



**Steven Drexel, Cornerstone Staffing President/CEO,
Shares Predictions on the June 2017 Employment Report**

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Pleasanton, Calif. (August 1, 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 August 4th, the Bureau of Labor Statistics ("BLS") will release its monthly summary of labor market activity covering June 2017.

"I expect that July produced 190,000 net new jobs and a stable unemployment rate at 4.4 percent. July's employment related economic releases suggest that the labor market remains healthy -- but employment growth will be slower than the outsized increase reported last month," comments Drexel. "The average monthly rate of job growth so far this year has been about 180,000 jobs. I believe that July will be stronger than average, but below the 200,000 threshold that has been breached four times during 2017."

Drexel reveals that indications suggest that demand remains strong but supply is increasingly restrained (as signaled by the low unemployment rate). "The current expansion remains consistently slow but remarkably long-running. The cumulative impact of this long-running expansion is a tightening labor market and gradually, but not yet evident, increasing wage pressure," he explains.

Drexel points to the following detailed evidence to support his considerations:

- Initial Jobless Claims and Continuing Jobless Claims were flat to slightly improved during July. Both metrics have been on a profound long-term favorable trend, recent results suggest that July's employment growth should remain strong.
- The Conference Board's Consumer Confidence Index improved during July and the differential between "jobs plentiful" versus "jobs hard to get" was a net 16.1 during July, up from 13.6 during June. July's differential was the highest reading since 2001.
- The American Staffing Association's Monthly Index was flat to slightly down during July compared to June suggesting another strong but not stronger month.
- Regional Federal Reserve Surveys with employment sub-indexes that improved during July included the following:
 - Kansas City Fed Manufacturing Survey;
 - Richmond Fed Manufacturing Survey; and
 - Texas Manufacturing Outlook Survey.
- The Wall Street Journal's March Economic Survey of 72 leading economists forecast of employment growth for 2017 was flat during July.
- The private employment surveys that I participate in continued to suggest growth in demand during July although meeting the demand with an increasingly limited workforce is challenging.

Drexel also notes the following employment indicators that were down with respect to July employment:

- The Institute for Supply Management's Manufacturing employment diffusion sub-index dipped during July to 55.2 from 57.2 in June.
- Regional Federal Reserve Surveys with employment sub-indexes that deteriorated during April included the following:
 - Philadelphia Fed Manufacturing Business Outlook Survey; and
 - NY Empire State Manufacturing Survey.

"These metrics suggest that there is still capacity for further expansion despite the low unemployment rate, and yet, as the expansion ages, there is a natural limit to the rate of growth," Drexel states. "The risk of recession remains low given the absence of any signs of overheating or any looming financial shocks -- therefore, the general expansion should continue through 2019."

"July's report will be closely followed as analysts look for signs of wage inflation as well as an indication of business and worker confidence. The Federal Reserve is tapping on the breaks to dampen anticipated, but not yet evident, wage inflation," he declares. "Moreover, economic forecasts have been trimmed recently in response to a slower roll-out of the promised business-friendly legislative agenda. So far, slower progress in Washington, DC has not depressed current activity or confidence. The employment report is an important release because decisions made relative to the labor market reflect the mood and expectations of huge segments of the economy."

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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