

Cautious Hiring to Continue in the New Year, According to CareerBuilder's Annual Job Forecast

- **More jobs coming back to U.S. shores**
- **Part-time and temporary hiring to increase**
- **U.S. debt negotiations and the Affordable Care Act factor into hiring activity**

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CHICAGO, Dec. 31, 2013 /PRNewswire/ -- Caution remains a staple in recruitment plans. CareerBuilder's annual forecast shows that debt issues in Washington may continue to play a part in impeding a more accelerated jobs recovery. Twenty-four percent of companies reported that they will add full-time, permanent employees in 2014, down two percentage points from 2013. Nearly one in four employers (23 percent) said they will hire at a slower rate or will not expand headcount at all until the debt ceiling is resolved in the first quarter.

View full report here: http://careerbuildercommunications.com/pdf/careerbuilder2014_forecast.pdf

"The general sentiment shared by employers whom CareerBuilder talks to every day is that there will be a better job market in 2014," said Matt Ferguson, CEO of CareerBuilder and co-author of *The Talent Equation*. "What we saw in our survey was reluctance from some employers to commit to adding jobs until the outcomes of debt negotiations and other issues affecting economic expansion are clearer. As these stories play out and employers find their footing in the New Year, there is greater potential for the average monthly job creation in 2014 to exceed that of 2013."

The national survey was conducted online by Harris Interactive[©] from November 6 to December 2, 2013, and included a representative sample of 2,201 hiring managers and human resource professionals across industries and company sizes.

Full-time, Permanent Hiring

While 24 percent of employers expect to hire full-time, permanent staff – down from 26 percent last year – one in ten are still undecided about their recruitment plans. Thirteen percent plan to decrease staff levels – up from 9 percent last year – while 54 percent anticipate no change.

Where Are They Hiring?

Hiring for STEM (science, technology, engineering and math) occupations is expected to take center stage with more than one in four employers (26 percent) planning to create jobs in these areas over the next 12 months.

Looking at functions across an organization, the top two positions companies plan to hire for in the New Year – Sales and Information Technology – are also where employers expect to provide the biggest salary increases.

Hiring managers plan to recruit full-time, permanent employees for:

- Sales – 30 percent
- Information Technology – 29 percent
- Customer Service – 25 percent
- Production – 24 percent

- Administrative – 22 percent
- Engineering – 17 percent
- Marketing – 17 percent
- Business Development – 17 percent
- Accounting/Finance – 15 percent
- Research/Development – 13 percent
- Human Resources – 10 percent

Temporary and Contract Hiring

Temporary workers are accounting for a larger share of the employee base within organizations. Forty-two percent of employers plan to hire temporary or contract workers in 2014, up from 40 percent last year. Of these employers, 43 percent plan to transition some temporary employees into full-time, permanent members of their staff.

Five Trends to Watch in the New Year

1. **Part-time hiring on the rise** – Seventeen percent of employers expect to recruit part-time workers over the next 12 months, up three percentage points over last year. While various factors will influence this trend, 12 percent of all employers stated that they will likely hire more part-time workers in 2014 due to the Affordable Care Act.
2. **More companies "onshoring" jobs** – One of the most popular imports of the New Year just may be previously lost jobs. Twenty-three percent of companies who offshore jobs said they brought some of those jobs back to the U.S. in 2013; 26 percent plan to do so in 2014.
3. **Skills gap widening** – Looking at a subset of human resource managers, half (51 percent) said they currently have positions for which they can't find qualified candidates. Forty-six percent said these positions go unfilled for three months or longer.
4. **Companies building the perfect employee instead of waiting for one** – In light of the skills gap, nearly half (49 percent) of employers plan to train people who don't have experience in their industry or field and hire them in 2014, up 10 percentage points over last year. Twenty-six percent of employers are sending current employees back to school to get an advanced degree – and picking up all or part of the cost.
5. **Companies looking for recruits in high schools** – More companies are connecting with future generations of workers to establish a constant pipeline of job candidates. Twenty-seven percent of hiring managers have promoted careers at their firms to high school students or, in some cases, even younger; 25 percent plan to do so in 2014.

Small Business Hiring

Nearly two in five (39 percent) small businesses with 250 or fewer employees reported that they are still struggling to recover from the last recession. Like their larger counterparts, small businesses are also staying cautious as they assess market potential in the year ahead.

- **50 or fewer employees** – 19 percent plan to add full-time, permanent staff in 2014, the same as last year; 9 percent plan to reduce headcount, up from 6 percent last year.
- **250 or fewer employees** – 22 percent plan to add full-time, permanent staff in 2014, down from 24 percent in 2013; 9 percent plan to reduce headcount, up from 7 percent last year.
- **500 or fewer employees** – 23 percent plan to add full-time, permanent staff in 2014, down from 24 percent in 2013; 10 percent plan to reduce headcount, up from 7 percent last year.

Hiring By Region

While the West continues to lead the other regions in hiring plans, the Northeast was the only region that saw a year-over-year increase in the number of employers expecting to add full-time, permanent staff. The South

reported the biggest year-over-year decline (5 percentage points) in employers adding full-time, permanent headcount, while the Midwest has the largest number of employers expecting to downsize staffs.

- **West** – 26 percent plan to add full-time, permanent staff in 2014, down from 28 percent in 2013; 11 percent plan to reduce headcount, up from 9 percent last year.
- **Northeast** – 24 percent plan to add full-time, permanent staff in 2014, up slightly from 23 percent in 2013; 13 percent plan to reduce headcount, up from 10 percent last year.
- **Midwest** – 24 percent plan to add full-time, permanent staff in 2014, on par with 2013; 15 percent plan to reduce headcount, up from 10 percent last year.
- **South** – 22 percent plan to add full-time, permanent staff in 2014, down from 27 percent in 2013; 12 percent plan to reduce headcount, up from 9 percent last year.

Compensation in 2014

Compensation is becoming more competitive for specialized labor with 26 percent of employers planning to raise starting salaries for high-skill roles in 2014.

Looking across positions within an organization, 73 percent of employers plan to increase compensation for existing employees – on par with last year – while 49 percent will offer higher starting salaries for new employees – up from 47 percent last year. Most increases will be 3 percent or less.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive[®] on behalf of CareerBuilder among 2,201 hiring managers and human resource professionals (employed full-time, not self-employed, non-government) between November 6 and December 2, 2013 (percentages for some questions are based on a subset, based on their responses to certain questions). With a pure probability sample of 2,201, one could say with a 95 percent probability that the overall results have a sampling error of +/- 2.09 percentage points. Sampling error for data from sub-samples is higher and varies.

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