

Employment Report

CALIFORNIA



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Employee Confidence Index ↑

Macroeconomic Confidence Index ↓

Personal Confidence Index ↑

Job Security ↑

Job Transition ↑

California Employee Personal Confidence Increases as More Workers Optimistic about Personal Prospects

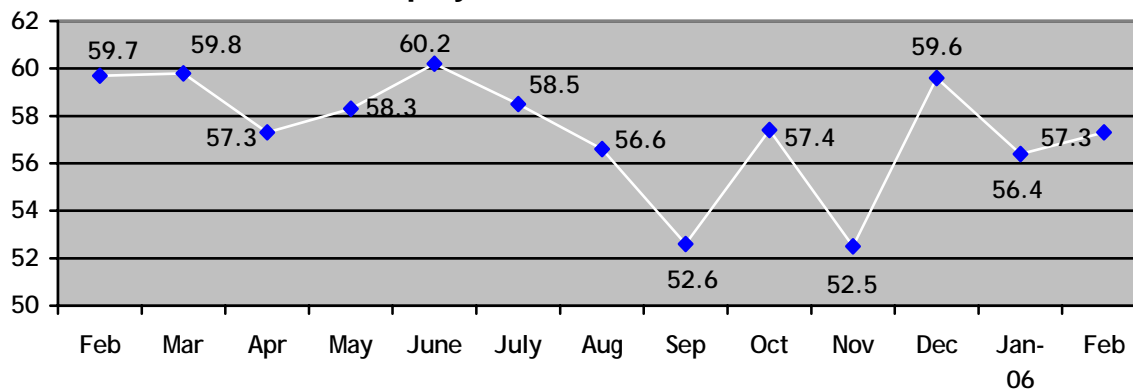
LOS ANGELES, CA, March 24, 2006 – The California Employee Confidence Index increased slightly in February as more workers expressed optimism about their personal job situation, according to the California Spherion® Employment Report. The monthly survey, conducted by Harris Interactive® on behalf of Spherion Corporation (NYSE:SFN), showed a 0.9-point increase in the Employee Confidence Index, driven mainly by the 10 percentage point increase in workers who said they had confidence in their own ability to find a new job. That increase helped to boost the subscale Personal Confidence Index 3.9 points to 72.7 in February.

However, the subscale Macroeconomic Confidence Index dropped to 41.9, a 2.1-point decline from the previous month. The number of employed adults in California believing the economy is getting stronger dropped five percentage points to 20 percent in February. Each of the three major indices have declined between 2 and 3 points from this time a year ago. *For detailed information on the calculation of the Employee Confidence Index and its subscale measurements, please see the "About the Spherion Employment Report" section below.*

"This month's report is a mixed bag, reflecting the continued uncertainty that California workers feel about the job market and the overall economy," said Ralph Henderson, senior vice president of the Western division of Spherion. "However, in a state of this size, general assumptions about employee mindset can be misleading. When you break California down into its diverse markets, there are many positive signals for future growth. Silicon Valley, for example, created thousands of new jobs in 2005, and demand there for workers has finally regained some traction. In our staffing business, we're also seeing more direct hire positions open up in the finance, insurance, manufacturing and pharmaceutical industries."

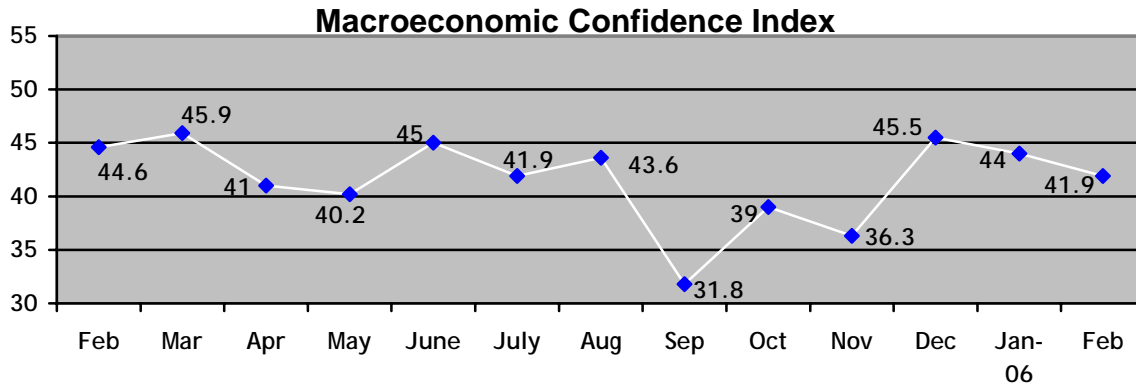
Employee Confidence Index: The California Employee Confidence Index was 57.3 in February, an increase of 0.9 points from the previous month, but down 2.5 points from February 2005. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, increased because more workers were confident in their personal employment situation.

Employee Confidence Index



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Macroeconomic Confidence Index: Macroeconomic confidence was 41.9 in February, down 2.1 points from the previous month. The decrease is a due to more workers doubting the availability of jobs and the strength of the economy. The Index is 2.7 points lower than in February 2005.



Note: The data below was used to calculate the Macroeconomic Confidence Index. For the following, respondents were asked to select a point on a scale of 1 to 5 (where a "1" indicates a weak economy or fewer jobs available while a "5" indicates a stronger economy or more jobs available) that best represents their opinions.

- **Fewer Workers Believe More Jobs Are Available:** 21 percent of adult workers in California believe that more jobs are available, a five percentage point decrease from January.

Job Availability

<u>February 2006</u>		<u>January 2006</u>	
More Jobs:	21%	More Jobs:	26%
Neutral:	43%	Neutral:	34%
Fewer Jobs:	36%	Fewer Jobs:	40%

- **Percentage of Workers Who Believe the Economy is Getting Stronger Decreases:** 38 percent of adult California workers believe the economy is getting stronger, down five percentage points from the previous month.

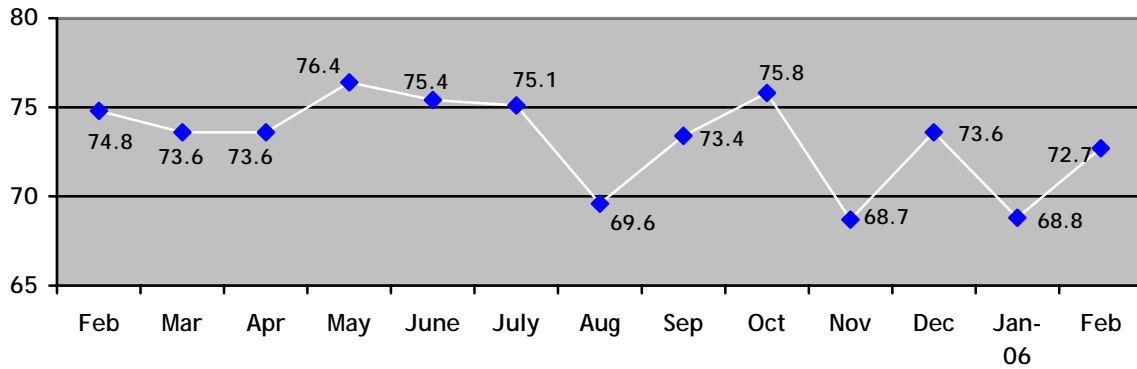
Strength of Economy

<u>February 2006</u>		<u>January 2006</u>	
Getting stronger:	20%	Getting stronger:	25%
Staying the same:	42%	Staying the same:	39%
Getting weaker:	38%	Getting weaker:	35%

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Personal Confidence Index: The California Personal Confidence Index was 72.7 in February, increasing 3.9 points from January, as more workers reported confidence in their ability to find a new job. The Index was down 2.1 points from a year ago.

Personal Confidence Index



Note: The data below was used to calculate the Personal Confidence Index. For the following, respondents were asked to select a point on a scale of 1 to 5 (where a "1" indicates no confidence in either one's ability to find a job or no confidence in the future or one's employer, while a "5" indicates a lot of confidence in one's ability to find a job or the future of one's employer) that best represents their opinions.

- **Fewer Workers Confident in the Future of Their Employer:** 59 percent of adult workers in California are confident in the future of their employer, down from 62 percent in January.

Confidence in Future of Current Employer

<u>February 2006</u>		<u>January 2006</u>	
Confident:	59%	Confident:	62%
Neutral:	23%	Neutral:	21%
Not Confident:	17%	Not Confident:	17%

- **More Workers Confident in Their Ability to Find New Job:** 61 percent of adult workers in California have confidence in their own ability to find a new job, an increase of 10 percentage points from the January.

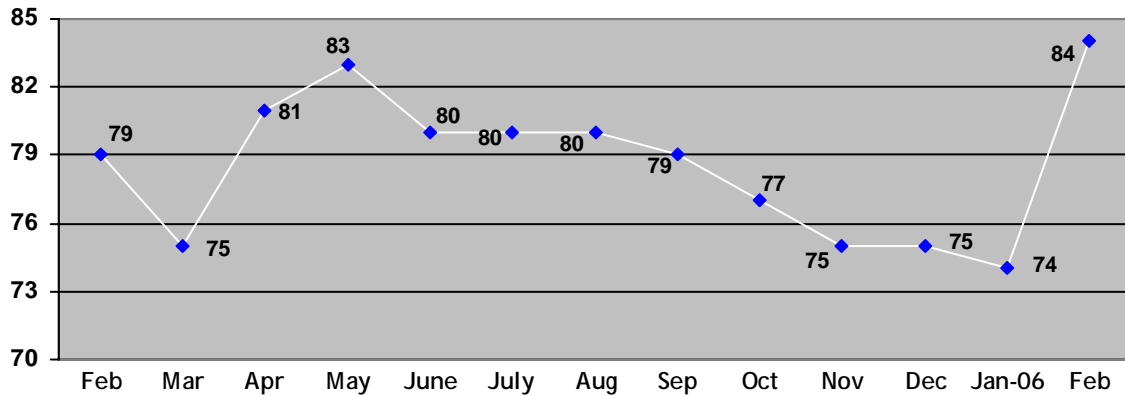
Own Ability to Find New Job

<u>February 2006</u>		<u>January 2006</u>	
Confident:	61%	Confident:	51%
Neutral:	27%	Neutral:	27%
Not Confident:	12%	Not Confident:	21%

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Job Security Index: 84 percent of California workers report that it is unlikely that they will lose their job in the next year, compared to 74 percent from the previous month. The Index is five percentage points higher than in February 2005.

Job Security Index

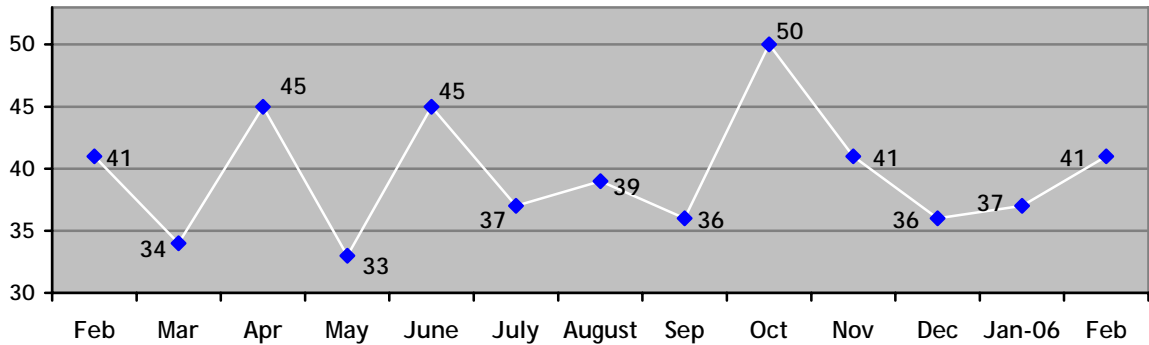


Likelihood of losing job or job elimination in next 12 months

<u>February 2006</u>		<u>January 2006</u>	
Likely:	9%	Likely:	15%
Neither unlikely nor likely:	8%	Neither unlikely nor likely:	12%
Unlikely:	84%	Unlikely:	74%

Job Transition Index: 41 percent of California workers say they are likely to look for a new job in the next year, compared to 37 percent from the previous month. The Index is at the same level as a year ago.

Job Transition Index



Likelihood of looking for new job in next 12 months

<u>February 2006</u>		<u>January 2005</u>	
Likely:	41%	Likely:	37%
Neither unlikely nor likely:	12%	Neither unlikely nor likely:	9%
Unlikely:	47%	Unlikely:	54%

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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 that measures employees' overall confidence in the economy, their employer and their ability to find other employment. The Employee Confidence Index is calculated from the results of four components that reflect these aspects of employee confidence. For each component item a 'score' is calculated 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 and is scaled from 0 (no confidence) to 100 (complete confidence). A reading above 50 indicates a positive confidence level.

Methodology

The February 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 2957 employed adults, aged 18 years and older, of whom 264 are employed in California (for January 2006 n=323), was interviewed in a series of two polls conducted between February 7-9 and February 14-16, 2006. Figures for age, sex, race/ethnicity, income, education and region were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting adjusted for respondents' propensity to be online. In theory, with probability samples of this size, one could say with 95 percent certainty that the results for the overall sample have a sampling error of plus or minus 2 percentage points. Sampling error for the California sample results is plus or minus 6 percentage points of what they would be if the entire California employed adult population had been polled with complete accuracy. This online sample is not a probability sample.

About Spherion

Spherion Corporation is a leader in the staffing industry in North America, providing value-added staffing, recruiting and workforce solutions. Spherion has helped companies improve their bottom line by efficiently planning, acquiring and optimizing talent since 1946. To learn more, visit www.spherion.com.

About Harris Interactive®

Harris Interactive Inc. (www.harrisinteractive.com), based in Rochester, New York, is the 13th largest and the fastest-growing market research firm in the world, most widely known for *The Harris Poll*® and for its pioneering leadership in the online market research industry. Long recognized by its clients for delivering insights that enable confident business decisions, the Company blends the science of innovative research with the art of strategic consulting to deliver knowledge that leads to measurable and enduring value.

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EOE M/F/D/V

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