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

**FOOTE IT NEWS ANALYSIS – Technology employment trends in the
 January 2016 Bureau of Labor Statistics – U.S. Employment Report**

**Only 5,500 IT jobs added to U.S. payrolls in January, down from 6,100 in December
 and less than half of the monthly average job growth in 2015.**

**The worst month for IT employment since August 2014 according
 to the U.S. Department of Labor.**

Vero Beach, FL – Friday, February 5, 2016. An analysis of Friday’s release of January 2016 U.S. employment numbers by the Bureau of Labor Statistics (BLS) reveals a **net increase of 5,500 IT jobs** across four industry job segments commonly associated with technology professionals.

January job growth was lower than December’s 6,100 IT jobs and *significantly* less than the 11,300 jobs added to U.S. payrolls in November and the monthly average of 12,300 IT jobs added in 2015. Moreover, December’s result was *the single worst month for IT employment since August 2014*. [*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 2,200 jobs, considerably less than the 4,400 monthly average in 2015. The other job segment, ***Computer Systems Design/Related Services***, gained 3,400 jobs last month, below both December’s results (3,800) and well below the 6,842 monthly average in this segment for 2015.

The remaining two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together lost 100 net jobs for the month. These segments have averaged growth of only 1,058 jobs per month in 2015.

“2015 was a volatile year for IT job growth with big swings month to month. Only two IT job segments in 2015, *Computer Systems Design/Related Services* and *Data Processing, Hosting and Related Services*, of beat 2014 job growth numbers: 6,842 (in 2015) versus 5,900 and 1,275 (in 2015) versus 550 respectively”, notes Foote Partners’ chief analyst David Foote. “2016 has continued the slide in IT job creation that we saw in late 2015. Still, we’ve seen two very solid years of growth. Overall that’s good news overall for IT professionals. But it appears that IT employment is under a certain amount of pressure this year even though economists are suggesting that the American economy is holding up well despite a slowdown in China, growing risks in emerging markets and turmoil in the stock market. The financial markets are leery but the labor market still looks like it’s continuing to grow.”

“The January employment report provides yet one more piece of evidence that the chance of recession this year is truly remote,” said Bernard Baumohl, chief global economist for the Economic Outlook Group in Princeton, N.J. “Economic activity should accelerate this year as rising employment, income, home values and confidence drive more spending.” 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 – January 2016

- Total nonfarm payroll employment increased by 151,000 in January. Employment rose in several industries, led by retail trade, food services and drinking places, health care, and manufacturing. Private educational services and transportation and warehousing lost jobs. Mining employment continued to decline.
- Retail trade added 58,000 jobs in January, following essentially no change in December. Employment rose in general merchandise stores (+15,000), electronics and appliance stores (+9,000), motor vehicle and parts dealers (+8,000), and furniture and home furnishing stores (+7,000). Employment in retail

trade has increased by 301,000 over the past 12 months, with motor vehicle and parts dealers and general merchandise stores accounting for nearly half of the gain.

- Employment in food services and drinking places rose in January (+47,000). Over the year, the industry has added 384,000 jobs.
- Health care continued to add jobs in January (+37,000), with most of the increase occurring in hospitals (+24,000). Health care has added 470,000 jobs over the past 12 months, with about two-fifths of the growth occurring in hospitals.
- Manufacturing added 29,000 jobs in January, following little employment change in 2015. Over the month, job gains occurred in food manufacturing (+11,000), fabricated metal products (+7,000), and furniture and related products (+3,000).
- Employment in financial activities rose in January (+18,000). Job gains occurred in credit intermediation and related activities (+7,000).
- Private educational services lost 39,000 jobs in January due to larger than normal seasonal layoffs.
- Employment in transportation and warehousing decreased by 20,000 in January. Most of the loss occurred among couriers and messengers (-14,000), reflecting larger than usual layoffs following strong seasonal hiring in the prior 2 months.
- Employment in mining continued to decline in January (-7,000). Since reaching a peak in September 2014, employment in the industry has fallen by 146,000, or 17 percent.

Hiring Trend Charts – IT Employment Segments

January 2016 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 January 2016)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2014												2015												2016
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
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	280,000	262,000	151,000
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%	4.9%
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	25,300
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	2,200
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	3,400
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	1,000
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	0
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	-100
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	5,500
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	5,600
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	-100

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 January 2016)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through January 2015								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
Professional and Technical Services	764,300	561,400	269,400	174,400	123,900	91,700	64,800	36,400
<i>Segment 5:</i> Management/Technical Consulting Services	177,800	115,500	51,400	27,500	25,400	18,400	11,400	6,400
<i>Segment 4:</i> Computer Systems Design/Related Services	205,700	151,600	77,500	49,000	35,900	21,900	12,000	7,200
Information	43,000	33,000	27,000	18,000	9,000	4,000	5,000	17,000
<i>Segment 4:</i> Telecommunications	15,800	13,100	-2,200	-1,700	-3,700	-800	-400	-900
<i>Segment 5:</i> Data Processing/Hosting/Related Services	26,300	20,000	11,900	6,100	2,600	-300	-100	-1,100
TOTAL - ALL 4 IT SEGMENTS	425,600	300,200	138,600	80,900	60,200	39,200	56,800	11,600
IT Services segments	383,500	267,100	128,900	76,500	61,300	40,300	23,400	13,600
Tech Information segments	42,100	33,100	9,700	4,400	-1,100	-1,100	-500	-2,000

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 January 2016)

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 looking for a job.**

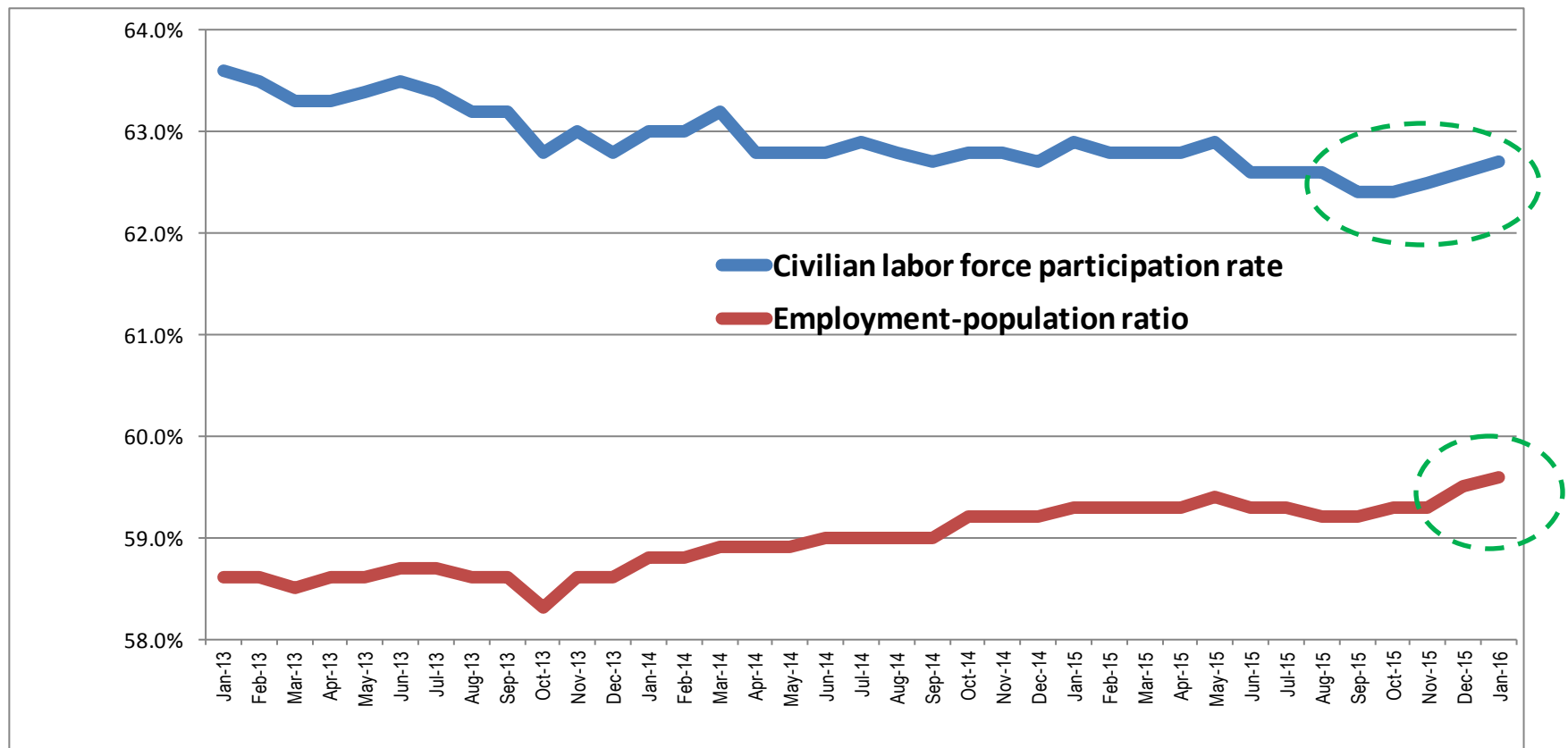
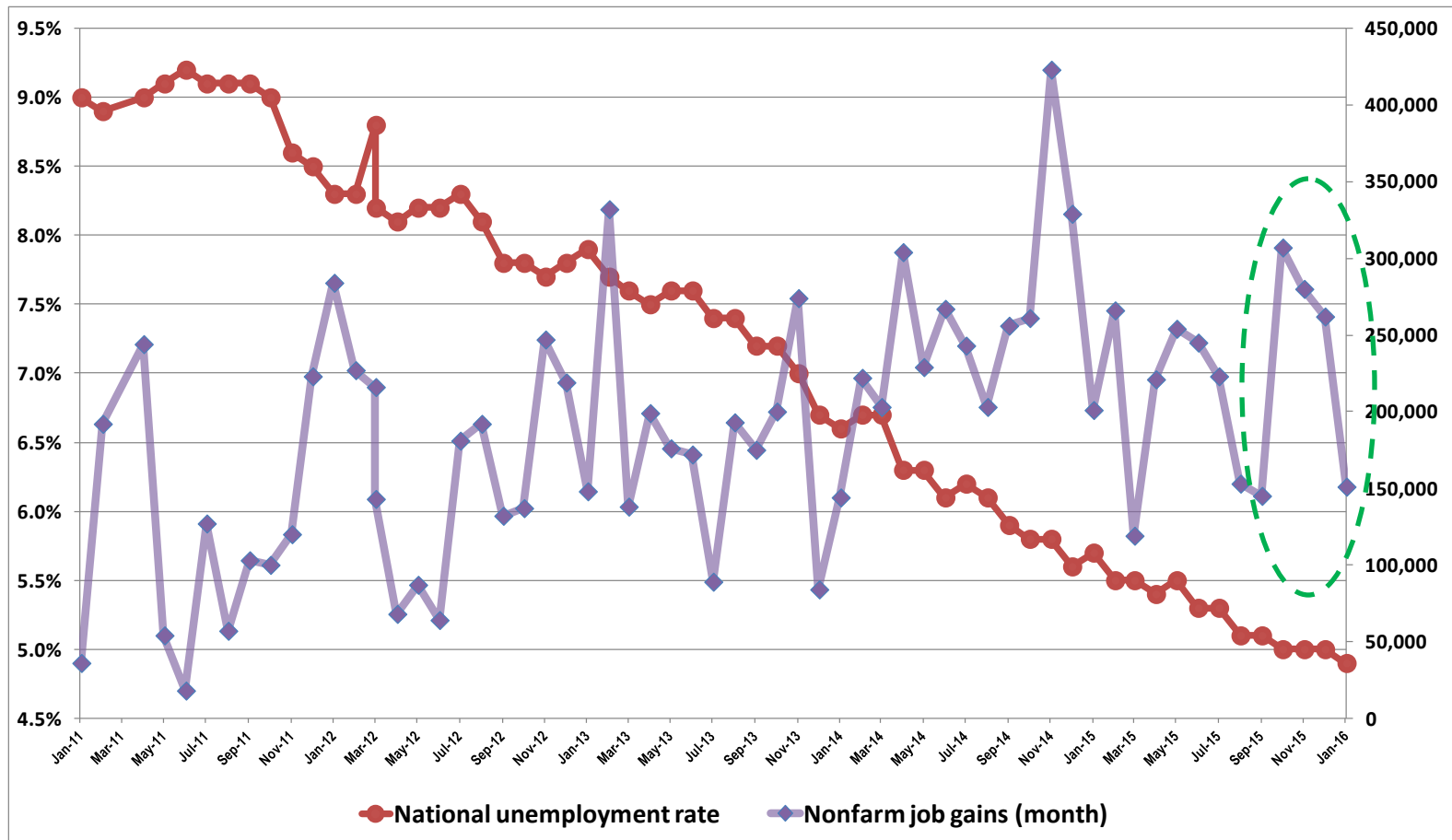
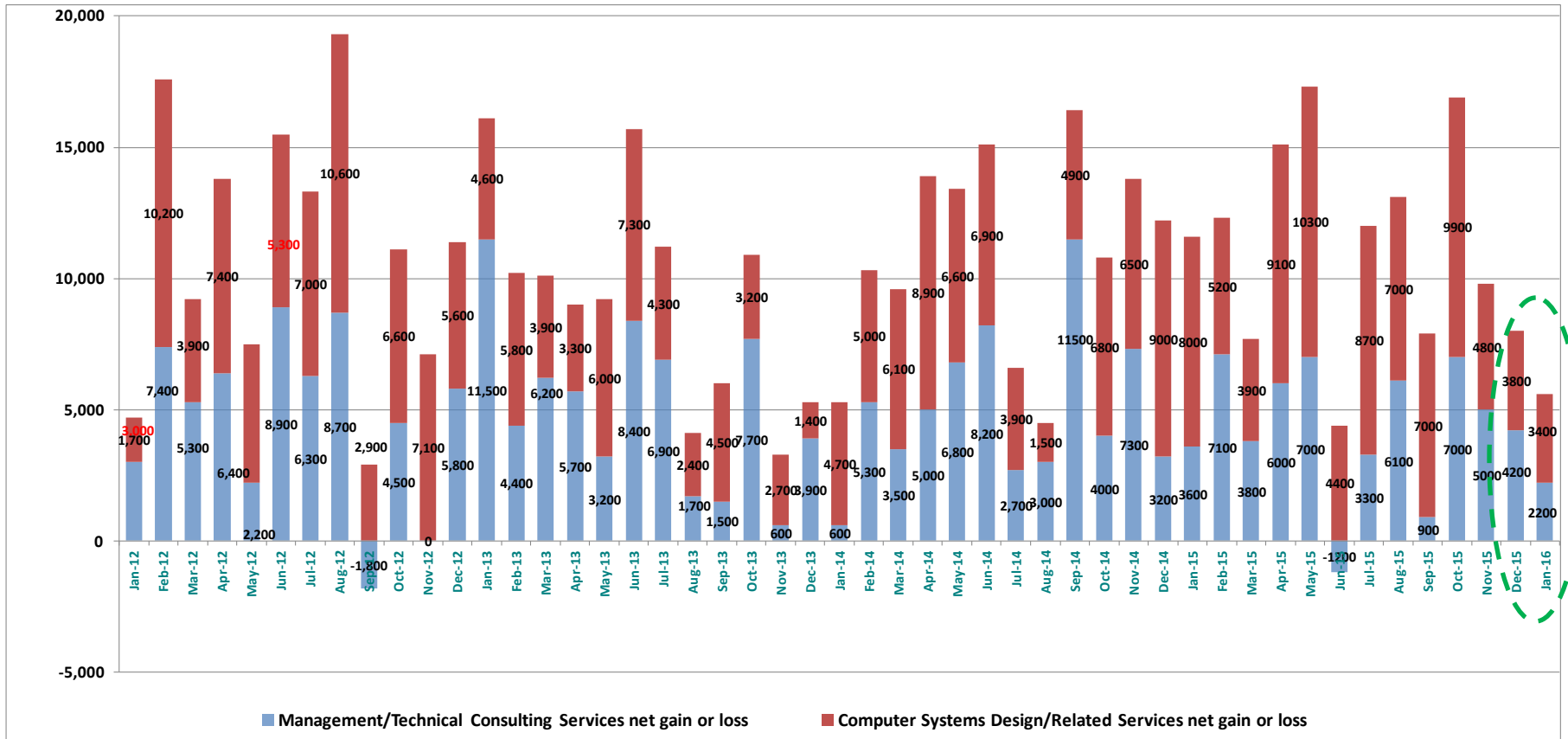


FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
- Net job gains/losses from January 2010 through January 2016



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

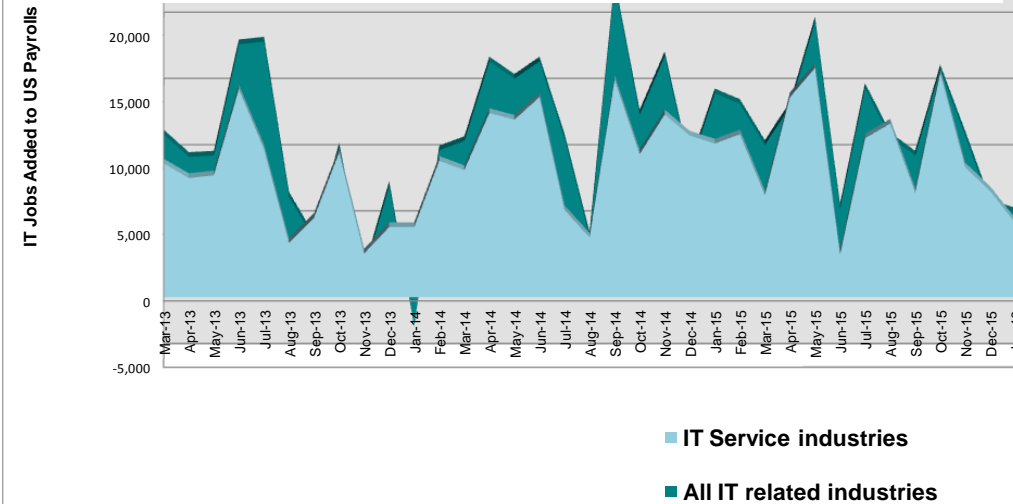
FIGURE 6



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 **128,900 net jobs** in last 12 mos.

Telecommunications and Data Processing, Hosting and Related Services added only **9,700 net jobs** in the same period..

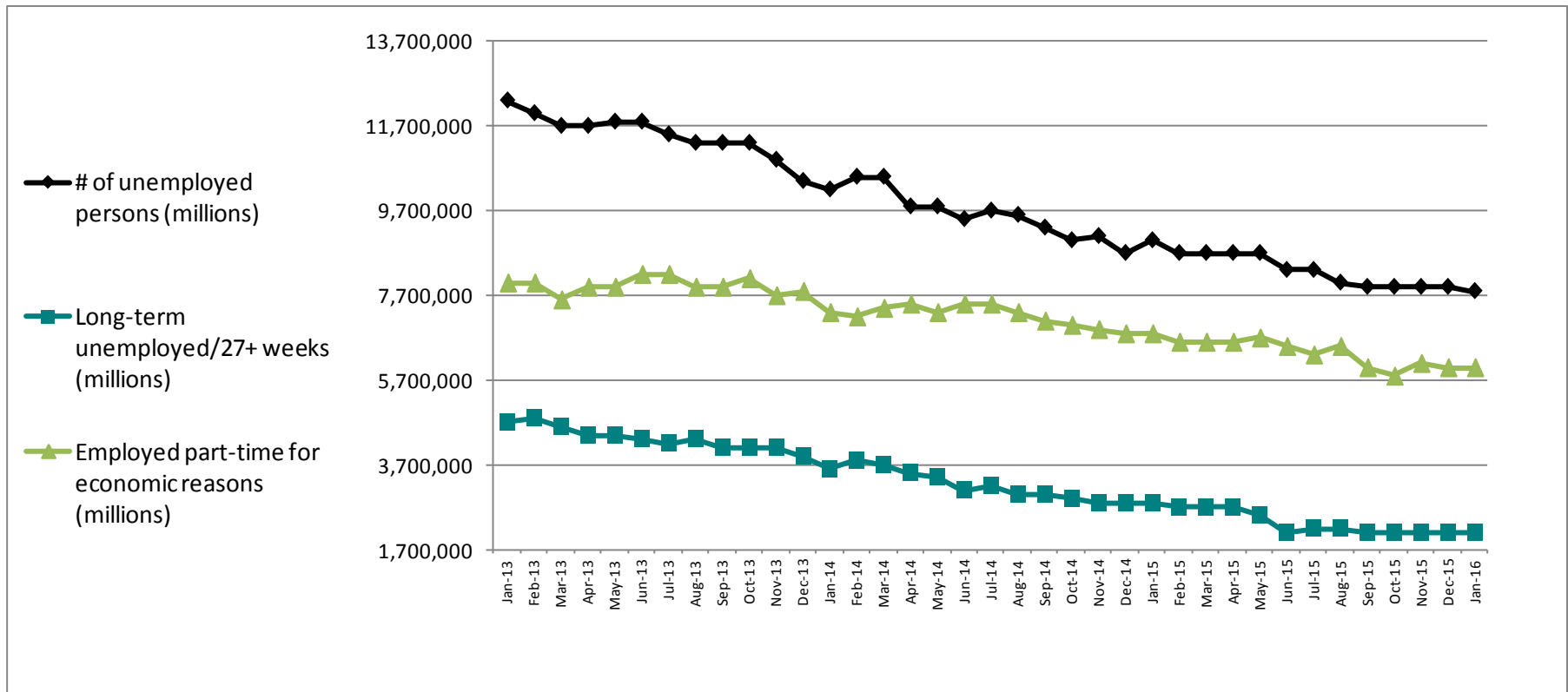
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

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 January 2016)

KEY EMPLOYMENT STATISTICS – Last 18 Months

	Jul-14 (18 mo. ago)	Jan-15 (12 mo. ago)	Feb-15 (11 mo. ago)	Mar-15 (10 mo. ago)	Apr-15 (9 mo. ago)	May-15 (8 mo. ago)	Jun-15 (7 mo. ago)	Jul-15 (6 mo. ago)	Aug-15 (5 mo. ago)	Sep-15 (4 mo. ago)	Oct-15 (3 mo. ago)	Nov-15 (2 mo. ago)	Dec-15 (1 mo. ago)	Jan-16 (Now)
Unemployment rate	6.2%	5.7%	5.5%	5.5%	5.5%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%	4.9%
# of unemployed persons	9.7 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	7.9 million	7.9 million
Long-term unemployed--27+ weeks (% of total unemployed persons)	3.2 million 32.9%	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%	2.1 million 26.3%	2.1 million 26.9%
Civilian labor force participation rate	62.9%	62.9%	62.8%	62.8%	62.8%	62.9%	62.6%	62.6%	62.6%	62.4%	62.4%	62.5%	62.6%	62.7%
Employment-population ratio	59.0%	59.3%	59.3%	59.3%	59.3%	59.4%	59.3%	59.3%	59.2%	59.2%	59.3%	59.3%	59.5%	59.6%
Employed part-time for economic reasons	7.5 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	6.0 million	6.0 million
Marginally attached to labor force	2.2 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	1.8 million	2.1 million
Discouraged workers (not looking for work)	741,000	682,000	732,000	732,000	732,000	563,000	653,000	668,000	624,000	635,000	665,000	594,000	663,000	623,000

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.

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- *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