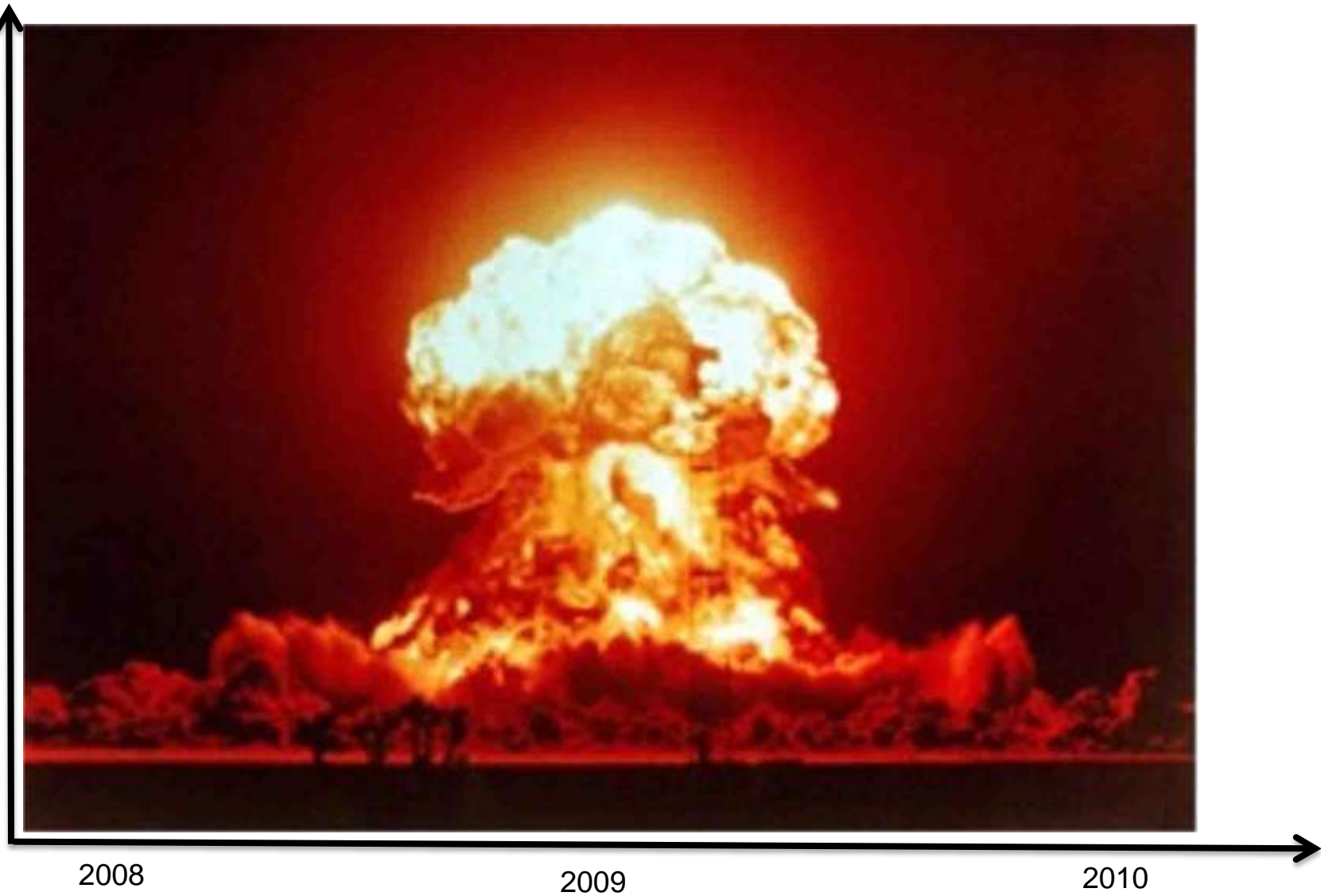


**“Agility and Caution”
How Small Players Are Responding to a Big Recession**

TriNet

February 2009

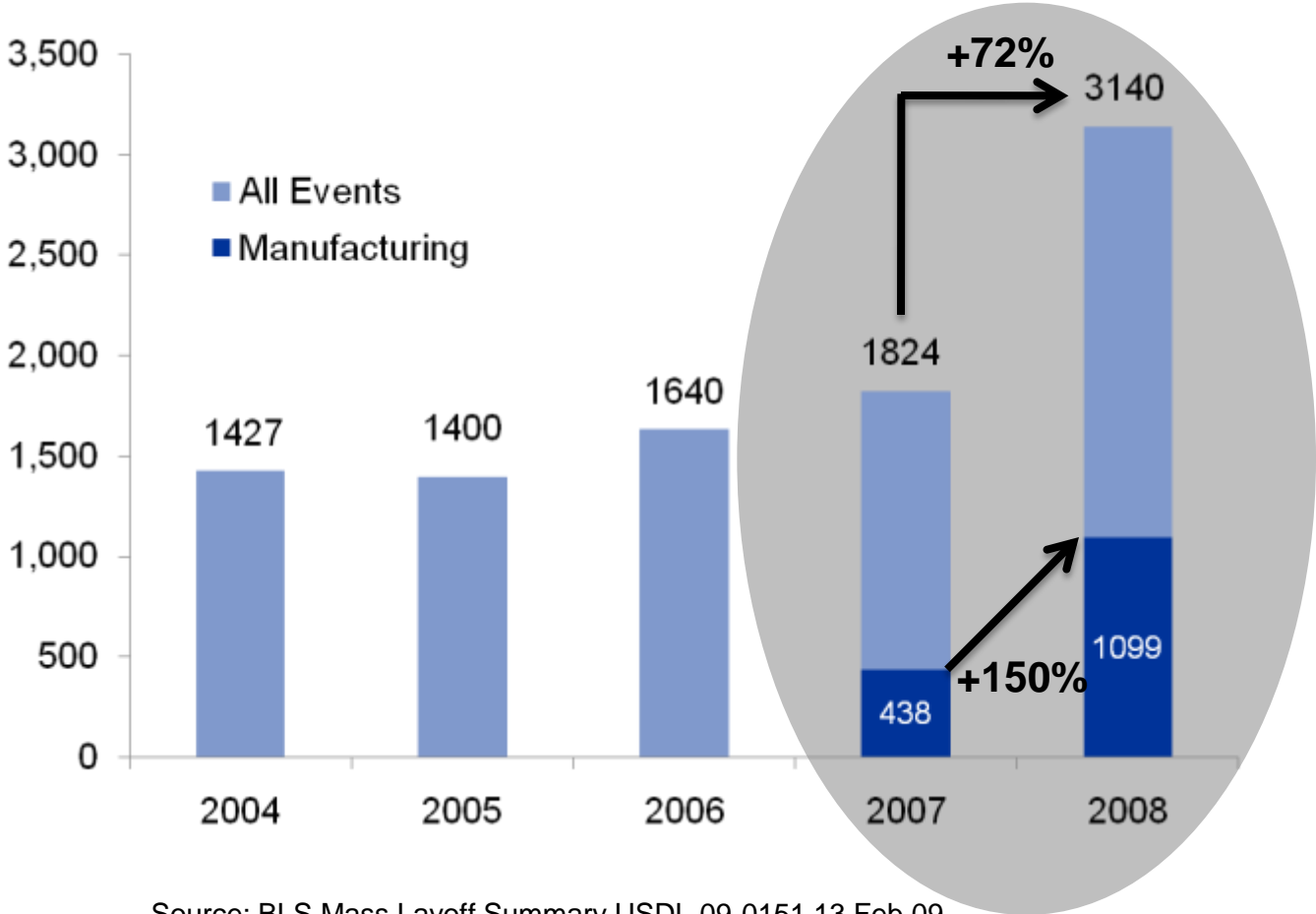
US Employment Market





Mass layoffs increased substantially in Q408 but were driven by manufacturing.

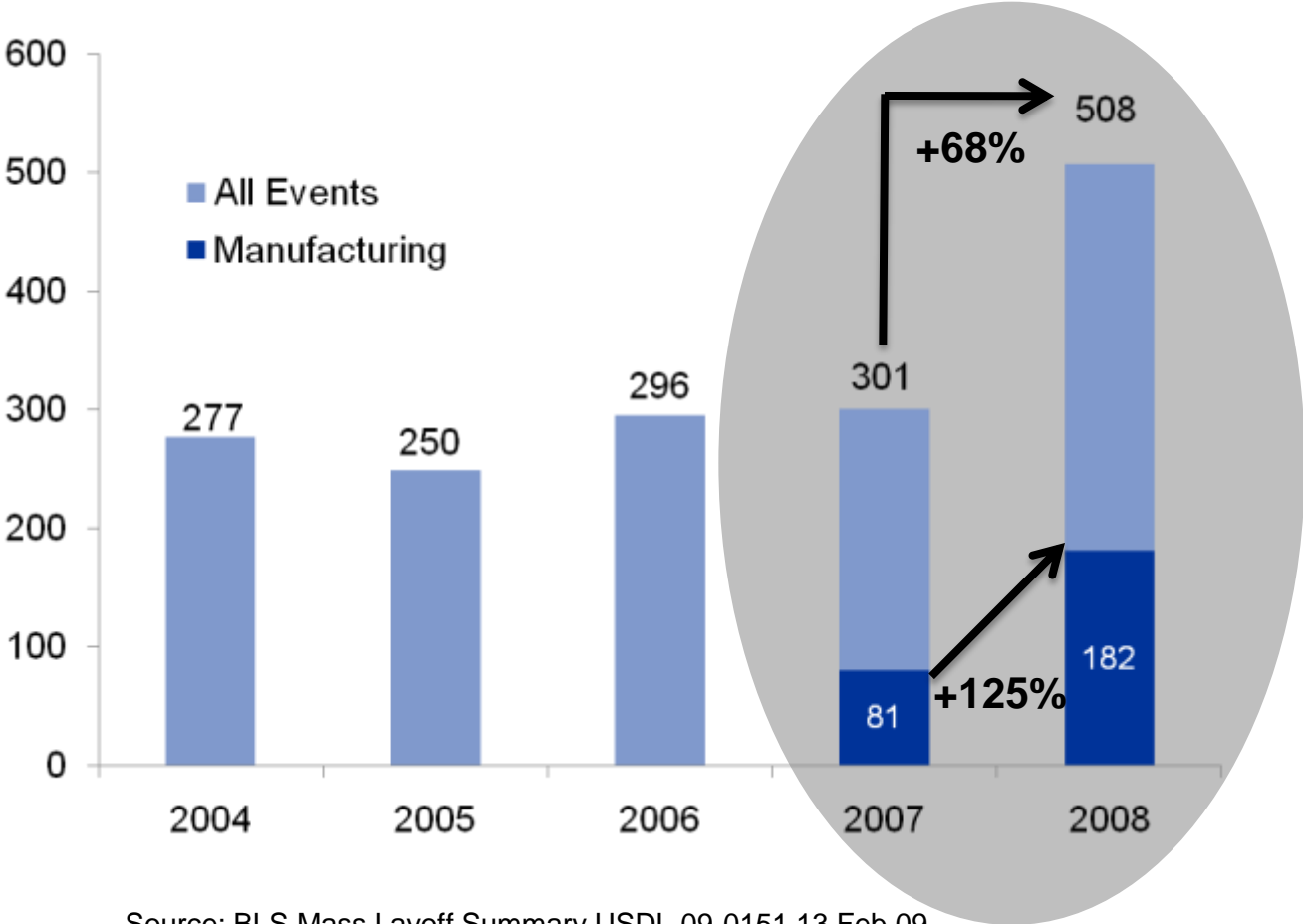
Mass Layoff (>50) Events in Q4
2004 - 2008



Source: BLS Mass Layoff Summary USDL 09-0151 13 Feb 09

Layoffs of manufacturing employees account for about half the total US increase.

Employee Separations (000) in Mass Layoffs during Q4
2004 - 2008



Source: BLS Mass Layoff Summary USDL 09-0151 13 Feb 09

TriNet Employer Practices Study

Population

- 2000 Total Companies
- Average 18 Employees
- Privately held
- >60% in California
- >80% Technology and Professional Services
- No blue collar

Employees

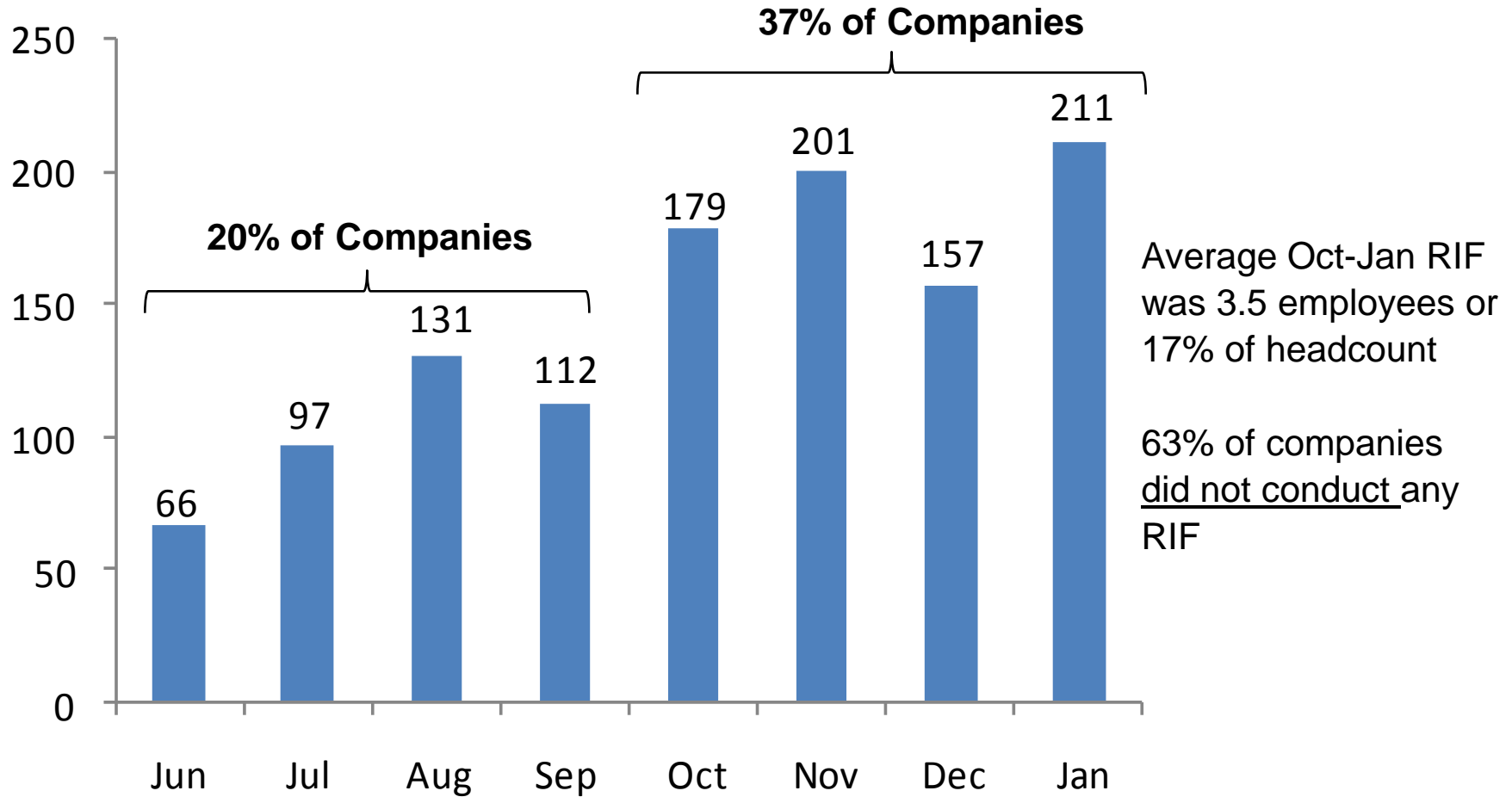
- >39,000 in Q408
 - Average cash > \$102K
-
- All data “actual”
 - No survey
 - No estimates or extrapolation

Key messages from the study

- Nearly 2/3 of the companies in the study population *did not* conduct a reduction in force during October/January
- Companies that did conduct a layoff/reduction in force laid off an average of 17% of headcount
- Layoffs appear to affect both administrative and engineering/technical positions
- Companies continued to hire during October 2008 – January 2009, although at a reduced level compared with 2007.

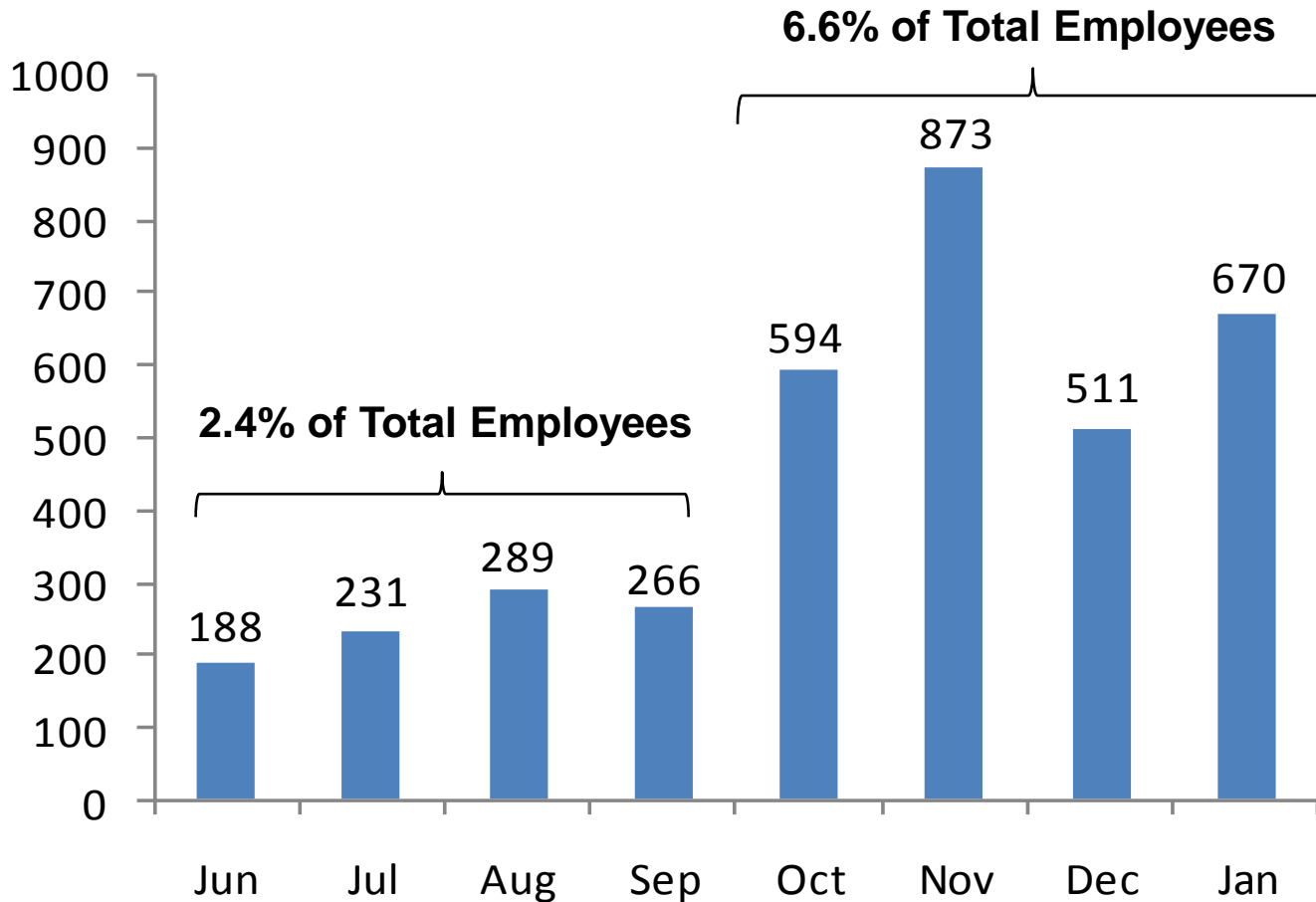
From October - January, 37% of the study companies conducted a reduction in force.

Companies Conducting Layoffs/RIF's by Month
June 2008 – January 2009 Actual



From October-January, 6.6% of the total employee population was laid off/RIF'ed.

Total Employee Terminations via Layoff/RIF
June 2008 – January 2009 Actual



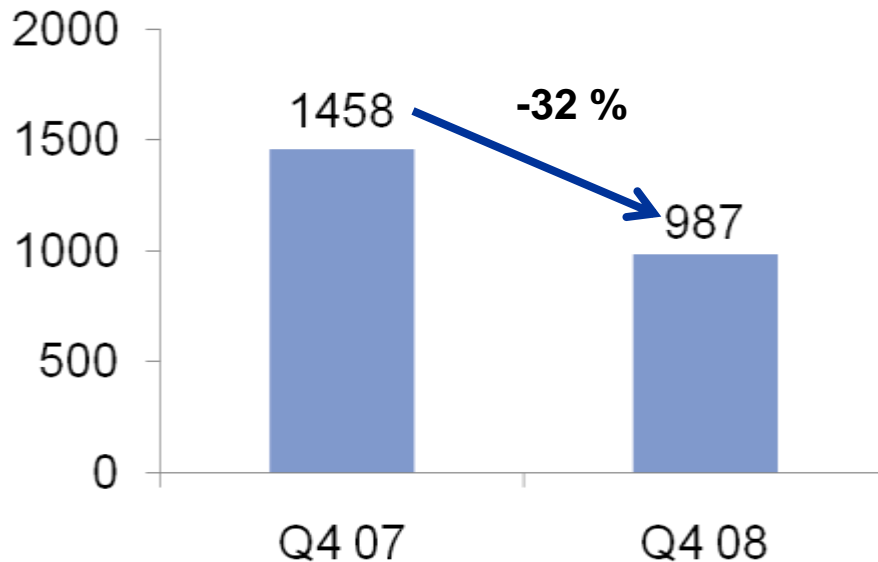
Average salary of RIF'ed employees was \$91.3K

40% of RIF'ed employees were administrative

40% of RIF'ed employees were engineering/technical

Q4 hiring was slower than in 2007, but continued.

New Hiring Within 5 – 50 Employee Companies
Q4 2007 – Q4 2008 Actual



Still Hiring

- Companies *added* 1.5 new positions in Q408
- Average salary for new hires unchanged YOY at \$85.6K
- In both years, 3% of new hires received signing bonus averaging \$10.5K

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