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BIZ & TECH // BUSINESS

# Tech hiring slumps in Bay Area, nationwide, but unemployment in sector remains low

[Chase DiFeliciano](#) Aug. 15, 2020 Updated: Aug. 15, 2020 7:38 a.m.



*Photo: Jamie Cotten / Special to The Chronicle*

Katerina Ignatyeva says she feels fortunate to have work at a time when highly skilled tech jobs are difficult to find because of the coronavirus.

The coronavirus has delivered haymakers to much of the American economy. But the tech sector, a vital jobs engine for the Bay Area, has in many ways defied the doomsday scenarios faced by other industries as the pandemic enters its sixth month.

New hires and those early in their careers may face more competition for newly opened positions. But those established at companies may have less to worry about — a factor that could help the tech-heavy region continue to weather the pandemic-caused recession.

Nationwide, the unemployment rate topped 10% in July as joblessness skyrocketed in hospitality, food service and other industries deeply scarred by the pandemic. But for tech jobs, the number is less than half that at 4.4%, according to CompTIA, an industry trade group.

In June, fewer than 1 in 25 software developers was out of work. For web designers, it was less than 1 in 33, according to Bureau of Labor Statistics data.

Tech hiring has slowed in the Bay Area and elsewhere across the country for certain positions, however, as the pandemic drags on and pulls down expectations of future growth with it, according to a [report](#) from hiring site [Indeed.com](#).

“What’s really changed here is the outlook about the virus,” said AnnElizabeth Konkel, the author of the report and an economist at the Indeed Hiring Lab who focuses on the U.S. labor market.

Her study shows that overall job postings and posting for tech positions each dropped by 38% as of late July compared with last year in the San Francisco-Oakland-Hayward area.

Tech postings in the San Jose-Sunnyvale-Santa Clara area dropped more than a quarter over the same period, faring better than overall postings on the site, which also dipped 38% in the area.

The Indeed study also found that postings for tech jobs in some metro areas outside the Bay Area fared worse than overall postings on the site. But with remote work seemingly here to stay, the untethering of jobs from geographic location could be shaking up where jobs are actually located, making it harder to determine where a role is based.

Companies such as Twitter and Square have said they will extend work-from-home policies beyond the duration of the pandemic, and fewer postings in tech hubs outside the Bay Area may not exactly equal less demand as more jobs in the industry can be done from anywhere.

And some companies are still hiring.

U.S. startups raised \$34.3 billion in the second quarter of 2020, according to the National Venture Capital Association, although much of that money went to larger, more established companies in the form of late-stage megadeals worth \$100 million or more. The number of initial funding rounds dropped off significantly in the second quarter, with investors exercising more caution about new ventures during the uncertain times brought on by the pandemic.

San Francisco interface design and collaboration software company Figma is one company that is hiring and has taken on recent funding.

The company planned to double its head count in the beginning of the year but now plans to exceed that target with the shift to remote work and resulting demand for the online collaboration tools the company offers, Nadia Singer, the company’s director of recruiting, wrote in an email.

She noted the uncertainty caused by the pandemic led the company to raise an additional \$50 million toward the end of April. "The funding provides us with ample runway to weather the impact of the pandemic and the ability to scale our business quickly, including hiring great talent," Singer said.

Some of the jobs on Figma's site can be done in San Francisco or remotely, underscoring how jobs advertised in traditional tech hubs may not be done there.

Employers may be getting choosier, too.

"The interest in hiring someone who has got three to four years of experience or less has softened quite a bit," said Adam Bennett, director of permanent placement services at recruiting firm Robert Half Technology.

Companies that might have been satisfied with a few years of experience are now asking for candidates with "7, 10, even 15 years," Bennett said.

That means fewer positions and more jockeying among newly trained tech talent.

The San Francisco design and coding boot camp Springboard has seen enrollment in some of its courses jump by more than 50%, despite a softening in hiring in some areas in which it trains students.

Job openings in data roles as well as design and software engineering have decreased 25% to 50%, according to Kim Drew, the company's vice president of program operations.

Some students, like recent graduate Melissa Sanjuan, are still finding jobs.

Sanjuan studied user experience design at Springboard and landed the first job she applied for, a position with a government contractor for the U.S. Air Force Academy.

She said learning how to use design software from companies such as Figma and Adobe along with getting real-world design experience during the program propelled her into her new job.

Katerina Ignatyeva is a recently hired tech worker and graduate of Npower, a nonprofit tech boot camp.

Following the up-and-down nature of the job market during the pandemic, Katerina Ignatyeva scored an entry-level tech job — but only after being furloughed from another.

Ignatyeva recently graduated from NPower, a nonprofit tech academy in San Jose that trains veterans and young adults. There, she focused on information-technology fundamentals.

After finding a job where she could apply her fledgling tech skills in May, Ignatyeva was furloughed for lack of work last month.

Not to be deterred, NPower helped her land an entry-level job with Nidaan Systems, a software and database company in San Jose where she hopes to move into more complex database maintenance work.

Konkel, the economist, said hiring could remain depressed in tech for the foreseeable future because of the high cost of hiring and firing in the industry. But those who are employed may be more secure as employers look to their future needs.

Restaurants and hotels can call back workers quickly and cheaply based on immediate demand, Konkel said, whereas searches for skilled tech workers can take months.

She added: "In tech, there's that longer-term horizon."