



**Steven Drexel, Cornerstone Staffing President/CEO, Weighs in
On February's Employment Situation Suggesting Modestly Stronger Growth**

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Pleasanton, Calif. (March 7, 2017) — With the release of the US Bureau of Labor Statistics February 2017 employment data on Friday March 11, Steve Drexel, Cornerstone Staffing Solutions president and chief executive officer, is ready and available for interviews or commentary on the economic and employment impact, and perspectives on the political climate's effect on employment.

"I expect Friday's Employment Situation Report covering February's activity to indicate that the labor market expanded by 200,000 jobs and the unemployment rate will drop by one tenth of a point to 4.7 percent," comments Drexel. "This would be slower growth than what was reported in January, but still stronger growth than the three- or twelve-month moving average reflecting recent trends. The employment market is still healthy and growing."

Drexel presents these positive employment-related economic indicators during February that support his conclusions:

- Initial Jobless Claims as well as Continuing Jobless Claims decreased during February. This indicator is very consistent and reassuring. Currently, Initial Jobless Claims are at levels not seen since 1973.
- The National Federation of Independent Business Survey indicated a cyclically high degree of optimism, and the plans to increase employment improved slightly as well during this January survey.
- The Institute for Supply Management's Nonmanufacturing Employment diffusion sub-index improved during February moving from 54.7 to 55.2.
- Regional Federal Reserve Surveys with employment and average workweek sub-indexes that improved during February included the following:
 - Kansas City Fed Manufacturing Survey;
 - Richmond Fed Manufacturing Survey;
 - Texas Manufacturing Outlook Survey;
 - Texas Service Sector Outlook Survey;
 - NY Empire State Manufacturing Survey; and
 - Philadelphia Fed Manufacturing Business Outlook Survey.
- The Wall Street Journal's February Economic Survey of 72 leading economists forecast of employment growth for 2017 improved during February compared to January, reflecting an acceleration in employment growth.
- The private employment surveys that I participate in continued to suggest growth during February at a modestly improved pace.

Employment indicators that were flat or neutral with respect to February employment included the following:

- The Conference Board's Consumer Confidence Index improved during February but the differential between "jobs plentiful" versus "jobs hard to get" was a net 5.9 during February, down slightly from 6.0 during January.
- Regional Federal Reserve Surveys with employment and average workweek sub-indexes that deteriorated during February included only the Richmond Fed Services Survey.
- The Institute for Supply Management's Manufacturing Employment diffusion sub-index dipped during February to 54.2 from 56.1 in January.
- The Institute for Supply Management's New York City Employment diffusion sub-index dipped during February to 43.2 from 54.8 in January. A diffusion index with a reading below 50.0 indicates contraction.
- The American Staffing Association's Monthly Index was flat during February compared to January with respect to month-over-month growth.

Drexel notes the expansion is aging but consumer and business optimism remains high because corporate profits are growing, industrial production, retail sales, housing and fixed investment are improving, and the equity markets are near record high levels. He agrees with professional forecasters who are projecting modestly higher GDP growth. "The labor markets are fundamentally healthy, wage growth is gradually accelerating, and the average workweek has room to improve as does the labor force participation rate all suggesting that there is still capacity for further expansion despite low unemployment numbers," Drexel explains. "And yet, as the expansion ages, there is a natural limit to the rates of growth. I expect jobs growth during 2017 to average about 185,000 positions per month while the unemployment rate trends slightly down during the next three years settling at around 4.4 percent by year-end 2019."

In conclusion, Drexel believes February's indicators suggest modestly stronger growth compared to the available metrics during January, however, January's job growth was too strong for January's fundamentals, so during February he expects a strong but not overstated report. "The risk of recession is receding and the expansion should continue through 2019. This expansion can be described as frustratingly slow but remarkably long-running. The cumulative impact of the long-running expansion is growing labor shortages and accelerating wage pressure."

More About Steven R. Drexel

Steven R. Drexel is an economist, a member of the Business Research Advisory Council of the U.S. Bureau of Labor Statistics, and past chairman of the American Staffing Association's Industry Information Committee. He has been interviewed for *The Washington Post*, *Bloomberg Business News*, *CNN Radio*, *the Associated Press*, *The Houston Chronicle* and *The Houston Business Journal* -- among many other national, regional and local media organizations.

Drexel's biographical profile is available at <http://www.cornerstone-staffing.com/>. Please contact Brian Hatfield for any information or insights related to a wide range of employment and economic topics Drexel is prepared to comment on.

More About Cornerstone Staffing

Cornerstone Staffing Solutions is among the top 134 largest staffing firms in America, as ranked by Staffing Industry Analysts and received Inavero's Best of Staffing® Client Award in 2016 and 2017. Since 2003,

Cornerstone has grown from a neighborhood staffing provider to a \$100 million national firm that employs thousands of people at hundreds of companies from coast to coast. Providing candidate searching and job placement for administrative, industrial, technical, sales and transportation positions, Cornerstone truly is where talent and jobs meet.

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