

Silicon Valley unemployment drops, on par with rates before pandemic

In Silicon Valley, the employment rate is now on par with mid-March 2020, just prior to the Bay Area’s shelter-in-place orders.

According to a recent analysis by Joint Venture Silicon Valley’s Institute for Regional Studies, Silicon Valley’s unemployment rate has dropped to 2.9%.

The analysis follows the Jan. 21 release from the California Employment Development Department (EDD).

14.6% job growth in Silicon Valley

Employers throughout the region added more than 10,300 workers between mid-November and mid-December, lower than the job gains over the previous month-long period.

The total number of unemployment in the region dropped to 42,600 by mid-December, a decrease of nearly 3,900 since mid-November.

According to the analysis, Silicon Valley has recovered more than 184,000 jobs since April 2020 (a 14.6% job growth).

The retail trade industry added 2,000 jobs as part of the larger sector from mid-November to mid-December — the analysis said it’s most likely due to staffing for the holiday season.

Followed by the transportation and warehousing industry, adding 1,700 jobs.

Since March 2020 — professional and business services, computer systems, design, and related services saw steady growth according to analysis, adding 10,400 jobs.

Hospitality added 3,300 jobs from mid-November to mid-December, with restaurants accounting for 1,800 of those jobs.

“The unemployment rate was cut in half in Silicon Valley between January and December 2021, returning to the March 2020 level 21 months into the pandemic,” said Ryan Young, Research Manager for BW Research and an affiliated researcher at the Institute.

“Despite positive news related to the unemployment rate, the economic landscape continues to evolve in differing directions, with industries such as Professional and Business Services and Information undergoing strong employment growth, while others such as Leisure and Hospitality continue to sit far below pre-pandemic levels.”

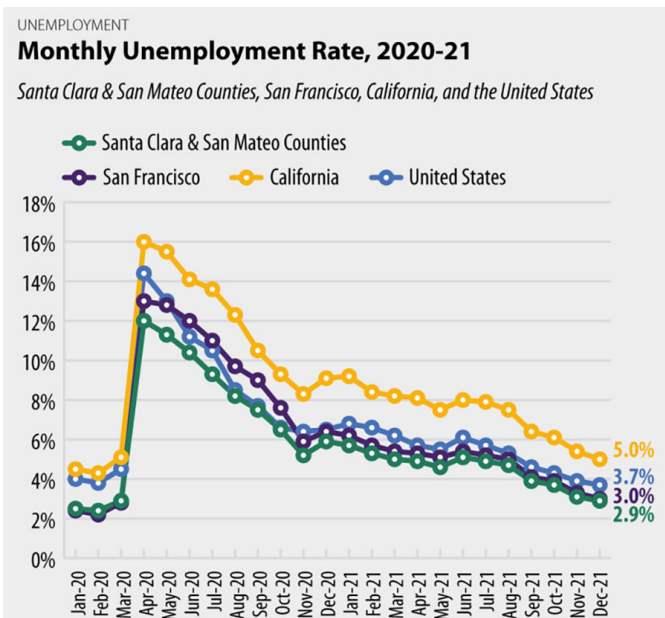
Other key findings

Silicon Valley’s unemployment rate decreased by nearly 0.3 percentage points between November and December, following a 0.5 percentage point decrease over the prior one-month period.

In November, the combined unemployment rate for Santa Clara and San Mateo Counties was 2.9%, compared to 3.0% for San Francisco, 3.4% for the Bay Area, 5.0% statewide, and 3.7% nationwide.

The greater Silicon Valley employment levels between November and December grew most notably in trade, transportation, and utilities (+4,500 jobs), leisure and hospitality (+3,300 jobs), professional and business services (+3,000 jobs), and information (+2,100 jobs).

Additionally, the manufacturing industry added 1,200 jobs and now represents 1.3% growth since March 2020.



Job growth by industry

In the greater Silicon Valley, the trade, transportation, and utilities jobs represented the greatest month-over-month growth in December.

UNEMPLOYMENT

Region	December 2020	November 2021	December 2021	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	6.0%	3.2%	3.0%	- 0.2	- 3.0
San Francisco MD	6.2%	3.2%	2.9%	- 0.3	- 3.3
California	9.1%	5.4%	5.0%	- 0.4	- 4.1
United States	6.5%	3.9%	3.7%	- 0.2	- 2.8

INDUSTRY EMPLOYMENT

Sector — December 2021	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,135,000	1,135,300	2,270,300	+ 0.5%	+ 7.1%
Construction	51,800	43,000	94,800	+ 0.2%	+ 2.7%
Manufacturing	174,700	36,900	211,600	+ 0.2%	+ 3.3%
Retail Trade	76,500	72,200	148,700	+ 1.2%	+ 0.9%
Information	112,700	113,600	226,300	+ 1.2%	+ 5.0%
Professional & Business Services	252,200	307,100	559,300	+ 0.3%	+ 7.3%
Educational Services	42,400	30,800	73,200	- 0.9%	+ 5.9%
Health Care & Social Assistance	138,300	113,700	252,000	+ 0.6%	+ 3.2%
Leisure & Hospitality	82,900	108,200	191,100	+ 1.1%	+ 49.6%
Government	93,100	125,200	218,300	- 0.1%	- 0.2%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMIID

LABOR FORCE & ANNUAL CHANGE

Labor Force by Metropolitan Statistical Area (U.S. High-Tech Regions)

	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	December 2020	December 2021	Change	December 2020	December 2021	Change	December 2020	December 2021	Change
United States	160,017,000	161,696,000	+ 1.0%	10,404,000	5,964,000	- 42.7%	6.5%	3.7%	- 2.8
Austin, TX	1,264,319	1,328,683	+ 5.1%	61,703	38,652	- 37.4%	4.9%	2.9%	- 2.0
Boston, MA	2,745,196	2,748,993	+ 0.1%	185,961	85,792	- 53.9%	6.8%	3.1%	- 2.3
New York City, NY	3,856,000	3,918,700	+ 1.6%	447,900	309,100	- 31.0%	11.6%	7.9%	- 3.7
Seattle, WA	1,735,900	1,755,000	+ 1.1%	101,500	72,100	- 29.0%	5.8%	4.1%	- 1.7
California	18,660,800	19,065,800	+ 2.2%	1,702,200	960,400	- 43.6%	9.1%	5.0%	- 4.1
San Diego	1,535,100	1,554,500	+ 1.3%	122,700	65,800	- 46.4%	8.0%	4.2%	- 3.8
San Francisco	966,100	1,012,200	+ 4.8%	59,700	29,700	- 50.3%	6.2%	2.9%	- 3.3
San José	1,041,200	1,074,400	+ 3.2%	62,200	31,900	- 48.7%	6.0%	3.0%	- 3.0
NOVAworks Region	745,900	779,800	+ 4.5%	39,600	20,100	- 49.2%	5.3%	2.6%	- 2.7

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMIID

REGIONAL LAYOFF ACTIVITY

December 2021 Layoff Events

Company	Location	# Affected
DHL Supply Chain	Santa Clara	118
Milestone Technologies	Menlo Park	81
Prospect International Airport Services	SFO	177
Total		376

WARN SUMMARY

Events YTD [†] :	26
Individuals Affected YTD :	2,191
Individuals Previous YTD [‡] :	18,044

* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)
[†] **YTD: Year to Date** (Program year: July 1–June 30)
[‡] **Previous YTD:** (Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data