

Moderated, Yet Stable, Hiring to Continue in Q2, CareerBuilder.com and USA TODAY Survey Finds

- One-Third of Employers to Increase Compensation in Q2 -

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CareerBuilder.com, the nation's largest online job site, and USA TODAY released the results of their latest survey, conducted by Harris Interactive(R), tracking projected hiring trends for the second quarter of 2007. The survey, titled "Q2 2007 Job Forecast," was conducted from February 15, 2007 through March 6, 2007 of 2,591 hiring managers and human resource professionals and 6,823 workers in private sector companies.

"The unemployment rate is at 4.5 percent, reflecting a pattern of steady growth in services jobs and further tightening of the labor market," said Matt Ferguson, CEO of CareerBuilder.com. "Hiring plans for the second quarter point to a continuation of a moderated, yet stable hiring environment, and an increase in salaries to attract and maintain skilled workers. Twenty-nine percent of employers report they will increase their number of full-time, permanent employees in the second quarter. Five percent expect to decrease headcount while 53 percent expect no change. Thirteen percent are unsure."

HIRING BY REGION

Consistent with previous surveys, hiring activity is expected to remain strongest in the South and West. Thirty-four percent of employers in the West and 31 percent in the South plan to increase their staff levels compared to 26 percent in Northeast and 24 percent in the Midwest. Planned staff reductions are similar for the Northeast, Midwest and South at 5 percent while the West came in lower at 3 percent.

HIRING BY INDUSTRY

Comparing select industries, the greatest amount of employers planning to add headcount operate within hospitality and information technology. Forty-one percent of employers in hospitality and 39 percent in information technology expect to recruit new staff members in the second quarter, followed by 33 percent in banking/finance and manufacturing and 32 percent in large healthcare organizations (more than 50 employees). Retail, sales and education came in at 24 percent, 23 percent and 17 percent respectively.

In terms of plans for decreased headcount, sales and manufacturing came in highest at 9 percent and 8 percent respectively followed by retail, large healthcare (more than 50 employees), and banking/finance at 7 percent. The three areas ranking lowest include information technology at 6 percent, education at 5 percent and hospitality at 3 percent.

HIRING BY COMPANY SIZE

From small and medium-sized businesses to larger organizations, employers are recruiting in the upcoming quarter. On the higher end, 32 percent of organizations with more than 1,000 employees plan to hire new staff members. Twenty-eight percent of employers with 501 to 1,000 employees and 27 percent of those with 251 to 500 employees plan to increase headcount. Comparatively smaller organizations are also contributing to job growth in the next three months. Thirty-seven percent of organizations with 51 to 250 employees and nearly one-in-four with 50 employees or less expect to increase staff levels.

The threat of staff reductions is less prevalent amongst smaller employers, according to the survey. Two percent of organizations with 50 or less employees and 4 percent of those with 51 to 250 employees plan to decrease headcount. This compares to 8 percent for companies with more than 1,000 employees.

COMPENSATION IN Q2

"Thirty-one percent of employers report it is harder to retain employees now compared to one year ago," said Ferguson. "This challenge is expected to persist as we evolve into a more employee-driven market. Fifteen percent of more than 6,800 workers say they are actively pursuing a new position. Fifty percent state that while they are not actively seeking another job, they would be open to a new opportunity if they came across one."

Of the 31 percent of employers who reported increased difficulty with employee retention, 33 percent said they are increasing salaries and wages while 20 percent are upping bonuses and other pay incentives. Another 33 percent are increasing workplace flexibility options such as flexible hours, telecommuting and job sharing while 15 percent are expanding benefits.

Looking to the second quarter, more than one-third of all employers surveyed (36 percent) expect to increase salaries. Twenty percent estimate compensation levels will raise 1 to 3 percent. Ten percent of employers expect to grow salaries 4 to 5 percent while 6 percent are planning increases of 6 percent or higher.

To view the entire forecast, visit http://www.careerbuilder.com/share/aboutus/pr_main.aspx

Survey Methodology

This survey was conducted online by Harris Interactive on behalf of CareerBuilder.com and USA TODAY among 6,823 private sector employees and 2,591 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions), ages 18 and over within the United States between February 15 and March 6, 2007. 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. Propensity score weighting was also used to adjust for respondents' propensity to be online.

With a pure probability sample of 6,823 or 2,591, one could say with a ninety-five percent probability that the overall results have a sampling error of +/- 1.2 and +/-1.9 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.

About CareerBuilder.com

CareerBuilder.com is the nation's largest online job site with more than 21 million unique visitors and over 1.5 million jobs. Owned by Gannett Co., Inc. , Tribune Company , and The McClatchy Company , the company offers a vast online and print network to help job seekers connect with employers. CareerBuilder.com powers the career centers for more than 1,000 partners that reach national, local, industry and niche audiences. These include more than 150 newspapers and leading portals such as America Online and MSN. More than 250,000 employers take advantage of CareerBuilder.com's easy job postings, 20 million-plus resumes, Diversity Channel and more. Millions of job seekers visit the site every month to search for opportunities by industry, location, company and job type, sign up for automatic email job alerts, and get advice on job hunting and career management. For more information about CareerBuilder.com products and services, visit <http://www.careerbuilder.com/>.

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