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

**Following November’s 17,300 net increase in IT jobs nationally—second largest monthly
 increase in 2014--8,900 more jobs added in December.**

**IT service industry segment job growth last month still nearly 3,000 jobs greater than the
 monthly average for the year.**

**National unemployment rate down to 5.6 percent as 252,000 jobs are added,
 concluding a year in which U.S. employment rose by 2.95 million jobs,
 the largest growth in fifteen years.**

Vero Beach, FL – Saturday, January 10, 2015. An analysis of Friday’s release of U.S. employment
 numbers for December 2015 by the Bureau of Labor Statistics (BLS) reveals a **net increase of 8,900 IT
 jobs** across four industry job segments commonly associated with technology professionals.

December’s result was significantly lower than the 17,300 jobs added in November and lower than the
 12,000 job average monthly growth for all of 2014 but some IT job segments performed better than average
 for the year. (*see Fig. 1*).

Two IT segments that have been responsible for more than 90 percent of all IT jobs added to US payrolls in
 the past twelve months recorded gains in December (*Figs. 1, 2*). **Computer Systems Design/Related
 Services** added 9,000 jobs, more than in any other month in 2014 and the highest since August 2012. The

other segment, *Management and Technical Consulting Services*, added only 3,200 new jobs, below the 7,300 added in November and fewer than monthly average gain of 5,092 for the year 2014.

The other two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together posted a net *loss* of 3,300 jobs in December. This was the fourth monthly loss for these segments in 2014 and the second highest in the same period. For the year these segments have posted modest average monthly gains of 458 jobs and 550 jobs respectively. (see Figures 1, 3, 4)

Discussion

“For IT professionals the jobs scene in 2014 was even more robust than the prior two years: a monthly average of 12,000 IT jobs were added to U.S. payrolls compared to 10,708 in 2013 and 9,442 in 2012 according to the Labor Department’s far too narrow definition of IT jobs. 416,900 new IT jobs were created during this time,” notes David Foote, chief analyst at Foote Partners which has been tracking and reporting on IT labor trends since 1997. “Meanwhile the national unemployment rate in the same period plummeted from 8.3 percent to 5.6 percent but the number of workers too discouraged to look for work regularly (or at all) remained fairly constant in the 3 million to 3.4 million worker range. The bottom line is that IT professionals have been a lot less discouraged about their job security, and for good reason.”

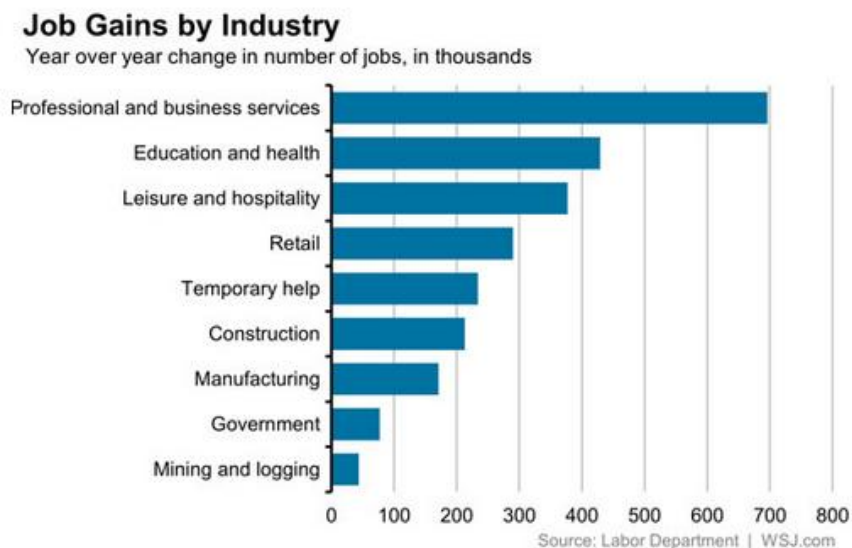
“The reason” says Foote, “is a combination of factors that all started coming together in the past few years and will continue to play out in 2015. “We are seeing more and more large employers making structural changes in their IT workforces, systematically replacing consultants and adjusting their full-timer-to-contingent ratio. Many of these companies laid off or otherwise lost large numbers of full time workers during the economic upheaval and recovery years 2007 to present so they are essentially returning to the their prior full-timer workforce mix. They’re concentrating more on software engineers, analysts, architects and other IT-business hybrid varieties than the so-called traditional tech infrastructure jobs. Except for the possible exception of information security jobs if you categorize those as infrastructure.

“But even with infosec jobs, they want a different mix of skills along the lines of solid communications, business, and even marketing skills in addition to infosec tech skills, especially cybersecurity, ethical hacking and forensics. Taken together, this make security pros more of an ‘impact’ player who can help

CISOs sell security throughout the organization. You know, security pros who can think in business terms are more adept at thinking about how to translate technology risk to business risk and help present security bottom line as a value-add enhancement to products and services that customers react to positively and are willing to pay more for.

"It's good timing too since with the cascade of serious data breaches that is now sounding like a drumbeat in mass media. This is an opportune time to push for expanding the security workforce which has been seriously understaffed for decades. The threats to cloud and mobile platforms has increased but so has the threats to legacy systems. We are anticipating greater interest in security hiring in 2015 and also growth in pay in both salaries and security certifications premiums," predicts Foote.

Industry Highlights – December 2014



Many of the jobs created during the recovery have been in lower-paying positions such as temporary work and retail. But professional and business services and construction also saw healthy gains in December. And overall, job gains have been fairly broad based throughout the year. In 2014, all sectors added positions.

- Total **nonfarm payroll employment** increased by 252,000 in December. In 2014, job growth averaged 246,000 per month, compared with an average monthly gain of 194,000 in 2013. In December, employment increased in professional and business services, construction, food services and drinking places, health care, and manufacturing.
- Employment in **professional and business services** rose by 52,000 in December. Monthly job gains in the industry averaged 61,000 in 2014. In December, employment increased in administrative and waste services (+35,000), computer systems design and related services (+9,000), and architectural and engineering services (+5,000). Employment in accounting and bookkeeping services declined (-14,000), offsetting an increase of the same amount in November.
- **Construction** added 48,000 jobs in December, well above the employment gains in recent months. Specialty trade contractors added jobs in December (+26,000), with the gain about equally split between residential and nonresidential contractors. Employment also increased in heavy and civil engineering construction (+12,000) and in nonresidential building (+10,000).
- In December, employment in **food services and drinking places** increased by 44,000. The industry added an average of 30,000 jobs per month in 2014.
- **Health care** added 34,000 jobs in December. Job gains occurred in ambulatory health care services (+16,000), nursing and residential care facilities (+11,000), and hospitals (+7,000). Employment growth in health care averaged 26,000 per month in 2014 and 17,000 per month in 2013.
- In December, **manufacturing** employment increased by 17,000, with durable goods (+13,000)
- accounting for most of the gain. Manufacturing added an average of 16,000 jobs per month in 2014, compared with an average gain of 7,000 jobs per month in 2013.

- Employment in **wholesale trade** and in **financial activities** continued to trend up in December.
- Employment in **retail trade** changed little in December, following a large gain in November. Employment in other major industries, including **mining and logging, transportation and warehousing, information, and government**, changed little in December.

Hiring Trend Charts – IT Employment Segments

December 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 December 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	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	144,000	222,000	203,000	304,000	229,000	267,000	243,000	203,000	256,000	261,000	353,000	252,000
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%	5.9%	5.8%	5.8%	5.6%
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	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	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	11,500	4,000	7,300	3,200
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	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	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	12,000	-4,000	4,000	2,000
Segment 4: Telecommunications	4,900	400	1,800	1,200	1,000	700	3,600	2,700	-2,700	-300	-2,100	1,700	-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	1,100	-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	1,700	1,300	1,200	-3,000
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	-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	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	16,400	10,800	13,800	12,200
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	-8,400	-100	1,300	3,000	2,200	1,800	4,500	-800	6,300	2,100	3,500	-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 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%
Professional/Technical Services	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
<i>Segment 5: Management/Technical Consulting Services</i>	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
<i>Segment 4: Computer Systems Design/Related Services</i>	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
Information	-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
<i>Segment 4: Telecommunications</i>	-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
<i>Segment 5: Data Processing/Hosting/Related Services</i>	-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
Net gain/loss-ALL IT SEGMENTS	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
Net gain/loss-ONLY IT SERVICES SEGMENTS	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 December 2014)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through December 2014								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Jan'12 - Dec'14	Jan'13 - Dec'14	Jan'14 - Dec'14	May'14 - Dec'14	Jul'14 - Dec'14	Sep'14 -Dec'14	Oct'14 -Dec'14	Nov'14 - Dec'14
Professional and Technical Services	679,700	462,400	279,900	188,600	188,600	91,200	70,100	50,100
<i>Segment 5: Management/Technical Consulting Services</i>	179,500	122,800	61,100	46,700	46,700	26,000	14,500	10,500
<i>Segment 4: Computer Systems Design/Related Services</i>	195,100	120,200	70,800	46,100	46,100	27,200	22,300	15,500
Information	30,100	10,000	0	17,000	17,000	14,000	2,000	6,000
<i>Segment 4: Telecommunications</i>	500	18,400	5,500	9,800	9,800	7,400	2,800	2,000
<i>Segment 5: Data Processing/Hosting/Related Services</i>	10,700	11,100	6,600	6,500	6,500	1,200	-500	-1,800
TOTAL - ALL 4 IT SEGMENTS	385,800	272,500	144,000	109,100	109,100	61,800	56,800	26,200
IT Services segments	374,600	243,000	131,900	92,800	92,800	53,200	36,800	26,000
Tech Information segments	11,200	29,500	12,100	16,300	16,300	8,600	2,300	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 4 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (February 2008 to December 2014)

Only two years ago, the November unemployment rate was a full 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 look for a job.

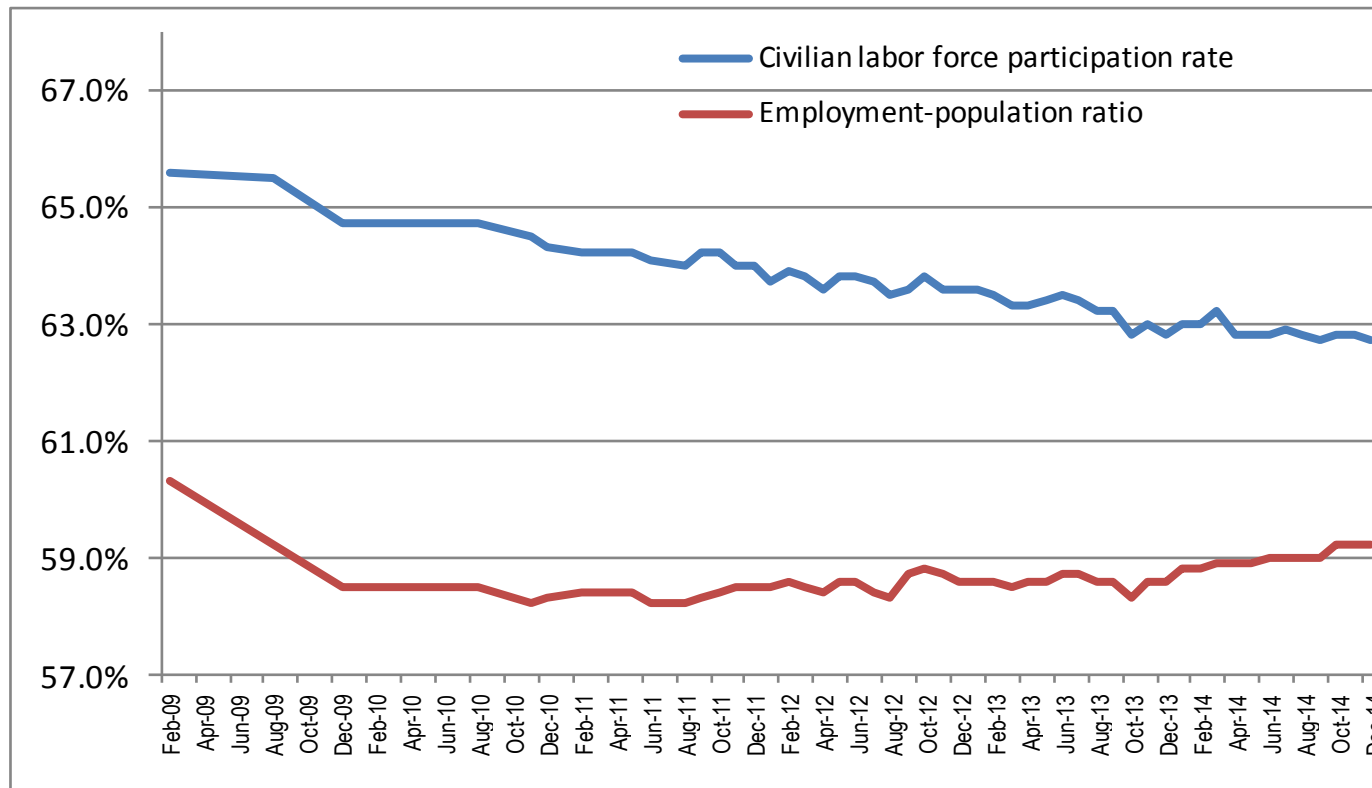
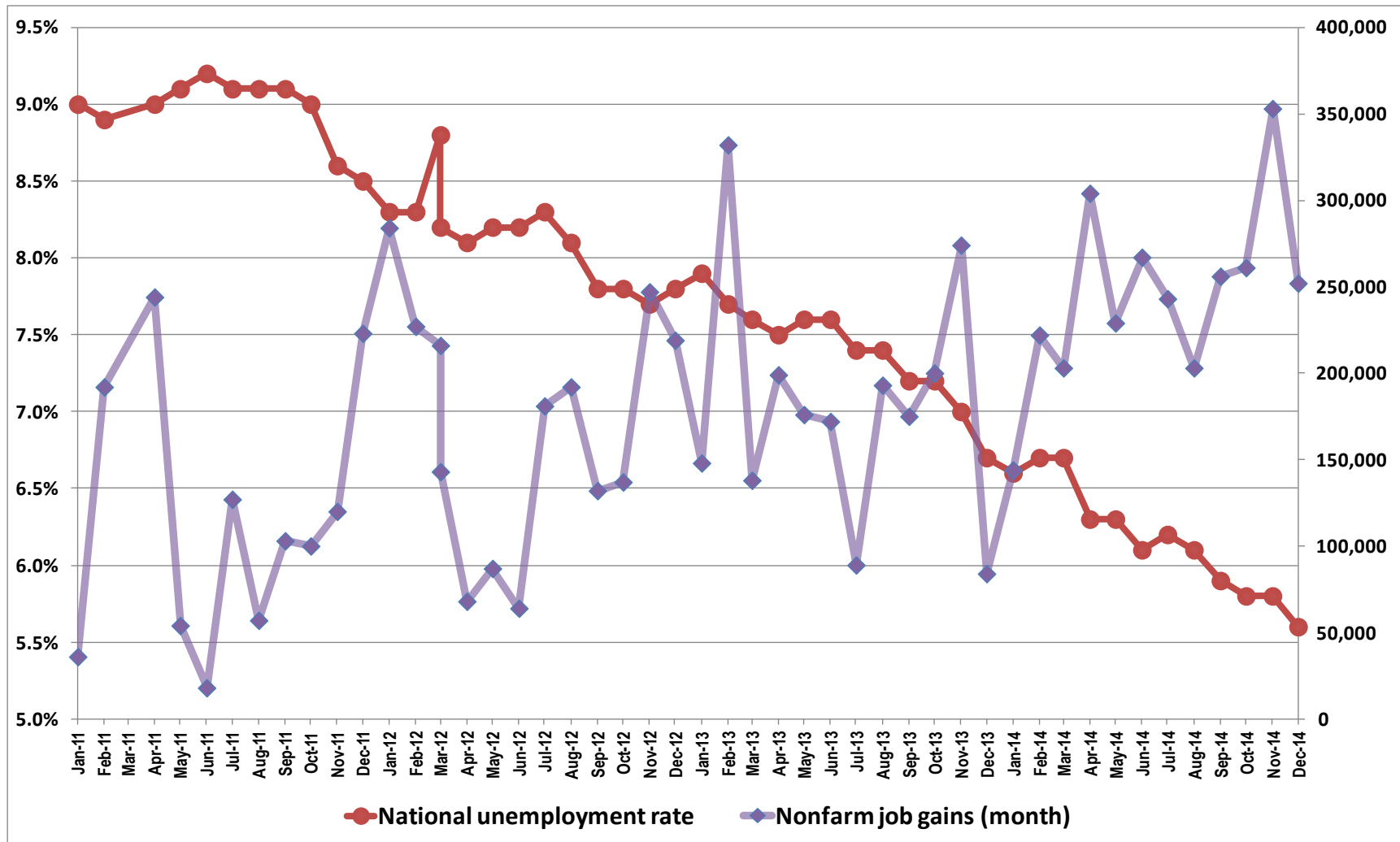
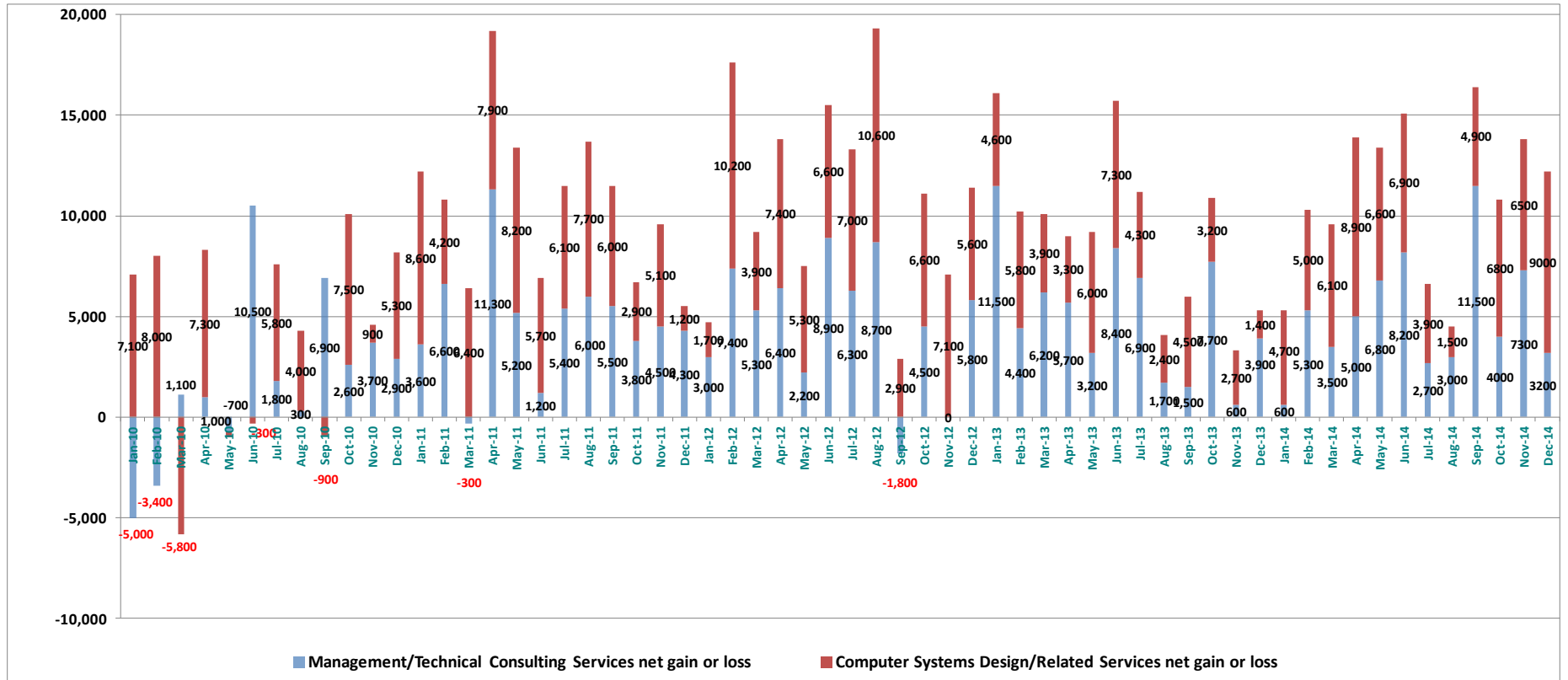


FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
- Net job gains/losses from January 2010 through December 2014



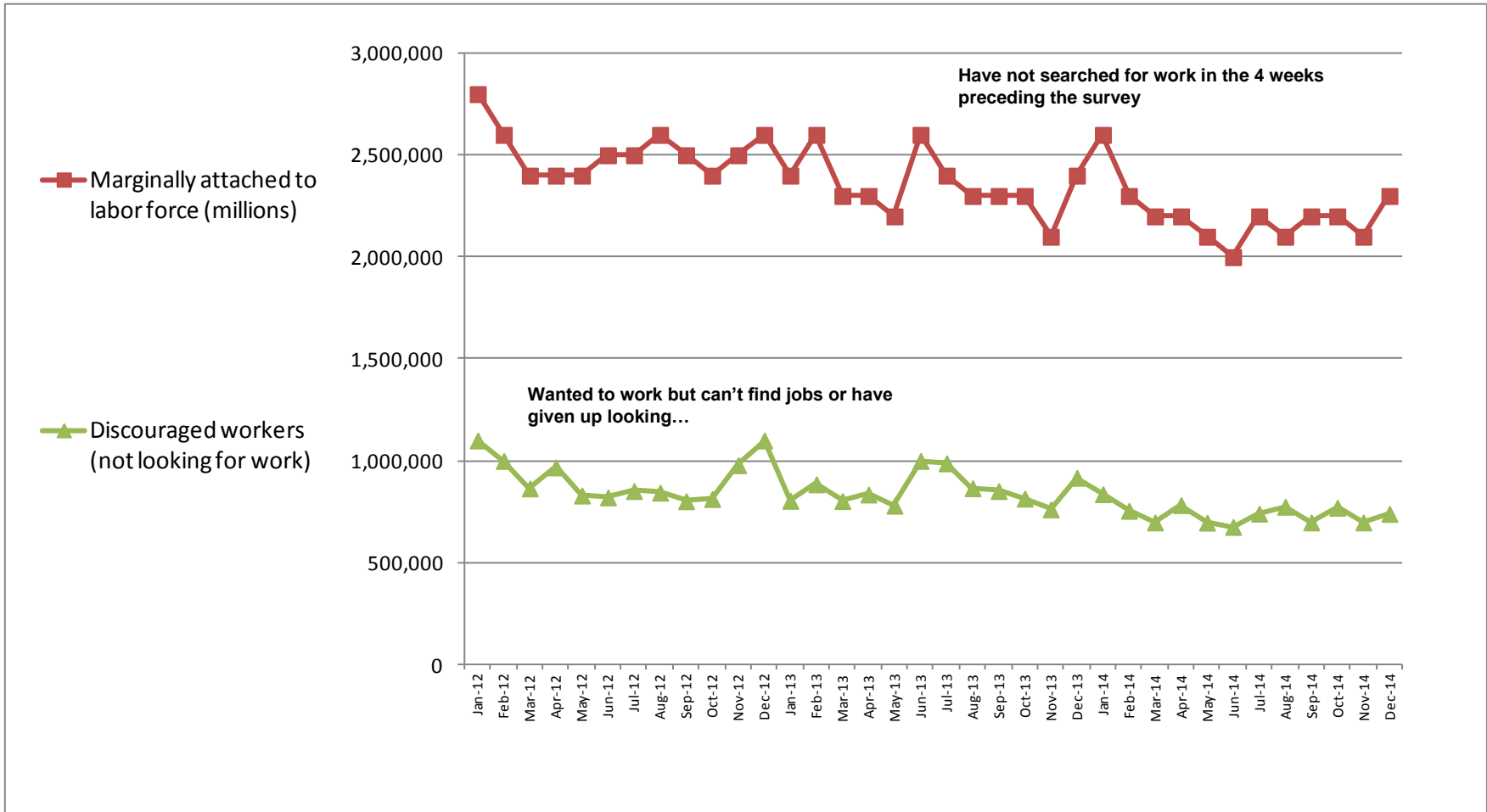
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 6



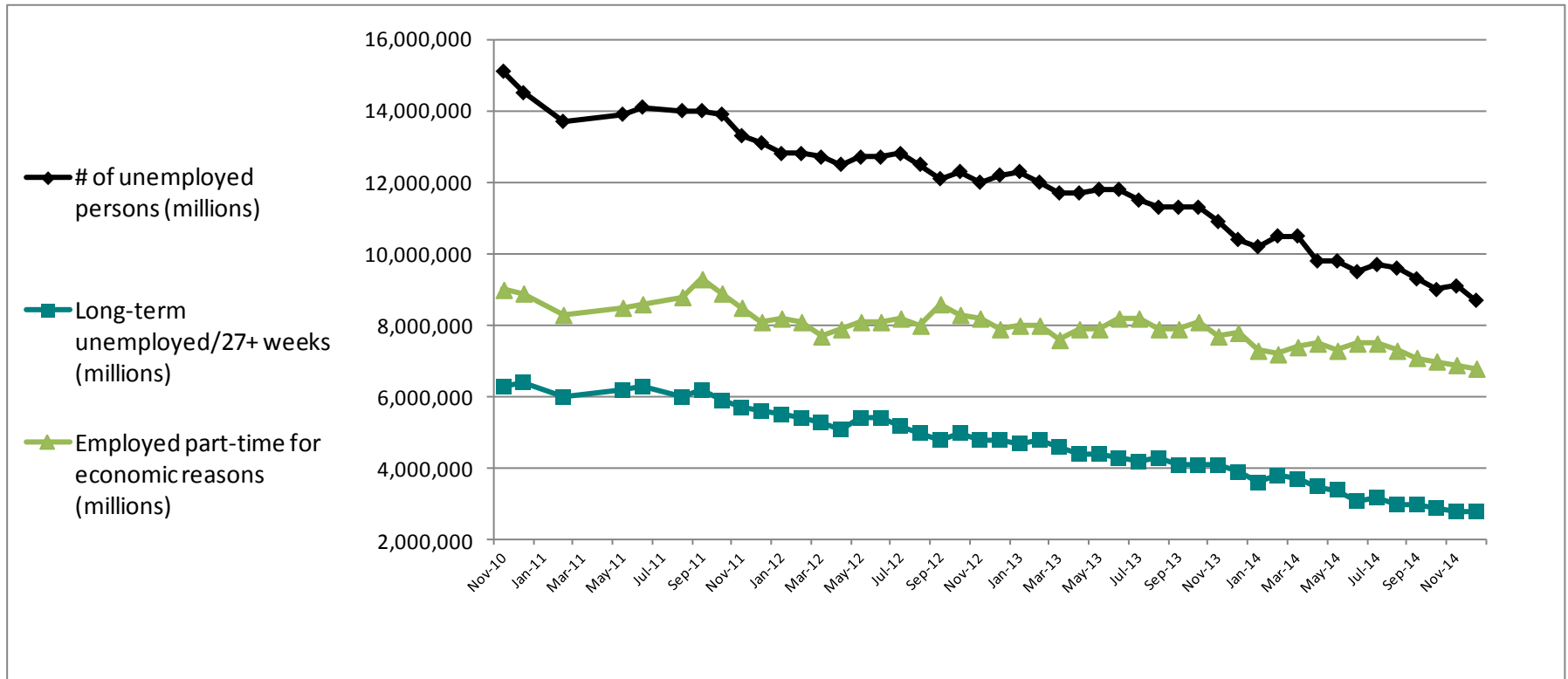
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 7– 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 December 2014)

KEY EMPLOYMENT STATISTICS – Last 24 Months

	Dec-12 (24 mo. ago)	Dec-13 (12 mo. ago)	Jan-14 (11 mo. ago)	Feb-14 (10 mo. ago)	Mar-14 (9 mo. ago)	Apr-14 (8 mo. ago)	May-14 (7 mo. ago)	Jun-14 (6 mo. ago)	Jul-14 (5 mo. ago)	Aug-14 (4 mo. ago)	Sep-14 (3 mo. ago)	Oct-14 (2 mo. ago)	Nov-14 (1 mo. ago)	Dec-14 (Now)
Unemployment rate	7.8%	6.7%	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%	5.9%	5.8%	5.8%	5.6%
# of unemployed persons	12.2 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	9.3 million	9.0 million	9.1 million	8.7 million
Long-term unemployed--27+ weeks (% of total unemployed persons)	4.8 million 39.1%	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%	3.0 million 31.9%	2.90 million 32.0%	2.80 million 30.7%	2.80 million 31.9%
Civilian labor force participation rate	63.6%	62.8%	63.0%	63.0%	63.2%	62.8%	62.8%	62.8%	62.9%	62.8%	62.7%	62.8%	62.9%	62.7%
Employment-population ratio	58.6%	58.6%	58.8%	58.8%	58.9%	58.9%	58.9%	59.0%	59.0%	59.0%	59.0%	59.2%	59.2%	59.2%
Employed part-time for economic reasons	7.9 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	7.1 million	7.0 million	6.9 million	6.8 million
Marginally attached to labor force	2.6 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	2.2 million	2.2 million	2.1 million	2.3 million
Discouraged workers (not looking for work)	1,100,000	917,000	837,000	755,000	698,000	783,000	697,000	676,000	741,000	775,000	698,000	770,000	698,000	740,000

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

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