

Bay Area adds jobs in June, but tech-dependent regions lose workers

The Bay Area experienced a burst of job gains in June, largely due to an upswing in the East Bay that was offset by employment losses in the region’s tech-dependent South Bay and San Francisco.

Employers added 2,200 jobs in the Bay Area in June, a report released Friday by the U.S. Bureau of Labor Statistics shows.

The East Bay gained 1,800 jobs in June, while the South Bay lost 1,200 positions, and the San Francisco-San Mateo metro regions lost 200 jobs, according to the new report from the federal agency.

California added 22,500 jobs in June. The statewide unemployment rate remained unchanged at 5.2% from May and was slightly better than the 5.3% jobless rate for California that was reported for February, March and April.

Over the first half of 2024, the Bay Area added 7,400 jobs, paced primarily by steady increases for the six months in the South Bay and the East Bay.

So far this year, the South Bay has gained 5,300 jobs, while the East Bay has added 6,300 positions. In sharp contrast, the San Francisco-San Mateo region lost 3,500 jobs over the first half of 2024 and has shed workers every month this year.

“This past week’s announcement by Elon Musk that he is moving X (Twitter) out of San Francisco, among other things, completes the hollowing out of the once-vibrant tech hub in the mid-market area of San Francisco,” said Michael Bernick, an employment attorney with law firm Duane Morris and a former director of the state Employment Development Department.

Yet the X (Twitter) cutbacks are just the latest in a series of blows that tech cutbacks have dealt to the San Francisco metro area.

“X’s exit completes the exodus started by Uber in 2019, followed by Block, formerly Square, in 2022, and Reddit in 2023,” Bernick said. “Thousands of tech jobs have left or will be leaving” San Francisco, he added.

However, it appears the Bay Area’s overall job market, despite the severe weakness so far in 2024 of the San Francisco employment sector, is starting to show an upswing, according to Scott Anderson, chief U.S. economist with BMO Capital Markets.

“Bay Area job growth kicked into a higher gear in the second quarter after an uneven performance in the first quarter,” Anderson said. “It appears the economic gloom across the state and even the Bay Area is beginning to lift.”

During the first three months of 2024, the Bay Area lost 1,400 jobs. However, during the April-through-June second quarter, the nine-county region gained 8,800 jobs, the federal labor agency’s seasonally adjusted figures show.

California’s job market also experienced this pattern, a review of the government report shows.

Over the January-through-March quarter, California added 37,200 jobs. But over the April-through-June period, the state added 69,900 jobs.

California gained 107,100 jobs during the first six months of 2024, according to this news organization’s analysis of the government report. All of the numbers were adjusted for seasonal variations.

Nevertheless, the unemployment rate in California has worsened steadily since the state achieved its record-low level of 3.8% in August 2022.

Despite the uneven job markets in the Bay Area, the nine-county region’s economy remains in good shape for the future — as long as it tackles some long-term problems that have haunted the region for years, said Steve Levy, director of the Palo Alto-based Center for Continuing Study of the California Economy.

“The Bay Area has the potential for continuing job growth as we have a strong set of industries,” Levy said. “But success will depend on an increase in new housing, continued immigration growth and the start of lower interest rates.”

The rest of 2024 might produce a rocky job market, experts warn.

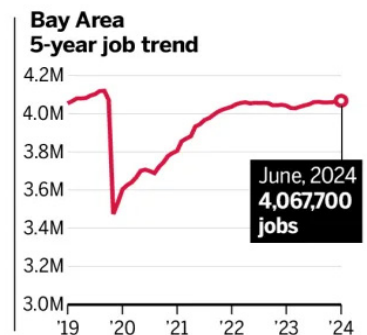
However, if inflation truly cools off, allowing for lower interest rates from the Federal Reserve, next year could see a brighter employment picture.

“The June employment data suggest a soft landing for the Bay Area economy with inflation pressures continuing to cool, the perfect environment for Fed rate cuts and a job growth revival next year,” Anderson said.

JOB GROWTH

The Bay Area posted sturdy job gains in June, adding 2,200 positions.

Jobs gained or lost in June	
East Bay	1,800
Marin County	700
Sonoma County	700
Solano County	300
Napa County	100
S.F.-San Mateo Co.	-200
South Bay	-1,200
Bay Area	2,200



*All numbers are seasonally adjusted figures.

Sources: U.S. Bureau of Labor Statistics

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Region	June 2023	May 2024	June 2024	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	3.7%	3.5%	4.1%	+ 0.6	+ 0.4
San Francisco MD	3.2%	3.0%	3.5%	+ 0.5	+ 0.3
California	4.7%	4.6%	5.3%	+ 0.7	+ 0.6
United States	3.8%	3.7%	4.3%	+ 0.6	+ 0.5

Sector — June 2024	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,165,000	1,164,700	2,329,700	+ 0.3%	- 0.2%
Construction	51,600	39,400	91,000	+ 0.2%	- 4.1%
Manufacturing	173,800	34,900	208,700	+ 0.3%	- 3.6%
Retail Trade	73,900	64,800	138,700	+ 0.5%	+ 0.7%
Information	92,400	108,400	200,800	+ 1.9%	- 7.6%
Professional & Business Services	248,800	293,500	542,300	+ 0.5%	- 0.5%
Educational Services	97,000	85,600	182,600	- 2.6%	+ 1.2%
Health Care & Social Assistance	154,700	129,500	284,200	- 0.4%	+ 4.8%
Leisure & Hospitality	105,400	129,700	235,100	+ 0.4%	+ 2.6%
Government	100,500	144,000	244,500	- 0.4%	+ 1.2%

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, LMID

Jurisdiction	Labor Force			Unemployment			Unemployment Rate		
	June 2023	June 2024	Change	June 2023	June 2024	Change	June 2023	June 2024	Change
• San Mateo County	442,900	435,300	- 1.7%	13,600	15,200	+ 11.8%	3.1%	3.5%	+ 0.4
• Santa Clara County	1,032,300	1,023,700	- 0.8%	37,100	41,700	+ 12.4%	3.6%	4.1%	+ 0.5
Cupertino	28,900	28,700	- 0.7%	1,000	1,200	+ 20.0%	3.6%	4.2%	+ 0.6
Los Altos	14,700	14,500	- 1.4%	500	600	+ 20.0%	3.6%	4.0%	+ 0.4
Milpitas	40,700	40,200	- 1.2%	1,700	1,700	0%	4.1%	4.3%	+ 0.2
Mountain View	50,600	50,100	- 1.0%	1,500	1,600	+ 6.7%	3.0%	3.2%	+ 0.2
Palo Alto	35,800	35,500	- 0.8%	1,100	1,200	+ 9.1%	3.0%	3.5%	+ 0.5
Santa Clara	72,400	71,800	- 0.8%	2,500	2,800	+ 12.0%	3.4%	3.9%	+ 0.5
Sunnyvale	86,800	85,900	- 1.0%	2,700	3,000	+ 11.1%	3.1%	3.5%	+ 0.4
NOVAworks Region	772,800	762,000	- 1.4%	24,600	27,300	+ 11.0%	3.2%	3.6%	+ 0.4

Note: NOVAworks Region consists of seven cities in Northern Santa Clara County and the entirety of San Mateo County

Source: California Employment Development Department, LMID

Company	Location	# Affected
<p><i>Due to an abnormally high number of WARNs for the month of June, the individual WARN details cannot be listed here.</i></p>		
<p>Companies filing WARNs: 19</p> <p>Individuals affected: 2,135</p>		<p>WARN SUMMARY</p> <p>Events YTD[†]: 138</p> <p>Individuals Affected YTD[‡]: 9,260</p> <p>Individuals Previous YTD[‡]: 11,658</p> <p>* WARN: Worker Adjustment and Retraining Notification (notice of mass layoff or closure)</p> <p>† YTD: Year to Date (Calendar year: January 1–Present)</p> <p>‡ Previous YTD: (Same date range as YTD, one year prior)</p>

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

Source: California EDD, CalJOBS: WARN Data