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## CBIZ, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. We will now begin the question and answer session. (Operator instructions) Our first question comes from Josh Vogel from Sidoti & Company. Please go ahead.

#### Josh Vogel – Sidoti & Company

Great. Thank you. Good morning, guys. My first question is on the pricing environment. I was mostly concerned for financial services and employee services, what were you seeing on that end?

#### Steven Gerard

This is a difficult economic time for everyone. I would characterize the pricing as – except for the property and casualty, which we talked about in the first quarter call and I've just mentioned again, I would say that the pricing for the balance of our benefits and insurance business is relatively unchanged. There's always competitive pressures, but there haven't been dramatic market shifts.

The pricing in our financial services business, quite frankly, is relatively unchanged also. Don't forget that a substantial part of our businesses are contracted to towards the end of last year, in terms of when our clients on the financial services side engage us for taxes for the next year or for audits for the next year. So that pricing tends to get somewhat locked in. I would characterize the pricing across the board as being somewhat higher competitive to pressure, but other than property and casualty, we're not seeing dramatic pricing, downward pricing pressure.

#### Josh Vogel – Sidoti & Company

Okay. So maybe as you look out towards the end of this year and as you look to lock in business for 2009, do you think that the pricing environment is going to be a little bit more difficult?

#### Steven Gerard

I think it may be too soon to tell. I think the negotiations may be a little bit more difficult. But I'm not envisioning dramatic changes in pricing going into next year.

#### Josh Vogel – Sidoti & Company

Okay. Great. And what about on the wage side; are you seeing rapid wage inflation or has that been pretty steady as well?

**Steven Gerard**

No. That's been very steady. The wage inflation has not gone up. Now there continues to be pressure in our financial services group, primarily among our more senior accounting professionals. As in any professional group, the best people are always in demand. So there's a little bit more pressure there. But across the board we're not seeing dramatic inflation or salary pressure in our workforce.

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