

GTM MEDIA ALERT



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Nanny Agencies & the Recession

The credit crunch and the impact of the current national economy rank as two of the top issues that are on the minds of many U.S.-based nanny agencies, whereas online competitors and the potential impact of the upcoming political election rated as lower business priorities.

GTM Payroll Services – a nationwide leader in household payroll services – conducted an industry survey of more than 600 household employment agencies. Survey results provide an analysis of the types of issues impacting the industry that will be the most significant influencers over the next fiscal year.

“This survey reflects what employment agencies across the country are currently experiencing,” noted Guy Maddalone, GTM President. “The purpose of the survey was to provide agencies with actionable data about our industry and how it’s being impacted by the current economic climate, as they make decisions regarding the delivery of their services over the next 12 to 24 months.”

The comments and feedback received helped contribute to a solid sampling of meaningful and timely information on the state of the household employment industry; as well as bring to light the impact of the national economic climate on these businesses.

The survey helped shed some additional light on the current state of the domestic employment and placement industry. We had previously felt that there was unsubstantiated speculation and posturing about the recession’s impact on the industry; but have since found that, as the results indicate, does indeed have some significant bearing on the business challenges our industry is currently facing.

Despite the disparaging results with regard to the economy’s current impact on many businesses, data suggests that some of these entrepreneurs are doing better than they think they are when compared against the national average.

A few key observations:

79% said the credit crunch is impacting their agency

51% of respondents said overall business revenue has decreased

- **11%** of respondents said overall business revenue has increased more than 20%

42% said they could see the economy impacting their business worse or much worse in the next 6 months

- **31%** in the next 12 months
- **11%** in the next 24 months

Survey respondents represent 15% of industry; survey period ran from 10/10/08 to 10/22/08.

For more information on the above survey, please contact Marketing at marketing@gtm.com.