

Employment Report

CALIFORNIA



January 2006

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Employee Confidence Index	↓	Macroeconomic Confidence Index	↓	Personal Confidence Index	↓	Job Security	↓	Job Transition	↑
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California Employee Confidence Slips as Fewer Workers Optimistic about Personal Prospects

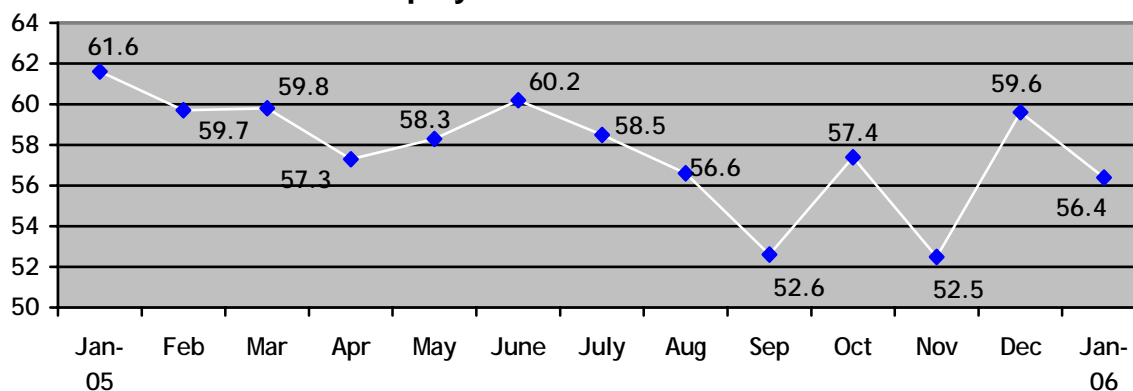
LOS ANGELES, CA, March 3, 2006 — Despite the addition of 18,300 new jobs, the California Employee Confidence Index dropped 3.2 points to 56.4 in January, due mainly to a decrease in the percentage of workers who expressed confidence in their personal employment situation, according to the California Spherion® Employment Report. In the monthly survey, conducted by Harris Interactive® on behalf of Spherion Corporation (NYSE:SFN), the subscale Personal Confidence Index was 68.8, down 4.8 points from December. Fifty-one percent of workers are confident in their own ability to find a new job, a decrease of seven percentage points from the previous month.

The other subscale measurement, the Macroeconomic Confidence Index, slipped 1.5 points from December, as fewer workers believe that more jobs are available. The Index is five points lower than in January 2005. *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.*

"Tracking employee confidence over the last six months has been a bit like following a steady heartbeat on a monitor, which is a good sign in that the patient seems quite stable," said Ralph Henderson, senior vice president of the Western division of Spherion. "Nevertheless, this month's drop serves to reinforce the level of uncertainty that still exists in the state's workforce. On the bright side, the majority of workers still believe that their jobs are not at risk and their employers' futures are solid. In our own staffing business, we are actually seeing more competition for qualified candidates in sectors like healthcare, insurance, and financial services."

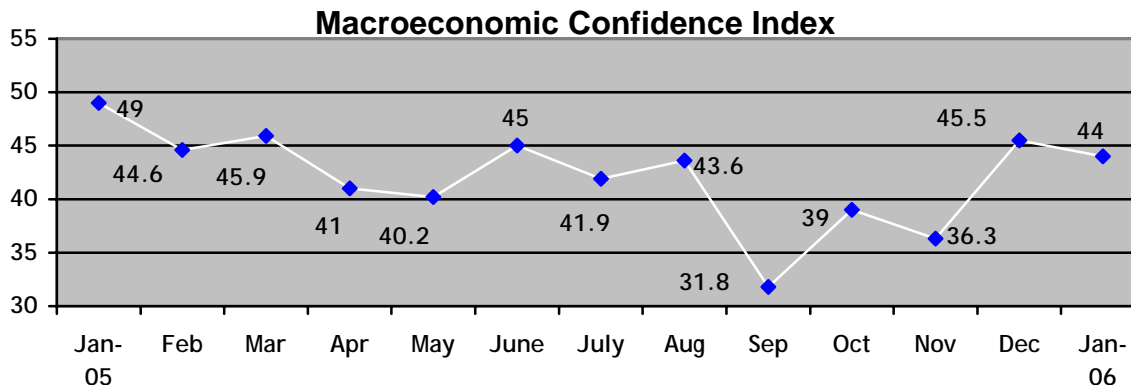
Employee Confidence Index: The California Employee Confidence Index was 56.4 in January, a decrease of 3.2 points from the previous month and 5.2 points from January 2005. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, decreased because fewer workers were optimistic about the availability of jobs and confident in their personal employment situation.

Employee Confidence Index



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Macroeconomic Confidence Index: Macroeconomic confidence was 44 in January, down 1.5 points from December 2005. The decrease is a result of a lower percentage of workers who believe that more jobs are available. The Index is 5 points lower than in January 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:** 26% of adult workers in California believe that more jobs are available, a four percentage point decrease from December.

Job Availability

<u>January 2006</u>		<u>December 2005</u>	
More Jobs:	26%	More Jobs:	30%
Neutral:	34%	Neutral:	35%
Fewer Jobs:	40%	Fewer Jobs:	34%

- **More Workers Believe the Economy is Getting Stronger:** 25% of adult California workers believe the economy is getting stronger, up two percentage points from the previous month. In addition, 35 percent believe the economy is weakening, a decrease of two percentage points from December.

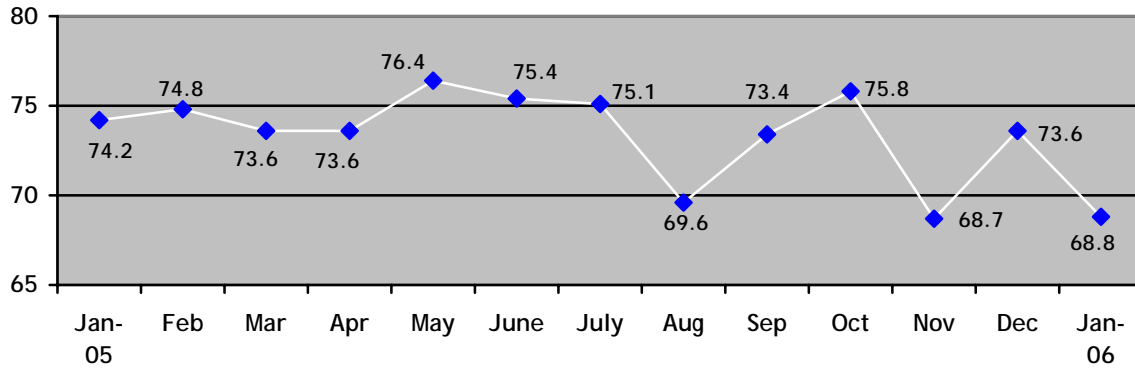
Strength of Economy

<u>January 2006</u>		<u>December 2005</u>	
Getting stronger:	25%	Getting stronger:	23%
Staying the same:	39%	Staying the same:	40%
Getting weaker:	35%	Getting weaker:	37%

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Personal Confidence Index: The California Personal Confidence Index was 68.8 in January, decreasing 4.8 points from the prior month, as fewer workers reported confidence in the future of their employer and in their ability to find a new job. The Index was down 5.4 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 of 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.

- **Majority of Workers Confident in the Future of Their Employer:** 62% of adult workers in California are confident in the future of their employer, compared to 63% in the previous month.

Confidence in Future of Current Employer

<u>January 2006</u>		<u>December 2005</u>	
Confident:	62%	Confident:	63%
Neutral:	21%	Neutral:	22%
Not Confident:	17%	Not Confident:	15%

- **Fewer Workers Confident in Their Ability to Find New Job:** 51% of adult workers in California have confidence in their own ability to find a new job, a decrease of seven percentage points from the December.

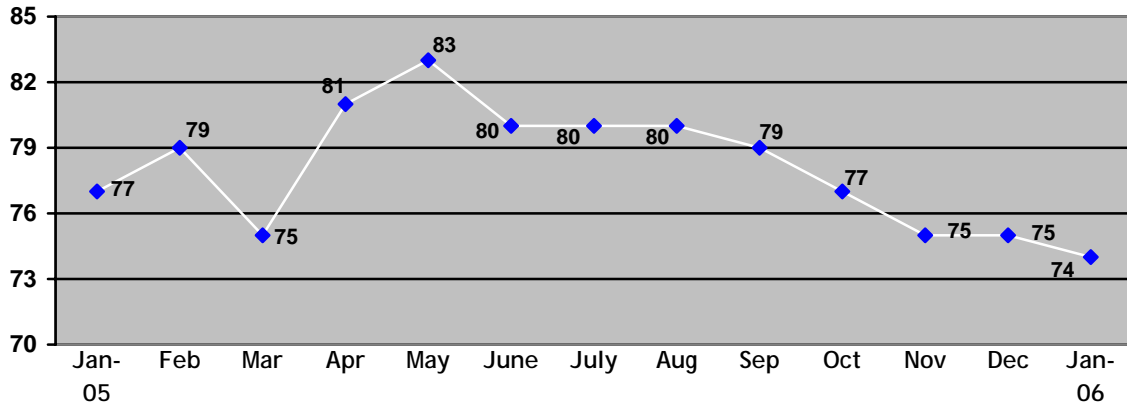
Own Ability to Find New Job

<u>January 2006</u>		<u>December 2005</u>	
Confident:	51%	Confident:	58%
Neutral:	27%	Neutral:	30%
Not Confident:	21%	Not Confident:	12%

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Job Security Index: 74% of California workers report that it is unlikely that they will lose their job in the next year, compared to 75% from the previous month. The Index is three percentage points lower from January 2005.

Job Security Index

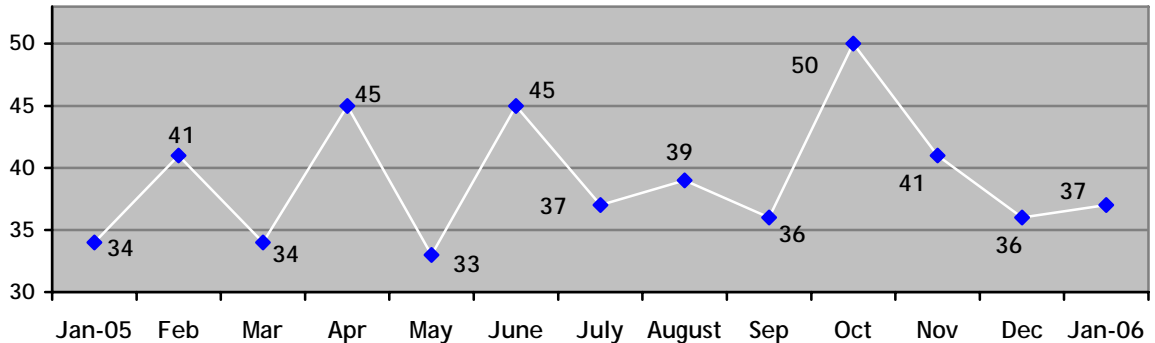


Likelihood of losing job or job elimination in next 12 months

<u>January 2006</u>		<u>December 2005</u>	
Likely:	15%	Likely:	14%
Neither unlikely nor likely:	11%	Neither unlikely nor likely:	12%
Unlikely:	74%	Unlikely:	75%

Job Transition Index: 37% of California workers say they are likely to look for a new job in the next year, compared to 36% from the previous month. The Index is three percentage points higher than a year ago.

Job Transition Index



Likelihood of looking for new job in next 12 months

<u>January 2006</u>		<u>December 2005</u>	
Likely:	37%	Likely:	36%
Neither unlikely nor likely:	9%	Neither unlikely nor likely:	15%
Unlikely:	54%	Unlikely:	48%

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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 January 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 3,194 employed adults, aged 18 years and older, of whom 323 are employed in California (for December 2005 n=267), was interviewed in a series of two polls conducted between January 3-5 and January 10-12, 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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