

BRIEF | Evolving Workforces

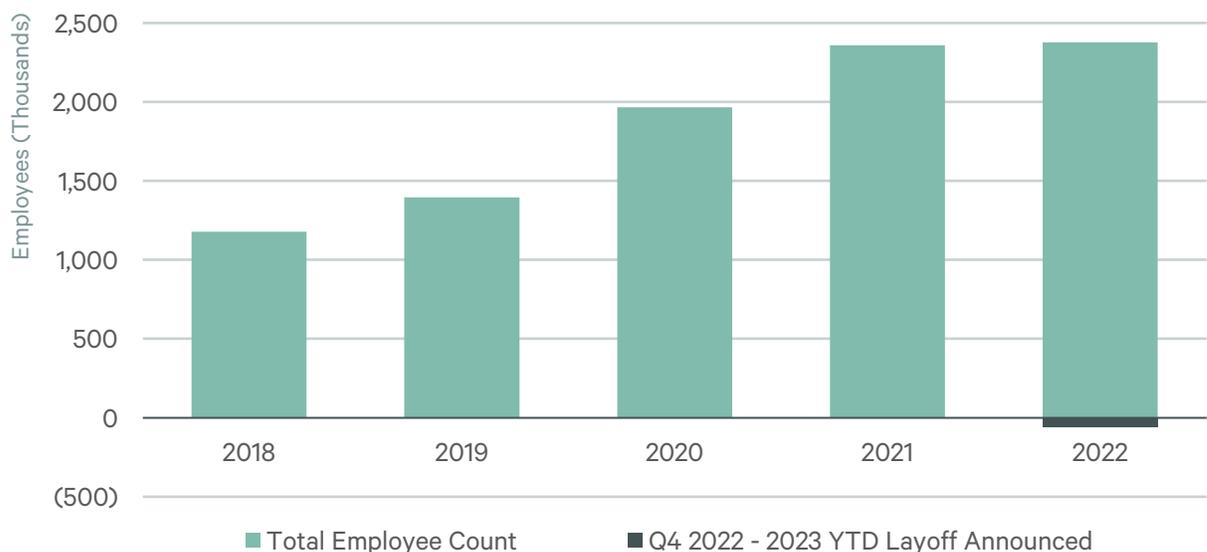
# Putting Recent Tech Layoffs Into Perspective

By Annie Han

The pandemic-related trends of increased online shopping and higher screen-using time benefited big tech companies, leading to significant job growth since 2019. Shifting economic conditions and rising interest rates in 2022, however, prompted many companies to respond with cautious budgeting, employee growth slowdowns and in some cases, headcount reductions. While recent tech layoffs may appear alarming, they represent only a small segment of the overall tech workforce and an even smaller portion of office-using industries.

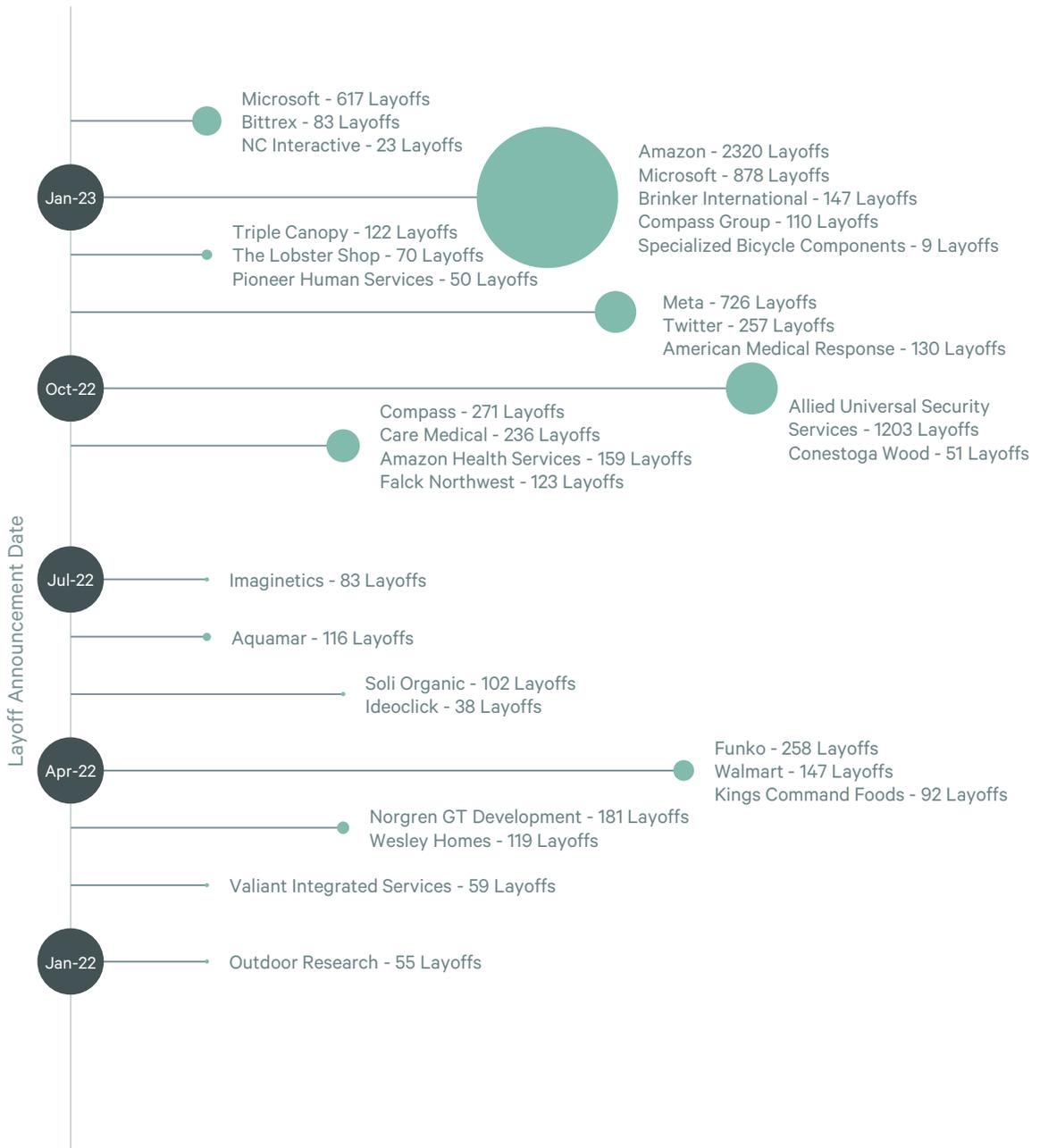
Figure 1 below shows the rapid hiring growth of eight big tech companies, with a large presence in the Puget Sound region, for the past five years net of the recent layoffs. The growth of tech hires has been remarkable since the onset of the pandemic, having increased by over 102% , more than double the 2018 headcount. Despite recent rounds of layoffs, these tech companies still employ 96% more employees than they did prior to the COVID-19 outbreak.

**FIGURE 1: Notable Tech Companies Worldwide Hiring Growth Since Pandemic**



Source: Microtrends, SEC Filings and CBRE Research, February 2023.

FIGURE 2 : Puget Sound Layoff Timeline Since January 2022



Source: Washington State Employment Security Department (WARN), CBRE Research, February 2023.

Note: Total Monthly Puget Sound Layoffs for companies larger than 100 employees is denoted by the size of bubble (the bigger the bubble, the greater the layoff amount).

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As illustrated in figure 2, Washington State Employment Security Department (WARN) has revealed that since the beginning of 2022, a total of 8,836 employees across all industries in the Puget Sound region have been impacted by layoffs. However, when viewed within a broader context, the region has experienced annual growth of 65,267 employees, according to the Bureau of Labor Statistics. As of December 2022, the region was home to over 4 million workers, of whom only 0.22% have been affected by these layoffs. While any job loss is significant, these numbers indicate that the impact of recent layoffs on the broader regional workforce is relatively limited.

Moreover, it is noteworthy that several major tech companies, including Google, Salesforce, Oracle and F5, did not implement any local cuts despite global layoffs. This underscores the companies' belief in the importance of retaining skilled talent and highlights the resilience of the Puget Sound labor pool in the face of economic uncertainty.

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