

DATA RELEASE

Layoffs | May 1, 2020

DATA RELEASE: Silicon Valley Layoffs After Onset of COVID-19

INSTITUTE FOR REGIONAL STUDIES RELEASES SUMMARY ON SILICON VALLEY LAYOFFS JULY 2019 THROUGH APRIL 2020

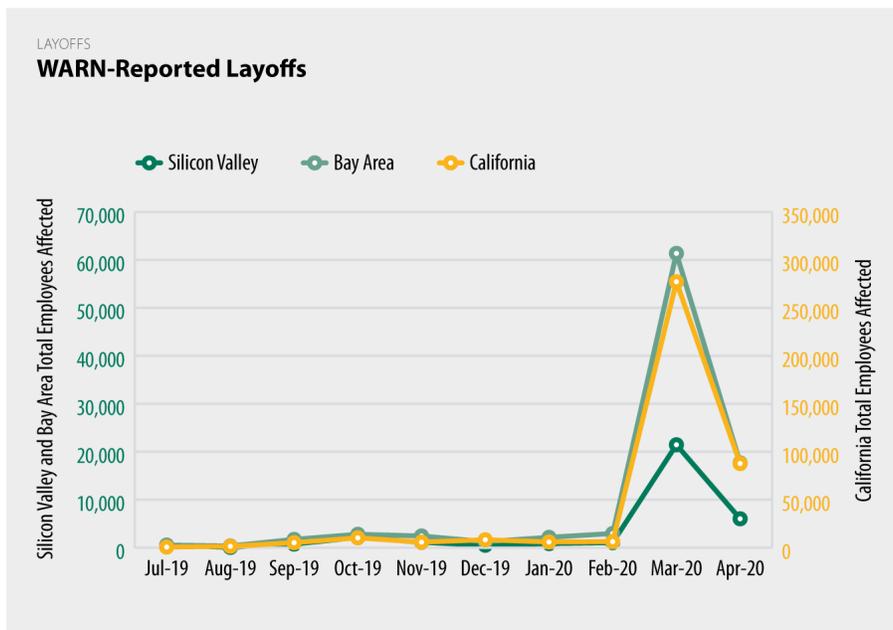
21,454 employees affected across 26 establishments in March alone

May 1, 2020 – Joint Venture Silicon Valley’s Institute for Regional Studies has compiled a summary of regional layoffs charted since July, 2019 and following the April 25 release of the California Employment Development Department WARN (Worker Adjustment and Retraining Notification) report.

The summary shows that Silicon Valley layoffs increased significantly in March, with a total of 21,454 employees affected across 26 establishments in that month alone. The layoffs included predominantly in-store retailers, restaurants, hotels, personal care services, and gyms, but also included the large, commercial HVAC contracting company, Therma, located in San Jose with 447 workers.

The EDD WARN data is supplemented by information from several other sources as WARN notices are not comprehensive of all layoffs and only include “covered establishments” which employ at least 75 people and layoffs that affect more than 50 people during any 30-day period. Notices may not include all planned layoffs at present due to the Governor’s issuance of Executive Order N-31-20 on March 4 which temporarily suspended the 60-day notice requirement in the WARN Act.

Similarly sharp increases in March 2020 layoffs were observed at the Bay Area and California levels as well.



“Layoffs are happening everywhere – at companies big and small – and they’re no surprise given the current circumstances,” said Rachel Massaro, the Institute’s Director of Research. “Most of these layoffs are in exactly the industry sectors we would expect – retail, accommodation, food services, arts and entertainment, and personal care.”

“It’s a promising sign that the vast majority of these layoffs are classified as temporary. Hopefully we’ll see these establishments begin to rehire their workforce in the coming months,” said Massaro.

Eighty-five percent of the March layoffs were classified as “temporary.”

Key Findings:

- **Some of the notable *temporary* layoffs** included clothing retailer Abercrombie & Fitch in San Mateo (427 workers); restaurant/arcade Dave & Buster's in Milpitas and Daly City (324 workers); three locations of the Cheesecake Factory (total of 559 workers); Cinemark ‘Century’ movie theaters across eight locations (total of 566 workers); and the Peninsula Jewish Community Center in San Mateo, which houses a gym, preschool, and recreational facilities (392 workers).
- **Other Silicon Valley establishments that announced *temporary* layoffs effective in March** included a large number of hotels (e.g., Stanford Park Hotel, Rosewood Sand Hill, and Hotel Nia, all in Menlo Park; the Ritz-Carlton Hotel in Half Moon Bay; the Four Seasons Hotel and Dinah's Garden Hotel, both in Palo Alto; and the Hyatt Place and AC Hotels, both in downtown San Jose, among others).
- **Notable *permanent* tech company layoffs effective in March** included Zume (formerly ‘Zume Pizza’) in Mountain View (172 workers); 8x8 in San Jose (63 workers); Intel in Santa Clara (128 workers); Shutterfly in Redwood City 153 workers); and Genentech in South San Francisco (114 workers).

Layoff data for April shows a month-over-month decline, but is likely a gross underestimate due to the 60-day suspension of required WARN layoff notices. To supplement the WARN report data, other sources confirm notable April layoffs at the following Silicon Valley establishments (among others):

- Automation Anywhere, San Jose (260 people / 10% of employees)²
- Branch Metrics, Redwood City (100)³
- Carta, Palo Alto (161)³
- Houzz, Palo Alto (155 workers / 10% of employees)¹
- Kattera, Menlo Park (240)³
- Velodyne Lidar, San Jose (140)³
- Zoox, Foster City (120)³

References:

¹ Natasha Mascarenhas, TechCrunch (April 21, 2020) *Houzz lays off 155 employees, cuts executive salaries*. (<https://techcrunch.com/2020/04/21/houzz-lays-off-155-employees-cuts-executive-salaries>)

² Cromwell Schubarth, Silicon Valley Business Journal (April 27, 2020). *Here's why Automation Anywhere cut hundreds of jobs amid double-digit growth*. (<https://www.bizjournals.com/sanjose/news/2020/04/27/automation-anywhere-layoffs.html>)

³ Layoffs.fyi Coronavirus Tracker (accessed April 30, 2020). (<https://layoffs.fyi/tracker>) Original sources vary.

Data Sources: California Employment Development Department, Worker Adjustment and Retraining Notification (www.edd.ca.gov/Jobs_and_Training/Layoff_Services_WARN.htm);

Note: Silicon Valley includes the Joint Venture city-defined region.

For further reference

To access Silicon Valley’s online data hub, visit www.SiliconValleyIndicators.org

About the Silicon Valley Institute for Regional Studies

The Silicon Valley Institute for Regional Studies is the research arm of Joint Venture Silicon Valley, and is housed within the organization. The Institute provides research and analysis on a host of issues facing Silicon Valley's economy and society. <https://jointventure.org/institute/about-the-institute>.

About Joint Venture Silicon Valley

Established in 1993, Joint Venture provides analysis and action on issues affecting the Silicon Valley economy and quality of life. The organization brings together established and emerging leaders—from business, government, academia, labor and the broader community—to spotlight issues, launch projects and work toward innovative solutions. www.jointventure.org