

DATA RELEASE

Unemployment | March 24, 2023

DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY UNEMPLOYMENT RATE INCREASES TO 3.0%, HIGHEST SINCE JANUARY 2022

March 28, 2023 – The unemployment rate in Silicon Valley increased again in February to 3.0%, following a rise of 0.9 percentage points from mid-December 2022 to mid-January 2023, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. The unemployment rate in the region is the highest since January 2022 when it was 3.2%. Overall employment in the region increased by nearly 4,400 workers, while the number of unemployed persons increased by more than 3,000.

The total labor force in Silicon Valley increased by more than 6,600 from mid-January to mid-February, rebounding slightly after losing approximately 15,800 individuals over the previous one-month period (mid-December 2022 to mid-January 2023). The total labor force sits at 22,000 below the previous high in February 2020 and now includes approximately 91,100 more individuals than the pandemic low of 1.42 million in April 2021.

Overall, employers added almost 16,000 workers between February 2022 and February 2023. The total number of unemployed workers in the region in mid-February was nearly 127,800 lower than the peak (170,000) in April 2020. Total employment in the region is up by 199,500 since April 2020, which reflected the initial job losses associated with the beginning of the COVID-19 pandemic. Overall, job growth is +15.8% over the last 34 months. The unemployment rate in Silicon Valley in January was just under 0.2 percentage points higher than it was a year before (February 2022), and 8.9 percentage points lower than April 2020.

The analysis follows the March 24 release from the California Employment Development Department (EDD). National-level data for February was released by the U.S. Bureau of Labor Statistics (BLS) on March 10.

Educational and Health Services jobs represented the greatest month-over-month increase in the greater Silicon Valley region (two metropolitan statistical areas, or MSAs), outpacing Construction. Colleges, Universities, and Professional Schools added 2,700 jobs as part of the larger sector from mid-January to mid-

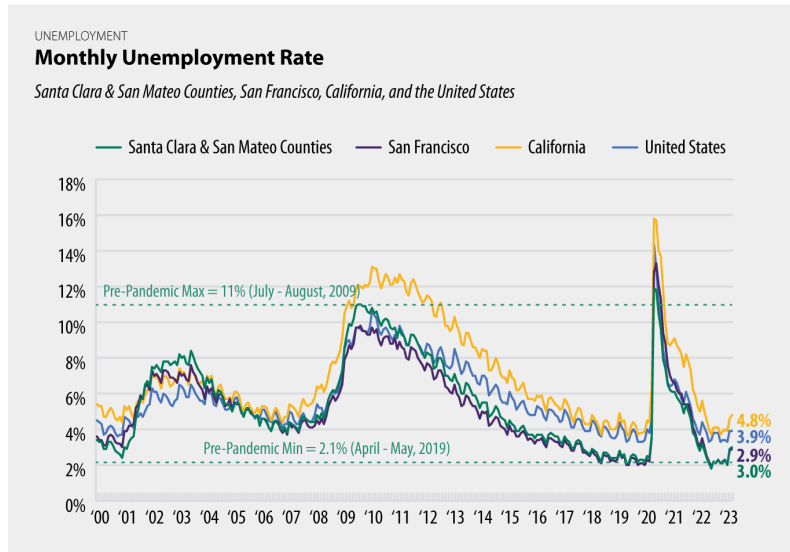


February. Construction increased by 2,500 (+2.7%) jobs from mid-January to mid-February. Professional and Business Services also increased notably in the same period, adding 2,400 jobs. Trade, Transportation, and Utilities experienced the largest job loss (-2,700, or -1.0%), with the largest decrease in Retail Trade (-1,300, or -0.9%).

“The unemployment rate in Silicon Valley has increased for the second straight month, and most notably has increased in the region between January and February for the first time since 2014,” said Ryan Young, Research Manager for BW Research, and an affiliated researcher at the Institute. “Leisure and Hospitality and Trade, Transportation, and Utilities continue to struggle to make up ground on pre-pandemic employment levels, with each sector still down more than 18,000 workers almost three years later.”

Findings:

- Silicon Valley’s unemployment rate increased by 0.1 percentage points between mid-January and mid-February. In February, the combined unemployment rate for Santa Clara and San Mateo Counties was 3.0%, compared to 2.9% for San Francisco, 3.4% for the Bay Area, 4.8% statewide, and 3.9% nationwide.
- As of mid-February, approximately 45,200 people in Silicon Valley’s labor force remained unemployed (12,600 in San Mateo County, and 32,600 in Santa Clara County), an increase of more than 2,200 since mid-January, and an increase of more than 3,000 since February 2022.
- The greater Silicon Valley employment levels between January and February (based on metro-area data, which includes San Francisco and San Benito Counties) increased most notably in Educational and Health Services (+3,600 jobs, or +1.0%), Construction (+2,500, or +2.7%), and Professional and Business Services (+2,400, or +0.4%). Trade, Transportation, and Utilities (-2,700, or -1.0%) and Other Services (-1,000, or -1.6%) decreased total industry employment from mid-January to mid-February.
- San Mateo maintains the lowest unemployment rate among California counties increasing from 2.6% in January to 2.8% in February. San Francisco is second, with a 2.9% unemployment rate. Santa Clara County and Marin County are tied at third among California counties, each with a 3.1% unemployment rate. Marin County’s unemployment rate is unchanged from January, while Santa Clara County’s unemployment rate is an increase from 3.0% a month ago.



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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 January and February 2023 are preliminary, and county-level data for February are from the California Employment Development Department March 24, 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