

The PACE/SkillPROOF IT INDEX REPORT

NEW YORK COUNTY (MANHATTAN) REPORT
JULY 2008



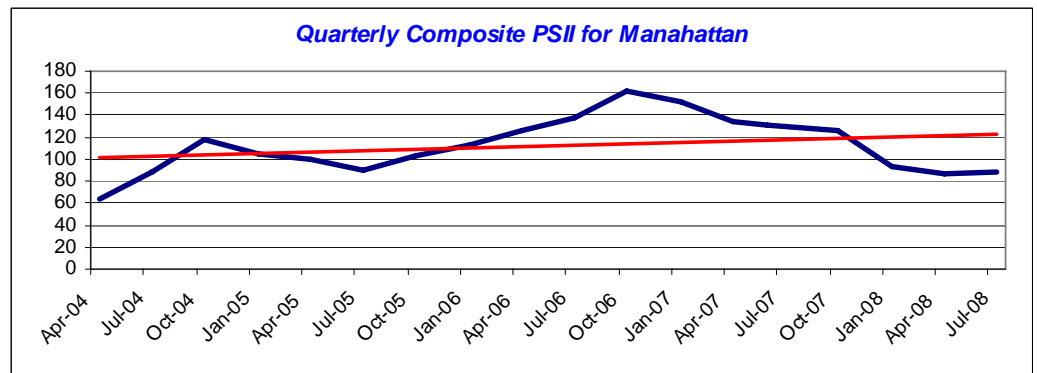
"Most of The Dannon Company's IS/IT Business Solutions team operates out of Westchester County. As a growing business, we have increased need for IS/IT talent experienced in SAP and business processes. Our ability to staff current openings is becoming increasingly difficult.

"It is apparent to me that we need to encourage more students to study computing. The demand for knowledgeable IS/IT professionals is certainly there."

-- E. Jeffrey Hutchinson
CIO, The Dannon Company and
CIO, North America - Groupe
Danone

IT Employment Market in Manhattan Defies Overall Decline

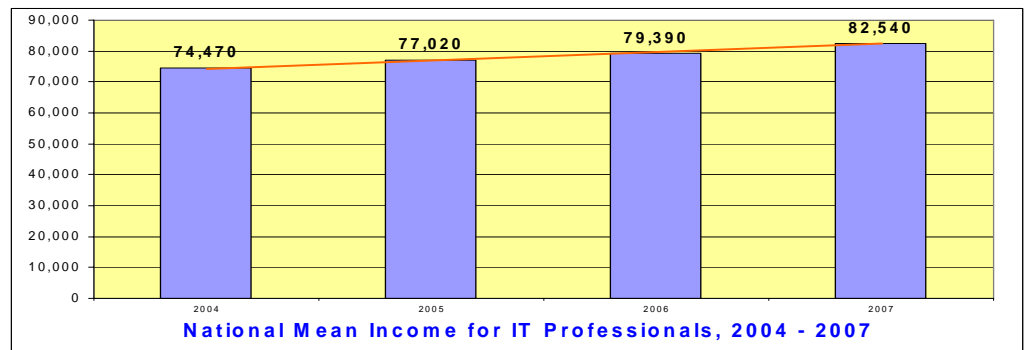
Worries about employment abound, but New York City (Manhattan) appears to be an exception in regard to the job IT market. Report after report points to the resilient IT job market in Manhattan and this index supports that position. In the 4th quarter of 2007, the PSII showed a healthy reversal from the previous two quarters. The PSII for the 2nd quarter of 2008 registered 88, one percentage point higher than for the 1st quarter, and over 24 percent higher than the 64 registered two years ago when the PSII started tracking the job market. As grim as the general labor market appears, in the quarter the IT industry had a positive turn, with 7 of the 11 categories showing growth, 1 remaining flat, and only 3 declining.



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

Positive Growth for IT Specialists through 2014

According to the BLS, the category **Computer Scientists, Research** will capture 16 percent of the total IT jobs by 2014. The mean income in 2007 for IT professionals nationally was reported to be \$82,540, at an average increase of 10.8 percent, while in the New York metro area, the average salary in the high-tech market was over \$92,000 with a similar, greater-than-10-percent growth rate.



EARLY BAROMETER: WHAT THE INDEX TRACKS

The Pace/SkillPROOF IT Index is a comprehensive index that tracks job openings in New York County (Manhattan) and in a separate report, Westchester County, NY. Both versions use data obtained by SkillPROOF, Inc. Using this data, the Pace Index is then calculated in three formats: the weighted average of the job postings as a snapshot of the current IT job market, 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>.

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Quarterly Quote

“Look at market fluctuations as your friend rather than your enemy; profit from folly rather than participate in it.”

Warren Buffett
Chair, Berkshire Hathaway

New York region tops nation in high-tech jobs

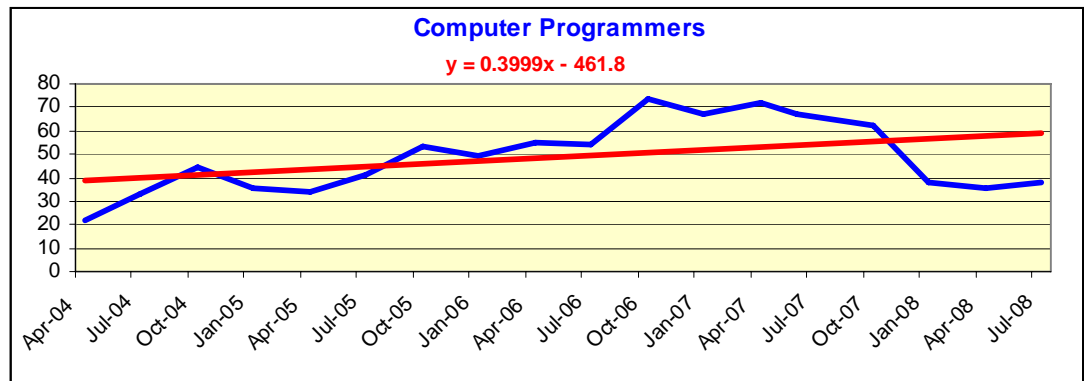
Amanda Fung,
Crain's NY Business
June 24, 2008

“The New York metro area was the second-fastest growing city for high-tech employment, according to a recent report published by AeA, a national tech industry trade association. The region added 6,400 tech jobs in 2006 from the prior year. Seattle experienced the largest tech job growth, adding 7,800 jobs.

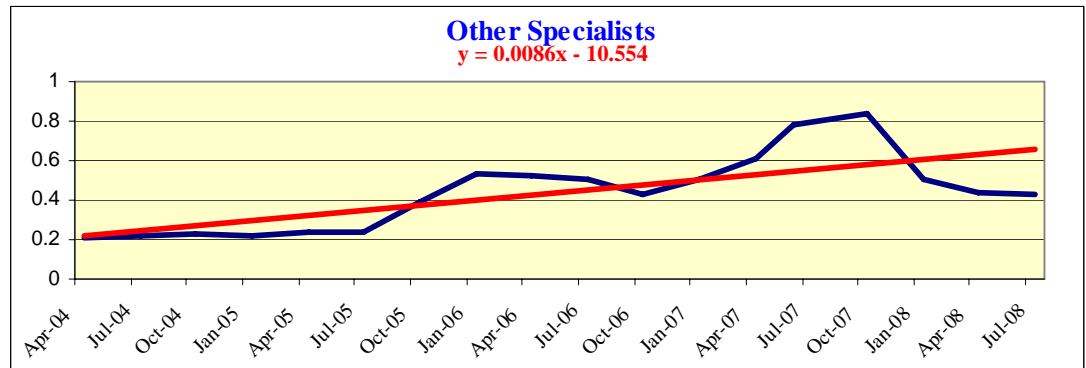
“According to the report, high-tech jobs significantly contributed to the local economy. In 2006, the average high-tech wage was \$91,500 in the New York metro area--46% higher than the average private-sector wage. There were 20,200 high-tech companies in the New York metro area with a payroll of \$28.9 billion.”

Second Quarter Analysis

The behavior of the IT job market during the 2nd quarter of 2008 exceeded its own expectations as well as those of the labor market as a whole. While the overall employment picture in New York City was worsening, the IT employment market showed pockets of strength in the 11 categories tracked by SkillPROOF. The largest gain was for **Computer Programmers**, an increase of 3.14 points, followed by **Computer Support Specialists** and **Network Administrators**.



Among the few that lost ground in the 2nd quarter were **Software Engineers Applications** followed by **IT Managers**. Since demand for the latter is generally cyclical, the mild decline was expected because the category displayed a relatively healthy increase during the 1st quarter. Demand for **Other Specialists** remained flat as indicated by the graph below.



The resilient nature of the IT Job Market in New York City is expected to continue through the next two to three quarters, even though the economy as a whole may continue to decline due to rising oil and food prices.

CONTACT INFORMATION

Sponsor and Project Oversight: **Constance Knapp**, PhD, Interim Dean, Seidenberg School of Computer Science and Information Systems
 Modeling and Economic Analysis: **Farrokh Z. Hormozi**, PhD, Department of Public Administration, Dyson College of Arts and Sciences
 Data Provided by: **Henning C. Seip**, SkillPROOF, Inc., www.skillproof.com
 Editor: **Louise P. Kleinbaum**
 Consulting Editor: **Christopher T. Cory**
 Web Designer: **Seung-Seok Choi**

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