



Higher Education Employment Report

Second Quarter, 2009 / August 2009

Executive Summary

In contrast to overall U.S. employment, higher education employment continues to grow. Higher education jobs were up 3.5 percent in H1 2009 from H1 2008. For comparison, total jobs across the U.S. economy were *down* by 3.5 percent over the same time period. Colleges and universities do appear to be trying to trim their payrolls, however, as evidenced by the significant decrease in advertised job openings in the sector and increase in part-time positions.

As of the second quarter of 2009, analyses of Bureau of Labor Statistics (BLS) data on higher education employment as well as job posting trends on HigherEdJobs.com show:

- The growth trend for the total number of jobs in higher education in Q2 2009 continues to grow, bucking overall employment trends.
- While the number of jobs in higher education has continued to increase, the number of advertised job openings has decreased significantly but showed signs of bottoming out in Q2 2009.
- The ratio of faculty to non-faculty job openings returned to historical patterns during Q2 2009, decreasing from the prior quarter. When compared on an annual basis however, the percentage of faculty postings remains high.
- Demand for employees at community colleges is expected to be strong, driven in part by the poor economy and expected federal government support.
- The ratio of part-time postings in higher education continues to increase, likely as a result of the recession.

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About HigherEdJobs.com

HigherEdJobs.com is the leading source for jobs and career information in academia. During 2008, more than 2,900 colleges and universities posted over 67,000 faculty, administrative and executive job postings to the company's web site. HigherEdJobs.com is visited over two million times each month.

Founded in 1996, HigherEdJobs.com's mission is to help higher education professionals and employers connect with one another to fulfill their career and organizational goals.

HigherEdJobs.com is published by Internet Employment Linkage, Inc. (IEL). IEL is headquartered in State College, PA, and has an accounting and operations office in Oak Park, IL.

About this Quarterly Report

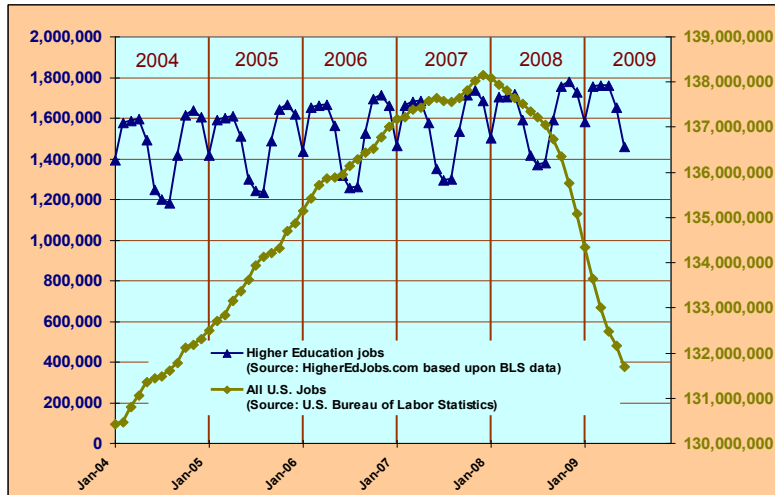
The HigherEdJobs.com Higher Education Employment Report provides summary information about employment within the higher education community. The goal of the report is to help academic leaders and policy makers better appreciate real-time trends we are experiencing in higher education employment. Those seeking jobs in academia will also appreciate these same data.

We define Higher Education Employment to include all types of employment at four-year colleges and universities, as well as two-year community colleges and technical schools.

HigherEdJobs.com has over 1,000 colleges and universities subscribed to its unlimited posting plan, a relevant point for this report since these schools have no financial deterrent to posting their jobs.

This Higher Education Employment Report was produced by HigherEdJobs.com with critical analysis and expertise provided by Bruce Steinberg (www.brucesteinberg.net), an independent employment researcher. Steinberg evaluated information from our data files at HigherEdJobs.com as well as data published by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor.

Finding: The growth trend for the total number of jobs in higher education in Q2 2009 continues to grow, bucking overall employment trends.



The growth in the number of jobs in higher education continues to be strong. The number of higher education jobs grew 3.1 percent year-over-year in June 2009 (from June 2008). This follows annual increases of 5.0 percent in June 2008, 2.3 percent in June 2007, and 1.5 percent in June 2006.

The blue line in the chart signifies all jobs in higher education, according to an analysis by HigherEdJobs.com of BLS data (see *note at the end of this section*). As noted in the previous report, the analysis shows a clear decrease in the number of jobs in higher education during the summer months, a pattern consistent with nine-month employment contracts for many academic employees. The green line signifies all U.S. jobs across the entire economy (rescaled to better illustrate the recent decline starting in January 2008).

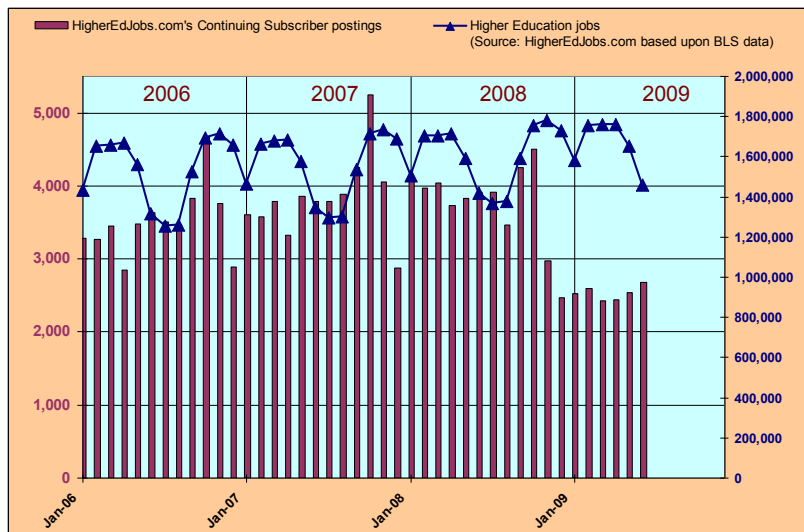
The increase in jobs in higher education is in sharp contrast to the overall economic cycle. From December 2007 (the peak of the current employment cycle) to the end of Q2 2009, the total number of jobs in the U.S. has declined by 4.6 percent. In comparison, higher education jobs were up 3.5 percent in H1 2009 (from H1 2008).

Academia tends to be counter-cyclical to the overall U.S. economy. Student enrollments tend to increase during an economic downturn, increasing tuition revenue at some institutions. This may help explain why jobs in higher education can increase when overall jobs are down. Unfortunately, reliable data regarding college enrollments are only current to 2006.

While the number of higher education jobs is still increasing, institutions face pressures that could ultimately lead to future decreases in higher education jobs. First, if the economy sinks too far, students who otherwise may have attended college may be unable to afford to do so. In addition, while some states are still negotiating their final appropriations, the preliminary results for the new fiscal year are not encouraging. Finally, endowment revenues may continue to decline, causing further financial problems for independent colleges and universities that depend on endowment earnings.

Note: The federal government does not define "higher education" per se. The term as used in this report is the combination of two NAICS (North American Industry Classification System, the program that tracks jobs by sector) sectors: Junior Colleges (NAICS 611200), and Colleges and Universities (NAICS 611300). The data were collected by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor.

Finding: While the number of jobs in higher education has continued to increase, the number of advertised job openings has decreased significantly but showed signs of bottoming out in Q2 2009.



While the number of jobs in higher education has continued to increase, hiring for open positions in the industry appears to have decreased significantly.

The purple bars in the chart above signify monthly job openings posted to HigherEdJobs.com by U.S. colleges and universities that have continuously subscribed to the company’s unlimited posting plan since at least January 1, 2006 (roughly equating to the retail sector’s reporting of annual changes of “same-store sales”). This group consists of about 700 colleges and universities. Since these schools pay a flat annual fee for unlimited recruitment advertising on HigherEdJobs.com, they have no financial deterrent to discourage them from posting their job openings. As a result, changes in their total postings can be seen as proxy for hiring trends in higher education.

As the chart shows, advertised job openings in higher education have decreased significantly since November 2008. This trend continued during Q2 2009. The number of advertised job openings from “continuous subscribers” to HigherEdJobs.com decreased 33.2 percent in Q2 2009 (from Q2 2008) compared to a gain of 4.7 percent in Q2 2008 (from Q2 2007).

Historically, postings increase throughout the

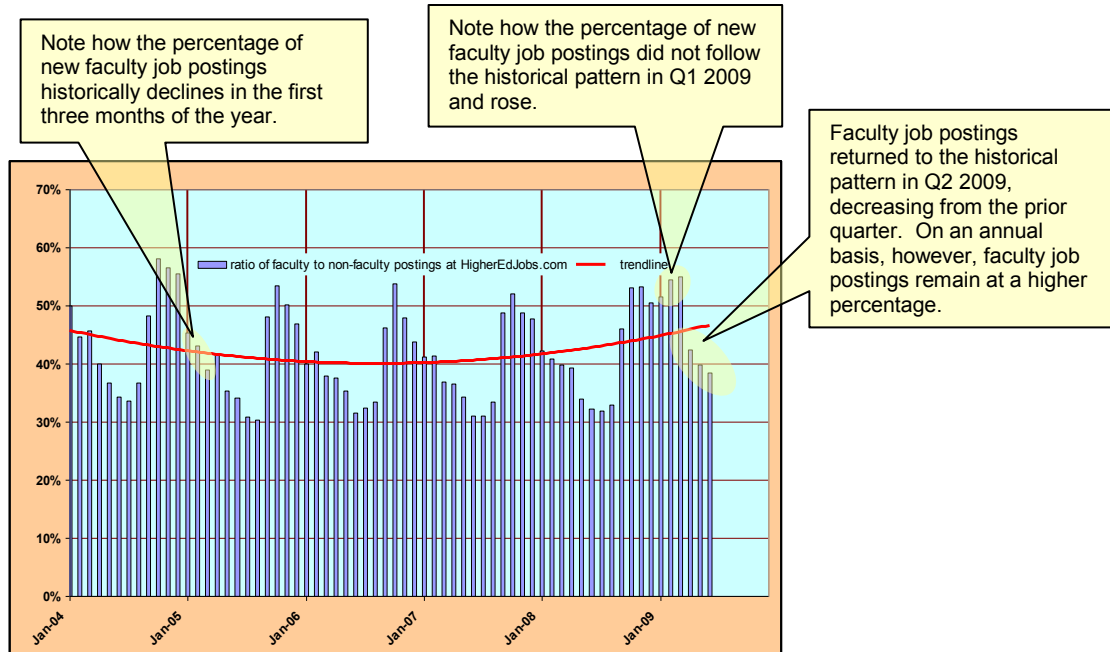
second quarter as institutions prepare for the fall semester.

This trend held in Q2 2009, albeit at a lower and slower level. Advertised job openings from “continuous subscribers” to HigherEdJobs.com increased 1.4 percent in Q2 2009 from Q1 2009. A year earlier, they were down 4.6 percent in Q2 2008 from Q1 2008.

A couple factors could be causing the decrease in advertised openings. First, given the financial problems many institutions are facing, many colleges and universities may be electing to not refill positions as they become open, eliminating responsibilities or consolidating them with other positions. Also, economic uncertainty may be leading higher education professionals to stay with the stability of their current employer. In addition, older employees who were planning on retirement may be delaying their plans until their retirement accounts recover, creating a potential bottleneck of employees who may retire in rapid succession.

Considering that the number of employees in higher education has continued to increase, even as the number of advertised jobs has decreased, it appears the collective efforts of colleges and universities to reduce their payrolls (hiring freezes, early retirement, targeted layoffs) are having minimal effect at a macro level.

Finding: The ratio of faculty to non-faculty job openings returned to historical patterns during Q2 2009, decreasing from the prior quarter. When compared on an annual basis however, the percentage of faculty postings remains high.



As colleges and universities continue to struggle under financial constraints brought on by the current recession, they appear to be concentrating recruitment on academic faculty while moderating hiring of non-faculty positions.

On a year-to-year basis, however, the ratio of faculty postings still shows an increase. The ratio of faculty to non-faculty postings for Q2 2009 was 40.3 percent, compared to 35.2 percent in Q2 2008.

The blue bars in the chart above show the monthly ratio of faculty to non-faculty job openings posted to HigherEdJobs.com. The red line signifies the trend line for the same data.

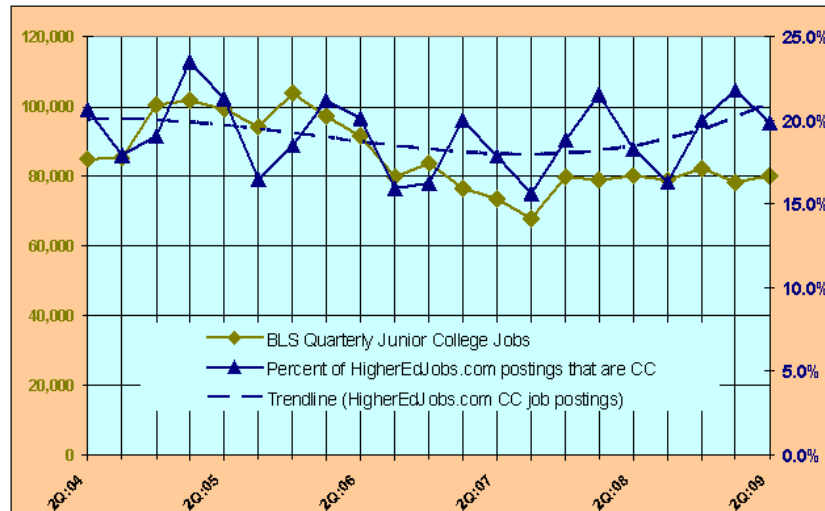
The current economic downturn is forcing many colleges and universities to prioritize how they spend their resources. Based on the types of jobs institutions are posting, it appears many institutions are choosing to focus their resources toward faculty positions and away from non-faculty jobs. This trend accelerated in Q1 2009 and continued through Q2 2009.

Typically, faculty hiring peaks in the fall semester as departments firm up their hiring plans for the subsequent fall semester. During Q1 2009, however, the normal cyclical pattern of faculty hiring changed.

In fact, the percentage of new faculty positions added to HigherEdJobs.com during the first quarter of 2009 increased compared to the last quarter of 2008.

The ratio of faculty job postings returned to normal seasonal patterns during Q2 2009, decreasing from the prior quarter.

Finding: Demand for employees at community colleges is expected to be strong, driven in part by the poor economy and expected federal government support.



Employment trends at community colleges appear to be changing. The number of people employed at community colleges was around 100,000 until 2006, when it dropped to around 80,000 and has stayed there for the past few years.

HigherEdJobs.com’s posting data has tracked well with the BLS data over most of this period. As the number of people employed at community colleges decreased, so did the percentage of advertised job openings at community colleges.

During Q2 2009, however, the trends diverged. The number of people employed at community colleges remained flat while the percentage of advertised jobs from community colleges increased.

The percentage of advertised jobs from community colleges increased from 19.9 percent in H1 2008 to 20.9 percent in H1 2009.

The current recession creates an opportunity for community colleges to offer additional skills and training, at low-cost, for workers who may have found themselves un- or under-employed.

According to the White House, "jobs requiring at least an associate's degree are expected to grow twice as fast as those where college education is not required." In addition, the White House "called for an additional 5 million community college degrees and certificates by 2020."¹

Enrollments in two-year community colleges are expected to boom in the near-term future as the bad economy drives some students to a less expensive alternative. According to *The Washington Post*, "Tens of thousands of students ... across the country are choosing community colleges for the first time."²

Based on increases to the percentage of advertised jobs at community colleges and expected increases in community college enrollment, HigherEdJobs.com expects job growth at community colleges to be strong.

Sources:

¹President Barack Obama, July 14, 2009, excerpts of the President’s remarks in Warren, Michigan, retrieved August 10, 2009, The White House, http://www.whitehouse.gov/the_press_office/Excerpts-of-the-Presidents-remarks-in-Warren-Michigan-and-fact-sheet-on-the-American-Graduation-Initiative/

²Valerie Strauss, May 31, 2009, Community Colleges Get Student Influx In Bad Times, retrieved August 10, 2009, *The Washington Post*, <http://www.washingtonpost.com/wp-dyn/content/article/2009/05/30/AR2009053001762.html>

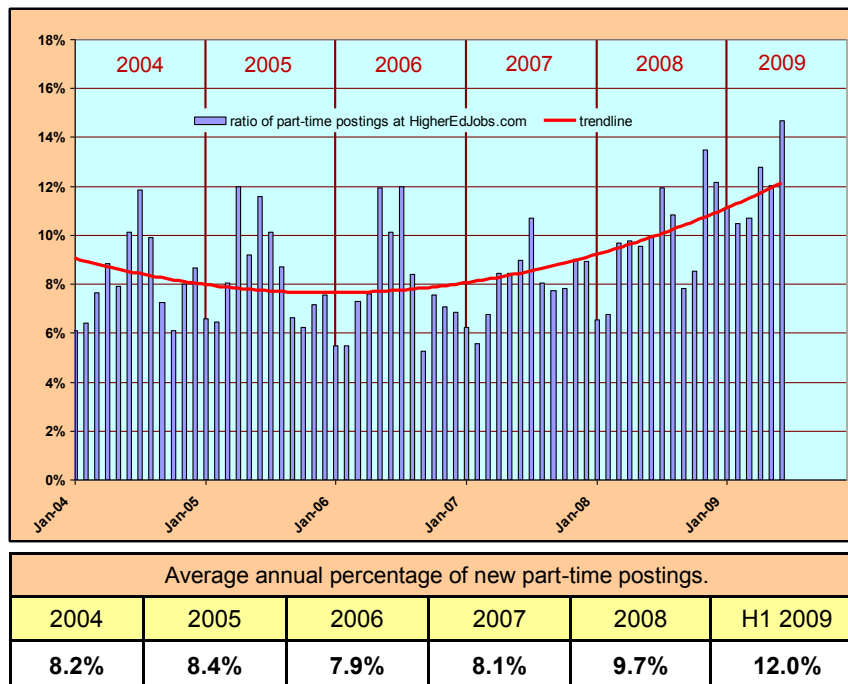
As colleges and universities continue to look for ways to decrease their expenses, it appears they are increasingly turning towards part-time positions. From 2004 to 2007, approximately eight percent of the jobs posted to HigherEdJobs.com were for part-time positions.

Starting in 2008, when the recession began, the annual percentage of new part-time postings on HigherEdJobs.com increased to 9.7 percent. In the first half of 2009, 12.0 percent of new postings were for part-time positions. And by July 2009, that ratio reached an all-time high of 14.7 percent.

Finding: The ratio of part-time postings in higher education continues to increase, likely as a result of the recession.

Financial constraints are likely influencing administrators to match payroll dollars with services delivered. The increased use of part-time staff is at least one method to achieve that goal. Another possibility may be that universities are evaluating their support needs and are considering the extent to which some services may be better filled with a less-than-full-time job format.

Please note that the percentage of advertised full- and part-time job openings on HigherEdJobs.com does not necessarily reflect the overall percentage of full- and part-time positions within academe; however, as we observe changes in this percentage, we may be able to infer changes in the overall balance of employment.



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