

DATA RELEASE

Unemployment | July 24, 2023

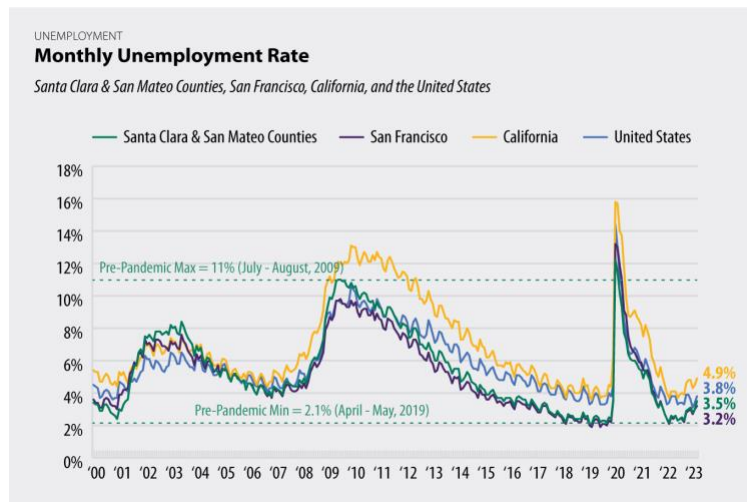
DATA RELEASE: Silicon Valley unemployment analysis

SILICON VALLEY UNEMPLOYMENT RATE TICKS UP TO 3.5% IN JUNE

**6,200 more unemployed workers in Silicon Valley (+14% since mid-May)
Leisure & Hospitality up 2.5%, total labor force increased by more than 3,600 people**

July 24, 2023 – The unemployment rate in Silicon Valley reached its highest level (3.5%) since October of 2021, when it was 3.8%. This follows a slight increase during the month prior (from mid-April to mid-May), according to an analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. Silicon Valley’s June unemployment rate increase of 0.4 percentage points represents the largest month-over-month rise since December 2022 to January 2023 (+0.6 pp). Overall employment in the region decreased by nearly 2,500 workers between mid-May and mid-June, marking the third month in a row of employment declines.

The analysis follows the July 21 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 July 7.



The total labor force in Silicon Valley increased by more than 3,600 people (+0.2%) from mid-May to mid-June, stopping the slide from the previous two-month period when the labor force dropped by 22,400 (-1.5%). The total labor force in the region is back over 1.5 million individuals after briefly dipping below that number in May. The labor force includes nearly 78,400 more individuals than the pandemic low of = 1.42 million in April 2021.

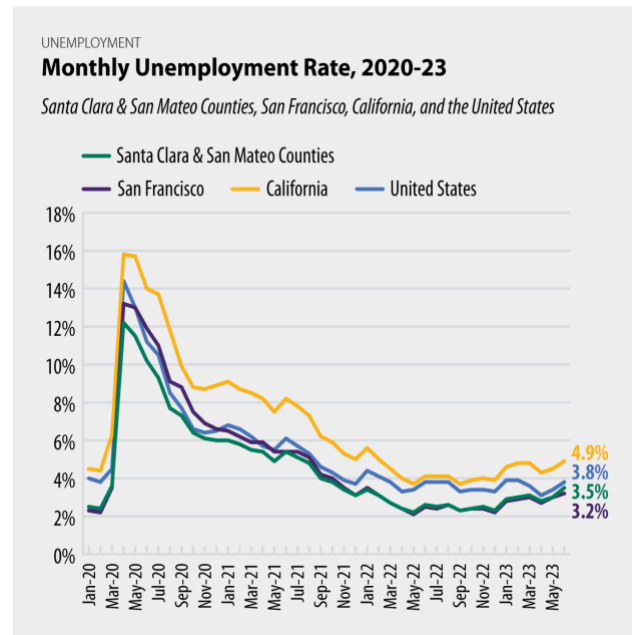
Overall, employers have added 130 workers over the past year (June 2022 - June 2023). The total number of unemployed Silicon Valley workers in mid-June was 125,200 lower than the peak (177,000) in April 2020, while total employment was up by 176,700 over the same period. Overall, job growth is +13.9% over that 38-month period since April 2020. Silicon Valley’s June unemployment rate was 0.8 percentage points higher than it was a year prior (in June 2022), and 8.8 percentage points lower than April 2020.

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 second month in a row, outpacing Professional and Business Services and Information. Restaurants added 4,600 jobs as part of the larger sector from mid-May to mid-June, representing 3.2% growth. Professional and Business Services increased by 4,300 (+0.8%) jobs from mid-May to mid-June. Information and Educational and Health Services also increased notably in the same period, adding 4,200 and 2,800 jobs respectively. Government experienced the largest job loss (-1,400, or -0.6%), followed by Financial Activities (-700, or -0.5%).

“The unemployment rate increased significantly in Silicon Valley from May to June, reaching a level that has not been seen for the better part of two years,” said Ryan Young, Research Manager for BW Research, and an affiliated researcher at the Institute. “Despite overall higher unemployment in the region, Leisure and Hospitality maintained its positive momentum, adding 5,800 jobs and surpassing pre-pandemic levels for the first time, mostly aided by hiring at restaurants.”

Findings:

- Silicon Valley’s unemployment rate increased by 0.4 percentage points between mid-May and mid-June. In June, the combined unemployment rate for Santa Clara and San Mateo Counties was 3.5%, compared to 3.2% for San Francisco, 3.7% for the Bay Area, 4.9% statewide, and 3.8% nationwide.
- As of mid-June, approximately 51,900 people in Silicon Valley’s labor force were unemployed (13,900 in San Mateo County, and 38,000 in Santa Clara County), an increase of more than 3,400 since mid-April, and an increase of nearly than 13,200 since June 2022.
- The Greater Silicon Valley employment levels between May and June (based on metro-area data, which includes San Francisco and San Benito Counties) increased most notably in Leisure and Hospitality (+5,800 jobs, or +2.5%), Professional and Business Services (+2,200, or +0.9%), Professional and Business Services (+4,300, or +0.8%), and Information (+4,200, or +1.8%). Government (-1,400, or -0.6%) and Financial Activities (-700, or -0.5%) decreased total industry employment from mid-May to mid-June.
- San Mateo maintains the lowest unemployment rate among California counties, with an unemployment rate of 3.1% in June. San Francisco is in second with an unemployment rate of 3.2%. Marin dropped to third with a 3.4% unemployment rate and Napa and San Luis Obispo are tied at fourth, each with a 3.5% unemployment rate. Santa Clara County moved from fourth to sixth amongst California counties, as the unemployment rate in the County moved from 3.2% in May to 3.6% in June.



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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 May and June 2023 are preliminary, and county-level data for May are from the California Employment Development Department July 21, 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