

Employers Cautiously Optimistic About Hiring in Q3, CareerBuilder.com and USA TODAY Survey Finds

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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 third quarter of 2007. The survey, titled "Q3 2007 Job Forecast," was conducted from June 1, 2007 through June 13, 2007 of 2,417 hiring managers and human resource professionals in private sector companies.

More than two-thirds (67 percent) of employers reported their companies hired new full-time, permanent employees at their locations during the first six months of 2007. Forty-three percent expect to hire the same amount of employees in the latter half of the year as the first half while 24 percent expect to hire more. One-in-five (21 percent) expect to hire fewer employees.

"Despite a slowing in economic growth and productivity, U.S. job creation continued in the first half of 2007 with gains concentrated in the services sector," said Matt Ferguson, CEO of CareerBuilder.com. "While the job market is slower than last year, it is not a slow job market. Employers remain cautiously optimistic in their recruitment plans with 35 percent reporting they will increase their number of full-time, permanent employees at their locations in the third quarter. Five percent expect to decrease headcount while 52 percent expect no change."

HIRING BY REGION

Consistent with previous surveys, hiring activity is expected to remain strongest in the South and West. Thirty-eight percent of employers in the West and 37 percent in the South plan to increase their staff levels compared to 33 percent in both the Northeast and Midwest. Planned staff reductions are similar for the Midwest and South at 5 percent each, followed by the Northeast at 4 percent and the West at 3 percent.

HIRING BY INDUSTRY

Comparing select industries, the greatest amount of employers planning to add headcount operate within the areas of sales, information technology and healthcare. Forty-seven percent of sales employers, 46 percent of information technology employers and 41 percent of healthcare employers (with over 50 employees) expect to increase staff in the third quarter. They are followed by 35 percent in hospitality, 33 percent in retail, 31 percent in banking/finance and 28 percent in education.

In terms of staff cuts, 7 percent of both sales and information technology employers plan to decrease headcount followed by 5 percent each in hospitality, retail, banking/finance and education, and 3 percent in healthcare.

HIRING BY COMPANY SIZE

Employers of all sizes will be contributing to job growth in the third quarter. On the higher end, 41 percent of organizations with more than 1,000 employees plan to recruit new staff members. Forty percent of employers with 501 to 1,000 employees and 42 percent of those with 251 to 500 employees also plan to recruit. Comparatively smaller organizations will be doing their part as well with 35 percent of organizations with 51 to 250 employees and 27 percent of those with 50 employees or less anticipating an increase staff levels.

The threat of staff reductions is present across organizations of all sizes, according to the survey. Three percent of organizations with 50 or less employees and 3 percent of organizations with 51 to 250 employees plan to decrease headcount. This compares to 7 percent for companies with more than 1,000 employees, 5 percent for those with 501 to 1,000 employees and 4 percent for those with 251 to 500 employees.

COMPENSATION IN Q3

"Operating within an increasingly employee-driven labor market, nearly one-in-five (18 percent) employers report they have seen a rise in the number of employees asking for a raise outside of the normal review period," said Ferguson. "Responding to a more competitive recruitment arena and increased pressure for higher compensation from in-demand workers, employers expect to boost salaries to attract and retain skilled talent."

Looking back on the second quarter, 55 percent of employers reported there was an increase in salaries for full-time, permanent employees. While 33 percent reported increases ranging from 1 to 3 percent, 21 percent reported a 4 to 10 percent range and 2 percent reported increases north of 10 percent.

Looking forward to the third quarter, nearly half of employers (46 percent) expect to increase salaries. Twenty-eight percent of employers estimate compensation levels will rise 1 to 3 percent. Seventeen percent expect to grow salaries 4 to 10 percent while 1 percent expect increases to exceed 10 percent.

Survey Methodology

This survey was conducted online within the United States by Harris Interactive on behalf of CareerBuilder.com among 2,417 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 June 1 and June 13, 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 2,417, one could say with a ninety-five percent probability that the overall results have a sampling error of +/-2 percentage points. 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 , The McClatchy Company and Microsoft Corp. , 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 1,100 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 300,000 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. CareerBuilder.com and its subsidiaries operate in the U.S., Europe, Canada and Asia. For more information, visit <http://www.careerbuilder.com/>.

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