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COVID-19 ECONOMY CLAIMED 128,000 IT JOBS IN NOVEMBER

October hiring gains were lost as US employers braced for uncertainty during a coronavirus surge, according to a trade group report

By Angus Loten
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US employers last month cut 128,000 core information-technology jobs, largely erasing hiring gains in October, as companies brace for a second wave of Covid-19 cases, lockdowns and business closures, IT trade group CompTIA reported.

Technology-sector firms also reduced payrolls, cutting an estimated 8,600 positions, including in IT, sales and marketing, the group said.

The results are based on an analysis of US Bureau of Labor Statistics data released Friday. The bureau reported that companies in all sectors added 245,000 jobs in November, down from 610,000 the previous month.

The declines in information-technology jobs follow an upswing in October that saw employers add 142,000 new workers, CompTIA said.

Across the tech sector, jobs in IT services and custom-software development were hit hardest in November, declining by an estimated 7,600 positions. The only gains came in the area of data-processing, hosting and related services, which rose by 1,200.

The unemployment rate for tech jobs held roughly steady at 2.4 percent, compared with the overall rate of 6.7 percent. The number of job postings for open IT positions also was down last month, the group reported, dropping by an estimated 42,000 to just under 200,000.

Demand was strongest for software and application developers, followed by IT support specialists, systems engineers and architects, IT project managers, and systems analysts. Top employers last month included professional, scientific and technical-services firms; finance and insurance companies; and manufacturers.

Tim Herbert, CompTIA's executive vice president for research and market intelligence, said the declines reflect growing economic uncertainty caused by a sharp increase in reported coronavirus cases across the country.

On Monday, the seven-day average of newly reported cases in the US rose to 196,233, after dipping briefly after Thanksgiving, with the number of coronavirus patients in intensive care surpassing 20,000 for the first time.

Public-health officials say caseloads are expected to rise in the weeks ahead, as a result of holiday travel and gatherings.

Tom Gimbel, founder and chief executive of staffing and recruiting firm LaSalle Network, said the prolonged crisis likely will boost demand for IT employees to support remote-work systems.

“With a second wave coming over the next few months, remote work is here until at least the second quarter of 2021,” Mr. Gimbel said. As a result, he said, there will be less in-person work and skills will be crucial in areas such as security, cloud computing and software development.

“We are still seeing certain full-time and contract consultant technology professionals in high demand,” said Jeffrey Weber, executive director for the technology division of Robert Half Technology.

Mr. Weber said unemployment in certain technology roles remains low, adding that uncertainty around the pandemic “has the potential to impact the hiring activities for some companies.”

Adriana Bokel Herde, chief people officer and senior vice president at software maker Pegasystems Inc., said the Cambridge, Mass.-based company has hired 70 new IT workers this year, to keep up with demand from businesses for tech support to weather the pandemic.

“Many of these IT hires are backfilling existing roles, and some are net new positions to give us new resources and skills in some strategically targeted areas,” she said.