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Contact: Ted Lane tlane@footepartners.com
 Tel: 772-234-2787

**FOOTE IT NEWS ANALYSIS – Technology employment trends in the
 December 2015 Bureau of Labor Statistics – U.S. Employment Report**

Only 6,100 IT jobs added to U.S. payrolls in December, down from 11,300 in November.

**With the addition of 292,000 jobs, the national unemployment rate
 stays steady at 5.0 percent, lowest since 2008.**

Vero Beach, FL – Friday, January 8, 2016. An analysis of Friday’s release of December 2015 U.S. employment numbers by the Bureau of Labor Statistics (BLS) reveals a **net increase of 6,100 IT jobs** across four industry job segments commonly associated with technology professionals.

December job growth was lower than November’s 11,300 IT jobs and *significantly* less than the 16,300 jobs added to U.S. payrolls in October. Moreover, with an average of 12,300 jobs added every month in 2015 the poor showing for in December is troubling: it’s the second worst month for IT employment for the entire year. [*see Figs. 1 and 6*].

Two IT segments that have been responsible for 93 percent of all IT jobs added to US payrolls in the past twelve months were responsible for all new IT jobs in December. [*see Fig. 7*]. ***Management and Technical Consulting Services*** added 4,200 jobs, nearly equal to the 4,400 twelve month running average for the year. The other job segment, ***Computer Systems Design/Related Services***, gained 3,000 jobs last month, below both November’s results (4,800) and well below the 9,900 jobs added in this segment in

October. Most importantly December numbers were significantly less than the 6,842 monthly average for 2015 for this segment.

The remaining two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together lost 2,000, or 900 and 1,000 respectively for the month. These segments have averaged growth of only 1,058 per month for the year.

“It was a volatile year for IT job growth in 2015 with big swings month to month. In only two of the four segments, *Computer Systems Design/Related Services* and *Data Processing, Hosting and Related Services* did 2015 job growth beat 2014: 6,842 versus 5,900 and 1,275 versus 550 respectively”, notes Foote Partners’ chief analyst David Foote. “147,600 IT jobs were created this year according to the BLS compared to 144,000 in 2014. Still, that’s two very solid years of growth and good news overall for IT professionals. And traditionally there a big jump in labor demand in January following a dip in December when people take vacations.”

Labor Department data paints a picture of an economy that is growing steadily and creating jobs at a healthy pace, even as wage gains remain subdued and many Americans are still stuck on the sidelines of the recovery. Not so much for IT professionals however: Foote Partners IT compensation benchmark data (<http://bit.ly/1UE6peF>) is showing salaries and demand for skills in many areas are very strong: cloud and mobile platforms, database and data analytics, security, applications development and a variety of methodology and process skills.

Industry Highlights – December 2015

- Total nonfarm payroll employment increased by 292,000 in December. Employment rose in several industries, including professional and business services, construction, health care, and food services and drinking places. Mining employment continued to decline. In 2015, payroll employment growth totaled 2.7 million, compared with 3.1 million in 2014
- Employment in professional and business services increased by 73,000 in December, with temporary help services accounting for 34,000 of the gain. In 2015, professional and business services added 605,000 jobs, compared with a gain of 704,000 in 2014.

- Construction showed strong job growth for the third consecutive month, gaining 45,000 jobs in December. Job gains occurred among specialty trade contractors (+29,000) and in construction of buildings (+10,000). Over the year, construction added 263,000 jobs, compared with a gain of 338,000 jobs in 2014
- In December, health care employment rose by 39,000, with most of the increase occurring in ambulatory health care services (+23,000) and hospitals (+12,000). Job growth in health care averaged 40,000 per month in 2015, compared with 26,000 per month in 2014.
- Food services and drinking places added 37,000 jobs in December. In 2015, the industry added 357,000 jobs.
- Employment in transportation and warehousing rose by 23,000 in December, with a gain of 15,000 in couriers and messengers.
- Within the information industry, motion pictures and sound recording added 15,000 jobs in December, offsetting a decline of 13,000 in the prior month.
- Employment in mining continued to decline in December (-8,000). After adding 41,000 jobs in 2014, mining lost 129,000 jobs in 2015, with most of the loss in support activities for mining.
- Manufacturing employment changed little in December, though its nondurable goods component added 14,000 jobs. In 2015, manufacturing employment was little changed (+30,000), following strong growth in 2014 (+215,000).
- Employment in other major industries, including wholesale trade, retail trade, financial activities, and government, changed little over the month.

Hiring Trend Charts – IT Employment Segments

December 2015 Employment Situation Summary Report

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

FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2014 to December 2015)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2014												2015											
	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)	144,000	222,000	203,000	304,000	229,000	267,000	243,000	203,000	256,000	261,000	423,000	329,000	201,000	266,000	119,000	221,000	254,000	245,000	223,000	153,000	145,000	307,000	252,000	292,000
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%	5.7%	5.5%	5.5%	5.4%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%
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	32,500	31,800	23,700	20,700	18,800	23,900	26,600	14,500	17,700	26,900	28,400	11,100
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	3,600	7,100	3,800	6,000	7,000	-1,200	3,300	6,100	900	7,000	5,000	4,200
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	8,000	5,200	3,900	9,100	10,300	4,400	8,700	7,000	7,000	9,900	4,800	3,800
Information	0	-16,000	2,000	-3,000	-5,000	9,000	2,000	-3,000	12,000	-4,000	4,000	2,000	6,000	7,000	2,000	3,000	-3,000	7,000	2,000	-7,000	12,000	-1,000	-12,000	16,000
Segment 4: Telecommunications	-10,200	800	2,200	2,900	3,200	200	800	-1,800	4,600	800	2,300	-300	-400	-100	1,400	-1,700	-100	400	1,600	-3,500	600	-400	500	-900
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	3,300	1,500	1,500	100	2,700	2,200	1,300	1,600	1,300	-200	1,000	-1,000
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	14,500	13,700	10,600	13,500	19,900	5,800	14,900	11,200	9,800	16,300	11,300	6,100
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	11,600	12,300	7,700	15,100	17,300	3,200	12,000	13,100	7,900	16,900	9,800	8,000
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	2,900	1,400	2,900	-1,600	2,600	2,600	2,900	-1,900	1,900	-600	1,500	-1,900

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												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	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	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	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%	8.1%	7.8%	7.8%	7.7%	7.8%	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	30,300	34,200	13,800	27,500	-4,000	18,200	17,900	26,800	4,900	15,500	15,300	16,900	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	3,000	7,400	5,300	6,400	2,200	8,900	6,300	8,700	-1,800	4,500	0	5,800	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	1,700	10,200	3,900	7,400	5,300	6,600	7,000	10,600	2,900	6,600	7,100	5,600	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	13,000	-1,000	-900	-2,000	-2,000	-8,000	11,000	3,000	3,000	1,000	12,000	-9,000	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	-300	-6,400	-3,600	-3,500	-2,000	-2,100	2,800	-2,300	-400	1,400	300	-1,800	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	-1300	1900	-600	-500	-300	0	2,100	1,100	-2,400	0	-600	200	1,100	-800	-500	-500	-400	1,800	3,600	-100	200	-200	-200	500
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	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	4,700	17,600	9,200	13,800	7,500	15,500	13,300	19,300	1,100	11,100	7,100	11,400	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	-1,600	-4,500	-4,200	-4,000	-2,300	-2,100	4,900	-1,200	-2,800	1,400	-300	-1,600	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 December 2015)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through December 2015								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
Professional and Technical Services	739,000	556,500	276,600	167,900	125,200	84,100	66,400	39,500
<i>Segment 5:</i> Management/Technical Consulting Services	175,600	113,900	52,800	32,300	26,500	17,100	16,200	9,200
<i>Segment 4:</i> Computer Systems Design/Related Services	202,300	152,900	82,100	55,900	41,200	25,500	18,500	8,600
Information	42,000	32,000	32,000	14,000	10,000	15,000	3,000	4,000
<i>Segment 4:</i> Telecommunications	15,800	2,900	-2,600	-1,800	-2,100	-200	-800	-400
<i>Segment 5:</i> Data Processing/Hosting/Related Services	26,400	21,900	15,300	8,900	4,000	1,100	-200	0
TOTAL - ALL 4 IT SEGMENTS	420,100	291,600	147,600	95,300	69,600	43,500	56,800	17,400
IT Services segments	377,900	266,800	134,900	88,200	67,700	42,600	34,700	17,800
Tech Information segments	42,200	24,800	12,700	7,100	1,900	900	-1,000	-400

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 2015)

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 look for a job.

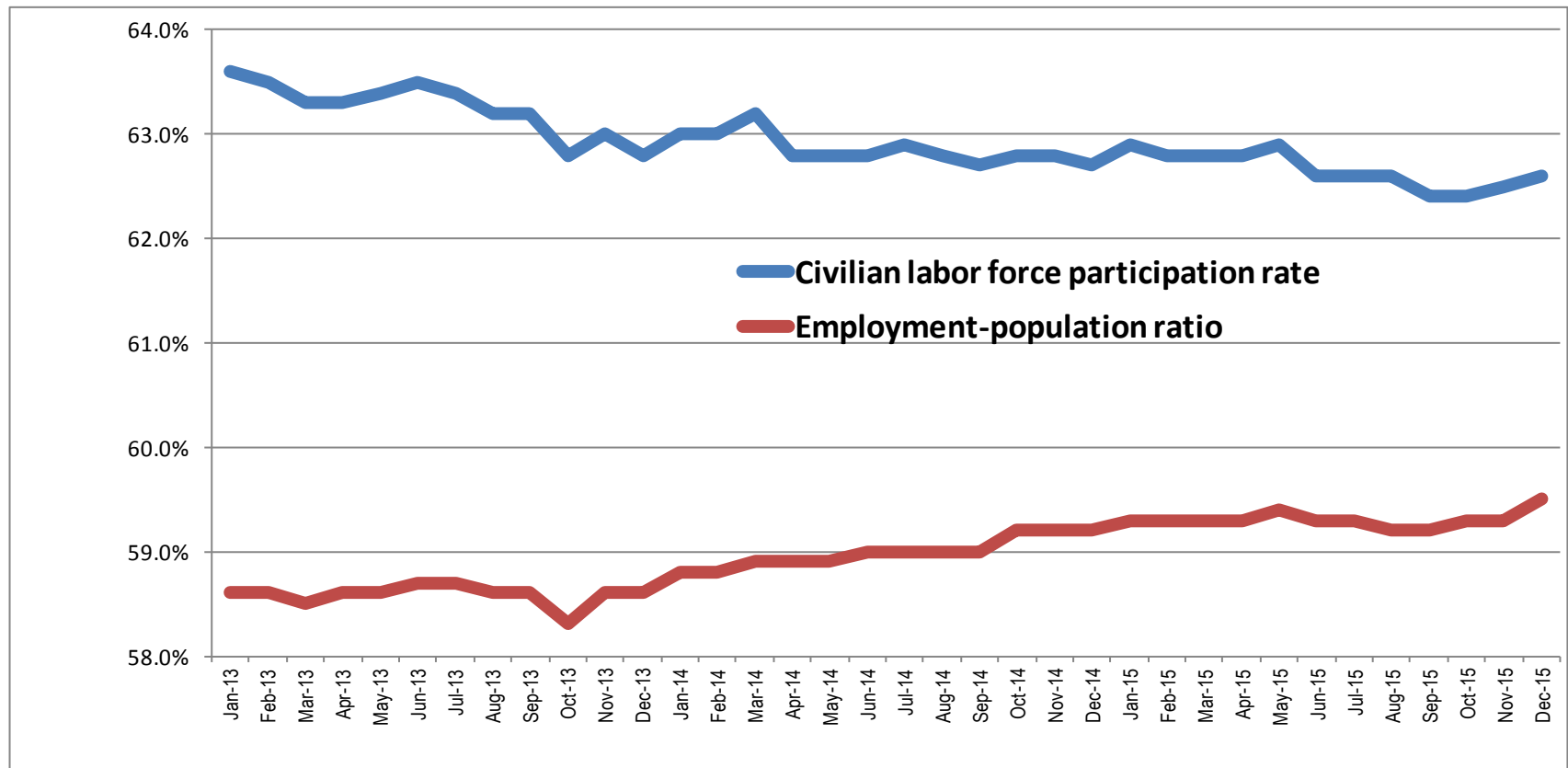
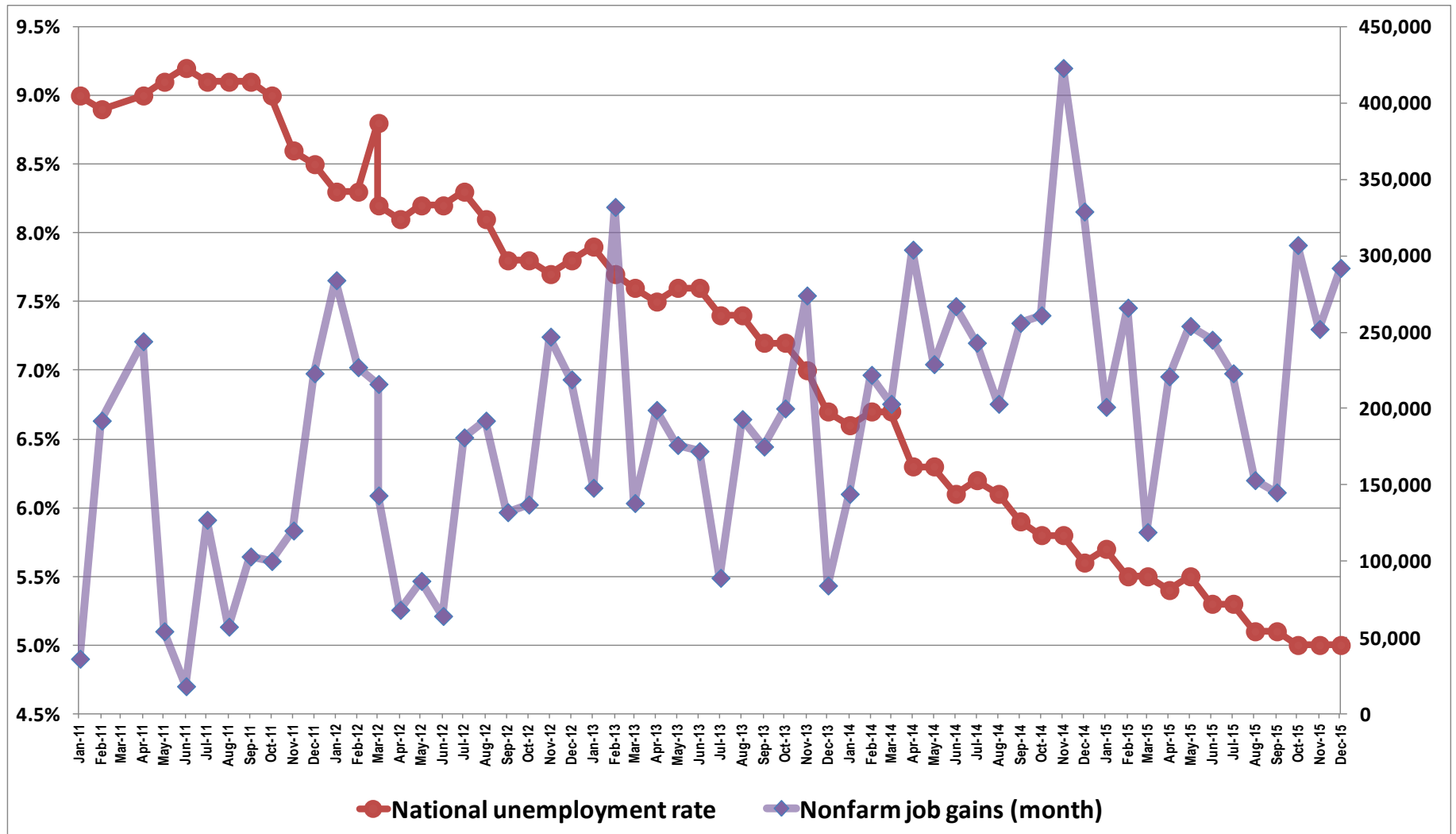


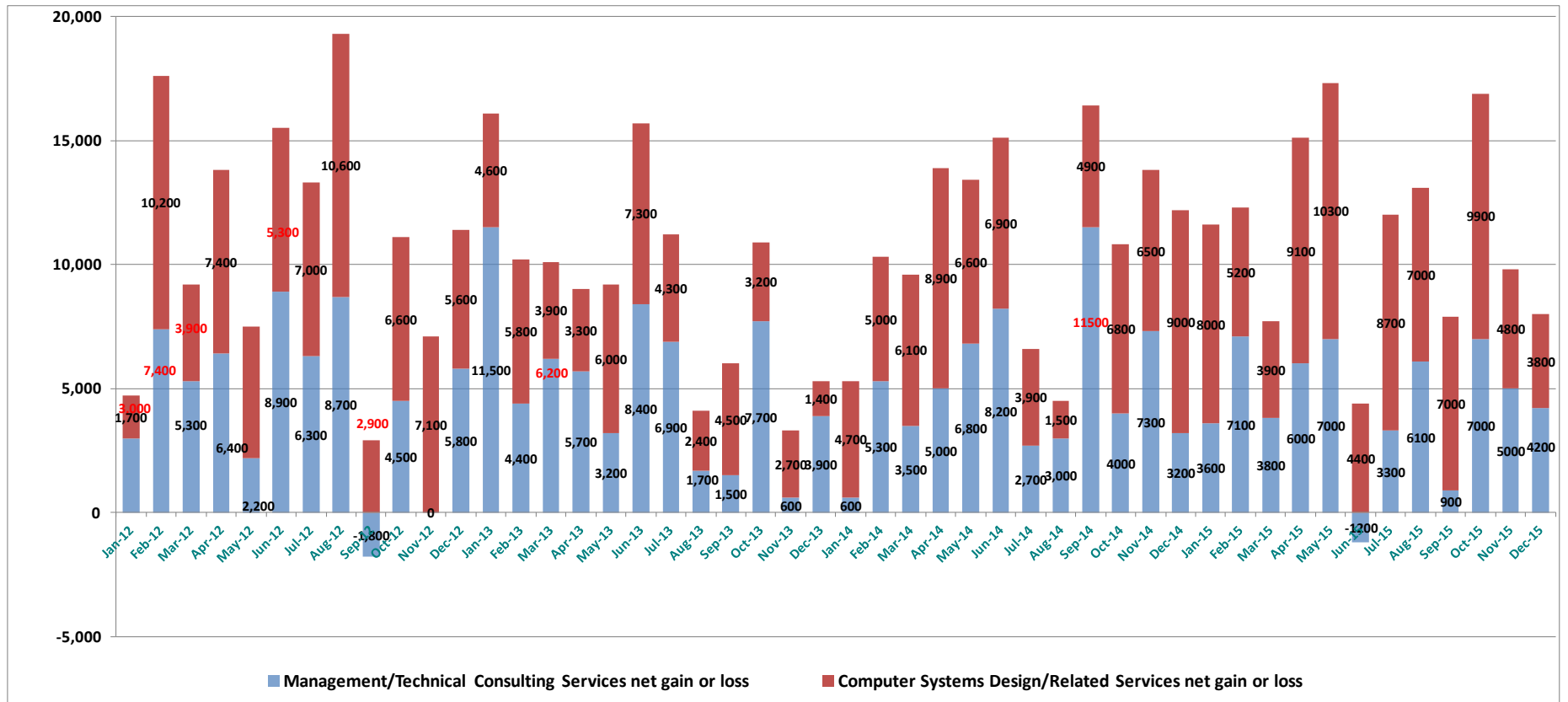
FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs

- Net job gains/losses from January 2010 through December 2015



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

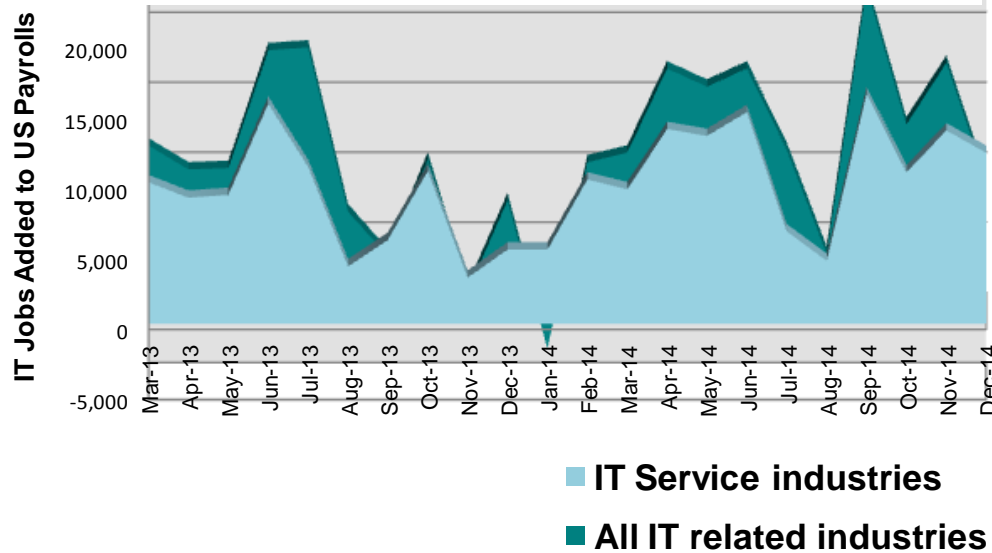
FIGURE 6



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

FIGURE 7

More than 92% of IT Job Creation in last 12 months has been in IT Services Industries

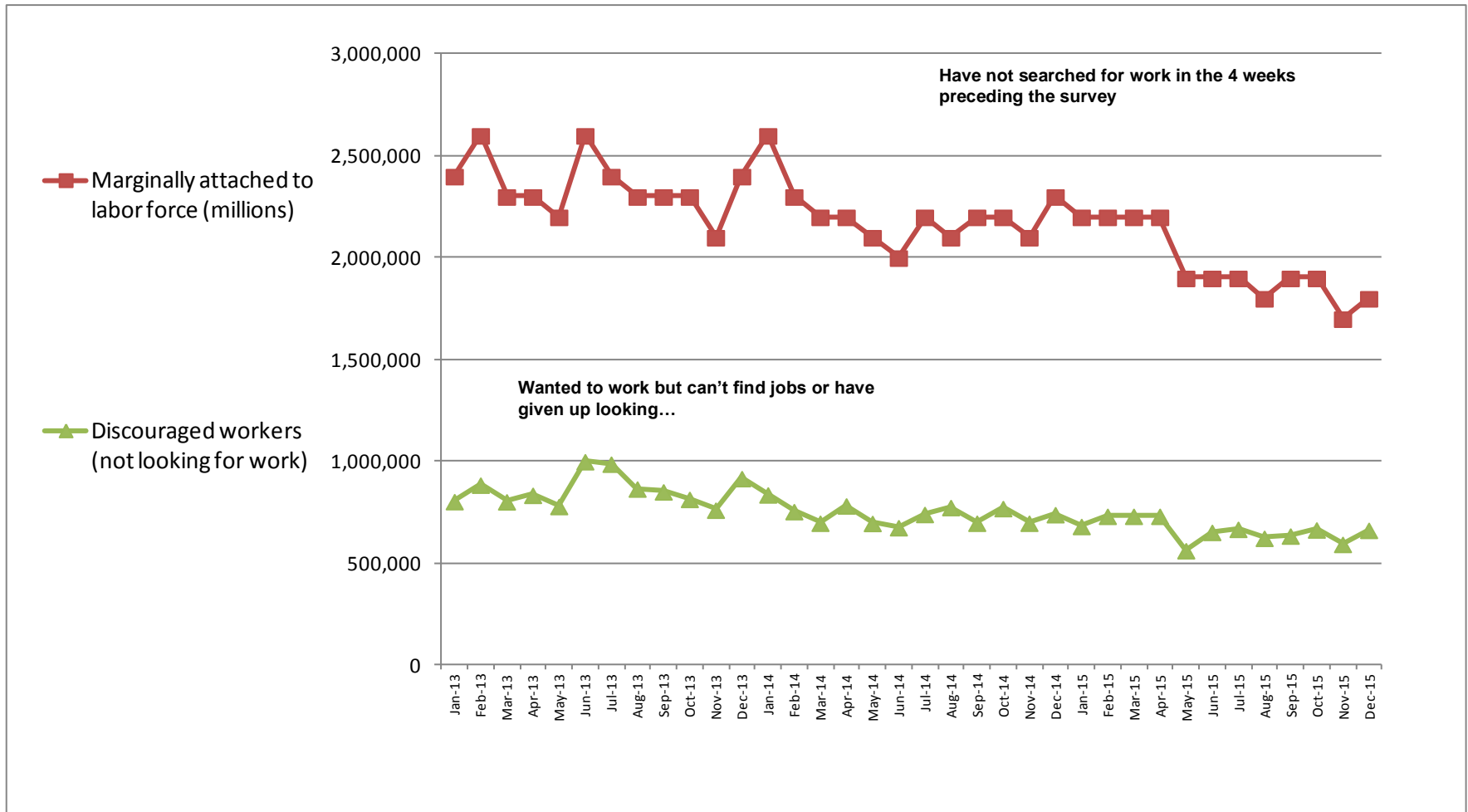


Management and Technical Consulting Services and Computer Systems Design and Related Services segments added 131,900 net jobs in last 12 mos.

Telecommunications and Data Processing, Hosting and Related Services added only 12,100 net jobs in the same period..

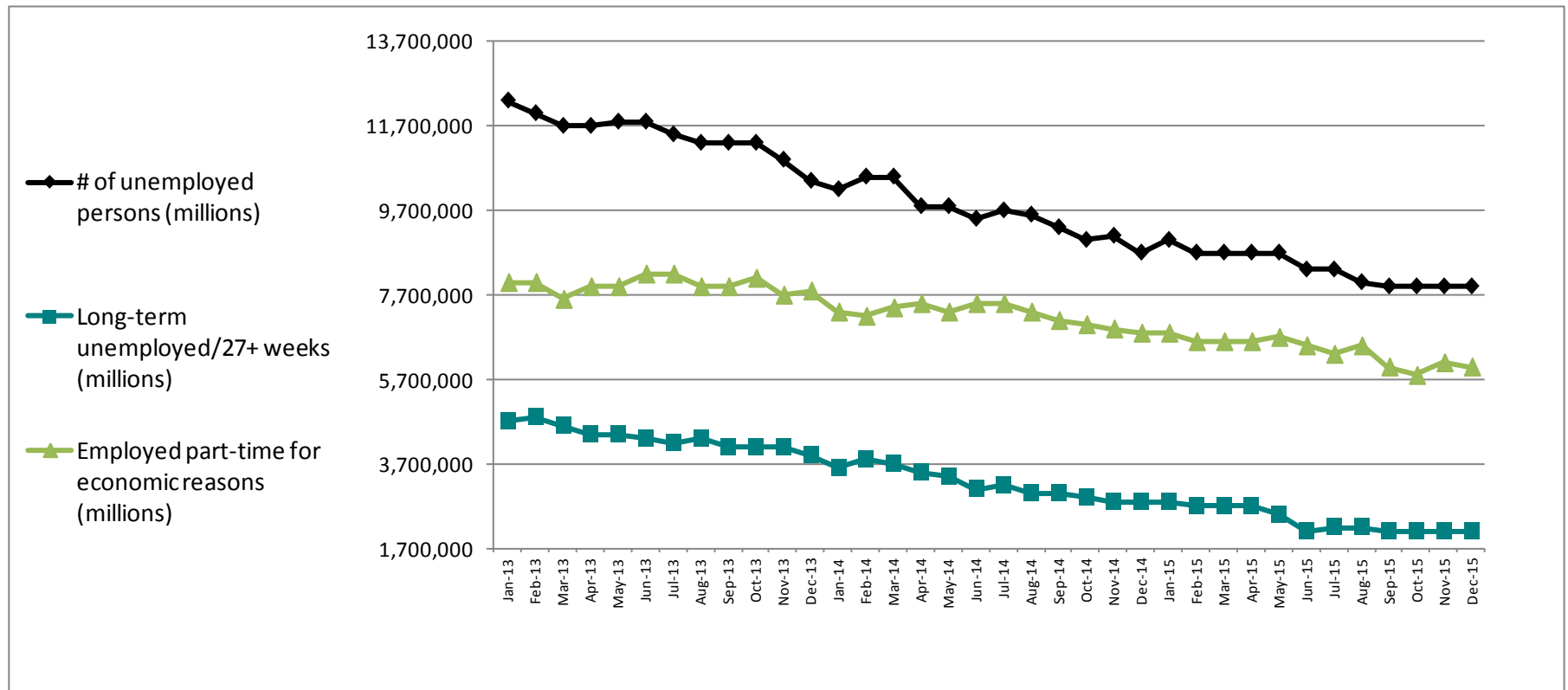
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 8– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2012 to 2015



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 2015



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 December 2015)

KEY EMPLOYMENT STATISTICS – Last 20 Months

	Mar-14 (22 mo. ago)	Apr-14 (21 mo. ago)	Oct-14 (14 mo. ago)	Nov-14 (13 mo. ago)	Dec-14 (10 mo. ago)	Jan-15 (9 mo. ago)	Feb-15 (9 mo. ago)	Mar-15 (8 mo. ago)	Apr-15 (7 mo. ago)	May-15 (6 mo. ago)	Jun-15 (5 mo. ago)	Jul-15 (4 mo. ago)	Aug-15 (3 mo. ago)	Sep-15 (2 mo. ago)	Oct-15 (1 mo. ago)	Nov-15 (Now)
Unemployment rate	6.7%	6.3%	5.8%	5.8%	5.6%	5.7%	5.5%	5.5%	5.5%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%
# of unemployed persons	10.5 million	9.8 million	9.0 million	9.1 million	8.7 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
Long-term unemployed--27+ weeks (% of total unemployed persons)	3.7 million 35.8%	3.5 million 35.3%	2.90 million 32.0%	2.80 million 30.7%	2.80 million 31.9%	2.80 million 31.5%	2.70 million 31.1%	2.70 million 31.1%	2.70 million 31.1%	2.5 million 28.6%	2.1 million 25.8%	2.2 million 26.9%	2.2 million 27.7%	2.1 million 26.6%	2.1 million 26.8%	2.1 million 25.7%
Civilian labor force participation rate	63.2%	62.8%	62.8%	62.9%	62.7%	62.9%	62.8%	62.8%	62.8%	62.9%	62.6%	62.6%	62.6%	62.4%	62.4%	62.5%
Employment-population ratio	58.9%	58.9%	59.2%	59.2%	59.2%	59.3%	59.3%	59.3%	59.3%	59.4%	59.3%	59.3%	59.2%	59.2%	59.3%	59.3%
Employed part-time for economic reasons	7.4 million	7.5 million	7.0 million	6.9 million	6.8 million	6.8 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
Marginally attached to labor force	2.2 million	2.2 million	2.2 million	2.1 million	2.3 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
Discouraged workers (not looking for work)	698,000	783,000	770,000	698,000	740,000	682,000	732,000	732,000	732,000	563,000	653,000	668,000	624,000	635,000	665,000	594,000

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 3,600 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 2,815 U.S. and Canadian employers representing 220,000 IT professionals with whom the firm has 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*

Headquarters: 4445 North A1A, Suite 200
Vero Beach, FL 32963
Tel: 772-234-2787
Web: www.footepartners.com
Twitter blog: @FPview