

Employers More Focused on Keeping Current Staff Levels Than Hiring, According to Quarterly Job Forecast from CareerBuilder and USA TODAY

PRNewswire
CHICAGO

Following a loss of 2.6 million jobs in the last four months*, U.S. employers are holding off on staff expansions and focusing efforts on keeping current headcount as they navigate through a tough economy. This is according to the latest quarterly survey from CareerBuilder and USA TODAY, conducted by Harris Interactive(R), tracking projected employment trends. The survey, titled "Q2 2009 Job Forecast," was conducted from February 20 through March 11, 2009 among 2,500 hiring managers and human resource professionals and over 4,400 workers in private sector companies.

"We'll be looking for the market to stabilize over the next three to six months, when you'll hopefully see job losses below 100,000 and eventually closer to zero," said Matt Ferguson, CEO of CareerBuilder.com. "Employers want to hold on to their talent and are taking measures to contain costs and bring in new revenue streams, so they can maintain their staff levels. Sixty-four percent of employers expect there will be no change in their number of full-time, permanent employees in the second quarter."

Hiring in Q1 2009

Thirteen percent of employers said they increased their number of full-time, permanent employees in the first quarter - down from 31 percent this time last year - while 60 percent reported their staff levels remained the same. Twenty-six percent reported a reduction in headcount, up from 13 percent this time last year. One percent were undecided.

Hiring in Q2 2009

Fourteen percent of employers expect to add full-time, permanent employees in the second quarter, relatively unchanged from the first quarter of 2009 and down from 29 percent in the second quarter of 2008. Fourteen percent anticipate there will be a decrease in headcount in the second quarter while 64 percent expect no change and 7 percent are undecided.

Layoffs

Twenty-two percent of hiring managers reported there were layoffs at their locations in the first quarter of 2009, up from 11 percent this time last year. Twelve percent anticipate there will be layoffs in the next three months while 16 percent are unsure. Seventy-two percent expect no change.

Looking at a subset of managers specializing in human resources, nearly half (48 percent) believe their organizations will benefit from the economic stimulus in terms of getting more business. Twenty-three percent said their companies are planning to bring back workers who were laid off once the economy turns around.

Six Employment Trends for Employers and Job Seekers

No. 1 - Trimming Perks and Benefits - Companies are taking interim measures to free up funds to weather the economic storm. Forty-two percent of employers reported they experienced a cut in perks and benefits at their organizations in the first quarter of 2009; 31 percent expect there will be cuts in the second quarter of 2009. The top three areas that will be impacted are bonuses, 401K matching and healthcare coverage, according to the survey.

No. 2 - Upgrading Talent Rosters - Twenty-three percent of employers said they are taking this time, when hiring has slowed, to replace lower-performing employees with top talent that may not have been available in a healthier economy. Job seekers who stand to benefit the most include those operating in sales, accounting/finance, retail and customer service.

No. 3 - Postponing Retirement - Six-in-ten workers (60 percent) over the age of 60 said, in a separate survey, they are putting off their retirement due to the impact of the U.S. financial crisis on their long-term savings. The majority (73 percent) anticipate it will take them up to six years to recoup lost savings while one-in-ten fear they may never be able to retire.

No. 4 - Transferring Skills - Seventy-one percent of workers who were laid off and have not found work said they are looking for jobs outside of their chosen profession either because they're ready for a change or there are no available jobs in their field. Hiring managers are amenable with 69 percent stating they would hire someone

who didn't have experience in their profession, but had transferable skills.

No. 5 - Relocating - Thirty-nine percent of workers who were laid off and have not found work said they would consider relocating to another city or state for a job. Employers are open to recruiting candidates from other cities with 28 percent of hiring managers stating they would pay to relocate a good job candidate.

No. 6 - Going Back to the Classroom - Twenty-one percent of all workers surveyed are going back to school for formal degrees, certifications and refresher courses to make themselves more marketable to employers.

Hourly Workers in Q1 2009

When asked if hours had changed, on average, for hourly workers in Q1 2009 year over year, 53 percent of hiring managers reported no change in the number of hours offered while 25 percent reported hours were cut. Five percent stated that hours had increased while another 5 percent were unsure.

Hiring By Region in Q2 2009

The South continues to perform better than other regions in terms of hiring, seeing the benefits of growth in healthcare and energy. Sixteen percent of hiring managers in the South plan to increase their full-time staff, compared to a 14 percent average among other regions. The Northeast, plagued by losses in banking and financial jobs, is expecting the largest decrease in headcount among the regions. Nineteen percent of hiring managers expect to trim staffs compared to 14 percent in the Midwest and West and 12 percent in the South.

Compensation in Q2 2009

Tightened budgets are restricting pay increases and, in some cases, resulting in pay reductions. Forty-two percent of employers expect to increase salaries for full-time, permanent employees in the second quarter, down from 70 percent this time last year. Twenty-nine percent estimate the average raise to range between 1 and 3 percent, 12 percent expect an average raise of 4 to 10 percent while 1 percent expect raises to be 11 percent or more. Forty-six percent of employers anticipate no change in compensation levels, 7 percent expect a decrease and 5 percent are unsure.

*Bureau of Labor Statistics, February 2009 Employment Situation Summary

Note: Totals may not equal 100 percent due to rounding.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive on behalf of CareerBuilder and USA TODAY among 2,543 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions; non government); and 4,435 U.S. employees (employed full-time; not self-employed; non government); and 361 respondents who have been laid off in the past 12 months from a full time position and have not found a new job; ages 18 and over between February 20 and March 11, 2009 (percentages for some questions are based on a subset of U.S. employers or employees, based on their responses to certain questions). With a pure probability sample of 2,543, 4,435, and 361, one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.94 percentage points, +/- 1.47 percentage points, and +/- 5.16 percentage points, respectively. Sampling error for data from sub-samples is higher and varies.

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 U.S. with more than 23 million unique visitors, 1 million jobs and 31 million resumes. CareerBuilder works with the world's top employers, providing resources for everything from employment branding and data analysis to talent acquisition. 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. , Tribune Company, The McClatchy Company and Microsoft Corp. , CareerBuilder and its subsidiaries operate in the U.S., Europe, Canada and Asia. For more information, visit www.careerbuilder.com

Media Contact:
CareerBuilder
Jennifer Grasz
773-527-1164
Jennifer.Grasz@careerbuilder.com

First Call Analyst:
FCMN Contact:

SOURCE: CareerBuilder

CONTACT: Jennifer Grasz of CareerBuilder, +1-773-527-1164,
Jennifer.Grasz@careerbuilder.com

Web Site: <http://www.careerbuilder.com/>

<https://stage.mediaroom.com/careerbuilder/2009-04-01-Employers-More-Focused-on-Keeping-Current-Staff-Levels-Than-Hiring-According-to-Quarterly-Job-Forecast-from-CareerBuilder-and-USA-TODAY>