DATA RELEASE

Unemployment | December 18, 2020

SILICON VALLEY UNEMPLOYMENT FALLS TO 5.1% IN NOVEMBER
Impacts of November restrictions still unclear

December 18, 2020 – Silicon Valley's unemployment rate continued its gradual decline since the pandemic-high of 11.6% in April, decreasing by a fraction (0.8) of a percentage point to 5.1% between mid-October and mid-November, according to analysis released today by Joint Venture Silicon Valley's Institute for Regional Studies.

The analysis follows this morning's release from the California Employment Development Department (EDD). The November data reflects month-over-month upticks in retail jobs (specifically Clothing & Clothing Accessory, and General Merchandise Stores), and restaurant/food service jobs.

Silicon Valley's 5.1% unemployment rate is less than half of the April high (11.6%), but remains more than double what it was in November of 2019.
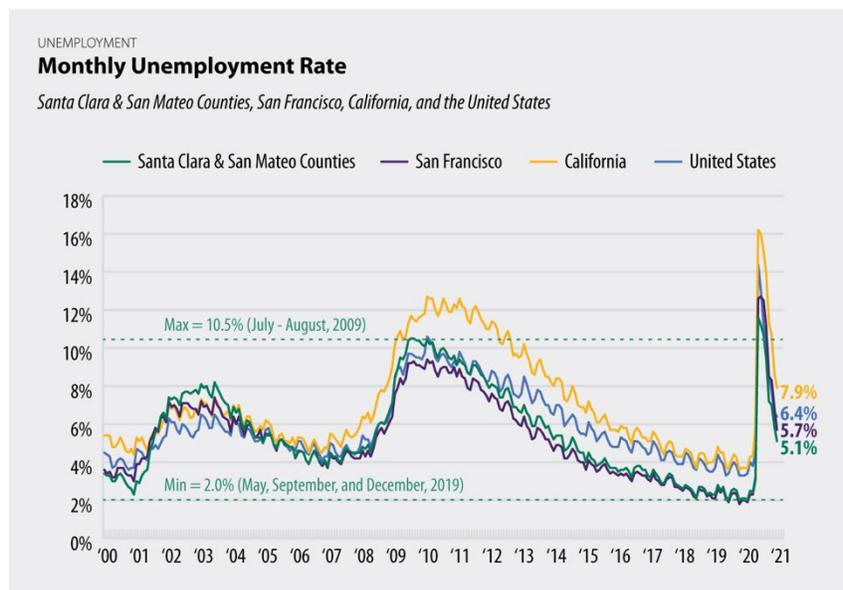
"We're seeing a gradual improvement in the region's unemployment rate, but it's a lagging indicator. The data show us that 76,000 of our region's workers were unemployed in November, not reflecting recent shut-downs," said Rachel Massaro, the Institute's Director of Research. "While it's important for us to continue to analyze and understand the numbers, it's also important to keep in mind the things that aren't quantifiable – like the uncertainty that many workers face on a daily basis, wondering if they'll still have a job tomorrow."

UNEMPLOYMENT
Monthly Unemployment Rate

Santa Clara & San Mateo Counties, San Francisco, California, and the United States

— Santa Clara & San Mateo Counties — San Francisco — California — United States

Max = 10.5% (July - August, 2009)

Min = 2.0% (May, September, and December, 2019)

7.9%
6.4%
5.7%
5.1%

The November unemployment rates are based on mid-November data, therefore do not reflect the impact of the county downgrades to the state's Purple tier, or the recent stay-at-home orders that went into effect on December 6 in Santa Clara County, and this past Wednesday, December 16 in San Mateo County.

Findings:

- Silicon Valley's unemployment rate declined by 0.8 percentage points in November, reaching 5.1%. This rate is lower than at any other time since the start of the pandemic. This compares to a November

unemployment rate of 5.7% for San Francisco, 5.9% for the Bay Area, 7.9% statewide, and 6.4% nationwide.

- As of mid-October, approximately 76,000 people in Silicon Valley's labor force remained unemployed. This compares to 33,000 at the same time last year (November 2019).

- The average number of Silicon Valley initial unemployment insurance claims were 72% lower in the first three weeks of November compared to the height of pandemic-related unemployment in April.

- The increase in Silicon Valley employment levels between October and November (based on metro-area data, which includes San Francisco and San Benito Counties) was primarily driven by gains in retail jobs (+6,700, or +4.4%) particularly Clothing & Clothing Accessory Stores (+1,700, or +12%) and General Merchandise Stores (+1,700, or +8.2%).

- Leisure & Hospitality was also a driver of greater Silicon Valley job gains, but only in the San Jose-Sunnyvale-Santa Clara MSA (+3,100 or +4%) with 2,200 jobs in Food Services & Drinking Places alone. Leisure & Hospitality jobs actually declined in the San Francisco-Redwood City-South San Francisco MD (-2,000 jobs, or -1.9%).

- San Mateo and Santa Clara Counties had the 3rd and 4th lowest unemployment rates, respectively, among the state's 58 counties in October.

Notes: Silicon Valley includes Santa Clara & San Mateo Counties, unless otherwise noted.

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

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 October and November 2020 are preliminary, and county-level data for November are from the California Employment Development Department December 18 release.

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.
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