

# Appcast Technology Snapshot

After Boom in 2021, Technology Is Cooling Off



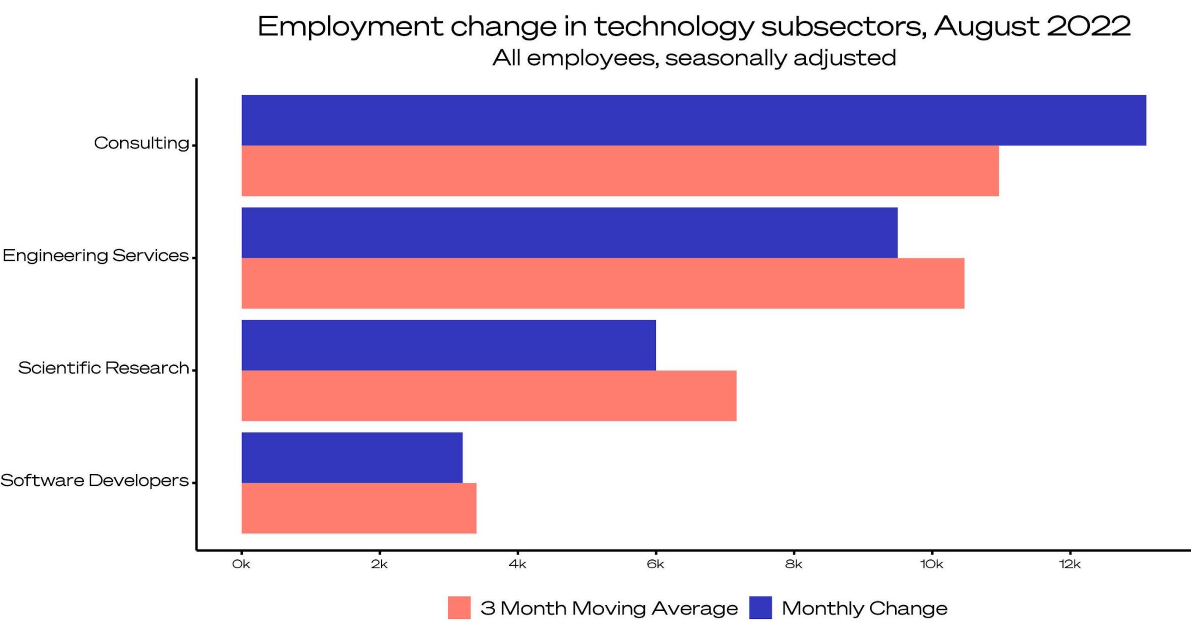
## Economy-wide breakdown

- The U.S. economy added 315,000 net new jobs in August 2022. The unemployment rate rose slightly to 3.7% from a historically low 3.5% – but for *good* reasons. Labor force participation among prime-age workers rose in August to its highest point since February 2020.
- The Fed should be thrilled with the August jobs report. In addition to strong hiring and a rise in the labor force, growth in average hourly earnings slowed, easing fears of a wage-price spiral. Its hope for a “soft-landing” remains alive.
- Every major industry posted job gains in August. Healthcare and Professional and Business Services were especially strong, reflecting the continued shift to services-providing employment from goods-providing. This month’s gains bring the three-month moving average to 400,000 – nowhere near a recession.
- [Read our economy-wide breakdown of the August numbers.](#)



# Employment Trends in Technology

After strong growth in Q1, information (the BLS category that best reflects technology jobs) gained a modest 7,000 jobs in August. The tech sector is still one the largest parts of the U.S. economy, but higher interest rates and weakened consumer demand have lowered the appetite for hiring over the summer months. The BLS category “Professional and Business Services,” which also includes tech related jobs like engineers and scientists, added a robust 68,000 jobs in August.

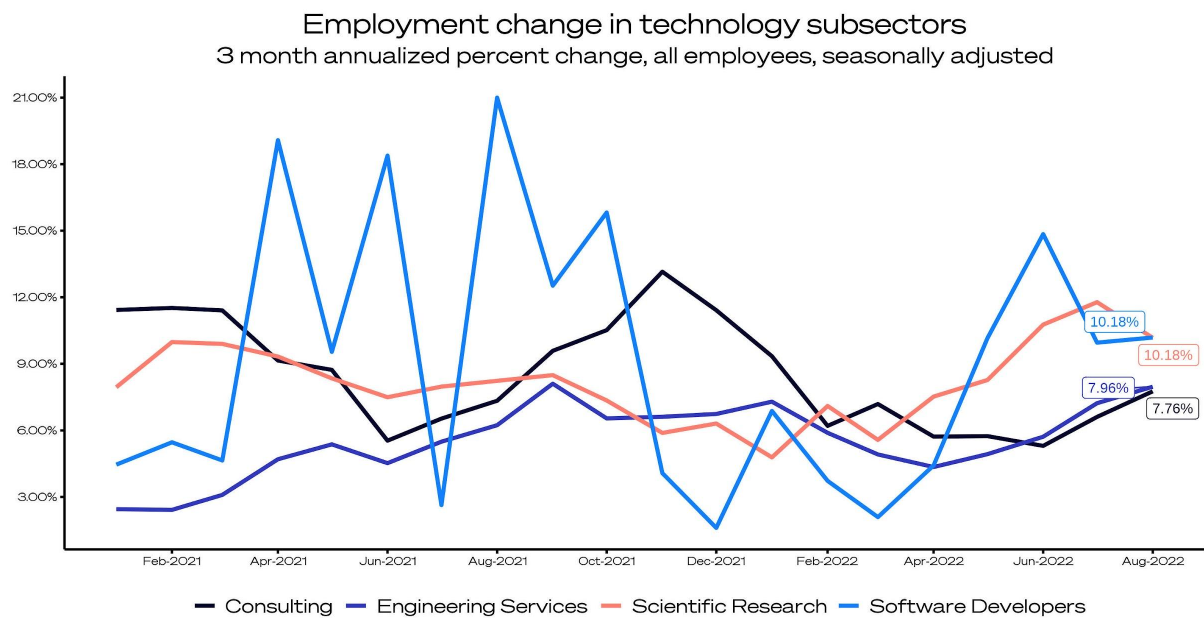


Source: Bureau of Labor Statistics; Created on Sep 08 2022



# Employment Trends in Technology

The demand for software developers has been especially robust, with a 10.18% annualized growth rate. Over the pandemic, this was one of the most difficult industries to recruit for due to high demand and fierce competition. Similarly, both consulting and engineering services have had strong growth, at 7.76% and 7.96% annualized rates, respectively.



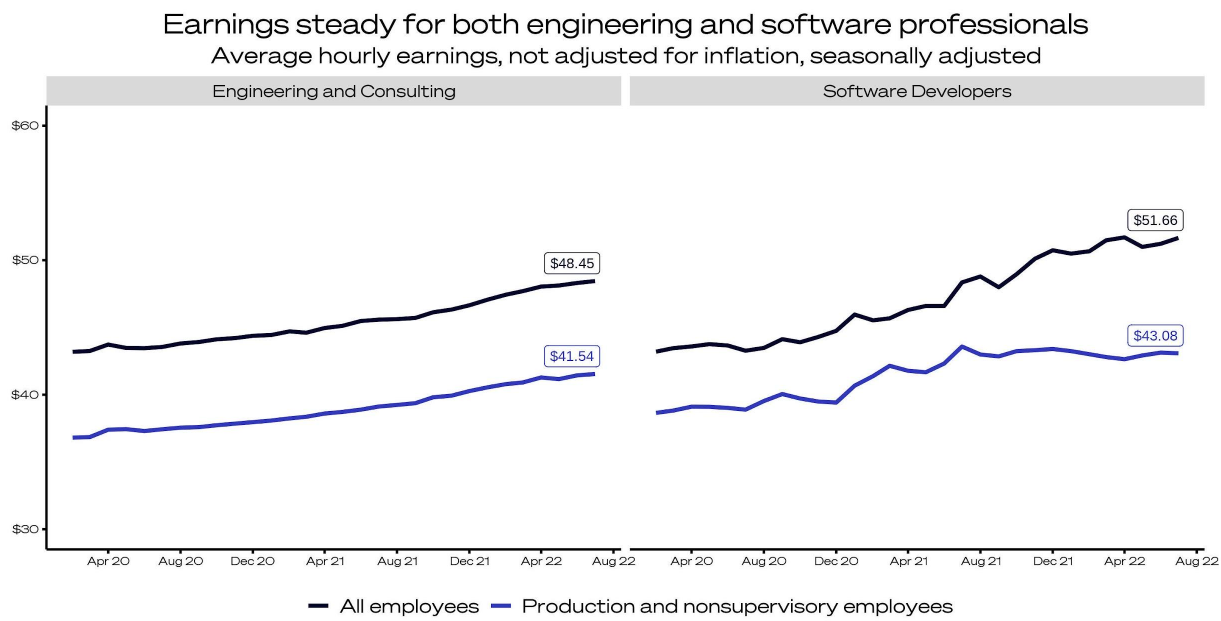
Source: Bureau of Labor Statistics; Created on Sep 09 2022





# Wage Trends in Technology

Average hourly earnings have been especially high in the tech sector. Non-managers in both engineering and software development have had steady gains. Engineers are at \$41.54 an hour, and software developers at \$43.08. The earnings gap between managers and “rank-and-file” workers continues to widen, with software managers earning \$51.66 an hour and engineering managers \$48.45.

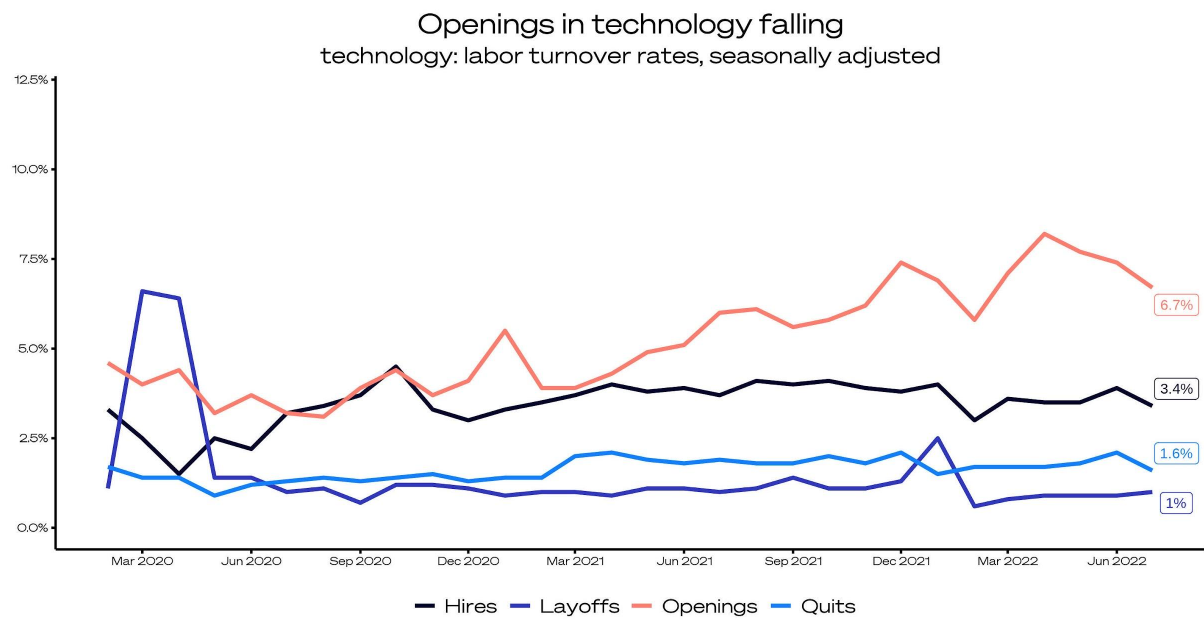


Source: Bureau of Labor Statistics; Created on Sep 08 2022



# Openings and Turnover Trends

After reaching a peak in April 2022, the job openings rate has been steadily declining – down to 6.7% in August. The quits rate has been falling as well, now at 1.6%. Hiring demand also declined to 3.4%. After a sizable increase in layoffs in January, the rate has been relatively stable at 1%.



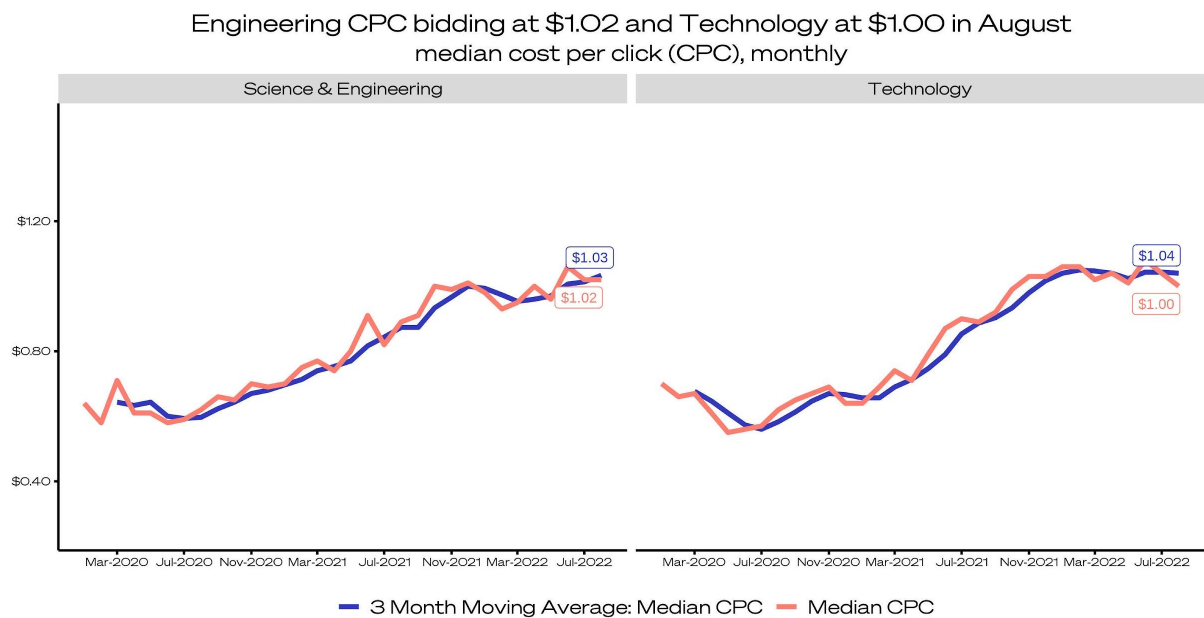
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# Recruitment Marketing Trends

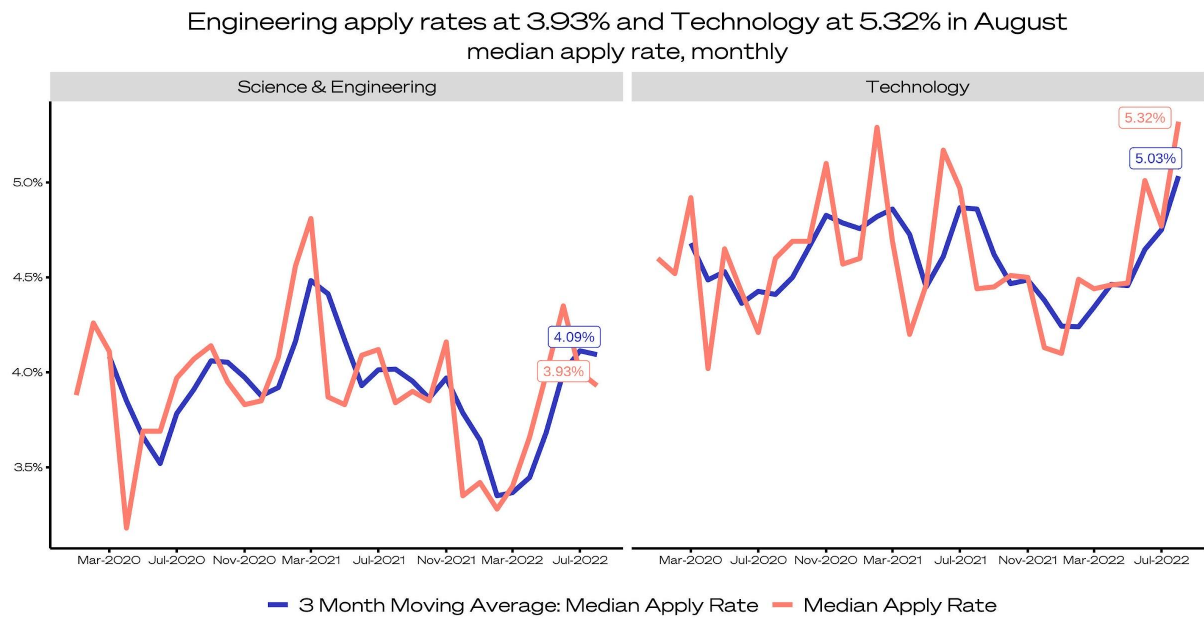
Recruitment costs for tech positions have been steadily increasing, but may have reached a peak in Q1 2022. Cost per click (CPC) and cost per application (CPA) have either flatlined or begun to decrease in August.

The median CPC for science and engineering averaged \$1.03 in the three months through August 2022. Technology was just a penny higher at \$1.04. Apply rates have been rebounding, now at 4.09% for science and engineering and 5.03% for tech (three month average). CPA's have begun to moderate, with science and engineering down to \$25.28 and tech at \$21.60 (three month average).

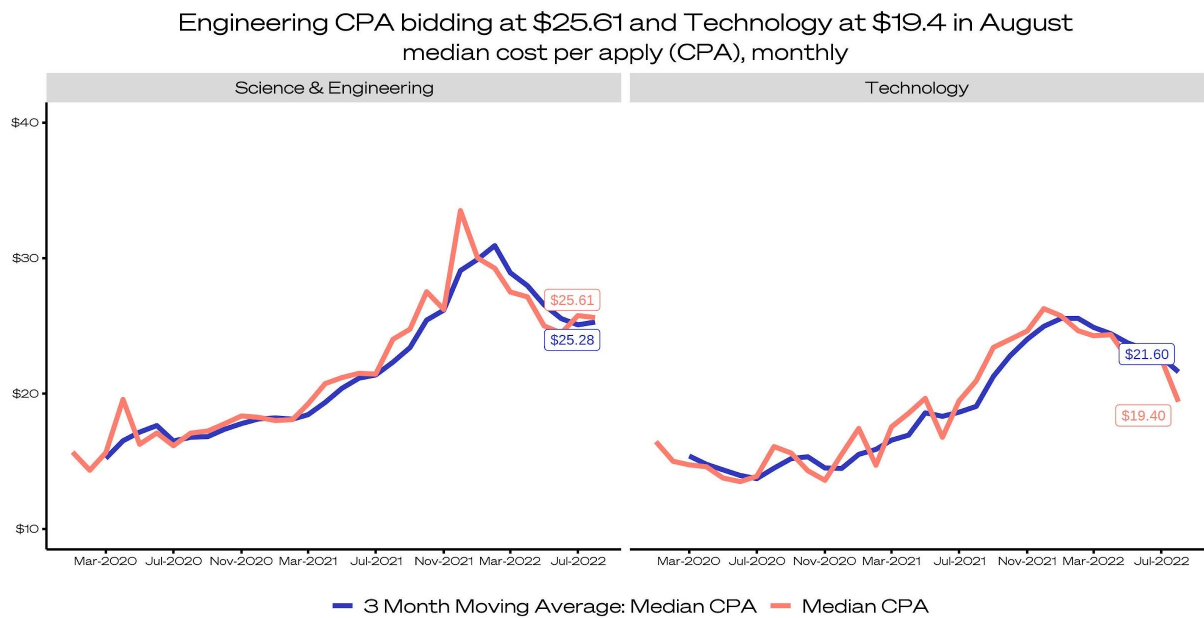


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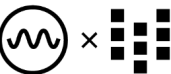
## What does this mean for Technology?

Recruiting costs for tech have been far above their pre-COVID level due to robust hiring demand and intense competition for talent. However, both July and August have had consistent declines in CPA's, which should indicate that the "war for talent" is nearing its end. The U.S. economy continues to march along, with the labor market certainly leading the parade. Employers continue to hire at a high level, and tech workers still have a plethora of job options.



# 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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