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

**A sixth consecutive month of strong job growth for IT professionals in July as 11,100 more  
 IT jobs are added to U.S. payrolls.**

**Well above average monthly IT job growth in last twelve months.**

**National employment stumbles: 90,000 fewer new jobs in July compared to June as  
 unemployment rate decline stalls.**

Vero Beach, FL – Wednesday, August 6, 2014. An analysis of last Friday’s release of U.S. employment numbers for July 2014 by the Bureau of Labor Statistics (BLS) reveals a **net increase of 11,100 IT jobs** across four industry job segments commonly associated with technology professionals.

Though fewer than the 16,467 average monthly gain over the prior three months, July’s result was well above the 8,967 average monthly IT job growth for the past twelve month and still ahead of the monthly average for calendar year 2013.(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 only moderate growth in July (Figs. 1, 2). **Computer Systems Design/Related Services** added 3,900 new jobs last month, 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*, also performed poorly compared to recent months, growing by only 2,700 jobs last month, down from 8,200 in June and 6,800 in May. 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 gain of 4,500 new jobs in July (800 and 3,700 respectively). This is substantially higher than the average of 1,450 new jobs per month in 2013 for these segments combined. To underscore this gain even more, in the first sixth months of 2014 these segments together averaged a *net loss* of 33 jobs per month.

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

- **Total nonfarm payroll employment** increased by 209,000 in July, and the unemployment rate was little changed at 6.2 percent, the U.S. Bureau of Labor Statistics reported today. Job gains occurred in professional and business services, manufacturing, retail trade, and construction.
- Both the **unemployment rate** (6.2 percent) and the **number of unemployed persons** (9.7 million) changed little in July. Over the past 12 months, the unemployment rate and the number of unemployed persons have declined by 1.1 percentage points and 1.7 million, respectively.
- Among the major worker groups, the unemployment rate for adult women increased to 5.7 percent and the rate for blacks edged up to 11.4 percent in July, following declines for both groups in the prior month. The rates for adult men (5.7 percent), teenagers (20.2 percent), whites (5.3 percent), and Hispanics (7.8 percent) showed little or no change in July. 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) was essentially unchanged at 3.2 million in July. These individuals accounted for 32.9 percent of the unemployed. Over the past 12 months, the number of long-term unemployed has declined by 1.1 million.
- The **civilian labor force participation rate**, at 62.9 percent, changed little in July. The participation rate has been essentially unchanged since April. The **employment-population ratio**, at 59.0 percent, was unchanged over the month but has edged up by 0.3 percentage point over the past 12 months.
- The number of persons **employed part time** for economic reasons (sometimes referred to as involuntary part-time workers), at 7.5 million, was unchanged in July. 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 July, 2.2 million persons were **marginally attached** to the labor force, down by 236,000 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 741,000 **discouraged workers** in July, down by 247,000 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 July had not searched for work for reasons such as school attendance or family responsibilities.

### **Industry Highlights – May 2014**

- Professional and business services added 47,000 jobs in July and has added 648,000 jobs over the past 12 months. In July, employment continued to trend up across much of the industry, including a gain of 9,000 jobs in architectural and engineering services. Employment in temporary help services changed little over the month.

- Manufacturing added 28,000 jobs in July. Job gains occurred in motor vehicles and parts (+15,000) and in furniture and related products (+3,000). Over the prior 12 months, manufacturing had added an average of 12,000 jobs per month, primarily in durable goods industries.
- In July, retail trade employment rose by 27,000. Employment continued to trend up in automobile dealers, food and beverage stores, and general merchandise stores. Over the past year, retail trade has added 298,000 jobs.
- Employment in construction increased by 22,000 in July. Within the industry, employment continued to trend up in residential building and in residential specialty trade contractors. Over the year, construction has added 211,000 jobs.
- Social assistance added 18,000 jobs over the month and 110,000 over the year. (The social assistance industry includes child day care and services for the elderly and persons with disabilities.) Employment in health care changed little over the month, with job gains in ambulatory health care services (+21,000) largely offset by losses in hospitals (-7,000) and nursing care facilities (-6,000).
- Mining added 8,000 jobs in July, with the bulk of the increase occurring in support activities for mining (+6,000). Over the year, mining employment has risen by 46,000.
- Employment in leisure and hospitality changed little in July but has added 375,000 jobs over the year, primarily in food services and drinking places.
- Employment in other major industries, including wholesale trade, transportation and warehousing, information, financial activities, and government, showed little change in July.

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

**July 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 July 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
<b>Nonfarm job loss/gain (month)</b>	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	298,000	209,000
<b>National unemployment rate</b>	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%
<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
<b>Segment 5: Management/Technical Consulting Services</b>	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
<b>Segment 4: Computer Systems Design/Related Services</b>	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
<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
<b>Segment 4: Telecommunications</b>	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
<b>Segment 5: Data Processing/Hosting/ Related Services</b>	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
<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
<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

**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
Segment 5: 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
Segment 4: 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
Segment 4: 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
Segment 5: 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 July 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 July 2014</b>								
<b>JOBS SEGMENT</b>	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Aug'11 - July'14	Aug'12 - July'14	Aug'13 - July'14	Dec'13 - July'14	Feb'14 - July'14	Apr'14 - July'14	May'14 - July'14	Jun'14 - July'14
<b>Professional and Technical Services</b>	<b>629,520</b>	<b>433,800</b>	<b>216,300</b>	<b>160,200</b>	<b>151,500</b>	<b>105,700</b>	<b>80,600</b>	<b>55,900</b>
<i>Segment 5:</i> Management/Technical Consulting Services	174,600	111,000	47,500	36,000	31,500	22,700	17,700	10,900
<i>Segment 4:</i> Computer Systems Design/Related Services	189,300	124,300	56,300	43,500	37,400	26,300	17,400	10,800
<b>Information</b>	<b>2,100</b>	<b>9,000</b>	<b>-33,000</b>	<b>-23,000</b>	<b>-11,000</b>	<b>3,000</b>	<b>6,000</b>	<b>11,000</b>
<i>Segment 4:</i> Telecommunications	-25,300	10,000	-800	1,600	10,100	7,100	4,200	1,000
<i>Segment 5:</i> Data Processing/Hosting/Related Services	7,300	7,200	4,600	4,900	2,600	4,400	4,300	5,300
<b>TOTAL - ALL 4 IT SEGMENTS</b>	<b>345,900</b>	<b>252,500</b>	<b>107,600</b>	<b>86,000</b>	<b>81,600</b>	<b>60,500</b>	<b>56,800</b>	<b>28,000</b>
<b>IT Services segments</b>	<b>363,900</b>	<b>235,300</b>	<b>103,800</b>	<b>79,500</b>	<b>68,900</b>	<b>49,000</b>	<b>35,100</b>	<b>21,700</b>
<b>Tech Information segments</b>	<b>-18,000</b>	<b>17,200</b>	<b>3,800</b>	<b>6,500</b>	<b>12,700</b>	<b>11,500</b>	<b>8,500</b>	<b>6,300</b>

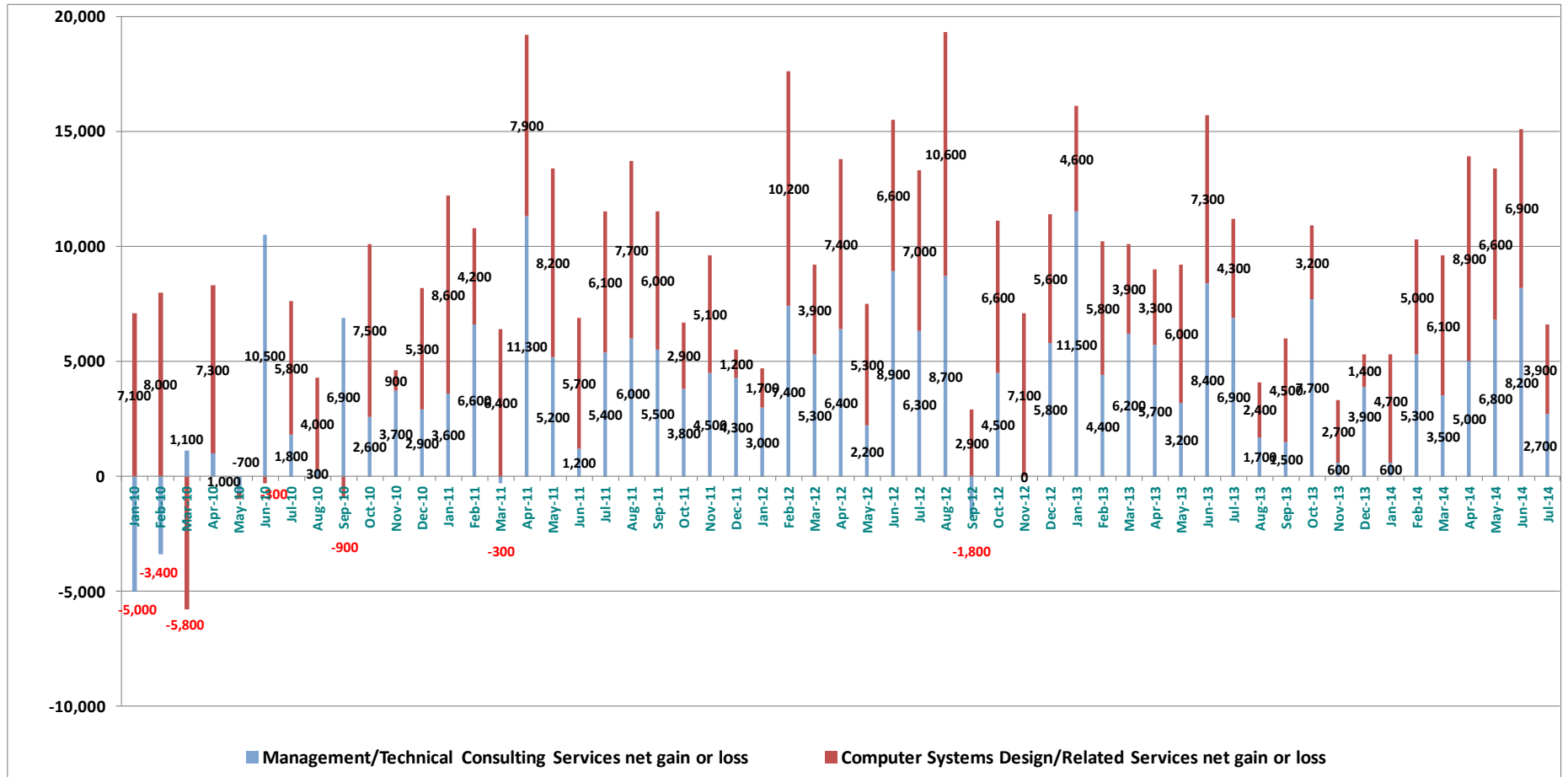
**Key:** Job gains in green  
Job losses in red

**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**

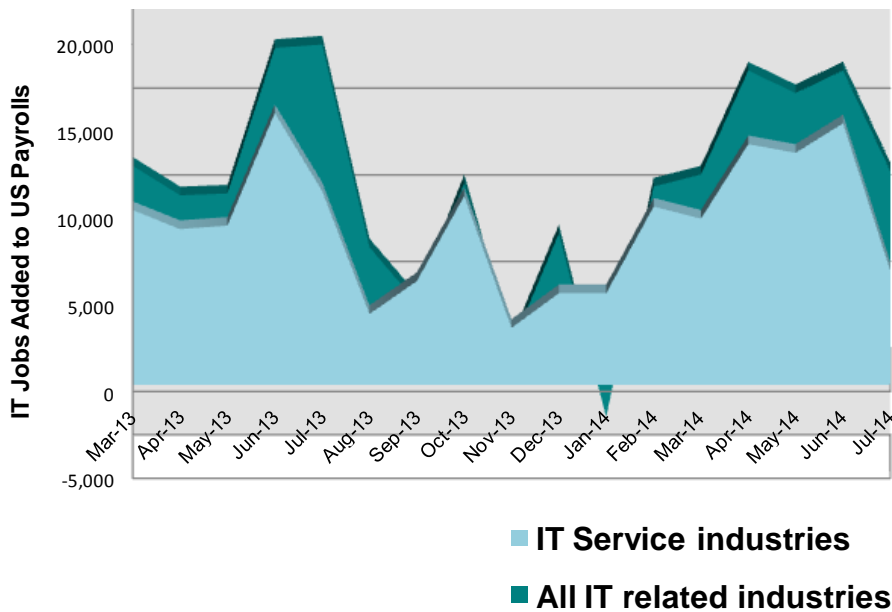
- Net job gains/losses from January 2010 through July 2014



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**



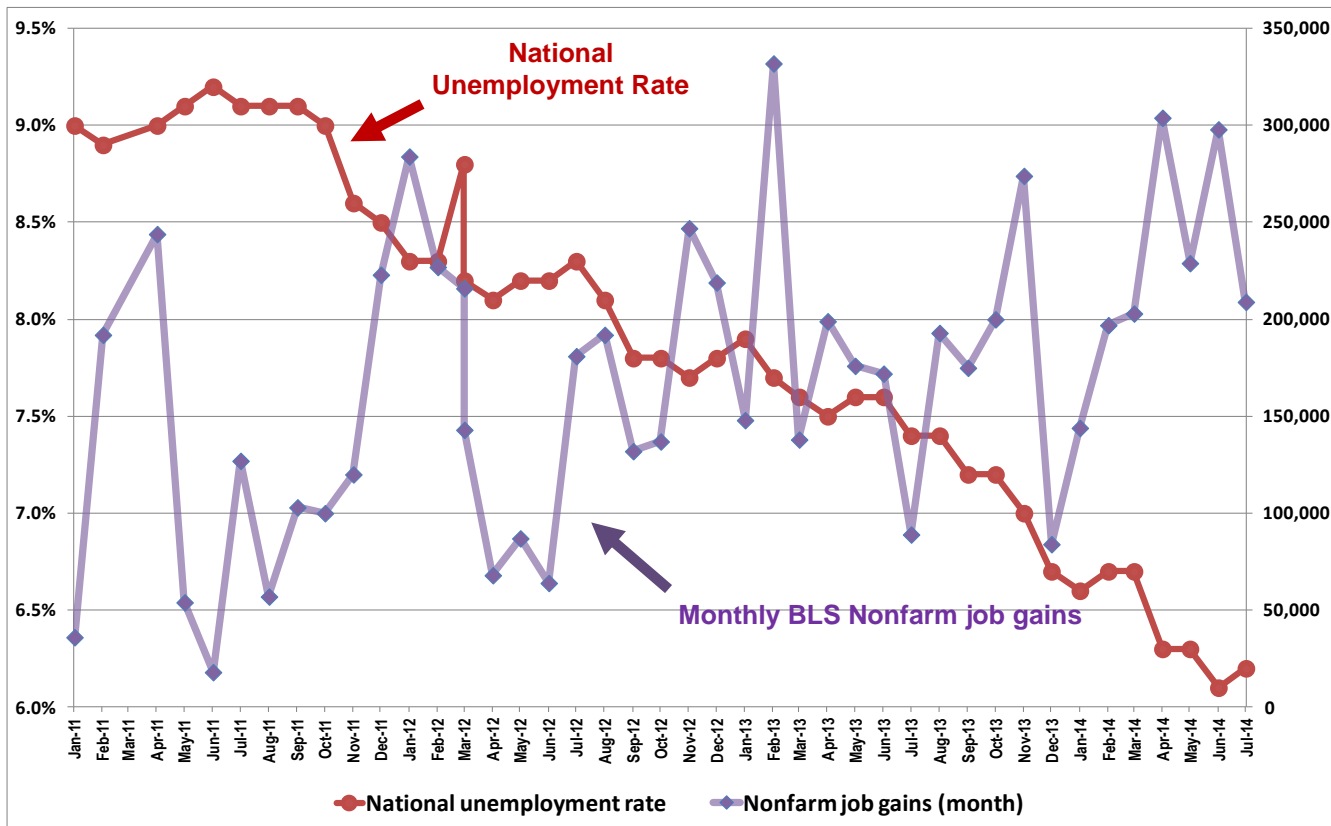
**Management and Technical Consulting Services and Computer Systems Design and Related Services segments added 103,800 net jobs in last 12 mos.**

**Telecommunications and Data Processing, Hosting and Related Services added only 3,800 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**

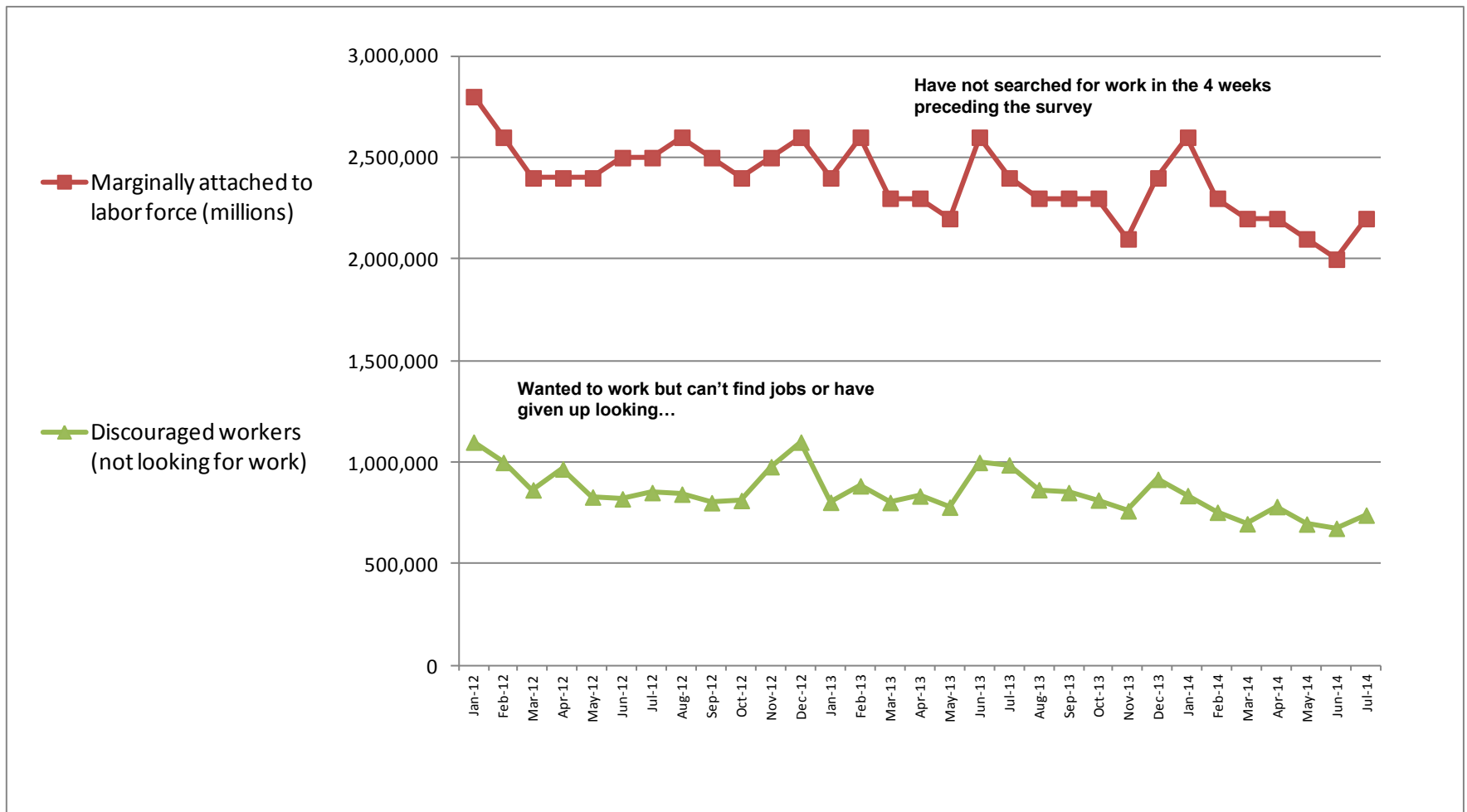
- January 2010 through July 2014



The national unemployment rate has stalled in the low 6 percent range as a result of steep job growth in April and June (+602,000 total jobs) compared with more moderate numbers in May and July (+438,000 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:

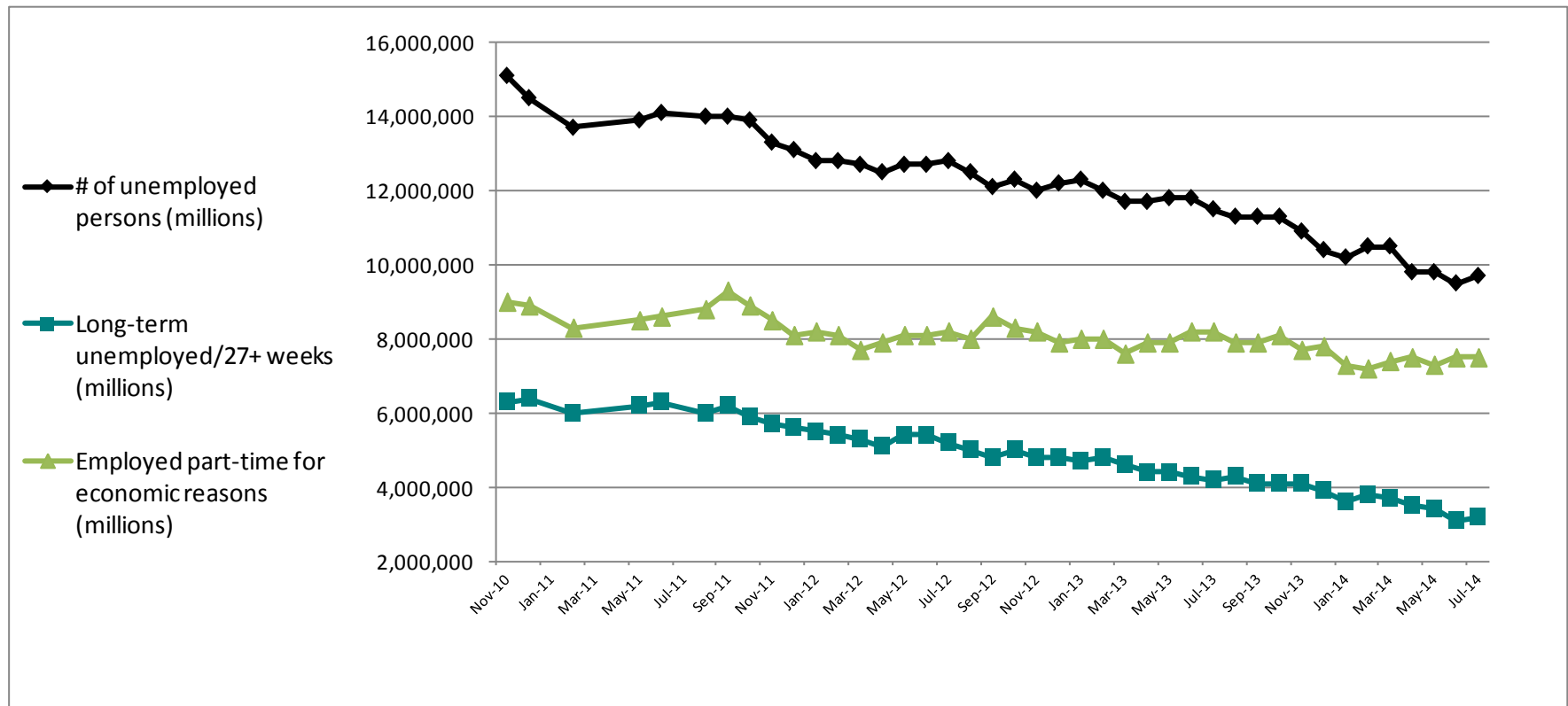
- *Marginally attached workers* (have looked for work in the prior 12 months but not in the 4 weeks preceding the monthly jobs report)
- *Discouraged workers* (have stopped looking for work altogether because they believe no jobs are available for them)

**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 July 2014)**

**KEY EMPLOYMENT STATISTICS – Last 33 Months**

	(33 mos. ago)	(18 mo. ago)	(12 mo. ago)	(11 mo. ago)	(10 mo. ago)	(9 mo. ago)	(8 mo. ago)	(7 mo. ago)	(6 mo. ago)	(5 mo. ago)	(4 mo. ago)	(3 mo. ago)	(2 mo. ago)	(1 mo. ago)	(Now)
<b>Unemployment rate</b>	9.1%	7.9%	7.4%	7.3%	7.2%	7.3%	7.0%	6.7%	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%
<b># of unemployed persons</b>	14.0 million	12.3 million	11.5 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
<b>Long-term unemployed—27+ weeks</b>	6.0 million	4.7 million	4.2 million	4.3 million	4.1 million	4.1 million	4.1 million	3.9 million	3.6 million	3.8 million	3.7 million	3.5 million	3.4 million	3.1 million	3.2 million
<b>(% of total unemployed persons)</b>	42.9%	38.1%	37.0%	37.9%	36.9%	36.1%	37.3%	37.7%	35.8%	37.0%	35.8%	35.3%	35.3%	32.8%	32.9%
<b>Civilian labor force participation rate</b>	64.0%	63.6%	63.4%	63.2%	63.2%	62.8%	63.0%	62.8%	63.0%	63.0%	63.2%	62.8%	62.8%	62.8%	62.9%
<b>Employment-population ratio</b>	58.2%	58.6%	58.7%	58.6%	58.6%	58.3%	58.6%	58.6%	58.8%	58.8%	58.9%	58.9%	58.9%	59.0%	59.0%
<b>Employed part-time for economic reasons</b>	8.8 million	8.0 million	8.2 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
<b>Marginally attached to labor force</b>	2.6 million	2.4 million	2.4 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
<b>Discouraged workers (not looking for work)</b>	977,000	804,000	988,000	866,000	852,000	815,000	762,000	917,000	837,000	755,000	698,000	783,000	697,000	676,000	741,000

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

## ABOUT FOOTE PARTNERS

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- *IT Professional Job Descriptions*
- *IT Insider Workforce Trends Series™ reports*
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- *IT Skills & Certifications Volatility Index*

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