

DATA RELEASE

Unemployment | July 16, 2021

DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY JUNE UNEMPLOYMENT RATE UP 0.4 POINTS RATES TICKED UP ACROSS ALL 58 CALIFORNIA COUNTIES

July 16, 2021 – Silicon Valley’s employment growth stalled in June, with an increase in the unemployment rate from 4.6% in May to 5.1% in June, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. Similar upticks occurred across all 58 California counties, as the state unemployment rate overall rose by 0.5 percentage points month-over-month.

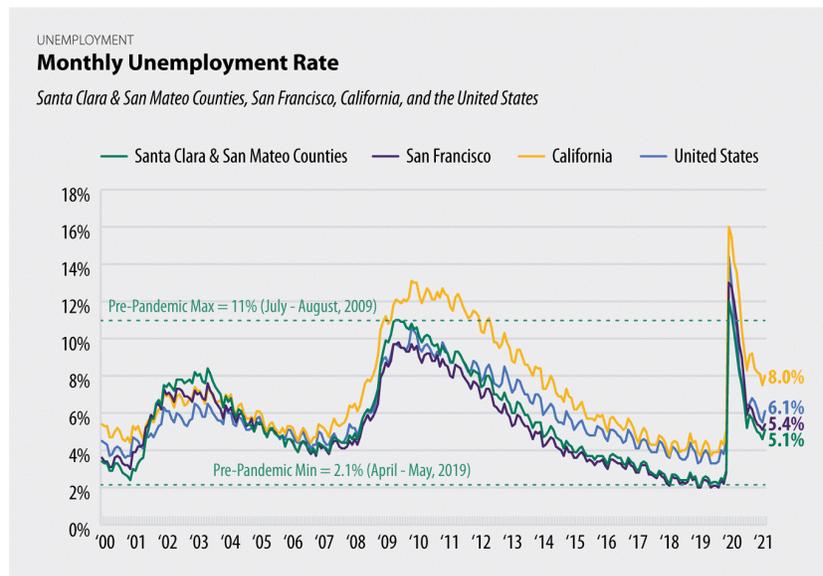
The analysis follows the July 16 release from the California Employment Development Department (EDD). National-level data for April was released by the U.S. Bureau of Labor Statistics (BLS) on July 2.

Statewide, there was a decline of more than 42,000 jobs between mid-May and mid-June; that, along with an increase of nearly 100,000 unemployed workers led to an uptick in the state’s unemployment rate (UR) from 7.5% in May to 8.0% (preliminary estimate). While Silicon Valley’s UR also ticked up last month, it was primarily driven by Santa Clara County—with more than 1,400 job losses and an additional 4,400 unemployed.

In contrast, San Mateo County and San Francisco actually experienced employment *gains* between May and June (of +4,075 and +5,098, respectively) coupled with smaller increases in unemployed workers (approximately 1,900 and 2,300, respectively). Despite job gains exceeding losses, the labor force — the denominator in the unemployment rate calculation — grew in June and thus the UR ticked upward.

Whereas statewide, the greatest job losses were in the construction industry (-3,000 workers, as noted in the July 16 EDD release), greater Silicon Valley losses were most concentrated in government jobs — particularly local government — and within educational services.

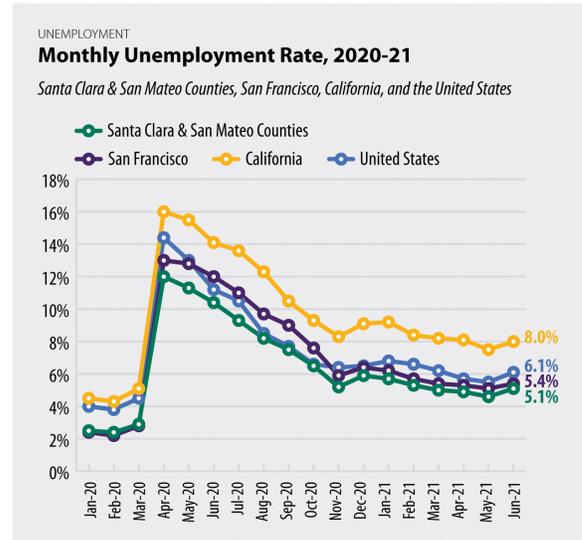
Despite the uptick, Silicon Valley’s 5.1% unemployment rate remains less than half of the April 2020 high of just over 12%.



“At a time when we’re all hoping to get back to some sort of normal, it’s hard to see any uptick in the regional unemployment rate,” said Rachel Massaro, the Institute’s Director of Research. “The one promising thing in this new June data is that San Mateo County’s uptick was actually driven by a growing labor force, not job losses. The county gained more than four thousand jobs last month.”

Findings:

- Silicon Valley’s unemployment rate increased by 0.4 percentage points between May and June, reaching 5.1%. This compares to a June unemployment rate of 5.4% for San Francisco, 5.8% for the Bay Area, 8.0% statewide, and 6.1% nationwide.
- As of mid-June, approximately 73,100 people in Silicon Valley’s labor force remained unemployed (21,500 in San Mateo County, and 51,600 in Santa Clara County). This compares to 42,900 pre-pandemic (in March 2020).
- The increase in greater Silicon Valley employment levels between May and June (based on metro-area data, which includes San Francisco and San Benito Counties) was primarily driven by losses in Education jobs, including those in Local Government Education (-3,200) and Educational Services at Colleges, Universities, and Professional Schools (-1,400).
- In contrast to losses across several categories of Education jobs, greater Silicon Valley employment estimates for June 2021 indicate a gain of nearly 8,000 Leisure & Hospitality positions (including 6,700, or a 9% gain in Accommodation & Food Services). Leisure & Hospitality jobs throughout the region remain 30% below pre-pandemic levels, but have increased by 25% over the previous (June 2020 – June 2021) calendar year. Retail jobs increased only slightly in June, with a 0.2% increase month-over-month (or approximately 300 jobs).
- San Mateo and Santa Clara Counties lost their positions as 2nd and 3rd lowest unemployment rates among California counties—bumped by Sierra, a small county with an estimated 70 unemployed workers (4.9% UR in June). Marin County remained in the #1 slot for the state’s lowest unemployment rate, with only a slight uptick in June from 4.6% to at 4.7%.



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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 May and June 2021 are preliminary, and county-level data for June are from the California Employment Development Department July 16 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