

# Tech jobs soar to all-time record heights in Bay Area

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The Bay Area's technology boom is so robust that it has reached record highs, but the remarkable surge has also reduced Santa Clara County's share of tech employment in the nine-county region as the San Francisco-San Mateo area has gained a bigger piece of the pie.

Tech employment—the economic engine of Silicon Valley for two decades—continues to grow at a rate faster than all other sectors and has soared well above the lofty pinnacles of the dot-com era.

"The entire Bay Area economy is booming, and tech is the core driver of the success and income being generated there," said Christopher Thornberg, an economist and founding partner with Beacon Economics. "There are a lot of banks, and stores, and restaurants, and homeowners, and others who are happy the gravy train is still rolling."

At the end of May, the Bay Area boasted 835,600 technology jobs—116,900 more than the dot-com peak of 718,700 in December 2000, according to research by this news organization based on statistics culled from state Employment Development Department data.

The latest tech industry totals mark a 16.3% increase in the number of technology jobs compared to the dot-com high point that was reached in December 2000. Over the same 19-year time frame, the overall Bay Area job market has grown 13.1 percent.

The trends over the past 19 years show that the technology sector has

remained a powerhouse for the Bay Area economy, even after the most brutal of downturns.

The dot-com meltdown, the 9/11 terrorist attacks, the housing bubble, the financial crisis, and the recession of a decade ago have all failed to halt the dynamic expansion of the tech sector and its ability to create jobs in the Bay Area.

Plus, the Bay Area tech industry today seems more solid than ever.

"The jobs during the dot-com period were built on a false foundation," said Tim Bjarin, principal analyst with Campbell-based Creative Strategies, a tech market research firm. "Too many were built on the idea all you needed to go public was a web site."

Many companies didn't survive. Webvan, Pets.com, and Boo.com are reminders of the "irrational exuberance" of the internet bubble.

This time, it's different, said Stephen Levy, director of the Palo Alto-based Center for Continuing Study of the California Economy.

"Today's tech companies have employees, and billions and billions of dollars in sales and profits," Levy said. "They have real customers and a real business model."

Yet an analysis of the EDD reports shows that the tech sector has not escaped the boom-and-bust cycle.

During 2001, the year of the dot-com bust, when internet startups and numerous other tech companies cratered, tech industry job totals in the Bay Area shrank by 14.9% while overall, all jobs in the Bay Area declined 6.1 percent.

From the height of the dot-com bubble at the end of 2000 to the depths of the Great Recession in 2009, the technology industry in the Bay Area melted down and lost 26% - a jaw-dropping one-fourth—of its jobs. During those same nine years, the overall Bay Area job market shrank by 12.9 percent.

The tech sector's subsequent rebound, though, has been even more striking than its implosion.

In the recent economic expansion, from the recession trough in 2009 through May 2019, the Bay Area's tech industry has soared by a dramatic 57 percent, while the number of all jobs in the Bay Area jobs has surged by a sturdy 29.8 percent.

During the years since the dot-com peaks, the Bay Area has become only slightly more reliant on the tech industry, the EDD figures show. In May, technology jobs accounted for 20.5% of all the jobs in the Bay Area. That compared with the 19.9% share that tech employment commanded at the end of 2000.

Over nearly two decades, the San Francisco-San Mateo region has captured a noticeably larger share of the tech jobs in the Bay Area, while Santa Clara County has a smaller share, this new organization's analysis of the EDD figures has determined.

In 2000, 51% of the Bay Area's tech jobs were located in Santa Clara County, while 26.3% were in the San Francisco-San Mateo metro area. By the end of 2018, 45.3% of the nine-county region's tech jobs were in Santa Clara County and 35% were in San Francisco-San Mateo, the analysis showed.

However, over the first five months of 2019, Santa Clara County's share of tech jobs had grown slightly to 45.6 percent, while the San Francisco-

San Mateo metro posted a small drop, to 34.8 percent.

During that time Santa Clara County gained 8,500 tech [jobs](#), a 2.3% increase, while the San Francisco-San Mateo metro region added just 3,400 tech positions, or a 1.2% gain.

The region benefits from stalwarts such as Google, Apple, Facebook, LinkedIn, and Adobe. Plus, companies such as Amazon, eBay, Intel, Cisco, Applied Materials, and Lam Research figured out not only how to survive the dot-com meltdown, but in some cases, to become dominant players.

"Recessions are typically caused by overbuilding, whether it's overbuilding of homes, or manufacturing, or computers, or software," said Jerry Nickelsburg, an economist and director of the UCLA Anderson Forecast, a closely watched quarterly report about the California economy. "We don't see any evidence that the tech sector has overbuilt things."

What's more, tech companies continue to produce hardware, software, internet, and social media services and products that remain in strong demand, experts maintain.

"In terms of any kind of a tech bust any time soon, I just don't see it," Bjarin said.

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