

Tech's Bill Is Coming Due. Investors Aren't the Only Ones Who Will Pay.

Tech companies went on a spending binge to satisfy new pandemic demand. Then came the reopening and the rate hikes. Now, investors, consumers, and employees are on the hook for the bill.

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For two years now, tech companies have spent massive amounts of money building the capacity to serve what they believed would be a higher level of postpandemic demand. If you build it, they will come. Except they didn't. And now, the bill is coming due.



The tech-stock declines—the Nasdaq Composite **COMP 2.56%** ▲ just finished its worst year since 2008—are a continuing unwinding of rapid changes that took place early in the pandemic, when homebound consumers spent lavishly on technology products, digital services, and physical goods. Along the