



Market Intelligence to Capitalize on Industry Opportunities

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Agenda

Market Intelligence to Capitalize on Industry Opportunities

- Trends impacting the staffing industry
- Data you should look at
- Finding the truth

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The Economy and U.S. Labor Market

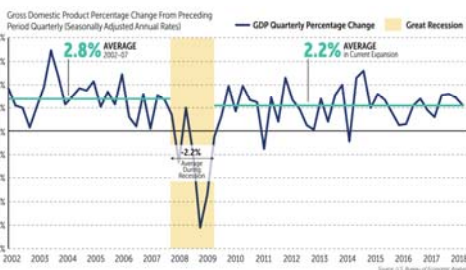
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What has been the average quarterly GDP growth rate since the recession?

- A. 5.1%
- B. 2.2%
- C. 3.2%

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Economic Growth Erratic



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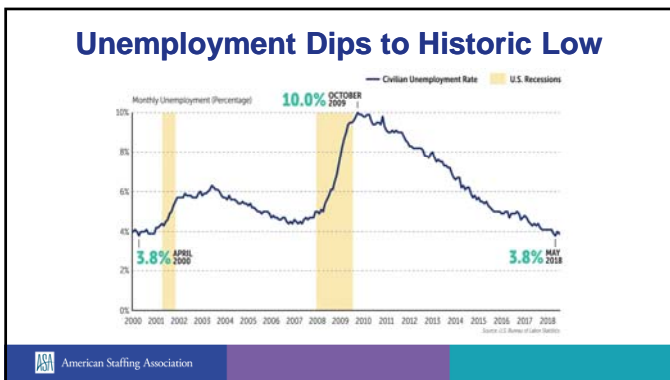
Economic Growth Erratic

Gross Domestic Product

- Government data lags
- Economic indicators
 - Coincident
 - Real-time



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Unemployment Dips to Historic Low

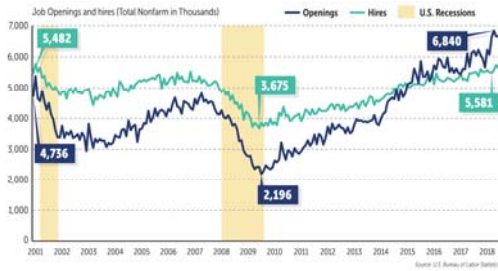
Unemployment Rate

- Good news?
- Shrinking labor pool?



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Job Openings vs. Hires—Gap Widens



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Job Openings vs. Hires—Gap Widens

Job Openings and Hires

- More indicators
 - Openings = lagging
 - Hires = health
 - Openings > Hires = skills gap
- Unemployed exceed openings



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Six in 10 Employed or Job Seeking



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Six in 10 Employed or Job Seeking

Labor Force Participation Rate

- **Factors**
 - Aging workforce
 - More retirees
 - Labor pool dropouts
- **Opportunities**
 - Improve efficiency; increase productivity
 - Enrich recruiting/retention strategies
 - Reskill/upskill talent



The Economy & U.S. Labor Market

- U.S. Bureau of Economic Analysis
 - bea.gov
- U.S. Bureau of Labor Statistics
 - bls.gov/data
- ASA Data Dashboard
 - americanstaffing.net/dashboard



Staffing Industry Trends & Benchmarks



Staffing Growth Surpasses GDP



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Historical Highs for Staffing Employment



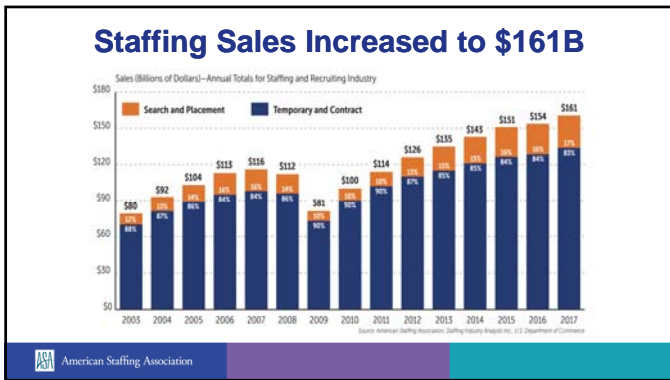
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How many temporary and contract staffing employees are there?

- A. 3.2 million
- B. 15.5 million
- C. 41 million
- D. Too many to count

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Track Weekly Staffing Employment

- Surged to 101 in September
 - +3.8% year-to-year
 - 4-wk avg. > 99 for three months

As of Oct. 2, 2018

Weekly Changes by Company Size	\$7.5M-	\$25M-	\$100M	\$100M+
	-0.68	1.95	2.02	1.18



Monitor Quarterly Staffing Trends

- 18-year high for Q2
- About six in 10 companies increased sales and gross margins
- Direct hire fill rates decreased

Search & Placement Metrics for Q2 2018 (Current Quarter)

Category	Q2 2018	Q2 2017	Q2 2016	Q2 2015	Q2 2014
Searches	10,123	9,876	9,543	9,210	8,987
Placements	5,678	5,432	5,210	5,098	4,987
Direct Hire	3,456	3,210	3,098	2,987	2,876
Temp	2,222	2,222	2,222	2,222	2,222

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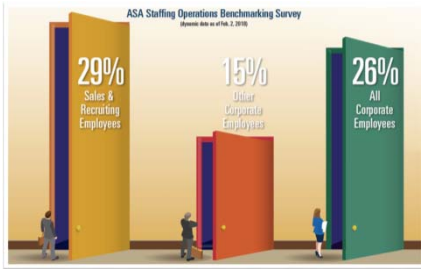
Current Quarter Temporary and Contract Staffing Gross Margin by Firm Size 2018

Firm Size	Temp Gross Margin	Contract Gross Margin
\$7.5M -	15.2%	18.5%
\$25M -	16.8%	19.1%
\$100M	17.5%	20.3%
\$100M+	18.1%	21.2%

What's the turnover rate for internal corporate staffing employees?

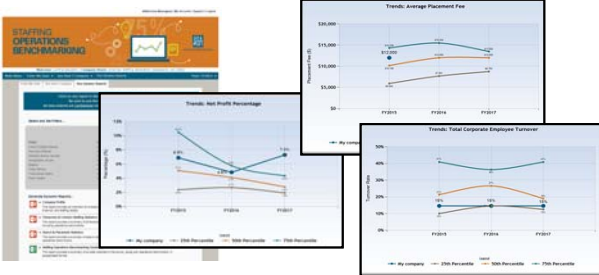
- A. 386%
- B. 29%
- C. 15%
- D. None of these

What's Your Employee Turnover Rate?



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Dig in to Operations Benchmarks



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Assess Compensation and Benefits

- 3% budgeted wage increase
- Eight in 10 offer health care PPO
- Three in 10 offer sick leave
- Minimum PTO days upon hire increased
- Two-thirds provide 401k/403b with company match
- 15% offer executives profit sharing



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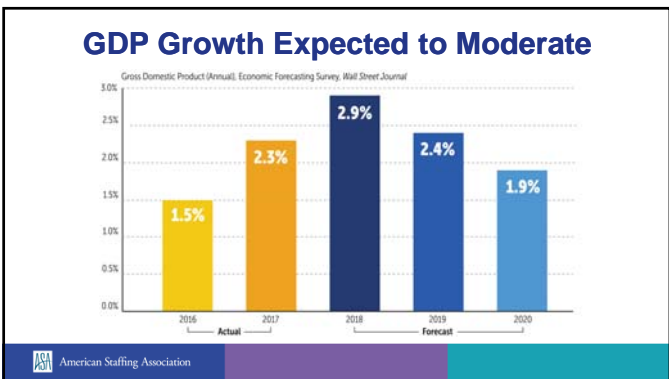
Staffing Industry Benchmarks

- ASA Staffing Index
 - americanstaffing.net/staffing-index
- Staffing Employment and Sales Survey
 - americanstaffing.net/quarterly-survey
- Operations Benchmarking Survey
 - americanstaffing.net/operations
- Compensation and Benefits Survey
 - americanstaffing.net/compensation

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Future Growth

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GDP Growth Expected to Moderate

Forecasting Economic Growth

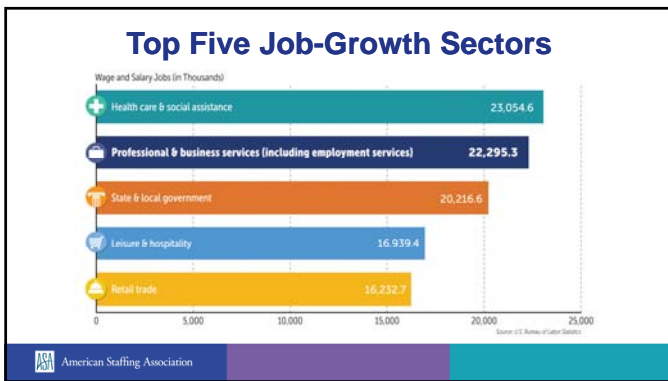
- **No crystal balls**
 - Wild cards
 - Recessions
 - Political conflicts
 - Changes in laws
- **Historically, staffing growth outpaces GDP**
 - Constraints
 - Skills gap
 - Talent shortages



Which industry sector will grow the fastest over the next 20 years?

- A. Leisure/hospitality
- B. Retail
- C. Health care/social assistance
- D. Construction





Continued Demand for Staffing Services

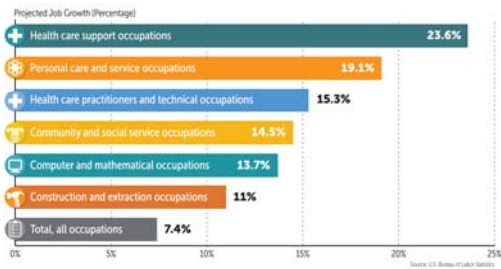
PROJECTED CHANGES IN THE NUMBER OF JOBS AND GROWTH FACTORS

SECTOR	2026 JOBS ('000s)	JOBS ADDED 2016-26 ('000s)	GROWTH FACTORS
Health care and social assistance	23,054.6	3,998.3	Aging population, longer life expectancies, and growing rates of chronic conditions
Professional and business services, including employment services	22,299.3	2,159.7	Continued demand for information technology services and consulting, as well as staffing services
State and local government	20,216.6	788.7	Enrollment rate increases in postsecondary education
Leisure and hospitality	16,939.4	1,319.0	Increasing use of technology offset by growth in food services and drinking places industry
Retail trade	16,252.7	412.3	Motor vehicle and parts dealer industry growth

Source: U.S. Bureau of Labor Statistics

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Fastest-Growing Occupational Groups



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Future Employment Growth

Fastest Growing Sectors and Occupational Groups

- Shifts
 - Population demographics
 - Occupational mix
 - Health care expanding
 - Use of technology increasing
- Abundance of staffing employment opportunities

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Evaluating Research and Data Sources

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Finding the Truth in Data?



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Evaluating Your Sources—Credible

- Information source? Scholarly?
- Produced/published by SME?
- Peer-reviewed?
- Supported by evidence?
- Verifiable?
- Evidence sourced?
- Typos?



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Evaluating Your Sources—Objective

- Reason published?
- Sponsored/paid content?
- Impartial tone?
- Biased?



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Evaluating Your Sources—Reliable

- Just background or overview?
 - Qualitative, anecdotal?
 - Broad, more general?
- Business decisions?
 - Quantifiable?
 - Sample size?
 - Sample composition?
 - Relevance?



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THANK YOU FOR ATTENDING

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