

Tech Industry Boasts Biggest Job Growth Since Bust

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Though still down 12 percent of its work force since 2000, the high-tech industry has made great strides in the past two years, finds a recent report.

Though still down a total of 809,100 jobs, or 12 percent of its work force since 2000, the high-tech industry has made great strides in the past two years towards recovering this loss, finds the Cyberstates 2007 report, released on April 24.

According to the report, released for the tenth consecutive year by the AeA, a Washington D.C.-based high-tech industry trade association, the high-tech industry added 146,600 jobs, or 3 percent of its work force, between 2005 and 2006, bringing total employment to 5.8 million in the United States.

"This is the second year in a row that high tech has added jobs, this more emphatically than the last. This growth of over 140,000 is going a long way to make up for the loss of one million jobs between 2000 and 2004," William T. Archey, president and CEO of AeA, told eWEEK.

The Cyberstates reports detail national and state trends in high-tech employment, wages and other related economic factors and covers all 50 states plus Washington D.C. and Puerto Rico.

State for state

In the state-for-state breakdown, the report noted some new trends. While it was little surprise that California led the United States in net job creation, adding 14,400 jobs, a state less known for its tech corridors - Florida - saw the second largest gains, adding 10,900. This was the second year in a row that Florida was among the top five states in tech employment creation.

"There's only five people in the state of Florida that understand that Florida has a huge high-tech market and two of them work for me," Archey said. "The state doesn't see itself in high-tech terms, largely because their tech jobs are spread all over the state, from Tallahassee to Miami, and there isn't one pocket that dominates."

Having a concentrated center of technology paid off for Virginia, whose Northern Virginia corridor allowed the state to surpass Colorado to lead the nation with the highest concentration of tech industry workers as a percent of the private sector work force (8.9 percent). Colorado previously owned this distinction for all ten years that the AeA has been publishing their Cyberstates report.

"Clustering is a notable phenomenon in the high-tech industry. High-tech companies like to go where high-tech companies already are. In other words, geeks like to be with geeks," Archey said.

"Colorado has always had a high concentration of technology jobs but they've lost a lot in the past year."

In fact, Colorado lost so many jobs in 2006 (1,700 high-tech jobs lost), it earned second place in the report's list of "Bottom 5 Cyberstates." Others on the list include Kansas (2,000 jobs lost), Oklahoma (1,100 jobs lost), Georgia (900 jobs lost) and Connecticut (800 jobs lost).

Industries detailed

The software services industry led the national growth in employment gains, adding 88,500 jobs between 2005 and 2006, or 6 percent growth. It was followed by engineering and tech services, which gained 66,300 jobs over the same period, a 4 percent growth. High-tech manufacturing added just 5,100 jobs with no percentage growth between 2005 and 2006.

Only the communications services industry struggled, losing 13,300 net jobs, or 1 percent of its total, in 2006.

Overall, high-tech unemployment fell to 4.6 percent in 2006 from 5.1 percent in 2005. Math and computer occupations also showed a decline in unemployment in 2006 (2.5 percent), as did computer and information system managers (2.3 percent). Only computer programmers (2.6 percent) and electrical engineers (1.9 percent) increased their unemployment rates in 2006.

"With an unemployment rate of less than 2 percent for electrical engineers, we're still at full employment. And we'd probably have added even more jobs if more American kids were taking math and science classes," Archey said.

Wage analysis

U.S. technology workers were paid an average wage of \$75,000 per year in 2005, according to the most recent wage data available. Average high-tech wages beat out their private sector counterparts by 86 percent.

Software service employees raked in the most in 2005, with their average annual salary of \$86,300 towering over their industry cohorts by \$6,000.

By sector, the best paid techies in 2005 were in the computer and peripheral equipment manufacturing industry, earning an average of \$103,700. They were followed by software publishers (at an average of \$100,300) and semiconductor manufacturers (\$95,125).

The U.S. high-tech payroll accounted for \$425 billion in 2005, or 10 percent of the total private sector payroll, according to the report.

Tech workers in California were paid the best, earning an average of \$95,300 in 2005, followed by Massachusetts (\$89,700) and New Jersey (\$84,200).

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