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**FOOTE IT NEWS ANALYSIS – Technology employment trends in the  
 July 2012 Bureau of Labor Statistics United States Employment Report**

**Largest monthly expansion of IT labor force in more than three years as  
 18,200 workers are added to payrolls in July.**

**Telecommunications industry post first monthly job gain since November 2010.**

**Vero Beach, FL – Tuesday, August 7, 2012.** An analysis of Friday’s release of July 2012 U.S. employment numbers by the Department of Labor Bureau of Labor Statistics (DOL/BLS) reveals a net gain of 18,200 jobs across four jobs segments commonly associated with IT professionals---the largest monthly IT employment increase since 2008. (see **Figure 1**)

4,900 new IT jobs were added in two job segments, *Telecommunications* and *Data Processing, Hosting and Related Services*, notable because this is the first monthly net job gain in these categories since November 2010. This excludes a Sept 2011 anomaly involving tens of thousands of telecomm workers returning to work last summer following a nationwide labor dispute in August.

In other IT related job segments 13,300 additional jobs were added in July in *Management and Technical Consulting Services* and *Computer Systems Design/Related Services* which have been enjoying robust employment expansion for more than two years: job growth in these two segments has totaled 242,000 in the past 24 months. (see **Figure 2**)

“The overall employment situation in the United States is lackluster, in fact this is the fifth consecutive month of subpar results. But the fact that more than 18,000 jobs were created last month for people with significant IT skills and experience---and nearly 57,000 new jobs added in the past three months--is incredibly good news,” says David Foote, CEO at IT analyst firm Foote Partners which has been tracking and reporting on IT and business labor trends since 1997, including monthly analyses of the DOL’s employment reports.

“The bottom line is that IT professionals are desired and being hired, momentum has been consistently building over more than two years, and it is paying dividends at a time when the national employment situation is very precarious. Businesses are transforming themselves, shifting to new business models and incorporating cloud computing, mobile platforms, Big Data analytics, new architectures and business processes, and adding new technologies and tools. But not all IT workers are benefitting from the expansion of IT employment segments,” warns Foote. “Many companies are looking for superstars and workers we refer to as ‘walking Swiss Army knives’ ---those with the right mix of technology, business, and people skills to handle some very tough jobs. It could also be unique combinations of pure tech skills. So despite IT job expansion, the nature of demand for labor today is that too many jobs requisitions require skills and skills combinations that are elusive to large numbers of unemployed and underemployed IT professionals. But these are exactly the kind of people employers should be searching for innovating and inventing their futures.”

### **Overall U.S. Employment Report**

The U.S. unemployment rate inched up one-tenth of a point to 8.3 percent in July with the payrolls increasing by 163,000 jobs, nearly twice the job growth of the previous month.

The number of long-term unemployed people (defined as 27 or more months) declined by 200,000, to 5.2 million or 40.7% of all unemployed workers (**Figure 3**)

Those employed part-time for economic reasons stayed the same at 8.2 million, the highest since February’s jobs report. (**Figure 3**)

“Discouraged workers”, or those who have given up looking for jobs, decreased by 31,000 workers in July while those “marginally attached” to the labor force ---defined as individuals that were not in the labor force, wanted and were available for work and had looked for a job sometime in the prior 12 months---stayed basically the same (2.5 million workers). They are not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. **(Figure 4)**

Professional and business services once again led all sectors in job gains, with 49,000. Within leisure and hospitality, employment in **food services and drinking places** rose by 29,000 over the month and by 292,000 over the past 12 months. **Manufacturing** employment rose in July (+25,000), with nearly all of the increase in durable goods manufacturing. Within durable goods, the motor vehicles and parts industry had fewer seasonal layoffs than is typical for July, contributing to a seasonally adjusted employment increase of 13,000. Employment continued to trend up in fabricated metal products (+5,000).

Employment continued to trend up in **health care** in July (+12,000), with over-the-month gains in outpatient care centers (+4,000) and in hospitals (+5,000). Employment also continued to trend up in **wholesale trade**.

**Utilities** employment declined in July (-8,000). The decrease reflects 8,500 utility workers who were off payrolls due to a labor-management dispute.

Employment in other major industries, including **mining and logging, construction, retail trade, transportation and warehousing, financial activities, and government**, showed little or no change over the month.

**FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2011 to July 2012)**

**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
<b>Nonfarm job loss/gain (month)</b>	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	163,000
<b>National unemployment rate</b>	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%
<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
<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
<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
<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
<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
<i>Segment 5:</i> Data Processing/Hosting/ Related Services	-1900	-700	-500	-400	700	-300	-200	100	-600	400	-900	-200	-1300	1900	-600	-500	-300	0	2,100
<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
<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

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

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 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2009 to December 2011)**

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

(Highlights for four bellwether IT jobs segments)

	2009												2010											
	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)	-598,000	-651,000	-663,000	-539,000	-345,000	-467,000	-247,000	-466,000	-263,000	-558,000	-4,000	85,000	20,000	36,000	162,000	290,000	41,000	125,000	131,000	54,000	95,000	180,000	80,000	103,000
National unemployment rate	7.6%	8.1%	8.5%	8.9%	9.4%	9.5%	9.4%	9.7%	9.8%	10.2%	10.0%	10.0%	9.7%	9.7%	9.7%	9.9%	9.7%	9.5%	9.5%	9.6%	9.6%	9.6%	9.8%	9.4%
<b>Professional/Technical Services</b>	-28,600	-36,700	-31,300	-17,100	-18,800	-40,400	-7,300	-11,300	-6,000	-11,000	1,200	8,800	-1,600	0	-12,500	80,000	-11,100	4,000	4,800	12,100	-6,900	6,700	7,400	1,400
<b>Segment 5: Management/Technical Consulting Services</b>	11,000	-4,800	-6,100	1,600	700	-1,100	900	-100	400	7,300	5,600	3,500	-5,000	-3,400	1,100	1,000	-700	10,500	1,800	300	6,900	2,600	3,700	2,900
<b>Segment 4: Computer Systems Design/Related Services</b>	-3,500	-300	-3,900	-1,400	-2,800	-2,700	7,900	-3,400	-300	4,500	1,000	3,400	7,100	8,000	-5,800	7,300	-300	-300	5,800	4,000	-900	7,500	900	5,300
<b>Information</b>	-21,000	-15,000	-10,000	-17,000	-24,000	-21,000	-16,000	-10,000	0	-1,000	-17,000	-6,000	0	-18,000	-12,000	-3,000	0	-8,000	1,000	-1,000	-5,000	-1,000	1,000	-4,000
<b>Segment 4: Telecommunications</b>	-3,800	-7,300	-3,900	-7,600	-1,500	-6,700	-5,200	-3,300	-1,300	300	-8,600	-3,500	-3,100	-3,800	-3,100	-6,700	-4,600	-2,300	-5,800	-3,600	-5,200	900	1,100	-4,500
<b>Segment 5: Data Processing/Hosting/ Related Services</b>	200	-2,000	-200	-900	-3,500	600	-400	1700	-900	-900	-900	700	400	600	-2300	300	-1300	-1500	300	-1300	-200	500	0	200
<b>Net gain/loss - ALL IT SEGMENTS</b>	3,900	-14,400	-14,100	-8,300	-7,100	-9,900	3,200	-5,100	-2,100	11,200	-2,900	4,100	-600	1,400	-10,100	1,900	-6,900	6,400	2,100	-600	600	11,500	5,700	3,900
<b>Net gain/loss - ONLY IT SERVICES SEGMENTS</b>	7,500	-5,100	-10,000	200	-2,100	-3,800	8,800	-3,500	100	11,800	6,600	6,900	2,100	4,600	-4,700	8,300	-1,000	10,200	7,600	4,300	6,000	10,100	4,600	8,200

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

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 (Through July 2012)**

**CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS**

Highlights for four bellwether IT jobs segments)

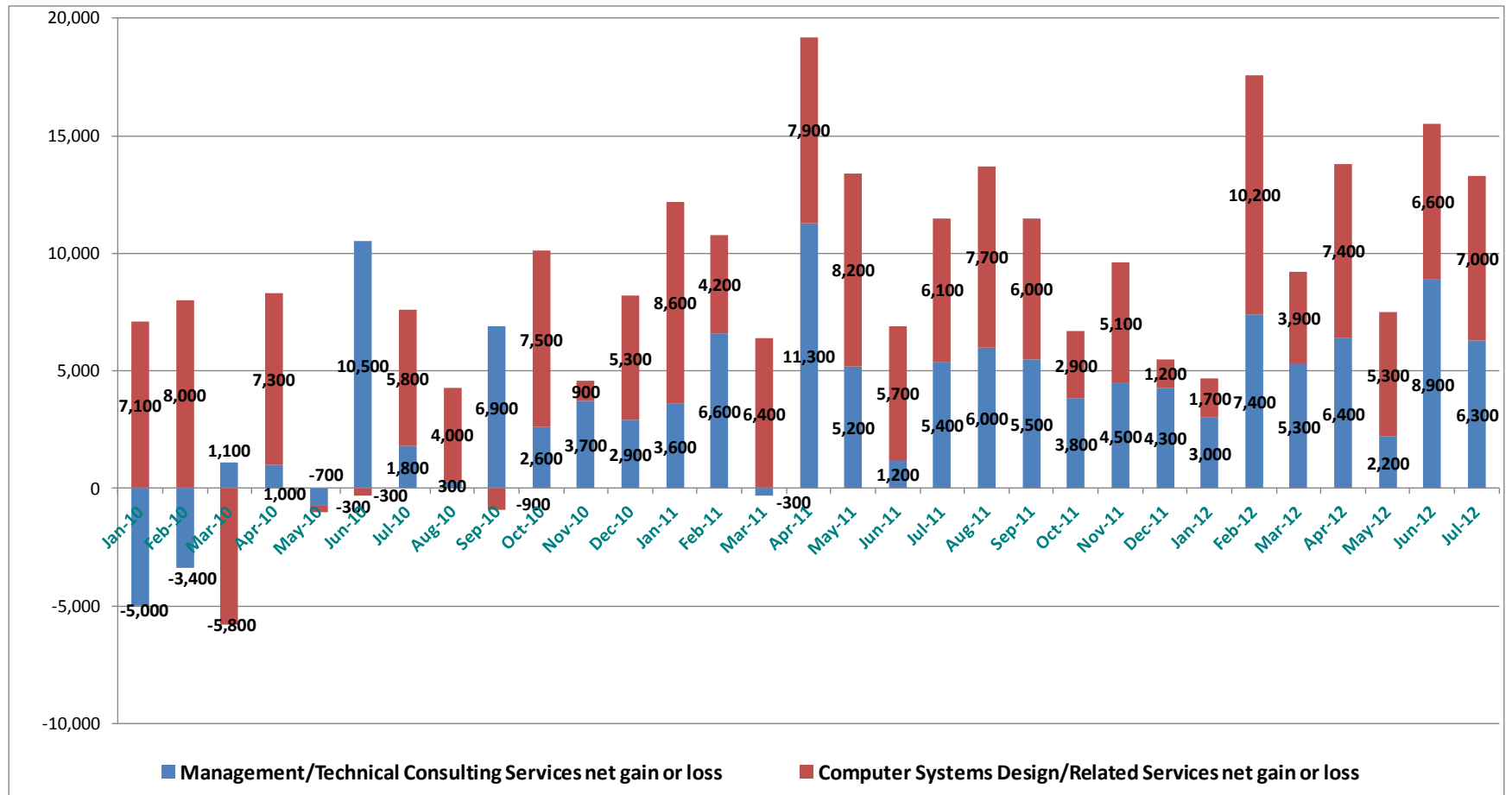
<b>U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES</b>									
<b>JOBS SEGMENT</b>	36 mos.	24 mos.	12 mos.	10 mos.	7 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Aug'09 - Jul'12	Aug'10 - Jul'12	Aug'11 - Jul'12	Oct'11 - Jul'12	Jan'12 - Jul'12	Feb'12 - Jul'12	Apr'12 - Jul'12	May'12 - Jul'12	Jun'12 - Jul'12
<b>Professional and Technical Services</b>	429,520	384,220	195,720	155,520	137,900	107,600	59,600	32,100	36,100
<i>Segment 5:</i> Management/Technical Consulting Services	135,000	113,000	63,600	52,100	39,500	36,500	23,800	17,400	15,200
<i>Segment 4:</i> Computer Systems Design/Related Services	155,900	128,900	65,000	51,300	42,100	40,400	26,300	18,900	13,600
<b>Information</b>	-95,900	-21,900	-6,900	7,100	10,100	-2,900	-1,000	1,000	3,000
<i>Segment 4:</i> Telecommunications	-109,500	-63,700	-35,300	-25,600	-15,100	-14,800	-4,800	-1,300	700
<i>Segment 5:</i> Data Processing/Hosting/Related Services	-7,800	-4,000	100	600	1,300	2,600	1,300	1,800	2,100
<b>TOTAL - ALL 4 IT SEGMENTS</b>	173,600	174,200	93,400	78,400	67,800	64,700	46,600	56,800	31,600
<b>Tech Services segments</b>	290,900	241,900	128,600	103,400	81,600	76,900	50,100	36,300	28,800
<b>Information segments</b>	-117,300	-67,700	-35,200	-25,000	-13,800	-12,200	-3,500	500	2,800

**Key:**    **Net job declines in red**  
          **Net job gains in green**

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

**FIGURE 3 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs**

- Net job gains/losses from January 2010 through July 2012

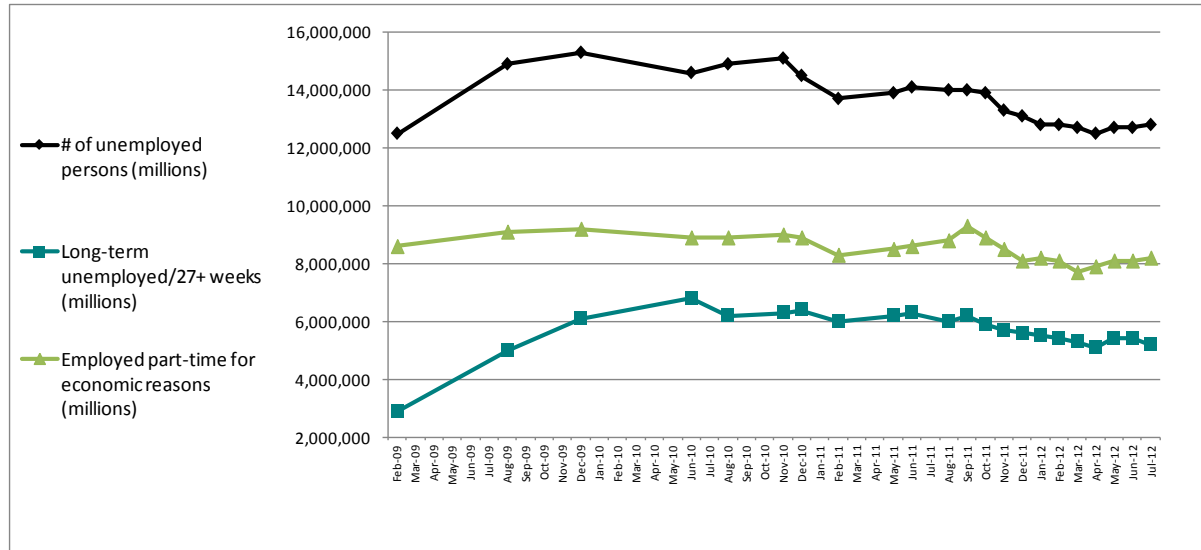


Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

**FIGURE 3**

**UNEMPLOYED AND UNDEREMPLOYED PERSONS:**

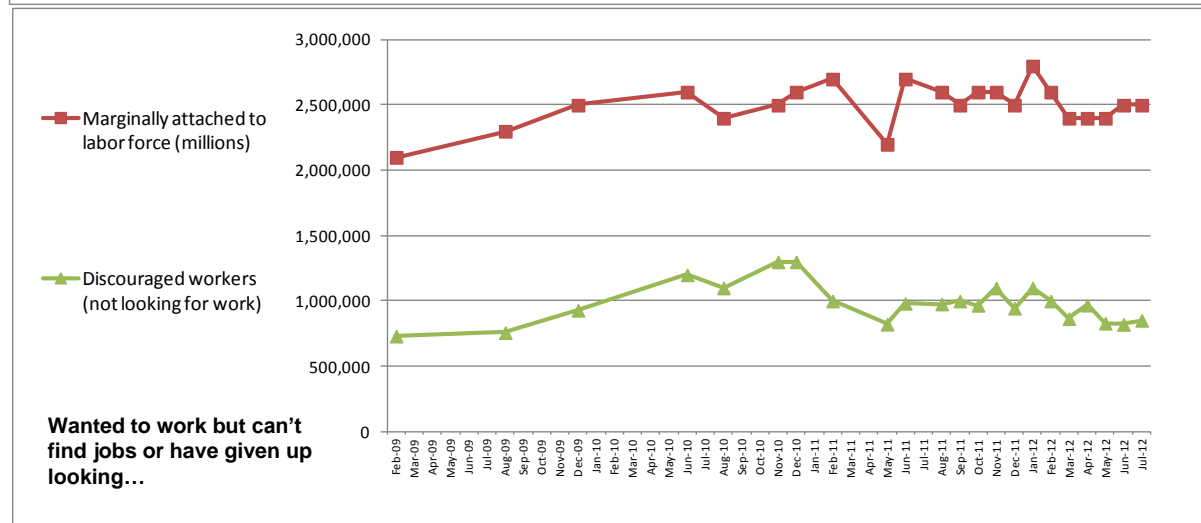
**Total vs. Long-Term vs. Part-timers**



**FIGURE 4**

**LABOR FORCE COMPOSITION**

**Marginally attached vs. Discouraged**



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



**FIGURE 5 - U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through June 2012)**

**KEY EMPLOYMENT STATISTICS – Last 25 Months**

	June-10 (24 mos. ago)	February-11 (17mos. ago)	May-11 (14 mos. ago)	August-11 (11 mos. ago)	November-11 (8 mos. ago)	December-11 (7 mos. ago)	January-12 (6 mo. ago)	February-12 (5 mo. ago)	March-12 (4 mo. ago)	April-12 (3 mo. ago)	May-12 (2 mo. ago)	June-12 (1 mo. ago)	July-12 (Now)
<b>Unemployment rate</b>	9.5%	8.9%	9.1%	9.1%	8.6%	8.5%	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%
<b># of unemployed persons</b>	14.6 million	13.7 million	13.9 million	14.0 million	13.3 million	13.1 million	12.8 million	12.8 million	12.7 million	12.5 million	12.7 million	12.7 million	12.8 million
<b>Long-term unemployed--27+ weeks (% of total unemployed persons)</b>	6.8 million 45.5%	6.0 million 43.9%	6.2 million 45.1%	6.0 million 42.9%	5.7 million 43.0%	5.6 million 42.5%	5.5 million 42.9%	5.4 million 42.6%	5.3 million 42.5%	5.1 million 41.3%	5.4 million 42.8%	5.4 million 41.9%	5.2 million 40.7%
<b>Civilian labor force participation rate</b>	64.7%	64.2%	64.2%	64.0%	64.0%	64.0%	63.7%	63.9%	63.8%	63.6%	63.8%	63.8%	63.7%
<b>Employment-population ratio</b>	58.5%	58.4%	58.4%	58.2%	58.5%	58.5%	58.5%	58.6%	58.5%	58.4%	58.6%	58.6%	58.4%
<b>Employed part-time for economic reasons</b>	8.6 million	8.3 million	8.5 million	8.8 million	8.5 million	8.1 million	8.2 million	8.1 million	7.7 million	7.9 million	8.1 million	8.2 million	8.2 million
<b>Marginally attached to labor force</b>	2.6 million	2.7 million	2.2million	2.6 million	2.6 million	2.5 million	2.8 million	2.6 million	2.4 million	2.4 million	2.4 million	2.5 million	2.5 million
<b>Discouraged workers (not looking for work)</b>	1,200,000	1,000,000	822,000	977,000	1,100,000	945,000	1,100,000	1,000,000	865,000	968,000	830,000	821,000	852,000

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

## **ABOUT FOOTE PARTNERS**

**Foote Partners LLC** Foote Partners, LLC is a Vero Beach, FL based independent IT benchmarking research and advisory firm that targets the ‘execution’ side of managing IT organizations and capabilities and the human factors of IT value creation. A thought leader and trusted advisor to more than 2,000 employers on six continents, the firm provides pragmatic and forward-thinking analysis and advice about managing the modern business/IT hybrid professional workforce that is deeply grounded in specialized proprietary benchmark research, surveys, and empirical intelligence collected from 2,350 North American employers representing 130,000 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 and Towers/Watson Wyatt senior consultants, and former corporate HR, IT, and business executives, the firm’s research division publishes 140 quarterly-updated IT and HR 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.

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