EMPLOYMENT ANALYSIS

Unemployment in the San Diego region continues to recede as businesses reopen. The region’s unemployment rate is now estimated to be 15.9%, 1.8 percentage points lower than the previous week and 9.1 percentage points lower than one month ago.

New available data confirms that the turning point for the economy began when Governor Newsom announced the state was moving into Stage 2 of the reopening roadmap (May 8, 2020). Elected officials in the San Diego region have worked aggressively to help businesses reopen as quickly as possible, which contributed to approximately 150,000 workers returning to work in the past month. However, there are still roughly 270,000 unemployed people in the region (down from 425,000 in early May).

**Why we see an improvement:**
The number of new weekly unemployment insurance claims in the region remains high at approximately 20,000. This is more than four times higher than pre-COVID weekly filings. However, the number of people receiving unemployment insurance in the region shows a clear downward trend. This suggests that more people are returning to work than are being laid-off.

Figure 2 shows the monthly progression of unemployment rates by ZIP Code from March 7 (prior to the stay home order) through June 13.

Figure 2: Estimated Unemployment Rate by ZIP Code March 7 to June 13, 2020

March 7

April 11

May 9

June 13

Figure 3 shows the improvement of the unemployment rate as the economy continues to reopen. The first signs of improvement began around May 8 when the State began to allow low-risk businesses to reopen for curbside pick-up only. San Diego County moved into Phase 3 of reopening in early June, which allowed in-store retail, restaurants, manufacturing facilities, hair salons and barbershops, bars, zoos, movie theaters, and hotels to resume operations with appropriate social distancing rules in place. As of June 19, 2020, nail and facial salons and tattoo and massage establishments were allowed to reopen.

Unemployment is now estimated to have peaked at 25% during the second week of May, with continued improvement each week as more businesses have been able to resume operations. The unemployment rate of 15.9% in the region is still 50% higher than it was at the peak of the Great Recession (10.8%), which signals that there is still a long way to go to return to the unemployment levels recorded in March 2020, before the start of the public health crisis.

The most affected ZIP Codes remain those in the southern and central part of the region. The five ZIP Codes still experiencing the highest unemployment rates are Golden Hill, College Area, City Heights, San Ysidro, and Logan Heights. These areas have an average unemployment rate around 20%, with one in five workers still out of work. The five ZIP Codes with lowest unemployment rates are Del Mar, Carmel Valley, Rancho Santa Fe, Chula Vista NE, and Rancho Bernardo W. These areas have an average unemployment rate of around 12%, with one in ten workers out of work.

These estimates are based on the best available data, and will be revised as new federal and state data become available.

**Figure 3: Estimated Unemployment Rate in the San Diego Region as of June 13, 2020**