IT WORKFORCE UPDATE

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Presentation Overview

- Overall Market Conditions
- Workforce Demographic Trends
- IT Workforce Trends
  - National
  - South Carolina
- Innovation in Recruiting
Overall Market Conditions
There are 7.1 million job openings and just 5.8 million available workers to fill them, according to the Bureau of Labor Statistics.

Updated October 2019
Unemployment Rates

As a result of unemployment and current market conditions, salaries have increased, resulting in the most competitive job market in decades.

<table>
<thead>
<tr>
<th>Year</th>
<th>Nationally</th>
<th>South Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>3.5%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Labor Participation Rates

**United States**
63.2%

**South Carolina**
57.9%

**US Perspective:**
1950 – 2019
Lowest – 58.10 (1954)

**SC Perspective:**
1950 – 2019
Lowest – 57.60 (2018)
Highest – 68.50 (1993)

*Labor force participation rate:*
The section of working population ages 16-64 currently employed or seeking employment.

Source: Bureau of Labor Statistics
Labor Participation Projections

The US labor force participation rate is projected to be around **62.9%** in 2020 and **61.2%** in 2028.

Source: Trading Economics and Bureau of Labor Statistics
Generations in the Workforce

2015
2020
2025
2030
2040

Source: US Census Bureau
Current workers among the Baby Boomer generation continue to reach retirement age at a pace of about 10,000 per day.

Source: pewresearch.org
While the U.S. has an aging population and workforce, millennials are expected to make up 50% of the workforce by 2020 and 75% by 2025.

Source: hrfloridareview.com
Millennials in the Workplace

• 41% of millennials expect to be in their current job for **two years or less**
• Millennial turnover costs the U.S. economy **$30.5 billion** annually
• 52% of millennials viewed the concept of employee loyalty as being **overrated**

Source: accessperks.com
26% of IT professionals plan to find a new employer in 2019.

Source: spiceworks.com
IT Millennials in the Workplace

33% of millennial IT professionals plan to find a new employer in 2019

Source: spiceworks.com
IT Professionals: Why They Leave

#1 looking for a better salary
#2 looking to advance skills in a new gig
#3 looking for better work/life balance
#4 looking for a role with more prioritization on IT
#5 experiencing burnout
#6 looking for more job training

Source: spiceworks.com
IT Millennials: Why They Leave

Millennials are more likely than other generations to seek new employment to:

• Get more training
• Find work at a company with a bigger IT budget
• Land a better job title

Source: spiceworks.com
IT Workforce Trends
National Perspective

• In 2018 IT employment reached 11.8 million jobs, with 261,000 added in past year
• The national % of workforce employed in IT is 7.6%
• The IT industry has a $1.8T direct economic output, representing 10.2% of the national economy.

* The dollar value of goods and services produced during a given year - this ratio compares the estimated economic impact of the tech industry relative to the overall state economy.

Source: CompTIA
South Carolina Perspective

• In 2018 IT employment reached **128,521 jobs**, with 4,028 jobs added from the previous year.

• South Carolina is ranked **34th** in % of workforce in IT at **5.8%**

• The IT industry has a **$13B** impact on the South Carolina economy, with **6.3%** share of overall economic impact.

*The dollar value of goods and services produced during a given year - this ratio compares the estimated economic impact of the tech industry relative to the overall state economy.*

Source: CompTIA
IT Remote Workforce

• **57%** of the IT Industry in the US is now remote. IT takes the **#2 spot**, behind the transportation industry at 61%

• IT workers are the **top paid** remote workers

• Software Developers are within the **Top 5 Remote** jobs, with **24%** growth expected by 2026

Source: TECLA
## Top 5 IT Skills in Demand

### By Company Size

#### 1-99 Employees
1. IT Security/Cybersecurity
2. Infrastructure Hardware
3. End-user Hardware
4. Networking Solutions
5. Storage & Backup

#### 100-499 Employees
1. End-user Hardware
2. Infrastructure Hardware
3. IT Security/Cybersecurity
4. Software Deployment
5. Networking Solutions

#### 500-999 Employees
1. IT Security/Cybersecurity
2. Database Solutions
3. DevOps
4. Software Deployment
5. Data Analysis

#### 1,000-4,999 Employees
1. IT Security/Cybersecurity
2. Data Analysis
3. End-User Hardware
4. Infrastructure Hardware
5. DevOps

#### 5000+ Employees
1. IT Security/Cybersecurity
2. AI Tech/Management
3. Networking Solutions
4. Cloud Architecture
5. Database Solutions

Source: spiceworks.com
Technology Skillsets in Demand

• Anticipated by 2028:
  • 12.2% increase of all technology skillsets
  • 31.6% increase in info security analysts
  • 25.6% increase in software application developers

• Information security analysts are the #6 fastest growing occupation in the United States at 31.6% anticipated growth between 2018-2028.

Source: Bureau of Labor Statistics
The Technology Talent Gap

• As technology evolves, the shelf life of skills is getting shorter, with **30%** of companies reportedly facing a **skills gap** within their IT team members.

• Companies need to invest more in **educating and training** their IT workforce to maintain skillsets and capacity.

• By 2019, **90%** of large organizations will have a **Chief Data Officer**, and their involvement in organizations will continue to grow.

Source: Deloitte
National Tech Occupation Wages

Source: CompTIA
South Carolina Occupation Wages

Source: CompTIA

16% lower 18% lower 19.4% lower 24% lower
Innovation + Recruiting
Position Your Company Differently
Benefits and Perks:

- 4 weeks paid vacation
- Day off on your birthday
- Generous retirement plans
- Awesome health, dental and vision insurance plans
- Flexible spending accounts
- Drinks, coffee, snacks, games, etc.
- Flexible hours
- **No stupid meetings**
- Free massages from professional masseuse
- Regular team events/excursions
McDonalds Leveraging Technology
Innovate Your Approach

• Go where candidates **are**, and competition **isn’t**
  • Tinder – Amazon
  • Spotify – Goldman Sachs
  • Niche Job Boards

• Don’t get lost in the crowd
  • Career Builder
  • Monster
  • LinkedIn

• 100% **mobile** friendly website & applications
AI for Recruiting

• AI is being used in recruiting to **streamline** or **automate** tasks that are otherwise repetitive and time-consuming, such as:
  • Screening **resumes** based on job description analysis
  • Screening **job descriptions** to identify potentially biased language
  • **Sourcing candidates** via online databases/websites

Source: ideal.com
Innovations in AI for Recruiting

• Intelligent screening software
  • Software can learn which candidates previously moved on to become successful or unsuccessful employees based on performance, tenure, turnover
  • Applies knowledge of successful candidates’ skills to future applicants to shortlist strongest potential candidates

Source: ideal.com
Innovations in AI for Recruiting

• Recruiter chatbots to improve candidate experience and timeliness

• Digitized interviews
  • Can assess candidates’ word choices, speech patterns, and facial expressions to evaluate their potential fit for role or organization and culture.

Source: ideal.com
• **59%** of US companies plan to increase their HR AI usage this year

• **40%** of US companies use chatbots to engage with candidates during recruitment

• **58%** of hiring managers believe AI is most helpful for sourcing candidates, and **56%** believe it is most helpful for screening candidates

Source: SHRM, CMS Wire
Thank You!

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