

DATA RELEASE

Unemployment | January 20, 2023

DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY UNEMPLOYMENT RATE EDGES DOWN TO 2.0%, LOWEST SINCE MAY 2022 San Mateo County maintains lowest rate in California

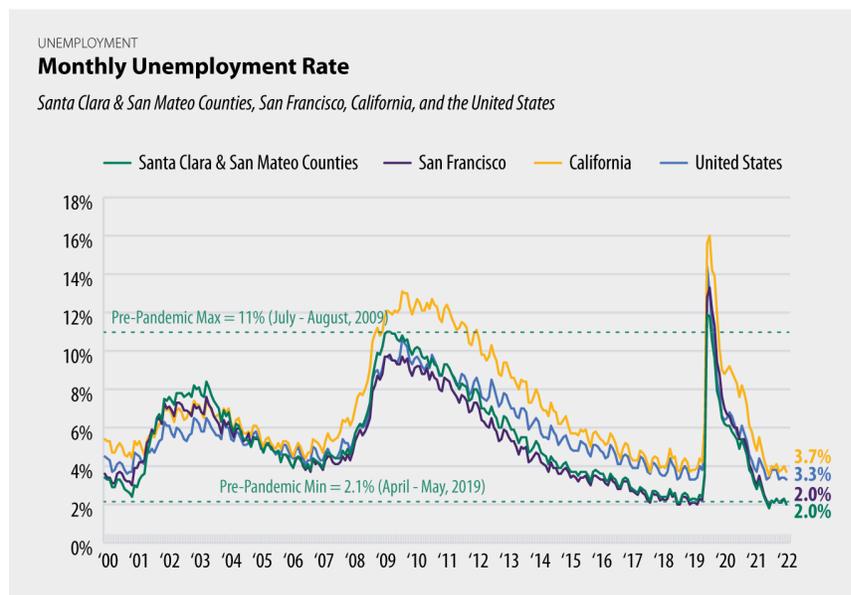
January 20, 2023 – The unemployment rate in Silicon Valley decreased in December to 2.0%, the largest drop in the unemployment rate since the period from March to April 2022, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. Overall employment in the region increased by nearly 13,000 workers, while the number of unemployed persons decreased by more than 4,400.

The total labor force in Silicon Valley increased by more than 8,500 from mid-November to mid-December, matching the levels reported in August. The total labor force sits at 12,800 below the previous high in February 2020 and now includes approximately 94,600 more individuals than the pandemic low of 1.42 million in May 2021.

Overall, employers added almost 59,500 workers in 2022, and nearly 50,700 between December 2021 and December 2022. The total number of unemployed workers in the region in mid-December was more than 139,600 lower than the peak (170,000) in April 2020. Total employment in the region is up by 223,600 since April 2020, which reflected the initial job losses associated with the beginning of the COVID-19 pandemic. Overall, job growth is +17.7% over the last 32 months. The unemployment rate in Silicon Valley in December was just over 0.8 percentage points lower than it was a year before (December 2021), and 9.9 percentage points lower than April 2020.

The analysis follows the January 20th release from the California Employment Development Department (EDD). National-level data for December was released by the U.S. Bureau of Labor Statistics (BLS) on January 6th.

Trade, Transportation, and Utilities jobs represented the greatest month-over-month increase in the greater Silicon Valley region (two metropolitan statistical areas, or MSAs), outpacing Educational and Health Services for the second month in a row. Retail Trade added 1,500 jobs as part of the larger sector from mid-November

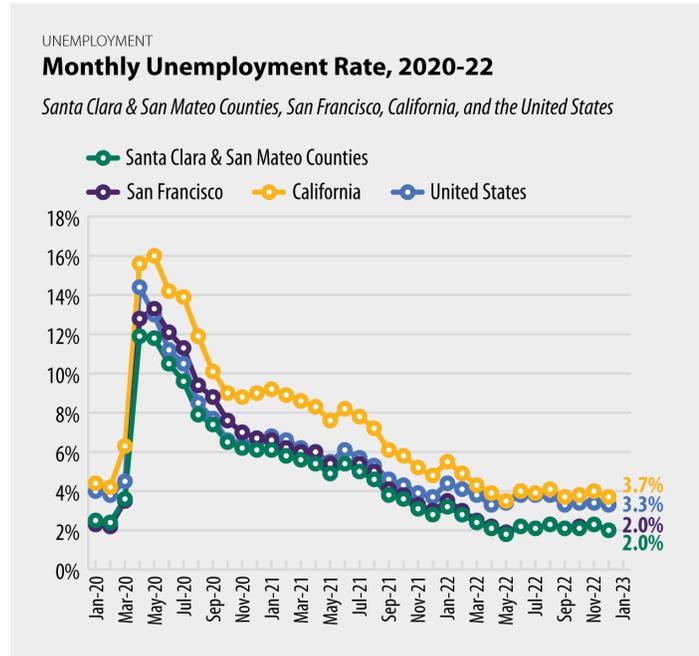


to mid-December. Educational and Health Services increased by 1,200 (+0.3%) jobs from mid-November to mid-December, with most gains in Ambulatory Health Care Services (+1,000, or +1.1%) and Social Assistance (+1,000, or +1.0%). Financial Activities also increased notably in the same period, adding 1,000 jobs.

“The unemployment rate decreased to its lowest level since May of 2022 after an increase over the previous one-month time period,” said Ryan Young, Research Manager for BW Research and an affiliated researcher at the Institute. “The uptick in seasonal hiring for Trade, Transportation, and Utilities helped to offset the losses in employment across Government and Leisure and Hospitality as well as the stagnant growth for Professional and Business Services.”

Findings:

- Silicon Valley’s unemployment rate decreased by 0.3 percentage points between mid-November and mid-December. In December, the combined unemployment rate for Santa Clara and San Mateo Counties was 2.0%, compared to 2.0% for San Francisco, 2.4% for the Bay Area, 3.7% statewide, and 3.3% nationwide.
- As of mid-December, approximately 30,300 people in Silicon Valley’s labor force remained unemployed (8,600 in San Mateo County, and 21,700 in Santa Clara County), a decrease of more than 4,400 since mid-November, and a drop of approximately 11,100 since December 2021.
- The greater Silicon Valley employment levels between November and December (based on metro-area data, which includes San Francisco and San Benito Counties) increased most notably in Trade, Transportation, and Utilities (+2,700 jobs, or +1.0%), Educational and Health Services (+1,200, or +0.3%), and Financial Activities (+1,000, or +0.8%). Government (-1,400, or -0.6%) and Leisure and Hospitality (-1,000, or -0.5%) decreased total industry employment from mid-November to mid-December.
- San Mateo maintains the lowest unemployment rate among California counties decreasing from 2.2% in November to 1.9% in December. San Francisco and Santa Clara County are tied at second, with unemployment rates of 2.0%. Marin County has the third lowest unemployment rate among counties in California, decreasing from 2.5% in November to 2.2% in December.



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Notes: Silicon Valley includes Santa Clara & San Mateo Counties, unless otherwise noted. 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 November 2022 and December 2022 are preliminary, and county-level data for December are from the California Employment Development Department January 20, 2023, release.

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

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