

A Message from Our CEO

End of 2015

In December, layoffs were at their lowest in more than 15 years, indicating labor market strength even amongst a questionable global economy. U.S. payrolls surged in December and the job count for the end of 2015 was revised sharply higher, showing the economy on solid ground despite a troubling international backdrop. According to the Labor Department, nonfarm payrolls increased by 292,000 in December as unseasonably warm weather boosted hiring. These employment gains were concentrated in the services sector. Economists, who had cut fourth-quarter growth forecasts on previous soft economic data, had expected December payrolls to increase by only 200,000, so all-in-all the month ended on a positive note.



The 2015 job gains were the second largest since 1999. Overall, the unemployment rate held steady at a long-time low of 4.9% even as more people entered the labor force, which was a sign of confidence in the job market.

Start of 2016 and Future Outlook

Following December's impressive numbers, January 2016 saw significantly fewer jobs gained. While the gain of 151,000 jobs in January is still progress, it is not nearly as strong as previous months. Sectors most responsible for the gains were retail trade, food services/drinking places, health care, professional and business services, and manufacturing. The unemployment rate was minimally changed at 4.9%.

However, concerns about a slowdown in China (the world's second-largest economy after the U.S.) and slumping oil prices have caused many to enter 2016 with a hint of unease. Because of fracking (the controversial new way the U.S. produces oil and natural gas) and OPEC (a major squad of oil producers) refusing to stop pumping oil into the market, there has been significantly more oil supply than demand in the market. This imbalance has driven down prices to an 11-year low. While consumer wallets don't hate low oil prices, it has forced some energy companies to close or cut jobs. 2016 is even throwing a curveball to the Federal Reserve. Many policy-makers are in a state of confusion and have therefore found it premature to make a strong stand either way on the medium-term economic outlook. Nonetheless, a sizable number of officials remain optimistic that the market turmoil of early 2016 will not leave a lasting mark on the economy. A similarly optimistic school of thought is that the collapse of oil prices could in fact have surprisingly little impact, in aggregate, on

the domestic economy. Despite that lower stock prices are certainly draining wealth from households, falling oil prices are also putting money back into those same pockets.

And let's not forget that the donkeys and elephants will be duking it out through November in the 2016 presidential election. This electoral race will certainly not be short of surprises.

What Does this Mean for JOHNLEONARD?

While our economy has improved drastically since the Great Recession and trepidation has since subdued, Americans have not completely forgotten the instability, uncertainty, and for some, downright panic brought by the Dow Jones' 500+ point swings in 2008. And we can't deny that the start of 2016 has given some of us flashbacks of darker days.

So 2016 is a year of questions. Will oil prices rebound? Do oil prices *even matter* from an economic standpoint? Ultimately, will the U.S. consumer driven economy continue to grow and drive job growth? Who will be the next U.S. President?

One item I can guarantee for 2016 is **JOHNLEONARD's** commitment to you. Since 1969, through periods of economic boom and bust and through leadership by both donkeys and elephants, we've partnered with both employers and job seekers to help this country prosper. Competition is fierce for job seekers, especially as Generation Z enters the labor pool, but we know how to best prepare you. Flexibility and agility are more important than ever; and we continue to invest in the tools, people, and technological resources to bring that convenience to those we work with.

The **JOHNLEONARD** logo may look a bit different now and you may have noticed our website's facelift, but the values of dedication, perseverance, and long-term relationship building that we instilled on **JOHNLEONARD's** first day in 1969 remain at our core.

Sincerely,

Linda J. Poldoian

CEO