



Global Talent Market Quarterly

Q2 2021

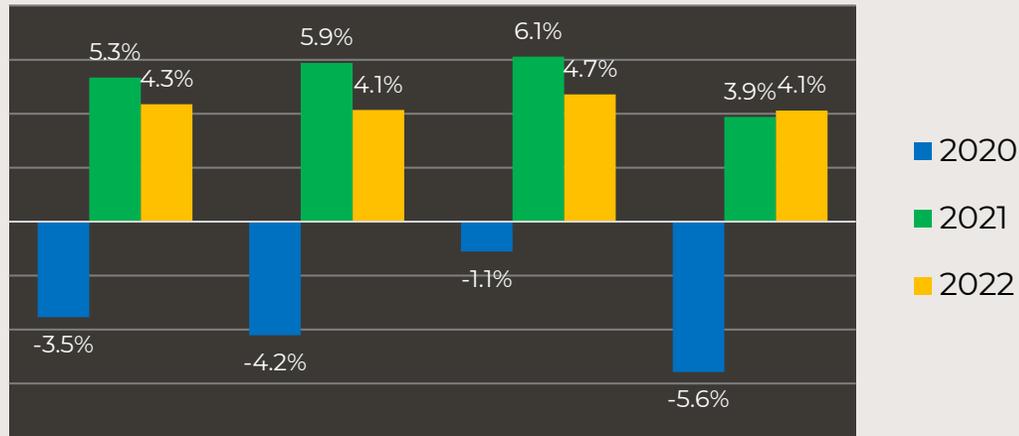


ECONOMIC RECOVERY TIMELINE
(Projected date of return to 2019 GDP level)

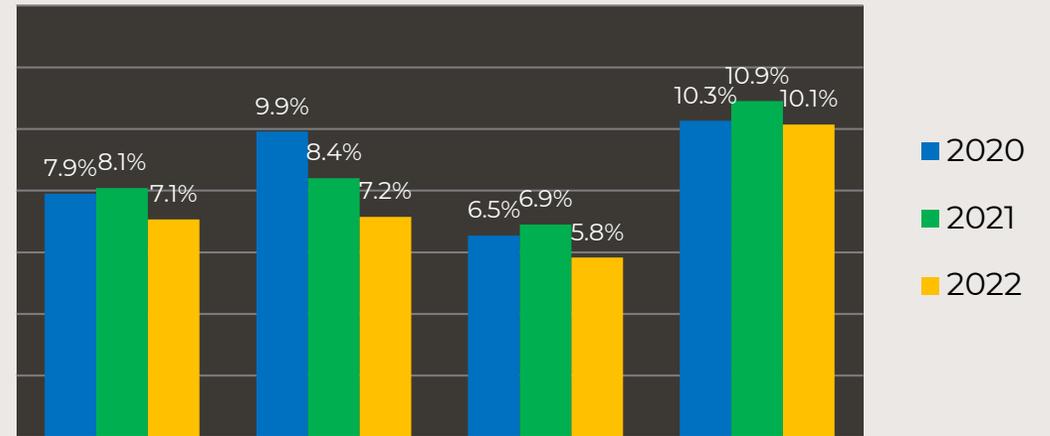


Global GDP growth is projected at 5% in 2021; recovery rates will vary by market but are expected to accelerate throughout the year as COVID restrictions ease and vaccine availability expands. Unemployment rates are expected to remain elevated but will start to moderate in many markets in 2021.

GDP Growth



Unemployment Rate



WORLD AMER APAC EMEA

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2021
PROJECTED

BRZ	3.3%	AUS	3.2%	FRA	5.1%
CAN	6.3%	CHI	7.9%	GER	3.5%
MEX	4.8%	IND	9.6%	RUS	3.2%
US	6.2%	JPN	2.6%	UK	4.3%

2021
PROJECTED

BRZ	11.8%	AUS	6.1%	FRA	9.4%
CAN	8.0%	CHI	3.9%	GER	4.6%
MEX	6.0%	IND	11.0%	RUS	5.5%
US	5.2%	JPN	3.1%	UK	6.6%

AMER

While the US and Canada are expected to see strong economic and labor market rebounds in 2021 driven by loosening COVID restrictions, growth in Brazil and Mexico will lag.

BRAZIL: The second COVID wave is dampening the outlook for the Brazilian economy in 2021. Growth is expected to pick up in the second half of the year as vaccinations roll out. Government stimulus efforts, which amounted to 8% of GDP in 2020, will be lessened in 2021.

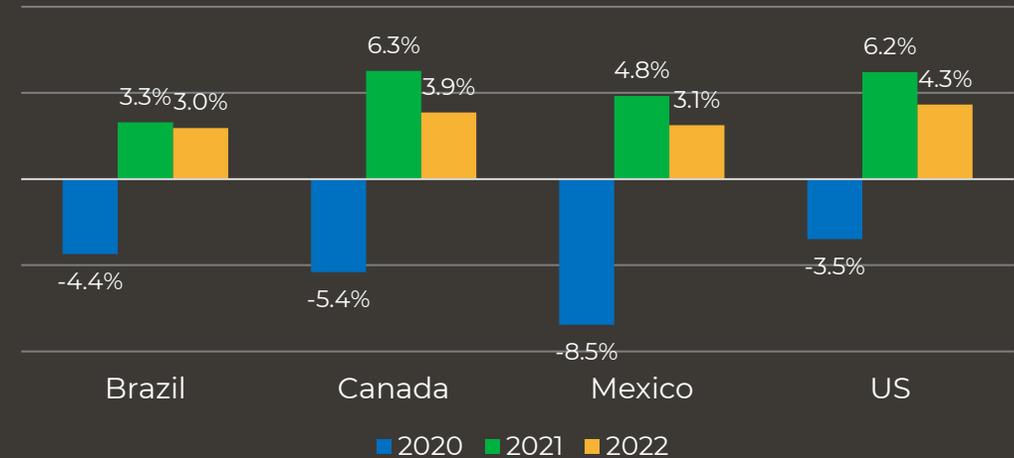
CANADA: After a 5% decline in 2020, the Canadian economy is projected to rebound strongly in 2021. First-quarter GDP growth was positive despite ongoing containment measures, and growth should continue to accelerate through the year, driving employment gains.

MEXICO: Mexico’s economy contracted by more than 8% in 2020, due to COVID influences, lower US demand, and falling oil prices. Increasing export activity and a stronger US economy will help boost growth in 2021, but a full recovery is not expected until late 2022.

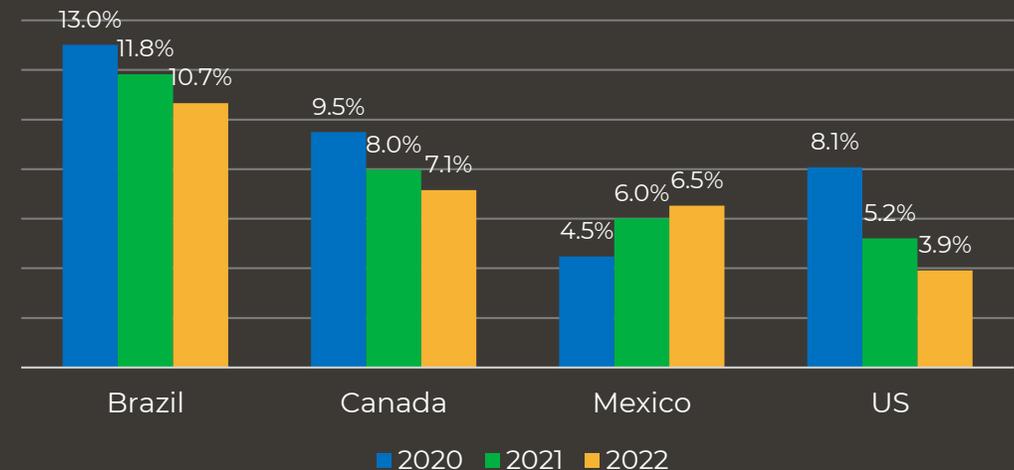
US: The US economy is poised to expand by more than 6% in 2021; an accelerated vaccination timeline, relaxing containment measures, and ongoing stimulus are expected to boost consumer activity. Employment will recover more slowly, reaching its pre-COVID level in 2022.

Sources: IHS Markit (April 2021)

GDP Growth



Unemployment Rate



APAC

Recovery projections and economic/ labor market progress in APAC countries in 2021 depend largely upon successes in COVID outbreak containment as well as rebounding consumer demand.

AUSTRALIA: With COVID outbreaks well-contained, Australia finished 2020 with strong momentum that has continued into 2021. The economy is projected to expand by more than 3% in 2021; relatively high levels of unemployment and underemployment are expected to improve slightly.

CHINA: China's economic rebound in 2021 is being driven by investment in the manufacturing and industrial sectors. Effective pandemic containment measures and steady vaccine rollout, along with lower consumer inflation rates, should help boost demand.

INDIA: Although a strong growth rate was projected for Indian GDP in 2021 (largely a reflection of the steep decline in 2020), a massive resurgence of COVID-19 cases in April and tightening containment measures are expected to derail the country's economic recovery.

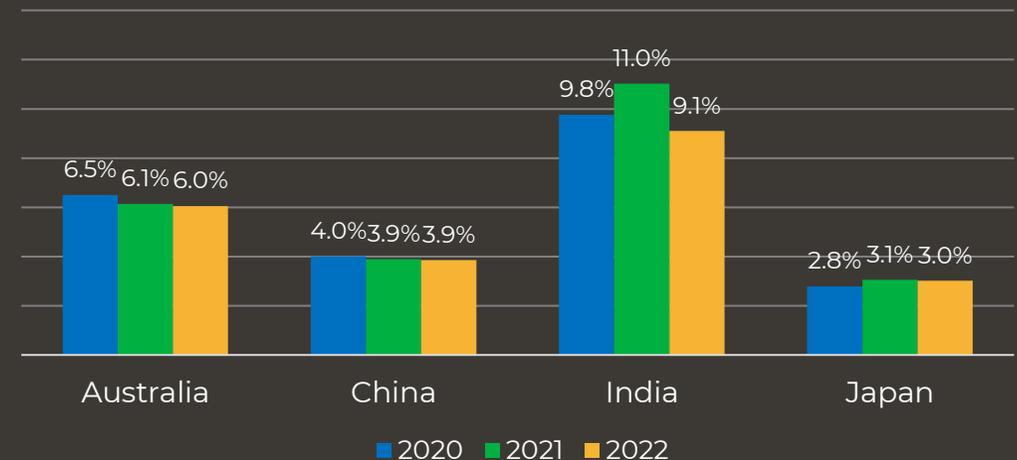
JAPAN: In early 2021, Japanese economic growth is seeing constraints from issues including COVID cases and containment, semiconductor shortages, and the February Fukushima earthquake. Growth is expected to pick up in the second half of the year, boosted by the summer Olympics.

Sources: IHS Markit (April 2021)

GDP Growth



Unemployment Rate



EMEA

COVID impacts continued to suppress growth in Europe in early 2021. As vaccination activity accelerates and lockdowns are eased, economies will recover at varying rates.

FRANCE: After a steep decline in 2020, the French economy is projected to rebound in 2021, although setbacks such as the renewed lockdown measures in April are dampening the forecast. The unemployment rate fell in 2020 due to decreased labor force participation and is expected to edge up in 2021 as the economy slowly reopens and workers re-enter the labor force.

GERMANY: Germany's late 2020 shutdown affected economic growth early in 2021; as restrictions ease and vaccinations increase throughout the year, stronger GDP recovery is expected. Unemployment rates are expected to continue to hold relatively steady.

RUSSIA: The recovery in oil prices along with more widespread vaccinations are expected to drive GDP growth of around 3% in Russia in 2021. The unemployment rate will drop as consumer and business sentiment improve.

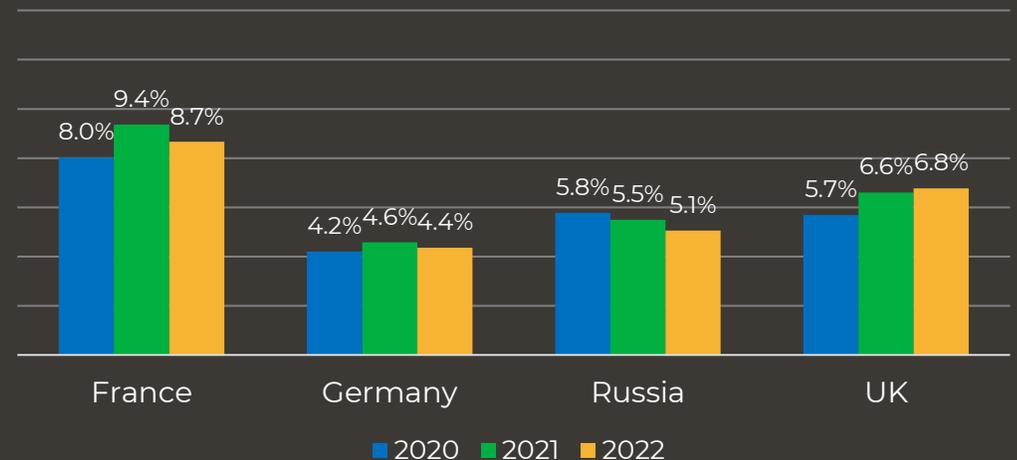
UK: The UK economy is set to expand at a 4% rate in 2021 after a nearly 10% contraction in 2020. Although COVID restrictions are set to phase out by mid-2021, the country will also face headwinds from post-Brexit trade conditions.

Sources: IHS Markit (April 2021)

GDP Growth



Unemployment Rate



In the US, UK, and Germany, some recent developments have tipped the balance towards classifying gig workers as employees. Mexico enacted a law that restricts labor subcontracting and outsourcing. Canada introduced a new measure to help address wage gap concerns.

CANADA

As of January 1, 2021, new pay transparency regulations took effect. These require relevant employers to report aggregated wage gap information in their annual reporting beginning in 2022. These measures, along with the proposed Pay Equity Act, would help ensure that workers receive equal pay for equal work.

US

In May 2021, the US Department of Labor (DOL) repealed the new independent contractor rule that was proposed by the previous presidential administration. The DOL also proposed rescinding the joint employer rule and has sent a new proposed regulation for review.

MEXICO

A new law that severely curtails labor subcontracting/ outsourcing was approved in Mexico at the end of April 2021. The law only allows labor subcontracting in the case of services or tasks that are not part of the core business activity or main purpose of the client company.

UK

The UK Supreme Court ruled in February 2021 that Uber drivers were to be considered employees rather than self-employed contractors. The ruling was determined due to resemblance of a traditional employment relationship between parties. These workers are entitled to benefits such as minimum wage and holiday pay.

IRELAND

While the Protection of Employees Act 2012 requires agency workers to be treated the same as direct hires, a recent decision by Ireland's Labour Court has clarified that this requirement is limited to areas such as pay, working time, and holidays. The rule does not cover "an entitlement to the same disciplinary procedure" for agency workers .

GERMANY

A ruling in the German Federal Labour Court has recognized a "crowd-worker" as having the legal status of employee. The points-based task assignment system used by the crowdsourcing platform was a critical consideration in determining this worker's employment status.

AUSTRALIA

Australia's House of Representatives recently passed the Fair Work Amendment Bill 2021. The bills contains a key amendment that more clearly defines a "casual employee," drawing a clearer line around who is entitled to receive benefits. The bill also creates a path for casual employees to pursue full-time employment status with their employer.

NEW ZEALAND

The Holidays Amendment Bill was introduced in Parliament. The bill aims to extend minimum sick leave entitlements. Both full-time and part time employees would benefit from additional sick leave.

INDIA

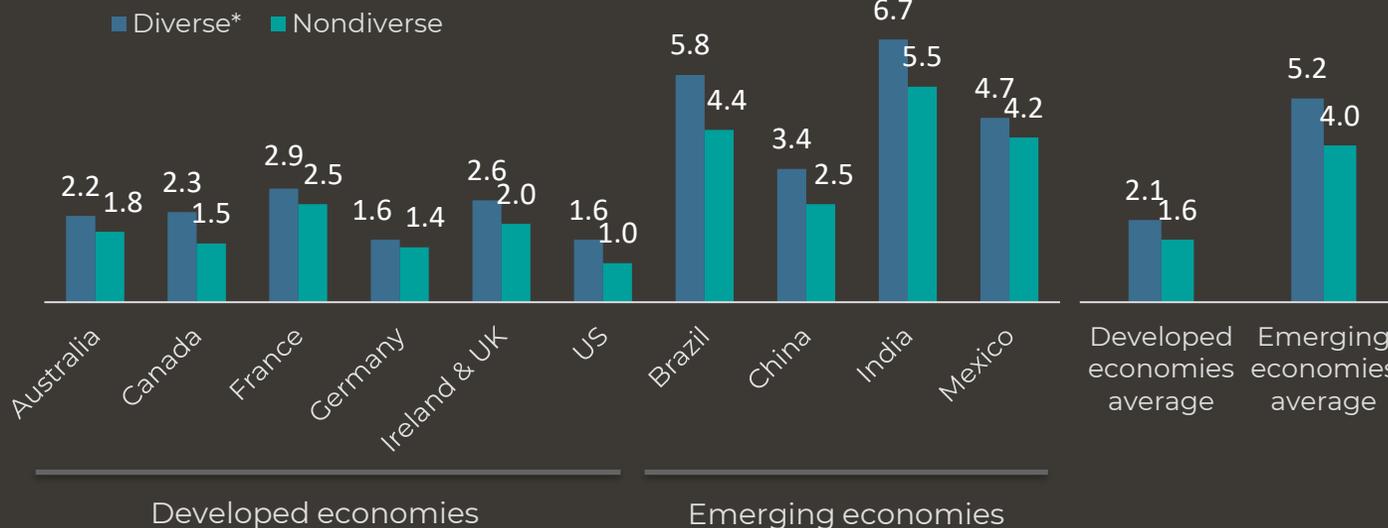
Originally intended to take effect in April 2021, India's new Code on Wages is being delayed, as several states have not yet finalized implementation rules. The Code on Wages aims to cap bonuses at 50% of total pay.

Diverse employees, and particularly those in emerging economies, are having a harder time in the workplace and in maintaining work life balance due to the COVID-19 crisis. Groups such as women, LGBTQ+ employees, and people of color are reporting higher numbers of challenges and feeling them with greater urgency.

Recent research from McKinsey found that while challenges were felt in every country, emerging economies were experiencing nearly three times the number of acute challenges. Coupled with the challenges determined by geography, in every country diverse employees consistently reported additional, acute challenges over their nondiverse peers. While concerns varied by group, cited issues included the health and safety of on-site work, mental health, connectivity and belonging, workload increases, growth and progress opportunities, household responsibilities, fair performance evaluation, job insecurity, and physical health.

While 9 out of 10 executives say their company is maintaining or increasing their investment into diversity, equity, and inclusion (DEI), only one out of 6 diverse employees feel more supported now than they did pre-pandemic.

Average number of significant challenges reported during the COVID-19 crisis



Work interventions to drive impact

- Fair and objective performance reviews (including productivity tracking)
- Frequent employee pulse surveys
- Virtual/ flexible work options, including family leave
- Manager training for inclusive virtual/ hybrid leadership
- Reskilling efforts to retain underrepresented talent
- Developing and offering work reentry programs
- Regular leadership communication and engagement
- Thorough quantitative and qualitative DEI diagnostics (updated regularly to reflect workforce changes)

*Diverse employees defined as employees who identify as women, LGBTQ+, or as a person of color.

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