

# HIRING INDEX: GLOBAL AEROSPACE, DEFENSE & INTELLIGENCE AND GOVERNMENT CONTRACTORS

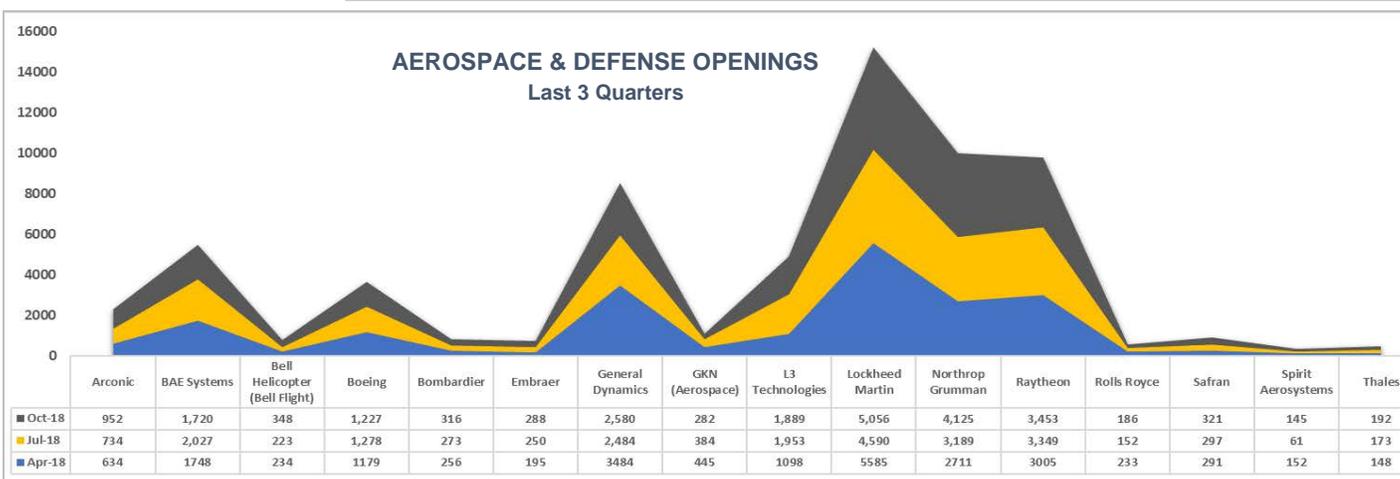
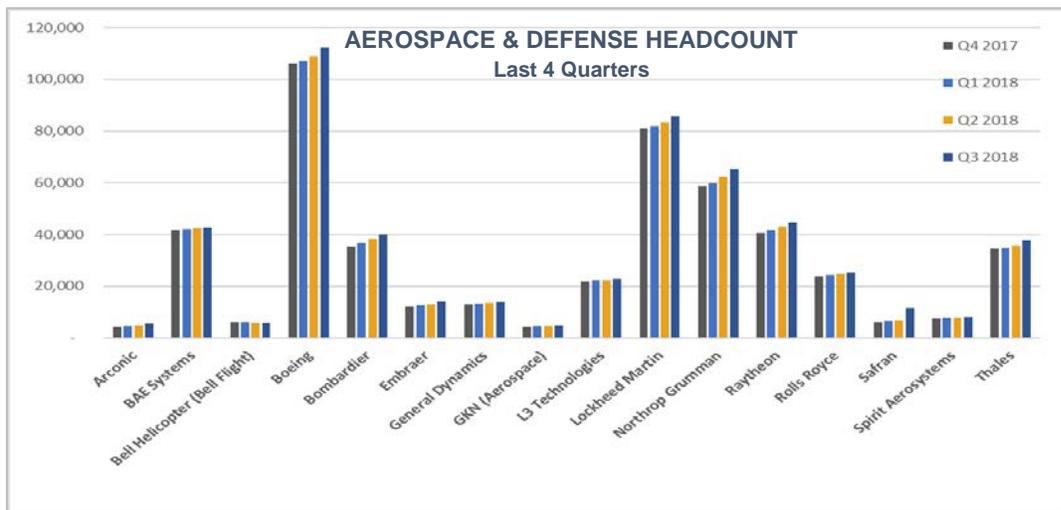
**KEY FINDING:** The war for talent continues across the industry, though there are signs of a post-midterm election slow down for government contracting firms. We will see if the slowdown is reflected in next quarter's data, and if any of the major aerospace companies start feeling the pinch from new tariffs.

## AEROSPACE & DEFENSE

The pace of hiring in Aerospace & Defense increased later in 2018, with a high likelihood that many of the newly hired professionals are from outside the industry. Given the talent shortage, we have seen an increased interest in candidates with relevant technical and business experience from other sectors. However, in many cases, we do not see adequate programs to mentor and coach these leaders. Time will tell if outside industry talent can make the cut over the long term.

### Headcount on the Rise

In the past three quarters, the 16 largest A&D companies added more than 33,000 employees. At the end of April, total headcount was 506,085. By July, it was 517,319 and in October, total headcount was 539,683 – a 4.3% increase over Q2.



### Optimistic Jobs Indicator

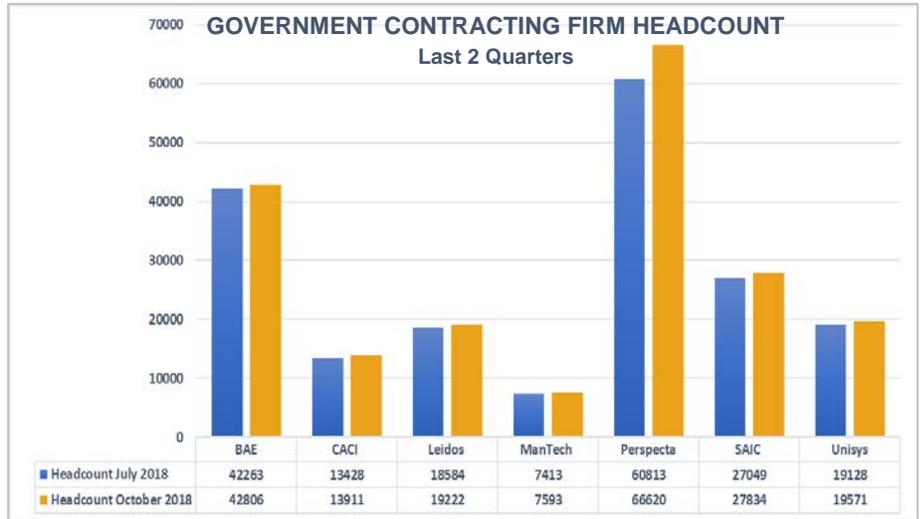
Job openings across the top 16 A&D companies continue an upward trajectory, with 12 of the 16 companies showing quarter-over-quarter growth. Total Q3 openings (23,080) were higher than Q2 (21,417).

## GOVERNMENT CONTRACTING

The Q2 2018 acquisition of CSRA by General Dynamics reduces the number of Government Contracting firms on this Hiring Index to seven companies. Headcount and job openings are up across the board, continuing a growth trend. However, we've seen a slowdown since the mid-term elections that we'll track closely as the market settles into the new federal landscape.

### Continued Headcount Growth and Strong Job Openings

Total headcount for the seven largest government contractors is up a healthy 4.7% at the end of Q3 (197,557) compared to Q2 (188,678), once adjusted for CSRA. Perspecta added the most employees, up 9.5% over last quarter. CACI and Leidos followed with 3.6% and 3.4% growth, respectively. After normalizing for company size, CACI and ManTech lead in percentage of openings compared to current headcount – a leading growth indicator.



## ZRG BOLSTERS AEROSPACE, DEFENSE & INTELLIGENCE PRACTICE

ZRG's Aerospace, Defense & Intelligence practice has added two senior professionals to the team. **Don Davis, Senior Associate**, brings over 30 years of HR operations and recruitment experience to the firm. Don started his career at IBM and spent the past 16 years as the Talent Acquisition Leader at Moog, Inc., a leading designer, manufacturer and supplier of motion control systems and components to the aerospace and defense markets. **Terry Petzold, Managing Director**, is a recruiting expert experienced in the cybersecurity and technology functional areas. He has a strong track record in the defense and intelligence sectors.

## ABOUT THE ZRG AEROSPACE, DEFENSE & INTELLIGENCE AND GOVERNMENT CONTRACTORS HIRING INDEX

The Index utilizes a proprietary algorithm that looks at hiring within the largest publicly traded Aerospace, Defense and Government Contracting companies. Only companies that are purely in those sectors are included, so some large but diversified players such as Honeywell, General Electric and UTC are not considered. Changes in companies created by mergers and acquisitions alter the quarter-to-quarter comparisons and, in some cases, result in adding or removing companies over time. The goal of the Hiring Index is to present general trends in Aerospace & Defense and Government Contracting sectors by relying on publicly available information. Public sector data are utilized from websites such as LinkedIn and Indeed.com for the majority of the graphs presented.

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