2015 Overall Economic Employment Forecast©

by Kathy Graham

"I look forward to Kathy's annual employment situation forecasts. She peels the opportunity onion to cook up an outstanding analysis, even if it causes tears some years. Near as I can tell, she's on an eleven year streak of spot-on winning calls."– Gerald W. Laurain, CFA, SVP, Chief Investment Officer, Wealth Management, First Tennessee Bank

SUMMARY:

For the last almost dozen years, I've given an overall economic employment forecast…and I've been "right on" each time. So why am I so late getting out my 2015 Overall Economic Employment Forecast? Because it's BORING! First off, almost everyone—and I mean almost everyone—knew by the end of 2014 that this year was going to be a good year for businesses and careers if you live in the U.S. and a not-so-good year in comparison elsewhere—so why should I rush to say what the chorus is singing?

Furthermore, I've looked high and low for trends that others might have missed that could be emerging in 2015…and THERE ARE NO BIG NEW TRENDS to talk about. This statement is from someone who for:

- 2014 forecasted the short supply chain
- 2011 the risk of Internet security/traffic breached/halted/crippled
- 2008 the start of the Great Recession
- 2007 the convergence of financial sectors (there once was a time when a hedge fund was a separate entity from a bank)
- 2004 the advent of true globalization via outsourcing.

IT'S BORING THIS YEAR…but in a good way. Sure, there is always the likelihood of "The Usual 21st Century Risks," such as terrorism, pandemics, operational risks, disorderly exchange rate adjustments, and technology risks, but this year nothing sticks out as highly likely to be nationally disruptive. On the other side, nothing stands out that points to 2015 being a boom year.

My personal coach reminds me, the over-achiever, that many times being good—not great, not perfect—is good enough. So enjoy this year if you're in the U.S. Use it as an opportunity to grow your career and grow your company because sometimes boring can be good and profitable…and this year, that's good enough.

Therefore, my 2015 Overall Economic Employment Forecast is that it will be a period of more growth—including employment growth—in most industries in the U.S. Unfortunately, it will be more of a mixed bag for the rest of the world, depending upon how reliant the country is on Russia or China for critical resources or exports, respectively.

BTW, my 2014 Overall Economic Employment Forecast was correct in saying that 2014 would be the year that the U.S. would finally have a GDP higher than 3.0—which it did—and there would occur five structural shifts (short supply chain emergence and work force composition, energy source, communication, and U.S. consumption patterns changes)—which all occurred—making all eleven of my annual predictions to date accurate.

Finally, my recommendations for U.S. job market participants are:

- AVOID THE MINING SECTOR: including heavy equipment and related suppliers, as China's controlled growth slowdown will be impacting demand negatively in 2015. Less demand = less need for employees = fewer jobs and career growth opportunities, which results in fewer reasons for companies to increase compensation.
- FOCUS ON ENHANCING/HIGHLIGHTING YOUR TECHNICAL/SPECIALTY SKILLS: Whether you're a truck driver (which is a big demand area), crane or specialty equipment operator/engineer (another big demand area), or a forensic financial researcher uncovering whether intent to defraud was present in a transaction, asset allocation, etc. (a super-hot area), what will be paying the most and offering the most career growth this year are your specialty skills. So ask yourself:

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what is my sustainable competitive advantage that I do better than most naturally? What certification or education can I obtain this year to enhance my capabilities in that area? How can I educate those in my company, my clients, and my potential future contacts that I have those skills?

- DON'T GIVE UP ON THE ENERGY SECTOR: Yes, right now the professionals in demand by that sector will be bankruptcy attorneys and M&A specialists as those firms who can't survive this year's low energy prices disappear or are acquired by the companies who can produce at even $40/barrel. After this wave dissipates, however, we're probably looking at a repeat of what followed in 1985-86, which was 15 years of low energy prices. Add to this scenario a number of disruptive (electric cars by Apple, anyone?) and more efficient technologies (the ability to see where the oil in the shale is before digging a well is one) emerging on the scene means that the stage is set for more professionals to join and grow with these new and old technology firms later this year.

HISTORY & PROCESS:

Since 2002 I've been presenting an Overall Economic Employment Forecast, which to date has been completely accurate each year. I've used the same process each year, including for 2015's Forecast.

My Overall Economic Employment Forecasts are produced by making a list of all the economic indicators in the current year that are relevant to predicting the next year's job status. In particular, my focus is on the financial industry (i.e., asset management, banking, corporate, hedge funds, investment banking, private equity, real estate, research, and turnaround/workout sectors) because I've noticed a number of useful recurring leading indicators related to the ebbs/flows of monies in that industry.

The leading economic indicators used are: fiscal and industry statistics; senior management's outlook; status of retained search recruiters; and personal perceptions of people in the different sectors (what I call "word on the street").

Then this list of economic indicators is divided into two categories:

- ones that are likely to have a negative effect on job creation;
- ones that are likely to have a positive effect on job creation.

The last step is easy. Those job holders with more negative economic impacts than positive ones probably will have a no growth to slow growth in this year's job forecast. Those whose fields are affected by more positive than negative economic impacts will benefit, which will vary from some job growth to really hot demand for their skills.

Analyzing the current year's economic indicators to forecast job demand works because both a person's career and job are second derivatives. You see, what first determines the value of a person's skill set is the supply and demand level for the expertise stage the person is at whose career or job is being considered … BUT this first factor's value is dependent upon the status of the underlying economy, which makes a person's career and job second derivatives.

People routinely forget that much more than their own performance and education determines their pay level, the availability of positions, and even the speed of their career progression. Remembering that jobs and careers are dependent upon what happens in the underlying economy makes career decisions—and annual financial services job forecasts—more effective.

Identifying the overall trends becomes apparent using this process because finance is the engine that drives the entire economy. When you see where the money is flowing, overall trends become quite obvious.

For those who are interested in more details, on the following pages are some of the more influential materials that I researched in preparing this forecast.

THE LEADING INDICATORS SAY:

What's negative:

✪ **STATISTICS: <u>Challenger, Gray & Christmas</u>** reports that "job cut announcements surged to their highest level in nearly two years, as falling oil prices prompted cost-cutting efforts in energy and related industries; the majority of job seekers not confident that they could find new employment inside of three months despite significant improvements in the 2014 job market; and planned workforce reductions in the technology sector rose to the largest year-end total since 2009."

✪ **STATISTICS: <u>The Usual 21st Century Risks</u>** such as terrorism, energy, pan-epidemics, healthcare costs, and operational risks (key person, fraud, settlement, judge track record, claim liability, disputed and contingent claims, holding period, liquidation, tax issues, compliance, IT, legal, infrastructure, etc…), disorderly exchange rate adjustment risks, and the possibility of technology risk, such as the Internet security being breached or Internet traffic halted/crippled in any considerable degree or time period for a significant sector like financial, security, or government activities.

✪ **STATISTICS: <u>S&P's Global Fixed Income 1/30/15 Report:</u>** "The U.S. corporate bond distress opened the new year at an elevated 13.4% as of 1/14/15, which is lower than 13.8% in December 2014 but represents a big expansion from 8.1% in November, 5% in September, and a recent low of 4.7% in June. 'Recent drops in oil prices have impacted the profitability of oil and gas companies (particularly the exploration and production segment) whose spreads have widened considerably, and that spread expansion had a spillover effect to the broader speculative-grade spectrum as a whole…The distress ratio generally trended lower since the second half of 2012, however, it's been at an elevated level since October and is a leading indicator and typically a precursor to more defaults.

✪ **STATISTICS: <u>WSJ 2/6/15 *U.S. ECONOMY: Job Market Looks Ripe for Liftoff: Best Stretch of Hiring Since 1997 Suggests Stronger Wage Growth Ahead*</u>**: "January's wage gains are still weak historically, below the annual growth of 3% or more seen before the recession…And the labor market still has room for improvement. Unemployment remains above the 5.2% to 5.5% that the Fed considers the economy's long-run average…[the labor force expansion] pushed up the nation's labor force participation rate by two-tenths of a point to 62.9%, still near a three-decade low."

✪ **MANAGEMENT: <u>WSJ *12/15/14 Oil price fall threatens $1Tn of projects:*</u>** "Almost $1tn of spending on future oil projects is at risk after a brutal plunge in crude prices to nearly $60 a barrel, Goldman Sachs has warned. Any cancellation of these developments would deprive the world of 7.5m barrels a day of new output over the coming decade—or 8 per cent of current global oil demand…Goldman has examined 400 oil and gas fields around the world, many of which are still awaiting a final investment decision. Its analysis, based on a $70 oil price, shows that fields representing 2.3m b/d of output by 2020 and awaiting a green light have now become uneconomic. The analysis excludes US shale.

✪ **MANAGEMENT: <u>Cumberland Advisors 1/16/15 Commentary: *Switzerland – Chapter 2:*</u>** "Russian businesses secured loans denominated in low-interest foreign currencies, including the Swiss franc. The franc was then pegged to the euro. The collateral for the loans depended on an assumption of $100 oil and a Russian ruble that has since plummeted. It appears that some of these agents now cannot pay. Real estate speculators in Warsaw pledged their real estate to secure loans in Swiss francs…Many of these borrowers are now sweating bullets…We do not know how much debt there is, who the borrowers are, or what banks and intermediaries are involved in the loans. We do not know what supervision and regulation have been applied, since this is activity that is mostly outside the US and thus not supervised under the post-Dodd Frank regulatory regime."

What's positive:

✪ **STATISTICS: <u>January 2015 Federal Reserve's Current Economic Conditions:</u>** "Reports from the 12 Federal Reserve Districts suggest that national economic activity continued to expand during the reporting period of mid-November through late December, with most Districts reporting a "modest" or "moderate" pace of growth…consumer spending increased in most Districts…manufacturing activity expanded…"

THE LEADING INDICATORS SAY continued:

What's positive continued:

✪ **STATISTICS: The Moody's Investors Service Report:** "The trailing 12-month global speculative-grade default rate finished the fourth quarter of 2014 down for the third quarter and close to the rating agency's year-ago forecast of 2.3%...Looking ahead, widening high-yield spreads, geopolitical concerns and weak economic growth outside the US may put some upward pressure on the global default rate. However, an improving US economy, together with ample liquidity and manageable maturity profiles should keep the default rate low by historical standards."

✪ **STATISTICS: Challenger, Gray & Christmas** reports that "the percentage of job seekers relocating for new positions in the last half of 2014 rose to its highest level in five years, ass ongoing improvements in the employment and housing markets made moving for employment a more palatable option for those in transition and the number of overall job cuts declined in 2014 to the lowest level since 1997."

✪ **STATISTICS: World Bank's annual *Global Economic Prospects*:** "There are particularly interesting parallels between the recent [decline in oil prices] and the collapse in oil prices in 1985-86. After the sharp increase in oil prices in the 1970s, technological developments made possible to reduce the intensity of oil consumption and to extract oil from various offshore fields. After Saudi Arabia changed policy in December 1985 to increase its market share, the price of oil declined by 61 per cent. Following this episode, low oil prices prevailed for more than 15 years…Lower oil prices reduce energy costs generally, as prices of competing energy materials are forced down, too, and oil-fired electrical power is cheaper to produce. In addition, since oil is feedstock for various sectors, including petrochemicals, paper, and aluminum, the decline in price directly impacts a wide range of processed or semi-processed inputs. The transportation, petrochemicals, and agricultural sectors, and some manufacturing industries, would be major beneficiaries from lower prices…Recent developments in oil markets will also require adjustments in macroeconomic and financial policies in other oil-exporting countries, including Russia, Venezuela, and Nigeria…A 10 percent decrease in oil price would raise growth in oil-importing economies by some 0.1-0.5 percentage points…In China, for example, the impact of lower oil prices on growth is expected to boost activity by 0.1-0.2 percent because oil accounts for only 18 percent of energy consumption [they burn coal primarily]…China remains the second-largest oil importer [U.S. is #1]. Several other large oil-importing emerging market economies also stand to benefit from lower oil prices. In Brazil, India, Indonesia, South Africa and Turkey, the fall in oil prices will help lower inflation and reduce current account deficits—a major source of vulnerability for many of these countries…A sharp recession in Russia would dampen growth in Central Asia, while weakening external accounts in Venezuela or the Gulf Cooperation council countries may put at risk external financial support they provide to neighboring countries…Low oil prices have already led investors to reassess growth prospects of oil-exporting countries. This has contributed to capital outflows, reserve losses, sharp depreciations, or rising sovereign CDS spreads in many oil-exporting countries, including in Russia, Venezuela, Colombia, Nigeria, and Angola. Growth slowdowns in oil-exporting countries could also strain corporate balance sheets and raise nonperforming loans.

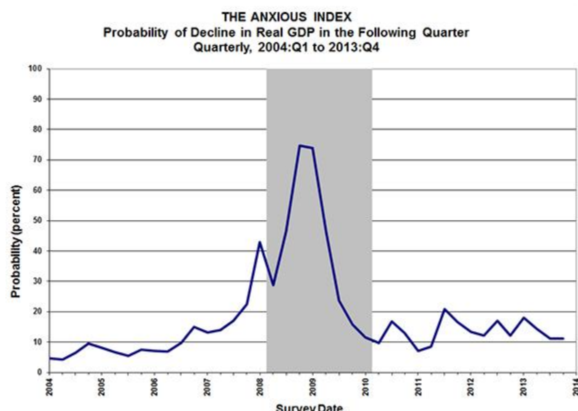
✪ **STATISTICS: The IMF Growth Forecast:** "According to the IMF, the U.S. will lead the world's advanced economies in GDP growth in 2015, with a projected increase of 3.1%. Overall improvements in the [U.S.] labor market continue and the rate of private investment is expected to rise…the growth forecast for China, where investment growth has slowed and is expected to moderate further, has been marked down to below 7 percent. The [Chinese] authorities are now expected to put greater weight on reducing vulnerabilities from recent rapid credit and investment growth and hence the forecast assumes less of a policy response to the underlying moderation. This lower growth, however, is affecting the rest of Asia…Russia's economic outlook is much weaker as a result to the economic impact of sharply lower oil prices and increased geopolitical tensions."

✪ **STATISTICS: OECD Economic Outlook:** US: 3.1 GDP; Euro: 1.1; Japan:0.8; China: 7.1. are the projections for 2015. "In the advanced economies, growth is set to be stronger in the U.S. and the U.K. than in the euro area and Japan. Unemployment will remain particularly high in the euro are. In the emerging market economies, growth will edge down in China, remain weak in Russia and Brazil, but will recover steadily in India, Indonesia, and South Africa."

✪ **STATISTICS: The Chicago Fed National Activity Index CFNAI-MA3:** The index's three-month moving average,CFNAI-MA3, for January suggests that growth in national economic activity was above its historical trend (note: this index is a leading indicator of recessions beginning and ending).

✪ **STATISTICS: Non-Manufacturing ISM Report on Business Employment:** "The economic activity in the non-manufacturing sector grew in January for the 60th consecutive month.—it was higher than the December reading, which represents continued growth in the non-manufacturing sector and reflecting growth for the 66th consecutive month at a faster rate. The Employment Index indicated growth for the 11th consecutive month.

✪ **STATISTICS: The Anxious Index**, which is what Table Four's Estimated Probability of Decline in Real GDP in The Federal Reserve Bank of Philadelphia's quarterly Survey of Professional Forecasters has been dubbed because that number is known for rising as recessions begin, peaking during them, and then declining when recovery is imminent. Graph results below are obvious.



✪ **STATISTICS: ADP Report:** is still very positive for all of 2014 and January on Historical Trend chart.

✪ **STATISTICS: Manufacturing ISM Report on Business Employment:** "Economic activity in the manufacturing sector expanded in January for the 25th consecutive month, and the overall economy grew for the 68th consecutive month…Comments from the panel indicate that most industries, but not all, are experiencing strong demand as 2015 kicks off. The West Coast dock slowdown continues to be a problem, negatively impacting both exports and imports as well as inventories."

✪ **MANAGEMENT: The Conference Board Measure of CEO Confidence:** "The 'Measure of CEO Confidence™ increased in fourth quarter 2014 from 59 to 60 (a reading of more than 50 points reflects more positive than negative responses) with CEOs more positive in their assessment of current economic conditions in the US but rated conditions in Japan, Europe, China, and Brazil less favorably (India was unchanged). Only short-term expectations for the U.S. improved.

✪ **STATISTICS: Bloomberg Businessweek 1/13/15 *Jobs Machine in U.S. Created More Than Burger Flippers Last Year*:** "The biggest private employment increase in 17 years was driven by gains among above-average paying jobs, dispelling the popular notion that the U.S. is turning into a nation of fast-food workers. Industries that pay employees more than the average for all workers accounted for 66 percent of total jobs created in 2014, based on data compiled by Bloomberg from Labor Department records. Business services—staffing agencies, accountants, consultants and computer-system designers—and goods producers, including construction firms and manufacturers, were among those hiring the most. The pickup indicated the high-flying jobs that were hit hardest during the worst recession in the post-World War II era are making a comeback as the economic expansion gathers momentum…High-paying jobs now make up the same share of total employment as in 2007, before the recession began…"

✪ **STATISTICS: WSJ 2/6/15 *U.S. ECONOMY: Job Market Looks Ripe for Liftoff: Best Stretch of Hiring Since 1997 Suggests Stronger Wage Growth Ahead*:** "The best three-month stretch of hiring since 1997 has positioned the U.S. labor market to start delivering stronger wage growth for a wider swath of Americans after more than five years of sluggish recovery from a deep recession…More and more workers are quitting jobs for better ones, after years in which they settled for anything they could find, forcing companies to consider boosting compensation…The labor force expanded by more than 700,000 last month as the number of job seekers rose.

✪ **MANAGEMENT: The Conference Board Employment Trends Index (ETI):** "The index now stands at 127.86, up from December and a 7.6% gain in the ETI compared to a year ago. It suggests that strong job growth is likely to continue through the first half of the year."

✪ **MANAGEMENT: National Federation of Independent Business Small Business Optimism:** The December 2014 gain that took the Index over 100 fell in January 2015 to 97.9, but "still, the Index indicates that the small business sector is operating in a somewhat 'normal' zone."

✪ **MANAGEMENT: DUKE/CFO Magazine Study:** U.S. continue to gain more optimism about the U.S. economy and their own businesses' performance while most other countries are muddled/mired, the Chinese less optimistic, and the Japanese outlook dropped to lowest level in 2014.

✪ **MANAGEMENT: Vistage Small Business CEO Confidence Index:** "Confidence among CEOs of small, mid-sized businesses hits 10-year high—levels last seen during the pre-recession years of the early 2000s—according to Visage CEO Confidence Index, the largest survey of chief executives from small-and medium-sized businesses in the U.S.—indicates that the majority believe the economy has made substantial progress and will continue to grow in 2015."

✪ **MANAGEMENT: Guggenheim CIO Scott Minerd 12/11/14 blog commentary:** "The decline in oil prices reflects not just oversupply, but shrinking global demand due to economic malaise in Europe and Asia. The grim situation in Europe means we are likely to continue to see downward pressure on energy prices and commodity prices, including copper and other industrial metals."

✪ **MANAGEMENT: Financial Times 12/16/14 *The roots of Russia's Black Tuesday: the devil in the data:*** "Those seeking an explanation for the ruble sell-off should look no further than the price of crude oil. ICE January Brent—the international benchmark—fell below $60 a barrel on Tuesday, a five and a half year low and nearly half the $115 a barrel price of six months ago. Oil and gas account for roughly three-quarters of Russia's exports and more than half of the government's budget revenue…with the steep depreciation of the rouble feeding into higher import costs, economists fear prices could rise at a double-digit pace…squeeze consumers' income, weighing on consumption…In a statement this week, the Russian central bank said it expected the economy to contract by about 4.5 per cent next year…"

✪ **MANAGEMENT: WSJ 12/21/14 *Why Saudis Decided Not to Prop Up Oil:*** "the U.S.'s emergence as an energy rival is testing this [U.S./Saudis] foundation in ways not yet widely appreciated…Saudi officials can survive at least two years with low prices, thanks partly to the kingdom's $750B foreign-exchange reserves. Arab officials believe many less-efficient producers will be driven out of the market. Still [Saudis] may underestimate how technology and the shale-oil boom have fundamentally altered energy markets. Many U.S. companies can make money or break even with oil below $40…During the 1980s, the Reagan administration credited the Saudis with maintaining high oil production to drive down prices and weaken the Soviet Union's finances. The price drop also fueled an economic recovery in the U.S…U.S. and Arab officials have privately gushed that the decline could undercut the ability of Tehran, Moscow and Caracas to play destabilizing roles globally, and have voiced optimism that Iran's financial woes could force it into more nuclear concessions."

✪ **MANAGEMENT: WSJ 1/12/15 *As Oil Slips Below $50, Canada Digs In for Long Haul:*** "Unlike shale oil, which requires constant drilling of new wells to maintain output levels, once an oil-sands site is developed it will produce tens or hundreds of thousands of barrels a day, steadily, for up to three decades. Major producer Canadian Natural Resources Ltd. became the latest to underscore the resilience of oil-sands growth. The company said it still expects overall output to grow about 7% over 2014 levels, and it vowed to keep spending on expanding output at its biggest oil-sands mine over the next two years…[It] will continue expanding production because it expects higher volume will cut operating expenses at its mainstay Horizon mine, currently at 37.13 Canadian dollars a barrel, by at least another 10 Canadian dollars a barrel…Canadian crude exports to the U.S. exceeded 3 million barrels a day in 2014, a record volume that helped displace other imports, and producers are looking to tap European and Asian markets. Moves such as those by Canadian Natural ensure the oil sands will continue adding tot the global oil glut for a long time to come, regardless of the price of crude…Existing oil sands surface mines can make money at about $30 a barrel, and the most efficient underground oil sands projects run by Cenovus Energy Inc., a big Canadian operator, can stay in the black at $35 a barrel…few of the largest producers in Canada envision scaling back production at their oil-sands operations. That strategy puts Canada on a collision course with Saudi Arabia and other low-cost producers seeking to shore up market share and force marginal producers to the sidelines…Oil-sands operators in Canada say they are confident demand for heavy oil-sands crude will continue to rise, especially from their best customer—the U.S., which is still the world's largest consumer of oil. North America is awash in light crude oil fracked from shale formations, but U.S. refineries still need heavy crude. Much of that now comes from Canada's oil sands, which increasingly are displacing shipments of heavy oil from Mexico and Venezuela."

✪ **MANAGEMENT: WSJ *1/13/15 Back to the Future? Oil Replays 1980s Bust:*** "Today, the discovery and development of oil from shale rocks means that oil output is faster paced and near at hand—in Texas and North Dakota, Colorado, Oklahoma, Wyoming, even Ohio. Drilling and hydraulically fracturing a well takes weeks, not years. An expensive well costs $10M, compared with the billions needed to drill offshore wells and build associated infrastructure. Moreover, expenditure of both time and money are falling fast…As in the past [1980s when Saudi Arabia lowered prices] Saudi Arabia is betting that low prices will force other producers to cut back. Falling prices will hurt U.S. output, but perhaps less than OPEC expected. The cost of producing oil from shale—especially in the new U.S. oil fields responsible for a huge upsurge in output—has been falling. ConocoPhillips, a major U.S. oil producer, says it can make a profit on its U.S. shale wells as long as oil trades for more than $40 a barrel, a figure that has been falling in recent years. A Conoco spokesman said improved efficiency, better technology and a better understanding of the rocks helped the company reduce costs. And it is not alone. The expense of getting oil from the Eagle Ford Shale fell by about 15%, or $7.50 a barrel, last year, despite intense competition for rigs, truck drivers and oilfield services…Costs could fall another 10% to 15% this year as some financially weak companies pull back and competition for services lessens…Companies like EOG Resources Inc. are drilling better wells faster. EOG said recently it takes 4.3 days to drill its average well in the Eagle Ford Shale in South Texas, down from 14.2 days in 2012. What's more, as it drills more of them, it has figured out how to locate wells to get the highest oil output. Combining lowering costs and increasing output means that EOG says it can drill wells at $40 per barrel in North Dakota,

South Texas and West Texas, while still earning a 10% return."

✪ **MANAGEMENT:** **Investment Week 1/22/15 *BP chief predicts oil price will stay low for three years.***

✪ **MANAGEMENT:** **WSJ 1/23/15 Euro's Big Drop Puts U.S. Economy, Federal Reserve to the Test:** "Fed officials say they aren't too worried about the effects of a stronger dollar on broader economic growth, at least for now. Exports account for only 13% of U.S. economic output. Even though a strong dollar weighs on exports, the broader economic impact is limited. Moreover, it could be offset by benefits to American consumers from falling oil prices…Analysts see other benefits: it will likely lower borrowing costs worldwide, says UBS Wealth Management strategist. Investors hunting better returns are drawn to U.S. Treasuries, reducing the cost of credit in the U.S. On an overall basis, ECB QE helps the U.S."

MANAGEMENT: Bloomberg 2/19/15 *Apple Wants to Start Producing [Electric] Cars as Soon as 2020*

✪ **MANAGEMENT:** **Forbes 3/1/15 *Low Oil Price May Stifle Deepwater Drilling And Oil Sands But Not Fracking:*** "If the Saudis think they're going to put U.S. shale players out of business, they're probably not, although there will be less drilling, says McKinsey and Company senior expert. But there are other elements of oil supply that are needed to balance the market that will have a hard time competing at $50 a barrel, including oil sands in Canada and much of the deep water resources. Our view is that OPEC and the Saudis talked this market down. Why would they do that? Because with oil above $100 a barrel, a lot of new players were entering the oil business, including Iraq, Libya, and fracking operations in North Dakota. At the same time, the oil price was so high that it constrained the growth of emerging markets. Saudi Arabia, as a long term resource owner, their interest is that the demand for crude oil continue to grow…the supply side will remain dynamic. Fracking operations, among the least mature of drilling technologies, have the best opportunity to make it more dynamic, particularly if they begin to employ "smart fracking" technologies, which will help drillers locate productive shale resources before they drill. If the industry becomes much more efficient at using tight oil that has the potential to put downward pressure on oil prices."

✪ **STATUS OF RETAINED RECRUITERS:** Solid demand in the U.S.—personally am seeing positions frequently where demand is now exceeding supply for certain financial positions.

✪ **WORD ON THE STREET:** Workout is a hard position to find in the U.S. anymore, much to the dismay of workout professionals.

✪ **WORD ON THE STREET:** Logistics and supply chain management is hot with demand outstripping supply. Need for financial acumen and more technical skills in this highly computerized field now a must.

ABOUT THE AUTHOR

Kathleen "Kathy" Graham is a human capital and finance specialist who owns four companies that revolve around retained executive search and career development for professionals. The word "revolve" is important because these four firms—The HQ Companies, Inc.—create a virtuous circle.

✪ HQ Search, Inc., the oldest firm and active since 1997, is a retained search firm for finance positions that's known for fast thorough searches that deliver successful perfect fit professionals. In addition to being a founder of HQ Search, Inc. and its top recruiter, Kathy has been an award-winning executive search recruiter her entire career. In fact, give Kathy 100 days and she'll have candidates with all the desired qualifications usually within the first few weeks.

✪ HQ Seminars, Inc., founded in 2006 by Kathy, offers workshops and keynote speeches that educate while entertaining professionals regarding the various phases of career development.

✪ HQ Scripts, Inc., founded in 2006 by Kathy, is a micro-publishing house for books and articles that advance the career potential of current and future professionals.

✪ HQ Services, Inc., founded in 2006 by Kathy, provides compensation studies, research, and career enhancement services to institutions and to individual professionals. Her compensation studies are known for providing the correct data and solution for situations occurring in niche positions and/or changing or volatile economic or legislative environments.

Kathy is a frequently requested speaker on topics regarding human capital and career development, including presentations given for The Boston Security Analysts Society, The Chicago Federal Reserve Bank, The CFA Society of Chicago, FRA in New York City, MFA in Miami, NYSSA in New York City, Northwestern University's Alumni Association in Chicago, and The University of Chicago's Booth School of Business' various alumni associations. She has been quoted in Hedgeworld, The Chicago Tribune, Crain's Chicago, Job Search Digest, and other publications.

Kathy earned her MBA in Finance, Analytic Finance, and Econometrics & Statistics from the University of Chicago and a BA in Business Administration and Marketing from North Central College. She is also a University of Chicago's Alumni Club of Chicago's Board member and National Speakers University grad.
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