Cornerstone Staffing Solutions

RightStone WE'RE ON IT

Arlington Resources

Casey Accounting & Finance Resources

NEWS ADVISORY

Steven Drexel, Cornerstone Staffing Solutions President/CEO, Shares Labor Market Observations in Advance of November's BLS Employment Situation Release

For more information or to book an interview, contact:
Brian Hatfield, Director of Recruitment & Special Projects
Office: 925-399-4711

Pleasanton, Calif. (Dec. 5, 2018) — Steven Drexel, Cornerstone Staffing Solutions president and CEO, shares his November 2018 labor observations in advance of the Dec. 7 Bureau of Labor Statistics' ("BLS") press releases describing The Employment Situation.

As an economist and seasoned staffing industry professional, Drexel is regularly asked to participate in monthly surveys and discussions that predict key elements of labor market activity.

Drexel says October's Employment Situation Report was unusually strong but was quickly followed by some troubling news. "Global growth downshifted, the stock markets tumbled, the housing market softened, business investment stalled, and General Motors announced plant shut downs and layoffs. Underpinning these developments are risks associated with trade policy and rising interest rates in part initiated by the Federal Reserve Bank. November's Employment Situation Report will be a test of the near-term part of this thesis suggesting a continuing strong, albeit aging, expansion," he comments.

Drexel expects the all-important net job growth number during November should come in with a strong 200,000 net new positions - a step-down from October's robust 250,000 growth rate, but consistent with trend rates of growth. He notes this level of robust job growth ratifies a vigorous labor market as well as the ongoing strength in the broader economy. "Arguably, the second most important metric of interest is the unemployment rate. I expect the unemployment rate to hold steady at 3.7 percent during November which is an exceptionally low rate," he says.

Drexel points out that the Employment Situation Report, is potentially a market mover because it is a critical and illuminating cog in the larger economic ecosystem. He believes this month's pressing question is, will November's report confirm continuing strength or reflect some caution related to trade, interest rates and global uncertainty?

Drexel participates in private surveys and follows several employment-related economic indicators. He shares the following signs that suggest November's report will remain strong or improve: initial unemployment claims trended slightly up during November but remained at historically low levels; continuing unemployment claims increased slightly suggesting that the unemployed had about the same success getting back to work during November; The Conference Board's Consumer Confidence Index remained strong during November coming two points off an 18-year high. The differential between "jobs plentiful" versus "jobs hard to get" also increased to a record 34.4 percent; The Institute for Supply Management's Manufacturing Index broadly increased during November and the employment sub index improved as well; The National Federation of Independent Business' Small Business Survey contracted slightly but remained close to the best level in the survey's 45-year history. A net 22 percent of their members have plans to increase employment; The Federal Reserve Bank of Philadelphia's Fourth Quarter Survey of Professional Forecasters raised its estimate of the average increase in jobs this quarter; Federal Reserve Bank Manufacturing Surveys published by the New York Empire State district reported improving or otherwise positive employment conditions during November; and The American Staffing Association's Staffing Index improved during November compared to October continuing an eleven-month positive run.

Conversely, Drexel notes that the following indicators suggest November will be softer: Federal Reserve Bank Manufacturing Survey published by Texas, Kansas City, Richmond and Philadelphia districts reported weaker employment conditions during November; and The Institute for Supply Management's New York City Report eased a bit in November and the employment sub index declined from 82.1 to 72.7 this month.

Drexel acknowledges that the labor market and economy have plenty of momentum carrying forward, in the near term, but growth is expected to moderate during 2019. "Only about 18 percent of the recent economic releases have fallen short of expectations suggesting that the broad fundamentals remain constructive. However, there are policy and other risks that threaten this mid to late cycle expansion. I still expect continued steady job growth during the remainder of 2018, followed by somewhat slower growth during 2019," he predicts.

More About Cornerstone Staffing

Cornerstone Staffing Solutions is among the largest staffing firms in America and received Inavero's Best of Staffing® Client Award in 2016, 2017 and 2018. Since 2003, Cornerstone has grown from a neighborhood staffing provider to a national firm that employs thousands of people at hundreds of companies from coast to coast, including: California – San Francisco, Oakland, Sacramento and Los Angeles metropolitan areas; central Michigan; New Jersey; Maryland; and Las Vegas, Nev. The Cornerstone family of companies also includes Dallas, Texas-based Rightstone (www.rightstone.com), and Chicago, Illinois-based Arlington Resources, Inc. (www.arlingtonresources.com) and Casey Accounting & Finance Resources (www.caseyresources.com). Providing candidate searching and job placement for administrative, industrial, technical, sales and transportation positions, Cornerstone truly is where talent and jobs meet. Visit Cornerstone at: http://www.cornerstone-staffing.com.

# # #