Apps: Promising Career Opportunities

Michael Liedtke, AP Technology Writer

SAN FRANCISCO (AP) — A new study suggests that there are promising career opportunities in apps — the services and tools built to run on smartphones, computer tablets and Facebook's online social network.

The demand for applications for everything ranging from games to quantum physics has created 466,000 jobs in the U.S. since 2007, according to an analysis released Tuesday by technology trade group TechNet.

The estimate counts 311,000 jobs at companies making the apps and another 155,000 at local merchants who have expanded their payrolls in an economic ripple effect caused by increased spending at their businesses.

The study asserts this so-called "app economy" is still in the early stages of a boom driven by the mobile computing and social networking crazes unleashed by Apple Inc.'s iPhone and Facebook's online hangout.

"This is a telescope into what the future looks like," said Michael Mandel, the economist hired by TechNet to put together the report. "This is one part of the economy that is actually expanding and hiring. Once you point people in that direction, they can realign their compass pretty quickly."

Apps makers were adding jobs even when the overall U.S. unemployment rate climbed to as high as 10 percent in late 2009, Mandel said. That bodes well for even more vigorous growth if the economy can extend a gradual recovery from the Great Recession. The national unemployment rate fell to 8.3 percent in January, the lowest level in three years.

Government labor statistics don't yet track jobs focused on apps, partly because the market is still relatively new. That prompted TechNet to try to fill the void. The 15-year-old group represents executives at companies that employ more than 2 million people and generate more than $800 billion in annual revenue combined.

The app economy began to percolate in 2007 — the year that Apple introduced the iPhone and Facebook turned its website into a platform for other programs designed for its rapidly growing audience.

Today, there are more than 500,000 apps available for the iPhone and Apple's iPad tablet. Some are given away for free in an attempt to make money from ads. Others are sold by young and old entrepreneurs, as well as major companies.

As its audience has grown from about 58 million users in 2007 to 845 million today, Facebook has hatched perhaps the most successful apps company so far in Zynga Inc. The San Francisco-based maker of online games such as FarmVille and Words

With Friends already employs about 2,800 people and has leased enough office space to hire thousands more during the next few years.

The seeds for even more job growth have been planted by a proliferation of other mobile devices designed to run on operating systems made by Google Inc., Research in Motion Ltd. and Microsoft Corp. More apps are likely to be coming into homes as more TVs and appliances, including refrigerators and washing machines, are wired for Internet access.

For all its progress and future promise, the app economy remains a small fraction of the broader technology industry. TechNet estimates about 3.5 million people are working in technology jobs — occupations revolving around computers and mathematics.

But not all the jobs being created in the app economy require geeky credentials.

TechNet reasons every apps programming job hatches another position in other non-technical areas such as sales, marketing, human resources and other administrative chores.

The study also presumes the job growth in apps spurs more local spending on goods and services that encourages more hiring at neighboring businesses. Quantifying this domino effect can be tricky.

Mandel, president of the consulting firm South Mountain Economics, says he believes he was conservative in his calculations. He estimates that one peripheral job is created for every two jobs added to the payroll of an apps maker.

The TechNet study found that the highest concentration of app jobs is in the technology hotbeds of the San Francisco Bay area (nearly 15 percent), New York (9 percent) and Seattle (nearly 6 percent).

But the study also found app jobs cropping up in places such as Philadelphia (nearly 2 percent), Detroit (1 percent) and Phoenix (1 percent).

TechNet CEO Rey Ramsey is optimistic apps jobs will be widely dispersed across the country because it's a specialty that doesn't require big factories, close proximity to railroads and highways or even other technology hubs. All that is really required, he said, is a good idea and online access.

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