

# Appcast Technology Snapshot

Recent Headlines Deserved a Footnote: Demand Remains  
High in Tech

**November 2022**



## Economy-wide breakdown

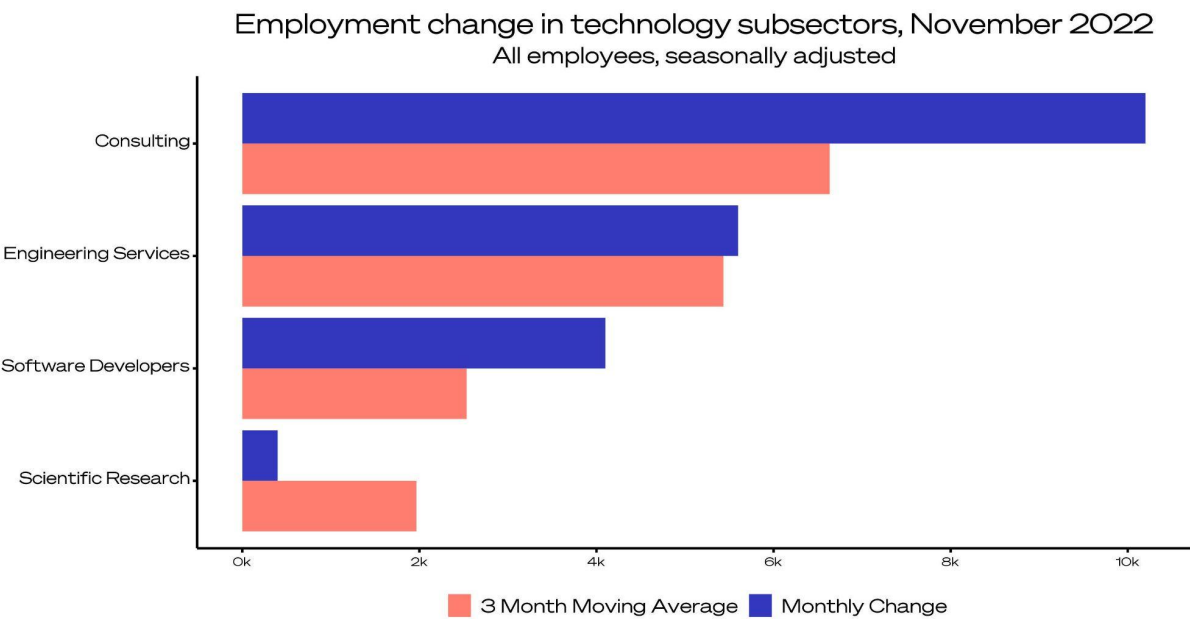
- The U.S. economy added 263,000 jobs in November, which was above market expectations. The unemployment rate was unchanged at 3.7%, near a historic low. Once again, the labor market's strength defied challenges in the overall economy.
- Beyond the welcome headline numbers, however, the latest jobs report featured two key causes for concern. First, the labor force participation rate declined for a third straight month; the rate for the prime-age working population now sits at 82.4%. The U.S. has yet to return to worker supply levels seen before February 2020.
- Second, wage growth reversed trend substantially after months of moderation – an interesting and potentially alarming development. Potentially is the key word – the reasons for the reversal are still unclear. One possibility is that job losses in lower-paying industries (like Retail) artificially increased average hourly wages.
- The labor market, though still strong, is suffering from a hangover of a tight labor market. Too-strong wage gains and stubbornly low participation rates make for a concerning report for recruiters and the Fed alike.
- [Read our economy-wide breakdown of the November numbers.](#)



## Employment Trends in Technology

It was hard to avoid negative news about the tech sector last month. Giants like Meta, Twitter, and Amazon tend to take up a lot of airspace and for good reason – they employ a large portion of this industry. It’s no wonder that when companies like these announce layoffs, the world tunes in. But that disproportionate attention creates the false belief that these companies define the tech industry. They do not, the November jobs report reminded us.

The Information sector (the BLS category that includes the majority of tech jobs) added an impressive 19,000 new net jobs last month. Professional and Business Services, which contains other tech jobs, had a modest month, gaining just 6,000 jobs.



Source: Bureau of Labor Statistics; Created on Dec 05 2022

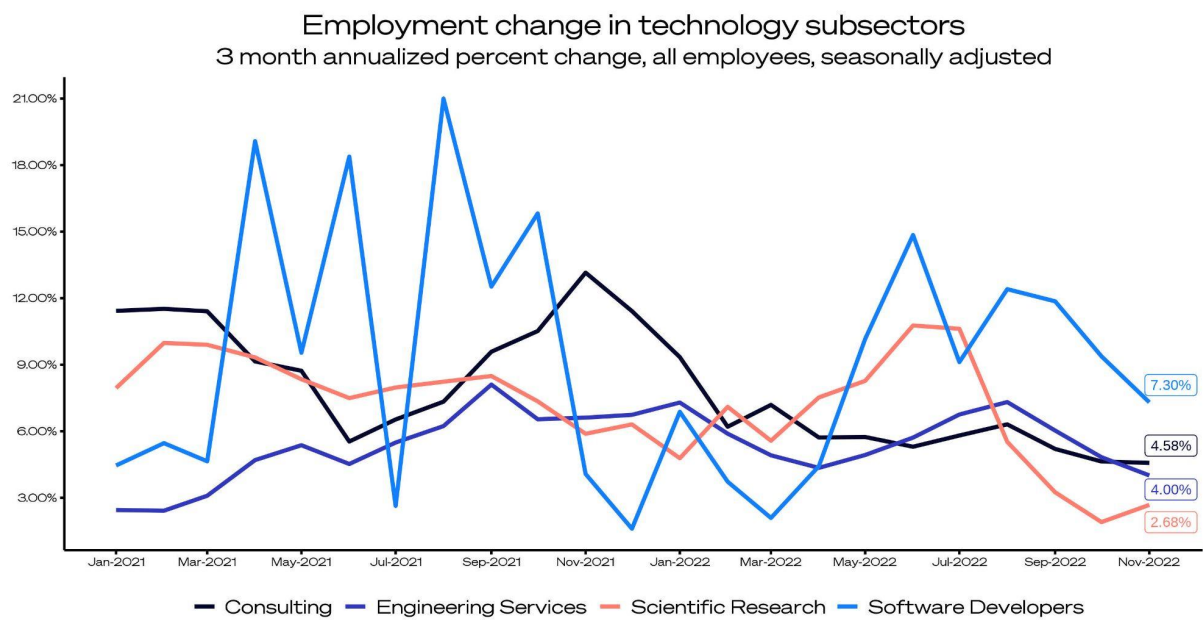




# Employment Trends in Technology

Technical Consulting Services and Engineering Services, both subsectors of Professional Business Services, gained 10,200 and 5,600 jobs in November, respectively. Scientific Research had a slower month for employment gains, adding only 400 new jobs. Software Developers, meanwhile, gained 4,100 jobs in November.

Employment growth is slowing for major tech subsectors but still at a respectable positive pace, especially for Software Developers, gaining jobs at a 7.30% annualized rate.



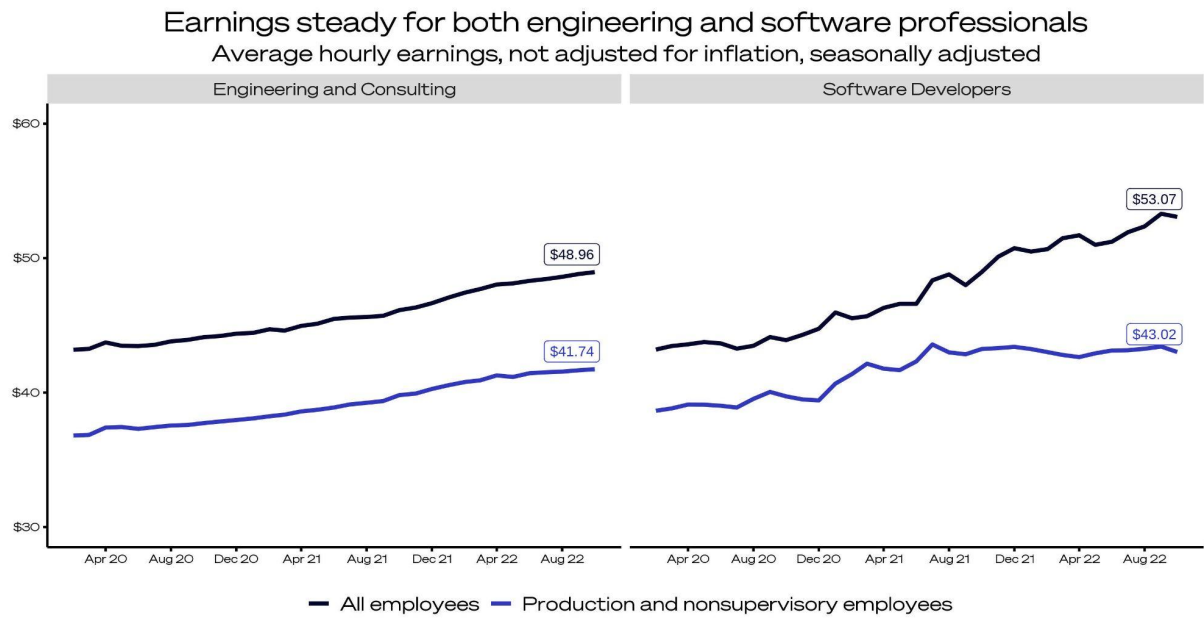
Source: Bureau of Labor Statistics; Created on Dec 05 2022



## Wage Trends in Technology

Software Developers, especially managers within the field, saw their wages explode within the last two years. Now, those extraordinary gains have slowed. In October, nominal average hourly earnings ticked down slightly to \$53.07 for software development managers. Rank-and-file workers continued to see moderation that began over a year ago; they earned \$43.02 per hour.

Gains were not as spectacular for engineers and consultants – rank-and-file workers made \$41.74 an hour, while managers earned \$48.96.



Source: Bureau of Labor Statistics; Created on Dec 05 2022

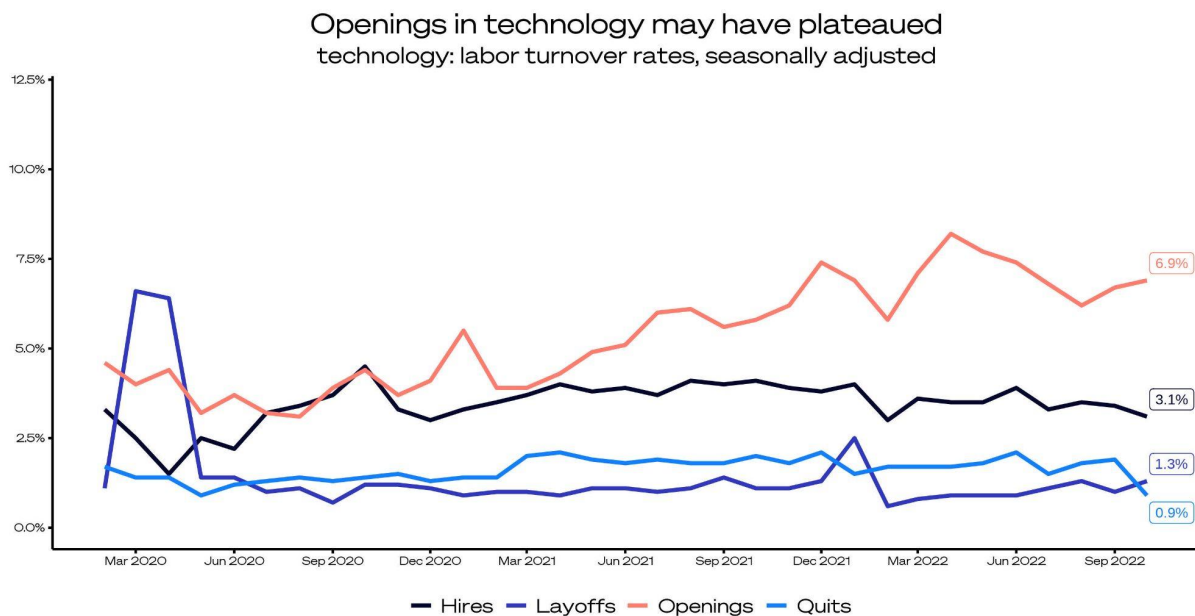


## Openings and Turnover Trends in Technology

Job openings ticked up slightly in October, when these layoffs really began making headlines. Demand for workers was still very high that month, with the rate at 6.9% for the Information sector. Even as layoffs picked up – to 1.0% in October – companies were still itching to hire.

Some companies in these sectors grew their workforces at a breakneck rate during the height of the pandemic. Others were competing with these name-brand companies for labor. Now that these huge players have “dropped out” of the competition for labor and begun layoffs, these other companies may be having an easier time finding new talent.

Quits fell to 0.9% – the lowest point since the pandemic. These headlines created anxiety across the economy; no doubt that workers felt a little less confident with each new headline announcing tech layoffs.



Source: Bureau of Labor Statistics; Created on Dec 05 2022

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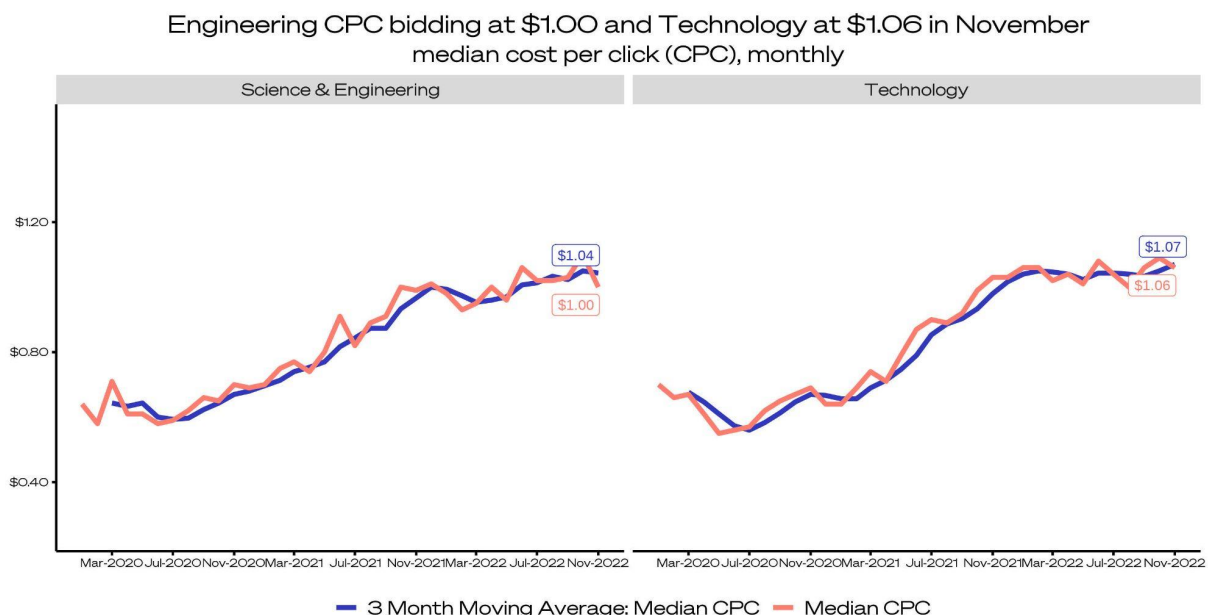


## Recruitment Marketing Trends in Technology

Recruitment costs have been stubbornly elevated in the Information sector throughout 2022, and remained so in November. If more than a couple tech human resources departments engaged in layoffs or hiring freezes, perhaps demand would be sufficiently weakened to lower recruiting costs. But, so far the high openings rate tell us that demand remains elevated.

Interestingly, cost-per-click (CPC) and cost-per-apply (CPA) moved in opposite directions for Science and Engineering positions last month. CPC declined ever so slightly to \$1.04 (three-month average) – perhaps there were more job seekers online after that increase in layoffs. This recruiting cost has essentially plateaued, however, moving around \$1.00 for the summer and fall. CPA increased to \$27.12, as apply rates tumbled to 3.98%. This cost has been trending upwards for Science and Engineering jobs.

For Technology jobs, median CPC increased slightly, averaging \$1.07 in the three months ending in November. CPA increased to \$22.36 (three-month average). The cost has just rebounded this fall after declining for much of 2022. The median apply rate fell to a still-high 5.04%.

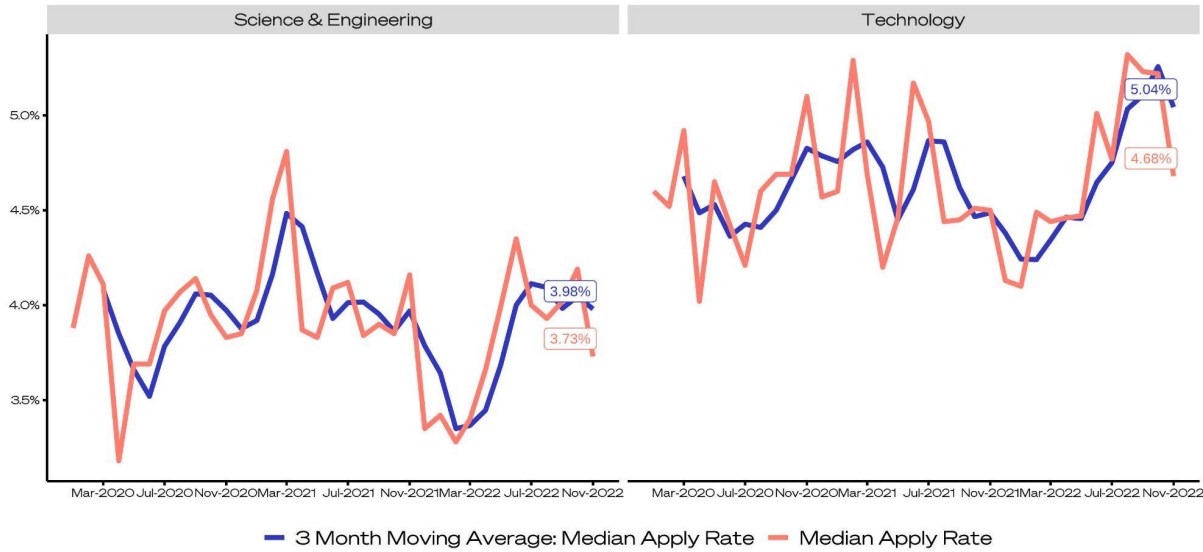


Source: Appcast; Created on Dec 05 2022

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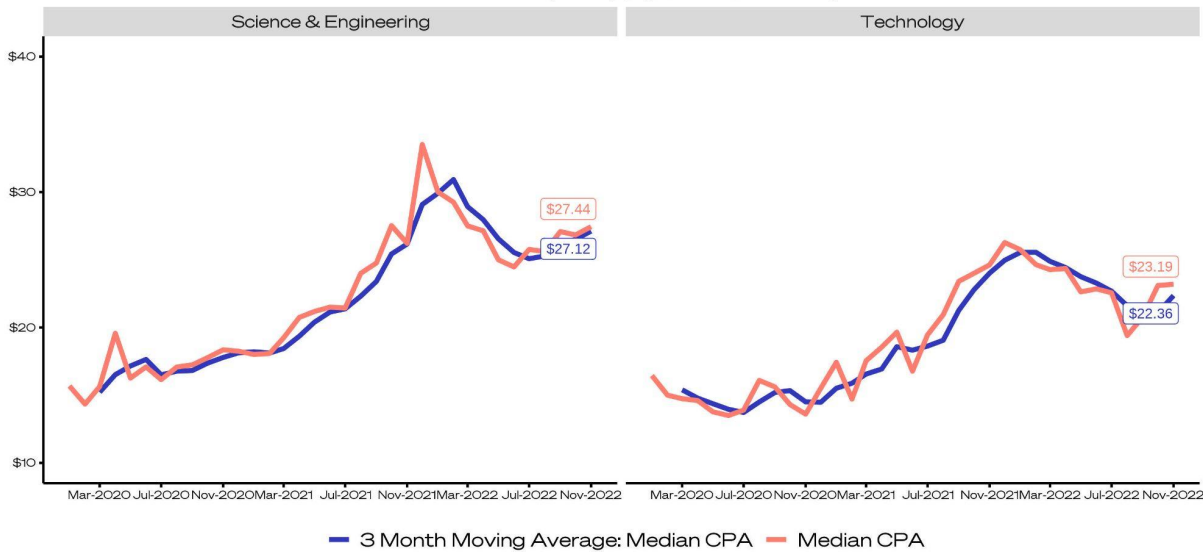
Engineering apply rates at 3.73% and Technology at 4.68% in November  
median apply rate, monthly



Source: Appcast; Created on Dec 05 2022



Engineering CPA bidding at \$27.44 and Technology at \$23.19 in November  
median cost per apply (CPA), monthly



Source: Appcast; Created on Dec 05 2022





## What does this mean for Technology?

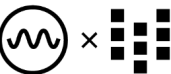
Recent headlines about tech companies should have included footnotes. These layoffs at big companies are devastating – but demand for workers remains high among less newsworthy tech companies.

These workers who recently lost their jobs have several options from companies still hungry for exciting talent. Of course, things are changing in the broader economy, and the tech sector is especially vulnerable to the Fed's rate hikes. Though these huge tech companies don't tell the whole story, there is a very important lesson: tech retention success is becoming harder to sustain.



# Thank you

## Why Recruitonomics?



Recruitonomics is a hub for data-driven research, powered by Appcast, that aims to make sense of our evolving world of work. Combining labor economics and recruitment best practices, Recruitonomics seeks to bring clarity to the chaos of a changing economic landscape.

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