

FOR IMMEDIATE RELEASE

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**FOOTE IT NEWS ANALYSIS – Technology employment trends in the  
 August 2014 Bureau of Labor Statistics – U.S. Employment Report**

**Following six consecutive months of strong IT job growth, a dramatic dip in August  
 as only 3,700 IT jobs are added to U.S. payrolls.**

**Significantly lower job growth than average monthly gains over the prior six months.**

**National employment stumbles: 70,000 fewer new jobs in August compared to July as  
 unemployment rate continues to stall.**

Vero Beach, FL – Wednesday, September 8, 2014. An analysis of last Friday’s release of U.S.  
 employment numbers for August 2014 by the Bureau of Labor Statistics (BLS) reveals a **net increase of  
 3,700 IT jobs** across four industry job segments commonly associated with technology professionals.

August’s result was significantly lower than the 13,600 average monthly gain over the prior six months and  
 well below the 8,717 average monthly IT job growth for the past twelve months (*see Fig. 1*).

Two IT segments that have been responsible for more than 95 percent of all IT jobs added to US payrolls in  
 the past two years recorded lackluster growth in July (*Figs. 1, 2*). **Computer Systems Design/Related  
 Services** added only 1,500 new jobs last month and 3,900 jobs in July, a substantial decrease compared to  
 monthly gains for the first six months of the year that averaged a robust 6,367 new jobs per month. The  
 other segment, **Management and Technical Consulting Services**, performed much better, growing by

3,000 jobs last month, up slightly from 2,700 in June but down dramatically from 8,200 new jobs in June. This job segment has averaged 4,900 new jobs per month in the first half of 2014.

The other two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together posted a net loss of 800 new jobs in August. This was the worse monthly loss since January 2014. To underscore this poor performance, these segments together averaged a net gain of 2,560 jobs from March through July.

### Overall U.S. Employment Report (see Figures 6, 7 and 8)

- Total nonfarm payroll employment increased by 142,000 in August, compared with an average monthly gain of 212,000 over the prior 12 months. In August, job growth occurred in professional and business services and in health care.
- In August, both the unemployment rate (6.1 percent) and the number of unemployed persons (9.6 million) changed little. Over the year, the unemployment rate and the number of unemployed persons were down by 1.1 percentage points and 1.7 million, respectively.
- Among the major worker groups, the unemployment rates in August showed little or no change for adult men (5.7 percent), adult women (5.7 percent), teenagers (19.6 percent), whites (5.3 percent), blacks (11.4 percent), and Hispanics (7.5 percent). The jobless rate for Asians was 4.5 percent (not seasonally adjusted), little changed from a year earlier
- The number of long-term unemployed (those jobless for 27 weeks or more) declined by 192,000 to 3.0 million in August. These individuals accounted for 31.2 percent of the unemployed. Over the past 12 months, the number of long-term unemployed has declined by 1.3 million.

- The civilian labor force participation rate, at 62.8 percent, changed little in August and has been essentially unchanged since April. In August, the employment-population ratio was 59.0 percent for the third consecutive month but is up by 0.4 percentage point from a year earlier.
- The number of persons employed part time for economic reasons (sometimes referred to as involuntary part-time workers) was little changed in August at 7.3 million. These individuals were working part time because their hours had been cut back or because they were unable to find a full-time job.
- In August, 2.1 million persons were marginally attached to the labor force, down by 201,000 from a year earlier. (The data are not seasonally adjusted.) These individuals were not in the labor force, wanted and were available for work, and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey.
- Among the marginally attached, there were 775,000 discouraged workers in August, little hanged from a year earlier. (The data are not seasonally adjusted.) Discouraged workers are persons not currently looking for work because they believe no jobs are available for them. The remaining 1.4 million persons marginally attached to the labor force in August had not searched for work for reasons such as school attendance or family responsibilities.

### **Industry Highlights – August 2014**

- Professional and business services added 47,000 jobs in August and has added 639,000 over the past year. In August, management of companies and enterprises gained 8,000 jobs. Employment continued to trend up over the month in administrative and support services (+23,000), architectural and engineering services (+3,000), and in management and technical consulting services (+3,000).

- Employment in health care increased by 34,000 in August. Within the industry, offices of physicians and hospitals added 8,000 jobs and 7,000 jobs, respectively. Social assistance employment continued to trend up over the month (+9,000) and has expanded by 104,000 over the year.
- Within leisure and hospitality, employment in food services and drinking places continued to trend up in August (+22,000) and is up by 289,000 over the year.
- Construction employment continued to trend up in August (+20,000). This is in line with its average monthly job gain of 18,000 over the prior 12 months. In August, employment trended up in specialty trade contractors (+12,000) and construction of buildings (+7,000).
- Manufacturing employment was unchanged in August, following an increase of 28,000 in July. Motor vehicles and parts lost 5,000 jobs in August, after adding 13,000 jobs in July. Auto manufacturers laid off fewer workers than usual for factory retooling in July, and fewer workers than usual were recalled in August. Elsewhere in manufacturing, there were job gains in August in computer and peripheral equipment (+3,000) and in nonmetallic mineral products (+3,000), and job losses in electronic instruments (-2,000).
- In August, retail trade employment was little changed (-8,000). Food and beverage stores lost 17,000 jobs; this industry was impacted by employment disruptions at a grocery store chain in New England. Elsewhere in retail trade, automobile dealers added 5,000 jobs.
- Employment in other major industries, including mining and logging, wholesale trade, transportation and warehousing, information, financial activities, and government, showed little change over the month.

## **Hiring Trend Charts – IT Employment Segments**

**August 2014 Employment Situation Summary Report**

**Department of Labor/Bureau of Labor Statistics**

**FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2013 to August 2014)**

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

(Highlights for four bellwether IT jobs segments)

	2013												2014							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Nonfarm job loss/gain (month)	148,000	332,000	138,000	199,000	176,000	172,000	89,000	193,000	175,000	200,000	274,000	84,000	144,000	222,000	203,000	304,000	229,000	267,000	212,000	142,000
National unemployment rate	7.9%	7.7%	7.6%	7.5%	7.6%	7.6%	7.4%	7.4%	7.2%	7.2%	7.0%	6.7%	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%
<b>Professional/Technical Services</b>	14,800	26,800	24,600	22,800	18,200	9,800	21,100	10,900	6,300	21,400	17,500	-11,700	20,400	35,400	10,400	25,100	24,700	31,000	24,900	16,800
<b>Segment 5:</b> Management/Technical Consulting Services	11,500	4,400	6,200	5,700	3,200	8,400	6,900	1,700	1,500	7,700	600	3,900	600	5,300	3,500	5,000	6,800	8,200	2,700	3,000
<b>Segment 4:</b> Computer Systems Design/Related Services	4,600	5,800	3,900	3,300	6,000	7,300	4,300	2,400	4,500	3,200	2,700	1,400	4,700	5,000	6,100	8,900	6,600	6,900	3,900	1,500
<b>Information</b>	9,000	20,000	5,000	-9,000	3,000	-5,000	9,000	-18,000	4,000	5,000	-1,000	-12,000	0	-16,000	2,000	-3,000	-5,000	9,000	2,000	-3,000
<b>Segment 4:</b> Telecommunications	4,900	400	1,800	1,200	1,000	700	3,600	2,700	-2,700	-300	-2,100	1,700	-10,200	800	2,200	2,900	3,200	200	800	-1,800
<b>Segment 5:</b> Data Processing/Hosting/ Related Services	1,100	-800	-500	-500	-400	1,800	3,600	-100	200	-200	-200	500	1,800	-900	-900	100	-1,000	1,600	3,700	1,000
<b>Net gain/loss-ALL IT SEGMENTS</b>	22,100	9,800	11,400	9,700	9,800	18,200	18,400	6,700	3,500	10,400	1,000	7,500	-3,100	10,200	10,900	16,900	15,600	16,900	11,100	3,700
<b>Net gain/loss-ONLY IT SERVICES SEGMENTS</b>	16,100	10,200	10,100	9,000	9,200	15,700	11,200	4,100	6,000	10,900	3,300	5,300	5,300	10,300	9,600	13,900	13,400	15,100	6,600	4,500

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

**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 (January 2011 to December 2012)**

**(Continued) 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	Sep	Oct	Nov	Dec
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	181,000	192,000	132,000	137,000	247,000	219,000
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%	7.8%	7.8%	7.7%	7.8%
<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	4,900	15,500	15,300	16,900
<b>Segment 5:</b> 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	-1,800	4,500	0	5,800
<b>Segment 4:</b> 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	2,900	6,600	7,100	5,600
<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	3,000	1,000	12,000	-9,000
<b>Segment 4:</b> 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	-400	1,400	300	-1,800
<b>Segment 5:</b> 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	-2,400	0	-600	200
<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	-1,700	12,500	6,800	9,800
<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	1,100	11,100	7,100	11,400

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

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

**FIGURE 3 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through August 2014)**

**CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS**

Highlights for four bellwether IT jobs segments)

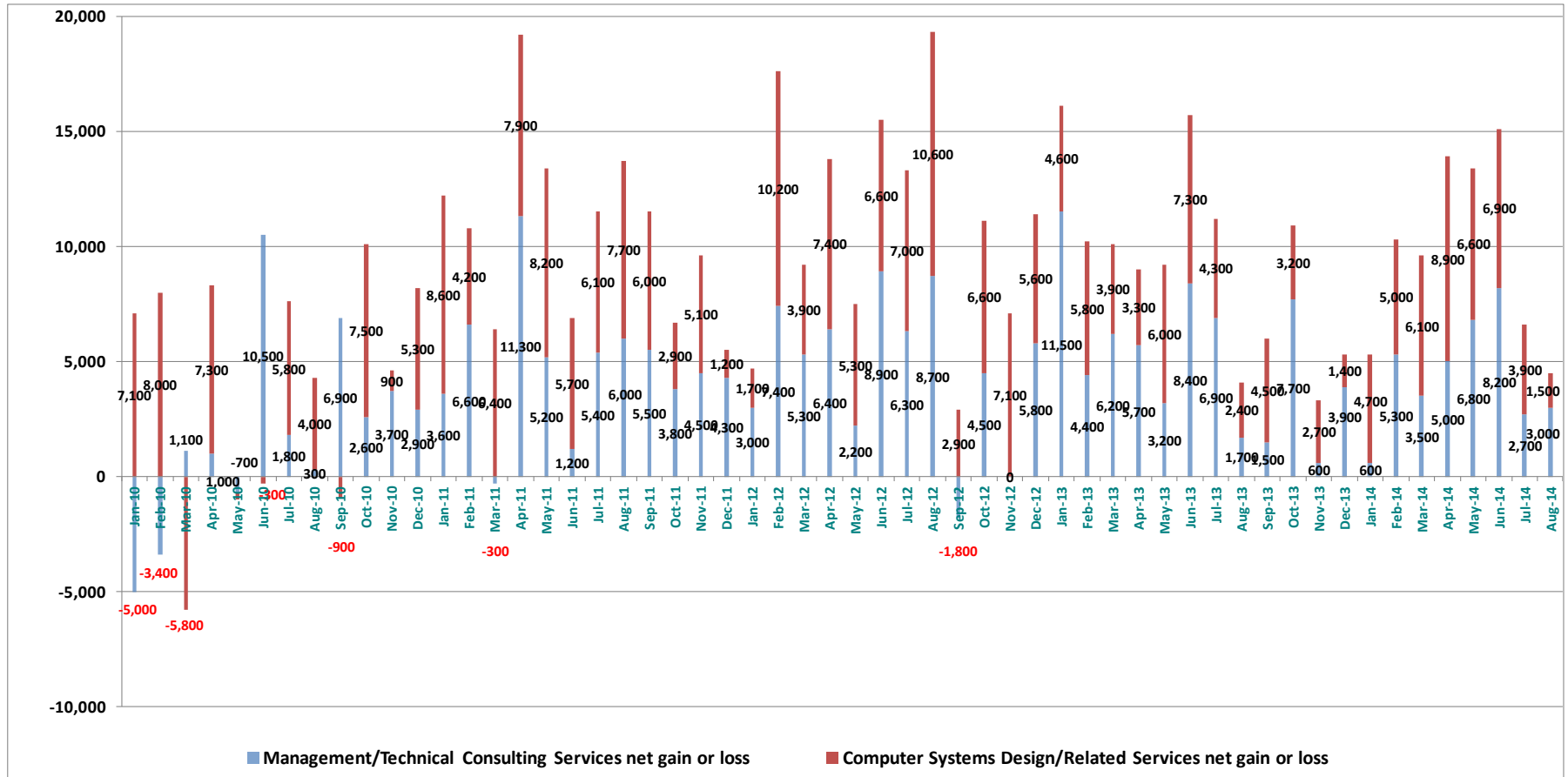
<b>U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through August 2014</b>								
<b>JOBS SEGMENT</b>	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Sep'11 - Aug'14	Sep'12 - Aug'14	Sep'13 - Aug'14	Jan'14 - Aug'14	Mar'14 - Aug'14	May'14 - Aug'14	Jun'14 - Aug'14	Jul'14 - Aug'14
<b>Professional and Technical Services</b>	630,220	423,800	222,200	188,700	132,900	97,400	72,700	41,700
<i>Segment 5: Management/Technical Consulting Services</i>	171,600	105,300	48,800	35,100	29,200	20,700	13,900	5,700
<i>Segment 4: Computer Systems Design/Related Services</i>	183,100	115,200	55,400	43,600	33,900	18,900	12,300	5,400
<b>Information</b>	47,100	3,000	-18,000	-14,000	2,000	3,000	8,000	-1,000
<i>Segment 4: Telecommunications</i>	20,200	10,500	-5,300	-1,900	7,500	2,400	-800	-1,000
<i>Segment 5: Data Processing/Hosting/Related Services</i>	8,200	7,100	5,700	5,400	4,500	5,300	6,300	4,700
<b>TOTAL - ALL 4 IT SEGMENTS</b>	383,100	238,100	104,600	82,200	75,100	47,300	56,800	14,800
<b>IT Services segments</b>	354,700	220,500	104,200	78,700	63,100	39,600	26,200	11,100
<b>Tech Information segments</b>	28,400	17,600	400	3,500	12,000	7,700	5,500	3,700

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

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



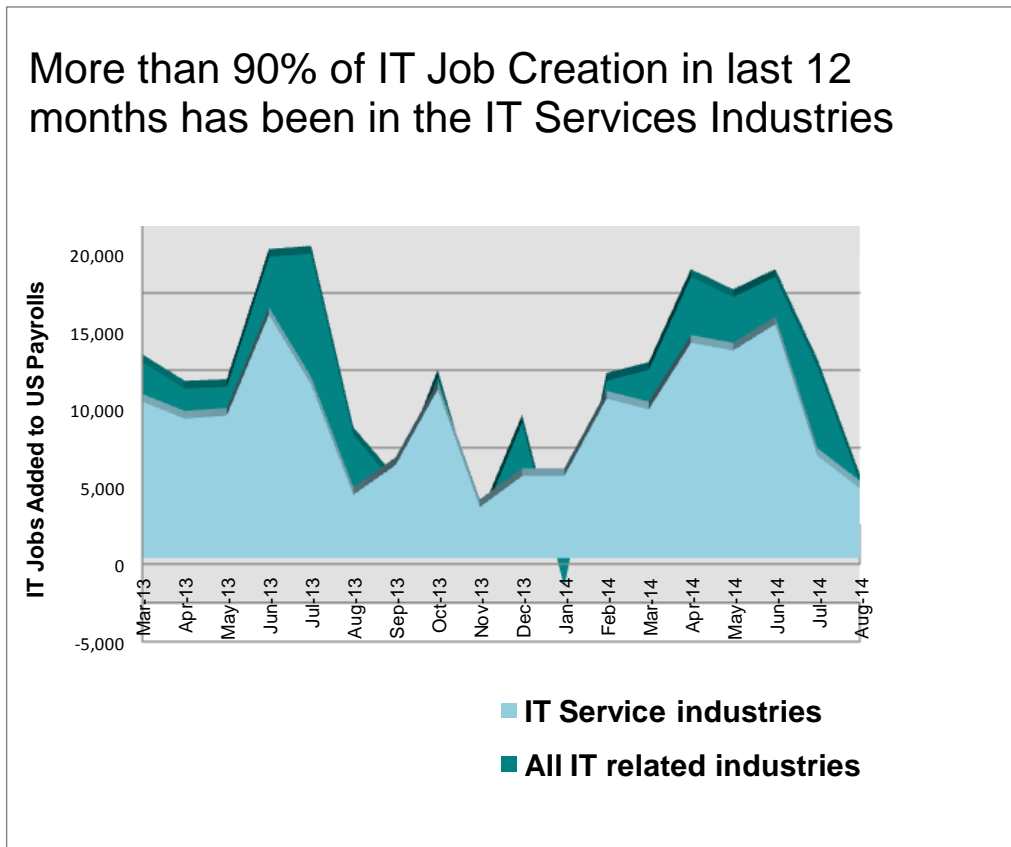
**FIGURE 4 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs**  
- Net job gains/losses from January 2010 through August 2014



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

FIGURE 5

More than 90% of IT Job Creation in last 12 months has been in the IT Services Industries



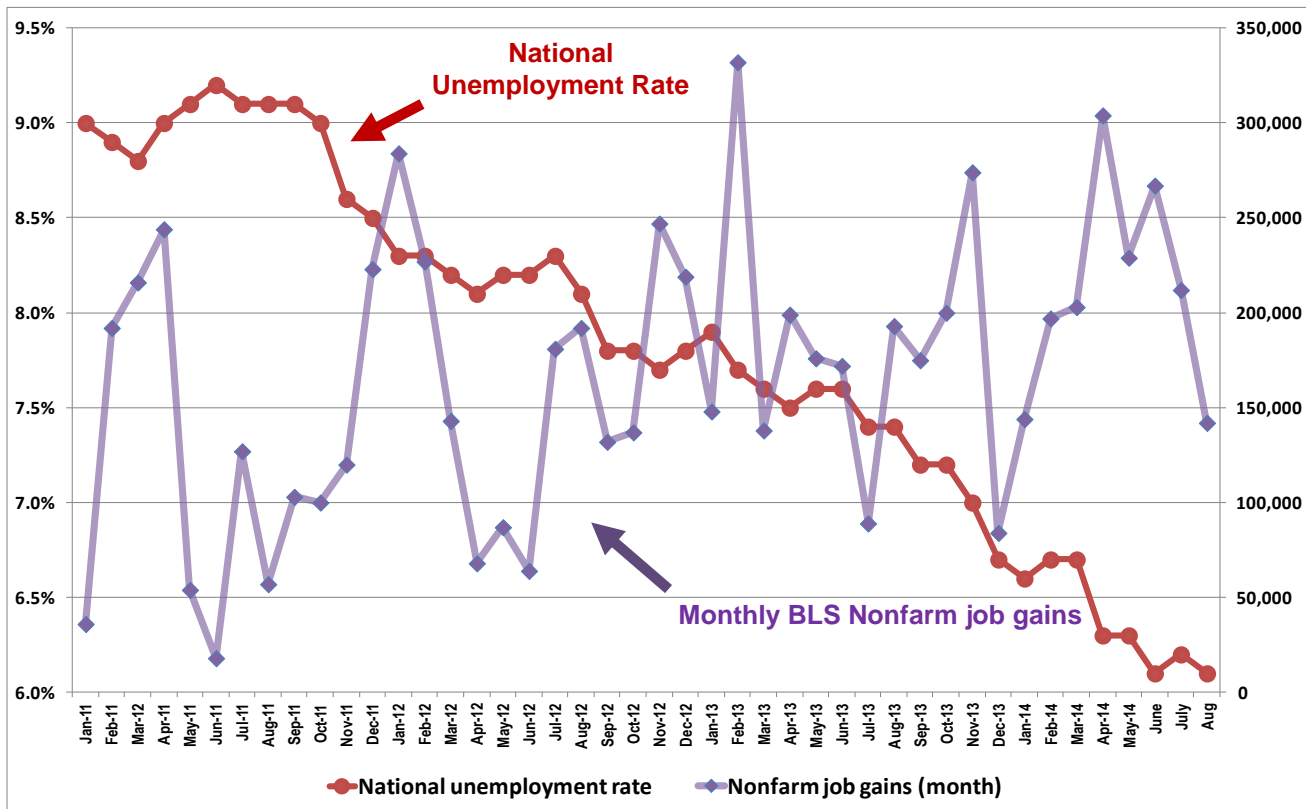
Management and Technical Consulting Services and Computer Systems Design and Related Services segments added **104,200 net jobs in last 12 mos.**

Telecommunications and Data Processing, Hosting and Related Services added only **400 net jobs in the same period..**

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

**FIGURE 6 – UNEMPLOYMENT RATE vs. MONTHLY JOB GROWTH – U.S, Bureau of Labor Statistics**

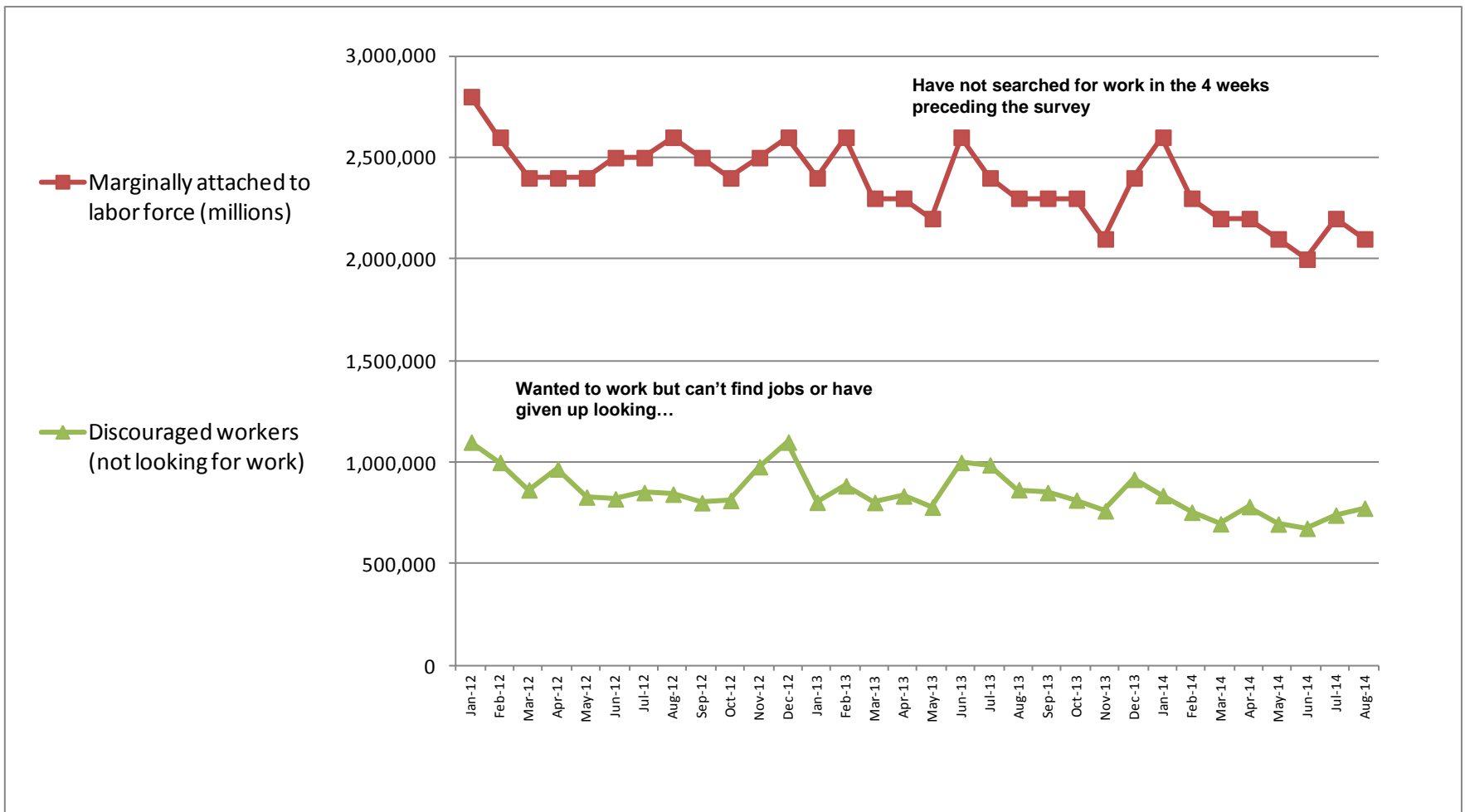
- January 2010 through August 2014



The national unemployment rate has stalled in the low 6 percent range as a result of steep job growth in April and June (+571,000 total jobs) compared with more moderate numbers in July and August (+354,000 total). Also impacting this are more workers actively searching for employment who were not previously looking. Among these workers who were previously defined as unemployed are:

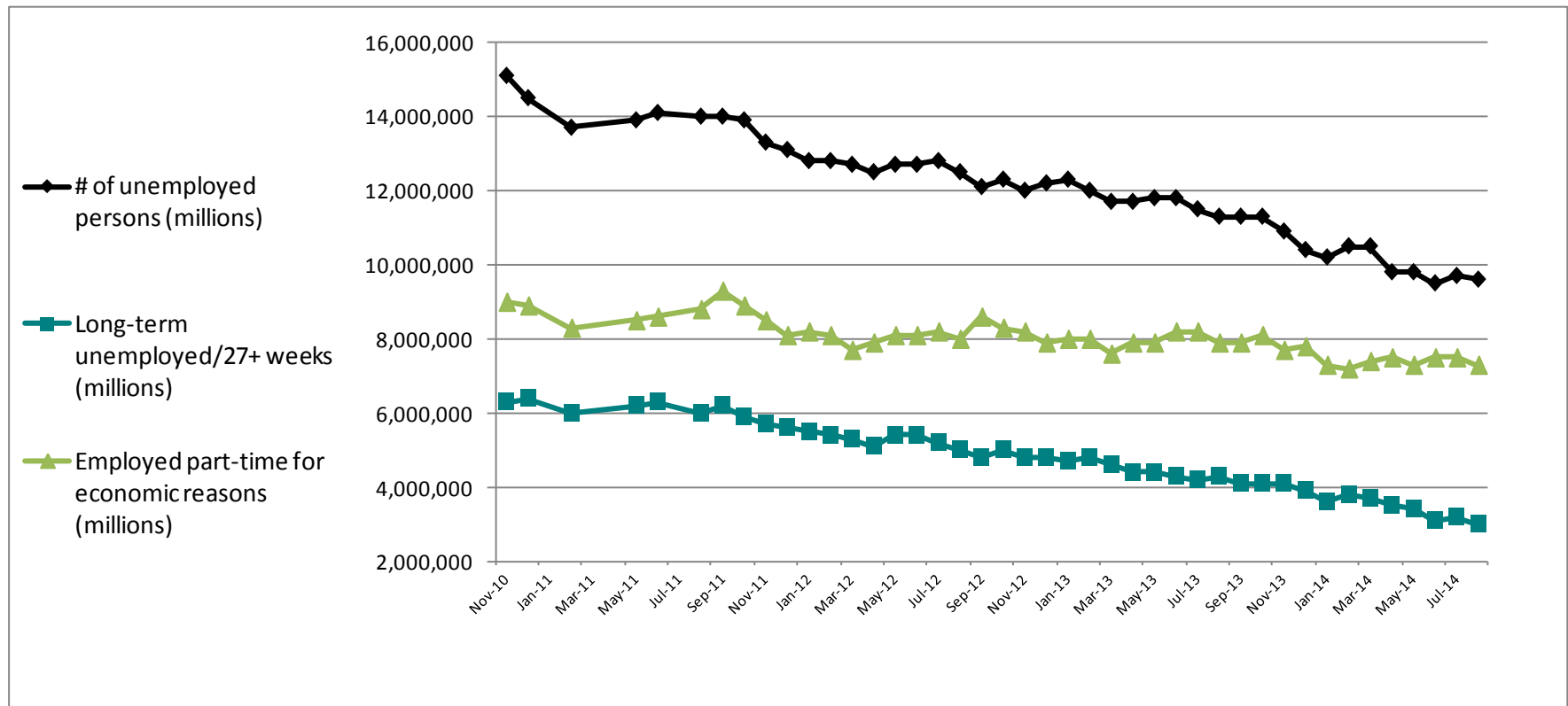
- *Marginally attached workers* (have looked for work in the prior 12 months but not in the 4 weeks preceding the monthly jobs report)
- *Discouraged workers* (have stopped looking for work altogether because they believe no jobs are available for them)

**FIGURE 7– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2012 to 2014**



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

**FIGURE 8 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers - 2010 to 2014**



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

**FIGURE 9 - U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through August 2014)**

**KEY EMPLOYMENT STATISTICS – Last 33 Months**

	Aug-11 (34 mos. ago)	Aug-13 (12 mo. ago)	Sep-13 (11 mo. ago)	Oct-13 (10 mo. ago)	Nov-13 (9 mo. ago)	Dec-13 (8 mo. ago)	Jan-14 (7 mo. ago)	Feb-14 (6 mo. ago)	Mar-14 (5 mo. ago)	Apr-14 (4 mo. ago)	May-14 (3 mo. ago)	Jun-14 (2 mo. ago)	Jul-14 (1 mo. ago)	Aug-14 (Now)
<b>Unemployment rate</b>	9.1%	7.3%	7.2%	7.3%	7.0%	6.7%	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%
<b># of unemployed persons</b>	14.0 million	11.3 million	11.3 million	11.3 million	10.9 million	10.4 million	10.2 million	10.5 million	10.5 million	9.8 million	9.8 million	9.5 million	9.7 million	9.6 million
<b>Long-term unemployed--27+ weeks (% of total unemployed persons)</b>	6.0 million 42.9%	4.3 million 37.9%	4.1 million 36.9%	4.1 million 36.1%	4.1 million 37.3%	3.9 million 37.7%	3.6 million 35.8%	3.8 million 37.0%	3.7 million 35.8%	3.5 million 35.3%	3.4 million 35.3%	3.1 million 32.8%	3.2 million 32.9%	3.0 million 31.2%
<b>Civilian labor force participation rate</b>	64.0%	63.2%	63.2%	62.8%	63.0%	62.8%	63.0%	63.0%	63.2%	62.8%	62.8%	62.8%	62.9%	62.8%
<b>Employment-population ratio</b>	58.2%	58.6%	58.6%	58.3%	58.6%	58.6%	58.8%	58.8%	58.9%	58.9%	58.9%	59.0%	59.0%	59.0%
<b>Employed part-time for economic reasons</b>	8.8 million	7.9 million	7.9 million	8.1 million	7.7 million	7.8 million	7.3 million	7.2 million	7.4 million	7.5 million	7.3 million	7.5 million	7.5 million	7.3 million
<b>Marginally attached to labor force</b>	2.6 million	2.3 million	2.3 million	2.3 million	2.1 million	2.4 million	2.6 million	2.3 million	2.2 million	2.2 million	2.1 million	2.0 million	2.2 million	2.1 million
<b>Discouraged workers (not looking for work)</b>	977,000	866,000	852,000	815,000	762,000	917,000	837,000	755,000	698,000	783,000	697,000	676,000	741,000	775,000

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

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