

***For Immediate Release***

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## **Worker Confidence Drops Sharply in February**

### ***Hudson Employment Index<sup>SM</sup> Falls 5.0 Points***

**New York, March 2, 2005** – Confidence among U.S. workers in the employment market fell in February as the *Hudson Employment Index<sup>SM</sup>* slid 5.0 points to 102.0, its lowest level in twelve months. The downward move reflects heightened concerns about layoffs, job security and personal finances. This month's *Index* reading is comparable to February 2004, which recorded the second lowest reading of last year at 103.7.

Job loss fears rose to the highest level in over a year, with one out of every five (21 percent) surveyed workers reporting concern about losing his or her own job, compared to 19 percent of workers last month. This figure has risen above 19 percent only once before in December 2003, when it was 20 percent. Further, the number of workers expecting their firms to lay off staff in the coming months rose to 18 percent from 16 percent in January. Anticipated hiring plans held steady at 31 percent.

“Employment growth has been slower than expected and has been restricted to certain sectors such as services, making U.S. workers cautious and even pessimistic about the overall job market,” said Jeff Anderson, senior vice president, Hudson Global Resources, North America. “However, our experience shows that the market has been experiencing steady, stable growth, indicating that companies will continue to hire.”

Despite the overall drop in the *Index*, individuals at organizations with 250-500 employees and those earning annual salaries between \$60,000-75,000 displayed surprising optimism. They emerged more confident about their personal finances and less concerned about job loss than last month. In contrast, respondents working for small companies (under 50 employees) were more concerned about the fate of their jobs and their personal finances, even though fewer than the national average expected layoffs in their firms. Twenty-two percent reported job loss concerns, up from 18 percent last month, and only 43 percent felt that their personal financial situation is getting better in comparison to 45 percent last month. (See table below).

	All Workers	Under 50 Employees	250-500 Employees	Annual Salary 40-60K	Annual Salary 60-75K
Expect layoffs	18 %	14%	19%	16%	16%
Are worried about losing their job	21%	22%	19%	19%	17%
Expect personal finances to improve	44%	43%	51%	46%	52%

Confidence in personal finances also dropped in February, as the percent of workers rating them favorably fell from 46 to 43 percent. Further, only 44 percent of workers polled expected their finances to improve compared to 45 percent who shared that sentiment last month. Workers aged 65 years or older reported the largest drop in confidence towards their personal finances as the percent expecting improvement in their situations fell seven points, from 43 percent to 36 percent.

The method for calculating the *Hudson Employment Index* has been revised slightly effective with this month's release. The revisions were based upon a review of data collected over the past year to better correlate with movements in the labor market. A comparison of the revised *Index* numbers with the original calculations is provided at [www.hudson-index.com](http://www.hudson-index.com).

Hudson, one of the world's leading professional staffing, outsourcing and human capital solution providers, publishes the *Hudson Employment Index*, a monthly measure of U.S. workforce confidence in the employment market. Next month's *Hudson Employment Index* will be released on March 30, 2005.

### **The Hudson Employment Index**

The *Hudson Employment Index* (Hudson-Index.com) measures the U.S. workforce's confidence in the employment market. Based upon monthly telephone surveys with approximately 9,000 U.S. workers, the *Index* tracks aggregate employment trends around career opportunities, hiring intentions, job satisfaction and retention. The data is compiled each month by Rasmussen Reports, LLC, an independent research firm (RasmussenReports.com).

Survey results are segmented by eleven metropolitan cities and four industries. The metro markets are: Atlanta, Boston, Chicago, Dallas, Los Angeles, Minneapolis-St. Paul, New York, Philadelphia, San Francisco, Tampa, and Washington, D.C. Industry sectors surveyed are accounting and finance, healthcare, information technology, and manufacturing. The *Hudson Employment Index* also measures employee confidence by age, gender, race and compensation levels.

Data reported in this release is based upon a national telephone survey of 9,349 working Americans during the month of February. The margin of sampling error for a survey based upon this many interviews is approximately 1 percent with a 95 percent level of confidence. The data is not seasonally adjusted. It will be reviewed at year-end to determine if seasonal adjustments are appropriate. The *Hudson Employment Index* is a service mark owned by Hudson Highland Group, Inc.

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**Special Note:** Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the company's strategic direction, prospects and future results. Certain factors, including factors outside of our control, may cause actual results to differ materially from those contained in the forward- looking statements, including economic and other conditions in the markets in which we operate, risks associated with acquisitions, competition, seasonality and the other risks discussed in our Form 10-K and our other filings made with the Securities and Exchange Commission, which discussions are incorporated in this release by reference.

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