

DATA RELEASE

Unemployment | June 17, 2022

DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY UNEMPLOYMENT DROPS TO 1.8%, LOWEST IN 30+ YEARS

Previous low was 2.0% in December 1999

June 17, 2022 – The unemployment rate in the Silicon Valley region decreased to 1.8% in May, lower than any other month over the past three decades. Silicon Valley employers increased their workforce by just over 1,100 employees between mid-April and mid-May, while the labor force declined by approximately 2,700 individuals in the same time frame. The total labor force in the region is nearly 45,000 individuals below the February 2020 level.

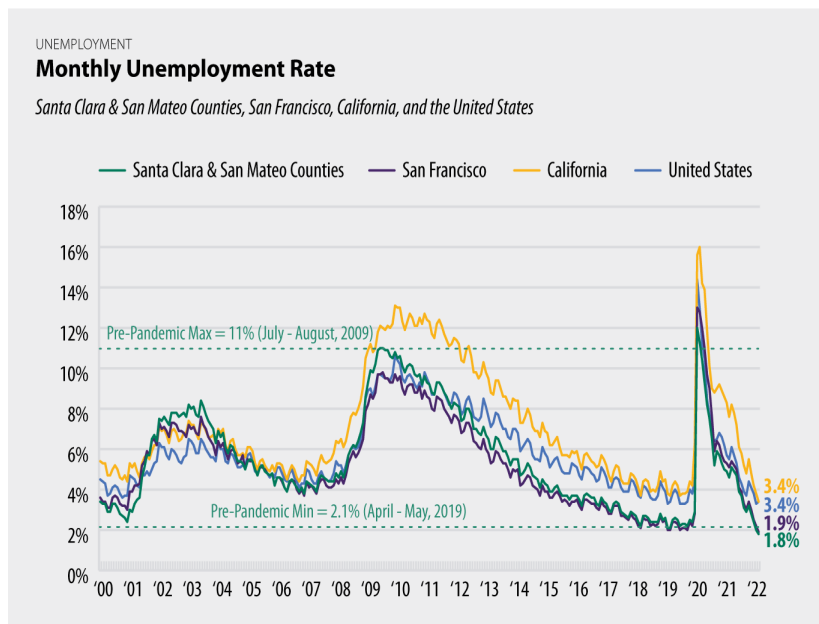
Overall, employers have added nearly 31,000 workers since January of this year and more than 105,000 since May 2021, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. The total number of unemployed in the region decreased to 26,700 by mid-May, more than 143,200 lower than the total number of unemployed in Silicon Valley in April 2020. Total employment in the region is up more than 195,000 since April 2020 and the initial job losses associated with the beginning of the COVID-19 pandemic. Overall, job growth is 15.4% over the last 25 months. The unemployment rate in Silicon Valley in May was 3.1 percentage points lower than it was a year ago (May 2021), and 10.1 percentage points lower than April 2020.

The analysis follows the June 17 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 June 3.

Leisure and Hospitality jobs represented the greatest month-over-month increase in the greater Silicon Valley region (two metropolitan statistical areas, or MSAs) for the fourth month in a row.

Arts, Entertainment, and Recreation added 1,200 jobs as part of the larger sector from mid-April to mid-May, followed by Accommodation (900 jobs). Manufacturing increased by 1,100 (+0.5%) jobs from mid-April to mid-May, with all gains in Durable Goods. Information was another sector with notable gains in the greater Silicon Valley region, adding 900 jobs.

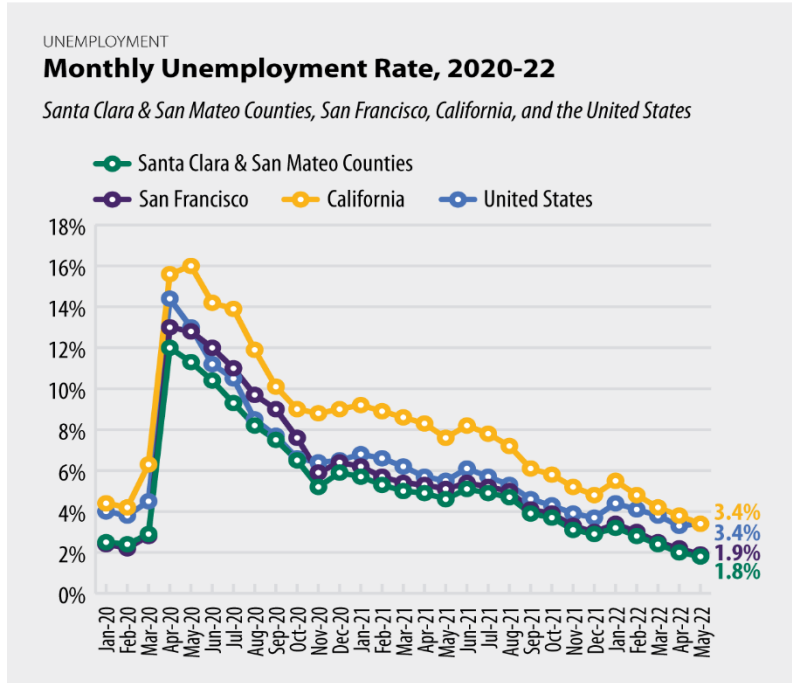
“The labor force in the region has declined for two months in a row,



while the total number of unemployed has declined for the last four months, helping to drive down the unemployment rate,” said Ryan Young, Research Manager for BW Research and an affiliated researcher at the Institute. “The particularly tight labor market in Silicon Valley is making it extremely difficult for industries to grow, as evidenced by the relative slow-down in growth for Leisure and Hospitality and Professional and Business Services as compared to previous months.”

Findings:

- Silicon Valley’s unemployment rate decreased by 0.3 percentage points between April and May, following a 0.4 percentage point decrease over the prior one-month period. In May, the combined unemployment rate for Santa Clara and San Mateo Counties was 1.8%, compared to 1.9% for San Francisco, 2.2% for the Bay Area, 3.4% statewide, and 3.4% nationwide.
- As of mid-May, approximately 26,700 people in Silicon Valley’s labor force remained unemployed (7,600 in San Mateo County, and 19,100 in Santa Clara County), a decrease of over 3,800 since mid-April, and a drop of approximately 43,000 since May 2021. The total number of unemployed was lower in May than any other month over the past three decades.¹
- The greater Silicon Valley employment levels between April and May (based on metro-area data, which includes San Francisco and San Benito Counties) increased most notably in Leisure and Hospitality (+3,200 jobs, or +1.5%), Manufacturing (+1,100, or +0.5%), Information (+900 jobs, or +0.4%), and Educational and Health Services (+600 jobs, or +0.2%).
- San Mateo maintains the lowest unemployment rate among California counties falling from 1.9% in April to 1.7% in May. Santa Clara is tied for second in the state with Marin, with both counties at 1.8%, followed by San Francisco at 1.9%.



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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.

¹ The Local Area Unemployment Statistics (LAU) dataset includes county labor force data back to January 1990. Source: <https://www.bls.gov/lau/>

County-level and California data April 2022 and May 2022 are preliminary, and county-level data for March are from the California Employment Development Department June 17, 2022, 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