

# Workforce Review

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

## March 2010

### *Did you know?*

#### **SV 150 companies nearly double profits**

Silicon Valley's top 150 companies snapped back from a grueling recession last year, nearly doubling their profits by slashing costs and laying off workers.

Even with sales dropping 5.8 percent, last year was the second most profitable year since the *Mercury News* began tracking the SV150's performance 25 years ago. The SV150's collective profit was \$47.4 billion, up 88 percent and nearly bouncing back to the prerecession level of 2007.

In a sign that the valley has begun to climb back from the bottom of the recession, sales have increased in the last two quarters and were higher on a yearly basis for the first time since 2008.

But the surge in black ink was uneven. Profits soared at some companies like Apple and Google, and one sector, biomedical, saw sales climb 26 percent. But six out of 10 companies had sales declines last year, and they responded by sharply cutting costs. They shed 62,800 employees globally. Spending on plants and equipment declined 21 percent. Even spending on research and development – the valley's lifeblood – dropped by 3.9 percent. Many companies also reduced debt. Short-term borrowings by the SV150 dropped 31 percent in 2009.

Even companies with yearly sales declines ended the year with plenty of cash. For example, Intel, hit by a 7 percent drop in sales, ended the year with 18 percent more cash on hand. That's because it cut costs, reducing its workforce 5 percent and slashing capital expenditures by 13 percent. Even Intel's research and development took a hit, reduced by 1 percent.

Source: [SiliconValley.com](http://SiliconValley.com) (04/17/10)



Developing a skilled workforce for Silicon Valley

# March 2010

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

Civilian Unemployment Rate	March 2009	February 2010	March 2010	Percentage Point Change	
				Monthly	Annual
<b>San José–Sunnyvale MSA</b>	<b>10.5%</b>	<b>12.1%</b>	<b>12.3%</b>	<b>+ 0.2</b>	<b>+ 1.8</b>
California	11.0%	12.8%	13.0%	+ 0.2	+ 2.0
United States	9.0%	10.4%	10.2%	- 0.2	+ 1.2

  

Civilian Labor Force	March 2009	February 2010	March 2010	Percentage Change	
				Monthly	Annual
<b>San José–Sunnyvale MSA</b>	<b>907,900</b>	<b>899,700</b>	<b>906,400</b>	<b>+ 0.7%</b>	<b>- 0.2%</b>
Civilian Employed	812,400	791,200	794,700	+ 0.4%	- 2.2%
Civilian Unemployed	95,500	108,600	111,800	+ 2.9%	+ 17.1%

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

Greatest Change in Employment	March 2009	February 2010	March 2010	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>866,200</b>	<b>838,400</b>	<b>841,100</b>	<b>+ 0.3%</b>	<b>- 2.9%</b>
Construction	35,900	29,100	28,800	- 1.0%	- 19.8%
Semiconductor Mfg.	42,300	40,000	39,900	- 0.3%	- 5.7%
Professional Services	107,600	102,500	103,000	+ 0.5%	- 4.3%
Employment Services	15,800	16,400	16,800	+ 2.4%	+ 6.3%
Educational Services	34,000	34,400	34,400	0.0%	+ 1.2%

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	
	March 2009	March 2010			March 2009	March 2010			March 2009	March 2010
<b>Santa Clara County</b>	<b>882,300</b>	<b>879,200</b>		<b>- 0.4%</b>	<b>790,700</b>	<b>773,400</b>		<b>- 2.2%</b>	<b>10.4%</b>	<b>12.0%</b>
Cupertino	24,200	24,000		- 0.8%	22,600	22,100		- 2.2%	6.8%	7.9%
Los Altos	12,700	12,500		- 1.6%	12,000	11,700		- 2.5%	5.3%	6.2%
Milpitas	32,000	31,900		- 0.3%	28,500	27,900		- 2.1%	10.7%	12.4%
Mountain View	42,000	41,700		- 0.7%	38,800	37,900		- 2.3%	7.7%	9.0%
Palo Alto	31,300	31,000		- 1.0%	29,600	28,900		- 2.4%	5.6%	6.5%
Santa Clara	56,800	56,500		- 0.5%	51,400	50,200		- 2.3%	9.5%	11.1%
Sunnyvale	75,300	74,900		- 0.5%	68,600	67,100		- 2.2%	8.9%	10.4%
<b>NOVA Workforce Investment Area</b>	<b>274,300</b>	<b>272,500</b>		<b>- 0.7%</b>	<b>251,500</b>	<b>245,800</b>		<b>- 2.3%</b>	<b>8.3%</b>	<b>9.7%</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

## Regional Layoff Activity

Company	WARN**	City	Affected	Cause
Company Confidential	No	Sunnyvale	5	RIF
Company Confidential	No	Santa Clara	20	Closure
KLA Tencor	No	Milpitas	8	RIF
Lifescan	Yes	Milpitas	3	RIF
Vishay-Siliconix, Inc.	No	Santa Clara	5	RIF

### WARN Summary

Individuals Affected YTD †:	2,899 ‡
WARN Current YTD:	63
WARN Previous YTD:	87

\*\* WARN: Worker 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

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

Source: NOVA's internal Rapid Response database