

FIRST FRIDAY PREVIEW

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TEAM OF GLOBAL SEARCH EXPERTS

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United States

Employees Face Career Changes

Media reports and economic pundits would have us believe that employers have stopped hiring altogether in 2008. Yet, while 24.8 million people have left their jobs in the last six months, the workforce has only shrunk by 340,000 positions, according to the Labor Department. Or, put another way, around 24.4 million people have found new jobs since January.

"The biggest mistake any business could make in this economy is to overestimate how bad it really is. Assuming that your staff can't get jobs elsewhere means you'll start losing talent. Thinking that there isn't more business to be won, gives your competition the chance to get the upper hand."

Michael Jalbert
President, MRINetwork

"With rising gas prices, the falling value of the dollar, and banks collapsing, it's only natural to think that skyrocketing unemployment is part of this picture," continues Jalbert. "In the context of their recent history however, the numbers are relatively low."

In the last 35 years, the U.S. non-farm unemployment rate has only gone below the current 5.5 percent rate three times. In the professional and managerial sector, unemployment has risen from 1.8 to 2.7 percent late last year, yet is still well off its last peak of 3.7 percent only five years ago.

"It's a hard time to be a business owner, and attention is being drawn in a thousand directions, but top talent are still shopping their skills and the market is strong for them. If employers don't continue to focus on retention, recovering from the slow-down will only be made more difficult," says Jalbert.

Relatively low unemployment, however, doesn't mean much for those who are unemployed. Many who have been laid off will need to extend their search wider than they'd like. Some may think in a tight job market they should look where their resume is strongest, yet if they shift their focus, they might start to see unexpected success. If they go one step further and go back to school, they can adjust their skills to the changing economy.

Jalbert points out that it would not take a great deal of re-training for someone working in finance—the fiery hot center of the credit crisis—to move into fields like accounting, where a shortage of talent and upward salary pressures are expected for the next decade or more.

"Investment bankers have been living a glamorous life recently but it has come to an abrupt end. Some will return to Wall Street, but much of the cachet will be gone," says Jalbert. "Their skills transfer into any number of industries but for some, the jobs they're leaving simply don't exist anymore."

For those willing to go back to school for a more extensive education, Jalbert recommends engineering. "It can't get

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Stacy Ethun specializes in placing workers in jobs that typically pay more than \$75,000 a year. She said demand for executive positions remains but added that the real-estate slump is hurting.

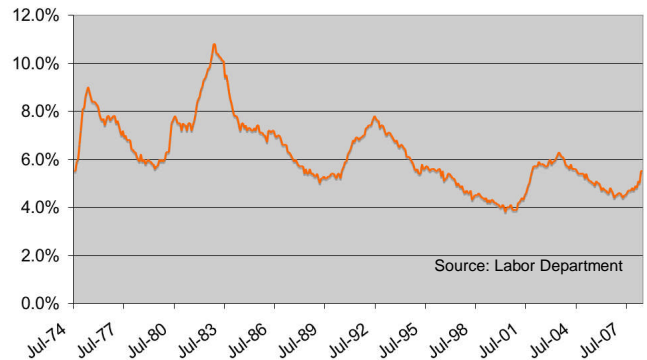
"People are having a difficult time relocating," Ethun said, "and so some workers are refusing jobs because they can't find buyers for their homes."

Stacy Ethun
Owner of Park Avenue Group as quoted by
Orlando Sentinel, June 21, 2008

"One factor hurting older workers is that they have a specific set of skills they have honed over the years, so the range of jobs available to them is limited," notes Jeffrey A. Heath. "The average 40-year-old," he says, "will have had 14 jobs during his or her working life, compared with seven for the average 50-year-old."

Jeff Heath, Managing Partner
The Landstone Group as quoted on
MSNBC.com, June 15, 2008

U.S. Unemployment Rate Since 1974



simpler than engineering. Anywhere, any shape, any kind, engineers are needed. Over the next two decades the balance of global industrial power is likely to be shifted by which nations have engineering expertise."

Lost a job in the automotive industry? Jalbert says look at aerospace. The skills are very similar, but the industry can't find enough good talent right now.

As easy as blaming a long job search on the credit crunch might be, the pressures that are the source of the current job market go much deeper. Occasionally, every economy needs to re-balance and those businesses and employees who stay on the leading edge will always be rewarded.

IRELAND

“Celtic Tiger” Begins to Purr Softly

In a world where people don't have a hard time identifying the country with Guinness, Bono and Riverdance, many in Ireland have been struggling with Irish identity in the context of modern-day Europe. The issues have started to boil to the surface recently though, as the economy has begun to slowdown.

After economic reforms in the 1980s, Ireland's economy got on a roll, at times growing in excess of 10 percent a year with low inflation. Ireland, trying since the mid-20th century to come out from England's shadow, became an active player in the European community and in 2002 adopted the Euro as its currency, a step the UK still refuses to take.

The economy, now more tightly connected to the rest of Europe and left exposed to the global credit crunch, has helped to grind the “Celtic Tiger” to a relative halt, according to Stephen Kennedy managing partner of Talent Partners, an office of MRINetwork Worldwide in Howth, Ireland. “The construction industry, a driver in our domestic economy, has hit a tipping point. Housing output was 90,000 houses two years ago, and this year we'll be lucky if we get 35,000 houses built.”

Economists now predict Ireland might have the first negative GDP growth in nearly 30 years, slipping as much as .5 percent. So when the mostly pro-European nation was asked to vote on the recent Lisbon Treaty, which would revise the framework of

the European Union, Ireland took the unexpected position of voting it down. A Flash EuroBarometer poll conducted by the European Commission in the days following the referendum showed nearly 46 percent of those who voted “no,” cited concerns about Ireland being over powered by the EU.

Yet, despite the concerns, Kennedy points out there are still bright spots in Ireland. The reforms from the 1980s that first jump started Ireland's economy—like the 12.5 percent corporate income tax—are still in place. The country has successfully transitioned from a mostly agricultural economy to a knowledge-based one with a highly educated workforce.

“Taxes and talent have always been our niche,” says Kennedy. “Add to that Ireland's growing reputation of having one of the highest qualities of life in the world—not the case in the 1980s— and it is not a surprise that nearly 600 multinationals have a presence in Ireland today.”

Because of this international presence, ICT (Information Communication Technology) has remained strong with such brands as Google, Yahoo, and Microsoft. Additionally, pharmaceuticals bring a wealth of business to the island, mostly using Ireland as a base for EU operations.

Of course Ireland has also been haunted by years of violence, which, though quieted, can still cause concerns for business. Kennedy says the governments of both Northern Ireland and the Republic of Ireland have begun to work together. “It's not about North or South anymore. It's about just getting the business on the island. And that we're seeing happen.”

WASHINGTON STATE

Caffeinated Economy Jitters, But Doesn't Sleep

As early as 1889, Seattle was already being referred to as “The Boomingest Place on Earth.” The small city at the northwestern-most part of the Continental U.S. was the gateway to Alaska's gold rush and Asian trade. From 1880 to 1910, Seattle grew from about 3,000 people—already large for the area—to more than 240,000.

Then on June 15, 1915, from a small red boathouse on Lake Union, William Boeing took his W & B Seaplane on its maiden flight. It was the beginning of a company that would power Seattle's economy for more than half a century. Then in the early 1970's, after pumping money into the Boeing 747, airlines started to falter, Boeing lost a few major defense contracts, and Seattle saw the beginnings of its first bust in a hundred years.

As a result, city leaders sought to diversify a local economy where nearly one-in-ten people worked for Boeing, “and many more worked for the various supporting vendors that sprouted up,” says Daniel Jilka, managing partner of Management Recruiters of Seattle.

One of the companies Seattle attracted was a small firm then called Micro-soft, relocated from Albuquerque, N.M. in 1978. Three years they released MS DOS 1.0, and 30 years later they employ nearly 40,000 people in the Puget Sound region.

Though there isn't one big national brand anchoring it, bio-medical has also found Seattle attractive. Through the University of Washington, private foundations and corporations, a robust industry for medical researchers has developed

“Seattle is dominated by just a few big players but they are in dramatically different industries,” continues Jilka. “They've also spawned many smaller companies, providing more stability for the region. While the smaller companies can't absorb massive layoffs, they do offer circulation to the job market, giving employees many local career options. Not only is there now a diversity of industries in Seattle's economy, it is a diversity that supports high-paying professional jobs,” says Jilka.

In July, unemployment in the state did rise, meeting the national average at 5.5 percent, up 1 percent from 2007. The Seattle area, however, went down in July to 3.9 percent from 4.0 in May and up from 3.8 a year ago. Boeing is doing so well that the mechanics union recently voted to sanction a strike—not because of a bad contract, but because workers felt they deserved more of the profits from a company showing record sales.

The city, made famous to a generation by Tom Hanks' late night phone calls in the rain, has been booming for nearly 130 years and has been at the center of nearly every driving U.S. economic trend from gold to aerospace, from computers to triple-shot lattes.

“Highly qualified candidates call our office every day looking to relocate to Seattle,” says Jilka, “and I can hardly blame them.”