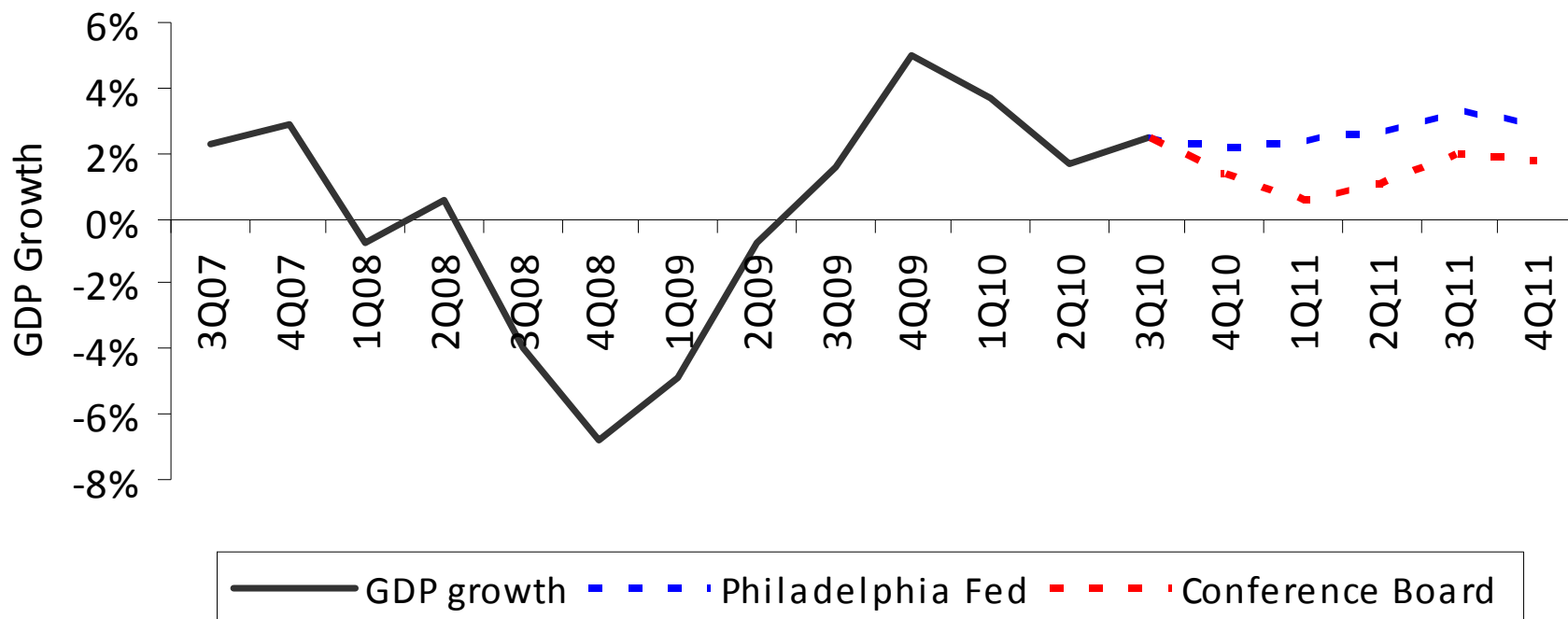
# Initial unemployment claims finally resume decline





# U.S. GDP growth, actual & projected, 2007-2011

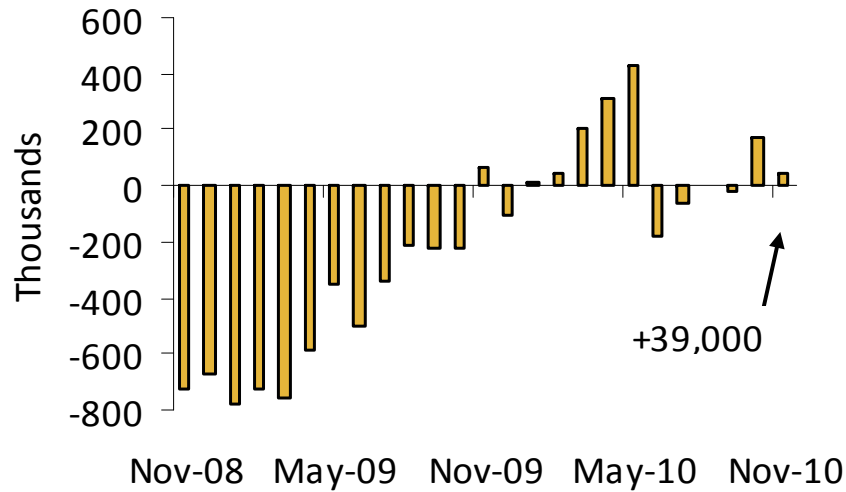
GDP Growth



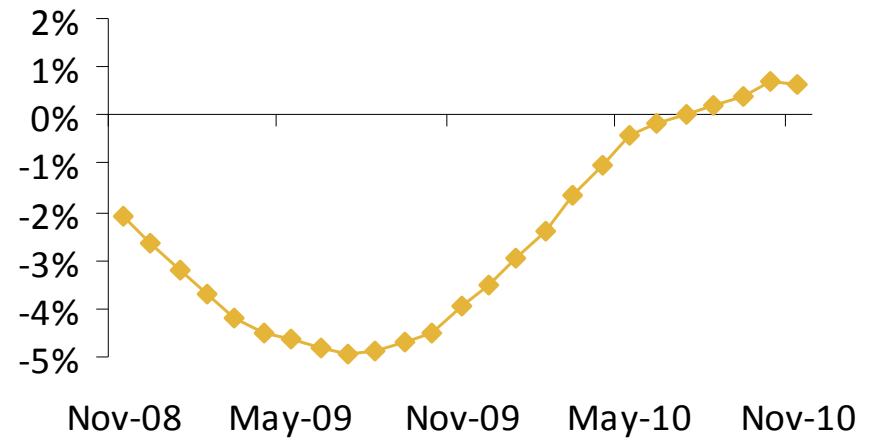


# Trends in total employment

**Change in Nonfarm Employment  
Versus Previous Month**



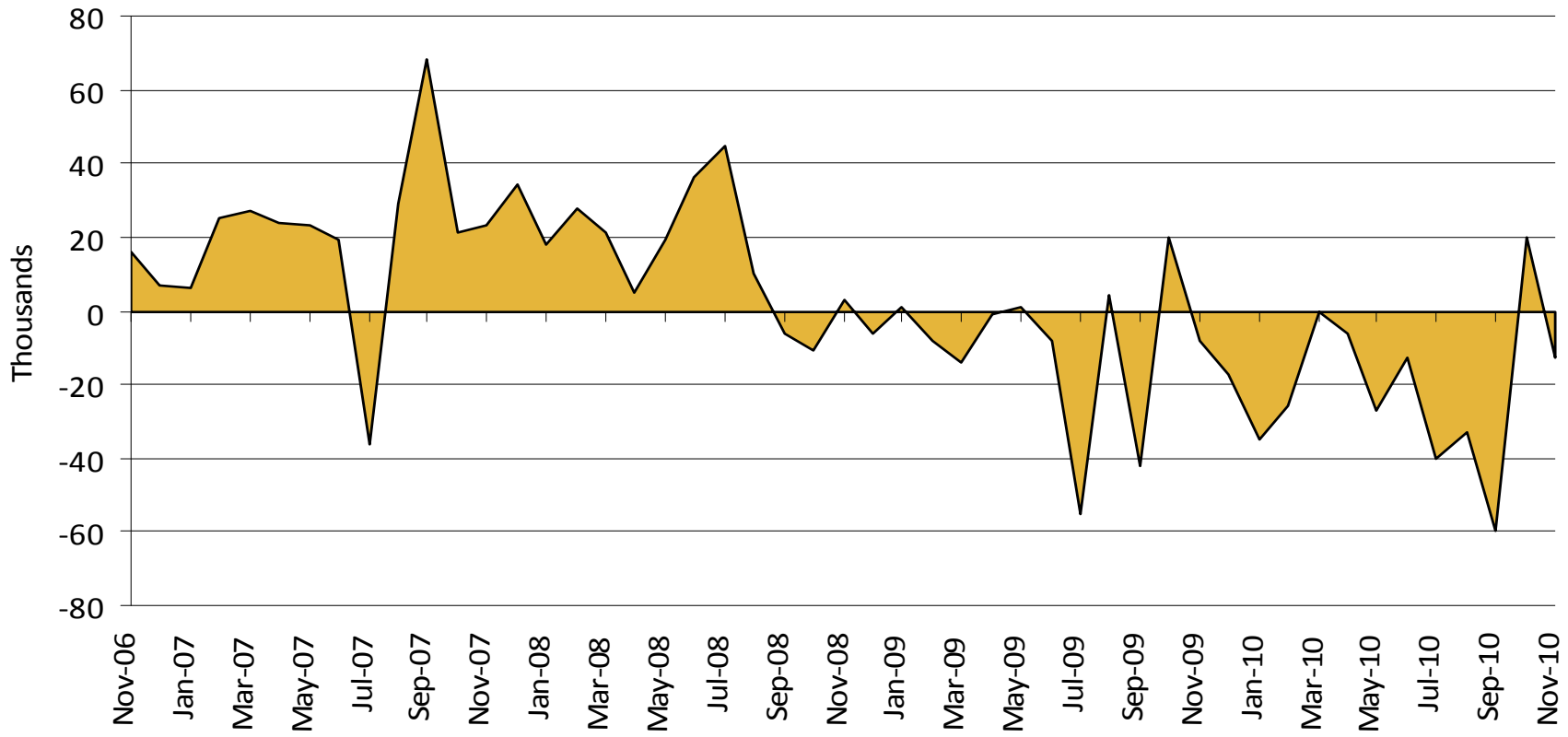
**Change in Nonfarm Employment  
Versus Year Earlier**





# Trends in state & local govt employment

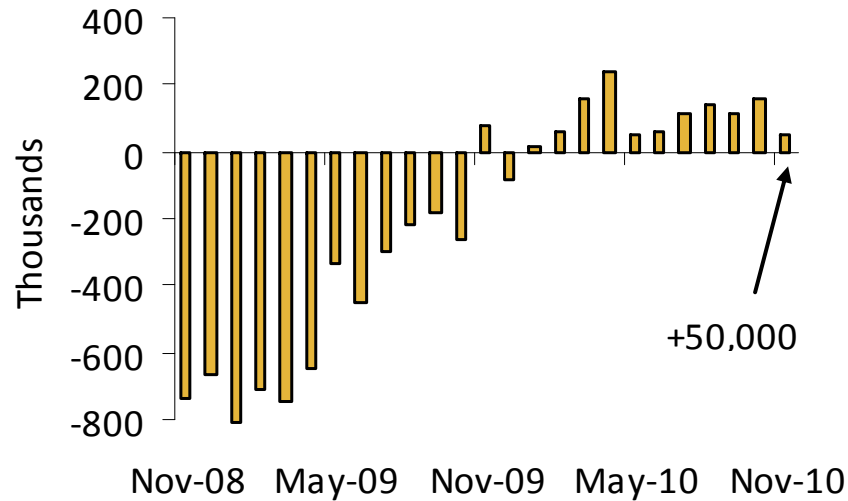
Monthly Change in State & Local Government Employment



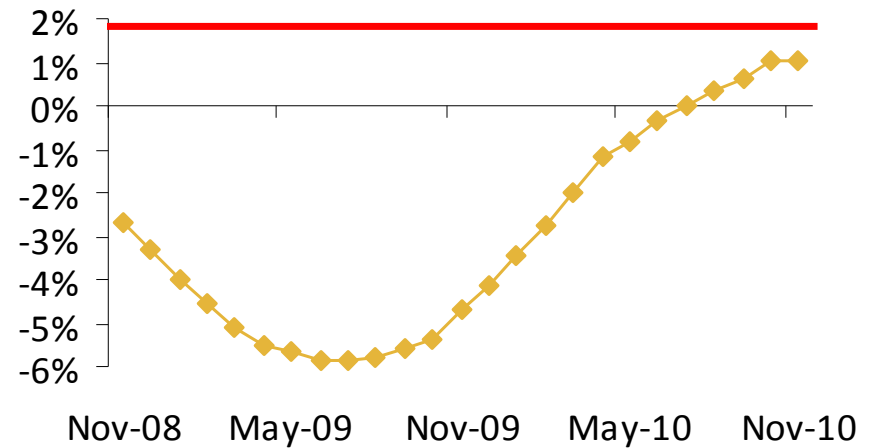


# Trends in total private employment

**Change in Private Employment  
Versus Previous Month**



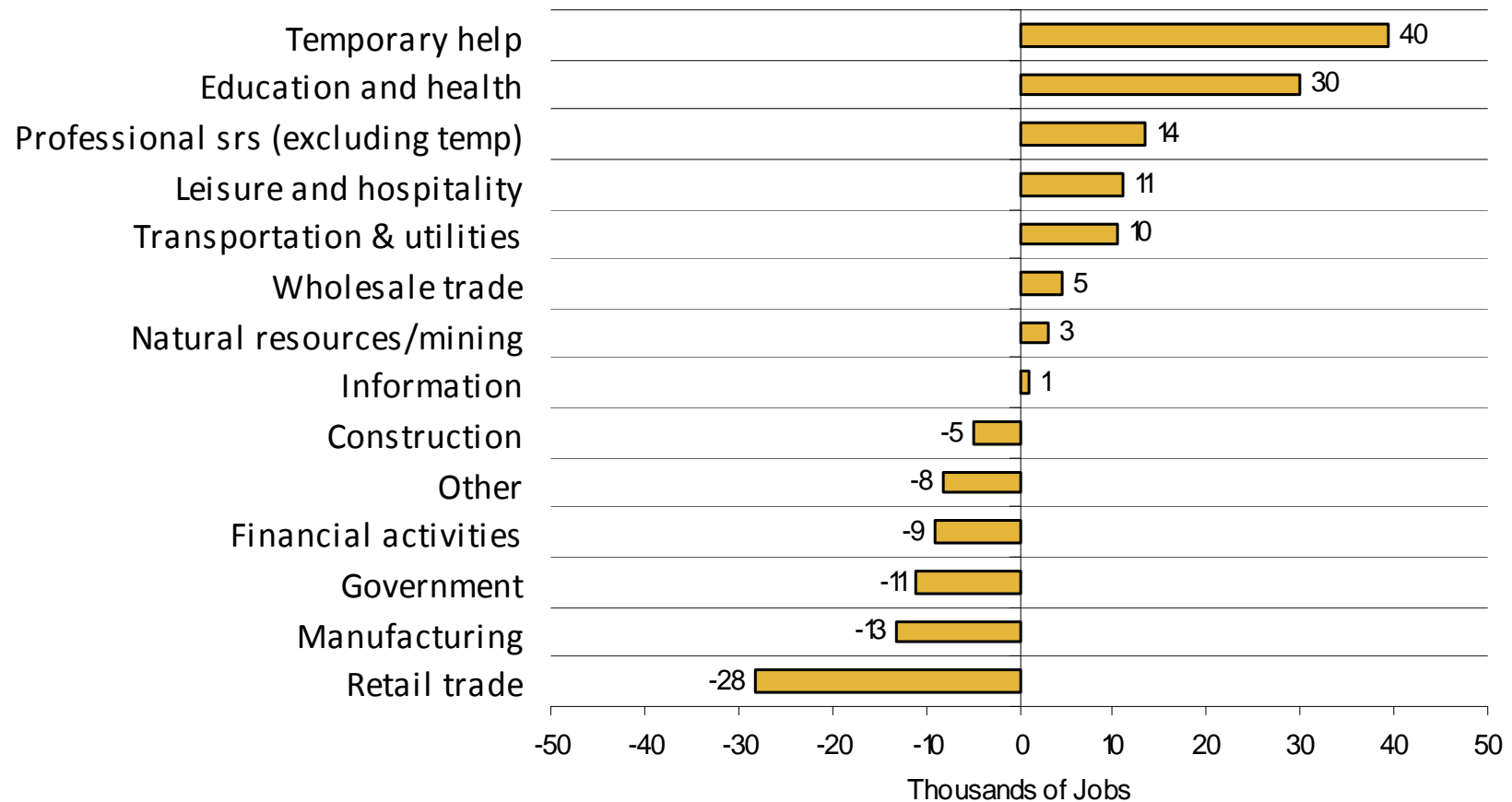
**Change in Private Employment  
Versus Year Earlier**







## In November, which sectors gained/lost jobs?



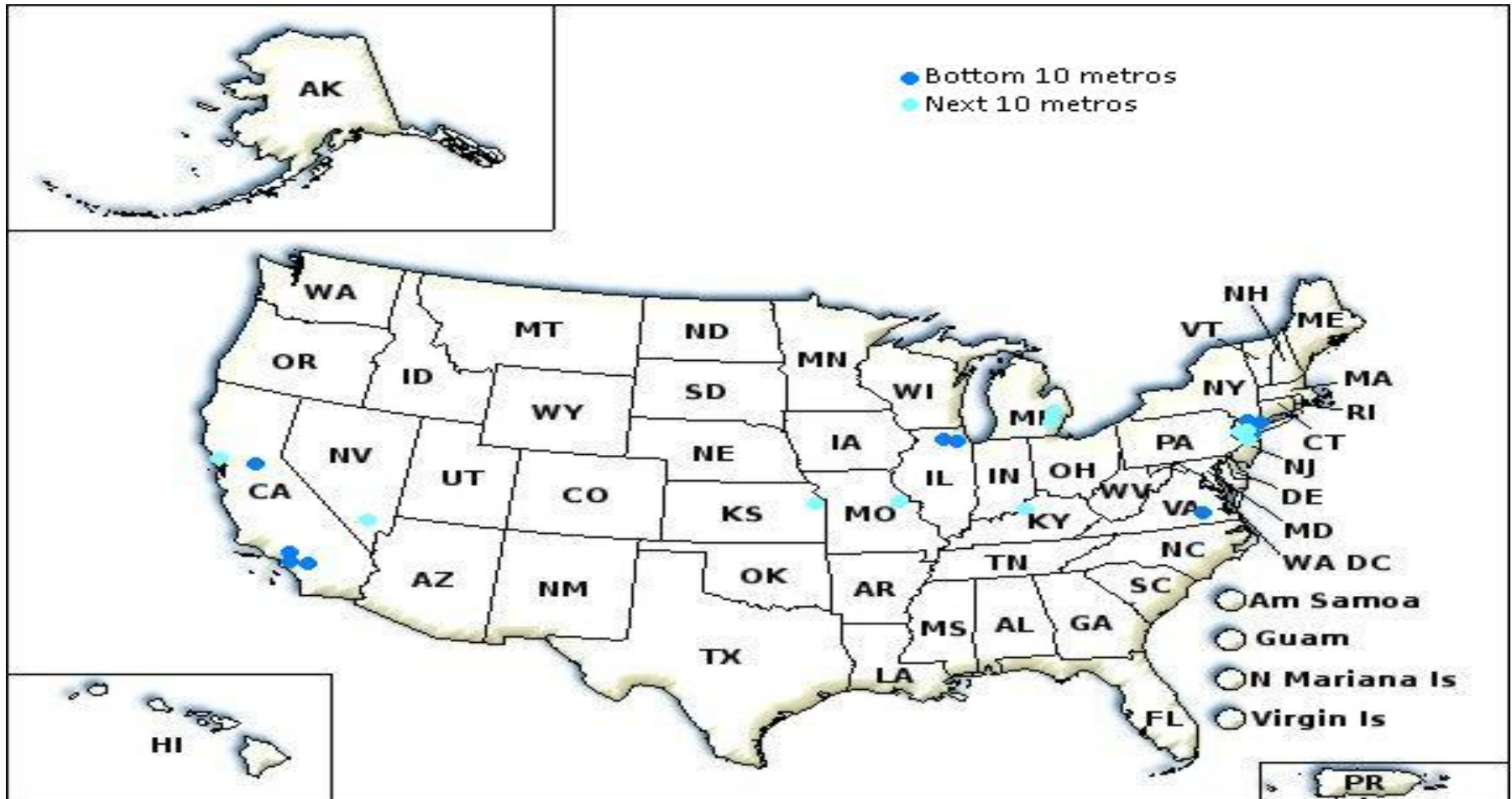


# Best-performing U.S. metro employment markets





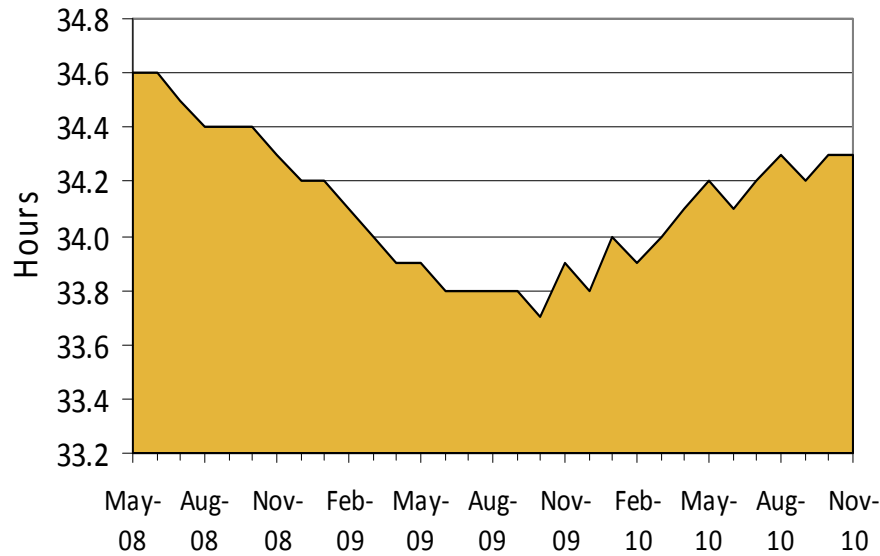
# Worst-performing U.S. metro employment markets



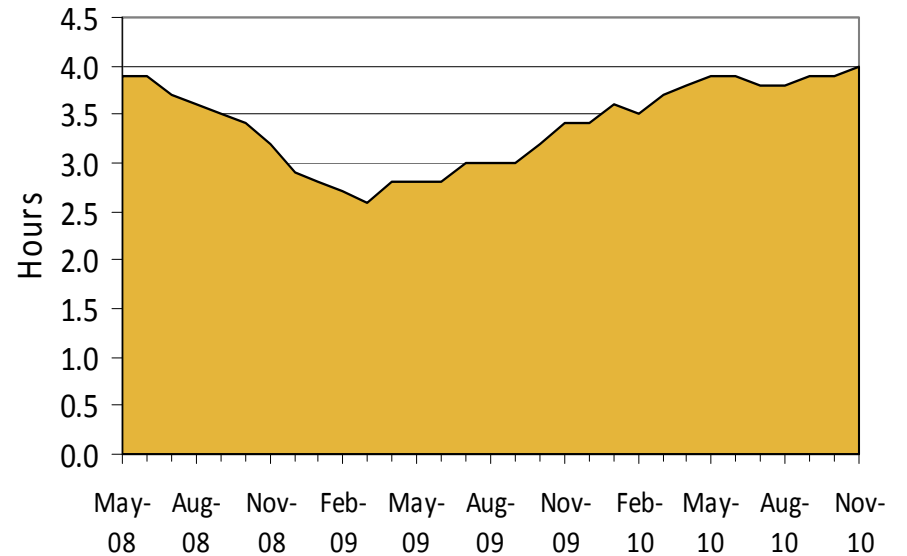


# Trends in hours worked

**Average Weekly Hours of All Employees**



**Average Weekly Overtime of Production & Non-Supervisory Employees**





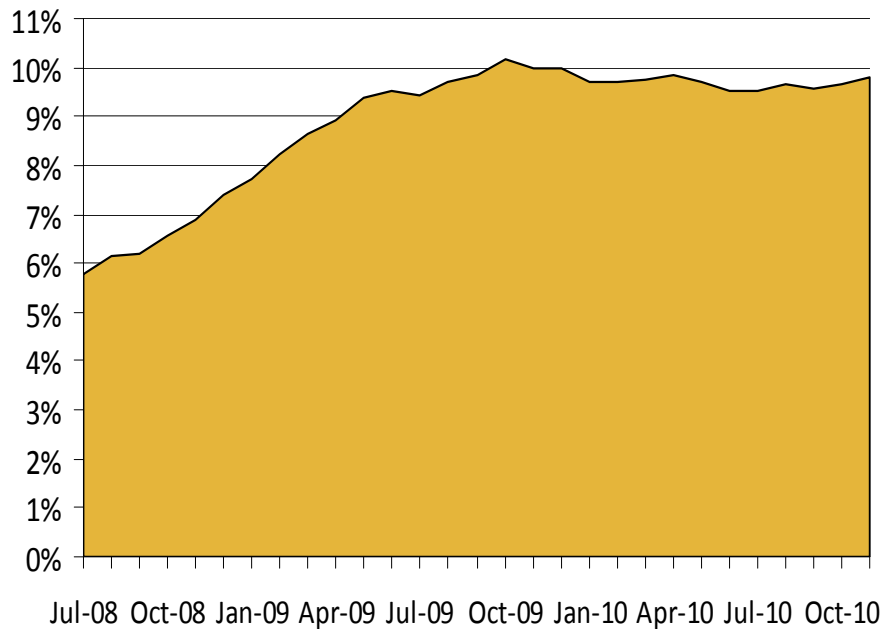
## Seasonal peaks in hiring—who hires when

Jul	Aug	Sep	Oct	Nov	Dec
Scenic and sightseeing transportation	Motor vehicles and parts	Transit and ground transportation	Educational services	Department stores	Accounting and bookkeeping
Amusements, gambling, and recreation		State/Local government education		General merchandise stores	Couriers and messengers
Arts, entertainment, and recreation		Educational services		Clothing and clothing accessories stores	
		Child day care services			

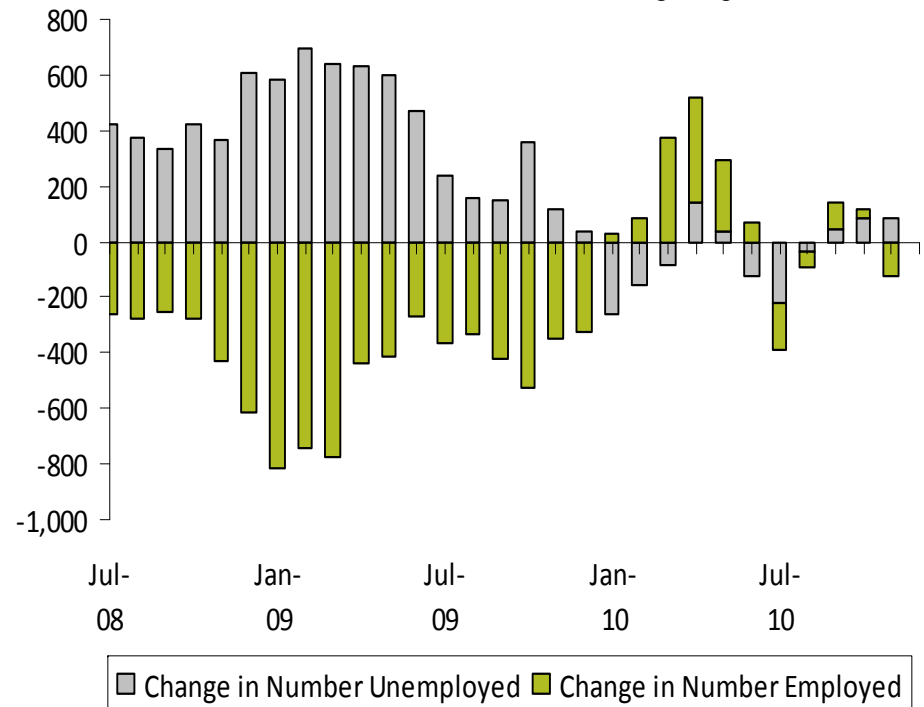


# Trend in total unemployment

**U.S. Total Unemployment Rate**  
*Rate up 17 basis points in Nov, to 9.82%*



**Change in Number of Employed & Unemployed  
(Thousands), 3 Month Moving Avg**

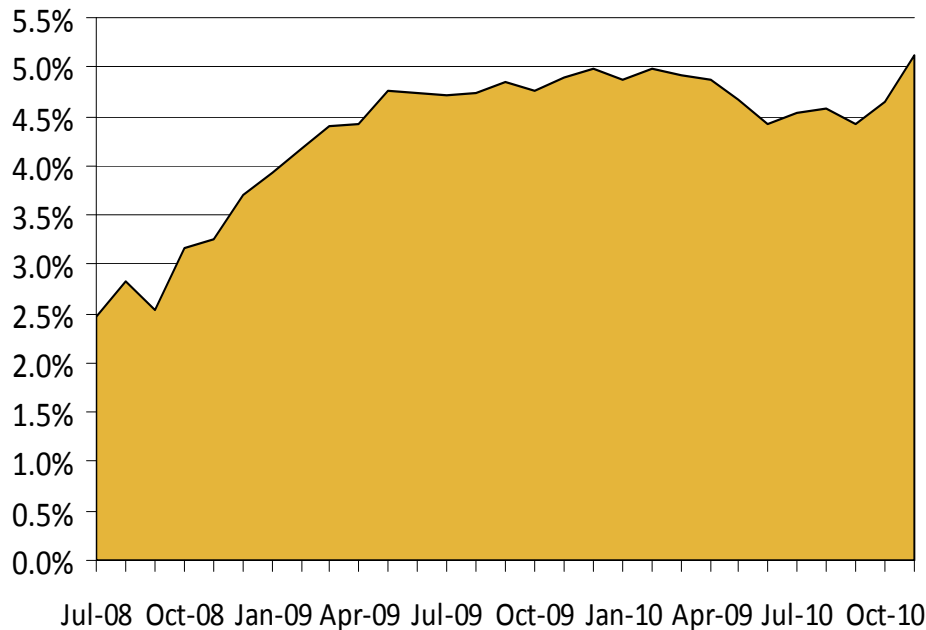




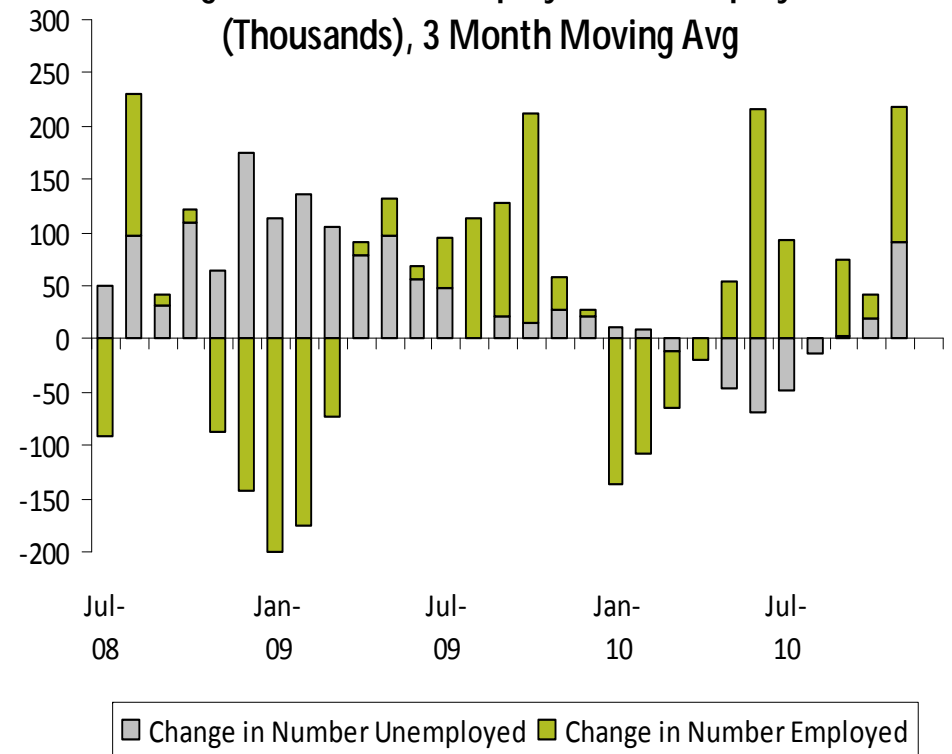


# Trend in college-graduate unemployment

**U.S. College-Graduate Unemployment Rate**  
Rate up 46 basis points in Nov, to 5.12%



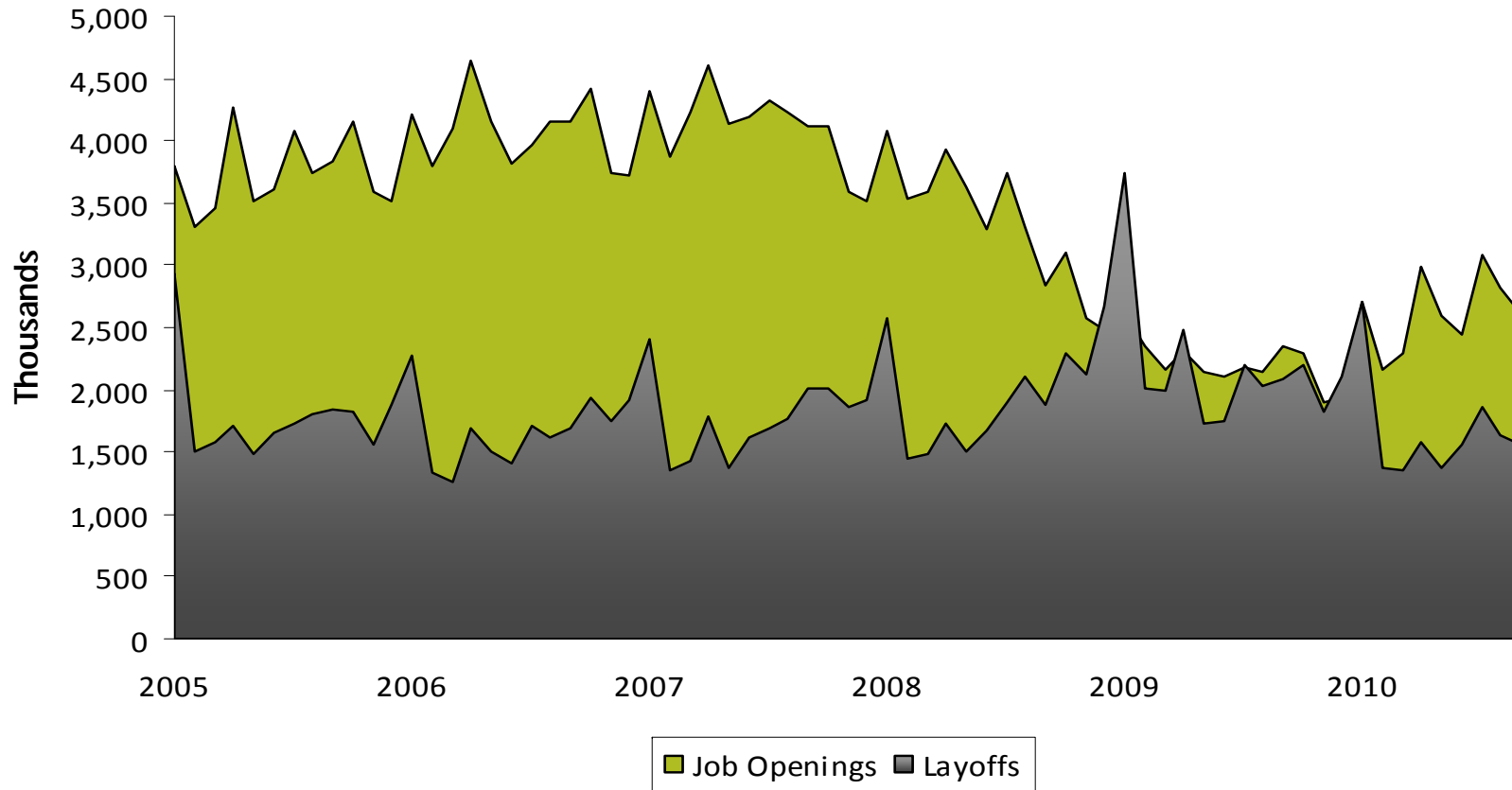
**Change in Number of Employed & Unemployed (Thousands), 3 Month Moving Avg**





# Trends in hiring & firing

## U.S. Private Sector Job Openings & Layoffs (Thousands)





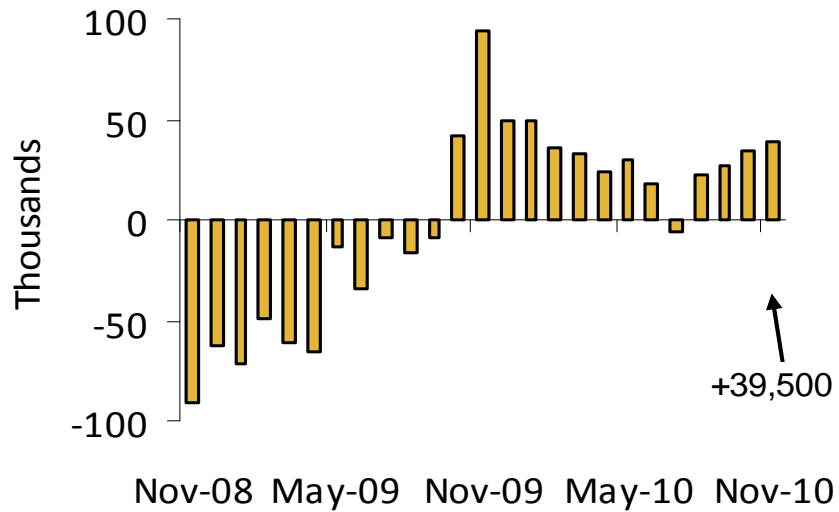
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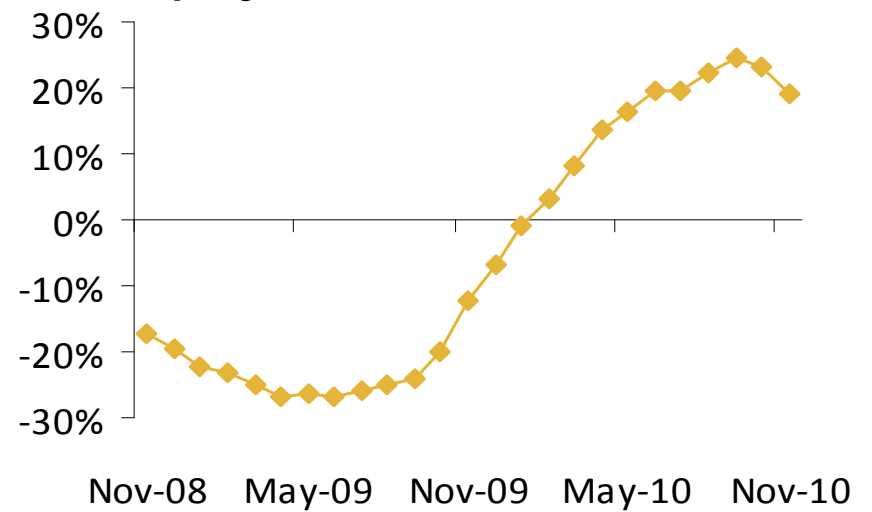


# Trends in staffing employment

**Change in Temp Employment  
Versus Previous Month**



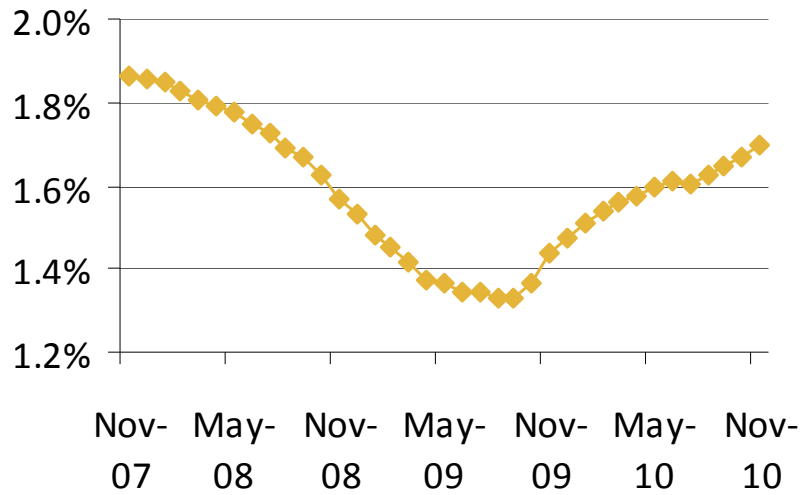
**Percent Change in Temp  
Employment Versus Year Earlier**



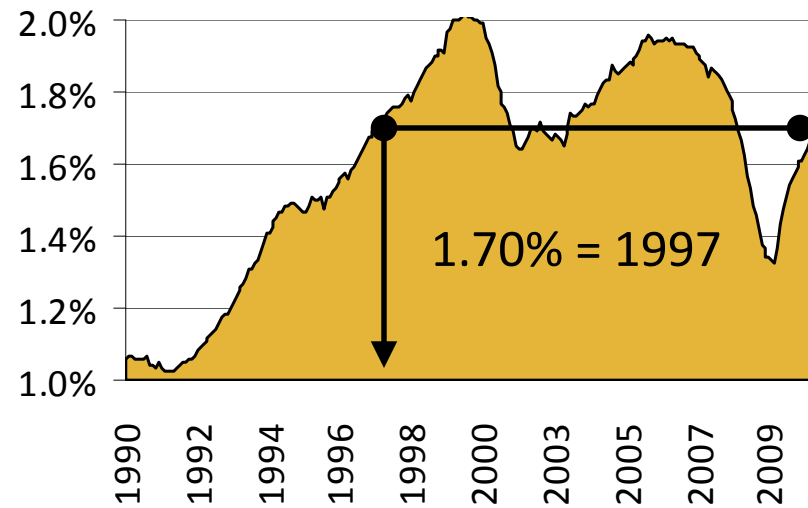


# Trends in staffing employment

Temp Employment Penetration Rate



Temp Employment Penetration Rate





## Polling question:

When do you think temporary help penetration will get back to the 2.0% mark?

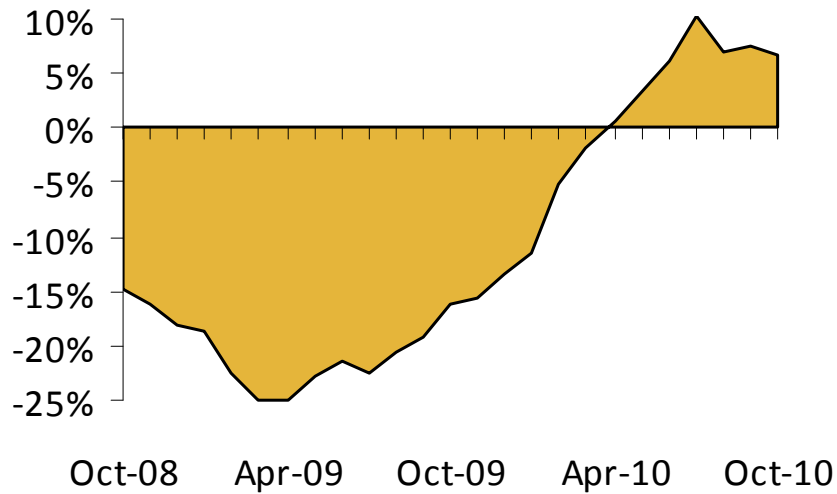
- A) By the end of 2012
- B) By the end of 2013
- C) By the end of 2014
- D) By the end of 2015
- E) Later than 2015
- F) Never



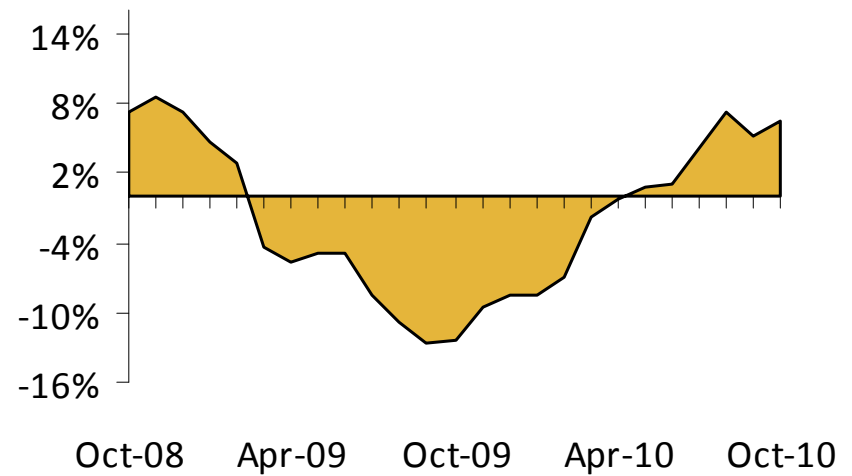


# Trends in staffing employment

**Percent Change in Direct Hire Internal Employment Versus Year Earlier**



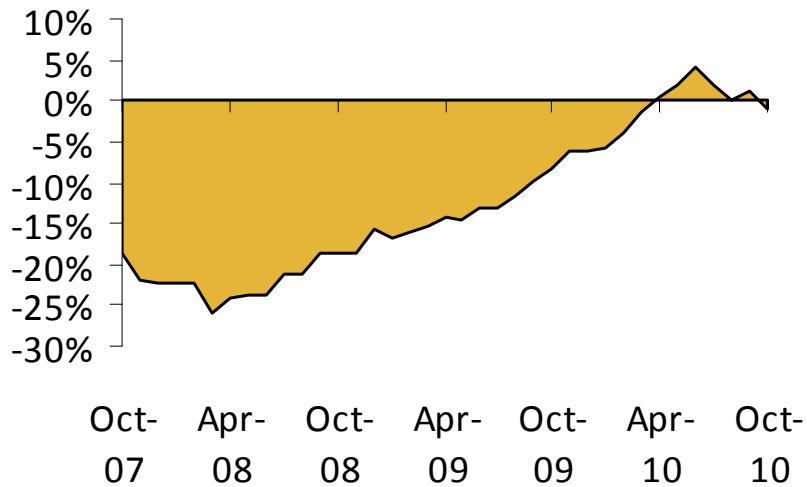
**Percent Change in Exec Search Internal Employment Vs. Year Earlier**



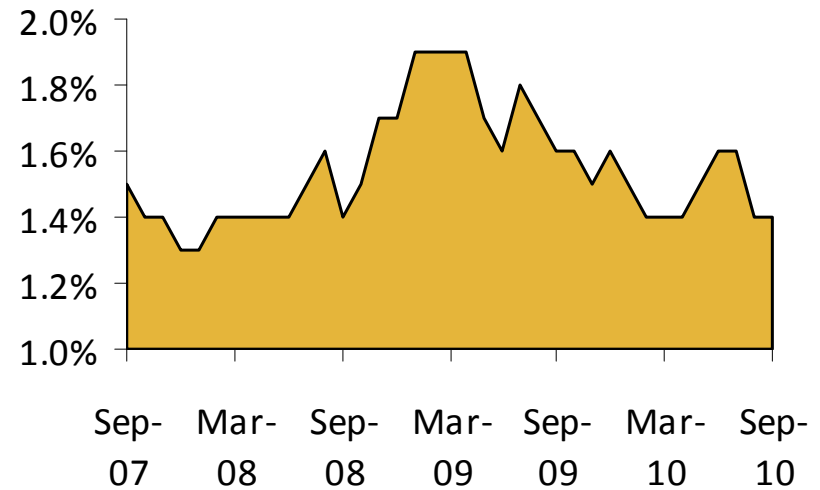


# Trends in staffing employment

**Percent Change in PEO Covered Employees Versus Year Earlier**



**Layoffs as a Percent of Total Employment**





# Revenue trends by segment & sector

Staffing sectors month-to-month sequential revenue trends																		
	Apr to May	May to Jun	Jun to Jul	July to Aug	Aug to Sep	Sept to Oct	Oct to Nov	Nov to Dec	Dec to Jan	Jan10 to Feb	Feb to Mar	Mar to Apr	Apr to May	May to Jun	Jun to Jul	Jul to Aug	Aug to Sept	Sept to Oct
Temporary Staffing	↗	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Temp-to-Hire	--	--	↗	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↗	↑	↑	↑
Direct Hire	--	--	--	--	↗	↗	↗	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
PEO	↑	↗	--	--	--	--	↘	↑	↑	↑	↗	↗		--				
Retained Search	↘	↓	↘	↘	↗	--	↘	--	↑	↑	↑	↑	↑	--			↗	↑
Outplacement	--	--	↘	↘		↘	--	↘		↓	--	--		↓				

↑ Widespread Improvement	↗ Mild Improvement	-- Flat	↘ Mild Deterioration	↓ Widespread Deterioration
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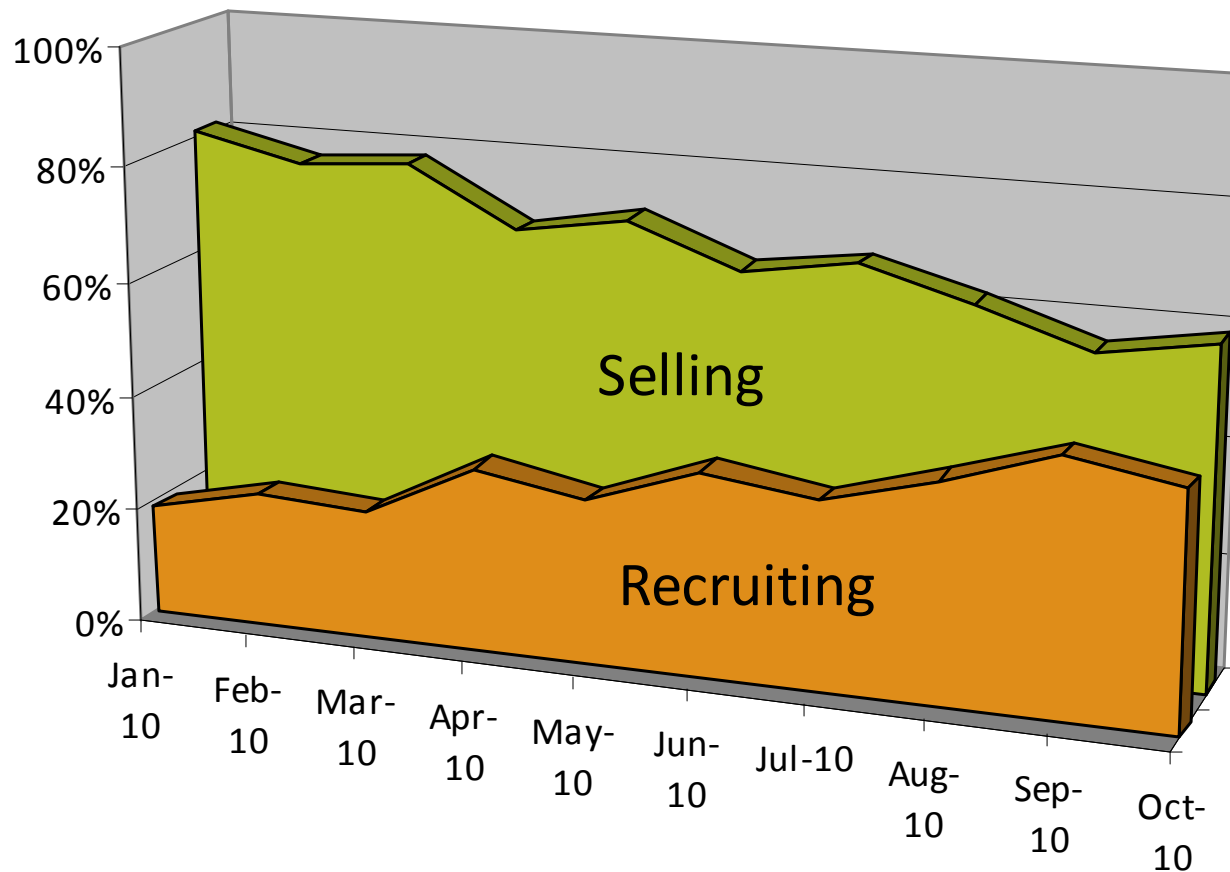
# Revenue trends by segment & sector

Temp staffing segments month-to-month sequential revenue trends																		
	Apr to May	May to Jun	Jun to Jul	July to Aug	Aug to Sep	Sept to Oct	Oct to Nov	Nov to Dec	Dec to Jan	Jan10 to Feb	Feb to Mar	Mar to Apr	Apr to May	May to Jun	Jun to Jul	Jul to Aug	Aug to Sept	Sept to Oct
Industrial	↗	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
IT	↗	↑	↑	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Office/Clerical	↗	↗	↗	↗	↗	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Engineering	↑	↗	↗	--	↑	↑	↑	↑	↑	↑	↑	↑	↗	↗	↑	↑	↑	↑
Fin./Accounting	--	↗	--	--	↑	↑	↗	↑	↑	↑	↑	↑	↑	↑	↗	↑	↑	↑
Allied/other	↘	↗	↑	--	↗	↗	↗	--	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Clinical/scientific	↗	--	↗	--	↗	↗	↗	↑	↗	↗	↑	↑	--	↗			↑	
Legal	--	--	--	--	↑	↗	--	--	--	↗	↑	↑	↑	↗	--		↑	
Travel nurse	↘	↘	--	↘	--	↗	--	↘	↑	--	↑	↘	↗	↑	↑	↑	↑	↑
Locum tenens	--	↗	↗	--	--	--	↗	--	↑	--	↑	↗		↑				
Per diem nurse	--	↓	↗	--	↗	↗	--	↘	↗	↗	↑	↗	↗	↑	↘	↑	↑	↑
Marketing/creative	↘	--	↗	↗	--	--	↘	--	--	↗	↗	↗	↗	↗				

↑ Widespread Improvement	↗ Mild Improvement	-- Flat	↘ Mild Deterioration	↓ Widespread Deterioration
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# Which is greater challenge—selling or recruiting?





## Staffing industry balance sheet

+	-
<ul style="list-style-type: none"> <li>•BLS reports temp gain of 39.5K, 14th month of increase</li> </ul>	<ul style="list-style-type: none"> <li>•Weak employment report, just 39K jobs</li> </ul>
<ul style="list-style-type: none"> <li>•Selling/recruiting difficulty ratio improving over last nine months</li> </ul>	<ul style="list-style-type: none"> <li>•Unemployment up to 9.8%, likely to stay high for foreseeable future</li> </ul>
<ul style="list-style-type: none"> <li>•Pulse: Most staffing firms still reporting <i>sequential</i> improvement</li> </ul>	
<ul style="list-style-type: none"> <li>•Economic indicators trending better</li> </ul>	
<ul style="list-style-type: none"> <li>•Overtime hours notch up--highest in two and a half years</li> </ul>	



## Staffing industry balance sheet

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•BLS reports temp gain of 39.5K in employment report, just 39K month of increase

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•Selling/recruiting difficult but up to 9.8%, likely to improve over last nine months, forseeable future

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•Pulse: Most staffing firms reporting *sequential* improvement

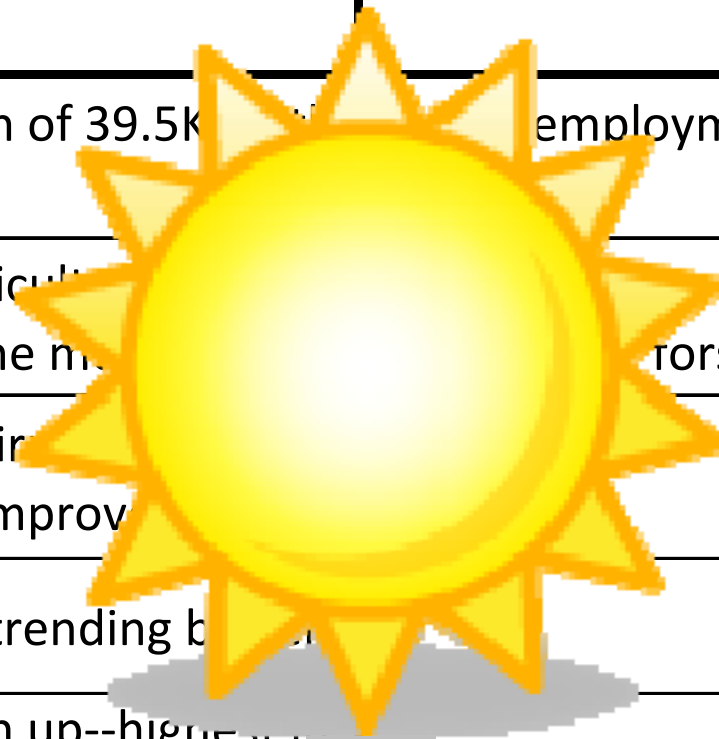
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•Economic indicators trending better

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•Overtime hours notch up--highest in two and a half years

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## Agenda

- Trends in economy & employment
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## Projected Revenue Growth in 2010

	<u>12/2009 Forecast</u>	<u>Current Forecast</u>
Temporary Staffing	7%	11%
Total Staffing Industry	5%	10%



## Projected Revenue Growth in 2010 - Industrial

12/2009 Forecast

**15%**

Current Forecast

**25%**



## Projected Revenue Growth in 2010 – Office/Clerical

12/2009 Forecast

4%

Current Forecast

8%



## Projected Revenue Growth in 2010 – IT

12/2009 Forecast

**8%**

Current Forecast

**10%**



## Projected Revenue Growth in 2010 – Healthcare

12/2009 Forecast

**-1%**

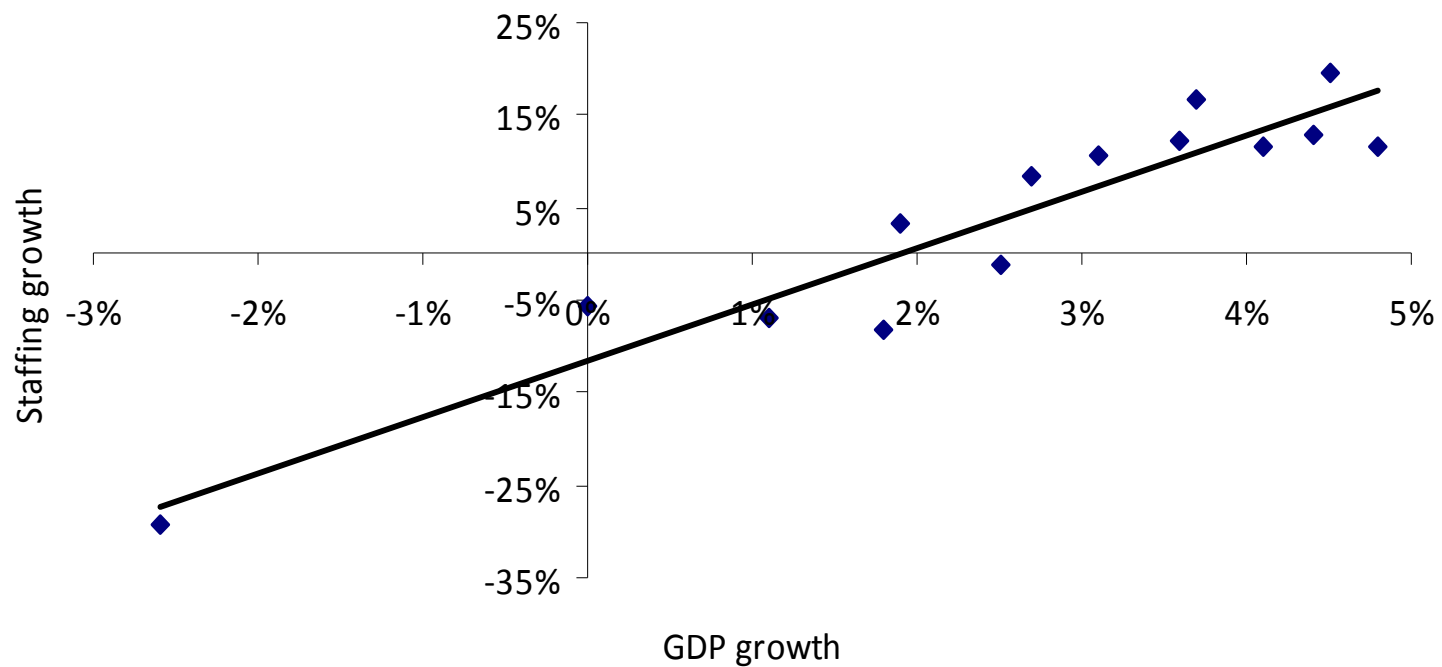
Current Forecast

**-8%**



# The staffing industry and GDP

Staffing Industry Revenue Growth (Excluding PEO/Outplacement)





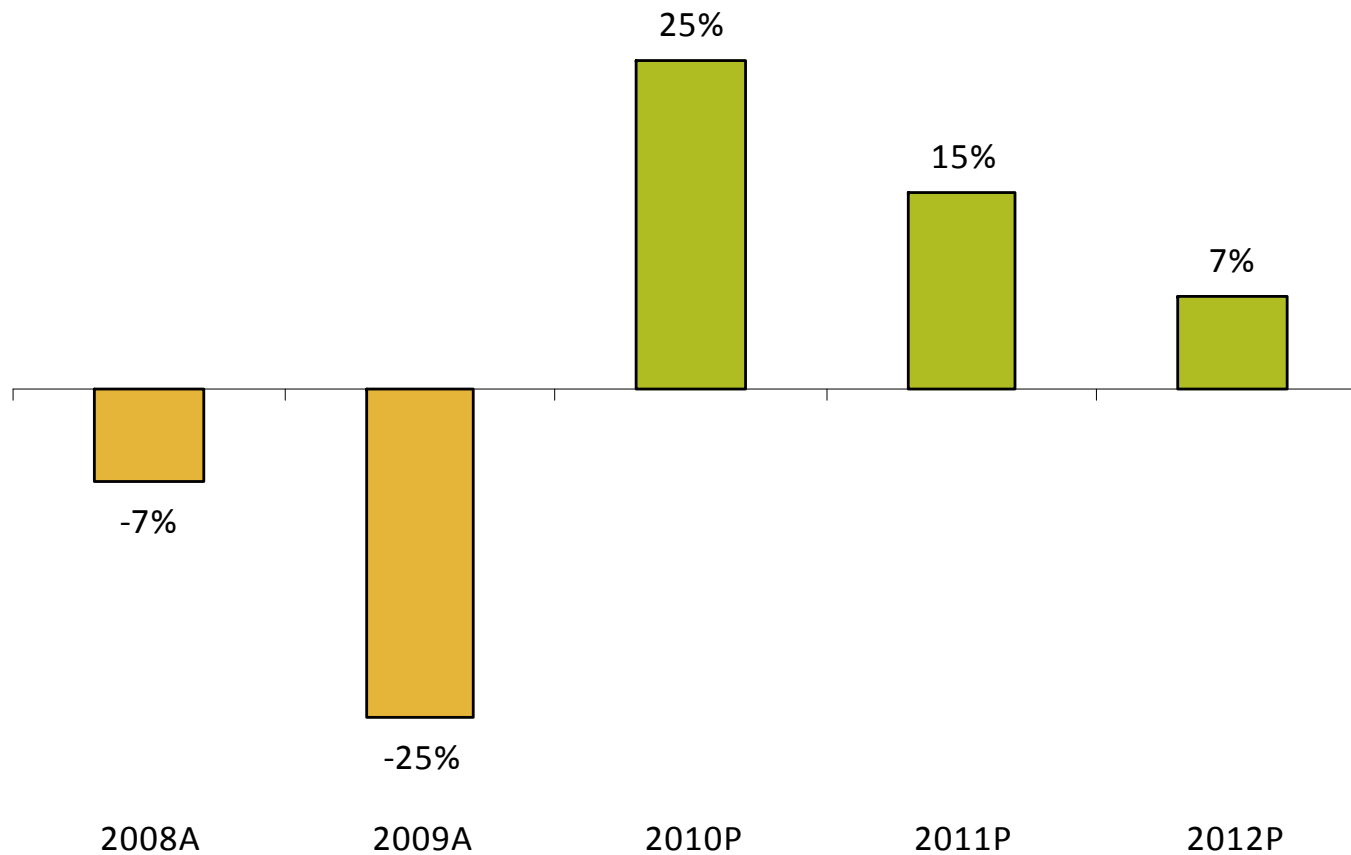
## The staffing industry and GDP

### U.S. Staffing Industry Revenue - Estimated and Projected

Industry Segment	2008 (E)	2009 (E)	2010 (P)	2011 (P)	2012 (P)
Tempoary Staffing (\$B)	94.5	71.2	78.8	88.0	95.7
<i>Year-over-year</i>	<i>-4%</i>	<i>-25%</i>	<i>11%</i>	<i>12%</i>	<i>9%</i>
Place & Search (\$B)	19.9	9.8	11.7	13.3	14.6
<i>Year-over-year</i>	<i>-12%</i>	<i>-51%</i>	<i>20%</i>	<i>13%</i>	<i>10%</i>
PEO (\$B)	10.1	9.6	10.1	10.8	11.8
<i>Year-over-year</i>	<i>2%</i>	<i>-5%</i>	<i>5%</i>	<i>7%</i>	<i>9%</i>
Outplacement (\$B)	1.2	1.6	1.1	1.0	1.0
<i>Year-over-year</i>	<i>16%</i>	<i>40%</i>	<i>-35%</i>	<i>-10%</i>	<i>0%</i>
Total Staffing (\$B)	125.7	92.3	101.7	113.1	123.1
<i>Year-over-year</i>	<i>-5%</i>	<i>-27%</i>	<i>10%</i>	<i>11%</i>	<i>9%</i>



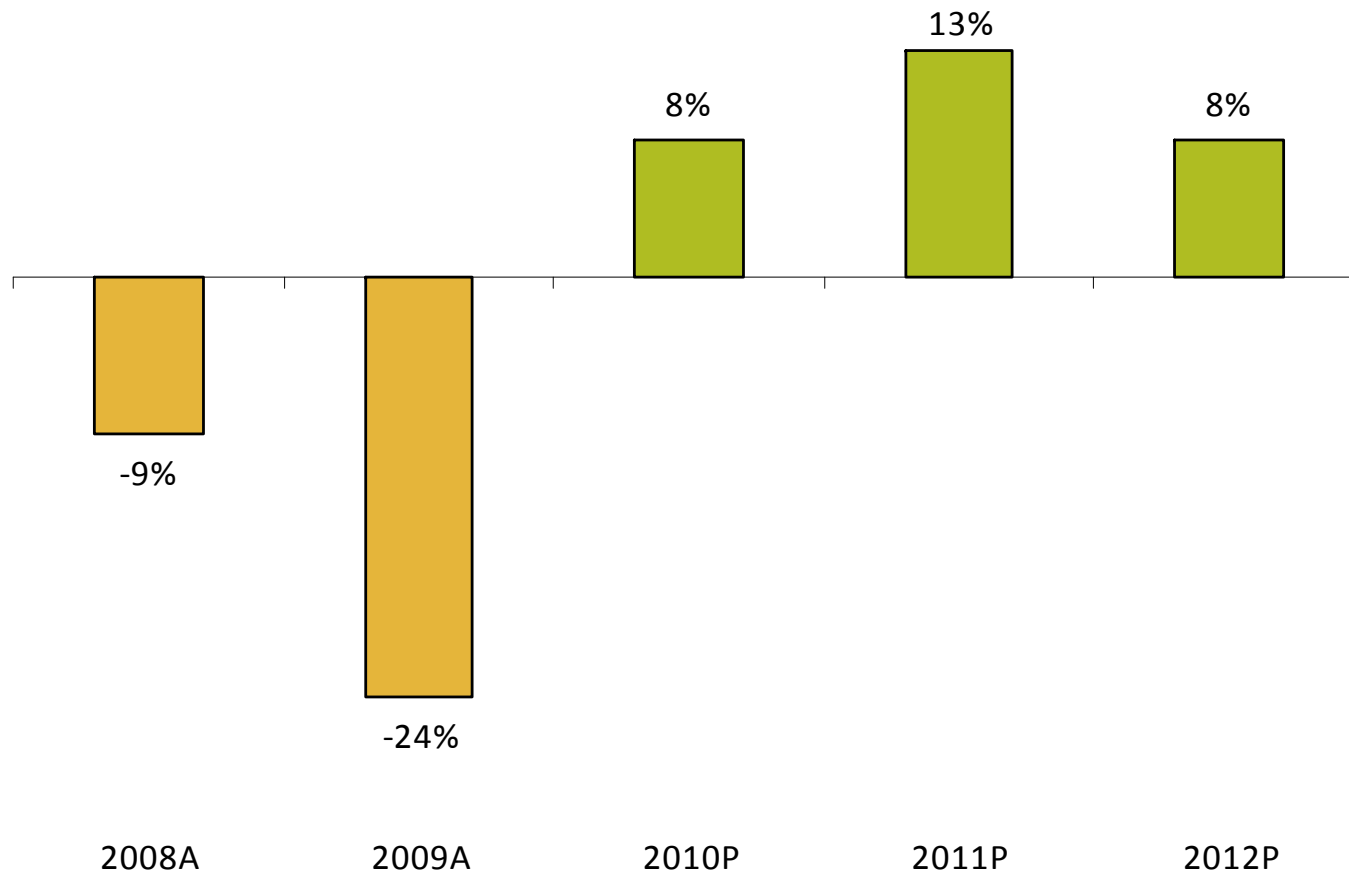
## Industrial staffing: y/y growth, actual & projected





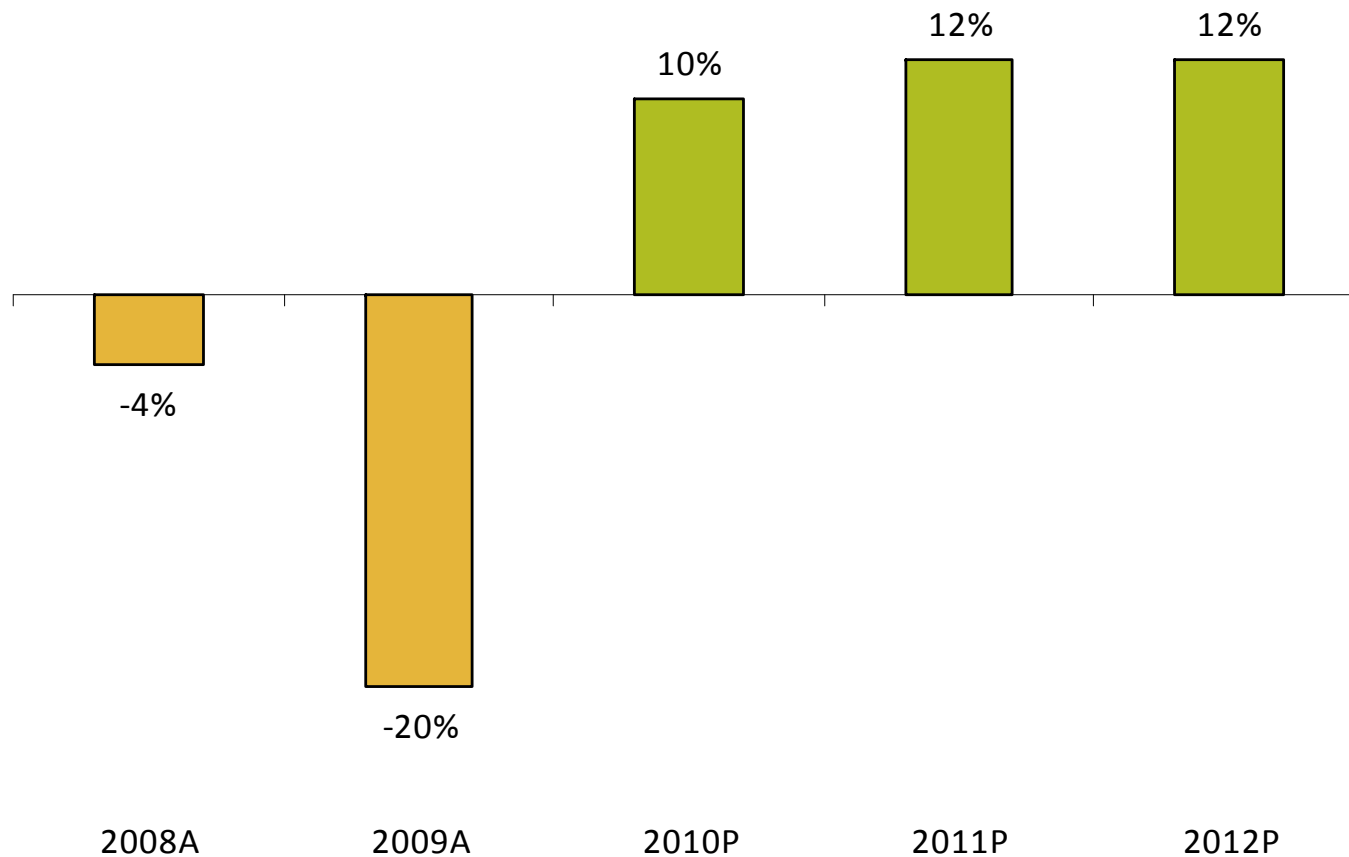


## Off/clerical staffing: y/y growth, actual & projected



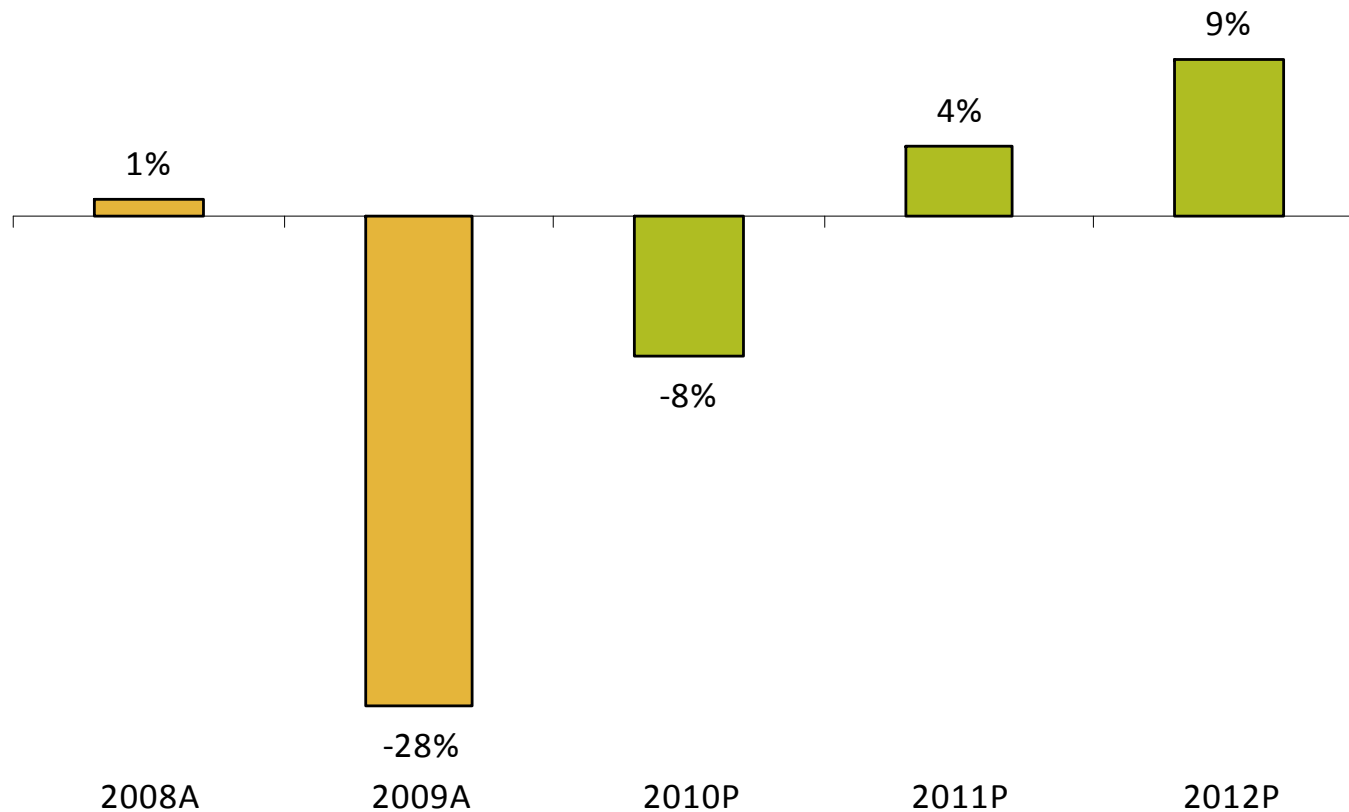


## IT staffing: y/y growth, actual & projected





# Healthcare staffing: y/y growth, actual & projected





## Detailed healthcare staffing forecast

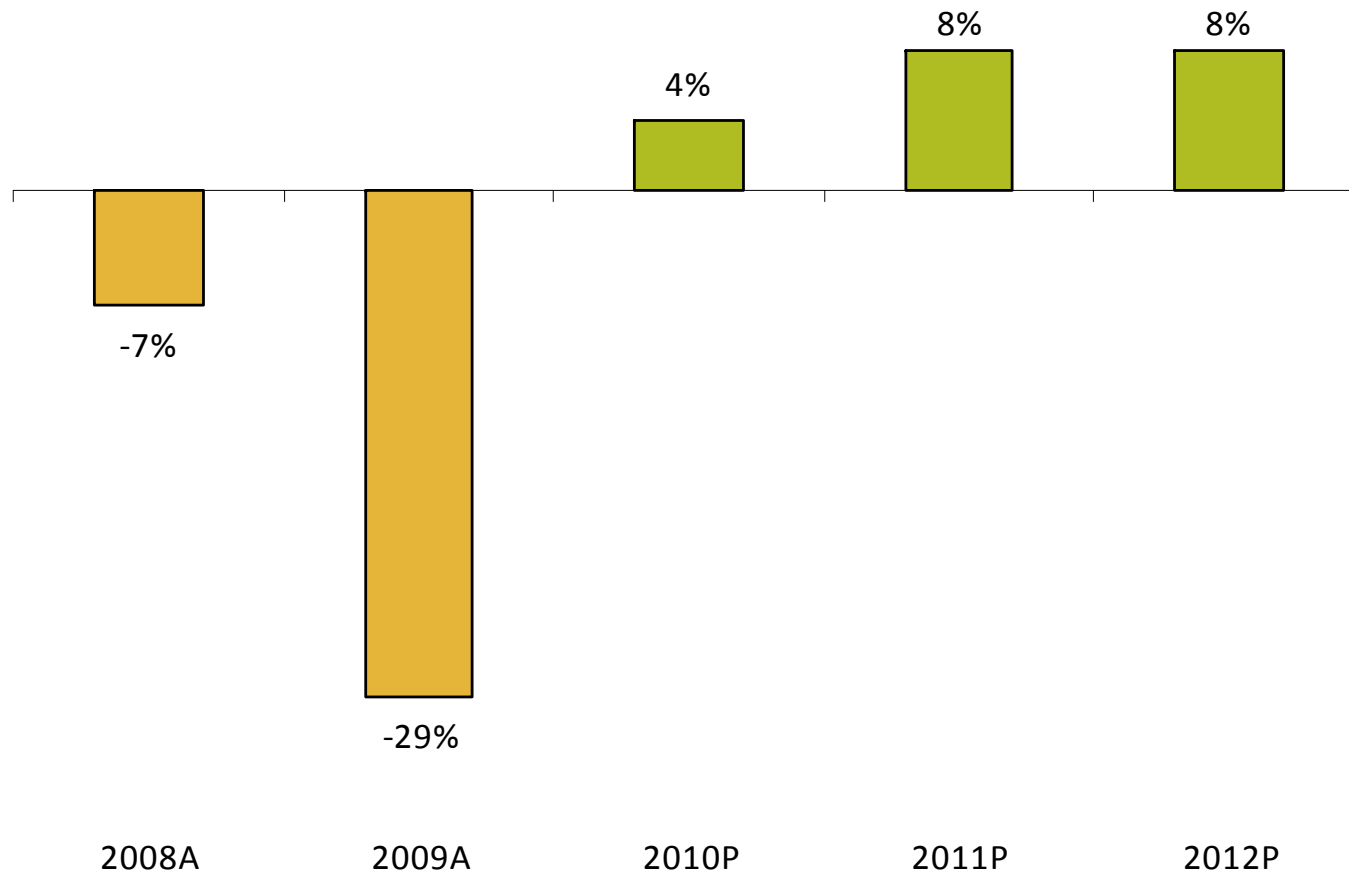
### Healthcare Staffing y/y Revenue Growth & Market Size

(% change)	2008	2009	2010	2011	2012
Travel nursing	1.5%	-50%	-25%	7%	15%
Per diem nursing	-8.0%	-30%	-6%	3%	6%
Locum tenens	13.5%	-1%	-4%	3%	7%
Allied	7.0%	-25%	-4%	4%	10%
Total Healthcare	1.0%	-28%	-8%	4%	9%
(\$Billions)	2008	2009	2010	2011	2012
Travel nursing	2.4	1.2	0.9	1.0	1.1
Per diem nursing	3.7	2.6	2.5	2.5	2.7
Locum tenens	1.8	1.8	1.7	1.8	1.9
Allied	3.4	2.6	2.4	2.5	2.8
Total Healthcare	11.4	8.2	7.6	7.9	8.5

Source: Staffing Industry Analysts

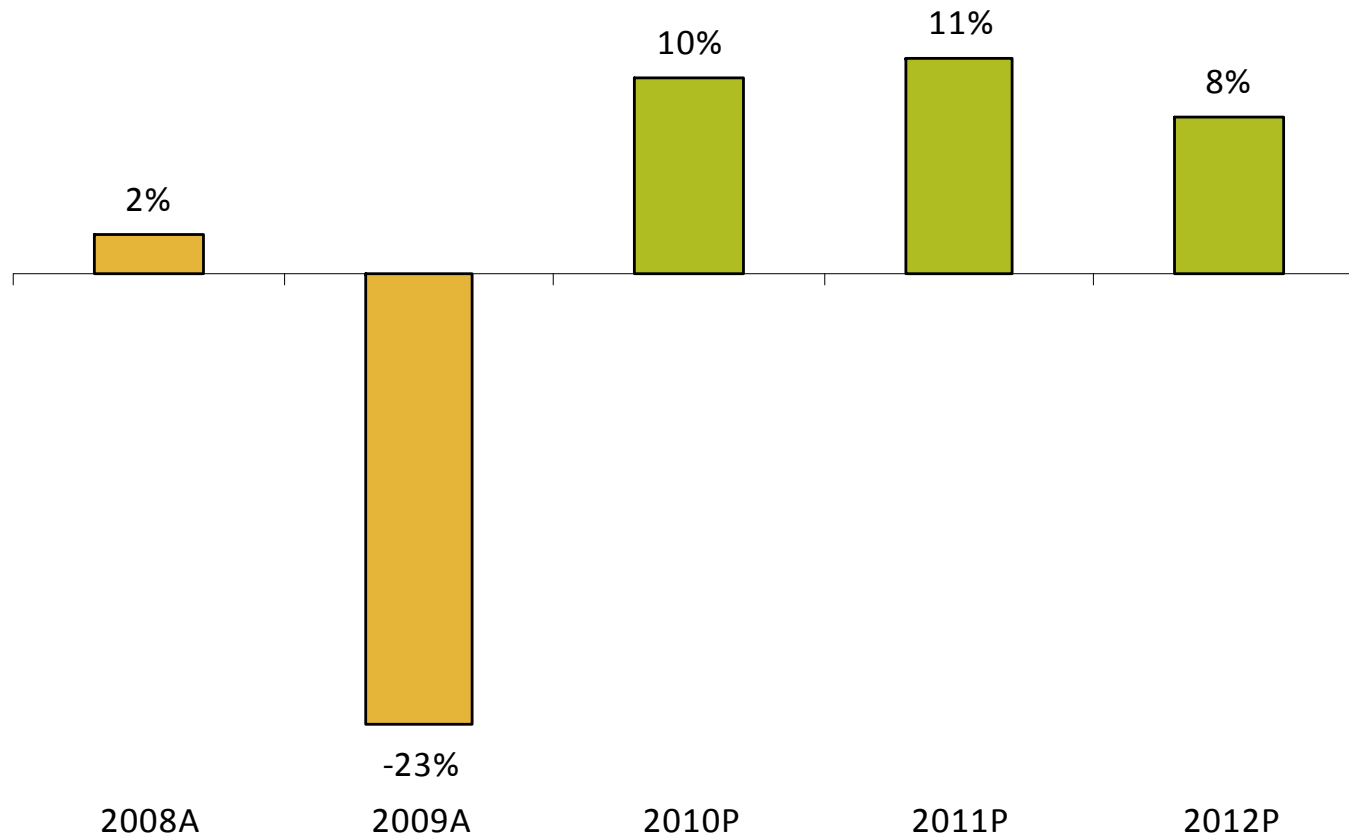


## Finance/acc staffing: y/y growth, actual & projected



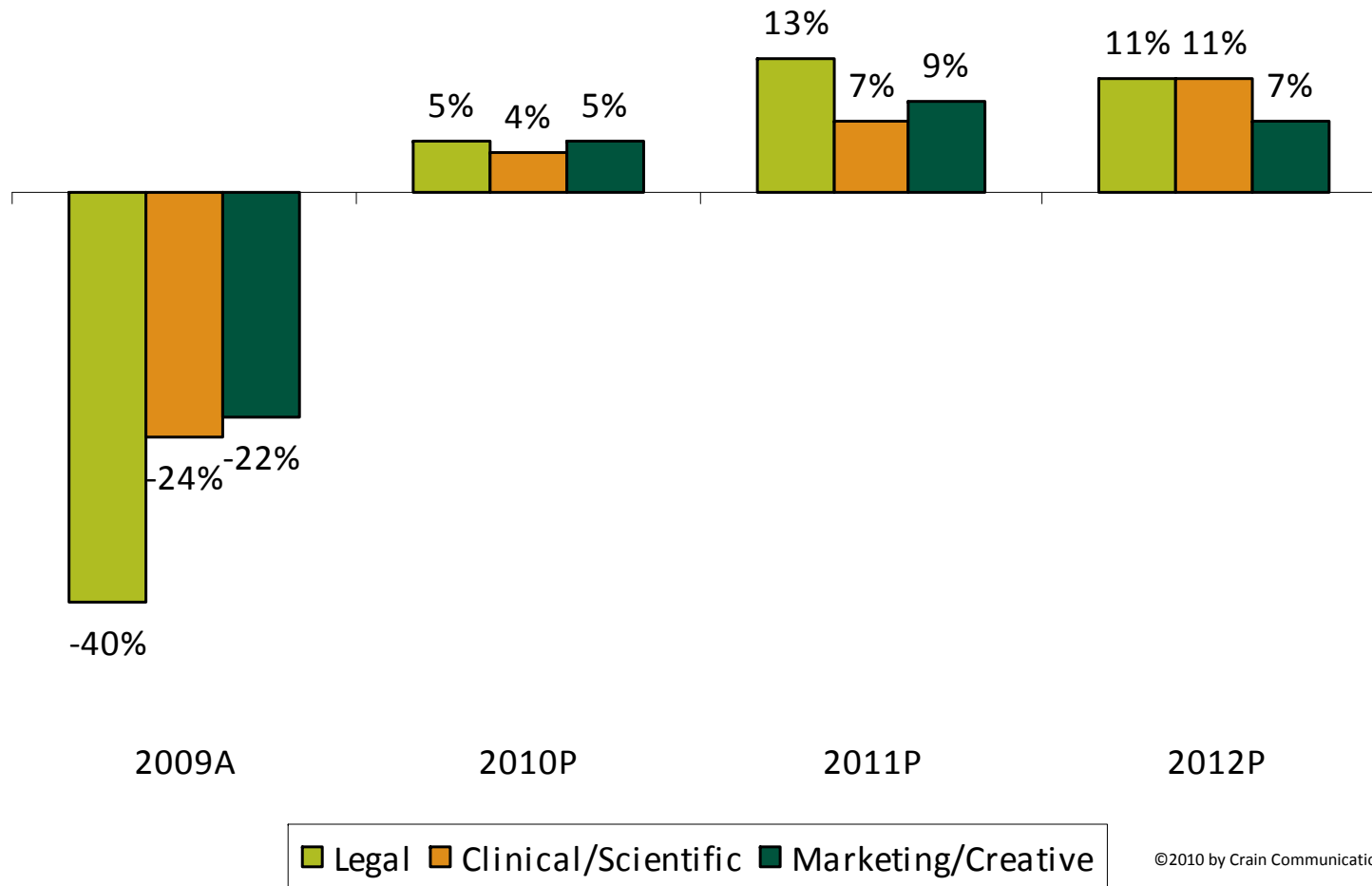


## Engineering staffing: y/y growth, actual & projected



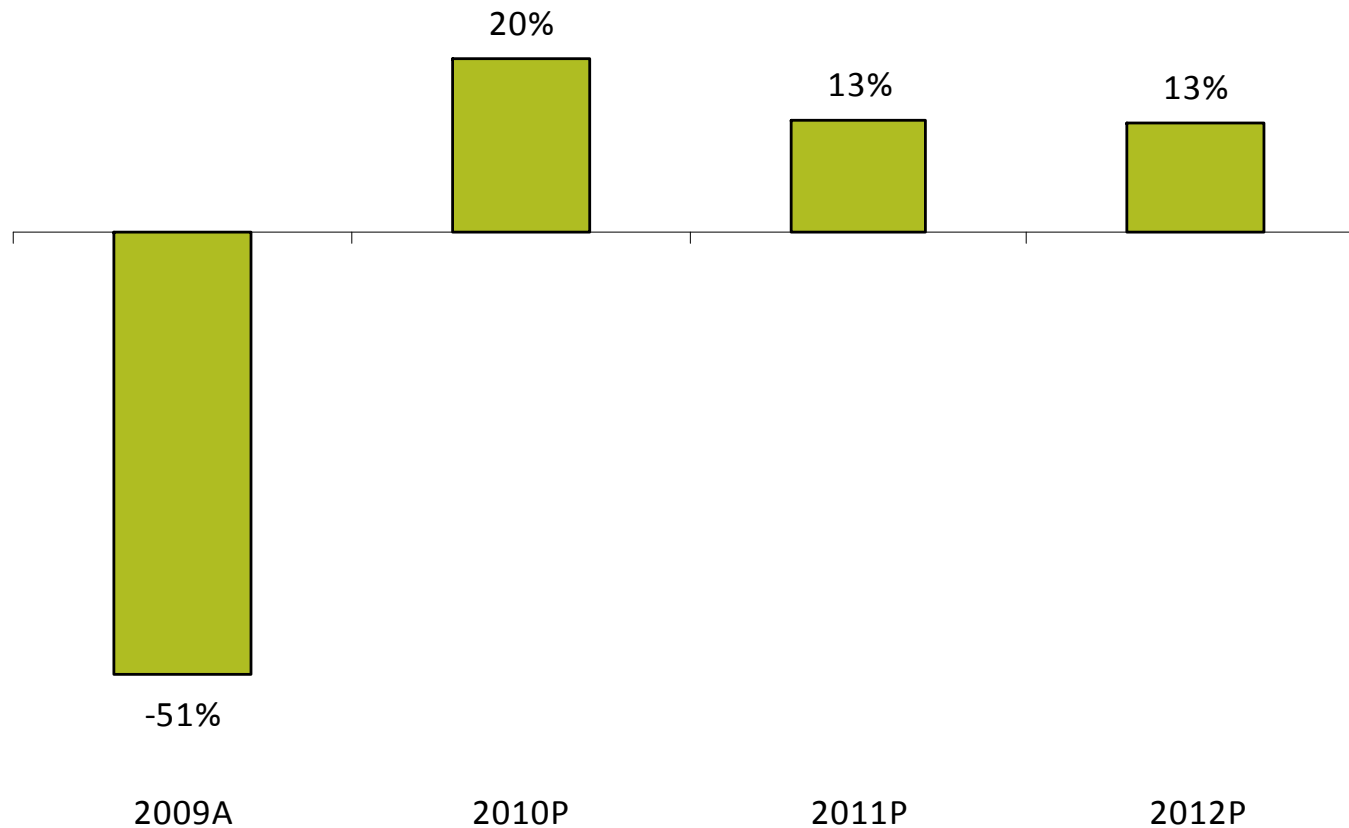


# Legal, clin/sci, marketing/creative trend & forecast





# Place/search staffing: y/y growth, actual & projected







## PEO: y/y growth, actual & projected





## Outplacement: y/y growth, actual & projected





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## Where to find latest research: staffingindustry.com

HOME ABOUT US PRODUCTS & SERVICES CONFERENCES & EVENTS

**SITE GUIDE**

- TOPICS: STAFFING FIRMS
- TOPICS: STAFFING BUYERS
- OUR ANALYSTS
- THE CONTINGENT BLOG
- SUPPLIER DIRECTORY

**DAILY NEWS**

**It's free - Sign up**

**U.S. temp payrolls fall by 6,500 in August**  
9/4/2009 1:36:18 PM  
Temporary help payrolls fell by 6,500 jobs in...

**Canada adds 27,100 jobs in August**  
9/4/2009 1:36:02 PM  
Canada gained 27,100 jobs in August, bringing...

**Index: Employee confidence highest since 2007**  
9/4/2009 1:35:48 PM  
Spherion Corp.'s (NYSE: SFN) employee...

**Report: Employers to hire more**

Staffing Industry Analysts is the **PREMIER RESEARCH AND ANALYSIS FIRM** covering the contingent workforce

**Event & Product Highlights**

- Corporate Membership Western Europe
- CWS Summit Nov. 3-4 Orlando FL
- Healthcare Staffing Summit, Sept. 15-16 Washington DC
- Staffing Industry Sourcebook

**PUBLICATIONS AND STRATEGIC RESEARCH**

**Latest Research**

- Highest paid staffing execs—who and how much
- Staffing stocks up 7.1% in August
- 2009 largest global staffing companies
- Best and worst job markets
- Temporary staffing bill rate trends

**Additional new research**

**FREE monthly staffing trends report (a.k.a. Staffing Industry Monthly Pulse Survey)**



## Staffing Industry Monthly Pulse Survey

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SITE GUIDE

TOPICS: STAFFING FIRMS

EMPLOYER DIRECTORY

DAILY NEWS

It's free - Sign up  
U.S. temp payrolls fall by 6,500 in August  
8/4/2008 1:38:18 PM  
Temporary help payrolls fell by 6,500 jobs in...  
Canada: 27,100 jobs in August  
in August  
Report: ... to hire more

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Latest Research

- Highest paid staffing execs—who and how much
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## Questions and Answers





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