

US tech sector job cuts highest since 2005: report

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Chicago-based consultancy firm Challenger, Gray & Christmas, Inc. said, however, that a sharp downward trend in the number of job cuts in

the second half of the year offers hope of a turnaround in 2010.

Challenger said the technology sector, which includes computer, electronics, and telecommunications firms, announced 174,629 planned job cuts last year.

The 2009 total was 12.3 percent higher than the 155,570 job cuts announced in 2008, it said, and the most since 2005, when tech sector employers announced 174,744 job cuts.

The firm said the pace of job cuts slowed as the year went on. There were 118,108 job cuts between January and June and 56,521 in the last six months of the year.

Challenger said the job cuts announced by the technology sector accounted for 13.2 percent of the 1.3 million job cuts announced across all industries last year.

It said electronics firms announced 65,300 layoffs, up 55 percent from the previous year, computer firms cut 65,261 jobs, about the same as in 2008, and the number of [job cuts](#) by telecoms firms fell 9.4 percent to 44,068.

"The recession's impact on the [tech sector](#) was inescapable," said Challenger chief executive John Challenger. "Even with the economy showing some nascent signs of recovery beginning the second half of year, many companies are holding off on investments in new technology.

"It's going to be a slow climb out of this recession, but computer and electronics firms should be among the first to see the turnaround, as companies try to postpone hiring by achieving productivity gains through technology."

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