SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED March 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM to .

Commission File Number 1-10427

ROBERT HALF INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1648752**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2884 Sand Hill Road Suite 200 Menlo Park, California	**94025**
(Address of principal executive offices)	**(zip-code)**

Registrant's telephone number, including area code: (650) 234-6000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	RHI	New York Stock Exchange

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 reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐		
Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of March 31, 2021:
112,780,592 shares of $.001 par value Common Stock

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ROBERT HALF INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(in thousands, except share amounts)

	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 497,930	$ 574,426
Accounts receivable, net	799,673	714,163
Employee deferred compensation trust assets	424,037	406,634
Other current assets	152,280	147,515
Total current assets	1,873,920	1,842,738
Property and equipment, net	103,701	109,817
Right-of-use assets	248,612	262,688
Other intangible assets, net	4,997	5,594
Goodwill	223,046	223,055
Noncurrent deferred income taxes	110,893	113,532
Total assets	$ 2,565,169	$ 2,557,424
LIABILITIES		
Accounts payable and accrued expenses	$ 121,686	$ 130,770
Accrued payroll and benefit costs	407,844	397,877
Employee deferred compensation plan obligations	437,707	435,121
Income taxes payable	29,957	4,015
Notes payable	181	239
Current operating lease liabilities	79,211	78,604
Total current liabilities	1,076,586	1,046,626
Noncurrent operating lease liabilities	208,194	223,869
Other liabilities	82,690	81,640
Total liabilities	1,367,470	1,352,135
Commitments and Contingencies (Note J)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value; authorized 5,000,000 shares; none issued	—	—
Common stock, $0.001 par value; authorized 260,000,000 shares; issued and outstanding 112,681,758 shares and 113,127,501 shares	113	113
Additional paid-in capital	1,194,153	1,179,972
Accumulated other comprehensive income (loss)	(13,529)	(4,732)
Retained earnings	16,962	29,936
Total stockholders' equity	1,197,699	1,205,289
Total liabilities and stockholders' equity	$ 2,565,169	$ 2,557,424

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2021	**2020**
Service revenues	$ 1,398,380	$ 1,506,691
Costs of services	836,669	892,303
Gross margin	561,711	614,388
Selling, general and administrative expenses	423,062	442,868
(Income) loss from investments held in employee deferred compensation trusts (which is completely offset by related costs and expenses - Notes A & I)	(11,988)	40,376
Amortization of intangible assets	576	338
Interest income, net	(45)	(957)
Income before income taxes	150,106	131,763
Provision for income taxes	39,508	41,848
Net income	$ 110,598	$ 89,915
Net income per share:		
Basic	$ .99	$ .79
Diluted	$ .98	$ .79
Shares:		
Basic	111,424	113,187
Diluted	112,496	113,858
Dividends declared per share	$ .38	$ .34

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2021	**2020**
COMPREHENSIVE INCOME (LOSS):		
Net income	$110,598	$ 89,915
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax	(8,837)	(13,700)
Foreign defined benefit plans, net of tax	40	—
Total other comprehensive income (loss)	(8,797)	(13,700)
Total comprehensive income (loss)	$101,801	$ 76,215

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except per share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value				
Balance at December 31, 2020	113,128	$ 113	$ 1,179,972	$ (4,732)	$ 29,936	$ 1,205,289
Net income	—	—	—	—	110,598	110,598
Other comprehensive income (loss)	—	—	—	(8,797)	—	(8,797)
Dividends declared ($.38 per share)	—	—	—	—	(43,300)	(43,300)
Net issuances of restricted stock	602	1	(1)	—	—	—
Stock-based compensation	—	—	14,182	—	—	14,182
Repurchases of common stock	(1,048)	(1)	—	—	(80,272)	(80,273)
Balance at March 31, 2021	112,682	$ 113	$ 1,194,153	$ (13,529)	$ 16,962	$ 1,197,699

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value				
Balance at December 31, 2019	115,120	$ 115	$ 1,127,487	$ (19,986)	$ 36,067	$ 1,143,683
Net income	—	—	—	—	89,915	89,915
Adoption of accounting pronouncement	—	—	—	—	(558)	(558)
Other comprehensive income (loss)	—	—	—	(13,700)	—	(13,700)
Dividends declared ($.34 per share)	—	—	—	—	(39,441)	(39,441)
Net issuances of restricted stock	745	1	(1)	—	—	—
Stock-based compensation	—	—	13,525	—	—	13,525
Repurchases of common stock	(1,263)	(1)	—	—	(63,498)	(63,499)
Balance at March 31, 2020	114,602	$ 115	$ 1,141,011	$ (33,686)	$ 22,485	$ 1,129,925

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)
are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 110,598	$ 89,915
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for credit losses	3,157	4,690
Depreciation	13,962	15,913
Amortization of cloud computing implementation costs	9,957	3,288
Amortization of intangible assets	576	338
Realized and unrealized (gains) losses from investments held in employee deferred compensation trusts	(11,694)	40,781
Stock-based compensation	14,182	13,525
Deferred income taxes	2,584	12,022
Changes in operating assets and liabilities:		
Accounts receivable	(95,024)	(36,700)
Capitalized cloud computing implementation costs	(8,488)	(10,379)
Accounts payable and accrued expenses	(6,603)	18,193
Accrued payroll and benefit cost	13,009	2,978
Employee deferred compensation plan obligations	2,586	(48,155)
Income taxes payable	25,409	20,124
Other assets and liabilities, net	(6,155)	(1,607)
Net cash flows provided by operating activities	68,056	124,926
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(9,739)	(14,276)
Investments in employee deferred compensation trusts	(28,509)	(37,061)
Proceeds from employee deferred compensation trust redemptions	22,799	22,987
Net cash flows used in investing activities	(15,449)	(28,350)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of notes payable	(58)	(53)
Repurchases of common stock	(79,465)	(69,968)
Dividends paid	(44,277)	(40,476)
Net cash flows used in financing activities	(123,800)	(110,497)
Effect of exchange rate fluctuations	(5,303)	(6,643)
Change in cash and cash equivalents	(76,496)	(20,564)
Cash and cash equivalents at beginning of period	574,426	270,478
Cash and cash equivalents at end of period	$ 497,930	$ 249,914
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Non-cash items:		
Stock repurchases awaiting settlement	$ 3,912	$ —
Fund exchanges within employee deferred compensation trusts	$ 37,661	$ 138,633

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

Note A—Summary of Significant Accounting Policies

Nature of Operations. Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps*®, *Robert Half*® *Finance & Accounting*, *OfficeTeam*®, *Robert Half*® *Technology*, *Robert Half*® *Management Resources*, *Robert Half*® *Legal*, *The Creative Group*®, and *Protiviti*®. The Company, through its *Accountemps*, *Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is a specialized provider of contract, full-time, and senior-level project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled contract, administrative support professionals. *Robert Half Technology* provides project and full-time technology professionals. *Robert Half Legal* provides contract, project, and full-time staffing of lawyers, paralegals and legal support personnel. *The Creative Group* provides creative, digital, marketing, advertising and public relations professionals. *Protiviti* is a global consulting firm that helps companies solve problems in finance, technology, operations, data, analytics, governance, risk and internal audit, and is a wholly-owned subsidiary of the Company. Revenues are predominantly derived from specialized staffing services. The Company operates in North America, South America, Europe, Asia and Australia. The Company is a Delaware corporation.

Basis of Presentation. The unaudited Condensed Consolidated Financial Statements ("Financial Statements") of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC"). The comparative year-end Condensed Consolidated Statement of Financial Position data presented was derived from audited financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of the financial position and results of operations for the periods presented have been included. These Financial Statements should be read in conjunction with the audited Consolidated Financial Statements of the Company for the year ended December 31, 2020, included in its Annual Report on Form 10-K. The results of operations for any interim period are not necessarily indicative of, nor comparable to, the results of operations for a full year. Certain reclassifications have been made to prior year's Condensed Consolidated Financial Statements to conform to the 2021 presentation.

Principles of Consolidation. The Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As of March 31, 2021, such estimates include allowances for credit losses, variable consideration, workers' compensation losses, income and other taxes, and assumptions used in the Company's goodwill impairment assessment and in the valuation of stock grants subject to market conditions.

We continue to monitor the significant global economic uncertainty as a result of coronavirus ("COVID-19") to assess the impact on the Company's results of operations, financial condition, and liquidity. In light of the ongoing economic disruption, we continue to face a greater degree of uncertainty than normal in making the judgments and estimates needed to apply the Company's significant accounting policies. As the situation continues to develop, we may make changes to these estimates and judgments over time, which could result in meaningful impacts to the Company's financial statements in future periods. Actual results and outcomes may differ from management's estimates and assumptions.

Service Revenues. The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Revenues are recognized when promised goods or services are delivered to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. See Note C for further discussion of the revenue recognition accounting policy.

Costs of Services. Direct costs of temporary and consultant staffing consist of payroll, payroll taxes and benefit costs for the Company's engagement professionals, as well as reimbursable expenses. Direct costs of permanent placement staffing services consist of reimbursable expenses. Risk consulting and internal audit direct costs of services include professional staff payroll, contract labor payroll, payroll taxes and benefit costs, as well as reimbursable expenses.

Advertising Costs. The Company expenses all advertising costs as incurred. Advertising costs were $8.4 million and $14.5 million for the three months ended March 31, 2021 and 2020, respectively.

(Income) Loss from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's deferred compensation obligation to employees changes accordingly. Changes in the Company's deferred compensation obligations remain in selling, general and administrative expenses or, in the case of risk consulting and internal audit services, costs of services. The value of the related investment trust assets also changes by an equal and offsetting amount, leaving no net cost to the Company. The Company's income from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments.

The following table presents the Company's (income) loss from investments held in employee deferred compensation trusts (in thousands):

	Three Months Ended March 31,	
	2021	2020
Dividend income	$ (294)	$ (405)
Realized and unrealized (gains) losses	(11,694)	40,781
(Income) loss from investments held in employee deferred compensation trusts	$ (11,988)	$ 40,376

Comprehensive Income (Loss). Comprehensive income (loss) includes net income and certain other items that are recorded directly to stockholders' equity. The Company's only sources of other comprehensive income (loss) are foreign currency translation and foreign defined benefit plan adjustments.

Fair Value of Financial Instruments. Assets and liabilities recorded at fair value are measured and classified in accordance with a three-tier fair value hierarchy based on the observability of the inputs available in the market to measure fair value, summarized as follows:

Level 1: observable inputs for identical assets or liabilities, such as quoted prices in active markets
Level 2: inputs other than the quoted prices in active markets that are observable either directly or indirectly
Level 3: unobservable inputs in which there is little or no market data, which requires management's best estimates and assumptions that market participants would use in pricing the asset or liability

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value because of their short-term nature. The Company holds mutual funds and money market funds to satisfy its obligations under its employee deferred compensation plans, which are carried at fair value based on quoted market prices in active markets for identical assets (level 1).

The following table sets forth the composition of the underlying assets which comprise the Company's deferred compensation trust assets (in thousands):

		Fair Value Measurements Using		
	Balance at March 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 64,655	$ 64,655	—	—
Mutual funds - bond	28,719	28,719	—	—
Mutual funds - stock	250,163	250,163	—	—
Mutual funds - blend	80,500	80,500	—	—
	$ 424,037	$ 424,037	—	—

		Fair Value Measurements Using		
	Balance at December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 69,681	$ 69,681	—	—
Mutual funds - bond	27,282	27,282	—	—
Mutual funds - stock	234,667	234,667	—	—
Mutual funds - blend	75,004	75,004	—	—
	$ 406,634	$ 406,634	—	—

Certain items such as goodwill and other intangible assets are recognized or disclosed at fair value on a non-recurring basis. The Company determines the fair value of these items using level 3 inputs. There are inherent limitations when estimating the fair value of financial instruments, and the fair values reported are not necessarily indicative of the amounts that would be realized in current market transactions.

Allowance for Credit Losses. The Company is exposed to credit losses resulting from the inability of its customers to make required payments. The Company establishes an allowance for these potential credit losses based on its review of customers' credit profiles, historical loss statistics, prepayments, recoveries, current business conditions and macro-economic trends. The Company considers risk characteristics of trade receivables based on asset type, size, term, and geographical locations to evaluate trade receivables on a collective basis. The Company applies credit loss estimates to these pooled receivables to determine expected credit losses.

The following table sets forth the activity in the allowance for credit losses from December 31, 2019, through March 31, 2021 (in thousands):

	Allowance for Credit Losses
Balance as of December 31, 2019	$ 22,885
Adoption of accounting pronouncement	558
Balance as of January 1, 2020	$ 23,443
Charges to expense	4,200
Deductions	(7,906)
Other, including translation adjustments	(120)
Balance as of December 31, 2020	$ 19,617
Charges to expense	3,157
Deductions	(1,482)
Other, including translation adjustments	(973)
Balance as of March 31, 2021	$ 20,319

Internal-use Software. The Company capitalizes direct costs incurred in the development of internal-use software. Cloud computing implementation costs incurred in hosting arrangements are capitalized and reported as a component of other assets. All other internal-use software development costs are capitalized and reported as a component of computer software within property and equipment on the unaudited Condensed Consolidated Statements of Financial Position. Capitalized internal-use software development costs were $10.4 million and $13.0 million for the three months ended March 31, 2021 and 2020, respectively.

Goodwill and Intangible Assets. Goodwill and intangible assets primarily consist of the cost of acquired companies in excess of the fair market value of their net tangible assets at the date of acquisition. Identifiable intangible assets are amortized over their lives, typically ranging from two to five years. Goodwill is not amortized, but is tested at least annually for impairment, or on an as needed interim basis.

Note B—New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Reference Rate Reform. In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The amendments provide optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The application of this guidance did not have a material impact on the Company's financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

None.

Note C—Revenue Recognition

The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Revenues are recognized when promised goods or services are delivered to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Service revenues as presented in the unaudited Condensed Consolidated Statements of Operations represent services rendered to customers less variable consideration, such as sales adjustments and allowances. Reimbursements, including those related to travel and out-of-pocket expenses, are also included in service revenues and equivalent amounts of reimbursable expenses are included in costs of services.

Temporary and consultant staffing revenues. Temporary and consultant staffing revenues from contracts with customers are recognized in the amount to which the Company has a right to invoice, when the services are rendered by the Company's engagement professionals. The substantial majority of engagement professionals placed on assignment by the Company are the Company's legal employees while they are working on assignments. The Company pays all related costs of employment, including workers' compensation insurance, state and federal unemployment taxes, social security and certain fringe benefits. The Company assumes the risk of acceptability of its employees to its customers.

The Company records temporary and consultant staffing revenue on a gross basis as a principal versus on a net basis as an agent in the presentation of revenues and expenses. The Company has concluded that gross reporting is appropriate because the Company (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties and (iii) bears the risk for services that are not fully paid for by customers. Fees paid to Time Management or Vendor Management service providers selected by clients are recorded as a reduction of revenues, as the Company is not the primary obligor with respect to those services.

Permanent placement staffing revenues. Permanent placement staffing revenues from contracts with customers are primarily recognized when employment candidates accept offers of permanent employment. The Company has a substantial history of estimating the financial impact of permanent placement candidates who do not remain with its clients through the 90-day guarantee period. These amounts are established based primarily on historical data and are recorded as contract liabilities. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Risk consulting and internal audit services revenues. Risk consulting and internal audit services are generally provided on a time-and-material basis or fixed-fee basis. Revenues earned under time-and-material arrangements and fixed-fee arrangements are recognized using a proportional performance method. Revenue is measured using cost incurred relative to total estimated cost for the engagement to measure progress towards satisfying the Company's performance obligations. Cost incurred represents work performed and thereby best depicts the transfer of control to the customer. Risk consulting and internal audit services generally contain one or more performance obligation(s) which are satisfied over a period of time. Revenues are recognized over time as the performance obligations are satisfied, because the services provided do not have any alternative use to the Company, and contracts generally include language giving the Company an enforceable right to payment for services provided to date.

The Company periodically evaluates the need to provide for any losses on these projects, and losses are recognized when it is probable that a loss will be incurred.

The following table presents the Company's service revenues disaggregated by line of business (in thousands):

	Three Months Ended March 31,	
	2021	2020
Accountemps	$ 417,116	$ 489,884
OfficeTeam	220,467	239,979
Robert Half Technology	172,239	196,652
Robert Half Management Resources	183,271	211,878
Elimination of intersegment revenues (a)	(103,818)	(46,273)
Temporary and consultant staffing	889,275	1,092,120
Permanent placement staffing	111,703	120,489
Risk consulting and internal audit services	397,402	294,082
Service revenues	$ 1,398,380	$ 1,506,691

(a) Service revenues for Accountemps, OfficeTeam, Robert Half Technology and Robert Half Management Resources include intersegment revenues, which represent revenues from services provided to the Company's risk consulting and internal audit services segment in connection with the Company's blended business solutions. Intersegment revenues for each line of business are aggregated and then eliminated as a single line.

Payment terms in the Company's contracts vary by the type and location of the Company's customer and the services offered. The term between invoicing and when payment is due is not significant.

Contracts with multiple performance obligations are recognized as performance obligations are delivered, and contract value is allocated based on relative stand-alone selling values of the services and products in the arrangement. As of March 31, 2021, aggregate transaction price allocated to the performance obligations that are unsatisfied for contracts with an expected duration of greater than one year was $170.0 million. Of this amount, $157.3 million is expected to be recognized within the next twelve months. As of March 31, 2020, aggregate transaction price allocated to the performance obligations that are unsatisfied for contracts with an expected duration of greater than one year was $112.0 million.

Contract liabilities are recorded when cash payments are received or due in advance of performance and are reflected in accounts payable and accrued expenses on the unaudited Condensed Consolidated Statements of Financial Position. The following table sets forth the activity in contract liabilities from December 31, 2019, through March 31, 2021 (in thousands):

	Contract Liabilities
Balance as of December 31, 2019	$ 12,948
Payments in advance of satisfaction of performance obligations	25,614
Revenue recognized	(20,687)
Other, including translation adjustments	377
Balance as of December 31, 2020	$ 18,252
Payments in advance of satisfaction of performance obligations	12,888
Revenue recognized	(16,510)
Other, including translation adjustments	717
Balance as of March 31, 2021	$ 15,347

Note D—Other Current Assets

Other current assets consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Prepaid expenses	101,846	97,674
Other	50,434	49,841
Other current assets	$ 152,280	$ 147,515

Note E—Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Computer hardware	$ 160,685	$ 159,180
Computer software	251,477	250,585
Furniture and equipment	91,345	91,112
Leasehold improvements	163,090	164,807
Property and equipment, cost	666,597	665,684
Accumulated depreciation	(562,896)	(555,867)
Property and equipment, net	$ 103,701	$ 109,817

Note F—Leases

The Company has operating leases for corporate and field offices, and certain equipment. The Company's leases have remaining lease terms of 1 month to 9 years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within 1 year. Operating lease expenses for the three months ended March 31, 2021 and 2020, were $21.5 million and $19.9 million, respectively.

Supplemental cash flow information related to leases consisted of the following (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cash paid for operating lease liabilities	$ 22,225	$ 20,554
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 3,501	$ 14,547

Supplemental balance sheet information related to leases consisted of the following:

	March 31, 2021	December 31, 2020
Weighted average remaining lease term for operating leases	4.4 years	4.5 years
Weighted average discount rate for operating leases	2.6%	2.6%

Future minimum lease payments under non-cancellable leases as of March 31, 2021, were as follows (in thousands):

2021 (excluding the three months ended March 31, 2021)	$ 65,666
2022	73,205
2023	59,476
2024	47,524
2025	29,095
Thereafter	29,371
Less: Imputed interest	(16,932)
Present value of operating lease liabilities (a)	$ 287,405

(a) Includes current portion of $79.2 million for operating leases.

As of March 31, 2021, the Company had additional future minimum lease obligations totaling $4.0 million under operating leases that had not yet commenced. These operating leases include agreements for corporate and field office facilities with lease terms of 1 to 8 years.

Note G—Goodwill

The following table sets forth the activity in goodwill from December 31, 2020, through March 31, 2021 (in thousands):

	Goodwill			
	Temporary and consultant staffing	Permanent placement staffing	Risk consulting and internal audit services	Total
Balance as of December 31, 2020	$ 134,511	$ 26,180	$ 62,364	$ 223,055
Foreign currency translation adjustments	(46)	(14)	51	(9)
Balance as of March 31, 2021	$ 134,465	$ 26,166	$ 62,415	$ 223,046

Note H—Accrued Payroll and Benefit Costs

Accrued payroll and benefit costs consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Payroll and benefits	306,178	311,169
Payroll taxes	81,742	67,712
Workers' compensation	19,924	18,996
Accrued payroll and benefit costs	$ 407,844	$ 397,877

The Company, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, deferred paying $102.2 million of applicable payroll taxes as of March 31, 2021, of which $51.1 million is expected to be paid during the next 12 months and is included in accrued payroll and benefit costs and the remaining $51.1 million is included in other liabilities on the unaudited Condensed Consolidated Statements of Financial Position.

Note I—Employee Deferred Compensation Plan Obligations

The Company provides various qualified defined contribution 401(k) plans covering eligible employees. The plans offer a savings feature with the Company matching employee contributions. Assets of this plan are held by an independent trustee for the sole benefit of participating employees. Nonqualified plans are provided for employees not eligible for the qualified plans. These plans include provisions for salary deferrals and Company matching and discretionary contributions. The asset value of the nonqualified plans was $424.0 million and $406.6 million as of March 31, 2021, and December 31, 2020, respectively. The Company holds these assets to satisfy the Company's liabilities under its deferred compensation plans.

The liability value for the nonqualified plans was $437.7 million and $435.1 million as of March 31, 2021, and December 31, 2020, respectively.

The following table presents the Company's compensation expense related to its qualified defined contribution plans and nonqualified plans (in thousands):

	Three Months Ended March 31,	
	2021	2020
Contribution expense	$ 9,554	$ 8,485
Increase (decrease) in employee deferred compensation expense related to changes in the fair value of trust assets	11,988	(40,376)
	$ 21,542	$ (31,891)

The Company has statutory defined contribution plans and defined benefit plans outside the U.S., which are not material.

Note J—Commitments and Contingencies

On March 23, 2015, Plaintiff Jessica Gentry, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, San Francisco County, which was subsequently amended on October 23, 2015. The complaint alleges that a putative class of current and former employees of the Company working in California since March 13, 2010 were denied compensation for the time they spent interviewing "for temporary and permanent employment opportunities" as well as performing activities related to the interview process. Gentry seeks recovery on her own behalf and on behalf of the putative class in an unspecified amount for this allegedly unpaid compensation. Gentry also seeks recovery of an unspecified amount for the alleged failure of the Company to provide her and the putative class with accurate wage statements. Gentry also seeks an unspecified amount of other damages, attorneys' fees, and statutory penalties, including penalties for allegedly not paying all wages due upon separation to former employees and statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by California's Labor Code Private Attorney General Act ("PAGA"). On January 4, 2016, the Court denied a motion by the Company to compel all of Gentry's claims, except the PAGA claim, to individual arbitration. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

On April 6, 2018, Plaintiff Shari Dorff, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, County of Los Angeles. In addition to certain claims individual to Plaintiff Dorff, the complaint alleges that salaried recruiters based in California have been misclassified as exempt employees and seeks an unspecified amount for: unpaid wages resulting from such alleged misclassification; alleged failure to provide a reasonable opportunity to take meal periods and rest breaks; alleged failure to pay wages on a timely basis both during employment and upon separation; alleged failure to comply with California requirements regarding wage statements and record-keeping; and alleged improper denial of expense reimbursement. Plaintiff Dorff also seeks an unspecified amount of other damages, attorneys' fees, and penalties, including but not limited to statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by PAGA. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

The Company is involved in a number of other lawsuits arising in the ordinary course of business. While management does not expect any of these other matters to have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is subject to certain inherent uncertainties.

Legal costs associated with the resolution of claims, lawsuits and other contingencies are expensed as incurred.

In May 2020, the Company entered into a new $100 million unsecured revolving credit facility (the "364-Day Credit Agreement"). Borrowings under the 364-Day Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the LIBOR plus an applicable margin. The 364-Day Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of March 31, 2021. There were no borrowings under the 364-Day Credit Agreement as of March 31, 2021.

Note K—Stockholders' Equity

Stock Repurchase Program. As of March 31, 2021, the Company is authorized to repurchase, from time to time, up to 9.2 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. The number and the cost of common stock shares repurchased during the three months ended March 31, 2021 and 2020, are reflected in the following table (in thousands):

	Three Months Ended March 31,	
	2021	2020
Common stock repurchased (in shares)	797	983
Common stock repurchased	$ 60,860	$ 51,477

Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable statutory withholding taxes. The number and the cost of repurchases related to employee stock plans made during the three months ended March 31, 2021 and 2020, are reflected in the following table (in thousands):

	Three Months Ended March 31,	
	2021	2020
Repurchases related to employee stock plans (in shares)	251	280
Repurchases related to employee stock plans	$ 19,413	$ 12,022

The repurchased shares are held in treasury and are presented as if constructively retired. Treasury stock is accounted for using the cost method. Repurchase activity for the three months ended March 31, 2021 and 2020, is presented in the unaudited Condensed Consolidated Statements of Stockholders' Equity.

Repurchases of shares and issuances of dividends are applied first to the extent of retained earnings and any remaining amounts are applied to additional paid-in capital.

Note L—Net Income Per Share

The calculation of net income per share for the three months ended March 31, 2021 and 2020, is reflected in the following table (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2021	2020
Net income	$ 110,598	$ 89,915
Basic:		
Weighted average shares	111,424	113,187
Diluted:		
Weighted average shares	111,424	113,187
Dilutive effect of potential common shares	1,072	671
Diluted weighted average shares	112,496	113,858
Net income per share:		
Basic	$ .99	$ .79
Diluted	$ .98	$ .79

Note M—Business Segments

The Company has three reportable segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Operating segments are defined as components of the Company for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. The temporary and consultant staffing segment provides specialized staffing in the accounting and finance, administrative and office, information technology, legal, advertising, marketing and web design fields. The permanent placement staffing segment provides full-time personnel in the accounting, finance, administrative and office, and information technology fields. The risk consulting and internal audit services segment provides business and technology risk consulting and internal audit services.

The accounting policies of the segments are set forth in Note A—"Summary of Significant Accounting Policies" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The Company evaluates performance based on income before net interest income, intangible assets amortization expense, and income taxes.

The following table provides a reconciliation of service revenues and segment income by reportable segment to consolidated results for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Service revenues		
Temporary and consultant staffing	$ 889,275	$ 1,092,120
Permanent placement staffing	111,703	120,489
Risk consulting and internal audit services	397,402	294,082
	$ 1,398,380	$ 1,506,691
Segment income		
Temporary and consultant staffing	$ 75,535	$ 93,764
Permanent placement staffing	17,780	10,911
Risk consulting and internal audit services	57,322	26,469
Combined segment income	150,637	131,144
Amortization of intangible assets	576	338
Interest income, net	(45)	(957)
Income before income taxes	$ 150,106	$ 131,763

Service revenues presented above are shown net of eliminations of intersegment revenues. Intersegment revenues between temporary and consultant staffing segment and risk consulting and internal audit services segment were $103.8 million and $46.3 million for the three months ended March 31, 2021 and 2020, respectively.

Note N—Subsequent Events

On April 29, 2021, the Company announced the following:

Quarterly dividend per share	$.38
Declaration date	April 29, 2021
Record date	May 25, 2021
Payment date	June 15, 2021

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Certain information contained in Management’s Discussion and Analysis and in other parts of this report may be deemed forward-looking statements regarding events and financial trends that may affect the Company’s future operating results or financial positions. These statements may be identified by words such as “estimate”, “forecast”, “project”, “plan”, “intend”, “believe”, “expect”, “anticipate”, or variations or negatives thereof or by similar or comparable words or phrases. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the statements. These risks and uncertainties include, but are not limited to, the following: changes to or new interpretations of U.S. or international tax regulations, the global financial and economic situation; the duration and impact of the COVID-19 pandemic and efforts to mitigate its spread; changes in levels of unemployment and other economic conditions in the United States or foreign countries where the Company does business, or in particular regions or industries; reduction in the supply of candidates for contract employment or the Company’s ability to attract candidates; the entry of new competitors into the marketplace or expansion by existing competitors; the ability of the Company to maintain existing client relationships and attract new clients in the context of changing economic or competitive conditions; the impact of competitive pressures, including any change in the demand for the Company’s services, on the Company’s ability to maintain its margins; the possibility of the Company incurring liability for its activities, including the activities of its engagement professionals, or for events impacting its engagement professionals on clients’ premises; the possibility that adverse publicity could impact the Company’s ability to attract and retain clients and candidates; the success of the Company in attracting, training, and retaining qualified management personnel and other staff employees; the Company’s ability to comply with governmental regulations affecting personnel services businesses in particular or employer/employee relationships in general; whether there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; the Company’s reliance on short-term contracts for a significant percentage of its business; litigation relating to prior or current transactions or activities, including litigation that may be disclosed from time to time in the Company’s Securities and Exchange Commission (“SEC”) filings; the ability of the Company to manage its international operations and comply with foreign laws and regulations; the impact of fluctuations in foreign currency exchange rates; the possibility that the additional costs the Company will incur as a result of health care reform legislation may adversely affect the Company’s profit margins or the demand for the Company’s services; the possibility that the Company’s computer and communications hardware and software systems could be damaged or their service interrupted or the Company could experience a cybersecurity breach; and the possibility that the Company may fail to maintain adequate financial and management controls and as a result suffer errors in its financial reporting. Additionally, with respect to Protiviti, other risks and uncertainties include the fact that future success will depend on its ability to retain employees and attract clients; there can be no assurance that there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; failure to produce projected revenues could adversely affect financial results; and there is the possibility of involvement in litigation relating to prior or current transactions or activities. Because long-term contracts are not a significant part of the Company’s business, future results cannot be reliably predicted by considering past trends or extrapolating past results.

Executive Overview

The Company’s financial results during the first quarter of 2021 reflect continued early-cycle recovery from the economic crisis resulting from the COVID-19 pandemic, with accelerating growth during the quarter in the Company’s staffing business. Our investments in advanced AI technologies and retention of our tenured employees has allowed us to adapt quickly to a new marketplace, where remote and hybrid work has become commonplace. During the first quarter of 2021, service revenues were $1.40 billion, a decrease of 7.2% from the prior year. Net income for the quarter was $111 million and diluted net income per share was $.98.

The Company's staffing operations significantly outperformed their historical sequential trends, led by small and medium-size businesses and permanent placement, which grew 22% sequentially. Protiviti's revenues grew 35% year-on-year, reflecting continued momentum across its wide array of service offerings, including very strong demand for managed solutions with staffing. This is Protiviti's 14th consecutive quarter of year-on-year revenue gains. The Company’s blended solutions, complementing Protiviti's offerings with contract talent, allow the Company to be extremely nimble and cost effective in response to client needs, and we expect this offering to be an increasing part of our business going forward.

Demand for the Company’s temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services is largely dependent upon general economic and labor trends both domestically and abroad, which may continue to be impacted by COVID-19.

The United States economic backdrop as we ended the first quarter of 2021 showed early signs of economic recovery as real gross domestic product (“GDP”) increased 6.4%, while the unemployment rate decreased from 6.7% in December 2020 to 6.0% at the end of the first quarter of 2021. In the United States, the number of job openings exceeded the number of hires at the end of February 2021, creating competition for skilled talent that increases the Company's value to clients. The U.S. labor market remains robust, with significant demand due to talent shortages across our professional disciplines.

We monitor various economic indicators and business trends in all of the countries in which we operate to anticipate demand for the Company's services. We evaluate these trends to determine the appropriate level of investment, including personnel, which will best position the Company for success in the current and future global macroeconomic environment. The Company's investments in headcount are typically structured to proactively support and align with expected revenue growth trends and productivity metrics. We have limited visibility into future revenues not only due to the dependence on macroeconomic conditions noted above, but also because of the relatively short duration of the Company's client engagements. Accordingly, we typically assess headcount and other investments on at least a quarterly basis. We continue to focus on the productivity levels of tenured staff and believe we have aligned staffing levels to drive increased profitability. During the first quarter of 2021, headcount remained relatively flat in all three business segments, when compared to prior year-end levels.

Capital expenditures, including $8.5 million for cloud computing arrangements, for the three months ended March 31, 2021, totaled $18.2 million, approximately 89% of which represented investments in software initiatives and technology infrastructure, both of which are important to the Company's sustainability and future growth opportunities. Capital expenditures for cloud computing arrangements are included in cash flows from operating activities on the Company's Condensed Consolidated Statements of Cash Flows. Capital expenditures included amounts spent on tenant improvements and furniture and equipment in the Company's leased offices. We currently expect that 2021 capital expenditures will range from $85 million to $95 million, of which $45 million to $55 million relates to software initiatives and technology infrastructure, including capitalized costs related to implementation of cloud computing arrangements.

Critical Accounting Policies and Estimates

The Company's most critical accounting policies and estimates are those that involve subjective decisions or assessments and are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. There were no material changes to the Company's critical accounting policies or estimates for the three months ended March 31, 2021.

Recent Accounting Pronouncements

See Note B—"New Accounting Pronouncements" to the Company's Condensed Consolidated Financial Statements included under Part I—Item 1 of this report.

Results of Operations

Demand for the Company's temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services is largely dependent upon general economic and labor market conditions both domestically and abroad. Because of the inherent difficulty in predicting economic trends, future demand for the Company's services cannot be forecast with certainty. The Company's technology investments have facilitated remote working models internally and, with the Company's advanced AI-driven capabilities, are providing clients with real-time choices of candidates across broader resource pools. While uncertainty remains in the overall economic environment, we are excited about our current momentum and the Company's prospects for the balance of 2021 and beyond, buoyed by the strengths of the Company's brands, people, technology and professional business model.

The Company's temporary and permanent placement staffing business has 322 offices in 43 states, the District of Columbia and 17 foreign countries, while Protiviti has 63 offices in 24 states and 12 foreign countries.

Non-GAAP Financial Measures

The financial results of Robert Half International Inc. (the "Company") are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the U.S. Securities and Exchange Commission ("SEC"). To help readers understand the Company's financial performance, the Company supplements its GAAP financial results with the following non-GAAP measures: as adjusted revenue growth rates; adjusted gross margin; adjusted selling, general and administrative expense; segment income and combined segment income.

Variations in the Company's financial results include the impact of changes in foreign currency exchange rates, billing days, and certain intercompany adjustments. The Company provides "as adjusted" revenue growth calculations to remove the impact of these items. These calculations show the year-over-year revenue growth rates for the Company's lines of business on both a reported basis and also on an as-adjusted basis for global, U.S., and international operations. This information is presented for each of the six most recent quarters. The Company has provided this data because it focuses on the Company's revenue growth rates attributable to operating activities and aids in evaluating revenue trends over time. The Company expresses year-over-year revenue changes as calculated percentages using the same number of billing days, constant currency exchange rates, and certain intercompany adjustments.

The following measures: adjusted gross margin; adjusted selling, general and administrative expense; and segment income include gains and losses on investments held to fund the Company's obligations under employee deferred compensation plans. The Company provides these measures because they are used by management to review its operational results.

Combined segment income is income before income taxes adjusted for interest income and amortization of intangible assets. The Company provides combined segment income because it is how the Company evaluates segment performance.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided on the following pages.

Refer to Item 3. "Quantitative and Qualitative Disclosures About Market Risk" for further discussion of the impact of foreign currency exchange rates on the Company's results of operations and financial condition.

Three Months Ended March 31, 2021 and 2020

Revenues. The Company's revenues were $1.40 billion for the three months ended March 31, 2021, decreasing by 7.2% compared to $1.51 billion for the three months ended March 31, 2020. Revenues from foreign operations represented 23% of total revenues for the three months ended March 31, 2021, up from 22% of total revenues for the three months ended March 31, 2020. The Company analyzes its revenues for three reportable segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Contributing factors for each reportable segment are discussed below in further detail.

Temporary and consultant staffing revenues were $889 million for the three months ended March 31, 2021, decreasing by 18.6% compared to revenues of $1.09 billion for the three months ended March 31, 2020. Key drivers of temporary and consultant staffing revenues include average hourly bill rates and the number of hours worked by the Company's engagement professionals on client engagements. On an as adjusted basis, temporary and consultant staffing revenues decreased 18.9% for the first quarter of 2021, compared to the first quarter of 2020, due primarily to fewer hours worked by the Company's engagement professionals on client engagements. In the U.S., revenues in the first quarter of 2021 decreased 20.3% on an as reported basis and 19.4% on an as adjusted basis, compared to the first quarter of 2020. For the Company's international operations, revenues for the first quarter of 2021 decreased 12.3% on an as reported basis and decreased 17.0% on an as adjusted basis, compared to the first quarter of 2020.

Permanent placement staffing revenues were $112 million for the three months ended March 31, 2021, decreasing by 7.3% compared to revenues of $120 million for the three months ended March 31, 2020. Key drivers of permanent placement staffing revenues consist of the number of candidate placements and average fees earned per placement. On an as adjusted basis, permanent placement staffing revenues decreased 8.1% for the first quarter of 2021, compared to the first quarter of 2020, driven by a decrease in number of placements. In the U.S., revenues for the first quarter of 2021 decreased 12.4% on an as reported basis and 11.4% on an as adjusted basis, compared to the first quarter of 2020. For the Company's international operations, revenues for the first quarter of 2021 increased 5.2% on an as reported basis and 0.3% on an as adjusted basis, compared to the first quarter of 2020. Historically, demand for permanent placement staffing is even more sensitive to economic and labor market conditions than demand for temporary and consultant staffing and this is expected to continue.

Risk consulting and internal audit services revenues were $397 million for the three months ended March 31, 2021, increasing by 35.1% compared to revenues of $294 million for the three months ended March 31, 2020. Key drivers of risk consulting and internal audit services revenues are the billable hours worked by consultants on client engagements and average hourly bill rates. On an as adjusted basis, risk consulting and internal audit services revenues increased 34.7% for the first quarter of 2021, compared to the first quarter of 2020, due primarily to an increase in billable hours. In the U.S., revenues in the first quarter of 2021 increased 35.5% on an as reported basis and 37.1% on an as adjusted basis, compared to the first quarter of 2020. The Company's risk consulting and internal audit services revenues for the first quarter of 2021 from international operations increased 33.8% on an as reported basis and 26.1% on an as adjusted basis, compared to the first quarter of 2020.

A reconciliation of the non-GAAP year-over-year revenue growth rates to the as reported year-over-year revenue growth rates for the three months ended March 31, 2021, is presented in the following table:

	Global	United States	International
Temporary and consultant staffing			
As Reported	-18.6%	-20.3%	-12.3%
Billing Days Impact	1.0%	0.9%	1.4%
Currency Impact	-1.3%	—	-6.1%
As Adjusted	-18.9%	-19.4%	-17.0%
Permanent placement staffing			
As Reported	-7.3%	-12.4%	5.2%
Billing Days Impact	1.1%	1.0%	1.7%
Currency Impact	-1.9%	—	-6.6%
As Adjusted	-8.1%	-11.4%	0.3%
Risk consulting and internal audit services			
As Reported	35.1%	35.5%	33.8%
Billing Days Impact	1.6%	1.6%	2.1%
Currency Impact	-2.0%	—	-9.8%
As Adjusted	34.7%	37.1%	26.1%

Gross Margin. The Company's gross margin dollars were $562 million for the three months ended March 31, 2021, decreasing by 8.6% compared to $614 million for the three months ended March 31, 2020. Contributing factors for each reportable segment are discussed below in further detail.

Gross margin dollars for temporary and consultant staffing represent revenues less costs of services, which consist of payroll, payroll taxes and benefit costs for engagement professionals, and reimbursable expenses. The key drivers of gross margin are: i) pay-bill spreads, which represent the differential between wages paid to engagement professionals and amounts billed to clients; ii) fringe costs, which are primarily composed of payroll taxes and benefit costs for temporary and consultant staffing employees; and iii) conversion revenues, which are earned when a temporary position converts to a permanent position with the Company's client. Gross margin dollars for the Company's temporary and consultant staffing division were $345 million for the three months ended March 31, 2021, decreasing 16.5% compared to $413 million for the three months ended March 31, 2020. As a percentage of revenues, gross margin for temporary and consultant staffing was 38.8% for the three months ended March 31, 2021, up from 37.8% for the three months ended March 31, 2020.

Gross margin dollars for permanent placement staffing represent revenues less reimbursable expenses. Gross margin dollars for the Company's permanent placement staffing division were $111 million for the three months ended March 31, 2021, decreasing 7.3% from $120 million for the three months ended March 31, 2020. Because reimbursable expenses for permanent placement staffing are de minimis, gross margin dollars are substantially explained by revenues previously discussed.

Gross margin dollars for risk consulting and internal audit services represent revenues less costs of services, which consist primarily of professional staff payroll, payroll taxes, benefit costs and reimbursable expenses. The primary drivers of risk consulting and internal audit services gross margin are: i) the relative composition of and number of professional staff and their respective pay and bill rates; and ii) staff utilization, which is the relationship of time spent on client engagements in proportion to the total time available for the Company's risk consulting and internal audit services staff. Gross margin dollars for the Company's risk consulting and internal audit division were $105 million for the three months ended March 31, 2021, increasing 29.8% compared to $81 million for the three months ended March 31, 2020. As a percentage of revenues, reported gross margin for risk consulting and internal audit services in the first quarter of 2021 was 26.5%, down from 27.6% in the first quarter of 2020. As a percentage of revenues, adjusted gross margin dollars for risk consulting and internal audit services were 26.9% the first quarter of 2021, up from 26.3% in the first quarter of 2020. The year-over-year increase in adjusted gross margin percentage was due primarily to higher staff utilization rates.

Selling, General and Administrative Expenses. The Company's selling, general and administrative expenses consist primarily of staff compensation, advertising, variable overhead, depreciation, and occupancy costs. The Company's selling, general and administrative expenses were $423 million for the three months ended March 31, 2021, decreasing 4.5% from $443 million for the three months ended March 31, 2020. As a percentage of revenues, the Company's reported selling, general and administrative expenses were 30.3% for the first quarter of 2021, up from 29.4% the first quarter of 2020. As a percentage of revenues, the Company's adjusted selling, general and administrative expenses were 29.5% in the first quarter of 2021 compared to 31.8% in the first quarter of 2020. Contributing factors for each reportable segment are discussed below in further detail.

Selling, general and administrative expenses for the Company's temporary and consultant staffing division were $279 million for the three months ended March 31, 2021, decreasing 2.7% from $286 million for the three months ended March 31, 2020. As a percentage of revenues, reported selling, general and administrative expenses for temporary and consultant staffing were 31.3% in the first quarter of 2021, up from 26.2% in the first quarter of 2020. As a percentage of revenues, adjusted selling, general and administrative expenses for temporary and consultant staffing were 30.3% in the first quarter of 2021, up from 29.2% in the first quarter of 2020 due primarily to negative leverage as revenues decreased in response to the COVID-19 pandemic.

Selling, general and administrative expenses for the Company's permanent placement staffing division were $95 million for the three months ended March 31, 2021, decreasing by 10.3% compared to $106 million for the three months ended March 31, 2020. As a percentage of revenues, reported selling, general and administrative expenses for permanent placement staffing were 84.9% in the first quarter of 2021, down from 87.7% in the first quarter of 2020. As a percentage of revenues, adjusted selling, general and administrative expenses for permanent placement staffing was 83.9% in the first quarter of 2021, down from 90.8% in the first quarter of 2020 due primarily to positive leverage as the decrease in expenses exceeded the decrease in revenues as a result of cost curtailing initiatives implemented during 2020.

Selling, general and administrative expenses for the Company's risk consulting and internal audit services division were $50 million for the three months ended March 31, 2021, decreasing by 2.6% compared to $51 million for the three months ended March 31, 2020. As a percentage of revenues, selling, general and administrative expenses for risk consulting and internal audit services were 12.5% in the first quarter of 2021, down from 17.3% in the first quarter of 2020 due primarily to positive leverage from an increase in revenues.

A reconciliation of the non-GAAP adjusted summary of operations to the reported summary of operations, for the three months ended March 31, 2021 and 2020 is presented in the following table (in thousands):

	Quarter Ended March 31,						Relationships			
	2021			2020			2021	2020	2021	2020
	Reported	Adjustments	Adjusted (1)	Reported	Adjustments	Adjusted (1)	Reported		Adjusted	
SERVICE REVENUES:										
Accountemps	$ 417,116		$ 417,116	$ 489,884		$ 489,884	29.8%	32.5%	29.8%	32.5%
OfficeTeam	220,467		220,467	239,979		239,979	15.8%	15.9%	15.8%	15.9%
Robert Half Technology	172,239		172,239	196,652		196,652	12.3%	13.1%	12.3%	13.1%
Robert Half Management Resources	183,271		183,271	211,878		211,878	13.1%	14.1%	13.1%	14.1%
Elimination of intersegment revenues	(103,818)		(103,818)	(46,273)		(46,273)	(7.4%)	(3.1%)	(7.4%)	(3.1%)
Temporary and consultant staffing	889,275		889,275	1,092,120		1,092,120	63.6%	72.5%	63.6%	72.5%
Permanent placement staffing	111,703		111,703	120,489		120,489	8.0%	8.0%	8.0%	8.0%
Protiviti	397,402		397,402	294,082		294,082	28.4%	19.5%	28.4%	19.5%
Total	$ 1,398,380		$ 1,398,380	$ 1,506,691		$ 1,506,691	100.0%	100.0%	100.0%	100.0%
GROSS MARGIN:										
Temporary and consultant staffing	$ 344,931		$ 344,931	$ 412,996		$ 412,996	38.8%	37.8%	38.8%	37.8%
Permanent placement staffing	111,498		111,498	120,280		120,280	99.8%	99.8%	99.8%	99.8%
Protiviti	105,282	1,688	106,970	81,112	(3,671)	77,441	26.5%	27.6%	26.9%	26.3%
Total	$ 561,711	$ 1,688	$ 563,399	$ 614,388	$ (3,671)	$ 610,717	40.2%	40.8%	40.3%	40.5%
SELLING GENERAL AND ADMINISTRATIVE EXPENSE:										
Temporary and consultant staffing	$ 278,547	$ (9,151)	$ 269,396	$ 286,174	$ 33,058	$ 319,232	31.3%	26.2%	30.3%	29.2%
Permanent placement staffing	94,867	(1,149)	93,718	105,722	3,647	109,369	84.9%	87.7%	83.9%	90.8%
Protiviti	49,648	—	49,648	50,972	—	50,972	12.5%	17.3%	12.5%	17.3%
Total	$ 423,062	$ (10,300)	$ 412,762	$ 442,868	$ 36,705	$ 479,573	30.3%	29.4%	29.5%	31.8%
OPERATING/SEGMENT INCOME:										
Temporary and consultant staffing	$ 66,384	$ 9,151	$ 75,535	$ 126,822	$ (33,058)	$ 93,764	7.5%	11.6%	8.5%	8.6%
Permanent placement staffing	16,631	1,149	17,780	14,558	(3,647)	10,911	14.9%	12.1%	15.9%	9.1%
Protiviti	55,634	1,688	57,322	30,140	(3,671)	26,469	14.0%	10.2%	14.4%	9.0%
Total	$ 138,649	$ 11,988	$ 150,637	$ 171,520	$ (40,376)	$ 131,144	9.9%	11.4%	10.8%	8.7%
Amortization of intangible assets	576	—	576	338	—	338	0.1%	0.1%	0.1%	0.1%
(Income) loss from investments held in employee deferred compensation trusts	(11,988)	11,988	—	40,376	(40,376)	—	0.9%	(2.7%)	0.0%	0.0%
Interest income, net	(45)	—	(45)	(957)	—	(957)	0.0%	0.1%	0.0%	0.1%
Income before income taxes	$ 150,106	$ —	$ 150,106	$ 131,763	$ —	$ 131,763	10.7%	8.7%	10.7%	8.7%

(1) Changes in the Company's deferred compensation obligations are included in selling, general and administrative expense or, in the case of Protiviti, costs of services, while the related investment income is presented separately. The non-GAAP financial measures shown in the table above are adjusted to reclassify investment income from investments held in employee deferred compensation trusts to the same line item which includes the corresponding change in obligation. These adjustments have no impact to income before income taxes.

Income from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's employee deferred compensation obligation to employees changes accordingly. Changes in the Company's deferred compensation obligations noted above remain in selling, general and administrative or in the case of the Company's risk consulting and internal audit services division, costs of services. The value of the related investment trust assets also changes by the equal and offsetting amount, leaving no net costs to the Company. The Company's income from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments. The Company's income/loss from investments held in employee deferred compensation trusts was an income of $12 million for the three months ended March 31, 2021 whereas it had a loss of $40 million for the three months ended March 31, 2020. The increase in income from trust investments was due to positive market returns in 2021.

Income Before Income Taxes and Segment Income. The Company's total income before income taxes was $150 million, or 10.7% of revenues, for the three months ended March 31, 2021, up from $132 million or 8.7% of revenues, for the three months ended March 31, 2020. Combined segment income was $151 million, or 10.8% of revenues, for the three months ended March 31, 2021, up from $131 million or 8.7% of revenues, for the three months ended March 31, 2020.

The following table provides a reconciliation of the non-GAAP combined segment income to reported income before income taxes for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Income before income taxes	$ 150,106	$ 131,763
Interest income, net	(45)	(957)
Amortization of intangible assets	576	338
Combined segment income	$ 150,637	$ 131,144

For the Company's temporary and consultant staffing division, segment income was $76 million, or 8.5% of applicable revenues, down from $94 million, or 8.6% of applicable revenues, in the first quarter of 2020. For the Company's permanent placement staffing division, segment income was $18 million, or 15.9% of applicable revenues, up from segment income of $11 million, or 9.1% of applicable revenues, in the first quarter of 2020. For the Company's risk consulting and internal audit services division, segment income was $57 million, or 14.4% of applicable revenues, compared to segment income of $26 million or 9.0% of applicable revenues, in the first quarter of 2020.

Provision for income taxes. The provision for income taxes was 26.3% and 31.8% for the three months ended March 31, 2021 and 2020, respectively. The 2020 rate was elevated based on the estimated lower coverage of non-deductible tax items due to lower pandemic-impacted revenues.

Liquidity and Capital Resources

The change in the Company's liquidity during the three months ended March 31, 2021 and 2020, is primarily the net effect of funds generated by operations and the funds used for capital expenditures, investment in employee deferred compensation trusts, net of redemptions from employee deferred compensation trusts, repurchases of common stock, and payment of dividends.

Cash and cash equivalents were $498 million and $250 million at March 31, 2021 and 2020, respectively. Operating activities provided $68 million during the three months ended March 31, 2021, offset by $15 million and $124 million of net cash used in investing activities and financing activities, respectively. Operating activities provided $125 million during the three months ended March 31, 2020, offset by $28 million and $110 million of net cash used in investing activities and financing activities, respectively.

Operating activities—Net cash provided by operating activities for the three months ended March 31, 2021, was composed of net income of $111 million adjusted upward for non-cash items of $33 million, offset by net cash used in changes in working capital of $76 million. Net cash provided by operating activities for the three months ended March 31, 2020, was composed of net income of $90 million adjusted upward for non-cash items of $91 million, offset by net cash used in changes in working capital of $56 million.

Investing activities—Cash used in investing activities for the three months ended March 31, 2021, was $15 million. This was composed of capital expenditures of $10 million and investment in employee deferred compensation trusts of $28 million, offset by proceeds from employee deferred compensation trusts redemptions of $23 million. Cash used in investing activities for the three months ended March 31, 2020, was $28 million. This was composed of capital expenditures of $14 million and investment in employee deferred compensation trusts of $37 million, offset by proceeds from employee deferred compensation trusts redemptions of $23 million.

Financing activities—Cash used in financing activities for the three months ended March 31, 2021, was $124 million. This included repurchases of $80 million in common stock and $44 million in dividends paid to stockholders. Cash used in financing activities for the three months ended March 31, 2020, was $110 million. This included repurchases of $70 million in common stock and $40 million in dividends paid to stockholders.

As of March 31, 2021, the Company is authorized to repurchase, from time to time, up to 9.2 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. During the three months ended March 31, 2021 and 2020, the Company repurchased 0.8 million shares, at a cost of $61 million, and 1.0 million shares, at a cost of $51 million, on the open market, respectively. Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of exercise price and applicable statutory withholding taxes. During the three months ended March 31, 2021 and 2020, such repurchases totaled 0.3 million shares, at a cost of $19 million, and 0.3 million shares, at a cost of $12 million, respectively. Repurchases of shares have been funded with cash generated from operations.

The Company's working capital at March 31, 2021, included $498 million in cash and cash equivalents and $800 million in accounts receivable, both of which will be a significant source of ongoing liquidity and financial resilience. The Company expects that internally generated cash will be sufficient to support the working capital needs of the Company, the Company's fixed payments, dividends, and other obligations on both a short-term and long-term basis.

We have limited visibility into future cash flows as the Company's revenues are dependent on macroeconomic conditions. The Company's variable direct costs related to its temporary and consultant staffing business will largely fluctuate in relation to its revenues.

In May 2020, the Company entered into a new $100 million unsecured revolving credit facility (the "364-Day Credit Agreement"). Borrowings under the 364-Day Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the LIBOR plus an applicable margin. The 364-Day Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of March 31, 2021. There were no borrowings under the 364-Day Credit Agreement as of March 31, 2021.

On April 29, 2021, the Company announced a quarterly dividend of $.38 per share to be paid to all shareholders of record as of May 25, 2021. The dividend will be paid on June 15, 2021.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We continue to monitor the significant global economic uncertainty as a result of coronavirus (“COVID-19”) to assess the impact on the Company’s results of operations, financial condition, and liquidity. In light of the ongoing economic disruption, we continue to face a greater degree of uncertainty than normal in making the judgments and estimates needed to apply the Company’s significant accounting policies. As the situation continues to develop, we may make changes to these estimates and judgments over time, which could result in meaningful impacts to the Company’s financial statements in future periods. Actual results and outcomes may differ from management’s estimates and assumptions.

Because a portion of the Company’s net revenues are derived from its operations outside the U.S. and are denominated in local currencies, the Company is exposed to the impact of foreign currency fluctuations. The Company’s exposure to foreign currency exchange rates relates primarily to the Company’s foreign subsidiaries. Exchange rates impact the U.S. dollar value of the Company’s reported revenues, expenses, earnings, assets and liabilities.

For the three months ended March 31, 2021, approximately 23% of the Company’s revenues were generated outside of the United States. These operations transact business in their functional currency, which is the same as their local currency. As a result, fluctuations in the value of foreign currencies against the U.S. dollar, particularly the Canadian dollar, British pound, Euro, and Australian dollar, have an impact on the Company’s reported results. Under GAAP, revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the monthly average exchange rates prevailing during the period. Consequently, as the value of the U.S. dollar changes relative to the currencies of the Company’s non-U.S. markets, the Company’s reported results vary.

During the first three months of 2021, the U.S. dollar fluctuated, and generally weakened, against the primary currencies in which the Company conducts business, compared to one year ago. Currency exchange rates had the effect of increasing reported net service revenues by $22.6 million, or 1.5%, in the first quarter of 2021 compared to the same period one year ago. The general weakening of the U.S. dollar also affected the reported level of expenses incurred in the Company’s foreign operations. Because substantially all the Company’s foreign operations generated revenues and incurred expenses within the same country and currency, the effect of higher reported revenues is largely offset by the increase in reported operating expenses. Reported net income was $0.8 million, or 0.9%, higher in the first quarter of 2021 compared to the same period one year ago due to the effect of currency exchange rates. If currency exchange rates were to remain at March 31, 2021 levels throughout the remainder of 2021, the currency impact on the Company’s full-year reported revenues and operating expenses would be nearly flat compared to full year 2020 results. Should current trends continue, the impact to reported net income would be immaterial.

Fluctuations in currency exchange rates impact the U.S. dollar amount of the Company’s stockholders’ equity. The assets and liabilities of the Company’s non-U.S. subsidiaries are translated into U.S. dollars at the exchange rates in effect at period end. The resulting translation adjustments are recorded in stockholders’ equity as a component of accumulated other comprehensive income. Although currency fluctuations impact the Company’s reported results and shareholders’ equity, such fluctuations generally do not affect cash flow or result in actual economic gains or losses. The Company generally has few cross-border transfers of funds, except for transfers to the U.S. for payment of intercompany loans, working capital loans made between the U.S. and the Company’s foreign subsidiaries, and dividends from the Company’s foreign subsidiaries.

ITEM 4. Controls and Procedures

Management, including the Company’s President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer concluded that the disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

PART II—OTHER INFORMATION

ITEM 1. Legal Proceedings

There have been no material developments with regard to any of the legal proceedings previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2020.

ITEM 1A. Risk Factors

There have not been any material changes with regard to the risk factors previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2020.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans (c)
January 1, 2021 to January 31, 2021	—		$ —	—	9,947,956
February 1, 2021 to February 28, 2021	246,623	(a)	$ 76.79	178,051	9,769,905
March 1, 2021 to March 31, 2021	801,406	(b)	$ 76.53	618,905	9,151,000
Total January 1, 2021 to March 31, 2021	1,048,029			796,956	

(a) Includes 68,572 shares repurchased in connection with employee stock plans, whereby shares were tendered by employees for the payment of applicable withholding taxes.

(b) Includes 182,501 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(c) Commencing in October 1997, the Company's Board of Directors has, at various times, authorized the repurchase, from time to time, of the Company's common stock on the open market or in privately negotiated transactions depending on market conditions. Since plan inception, a total of 128,000,000 shares have been authorized for repurchase of which 118,849,000 shares have been repurchased as of March 31, 2021.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosure

Not applicable.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

3.1	Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009.
3.2	Amended and Restated By-Laws, incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K dated February 12, 2020.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
101.1	Part I, Item 1 of this Form 10-Q formatted in Inline XBRL.
104	Cover page of this Form 10-Q formatted in Inline XBRL and contained in Exhibit 101.

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.

ROBERT HALF INTERNATIONAL INC.
(Registrant)

/S/ Michael C. Buckley

Michael C. Buckley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and
duly authorized signatory)

Date: April 30, 2021

EXHIBIT 31.1

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, M. Keith Waddell, certify that:

1. I have reviewed this report on Form 10-Q of Robert Half International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2021

/s/ M. Keith Waddell

M. Keith Waddell
President & CEO

EXHIBIT 31.2

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, Michael C. Buckley, certify that:

1. I have reviewed this report on Form 10-Q of Robert Half International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2021

/s/ Michael C. Buckley

Michael C. Buckley
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021 of Robert Half International Inc. (the "Form 10-Q"), I, M. Keith Waddell, Chief Executive Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

April 30, 2021	/s/ M. Keith Waddell
	M. Keith Waddell Chief Executive Officer Robert Half International Inc.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021 of Robert Half International Inc. (the "Form 10-Q"), I, Michael C. Buckley, Chief Financial Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

April 30, 2021	/s/Michael C. Buckley
	Michael C. Buckley Chief Financial Officer Robert Half International Inc.