



Cornerstone
Staffing Solutions



NEWS ADVISORY

Steven Drexel, Staffing Industry Leader and Economist, Provides Labor Update and Outlook for the Remainder of 2019

Overall the Labor Market Remains Remarkably Strong

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Pleasanton, Calif. (November 6, 2019) — Steven Drexel, [Cornerstone Staffing Solutions](#) president and CEO, shares his October 2019 labor market observations following the Bureau of Labor Statistics' ("BLS") press releases on November 1 describing The Employment Situation and his predictions on the remainder of 2019. 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 the report was notably better than expected with 128,000 net new jobs created. The unemployment rate edged up one-tenth of a percentage point to 3.6% during October, a welcome movement because it was caused by a robust 325,000-person escalation in the labor force during October. Drexel explains this is encouraging because it suggests that the well of available workers is not yet dry.

"Job growth, while clearly softer than 2018's stimulus-aided advance is still respectable and even on par with the 2017 rate of job growth," comments Drexel. "It is an important metric supporting consumer spending which is the key foundation for continued economic expansion in the United States. Remarkably, job growth has persisted now for 109 months which is unprecedented. Overall the Labor Market remains remarkably strong and powerful support for the broader economy."

Drexel notes that the BLS Employment Situation Report for October left little to complain or worry about. "After beating expectations during October and with sizable positive revisions to August and September, we are in a better place than anyone could have imagined. The labor market remains strong with room to grow in the near term. The unemployment rate is quite low but improving labor force participation provides additional growth opportunity," he says. Drexel sums up the Report by emphasizing that these factors along with prime-age labor force/employment participation rates and duration of unemployment statistics indicate that the labor market while solid and enduring is not overheating and has room to continue to grow.

The Remaining Outlook for 2019

Drexel provides the following observations of risks and rewards based on previous Employment Situation Reports and other economic factors:

- The broader economy is not as robust as it was during 2018 but is not fundamentally weaker than 2012 or 2016.
- The stock market has been volatile but recently set new records.

- Growth, particularly in China and Europe, is slowing, consumer and business confidence are off their peaks but remain broadly elevated, trade and political tensions remain high.
- The current business cycle expansion has persisted into its tenth year (compared to an average expansion of five or six years). This is our payback for enduring the historically severe, financial crisis-induced 2008 recession as well as the subsequent, slow-growth recovery and ongoing expansion.
- Expect 2019 jobs growth to average around 170,000 positions per month while the unemployment rate trends down to around 3.5 percent by year-end.
- The near-term risk of recession has been creeping down recently and remains low given the absence of any critically growing asset bubbles or an imminent financial shock.

"Over the longer term, labor shortages, trade and political tensions, growing government deficits, and uneven income distribution loom as potentially serious policy challenges. Presuming that trade and political tensions get resolved reasonably soon, the expansion should continue through at least 2020," Drexel explains. "The American consumer is in good shape. The banking system is healthy. U.S. growth is and will be slower than in 2018 but is still positive."

More About Cornerstone Staffing

Cornerstone Staffing Solutions is among the largest staffing firms in America and received ClearlyRated's (formerly Inavero) Best of Staffing® Client Award every consecutive year since 2016. 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. 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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