

FOR IMMEDIATE RELEASE

Contact: David Foote, dfoote@footepartners.com
Bill Reynolds billr@footepartners.com
Tel: 772-234-2787

FOOTE NEWS ANALYSIS

November 2009 U.S. Department of Labor National Employment Report

Proof that IT unemployment has stabilized and even improved in some areas. So what's next?

Vero Beach, FL – Friday, December 4, 2009. U.S. employment numbers released today by the Department of Labor (DOL) indicate a third straight month of improvement in IT-related employment, offering further substantiation that momentum for a recovery of IT jobs has begun.

Five IT bellwether job segments reported in the DOL statistics lost 7,300 jobs in September, October, and November but added 18,500 jobs for a net gain of 11,200 jobs (see FIGURE 1). By contrast, for the first eight months of 2009 (January through August), the same five IT job segments experienced a net loss of nearly 31,000 jobs.

The most robust jobs segment, *Management and Technical Consulting Services*, has gained a net 13,600 jobs in the first eleven months of 2009. A second segment in the Information Services category, *Computer Systems Design and Related Services*, has posted a net loss of 7,800 jobs in the same period, but a gain of 5,500 jobs in October and November.

Also experiencing losses in 2009 among services jobs is the *Data Processing, Hosting, and Related Services* segment, with 6,700 fewer jobs since the start of the year, 1,800 of those in the last two months.

“This is a good news, bad news report,” observes David Foote, CEO and chief research officer of IT industry analyst firm Foote Partners. “On the one hand, the IT services industry can look forward to increasing demand for their services. We will see hiring of technical and management specialists picking up further in the first quarter of 2010. But on the other hand, companies offering DP and hosting services are still feeling pain, as are computer, peripherals, and communications manufacturers.”

“What this means is that despite the recent GDP upturn and recovering stock prices as we enter our nation’s third straight year of economic instability, the length of the tail on the traditional staffing lag will be much longer than in previous recoveries. Hiring will not pick up noticeably for the IT industry as a whole until late next year, and more likely 2011. Volatility will continue to punctuate staffing and pay levels, and will be focused of specific skill specializations as employers struggle to recalibrate their IT workforces by striking the right balance between costs, agility, and intense competitive market pressures---which is a moving target, of course.”

The national unemployment rate improved slightly to 10.0 percent in November, up 0.2 of a point, with nonfarm payroll employments essentially unchanged (-11,000). 15.4 million workers were unemployed through the end of November; at the start of the recession in December 2007, the number of unemployed persons was 7.5 million and the jobless rate was 4.9 million.

To obtain Foote Partners free “IT Pay and Skills Trends Report - November 2009 update” with data views and summary analysis of what's occurring in the IT talent market now and over the next 6 months, segmented by traditional IT categories and by 406 individual skills (certified and noncertified). Commentary includes views on how the economic recession has elevated and improved the effectiveness of workforce and staffing strategies and tactics, resulting in the most volatility in skills demand since 2001:

<http://tinyurl.com/ITSkillsTrendsNov09>

=====

Foote Partners LLC
4445 North A1A, Suite 200
Vero Beach, FL 32963
Tel/772-234-2787 Fax/775-262-6619
Blog: <http://twitter.com/FPview>
Web: www.footepartners.com

Figure 1 – U.S. Department of Labor/Bureau of Labor Statistics (through November 2009)

JOB SITUATION TRENDS – IT PROFESSIONALS

	2008					2009								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Total Jobs Lost since 12/07 (millions)												15.1	15.7	15.4
Nonfarm job loss (month)	240,000	533,000	524,000	598,000	651,000	663,000	539,000	345,000	467,000	247,000	466,000	263,000	558,000	11,000
National unemployment rate	6.5%	6.8%	7.2%	7.6%	8.1%	8.5%	8.9%	9.4%	9.5%	9.4%	9.7%	9.8%	10.2%	10.0%
	Job Gains/Losses													
Computer/Electronic Products	-4,200	-7,000	-8,200	-8,800	-13,100	-5,300	-11,700	-14,400	-16,100	-7,400	-8,300	-7,400	-6,300	-4,900
<i>Segment: Computer/Peripheral Equipment</i>	200	-1,200	-700	700	-3,100	-1,500	-2,900	-3,200	-2,300	-700	-1,700	-900	-1,800	-500
<i>Segment: Communications Equipment</i>	100	-600	-1,700	-500	-200	600	200	-600	-2,100	-300	-800	0	-1,100	-300
Professional/Technical Services	12,500	-17,400	-18,100	-28,600	-36,700	-31,300	-17,100	-18,800	-40,400	-7,300	-11,300	-6,000	-11,000	1,200
<i>Segment: Management/Technical Consulting Services</i>	300	1,400	-1,800	11,000	-4,800	-6,100	1,600	700	-1,100	900	-100	400	7,300	5,600
<i>Segment: Computer Systems Design/Related Services</i>	5,500	2,700	-2,900	-3,500	-300	-3,900	-1,400	-2,800	-2,700	7,900	-3,400	-300	4,500	1,000
Information	0	-19,000	-20,000	-21,000	-15,000	-10,000	-17,000	-24,000	-21,000	-16,000	-10,000	0	-1,000	-17,000
<i>Segment: Data Processing/Hosting/Related Services</i>	-100	-1,400	500	200	-2,000	-200	-900	-3,500	600	-400	1700	-900	-900	-900
Net gain or loss - IT SEGMENTS	6,000	900	-6,600	7,900	-10,400	-11,100	-3,400	-9,400	-7,600	7,400	-4,300	-1,700	8,000	4,900

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

Source: US Department of Labor/Bureau of Labor Statistics

ABOUT FOOTE PARTNERS

[Foote Partners LLC](#) is a Vero Beach, Florida based independent IT research firm and advisory consultancy founded in 1997 that provides pragmatic and forward-thinking advice about managing the modern IT professional workforce. Comprised of former Gartner, McKinsey & Company, Towers Perrin, and Wm. M. Mercer analysts and consultants, and former corporate HR, IT, and business executives, Foote Partners has been a thought leader and trusted advisor to more than 1,400 employers seeking improvements in managing IT’s impact on their businesses and customers.

Headquarters: 4445 North A1A, Suite 200
Vero Beach, FL 32963
Tel: 772-234-2787
www.footepartners.com

Foote Partners 2009 IT Compensation Survey - Product Map

