

March Employment Situation Overview

By Joanie Courtney, President RemX

In February, the U.S. created 235,000 jobs and the unemployment rate was little changed at 4.7 percent, according to the BLS employment situation report. Strong growth occurred in construction, private educational services, professional business services, manufacturing, and health care. Construction employment increased by 58,000, while the manufacturing sector added 28,000 jobs in February which is some of the strongest growth the US has seen in these sectors in many years and a very positive sign for the economy. Employment in professional and business services continued to trend up (+37,000) alongside health care which added 18,000 jobs last month. In other positive news, average hourly earnings rose by 6 cents to \$26.09. Over the year, average hourly earnings have risen by 71 cents, or 2.8 percent.



The February BLS job report was one of the best months for overall job growth and with positive revisions to last December and January it brings the last 3 month average of job growth to 209,000 jobs added per month. As we know, the labor market continues to be one of the most important economic indicators for the economy and the topic of jobs in America is certainly a focus for the new administration. Though we have seen job creation over the last few years, we have not seen strong monthly job gains. In fact, 2016 was a bit of a disappointment with only 2.2 million jobs created compared to 2.7 million in 2015 and 3 million in 2014. There is a tremendous amount of hope and optimism that we will see stronger job growth in 2017, especially in construction and manufacturing which were two of the hardest hit sectors during the recession. All eyes are on President Trump's plans to stimulate economic growth and create jobs in the USA. Even before he took office, he was working with manufacturers, such as Carrier to bring jobs back to the US. He continues to meet with CEO's and says he is committed to tax reform and ACA reform to stimulate the economy and create jobs for Americans. There does seem to be a sense of optimism and confidence with many corporations and by obvious signs of the stock market, we are hopeful to see employers investing and adding to their payrolls in 2017.

Overall, I am optimistic about economic growth and specifically our labor market situation. However, we will continue to see a tightening labor market and challenges around having enough highly skilled talent for all the demand. I expect to see employers continue to increase the use of contingent labor in all different skill sets and industry sectors. Whether we call it temp, contract or the "gig" economy, more and more workers are looking to participate in this group due to new and exciting opportunities, flexibility and earning potential. Employers need to realize that in a more competitive war for talent (yes, we are back to the war for talent), retaining top talent will become increasingly challenging. Employers must improve their candidate and employee experiences in this environment.

BLS Trends to Watch

Year-over-Year Labor Force Participation Rate



Labor Force Participation

Although we saw the labor participation rate slightly increase to 63% in February, it remains at a 40-year low.

Signs of Optimism:

- Strong stock market
- Promises for tax & healthcare reform
- Baby Boomer retirement delays
- Millennials/Gen Z entering workforce

BLS Trends to Watch

Manufacturing & Construction Employment

In 2016, we saw some positive momentum in the manufacturing and construction sectors, with early signs of continued growth for 2017. However, computerization, sophisticated robotics and continued advances in technology and 3D printing have changed the landscape of the manufacturing industry.

Signs of Optimism:

- The promise of manufacturing jobs returning to the U.S.
- New technologies have been designed to streamline process, create efficiencies, increase safety and ultimately improve productivity and profitability.
- Skills required will be different, with critical thinking, technical and problem-solving skills in higher demand.
- Expected to be a strong need for skilled trades, but likely a shortage of this talent.
- Over the past 12 months, construction has added 170,000 jobs.
- Baby Boomer retirement delays
- Millennials/Gen Z entering workforce

Unemployment Rates by Industry



MANUFACTURING



CONSTRUCTION



FINANCIAL ACTIVITIES

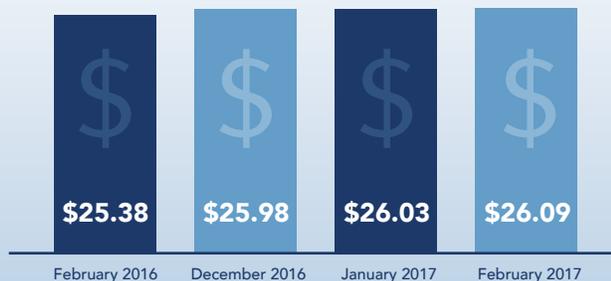


INFORMATION TECHNOLOGY (IT)



PROFESSIONAL AND BUSINESS SERVICES

Average Hourly Earnings for All Private Employees



Wage & Earnings Growth

Wage growth has been rather flat and stagnate over the last two years, with only 2.8% growth on a year-over-year basis.

Signs of Optimism:

- Strong economy and improved business conditions
- Low unemployment rate
- December 2016 saw a 6-cent increase in average hourly earnings.
- In February, average hourly earnings rose by 6 cents to \$26.09, following a 5-cent increase in January.
- Over the year, average hourly earnings have risen by 71 cents, or 2.8 percent.

Featured Industry – Contact Centers

The secret behind any high-performing contact center is its people – skilled and engaged agents able to hit the ground running when you need them. However, the contact center sector is plagued by high turnover rates. While the exact rate of turnover is widely reported, the average is between 30 and 45 percent. By comparison, the 2016 average employee turnover rate for all industries in the U.S. was 18.1 percent. Meanwhile, the employment of agents or representatives in contact centers is projected to grow 39 percent by 2024.¹ Given the fact that the revenue impact from a 10-percentage-point improvement in a company's customer experience score can translate into more than \$1 billion², the recruiting and hiring of the right talent is paramount.

With more than a decade of experience, RemX helps organizations reduce the cycle of attrition and gain a competitive advantage – by finding more of the right talent, the first time. This includes:

- Temporary, temp-to-hire and direct hire staffing, from entry-level to senior-level specialists and managers
- A proven model for effectively and efficiently managing staffing ramps and reductions
- Track record of success in improving talent engagement and retention
- Expertise in many industries including finance, healthcare and compliance

RemX was able to grow its clients business with outside the box recruiting and employee engagement. Because they are revenue generating, having all positions filled with quality candidates has increased our client's bottom line.



Due to the partnership with RemX, our client has been awarded new business quickly and has seen 15-20% growth year over year.

RemX was recently engaged as an exclusive staffing partner to deliver these very improvements and efficiencies. A Fortune 500 leader in the distribution of specialty drugs to physicians and other healthcare providers, our client needed to support their ever-growing client base by hiring a range of customer service representatives. They also needed to streamline recruiting processes to ensure that all positions were filled with quality candidates for the duration of its client projects. Despite the fact that healthcare candidates were in scarce supply, their business demands required highly qualified candidates and 100% fill rate.

In search of a single-source, strategic solution the organization chose RemX as its exclusive partner to staff more than 1,400 contract, contract-to-hire and direct hire positions nationwide. This partnership yielded higher caliber talent, responsiveness and cost efficiencies.

¹ Bureau of Labor Statistics, Employment Outlook 2014 – 2024

² Forrester Research Report, Transform the Contact Center for Customer Service Excellence.