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Staffing Solutions



NEWS ADVISORY

Steven Drexel, Staffing Industry Leader and Economist, Shares Observations and Explanations from January 2019's Encouraging Labor Report

304,000 net new jobs and the best earnings growth indicate the current expansion remains strong

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Pleasanton, Calif. (Feb. 5, 2019) — Steven Drexel, [Cornerstone Staffing Solutions](#) president and CEO, shares his January 2019 labor market observations following the Bureau of Labor Statistics' ("BLS") press releases on Feb 1. 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 January's report was encouraging with much better than expected 304,000 net new jobs and the best earnings growth of the current expansion. "This is a reassuring result given that economic anxiety had been elevated due to slowing global growth particularly in China and Europe, waning consumer confidence, trade tension with China, and the legislative tensions," he comments.

Drexel says that the remarkably strong employment report exceeded expectations and calmed the nerves of an anxious public who feared that the temporary federal government shutdown would impact the overall results along with slowing global growth, particularly in China and Europe, waning consumer confidence, and ongoing legislative tensions. "This was the unprecedented 100th month of sequential job growth stretching all the way back to 2009. The industry data was also reassuring in that the share of the 258 detailed industries that improved during January was 61 percent indicating fairly broad-based improvement," he states.

Unemployment Rate Update

Drexel notes that even though the unemployment rate increased by one tenth of a point to 4.0 percent, it is still at a historically low level indicating a tight labor market. "The elevation in the unemployment rate was impacted from the temporary federal government shutdown because, for the household survey, furloughed workers are counted as unemployed despite the fact that they are eligible for back pay."

Wage Rate Update

Drexel points out that Average Hourly Earnings improved again during January resulting in an annual growth rate of 3.2 percent. "This is the highest rate of the current expansion and the sixth consecutive month in which wage growth has exceeded 3 percent. At this point in a recovery, with a historically low unemployment rate, wage growth would be expected to be 4 percent or higher. This expansion has featured lower productivity growth, demographic changes (an aging workforce) and regional as well as global workforce competition all of which has the effect of suppressing wages," he says.

Employment Situation Retrospective

Drexel acknowledges that there was a high level of economic anxiety and uncertainty leading up to the BLS Employment Situation Report for January, but thankfully the January results were excellent and reassuring. "The unemployment rate is quite low but reassuringly, relatively stable over the past year. The overall statistics show the labor market while strong and enduring, is not overheating and has room to continue to grow."

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>.

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