

# Tech Hiring Market Trends

2024 Update

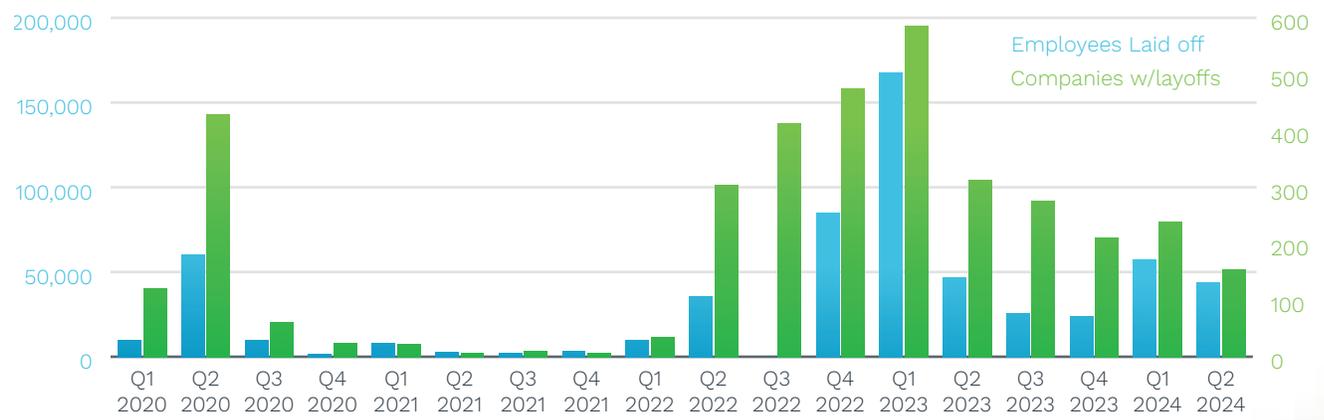


# The State of Tech Hiring

Amid ongoing concerns about an unsettled economy, the first half of 2024 has shown a stabilization of the tech job market in comparison to a year ago. While there are fewer opportunities for active job seekers, there has been a drop in tech layoffs across all sectors, and IT salaries have seen a modest, tentative growth in the past six months.

## Tech Layoffs Since COVID-19

Source: <http://layoffs.fyi>

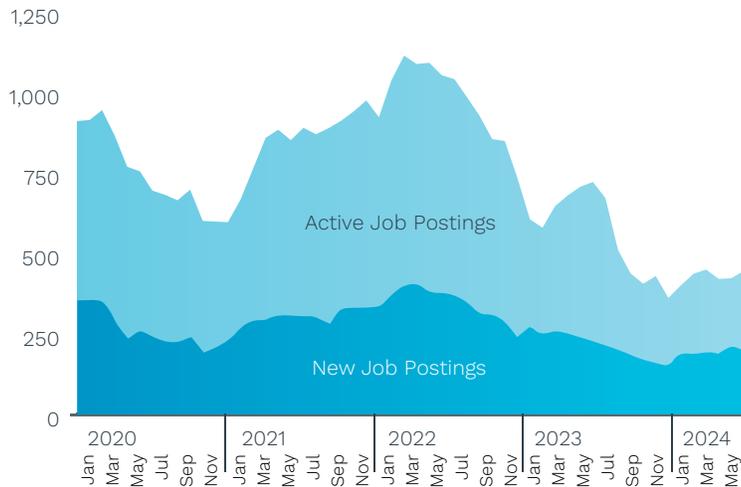


Layoffs have dropped 66% this year compared to the first quarter of 2023, with just over 57,000 confirmed layoffs at the start of the year. However, for those who have faced layoffs, there are less job postings from companies hiring to pursue for a quick reabsorption of talent. When looking at new job opening rates from the Bureau of Labor Statistics, the US economy is seeing a drop of over 2% compared to last year.

### Tech Occupation Job Posting Volumes

Data in thousands

Source: CompTIA



### Job Openings Rate

Seasonally adjusted March 2022 - March 2024

Source: US Bureau of Labor Statistics



### Hires and Total Separations Rates

Seasonally adjusted March 2022 - March 2024

Source: US Bureau of Labor Statistics



When it comes to salaries in the tech world, the start of 2024 brought a small uptick of .5% increase on average, with remote roles seeing slightly higher growth at 1%. This can vary by technology sector, as some areas still see continued high demand. For example, demand for cyber security workers still outpaces the overall talent supply, with enough cyber security workers available to fill only 85% of all jobs, according to CyberSeek.

Looking for the areas where tech salaries are growing the fastest, government jobs (excluding education) take the top spot with 14.8% growth since 2021, besting other areas like Software and e-commerce (only 5.2% and 6.1%, respectively).

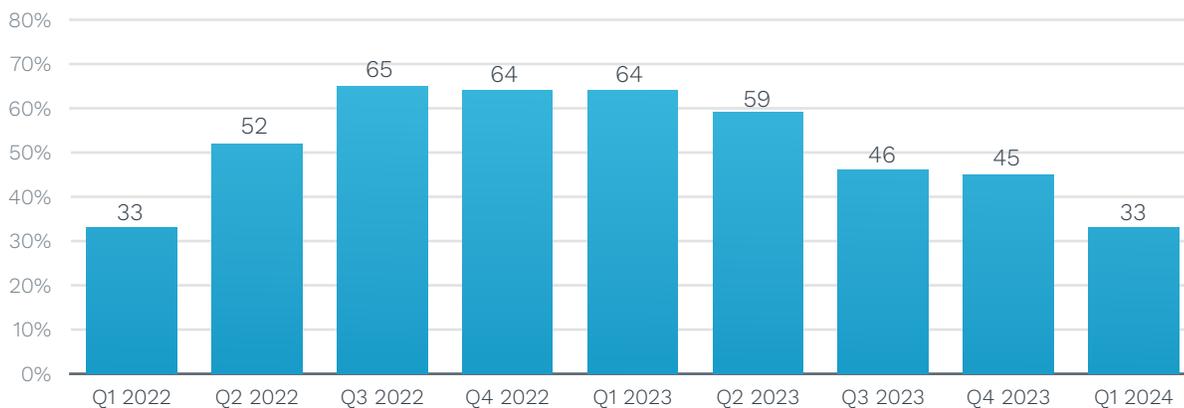
While there may be mixed messages when it comes to the tech economy, confidence from the IT community has grown from this time in 2023. Job seeker confidence, financial well-being, expectations and present situation indexes have all increased year-over-year. According to economic indicator surveys, the overall odds of a recession have plummeted to two-year lows, with Morgan Stanley's Global Investment Committee recently predicting a "soft landing" in 2024, with the odds of recession at only 35% by end of 2023.

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### Recession Odds Are Now The Lowest in Two Years

*Note: Figures reflect average forecast among respondents.*

Source: Bankrate First-Quarter Economic Indicators survey, March 2024



An interesting aspect of the current state of the IT industry is the shifts in locations of tech workers. Recent trends have shown that the places in the United States that have seen growth over the past 12 months are states that are not typically known as tech hubs. Demand for tech talent in Alabama, North Dakota, Vermont, Montana and other more rural states has remained steady in the past year while usual tech hubs like California and New York have seen a slight drop in demand.

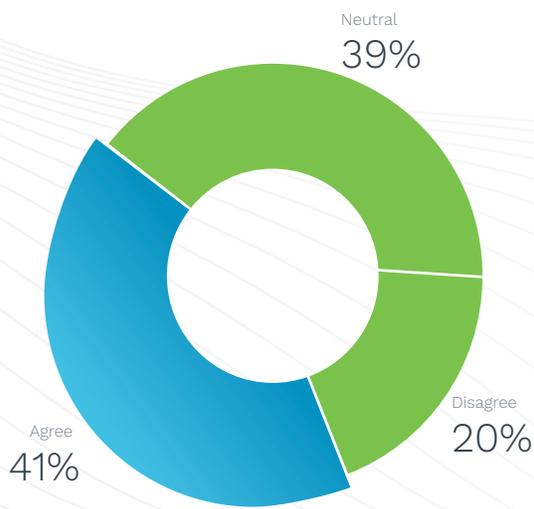
Some of this can be attributed to sample size (an increase of 500 tech workers in Mobile, Alabama will affect the numbers more than 500 in New York City), but it is clear that companies are investing in places that have a lower cost of living and therefore cost less to build out teams and hire.



What this move isn't is an increased shift to remote work. Continuing a trend over the past 12-18 months, more and more tech companies are looking to have their workers head back to the office, either on a hybrid or full-time basis. A recent survey by Resume Builder showed that 90 percent of company leaders said that they are planning to have workers back in the office in some capacity by the end of 2024. This is despite the fact that many workers have shown their preference for working from home the majority of the time.

## Will AI Tools Replace Employees in The Workplace in 2024?

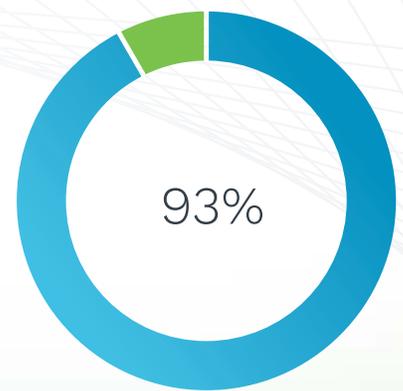
Source: Beautiful.ai proprietary survey of 30,000 American managers.



Explore expert insights for leveraging AI to advance your goals as a tech leader here.

Of course, the continued talk of the tech world is AI and its impact on the current IT job market. The interest and concern of this technology are valid, with predictions of AI's impact on the tech world ranging from becoming a passing fad and money pit for tech companies, like NFTs and the metaverse, to completely eliminating and making obsolete certain job titles like Software Developer.

While only time will tell how the AI revolution will ultimately pan out, recent findings show that the cost of attempting to replace tech workers with AI might be a lot more expensive than you think and can go far beyond dollars and cents. A lack of problem-solving, leadership, innovation and accountability can all be on the table when replacing the human element of the workforce with artificial intelligence.



of employed tech professionals are either looking for a new job or willing to hear about a new opportunity.

# H1 2024 In Review

## 1. Tech unemployment remains low, but so do job openings and salary raises.

Companies and job seekers should note that the IT job market isn't as dire as some would make it out to be, but there are still struggles. Outside of public sector jobs, there is a slowdown of growth in the industry. Salaries are still healthy compared to many other parts of the economy, but the time for double-digit compensation bumps are a thing of the past.

## 2. Tech hiring is increasing in more rural areas, not major cities.

The biggest areas of tech growth so far this year has been in more rural areas across the country. As bigger cities are seeing a drop of new opportunities, places like the Midwest and Deep South are making strides in growing their IT communities.

## 3. Workplaces are becoming less remote.

There is a continuing trend of enterprises looking to get their workers back into the office, despite evidence showing that the tech community prefers remote work. This is going to be a debate that will probably go on for years to come, so businesses and IT workers need to decide how important a remote, hybrid, or fully in-office work environment is to them.

## Put Your H2 2024 *in Motion*

The tech economy is constantly changing, and it's difficult to keep up with it even if you're in the industry. If you're looking for your next move in your IT career or if you're looking to hire but swamped by resumes that don't have the skills you're looking for, Motion Recruitment can help.

With offices across North America, Motion's team of recruiters each specializes in a specific part of the IT marketplace, giving you the depth of knowledge needed to help you achieve your IT hiring goals. To learn more about how Motion Recruitment can help you reach your goals, contact your local office today.