

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR  
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 1994

Commission File No. 0-21886

BARRETT BUSINESS SERVICES, INC.  
(Exact name of Registrant as specified in its charter)

Maryland 52-0812977

(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)

4724 SW Macadam Avenue  
Portland, Oregon 97201

(Address of principal executive offices) (Zip Code)

(503) 220-0988

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

Yes [ X ] No [ ]

The number of outstanding shares of Common Stock, \$.01 par value, on October 21, 1994 was 6,347,875 shares.

BARRETT BUSINESS SERVICES, INC.

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## PART I - Financial Information

## Item 1. Financial Statements

## BARRETT BUSINESS SERVICES, INC.

Balance Sheets  
September 30, 1994 and December 31, 1993  
(Unaudited)  
(In thousands)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	September 30, 1994	December 31, 1993
	-----	-----
<b>Assets</b>		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 2,005	\$ 1,127
Marketable securities	-	6,374
Accounts receivable, net	11,138	4,954
Prepaid expenses and other	375	145
Deferred tax asset (Note 3)	899	894
	-----	-----
Total current assets	14,417	13,494
Intangibles	4,726	294
Property and equipment, net	2,045	1,876
Restricted marketable securities and workers' compensation deposits	3,305	2,728
Other assets	45	33
	-----	-----
	\$24,538	\$18,425
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 30	\$ 123
Income taxes payable (Note 3)	386	79
Accounts payable	154	91
Accrued payroll and related benefits	5,817	3,223
Accrued workers' compensation claims	2,456	2,434
Customer safety incentives payable	764	527
	-----	-----
Total current liabilities	9,607	6,477
Long-term debt, net of current portion	916	946
Customer deposits	669	522
	-----	-----
	11,192	7,945
Stockholders' equity:		
Common stock	63	32
Additional paid-in capital	8,728	8,469
Retained earnings	4,555	1,979
	-----	-----
	13,346	10,480
	-----	-----
	\$24,538	\$18,425
	=====	=====

The accompanying notes are an integral part of these financial statements.

&lt;/TABLE&gt;

## BARRETT BUSINESS SERVICES, INC.

Statements of Operations  
Three Months Ended September 30, 1994 and September 30, 1993  
(Unaudited)  
(In thousands, except per share amounts)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	Three Months Ended September 30,	
	-----	-----
	1994	1993
	----	----
<S>	<C>	<C>
Revenues:		
Temporary services	\$21,561	\$12,109
Staff leasing services	19,588	15,967
	-----	-----
	41,149	28,076

Cost of revenues:	-----	-----
Direct payroll costs	30,792	21,043
Payroll taxes and benefits	3,664	2,801
Workers' compensation	1,308	1,130
Safety incentives	343	173
	-----	-----
	36,107	25,147
	-----	-----
Gross margin	5,042	2,929
Selling, general and administrative expenses	2,980	1,756
Amortization of intangibles	114	88
Other (income) expense, net	(39)	(61)
	-----	-----
Income from operations	1,987	1,146
Provision for income taxes (Note 3)	752	444
	-----	-----
Net income	\$ 1,235	\$ 702
	=====	=====
Earnings per share (Note 5)	\$ 0.19	\$ 0.11
	=====	=====
Weighted average number of common and common stock equivalent shares outstanding	6,570	6,258
	=====	=====

The accompanying notes are an integral part of these financial statements.

</TABLE>

BARRETT BUSINESS SERVICES, INC.

Statements of Operations  
 Nine Months Ended September 30, 1994 and September 30, 1993  
 (Unaudited)  
 (In thousands, except per share amounts)

<TABLE>  
 <CAPTION>

	Nine Months Ended September 30,	
	1994	1993
	-----	-----
<S>	<C>	<C>
Revenues:		
Temporary services	\$ 51,982	\$30,985
Staff leasing services	51,370	43,012
	-----	-----
	103,352	73,997
	-----	-----
Cost of revenues:		
Direct payroll costs	77,401	55,257
Payroll taxes and benefits	9,476	7,526
Workers' compensation	3,703	3,303
Safety incentives	840	493
	-----	-----
	91,420	66,579
	-----	-----
Gross margin	11,932	7,418
Selling, general and administrative expenses	7,524	4,729
Amortization of intangibles	294	288
Other (income) expense, net	(92)	(184)
	-----	-----
Income before provision for taxes	4,206	2,585
Provision for income taxes (Note 3)	1,599	129
	-----	-----
Net income	\$ 2,607	\$ 2,456
	=====	=====
Pro forma data (Note 3):		
Income before provision for income taxes		\$ 2,585
Provision for income taxes		1,011
		-----
Net income		\$ 1,574
		=====
Earnings per share (Note 5)	\$ 0.40	\$ 0.32
	=====	=====
Weighted average number of common and common stock equivalent shares outstanding	6,578	4,908
	=====	=====

The accompanying notes are an integral part of these financial statements.

</TABLE>

BARRETT BUSINESS SERVICES, INC.

Statements of Cash Flows  
Nine Months Ended September 30, 1994 and September 30, 1993  
(Unaudited)  
(In thousands)

<TABLE>

<CAPTION>

	Nine Months Ended September 30,	
	1994	1993
	----	----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 2,607	\$ 2,456
Reconciliation of net income to cash from operations:		
Depreciation and amortization	444	397
Gain on sales of securities	-	(108)
Provision for doubtful accounts	118	100
Changes in certain assets and liabilities:		
Accounts receivable	(6,302)	(2,324)
Prepaid expenses and other	(230)	(11)
Deferred tax asset	(5)	(774)
Accounts payable	63	(76)
Accrued payroll and benefits	2,594	2,058
Accrued workers' compensation claims	22	682
Customer safety incentives payable	237	38
Due to stockholders	-	(98)
Income taxes payable	307	542
Customer deposits and other, net	135	603
	-----	-----
Net cash (used in) provided by operating activities	(10)	3,485
	-----	-----
Cash flows from investing activities:		
Increase in intangibles through acquisitions	(4,498)	(10)
Purchases of fixed assets	(319)	(1,118)
Proceeds from sales of marketable securities	6,416	161
Purchases of marketable securities	(619)	(53)
	-----	-----
Net cash provided by (used in) investing activities	980	(1,020)
	-----	-----
Cash flows from financing activities:		
Distributions to stockholders	-	(869)
Proceeds from debt issued	-	732
Payments on long-term debt	(123)	(163)
Proceeds from issuance of stock, net	31	6,827
	-----	-----
Net cash (used in) provided by financing activities	(92)	6,527
	-----	-----
Net increase in cash and cash equivalents	878	8,992
Cash and cash equivalents, beginning of period	1,127	12
	-----	-----
Cash and cash equivalents, end of period	\$ 2,005	\$ 9,004
	=====	=====
Issuance of common stock to acquire intangibles	\$ 228	\$ -
	=====	=====

The accompanying notes are an integral part of these financial statements.

</TABLE>

BARRETT BUSINESS SERVICES, INC.

Form 10-Q

For the Third Quarter Ended September 30, 1994

(Unaudited)

Notes to Financial Statements

Note 1 - Basis of Presentation of Interim Period Statements:

The accompanying financial statements are unaudited and have been prepared by Barrett Business Services, Inc. (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures typically included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements include all adjustments, consisting

only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods reported. The financial statements should be read in conjunction with the audited financial statements and notes thereto included in the 1993 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The results of operations for an interim period are not necessarily indicative of the results of operations for a full year.

Note 2 - Acquisitions:

On February 27, 1994, the Company purchased substantially all of the assets of Personnel Management Consulting, Inc., a company engaged in the temporary services business in Maryland and Delaware. Of the \$270,000 purchase price, the Company paid \$42,000 in cash and issued 12,000 shares of its common stock with a fair market value of \$228,000 at date of purchase. The acquisition was accounted for under the purchase method of accounting resulting in approximately \$241,000 of intangible assets and \$29,000 in fixed assets.

On March 7, 1994, the Company purchased certain assets of Golden West Temporary Services ("Golden West"), a company in the temporary services business with offices in Santa Clara, San Jose, Fremont, and Mountain View, California. The purchase price of \$4,514,000 was paid by liquidating a portion of the Company's short-term marketable securities. The Company accounted for the acquisition under the purchase method of accounting resulting in approximately \$4,425,000 of intangible assets and \$89,000 of fixed assets.

Intangible assets related to these acquisitions are being amortized over their estimated useful lives of fifteen years.

Note 3 - Provision for Income Taxes and Pro Forma Provision for Income Taxes:

Effective April 30, 1993, the Company terminated its S corporation status. A 1993 pro forma provision for income taxes that would have been recorded if the Company had been a C corporation for all periods presented is provided for comparative purposes.

Deferred tax assets (liabilities) are comprised of the following components (in thousands):

<TABLE>  
<CAPTION>

	Sept. 30, 1994	Dec. 31, 1993
	-----	-----
<S>	<C>	<C>
Accrued workers' compensation claim liabilities . . . . .	\$958	\$949
Allowance for doubtful accounts . . . . .	25	10
Tax depreciation in excess of book depreciation . . . . .	(84)	(65)
	---	---
	\$899	\$894
	===	===

The provision for income taxes for the nine months ended September 30, 1994, is as follows (in thousands):

	Nine Months Ended Sept. 30, 1994
	-----
Current:	
Federal . . . . .	\$1,314
State . . . . .	290
	-----
	1,604
	-----
Deferred:	
Federal . . . . .	(4)
State . . . . .	(1)
	-----
	(5)
	-----
Provision for income taxes	\$1,599
	=====

Note 4 - Stock Incentive Plan:

As of March 1, 1993, the Company adopted a stock incentive plan (the "Plan") pursuant to which stock-based awards are provided to the Company's employees, directors and outside consultants or advisors. As of April 20, 1994, the Company increased the number of shares of common stock reserved for issuance under the Plan from 500,000 to 800,000. An award of 4,000 restricted shares granted under the Plan in 1993 became fully vested in 1994.

The following table summarizes options granted under the Plan in 1994:

	No. of Shares -----	Range of Prices -----
Outstanding at December 31, 1993	160,500	\$3.50 to \$4.6875
Options granted	233,500	\$9.50 to \$13.5625
Options exercised	(19,375)	
Options canceled or expired	(48,250)	
	-----	
Outstanding at September 30, 1994	326,375	
	=====	
Available for grant at September 30, 1994	450,250	
	=====	

The options listed in the table will become exercisable in four equal annual installments beginning one year after the date of grant.

Note 5 - Net Income Per Share:

Net income per share is computed based on the weighted average number of shares outstanding during the period after giving effect to stock options and warrants which are considered to be common stock equivalents as such securities aggregate more than 3% of shares outstanding and thus are considered dilutive.

On April 20, 1994, the board of directors of the Company approved a 2-for-1 stock split in the form of a stock dividend payable May 23, 1994, to holders of record of its shares at the close of business on May 2, 1994 (the "Record Date"), at the rate of one new share for each share outstanding on the Record Date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table sets forth the percentages of total revenues represented by selected items in the Company's statements of operations for the three months and nine months ended September 30, 1994 and 1993.

</TABLE>  
<TABLE>  
<CAPTION>

----- Ended 30, ----- 1993 ----- <S>	Percentage of Total Revenues -----			
	Three Months Ended		Nine Months	
	September 30,		September	
	-----	-----	-----	-----
	1994	1993	1994	
	----	----	----	
	<C>	<C>	<C>	<C>
Temporary services revenues . . . . .	52.4%	43.1%	50.3%	
41.9% Staff leasing services revenues . . . . .	47.6	56.9	49.7	
58.1 Direct payroll costs . . . . .	74.8	75.0	74.9	
74.7 Payroll taxes and benefits . . . . .	8.9	10.0	9.2	
10.2 Workers' compensation . . . . .	3.2	4.0	3.6	
4.4 Safety incentives . . . . .	.9	.6	.8	
.7 Gross margin . . . . .	12.2	10.4	11.5	
10.0 Selling, general and administrative expenses . . . . .	7.2	6.2	7.2	

6.4	Amortization of intangibles. . . . .	.3	.3	.3
.4	Other (income) expense, net. . . . .	(.1)	(.2)	(.1)
(.3)	Pretax income. . . . .	4.8	4.1	4.1
3.5	Provision for income taxes . . . . .	1.8	1.6	1.6
.2	Net income . . . . .	3.0	2.5	2.5
3.3	Pro forma provision for income taxes . . . . .			1.6
1.4	Pro forma net income . . . . .			2.5
2.1				

Net income for the third quarter of 1994 amounted to approximately \$1.2 million, which represented an increase of approximately \$533,000 or 75.9% over the same quarter last year. For the nine-month period ended September 30, 1994, net income totaled approximately \$2.6 million, an increase of approximately \$1.0 million or 65.6% over pro forma net income for the same 1993 period. The increases in net income for the 1994 third quarter and nine month periods were primarily due to higher gross margin dollars as a result of increased sales, combined with an improved gross margin percentage, offset in part by higher selling, general and administrative costs and increased income tax expense.

Earnings per share for the third quarter of 1994 and nine month periods ended September 30, 1994 were \$.19 and \$.40, respectively.

Revenues for the third quarter of 1994 were approximately \$41.1 million, an increase of approximately \$13.1 million or 46.6% over the 1993 third quarter. The increase was primarily due to the acquisition of two temporary services businesses during the first quarter of 1994, coupled with the Company's continuing business expansion from existing branch offices. Revenues for the nine months ended September 30, 1994 were approximately \$103.4 million, an increase of approximately \$29.4 million or 39.7% over the comparable 1993 period. The increase was also primarily attributable to the acquisition of two temporary services businesses in early 1994 and growth from the Company's sales efforts.

For the third quarter of 1994, temporary services revenues increased approximately \$9.5 million or 78.1% over the third quarter of 1993. Approximately \$6.4 million, or 67.7%, of the increase was due to the acquisition of two temporary services businesses earlier in 1994. The balance of the increase was due to the Company's sales development efforts. For the first nine months of 1994, temporary services revenues increased approximately \$21.0 million, or 67.8% over the comparable 1993 period. The 1994 acquisitions generated additional revenues of \$14.5 million, or 69.0% of the increase. The balance of the increase was due to the Company's business development efforts.

For the third quarter of 1994, staff leasing revenues increased approximately \$3.6 million, or 22.7%, over the third quarter of 1993. For the first nine months of 1994, staff leasing revenues increased approximately \$8.4 million or 19.4% over the comparable period of 1993. The increases were primarily attributable to the addition of new clients in Oregon. The Company currently markets its staff leasing services through its Oregon, Maryland and Washington branches using its branch office sales staff.

Gross margin for the third quarter of 1994 totaled approximately \$5.0 million or 12.2% of revenues, representing an increase of approximately \$2.1 million, or 72.1% over the comparable period of 1993. Gross margin for the first nine months of 1994 totaled approximately \$11.9 million, or 11.5% of revenues, representing an increase of approximately \$4.5 million, or 60.9%, over the same period of 1993. These increases were primarily attributable to a decrease in the Company's statutory payroll tax rates, as well as improved workers' compensation experience during the third quarter and the first nine months of 1994.

Direct payroll costs and payroll taxes and benefits increased approximately \$10.6 million, or 44.5%, for the third quarter of 1994 and approximately \$24.1 million, or 38.4%, for the first nine months of 1994 over the comparable periods of 1993. These increases were primarily the result of growth in the number of employees. Such costs, expressed as a percentage of revenues, decreased from 85.0% for the third quarter of 1993 to 83.7% for the third quarter of 1994. The improved percentage was primarily due to a decrease in statutory payroll tax rates paid by the Company. For the nine months ended September 30, 1994, these costs as a percentage of revenues decreased to 84.1% from 84.9% for the comparable period of 1993. The improved percentage was also primarily attributable to the decreased statutory payroll tax rates.

The Company has been a self-insured employer for workers' compensation coverage in Oregon since August 1987 and became self-insured in Maryland in November 1993 and Washington in July 1994. Workers' compensation expense currently includes the cost of self-insurance for the Company's employees in Oregon, Maryland and Washington and third party insurance coverage for employees in California and Delaware. As a percentage of revenues, workers' compensation and safety incentives expense decreased from 4.6% during the third quarter of 1993 to 4.1% in the comparable period of 1994. For the first nine months of 1994, such percentage was 4.4% of revenues, a decrease from 5.1% for the comparable period of 1993. These decreases were primarily due to a reduction in the number and overall severity of claims reported, plus the positive impact of the Company's workplace safety program and the claims management approach taken by the Company and its third party administrators.

Selling, general and administrative expenses totaled approximately \$3.0 million or 7.2% of revenues for the third quarter of 1994 compared to approximately \$1.8 million or 6.2% for the comparable period of the prior year. Such expenses totaled approximately \$7.5 million or 7.2% of revenues for the first nine months of 1994, as compared to \$4.7 million or 6.4% for the comparable period of the prior year. The increases were due primarily to the acquisition of two temporary services businesses in early 1994, which have higher administrative overhead requirements as compared to staff leasing services. The balance of the increases was primarily attributable to additional management staff added to support sales growth and higher Company profit sharing and bonuses based on Company performance.

The Company was exempt from taxation as an S corporation until its S corporation election was terminated on April 30, 1993. The effective tax rate for the third quarter of 1994 was 37.8% and for the nine months ended September 30, 1994 was 38.0% as compared to 38.7% and a pro forma effective tax rate of 39.1% for the comparable periods of 1993, respectively.

The Company's revenues historically have been subject to some seasonal fluctuation, particularly in its temporary services businesses. Demand for the Company's temporary employees and certain staff leasing clients declines during the year-end holiday season and periods of inclement weather. Correspondingly, demand for temporary services and the operations of some staff leasing clients, particularly agricultural and forest products-related companies, increase during the second and third quarters.

#### Liquidity and Capital Resources

The Company's net cash position of \$2,005,000 at September 30, 1994 increased \$878,000 from December 31, 1993. The Company has financed its operations and met its liquidity needs primarily from the sales of short-term marketable securities, which were previously held for investment purposes, and by cash generated from operations. The principal uses of funds during the nine-month period ended September 30, 1994 were to acquire two temporary services businesses for aggregate cash payments of \$4,556,000 and finance the subsequent increased working capital requirements as a result of higher accounts receivable.

In February 1994, the Company acquired the assets of Personnel Management and Consulting, Inc. ("PMC"), a Maryland corporation, for \$270,000, of which \$42,000 was paid in cash and \$228,000 was paid in the form of 12,000 shares of common stock of the Company. PMC had unaudited revenues of approximately \$800,000 for the year ended December 31, 1993, primarily from sales of temporary services provided through three branch offices, one in each of Salisbury and Easton, Maryland, and Seaford, Delaware.

In March of 1994, the Company acquired the assets of Golden West Temporary Services ("Golden West"), a California corporation, for \$4,514,000 in cash paid from working capital. Golden West had total revenues of approximately \$24,533,000 for the year ended December 31, 1993, from the sales of temporary services provided through four branch offices, one in each of San Jose, Santa Clara, Mountain View and Fremont, California.

Net cash used in operating activities for the nine months ended September 30, 1994 amounted to \$10,000, which compares to cash provided by operations of approximately \$3.5 million for the comparable 1993 period. The principal elements of cash used in operations for the 1994 nine-month period included net income of approximately \$2.6 million, combined with depreciation and amortization of approximately \$0.4 million and increased accrued payroll and benefit liabilities, offset in full by an approximate \$6.3 million increase in accounts receivable. As noted above, the increase in accounts receivable was primarily attributable to the two acquisitions in early 1994.

Net cash provided by investing activities for the 1994 nine month period totaled \$980,000, which compares to a use of cash in investing activities of approximately \$1.0 million during the comparable period in 1993. For the 1994 period, proceeds of approximately \$6.4 million from sales of marketable securities were offset in part by the use of approximately \$4.6 million in cash related to two acquisitions and additional purchases of marketable securities for approximately \$0.6 million. There are no material long-term



capital commitments.

Net cash used in financing activities of \$92,000 for the 1994 nine-month period was primarily related to scheduled amortization on long-term mortgage obligations. For the 1993 nine-month period, net proceeds of \$6.8 million from the Company's initial public offering of common stock was the principal component of the \$6.5 million net cash provided by financing activities.

The Company's business strategy continues to be focused on growth through the expansion of operations at existing offices and the acquisition of additional personnel-related businesses, both in its existing markets and other geographic areas. The Company actively explores proposals for various acquisition opportunities on an ongoing basis, but there can be no assurance that any additional transactions will be consummated. Management believes that the available credit lines and other sources of financing, together with anticipated funds generated from operations, will be sufficient in the aggregate to fund the Company's working capital needs for the foreseeable future.

Management is continuing its efforts to obtain self-insured status for workers' compensation purposes in California. If such status is obtained, it is anticipated that the surety deposit required by the State of California will be funded from a combination of cash reserves, letters of credit from the Company's principal bank, surety bonds from a third-party surety or from other financing sources or arrangements.

#### Inflation

Inflation generally has not been a significant factor in the Company's operations during the periods discussed above. The Company has taken into account the impact of escalating medical and other costs in establishing reserves for future expenses for self-insured workers' compensation claims in Oregon, Maryland and Washington.

#### Part II - Other Information

#### Item 6. Exhibits and Reports on Form 8-K

##### (a) Exhibits

The exhibits filed herewith are listed in the Exhibit Index on page 17 of this report.

##### (b) Reports on Form 8-K

No Current Reports on Form 8-K were filed by the Registrant during the quarter ended September 30, 1994.

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.  
(Registrant)

Date: November 14, 1994

By:/s/ MICHAEL D. MULHOLLAND  
Michael D. Mulholland  
Vice President - Finance  
(Principal Financial Officer)  
Exhibit Index

#### Exhibit

-- -----

11 Statement of Calculation of Average  
Common Shares Outstanding

27 Financial Data Schedule

## EXHIBIT 11

BARRETT BUSINESS SERVICES, INC.  
 STATEMENT OF CALCULATION OF AVERAGE  
 COMMON SHARES OUTSTANDING

<TABLE>  
 <CAPTION>

	Three Months Ended Sept. 30, 1994 ----- <C>	Nine Months Ended Sept. 30, 1994 ----- <C>
<S>		
Primary Earnings Per Share:		
Weighted average number of shares	6,340,781	6,327,824
Stock option plan shares to be issued at prices ranging from \$3.500 to \$13.563 per share	338,635	322,771
Warrant issues at a price of \$4.20 per share	200,000	200,000
Less: Assumed purchase at average market price during the period using proceeds received upon exercise of options and purchase of stock, and using tax benefits of compensation due to premature dispositions	(308,937)	(272,940)
Total Primary Shares	6,570,479 =====	6,577,655 =====
Fully Diluted Earnings Per Share:		
Weighted average number of shares	6,340,781	6,327,824
Stock option plan shares to be issued at prices ranging from \$3.500 to \$13.563 per share	338,635	322,771
Warrant issues at a price of \$4.20 per share	200,000	200,000
Less: Assumed purchase at the higher of ending or average market price during the period using proceeds received upon exercise of options and purchase of stock, and using tax benefits of compensation due to pre- mature dispositions	(280,495)	(256,827)
Total Diluted Shares	6,598,921 =====	6,593,768 =====

</TABLE>  
 EXHIBIT 27

BARRETT BUSINESS SERVICES, INC.  
 FINANCIAL DATA SCHEDULE

<TABLE> <S> <C>

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5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION  
EXTRACTED FROM THE COMPANY'S BALANCE SHEETS AND RELATED  
STATEMENTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER  
30, 1994, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE  
TO SUCH FINANCIAL STATEMENTS.

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1,000

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DEC-31-1994

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SEP-30-1994

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9-MOS

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