

The PACE/SkillPROOF IT INDEX REPORT

NEW YORK COUNTY (MANHATTAN) EDITION
JULY 2007

Reclaiming IT Global Leadership



“Outsourcing to India or China is considered a looming threat to IT graduates whose once unique skills fueled the U.S. economy. But outsourcing is just a sidebar when viewed in the overall context of economic change and business innovation. More important are the vast number of new opportunities being opened by information technology today.

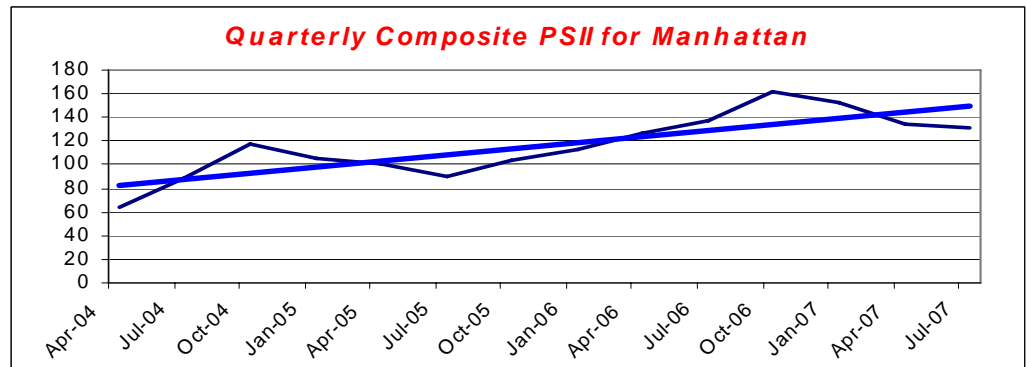
“This is the view of an optimistic contrarian who believes that we are well positioned to reclaim global IT leadership.”

--Naomi Seligman
Co-chair,
CIO Strategy Exchange
and
Senior Partner,
Ostriker von Simson, Inc.

Demand Increasing in Five Manhattan IT Job Categories

While many sectors of the IT job market grew in the 2nd quarter of 2007, the overall level fell below that at the end of the 1st quarter. The Pace/SkillPROOF IT Index (PSII) of 132 was 4% lower than the level of 136 in the 1st quarter and nearly 6% lower than a year ago.* However, the Quarterly Diffusion Index -- the percentage of categories with increased demand over the last quarter -- increased from 27.3 to 45.5, and the Yearly Diffusion Index registered 63.6, more than 18 points higher than a year ago.

The strongest demand during the 2nd quarter was for Computer Support personnel and Systems Analysts, in line with professional HR expectations. Growth also occurred for Network Administrators, Other Specialists, and Network Systems and Data Communications Analysts. Over the longer term, however, the historic trend of the IT market in Manhattan maintained an upward slope, indicating a healthy market in this sector.



For the complete data and analysis, go to [Historic Behavior of IT Job Categories](#).

*The base of this calculation became more robust as of the 1st quarter with the inclusion of 2006 data.

Pace/SkillPROOF Partnership Receives IBM Faculty Award

Susan M. Merritt, dean of Pace University's Seidenberg School of Computer Science and Information Systems, recently received a Faculty Award from IBM. The award will enable Pace University and SkillPROOF, Inc. to expand their research into other job markets and locations.

The IBM Faculty Award also comes with technology support from IBM's T. J. Watson Research Center. It will encourage SkillPROOF, Inc. to assume a leadership role in applying technologies such as deep Web mining and Natural Language Processing (NLP) to labor market research.

“We need to find and research the job requirement trends of employers locally and nationwide to offer a better understanding of their needs, and to help support career planning and decision making of students and professionals,” said Henning Seip, President of SkillPROOF, Inc. “IBM's cutting edge NLP technology will help us analyze job descriptions on a large scale and find answers about the future of the job market.” [\[read entire press release\]](#)

EARLY BAROMETER: WHAT THE INDEXES TRACK

The Pace/SkillPROOF IT Indexes comprehensively track job openings in New York County (Manhattan) and Westchester County, NY. Both use data obtained by SkillPROOF, Inc. The Pace Index is calculated in three formats: the weighted average of the job postings as a snapshot of the current IT job market, and year-to-year and quarter-to-quarter changes in major categories of the IT job market as diffusion indexes. For more information about the methodology visit the PSII Web site at <http://www.pace.edu/psii>.

The PACE/SkillPROOF IT INDEX REPORT

Quote of the Month

"The real problem is not whether machines think but whether men do."

-- **B. F. Skinner**
Psychologist



Second Quarter Analysis

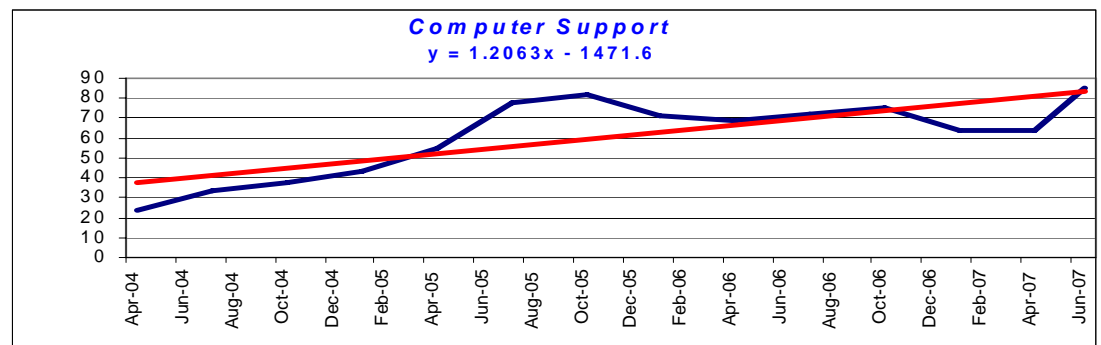
Although introduction of the new Microsoft operating system has raised the demand for specialists, the overall job market showed little activity in Manhattan this quarter, declining by 4%. The downward movement was consistent with the decline of the past three quarters, but at a slower rate. The 4% decline was better than the 5% dip in the overall job market reported by various media.

Of the 11 categories tracked by SkillPROOF, Inc., five categories increased substantially over the previous quarter, and seven showed increased demand over the same quarter in 2006. Currently, demand for Computer Support specialists and Network Administrators has increased, while that for Network Systems and Data Communications Analysts has remained relatively steady.

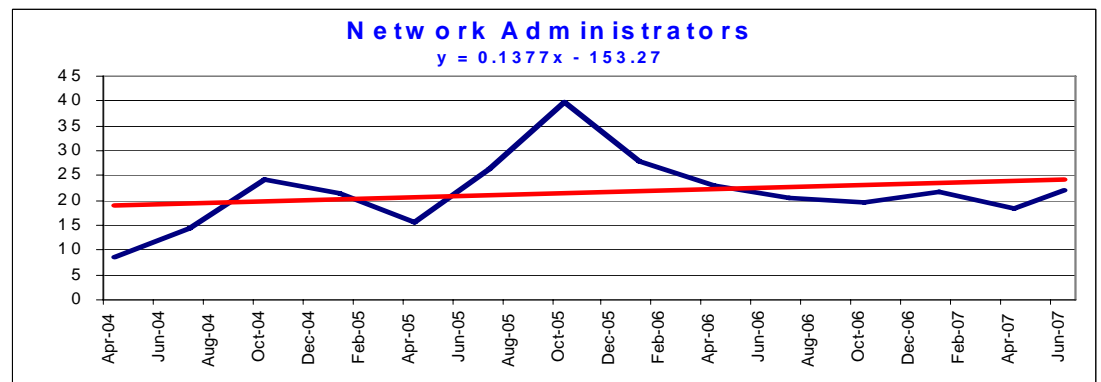
Keep up with the IT Job Market: visit www.skillproof.com

To follow regional IT job markets more closely, visit www.skillproof.com.

SkillPROOF's monthly IT Job Market Report provides information and analysis about trends relating to the skills and occupations increasing in demand in the major high-tech areas of the U.S. including New York City and Silicon Valley.



The strong demand for the Other Specialists category for the past three quarters may be an indication of overall uncertainties about the shape of technology. Firms may be postponing hiring until the market is more robust and may be satisfying their immediate needs by hiring in this more general category. In the 2nd quarter, the overall demand for Other Specialists increased by more than 28% over the 1st quarter and more than 40% over a year ago.



CONTACT INFORMATION

For comments, clarification or additional information, please e-mail ITindexinfo@seidenberg.pace.edu
To learn more about Pace's Seidenberg School, visit www.seidenberg.pace.edu

Sponsor and Project Oversight: **Susan M. Merritt, Ph.D., Dean**, Seidenberg School of Computer Science and Information Systems
Modeling and Economic Analysis: **Farrokh Z. Hormozi, Ph.D.**, Department of Public Administration
Data Provided by: **Henning C. Seip, SkillPROOF, Inc.**
Editor: **Christopher T. Cory**
Production Editor: **Louise P. Kleinbaum**
Web Designer: **Seung-Seok Choi**