

Technology sector is in a hiring mood

Local industry weathered recession relatively well

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TECH INDUSTRY PAY

Average salaries for San Diego tech jobs:

Communications/equipment manufacturing: \$101,900

Computers and electronics: \$98,000

Software: \$85,000

Biotech and pharmaceuticals: \$82,100

Defense/transportation: \$79,400

Clean tech: \$78,100

Overall average: \$85,800

SOURCE: Institute for Policy Research

As state officials revealed last week that the jobless rate in San Diego County has surged to 11 percent, recruiter Kanani Masterston was trying to fill more than 20 job openings at local technology companies, ranging from software developers to sales positions.

Despite continuing job losses in blue-collar fields such as manufacturing and construction, Masterson, who heads the technology division in the San Diego office of the TriStaff recruiting firm, said tech companies are ramping up their hiring. This bodes well for a region that prides itself on cutting-edge research.

“Job demand started rising during the second half of last year, and it’s really been accelerating in the past month or two,” Masterson said.

A study released Friday by the National University System Institute for Policy Research shows that the local tech industry — a diverse field that includes clean-tech companies, telecommunications firms, biotechnology labs, software developers and government contractors — has fared relatively well during the recession.

Although tech companies were not immune to the downturn, with employment dropping 3 percent over the past 21 months, that compares with a 9 percent decline overall, the institute found. The work forces in most tech sectors have been relatively stable since last fall, positioning the industry to be a driver of the economy as the recovery continues.

Just 10 days ago, Beacon Economics, a research firm in Los Angeles, forecast that San Diego County “will see faster growth than its neighbors owing to its concentration in the high-tech and biotech industries.”

According to the Institute for Policy Research, there are now 1,600 more biotech and pharmaceutical workers in San Diego County than there were in spring 2008 — a 9 percent increase. Software developers and technical consulting services are close to their pre-recession levels. Now that the economy is picking up, a number of tech companies are taking on new workers.

“That’s important because tech jobs tend to pay more than other jobs and therefore have a larger rippling effect in the economy,” said economist Kelly Cunningham, who compiled the report. “When people earn more money, they tend to spend more, and that has an impact on people who work in other industries.”

The average pay among local tech firms is \$85,800, nearly twice as much as San Diego’s overall average of \$47,400, the report says. Even though technology companies represent 11.2 percent of the jobs in San Diego County, with 140,400 workers, they generate 25.6 percent of payrolls, totaling \$3 billion.

Tech employment took a sharp dive in the fall of 2008 as the stock market crashed, banks clamped down on credit and investors stayed away from anything with much risk. But by the middle of last year, hiring started rising again, local recruiters say.

Part of the growth comes from the government. Research grants from federal agencies such as the National Institutes of Health and the National Science Foundation jumped from \$890 million in 2008 to \$1.2 billion in 2009 with infusions from the federal stimulus program.

“One reason we have a lot of life-science companies is that we have a lot of life-science-based institutions that receive tremendous amounts of money in federal research,” said Duane Roth, executive director of Connect San Diego, a support group for local tech companies.

Defense Department spending and federal investments in clean tech have also helped boost local growth.

Tech employment is growing in other regions in the country, as well. In Silicon Valley last week, Google announced that it will be “aggressively hiring” this year after adding nearly 800 workers in the first quarter. Intel announced plans to hire 1,000 to 2,000 workers this year, after 20,000 layoffs during the recession. And a poll of early-stage tech businesses said 58 percent hope to hire this year.

Masterson said she is encouraged by the hiring spurt in the Bay Area, especially because it’s having a

spillover effect on her business. She's working for seven clients from the Bay Area trying to find tech workers in Southern California because there is so much competition for talent up north.

"People from the Bay Area are saying they're just slammed in trying to find people, so they've been calling me to see if I can find people who'd be willing to move up there," Masterson said. "And the Bay Area's a real barometer for San Diego. Silicon Valley's often ahead of the curve in a slowdown: the first to cut back on workers and the first to start hiring again, since they've got a lot more startups."

The Monster Employment Index, which monitors online job postings nationwide, showed that want ads for computer and mathematical workers in San Diego County have risen more than 25 percent since hitting a low point in May. Masterson said that in the computer and communications field, some of the hottest areas for employment are in software engineering, creating applications for mobile phones and social media, and developing online sales and marketing tools targeting consumers as well as businesses.

"Obviously, there are some tech companies that have been hit hard by the current recession, like microchip manufacturers, for instance," Masterson said. "But there's been continued hiring in firms that produce medical devices, such as Alphatec, ResMed and CareFusion, or for some of the big communications companies like Qualcomm."

Hiring has been less steady for biologists and other workers specializing in the life and physical sciences. The Monster index showed that while job postings for scientists have grown nearly 10 percent since November, they are still well below where they were last year.

Joe Panetta, who heads BioCom San Diego, an association for life science and medical technology companies, said much of the hiring in those fields is occurring at firms that specialize in creating medical devices, diagnostic and research tools. These include Illumina, Quidel, Genoptix, Gen-Probe, Nuvasive, Volcano and Life Technologies.

In contrast, many of the biotech companies involved in creating new drugs are still shedding workers, partly by outsourcing jobs that were once performed in-house.

"The trend among many biotech companies is to cut down on the size of their own employment base and rely more on professional-services providers — outsourcing locally, not overseas," Panetta said. "As a result, we're seeing very significant growth within professional-services firms that can serve the industry by handling research and clinical trials, among other things."

Bente Hansen, whose self-named firm specializes in recruiting executives and scientists for technology companies, said hiring for research positions and scientists has remained slow at many early-stage biotech companies because of a pullback in investing by venture capitalists.

Hansen said job searches for scientists have been picking up recently because venture capitalists are stepping up their local investments — but only for companies that have strong business plans.

Tech hiring goes beyond looking for scientists, researchers and engineers, though. Hansen said some of her clients are looking for sales, marketing, finance and operations specialists because they are getting close to putting new products on the market.

Aperio Technologies in Vista, for instance, is seeking four sales managers in North America, including one in San Diego, as well as a work-flow specialist, software and systems engineers and a senior

contract specialist.

“Things are definitely picking up,” Hansen said. “For us, it’s nice to conduct job searches now that include a wide range of positions.”

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