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FOOTE NEWS ANALYSIS

September '09 U.S. Department of Labor National Employment Report

Strong evidence of an end to the IT jobs slide. A sign of better things come?

Vero Beach, FL – Sunday, October 11, 2009. In a significant improvement to IT job losses in recent months, the IT employment sector lost 4,300 fewer jobs in September compared to one month earlier, and in fact according to U.S. employment numbers released on October 2nd by the Department of Labor (DOL).

“This is only the second time since January that we’ve seen this kind of behavior in national labor statistics,” observes David Foote, CEO and chief research officer of IT industry analyst firm Foote Partners. “In the time our firm has been closely monitoring the five IT bellwether job segments reported in the DOL statistics—we started right after the financial industry meltdown last October—these segments have posted collective job losses of between 4,000 and 11,000 jobs each month, including 4,300 jobs in August. But in July there was a net gain of 7,400, and in September only a net 1,700 job loss. With these positive signs now coming more frequently, a strong case can be made for a thawing in IT unemployment, and that is indeed a noteworthy trend for those of us keeping a close eye on developing patterns for recovery in the IT jobs sector.”(see FIGURE 1)

“The services segments of DOL data have been most responsible for the upturn. *Management and Technical Consulting Services* gained 500 jobs last month and a net increase of 2,500 jobs since the beginning of the year. Another segment, *Computer Systems Design and Related Services*, has suffered a net loss of 10,300 jobs in the same period, but gained 4,200 jobs total in July, August, and September,” notes Foote.

“Consider that according to the Department of Labor’s labor market segmentation there was been a net loss of 32, 600 IT related jobs since January 2009 but a net gain of 1,400 since July, it’s clear that we’re heading in the right direction. We continue to maintain optimism for the rest of the year, for IT services sector in particular.”

National unemployment rose by 0.1 percent point to 9.8 percent in September, with the number of unemployed persons increasing by only 263,000 (from 466,000 in the month earlier), to 14.9 million jobs total. Since the recession began in December 2007, the number of unemployed persons nationally has risen by 7.66 million, and the unemployment rate has grown by 4.9 percentage points.

For our IT Skills Trends Report (October 2009 update): <http://tinyurl.com/Oct09ITSkillsTrends>

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

JOB SITUATION TRENDS – IT PROFESSIONALS

	2008			2009								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Total Jobs Lost since 12/07 (millions)												7.6
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
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%
	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
<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
<i>Segment: Communications Equipment</i>	100	-600	-1,700	-500	-200	600	200	-600	-2,100	-300	-800	0
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
<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
<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
Information	0	-19,000	-20,000	-21,000	-15,000	-10,000	-17,000	-24,000	-21,000	-16,000	-10,000	0
<i>Segment: Data Processing/Hosting/Related Services</i>	-100	-1,400	500	200	-2,000	-200	-900	-3,500	600	-400	1700	-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.

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Foote Partners 2009 IT Compensation Survey - Product Map

