



**Steven Drexel, Cornerstone Staffing President/CEO, Offers Commentary
On January's Employment Situation and 2017 Economic Outlook**

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Pleasanton, Calif. (Jan. 31, 2017) — With the release of the US Bureau of Labor Statistics January 2017 employment data on Friday February 3, 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 December's activity to indicate that the labor market expanded by 180,000 jobs and the unemployment rate will hold steady at 4.7 percent," comments Drexel. "Employment growth slowed during recent months, but remains healthy and is expected to continue to grow albeit at slightly slower rates."

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

- Initial Jobless Claims as well as Continuing Jobless Claims decreased during January, particularly during the reference weeks from which the Bureau of Labor Statistics draws its survey. These trends are very current, consistent and reassuring although somewhat volatile during holiday periods.
- The National Federation of Independent Business Survey indicated a high degree of optimism generally, and the plans to increase employment improved as well during this December survey.
- The Conference Board's January differential of "jobs plentiful" versus "jobs hard to get" expanded to a net 5.9 during January, up from 3.3 during December.
- The Philadelphia, Richmond Manufacturing and Texas Manufacturing Federal Reserve Survey sub-indexes for Employment and the Average Workweek all were stronger during January as compared to December. In contrast the Richmond Services, Texas Services, and Kansas City Manufacturing Federal Reserve Surveys sub-indexes for employment, while still positive during January, contracted compared to December. Finally, the NY Empire State Manufacturing Survey employment sub-index improved but remained negative during January. On balance I take these indications as a mild positive.
- The American Staffing Association's Monthly Index was stronger during January compared to December with respect to year-over-year growth.

The private employment surveys that Drexel participates in continued to suggest growth during January at a modestly improved pace.

On the flip side, Drexel shares these less than positive employment indicators:

- The Wall Street Journal's November Economic Survey of 72 leading economists forecast of employment growth for 2017 was flat during January compared to December, reflecting not much change in employment growth.

- Political and trade policy uncertainty remained high during January as the new administration was still taking shape and policy positions were still evolving.

Drexel also offers expectations for 2017 and beyond. "Political change brings a mixture of optimism and uncertainty with respect to the general economy going forward. Business optimism has improved with the prospect of a more pro-business regime featuring lower taxes, less regulation, robust infrastructure spending and a military buildup. On the other hand, increased tensions with Mexico, China, and other trading partners is a potential economic risk. Regardless, the labor markets are fundamentally healthy with employment growth providing a critical foundation supporting the continuing long, but slow growing, expansion. Wage growth is gradually accelerating which along with still growing employment is a critical support to lift retail sales - another necessary driver of continued economic growth. The average workweek has room to improve as does the labor force participation rate suggesting that there is still capacity for expansion despite low unemployment. And yet, there is somewhat less momentum going forward as the expansion is aging. Expect jobs growth during 2017 to average about 175,000 positions per month while the unemployment rate trends down slightly during the next two years settling at around 4.5 percent by year-end 2018."

In conclusion, Drexel believes that January's indicators suggest modestly stronger growth than what was evident during December. "The risk of recession is receding and the expansion should continue through at least 2018. The cumulative impact of 75 months of employment growth results in more severe 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 2016 Best of Staffing® Client Award. 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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