

## **Higher Starting Salaries, Better Compensation Packages and More Flex Time in 2006, According to New Hiring Trends Survey By CareerBuilder.com and America Online**

**- Survey Also Shows Employers Plan to Hire Quicker, Diversify Staffs, and Rehire Retirees in the New Year -**

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Planning to add a new job or better paycheck to your list of New Year's resolutions? This may be the year to cash in on a bigger, better deal, according to a study of more than 1,300 hiring managers nationwide by CareerBuilder.com and America Online. The survey, titled "Key Hiring Trends to Watch in 2006," reveals that companies plan to offer higher starting salaries for new employees, raise compensation levels for existing employees and provide more flexible work arrangements. The survey also provides insights on the skills companies say will be most critical to their businesses in the coming year and their plans to shorten hiring cycles, diversify their staffs and rehire retirees.

"With the economy and job market expanding at a healthy pace and the labor force tightening, the competition for skilled employees is intensifying," said Richard Castellini, Senior Career Advisor at CareerBuilder.com. "Half of hiring managers expect to offer more generous compensation packages for new employees and three-fourths expect to increase pay for their current staffs in 2006."

"The survey shows that the road to a new job will be a quick and competitive one this year. Employers are looking to make great hires, and hoping to do so quickly," said Samara Jaffe, Director of AOL Careers, America Online. "Employers are expediting the hiring process, rehiring retirees and enabling more flexible work styles to attract and keep top talent."

### Bigger Paychecks

- 51 percent of hiring managers plan to increase salaries on initial offers for new employees; 32 percent will raise offers by 3 percent or more and 16 percent will increase them by 5 percent or more.
- 78 percent of hiring managers plan to increase paychecks for existing employees; 57 percent will raise compensation levels by 3 percent or more and 22 percent will raise levels by 5 percent or more.

Tip: Know your value. Check out online salary sites, industry Web sites and the Bureau of Labor Statistics to determine the average salary for your position in your city. Whether you're applying for a new job or asking for a bump in salary, present your research along with career accomplishments to showcase your worth.

### Rehiring Retirees

- 31 percent of hiring managers expressed concern over a shortage of skilled workers and intellectual capital lost due to the large segment of Baby Boomers approaching retirement.
- An even greater number -- 45 percent -- expect to recruit retirees from other companies or offer incentives for workers at or approaching retirement age to extend their employment at their organizations.

Tip: If you would like to put off your retirement, inform your supervisor and other departments within your organization. Network with colleagues, vendors, family, friends and community members to identify potential full-time and part-time opportunities.

### Diversifying the Workforce

- Recognizing the positive impact workforce diversity has on business performance, one-in-ten hiring managers predicts diverse candidates will comprise 50 percent or more of their new hires in 2006; one-third expect diverse candidates to comprise 25 percent or more of their new hires.
- The diverse workforce segments hiring managers say they will be recruiting most aggressively are women and Hispanics; 19 percent of hiring managers will be more actively recruiting women; 10 percent will be more focused on recruiting Hispanic workers.

Tip: Failing to market yourself as a diverse candidate can work against you. In your application and during interviews, highlight your diverse background and how your unique perspective and skills contributed to the success of previous employers.

#### Flexible Work Styles

- To encourage recruitment and retention of employees, 48 percent of hiring managers say they are willing to provide more flexible work arrangements such as job sharing and alternate schedules in 2006.
- 27 percent of hiring managers say they will be more willing to allow employees to telecommute given rising energy costs.

Tip: If you think you'd benefit from a flexible work schedule, list your professional contributions, explain why a new arrangement is important and propose a schedule that lays out how you will be able to perform effectively.

#### Shorter Hiring Cycles

- While the vast majority of hiring managers report they are filling their open positions within six weeks, 42 percent say they will hasten the hiring process in 2006 in the face of increased competition for top performers.
- One-in-four hiring managers will shorten the recruitment process by two weeks or more and one-in-ten will shorten it by three weeks or more.

Tip: Act quickly. Check newspapers classifieds and online job postings on CareerBuilder.com and AOL Find a Job regularly. You can apply to positions in real time, post up to five different versions of your resume and sign up for automatic job alerts.

#### Critical Skills

- The top five skills hiring managers say will be most critical to their businesses and most attractive in potential candidates in 2006 are 1) customer service 2) critical-thinking (problem-solving and decision-making) 3) technology proficiency 4) ability to improve productivity and 5) team-building and motivation.
- 30 percent of hiring managers report they will be placing a greater emphasis on recruiting bilingual employees.

Tip: Employers often use electronic scanning devices that search resumes for keywords that match their job requirements. Include these critical skills and other keywords in your resume and cover letter as they apply to your experience to show your relevancy.

Philadelphia Sweetening the Deal on Job Offers, San Francisco Raising the Bar on Raises, New York Ripe for Retirees, Atlanta Bending the Rules on Schedules,

Boston in the Market For Women Workers

The CareerBuilder.com and America Online "Key Hiring Trends to Watch in 2006" survey also revealed hiring trends for the top 10 markets. While Boston ranked number one for the number of hiring managers planning to increase salaries for existing employees, Philadelphia took the lead in the number of hiring managers planning to increase salaries on initial offers for new employees.

Top markets with largest proportion of employers planning to increase salaries on initial offers:

|               |     |
|---------------|-----|
| Philadelphia  | 62% |
| Boston        | 58% |
| San Francisco | 57% |
| Philadelphia  | 62% |

Top markets with largest proportion of employers planning to give bigger paychecks to existing employees:

|        |     |
|--------|-----|
| Boston | 83% |
|--------|-----|

Washington D.C. 83%  
Los Angeles 82%

Top markets with largest proportion of employers planning to provide existing staff with pay increase of 5 percent or more:

San Francisco 26%  
New York 25%  
Washington D.C. 24%

Top markets for women job seekers - markets with the largest proportion of employers targeting women more aggressively:

Boston 26%  
New York 24%  
Los Angeles 23%

Top markets with largest proportion of employers hiring retirees from other organizations or providing incentives for existing workers at or approaching retirement age to stay with the organization:

New York 64%  
Boston 54%  
Philadelphia 54%

Top markets with largest proportion of employers planning to provide more flexible work arrangements:

Atlanta 53%  
New York 53%  
Washington D.C. 51%

#### Survey Methodology

The survey, "Hiring Trends to Watch in 2006," was conducted from November 27, 2005 to December 12, 2005. Methodology used to collect survey responses totaling more than 1,300 hiring managers for this study involved selecting a random sample of comScore Networks panel members. These Web Panel members were approached via an e-mail invitation, which asked them to participate in a short online survey. The results of this survey are statistically accurate to within +/- 2.68 percentage points (19 times out of 20).

#### About America Online, Inc.

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#### About CareerBuilder.com

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