Hiring in the Back Half of 2016 is Expected to Look a Lot Like 2015, But With Better Wages

CareerBuilder’s Midyear Forecast Reveals Hot Areas for Hiring By Industry, Function, Company Size and Region

The U.S. hiring outlook for the next six months is expected to mirror the same period in 2015 - but paychecks will likely become a little bigger - according to CareerBuilder’s nationwide survey of 2,153 employers and 3,244 workers. More than half of employers will raise wages for current employees, while 2 in 5 will offer higher starting salaries on job offers in the second half of the year.

The nearly 1 in 4 workers (23 percent) who plan to change jobs before the end of the year will see new job openings for full-time, part-time and temporary work.

In the second half of 2016:

- 50 percent of employers plan to hire full-time, permanent workers, on par with 49 percent last year
- 29 percent of employers plan to hire part-time employees, on par with 28 percent last year
- 32 percent of employers plan to hire temporary or contract workers, down slightly from 34 percent last year

Based on our study, the U.S. job market is not likely to experience any major dips or spikes in hiring over the next six months compared to last year. While certain industries or locations may produce more job growth, hiring overall will hold steady throughout the election season and through the end of the year. Where we’ll likely see a more noteworthy change is in the area of wages. The number of hires made each month continues to lag the number of jobs posted for key functions within organizations, and the majority of employers feel they will now have to pay workers more to attract and retain them because the talent supply is not keeping up with demand.

Matt Ferguson
CEO of CareerBuilder and co-author of The Talent Equation

*Totals may not equal 100 percent due to rounding or the ability to choose more than one response.
How much are employers willing to boost wages?

Looking at a subset of human resources managers, 70 percent feel their companies will have to start paying workers higher wages because the market has become increasingly competitive for the skills and labor needed.

Among all employers (hiring managers and human resources managers), 39 percent reported they will offer higher starting salaries for new employees over the next six months; 20 percent of all employers plan to increase starting salaries on job offers by 5 percent or more. More than half (53 percent) of employers plan to increase compensation levels for current employees before year end and, similar to salaries on new job offers, 21 percent said the compensation increase for existing staff will likely be 5 percent or more.

*Totals may not equal 100 percent due to rounding or the ability to choose more than one response.
What are the hot industries and functions for hiring?

Information Technology (68 percent), Health Care (65 percent), Financial Services (56 percent) and Manufacturing (51 percent) are among industries expected to outperform the national average for full-time, permanent hiring in the back half of 2016.

Looking across all industries, 1 in 6 employers (16 percent) said they plan to hire more recruiters in the next six months to help bring new talent in the door.

Some of the in-demand roles employers said they will be recruiting for in the second half of the year are those tied to:

- Cloud technology – 12%
- Mobile technology – 11%
- Social marketing – 11%
- Providing a good user experience – 11%
- Developing apps – 9%
- Wellness – 9%
- E-commerce – 9%
- Financial regulation – 9%
- Managing and interpreting Big Data – 8%
- Cyber security – 8%

Among broader functional areas, employers will be hiring for:

- Customer Service – 29%
- Sales – 27%
- Information Technology – 25%
- Production – 20%
- Accounting/Finance – 13%
- Human Resources – 13%
- Clinical – 12%
- Business Development – 11%
- Marketing – 11%
- Research and Development – 11%

¹ Health Care organizations with 50 or more employees

*Totals may not equal 100 percent due to rounding or the ability to choose more than one response.
Are small businesses growing bolder in their hiring plans?

While full-time, permanent hiring among most small, medium and large organizations is expected to be on par with the back half of 2015, a 5 percentage-point acceleration is anticipated for small businesses with 251 to 500 employees:

- **50 or fewer employees:** 27% hiring, the same as last year
- **51 to 250 employees:** 53% hiring, up from 51 percent last year
- **251 to 500 employees:** 64% hiring, up from 59 percent last year

Among larger companies with more than 500 employees, 3 in 5 hiring managers (62 percent) plan to add full-time, permanent headcount at their location, the same as last year.

Which region will hire the most?

In addition to reporting the largest year-over-year gain for the percentage of employers expecting to add full-time, permanent staff, the West is also outpacing the other regions. The Northeast is the only region that reported a decline — though it is still near the national average for hiring — while the Midwest continues to lag the national average. Hiring in the South will be akin to last year and match the national average.

- **West:** 53% hiring, up from 46% last year
- **South:** 50% hiring, on par with 49% last year
- **Northeast:** 49% hiring, down from 52% last year
- **Midwest:** 46% hiring, the same as last year

*Totals may not equal 100 percent due to rounding or the ability to choose more than one response.*
What is the outlook for Q3?

A third of employers (34 percent) plan to add full-time, permanent headcount in the third quarter, the same as Q3 2015. Eight percent of employers expect to downsize staffs, relatively unchanged from 7 percent in Q3 2015. Fifty-four percent anticipate no change and 4 percent are undecided.

In Q2, the number of employers who actually hired was 40 percent, on par with 39 percent last year. Nine percent decreased headcount, the same as last year.
Survey Methodology

The nationwide survey was conducted online within the U.S. by Harris Poll on behalf of CareerBuilder among 2,153 hiring managers and human resources managers ages 18 and over (employed full-time, not self-employed, non-government) and 3,244 employees ages 18 and over (employed full-time, not self-employed, non-government) between May 11 and June 7, 2016 (percentages for some questions are based on a subset, based on their responses to certain questions). With pure probability samples of 2,153 and 3,244, one could say with a 95 percent probability that the overall results have sampling errors of +/- 2.11 and +/- 1.72 percentage points, respectively. Sampling error for data from sub-samples is higher and varies.

About CareerBuilder®

As the global leader in human capital solutions, CareerBuilder specializes in cutting-edge HR software as a service to help companies with every step of the recruitment process from acquire to hire. CareerBuilder works with top employers across industries, providing job distribution, sourcing, workflow, CRM, data and analytics in one pre-hire platform. It also operates leading job sites around the world. Owned by TEGNA Inc. (NYSE:TGNA), Tribune Media (NYSE:TRCO) and The McClatchy Company (NYSE:MNI), CareerBuilder and its subsidiaries operate in the United States, Europe, South America, Canada and Asia. For more information, visit www.careerbuilder.com.

Media Contact

Jennifer Sullivan Grasz
773-527-1164
jennifer.grasz@careerbuilder.com
http://www.twitter.com/CareerBuilderPR