



## Q217 Quarterly Update

Dear Friends,

“Interesting” is an often overused term. But it sure describes things these days!

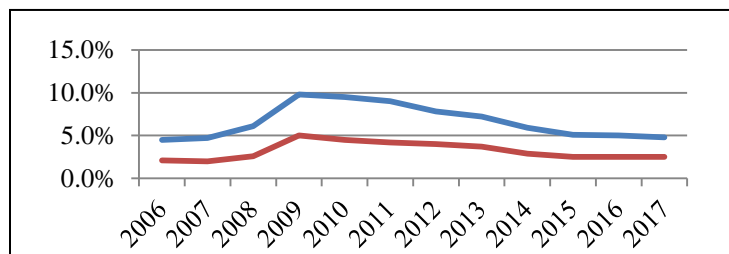
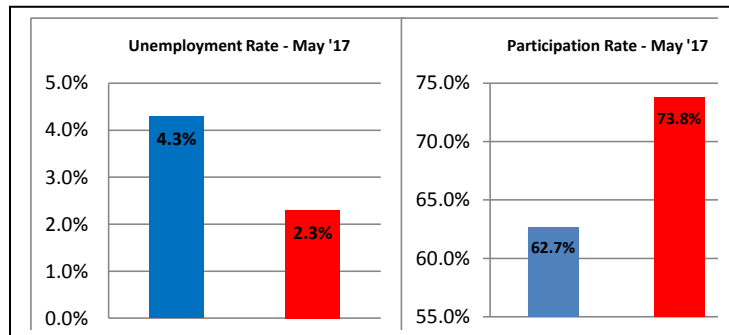
At a macro-level, there are four broad trends:

- The stock market, bond and gold prices and Bitcoin, along with some indications of consumer confidence are up.
- The hard data is pointing in both directions. On the one hand, the first quarter growth number was lower than expected, but unemployment is down, but job creation is also down.
- Despite numerous starts, many of the administrations promises haven’t yet come to fruition. But the House has passed something on health care – but the Senate hasn’t moved ... yet.
- There is more geopolitical risk than we’ve seen in a while, the assumption of how (and whether) the US leads internationally has been challenged.

One particular area where the rhetoric hasn’t matched the outcome has been on trade. For example, on the verge of announcing US withdrawal from NAFTA, the administration announced that renegotiations would instead follow. Indeed, the administration has been lobbied hard by industries that rely heavily on trade (think agriculture and aerospace), and the administration seems to understand that tearing up trade agreements would have a lot of consequences, many of which aren’t what the administration says it wants to accomplish.

Another area where “the law of unintended consequences” has popped up is energy. By announcing expanded exploration, the administration has put downward pressure on oil prices, which generally hurts rather than helps the oil industry. And yet, big oil profits have been up, while prices have remained down. Not even an OPEC supply agreement (with Russian support) has moved oil prices up.

So what does all of this mean? Usually uncertainty is not good for business, because it makes it challenging to make investment decisions if you don’t know the world you are investing in. And this may explain some of the softening in GDP. But on the whole, it appears that the economy is continuing to grow and that businesses are continuing to invest. On the other hand, we are dealing with very little data, and “one point doesn’t make a line”. It will likely take a few more quarters to see if there is a sustained trend ... in any direction.



### Annual US Unemployment Rate

--- General US Population

--- College Educated US Population

Source: Labor Force Statistics from the current population survey (May 2017), United States Department of Labor, Bureau of Labor Statistics

With these macro trends as a backdrop, we are seeing the following: Our clients continue to hire, and they continue to hire roles that are premised on growth and investment. For example, we have seen an uptick in strategy and marketing hiring in our segments of B2B industrial and technology. The hiring is heaviest at the Vice President level, which bodes well for further hiring as the executives expand their teams across the operating units.

As always, we welcome your thoughts and observations. Join the conversation.

--Lisa Walker

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