

dexian™



IT Labor Trends Report

Q1 2024



A LOOK AHEAD THIS YEAR (BEYOND GEN AI)

Perhaps the biggest, and most talked about, trend we will see in 2024 is generative AI. However, AI isn't the only topic that will be top of mind for businesses. In today's generative machine age, it's more critical than ever to maintain an integrated business strategy, a sound technology foundation, and a skilled, creative workforce.

A fundamental aspect of maintaining a solid tech foundation is cybersecurity. And this year, businesses will be more focused on protecting themselves and their customers from outside threats and hacks. In fact, Gartner estimates that global spending on cybersecurity is projected to total \$215 billion in 2024, an increase of 14.3% from 2023. And the Bureau of Labor Statistics (BLS) estimates the market for information security analysts will grow 32% between 2022 and 2032 compared with just 14% for all computer occupations.

Meanwhile, there remains a shortage of cybersecurity talent. Last year saw a shortage of four million cybersecurity workers, despite that workforce growing by 10% in 2022, according to ISC2. An inability to find people with the right skills (44%) and struggling to keep people with in-demand skills (42%) are two causes creating a cybersecurity skills gap in many organizations.

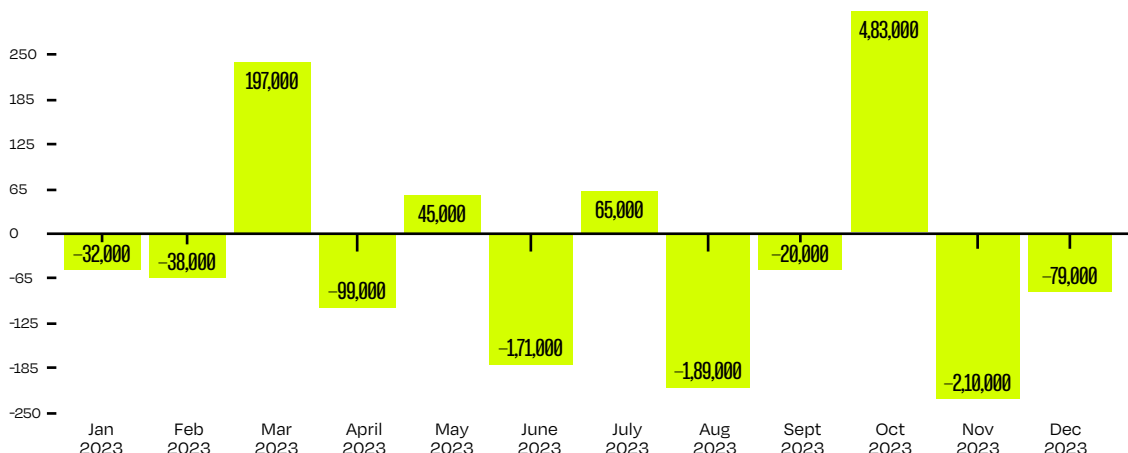
We are advising our customers to consider a range of strategies, including engaging contract workers or consultants, utilizing nearshoring, and upskilling and/or reskilling current workers, to ensure your cybersecurity efforts aren't hindered by a skills shortage.

As a valued partner, I hope you find these insights and our IT Labor Trends Report helpful in navigating the labor market and informing your hiring and retention efforts.

Maruf Ahmed, President and COO

Key National Figures for IT Employment

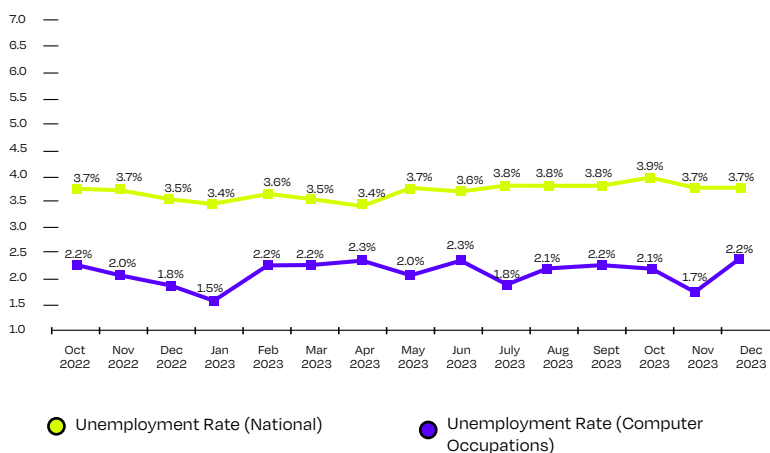
MONTHLY IT JOB GAINS – YOY



Tech industry employment experienced a net increase of 12,922 new positions, the largest monthly gain since April 2023, according to CompTIA's analysis of the U.S. Bureau of Labor Statistics' January 2024 jobs report. Jobs were added in four of the five primary sub-sectors, led by technology services and software development (+8,500) and cloud infrastructure and related positions (+4,400). In addition, employment by technology companies decreased by 79,000 jobs in December 2023.

Sources: CompTIA

IT & NATIONAL UNEMPLOYMENT RATES



The U.S. unemployment rate dropped was unchanged in December 2023 at 3.7%, after rising slightly in October to 3.9%. Meanwhile, the IT unemployment rate rose from 1.7% in November 2023 to 2.3% in December 2023. However, it remains well below the level considered full employment and 1.5 percentage points below that of the national unemployment rate.

Sources: BLS, CompTIA

This Year's (And Nexts') Fast-Growing Tech Skills.

As the recent tech layoffs continue to sell papers, the reality is tech jobs are on the rise. In fact, according to BCG research, the vast majority of tech workers who lost tech-industry jobs are working again. And, among all tech-industry workers affected by layoffs, only 22% were software engineers.

The future looks very bright for a number of skill sets between now and 2031, according to the BLS, including:

- **Software Developers (25% growth)**
- **Data Scientists (35% growth)**
- **Web Developers (16% growth)**
- **Data Engineers (21% growth)**

As companies continue to expand their digital footprints and invest in innovative solutions, demand for these and other skilled tech professionals will most certainly increase.

IT STAFFING EMPLOYMENT				
June 2023	TechServe Alliance IT Employment Index	Computer systems and design services	Management and technical consulting services	Data processing, hosting and related services
Number of jobs	5,301,600	2,531,500	1,896,000	500,300
Change from previous month	-0.06%	+0.3%	+0.3%	+0.9%
Change from June 2022	-1.67%	+3.5%	+3.5%	+2.8%

IT employment was essentially flat in December 2023, going down a mere 0.06% month-over-month, according to TechServe Alliance, the national trade association for the Technology Staffing and Solutions Industry. Over the past year, IT employment contracted 1.67% resulting in a loss of 90,000 positions.

Source: TechServe Alliance

IT SKILLS MOST IN DEMAND

	Q3 2023	Q4 2023
1	Program Manager	Business Analyst (Technical)
2	Business Analyst (Technical)	Program Manager
3	JAVA Developer	Application Production Support
4	Application Production Support	JAVA Developer
5	Project Manager - (Non-Technical)	Project Manager - (Non-Technical)
6	Business Analyst - (Non-Technical)	Data Analyst
7	Data Analyst	Business Analyst (Non-Technical)
8	System Engineer	Business Process Analyst
9	Other Application Developer	.Net Developer
10	Project Manager (App Dev)	Other Application Developer

Among the most in-demand skills Dexian tracks, program managers and business analysts (technical) remain at the top quarter-over-quarter. Compared to 3Q 2023, .Net developers and business process analysts have risen to be included among the most in-demand skills in 4Q 2023.

Sources: Dexian

FASTEST/LONGEST TIME-TO-FILL SKILL SETS

Fastest	Slowest
Oracle Apps	Solutions Architect
Network Engineer	JAVA Architect
Power BI	C++ Developer
Front End (UI) Developer	Salesforce.com Developer
Other Infrastructure	.NET Architect
Project Coordinator	Other Application Developer
Application Production Support	Desktop Support
Business Process Analyst	SQL Server Developer
Cable Technician	Systems Engineer
DevOps Engineer	SCRUM Master

As we head into 2024, businesses are dialed in on hiring for cloud, DevOps, digital transformation, security and privacy, development, AI, automation, system upgrades, and data integration and analytics, according to CIO.com. This is reflected in our own data, with many key developer roles landing among our "slowest to fill" list, with competition for these in-demand skills is high.

Sources: Dexian

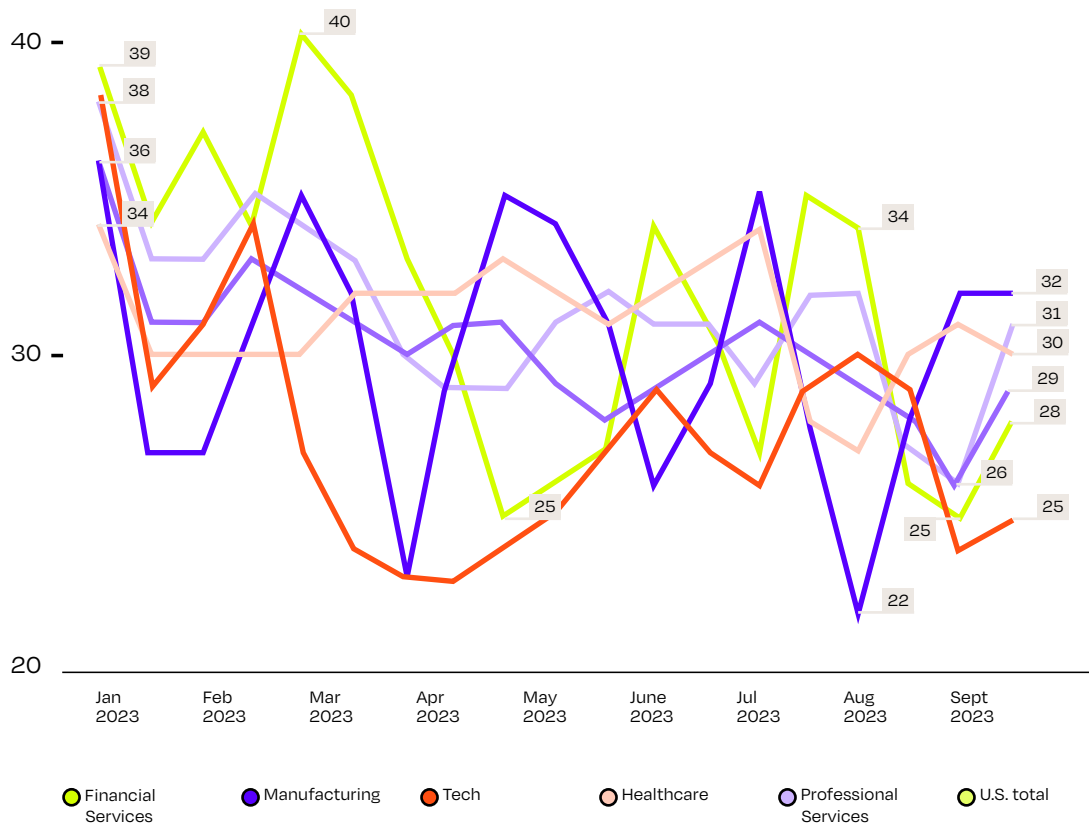
UNIQUE JOB POSTINGS, TECH & COMPUTER-RELATED OCCUPATIONS		
Occupation	Change from Q3 2023	Change from Q3 2023
Software Developer	-21%	-21%
Software Quality Assurance Analyst	-20%	-20%
Computer Occupations, All Other	-22%	-22%
Computer Systems Analyst	-17%	-17%
Network and Computer System Administrator	-19%	-19%
Information Security Analyst	-24%	-24%
Computer and Information Systems Manager	-12%	-12%
Computer Programmer	-17%	-17%
Database Administrator	-23%	-23%
Computer Hardware Engineer	-24%	-24%
Computer Network Architect	-22%	-22%
Total/Average Change	-22%	-22%

Job postings for tech occupations fell back overall in December 2023, with active job postings for tech positions totaling nearly 364,000 including 142,295 newly added by employers, according to CompTIA. Employer hiring for artificial intelligence job roles and specialized skills continues to exceed the 10% threshold as a percentage of all tech job postings. All of the job categories tracked

by Dexian declined quarter-over-quarter. In total, the average change for all occupations tracked was a -22% decline from last quarter.

Sources: Lightcast, Signature Consultants analysis

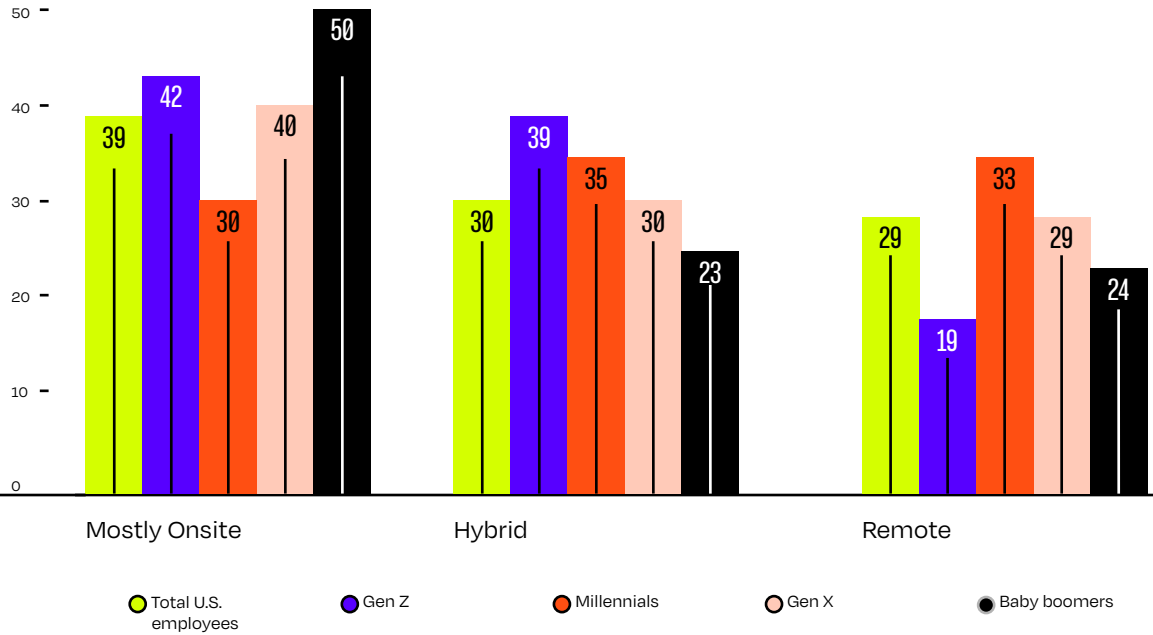
A SLOW REBOUND IN WORKER CONFIDENCE



A recent edition of LinkedIn’s Market Research finds the first eight months of 2023 saw an erosion in U.S. professionals’ career confidence. Sentiment across all industries, as measured by the careers section of the Workforce Confidence Index, declined from a high of +36 in mid-January to a low of +26 in early September. But the latest WCI data show an all-industry upturn to +29. Career confidence in the professional services sector bounced back to +31 in early October after touching a 2023 low of +26 in September.

Sources: LinkedIn Market Research, October 2023

GENERATIONAL DIFFERENCES IN PREFERRED WORK ARRANGEMENTS



A recent LinkedIn Market Research report finds over half (54%) of American employees work mostly onsite, only a quarter work remotely and only 18% have a hybrid schedule. But if employees could choose their work location, that breakdown would look different. According to LinkedIn’s latest Workforce Confidence Index survey of over 9,000 workers, just 39% of employees would prefer onsite work. Most (58%) would opt for more flexibility, like a hybrid or remote environment, if given the opportunity. Millennials are least likely to want onsite work versus Gen Xers who are more comfortable with the idea of in-person work. A mere 19% of employed Gen Zers want remote work, indicating many are looking for facetime with more senior or experienced coworkers they otherwise wouldn’t interact with working entirely from home.

Source: LinkedIn Market Research, November 2023