

## UNITED STATES

### The Recovery Becomes More Broad-Based

Since the economy began to add jobs around October of last year, the news has been good for professionals and those with four-year college degrees. For those with less than a four-year degree, the news has been stark, with negative job growth continuing — even accelerating — until April.

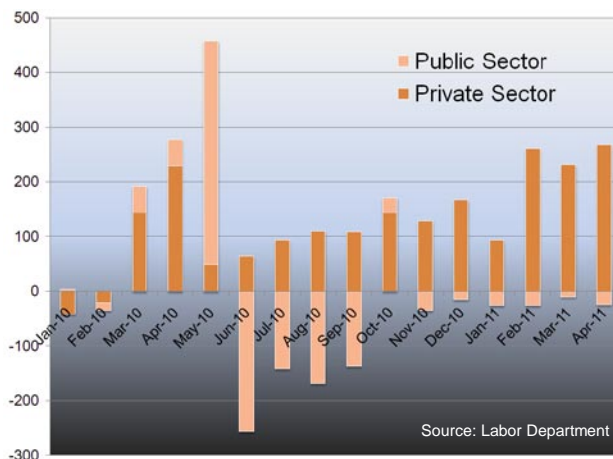
In April, the growth of jobs requiring four-year college degrees ground to a halt, whereas job growth began for those with less education as bars, food services establishments, gambling, amusement and recreational facilities staffed up. These are places where people spend money most frequently when there is extra money to be spent.

"As executive recruiters, we like to see the increases in professional-level employment — that's a great short-term indicator for us," says Rob Romaine, president of MRINetwork. "The fact that job growth has moved beyond the professional ranks, though, is a much more important long-term indicator of growth in the economy. It shows that the 700,000 or so professionals who started jobs since the beginning of the year are now spending the money they make at other businesses."

Many professional positions are said to create as many as two or three additional jobs in their community. This isn't just because of the money they spend on food, entertainment or consumer goods, but also because their employers spend money on office cleaning services, office equipment and furniture, health insurance and 401(k) plans. Employees at each of those companies then spend their earnings, also creating more jobs, and slowly the economy recovers.

In total, 244,000 jobs were created in April according to the Labor Department — a strong gain by any measure. Yet, the unemployment rate increased by two tenths of a percent in the month. While many jobs were added, even more people who had given up on finding work started searching again. Although it is a common post-recession phenomenon, it has taken longer than usual to appear during this recovery.

#### Change in Total U.S. Employment by Sector (in thousands)



### Recent MRINetwork® Analysis

*On the heels of the Great Recession, unemployment remains high. "Headcount is so low, salaried employees are probably doing a job-and-a-half minimum, maybe two jobs, and they can't get away," noted Mickey Kampsen, president of MRINetwork's Management Recruiters of Charlottesville.*

*"They are trying to bring as much value as possible to their company in order to keep their job," she said. "You've got to show you are one of the loyal soldiers."*

Mickey Kampsen  
Management Recruiters of Charlottesville  
As quoted on CNNMoney.com  
May 25, 2011

### Notable International Events

- Toughening austerity measures across Europe helped to drive down an index of executive and consumer sentiment in the 17-member euro region from 106.1 to 105.5 in May, its third monthly drop.
- Japan officially slipped back into recession following the March 11 earthquake, tsunami and nuclear disaster. The Organisation for Economic Cooperation and Development now projects that the Japanese economy will contract by 0.9 percent in 2011, versus previous forecasts of 1.7 percent growth.

"Demand for the top candidates, those who either never lost work or were quickly picked up if they were laid off, is as high as ever now that employers are in a hiring mode. And now that employees are moving away from their survival mindset, we are seeing candidates become available who hadn't been for the last several years," notes Romaine.

The top candidates are strategic and career-minded, and weren't going to change jobs in the midst of a recession — not only because the job they would have moved to may be less secure, but also because the bump in pay likely wouldn't have been worth it. The U.S. quit rate bottomed out at 1.1 percent in January 2010 and has since rebounded to 1.5 percent, its highest reading since the beginning of 2009.

"Today, employers are using more attractive offers to lure candidates than we have seen in years," says Romaine, "Those employers who are willing to make the investment are going to bring top talent into their organizations at the best possible time to drive growth."

# CHILE

## A Copper Fueled Economy

There is evidence that natives in the Altiplano region of southern Peru, Bolivia, and Chile were smelting copper sulphides as early as 2000 BC. It was the start of a long relationship with the metal. On September 11, 1973, when a coup d'état overthrew the Chilean government, it was widely believed to be motivated by President Salvador Allende's moves to nationalize the country's copper mines, many of which were owned by American interests.

Today, as much of the world struggles to maintain meaningful economic growth, Chile's copper reserves have helped to not only bankroll the country through the economic crisis, but they are now driving GDP growth at a speed some would consider too fast and risking inflation.

"In Chile right now, we are extremely optimistic," says Matias Fernández, managing partner of MCR International, Ltda., an MRINetwork affiliate in Santiago. "We have a new president who is committed to developing our economy and we have already started to see results. Business leaders are confident and the malls are packed!"

The Central Bank of Chile has been trying to cool that optimism by raising interest rates and newly elected President Sebastian Piñera has even made plans to slash government spending by \$750 million to help slow economic growth. Yet, in the first quarter, GDP grew by 9.8 percent year-over-year, powered by a

12.6 percent jump in consumer spending and a 28.4 percent jump in capital investment on machinery and equipment.

"We are seeing strong growth for engineers and construction-related positions, driven especially by mining investment," says Fernández. "While currently we can find most of the talent needed locally, within five years we expect more and more of our searches to require international candidates."

As the country continues to rapidly grow, however, energy and energy sources are becoming a flashpoint. Nearly 99 percent of the country's oil supply comes from non-domestic supplies, and only a small fraction of Chile's 15,000 megawatts comes from renewable sources.

Reliable sources of energy will be critical to maintaining the largely manufacturing and export-based economy that has been created in recent years. However, a plan to erect a series of five hydroelectric plants in Patagonia, which could produce as much as a fifth of the country's electricity needs, has been met by steep opposition from the environmental lobby.

Fernández points out, "Chile is in the lucky position of having both the will and the resources to further develop the economy." Other countries throughout the continent have had similar natural resource-driven booms in recent years but Chile seems to have been the most aggressive in reinvesting its economic windfall into long-term infrastructure improvements.

# NEW JERSEY

## State Begins to Grow Again

New Jersey holds a large place in the American psyche ranging from the gangsters of Atlantic City to the "socialites" of the Jersey shore, to geniuses of Princeton, like alumni Richard Feynman, John Nash and frequent lecturer Albert Einstein.

While the state has begrudgingly taken the role of punch line in more than a few jokes, New Jersey is getting to take the last laugh while experiencing a modest economic recovery across a number of sectors.

According to the Bureau of Labor Statistics, the unemployment rate in New Jersey for April — the latest month for which data is available — was 9.3 percent, 0.3 percent higher than the United States as a whole. Still, it is an improvement from the 9.8 percent rate the Garden State had in January 2010.

Another encouraging sign for the economic recovery in New Jersey is the fact that the state added 14,000 jobs in April and 32,000 jobs since January, according to the N.J. Department of Labor and Workforce Development (LWD).

Contributing the most jobs to the state was the utility sector, which added 8,300 positions during the month. Other big gains were in the manufacturing and health and education sectors, according to LWD.

The state is experiencing shifts in a number of other sectors as well, including clinical research.

Scott Rivers, the managing director of Altimax, an MRINetwork affiliate in Westwood, says that despite the economic downturn, there is still a large amount of clinical research being conducted in New Jersey.

"Pharmaceutical and biotech companies are continuing to do research because the revenue is tied to getting these pharmaceuticals to the marketplace," Rivers says.

One such clinical trial that is progressing is Hoboken-based Anavex Life Sciences Corp.'s attempt to find an effective treatment for Alzheimer's disease. The company announced that ANAVEX 2-73 was advancing through Phase I of its clinical trial.

The IT industry in New Jersey is not doing quite as well as other sectors, as the LWD reported that the sector lost 1,700 jobs in April. Still, Rivers said that he is seeing some positive signs for IT.

One such sign was the announcement that DuPont Fabros Technology, Inc. received LEED Gold certification from the U.S. Green Building Council, which shows that the industry is continuing to keep up with current trends even during these tough economic times.

Overall, Rivers said that he believes things will continue to improve in New Jersey over the coming months.

The outlook is promising, notes Rivers. "As we continue to see the economy getting better, more and more businesses are going to start opening up new positions within their organizations," he says.