

UNITED STATES

At Last...The End is Here

A 3.4 percent GDP growth in the 3rd quarter of 2009 brings a presumptive official end to the Great Recession. No confetti was released to celebrate the event and the stock market only posted modest gains in the wake of the news—which were quickly retaken.

Employment is always—almost religiously—cited as a trailing indicator. Six months after the stock market and the GDP saw its lows though, people are starting to look back wondering if employment got lost. The still lagging labor market has hurt the confidence of both employers and employees alike.

One of the strongest indicators of employee confidence is how likely employees are to actually quit a steady job and paycheck. In August, the U.S. quit rate—the percentage of the population that voluntarily leaves their job in any given month—fell to 1.3 percent, its lowest point since the figure began being tracked in 2000. While the quit rate has remained steady for nearly the last six months, it still has failed to rise.

Yet, while employees are staying put, it doesn't mean they are at all happy. In a survey two years ago, 95 percent of employees declared loyalty to their employers. In a recent retaking of that survey, loyalty had fallen to just 39 percent.

"Today, there is one of the largest, most qualified, and experienced pools of passive candidates ever available—but they aren't posting their resumes on job boards. They are keeping their noses to the grindstone, trying to keep their companies afloat and their jobs secure. Given the right offer though, they are eager for a new opportunity," says Evan Davis, chief operating officer of MRINetwork.

While today's labor market churn appears to be at an all-time low, the pieces are in place for a turnaround as disgruntled employees depart, causing more hiring to take place and more employees feeling confident enough to leave their jobs, thus creating more openings.

In October, the National Association of Business Economists (NABE) released a survey indicating that for the first time since 2007, the number of employers expecting to add jobs over the next six months now exceeds the number that plan to cut jobs.

"While throughout the recession we have seen pockets of strength and competitiveness in the job market, the NABE study is the first broad, national indicator of a change in a positive direction," says Tony McKinnon, president of MRINetwork. "This is also supported by a change of sentiment that we are seeing from hiring managers as positions that had been left empty are starting to be filled."

"The confluence of conditions in today's market doesn't mean unemployment is at a risk of plummeting overnight. However, within a matter of months we could see virtually stagnant employee churn begin moving again, especially among senior level staff," notes Davis. "For employers, being in the first wave of hiring is going to give them access to the cream of this talent pool."

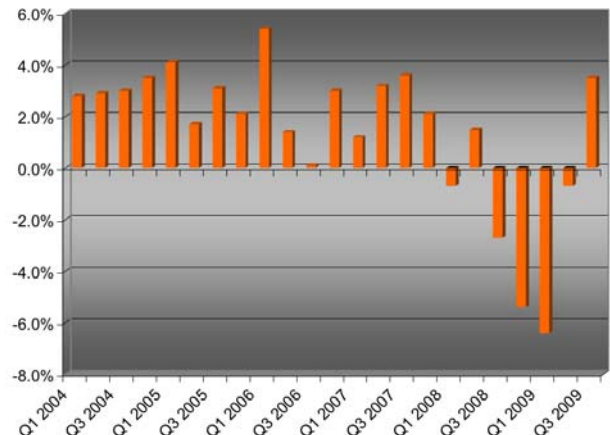
GTR Insight...

We know what you are hearing out there, in fact we see it in the news every day. When you make about a 100 calls a day between employers and employees – you start to hear some interesting tidbits. Here is what we have heard recently...

- **Work From Home (WFH)** – Companies want Top Talent, so to draw them in they are adapting WFH strategies or experimenting with this method. Examples we have heard recently: Transmission Line Engineers and Transmission Planning Engineers.
- **IT Spending rolls on...** half of the companies we have spoken to will have maintained or exceeded '08 IT budgets in '09 – upside: gain efficiencies & reduce cost.
- **Contract Staffing** – more companies are increasing or looking to increase as a method of controlling cost and completing critical tasks, during these uncertain times.

*Mike Ellis, President
GTR*

U.S. Employee Quit Rate



U.S. GDP Quarterly Growth

