

# Employment Report

CALIFORNIA

spherion

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## California Employment Report: Worker Confidence in Economy and Personal Employment Situation Dives

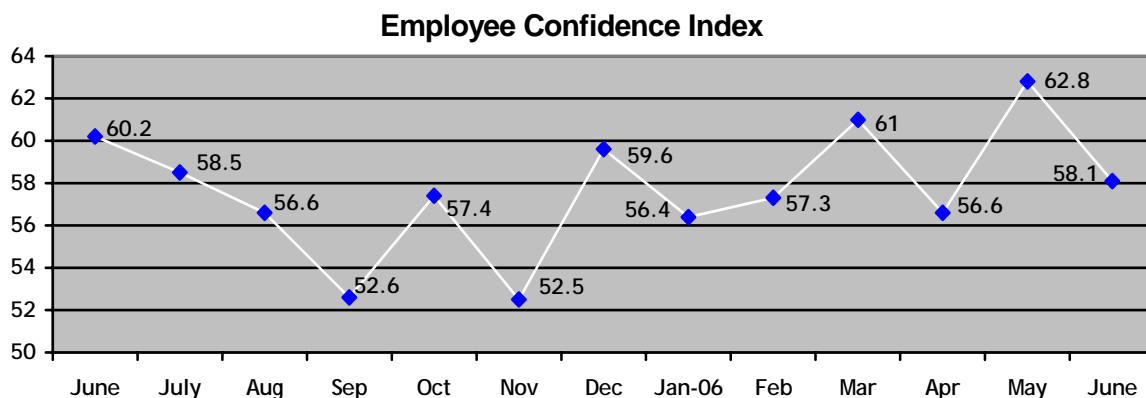
- Fewer workers confident in macroeconomic situation
- Nearly four in 10 likely to look for a new job
- Confidence in job security remains strong at 84 percent

LOS ANGELES, Calif., July 21, 2006 - The California Employee Confidence Index dropped 4.7 points to 58.1 in June, as more workers reported pessimism in the strength of the economy and their personal employment situation. The California Employment Report, conducted by Harris Interactive® on behalf of Spherion Corporation (NYSE: SFN), shows that 45 percent of workers feel the economy is getting weaker, a five percentage-point increase from the previous month. In addition, 55 percent of California workers reported confidence in their ability to find a new job, a decrease of nine percentage points from May.

However, 84 percent of California workers expressed confidence in the security of their jobs, up three percentage points from May. In addition, 38 percent of workers report that they are likely to look for a new job in the next 12 months.

"I am not that surprised that overall confidence dropped in June since this survey was taken shortly after the release of June's U.S. job creation numbers, which were lower than expected," said Ralph Henderson, senior vice president of Staffing Services for Spherion®. "The Employee Confidence Index over the past year resembles a heart monitor chart, but it is encouraging that the up-and-down numbers are trending in the right direction. In our staffing business, we are seeing more employers being very specific about the skill sets they want, and they're looking more for the 'perfect fit.' This in turn lengthens the hiring process, which could be a costly mistake given the shrinking labor pool."

**Employee Confidence Index:** The California Employee Confidence Index was 58.1 in June, down 4.7 percentage points from the previous month and 2.1 percentage points from a year ago. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, declined as more workers reported pessimism in the economy and their personal prospects.



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## June Employment Report Results

		<u>California Workers</u>			<u>U.S. Workers</u>		
		<i>May</i>	<i>June</i>	<i>% Change</i>	<i>May</i>	<i>June</i>	<i>% Change</i>
<b>Economy</b>	Getting stronger	26%	20%	-6%	23%	19%	-4%
	Staying same	34%	35%	+1%	34%	38%	+4%
	Getting Weaker	40%	45%	+5%	43%	43%	0%
<b>Job Availability</b>	More jobs	32%	28%	-4%	27%	24%	-3%
	Same amount	37%	36%	-1%	34%	37%	+3%
	Fewer jobs	31%	36%	+5%	39%	39%	0%
<b>Ability to Find New Job</b>	Confident	64%	55%	-9%	60%	56%	-4%
	Neutral	26%	35%	+9%	27%	29%	+2%
	Not Confident	10%	11%	+1%	13%	16%	+3%
<b>Future of Current Employer</b>	Confident	73%	67%	-6%	66%	65%	-1%
	Neutral	17%	19%	+2%	22%	22%	0%
	Not Confident	11%	14%	+3%	12%	13%	+1%
<b>Likelihood to Lose Job</b>	Likely	10%	10%	0%	12%	11%	-1%
	Neutral	9%	6%	-3%	10%	11%	+1%
	Not Likely	81%	84%	+3%	78%	78%	0%
<b>Look for New Job</b>	Likely	41%	38%	-3%	38%	36%	-2%
	Neutral	10%	6%	-4%	9%	10%	+1%
	Not Likely	49%	55%	+6%	53%	54%	+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.

**Methodology**

The June 2006 Spherion® Employment Report is based on data from a Harris Interactive® online survey conducted on behalf of Spherion Corporation. A U.S. sample of 2,959 employed adults, aged 18 years and older, of whom 295 are employed in California (for May 2006 n=219), was interviewed in a series of two polls conducted between June 6-8 and June 14-16, 2006. Figures for age, sex, race/ethnicity, income, education and region were weighted where it is necessary to bring them in line with their actual proportions in the population. Propensity score weighting adjusted for respondents' propensity to be online.

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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 2,959 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 more than 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](http://www.spherion.com).

#### **About Harris Interactive**

Harris Interactive is the 13<sup>th</sup> 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](http://www.harrisinteractive.com).

To become a member of the Harris Poll Online, visit [www.harrispollonline.com](http://www.harrispollonline.com).

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