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FOOTE NEWS ANALYSIS

**January 2011 federal jobs report reveals eighth straight month of
job growth in IT employment sectors.**

95% of net job gains have been in professional and technical services segments.

**But largest IT job gains are unidentified in fed reports due to peculiarities
in how the government defines IT professionals.**

Vero Beach, FL – Monday, February 7, 2011. U.S. employment numbers released Friday by the Department of Labor’s Bureau of Labor Statistics (BLS) revealed a net gain of 11,800 in IT-related jobs in January, representing the eight straight month of positive job growth in IT labor segments in federal employment data (FIGURE 1).

Five bellwether IT job segments in the BLS data have shown a net gain of 74,200 jobs in the last twelve months. Leading all segments were gains in *Management and Technical Consulting Services* and *Computer Systems Design and Related Services* segments, which together accounted for 94.9% of all new jobs created.

“This may seem pretty anemic for a specialized group of workers when you consider that the economy has added 827,000 jobs overall in the U.S. since March 2010. But you have to understand that the government has defined ‘IT professional’ in the same narrow way for several decades: just twenty one job titles exist in the 2010 – 2011 edition of the Department of Labor’s *Occupational Outlook Handbook* and they’re all

traditional technical infrastructure jobs in systems analysis, programming, data communications and networks, tech support, and database administration,” notes David Foote, CEO at IT analyst firm Foote Partners that publishes proprietary national labor trend research.

“Hiring of pure play tech workers is indeed sluggish and happening primarily in the services industries. But the truth is that the role of technology in the enterprise is now so pervasive that managing it is no longer entrusted to one group but instead split among every department, function, line of business, and product group. The job of each one of these entities is to determine how to make the best use of information technology for producing revenues and profitability, building market share, ensuring satisfied customers, controlling costs, innovating solutions, and generally to stay competitive in their industries.

“Technology and business skills have in effect collapsed into each other, creating legions of what our firm refers to generically as **hybrid IT/business professionals**. These hybrid jobs can be found throughout the enterprise. We’ve been identifying and tracking them since 1995 and also surveying their salaries.

“But where are they in the DOL’s monthly employment reports?” asks Foote. “They’re buried. What isn’t buried are the four million IT professionals in the U.S. workforce that our government identifies as making up these twenty one jobs. I believe that at best only about 20 percent of IT professionals can be clearly identified in their data---the fact is that there are another 16 to 20 million IT professionals in business and professional job segments in federal employment reports for whom IT related skills are central to the work they are performing. Everybody is trying to actively find and hire these hybrid IT professionals.” Insists Foote., “I’m certain that if you could identify these undocumented hybrid jobs among the roughly one million jobs that have been added to payrolls in the past year, it would amount to multiples of the 74,200 traditionally defined IT jobs that have created according to the last twelve months of BLS reports. “

Hybrid IT/business professionals represent a new definition of the IT professional. Countless new combinations of knowledge, experience, and skill sets that would not have been associated with workers with traditional IT duties and responsibilities are now considered mainstream in what is a new breed of IT professional. Tech savvy people working in business lines, corporate departments, and in various enterprise strategic and operational functions whose jobs require skills well beyond technology---for instance, precise

industry, customer, product, and solution knowledge and expertise. They are represented in levels of responsibility ranging from administrative to executive. These are the IT/business -- or business technology -- hybrid professionals, but you and I might know them as marketing specialists, sales engineers, logistics analysts, and even vice presidents of operations. Also, traditional IT jobs have been reshuffled and substantially redefined with new skill requirements and aptitudes piled, even though many times the job titles have remain unchanged.

More January national jobs report results

Jobs in the *Data Processing, Hosting and Related Services* segment declined by 1,900 jobs in January, the worst performing segment. There has been a net loss of 6,600 jobs in this segment in the last twelve months, 1,700 in the past two months along. (FIGURES 1 and 2).

Two IT job segments in the Computer and Electronic Products industry category added jobs in January 2011: *Communications Equipment* (+800 jobs) and *Computer and Peripheral Equipment* (+700 jobs). In the past twelve months these segments have shown net job gains of 6,500 and 3,900 respectively. (FIGURES 1 and 2).

Overall, the unemployment rate in the U.S. fell to 9% from 9.4% in December as 36,000 jobs were added to payrolls, well below the 200,00 jobs needed to sustain growth in the economy by many economists views.

The share of the population over 16 years old either working or looking for work fell to 64.2% in January, the lowest level since 1984.

Figure 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2009 to January 2011)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for five bellwether IT jobs segments)

	2009												2010												2011
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Nonfarm job loss (month)	598,000	651,000	663,000	539,000	345,000	467,000	247,000	466,000	263,000	558,000	-4,000	85,000	20,000	36,000	162,000	290,000	41,000	125,000	131,000	54,000	95,000	180,000	80,000	103,000	36,000
National unemployment rate	7.6%	8.1%	8.5%	8.9%	9.4%	9.5%	9.4%	9.7%	9.8%	10.2%	10.0%	10.0%	9.7%	9.7%	9.7%	9.9%	9.7%	9.5%	9.5%	9.6%	9.6%	9.6%	9.8%	9.4%	9.0%
Computer/Electronic Products	-8,800	-13,100	-5,300	-11,700	-14,400	-16,100	-7,400	-8,300	-7,400	-6,300	-4,900	-2,400	-3,600	-1,900	0	100	2,800	1,100	1,100	2,600	1,800	400	700	3,600	4,600
Segment 1: Computer/Peripheral Equipment	700	-3,100	-1,500	-2,900	-3,200	-2,300	-700	-1,700	-900	-1,800	-500	-400	1,300	-200	-400	300	700	-200	700	900	100	700	-100	700	700
Segment 2: Communications Equipment	-500	-200	600	200	-600	-2,100	-300	-800	0	-1,100	-300	400	-1,000	800	600	-100	1,500	600	-500	1,100	600	700	-100	500	800
Professional/Technical Services	-28,600	-36,700	-31,300	-17,100	-18,800	-40,400	-7,300	-11,300	-6,000	-11,000	1,200	8,800	-1,600	0	-12,500	80,000	-11,100	4,000	4,800	12,100	-6,900	6,700	7,400	1,400	7,900
Segment 3: Management/Technical Consulting Services	11,000	-4,800	-6,100	1,600	700	-1,100	900	-100	400	7,300	5,600	3,500	-5,000	-3,400	1,100	1,000	-700	10,500	1,800	300	6,900	2,600	3,700	2,900	3,600
Segment 4: Computer Systems Design/Related Services	-3,500	-300	-3,900	-1,400	-2,800	-2,700	7,900	-3,400	-300	4,500	1,000	3,400	7,100	8,000	-5,800	7,300	-300	-300	5,800	4,000	-900	7,500	900	5,300	8,600
Information	-21,000	-15,000	-10,000	-17,000	-24,000	-21,000	-16,000	-10,000	0	-1,000	-17,000	-6,000	0	-18,000	-12,000	-3,000	0	-8,000	1,000	-1,000	-5,000	-1,000	1,000	-4,000	-1,000
Segment 5: Data Processing/Hosting/Related Services	200	-2,000	-200	-900	-3,500	600	-400	1,700	-900	-900	-900	700	400	600	-2,300	300	-1,300	-1,500	300	-1,300	-200	500	0	200	-1,900

Key: **Job losses in red**
 Job gains in green

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

Figure 2 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through January 2011)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for five bellwether IT jobs segments)

CUMULATIVE NET JOB GAINS/DECLINES						
INDUSTRY	12 mos.	7 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Dec'09 - Nov'10	May'10 - Nov'10	Jun'10 - Nov'10	Aug'10 - Nov'10	Sep'10 - Nov'10	Oct'10 - Nov'10
Computer and Electronic Products	16,900	14,800	13,700	9,300	8,900	8,200
<i>Segment 1:</i> Computer/Peripheral Equipment	3,900	3,700	3,000	2,000	1,300	1,400
<i>Segment 2:</i> Communications Equipment	6,500	3,100	3,600	1,900	1,200	1,300
Professional and Technical Services	93,800	33,400	28,600	23,400	16,700	9,300
<i>Segment 3:</i> Management/Technical Consulting Services	30,300	21,800	20,000	12,800	10,200	6,500
<i>Segment 4:</i> Computer Systems Design/Related Services	40,100	31,200	25,400	22,300	14,800	13,900
Information	-51,000	-10,000	-11,000	-5,000	-4,000	-5,000
<i>Segment 5:</i> Data Processing/Hosting/Related Services	-6,600	-2,400	-2,700	-1,200	-1,700	-1,700
TOTAL - ALL 5 IT SEGMENTS	74,200	57,400	49,300	37,800	25,800	21,400

Key: **Net job declines in red**
 Net job gains in green

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

ABOUT FOOTE PARTNERS

Foote Partners LLC is a Vero Beach, FL based independent IT benchmarking research and advisory firm targeting the ‘execution’ side of IT and providing pragmatic and forward-thinking advice and data about managing the modern business/IT hybrid professional workforce. Founded in 1997 and comprised of former Gartner and META Group industry analysts, McKinsey & Company and Towers Watson consultants, and former corporate HR, IT, and business executives, Foote Partners has been a thought leader and trusted advisor to thousands of employers seeking improvements in managing IT’s impact on their businesses and customers.

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Foote Partners 2011 IT Compensation Survey PRODUCT MAP

