

FOR IMMEDIATE RELEASE

Contact: David Foote, dfoote@footepartners.com
 Ted Lane tlane@footepartners.com
 Tel: 772-234-2787

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

**Increase of 13,400 jobs across IT-related jobs segments is biggest monthly jump
 since April 2011---8,200 more than last month**

**Once again, IT job growth coming from Professional and Technical Services
 employment categories.**

18,000 jobs lost in Telecommunications industry in last six months.

Vero Beach, FL – Sunday, July 8, 2012. An analysis of Friday’s release of June 2012 U.S. employment numbers by the Department of Labor Bureau of Labor Statistics (DOL/BLS) reveals a net gain of 13,400 jobs across four jobs segments commonly associated with IT professionals, representing a 8,200 net gain from the prior month and the biggest overall monthly gain since April 2011. Two of those segments which are heavily represented by IT services industries, *Management and Technical Consulting Services* and *Computer Systems Design and Related Services*, increased by 15,500 jobs in June for the largest monthly gain in the past four months. Meanwhile another 2,100 more jobs were lost in the *Telecommunications* employment segment, adding to a total of 17,900 jobs lost in this segment over the last six months . (SEE FIG. 1 and 2)

“The overall employment situation in the United States is lackluster, in fact this is the fourth consecutive month of disappointing results. But the fact that 68,300 new jobs have been added in the IT service industries in the last six months is pretty hard to ignore. The fact is that IT professional s are desired

and being hired, though the skills most in demand with employers may be elusive to large numbers of unemployed and underemployed tech workers,” 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.

“One could argue that with so many IT professionals displaced over the past four years of a wildly uncertain global economy, these 68,300 jobs---and the nearly 127,000 new jobs created in the same two segments over the last twelve months---are not so significant. But you have to consider that businesses are transforming themselves right now in important ways. They are shifting to new business models and incorporating cloud computing, mobile platforms, Big Data analytics, new architectures and business processes, and loads of other transformational technologies and tools. It takes a radically different mix of people and skills to get true value out of these things. So right now we are in the middle of a major restructuring of the workforce.

“Businesses are searching for more multidimensional skills sets in many of their new hires,” insists Foote. “Workers with combinations of both business and technology knowledge and experience, and skill sets unlike those you might find in the tracking of labor more common to a traditional IT organization. It’s not that employers are not also actively building capabilities in purely technical areas relating to networks and systems, securing them, or continuing to aggressively develop and maintain ERP systems and operational capabilities. Many of the most in-demand jobs require combinations of knowledge and skill in a business or customer context applied to problems and solutions with a high degree of difficulty. The job creation in IT related disciplines we’re seeing in the monthly Labor Department numbers would be higher if employers could find more of these types of people to hire. The demand and willingness to pay premiums for these people are certainly there but the supply is not. And this will continue for the foreseeable future,” believes Foote.

Overall U.S. Employment Report

The U.S. unemployment rate was unchanged at 8.2 percent for the second consecutive months with the country gaining a net increase of 80,000 jobs. The reluctance of U.S. employers to add jobs shows that the economy is still struggling three years after the recession officially ended. An average of just 75,000 jobs were

created every month in the April-June quarter, far below the 226,000 created every month in the first three months of the year. (FIGURE 1). April's job gains were revised down to 68,000 from 77,000, while May's were revised up to 77,000 from 69,000. Some economists have attributed the slowdown to warm winter weather that drew construction and manufacturing activity into January and February, but dampened spring hiring.

The number of long-term unemployed people (defined as 27 or more months) stayed the same at 5.4 million (or 41.9%) of all unemployed workers (FIGURE 3)

Those employed part-time for economic reasons rose by 100,000, to 8.2 million, the highest since February's jobs report. (FIGURE 1)

"Discouraged workers", or those who have given up looking for jobs, decreased by 9,000 workers in June 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--- increased by 100,000,. 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 led all sectors in job gains, with 47,000. Other sectors that had been strong posted tepid advances. Education and health services, for instance, added just 2,000 jobs and leisure and hospitality added 13,000. Manufacturers added 11,000 jobs. The beleaguered construction industry, meanwhile, added just 2,000 positions while retailers cut 5,400. The federal government chopped 7,000 jobs, states cut 1,000 and localities added 4,000.

FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2011 to June 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 |
| 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 | 77,000 | 80,000 |
| 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% |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| Segment 5: Data Processing/Hosting/Related Services | -1900 | -700 | -500 | -400 | 700 | -300 | -200 | 100 | -600 | 400 | -900 | -200 | -1300 | 1900 | -600 | -500 | -300 | 0 |
| 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 |
| 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 |

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 2 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through June 2012)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

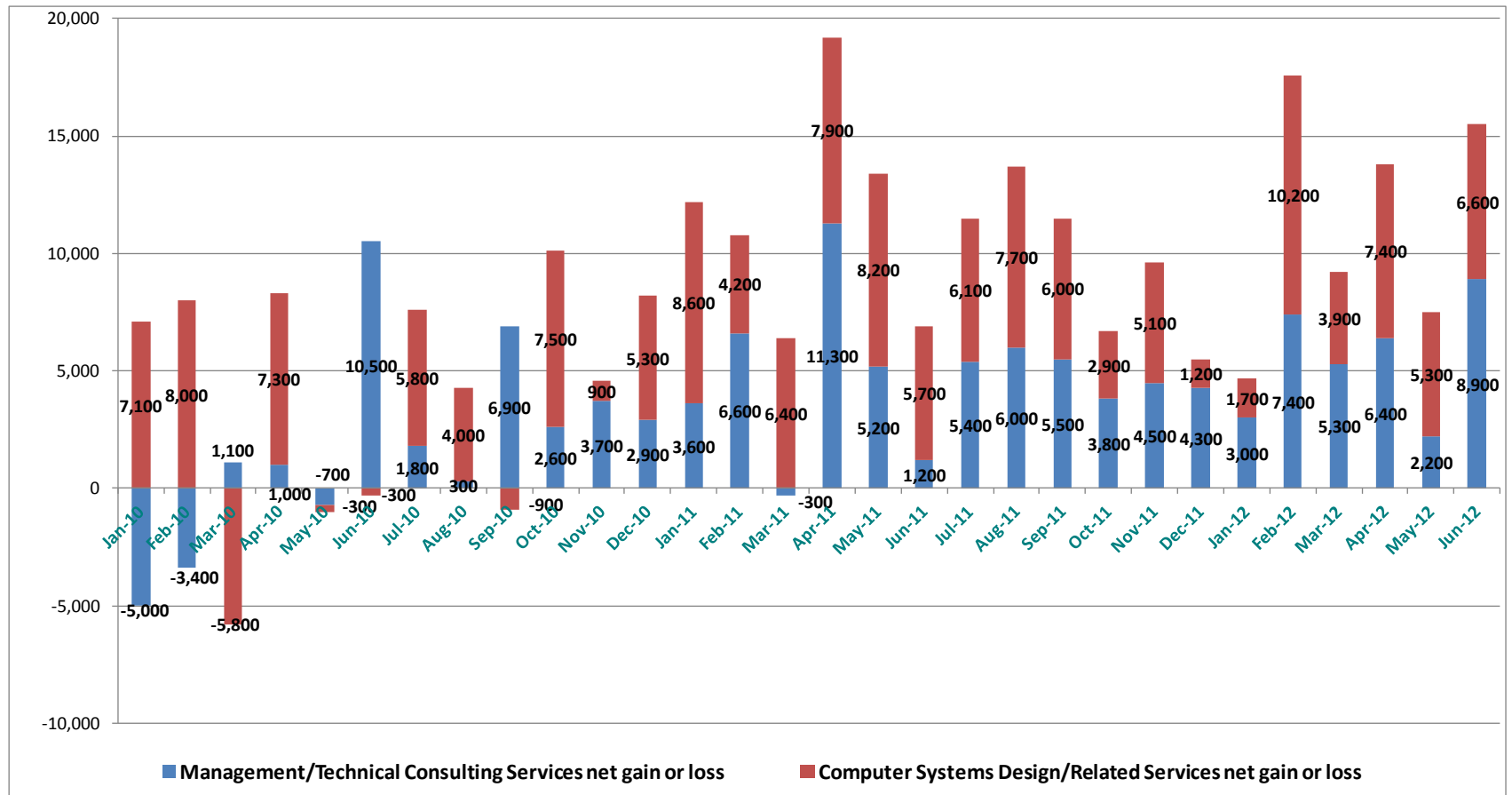
| U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| JOBS SEGMENT | 12 mos. | 10 mos. | 7 mos. | 6 mos. | 4 mos. | 3 mos. | 2 mos. |
| | Jul'11 - Jun'12 | Sep'11 - Jun'12 | Dec'11 - Jun'12 | Jan'12 - Jun'12 | Mar'12 - Jun'12 | Apr'12 - Jun'12 | May'12 - Jun'12 |
| Professional and Technical Services | 195,520 | 161,720 | 128,500 | 120,000 | 55,500 | 41,700 | 14,200 |
| <i>Segment 5: Management/Technical Consulting Services</i> | 62,700 | 51,300 | 37,500 | 33,200 | 22,800 | 17,500 | 11,100 |
| <i>Segment 4: Computer Systems Design/Related Services</i> | 64,100 | 50,300 | 36,300 | 35,100 | 23,200 | 19,300 | 11,900 |
| Information | -18,900 | 30,100 | 5,100 | -900 | -12,900 | -12,000 | -10,000 |
| <i>Segment 4: Telecommunications</i> | -40,800 | 9,200 | -20,900 | -17,900 | -11,200 | -7,600 | -4,100 |
| <i>Segment 5: Data Processing/Hosting/Related Services</i> | -2,200 | -2,100 | -1,000 | -800 | -1,400 | -800 | -300 |
| TOTAL - ALL 4 IT SEGMENTS | 83,800 | 108,700 | 51,900 | 49,600 | 33,400 | 56,800 | 18,600 |
| Tech Services segments | 126,800 | 101,600 | 73,800 | 68,300 | 46,000 | 36,800 | 23,000 |
| Information segments | -43,000 | 7,100 | -21,900 | -18,700 | -12,600 | -8,400 | -4,400 |

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 June 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

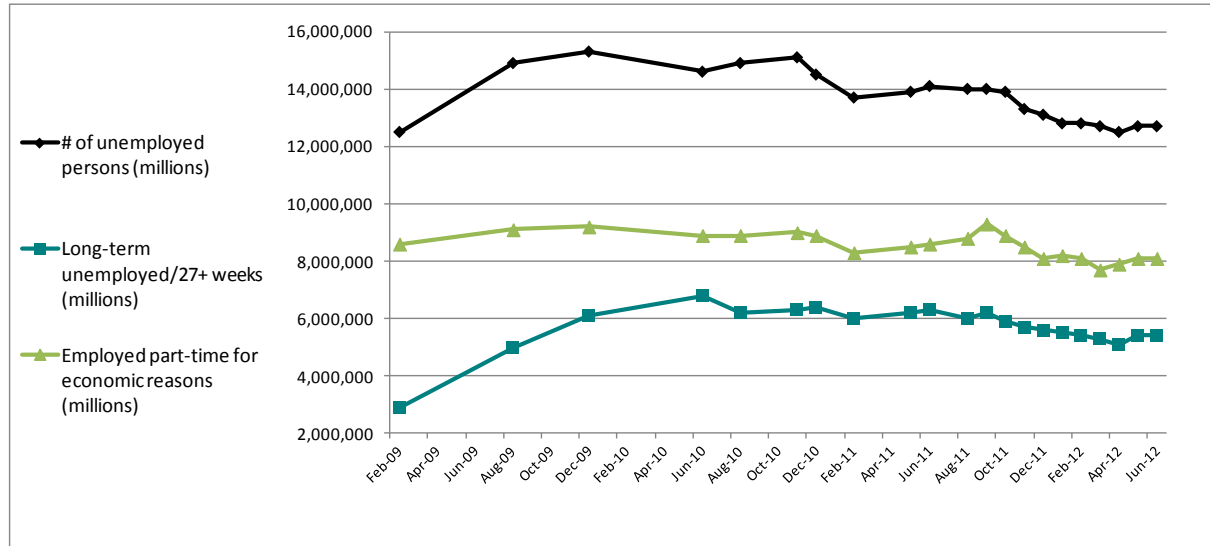
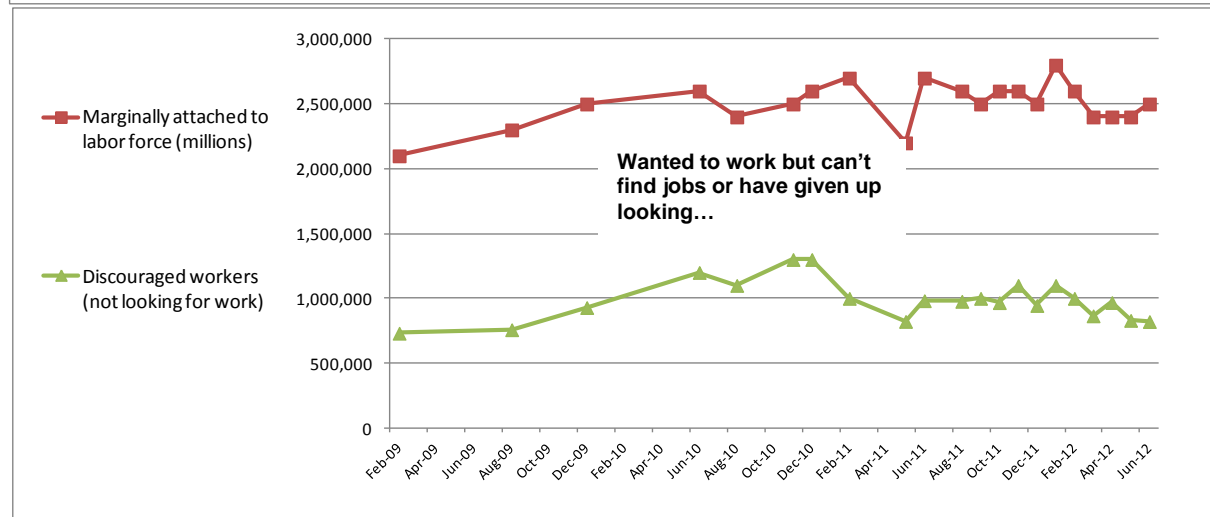


FIGURE 4

LABOR FORCE COMPOSITION

Marginally attached vs. Discouraged



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

Foote Partners LLC – News Analysis – July 7, 2012

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

KEY EMPLOYMENT STATISTICS – Last 24 Months

| | Jun-10 (24 mos. ago) | Feb-11 (16 mos. ago) | May-11 (13 mos. ago) | Aug-11 (10 mos. ago) | Nov-11 (7 mos. ago) | Dec-11 (6 mo. ago) | Jan-12 (5 mo. ago) | Feb-12 (4 mo. ago) | Mar-12 (3 mo. ago) | Apr-12 (2 mo. ago) | May-12 (1 mo. ago) | Jun-12 (Now) |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Unemployment rate | 9.5% | 8.9% | 9.1% | 9.1% | 8.6% | 8.5% | 8.3% | 8.3% | 8.2% | 8.1% | 8.2% | 8.2% |
| # of unemployed persons | 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 |
| Long-term unemployed--27+ weeks (% of total unemployed persons) | 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% |
| Civilian labor force participation rate | 64.7% | 64.2% | 64.2% | 64.0% | 64.0% | 64.0% | 63.7% | 63.9% | 63.8% | 63.6% | 63.8% | 63.8% |
| Employment-population ratio | 58.5% | 58.4% | 58.4% | 58.2% | 58.5% | 58.5% | 58.5% | 58.6% | 58.5% | 58.4% | 58.6% | 58.6% |
| Employed part-time for economic reasons | 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 |
| Marginally attached to labor force | 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 |
| Discouraged workers (not looking for work) | 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 |

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.

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