Post layoffs, tech talent boosts non-tech companies

Hiring the next generation of tech leaders gives businesses a competitive edge.

Introduction

Underneath the layers of layoff news and data around hiring cutbacks in Big Tech, there's another story: the continued supply of early tech talent and desire from college grads to pursue careers in tech.

In the past, Big Tech had first dibs. Today, there's a new opportunity for non-tech name brands and small employers alike to take advantage of the continued availability of skilled tech talent among college grads.

Good news, because in **2023, every company is a tech company**. Every industry is undergoing digital transformation that requires talent with skills to help them keep up.

Our latest data findings demonstrate the abundance, flexibility, and eagerness of early tech talent supply—grads with tech skills and tech majors are applying outside of Big Tech to start their career—and the opportunity for companies that take advantage of this crucial moment in the job market to succeed.

Key takeaways

1 Tech majors are looking to new industries as they apply to full-time jobs—including government and healthcare.

2 Students are applying beyond the traditional coastal tech hubs in 2023 compared to previous years for both full-time and internship roles.

3 Tech majors on Handshake are more active than their peers, applying to 2x more jobs than others on Handshake, and more than 50% apply to 10+ full-time roles.

Demand for tech skills outpaces employment

Tech-related roles are expected to grow at 2x the rate of overall employment in the US, with many tech occupations growing at 4x-5x the national rate ([US Department of Labor](#)).

Why? A recent McKinsey report highlighted that the most productive firms in every sector widened their lead against competitors over the last 30 years by investing in tech and tech talent.

Leading firms invest 2.6x

more in technology, research and intellectual property, and attract and invest in more skilled talent.

As a result, industry trends are predicting:

$162B

in unrealized revenue

Across the tech, media, and telecom industries by 2030 as a result of skilled talent shortages

Korn Ferry

87%

of orgs unprepared to face skills gap

As indicated by global senior executives surveyed by McKinsey

McKinsey

3.5M

STEM jobs in manufacturing

Forecasted for just the manufacturing industry by 2025

NAM and Deloitte

Widening this gap is the aging workforce. According to the US Census Bureau, by 2030, all baby boomers will be older than 65. The share of the population that is retirement age will increase to 21%. At the same time, an estimated 42% of the skills and expertise required to capably perform in a given position will be known only by the person currently in that position.

Taken together, these conditions show that companies are facing an almost certain knowledge deficit within the workforce, equating to lower productivity, efficiency, and revenue loss.

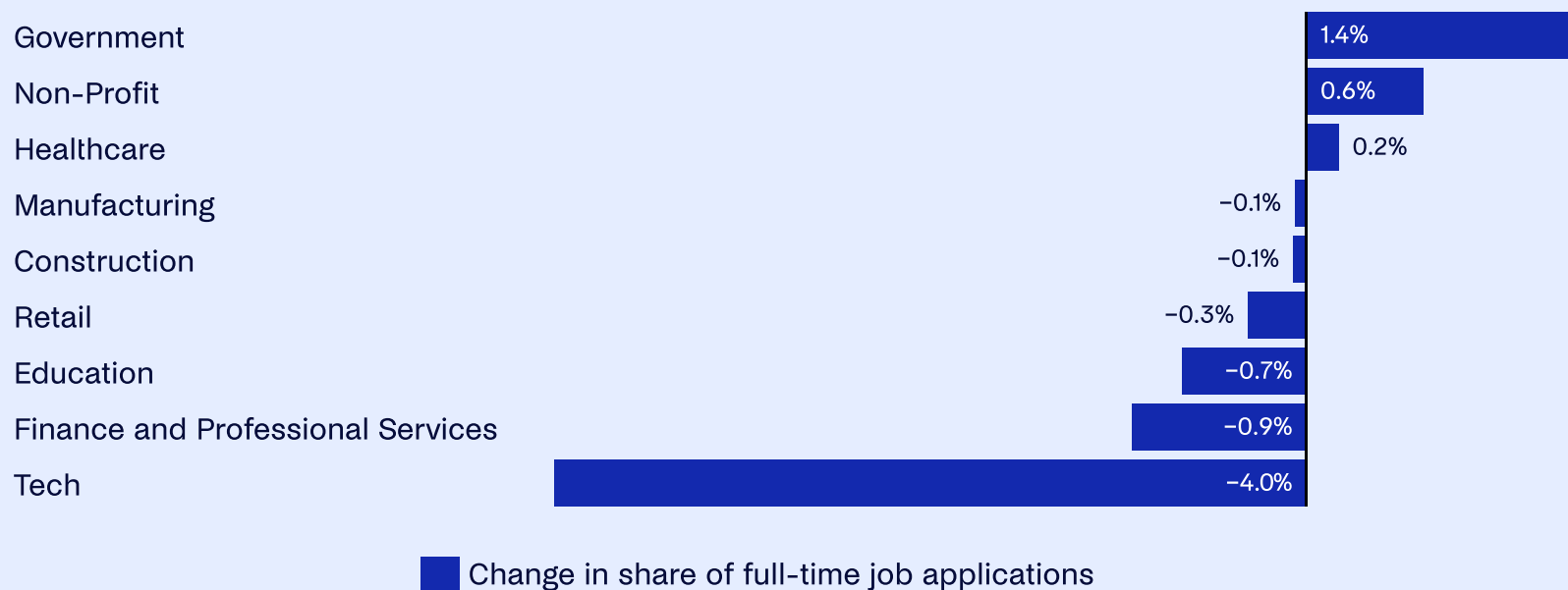# Demand, meet supply. Tech talent is eyeing new industries in 2023.

Tech majors are looking to new industries as they apply to full-time jobs. They're seeing the headlines reporting Big Tech layoffs and are applying to a wider range of industries than the class of 2022. In a survey to the class of 2023 this winter, 40% said they are open to apply to more industries as a result of news about the economy.

These findings are echoed in our product data. While **applications from tech majors to the tech industry have dropped by 4.0 percentage points** and applications to finance and professional services have dropped by 0.9 percentage points, there has been **an increase of 1.4 percentage points in applications to government and an increase of 0.6 percentage points in applications to non-profits.**

Clearly all other industries besides tech are seeing an increase in applications and tech student interest—even earlier in the college journey. For students with tech majors applying to internships this year, we also see a drop in applications to tech of 8.1 percentage points and an increase in applications for all other industries.

Change in share of full-time job applications by students with core tech majors by industry (Sept 2022 - February 2023 vs prior year)

Students with tech skills are more open to diverse industries than in the past.

Industry	Change
Government	1.4%
Non-Profit	0.6%
Healthcare	0.2%
Manufacturing	−0.1%
Construction	−0.1%
Retail	−0.3%
Education	−0.7%
Finance and Professional Services	−0.9%
Tech	−4.0%

■ Change in share of full-time job applications

Source: Handshake job posting data.

The rise in fields like healthcare, government, and nonprofits signal a shift and opportunity, for both employers and students. Competitive candidates with tech skills are forging new career paths outside of the tech industry, bringing their skills to fields that might be well-suited to meet their interests, values, and drive for impact.

Talent is also on the move, and applications outside of major tech hubs are on the rise.

Students are applying to more diverse locations in 2023 compared to early years for both full-time and internship roles. **In fact, 68% of respondents in the class of 2023 said they are open to relocate based on market conditions**.

In the past, most tech talent was pulled toward California, Massachusetts, New York, Texas, and Washington where Big Tech firms are based and [VC funding is the highest](). Today, the majority of tech majors are applying outside of the most common states for tech.

Share of full-time job applications by students with tech majors to non-core tech states

Students with tech skills are more open to applying to jobs outside of traditional tech hubs of CA, MA, NY, TX and WA.

2021	57.2%
2022	57.6%
2023	62.8%

Non-core tech states exclude CA, MA, NY, TX and WA.

Source: Handshake job posting data

States with the largest increase in the share of full-time job applications by students with tech majors

Students with tech skills are more open to applying to jobs outside of traditional tech hubs of CA, MA, NY, TX and WA.

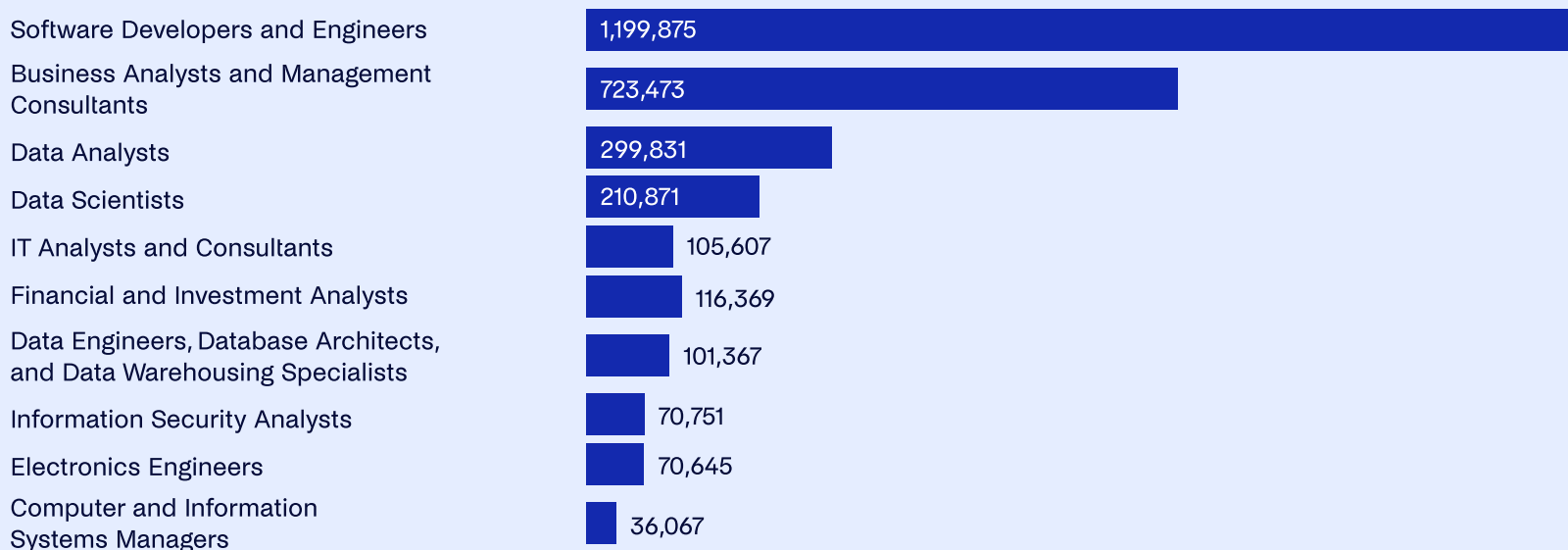|	
New Jersey	2.6%
District of Columbia	1.3%
Maryland	0.9%
Oklahoma	0.9%
Georgia	0.7%
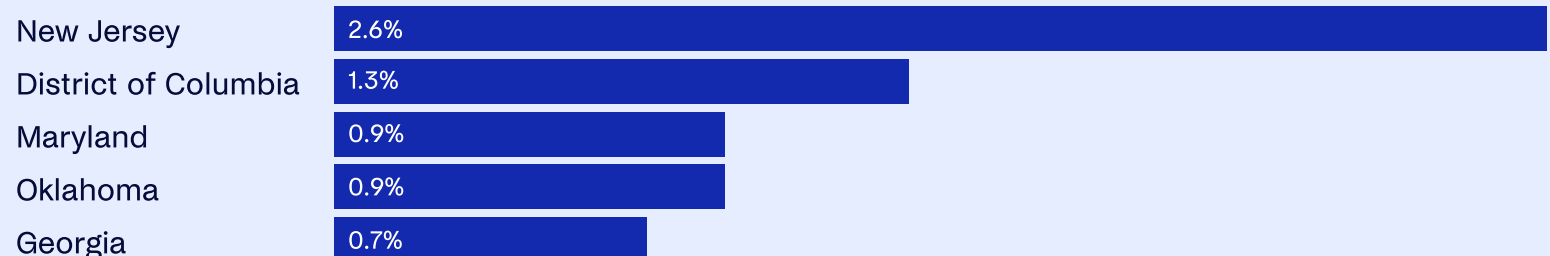
Source: Handshake job posting data

Remote work possibilities mixed with the economic downturn have opened the door for talent to explore new industries in new locations, **signaling to employers that there is a window of opportunity to attract on-the-move talent now.**

What roles are capturing Gen Z tech talent's attention?

Tech majors on Handshake are more active than their peers, applying to **2x more jobs than other talent on Handshake, and more than 50% apply to 10+ full-time roles.**

Top 10 jobs that tech majors are applying to

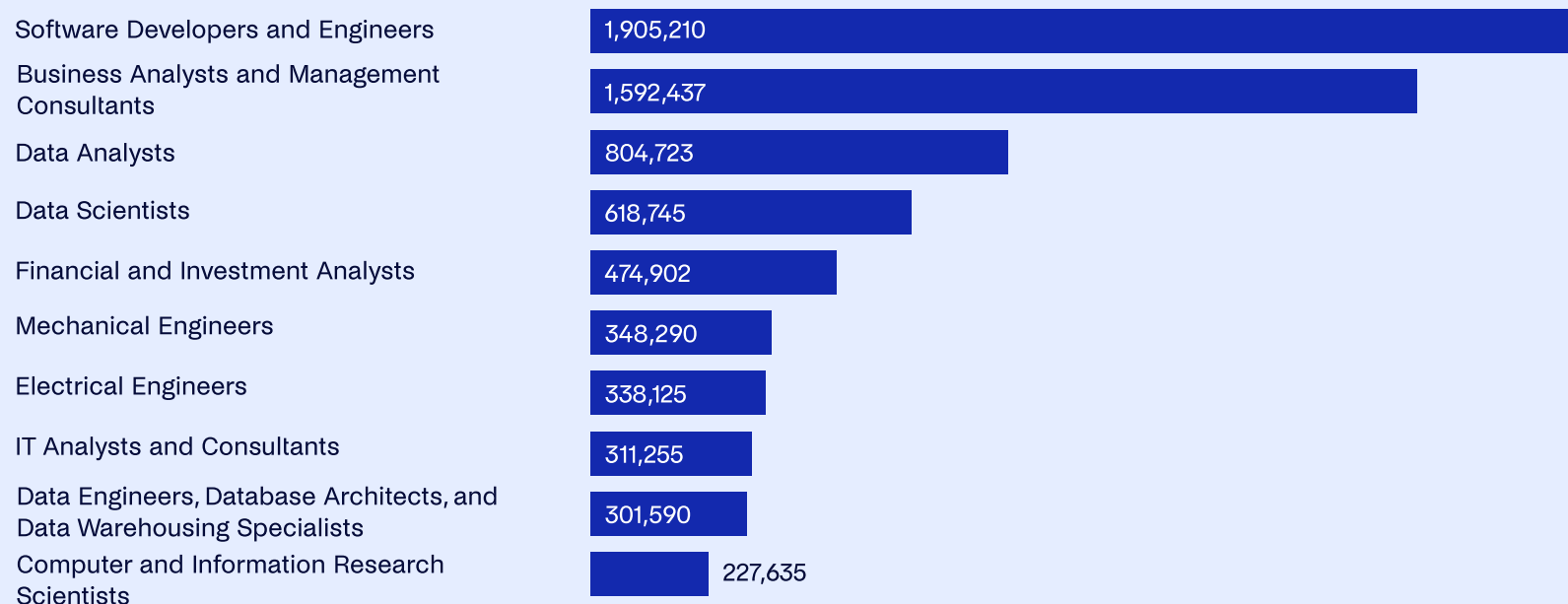| Role	Applications
Software Developers and Engineers	1,199,875
Business Analysts and Management Consultants	723,473
Data Analysts	299,831
Data Scientists	210,871
IT Analysts and Consultants	105,607
Financial and Investment Analysts	116,369
Data Engineers, Database Architects, and Data Warehousing Specialists	101,367
Information Security Analysts	70,751
Electronics Engineers	70,645
Computer and Information Systems Managers	36,067

Source: Handshake job posting data

Non-tech industries should pay special attention to the opportunity that tech-skilled students (not necessarily majors) bring to the table.

Handshake data showed that the second most popular jobs for tech majors and for students with tech skills (such as programming and computer languages) are business analysts and management consulting. The popularity of these roles among students with programming skills signals the widespread need for tech talent beyond traditional tech employers.

Just as all companies are transforming into tech companies, all business problems increasingly require tech solutions to surface insights and make informed solutions. All industries can tap into this cohort for roles to help bridge the gap between existing processes and new tech adoption.

Top 10 jobs that non-core tech students with programming skills are applying to

Job	Count
Software Developers and Engineers	1,905,210
Business Analysts and Management Consultants	1,592,437
Data Analysts	804,723
Data Scientists	618,745
Financial and Investment Analysts	474,902
Mechanical Engineers	348,290
Electrical Engineers	338,125
IT Analysts and Consultants	311,255
Data Engineers, Database Architects, and Data Warehousing Specialists	301,590
Computer and Information Research Scientists	227,635

Source: Handshake job posting data

Hiring is tight, but so are budgets. How can organizations capture this moment?

Skilled early career tech talent can save companies millions:

Cost of hiring early talent vs. mid-talent over 3 years

Software Engineer (53% cost savings)

$407,420

$881,460

Data Scientist (45% cost savings)

$412,611

$756,565

Business Analyst (54% cost savings)

$285,819

$617,554

■ EarlyTalent Cost (USD)   ■ MidTalent Cost (USD)

Source: Radford

Tech talent is on the move, and now is the moment to attract these competitive workers

For organizations that can only make investments for tomorrow that still deliver measurable benefits today, early tech talent is the solution.

Methodology

When looking at applications to Handshake job postings, applications are limited to within 30 days of the job being posted. Additionally, students defined as tech majors or core tech include those with major groups of Information Systems Management, Computer Science, Computer Programming, Computer Engineering, Computer Engineering Technologies & Technicians, Business Analytics, Data Science, Data Mining, Mathematics, Statistics, Software Design, User Experience/ Social Computing, Cyber Security and Computer Systems Networking & Telecommunications.

Compensation data (inclusive of median salary, equity and target bonuses) was derived from 2022 Radford data. Hiring cost as a percentage and annual raises over time were derived from Zippia and Robert Half studies respectively. These statistics were extrapolated over 3 years to show the long-term cost savings of hiring early talent.

About Handshake

Handshake is the #1 place to launch a career with no connections, experience, or luck required. Handshake's community includes over 12 million students and young alumni around the world from 1,400 educational institutions, including four-year colleges, community colleges, boot camps, and 290+ minority-serving institutions. The platform connects up-and-coming talent with 750,000+ employers—from Fortune 500 companies like Google, Nike, and Walmart to thousands of public school districts, healthcare systems, nonprofits, and even sports teams like the LA Dodgers. Handshake is headquartered in San Francisco with offices in Denver, New York, and London and teammates working globally.

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