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## **FOR IMMEDIATE RELEASE**

# **Tech-Sector Job Cuts Plunge 32% in 2013** **TECH SHEDS 56,918; 11% OF ALL JOB CUTS**

**CHICAGO, February 3, 2014** – After climbing to a three-year high in 2012, planned job cuts announced by firms in the technology sector declined by 32 percent in 2013 as employers focused on hiring in several growing areas, including big data, cloud computing and security, according to a semi-annual report on tech layoffs released Monday by global outplacement firm Challenger, Gray & Christmas, Inc.

United States-based employers in the computer, electronics and telecommunications industries announced 56,918 planned layoffs in 2013, representing 11.2 percent of the 509,051 job cuts recorded during the year. That was down from a 2012 total of 83,213, which was 15.7 percent of the 523,362 job cuts announced that year.

The heaviest job cutting occurred in the computer industry, where 35,136 workers were cut from payrolls. That was 24 percent fewer than the 46,164 computer-industry job cuts in 2012. Annual job cuts among electronics saw the biggest decline, plunging 42 percent from 14,191 in 2012 to 8,830 last year.

“The technology sector is one of the bright spots of the economy. While overall job cuts declined 3 percent last year, layoffs in technology fell by nearly one third. Furthermore, technology consistently ranks among the areas of the economy with the strongest potential for job growth in both the near term and over the long haul,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Meanwhile, sectors that can typically be counted on to be strong job creators, including pharmaceutical, health care, aerospace and defense, and financial services, all saw job cuts increase in 2013. Job cuts in health care increased 45 percent last year as hospitals and other health care providers adjusted to shrinking Medicare reimbursements and Medicaid cutbacks. Financial services saw increased cuts among investment banks as well as retail banks, where many institutions made deep cuts among the extra staff brought in to help handle record numbers of foreclosures and troubled-mortgage refinancing in the wake of the recession,” he added.

“This is not to say there are not job opportunities in health care, financial services and even the increasingly budget-conscious federal government. Not surprisingly, however, the best and most numerous opportunities are related to technology occupations. In health care, programmers are needed for the further digitization of medical records. In finance, more and more security experts are needed. In the government, large portions of the information technology workforce are reaching retirement age.”

One area in the tech sector expected to experience strong job growth is big data. In a recent survey of IT decision makers by technology trade publisher IDG Enterprise, nearly 50 percent of respondents indicated they are planning or implementing big data projects in 2014.

A separate survey by one of IDG’s publications, *Computerworld*, found that 32 percent of companies expect to increase staffing in their IT departments this year. The jobs with the highest demand included programming/application development, technical support, networking, and mobile applications and device management. Not surprisingly, security also ranked among the top 10; the importance of which was reinforced by the recent spate of data breaches at Target, Neiman Marcus and Yahoo.

“The biggest challenge for technology companies, as well as non-technology companies hiring tech workers, is the growing skills gap. The pace of change in the sector is so rapid it is difficult to keep skills fresh. The IDG survey found that among the respondents planning big data projects in the coming year, 40 percent noted that finding people with the right skills will be a top challenge in implementation,” said Challenger.

“Unfortunately, tech skills are not easily learned. It would be very difficult, for example, for someone to make a transition from manufacturing or mortgage banking into information technology. It would basically require starting from scratch and in the time it takes to learn the skills that are in demand now, there is a strong likelihood that those skills will be out-of-date by the time they are mastered. As a result, the technology job-pipeline must rely heavily on college graduates and H-1B workers,” he noted.

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## 2013 TECHNOLOGY JOB CUTS

	Q1	Q2	Q3	Q4	Total
Computer	3,526	16,404	7,962	7,244	<b>35,136</b>
Electronics	1,395	2,344	2,429	2,662	<b>8,830</b>
Telecom	3,471	1,743	3,674	4,064	<b>12,952</b>
<b>TOTAL</b>	<b>8,392</b>	<b>20,491</b>	<b>14,065</b>	<b>13,970</b>	<b>56,918</b>

## 2012 TECHNOLOGY JOB CUTS

	Q1	Q2	Q3	Q4	Total
Computer	2,308	32,072	6,291	5,493	<b>46,164</b>
Electronics	3,113	977	3,290	7,811	<b>15,191</b>
Telecom	6,944	6,115	6,160	2,639	<b>21,858</b>
<b>TOTAL</b>	<b>12,365</b>	<b>39,164</b>	<b>15,741</b>	<b>15,943</b>	<b>83,213</b>

## 2011 TECHNOLOGY JOB CUTS

	Q1	Q2	Q3	Q4	Total
Computer	1,887	1,291	8,809	2,690	<b>14,677</b>
Electronics	2,202	2,115	1,625	2,937	<b>8,879</b>
Telecom	4,552	2,261	1,627	5,042	<b>13,482</b>
<b>TOTAL</b>	<b>8,641</b>	<b>5,667</b>	<b>12,061</b>	<b>10,669</b>	<b>37,038</b>

## ANNUAL TECH-SECTOR JOB CUTS 2003-2013

	Total	% of All Cuts
<b>2003</b>	228,325	18.50%
<b>2004</b>	176,113	17.00%
<b>2005</b>	174,744	16.30%
<b>2006</b>	131,181	16.00%
<b>2007</b>	107,295	14.00%
<b>2008</b>	155,570	12.70%
<b>2009</b>	174,629	13.60%
<b>2010</b>	46,825	8.80%
<b>2011</b>	37,038	6.11%
<b>2012</b>	82,213	15.70%
<b>2013</b>	56,918	11.20%

Source: Challenger, Gray & Christmas, Inc.