

## E\_Spot Article

Hed: 'Where are they?': AI boom brings funding & leasing, but not so many jobs

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The day Basem Istanbouli lost his senior sales job from Google, he went home in quiet shock.

Even though Istanbouli had accepted a separation package during broader layoffs and restructuring, he still felt like a failure. At the time, he figured unemployment would be a brief phase. But then three months passed. Then six.

Now, a year and a half into being unemployed, Istanbouli has applied for around 500 jobs. He's connected with recruiters. He's made it through the first, second and third interview rounds. But the college-educated 33-year-old with nearly a decade of experience hasn't received a single job offer.

"There's so much shame right now with being unemployed, not knowing whether it was your fault," Istanbouli said. "You have no control over it. It just happens to you."

Istanbouli is just one of the thousands in San Francisco and the greater Bay Area who lost their tech jobs after [companies downsized](#) or restructured during and after the pandemic or [shifted funding](#) toward artificial intelligence integration. For the city, AI firms have helped revitalize economic lows caused by the pandemic by ushering in [new capital ventures](#), leasing offices left vacant and bringing in visitors for [conventions](#).

But for others, the arrival of AI doesn't mean improvement, it means unemployment — and while the tech is recovering some parts of the city, it's destroying the livelihoods of others.

Layoffs.fyi, an [online website](#) tracking tech layoffs since 2020, states over 65,300 tech employees in the Bay Area have been laid off since the beginning of 2026, including large cuts from major tech companies investing in AI like [Meta](#) and [Cloudflare](#). Since a 2022 peak, employment in the information sector has fallen by around 14%, according to [state data](#).

Istanbouli spends his days filling out applications and fleshing out his resume.

"It's like a full-time job," he said. "But you don't get anything out of it."

After almost a year without a job, Istanbouli started hiking with several other unemployed friends. They had time during the weekdays when others didn't, and so they started meeting frequently, traversing the trails around the Bay Area and offering each other support.

But then something unexpected happened: the hiking group began to grow, from a couple friends to a group of 50 and then over 100. Since Istanbouli started the hiking group, called [un\(PTO\)](#), last November, it's grown to over 1,000 people.

And it's become more than just a hiking group, transforming into a community with an extensive Discord channel, career support and coworking events.

On a sunny day in June, 54 people from un(PTO) gathered at a trailhead outside the city. They arrived from across the Bay, people from their late twenties to early sixties from roles in communications to software engineering to marketing who have been laid off or in career transitions, many due to their companies shifting focuses to AI.

Some have been out of work for only a couple months. Others, for years. Most worked at some kind of tech company. There are a few folks from Meta, others from Oracle, another from Intuit.

As the hike began, people described the same struggles: the lack of new work, spending all day filing applications, job searches that turned up nothing.

As the group, sweating and thirsty, reached the top of the peak, there was a pause. People gathered, looking out across San Francisco, the Golden Gate Bridge rising above the fog, the ocean glittering below the greenery.

The city — that for many once represented opportunity or stability — now feels, for some, like a hollow disappointment.

San Francisco Chief Economist Ted Egan said he is “cautiously optimistic” about the city’s recovery, particularly in how AI companies are helping boost the economy.

The city’s [latest economic report](#) shows office vacancy rates dropping to around 32% from the 2024 high of 37%. But despite AI companies [being behind 58%](#) of leasing this year, employment in the tech sector for the metropolitan area has barely edged up, by [less than 1% year over year](#).

This employment gap is typical, Egan said, explaining companies will lease now and should bring in workers later. But there’s uncertainty, Egan said, because, as during the dot-com bust, there’s no guarantee every AI startup leasing space is going to turn into a major company.

“If it turns out we get 50 Anthropics we can stop worrying about downtown and start worrying about other things,” Egan said. “If it turns out that we only have two ... then go back and worry about the office vacancy rate.”

And it's not just tech employees waiting for more work in the city.

Luis Magana has bartended at Mariposas, a Peruvian restaurant on Mission Street, for over a year. The small restaurant sits alone alongside shuttered storefronts, for lease signs plastered on their glass windows.

It was noon on a weekday and only a few customers trickled in. But Magana says that's a typical day. Since the pandemic, he's seen the usual customer base of daily office workers disappear, regular faces fading, replaced by the occasional visitor. Mariposas is his third job since 2020, with the two restaurants he worked at prior both shutting down.

The 31-year-old said he's heard the buzz about AI companies revitalizing the city's economy. But after a year of lower tips and slower shifts, Magana isn't convinced workers will ever return in the same way.

"Where are they?" he asked, gesturing out to the empty street. "I don't see it."

Istanbouli has been trying to come back. He's applied for many jobs at the AI companies in San Francisco, but still, nothing.

"I want to be able to contribute to my household," Istanbouli said. "I want to be able to buy my wife nice things or donate to a charity."

But until then, he, alongside many others, will remain on the outside, hiking above the city, and watching, waiting for the day they can return.