SILICON VALLEY UNEMPLOYMENT NUDGES SLIGHTLY LOWER
April rate of 4.9% is two-tenths of a percentage point lower than March

May 21, 2021 – Silicon Valley’s unemployment rate nudged slightly lower in April to 4.9%, though month-over-month declines are tapering off as the region slowly emerges from the pandemic crisis. Joint Venture Silicon Valley’s Institute for Regional Studies today released analysis that shows a small, two-tenths of a percentage point decline in the regional unemployment rate between March and April 2021. This decline represents an additional 2,600 employed throughout Santa Clara and San Mateo Counties.

The analysis follows the May 21 release from the California Employment Development Department (EDD). National-level data for April was released by the U.S. Bureau of Labor Statistics (BLS) on May 7.

The May 21 EDD news release noted the muted declines in unemployed workers as holding “steady” while the May 7 BLS release noted that the rates were “little changed” month-over-month across various segments of the workforce, such as men, women, teenagers, and various racial and ethnic groups (Asian, Black, White, and Hispanic). Both national and state employment gains in April were observed in Leisure and Hospitality, and Education.

Within the greater Silicon Valley area, the April data reflect month-over-month job gains within Leisure & Hospitality (primarily restaurants), Health Care & Social Assistance, and Construction, among other industries.

Silicon Valley’s 4.9% unemployment rate is less than half of the April 2020 high, which was recently revised up from 11.6% to just over 12% (70,400 unemployed workers, or one out of every 20 people in the labor force).

“Silicon Valley’s emergence from the crisis is getting more people back to work, but we have a long way to go to full employment and our progress is slow,” said Rachel Massaro, the Institute’s Director of Research. “Instead of viewing these minimal employment gains as a stall in recovery, we could see this as our region’s turning point—a decisive moment in time where we face both the challenge and the opportunity to shape our new normal, with an aim toward quality jobs, career opportunities, and living wages.”
Findings:

- Silicon Valley’s unemployment rate declined by 0.2 percentage points between March and April, reaching 4.9%. This compares to an April unemployment rate of 5.4% for San Francisco, 5.7% for the Bay Area, 8.1% statewide, and 5.7% nationwide.

- As of mid-April, approximately 70,400 people in Silicon Valley’s labor force remained unemployed (20,500 in San Mateo County, and 49,900 in Santa Clara County). This compares to 42,900 pre-pandemic (March 2020, revised down from 48,000).

- The increase in Silicon Valley employment levels between March and April (based on metro-area data, which includes San Francisco and San Benito Counties) was primarily driven by gains in Leisure & Hospitality (+14,100, or 10.4%), Construction (+1,100, or 5.4%), Other Services (+3,800, or 7.1%), Professional & Business Services (+1,700, or 0.3%), and Educational & Health Services (+1,200, or 0.4%). There were also more modest gains in Financial (+800, or 0.7%), Information (+700, or 0.3%), and Retail jobs (+300, or 0.2%).

- Despite overall month-over-month employment gains among the two Silicon Valley metro-areas, most industries are still below pre-pandemic (March 2020) employment levels with the exception of Information (+4,200 or +2.0%), Architectural, Engineering & Related Services (+2,100, or 6.5%), Couriers & Messengers (+1,700, or 13.8%), Ambulatory Health Care Services (+800, or 0.9%), State Government Excluding Education (+700, or 4.5%), Securities, Commodity Contracts & Investments (+200, or 0.8%), Federal Government (+200, or 0.7%), and Utilities (+100, or 2.0%).

- San Mateo and Santa Clara Counties remained in the 2nd and 3rd slot for lowest unemployment rates, respectively, among the state’s 58 counties in April. Marin County remained in the #1 slot for the state’s lowest unemployment rate, at 4.6%.

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Notes: Silicon Valley includes Santa Clara & San Mateo Counties, unless otherwise noted.

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

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 March and April 2021 are preliminary, and county-level data for April are from the California Employment Development Department May 21 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