

Employment Report

CALIFORNIA

spherion

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California Employment Report: Employee Confidence Index Rises, More Workers Confident in Personal Employment Situation

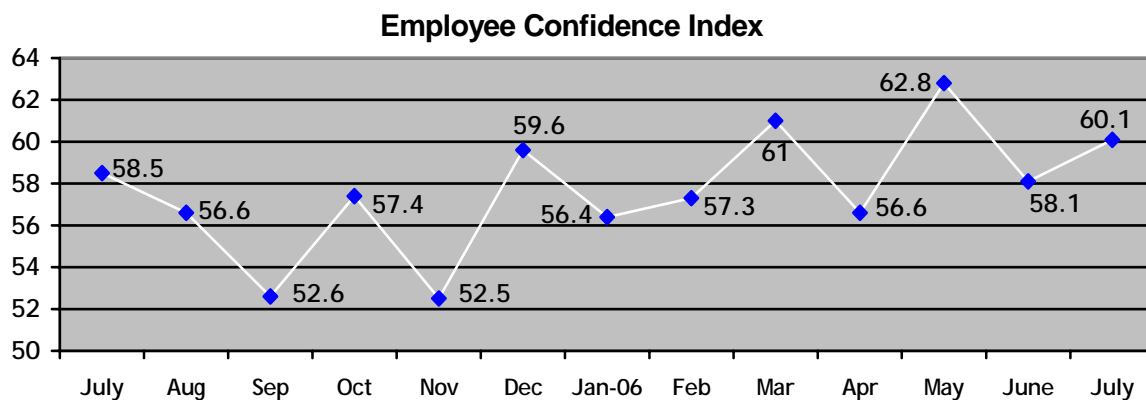
- *More workers confident in their ability to find new job*
- *Majority of workers confident in future of current employer*
- *Fewer workers believe economy is getting stronger*

LOS ANGELES, Calif. - August 16, 2006 - The California Employee Confidence Index rose two points to 60.1 in July as more workers expressed confidence in their personal job situation. According to the California Spherion® Employment Report, a monthly survey conducted by Harris Interactive® on behalf of Spherion Corporation, 66 percent of California workers said they are confident in their ability to find a new job, an 11-percentage-point gain from June, and 68 percent of workers said they are confident in the future of their employer, unchanged from June.

While personal confidence rose in July, the Report shows that fewer workers were confident in their macroeconomic situation. In fact, only 17 percent of California workers believe the economy is getting stronger, a decrease of three percentage points since June, and 27 percent believe more jobs are available, unchanged from June.

"Lower state unemployment rates and talent shortages are helping to encourage workers to look for higher pay and do more comparison shopping," said Lauren Steel, territory vice president for Spherion. "Clients are searching for the 'ideal' candidate, thereby extending the selection process. As a result, we are advising employers to become more creative in order to meet their hiring objectives. We are also continuing to educate employers about the job market figures to get a better understanding of the talent available, especially in hotter industries such as manufacturing, healthcare, insurance, distribution, bio-tech, financial services, transportation, call centers and production."

Employee Confidence Index: The California Employee Confidence Index was 60.1 in July, up two points from the previous month and up 1.6 percentage points from a year ago. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, increased because more workers were confident in their ability to find a new job.



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July Employment Report Results

		<u>California Workers</u>			<u>U.S. Workers</u>		
		<i>June</i>	<i>July</i>	<i>% Point Change</i>	<i>June</i>	<i>July</i>	<i>% Point Change</i>
Economy	Getting stronger	20%	17%	-3%	19%	23%	+4%
	Staying same	35%	40%	+5%	38%	33%	-5%
	Getting weaker	45%	43%	-2%	43%	44%	+1%
Job Availability	More jobs	28%	27%	-1%	24%	25%	+1%
	Same amount	36%	40%	+4%	37%	36%	-1%
	Fewer jobs	36%	33%	-3%	39%	38%	-1%
Ability to Find New Job	Confident	55%	66%	+11%	56%	57%	+1%
	Neutral	35%	23%	-12%	29%	28%	-1%
	Not confident	11%	11%	0%	16%	15%	-1%
Future of Current Employer	Confident	67%	68%	+1%	65%	65%	0%
	Neutral	19%	21%	+2%	22%	24%	+2%
	Not confident	14%	11%	-3%	13%	12%	-1%
Likelihood to Lose Job	Likely	10%	11%	+1%	11%	12%	+1%
	Neutral	6%	10%	+4%	11%	9%	-2%
	Not likely	84%	79%	-5%	78%	79%	+1%
Look for New Job	Likely	38%	33%	-5%	36%	35%	-1%
	Neutral	6%	11%	+5%	10%	10%	0%
	Not likely	55%	57%	+2%	54%	55%	+1%

About the Spherion Employment Report

As part of the [Spherion® Emerging Workforce®](#) Series of employment surveys, the monthly Spherion Employment Report provides a snapshot of the latest workforce trends across the country and is issued in conjunction with state and national labor market releases. Three key indices are measured: the Spherion *Job Security Index*, which captures how likely respondents think it is that they will lose their job or that their job will be eliminated in the next 12 months; the Spherion *Job Transition Index*, which captures how likely respondents are to look for a new job in the next 12 months; and the *Employee Confidence Index*, which measures employees' overall confidence in the economy, the future of their employer, the availability of jobs, and their ability to find other employment. The Employee Confidence Index is based on these four components, with a 'score' calculated for each by taking the difference of the percentage of positive responses and the percentage of negative responses. These four scores are then averaged to indicate an overall level of employee confidence scaled from 0 (no confidence) to 100 (complete confidence). A reading above 50 indicates a positive confidence level.

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Methodology

The July 2006 Spherion® Employment Report is based on data from a Harris Interactive® QuickQuerySM online omnibus conducted monthly on behalf of Spherion Corporation. A U.S. sample of 2,836 employed adults, aged 18 years and older, of whom 250 are employed in California (for June 2006 n=295), was interviewed in a series of two polls conducted between July 5-7 and July 11-13, 2006. Figures for age, sex, race/ethnicity, income, education and region were weighted where necessary to bring them in line with their actual proportions in the population. Propensity score weighting adjusted for respondents' propensity to be online.

With pure probability samples, with 100 percent response rates, it is possible to calculate the probability that the sampling error (but not other sources of error) is not greater than some number. With a pure probability sample of 2,836 U.S. employed adults one could say with a 95 percent probability that the overall results have a sampling error of +/- two percentage points, and the sampling error for the California state sample results is plus or minus six percentage points. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

About Spherion

Spherion Corporation (NYSE:SFN) is a leading recruiting and staffing company that provides integrated solutions to meet the evolving needs of companies and job candidates. As an industry pioneer for 60 years, Spherion has screened and placed millions of individuals in temporary, temp-to-hire and full-time jobs. Positions range from administrative and light industrial to a host of professions that include accounting/finance, information technology, engineering, manufacturing, legal, human resources and sales/marketing.

With approximately 650 offices in the United States and Canada, Spherion delivers innovative workforce solutions that improve business performance. Spherion provides its services to more than 8,000 customers, from Fortune 500 companies to a wide range of small and mid-size organizations. Employing 375,000 people annually through its network, Spherion is one of North America's largest employers. To learn more, visit www.spherion.com.

About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for *The Harris Poll*, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what could conceivably be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms. The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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