

Employment Report

CALIFORNIA

spherion
May 2006

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California Employee Confidence Index Reaches Highest Point in Past Year

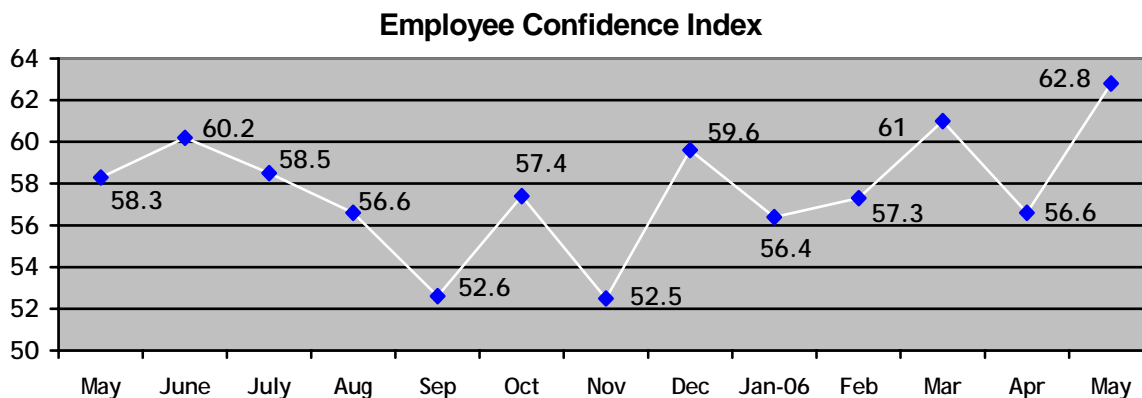
- *More Workers confident in the future of their employer*
- *Confidence in job security rises eight percentage points*
- *More workers optimistic about the strength of the economy and job availability*

LOS ANGELES, CA June 16, 2006 - The California Employee Confidence Index reached its highest level in the past year, rising 6.2 points to 62.8 in May, as more workers expressed confidence in the macroeconomic environment and personal job situations. The recent survey, conducted by Harris Interactive® on behalf of Spherion Corporation, shows that 26 percent of California workers believe the economy is getting stronger, an increase of six percentage points from April. In addition, 32 percent of workers believe more jobs are available, a nine percentage-point jump from the previous month.

Along with the increase in macroeconomic confidence, California workers were more confident in their own personal employment situation as 73 percent said they are confident in the future of their employer, an increase of 11 percentage points, and 64 percent said they are confident in their ability to find a new job (a six percentage-point gain from April 2006). In addition, workers' feelings about their own job security rose, as 81 percent said it was unlikely that their jobs would be eliminated in the next year, up eight percentage points from the prior month.

"The interesting trend in California this month is that with continued job creation and lower unemployment rates, more workers are now realizing that they are gaining the upper hand in the job market," said Ralph Henderson, senior vice president of the Western division of Spherion®. "As a result, an increasing number of workers are now seeking new jobs and looking for higher wages and better benefits. In fact, we are also seeing more workers comparison shop job offers to see which will offer them the best opportunities. To combat this, more companies are now willing to pay higher salaries to get good talent and are looking at more creative ways to meet hiring objectives, such as outsourcing their entire recruiting process to experienced recruiting and staffing companies.

Employee Confidence Index: The California Employee Confidence Index was 62.8 in May, up 6.2 from the previous month and 4.5 points from a year ago. The Index, which measures adult workers' confidence in their personal employment situation and the macroeconomic environment, may have increased because more workers were confident in both the economy and their personal employment situation.



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May 2006 Employment Report Results

		<u>California Workers</u>			<u>U.S. Workers</u>			
		<i>May 2006</i>	<i>April 2006</i>	<i>% Change</i>		<i>May 2006</i>	<i>April 2006</i>	<i>% Change</i>
Economy	Getting stronger	26%	20%	+6%		23%	23%	0%
	Staying same	34%	40%	-6%		34%	34%	0%
	Getting weaker	40%	40%	0%		43%	43%	0%
Job Availability	More jobs	32%	23%	+9%		27%	26%	+1%
	Same amount	37%	41%	-4%		34%	34%	0%
	Fewer jobs	31%	36%	-5%		39%	41%	-2%
Ability to Find New Job	Confident	64%	58%	+6%		60%	57%	+3%
	Neutral	26%	25%	+1%		27%	28%	-1%
	Not Confident	10%	16%	-6%		13%	15%	-2%
Future of Current Employer	Confident	73%	62%	+11%		66%	65%	+1%
	Neutral	17%	21%	-4%		22%	22%	0%
	Not Confident	11%	17%	-6%		12%	13%	-1%
Job Security	Confident	81%	73%	+8%		78%	76%	+2%
	Neutral	9%	11%	-2%		10%	11%	-1%
	Not Confident	10%	16%	-6%		12%	13%	-1%
Look for New Job	Likely	41%	40%	+1%		38%	38%	0%
	Neutral	10%	11%	-1%		9%	11%	-2%
	Not Likely	49%	49%	0%		53%	51%	+2%

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.

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Methodology

The May 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 2,894 employed adults, aged 18 years and older, of whom 219 are employed in California (for April 2006 n=331), was interviewed in a series of two polls conducted between May 3-5 and 9-11, 2006. Figures for age, sex, race/ethnicity, income, education and region were weighted where it is necessary to bring them into 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 2,894 U.S. employed adults one could say with a 95 percent probability that the overall results have a sampling error of +/- 2 percentage points, and the sampling error for the California state sample results is plus or minus 7 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.

About Harris Interactive®

Harris Interactive is the 13th 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.

To become a member of the Harris Poll Online, visit www.harrispollonline.com.

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