

Employment Report

CALIFORNIA



MARCH 2006

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Employee Confidence Index ↑

Macroeconomic Confidence Index ↑

Personal Confidence Index ↑

Job Security ↓

Job Transition ↓

California Employee Confidence Increases as More Workers Optimistic about Economy and Jobs

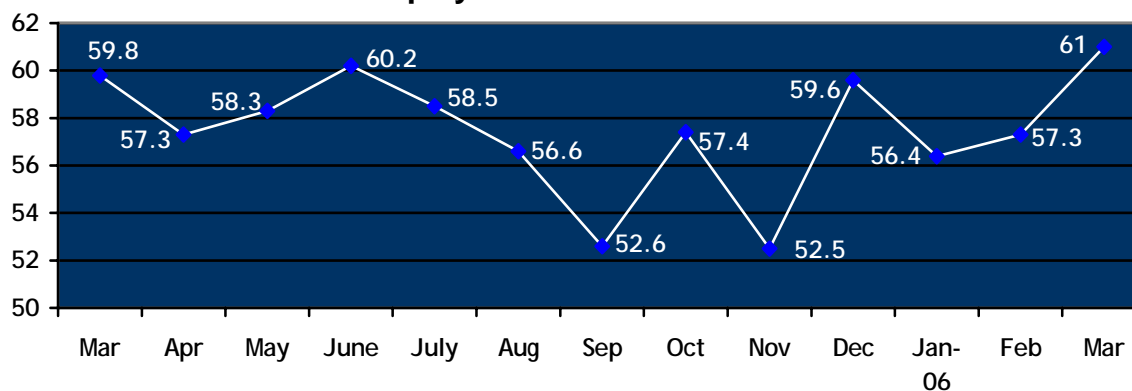
LOS ANGELES, CA, April 21, 2006 — Despite the loss of 10,800 jobs, the March Employee Confidence Index in California reached its highest level in the last year, driven by an increase in the number of workers who are optimistic about the strength of the economy, the job market and their own personal employment situation. The California Employee Confidence Index rose 3.7 points to 61 in March, according to the latest Spherion® Employment Report, conducted by Harris Interactive® on behalf of Spherion Corporation (NYSE:SFN). The subscale Macroeconomic Confidence Index rose 5.4 points to 47.3, as 33 percent of workers believe that more jobs are available, up 12 percentage points from the previous month.

The subscale Personal Confidence Index rose for the second consecutive month to 74.6 in March. Three in five workers expressed confidence in the future of their employer (61%) and in their ability to find a new job (60%). *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.*

"It's becoming more of a job seekers market as an increasing number of candidates actively 'comparison shop' for higher pay and the best possible employment opportunity," observed Ralph Henderson, senior vice president of the Western division of Spherion. "Fewer candidates are currently unemployed and as a consequence, employers in California are being more creative in order to meet retention and hiring objectives. At the same time, employers seem confident in the long-term strength of their businesses, putting together active recruiting plans to meet upcoming demand."

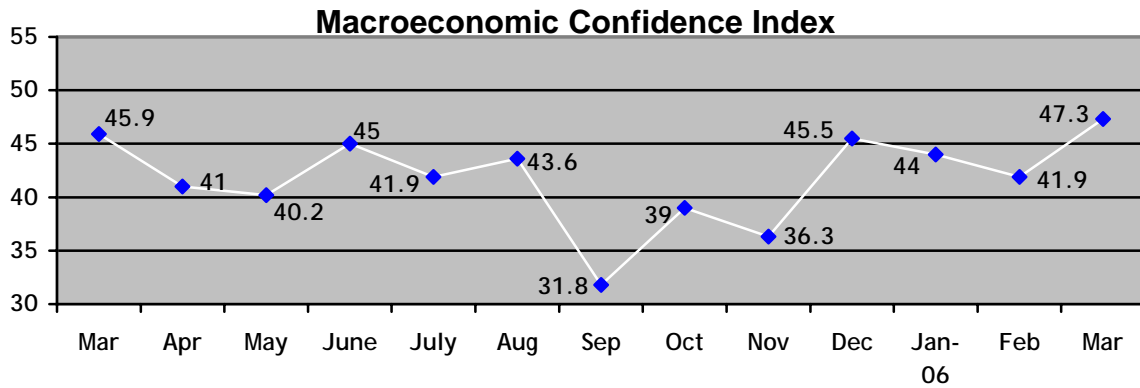
Employee Confidence Index: The California Employee Confidence Index was 61 in March, up 3.7 points from the previous month and 0.3 points higher from a year ago. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, increased because more workers were confident in the economy and their personal employment situation.

Employee Confidence Index



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Macroeconomic Confidence Index: The Macroeconomic Confidence Index was 47.3 in March, up from 41.9 in February, as more workers believe more jobs are available and that the economy is strengthening. The Index is at its highest level for the past year and is 1.4 points higher than in March 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.

- **More Workers Believe More Jobs Are Available:** 33 percent of adult workers in California believe that more jobs are available, a 12-percentage- point increase from February.

Job Availability

<u>March 2006</u>		<u>February 2006</u>	
More Jobs:	33%	More Jobs:	21%
Neutral:	34%	Neutral:	43%
Fewer Jobs:	33%	Fewer Jobs:	36%

- **More Workers Believe the Economy is Strengthening:** 26 percent of adult California workers believe the economy is getting stronger, up six percentage points from the previous month.

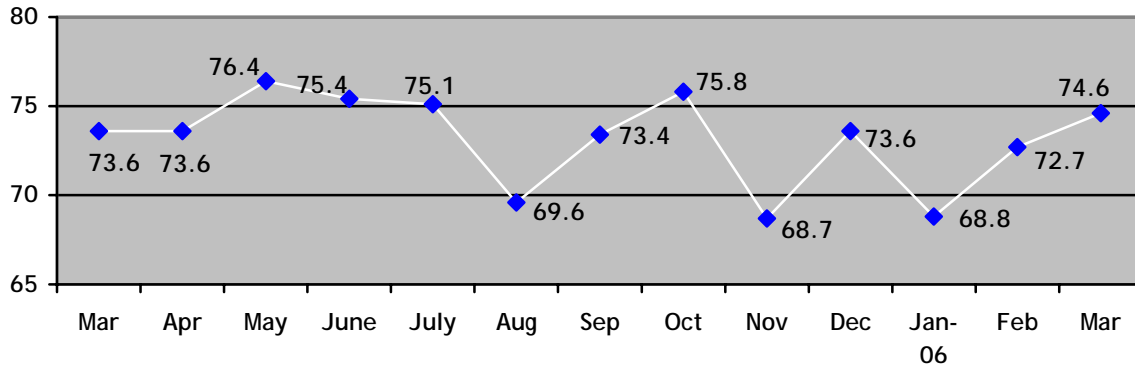
Strength of Economy

<u>March 2006</u>		<u>February 2006</u>	
Getting stronger:	26%	Getting stronger:	20%
Staying the same:	37%	Staying the same:	42%
Getting weaker:	37%	Getting weaker:	38%

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Personal Confidence Index: Rising for two consecutive months, the California Personal Confidence Index was 74.6 in March, increasing 1.9 points from February. This rise was due to more workers reporting confidence in the future of their employer. The Index is one point higher than 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.

- **More Workers Confident in the Future of Their Employer:** 61 percent of adult workers in California are confident in the future of their employer, up from 59 percent in February.

Confidence in Future of Current Employer

<u>March 2006</u>		<u>February 2006</u>	
Confident:	61%	Confident:	59%
Neutral:	27%	Neutral:	23%
Not Confident:	12%	Not Confident:	17%

- **Three in Five Workers Confident in Their Ability to Find New Job:** 60 percent of adult workers in California have confidence in their own ability to find a new job, virtually unchanged from February.

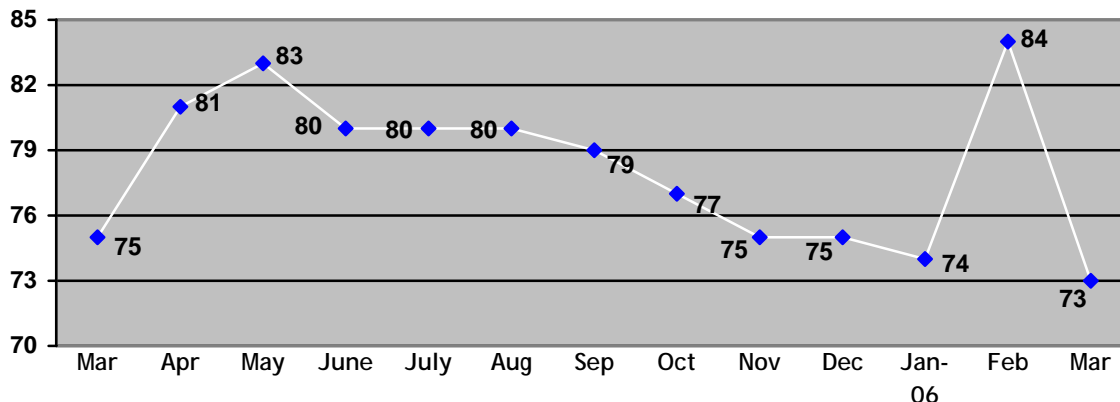
Own Ability to Find New Job

<u>March 2006</u>		<u>February 2006</u>	
Confident:	60%	Confident:	61%
Neutral:	30%	Neutral:	27%
Not Confident:	11%	Not Confident:	12%

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Job Security Index: 73 percent of California workers report that it is unlikely that they will lose their job in the next year, compared to 84 percent in February. The Index is two percentage points lower than in March 2005.

Job Security Index

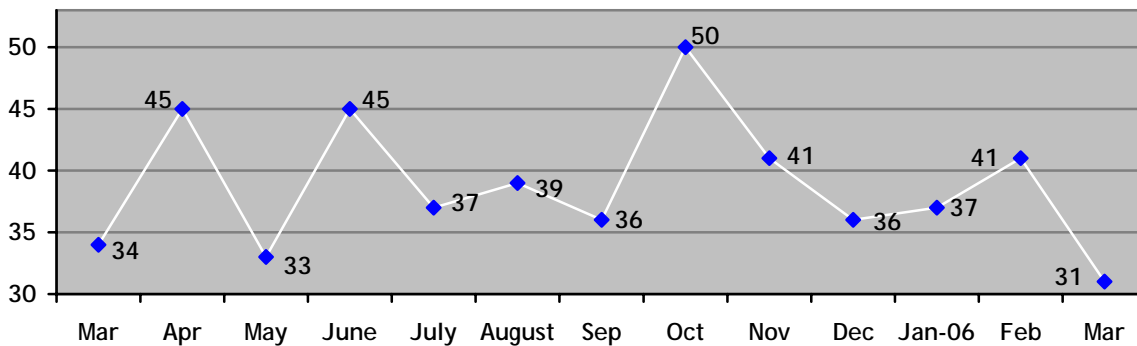


Likelihood of losing job or job elimination in next 12 months

<u>March 2006</u>		<u>February 2006</u>	
Likely:	15%	Likely:	9%
Neither unlikely nor likely:	12%	Neither unlikely nor likely:	8%
Unlikely:	73%	Unlikely:	84%

Job Transition Index: 31 percent of California workers say they are likely to look for a new job in the next year, down 10 percentage points from the previous month. The Index is three percentage points lower than the level seen last year.

Job Transition Index



Likelihood of looking for new job in next 12 months

<u>March 2006</u>		<u>February 2005</u>	
Likely:	31%	Likely:	41%
Neither unlikely nor likely:	10%	Neither unlikely nor likely:	12%
Unlikely:	59%	Unlikely:	47%

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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 March 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 2972 employed adults, aged 18 years and older, of whom 285 are employed in California (for February 2006 n=264), was interviewed in a series of two polls conducted between March 8-10 and March 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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