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**FOOTE IT NEWS ANALYSIS – Technology employment trends in the  
 August 2012 Bureau of Labor Statistics United States Employment Report**

**Record monthly IT labor force expansion trend continues for second consecutive month  
 as 18,100 workers are added to August payrolls according to federal government.**

**36,300 IT professionals found jobs in July and August.**

**8.8% of 1,656,000 total U.S. jobs created since September 2011 were  
 in IT industry segments.**

**Vero Beach, FL – Tuesday, September 7, 2012.** An analysis of Friday’s release of August 2012 U.S. employment numbers by the Department of Labor Bureau of Labor Statistics (DOL/BLS) reveals a net gain of 18,100 jobs across four jobs segments commonly associated with IT professionals---the second largest monthly IT employment increase since 2008. (see **Figures 1 and 2**)

19,300 jobs were added in August in *Management and Technical Consulting Services* and *Computer Systems Design/Related Services*, the largest monthly increase since our firm began monitoring employment in these two segments in January 2009, and slightly more than the 19,200 gains recorded in April 2011. Most commonly associated with the IT services industry, these job segments have been enjoying robust employment expansion for more than two years: 256,900 jobs have been added in the past 24 months, and 78,600 in just the past six months. (see **Figure 3**).

*Telecommunications and Data Processing, Hosting and Related Services* job segments lost a total of 1,200 jobs in August following a net gain of 4,900 in July, which now appears to have been an anomaly: These segments have posted a net loss of 64,000 jobs in the past 24 months following monthly losses in 19 of the last 21 months and 40 of the past 44 months according to Department of Labor reports. This includes an August 2011 anomaly involving the brief unemployment of 33,500 workers who lost their jobs following a nationwide labor dispute and were reinstated one month later.

“This is the sixth consecutive month of subpar results in the overall employment situation in the United States and practically nobody is happy with a civilian labor force participation rate that is still only 63.5 percent. Except for the nearly 70,000 IT workers who found work during this period, that is,” says David Foote, CEO at IT analyst firm Foote Partners which has been tracking and reporting on IT and business labor trends since 1997, including monthly analyses of the DOL’s employment reports. “You can say whatever you want about the high number of IT professionals who are still unemployed or underemployed compared to the boom times. But the fact is the government is telling us that 145,000 jobs were created in four employment segments in the last twelve months that are principally associated with technology workers, and most of these are in the services industries. **That’s 8.8 percent of the 1,656,000 total jobs that were created in the U.S. over this period according to the Bureau of Labor Statistics. (Figure 1).** And this only includes jobs that can be identified in fed data as discrete tech employment. It doesn’t include the so-called hybrid IT-business professionals workers throughout the enterprise in business lines, corporate departments, product groups and elsewhere who apply deep tech skills expertise as part of their overall job responsibilities.

“Clearly the popularity of cloud computing, managed services, and other alternatives to building internal workforces has stimulated job creation. The strategic move to services is being made not just by CIOs but by senior business management looking for ways to be smart about how they provision technology in innovating their businesses and creating competitive products and services. It’s really very positive news overall for anybody involved in IT and yet it is also a wakeup call for anybody looking at themselves and asking, ‘Why not me? Why am I not being hired?’”

“The answer to these questions is that companies are aggressively pursuing workers with multiple talents-- a mix of technology, business, and people skills that many who are not working simply do not have. Or a unique combination of pure tech skills: for example, cloud administrators who are adept at automating the configuration and operations in a cloud environment by combining a variety of different skill sets around systems administration, virtualization, storage and network administration. It’s not about just running a server. Or cloud developers who have mastered new sets of APIs, new frameworks, and non-relational databases like NoSQL to develop elastic and scalable apps in the cloud. If you’re not prepared to make these leaps as administrators and developers you may be destined for long term unemployment because these are some of the hottest jobs right now that employers are desperate to fill as they innovate and invent their futures,” insists Foote.

### **Overall U.S. Employment Report**

The U.S. unemployment rate inched down two-tenths of a point to 8.1 percent in August with the payrolls increasing by just 96,000 jobs, or 21% less than the average monthly growth in jobs over the prior six months (121,667 jobs).

The number of long-term unemployed people (defined as 27 or more months) declined by 200,000, to 5.2 million or 40% of all unemployed workers (**Figure 5**)

Those employed part-time for economic reasons declined by 200,000 to 8 million, the lowest since April 2012. (**Figure 5**)

“Discouraged workers”, or those who have given up looking for jobs, decreased by 8,000 workers in August while those “marginally attached” to the labor force ---defined as individuals that were not in the labor force, wanted and were available for work and had looked for a job sometime in the prior 12 months---grew by 100,000 (2.6 million workers). They are not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. (**Figure 6**)

Employment in **food services and drinking places** increased by 28,000 in August and by 298,000 over. Professional and business services rose again, with 28,000 jobs added. **Health care** employment rose by 17,000 in August. Ambulatory health care services and hospitals added 14,000 and 6,000 jobs, respectively.

From June through August, job growth in health care has averaged 15,000 per month, compared with an average monthly gain of 28,000 in the prior 12 months.

**Utilities** employment increased in August (+9,000). The increase reflects the return of utility workers who were off payrolls in July due to a labor-management dispute. Within financial activities, **finance and insurance** added 11,000 jobs in August. Employment in **wholesale trade** continued to trend up. Employment in **temporary help services** changed little over the month and has shown little movement, on net, since February.

**Manufacturing** employment edged down in August, losing 15,000 jobs). A decline in motor vehicles and parts (-8,000) partially offset a gain in July. Auto manufacturers laid off fewer workers for factory retooling than usual in July, and fewer workers than usual were recalled in August.

**FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2011 to August 2012)**

**MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments**

(Highlights for four bellwether IT jobs segments)

	2011												2012							
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Nonfarm job loss/gain (month)	36,000	192,000	216,000	244,000	54,000	18,000	127,000	57,000	103,000	100,000	120,000	223,000	284,000	227,000	143,000	68,000	87,000	64,000	141,000	96,000
National unemployment rate	9.0%	8.9%	8.8%	9.0%	9.1%	9.2%	9.1%	9.1%	9.1%	9.0%	8.6%	8.5%	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%	8.1%
<b>Professional/Technical Services</b>	7,900	10,000	34,700	33,000	40,300	24,200	17,700	16,100	24,100	320	8,800	8,500	30,300	34,200	13,800	27,500	-4,000	18,200	17,900	26,800
<i>Segment 5:</i> Management/Technical Consulting Services	3,600	6,600	-300	11,300	5,200	1,200	5,400	6,000	5,500	3,800	4,500	4,300	3,000	7,400	5,300	6,400	2,200	8,900	6,300	8,700
<i>Segment 4:</i> Computer Systems Design/Related Services	8,600	4,200	6,400	7,900	8,200	5,700	6,100	7,700	6,000	2,900	5,100	1,200	1,700	10,200	3,900	7,400	5,300	6,600	7,000	10,600
<b>Information</b>	-1,000	0	-4,000	2,000	-1,000	0	-1,000	-48,000	34,000	-5,000	-4,000	6,000	13,000	-1,000	-900	-2,000	-2,000	-8,000	11,000	3,000
<i>Segment 4:</i> Telecommunications	-3,600	-2,200	-3,800	-1,000	-3,400	-400	-2,700	-47,300	37,600	-4,900	-2,600	-3,000	-300	-6,400	-3,600	-3,500	-2,000	-2,100	2,800	-2,300
<i>Segment 5:</i> Data Processing/Hosting/ Related Services	-1,900	-700	-500	-400	700	-300	-200	100	-600	400	-900	-200	-1,300	1,900	-600	-500	-300	0	2,100	1,100
<b>Net gain/loss - ALL IT SEGMENTS</b>	6,700	7,900	1,800	17,800	10,700	6,200	8,600	-33,500	48,500	2,200	6,100	2,300	3,100	13,100	5,000	9,800	5,200	13,400	18,200	18,100
<b>Net gain/loss - ONLY IT SERVICES SEGMENTS</b>	12,200	10,800	6,100	19,200	13,400	6,900	11,500	13,700	11,500	6,700	9,600	5,500	4,700	17,600	9,200	13,800	7,500	15,500	13,300	19,300

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

NOTE: A labor strike in the telecommunications industry caused the temporary loss of 47,300 *Telecommunications* jobs in August 2011 and recovery of 37,600 in September 2011.

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

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**FIGURE 2 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2009 to December 2011)**

(Continued) MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2009												2010											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Nonfarm job loss/gain (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
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%
<b>Professional/Technical Services</b>	-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
<b>Segment 5: Management/Technical Consulting Services</b>	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
<b>Segment 4: Computer Systems Design/Related Services</b>	-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
<b>Information</b>	-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
<b>Segment 4: Telecommunications</b>	-3,800	-7,300	-3,900	-7,600	-1,500	-6,700	-5,200	-3,300	-1,300	300	-8,600	-3,500	-3,100	-3,800	-3,100	-6,700	-4,600	-2,300	-5,800	-3,600	-5,200	900	1,100	-4,500
<b>Segment 5: Data Processing/Hosting/ Related Services</b>	200	-2,000	-200	-900	-3,500	600	-400	1700	-900	-900	-900	700	400	600	-2300	300	-1300	-1500	300	-1300	-200	500	0	200
<b>Net gain/loss - ALL IT SEGMENTS</b>	3,900	-14,400	-14,100	-8,300	-7,100	-9,900	3,200	-5,100	-2,100	11,200	-2,900	4,100	-600	1,400	-10,100	1,900	-6,900	6,400	2,100	-600	600	11,500	5,700	3,900
<b>Net gain/loss - ONLY IT SERVICES SEGMENTS</b>	7,500	-5,100	-10,000	200	-2,100	-3,800	8,800	-3,500	100	11,800	6,600	6,900	2,100	4,600	-4,700	8,300	-1,000	10,200	7,600	4,300	6,000	10,100	4,600	8,200

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 3 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through August 2012)**

**CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS**

Highlights for four bellwether IT jobs segments)

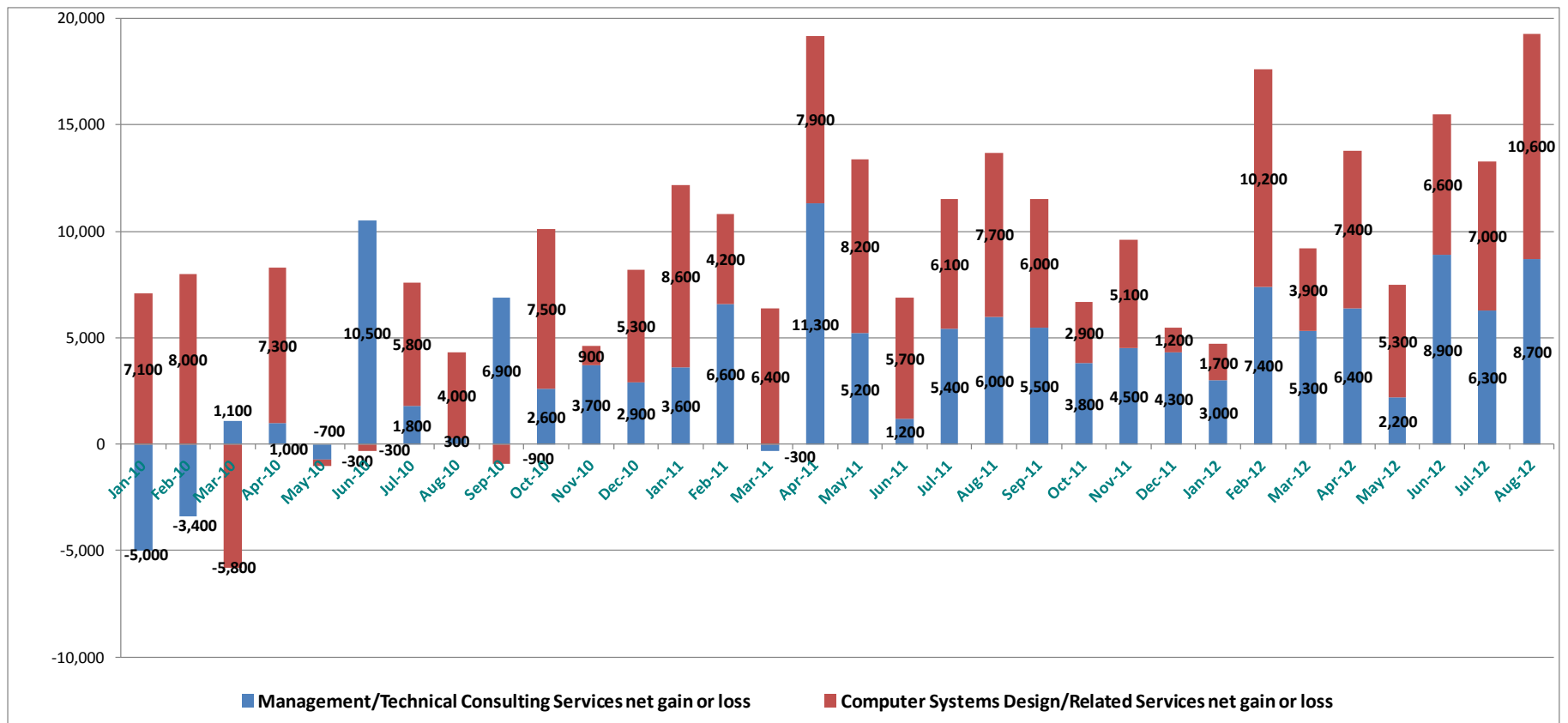
<b>U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES</b>									
<b>JOBS SEGMENT</b>	36 mos.	24 mos.	12 mos.	10 mos.	7 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Sep'09 - Aug'12	Sep'10 - Aug'12	Sep'11 - Aug'12	Nov'11 - Aug'12	Feb'12 - Aug'12	Mar'12 - Aug'12	May'12 - Aug'12	Jun'12 - Aug'12	Jul'12 - Aug'12
<b>Professional and Technical Services</b>	467,620	398,920	206,420	182,000	134,400	100,200	58,900	62,900	44,700
<i>Segment 5:</i> Management/Technical Consulting Services	143,800	121,400	66,300	57,000	45,200	37,800	26,100	23,900	15,000
<i>Segment 4:</i> Computer Systems Design/Related Services	169,900	135,500	67,900	59,000	51,000	40,800	29,500	24,200	17,600
<b>Information</b>	-82,900	-17,900	44,100	15,100	100	1,100	4,000	6,000	14,000
<i>Segment 4:</i> Telecommunications	-108,500	-62,400	9,700	-23,000	-17,100	-10,700	-3,600	-1,600	500
<i>Segment 5:</i> Data Processing/Hosting/Related Services	-8,400	-1,600	1,100	1,300	3,700	1,800	2,900	3,200	3,200
<b>TOTAL - ALL 4 IT SEGMENTS</b>	196,800	192,900	145,000	94,300	82,800	69,700	54,900	56,800	36,300
<b>Tech Services segments</b>	313,700	256,900	134,200	116,000	96,200	78,600	55,600	48,100	32,600
<b>Information segments</b>	-116,900	-64,000	10,800	-21,700	-13,400	-8,900	-700	1,600	3,700

**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

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**FIGURE 4 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs**  
- Net job gains/losses from January 2010 through August 2012

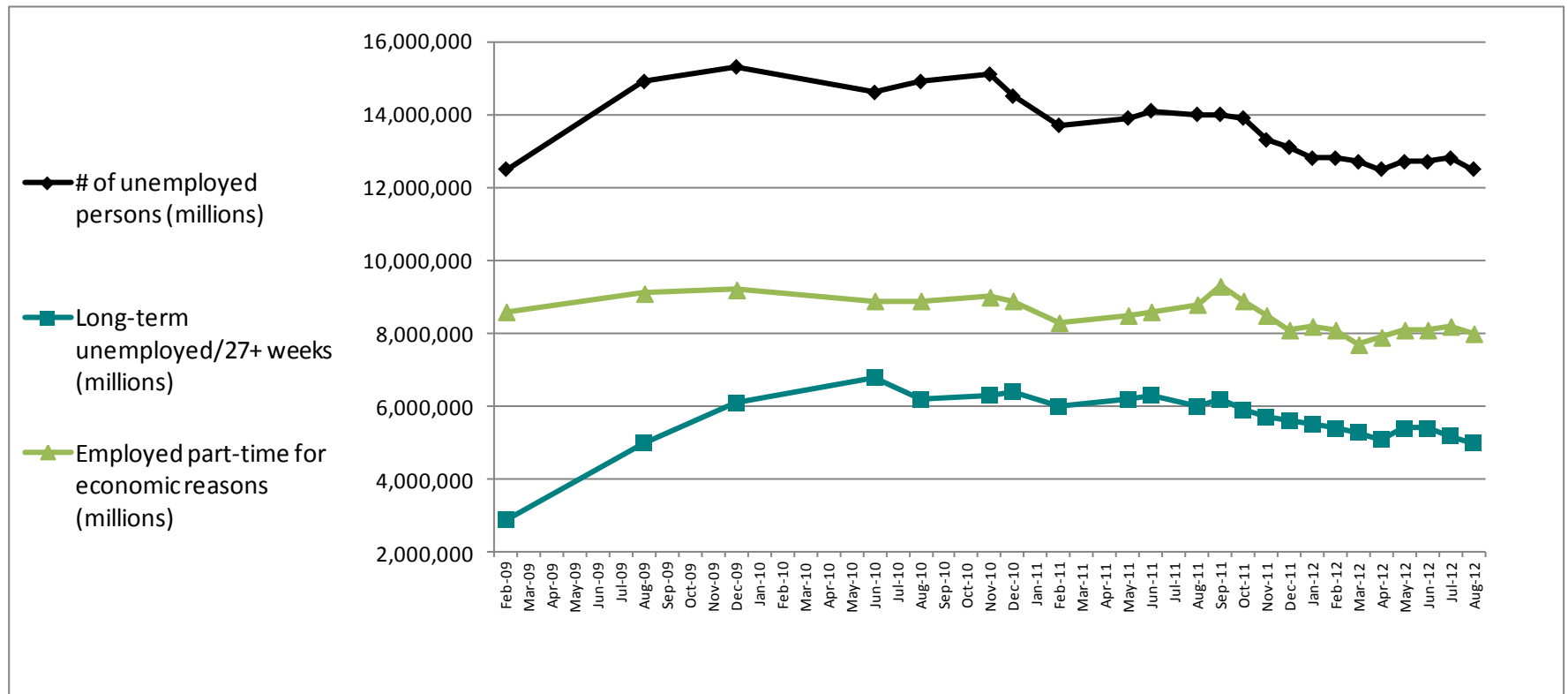


Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC



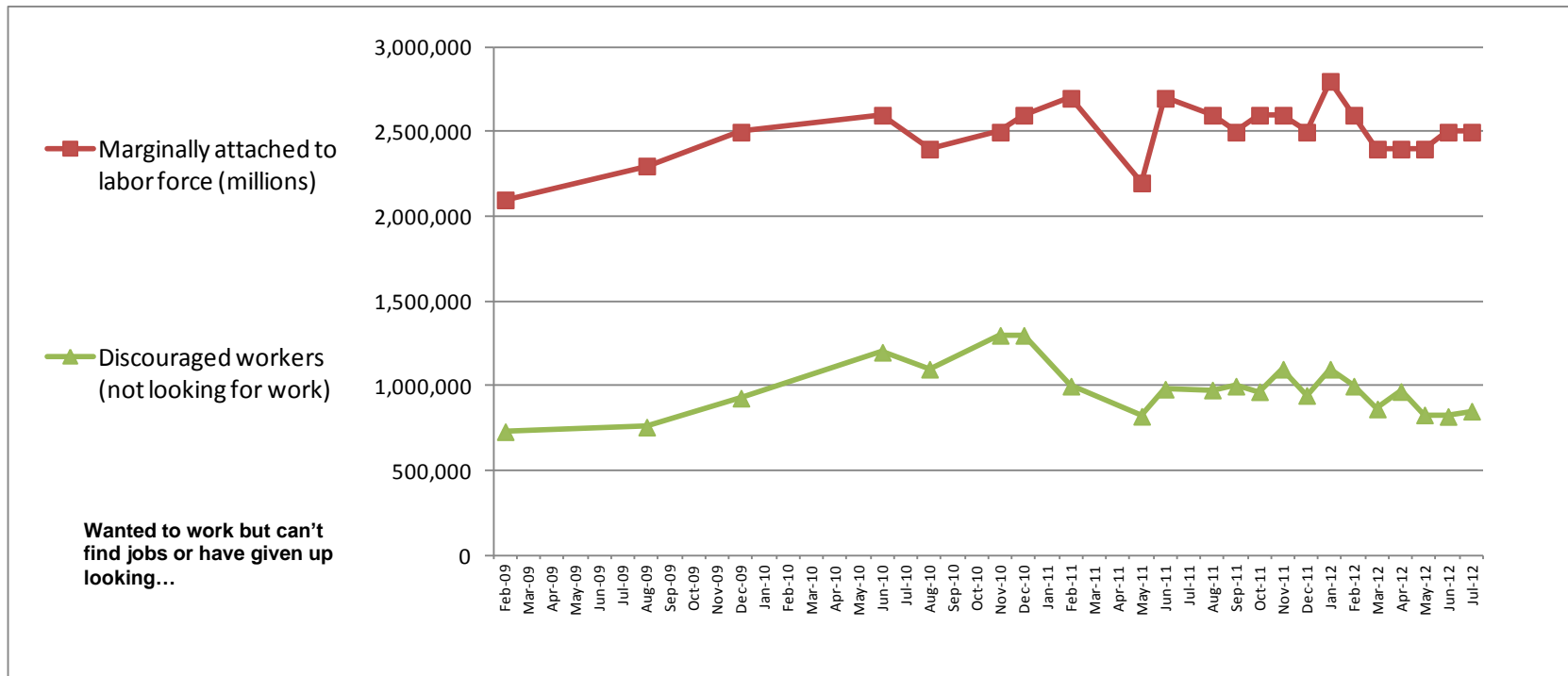
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**FIGURE 5 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers**



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

**FIGURE 6 – LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged**



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

**FIGURE 7 - U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through August 2012)**

**KEY EMPLOYMENT STATISTICS – Last 25 Months**

	June-10 (25 mos. ago)	February-11 (18 mos. ago)	May-11 (15 mos. ago)	August-11 (12 mos. ago)	November-11 (9 mos. ago)	December-11 (8 mos. ago)	January-12 (7 mos. ago)	February-12 (6 mos. ago)	March-12 (5 mo. ago)	April-12 (4 mo. ago)	May-12 (3 mo. ago)	June-12 (2 mo. ago)	July-12 (1 mo. ago)	Aug-12 (Now)
<b>Unemployment rate</b>	9.5%	8.9%	9.1%	9.1%	8.6%	8.5%	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%	8.1%
<b># of unemployed persons</b>	14.6 million	13.7 million	13.9 million	14.0 million	13.3 million	13.1 million	12.8 million	12.8 million	12.7 million	12.5 million	12.7 million	12.7 million	12.8 million	12.5 million
<b>Long-term unemployed--27+ weeks (% of total unemployed persons)</b>	6.8 million 45.5%	6.0 million 43.9%	6.2 million 45.1%	6.0 million 42.9%	5.7 million 43.0%	5.6 million 42.5%	5.5 million 42.9%	5.4 million 42.6%	5.3 million 42.5%	5.1 million 41.3%	5.4 million 42.8%	5.4 million 41.9%	5.2 million 40.7%	5.0 million 40.0%
<b>Civilian labor force participation rate</b>	64.7%	64.2%	64.2%	64.0%	64.0%	64.0%	63.7%	63.9%	63.8%	63.6%	63.8%	63.8%	63.7%	63.5%
<b>Employment-population ratio</b>	58.5%	58.4%	58.4%	58.2%	58.5%	58.5%	58.5%	58.6%	58.5%	58.4%	58.6%	58.6%	58.4%	58.3%
<b>Employed part-time for economic reasons</b>	8.6 million	8.3 million	8.5 million	8.8 million	8.5 million	8.1 million	8.2 million	8.1 million	7.7 million	7.9 million	8.1 million	8.2 million	8.2 million	8.0 million
<b>Marginally attached to labor force</b>	2.6 million	2.7 million	2.2million	2.6 million	2.6 million	2.5 million	2.8 million	2.6 million	2.4 million	2.4 million	2.4 million	2.5 million	2.5 million	2.6 million
<b>Discouraged workers (not looking for work)</b>	1,200,000	1,000,000	822,000	977,000	1,100,000	945,000	1,100,000	1,000,000	865,000	968,000	830,000	821,000	852,000	844,000

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

## **ABOUT FOOTE PARTNERS**

**Foote Partners LLC** Foote Partners, LLC is a Vero Beach, FL based independent IT benchmarking research and advisory firm that targets the ‘execution’ side of managing IT organizations and capabilities and the human factors of IT value creation. A thought leader and trusted advisor to more than 2,000 employers on six continents, the firm provides pragmatic and forward-thinking analysis and advice about managing the modern business/IT hybrid professional workforce that is deeply grounded in specialized proprietary benchmark research, surveys, and empirical intelligence collected from 2,400 North American employers representing 135,000 IT professionals with whom the firm as forged long term research partnerships.

Founded in 1997 and comprised of former Gartner and META Group industry analysts, McKinsey & Company and Towers/Watson Wyatt senior consultants, and former corporate HR, IT, and business executives, the firm’s research division publishes 140 quarterly-updated IT and HR decision support benchmark research products that help employers benchmark their IT professional compensation, solve difficult information technology management and workforce problems, and strengthen their ability to execute complex solutions to increasing revenues, improving profitability, and building customer satisfaction.

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