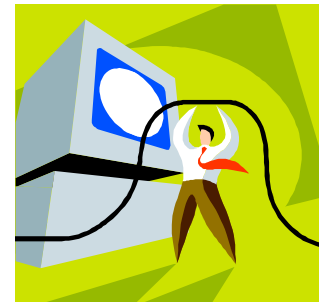


By Steve German
Tech Employment Specialists, Inc.

Starting with the introduction of the personal computer (PC) in the early 1980s, the United States embarked on a significant shift from an industrial economy to an information-based or high-tech economy. Prior to that shift, employees often could expect to be “lifers,” landing a solid job with a good company and staying in that job until retirement, at which time a fat pension was forthcoming.



The high-tech economy resulted in a new relationship between employers and employees. No matter what his or her educational background, a worker today can expect to have a few different careers, not just one. Keeping pace with technology requires ongoing career education. If an employee doesn't make the effort to upgrade his or her contribution through education, that employee risks being replaced. And further, the increasing technical demands for certain roles within even companies in very traditional businesses have increased the need for workers with technical education and experience.

In the year 2000, overall unemployment in the United States dipped below 4.0%, hitting a low not seen in decades. The unemployment rate for technical workers reached an even more stunning low: 1.9% or less in some areas.¹ Of course, low unemployment rates generally mean a scarcity of qualified employees exists.

In such circumstances, employers have to be more creative to secure employees. Additionally, a tight employment market has a number of effects on the community at large. As the market for technical workers tightened in the late 1990s, effects such as these were evident:

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- Ø Tech companies began offering substantial hiring bonuses, in the form of stock options, large cash grants, or even new car purchases or leases. Such bonuses were even extended to new college graduates with little or no career experience.
- Ø Salaries for technical workers escalated quickly.
- Ø Tech companies often hired more employees than needed, leading to later layoffs.
- Ø Communities with a heavy concentration of technical workers experienced rapid real estate inflation. “We’ve seen workers making \$60,000 per year who can’t even afford to rent an apartment,” said Lynn Colby, a prominent realtor in Southern California.²
- Ø Technical employees embraced rapid change, often changing employers to chase higher salary, more stock options, and inflated job titles.

By 2001, a number of startup technical companies—particularly the so-called “dotcom” Internet companies—ceased operations. Estimates of the number of failed startups range as high as 70%. While these business failures did displace some technical workers, they were easily absorbed by other companies who never overcame the technical worker shortage.

At Tech Employment Specialists, Inc., we believe that the job market for technical workers now more closely reflects the employment situation for other types of workers. While employers will still need the services of recruiting companies like ours to find the best and brightest employees, finding those employees will be a more rapid and less costly process.

Comparison of Tech Salaries

Tech Career	Starting Annual Salary
Technology Teacher	\$45,000

² Lynn Colby, *Real Estate Booms and Busts* (San Francisco: Real Estate Publications, 2002), p. 99.