

HOW WILL YOUR RECRUITING DESK BENEFIT FROM THE STIMULUS PACKAGE?

Many executive search firms continue to see deep revenue losses as a result of the hiring freezes and layoffs during this down market. But with the first of the stimulus spending just around the corner and an estimated 3.6MM-4MM jobs created or saved in the next two years, recruiting professionals may soon start experiencing an uptick in client orders and job requisitions.

As the many programs outlined in the Recovery Act start to roll out, employers in the private sector will begin beefing up their ranks for projects and contracts they intend to pursue. Look for future hiring spurts in construction management, architecture, engineering and building material manufacturers that will result from the more than \$150B in stimulus spending set aside for infrastructure and energy projects.

spending at a minimum. But a first time home buyer with \$8,000 to spare may head to Home Depot for materials to paint and touch-up the house. They may also pay a visit to the furniture store for a new couch or to IKEA for new kitchen cabinets. Don't forget the upstream vendors and suppliers who make the components and material for the finished goods that consumers buy. All these businesses indirectly benefit from the tax credit.

JOBS CREATED/SAVED (in thousands)

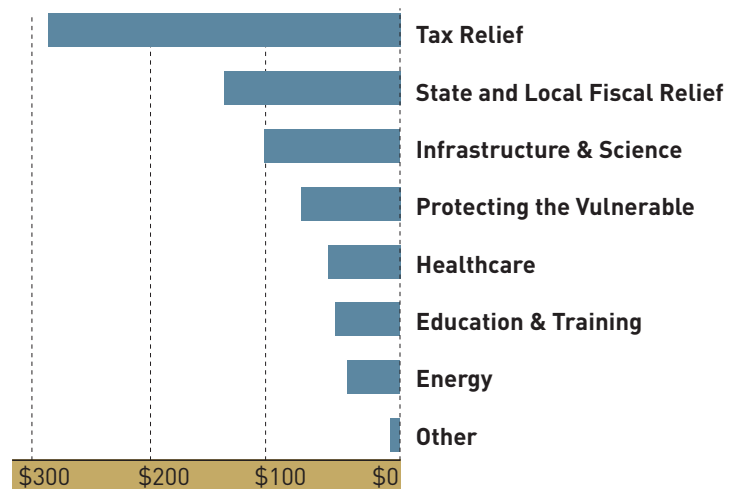
Difference in payroll employment in stimulus vs. no-stimulus scenarios	By fourth quarter 2010
Construction	669.9
Retail trade	524.2
Manufacturing	450.8
Professional and business services	450.4
Leisure and hospitality	435.2
Government	330.4
Financial activities	274.4
Education and health services	265.7
Wholesale trade	184.4
Other services	166.0
Transportation and warehousing	125.5
Information	79.9
Natural resources and mining	26.1
Utilities	10.7
TOTAL	3,994

Source: Moody's Economy.com

FROM FEDERAL BILL TO LOCAL BUSINESS

\$787 billion dollars is a lot of money. Even so, it may seem hard to believe that those dollars ever make their way to the local level, and in turn, into the pockets of businesses. But let's take the \$8,000 Home Owner Credit as an example. The retail industry has had an extremely rough time during the recession as worried consumers keep

Breakdown of Stimulus Funds
Funds Allocated (Billions)



GETTING A SLICE OF THE PIE

One way to tap into stimulus funds is to market to clients that receive contracts or are awarded grants which fall under the Recovery Act. Large government contractors in the engineering, procurement and construction space (Fluor Daniels, Jacobs Engineering, CH2M Hill, Raytheon, Bechtel, Day & Zimmerman, Emcor etc.) may see a boost in hiring as they pursue large infrastructure projects. To find companies awarded specific contracts and browse current government solicitations (across all sectors), visit the Federal Business Opportunities site at www.fbo.gov or www.grants.gov.

STIMULUS PLAN HIGHLIGHTS¹**Infrastructure & Science Total: \$116B**

Appropriation Examples	Impacted areas:
\$27B for highway investments	Construction/civil engineering, project management, construction management
\$17B for public and military housing/federal bldgs/facilities/VA hospital construction & modernization	Construction/engineering/building materials, project management, construction management
\$8.7B for mass transit	Construction/civil engineering, project management, construction management, urban planning
\$7.0B to increase broadband access	Telecom, network engineering/IT, software engineering, electrical engineering, network & consumer hardware, project management
\$6.4B for environmental clean-up, clean water and water infrastructure improvements	Research and development, construction/civil engineering, quality control engineering, environmental engineering, wastewater plants
\$4.6B Army Corps of Engineers—waterway maintenance & operation	Construction/civil engineering, rivers, canals, bridges, dams

Energy Total: \$40B

Appropriation Examples	Impacted areas:
\$12.3B for energy efficiency projects	Insulation, weatherproofing materials, energy efficient lighting/appliances
\$8.5B for renewable energy projects	Wind, solar & electricity transmission companies
\$4.5B for smart-grid activities	Electrical engineering, power generation companies, research and development etc.

Health Total: \$59B

Appropriation Examples	Impacted areas:
\$3.0B for computerization of health records	Healthcare IT consulting, data warehousing firms, IT project management, programming

INFRASTRUCTURE— Also keep an eye on companies that manufacture building parts and materials (Sherwin Williams, Weyerhaeuser, Alumina, Alcoa, Cemex), companies that produce the synthetics that go into making building materials (glass, plastics, foam, etc. from Rohm and Haas, DuPont, PolyOne, BASF, Air Products & Chemicals, FMC, Dow Chemical, Celanese, Eastman Chemical), and distributors (Home Depot, Wal-Mart, Lowe's.)

ENERGY— In the energy arena, First Solar, Gamesa, Vestas Wind Systems, Phillips, Exelon, PG&E, ConEdison, GE, Honeywell, SunPower, Duke Energy and auto companies investing in hybrids and electric cars are all ones to watch as companies take advantage of tax incentives to further green technology.

HEALTHCARE— On the healthcare modernization front, GE Allscripts, Cerner, IMS Health, EDS Healthcare, McKesson, Oracle and Siemens are potential players and beneficiaries of stimulus funds earmarked for the computerization of health records.

While the government maintains a list of vendors specifically for recruitment services (GSA Schedule), you don't need to get on the list to get your share of the stimulus funds.

If your company is certified as a small or woman/minority owned business, you may be in a good position to receive subcontracts from larger contractors that are required by the government to allocate a designated portion of the awarded contract to a small/minority-owned business. You can access a list of vendors at the GSA Library site.

THE ROAD TO RECOVERY

As the market struggles towards recovery, the stimulus bill and its various initiatives to upgrade infrastructure, modernize the healthcare system and focus on energy efficiency will create jobs in industry sectors that have been hurting through this recession. Those recruiters who can make a shift into industries experiencing growth can counterbalance lost revenue in other areas. Transitioning to another discipline can be risky, but search firms with idle resources that can thoroughly research and enter a specific niche in a growing sector are positioning themselves as market experts when the economy finally turns around.

ADDITIONAL RESOURCES:

www.recovery.gov
www.grants.gov
www.fbo.gov
www.gsaibrary.gsa.gov

¹ H.R. 1105 FY 2009 Omnibus Appropriations Act, Feb. 2009, http://appropriations.house.gov/FY2009_consolidated.shtml