



# U.S. HIRING FORECAST

**careerbuilder**<sup>®</sup>  
STAFFING & RECRUITING

**Q1 2010**

Greetings,

Throughout this past year, the staffing and recruiting industry has weathered great challenges. The professionals in this industry, however, have exhibited so much tenacity to overcome these difficult times and prepare for the future that I cannot help but be excited for 2010. The positive and forward-looking conversations I have had with many industry leaders in the past few months have led me to believe that you also share this excitement.

After spending nine years in this industry, I am eager to begin my new role as president of the Staffing and Recruiting Group here at CareerBuilder® – and at a time when the staffing industry is primed to make a significant impact on the economic recovery. To prepare for 2010, we have channeled this energy internally to ensure that CareerBuilder is a true resource for the industry and your business.

CareerBuilder's Staffing and Recruiting Group is committed to the following:

- **Promoting the staffing and recruiting industry to both candidates and clients.** By leveraging our partners, technology and reach with job seekers and employers, we will continue to promote the benefits of using staffing and recruiting firms to advance your individual firm as well as the industry as a whole.
- **Internal training focused on understanding your unique challenges.** We are committed to ongoing training and education for our account executives so they understand the challenges you face, the strategies leveraged by your competitors and the solutions available to you.
- **Provide performance feedback so you receive the greatest ROI.** Expect to hear your account representative asking what type of return you are getting from CareerBuilder – and what steps we can take to improve your ROI and experience.

Our success is tied to yours. By focusing on these three main areas, we aim to contribute to the success of the entire industry, as well as your individual firm. The information included in this quarterly report will help you better understand the hiring and staffing environment and prepare for your individual firm's growth. **We look forward to growing with you in 2010 and beyond.**



Sincerely,

A handwritten signature in black ink that reads "Eric Gilpin". The signature is fluid and cursive, written over a light background.

**Eric Gilpin**

President, Recruiter Business Unit and Staffing Recruiting Group, CareerBuilder  
eric.gilpin@careerbuilder.com

# 2010 U.S. JOB FORECAST

The encouraging news regarding the economy may be easing hiring fears, as employers signal an increase in their plans to hire in the new year, according to CareerBuilder's 2010 Job Forecast. While employers continue to closely monitor the progress of recovery for the U.S. economy, they are beginning to consider hiring strategies designed to preserve the health and growth of their businesses for the future. CareerBuilder surveyed more than 2,700 hiring managers and human resource professionals nationwide across industries.

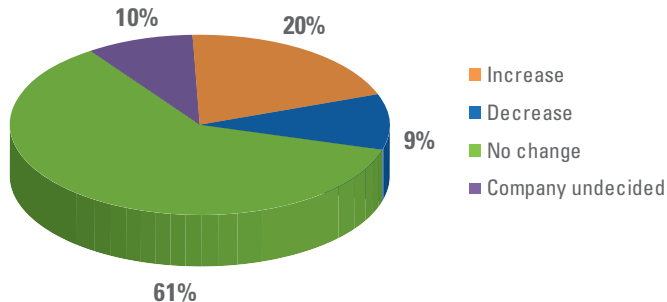
"There have been many signs over the past few months that point to the healing of the U.S. economy, especially the continued decrease in the number of jobs lost per month, a trend that will hopefully carry over into the new year," said Matt Ferguson, CEO of CareerBuilder. "Although 20 percent of employers plan to add headcount in 2010, up from 14 percent last year, still remain cautious in regards to their hiring. We're headed in the right direction but should not expect to see actual job growth until at least Q2 2010."

## HIRING IN 2010

### FULL TIME

Twenty percent of employers plan to increase their number of full-time permanent employees in 2010, up from 14 percent in 2009. Nine percent say they plan to decrease headcount in 2010, down sharply from 16 percent in 2009. Sixty-one percent don't plan to change staff levels, while 10 percent say they are unsure.

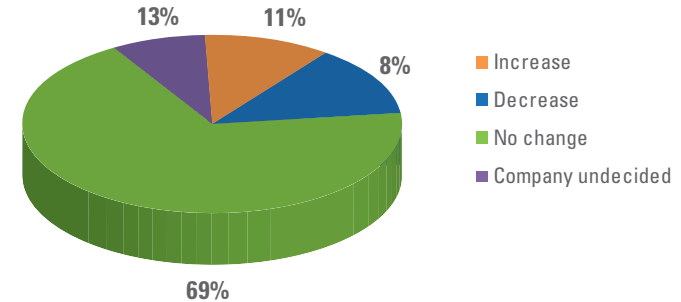
Does your company, at your location, plan to increase, decrease or make no change to the number of full-time, permanent employees in all of 2010 compared to 2009?



### PART TIME

Eleven percent of employers plan say they plan to add part-time employees in 2010, up slightly from 9 percent in 2009. Eight percent say they plan to decrease their part-time help in 2010, down from 14 percent in 2009. Sixty-nine percent plan no change in headcount, while 13 percent are unsure.

Does your company, at your location, plan to increase, decrease or make no change to the number of part-time employees in all of 2010 compared to 2009?

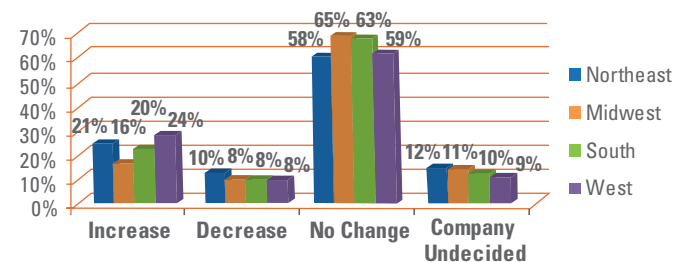


### HIRING BY REGION

Employers in the West are planning to increase their headcounts more in 2010 than the other regions of the country. Nearly one-quarter of employers (24 percent) in the West say they plan to add full-time workers in 2010, compared to 21 percent in the Northeast, 20 percent in the South and 16 percent in the Midwest.

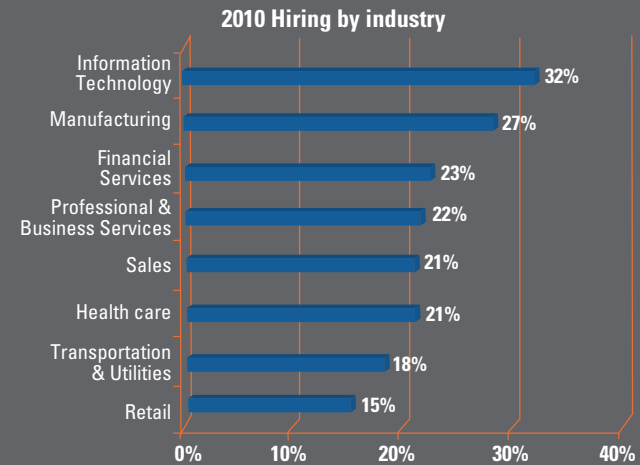
While plans to decrease headcounts in 2010 are down sharply across all regions, employers in the Northeast still plan to trim headcounts by 10 percent, followed by an 8 percent decrease in the South, West and Midwest.

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 2010 compared to 2009?



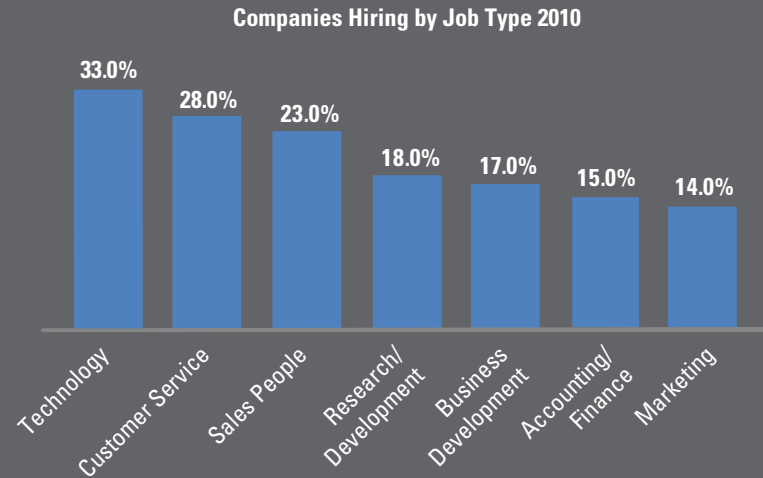
### HIRING BY INDUSTRY

Comparing selected industries, hiring is expected to increase in information technology, manufacturing, financial services, professional and business services, and sales in the coming year. Thirty-two percent of IT, 27 percent of manufacturing, and 23 percent of financial services employers plan to add full-time, permanent employees in 2010, followed by 22 percent of employers in professional and business services and 21 percent in sales. Health care employers are also planning to expand staffs at 21 percent followed by 18 percent of transportation employers and 15 percent of retail.



### HIRING BY JOB TYPE

When asked which areas employers plan to hire for in 2010, one-third pointed to technology followed by 28 percent in customer service. Nearly one-quarter (23 percent) plan to add sales people, 18 percent will add in research/development, 17 percent in business development, 15 percent in accounting/finance and 14 percent in marketing.

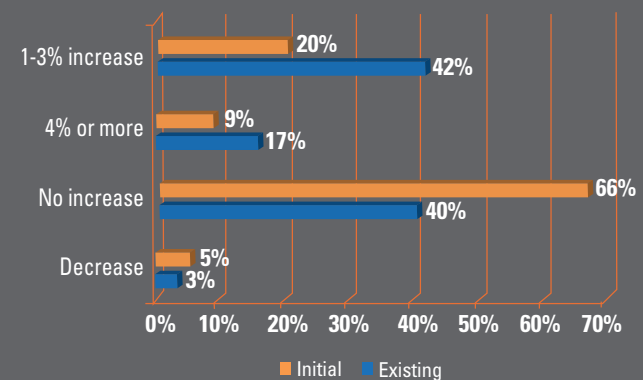


### COMPENSATION

Even as companies continue to watch their spending, they still plan slight increases to salaries in the coming year. Fifty-seven percent of employers report their companies will increase salaries for existing employees in 2010, down from 65 percent in 2009. Thirty-six percent expect to raise salaries of existing employees by 3 percent or more, while 11 percent anticipate increases of 5 percent or more.

Twenty-nine of employers plan to increase salaries on initial offers to new employees, down from 33 percent in 2009. Nearly one-in-five (18 percent) employers will raise salaries on initial offers by 3 percent or more while 7 percent anticipate increases of 5 percent or more.

What will be the average increase in salaries on initial job offers for new employees, at your location, in 2010 compared to 2009?



# HOW EMPLOYERS PLAN TO MOVE FORWARD IN THE NEW YEAR

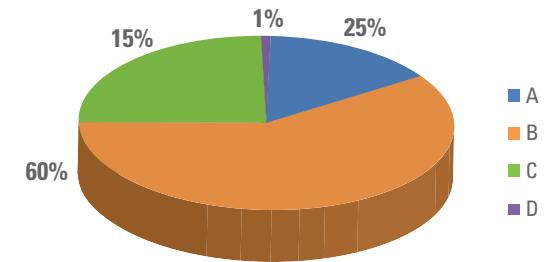
Companies are looking to the future and making up for lost ground caused by the recession. **The following are 10 trends for 2010:**

Totals may not equal 100 percent due to rounding.

## 1. REPLACING LOWER-PERFORMING EMPLOYEES

Employers are taking advantage of the large number of top talent in the current labor pool to strengthen their work force. Thirty-seven percent of employers say they plan to replace lower-performing employees with higher-performers in 2010. When asked to grade their current work force, 25 percent rated them an "A", 60 percent a "B", 15 percent a "C", and 1 percent a "D." Less than one-half of a percent felt their current staff was a failure.

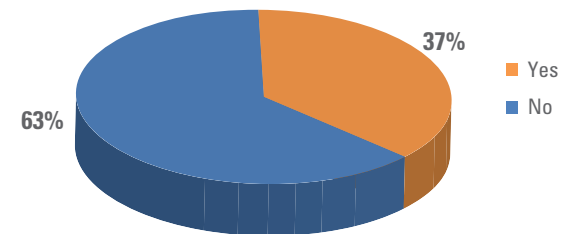
If you were to assign a letter grade to your employees, how would you rate, on average their performance?



## 2. EMPHASIS ON SOCIAL MEDIA TO STRENGTHEN BRAND

The economy required companies to make some tough decisions about their businesses, which had a negative impact on their brands. Close to four-in-ten (37 percent) employers plan to put a greater emphasis on social media in 2010 to create a more positive brand for their organization. One-in-five employers plan to add social media responsibilities to a current employee, while close to one-in-twelve (8 percent) plan to hire someone new to focus or partially focus on social media.

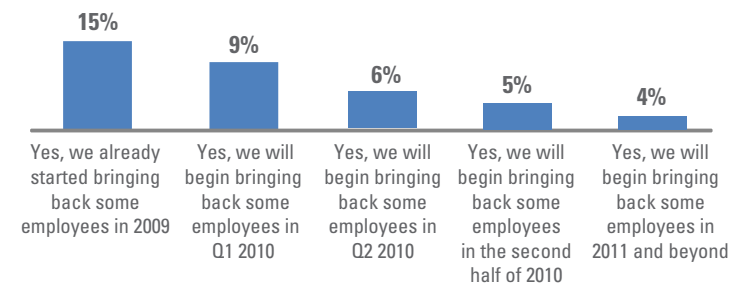
Will there be a greater emphasis on social media for your organization in 2010 to create a more positive brand image for your organization?



## 3. REHIRING LAID-OFF WORKERS

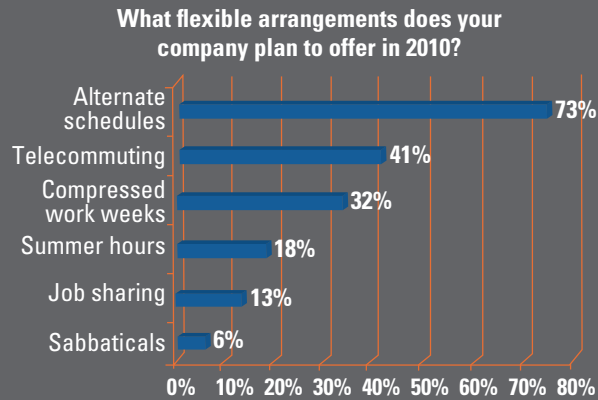
Companies needed to scale their businesses to market last year and four-in-ten employers say they were forced to lay off workers. Among those who had lay-offs in 2009, thirty-two percent of employers now say they plan to bring back workers and three-in-ten are either doing it now or plan to do so in the first six months of 2010.

Is your company planning to bring back employees who were laid off?



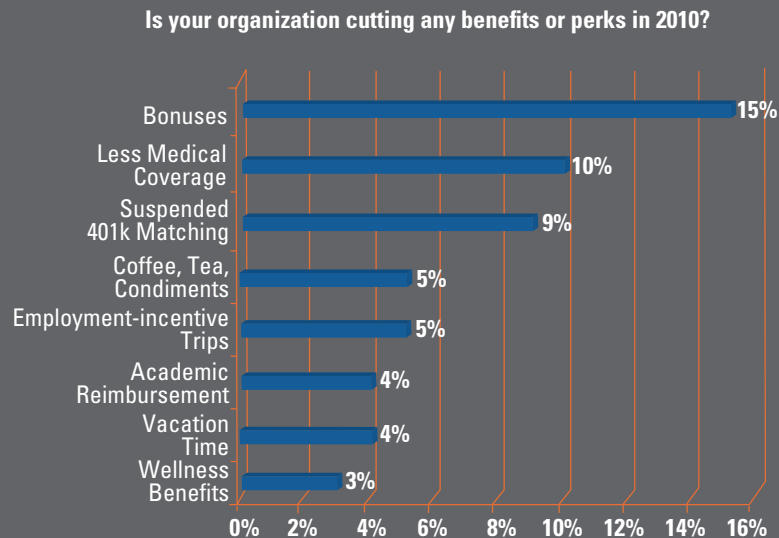
#### 4. FLEXIBLE WORK ARRANGEMENTS

Companies plan to continue providing employees with greater flexibility in hopes of maintaining a better work-life balance. Thirty-five percent of employers say they plan to provide more flexible work arrangements in 2010, compared to 31 percent last year. Among those who will offer flexible work arrangements, these arrangements include:



#### 5. CUTTING PERKS AND BENEFITS

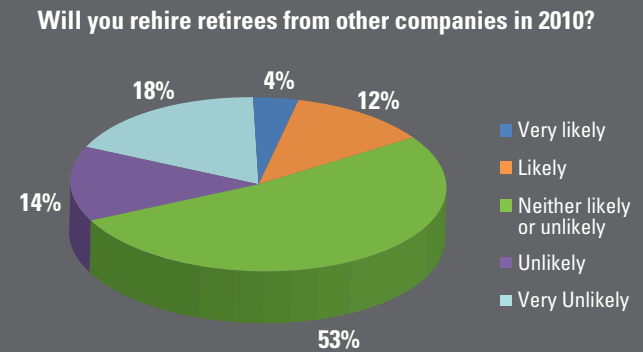
Even as companies look to the new year and toward growth opportunities for their businesses, many are still choosing to trim perks and benefits. Thirty-seven percent of employers say they will cut perks and benefits in 2010, up from 32 percent who said they trimmed in 2009. Perks and benefits employers plan to trim in the new year include bonuses, medical coverage, suspended 401k matching and office perks such as coffee, tea and condiments.



#### 6. REHIRING RETIREES AND POSTPONING RETIREMENT

Companies understand the intellectual capital mature workers bring to their organization and 27 percent say they are open to retaining their workers who are approaching retirement. Sixteen percent say they are likely to rehire retirees from other companies in 2010. Additionally, one-in-ten are likely to provide incentives for workers at or approaching retirement age to stay on with the company longer.

At the same time, workers have expressed interest in postponing retirement. Thirty percent of employers report they have received requests from workers approaching retirement age to stay on with their company, up from 22 percent last year.



#### 7. FREELANCE OR CONTRACT HIRING

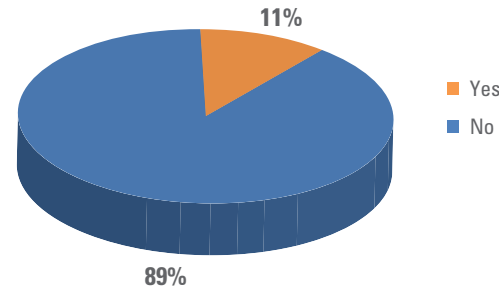
While employers still plan to be cautious regarding the number of full-time employees they add in the new year, many will turn to freelance or contract employees to help keep their businesses moving forward. Three-in-ten employers anticipate hiring freelancers or contractors in 2010, up slightly from 28 percent in 2009. Six percent expect to employ more freelance workers or contractors than last year, while 15 percent expect to hire the same amount and 10 percent plan to hire fewer.



## 8. GREEN JOBS

Employers will continue to turn some of their focus to the environment in the new year. Eleven percent of employers say they plan to add “green jobs” in 2010, the same amount who said they added them in 2009. “Green jobs” are positions that implement environmentally conscious design, policy and technology to improve conservation and sustainability.

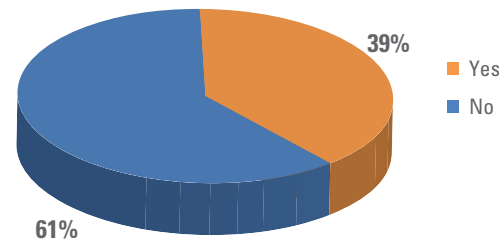
Does your company plan to add “green jobs” in 2010?



## 9. BILINGUAL RECRUITMENT

Employers have identified having a diverse work force as an important measure of success as they begin to rebuild their businesses after the economic downturn. One area they plan to focus on is building a bilingual team. Four-in-ten employers said they plan to hire bilingual candidates in 2010 and half said that if they had two equally qualified candidates, they would be more inclined to hire the bilingual candidate.

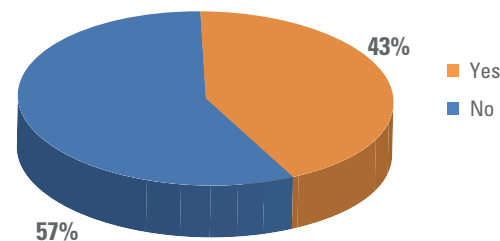
Will you be hiring bilingual candidates in 2010?



## 10. BUSINESS TRAVEL

While employers are inching away from cost containment and more into growth, one area they still plan to save money on is business travel. Forty-three percent of employers say that in their organizations there will be less business travel in 2010 than in 2009.

Will there be less business travel in 2010 than 2009?



Totals may not equal 100 percent due to rounding.

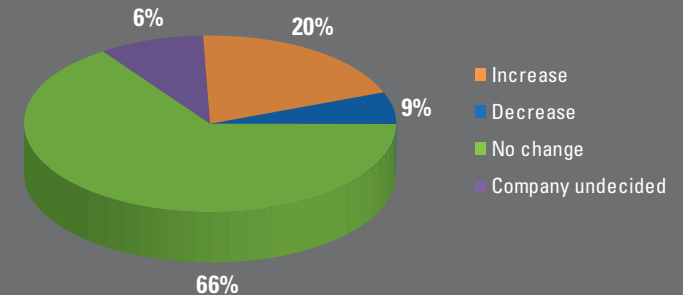
## HIRING AND COMPENSATION IN Q1

### HIRING

Twenty percent of employers say they increased their headcount in the last three months. Thirteen percent reduced headcount while 66 percent reported no change and 1 percent were undecided.

Employers are expecting similar results for the upcoming quarter. Twenty percent of employers plan to add employees in Q1 2010. Nine percent will decrease headcount while 66 percent anticipate no change and 6 percent are undecided.

In the 1st quarter (January 1st -March 31st, 2010) , does your company, at your location, plan to increase, decrease or make no change in the number of full-time, permanent employees?



### COMPENSATION

With a large number of annual salary increases taking place in the first quarter, 45 percent of employers expect to raise compensation levels in the next three months. Thirteen percent say the average raise amount will be 4-10 percent, while 11 percent anticipate an average raise of 11 percent or more.

## SURVEY METHODOLOGY

This survey was conducted online within the U.S. by Harris Interactive® on behalf of CareerBuilder among 2,720 hiring managers and human resource professionals (employed full-time; not self-employed; non-government; with at least significant involvement in hiring decisions) ages 18 and over between November 5 and November 23, 2009 (percentages for some questions are based on a subset, based on their responses to certain questions). With a pure probability sample of 2,720 one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.88 percentage points. Sampling error for data from sub-samples is higher and varies.

careerbuilder®

# Q1 2010

## STAFFING SUPPLY AND DEMAND OUTLOOK

### Percentage of hiring managers expecting to utilize a staffing firm

Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q409	14.8%	2.9%	12.5%	14.2%	20.1%
Q110	15.2%	2.4%	11.8%	18.0%	20.3%

Exhibit 1: Overall Staffing Outlook

1st Quarter 2010

### Percentage of hiring managers expecting to hire temporary or contract employees through a staffing firm

Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q409	7.4%	1.9%	7.5%	6.2%	9.8%
Q110	7.2%	1.2%	5.6%	7.2%	10.0%

Exhibit 2: Temporary and Contract Outlook

1st Quarter 2010

### Percentage of hiring managers expecting to utilize a staffing firm as part of their search for permanent full-time employees

Quarter	Overall (Weighted)	Size of Organization (# of Employees)			
		1-19	20-99	100-499	500+
Q409	10.1%	1.6%	7.3%	8.9%	14.6%
Q110	10.6%	1.6%	8.2%	14.0%	13.6%

Exhibit 3: Permanent Placement Outlook

1st Quarter 2010

### Percentage of U.S. Hiring Managers Expecting to Use Staffing Firm for Temporary and Contract Placements

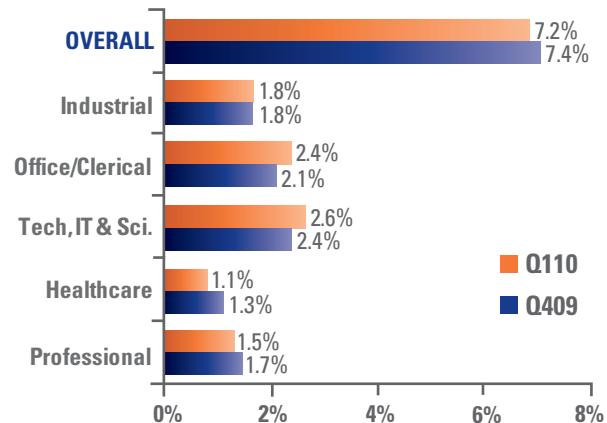


Exhibit 4

### Percentage of U.S. Hiring Managers Expecting to Use Staffing Firm to Help Fill Full-Time Permanent Positions

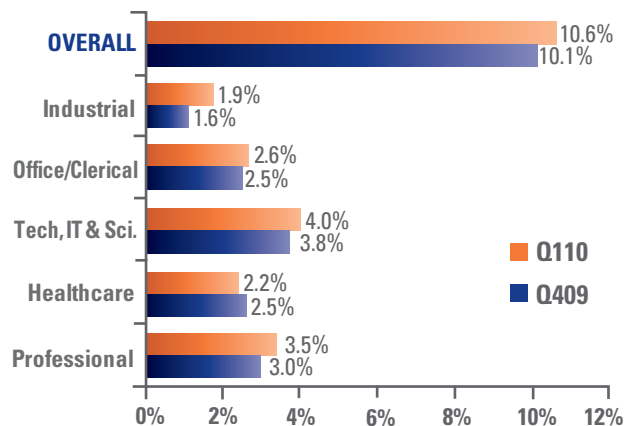


Exhibit 5

### Percentage of U.S. Hiring Managers Expecting to Use Staffing Firm by Region

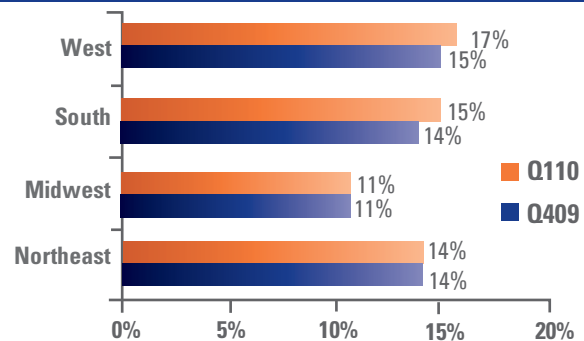


Exhibit 6

## JOB CANDIDATE WILLINGNESS AND UTILIZATION OF STAFFING FIRMS

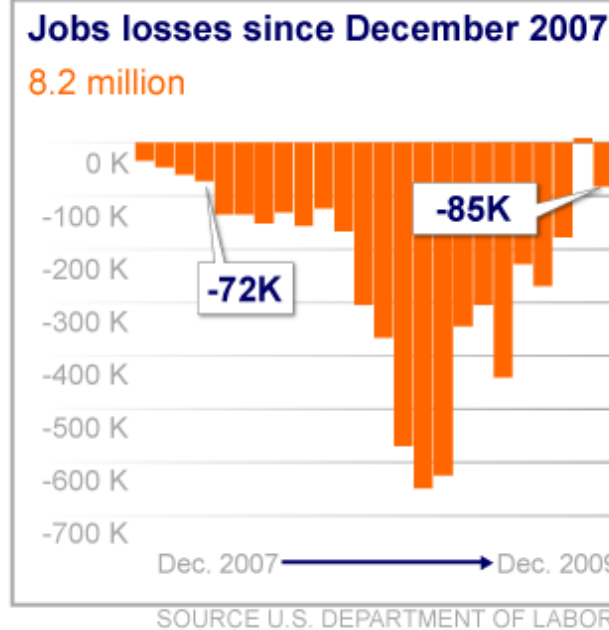
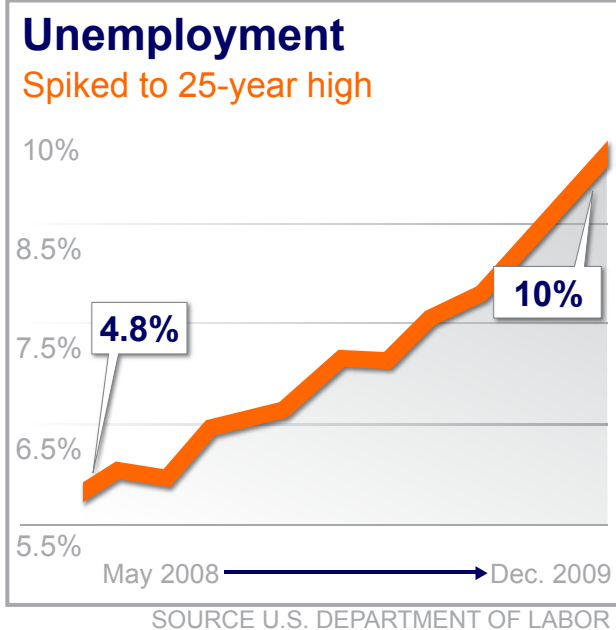
Exhibit 7:	OVERALL	Industrial	Office-Clerical	Tech, IT & Sci.	Healthcare	Professional	
Willing to utilize a staffing firm	19% ↓	15% →	18% ↓	27% ↓	17% ↑	24% ↓	↑ Increase since last quarter
Currently utilizing a staffing firm	3% →	5% ↑	2% ↓	4% ↓	1% →	6% ↓	→ No change since last quarter
Willing to consider full-time contract work	12% ↓	9% ↑	9% ↓	12% ↓	15% →	14% →	
Willing to consider part-time contract work	8% ↑	6% ↑	6% →	5% ↓	16% ↑	4% ↓	↓ Decrease since last quarter

For more information and survey methodology, visit [www.careerbuilder.com/staffingoutlook](http://www.careerbuilder.com/staffingoutlook).

## SPOTLIGHT: KEY ECONOMIC INDICATORS

As the economy rebounds, there are many indicators to watch to monitor both the pace of the recovery and the health of the staffing industry. This page is meant to provide a snapshot of several of the indicators available to help you stay educated and plan for the future.

### BUREAU OF LABOR STATISTICS



For more information on payroll employment and unemployment numbers, visit the Bureau of Labor Statistics at [www.bls.gov](http://www.bls.gov).

## STAFFING INDUSTRY STATISTICS



To get more details on TechServe's Alliance's December IT Employment Index, visit [www.techservealliance.org](http://www.techservealliance.org).

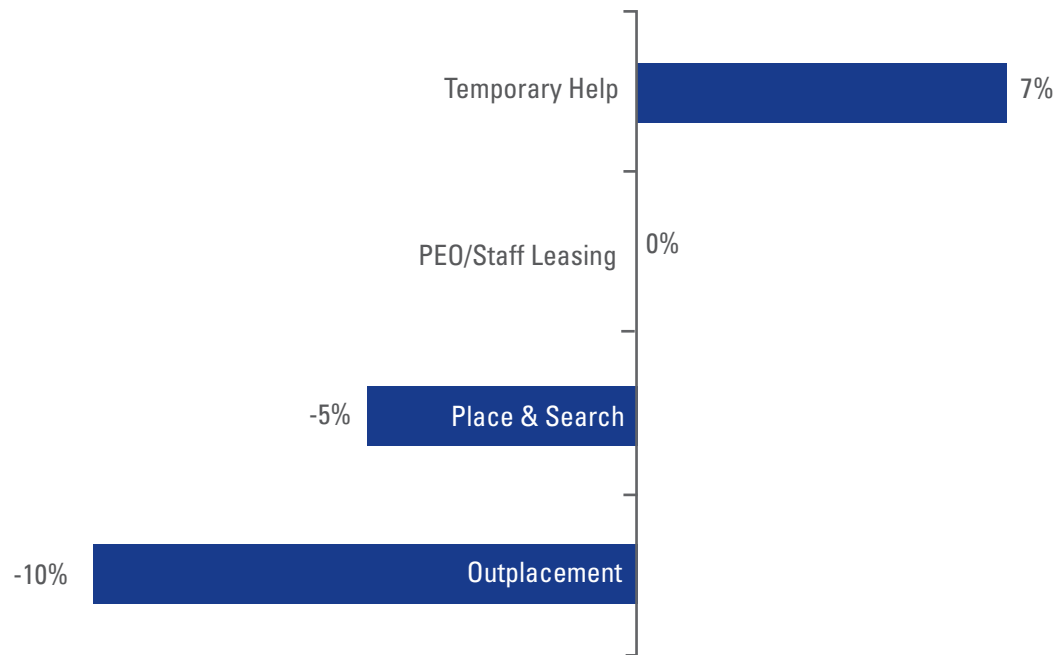


To get the latest weekly report from the American Staffing Association's weekly Staffing Index, visit [www.americanstaffing.net](http://www.americanstaffing.net).

\*Due to the slight delay between when this report was written and when it was released, some industry statistics included in this section may not be the most current available. Please reference the actual source to verify.

# STAFFING INDUSTRY ANALYSTS

## 2010 PROJECTED CHANGE IN REVENUE BY US STAFFING SECTOR



Source: Staffing Industry Analysts 5/09 Forecast

© 2009 Crain Communications Inc.

Access industry projections and in-depth data by joining Staffing Industry Analysts at [www.staffingindustry.com](http://www.staffingindustry.com).

# KNOW YOUR AUDIENCE:

## UNDERSTAND WHAT CANDIDATES AND CLIENTS WANT FROM YOU

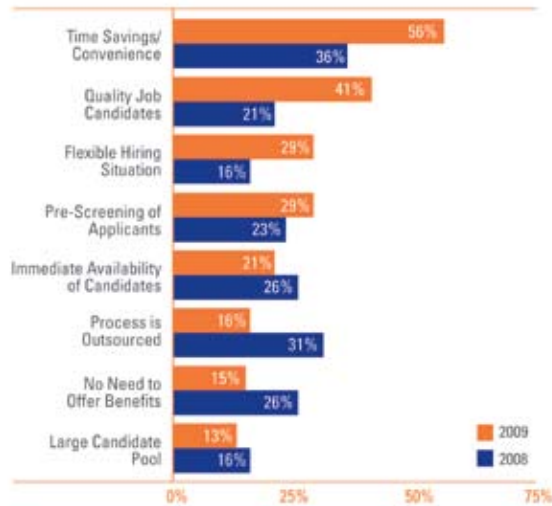
Use Data from the *2009 Opportunities in Staffing Guide* to analyze your own messaging to both job seekers and employers. Do you advertise the true value that clients are looking for in a staffing or recruiting firm? Are you highlighting the benefits that are most important to candidates? How necessary is branding in today's market?

CareerBuilder's Staffing and Recruiting Group is committed to advancing your individual firm and the entire industry. You can now access a complimentary copy of the *2009 Opportunities in Staffing Guide* to start asking important questions about the future of your own business and how you stand up against the competition – and in the eyes of your target audience.

### VISIT

[WWW.CAREERBUILDER.COM/STAFFINGPERCEPTIONS](http://WWW.CAREERBUILDER.COM/STAFFINGPERCEPTIONS)  
TO DOWNLOAD YOUR COPY TODAY.

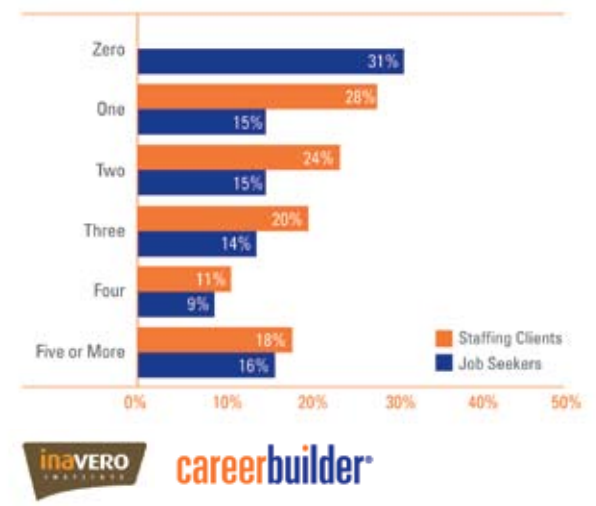
### WHAT DO CLIENTS WANT FROM YOU?



### ARE THERE OPPORTUNITIES TO OFFER ADDITIONAL BENEFITS TO CANDIDATES?



### HOW MANY STAFFING OR RECRUITING FIRMS CAN YOU RECALL FROM MEMORY?



#### FOCUS ON WHAT CLIENTS WANT

Time savings and convenience was more attractive to staffing firm clients in 2009 than in 2008. Based on the staff reductions of the past year and the resulting time constraints, the need for a flexible and responsive workforce should continue to be prevalent with buyers in 2010 in the face of the economic rebound.

This report includes feedback from staffing and recruiting firm clients, broken down by industry sector, to give you a better idea of what your clients want from you.

#### EMPHASIZE WHAT IS IMPORTANT TO THE CANDIDATE

As a staffing firm, you offer the unique opportunity to provide additional value to your candidates that they may not receive when working directly with a client. Are you aware of the gaps between what candidates want and what is typically offered by clients?

By understanding the benefits that candidates want – and where gaps exist – you can emphasize the most important facets of the opportunity first. Save time in your conversations by understanding what is important to most job seekers – and then find out what's most important to that candidate. Match what you and your client offer with what candidates want from their next career move.

#### STAND OUT WITH YOUR AUDIENCE

According to this research, there is a significant opportunity to increase your brand awareness within the staffing industry. From a survey base of over 20,000 respondents in the 2009 data alone, more than 30 percent of job seekers could not name a single staffing or recruiting firm. On the flip side, 28 percent of clients could only name one firm. Is your brand recognizable with your target audience?

Identify the unique set of job seekers and employers that you want to target and engage them with your value proposition. There is nothing but opportunity in this space and room for the entire industry and individual firms to increase their brand awareness.

**FOR MORE INFORMATION  
ABOUT CURRENT RECRUITMENT TRENDS, JOB  
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CONTACT YOUR ACCOUNT REPRESENTATIVE  
OR CALL 1-800-960-5203.**

## **ABOUT CAREERBUILDER®**

CareerBuilder is the global leader in human capital solutions, helping companies target and attract their most important asset – their people. Its online career site, CareerBuilder.com®, is the largest in the United States with more than 23 million unique visitors, 1 million jobs and 32 million resumes. CareerBuilder works with the world's top employers, providing resources for everything from employment branding and data analysis to HR consulting. More than 9,000 Web sites, including 140 newspapers and broadband portals such as MSN and AOL, feature CareerBuilder's proprietary job search technology on their career sites. Owned by Gannett Co., Inc. (NYSE:GCI), Tribune Company, The McClatchy Company (NYSE:MNI) and Microsoft Corp. (Nasdaq: MSFT), CareerBuilder and its subsidiaries operate in the United States, Europe, Canada and Asia.

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