

# DATA RELEASE

## Unemployment | August 21, 2020

**DATA RELEASE:** Silicon Valley unemployment rate for July 2020, down 1.4 percentage points to 9.3%

### SILICON VALLEY UNEMPLOYMENT DECLINED SLIGHTLY

#### July Unemployment at 9.3%, Mid-Month

- Gains in Trade and Transportation -

- Losses in Residential Construction & Summer Education -

**August 21, 2020** – Joint

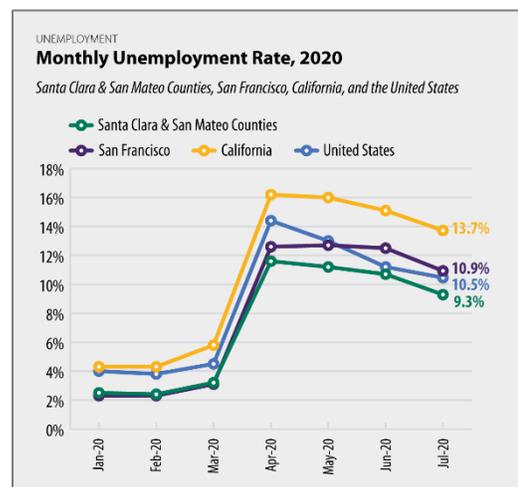
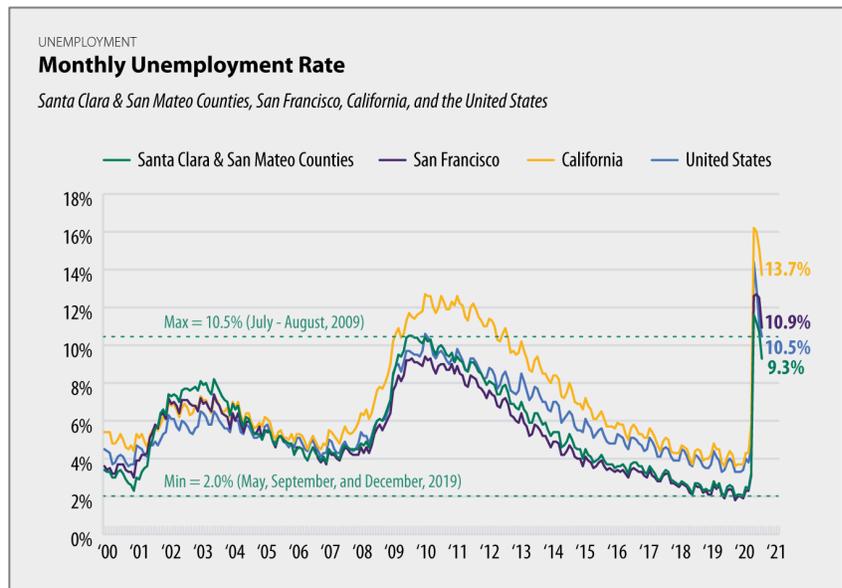
Venture Silicon Valley's Institute for Regional Studies today released an analysis of post-COVID unemployment rates with pre-COVID historical data. The numbers reflect a 9.3% regional unemployment rate for July, a 1.4 percentage point decline since June, and a 2.3 percentage point decline since the unprecedented April high.

Following today's release of preliminary July 2020 labor market data from the U.S. Bureau of Labor Statistics (BLS) via the California Employment Development Department (EDD), the Institute compiled a chart of unemployment rates for Silicon Valley (including Santa Clara and San Mateo Counties), plus San Francisco, California, and the United States.

**Silicon Valley's unemployment rate was 9.3 percent in July**, compared to 10.9 percent in San Francisco, 10.6 percent Bay Area-wide, and 13.7 percent in California. The national unemployment rate fell slightly to 10.5% in July. Silicon Valley represented 5.8 percent of the nearly 6.5 million unemployment insurance claimants statewide between March and June.

Based on the preliminary data, **Silicon Valley added nearly 20,600 jobs between mid-June and mid-July (+1.6% growth)**. Jobs in the broader Silicon Valley region (including San Francisco, San Mateo, Santa Clara, and San Benito Counties) **grew in Trade, Transportation & Utilities** (+6,400) including **Retail Trade** (+5,500), **Leisure & Hospitality** (+4,400), and **Other Services** (including repair and

maintenance, personal care services, and religious organizations, +3,800), while **losses occurred in Construction** (-600) and **Education** during summer break (-12,600 since mid-June). **Government** job losses



(-10,600) were almost entirely in **Education**. July gains in **Information** jobs in San Francisco and San Mateo Counties (+1,200) – which including industries such as publishing, broadcasting, and telecommunications – were more than offset by losses in Santa Clara and San Benito Counties (-2,100 jobs).

Notable statewide month-over-month growth occurred in **Other Services** (particularly Personal Care Services, +28%), **Retail Trade** (particularly Clothing Stores, +14%, and Office Supplies, +11%), **Education & Health Services** (with losses in education offset by gains in health services, particularly Offices of Dentists, +8%), and **Leisure & Hospitality** (particularly Gambling Industries, +31%). Statewide, residential **Construction** jobs declined (-1%) while non-residential jobs grew since June (+3%) despite remaining 3% below July of last year.

*Note: Unemployment rates reported here are not seasonally-adjusted. References to Silicon Valley include Santa Clara and San Mateo Counties, while the “broader Silicon Valley” region includes San Francisco and San Benito Counties as well.*

**DATA CAVEATS:** The various methodological caveats that have affected the BLS-reported unemployment rates since March (as mentioned in [previous releases](#)) also apply to this new July data. They include a decline in survey responses and implications of employment misclassifications leading reported national unemployment rates for April through July estimated at approximately one to three percentage point lower than they should be given proper classification. Additionally, the frequency of economic reopening, pausing, and closing in June and July contributed to intramonthly variations not captured in a mid-month employment snapshot. Summer break impacts on Education employment affected the unemployment rates reported here (as they have not been seasonally adjusted).

“Silicon Valley’s unemployment rate is declining slowly. Still, one out of every eleven people in need of work remain unemployed,” said the Institute’s Director of Research, Rachel Massaro. “That’s one out of every eleven people who, as of three weeks ago, are also no longer receiving the \$600 per week in CARES Act stimulus payments. And what’s more, they’re disproportionately members of the population who were already struggling to pay for housing, food, and other necessities for themselves and their families, such as women and members of our Black and Hispanic communities. We have a long way to go in terms of both growth and equity to get to a place of regional economic and community health.”

**Labor Force Growth:** Labor force growth accelerated remarkably on the regional and state level in June, and on the national level in May and June, then slowed in July. Silicon Valley's month-over-month labor force growth – which averaged out to nothing (zero percent) in March through July of 2019 – rose to 2.8 percent in June with zero percent growth in July of this year. The sharp increase in the labor force may be due to *re-entrants* whose household members lost their jobs, or re-entered the workforce for other reasons.

**Underemployment:** Nationally, many of the workers who had recently faced involuntary reduced work hours, also referred to as *underemployment*, were back to full-time employment in July, although underemployment levels were still greater than pre-pandemic. According to the August 7 BLS release, the number of people who were underemployed “declined by 619,000 to 8.4 million in July... however, the number of involuntary part-time workers is 4.1 million higher than in February.”

**Unemployment by Race:** While unemployment rate information by race is unavailable on the regional level, declines in unemployment on the national level have been observed *nearly* across the board; however,

according to the August 7 BLS release, “the jobless rate for Blacks (14.6 percent) showed little change over the month.”

**Unemployment Rates in July 2020 (preliminary):**

San Mateo County:	9.3%
Santa Clara County:	9.3%
Silicon Valley (San Mateo & Santa Clara Counties combined):	9.3%
San Francisco:	10.9%
Alameda County:	12.0%
Bay Area (9-County Region):	10.6%
California:	13.7%
United States:	10.5%

**County Rankings:** Among the state’s 58 counties, Santa Clara County ranked the sixth lowest in terms of unemployment rate; San Mateo County (which lost the number one ranking in April and moved to number two, then fell to seventh in May and June) ranked fifth in July. The highest unemployment rate in the Bay Area was Solano County, at 12.4 percent; the highest in the state was Imperial County, at 26.8 percent.

**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 July 2020 are preliminary, and county-level data are from the California Employment Development Department August 21.

**For further reference:** To access Silicon Valley’s online data hub, visit [www.SiliconValleyIndicators.org](http://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](http://www.jointventure.org)