

Workforce Review

A monthly review of labor market information for Northern Santa Clara County

January 2009

Did you know?

Pascal Levensohn, Silicon Valley Venture Capitalist, Warns American Innovation Is in Crisis

Venture capitalist Pascal Levensohn, who is also the principal author of several influential papers on venture capital best practices, warned in a speech here today that the United States is in danger of losing its global technological edge unless new collaborative approaches to pursuing and funding innovation are acted on immediately. "Innovation and entrepreneurship, the crucial growth engines of the U.S. economy, are at risk of stalling out," said Pascal Levensohn of Levensohn Venture Partners, a San Francisco-based firm. "Our foundations are crumbling," Levensohn told the Cybersecurity Applications and Technologies Conference for Homeland Security (CATCH) at the Washington Convention Center.

"Corporate R&D budgets, new university endowment commitments to venture capital, and new commitments by private investors to funding of entrepreneurs are all declining in real time. The negative ripple effect from this collectively reduced pool of risk capital is not yet evident in our economic statistics," Levensohn asserted, "but it will have a profound and negative impact on the ecosystem that has traditionally nurtured entrepreneurs in the small business ventures that drive new job creation in America." Levensohn cited three major negative trends that have combined to put America's technological innovation at risk: 1) Research and development spending has emphasized incremental innovation over basic research for more than two decades; 2) Total R&D funding as a percentage of GDP has been declining while other nations have increased their spending, successfully developed coordinated technology innovation programs and actively supported the commercial development of emerging companies; and, 3) The recent systemic failure of global financial institutions has exacerbated the already deteriorated pace of innovation here by further reductions in an already diminished pool of risk capital.

Part of the solution, Levensohn added, "must also include a renewed and proactive effort to attract, educate and retain the world's best scientists to pursue innovation in the U.S."

Source: MSNBC (03/04/09)



Developing a skilled workforce for Silicon Valley

January 2009

Labor Force Statistics (San José–Sunnyvale–Santa Clara MSA)

Civilian Unemployment Rate	January 2008	December 2008	January 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	5.2%	7.8%	9.4%	+1.6	+4.2
California	6.4%	9.1%	10.6%	+1.5	+4.2
United States	5.4%	7.1%	8.5%	+1.4	+3.1

Civilian Labor Force	January 2008	December 2008	January 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	893,700	918,600	922,000	+0.4%	+3.2%
Civilian Employed	847,000	846,800	835,000	- 1.4%	- 1.4%
Civilian Unemployed	46,800	71,800	86,900	+21.0%	+85.7%

Industry Statistics (San José–Sunnyvale–Santa Clara MSA)

Greatest Change in Employment	January 2008	December 2008	January 2009	Percentage Change	
				Monthly	Annual
Total Nonfarm	911,000	906,400	891,900	- 1.6%	- 2.1%
Construction	44,300	41,800	40,500	- 3.1%	- 8.6%
Health Care	73,600	76,800	76,500	- 0.4%	+3.9%
Leisure/Hospitality	74,300	77,400	76,000	- 1.8%	+2.3%
Manufacturing	167,200	165,600	164,400	- 0.7%	- 1.7%
Retail Trade	86,500	84,900	81,700	- 3.8%	- 5.5%

NOTE: San José-Sunnyvale-Santa Clara MSA (Metropolitan Statistical Area) = Santa Clara and San Benito Counties

Source: California Employment Development Department, LMID

Labor Force by City (NOVA 7-City Consortium)

	Labor Force			% Change Annual	Employed			% Change Annual	Unemployment Rate	
	January 2008	January 2009			January 2008	January 2009			January 2008	January 2009
Santa Clara County	868,200	895,500		+3.1%	824,100	812,500		- 1.4%	5.1%	9.3%
Cupertino	24,300	24,700		+1.6%	23,600	23,200		- 1.7%	3.2%	6.0%
Los Altos	12,800	12,900		+0.8%	12,500	12,300		- 1.6%	2.5%	4.7%
Milpitas	31,400	32,400		+3.2%	29,800	29,300		- 1.7%	5.2%	9.6%
Mountain View	41,700	42,500		+1.9%	40,200	39,600		- 1.5%	3.7%	6.8%
Palo Alto	31,700	32,000		+0.9%	30,800	30,400		- 1.3%	2.7%	5.0%
Santa Clara	56,100	57,700		+2.9%	53,500	52,800		- 1.3%	4.6%	8.5%
Sunnyvale	74,800	76,600		+2.4%	71,500	70,500		- 1.4%	4.3%	8.0%
NOVA Workforce Investment Area	272,800	278,800		+2.2%	261,900	258,100		- 1.5%	4.0%	7.4%

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity

Company	WARN**	City	Affected	Cause
Advanced Medical Optics	Yes	Milpitas	61	RIF
Advanced Micro Devices	No	Sunnyvale	20	RIF
Alexza Pharmaceuticals	No	Mountain View	52	RIF
CPI	No	Palo Alto	26	RIF
Engineered Solutions	No	Sunnyvale	7	RIF
Fairchild Imaging	No	Milpitas	6	RIF
KLA Tencor	Yes	Milpitas	155	RIF
LTX-Credence Systems	Yes	Milpitas	67	RIF
Maxim Integrated Products	No	Sunnyvale	5	RIF
National Semiconductor	Yes	Santa Clara	151	RIF
Onizuka Air Force Station	No	Sunnyvale	360	Closure
Pacific Motor Trucking Co.	Yes	Milpitas	56	Closure
Palm	Yes	Sunnyvale	107	RIF
PLX Technology	No	Sunnyvale	20	RIF
Siemens Medical	Yes	Mountain View	44	RIF
Sun Microsystems	Yes	Santa Clara	8	RIF
Target	Yes	Sunnyvale	382	Closure
			1,527	

WARN Summary

Individuals Affected YTD †:	4,615 †
WARN Current YTD:	64
WARN Previous YTD:	19

** **WARN: Workers' Adjustment and Retraining Notification** (notice of mass layoff or closure)

† **YTD: Year to Date** (Fiscal year: July 1 - June 30)

‡ **Summary Total** may not equal sum of monthly numbers due to internal adjustments