

DATA RELEASE

Unemployment | May 22, 2020

DATA RELEASE: Silicon Valley unemployment reaches record high

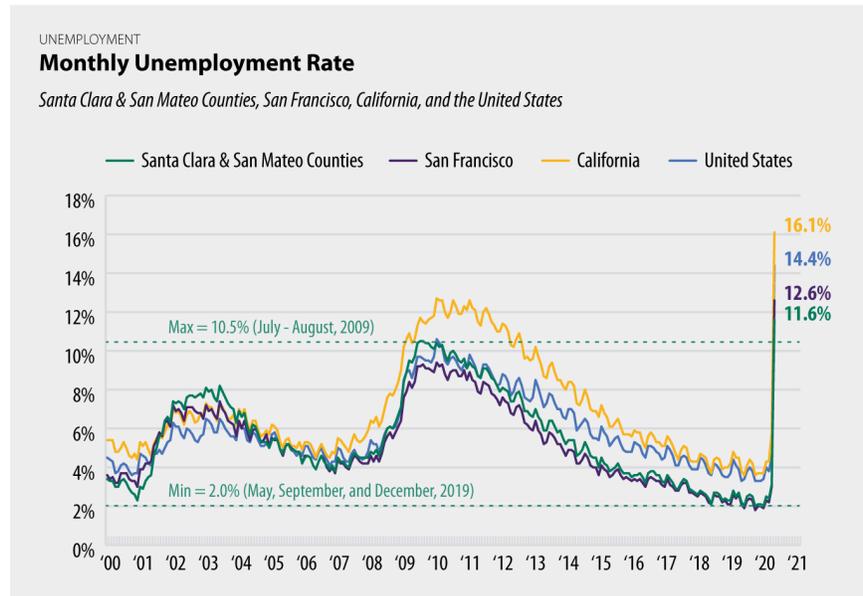
SILICON VALLEY UNEMPLOYMENT SOARED TO 11.6% IN APRIL; HIGHEST ON RECORD

- Remains Lower than State and Nation Overall -

May 22, 2020 – Joint Venture Silicon Valley’s Institute for Regional Studies today released analysis comparing current unemployment rates against those from the last 20 years. The numbers reflect an unprecedented 11.6% unemployment rate surpassing even the post-dot com bust of 2009. Following today’s release of preliminary April 2020 labor market data from the California Employment Development Department (EDD), Joint Venture’s Silicon Valley Institute for Regional Studies compiled a chart that illustrates the upward trajectory for Santa Clara and San Mateo Counties, plus California and the United States.

As was expected, given the economic shutdown since mid-March, Silicon Valley’s unemployment rate soared higher in April than during any other period on record. The unprecedented 11.6%

unemployment rate is 1.1 percentage points higher than Silicon Valley’s recession-peak of 10.5% in the summer of 2009; yet, it remains lower than the approximately 22% of Silicon Valley’s total workforce in the most at-risk industries – those which are generally considered non-essential. (Unemployment rates reported here are not seasonally-adjusted.)



Silicon Valley’s unemployment rate soared higher in April than during any other period on record.

“These unemployment numbers are astounding, though not surprising given the global health crisis we’re facing and shutdowns on all nonessential businesses since mid-March,” said Rachel Massaro, the Institute’s Director of Research. “We’ve just never seen numbers like this before. To think of more than a hundred and sixty thousand Silicon Valley residents out of work is absolutely mind-boggling. It’s also even more stark in the context of how many residents were struggling to make ends meet even *before* the pandemic, with nearly a third of all households that were unable to meet their basic needs without assistance.”

“Losses are affecting those at the lower income levels disproportionately, such as those in service industries and other hands-on and face-to-face jobs. Those people are more likely to be renters, and nearly a

quarter of all renters in Silicon Valley *pre-pandemic* were severely burdened by housing costs, spending more than half of their gross income on rent,” said Massaro.

Statewide, the most impacted industries by the total number of payroll jobs lost in April were Leisure and Hospitality (-44% month-over-month, with more than double the number of losses of any other industry); Trade, Transportation, and Utilities (-13%); Education and Health Services (-10%); and Professional and Business Services (-9%).

Unemployment Rates in April 2020 (preliminary):

San Mateo County:	11.4%
Santa Clara County:	11.7%
Silicon Valley (San Mateo & Santa Clara Counties combined):	11.6%
San Francisco:	12.6%
Alameda County:	14.1%
Bay Area (9-County Region):	13.1%
California:	16.1%
United States:	14.4%

Among the state’s 58 counties, Santa Clara County ranked the 4th lowest in terms of unemployment rate; San Mateo County lost the #1 ranking in April and moved to #2 (behind Marin County). The highest unemployment rate in the Bay Area was Napa County, at 15.9%; the highest in the state was Imperial County, at 28.0%.

California County Rank, by April 2020 Preliminary Unemployment Rate:

Santa Clara County:	4
San Mateo County:	2
San Francisco:	6
Alameda County:	18

The Bay Area neighboring counties of Santa Cruz, San Benito, and Monterey were among those with the highest April unemployment rates, at 17.4% (ranked 44 out of California’s 58 counties), 19.8% (ranked 51), and 20.2% (ranked 52), respectively.

A recent [Institute report](#) on layoffs reported through the California WARN Act indicated that 85% of WARN-reported layoffs were classified as temporary; those layoffs, however, were not comprehensive as they only included “covered establishments” and layoffs that affected more than 50 people in a 30-day period; additionally, the notice requirements for those establishments were temporarily suspended through a March 4 Executive Order. A national study by the Becker Friedman Institute for Economics at the University of Chicago released on May 5 similarly determined that a majority of recent layoffs (58%) are likely to be temporary.

“The majority of Silicon Valley’s unemployed workers have been either temporarily laid off or furloughed, so we have reason to believe many will go back to work as economic restrictions are lifted,” said Massaro. “Notwithstanding the duration of their unemployment, though, those without jobs are facing a great deal of economic uncertainty at the moment, in addition to loss of critical benefits like health insurance.”

Data Sources: U.S. Bureau of Labor Statistics, Current Population Survey (CPS) and Local Area Unemployment Statistics (LAUS); California Employment Development Department (EDD)

Notes: Monthly unemployment rates are calculated using employment and labor force data from the Bureau of Labor Statistics, Current Population Statistics (CPS) and the Local Area Unemployment Statistics (LAUS). Rates are not seasonally adjusted. County-level and California data for April 2020 are preliminary, and are from the California Employment Development Department May 22 release.

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