

# Yoh Index of Technology Wages

Q3 2011



# Yoh Index of Technology Wages Increases 6.85 Percent, Indicating Early Stage Economic Recovery

PHILADELPHIA—December 1, 2011—As global debt concerns and American political gridlock continues to drag down worldwide economies, the Q3 Yoh Index of Technology Wages found a surprising bright note hidden in the despair of recent economic data. Wages paid by American corporations to highly skilled temporary workers increased a remarkably strong 6.85 percent in September 2011, compared to the same month in 2010 (Figure 1), resulting in the biggest year-over-year increase since September 2009 (Figure 2).

The increase shows that even as the American unemployment rate continues to languish at 9.0 percent, wages for skilled temporary workers are increasing, suggesting an increased demand for the level of expertise needed in early stage economic recovery. Since 2001, the Yoh Index of Technology Wages has been benchmarking the relative wage rate fluctuations of highly skilled temporary workers in technology, engineering, life sciences, and healthcare. Temporary employment is closely tracked as a leading indicator of future economic activity. By focusing on highly skilled workers, the Yoh Index tracks demand for technically proficient workers, those who can command higher wages and set the ceiling for the job market as a whole.

*“Two trends that jump from the numbers and provide optimism are the rate of increase in September, as well as the acceleration of the rate of increase over July, August, and September of 2011 versus the same months in 2010,”* says Lori Schultz, President of Yoh. September 2011 wages were

6.85 percent greater than September 2010, representing the biggest jump in three years. What’s more, the September year-over-year wage increase is nearly 50 percent better than August’s and almost three and a half times better than July’s year-over-year rate increase. *“This velocity suggests that skilled temporary professionals are finally beginning to gain much-needed leverage in the marketplace, and are using that leverage to seek higher wages. This trend can only occur when job seekers believe that job demand is increasing and that there is less risk in rejecting a lower paying position today in anticipation that wages might be greater tomorrow.”*

Such optimism is being fueled by fundamental changes in key industries. For instance, in technology, the emergence of cloud computing is leading companies to invest heavily in rebuilding their application infrastructures to take advantage of required technologies such as HTML5 and virtualization. While cloud computing might, in time, impact employment at the lower end of IT departments as their services are outsourced to cloud service providers, the need to re-engineer and migrate systems has opened huge opportunities for skilled IT professionals, developers, and computer scientists.

At the same time, an always-on, 24/7 business environment has many companies completely rethinking how they do business. As a result, they’re making investments to capitalize on the new competitive advantages offered by the convergence of mobile, the Internet, and consumer devices such as smartphones and tablet computers. These opportunities might

Figure 1: Yoh Index of Technology Wages

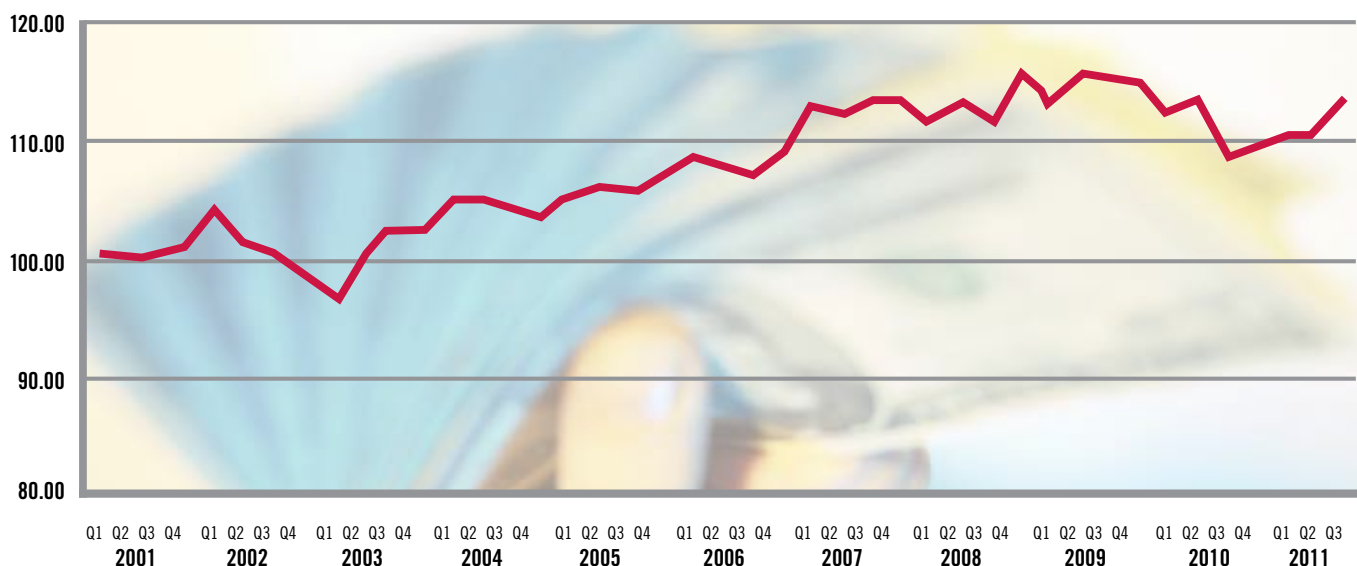


Figure 2: Yoh Index of Technology Wages Q3 2011

Month	2001	2010	2011	YoY Rate Change	Q3 Index	Period Index Change
July	28.10	30.72	31.31	1.93%	112.09	1.02%
Aug.	27.94	30.45	31.84	4.58%	114.00	1.70%
Sept.	27.98	29.81	31.85	6.85%	114.03	0.02%

be larger than once anticipated. For instance, resources are just now being invented in a fresh, new realm of computing. Big Data is a big idea that the big thinkers in organizations are trying to track. Simply put, organizations are just now realizing the need to gather and exploit all the information flowing from customers, partners, and employees, as well as the traditional data sources IT has harvested. This emerging area might have a big impact on business, as skilled workers will be needed to fill this demand in development, security, networking, and infrastructure over the next five years.

These challenges will require organizations to recast their talent management strategies. Ad hoc attempts to manage human capital simply won't work. In this day and age, cultivation and harvesting of a talent pipeline will provide the workforce certainty employers need in an uncertain world. Organizations are just now beginning to approach talent management with the same foresight and complexities long associated with logistics, whereby agile planning and fulfillment are engineered to operate in near real-time to meet and adapt to workforce supply and demand.

*“Increasing wages for skilled temporary employees is good news for the American economy, and might suggest that the days of businesses being in the driver’s seat-benefitting from stagnant or falling wages for their complex business initiatives-could be coming to an end,” says Schultz. “This situation creates more uncertainty as businesses, for the first time in four years, have to contemplate how to support demand through effective workforce management. As the economic outlook brightens and workforce certainty becomes a more urgent issue, organizations will have to look to invest and grow rather than simply hoard and preserve.”*



## Yoh Index

Established in January 2001, the index tracks the movement in the hourly wage of temporary technical professionals across the following categories: **Aerospace and Defense, Engineering, Health Care, Life Sciences, Information Technology and Telecommunications.** The index represents the overall percentage change in wages against the initial benchmark of January 2001 providing historical context and perspective to normal wage ebb and flow.

## About Yoh

For over 70 years, Yoh has provided the talent needed for the jobs and projects critical to our clients' success, by providing comprehensive workforce solutions that focus on Aerospace and Defense, Engineering, Federal Services, Health Care, Life Sciences, Information Technology and Telecommunications. Yoh fulfills immediate resource needs and delivers enterprise workforce solutions, including Managed Services, Recruitment Process Outsourcing, Vendor Management Systems, Independent Contractor Compliance, and Payroll Services. **For more information, visit [yoh.com](http://yoh.com).**

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Day & Zimmermann's 24,000 employees provide industrial, defense and workforce solutions to a broad base of commercial and government customers. Operating from more than 150 worldwide locations with 2.2 Billion USD in revenues, the Day & Zimmermann family of companies is currently ranked as one of the largest private companies in America by Forbes and is a former winner of the U.S. National Family Business of the Year award. Founded in 1901 and headquartered in Philadelphia, PA, Day & Zimmermann companies today provide engineering, construction and maintenance services, and staffing services to the commercial and government sector, and munitions products, security, logistics, equipment maintenance and facilities management services to the Department of Defense, other government groups and defense industry contractors. **For more information, visit [dayzim.com](http://dayzim.com).**



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