

The MATRIX MONITOR

Q3 2009

Market Insight for Informed IT Hiring Decisions



Gary Wood
Executive Vice President of MATRIX
MATRIX Resources, Inc.

Welcome to our third quarter 2009 edition of The MATRIX Monitor which summarizes the latest research to update you on current and near-term market conditions for IT staffing, the technology industry, and the economy.

Although the job market is still not great, we are seeing an increase in the number of temporary and contract job opportunities, particularly for IT job seekers. We find there is still strong demand for certain skill sets despite the recession; however, the bi-annual MATRIX Compensation survey shows an average 4% decline in national compensation over the last six months for 20 common IT positions. Still, research shows 27% of companies expect to increase their IT budgets for 2010. Overall, our findings show small steps towards recovery in the market, but we still have a ways to go.

To supplement the national perspective of this briefing, this edition of The MATRIX Monitor includes a new Regional Spotlight section to highlight specific conditions in the local job markets. We welcome your feedback—please let us know how The MATRIX Monitor can better serve you.

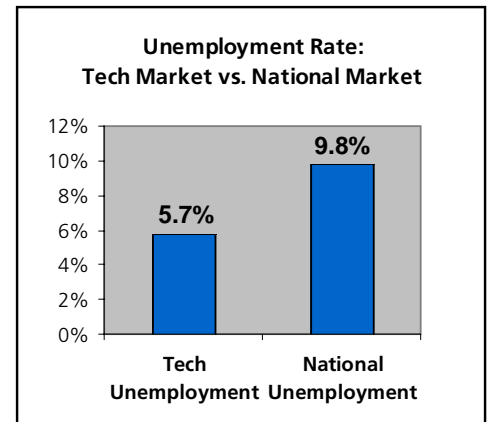
IT Employment & Skills Demand Forecast

Job Prospects for Tech Pros Looking (Somewhat) Better

BusinessWeek recently reported on discussions with Scot Melland, CEO of Dice Holdings, regarding the current job market. Melland notes that things with the job market are not as bad, but are by no means good yet. “Overall things are better,” he said. “Confidence is there again, and there are opportunities out there.”

Melland noted that the unemployment rate in the tech sector is just 5.7%, well below the near 10% we’re seeing nationally. So while recruitment is certainly down from peak levels, there is still a good amount of “churn,” or job-hopping, going on—at least in the highly-skilled technology arena.

Melland says he expects hiring to lag the economic recovery by three to six months, and even when hiring picks up, much of it will be temporary contract employment as companies gauge how real the turnaround is. In this type of market, job seekers will have to skillfully position themselves as the ideal candidate. With the growth of social networking tools for job seekers, Melland advises job seekers to manage and police their online personas to ensure that they enhance, rather than impede, their job prospects.



“unemployment rate in the tech sector is just 5.7%”

Java Developers In-Demand

ComputerWorld magazine finds that Java Developers are some of the most in-demand resources, despite the recession. A recent report from Dice.com shows that nearly 20% of the available tech jobs posted on their site include the Java skill set (9,427 out of 49,594 total available tech jobs).

“Java’s popularity means it lies under the covers of a wide range of enterprise applications and systems. Therefore, skilled Java developers have remained among the industry’s hottest properties through the recession,” says David Van De Voort, senior principal of IT workforce strategy at the consulting company Mercer. Only SAP and Oracle specialists are in greater demand.

10 Best Places for Tech Jobs

Within the tech industry, some cities clearly have more job opportunities than others. These cities boast some of the best job opportunities for technology workers right now, according to a recent analysis compiled by *U.S. News*.

10 Best Places for Tech Jobs

1. Atlanta, GA
2. Boston, MA
3. Houston, TX
4. Huntsville, AL
5. New York, NY
6. Phoenix, AZ
7. San Diego, CA
8. San Francisco, CA
9. Seattle, WA
10. Washington DC

Source: *U.S. News*

Job Seeker Relocation Rate on the Rise

More American workers are willing to relocate to find work, according to a recent report published in *Baseline Magazine*. The report was based on interviews with 3,000 job seekers across multiple industries conducted by employment firm Challenger, Gray, and Christmas.

“job seeker relocation rate jumped from 12.6% to 18.2%”

The company found that last quarter the U.S. experienced the highest job seeker relocation rate since the second quarter of 2006. From Q4 of 2007 through Q1 of 2009, the relocation rate averaged at around 11.9% of out-of-work employees willing to move. The rate reached a record low during the first quarter of 2008, dropping to 8.9%.

Over the past six months, however, the rate has jumped from 12.6% to 18.2%. The firm doesn't expect the rate to ever reach that of previous decades, but they do foresee further growth in coming quarters.

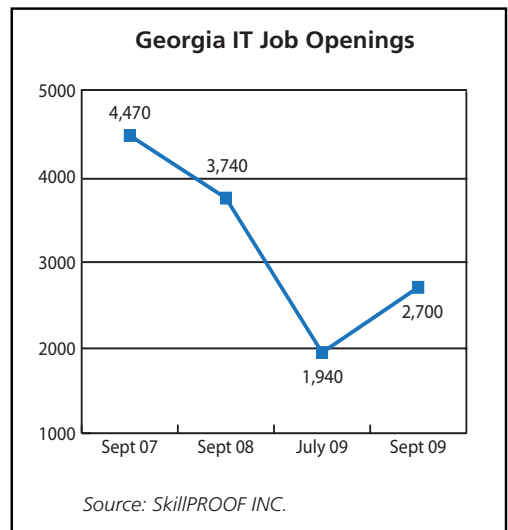
Regional Spotlight

Georgia IT Job Openings Increase

Good news finally for IT job seekers in Georgia! As noted in a recent survey by *U.S. News*, Atlanta is one of the best cities for tech workers. This point is substantiated by SkillPROOF in their monthly report of the tech job market that shows employers are posting more opportunities for IT professionals in Georgia. In September, the average daily number of IT job vacancies grew 17.9%. Due to the current state of the economy, this gain may be temporary, but a reversal is not expected by SkillPROOF. Instead, they believe the IT job market may grow at a moderate pace during the fall.

“average daily number of IT job vacancies grew 17.9%”

Most industries and occupations supported the recent growth. Employers in Healthcare, IT Services, HiTech and Financial Services were most active. SkillPROOF recorded the largest increase for professionals in IT Management (up 41.9%).



Drupal Atlanta User Group



MATRIX partners with many local User Groups that serve as valuable sources for up-to-date technical and industry information. Drupal Atlanta meets the second Tuesday of each month with a hands-on workshop held at Manuel's Tavern in Atlanta. The group also meets the third Tuesday of each month at the MATRIX Atlanta office with a presentation of a project accomplished using Drupal.

For more information about upcoming Drupal Atlanta events as well as those for other local User Groups, check out www.MatrixResources.com/TeamMATRIX/Calendar.

IT Worker Compensation

Average IT Pay Declines Nationally in Past 6 Months

Total cash compensation declined an average of 4% nationally in the past six months (Feb. 09 to Sept. 09) for the 20 most common IT positions tracked by MATRIX Resources. However, pay for the 75th percentile did increase by nearly 1% over the last six months. As shown in the accompanying table, those positions escaping a pay drop include Director of IT, Application Development Manager, and Implementation Manager—as well as Network Admin, Help Desk Analyst, Tech Writer, Telecom Specialist, Tech Support Analyst, and Security Consultant.

“pay for 75th percentile increased by nearly 1% over last six months”

Those positions experiencing the largest average decrease in pay were the Sr. Business Analyst (-23%) and Sr. Project Manager (-17%).

Only senior level positions are included in the data (at least 5 years experience), which reflects the typical total cash compensation for an individual’s job based on location, education, certifications, shift, employer type, and other factors. The data reflects the typical percentile range based on the statistical median of total compensation packages. The report was generated in September from PayScale, a leading online compensation and benefits data firm.

National Average Compensation - September 2009			
Job Title	Percentile		
	25th	50th	75th
Director of IT	\$98,799	\$125,112	\$158,576
Applications Development Manager	\$93,730	\$115,694	\$143,160
Implementation Manager	\$68,221	\$91,211	\$117,437
Project Manager	\$69,423	\$84,298	\$101,384
Enterprise Software Architect	\$99,254	\$117,180	\$139,713
Quality Assurance / Tester	\$58,405	\$71,918	\$88,537
Oracle Database Administrator	\$77,612	\$93,258	\$111,837
SQL Server Database Administrator	\$75,730	\$91,035	\$108,946
C# / .NET Developer	\$72,116	\$87,161	\$105,279
Java / J2EE Developer	\$75,550	\$93,654	\$115,711
Client / Server Developer	\$69,428	\$83,810	\$101,310
Web Developer	\$55,848	\$71,192	\$89,280
Network Administrator (LAN/WAN)	\$58,697	\$73,207	\$89,592
Help Desk Analyst	\$38,720	\$48,212	\$59,607
Business Analyst (Technical)	\$59,195	\$72,697	\$88,745
Technical Writer	\$54,293	\$67,071	\$82,963
Telecommunications Specialist	\$54,376	\$69,191	\$87,181
Technical Support Analyst	\$51,028	\$62,873	\$77,447
Security Consultant	\$71,004	\$85,825	\$103,371
UNIX Systems Administrator	\$65,619	\$79,811	\$97,029

Source: Payscale, Inc.

Localized market compensation data for all 20 positions listed is available from MATRIX Account Managers and Recruiters, or at www.MatrixResources.com.

IT Spending

Salary Budgets Increase for 2009 and 2010

Results from the 2009-2010 *Culpepper* Salary Increase Budgets Survey reveal that companies are continuing to make significant changes to their salary budgets in response to the recession. This year's report includes data from 835 participating organizations across 73 countries and 17 international geographic regions. Here are the key survey findings:

“23% of companies with frozen salaries plan to unfreeze by end of 2009”

- Nearly 70% of companies have a base salary philosophy with an objective to either match or lead the market, and pay salaries at or above current market levels.
- The number of companies freezing salaries is projected to decline from 37% in 2009 to 13% in 2010. For companies with frozen salaries, 23% plan to unfreeze them by the end of 2009.
- 13% of companies reported they cut salaries in the last 12 months. For companies that reduced salaries, one-third plan to reverse reductions by the end of 2009.
- Base salary increases for the U.S. are projected to rise from 1.66% in 2009 to 2.68% in 2010. Excluding salary freezes, base salary increases for the U.S. are projected to rise slightly from 3.05% in 2009 to 3.08% in 2010.

The 2010 IT Budget

Baseline Magazine has published data on a poll from The Society for Information Management regarding CIOs' IT spending priorities and plans for dollar allocation in 2010. According to the poll, around 45% of CIOs expect their IT budgets to stay the same for 2010, about 28% expect a decrease, and 27% expect an increase. Approximately 69% of IT spending in 2010 will be allocated to existing systems, while about 31% will be spent on building and buying new systems.

"27% of CIOs expect their IT budgets to increase for 2010"

58% of CIOs reported their IT budgets as 3% or less of the overall corporate revenue, approximately 42% had budgets equal to 4% or more of overall revenue, approximately 12% were at the 5% level, and just 1.71% spent more than 10% of corporate revenue on IT.

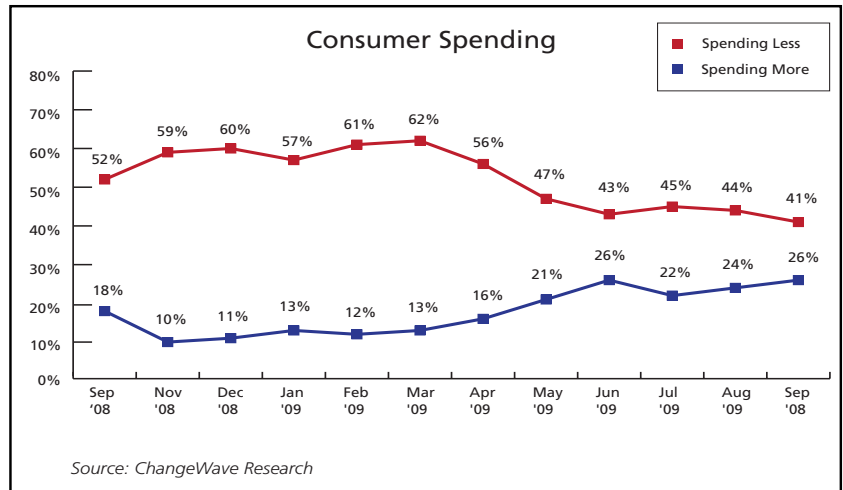
Economic Conditions

U.S. Consumer Spending Continues to Improve in September

A new ChangeWave survey of 2,719 U.S. consumers shows spending is continuing to improve going forward, led by upticks in consumer electronics, durable goods for the home, restaurant spending and household repairs/improvements. On the flip side, the September survey still shows large numbers of consumers are still reluctant to spend as they attempt to repair their finances. Still, things are looking significantly more positive for consumers.

"26% of U.S. consumers say they'll spend more over next 90 days than they did a year ago"

More than one-in-four U.S. consumers (26%) now say they'll spend more over the next 90 days than they did a year ago—up 2-pts since the previous survey in August. While 41% still say they'll spend less, that's 3-pts improved from previously.



U.S. Future Inflation Gauge at Seven-Month High

A gauge of U.S. inflation pressures continued to rise in July to a seven-month high, indicating that deflation is unlikely under current economic conditions, according to the research group Economic Cycle Research Institute (ECRI). The U.S. Future Inflation Gauge (USFIG), designed to anticipate cyclical swings in the rate of inflation, rose to 84.6 in July from 81.9 in June.

"deflation clearly becoming less of a danger for the U.S. economy"

The index has now risen from a 51-year low in March to a seven month high, due to "somewhat pronounced, pervasive and persistent advances in the USFIG and its components," said Lakshman Achuthan, managing director at ECRI. "Thus, deflation is clearly becoming much less of a danger for the U.S. economy."

Atlanta-based MATRIX Resources, Inc. meets the evolving IT services needs of corporations through Staffing Solutions, Workforce Solutions, and Professional Services. MATRIX is ranked among the top IT services firms in the U.S. according to IT Services Business Report/Staffing Industry Analysts.