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

**Average monthly IT jobs growth in 2015 beating 2014 numbers by more than  
 2,000 new jobs per month**

**13,700 IT jobs added to U.S. payrolls in February, again led by  
 gains in the IT services industry.**

**National unemployment rate drops to 5.5 percent, lowest since 2008, with jobs  
 growth also concentrated in the services sectors.**

Vero Beach, FL – Saturday, March 7, 2015. An analysis of Friday’s release of U.S. employment numbers for February 2015 by the Bureau of Labor Statistics (BLS) reveals a **net increase of 13,700 IT jobs** across four industry job segments commonly associated with technology professionals.

February’s numbers were lower than the 14,500 IT jobs added in January but still higher than the 12,000 average monthly growth for all of 2014. (*see Fig. 1*).

Two IT segments that have been responsible for more than 85 percent of all IT jobs added to US payrolls in the past twelve months recorded gains in February (*Figs. 1*). **Management and Technical Consulting Services** added 7,100 jobs, the most since November 2014 and 2,000 more than the monthly average of 5,092 in 2014. The other segment, **Computer Systems Design/Related Services**, added only 5,200 new

jobs following January’s 8,000 job gain and less than the monthly average of 5,900 for this segment in 2014 and 6733 for the last six months of the same year.

The other two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together posted a net gain of 1,400 following a gain of 2,900 in January and a loss of 3,300 jobs in December. The good news here is that these segments are averaging 2,500 new jobs in 2015 which is exactly the monthly average gain for the twelve months of 2014.. (see Figures 1, 3, 4)

### Discussion

“Two months into 2015 and job creation for IT professionals is beating 2014 numbers which is encouraging--but the question is will it last? What could reverse the trend?” asks David Foote, chief analyst at Foote Partners which has been tracking and reporting on IT labor trends since 1997. “According to Department of Labor reporting the monthly average for new job growth in IT labor segments was 9,442 in 2012, 10,708 in 2013, and 12,000 in 2014. So far that number is 14,100 in 2015. Month-to-month variability in 2014 ranged from 700 to as high as 19,000 jobs but by the end of the year the average monthly variance was +503 jobs. Total IT job growth for the past twelve months was 165,100 and for the past twenty-four months it was 268,800. Those are great numbers, not surprising considering that the national unemployment rate is down to 5.5 percent from 6.5 percent at this time last year and 7.7 percent the year before that..

“We see a continuation of IT employment gains in 2015 based on a combination of factors. More and more large employers are 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, which we do in our proprietary labor benchmark research.

“But even with infosec jobs, employers 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,” notes Foote. “Taken together, this makes a security professional 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 – February 2015**

- Total **nonfarm payroll employment** rose by 257,000 in January. Job gains occurred in retail trade, construction, health care, financial activities, and manufacturing. After incorporating revisions for November and December (which include the impact of the annual benchmark process), monthly job gains averaged 336,000 over the past 3 months.
- Employment in **retail trade** rose by 46,000 in January. Three industries accounted for half of the jobs added—sporting goods, hobby, book, and music stores (+9,000); motor vehicle and parts dealers (+8,000); and nonstore retailers (+6,000).
- **Construction** continued to add jobs in January (+39,000). Employment increased in both residential and nonresidential building (+13,000 and +7,000, respectively). Employment continued to trend up in specialty trade contractors (+13,000). Over the prior 12 months, construction had added an average of 28,000 jobs per month.

- In January, **health care** employment increased by 38,000. Job gains occurred in offices of physicians (+13,000), hospitals (+10,000), and nursing and residential care facilities (+7,000). Health care added an average of 26,000 jobs per month in 2014.
- Employment in **financial activities** rose by 26,000 in January, with insurance carriers and related activities (+14,000) and securities, commodity contracts, and investments (+5,000) contributing to the gain. Financial activities has added 159,000 jobs over the past 12 months.
- **Manufacturing** employment increased by 22,000 over the month, including job gains in motor vehicles and parts (+7,000) and wood products (+4,000). Over the past 12 months, manufacturing has added 228,000 jobs.
- **Professional and technical services** added 33,000 jobs in January, including increases in computer systems design (+8,000) and architectural and engineering services (+8,000).
- In January, employment in **food services and drinking places** continued to trend up (+35,000). In 2014, the industry added an average of 33,000 jobs per month.
- Employment in other major industries, including **mining and logging, wholesale trade, transportation and warehousing, information, and government**, showed little change over the month.

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

February 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 2013 to February 2015)**

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

(Highlights for four bellwether IT jobs segments)

	2013												2014												2015	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
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	423,000	329,000	239,000	295,000
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%	5.7%	5.5%
<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	21,100	20,000	37,500	12,600	32,500	31,800
<i>Segment 5: Management/Technical Consulting Services</i>	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	3,600	7,100
<i>Segment 4: Computer Systems Design/Related Services</i>	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	8,000	5,200
<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	12,000	-4,000	4,000	2,000	6,000	7,000
<i>Segment 4: Telecommunications</i>	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	-400	-100
<i>Segment 5: Data Processing/Hosting/Related Services</i>	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	3,300	1,500
<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	22,700	12,900	17,300	8,900	14,500	13,700
<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	16,400	10,800	13,800	12,200	11,600	12,300
<b>Net gain/loss-OTHER IT JOB SEGMENTS</b>	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	2,900	1,400

**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 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
<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	-1,800	4,500	0	5,800
<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	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
<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	-400	1,400	300	-1,800
<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	-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 February 2015)**

**CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS**

Highlights for four bellwether IT jobs segments)

<b>U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through February 2015</b>								
<b>JOBS SEGMENT</b>	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Mar'12 - Feb'15	Mar'13 - Feb'15	Mar'14 - Feb'15	Jul'14 - Feb'15	Sep'14 - Feb'15	Nov'14 -Feb'15	Dec'14 -Feb'15	Jan'14 - Feb'15
<b>Professional and Technical Services</b>	679,500	485,100	288,400	197,200	155,500	114,400	76,900	64,300
<i>Segment 5: Management/Technical Consulting Services</i>	179,800	117,600	65,900	42,400	36,700	21,200	13,900	10,700
<i>Segment 4: Computer Systems Design/Related Services</i>	196,400	123,000	74,300	45,800	40,400	28,700	22,200	13,200
<b>Information</b>	31,100	-6,000	29,000	26,000	27,000	19,000	15,000	13,000
<i>Segment 4: Telecommunications</i>	6,700	12,600	14,400	5,900	6,900	1,500	-800	-500
<i>Segment 5: Data Processing/Hosting/Related Services</i>	14,900	15,600	10,500	10,700	6,000	3,000	1,800	4,800
<b>TOTAL - ALL 4 IT SEGMENTS</b>	397,800	268,800	165,100	104,800	90,000	54,400	56,800	28,200
<b>IT Services segments</b>	376,200	240,600	140,200	88,200	77,100	49,900	36,100	23,900
<b>Tech Information segments</b>	21,600	28,200	24,900	16,600	12,900	4,500	1,000	4,300

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

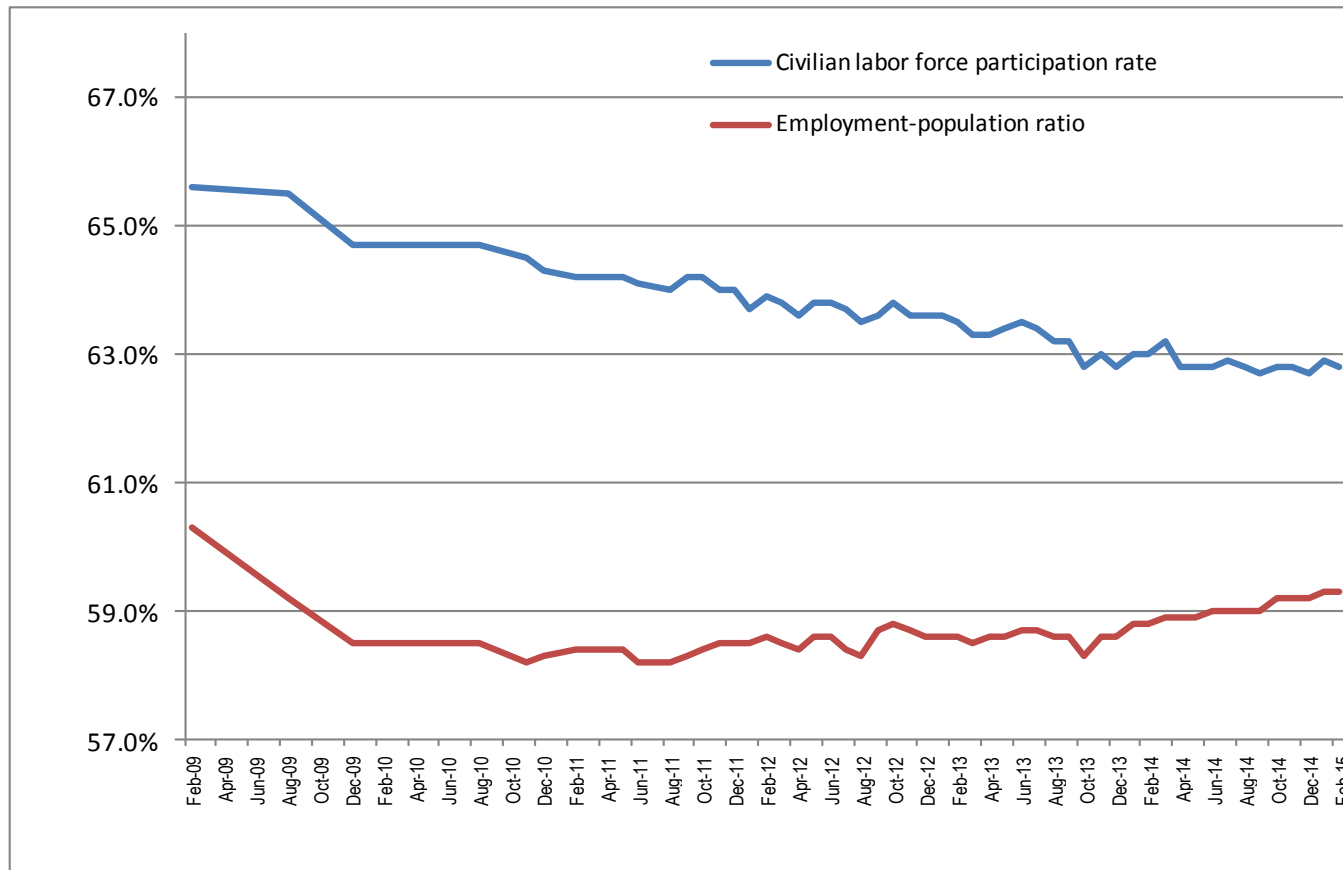
**Source:** US Department of Labor/Bureau of Labor Statistics.  
 Data chart and analysis by Foote Partners LLC



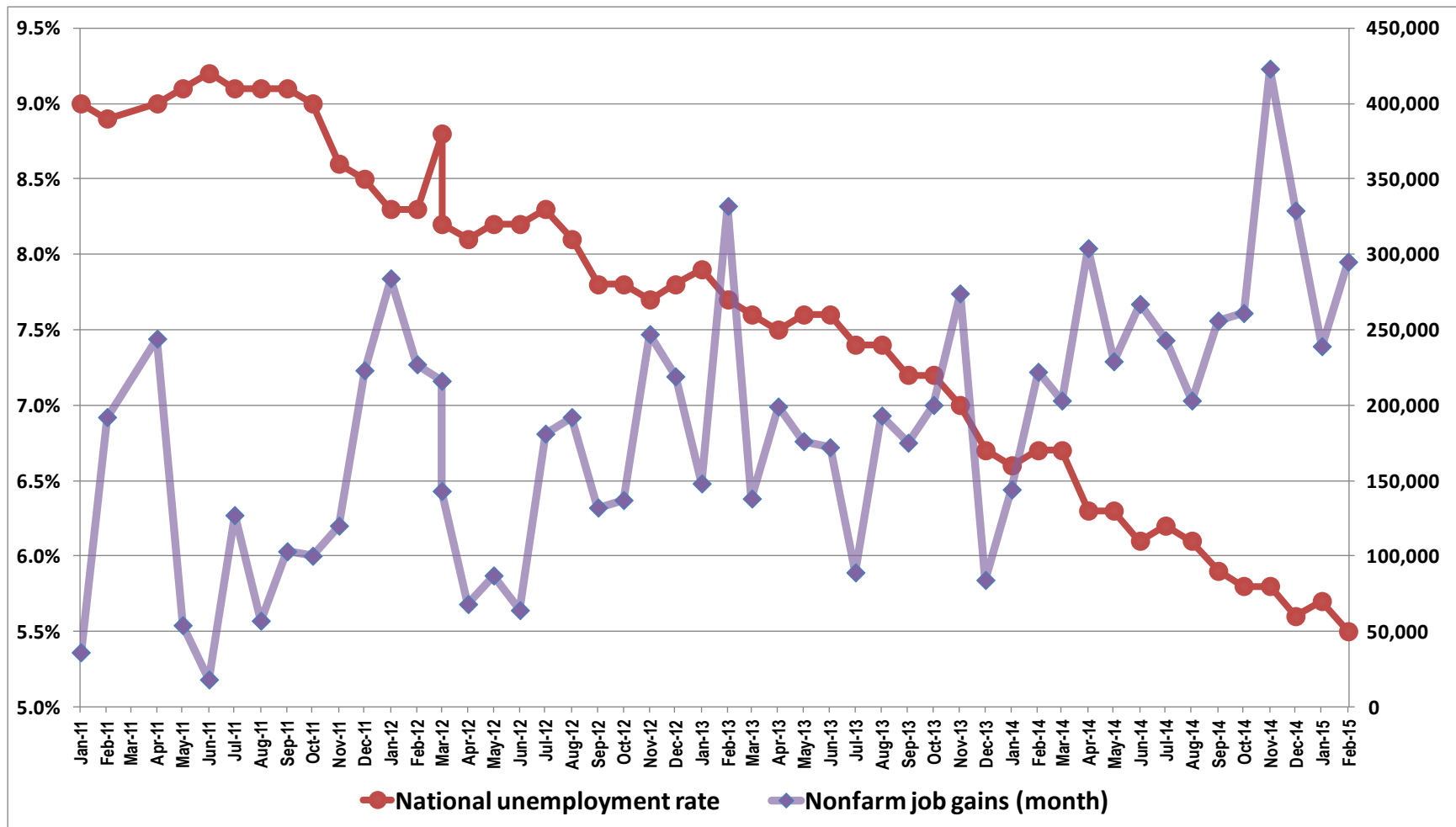
**FIGURE 4 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (February 2008 to February 2015)**

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.**

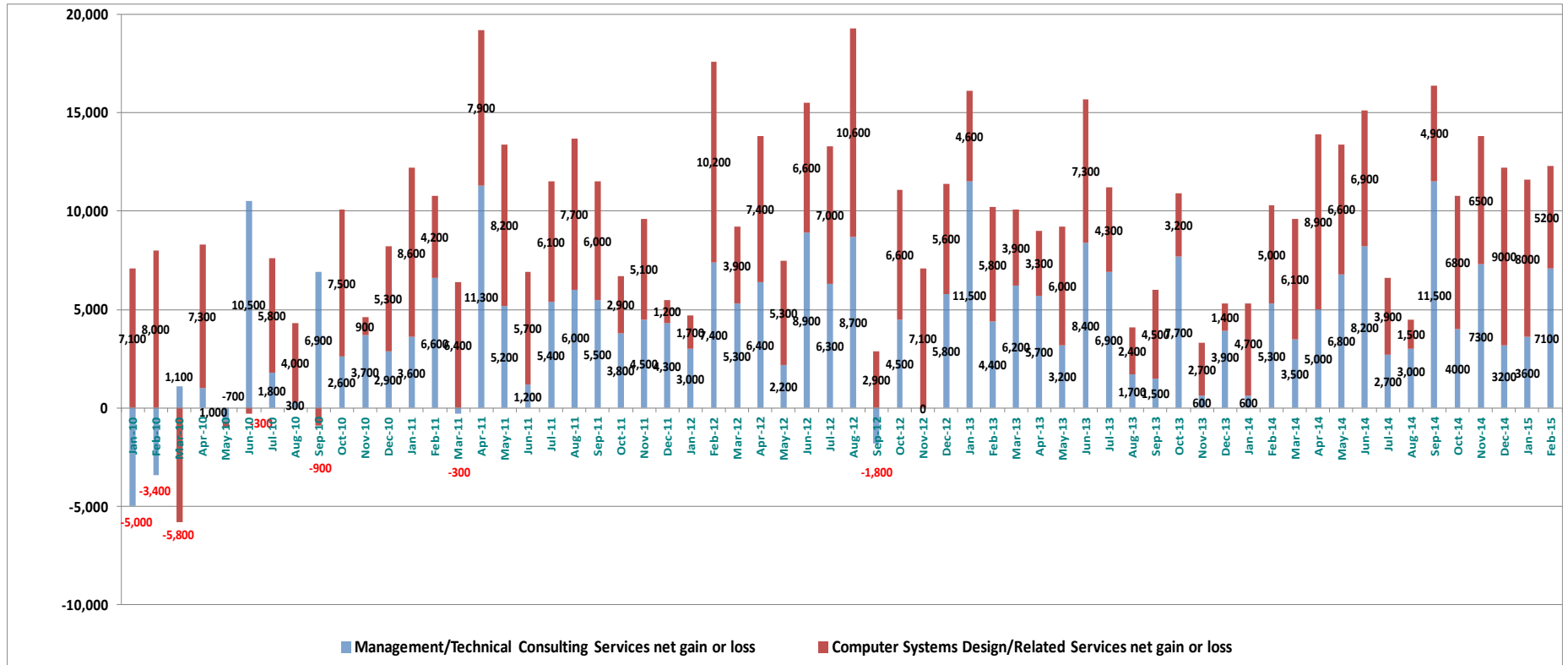


**FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs**  
- Net job gains/losses from January 2010 through February 2015



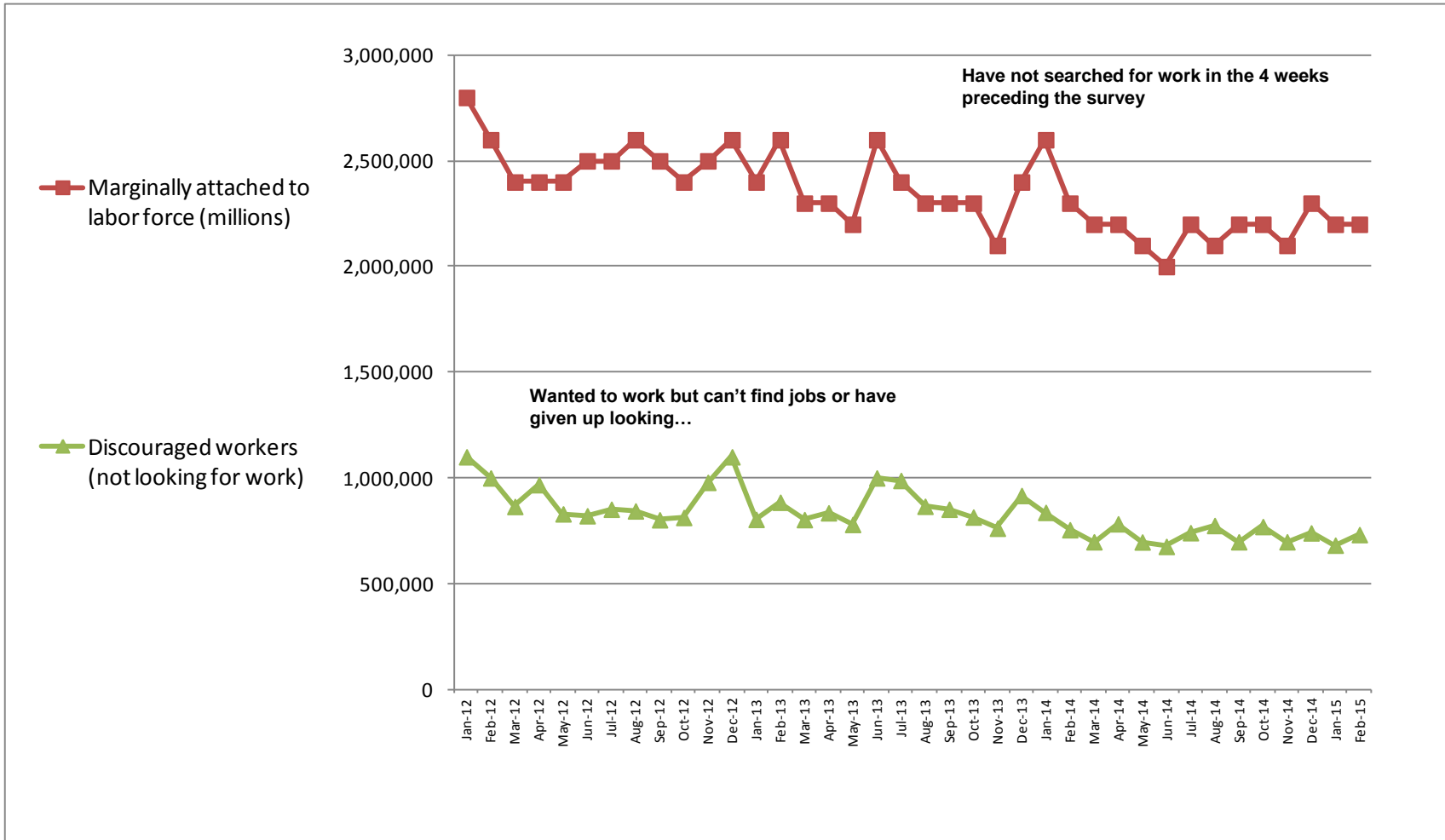
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 6



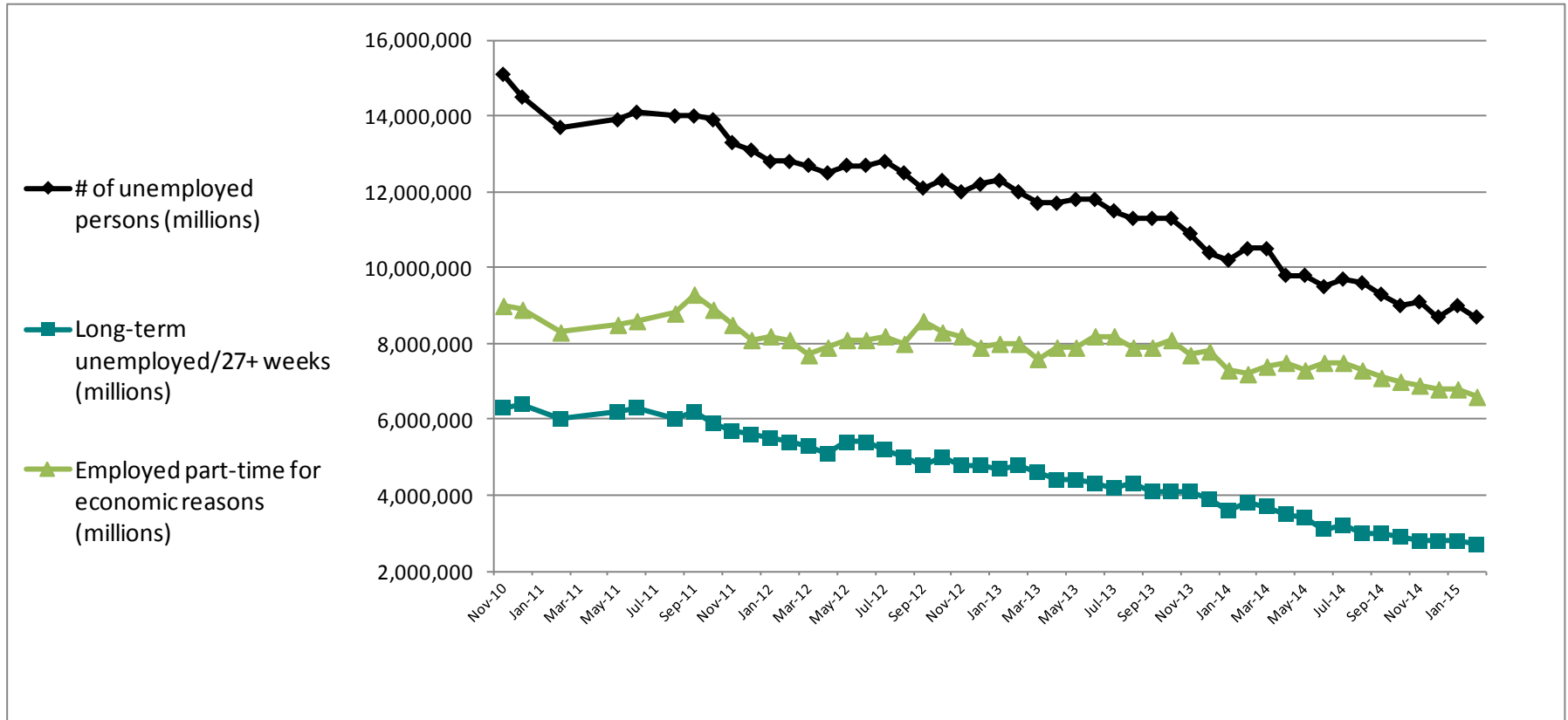
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

**FIGURE 7– 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 8 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers - 2010 to 2015**



**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 February 2015)**

**KEY EMPLOYMENT STATISTICS – Last 24 Months**

	Feb-14 (12 mo. ago)	Mar-14 (11 mo. ago)	Apr-14 (10 mo. ago)	May-14 (9 mo. ago)	Jun-14 (8 mo. ago)	Jul-14 (7 mo. ago)	Aug-14 (6 mo. ago)	Sep-14 (5 mo. ago)	Oct-14 (4 mo. ago)	Nov-14 (3 mo. ago)	Dec-14 (2 mo. ago)	Jan-15 (1 mo. ago)	Feb-15 (Now)
<b>Unemployment rate</b>	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%
<b># of unemployed persons</b>	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	9.0 million	8.7 million
<b>Long-term unemployed--27+ weeks (% of total unemployed persons)</b>	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%	2.80 million 31.5%	2.70 million 31.1%
<b>Civilian labor force participation rate</b>	63.0%	63.2%	62.8%	62.8%	62.8%	62.9%	62.8%	62.7%	62.8%	62.9%	62.7%	62.9%	62.8%
<b>Employment-population ratio</b>	58.8%	58.9%	58.9%	58.9%	59.0%	59.0%	59.0%	59.0%	59.2%	59.2%	59.2%	59.3%	59.3%
<b>Employed part-time for economic reasons</b>	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	6.8 million	6.6 million
<b>Marginally attached to labor force</b>	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	2.2 million	2.2 million
<b>Discouraged workers (not looking for work)</b>	755,000	698,000	783,000	697,000	676,000	741,000	775,000	698,000	770,000	698,000	740,000	682,000	732,000

**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 2,300 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 2,688 U.S. and Canadian employers representing 200,337 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*

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