

Tech offers relative job security, statistics show

April 1 2009, By Elise Ackerman

Despite layoffs at tech stalwarts like Google, IBM, Microsoft and Electronic Arts, the impact of the recession on the tech industry is likely to be far less severe than on other areas of the economy, recent labor statistics suggest.

That's good news for California, which has close to 1 million high-tech [jobs](#), according to TechAmerica, an industry lobbying group that released a report Tuesday on the high-tech economy.

Last year, as the recession took hold, the tech industry as a whole added 77,000 jobs, while the private sector as a whole lost 800,000 jobs, according to the Cyberstates 2009 report.

Gains in the software industry alone, which added 86,200 jobs, more than made up for job losses in manufacturing and communications, which together cut 36,000 jobs. Indeed, even in the fourth quarter, when pink slips were handed out around the country, 12,600 jobs in software opened up, according to the Cyberstates 2009 report.

Josh James, director of research for TechAmerica, said data showing how many tech jobs were lost or gained last year in California was not yet available. There is also no data for the first three months of this year.

Figures from the Bureau of Labor Statistics for February show that tech continued to escape the brunt of the financial collapse, despite extensive business with Wall Street where some financial firms have gone belly up

or are severely cutting back on spending. U.S. [unemployment](#) rates for computer and math-related professions rose from 2.8 percent in 2008 to 5.4 percent in 2009. Likewise, unemployment for architecture and engineering occupations rose from 2.3 percent in 2008 to 5.4 percent in 2009.

"It is still a very low level," said Jed Kolko, an economist with the Public Policy Institute of California. "People in most industries and most occupations would be thrilled if their unemployment rate was 5.4 percent."

In contrast, unemployment for farming, fishing and construction industries was about 23 percent in February 2009. Unemployment was 13 percent for maintenance jobs and 11 percent for food preparation jobs, according to the Bureau of Labor Statistics.

A preponderance of those kinds of jobs has raised the unemployment level in California to more than 10 percent, economists said.

Jeffrey Michael, of the University of the Pacific Business Forecasting Center in Stockton, noted that business investment did not fall off until late 2008, which indicates that most job losses in tech are probably still ahead.

"There's no place to hide," said Stephen Levy, director and senior economist at the Center for Continuing Study of the California Economy. But while Levy and others expect layoffs at tech companies to continue next year, they say the reductions will not come close to the devastating numbers of jobs lost during the dot-com bust, and they expect a recovery to unleash demand for tech's products and services.

The stimulus bill, which will direct tens of billions of dollars in spending toward initiatives involving e-health, broadband deployment, green

technology and research and development is expected to be a bonanza for tech firms. Earlier this month, the California Budget Project estimated that the state could received more than \$3 billion in funding for health information exchanges, electronic records and other e-health projects.

"The hope is that we will be in recovery in 2010, and once we are in recovery, Silicon Valley should do very, very well," Levy said.

TECH WORKERS BY THE NUMBERS

U.S. high-tech employment totaled 5.9 million in 2008.

In 2008, tech employment was up by 77,000 or 1.3 percent.

There are almost 1 million tech jobs in California.

In 2008, software services added 86,200 net jobs and engineering and tech services added 26,600 net jobs.

In 2008, high-tech manufacturing lost 23,000 jobs and communications services lost 12,700 jobs.

Source: TechAmerica

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