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Fewer New Jobs, Except in IT

The job market is weaker, but information technology is a bright spot.

By Jane M. Von Bergen
Inquirer Staff Writer

Last summer, Krupa Patel, an information-technology specialist who graduated from Gwynedd-Mercy College in 2002, noticed something about her former classmates.

Her fellow IT graduates were starting to land jobs in the field, after doing low-paid time behind the counters of the area's shopping malls.

The pickup in IT hiring is the brightest spot in what appears to be a softening labor market, according to a salary survey conducted by the MidAtlantic Employers' Association, a group of 700 small and midsize privately held companies in the city, its Pennsylvania and New Jersey suburbs, Delaware, and the Lehigh Valley.

"The employment market isn't what it was in this region last year," said Edwin W. Koc, director of research and legislative affairs, who has conducted the survey since the mid-1990s.

MidAtlantic's numbers are current as of mid-April. Its pool of companies primarily reflects the area's manufacturing heritage.

Numbers of jobs decreased in three of five categories, and wage growth slowed in four of the five in the survey released Friday.

U.S. Labor Department statistics made public Friday also reflect nearly flat job creation in the region. From May 2005 to May 2006, the number of new jobs increased 1.2 percent. A year earlier, the number had increased 1.3 percent.

"Last year, we saw stronger demand across the board," Koc said. "This year, I don't see that strong demand."

But different surveys show different results.

Monster.com produces a monthly report based on its job-board listings. In Philadelphia, a Monster index rose steadily from May 2005 until February and has been flat since then.

Monster.com's report shows a strong trend in information-technology hiring, just as MidAtlantic's does.

Of the five job categories detailed in MidAtlantic's survey, only IT saw increased raises.

As a group, for example, office workers - a category that includes accountants and mail-room clerks - snagged average raises of 2.9 percent. In 2005, their pay went up 3.7 percent.

The Consumer Price Index, a widely used cost-of-living benchmark, rose 4 percent from April 2005 to April 2006, the period covered by the MidAtlantic survey.

"In general, the story of wages since 2001 is that they are flat, and they are flat for everyone except the CEO and his friends," said Stephen Herzenberg, an economist with the Keystone Research Center, a labor-oriented policy development institute in Harrisburg.

"Profits are up, CEO salaries are up, but no one else has gained a lot from the recovery," Herzenberg said.

Actually, chief executive officers' salaries and bonuses aren't up, Equilar Inc. found in an analysis of local publicly traded firms it compiled for The Inquirer.

They are down slightly, from \$1.5 million in 2004 to \$1.4 million last year. But salaries and bonuses are not the main way many CEOs are paid. Much of their compensation comes through profits from the sale of stock options.

Adding in those profits, local chief executives' compensation rose 33 percent, from \$3.6 million in 2004 to \$4.8 million last year, the Equilar analysis showed.

If other surveys measure executive compensation or track national trends at big companies such as Aramark Corp. or Comcast Corp., MidAtlantic's survey measures ordinary jobs at the type of small and midsize companies that tend to employ most of the region's workers.

The survey records employment and wage trends for 800 jobs as diverse as billing clerk, engineer, plant supervisor, and help-desk coordinator, like Patel, 26, of Hatfield, whose responsibilities include Web design and software consulting.

When Patel began college in 1998, the future of information technology looked bright, so she switched majors from business to computers.

Then the dot-com bubble burst, and instead of weighing generous offers as her older college friends had, she was scrambling to get temporary work as a data clerk. By hustling, she got a permanent job with Compliance Management International in Montgomeryville.

She was luckier than her friends.

"They were working retail positions at the mall and they had the same degree I did," she said. "Then, about a year ago, they started finding temporary positions, or temp-to-hire - IT-related positions - and the clients started hiring them."

That's exactly what Koc has seen.

"In the late 1990s, this group led the pack," he said. "We got to 2000, when everyone was worried that the computers would go down," as dates rolled over from "99" to "00."

"When the date passed, the IT bubble burst," Koc said. "Since 2000, it's been nothing but Death Valley. This year is the first year it turned around."

Other types of jobs have not fared as well.

The number of manufacturing and distribution jobs rose 1.6 percent, but wages barely budged, up just 0.5 percent.

Manufacturing-job prospects "haven't been that good for years, and they still aren't good," Koc said.

Even as traditional manufacturing jobs decline, jobs in distribution and warehousing have grown 17 percent, Koc said.

"Global competition may be hurting our manufacturing, but it is doing the opposite for the area's distribution companies," Koc said. "They can take a Chinese product and sell it. They are the middleman."

Area distribution firms "hired a lot of people," he said. "I didn't say they got paid a lot."

Jobs in distribution and materials handling such as forklift driver and packer pay in the range of \$11 to \$14.50 an hour, with little opportunity for advancement, the survey showed.

By contrast, a mechanic capable of maintaining manufacturing machinery can start at \$15.25 an hour, and, with training, can expect \$22.48 an hour.

Even though the number of jobs in the manufacturing sector is declining, manufacturers are still scrambling to fill the most highly skilled jobs.

Lindsay Winters, a recruiter at Colorcon Inc., said she searched hard to find the scientists who could develop the pill coatings manufactured by the Montgomery County company.

"We are actually looking for more scientists and more people with chemistry backgrounds," she said. "Even our sales force needs to be highly technical."

J. Donald Daemer, a human-resources executive at Kingsbury Inc., would like to hire more skilled machinists at the Northeast Philadelphia manufacturer of bearings.

"We need trained skilled machinists to operate the machines. It's extremely difficult," he said. "There are lots of people who are taking those skills and going into retirement."

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Contact staff writer Jane M. Von Bergen at 215-854-2769 or jvonbergen@phillynews.com.