

DATA RELEASE

Unemployment | June 16, 2023

DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY UNEMPLOYMENT RATE INCHED UP TO 3.0% IN MAY 3,400 more unemployed workers in Silicon Valley (+8% since mid-April)

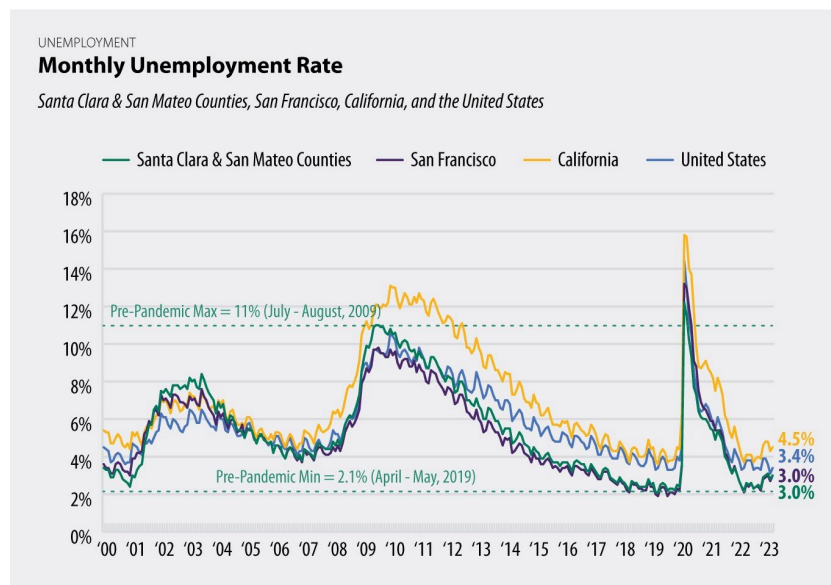
June 20, 2023 – The unemployment rate in Silicon Valley ticked back up to 3.0% in May, following a slight decrease from mid-March to mid-April, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. Silicon Valley’s May unemployment rate of 3% is the same share as reported for February of this year. Overall employment in the region decreased by more than 4,900 workers between mid-April and mid-May, while the number of unemployed persons rose by approximately 3,400.

The total labor force in Silicon Valley decreased by more than 1,500 people (-0.1%) from mid-April to mid-May, slowing the slide from the previous one-month period when the labor force dropped by nearly 21,000 (-1.4%). The total labor force in the region is at its lowest level since June 2022 but it still includes almost 74,700 more individuals than the pandemic low of just under 1.42 million in April 2021.

Overall, employers have added just under 2,600 workers between May 2022 and May 2023. The total number of unemployed Silicon Valley workers in mid-May was nearly 131,500 lower than the peak (170,000) in April 2020. Total employment in the region is up by 179,200 since April 2020, which reflected the initial job losses associated with the beginning of the COVID-19 pandemic. Overall, job growth is +14.1% over that 37-month period. The unemployment rate in Silicon Valley in May was 0.9 percentage points higher than it was a year prior (in May 2022), and 9.2 percentage points lower than April 2020.

The analysis follows the June 16 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 June 2.

Leisure and Hospitality jobs represented the greatest month-over-month increase in the greater Silicon Valley region (two metropolitan statistical areas, or MSAs), outpacing Government. Restaurants added 1,400 jobs as part of the larger sector from mid-April to mid-May. Government increased by 2,200 (+0.9%) jobs from mid-April to mid-May. Professional and Business Services and Construction also increased notably in the same

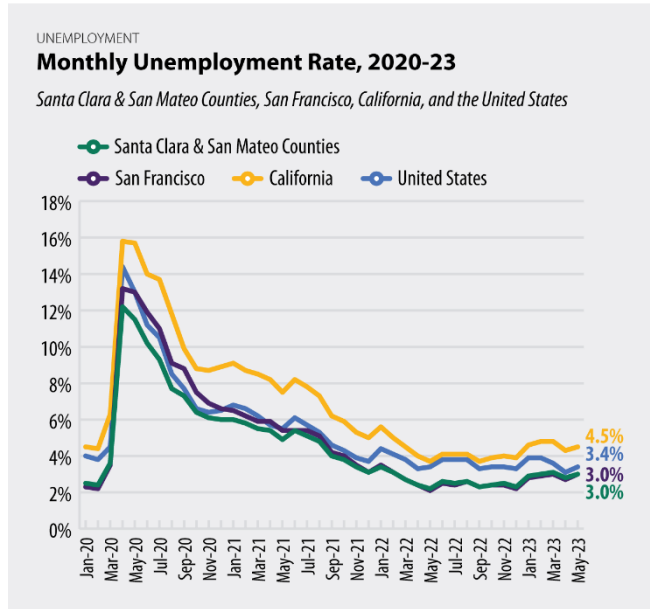


period, adding 1,900 and 1,400 jobs respectively. Educational and Health Services experienced the largest job loss (-1,100, or -0.3%), followed by Manufacturing (-600, or -0.3%).

“So far in 2023, the unemployment rate has been above 3.0% for more total months than over the entire year of 2022, and we only have estimates through May,” said Ryan Young, Research Manager for BW Research and an affiliated researcher at the Institute. “One bright spot, however, is that Leisure and Hospitality continues to gain ground on March 2020 job levels, adding 3,000 additional jobs from April to May, and now the sector is just 5,900 jobs away from pre-pandemic levels.”

Findings:

- Silicon Valley’s unemployment rate increased by 0.2 percentage points between mid-April and mid-May. In May, the combined unemployment rate for Santa Clara and San Mateo Counties was 3.0%, compared to 3.0% for San Francisco, 3.3% for the Bay Area, 4.5% statewide, and 3.4% nationwide.
- As of mid-May, approximately 45,600 people in Silicon Valley’s labor force were unemployed (12,300 in San Mateo County, and 33,300 in Santa Clara County), an increase of more than 3,400 since mid-April, and an increase of nearly 13,400 since May 2022.
- 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 (+3,000 jobs, or +1.3%), Government (+2,200, or +0.9%), Professional and Business Services (+1,900, or +0.3%), and Construction (+1,400, or +1.5%). Educational and Health Services (-1,100, or -0.3%), Manufacturing (-600, or -0.3%), and Other Services (-300, or -0.5%) decreased total industry employment from mid-April to mid-May.
- San Mateo maintains the lowest unemployment rate among California counties, with an unemployment rate of 2.7% in May. Marin, San Francisco, and San Luis Obispo counties are tied at second, each with a 3.0% unemployment rate. Napa County moved up to third in the state with a 3.1% unemployment rate. Santa Clara County is tied for fourth in April with Orange County, each with a 3.2% unemployment rate in May.



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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 for April and May 2023 are preliminary, and county-level data for May are from the California Employment Development Department June 16, 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