Leadership Capital Advisors
Talent Matters

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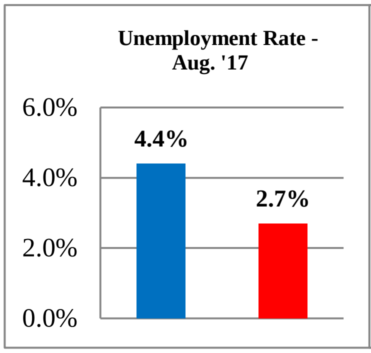
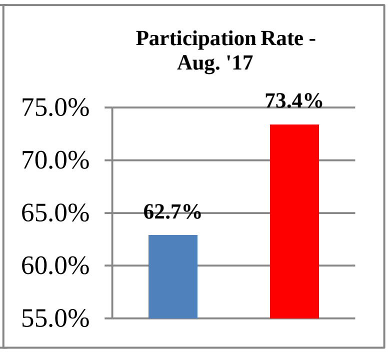
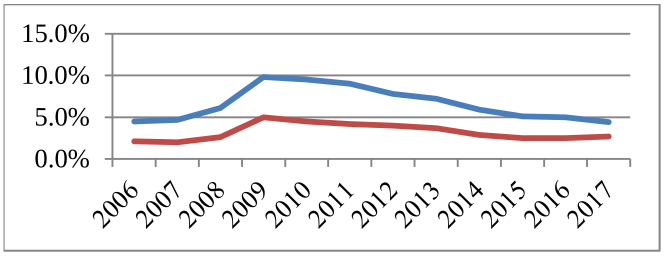
Q317 Quarterly Update







Annual US Unemployment Rate
---- General US Population
---- College Educated US Population
Source: Labor Force Statistics from the current population survey (August 2017), United States Department of Labor, Bureau of Labor Statistics

Dear Friends,

As summer turns to fall, our thoughts are with our friends in Puerto Rico, South Texas and Florida who are suffering the extraordinary force of nature.

Once again, this quarter we find a lack of clarity on what the future holds. We are reminded of Winston Churchill summoning a waiter with the instructions: “Take away this pudding. It has no theme.” There are so many cross-currents in the world today, that it is hard to figure out where we’re going. Just a few examples: tensions on the Korean Peninsula; the simultaneous rise and fall of populism around the world; the efforts to modernize the French labor code; the question of a soft or hard or no Brexit (with months to go!); corruption so wide-ranging in Brazil that investigators recently found about millions in cash in an apartment “used” by members of Congress; and weather, including the less covered deadly monsoons that have hit Bangladesh. Oh, and then there’s what’s going on in Washington.

So, what does this mean for the economy generally, and talent in particular? Well there, the signs are noticeably positive. The US economy continues to expand. GDP and jobs continue to grow, although at lumpy and sometimes disappointing rates. Plus the Fed continues to appear just about ready to start raising rates very soon. Similarly, Europe is growing, so much so that the ECB is talking about raising rates as well. What both central banks are struggling with is concern over a lack of inflationary pressures. This, of course, begs the question of whether we are in a period where economic activity that changes so quickly that many of our measurements (especially GDP and inflation) are fundamentally flawed.

On the talent front, demand for top talent continues to be strong. As things like automation and now artificial intelligence continue to make an impact, companies need the best, most creative minds they can find. They also need people who can execute and can manage change. Every business needs not only to react to the disruption around us, but also to make a few proactive (not just reactive) bets. In any market, there is an edge between buyers or sellers. In the talent market, the edge continues to be on the seller (employee) side. As an indicator, it is a good sign for the economy as a whole, but it can also be frustrating for employers.

In summary, we remain optimistic. There isn’t a clear cloud or bubble on the horizon, although “pricing” (i.e., compensation) is facing upward pressure. Additionally, as the stock market has risen on a bullish economy, so has the cost of buying out candidate equity. Thus, the “golden handcuffs” of equity are doing their job. As we have observed for many quarters now, the relatively slow recovery is also the basis for a long recovery. We don’t see an imminent change on that front.

As always, we welcome your feedback. What are you seeing? Do you agree? More interestingly, do you disagree?

Recent Placements Include:

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- Vice President, Sales and Marketing
- Vice President, Marketing
- Director, Strategy

--Lisa and the LCA Team

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