SILICON VALLEY’S JULY UNEMPLOYMENT RATE IMPROVES SLIGHTLY TO 3.4%
14,600 more employed workers in Silicon Valley (+1% since mid-June)

August 18, 2023 – The unemployment rate in Silicon Valley dropped slightly to 3.4% in July. This follows two straight months of increases, according to analysis by Joint Venture Silicon Valley’s Institute for Regional Studies. Silicon Valley’s July unemployment rate decrease of 0.1 percentage points represents only the second time in 2023 that the unemployment rate decreased month-over-month. For comparison, the unemployment rate decreased five times (month-to-month) between January and July 2022. Overall employment in the region increased by nearly 14,600 workers between mid-June and mid-July of this year. Total employment in the region is still 9,500 below the previous 2023 high reported in March.

The analysis follows the August 18 release from the California Employment Development Department (EDD). National-level data for July was released by the U.S. Bureau of Labor Statistics (BLS) on August 4th.

The total labor force in Silicon Valley increased by almost 13,900 people (+0.9%) from mid-June to mid-July, marking the second month in a row of labor force increases. The total labor force in the region is at its third highest level since the start of the pandemic in March 2020, sitting less than 5,000 below the high of 1.52 million in March of this year and just over 2,200 below the number from December 2022. The labor force includes nearly 92,300 more individuals than the pandemic low of 1.42 million in April 2021.

Overall, employers have shed 1,200 workers over the past year (July 2022 - July 2023). The total number of unemployed Silicon Valley workers in mid-July was nearly 126,000 lower than the peak (177,000) in April 2020, while total employment was up by 191,200 over the same period. Overall, job growth is +15% over that 39-month period since April 2020. Silicon Valley’s July unemployment rate was 0.9 percentage points higher than it was a year prior (in July 2022), and 8.8 percentage points lower than April 2020.
Information jobs represented the greatest month-over-month increase in the greater Silicon Valley region (two metropolitan statistical areas, or MSAs), outpacing Leisure and Hospitality. Information added 2,500 jobs from mid-June to mid-July, representing 1.1% growth. Leisure and Hospitality increased by 1,500 (+0.6%) jobs from mid-June to mid-July, led by 1,400 jobs added in Restaurants in Silicon Valley. Construction and Other Services also increased notably in the same period, adding 1,400 and 1,000 jobs respectively. Government experienced the largest job losses for the second month in a row (-10,300, or -4.3%), followed by Educational and Health Services (-2,500, or -0.7%).

“The unemployment rate in Silicon Valley decreased slightly in July after multiple months of increases and a rather up and down year overall,” said Ryan Young, Research Manager for BW Research, and an affiliated researcher at the Institute. “One constant is that Leisure and Hospitality continues its positive momentum, adding 1,500 jobs in the period between mid-June and mid-July, representing 10.4% growth since July of 2022.”

Findings:

- Silicon Valley’s unemployment rate decreased by 0.1 percentage points between mid-June and mid-July. In July, the combined unemployment rate for Santa Clara and San Mateo Counties was 3.4%, compared to 3.2% for San Francisco, 3.7% for the Bay Area, 4.8% statewide, and 3.8% nationwide.

- As of mid-July, approximately 51,100 people in Silicon Valley’s labor force were unemployed (13,800 in San Mateo County, and 37,300 in Santa Clara County), a decrease of nearly 800 since mid-June, and an increase of more than 13,200 since July 2022.

- The Greater Silicon Valley employment levels between June and July (based on metro-area data, which includes San Francisco and San Benito Counties) increased most notably in Information (+2,500 jobs, or +1.1%), Leisure and Hospitality (+1,500, or +0.6%), Construction (+1,400, or +1.4%), and Other Services (+1,000, or +1.5%). Government (-10,300, or -4.3%) and Educational and Health Services (-2,500, or -0.7%) decreased total industry employment from mid-June to mid-July.

- San Mateo maintains the lowest unemployment rate among California counties, with an unemployment rate of 3.0%, down from 3.1% in June. San Francisco is in second with an unemployment rate of 3.2%. Marin, Napa, and San Luis Obispo occupy the third spot together, each with a 3.3% unemployment rate. Santa Clara County is in sixth amongst California counties, as the unemployment rate in the County dropped from 3.6% in June to 3.5% in July.
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 June and July 2023 are preliminary, and county-level data for July are from the California Employment Development Department August 18, 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.

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