

WORKFORCE REVIEW

A monthly review of labor market information for Silicon Valley

Job boom returns to Bay Area and California as hiring surges in May

Led by a hiring surge in the South Bay, the Bay Area powered to big job gains in May, banishing — at least for now — the ominous specter of a weak labor market and job losses that haunted the region earlier this year.

The nine-county region added 7,000 jobs in May, the most in a month since December 2023 when the area produced a gain of 11,200 positions, the state’s labor agency reported Friday.

The Bay Area’s upswing in hiring during May occurred despite massive job cuts in the region’s tech industry, primarily in the San Francisco metro area.

The South Bay muscled up to produce a gain of 3,300 jobs, nearly half of all the hiring in the Bay Area during May, according to the state Employment Development Department.

The East Bay added 2,100 jobs.

The San Francisco-San Mateo region added 1,000 positions, the EDD reported.

California added 43,700 jobs in May and also reached a record-high number of nonfarm payroll jobs that topped 18 million.

Both the California and the Bay Area numbers were adjusted for seasonal volatility.

“The California and Bay Area labor market firmed in May following a string of disappointing job reports, rekindling expectations for a soft landing for the Bay Area economy following two years now of higher interest rates and rapid inflation,” said Scott Anderson, chief U.S. Economist for BMO Capital Markets.

The statewide unemployment rate was 5.2% in May, an improvement from 5.3% in April.

The improvement marked the first time in nearly two years that the statewide jobless rate decreased. In August 2022, the statewide unemployment rate reached a record-low level of 3.8%. Until the improvement in May, it had worsened steadily.

“The labor market performance was good enough to calm some nerves in Sacramento and raise the odds that the Bay Area expansion will continue to muddle through in the months ahead,” Anderson said.

Here is how some key industries fared in the Bay Area during May, according to seasonally adjusted numbers that Beacon Economics derived from the EDD official report:

- Tech companies slashed employment by a net 2,100 jobs. They cut 2,200 jobs in the San Francisco-San Mateo region and another 400 in the South Bay. The tech industry, however, added 600 jobs in the East Bay.

- Hotels and restaurants added 1,300 jobs in the Bay Area. Hotels and restaurants gained 800 jobs in San Francisco-San Mateo and 400 in the South Bay.

- Financial services firms added 1,700 jobs in the Bay Area, driven primarily by an increase of 1,000 in the San Francisco metro area and 600 in the East Bay. This sector includes banks and other financial firms, insurance companies and real estate firms.

- Health care firms increased employment by 1,200 positions in the Bay Area in May. The South Bay added 1,000 health care jobs last month, the Beacon estimate showed.

“In the Bay Area, the volatile tech and information sectors are still negative, with growth concentrated in hospitality, health care and government,” said Jeffrey Michael, executive director of the Stockton-based Center for Business and Policy Research at the University of the Pacific.

It’s become clear that the Bay Area’s post-coronavirus recovery has begun to lag behind California as a whole.

The state’s total of 18.03 million payroll jobs in May was 1.2% higher than the jobs it had in February 2020, the final month before government-mandated business lockdowns went into effect to combat the spread of the coronavirus.

Yet the Bay Area and its three major urban centers all remain below their pre-COVID job heights.

Here is what this news organization’s analysis of the EDD report shows regarding the Bay Area’s post-coronavirus employment recovery. The numbers compare the May 2024 numbers with February 2020 levels:

- The Bay Area is 1.3% below the February 2020 level, or a jobs deficit of 53,300.

- The South Bay is 0.2% beneath the pre-COVID figure, or a shortfall of 1,800 positions.

- The East Bay is 0.3% below, or a gap of 3,200 jobs.

- The San Francisco-San Mateo region is 3.7% under the pre-coronavirus total, which is a jaw-dropping deficit of 44,300 jobs.

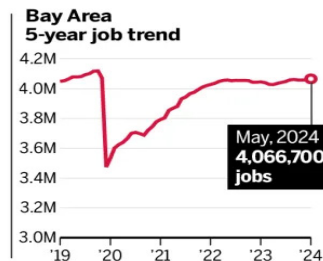
Over the most recent 12 months that ended in May, the East Bay’s job totals have risen 0.9%, while the South Bay and the Bay Area are up 0.5%.

In sharp contrast, San Francisco-San Mateo’s job totals are down 0.5% during the one-year period.

JOB GROWTH

The Bay Area powered to big job gains in May, adding 7,000 jobs, the most in a month since December 2023.

Jobs gained or lost in May	
South Bay	3,300
East Bay	2,100
S.F.-San Mateo Co.	1,000
Solano County	400
Napa County	300
Sonoma County	200
Marin County	-300
Bay Area	7,000



*All numbers are seasonally adjusted figures.

Sources: State Employment Development Department, BANG staff
BAY AREA NEWS GROUP

Article continues at link below

Region	May 2023	April 2024	May 2024	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	3.2%	3.9%	3.5%	- 0.4	+ 0.3
San Francisco MD	2.8%	3.4%	3.0%	- 0.4	+ 0.2
California	4.3%	4.9%	4.5%	- 0.4	+ 0.2
United States	3.4%	3.5%	3.7%	+ 0.2	+ 0.3

Sector — May 2024	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,161,300	1,160,300	2,321,600	+ 0.4%	- 0.2%
Construction	51,200	39,400	90,600	+ 0.1%	- 4.1%
Manufacturing	173,700	34,600	208,300	- 0.3%	- 3.1%
Retail Trade	73,300	64,500	137,800	+ 0.3%	+ 0.8%
Information	90,600	106,500	197,100	- 1.2%	- 8.5%
Professional & Business Services	247,000	291,500	538,500	+ 0.2%	- 1.2%
Educational Services	99,100	87,900	187,000	+ 0.8%	+ 1.9%
Health Care & Social Assistance	155,500	129,900	285,400	+ 0.2%	+ 5.3%
Leisure & Hospitality	104,900	129,600	234,500	+ 2.0%	+ 3.3%
Government	101,500	144,400	245,900	+ 1.0%	+ 1.5%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMIID

	Labor Force by Metropolitan Statistical Area (U.S. High-Tech Regions)								
	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	May 2023	May 2024	Change	May 2023	May 2024	Change	May 2023	May 2024	Change
United States	1,66,702,000	167,960,000	+ 0.8%	5,700,000	6,604,000	+ 15.9%	3.6%	3.9%	+ 0.3
Austin, TX	1,446,627	1,477,295	+ 2.1%	47,256	47,011	- 0.5%	3.3%	3.2%	- 0.1
Boston, MA	2,845,267	2,800,431	- 1.6%	47,011	47,256	+ 0.5%	3.2%	3.3%	+ 0.1
New York City, NY	4,148,400	4,172,300	+ 0.6%	205,500	204,300	- 0.6%	5.0%	4.9%	- 0.1
Seattle, WA	1,817,297	1,778,919	- 2.1%	61,201	76,329	+ 24.7%	3.4%	4.3%	+ 0.9
California	19,253,200	19,226,300	- 0.1%	828,400	872,800	+ 5.4%	4.3%	4.5%	+ 0.2
San Diego	1,590,400	1,580,100	- 0.6%	52,800	57,500	+ 8.9%	3.3%	3.6%	+ 0.3
San Francisco	1,004,800	987,000	- 1.8%	28,100	29,300	+ 4.3%	2.8%	3.0%	+ 0.2
San José	1,065,400	1,055,000	- 1.0%	33,800	36,400	+ 7.7%	3.2%	3.5%	+ 0.3
NOVAworks Region	773,800	763,100	- 1.4%	21,300	22,600	+ 6.1%	2.8%	3.0%	+ 0.2

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMIID

Company	Location	# Affected	WARN SUMMARY	
			Events YTD†:	106
Apple, Inc.	Santa Clara	614	Individuals Affected YTD :	7,125
Bay Area PL Services	San Bruno	87	Individuals Previous YTD ‡:	8,951
Catalent, Inc.	South San Francisco	90	* WARN: Worker Adjustment and Retraining Notification (notice of mass layoff or closure) † YTD: Year to Date (Calendar year: January 1–Present) ‡ Previous YTD: (Same date range as YTD, one year prior)	
Intel Corporation	Santa Clara	62		
Juniper Networks, Inc.	Sunnyvale	7		
Kett Engineering Corporation	Santa Clara	180		
Marriott San Mateo Hotel	San Mateo	127		
Phoenix Labs USA Operations	San Mateo	162		
Trove Recommerce	Brisbane	2		
Total		1,331		

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data