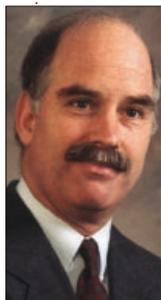


# DM Unemployment Bottoming Out?

The most widely followed employment report in the direct marketing industry, distributed to thousands of agencies, service providers and direct marketing organizations, the Bernhart Associates Employment Survey is now in its eighth year. It tracks an industry that employs and directly supports 10.9 million jobs in the United States, and accounts for approximately 10 percent of the total gross domestic product, according to the Direct Marketing Association.

Amid the obvious rise in layoffs and downsizings because of the economic downturn, there's also been fewer overall employment opportunities for new workers and experienced alike—which makes the survey more watched than ever, with everyone from direct mail copywriters and designers to general direct marketers and upper management looking for a halt to the bloodletting and hints of recovery.



**Name:** Jerry Bernhart  
**Title:** Principal  
**Organization:** Bernhart Associates Executive Search

The second quarterly report of 2009 was completed recently, and it had more direct marketing companies (260) participate than for any other survey, says Jerry Bernhart, owner and principal of Bernhart Associates Executive Search, based in Owatonna, Minn. “There are some hopeful signs that the two-year decline in direct marketing employment may soon be hitting bottom,” he asserts.

The highly anticipated survey of 2009's third quarter will be next. To read more about that, please visit our website and the online version of this article. In the meantime, here is my discussion with Bernhart about the many challenges that the direct marketing creative pool faces today.

**Boldt:** What was some of the best news in the second quarter report?

**Bernhart:** On the plus side, there was a 4 percent drop in hiring plans—the smallest quarter-to-quarter decline for that indicator in a year—while planned layoffs showed an unexpected reversal. Thirteen percent said they are planning to reduce head count during the current second quarter, down from 21 percent reported during the first quarter. The best news came in the hiring freeze category, with 30 percent of respondents reporting a hiring freeze, down considerably from 48 percent last quarter. Most marketers couldn't tell me when they planned to lift their freezes, but those that did give a time frame said six to nine months from the second quarter.

**Boldt:** And some of the worst?

**Bernhart:** Fewer companies are hiring right now. Sixteen percent of the companies responding said they are planning to add to staff during the current second quarter, the lowest percentage since the survey began in 2001. This is the eighth quarter in a row that hiring in direct marketing has been shrinking. So hiring levels are still falling, but the worst of the job losses may be over.

**Boldt:** How does this current recession rate with previous ones?

**Bernhart:** I've witnessed several downturns during the 20 years of my recruiting firm, but this is by far the worst. The impact on direct marketing is unprecedented. We're going to find out real soon with these third quarter results, as the second quarter really hadn't bottomed out yet. We could end up bumping along the bottom for a long time. Layoffs are still occurring on a fairly regular basis, and there's been many highly publicized bankruptcies.

The survey does tend to track changes with the GDP very closely, actually, and unemployment figures lag behind that. So the rest of this year will be very difficult, just as in other industries.

**Boldt:** From your day-to-day experience as a recruiter for this industry, what do you see

that may be positive for the creative pool, particularly those working in direct mail?

**Bernhart:** From where I sit, the calls for résumés continue to come in. There is no letup in the calls and résumés coming in. Many are still unemployed and are not happy. That being said, I don't know too many unemployed copywriters or designers. I actually have placed several copywriters since this thing tanked. I'm getting lots of résumés from marketers, sales guys, operations people, customer service folks, but not from copywriters.

Direct mail is about the list, the creative and the offer. Many of these copywriters were already self-employed, and there perhaps is enough demand for project-based work. Copywriting seems less impacted than marketing and operations, but not necessarily analytics and sales. The good ones are always hard to locate. The demand may be down, but the talent can offset that.

**Boldt:** Are there any opportunities out there right now?

**Bernhart:** For both copywriters and designers, it appears that incorporating digital and web skills also makes sense. Overall, for companies that are hiring, this is a rare window of opportunity to pick up top performers who may not be available when the economy gets back into growth mode.

The employment picture is actually brightest on the agency side. My latest survey results show that 30 percent of participating agencies planned new hires that quarter. Not only are agencies planning to do more hiring than their marketing and supplier counterparts, they're also expecting fewer layoffs.

**Boldt:** How are these new hires occurring?

**Bernhart:** When the survey asked how they're finding new employees, 28 percent said that employee/vendor referrals was the largest source of candidates, followed by direct hires at 12 percent and internet job boards at 14 percent. Less than 3 percent said they are sourcing hires through job postings on company websites. **IDM**