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

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

**IT job growth slides in October following a spectacular September,
 as 12,900 jobs are added to U.S. payrolls.**

Still a solid month, soundly beating the 11,780 average monthly gains for IT jobs 2014.

**National unemployment rate down slightly to 5.8 percent as 214,000 jobs are added, down
 sharply from 7.2 percent a year ago**

Vero Beach, FL – Friday, November 7, 2014. An analysis of last Friday’s release of U.S. employment numbers for October 2014 by the Bureau of Labor Statistics (BLS) reveals a **net increase of 12,900 IT jobs** across four industry job segments commonly associated with technology professionals.

October’s result was significantly lower than the 22,700 jobs added in September but greater than the 11,392 average monthly gain for year-to-date 2014 and the 10,708 average monthly IT job growth for calendar year 2013. (*see Fig. 1*).

Two IT segments that have been responsible for more than 90 percent of all IT jobs added to US payrolls in the past twelve months recorded moderate gains in October (*Figs. 1, 2*). **Computer Systems Design/Related Services** added 6,800 jobs, nearly 2000 more than the month before and greater than the monthly average gain of 5,530 job for this segment in the first ten months of the year. The other segment, **Management and**

Technical Consulting Services, added only 4000 new jobs, far below the 11,500 added in September and one thousand fewer than the monthly average gain of 5,060 for this segment so far in 2014.

The other two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together posted a net gain of 2,100 new jobs in October. This was only a third of the 6,300 job gains one month earlier for these two segments but still exceeds by nearly 1000 jobs the average monthly gains this year. (see Figures 1, 3, 4)

Industry Highlights – October 2014

- Total nonfarm payroll employment increased by 214,000 in October, in line with the average monthly gain of 222,000 over the prior 12 months. In October, job growth occurred in food services and drinking places, retail trade, and health care.
- Food services and drinking places added 42,000 jobs in October, compared with an average gain of 26,000 jobs per month over the prior 12 months.
- Employment in retail trade rose by 27,000 in October. Within the industry, employment grew in general merchandise stores (+12,000) and automobile dealers (+4,000). Retail trade has added 249,000 jobs over the past year.
- Health care added 25,000 jobs in October, about in line with the prior 12-month average gain of 21,000 jobs per month. In October, employment rose in ambulatory health care services (+19,000).
- Employment in professional and business services continued to trend up over the month (+37,000). Over the prior 12 months, job gains averaged 56,000 per month. In October, employment continued to trend up in temporary help services (+15,000) and in computer systems design and related services (+7,000).

- In October, manufacturing employment continued on an upward trend (+15,000). Within the industry, job gains occurred in machinery (+5,000), furniture and related products (+4,000), and semiconductors and electronic components (+2,000). Over the year, manufacturing has added 170,000 jobs, largely in durable goods.
- Employment also continued to trend up in transportation and warehousing (+13,000) and construction (+12,000).
- Employment in other major industries, including mining and logging, wholesale trade, information, financial activities, and government, showed little change over the month.
- In October, the average workweek for all employees on private nonfarm payrolls edged up by 0.1 hour to 34.6 hours. The manufacturing workweek was unchanged at 40.8 hours, and factory overtime edged down by 0.1 hour to 3.4 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls edged up by 0.1 hour to 33.8 hours.
- Average hourly earnings for all employees on private nonfarm payrolls rose by 3 cents to \$24.57 in October. Over the year, average hourly earnings have risen by 2.0 percent. In October, average hourly earnings of private-sector production and nonsupervisory employees increased by 4 cents to \$20.70.

Hiring Trend Charts – IT Employment Segments

October 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 October 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	Aug	Sep	Oct
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	214,000
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%
Professional/Technical Services	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
Segment 5: Management/Technical Consulting Services	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
Segment 4: Computer Systems Design/Related Services	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
Information	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
Segment 4: Telecommunications	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
Segment 5: Data Processing/Hosting/ Related Services	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
Net gain/loss-ALL IT SEGMENTS	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
Net gain/loss-ONLY IT SERVICES SEGMENTS	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

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%
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	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
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	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
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	18,200	18,100	-1,700	12,500	6,800	9,800
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	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 October 2014)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

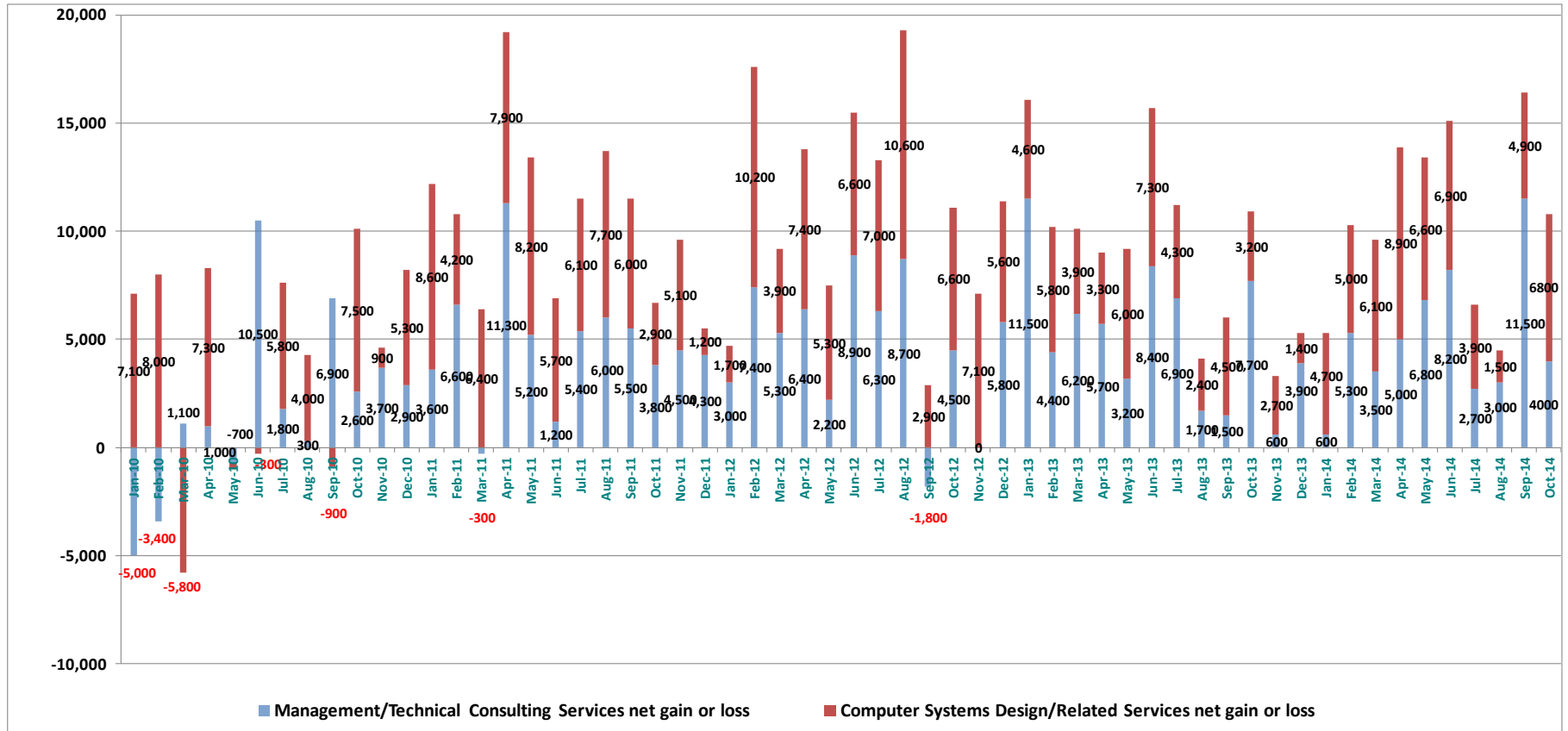
Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through October 2014								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Nov'11 - Oct'14	Nov'12 - Oct'14	Nov'13 - Oct'14	Mar'14 - Oct'14	May'14 - Oct'14	Jul'14 -Oct'14	Aug'14 -Oct'14	Sep'14 - Oct'14
Professional and Technical Services	646,900	444,500	235,600	174,000	138,500	82,800	57,900	41,100
<i>Segment 5: Management/Technical Consulting Services</i>	177,800	118,100	55,100	44,700	36,200	21,200	18,500	15,500
<i>Segment 4: Computer Systems Design/Related Services</i>	185,900	117,400	59,400	45,600	30,600	17,100	13,200	11,700
Information	26,100	7,000	-19,000	10,000	11,000	7,000	5,000	8,000
<i>Segment 4: Telecommunications</i>	-7,100	14,900	3,100	12,900	7,800	4,400	3,600	5,400
<i>Segment 5: Data Processing/Hosting/Related Services</i>	11,400	12,500	8,700	7,500	8,300	7,700	4,000	3,000
TOTAL - ALL 4 IT SEGMENTS	368,000	262,900	126,300	110,700	82,900	50,400	56,800	35,600
IT Services segments	363,700	235,500	114,500	90,300	66,800	38,300	31,700	27,200
Tech Information segments	4,300	27,400	11,800	20,400	16,100	12,100	7,600	8,400

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

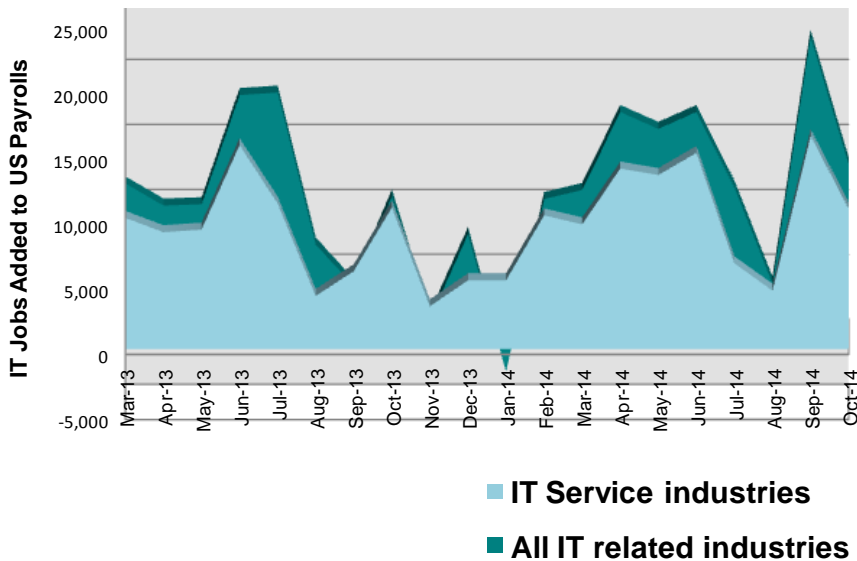
FIGURE 4 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
 - Net job gains/losses from January 2010 through October 2014



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 **114,500 net jobs in last 12 mos.**

Telecommunications and Data Processing, Hosting and Related Services added only **11,800 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 October 2014

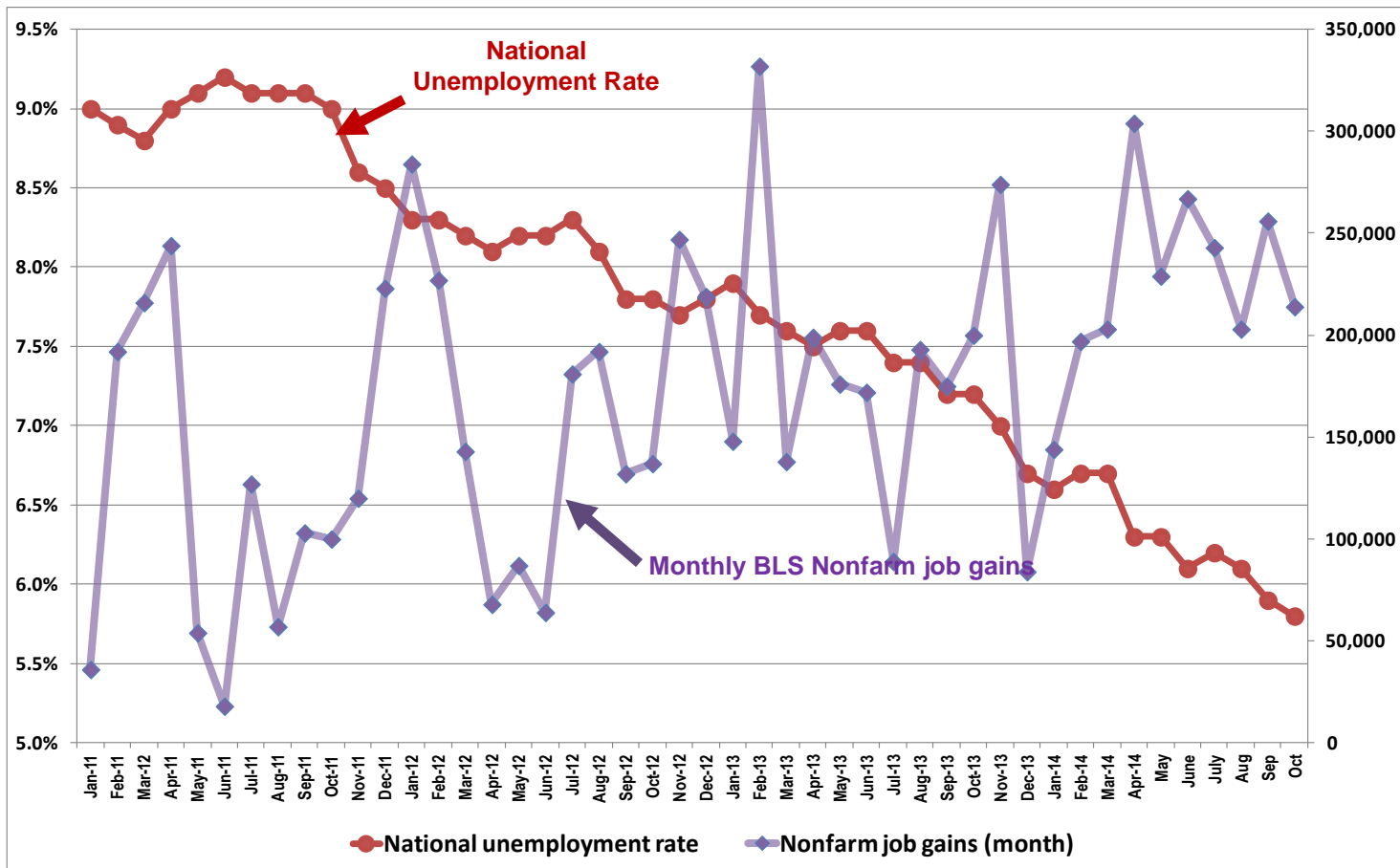
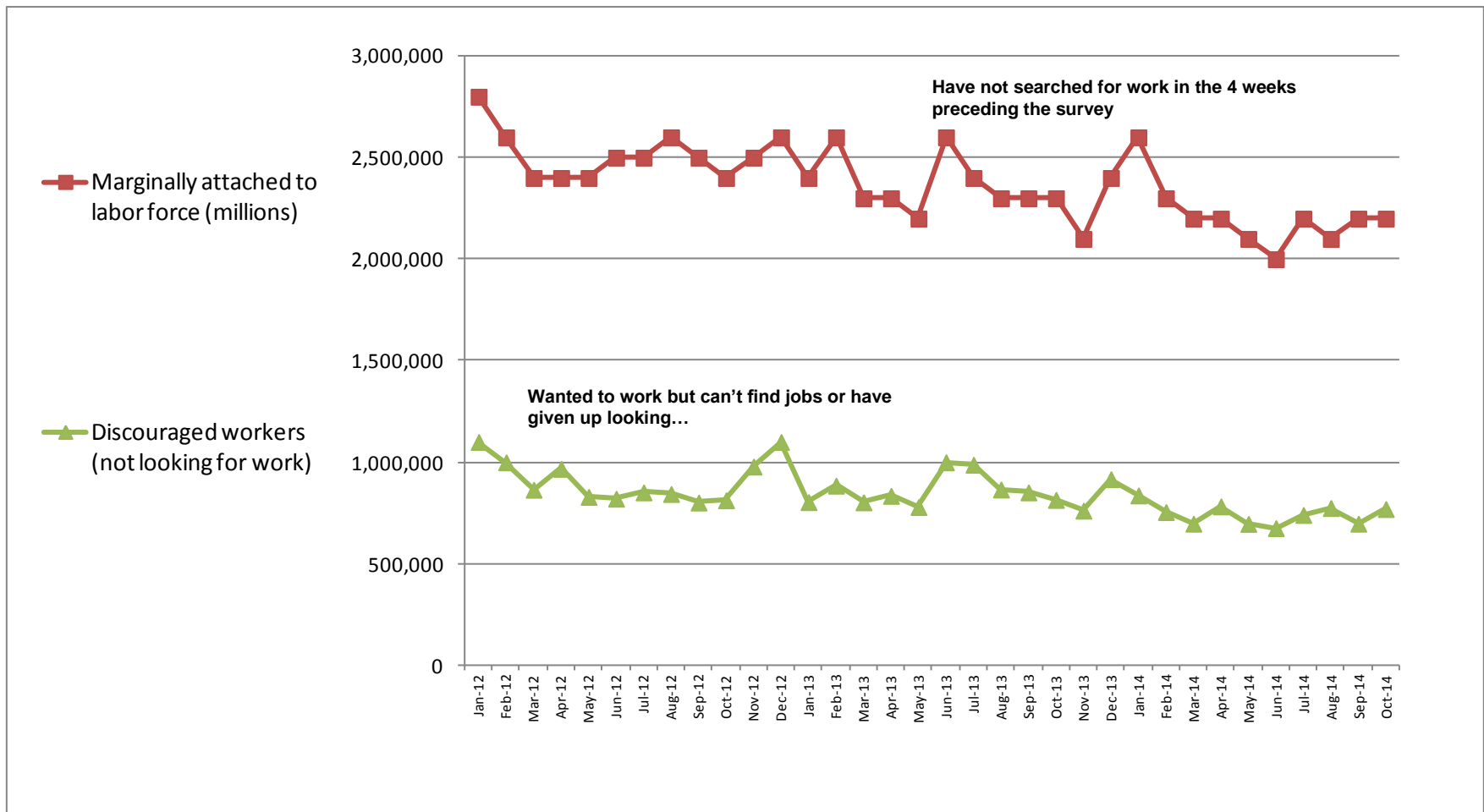
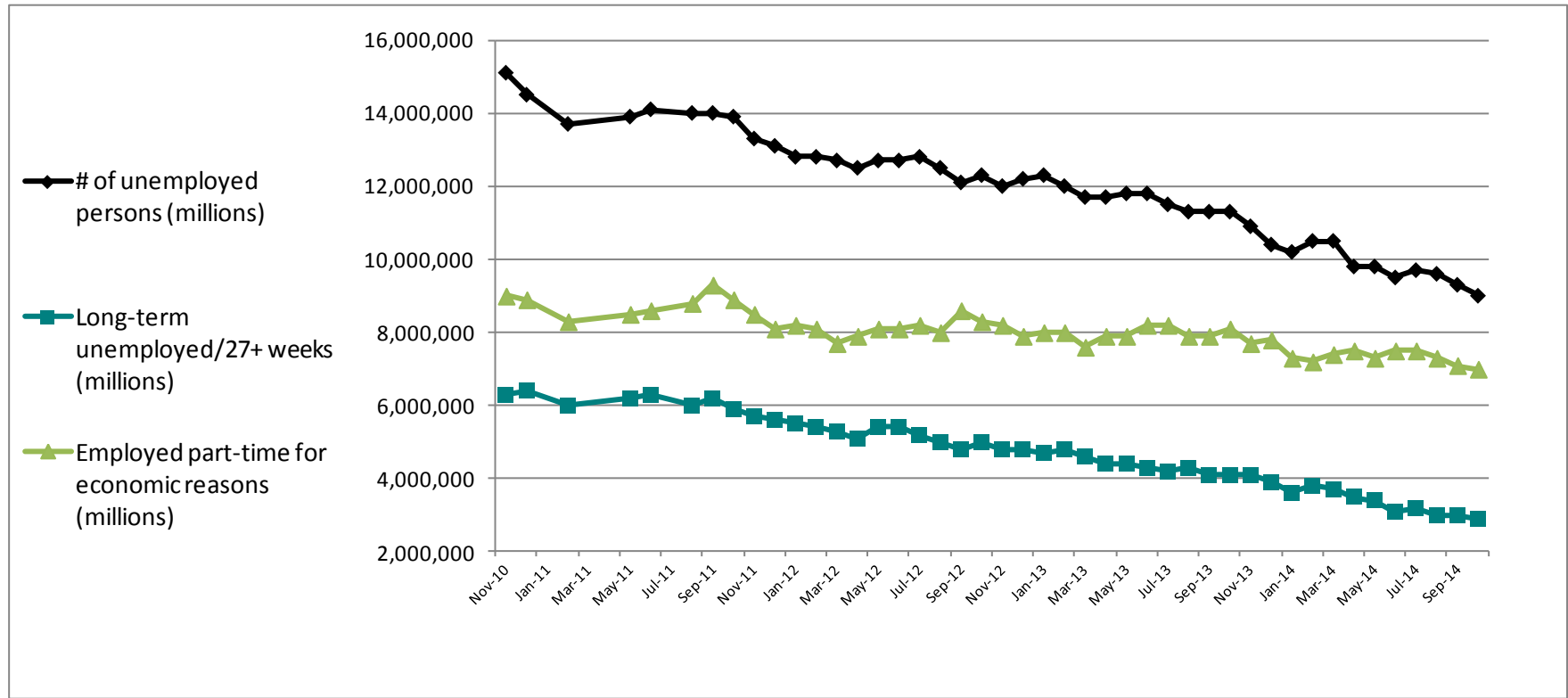


FIGURE 7– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2012 to 2014



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 October 2014)

KEY EMPLOYMENT STATISTICS – Last 35 Months

	Aug-11 (35 mos. ago)	Aug-13 (14 mo. ago)	Sep-13 (13 mo. ago)	Oct-13 (12 mo. ago)	Nov-13 (11 mo. ago)	Dec-13 (10 mo. ago)	Jan-14 (9 mo. ago)	Feb-14 (8 mo. ago)	Mar-14 (7 mo. ago)	Apr-14 (6 mo. ago)	May-14 (5 mo. ago)	Jun-14 (4 mo. ago)	Jul-14 (3 mo. ago)	Aug-14 (2 mo. ago)	Sep-14 (1 mo. ago)	Oct-14 (Now)
Unemployment rate	9.1%	7.3%	7.2%	7.3%	7.0%	6.7%	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%	5.9%	5.8%
# of unemployed persons	14.0 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	9.6 million	9.3 million	9.0 million
Long-term unemployed--27+ weeks (% of total unemployed persons)	6.0 million 42.9%	4.3 million 37.9%	4.1 million 36.9%	4.1 million 36.1%	4.1 million 37.3%	3.9 million 37.7%	3.6 million 35.8%	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%
Civilian labor force participation rate	64.0%	63.2%	63.2%	62.8%	63.0%	62.8%	63.0%	63.0%	63.2%	62.8%	62.8%	62.8%	62.8%	62.8%	62.7%	62.8%
Employment-population ratio	58.2%	58.6%	58.6%	58.3%	58.6%	58.6%	58.8%	58.8%	58.9%	58.9%	58.9%	59.0%	59.0%	59.0%	59.0%	59.2%
Employed part-time for economic reasons	8.8 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	7.3 million	7.1 million	7.0 million
Marginally attached to labor force	2.6 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	2.1 million	2.2 million	2.2 million
Discouraged workers (not looking for work)	977,000	866,000	852,000	815,000	762,000	917,000	837,000	755,000	698,000	783,000	697,000	676,000	741,000	775,000	698,000	770,000

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

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- *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