

***For Immediate Release***

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## **U.S. Workers Increasingly Pessimistic Regarding Personal Finances *Hudson Employment Index*<sup>SM</sup> Holds Steady at 102.4**

**NEW YORK, July 5, 2006** – After declining in May, U.S. worker confidence in the employment market held steady in June, as the *Hudson Employment Index*<sup>SM</sup> shifted up 0.1 points to 102.4. The latest *Index* reading is lower than last June, when it registered 103. This marks the first time since January that the current *Index* is lower than the same time last year.

### **Personal Finances Continue to Weigh on Workers and Managers**

For three consecutive months, workers have increasingly described their finances negatively. Specifically, the number of workers who believed their financial situation was getting worse has risen to 43 percent, an increase of four points since March. Also, the number of employees who rated their finances as poor has climbed from 15 percent in March to 18 percent in June. Nevertheless, 44 percent of workers still rated their finances favorably, up one-point since May.

Confidence among all managers, including those in the private sector, steadily declined during the last two months. Similar to reports made by the general work force, finances have played a significant role while hiring expectations have not shifted significantly.

### **Employees at Large Companies More Optimistic**

While confidence among most demographics held steady or fell in June, workers at companies with more than 500 employees were significantly more optimistic this month than in May. Improved perceptions of personal finances, heightened job security and increased job satisfaction all contributed to the rise in confidence for this group.

“Larger organizations are less likely to be affected by the current softening in the economy,” said Steve Wolfe, executive vice president, Hudson, North America. “These employers can leverage their resources to financially help their employees by offering perks such as higher mileage reimbursement, flexible work arrangements and carpools.”

## Mid-Year Review

After a cautious start to the year, worker confidence was elevated in February, March and April as record high numbers of employees forecast that their companies would be hiring. However, financial strains have dampened optimism in the last couple months and the number of workers expecting their organization to hire has leveled off. “While the market is a bit sluggish due to seasonal factors at the moment, employers will most likely continue hiring at a modest pace for the remainder of the year,” said Wolfe. “However, whether or not hiring can bolster the impact of rising interest rates and elevated gas prices is to be seen.”

	<i>Hudson Employment Index</i>	Expected Hiring	Personal Finances Getting Worse	Concerned About Job Loss
All Workers June 2006	102.4	31%	43%	20%
All Workers June 2005	103.0	31%	38%	21%
All Managers June 2006	111.7	34%	39%	18%
All Managers May 2006	113.9	23%	36%	17%
Workers at Companies with 500+ Employees June 2006	113.5	41%	39%	18%

\*A more detailed data report is available at [www.hudson-index.com](http://www.hudson-index.com).

Hudson, one of the world’s leading professional staffing, outsourcing and talent management solutions providers, publishes the *Hudson Employment Index*, a monthly measure of U.S. worker confidence in the employment market. Results are not seasonally adjusted. Next month’s *Hudson Employment Index* will be released on August 1.

## The Hudson Employment Index

The *Hudson Employment Index* (Hudson-Index.com) is based on monthly telephone surveys with approximately 9,000 U.S. workers. The *Index* tracks aggregate employment trends regarding career opportunities, hiring intentions, job satisfaction and retention. The data is compiled each month by Rasmussen Reports, LLC, an independent research firm ([www.RasmussenReports.com](http://www.RasmussenReports.com)).

Survey results are segmented by 11 cities: Atlanta, Boston, Chicago, Dallas, Los Angeles, Minneapolis-St. Paul, New York, Philadelphia, San Francisco, Tampa, and Washington, D.C. The *Index* surveys five occupational sectors: accounting and finance, health care, information technology, manufacturing and legal. The *Hudson Employment Index* also measures employee confidence by age, gender, race and compensation.

Data reported in this release is based on a national telephone survey of 9,291 working Americans during the month of May. The margin of sampling error for a survey based on this number of 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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Hudson is a division of Hudson Highland Group, Inc. one of leading professional staffing, retained executive search and talent management solutions providers. The company employs more than 3,800 professionals serving clients and candidates in more than 20 countries through its Hudson and Highland Partners businesses. More information is available at [www.hudson.com](http://www.hudson.com).

**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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