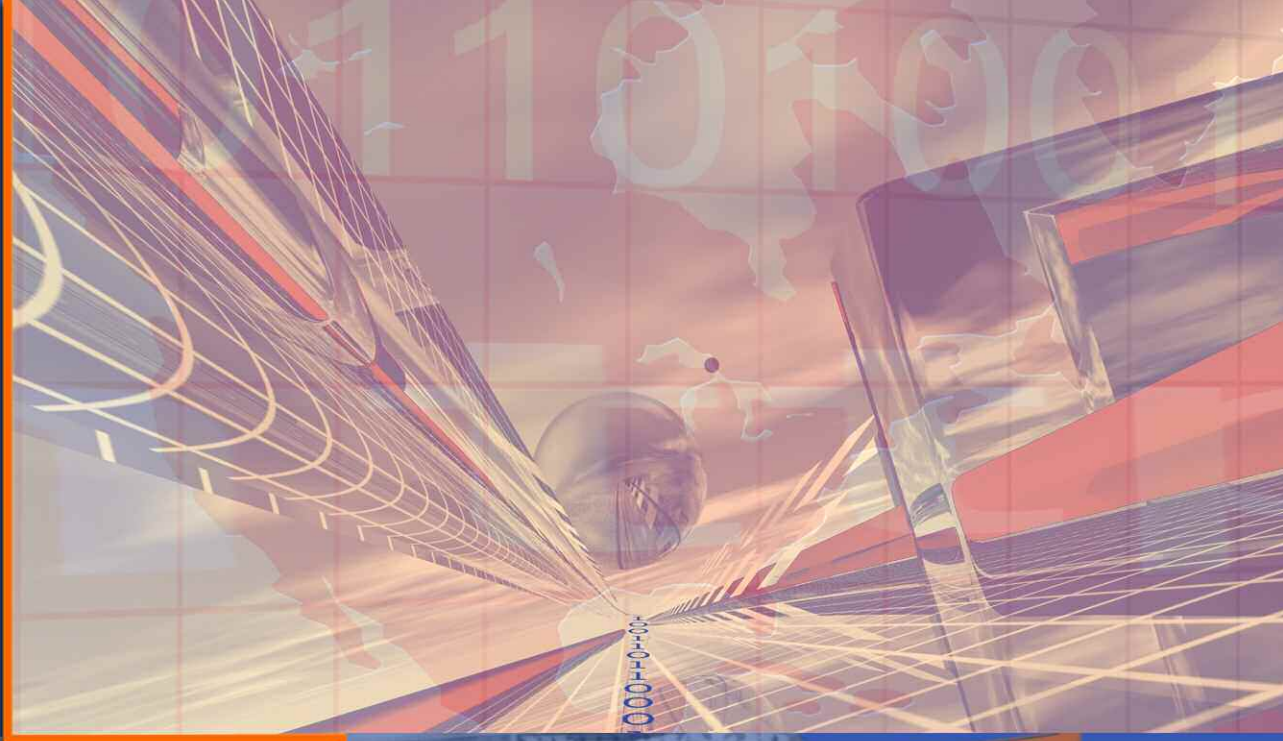


# JOB FORECAST



careerbuilder.com™



# 2008

## JOB FORECAST

The job market of 2007 weathered the effects of a housing slump, tight credit markets and escalating energy costs, managing to produce an average of 118,000 new jobs per month.\* Although job creation levels dropped below that of 2006, the economy showed resilience and companies continued to add new employees to their ranks at a solid pace.

Looking ahead to 2008, current recruitment trends are expected to continue, according to CareerBuilder.com's annual job forecast. Employers are proceeding with caution in the New Year, anticipating the advent of a slower, but still steady hiring environment. Nearly one-third of over 3,000 hiring managers and human resource professionals in private sector companies surveyed said they plan to increase headcount in 2008.

At the same time, employers expressed concern with a growing shortage of qualified, skilled labor. Twenty-seven percent reported that the quality of job applicants they are receiving from recruitment efforts in general is lower than last year. Forty percent of employers say they currently have open positions for which they can't find qualified candidates.

Recruitment and retention efforts are becoming increasingly competitive and job seekers are likely to benefit in the New Year in terms of higher paychecks, more allowances for flexible work arrangements, special perks and better career advancement opportunities.

*\*Bureau of Labor Statistics, Employment Situation Summary, January through November 2007*

## HIRING PLANS FOR 2008

### Full-time

Thirty-two percent of employers plan to increase their number of full-time, permanent employees in 2008. This compares to 40 percent who anticipated increasing headcount in 2007. Eight percent plan to decrease staff levels in 2008 while 47 percent expect no change. Thirteen percent are unsure.

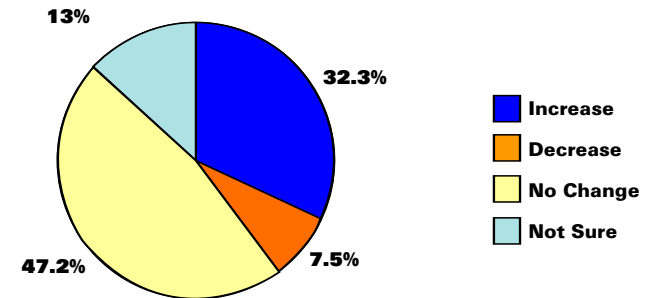
### Part-time

Twenty-one percent of employers plan to increase their number of part-time employees in 2008, down from 23 percent who expected to do so in 2007. Six percent plan to decrease headcount in 2008 while 58 percent expect no change and 15 percent are unsure.

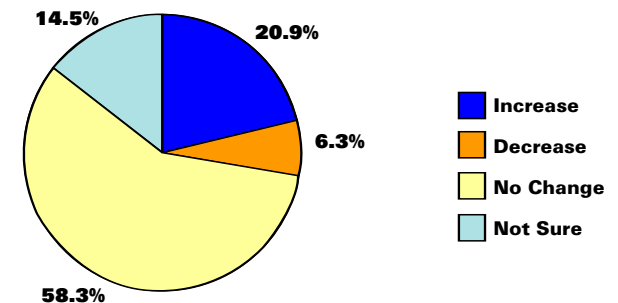
HIRING TRENDS

2008

**Does your company, at your location, plan to increase, decrease or make no change in its number of full-time, permanent employees in all of 2008 compared to 2007?**



**Does your company, at your location, plan to increase, decrease or make no change in its number of part-time employees in all of 2008 compared to 2007?**



## Hiring By Region

Staff expansions are expected to remain strongest in the South and West in 2008. Thirty-six percent of employers in the South and 34 percent of employers in the West plan to add full-time, permanent employees compared to 31 percent in the Northeast and 28 percent in the Midwest. Employers in the Midwest are projecting the highest amount of staff decreases at 9 percent followed by 8 percent in the South, 7 percent in the Northeast and 6 percent in the West.

## Hiring By Industry

Comparing select industries, steady job creation in Professional and Business Services and Information Technology is expected to carry into the coming year. Forty-five percent of employers in these sectors plan to add full-time, permanent employees in 2008, followed by 37 percent of employers in Transportation and Utilities, 34 percent in Financial Services and 32 percent in Hospitality. Healthcare and Retail employers are also planning to expand staffs at 28 percent each.

## Hiring By Job Level

When asked which job level employers will be recruiting for the most in 2008, 45 percent of employers pointed to professional and technical staff members while 15 percent cited administrative/clerical positions. Nearly one-in-ten (9 percent) will target management positions from team leaders and directors to vice presidents and C-level executives.

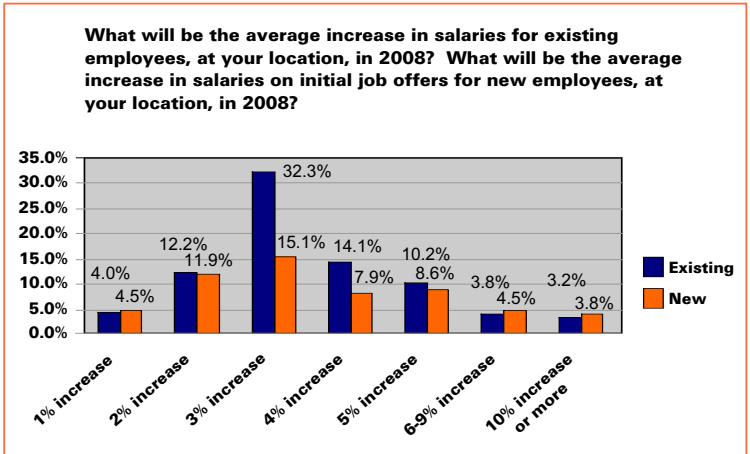
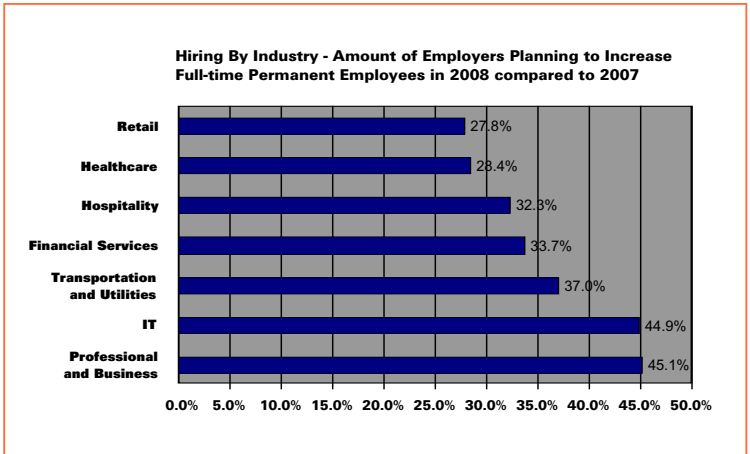
## Time-to-Hire

Time-to-hire continues to be a challenge for employers as they compete for top performers for newly created positions and those left vacant by employee turnover. Nearly one-in-five employers (19 percent) report it typically takes them two months or longer to fill their open positions.

# EIGHT MAJOR HIRING TRENDS FOR 2008

## 1. Bigger Paychecks

Continuing an existing trend designed to attract and retain top talent, employers plan to offer more lucrative compensation packages in the coming year. Eighty percent of employers report their companies will increase salaries for existing employees in 2008, similar to last year. Sixty-four percent expect to raise salaries by 3 percent or more while 17 percent anticipate increases of 5 percent or more. More than half (56 percent) of employers expect to increase salaries on initial offers to new employees, up from 49 percent in 2007. Forty percent will raise salaries by 3 percent or more while 17 percent anticipate increases of 5 percent or more. Twenty percent anticipate no increases.



## 2. More Flexible Work Arrangements

More companies today are providing employees with greater flexibility to maintain a better work-life balance. Sixty percent of employers report they currently offer flexible schedules to employees and 39 percent plan to provide more flexible work arrangements in 2008. These arrangements include:

- Alternate schedules – come in early and leave early or come in later and leave later – 78 percent
- Compressed workweeks – work the same hours, but in fewer days – 38 percent
- Telecommuting options – 33 percent
- Summer hours – 21 percent
- Job sharing – 18 percent
- Sabbaticals – 8 percent

## 3. Screening Candidates Via the Internet

To ensure they are recruiting the right talent, more employers are leveraging the Internet as a vehicle for screening potential employees. Thirteen percent of employers report they always or usually use online search engines and social networking sites to research job candidates while 33 percent report they do so on occasion. Nearly one-in-five (19 percent) say they are likely to start using or increase their use of these resources to research job candidates in 2008.

## 4. Rehiring Retirees

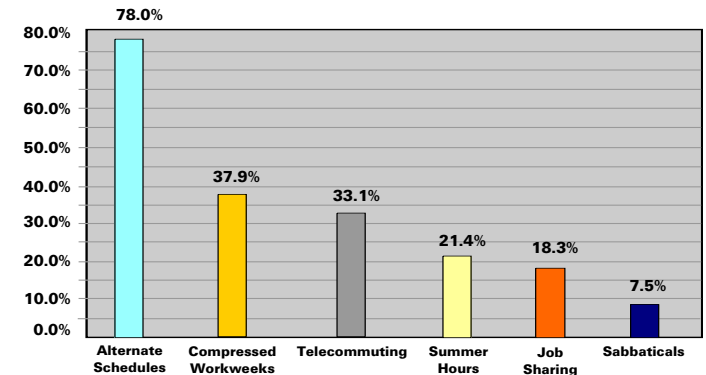
Nearly three-in-ten employers (29 percent) report concern over the loss of intellectual capital at their organizations as a large number of Baby Boomers approach retirement age. Twenty-one percent say they are likely to rehire retirees from other companies in 2008. Another 14 percent are likely to provide incentives for workers at or approaching retirement age to stay on with their company longer.

At the same time, workers have expressed interest in postponing retirement. Twenty-three percent of employers report they have received requests from workers approaching retirement age to stay on with their company longer.

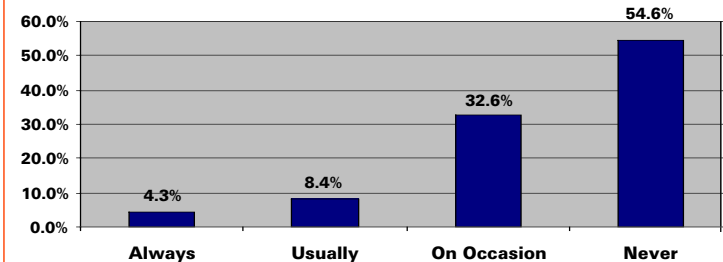
## 5. Diversity Recruitment

When asked if there is a particular segment of diverse workers they plan to target more aggressively in 2008, employers pointed to Hispanic workers, women, African American workers and mature workers. Eighty-five percent of employers report they will be placing the same or greater amount of emphasis on recruiting bilingual candidates in the next 12 months and 48 percent said, in addition to English, Spanish is the most important language for bilingual hiring.

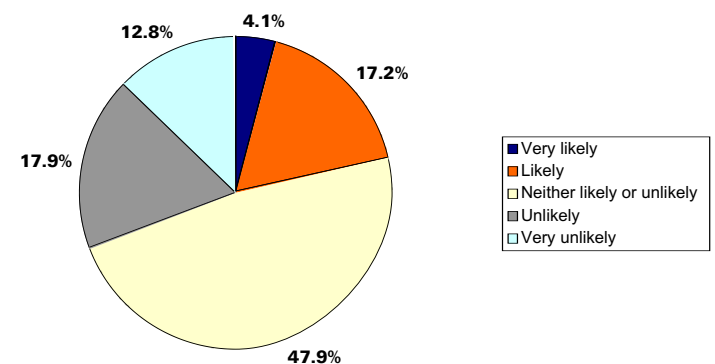
What types of flexible work arrangements will you offer in 2008?



How often do you use online search engines and social networking sites to research job candidates?



Will you rehire retirees from other companies in 2008?



## 6. Freelance or Contract Hiring

In the midst of economic uncertainties, employers are turning to freelance or contract workers to help support business initiatives as they monitor their pace in recruiting permanent employees. Thirty-one percent of employers anticipate working with freelancers or contractors in 2008. Eight percent expect to employ more freelance workers or contractors than last year while 18 percent expect to hire the same amount and 6 percent plan to hire a lesser amount.

## 7. More Comprehensive Healthcare Benefits and Special Perks

One of the most important factors workers consider in their overall compensation is a company's benefits package. In light of rising healthcare costs, nearly one-in-five employers (19 percent) report their companies plan to offer more comprehensive or better health benefits to employees in 2008. One-in-ten employers (10 percent) plan to offer more special perks such as bonuses, discounts, company car, stock options, free childcare, educational reimbursement, transit passes and wellness programs.

## 8. Career Advancement

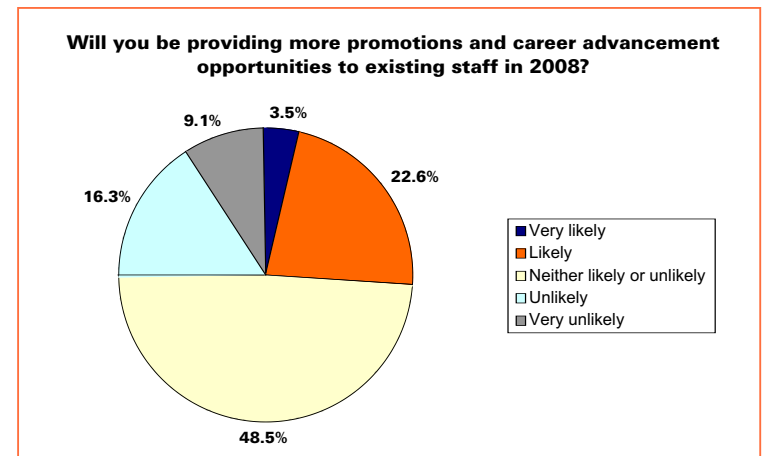
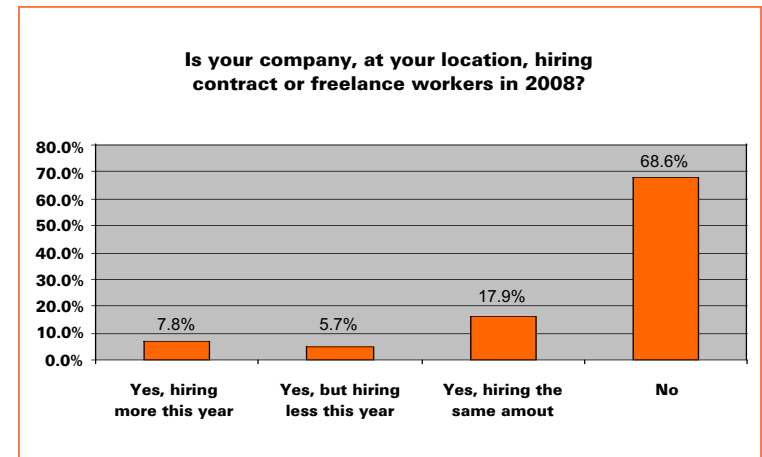
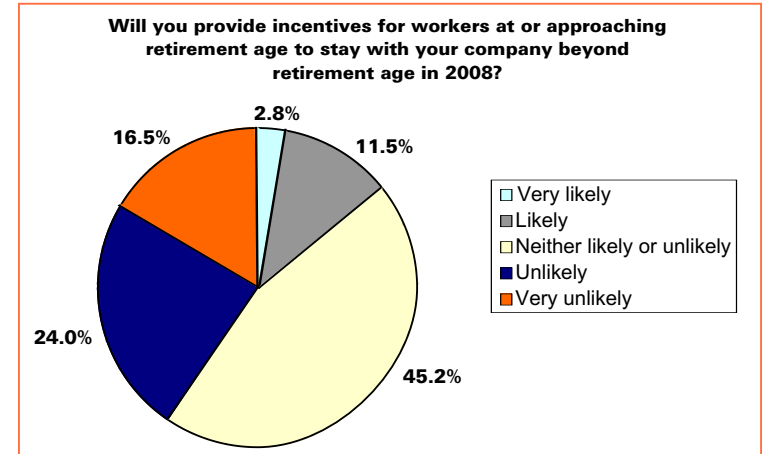
Eighteen percent of workers report they felt they were overlooked for a promotion in 2007. With more than half of workers stating that a company's ability to offer upward mobility is more important than salary, employers are taking action to carve out career paths for employees. One-in-four employers (26 percent) are likely to provide more promotions and career advancement opportunities in 2008.

# HIRING AND COMPENSATION IN Q1

## Hiring

Thirty percent of employers say they increased their headcount in the last three months. Nine percent reduced headcount while 60 percent reported no change and 1 percent were unsure.

Employers are expecting similar results for the upcoming quarter. Twenty-nine percent of employers plan to add employees in Q1 2008. Seven percent will decrease headcount while 60 percent anticipate no change and 5 percent are unsure.



## Compensation

With a large number of annual salary increases taking place in the first quarter, 69 percent of employers expect to raise compensation levels in the next three months. Forty percent estimate the average raise to range between 1 and 3 percent, 27 percent anticipate an average raise of 4 to 10 percent while 2 percent expect raises to be 11 percent or more.

## JOB SATISFACTION

Employers' efforts to improve recruitment and retention are reflected in increased satisfaction with pay, career advancement and work/life balance. Although job satisfaction levels overall continue to hover above 65 percent, workers are taking advantage of an employee-driven labor market to find better opportunities. One-in-four workers (26 percent) of over 5,600 surveyed plan to change jobs within the next two years. Forty-one percent are leaving their jobs to find a position with better pay and/or career advancement opportunities. Eight percent are changing careers, 7 percent say they want to find a company where they would feel appreciated, 7 percent are retiring and 5 percent plan to start their own business.

## Pay

Twenty-seven percent of workers say they are dissatisfied with pay, an improvement from 33 percent last year. Sixty-seven percent of workers reported they received a raise in 2007. Thirty-seven percent received a bonus.

## Career Advancement

Twenty-four percent of workers say they are dissatisfied with career advancement opportunities offered by their current employers, an improvement from 35 percent last year.

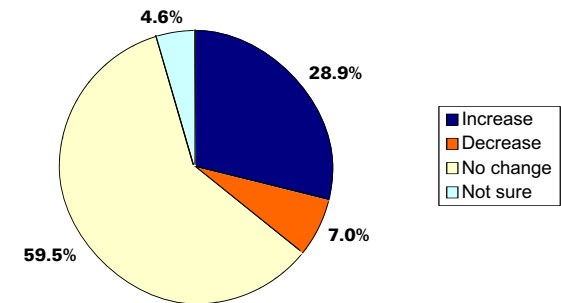
## Work/Life Balance

Twenty-two percent of workers say they are dissatisfied with their work/life balance, an improvement from 27 percent in 2007.

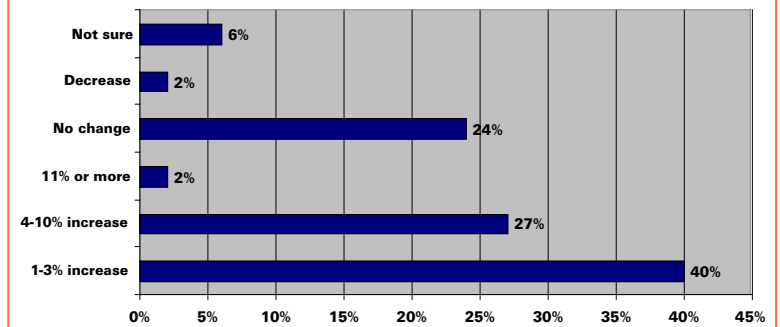
When applying for new positions, workers say the most important attributes they look for when evaluating a potential employer are:

- Good work culture – 22 percent
- Stability and longevity in the market – 22 percent
- Good career advancement opportunities – 22 percent
- Ability to offer flexible schedules – 9 percent

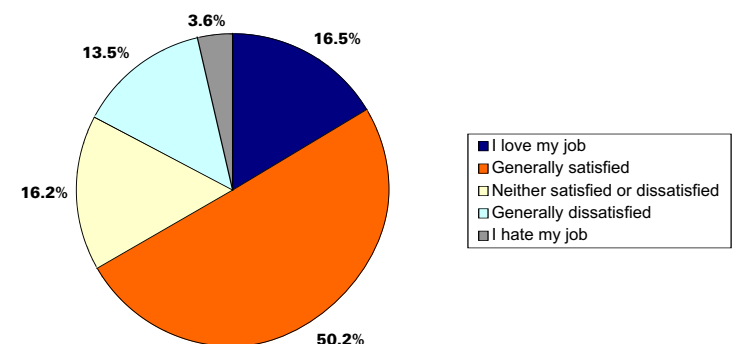
**In the 1st quarter (Jan. 1 through Mar. 31, 2008), does your company, at your location, plan to increase, decrease or make no change in the number of full-time, permanent employees?**



**What do you expect the average change in salaries will be for full-time, permanent employees, at your location, in the 1st quarter 2008 compared to the 1st quarter 2007?**



**How satisfied are you with your job overall?**



## Survey Methodology

*This survey was conducted online within the US by Harris Interactive on behalf of CareerBuilder.com among 3,016 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions); and 6,704 US employees (employed full-time; not self-employed) ages 18 and over within the US between November 13 and December 3, 2007, respectively. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. The data have been weighted to reflect the composition of U.S. employers, and propensity score weighting was also used to adjust for respondents' propensity to be online.*

*With a pure probability sample of 3,016 and 6,704, one could say with a 95 percent probability that the overall results have a sampling error of +/- 2% and +/- 1.3% percentage points, respectively. Sampling error for data from sub-samples is higher and varies. However that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated. A full methodology is available upon request.*

## ABOUT CAREERBUILDER.COM

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**HIRING TRENDS**

2008

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