

Appcast Technology Snapshot

Decline in Postings and Ease of Recruiting Costs



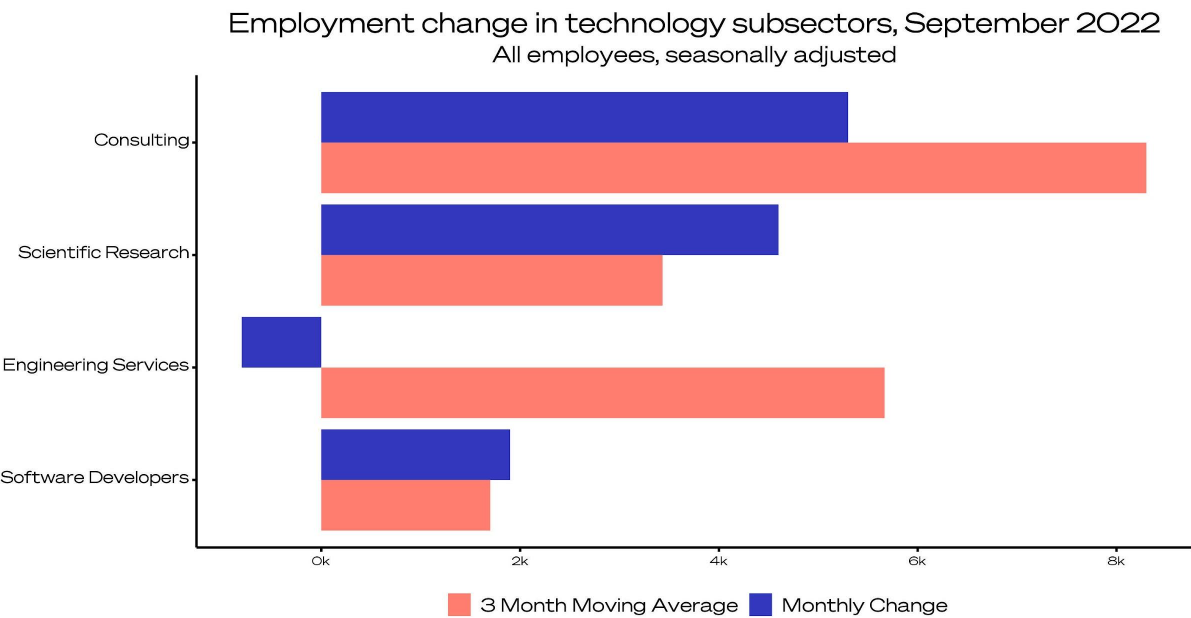
Economy-wide breakdown

- The U.S. economy added 267,000 net new jobs in September, subdued gains compared to the 420,000 average monthly gains so far this year. Though lower than average for 2022, these gains show the resilience of the labor market against several challenges. The unemployment rate dropped to a historically low 3.5%.
- Consumer spending shifts officially made their mark on the jobs report in September – many goods-producing sectors suffered employment losses, while service-providing sectors added jobs at an impressive clip.
- Wage growth once again steadied – promising news for the Federal Reserve and its commitment to price stability. Job openings also cooled significantly (without layoffs rising), suggesting its hope for a “soft-landing” is within grasp.
- Labor force participation rates continue to disappoint and have yet to return to pre-COVID levels. In September, prime-age labor force participation was at 82.7%, compared to 83% in February 2020.
- [Read our economy-wide breakdown of the September numbers.](#)



Employment Trends in Technology

Despite consistent news of layoffs in the tech sector, growth remains robust. Information (the BLS category) added a solid 13,000 new jobs in September, following the 7,000 gain in August. Professional and Business Services also added 46,000 new jobs in September, showing resilience in a time of economic cooling. Although news stories of layoffs from big tech companies generate plenty of clicks and interest, the data shows these layoffs haven't had a major impact on employment growth.

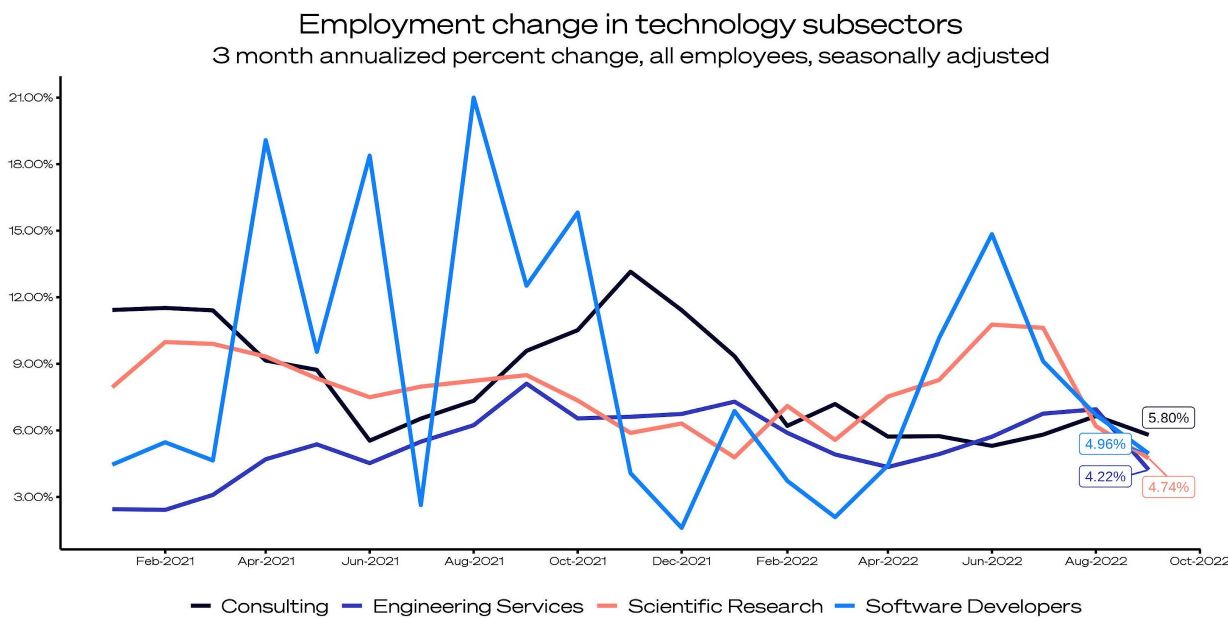


Source: Bureau of Labor Statistics; Created on Oct 10 2022



Employment Trends in Technology

Consulting and scientific fields are particularly strong within this industry. Technology consulting has been growing at a steady 5.80% over a three month average, while scientific research has posted 4.74% growth over three months. After a strong rebound in growth over the summer, growth for software developers is slowing but is still strong compared to the rest of the macroeconomy.

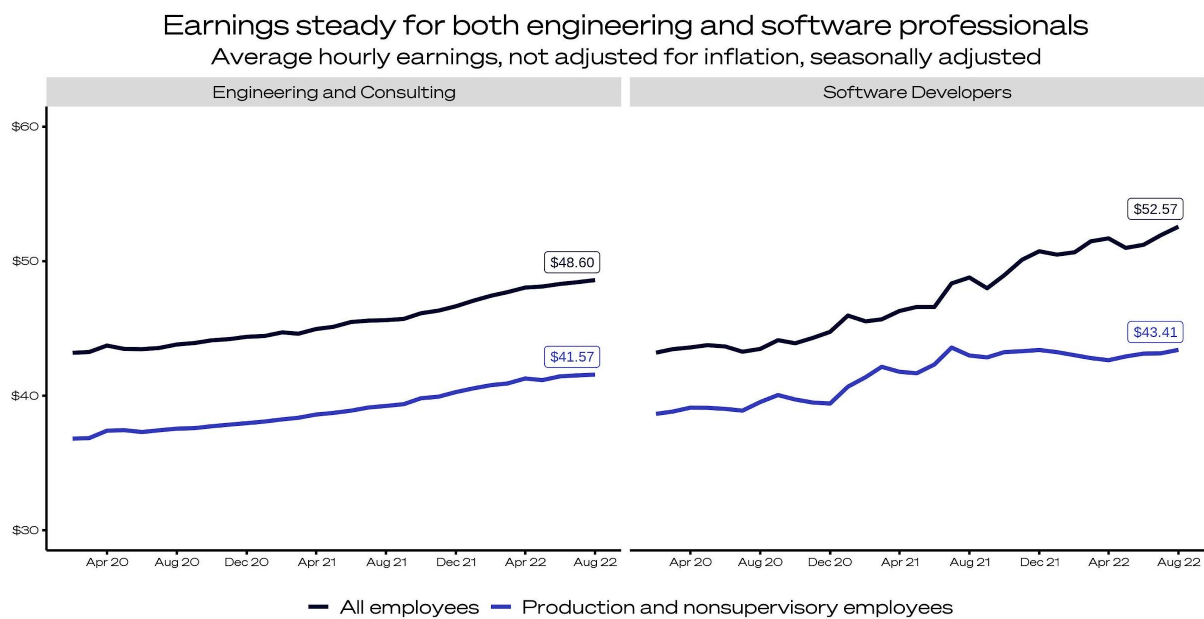


Source: Bureau of Labor Statistics; Created on Oct 10 2022



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 \$41.57 an hour and software developers at \$43.41. The earnings gap between managers and “rank-and-file” workers has reached a new high, with software managers and engineering managers earning \$52.57 and \$48.60 an hour, respectively.

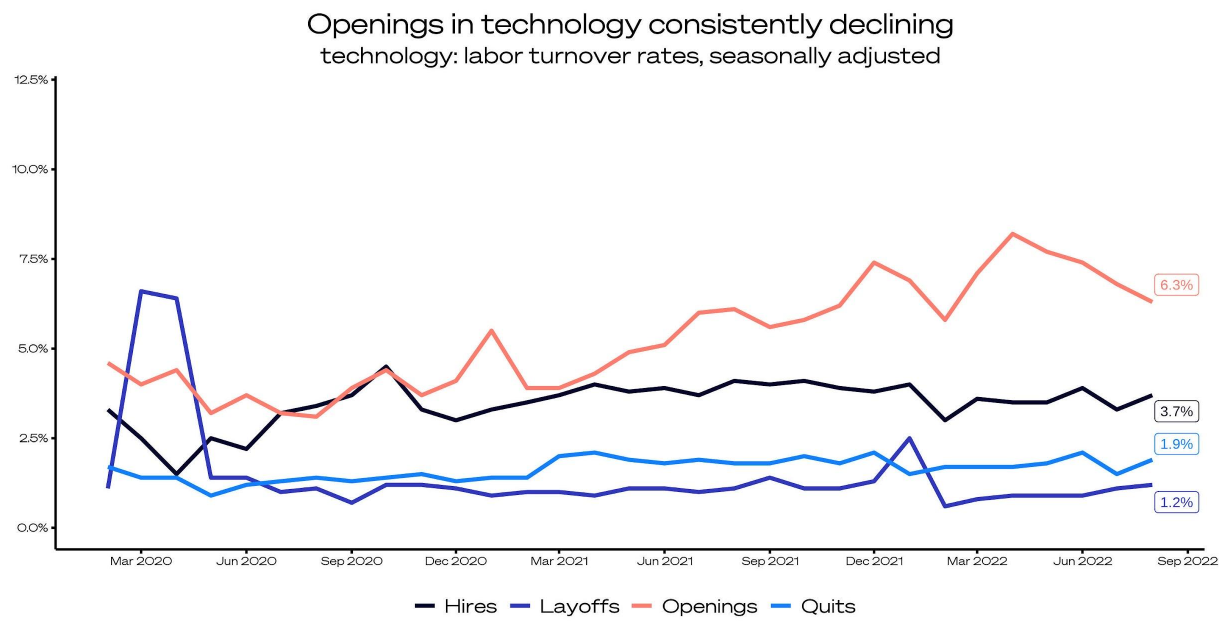


Source: Bureau of Labor Statistics; Created on Oct 10 2022



Openings and Turnover Trends in Technology

August marks the third consecutive month of declines in openings within tech. Both the quits and hires rate ticked up this month – further closing the gap between supply and demand (openings vs. hires). If this trend continues, the demand for tech workers could ease by 2023 and reduce overall recruiting costs. Layoffs have slightly increased to 1.2% from the summer months, but not in a sizable way compared to the overall media narrative.



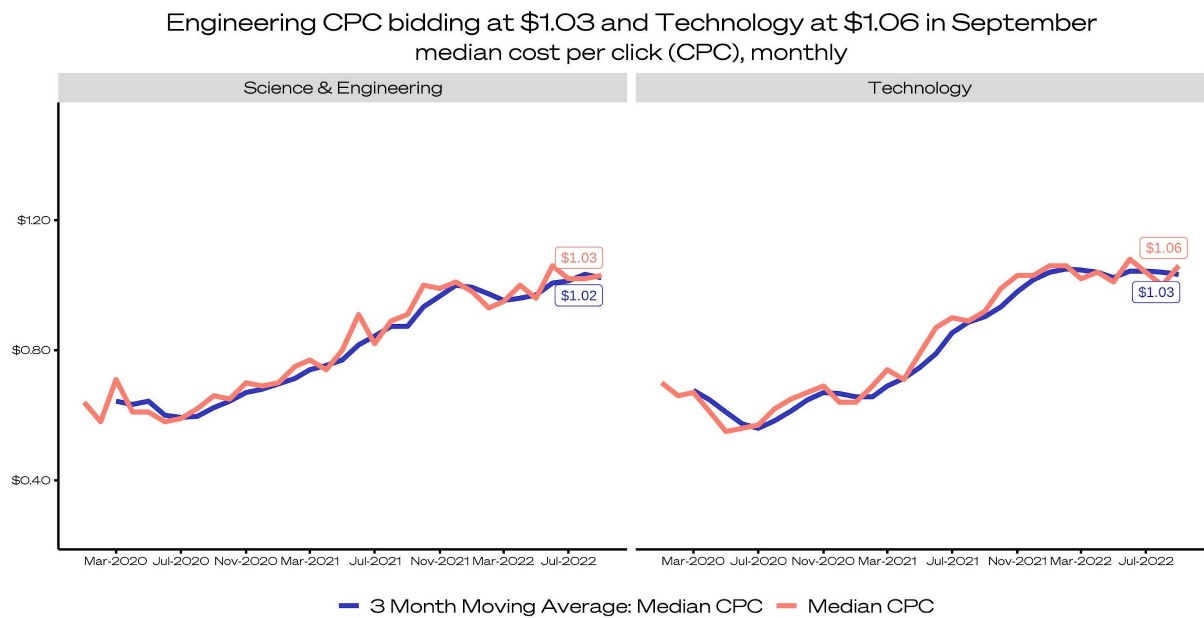
Source: Bureau of Labor Statistics; Created on Oct 10 2022



Recruitment Marketing Trends in Technology

Recruitment costs for tech workers may have reached a plateau. After a flat month in August, September followed this trend as well. Strong increases in 2021 have been balanced out with either moderate declines in 2022 or little change. A combination of increased job seeker activity (higher apply rates) and lower job postings could be one explanation why.

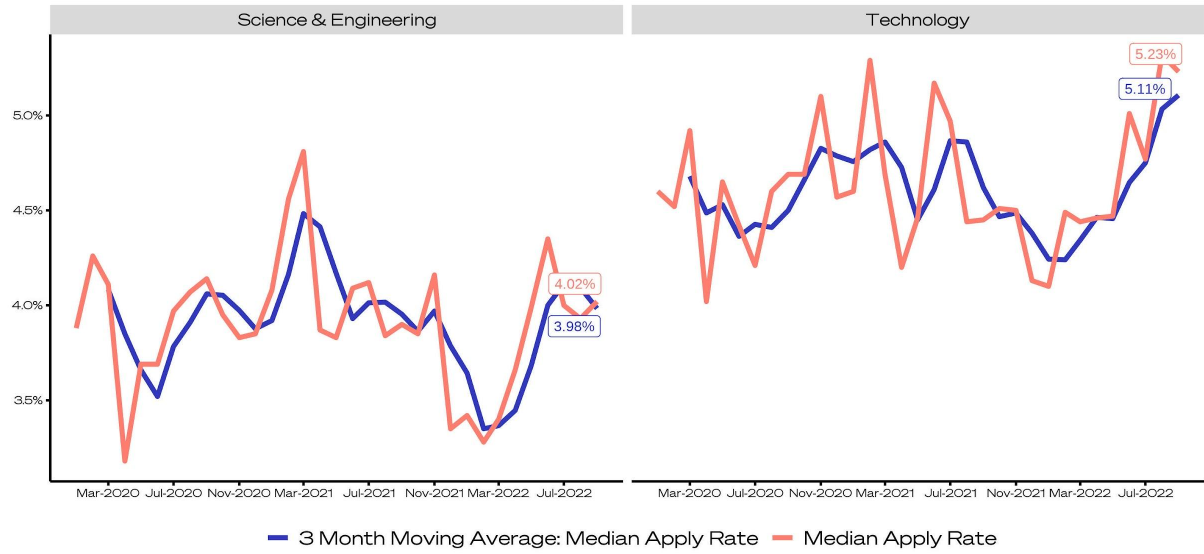
The median CPC for science and engineering averaged \$1.03 in the three months through September 2022. Technology was three cents higher at \$1.06. Apply rates have been rebounding, now at 4.02% for science and engineering and 5.23% for tech (three month average). CPAs have been relatively flat, with science and engineering up slightly to \$26.15 and tech at \$20.91 (three month average).



Source: Appcast; Created on Oct 10 2022



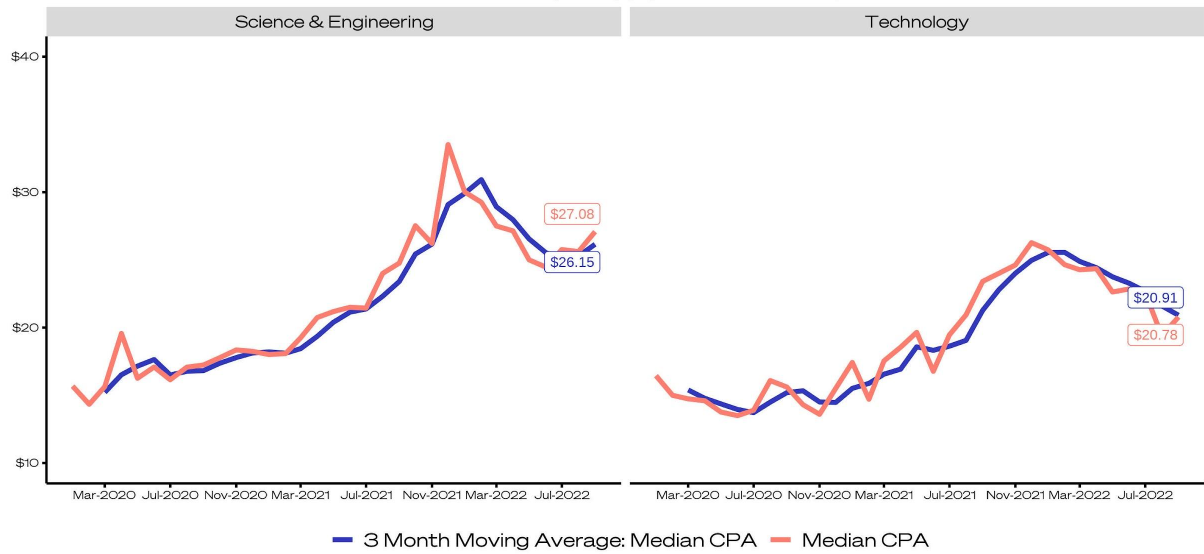
Engineering apply rates at 4.02% and Technology at 5.23% in September
median apply rate, monthly



Source: Appcast; Created on Oct 10 2022



Engineering CPA bidding at \$27.08 and Technology at \$20.78 in September
median cost per apply (CPA), monthly



Source: Appcast; Created on Oct 10 2022



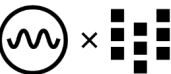
What does this mean for Technology?

The overall labor market is cooling. The days of adding over 400 thousand new jobs a month are most likely behind us (for now). Tech, however, remains a strong industry despite this trend. The most important trend to watch is the decline in job postings, which indicate that employers are slowly filling or reducing their openings for tech workers. This and moderating recruitment costs should indicate that the demand for tech workers is normalizing.



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.

© Recruitonomics 2022

