

# Workforce Review

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

## January 2011

Did you know?

### Forecast: California won't see unemployment rate below 10% until 2013

California's battered job market won't escape double-digit unemployment rates until at least 2013 — although the Bay Area is likely to lead the road to recovery, economists said.

The UCLA Anderson Forecast said the California jobless rate won't fall below 10 percent until sometime in the first three months of 2013. "Things are a little weaker than we predicted," said Jerry Nickelsburg, a senior economist with the Anderson Forecast.

In January, California's jobless rate was 12.4 percent, close to a postwar record high. The Anderson economists think that California will be mired in jobless rates of at least 10 percent for all of 2011 and 2012. "We had been forecasting a little more job growth than what actually happened," Nickelsburg said.

Part of the challenge that confronts California is the depth of the canyon into which the statewide economy has plunged. From July 2007, when the California job market peaked at record highs, the state has lost 1.24 million jobs, according to seasonally adjusted figures released by the Employment Development Department. In contrast, during the year that ended in January, California added 102,000 payroll jobs. That's an average of 8,500 jobs gained per month over that one-year period, the EDD figures show. At that pace, California will require slightly more than 12 years to recapture those 1.2 million jobs that have vanished.

Still, as feeble as the current pace of job creation is at present, that's far better than the rate of job growth during the fall. In October, California was creating a microscopic 400 jobs per month. At that nearly nonexistent pace, it would have taken about 264 years for California to recapture its vanished jobs.

Nevertheless, the Bay Area is poised to be a leader in whatever rebound materializes in California, analysts said. "We expect the Bay Area to recover more quickly," Nickelsburg said. "This recovery will be led by exports. California's leading exports by value are in high-tech and electronics. And those are two things that the Bay Area does disproportionately well compared with the rest of the state."

Kemp agreed that the Bay Area and Orange County, another tech-influenced region, are in better shape than California to crawl out of the economic fissure. "The recovery will come not from jobs, but more from business investment, and it will come from business investment in technology and efficiency," he said. "Businesses are already asking people to do more with less. And they will use hardware and software to achieve that." Businesses may hope to deploy additional tech gear to help existing employees handle more tasks or be more efficient. "A company can keep their existing work force and avoid hiring more people," Kemp said.

Source: San Jose Mercury News (03/09/11)

[http://www.mercurynews.com/breaking-news/ci\\_17567510](http://www.mercurynews.com/breaking-news/ci_17567510)

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

Unemployment Rate	January 2010	December 2010	January 2011	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	12.1%	10.6%	10.8%	+ 0.2	- 1.3
California	13.0%	12.3%	12.7%	+ 0.4	- 0.3
United States	10.6%	9.1%	9.8%	+ 0.7	- 0.8

  

Labor Force	January 2010	December 2010	January 2011	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	900,700	897,200	897,900	+ 0.1%	- 0.3%
Civilian Employed	791,700	802,000	800,800	- 0.1%	+ 1.1%
Civilian Unemployed	109,000	95,200	97,100	+ 2.0%	- 10.9%

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

Change in Employment	January 2010	December 2010	January 2011	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>838,200</b>	<b>864,200</b>	<b>852,800</b>	<b>- 1.3%</b>	<b>+ 1.7%</b>
Construction	31,200	32,000	31,000	- 3.1%	- 0.6%
Retail Trade	78,300	81,000	77,900	- 3.8%	- 0.5%
Employment Services	15,800	18,500	17,400	- 5.9%	+ 10.1%
Health Care & Social Assist.	76,200	79,400	78,900	- 0.6%	+ 3.5%
Government: State & Local	85,600	82,900	81,200	- 2.1%	- 5.1%

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 County (Nine-county San Francisco Bay Area)

	Labor Force			Employed			Unemployment		
	January 2010	January 2011	Annual Change	January 2010	January 2011	Annual Change	January 2010	January 2011	Annual Change
<b>California</b>	<b>18,136,500</b>	<b>18,110,200</b>	<b>- 0.1%</b>	<b>15,787,700</b>	<b>15,813,200</b>	<b>+ 0.2%</b>	<b>2,348,700</b>	<b>2,297,000</b>	<b>- 2.2%</b>
Alameda County	757,200	746,900	- 1.4%	669,400	664,600	- 0.7%	87,900	82,200	- 6.5%
Contra Costa County	525,000	518,200	- 1.3%	463,200	460,000	- 0.7%	61,800	58,200	- 5.8%
Marin County	131,100	130,000	- 0.8%	119,700	119,300	- 0.3%	11,400	10,700	- 6.1%
Napa County	74,300	71,900	- 3.2%	66,300	64,200	- 3.2%	8,100	7,700	- 4.9%
San Francisco County	457,600	453,300	- 0.9%	411,400	410,100	- 0.3%	46,200	43,100	- 6.7%
San Mateo County	371,700	366,600	- 1.4%	336,800	335,800	- 0.3%	34,900	30,800	- 11.7%
<b>Santa Clara County</b>	<b>874,100</b>	<b>871,000</b>	<b>- 0.4%</b>	<b>770,600</b>	<b>779,500</b>	<b>+ 1.2%</b>	<b>103,500</b>	<b>91,600</b>	<b>- 11.7%</b>
Solano County	215,900	211,900	- 1.9%	188,800	185,700	- 1.6%	27,100	26,200	- 3.3%
Sonoma County	252,800	253,100	+ 0.1%	224,500	226,600	+ 0.9%	28,300	26,500	- 6.4%
<b>SF Bay Area (sum)</b>	<b>3,659,700</b>	<b>3,622,900</b>	<b>- 1.0%</b>	<b>3,250,700</b>	<b>3,245,800</b>	<b>- 0.2%</b>	<b>409,200</b>	<b>377,000</b>	<b>- 7.9%</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity

Company	WARN *	City	Affected	Cause
Actel Coroporation	Yes	Mountain View	65	RIF
FedEx	No	San Jose	6	RIF
O'Connor Hospital	Yes	San Jose	50	RIF
Verisign	Yes	Mountain View	15	RIF
Company confidential	No	Mountain View	13	RIF
Company confidential	No	Santa Clara	20	RIF

WARN Summary

Individuals Affected YTD †:	1,361 ‡
Events Current YTD †:	48
Events Previous YTD †:	80

\* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)

† **YTD: Year to Date** (Program year: July 1–June 30)

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

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

Source: NOVA's internal Rapid Response database