

# Media giving mixed signals on economy and tech sector

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**Author:** Toni Bowers

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*Every day that you read an article or listen to a news report, you're likely to get a different picture of what effect the current economy will have on the tech sector.*

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Depending on the day, the publication, the writer, and how the planets are aligned, you are likely to hear any of these predictions about what effect the dreary economy will have on the tech profession:

Tech will remain largely unaffected.

Tech will suffer a fate worse than death.

Tech will only suffer in terms of new initiatives.

So which is correct? Apparently, none of them and all of them. There are so many conflicting reports, it's hard to get a read on the real picture.

One article you read will say that companies will abandon all of their planned new initiatives in order to ride the immediate financial crisis. Then you'll click another link, and you'll be told that virtualization skills are in high demand because "virtualization deployments are maturing from tactical server projects to strategic enterprise initiatives, and companies are finding that IT personnel with the necessary skill sets are in short supply." Does that mean a company still pursue an initiative if it's already been started?

Maybe it's just specific industries, like Financial Services, that will feel the pinch more. Richard Koman, in a piece for ZDNet, Tech will suffer from financial meltdown, quotes Jay Bhatti, cofounder of people search engine Spock:

The big players like Oracle, Sun, Microsoft and SAP ... will feel an immediate impact. Financial Service firms are some of the biggest spenders of IT budgets around. I can imagine memos coming from the top to CIOs at banks telling them to cut costs ASAP. Naturally, they will start to push back on upgrades to new software (sorry Vista), ask for greater concessions on license pricing, and in some cases, abandon plans for new technology deployments such as new hardware or new ERP applications.

Then you have reports from the U.S. Labor Department that paint a rosier picture. The data sets released in June indicate that IT jobs are not growing, but staying steady.

Confused yet? Just wait.

Back in July, Ashlee Vance was decidedly pessimistic in a piece she wrote for The Register, And so we begin the tech sector's journey into the Heart of Darkness, when she wrote:

Does anyone else remember when technology companies were propping up this economy? Yeah, that's right. Oil prices were surging. Housing prices were plummeting. But there was the resilient technology sector, making us think things might be okay. No companies missing earnings. No layoffs. Hope at the end of the fab. Um, well, I don't know how to put this, but the technology sector - as one of my Wall Street friends likes to put it - has blown up.

So what's your feeling about the effect the economy will have on IT in the not-too-distant future?



**Toni Bowers** is the Head Blogs Editor of TechRepublic. She has been in the publishing industry for 20 years, with concentration in IT-related topics. She has edited newsletters, books, and web sites pertaining to software, IT career, and IT management issues.

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