



**Steven Drexel, Cornerstone Staffing President/CEO,
Shares Insights on a Robust June 2017 Employment Report**

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Pleasanton, Calif. (July 10, 2017) — As an economist and seasoned staffing industry professional, Steven Drexel is regularly asked to participate in several monthly surveys and discussions that predict key elements of the Bureau of Labor Statistics' ("BLS") press releases describing The Employment Situation. On Friday June 2nd, the Bureau of Labor Statistics ("BLS") released its monthly summary of labor market activity covering June 2017. The consensus expectation called for moderate growth of around 174,000 new positions.

"What a pleasant difference a month makes. The official report indicated that June's job growth exceeded the expectations posting a robust 222,000 net new jobs," comments Drexel. "This strength along with upward revisions to April and May brought the encouraging three-month average rate up to 194,000 net new jobs. Remarkably, job growth has been north of 200,000 during four of the first six months of 2017." Drexel explains that this level of growth is impressive given that employment has been improving now for 81 consecutive months. "June 2017 was a solid-plus month, reassuring in that many of the metrics improved indicating that the labor market remains healthy. At the same time, there is enough restraint in the metrics to suggest that the expansion still has room to run albeit at a decelerating rate."

Drexel remarks that industry sector metrics indicated that a stronger share of the industries grew during June as 59.6 percent expanded or were unchanged compared to 55.2 percent during May. Prominent increases in employment by industry segment included the following:

- Health care and social services sector (+59.1k) – always robust;
- Leisure and hospitality (+36k) – consistently strong;
- Government (+35k) – despite the federal hiring freeze;
- Professional and business services (+35k) – including temporary help;
- Financial activities (+17k);
- Construction (+16k) – stronger recently;
- Wholesale trade (+10.0k);
- Durable goods (+9k);
- Retail trade (+8.1k) – despite online migration;
- Mining and logging (+8k) – long suffering but recently recovering;
- Transportation and warehousing (+2.4k);
- Utilities (+1.8k); and
- Manufacturing (+1k) – encouraging when positive given long-term trends.

The noteworthy declining industry sectors included the following:

- Nondurable goods (-8k);
- Information (-4k); and

- Motor vehicles & parts (-1.3k) – recently stalled.

“The Employment Report for June was quite encouraging. So far during 2017, monthly job growth has persisted at a moderately surprising, even sequentially improving rate,” states Drexel. “This is consistent with other employment indicators like initial jobless claims, job openings, confidence surveys, muted layoff announcements, hiring plans and supply manager’s employment indexes which all tend to confirm that the labor market remains remarkably healthy. Measures of unemployment have trended to remarkably low levels suggesting that the economy may be approaching full capacity, yet still, wage growth, labor force participation and unemployment duration metrics indicate that unemployment rates could go below 4.0 percent before the market is fully tapped out.” Drexel further explains that this expansion, now at eight years in length is quite extended (compared to an average expansion of five or six years). “This is likely a consequence of having endured a very historically severe, financial crisis-induced recession prior to this expansion. Thankfully the slow but persistent growth looks to continue for a few more years, albeit at a very measured pace.”

“The recent economic data indicates that GDP will continue to expand during 2017 and through 2019 at a better than 2.0 percent but less than 3.0 percent annual rate,” states Drexel. “While modest, this will be better compared to recent years. Economic growth will be supported by international expansion, an improving manufacturing sector, consumer/business confidence, housing growth/starts, and corporate profits.” Furthermore, he believes that employment growth will continue consistent with an aging expansion and a tightening labor market, averaging around 180,000 positions during 2017. “This moderate job growth will be sufficient to support a growing labor force, a low unemployment rate and, over time, increasing average hourly earnings,” Drexel concludes.

Drexel is available for interviews or commentary on the economic and employment impact, and perspectives on the political climate’s effect on employment.

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.

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