



# Twin Cities Tech Talent Trends Report: 2026

Insights for the Local IT Market



# Introduction

## A Foreword from TriCom CEO Matt Sharples

As someone who has been heavily involved in the IT staffing market for over three decades, I've seen plenty of trends come and go in that time. So far, the 2020s have been fairly disruptive, most notably with the advent of artificial intelligence. Tech staffing in the Twin Cities metro has changed in many ways, as we've outlined in the following slides, but these observations have also reaffirmed my conviction that people are at the core of what we do. If you don't have great people, then you can't do great work.



**Matt Sharples**

*CEO, Co-Founder  
TriCom Technical Services*

“It matters who you work with” has been our tagline since the beginning, and for good reason. Tech staffing doesn't happen without the right relationships, and our relationships with our various consultants and clients have proven that, no matter what changes this rapidly evolving industry undergoes, these relationships will remain an invariable constant. That's something I rely on every day in an industry that can be, admittedly, volatile and difficult to predict. But, no matter what, my staff and I can take pride in knowing what really matters at the end of the day.

# The State of Twin Cities IT Employment

Tech employment continues to grow at a rapid rate with high wages and geographic expansion that demonstrate a robust market. But that geographic expansion comes at the cost of a localized Twin Cities workforce.



## KEY INSIGHT

**About 34% of our local tech professionals work for a non-local company.**

### Local and National Growth

The Minnesota Technology Association reported in 2024 that the state could expect around 39,000 openings in the tech industry through 2029. The U.S. Bureau of Labor Statistics also found that, from 2026-36, the tech workforce will grow at double the rate of the overall U.S. workforce. Signs point toward monumental growth in tech.

### High Wages

The median annual wage for tech workers was \$105,990 in May 2024. The median annual wage across all sectors was \$49,500. The highest paid professions include computer and information research scientists; software developers, quality assurance analysts, and testers; and computer network architects.

### Borderless Recruiting

Last year, we conducted a survey of 122 IT professionals in the Twin Cities metro. Through our research, we discovered that roughly **34% of IT professionals in the Minneapolis-St. Paul area work for a company based outside of the metro.** This led us to conclude that borderless hiring is a key part of the changing nature of IT work.

**\$110,594**

mean salary

**\$104,820**

annual median salary

**3.8%**

of total local  
employment

# Twin Cities Tech Compensation

# Minnesota Tech Numbers at a Glance

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As recently reported by Minnesota Technology Association, the tech industry contributed approximately \$37.5 billion to Minnesota's GDP in 2023. That number may continue to grow, as employment levels are forecasted to grow by 0.8% annually through 2028.

However, there is still a high labor shortage. Although low unemployment rates in local tech occupations (1.7%) signifies a healthy workforce, it also signals an impenetrable one for new graduates and entry-level hires. A tight labor market is consistent with the prevailing "no-hire/no-fire" trend nationwide.

But the tech landscape's biggest expenditures come in the form of temporary help services, which companies spent more than \$1 billion on in 2023. Still, the aforementioned Mntech report found that Minnesota ranks last in the nation when it comes to access to foundational computer science education.

**111,540**

tech jobs held  
in Minnesota

**37,945**

unique tech job  
postings over 12 months

**18,044**

MN tech firms with  
payroll

**+0.8%**

avg. annual forecast  
growth in tech employment

# Four Trends in IT Employment

IT is a rapidly growing field, and the rate of change is only becoming quicker on an annual basis. As such, each year brings with it new trends in the industry. From offshoring and nearshoring to obstacles for new tech graduates, these are four of the biggest trends the past year has marshaled into the profession.



## KEY INSIGHT

**Nearshoring is likely to overtake offshoring as a cost-saving measure for companies.**

## A Major Workforce

Tech workers total 16.1 million people. Alternatively, that's 7.25% of the country's workforce, comprising 28 different tech industries, such as cybersecurity, data science, and web development.

## Offshoring and Nearshoring

Although offshoring is a constant form of businesses' cost-saving operations, nearshoring is becoming more predominant, too. Nearshoring has grown in popularity because employees in Latin America work in the same time zone and often speak English, resulting in easier communication for U.S. teammates.

## Barriers for Software Engineers

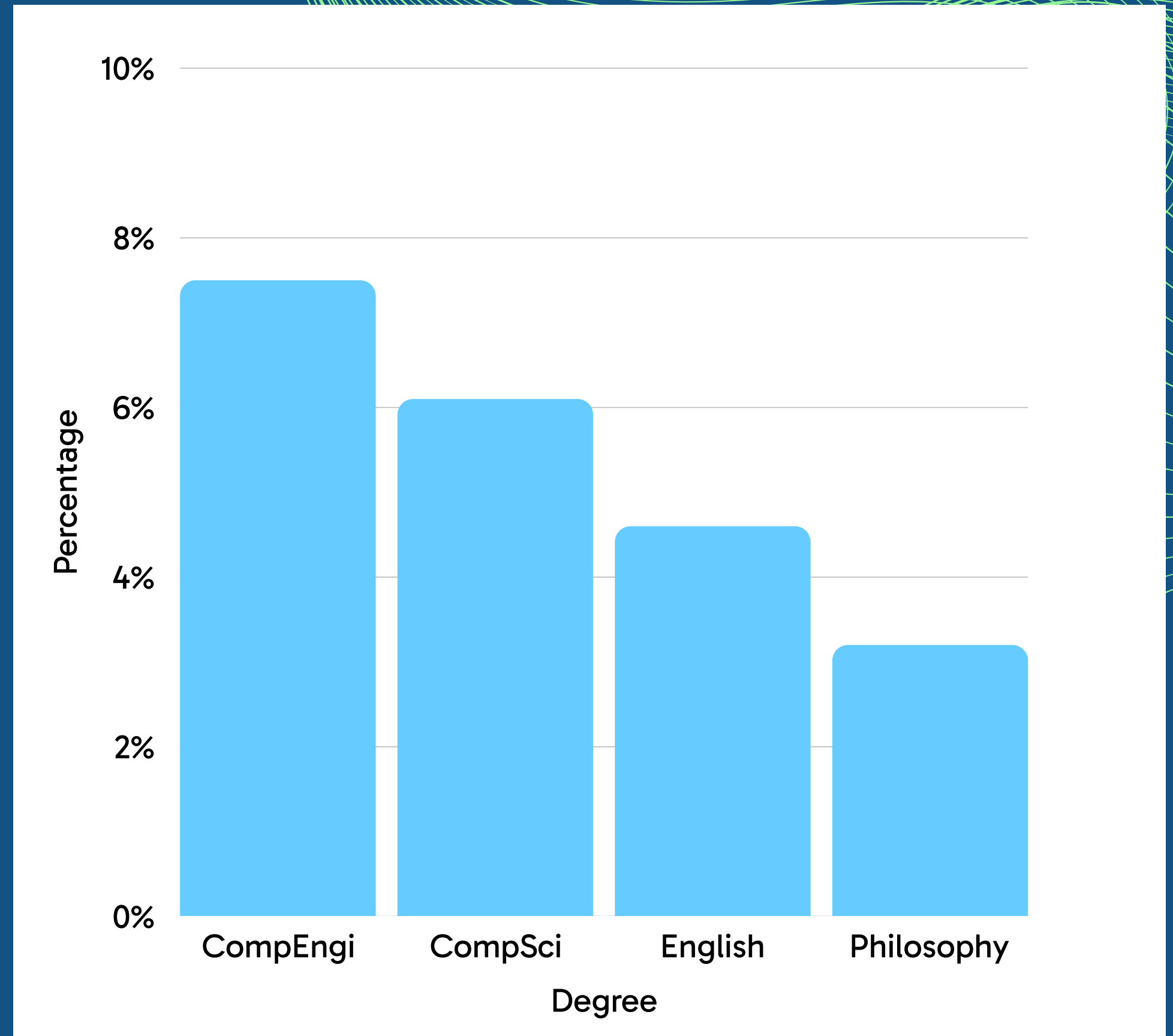
Entry-level and experienced software developers face similar hiring conditions. Comp sci. grad rates are at an all-time high, but software hiring has reached extreme lows.

## Decrease in Layoffs

In 2024, there were 1,115 layoffs at tech companies. 239,101 people were impacted at a rate of 655 people per day. In 2025, layoffs decreased to 711, with 209,429 people affected at a rate of 598 people per day.

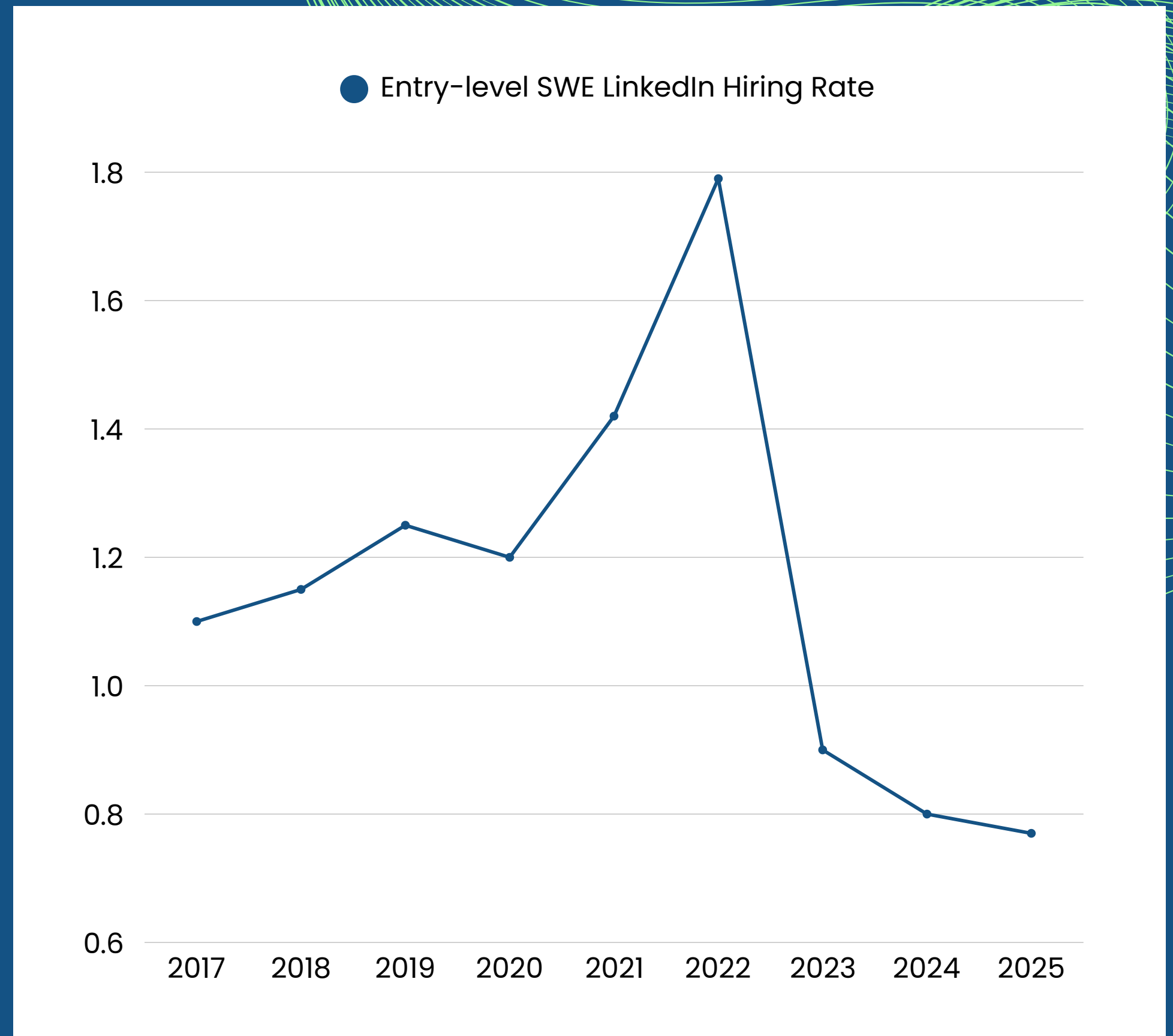
# Unemployment Rates for New Tech Grads

Although tech graduates receive high compensation, unemployment rates for recent comp-sci grads and computer engineering grads are higher than the national average of 4.2% for all citizens. The Federal Reserve Bank of New York discovered that comp-sci grads face an unemployment rate of 6.1%, and computer engineering grads face a rate of 7.5%. Other majors face lower rates, such as art history (3%), philosophy (3.2%), and English (4.6%). However, it should be noted that tech grads receive far higher compensation than those with degrees in the humanities. For example, the study also found that art history majors earned a median of \$45,000 a year, whereas early-career tech grads earned \$80,000.



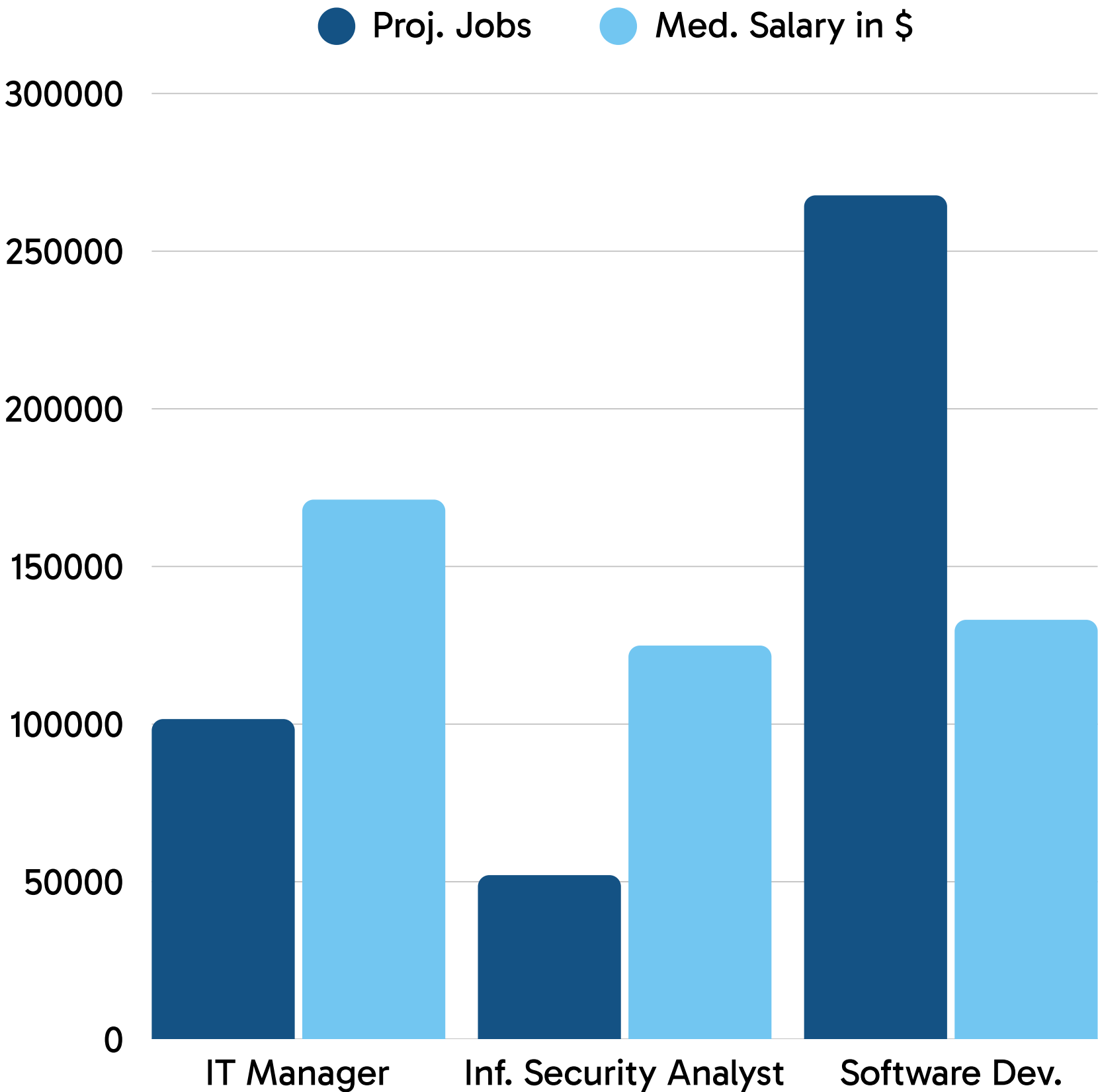
# Unemployment Rates for New Tech Grads, cont.

To put this in additional context, a 2026 report from LinkedIn using the platform's internal data revealed that the number of computer science graduates had hit record highs. That number steadily increased from just over 60,000 to nearly 140,000. However, entry-level hiring rates for software engineers through LinkedIn reached record lows, as displayed in the adjacent line graph with the X axis representing the year. This means that those looking to find a career in entry-level software engineering face a stagnated job market, and that's only becoming more difficult with more competition because of the increasing number of computer science graduates.

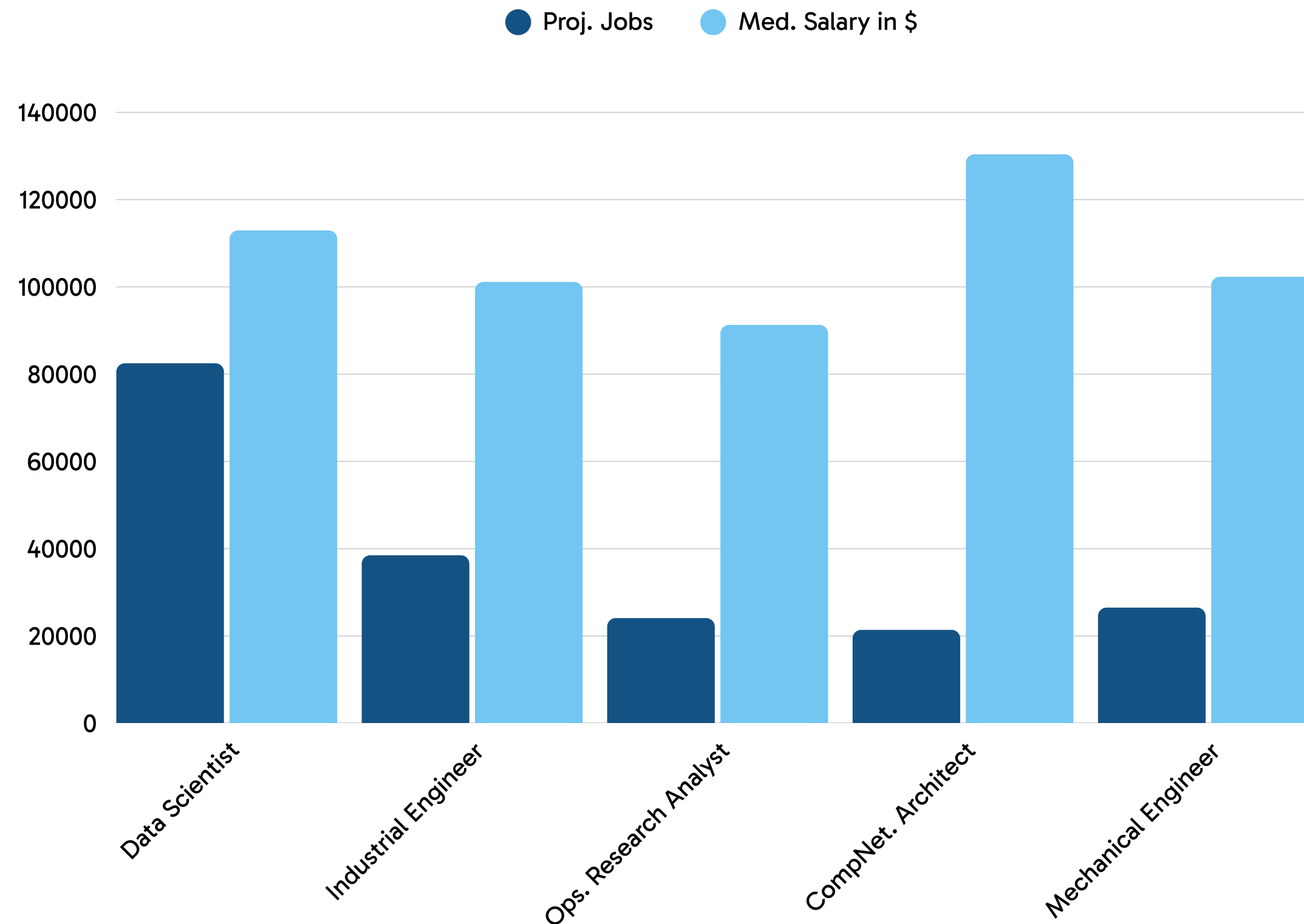


# Top Careers in Technology

The graph shown here visualizes the top careers in technology in 2026, as shared by U.S. News & World Report. It is measured according to the number of projected jobs, median salary, and education level needed. Ranked No. 1 is IT Manager, with projected jobs at 101,600, median salary at \$171,200, and a required bachelor's degree. Following that is Information Security Analyst with 52,100 projected jobs, a median salary of \$124,910, and a required bachelor's degree. Third is Software Developer, featuring 267,700 projected jobs, a \$133,080 median salary, and a required bachelor's degree.

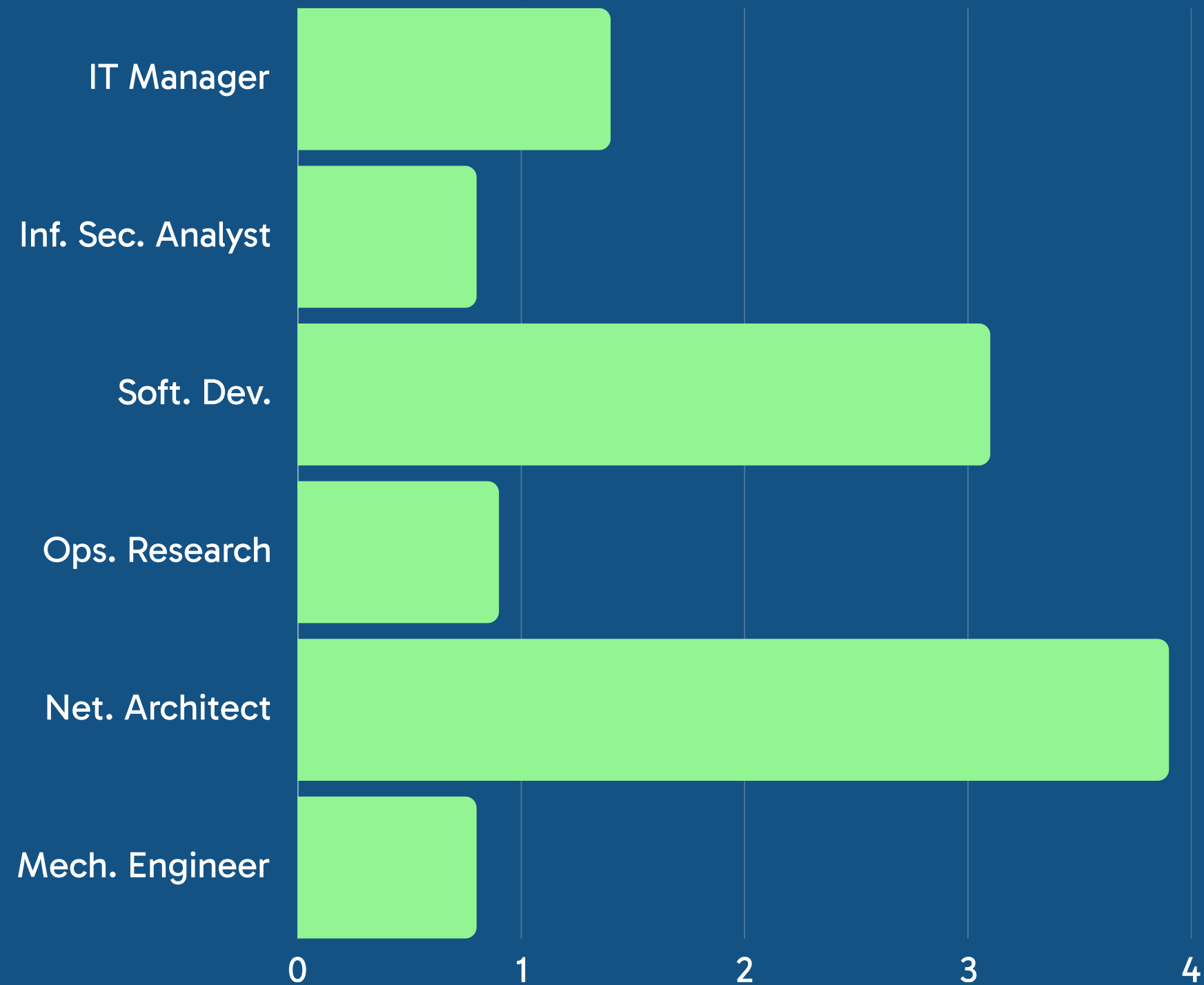


# Top Careers in Technology, cont.



Other jobs include Data Scientist (82,500 projected jobs; \$112,950 median salary; bachelor's), Industrial Engineer (38,500 projected jobs; \$101,140 median salary; bachelor's), Operations Research Analyst (24,100 projected jobs; \$91,290 median salary; bachelor's), Computer Network Architect (21,400 projected jobs; \$130,390 median salary; bachelor's), and Mechanical Engineer (26,500 projected jobs; \$102,320 median salary; bachelor's). It's also worth noting that tech roles occupy eight of the top 50 spots: No. 3 (IT Manager), No. 4 (Information Security Analyst), No. 7 (Software Developer), No. 8 (Data Scientist), No. 19 (Industrial Engineer), No. 22 (Operations Research Analyst), No. 32 (Computer Network Architect), and No. 41 (Mechanical Engineer).


# Unemployment Rate by Tech Career



Although unemployment rates for recent tech graduates are above the national average, people who already work in the field benefit from lower unemployment rates, most of which are below the national average of 4.4%. For context, Minnesota's rate is 4.5%, as reported by the Minnesota Department of Employment and Economic Development (DEED). According to 2026 research from U.S. News & World Report, tech industries generally boast lower rates. For the highest-ranked careers, this includes the positions of IT Manager (1.4%), Information Security Analyst (0.8%), Software Developer (3.1%), Operations Research Analyst (0.9%), Computer Network Architect (3.9%), and Mechanical Engineer (0.8%).

# Tech Economic Impact by City

Although the most sizeable tech hubs are outside of the Midwest, namely in Austin, Seattle, San Francisco, and Denver, the Midwest is a growing tech region that still boasts a substantial economic impact. Minneapolis and Kansas City have the greatest impact with percentages of 9.2% and 9%, respectively. Other cities in the region with significant rates include St. Louis (7.4%), Chicago (6.9%), and Indianapolis (6%). Meanwhile, other Midwestern cities, such as Milwaukee and Omaha (3.2%), play smaller roles. But Minneapolis alone accounts for more than 139,000 tech professionals and around 7.3% of the regional workforce.



**KEY INSIGHT**

**Minneapolis and Kansas City boast the greatest tech economic impact in the Midwest.**





## KEY INSIGHT

**AI is the primary technology driving today's candidate fraud.**

# Candidate Fraud in Tech

IT candidate fraud is multifaceted. It can range from minor and individual, such as dramatizing experience and skillsets, to malicious and structural, like creating a false identity to gather intel for hostile governments. These are key takeaways from how modern candidate fraud is shaping the tech landscape.

## North Korean IT Takeover

The U.S. Justice Department has discovered a pattern in recent incidents of candidate fraud. Last year, it reported that North Korean citizens were using fabricated identities to work remotely, most notably in IT positions, for U.S. companies and funneling their earnings into North Korean nuclear and military programs.

## AI Is Making Fraud Much Easier

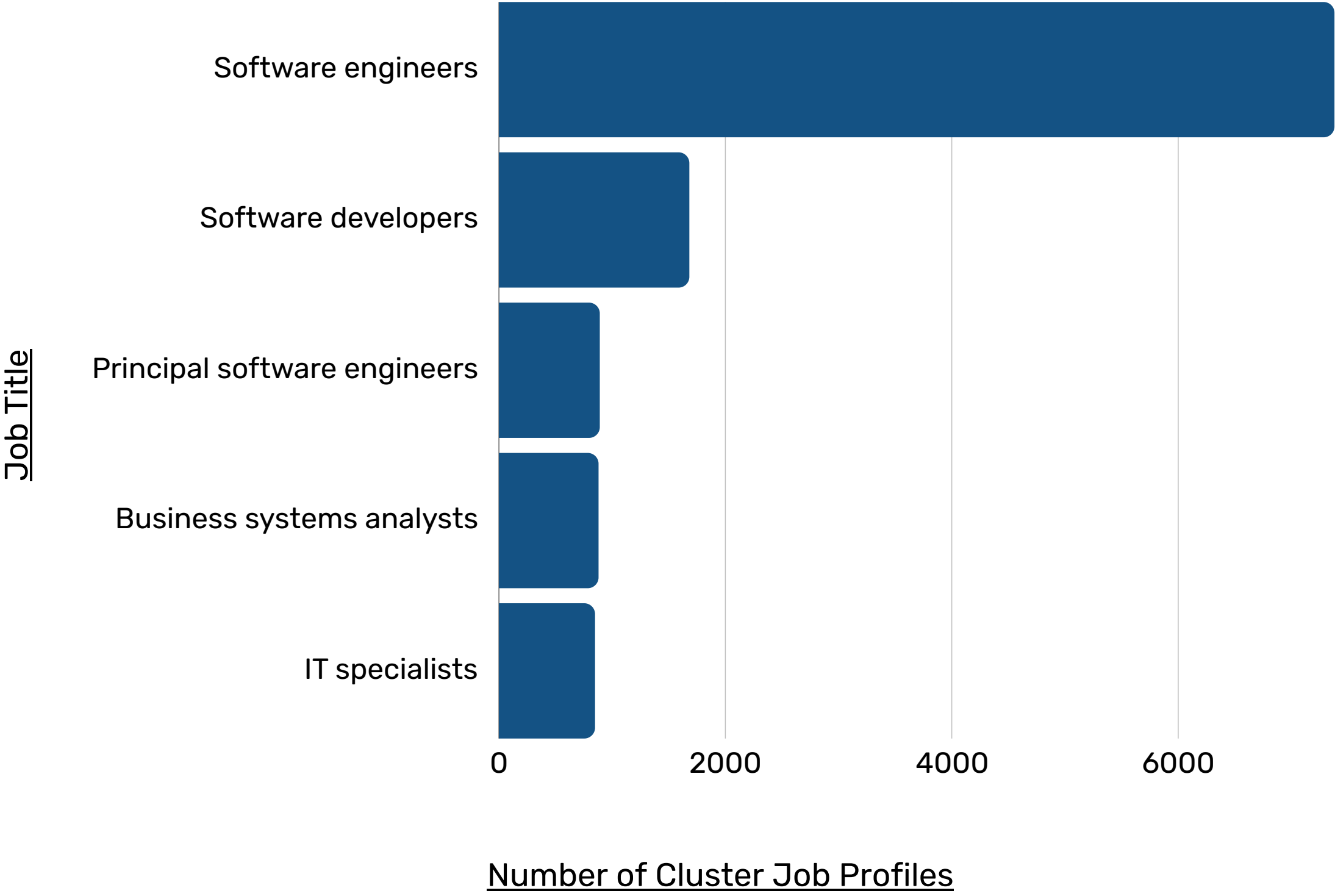
One of the primary tools that North Korean candidates (and fraudulent candidates in general) use is AI. Several news outlets, including CBS News, Business Insider, and Forbes, reported on stories concerning the issue of AI's prominent role in candidate fraud, particularly deepfakes to alter appearance and LLMs to generate interview answers in real time.

## Methods to Mitigate Risk

Companies that have faced AI-generated fraud have shared some ways to circumvent this problem. Make sure the candidate has their camera turned on and is willing to hold up their ID next to their face. Hiring managers can also check IP addresses to verify that candidates are calling in from where they say they are.

# 5 Most Common Tech Roles in the Twin Cities

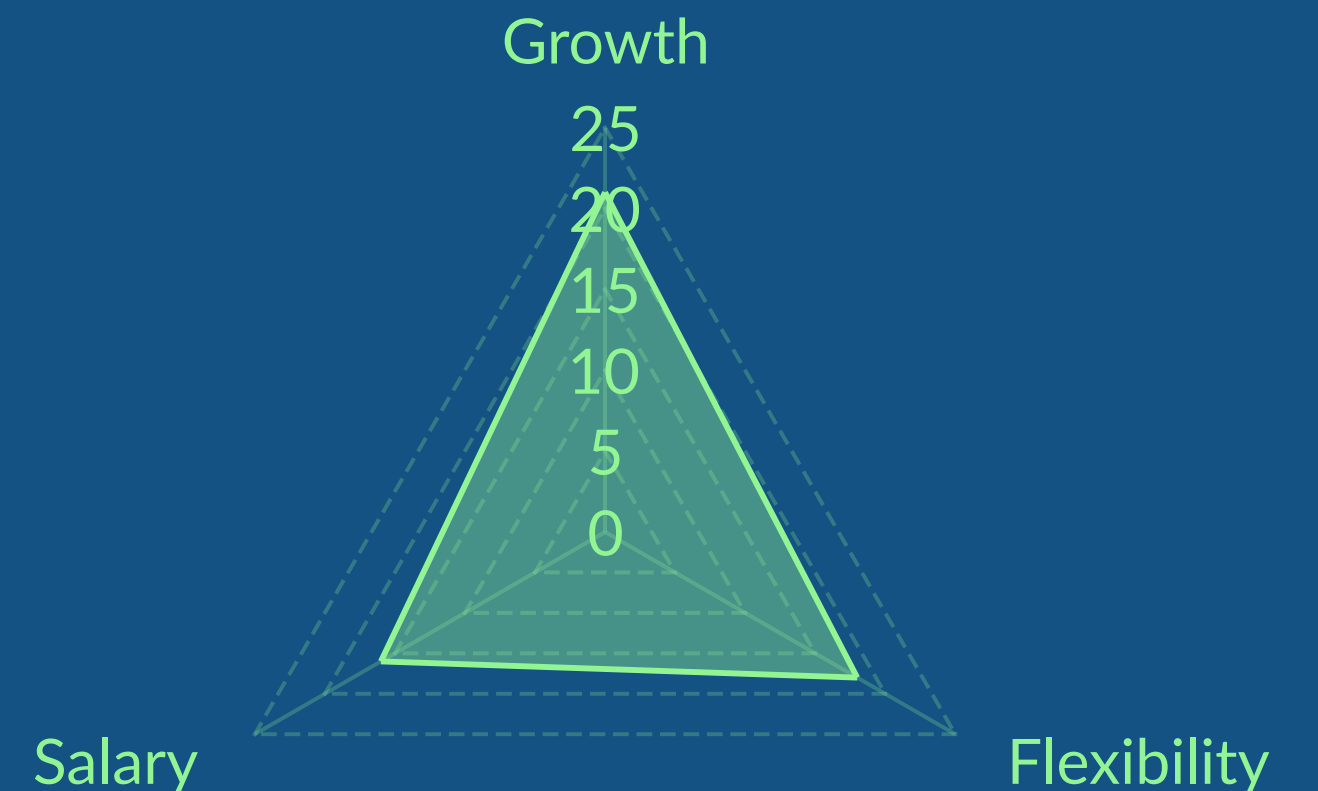
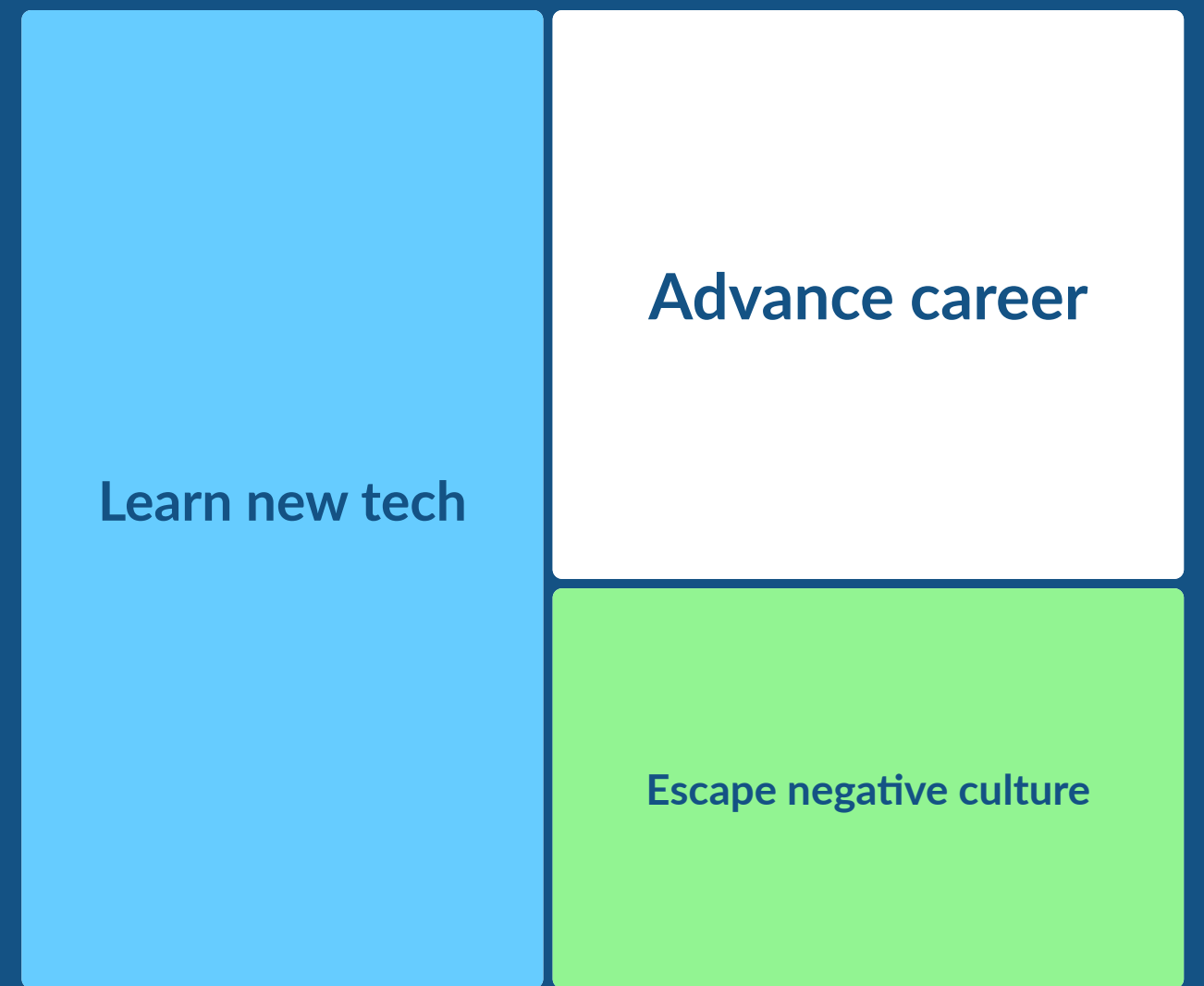
The adjacent graph displays the most common tech roles in the Twin Cities according to cluster job profiles pulled from MnTech in September 2025. The five most common job postings in the local tech industry were the following: software engineers (7,380); software developers (1,682); principal software engineers (891); business systems analysts (880); and IT specialists (849).



# Why Change Employers?

North American tech workers have shared various factors that influenced their decision to change employers. In a 2024 study, 24% of tech professionals said they'd change jobs to learn new technologies, and 17% answered that they were seeking career advancement. 12% wanted to escape a negative work culture. In terms of priorities, the top responses were career growth (21%), schedule flexibility (18%), and higher salaries (16%).

A 2025 Gallup poll also discovered something the company refers to as the "Great Detachment," an era marked by employees feeling increasingly severed from their employers. According to their research that surveyed more than 10,000 U.S. employees, 51% were either watching for or actively seeking new job opportunities.



# Why Change Employers? cont.

In a 2025 study, IT employees were asked what aspects of the workplace were most important to them, and they were given five domains to select from: digital & technology; culture; social & relationship; task; and physical space.

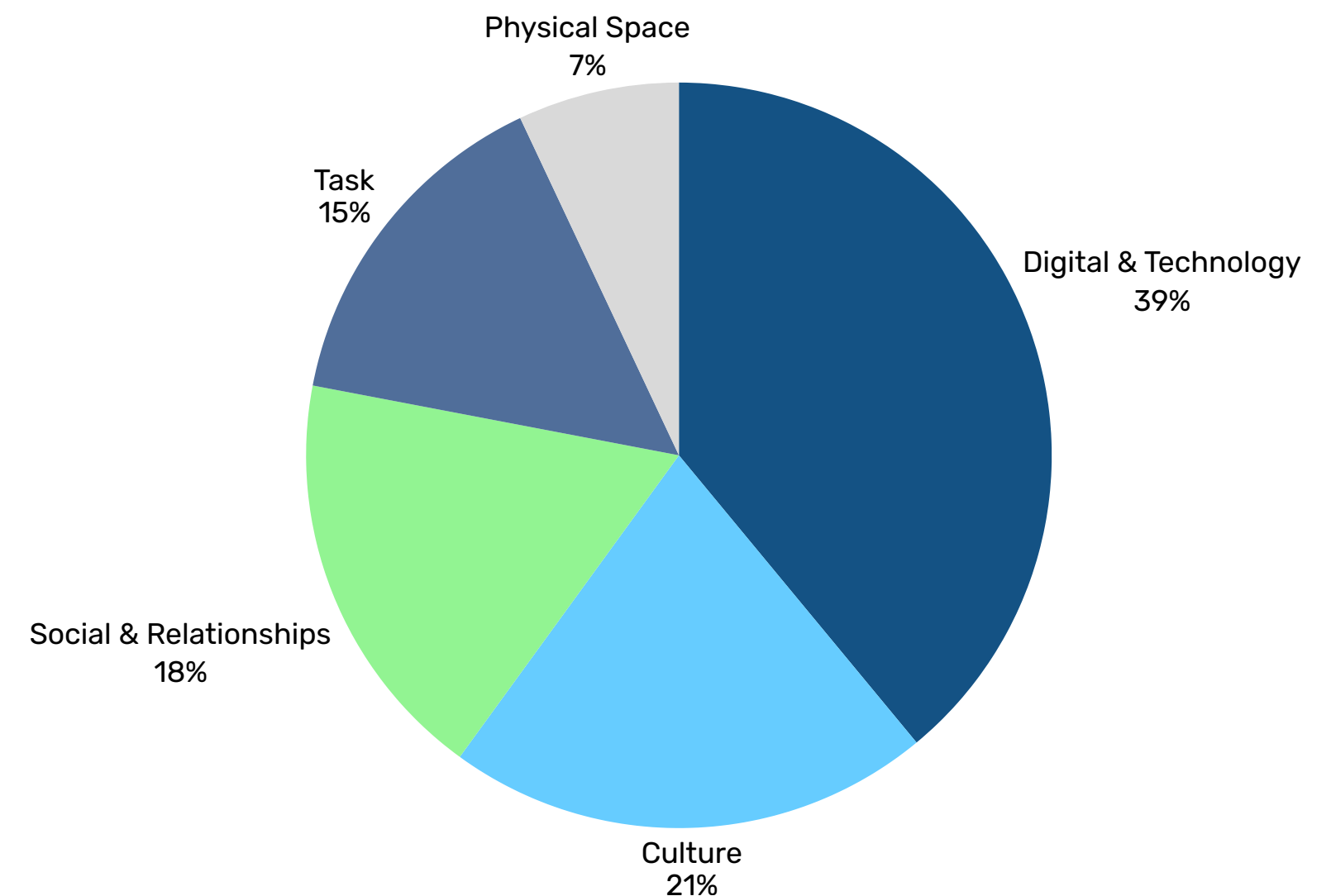
The study found that IT employees considered the digital & technology domain to be the most important. This domain includes “providing access to relevant technology and digital solutions;” “ensuring reliable technology to enable frictionless completion of tasks;” and “improving collaboration through the use of technology,” as the report describes.

The adjacent pie chart demonstrates the percentage of IT employees (n = 402) that consider a specific domain to be the most impact of the five. When asked which of the following domains they feel has the greatest impact on their IT employee experience, 39% said digital & technology; 21% said culture; 18% said social & relationships; 15% said task; and 7% said physical space.



## KEY INSIGHT

Out of five key job domains, technology is what IT workers value the most.



# Tech's Biggest Trend: AI Mindfulness

The MIT Technology Review found that, in the next two years, the power that AI demands could rise to between 165 and 326 terawatt-hours per year, a sufficient amount of electricity to power 22% of American homes, visualized in the adjacent graphic. Combine this with peer-reviewed findings that AI used as much water as the bottled water industry in 2025, and it seems that AI mindfulness will likely emerge as one of tech's largest trends this year.

AI mindfulness refers to a more intentional and responsible use of the rapidly developing tool. Tech professionals can reduce AI's carbon footprint by using the technology for more technical purposes, such as producing code or summarizing a lengthy document. When it comes to simpler tasks, using Google's search results may prove more effective, as would person-focused skills, such as critical thinking and creative problem-solving.



## KEY INSIGHT

**AI consumed as much water as the bottled-water industry in 2025. To address backlash, companies should be more mindful of AI use.**

# Other Emerging Tech Trends

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## KEY INSIGHT

**The cloud will remain as important as ever, especially with rising geopolitical tensions.**

## LEO Satellites

Airlines have begun to use low Earth orbit (LEO) satellites to power their in-flight Wi-Fi services. Hawaiian Airlines are among the first to adopt it, and British Airways are soon to follow. LEO satellites offer high-speed and low-latency internet connectivity for an improved customer experience. IT staffing companies may observe an increased need to meet this demand by supplying placements for network integration, customer analytics, and other operational roles integral to this developing technology.

## LTE Dominance

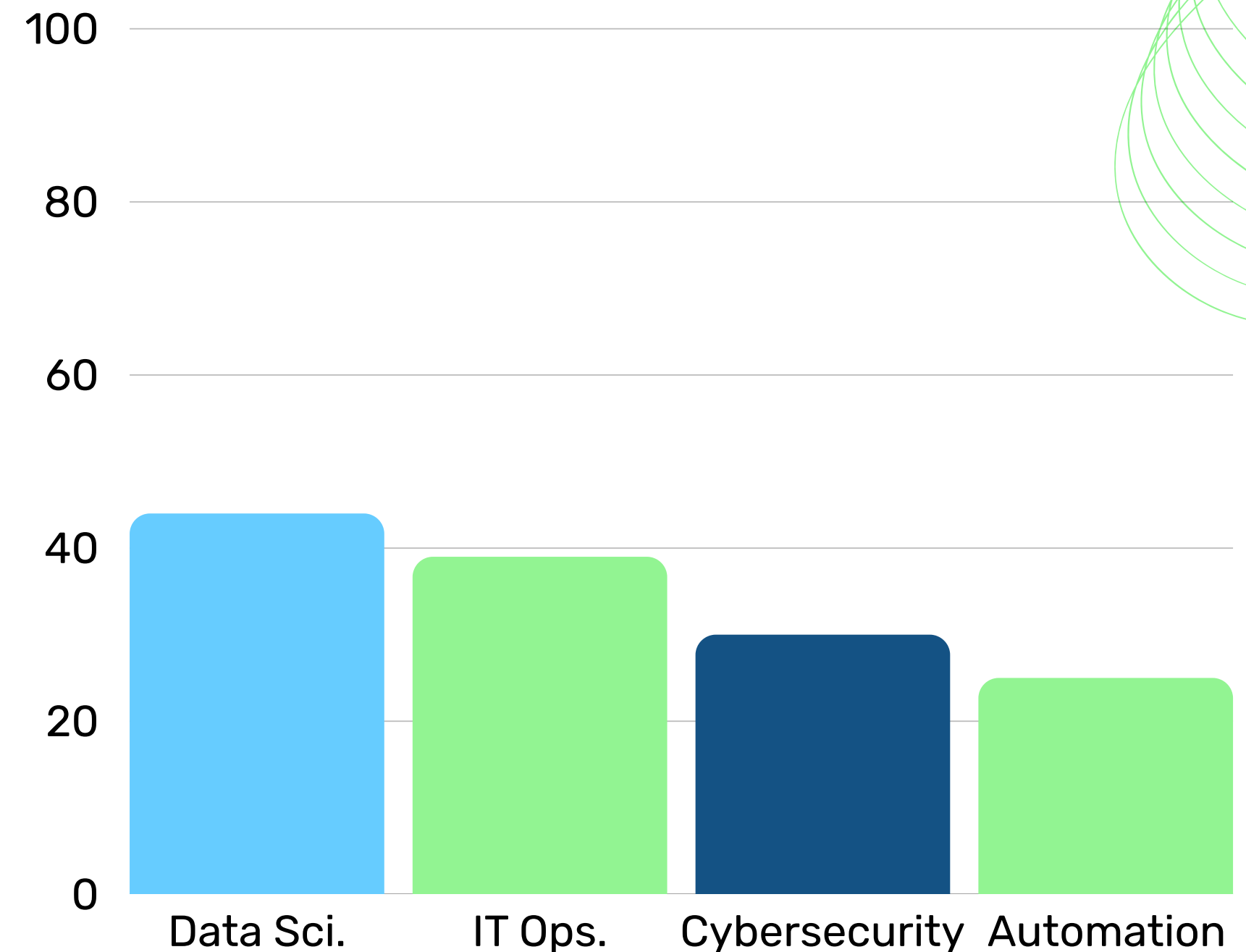
5G growth has long been the dominant force of chipmakers, but 93% of all cellular Internet of Things (IoT) module shipments will pivot to Long Term Evolution (LTE). This trend could hold through the end of the decade, when LTE will reportedly still comprise 76% of the market share. Even as wireless carriers shift away from this technology, it will likely remain one of the chief mechanisms for modern IoT applications. Companies are drawn to it because of the balance it strikes between performance, cost effectiveness, and power efficiency. Tech staffing companies, as a result, will see an increased demand for LTE-heavy roles.

## Cloud Sovereignty

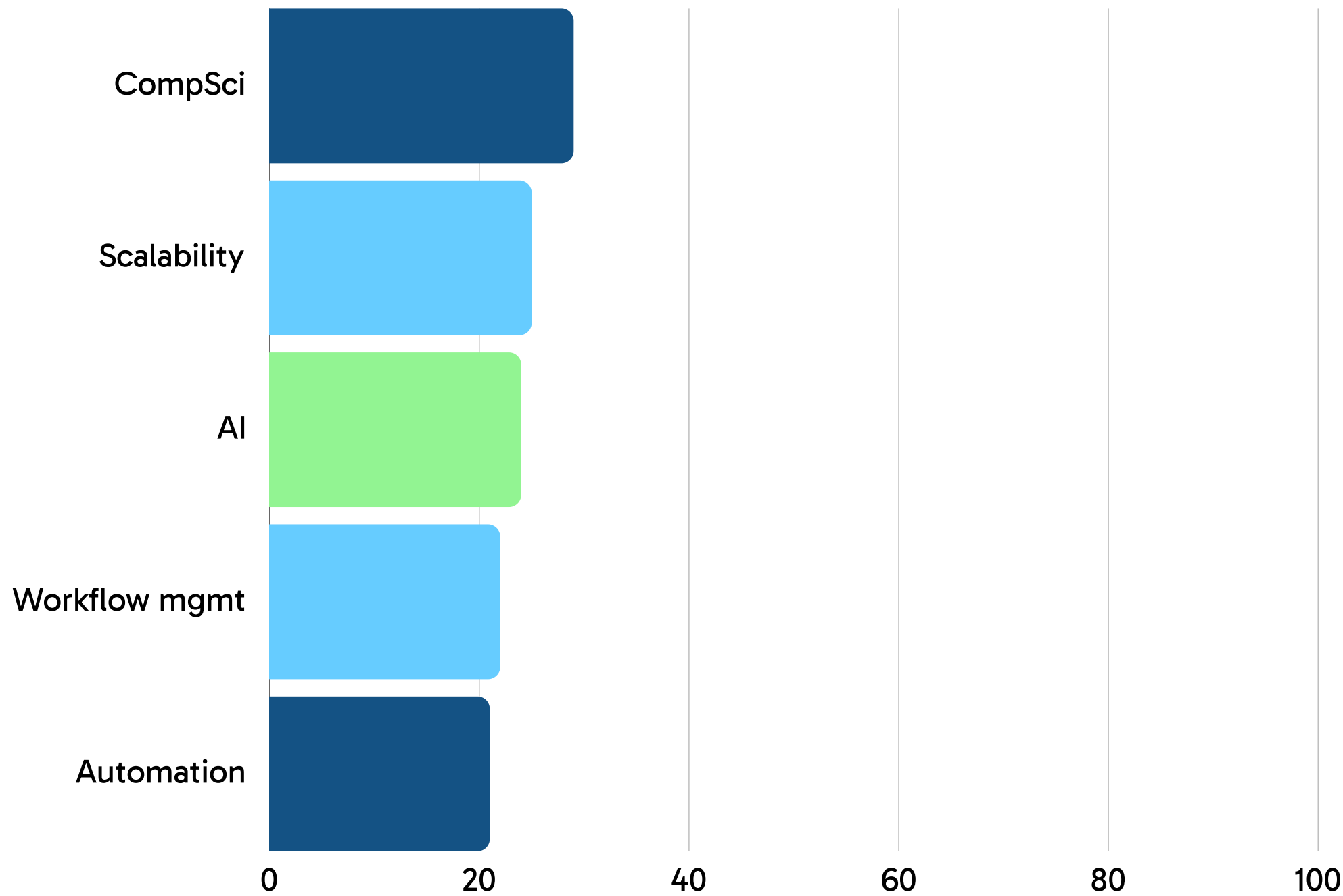
As geopolitical tensions beget economic uncertainty, companies will avoid risk for the sake of privacy. This leads to a heightened need for cloud sovereignty. Because of volatile national and global markets, businesses will want to hold full control over their cloud platforms. That means a greater need for regional cloud and licensing providers to train clients on the finer details of their storage systems. For IT staffing companies, they may identify more roles dedicated to cloud sovereignty and a need to engage with knowledgeable candidates.

# Skills Shortages

87% of tech leaders reported difficulties finding skilled tech talent, citing key areas such as data science (44%); IT operations and support (39%); and cybersecurity and privacy (30%) as the subsectors in which skills shortages are most apparent, according to 2025 research from Robert Half. Other areas mentioned were technology process automation (25%); software and web applications development (22%); and cloud architecture and operations (20%).



# Top Five Hard Skills in Twin Cities Tech



Nationwide, job openings are the second lowest they've been in the past five years, suggesting a continuation of the "low-hire, low-fire" job market. In November, 7 million job opportunities, down 300,000 from October, were available in business and governmental agencies. But the Twin Cities' tech economy remains resilient, boasting higher wages and lower unemployment rates than national averages. 2026 research also found that the top five hard skills according to local job postings in tech were computer science (29%), scalability (25%), artificial intelligence (24%), workflow management (22%), and automation (21%). Percentages, displayed in the adjacent graph, are expressed as how frequently they're mentioned in local job postings. For example, "computer science" was mentioned as a desired skill in 29% of MN tech job postings.

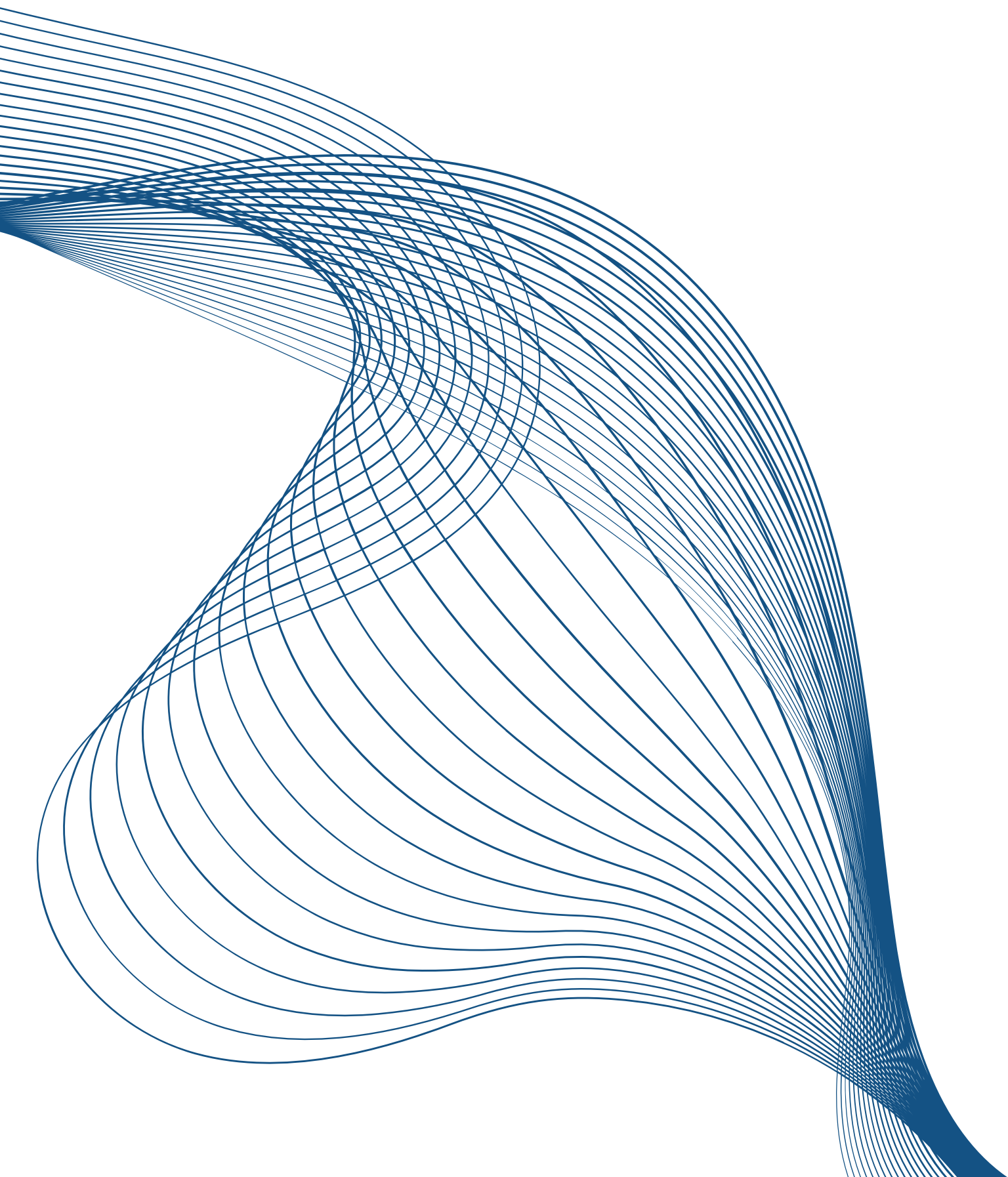
# Methodology

This report was collated using a comprehensive analysis of various reputable sources, all published within the past two years, as listed on the following bibliography slide. Citations are from surveys and studies; governmental reports; creditable news outlets; academic journals and extensive consumer polls.

## About TriCom

TriCom Technical Services is a best-in-class IT staffing firm that connects top technical professionals with high-performing companies. Using a comprehensive, high-touch approach, the TriCom team provides measurable results that outperform competitors locally and nationally. TriCom has won the Client and Talent awards for ClearlyRated's Best of Staffing for 14 years in a row while continuously finding new ways to provide clients and candidates with a partnership that empowers their goals.

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