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Manpower Employment Outlook Survey for Third Quarter Reveals Lingering Caution Among U.S. Employers

MILWAUKEE, June 17 /PRNewswire-FirstCall/ -- U.S. employers remain cautious in their hiring intentions for the third quarter, according to the latest Manpower Employment Outlook Survey, conducted quarterly by Manpower Inc. Even though the 16,000 U.S. employers surveyed anticipate some job opportunities in the July-September period, their hiring forecast has decreased since the second quarter survey and has dropped lower than it was a year ago at this time.

"U.S. employers are still void of the business confidence needed to increase their employment projections for the third quarter," said Jeffrey A. Joerres, Chairman and CEO of Manpower Inc. "Employers have expressed uncertainty in hiring intentions in recent Manpower Employment Outlook Surveys, but this quarter represents the weakest job outlook in 12 years."

Of the U.S. employers that were surveyed, 20% said they plan to increase hiring activity for the third quarter, while 9% expect a decrease in job prospects. A solid 65% of employers expect no change in hiring, and 6% are uncertain of their employment plans. When the seasonal variations are removed from the data, the outlook is reduced to the lowest level in 12 years.

"One factor we must consider is that the data was collected in April, at the height of both the SARS outbreak and the war in Iraq," said Joerres. "For that reason, we could find that hiring activity is slightly more positive in the upcoming quarter than survey results are indicating, as employers see progress in the resolution of these issues," he added.

Employers in five of the 10 industry sectors estimate that their third quarter hiring activity will be the softest it has been in more than a decade, including: Construction, Wholesale & Retail Trade, Education, Services and Public Administration.

"Job seekers will continue to face difficulty from July through September in many industry sectors, but particularly in Education and Non-Durable Goods Manufacturing, where employment levels are projected to be the lowest we have seen in the third quarter for more than 20 years," added Joerres. "In the Education and Public Administration sectors, the number of employers planning to decrease job levels actually outpaces those anticipating increased hiring activity. Job prospects are stronger in the Finance, Insurance & Real Estate sector where the hiring pace is expected to remain steady from second quarter through September," he added.

Employment estimates across all four regions of the United States are relatively consistent with the overall national outlook, although employers in the South report stronger hiring intentions than other regions. The Northeast, on the other hand, expects the slowest hiring pace in the country for the third consecutive quarter.

The results by sector are as follows:

Construction: The Construction sector is normally going strong in the third quarter, while the weather is still amenable in the northern states, but this year will be an exception. Employers are anticipating steep declines in hiring activity compared with both the second quarter and a year ago. This marks the weakest Employment Outlook for Construction since 1992. Hiring activity is expected to be the strongest in the South and weakest in the West.

Education: The new school year is likely to begin with fewer employees in the Education sector. Employers within this sector are anticipating a Net reduction in their staffing levels in the third quarter. The seasonally adjusted data reveals the most pessimistic forecast since 1991 and the biggest dip in third quarter employment prospects in 27 years of historical data. Hiring levels will be strongest in the South and weakest in the Midwest, where survey results show a decrease of -17%.

Finance/Insurance/Real Estate: When the seasonal variations are removed from the data, the strongest job activity of all the sectors is expected in Finance/Insurance/Real Estate, a distinction this sector shares with Mining. Despite being the most optimistic sector, hiring expectations for Finance/Insurance/Real Estate have plateaued, with employers reporting the same outlook as they did three months ago. The forecast was slightly more optimistic a year ago at this time. Job prospects are expected to be strongest in the Midwest and weakest in the Northeast.

Manufacturing -- Durable Goods: The Employment Outlook for this sector has been on a steady decline since the third quarter

of 2002, according to the seasonally adjusted survey findings. Durable Goods Manufacturers anticipate a conservative hiring pace for the coming quarter, although it will be somewhat slower than in the second quarter and considerably slower than the third quarter of last year. The best job prospects are likely in the South, as the Midwest braces for the weakest job outlook in the country for this sector.

Manufacturing -- Non-Durable Goods: Employers in the Non-Durable Goods Manufacturing sector foresee moderate job growth from July to September, although the prospects are weaker than both a quarter ago and a year ago. Seasonal adjustments to the data reveal the darkest third quarter employment forecast in 21 years. The West will take the lead in hiring activity for the quarter, as employment prospects fade in the Northeast.

Mining: Mining is the only sector to report an increase in hiring intentions over both the second quarter of this year and the third quarter of 2002. In fact, the Mining industry's job outlook for the coming quarter is the most optimistic it has been since the final period of 2001. The seasonally adjusted data shows that Mining has the strongest job prospects of any sector, a distinction it shares with Finance/Insurance/Real Estate. By a wide margin, the strongest outlook is in the West and the weakest is in the Northeast.

Public Administration: Government jobs are headed for the chopping block for the first time since 1991, according to the seasonally adjusted data for the third quarter. Aside from a one-quarter plateau at the end of 2002, hiring expectations within this sector have gradually dwindled for nearly two years. While the Midwest appears set to cut the most jobs, there will still be a few new job opportunities in the South.

Services: Only twice in 27 years of seasonally adjusted historical data have job prospects for the Services sector sunk as low as they have for the coming quarter. The previous occasion was more than a dozen years ago in the second quarter of 1991. In spite of this dire comparison, employers in the Services sector still expect to hire at a modest pace for the third quarter, with the strongest job prospects in the South.

Transportation/Public Utilities: The third quarter Net Employment Outlook for the Transportation/Public Utilities sector shows a slight upturn in job opportunities -- the first anticipated increase in five quarters. When seasonal variations are eliminated, the forecast is identical to last quarter. A mild hiring pace is predicted from July to September, with the South expecting a little more activity than other regions.

Wholesale/Retail Trades: Third quarter marks the beginning of the holiday hiring season. For that reason, it is traditionally one of the strongest hiring quarters for the Wholesale/Retail Trades sector. The seasonally adjusted data, however, reveals a disappointingly steady job climate in the coming quarter, with no real holiday hiring spike anticipated. Job seekers would be wise to head South for the best job prospects in this sector.

About the Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the only forward-looking survey of its kind, unparalleled in its size, scope, longevity and area of focus. The survey has been running for more than 40 years and is one of the most trusted surveys of employment activity in the world. The Manpower Employment Outlook Survey is based on interviews with approximately 30,000 public and private employers worldwide and is considered a highly respected economic indicator.

The Manpower Employment Outlook Survey is currently available for 18 countries: Australia, Austria, Belgium, Canada, France, Germany, Hong Kong, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Singapore, Spain, Sweden, the United Kingdom and the United States. The program began in the United States and Canada in 1962, and the United Kingdom was added in 1966. Mexico and Ireland launched the survey in 2002, and 13 additional countries have been added to the program in 2003. For more information, visit the Manpower Inc. Web site at www.manpower.com and enter the Press Room.

About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in the staffing industry, providing workforce management services and solutions to customers through 3,900 offices in 63 countries. The firm annually provides employment to two million people worldwide and is an industry leader in employee assessment and training. Manpower also provides a range of staffing solutions, engagement and consulting services worldwide under the subsidiary brands of Brook Street, Elan, The Empower Group and Jefferson Wells. More information on Manpower Inc. can be found at the company's Web site, www.manpower.com.

In the United States, Manpower offers businesses a range of HR services, in addition to providing administrative, industrial and contact center personnel. Under the Manpower Professional brand, the company places contract professionals on assignment in areas such as information technology, scientific, finance, engineering and telecommunications. More information about Manpower's U.S. operation can be found at www.us.manpower.com.

NOTE TO EDITORS: Manpower Employment Outlook Survey data is available for more than 460 U.S. markets across the country. Local findings can be obtained by contacting Lisa Kivioja at 414.906.6540 or lisa.kivioja@na.manpower.com. In addition, the survey is conducted in 17 other countries around the world. Those results are available in the Manpower Press Room on our Web site at www.manpower.com/meos . In addition, all graphs from the full report are available to be downloaded for use in publication or broadcast from the Manpower Online Visual Library, also located in the Press Room on <http://www.manpower.com/library>