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FOOTE IT NEWS ANALYSIS – Technology employment trends in the April 2016 Bureau of Labor Statistics – U.S. Employment Report

24,800 tech jobs added to U.S. payrolls in April---all in the Professional Services industry---up dramatically from 10,700 in March, 6,500 in February, and 5,500 in January.

The highest monthly job growth in more than eight years

But 2016 average monthly tech job growth still below 2015's average.

Vero Beach, FL – May 10, 2016. An analysis of last Friday's release of April 2016 U.S. employment numbers by the Bureau of Labor Statistics (BLS) reveals a **dramatic net increase of 24,800 in tech jobs** across four industry job segments commonly associated with technology professionals.

April's gain was the most tech jobs added in a single month since before the Wall Street crash and subsequent economic recession.

Following the first three months of 2016 in which an average of 7,567 tech jobs were added each month to U.S. payrolls, April's results were a 132% improvement over the previous month's 10,700 tech job expansion and a substantial 281% change from February's 6,500 job gain. Despite the latest numbers, the 11,875 average monthly job growth in 2016 still trails 2015's 12,300 average/month by more than 400 jobs. [***see Figs. 1, 3, and 6***].

Two IT segments have been responsible for slightly more than 98% of all IT jobs added to US payrolls in the past twelve months: ***Management and Technical Consulting Services*** and ***Computer Systems Design/Related Services.*** These segments were responsible for all new jobs added in April, adding 27,900 jobs for the month, up from 10,900 jobs in March and 7,800 in February. These segments averaged 11,242 new jobs per month in 2015; so far in 2016 they are averaging 13,050/month due largely to the impressive April showing. [***see Figs. 1 and 3***].

The remaining two job segments relating to tech hiring, ***Telecommunications*** and ***Data Processing, Hosting and Related Services*** together lost 3,100 more jobs for the month, adding to losses of 200 jobs in March, 1,300 jobs in February, and 100 more in January. These segments have averaged losses of 1,175 jobs per month so far this year, a reversal of the 12,696 new jobs added in these segments in all of 2015 for a monthly average of 1,058 jobs.

"Clearly, the relatively poor performance in tech job creation reflected in these Department of Labor reports beginning last November and carrying through to March has unexpectedly reversed itself. But one month is not a trend," notes Foote Partners' chief analyst David Foote. "As tech labor analysts we like to see a minimum of three solid months of consistent job gains before begin searching for additional evidence to support a change of direction in the employment market. Given the general volatility that has existed in the tech employment over that past several years we're at best only cautiously optimistic by this latest development. It would be wise to harbor no illusions that a boom in hiring tech labor is in our near future: many tech workers remain unemployed and discouraged about their prospects".

"The truth is that last year's BLS numbers were very volatile with big swings from month to month. The problem now is that while volatility subsided somewhat in the first quarter of 2016, the level of IT jobs added to U.S. payrolls more of less flatlined at a much lower level of growth and that fact should be a concern to IT professionals. It has appeared that IT employment is under a certain amount of pressure this year even though economists are suggesting that the American economy is holding up well despite a slowdown in China, growing risks in emerging markets and turmoil in the stock market. The financial markets are leery but the U.S. labor market still looks like it's continuing to grow, though a bit more softly than had been projected."

Continues Foote, "Late last month, the government reported that the economy barely expanded in the first quarter. But most experts say the gains in the overall labor market in recent months are a more reliable sign, suggesting that the economy will continue to expand for the rest of 2016, and that the pace of growth will pick up modestly from the stagnant start to the year.

"The one caveat in our analysis is that BLS data only reports approximately 40% of the true IT labor market. They fail to adequately track and report hot job market segments in cloud computing, mobile computing, Big Data analytics, cybersecurity, certain areas of software development and engineering like the hot digital innovation space, and a large portion of hybrid IT-business positions that do not generally reside in the IT department but instead are distributed throughout companies in administrative areas, functional departments, and products groups for example", say Foote. "Our observation has been that there continues to be aggressive hiring occurring in several of these highly specialized areas. And it appears from the latest DoL reports that the contingent workforce of consultants and contractors is where a lot of the hiring is focused right at this moment. In fact, 67,000 jobs were added in the business and professional services category last month with nearly 28,000 of these jobs in the two primarily tech sectors mentioned earlier."

"The Department of Labor will never be able to accurately track technology jobs unless it overhauls its methodology and job definition and classification model and that's not going to happen anytime soon if at all. They can't afford to render decades of historical employment trend data obsolete. That's a very practical concern for people in a research business. As a research director myself they certainly have my sympathies. But at the same time this dilemma represents a serious conundrum for anyone trying to understand the true state of the technology labor marketplace in the U.S."

Hiring Trend Charts – IT Employment Segments

April 2016 Employment Situation Summary Report

(U.S. Department of Labor/Bureau of Labor Statistics)

Foote Partners, LLC
Foote Research Group

FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2014 to April 2016)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2014											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Nonfarm job loss/gain (month)	144,000	222,000	203,000	304,000	229,000	267,000	243,000	203,000	256,000	261,000	423,000	329,000
National unemployment rate	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%	5.9%	5.8%	5.8%	5.6%
Professional/Technical Services	20,400	35,400	10,400	25,100	24,700	31,000	24,900	16,800	21,100	20,000	37,500	12,600
Segment 5: Management/Technical Consulting Services	600	5,300	3,500	5,000	6,800	8,200	2,700	3,000	11,500	4,000	7,300	3,200
Segment 4: Computer Systems Design/Related Services	4,700	5,000	6,100	8,900	6,600	6,900	3,900	1,500	4,900	6,800	6,500	9,000
Information	0	-16,000	2,000	-3,000	-5,000	9,000	2,000	-3,000	12,000	-4,000	4,000	2,000
Segment 4: Telecommunications	-10,200	800	2,200	2,900	3,200	200	800	-1,800	4,600	800	2,300	-300
Segment 5: Data Processing/Hosting/ Related Services	1,800	-900	-900	100	-1,000	1,600	3,700	1,000	1,700	1,300	1,200	-3,000
Net gain/loss-ALL IT SEGMENTS	-3,100	10,200	10,900	16,900	15,600	16,900	11,100	3,700	22,700	12,900	17,300	8,900
Net gain/loss-ONLY IT SERVICES SEGMENTS	5,300	10,300	9,600	13,900	13,400	15,100	6,600	4,500	16,400	10,800	13,800	12,200
Net gain/loss-OTHER IT JOB SEGMENTS	-8,400	-100	1,300	3,000	2,200	1,800	4,500	-800	6,300	2,100	3,500	-3,300

	2015												2016			
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Nonfarm job loss/gain (month)	201,000	266,000	119,000	221,000	254,000	245,000	223,000	153,000	145,000	307,000	280,000	271,000	168,000	233,000	208,000	160,000
National unemployment rate	5.7%	5.5%	5.5%	5.4%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%	4.9%	4.9%	5.0%	5.0%
Professional/Technical Services	32,500	31,800	23,700	20,700	18,800	23,900	26,600	14,500	17,700	26,900	28,400	11,100	25,300	17,600	13,500	31,100
Segment 5: Management/Technical Consulting Services	3,600	7,100	3,800	6,000	7,000	-1,200	3,300	6,100	900	7,000	5,000	4,200	2,200	3,400	6,800	20,600
Segment 4: Computer Systems Design/Related Services	8,000	5,200	3,900	9,100	10,300	4,400	8,700	7,000	7,000	9,900	4,800	3,800	3,400	4,400	4,100	7,300
Information	6,000	7,000	2,000	3,000	-3,000	7,000	2,000	-7,000	12,000	-1,000	-12,000	16,000	1,000	12,000	1,000	0
Segment 4: Telecommunications	-400	-100	1,400	-1,700	-100	400	1,600	-3,500	600	-400	500	-900	0	-2,200	-400	-2,500
Segment 5: Data Processing/Hosting/ Related Services	3,300	1,500	1,500	100	2,700	2,200	1,300	1,600	1,300	-200	1,000	-1,000	-100	900	200	-600
Net gain/loss-ALL IT SEGMENTS	14,500	13,700	10,600	13,500	19,900	5,800	14,900	11,200	9,800	16,300	11,300	6,100	5,500	6,500	10,700	24,800
Net gain/loss-ONLY IT SERVICES SEGMENTS	11,600	12,300	7,700	15,100	17,300	3,200	12,000	13,100	7,900	16,900	9,800	8,000	5,600	7,800	10,900	27,900
Net gain/loss-OTHER IT JOB SEGMENTS	2,900	1,400	2,900	-1,600	2,600	2,600	2,900	-1,900	1,900	-600	1,500	-1,900	-100	-1,300	-200	-3,100

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 2012 to December 2013)

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

(Highlights for four bellwether IT jobs segments)

	2012											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nonfarm job loss/gain (month)	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	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%	8.1%	7.8%	7.8%	7.7%	7.8%
Professional/Technical Services	30,300	34,200	13,800	27,500	-4,000	18,200	17,900	26,800	4,900	15,500	15,300	16,900
Segment 5: Management/Technical Consulting Services	3,000	7,400	5,300	6,400	2,200	8,900	6,300	8,700	-1,800	4,500	0	5,800
Segment 4: Computer Systems Design/Related Services	1,700	10,200	3,900	7,400	5,300	6,600	7,000	10,600	2,900	6,600	7,100	5,600
Information	13,000	-1,000	-900	-2,000	-2,000	-8,000	11,000	3,000	3,000	1,000	12,000	-9,000
Segment 4: Telecommunications	-300	-6,400	-3,600	-3,500	-2,000	-2,100	2,800	-2,300	-400	1,400	300	-1,800
Segment 5: Data Processing/Hosting/ Related Services	-1300	1900	-600	-500	-300	0	2,100	1,100	-2,400	0	-600	200
Net gain/loss-ALL IT SEGMENTS	3,100	13,100	5,000	9,800	5,200	13,400	18,200	18,100	-1,700	12,500	6,800	9,800
Net gain/loss-ONLY IT SERVICES SEGMENTS	4,700	17,600	9,200	13,800	7,500	15,500	13,300	19,300	1,100	11,100	7,100	11,400
Net gain/loss-OTHER IT JOB SEGMENTS	-1,600	-4,500	-4,200	-4,000	-2,300	-2,100	4,900	-1,200	-2,800	1,400	-300	-1,600

	2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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
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%
Professional/Technical Services	14,800	26,800	24,600	22,800	18,200	9,800	21,100	10,900	6,300	21,400	17,500	-11,700
Segment 5: 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
Segment 4: 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
Information	9,000	20,000	5,000	-9,000	3,000	-5,000	9,000	-18,000	4,000	5,000	-1,000	-12,000
Segment 4: Telecommunications	4,900	400	1,800	1,200	1,000	700	3,600	2,700	-2,700	-300	-2,100	1,700
Segment 5: Data Processing/Hosting/ Related Services	1,100	-800	-500	-500	-400	1,800	3,600	-100	200	-200	-200	500
Net gain/loss-ALL IT SEGMENTS	22,100	9,800	11,400	9,700	9,800	18,200	18,400	6,700	3,500	10,400	1,000	7,500
Net gain/loss-ONLY IT SERVICES SEGMENTS	16,100	10,200	10,100	9,000	9,200	15,700	11,200	4,100	6,000	10,900	3,300	5,300
Net gain/loss-OTHER IT JOB SEGMENTS	6,000	-400	1,300	700	600	2,500	7,200	2,600	-2,500	-500	-2,300	2,200

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 3 – **U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through April 2016)**

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through April 2016

JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
Professional and Technical Services	737,500	552,700	255,400	171,600	127,000	87,500	62,200	44,600
Segment 5: Management/Technical Consulting Services	180,800	132,500	65,300	50,100	42,200	33,000	30,800	27,400
Segment 4: Computer Systems Design/Related Services	203,900	147,400	75,100	44,700	27,800	19,200	15,800	11,400
Information	31,000	63,000	28,000	29,000	18,000	14,000	13,000	1,000
Segment 4: Telecommunications	2,400	2,100	-6,900	-5,300	-5,500	-5,100	-5,100	-2,900
Segment 5: Data Processing/Hosting/Related Services	27,500	22,200	9,300	1,500	400	400	500	-400
TOTAL - ALL 4 IT SEGMENTS	414,600	304,200	142,800	91,000	64,900	47,500	56,800	35,500
IT Services segments	384,700	279,900	140,400	94,800	70,000	52,200	46,600	38,800
Tech Information segments	29,900	24,300	2,400	-3,800	-5,100	-4,700	-4,600	-3,300

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 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2013 to April 2016)

Only two years ago, the November unemployment rate was more than two percentage points higher. The fall has been faster than most economists expected, though part of the reason has been a drop in the labor force participation rate as people retire, go back to school or just give up.

*** The labor force participation rate measures the number of people who are working or looking for a job.**

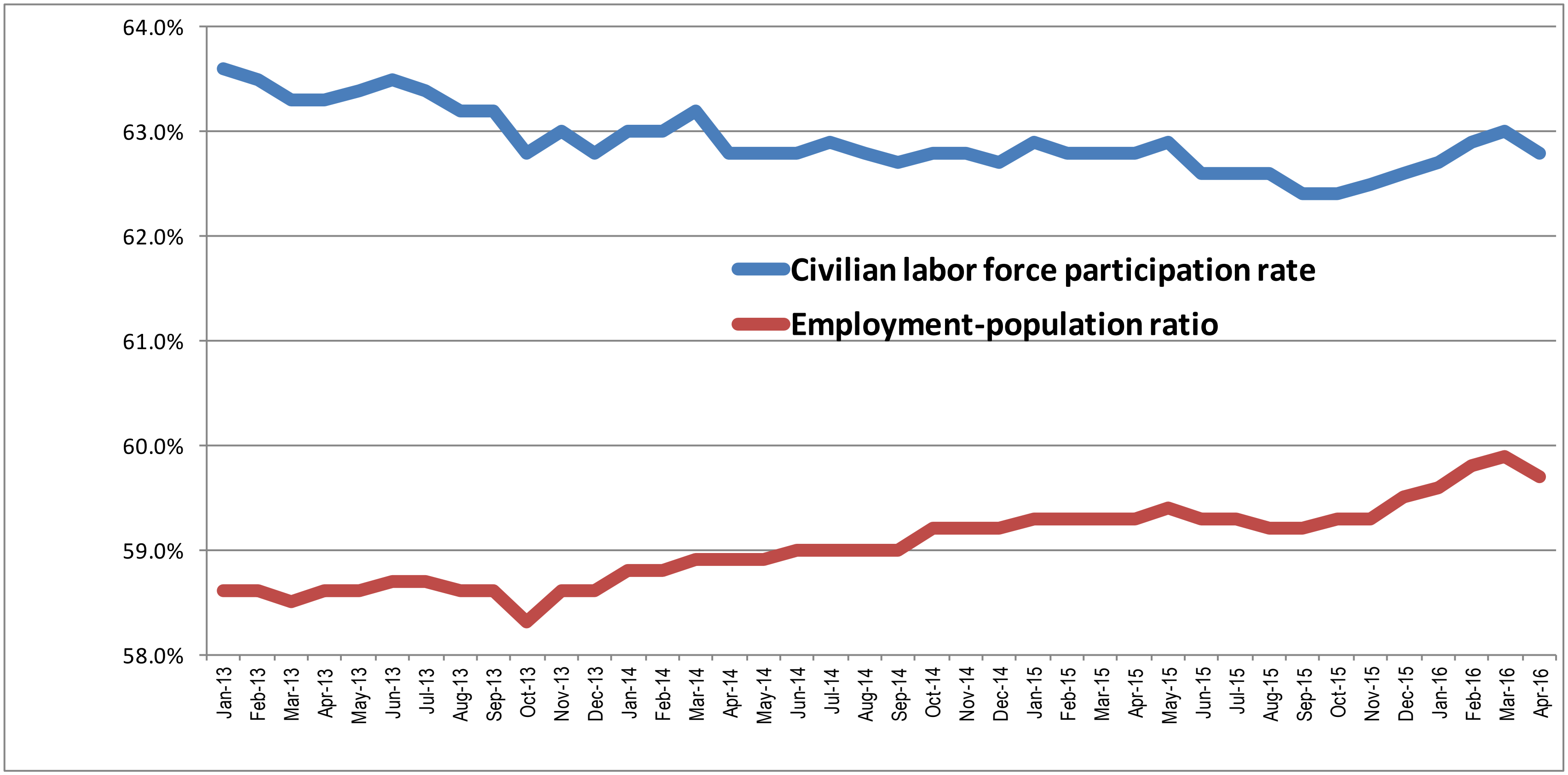
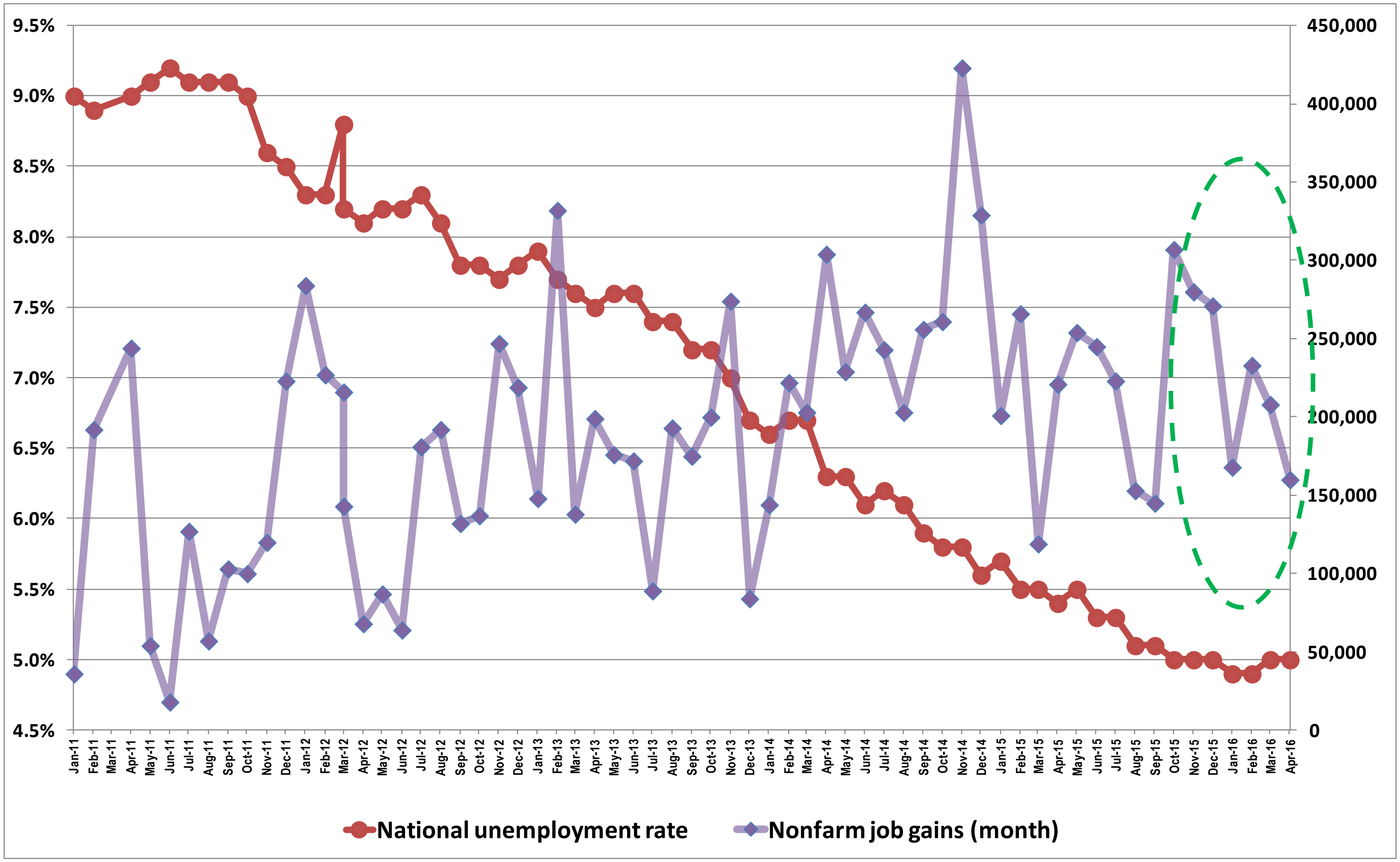


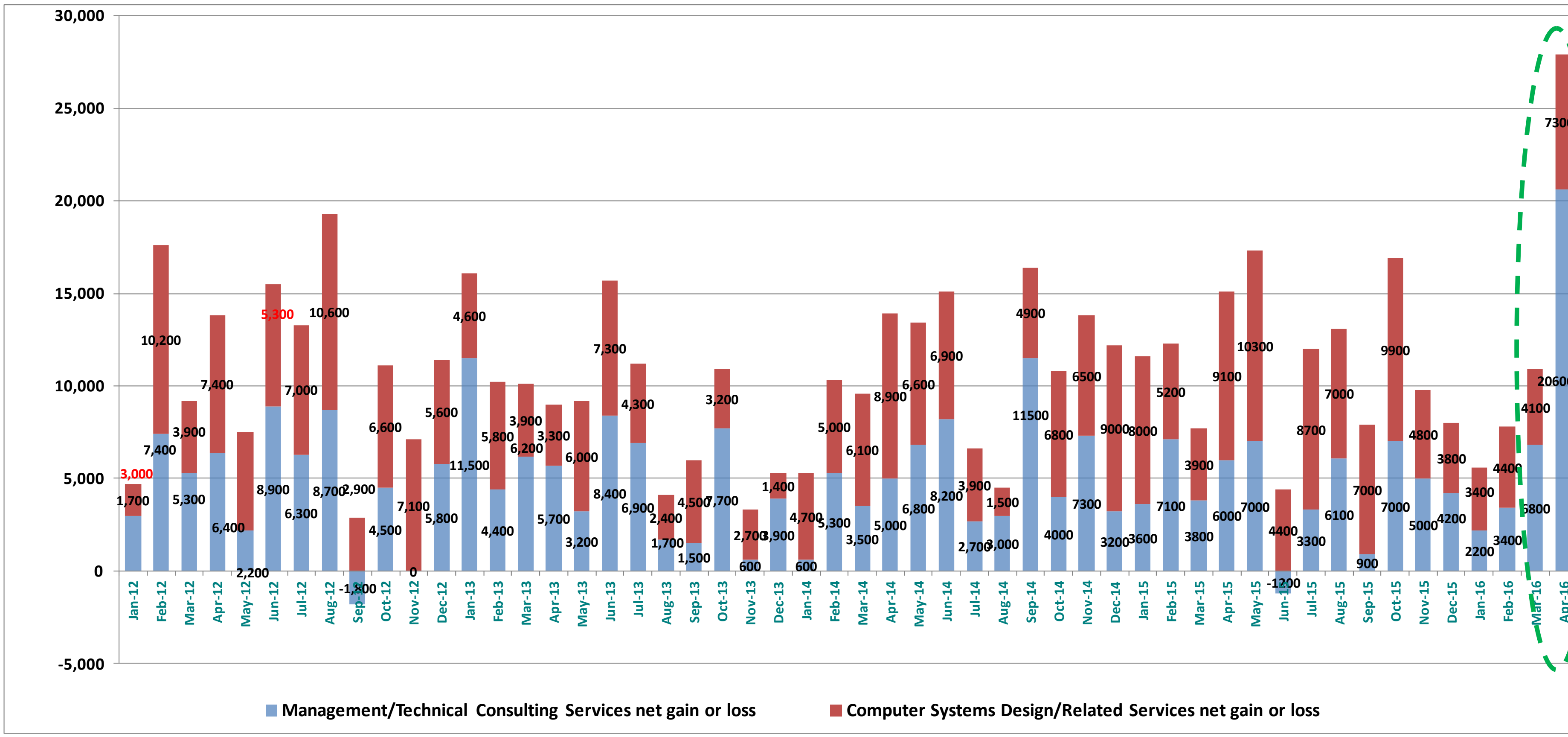
FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs

- Net job gains/losses from January 2011 to April 2016



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

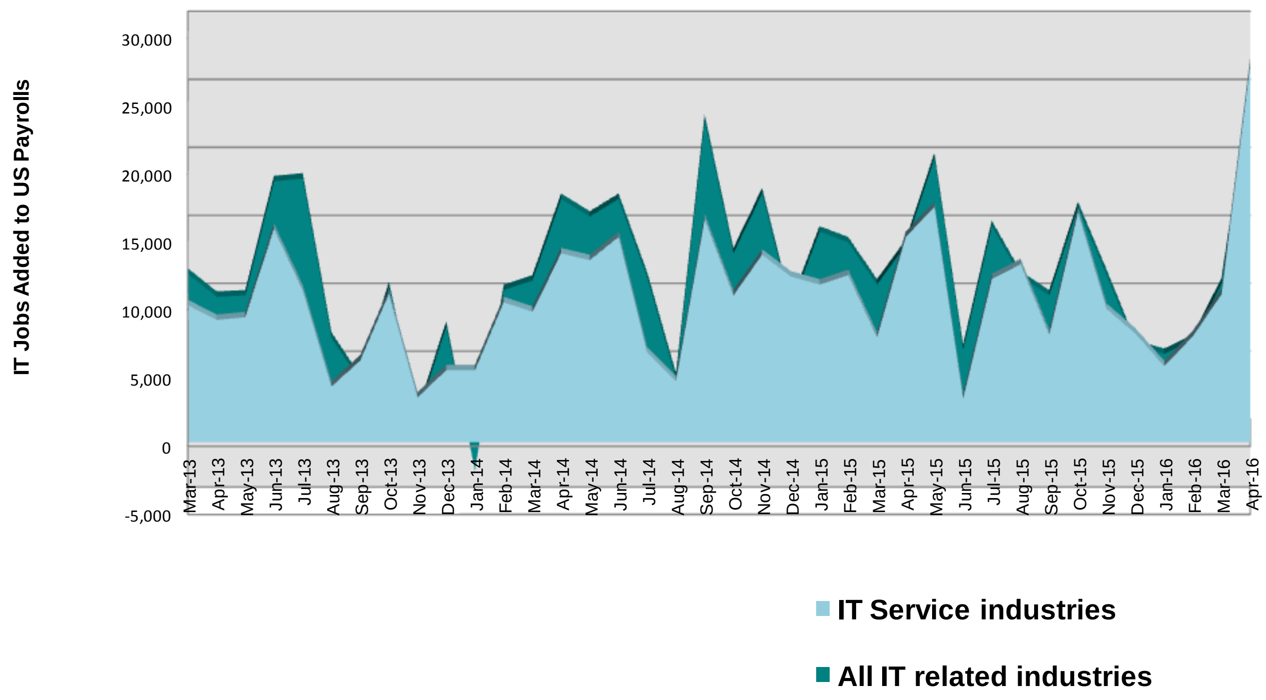
FIGURE 6



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

FIGURE 7

More than 98% of IT Job Creation in last 12 months has been in IT Services Industries

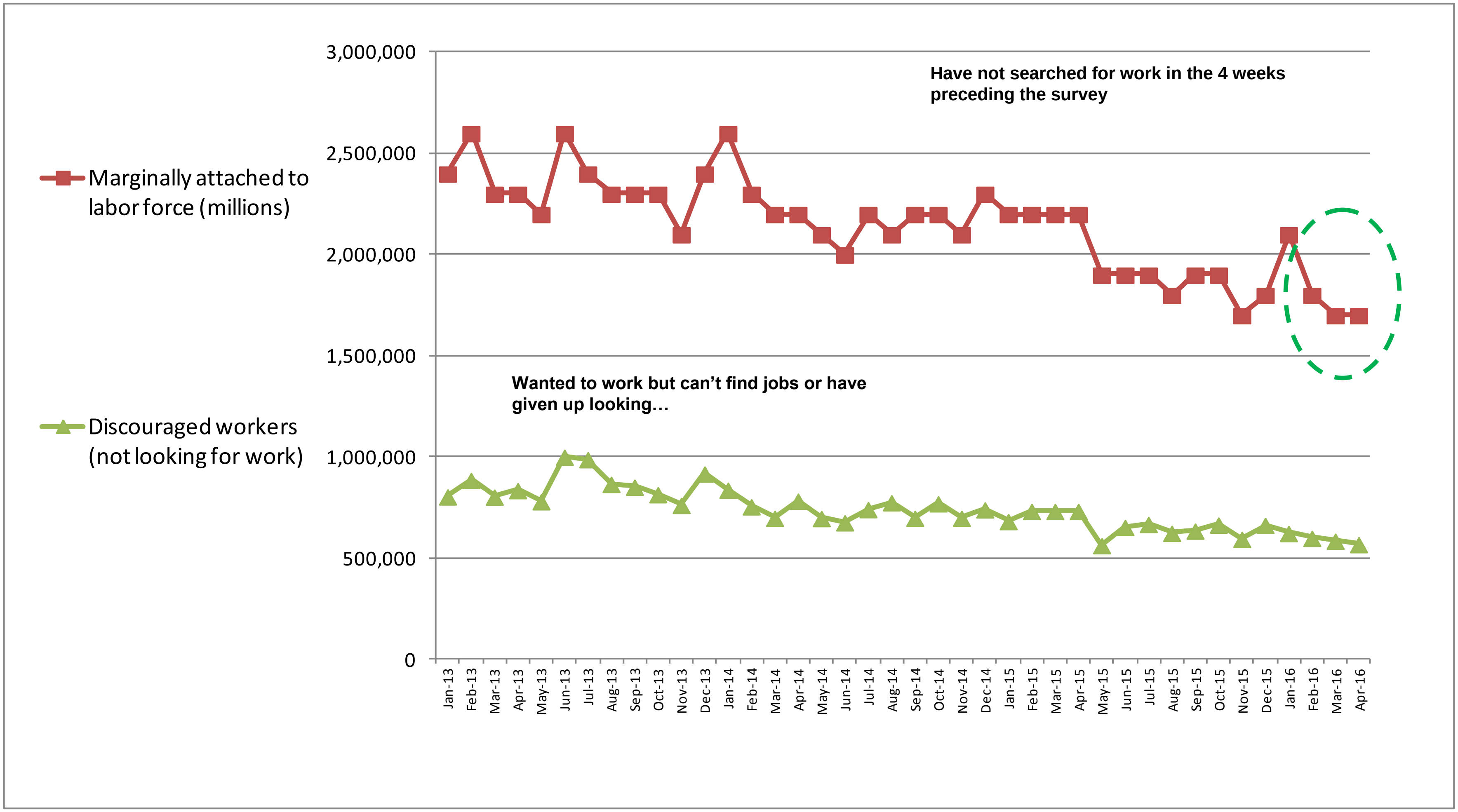


***Management and Technical Consulting Services* and *Computer Systems Design and Related Services* segments added 140,400 net jobs in last 12 mos.**

Telecommunications and Data Processing, Hosting and Related Services added only 2,400 net jobs in the same period..

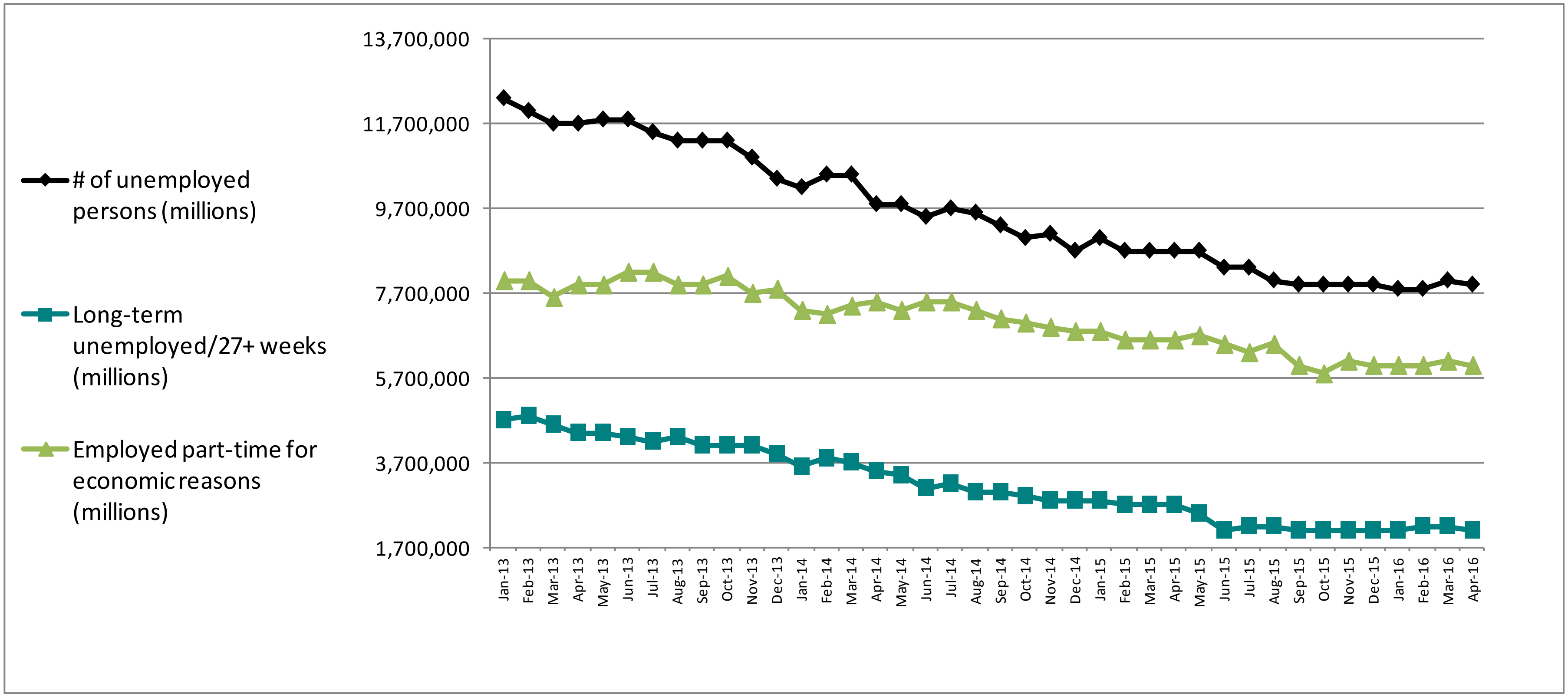
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 8– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2012 to 2016



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

FIGURE 9 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers - 2013 to 2016



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

FIGURE 10 - U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through February 2016)

KEY EMPLOYMENT STATISTICS – Last 25 Months

	Mar-14 (25 mo. ago)	Oct-14 (18 mo. ago)	Feb-15 (14 mo. ago)	Mar-15 (13mo. ago)	Apr-15 (12 mo. ago)	May-15 (11 mo. ago)	Jun-15 (10 mo. ago)	Jul-15 (9 mo. ago)	Aug-15 (8 mo. ago)	Sep-15 (7 mo. ago)	Oct-15 (6 mo. ago)	Nov-15 (5 mo. ago)	Dec-15 (4 mo. ago)	Jan-16 (3 mo. ago)	Feb-16 (2 mo. ago)	Mar-16 (1 mo. ago)	Apr-16 (Now)
Unemployment rate	6.7%	5.8%	5.5%	5.5%	5.5%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%	4.9%	4.9%	5.0%	5.0%
# of unemployed persons	10.5 million	9.0 million	8.7 million	8.7 million	8.7 million	8.7 million	8.3 million	8.3 million	8.0 million	7.9 million	7.9 million	7.9 million	7.9 million	7.8 million	7.8 million	8.0 million	7.9 million
Long-term unemployed--27+ weeks	3.7 million	2.90 million	2.70 million	2.70 million	2.70 million	2.5 million	2.1 million	2.2 million	2.2 million	2.1 million	2.1 million	2.1 million	2.1 million	2.1 million	2.2 million	2.2 million	2.1 million
(% of total unemployed persons)	35.8%	32.0%	31.1%	31.1%	31.1%	28.6%	25.8%	26.9%	27.7%	26.6%	26.8%	25.7%	26.3%	26.9%	27.7%	27.6%	25.7%
Civilian labor force participation rate	63.2%	62.8%	62.8%	62.8%	62.8%	62.9%	62.6%	62.6%	62.6%	62.4%	62.4%	62.5%	62.6%	62.7%	62.9%	63.0%	62.8%
Employment-population ratio	58.9%	59.2%	59.3%	59.3%	59.3%	59.4%	59.3%	59.3%	59.2%	59.2%	59.3%	59.3%	59.5%	59.6%	59.8%	59.9%	59.7%
Employed part-time for economic reasons	7.4 million	7.0 million	6.6 million	6.6 million	6.6 million	6.7 million	6.5 million	6.3 million	6.5 million	6.0 million	5.8 million	6.1 million	6.0 million	6.0 million	6.0 million	6.1 million	6.0 million
Marginally attached to labor force	2.2 million	2.2 million	2.2 million	2.2 million	2.2 million	1.9 million	1.9 million	1.9 million	1.8 million	1.9 million	1.9 million	1.7 million	1.8 million	2.1 million	1.8 million	1.7 million	1.7 million
Discouraged workers (not looking for work)	698,000	770,000	732,000	732,000	732,000	563,000	653,000	668,000	624,000	635,000	665,000	594,000	663,000	623,000	599,000	585,000	568,000

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 IT analyst firm and independent benchmark research organization focusing on the human capital aspects and execution (i.e. 'user' versus 'vendor) side of managing technology and IT value creation. A thought leader and trusted advisor to more than 4,000 employers on six continents, the firm provides pragmatic and forward-thinking benchmark research and analysis about managing the modern business/IT hybrid professional workforce. Our research is deeply grounded in specialized proprietary benchmark research, surveys, and empirical intelligence collected from 2,845 U.S. and Canadian employers representing 220,000 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, Towers Watson, and Mercer senior consultants, and former corporate HR, IT, and business executives, the firm's research division publishes more than 130 quarterly-updated IT 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.

Foote Partners' respected ***IT Insider* research series** features comprehensive and up-to-date IT salary/bonus and technical skills premium pay benchmark surveys, and IT organization and workforce trends research. Included in the quarterly ***IT Insider*** series are the following:

- *IT Professional Salary Survey*
- *IT Skills and Certifications Pay Index™*
- *IT Salary+Skills Pay Survey Reports™*
- *IT Professional Job Descriptions*
- *IT Insider Workforce Trends Series™ reports*
- *IT Skills Demand and Pay Trends Report™*
- *IT Skills and Certifications HOT LIST Forecast*
- *IT Skills & Certifications Volatility Index*

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