

# Workforce Review

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

## March 2011

*Did You Know?*

### SV150 see most profitable year in history

Roaring back from the Great Recession, the 150 biggest public companies in Silicon Valley had their most profitable year in history in 2010, as their combined stock value climbed to the highest level since the internet boom of 2000.

Revenue and profits soared as consumers flocked to buy new handheld gadgets, while corporations and public agencies resumed buying hardware and software to handle a rising tide of digital data—from emails, tweets and videos to all manner of online transactions and Internet search results.

Those trends drove tech sales and profits higher than they were before the downturn of 2008 and 2009. For companies on the *Mercury News*' SV150 list, combined sales for the past four quarters rose 20.3 percent from a year earlier. Combined profit skyrocketed 78.6 percent. The list comprises the 150 biggest public companies, measured by revenue, that are based in Silicon Valley.

Companies responded by significantly boosting their spending on research and development, new plants and equipment, and stock repurchases. Big companies bought up dozens of smaller ones. But after laying off thousands during the downturn, many were cautious about adding new jobs.

Much of the growth in 2010 was simply a bounce back from depressed levels of 2009, as corporations resumed making tech purchases they had postponed during the downturn. But analysts said new consumer products and new uses for digital data—to analyze business patterns and predict trends, for example, or to deliver information to smart-phone-toting workers in the field—also drove tech sales.

Apple led the way in profit, posting a stunning \$16.6 billion in net income from its iPads, iPhones and other stylish gadgets. All told, the SV150 companies had a net profit margin of 15.6 percent—the richest margin, by far, since the *Mercury News* began tracking the SV150 in 1985.

Investors, for the most part, liked what they saw: The combined stock market value of the SV150 hit \$1.55 trillion on March 31, up 11.4 percent from a year earlier. That's despite sharp declines in share prices of two valley giants, Hewlett-Packard and Cisco Systems, which struggled on Wall Street as HP replaced its CEO and Cisco wrestled with new competition.

The rising tide has not lifted all boats, however: While unemployment has been easing, state officials say the rate is still 10.3 percent in Santa Clara County, the geographic heart of Silicon Valley.

After shedding 62,000 jobs in 2009, the SV150 increased its total workforce in 2010 to 1.1 million employees worldwide, about 1,200 more than in 2008. But most companies don't disclose hiring by region, and their reports don't indicate how many workers were added by buying other companies.

Some companies are in hiring mode, especially Apple, Google and other internet-based businesses. But many have not lost their recession-era caution about adding back workers, San Jose State business professor Joel West said.

*(Complete article available on San José Mercury News website)*

Source: *San José Mercury News* (4/17/11)

[http://www.mercurynews.com/breaking-news/ci\\_17863506](http://www.mercurynews.com/breaking-news/ci_17863506)

**nova**

WORKFORCE  
DEVELOPMENT

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

Civilian Unemployment Rate	March 2010	February 2011	March 2011	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	11.9%	10.5%	10.6%	+ 0.1	- 1.3
California	12.8%	12.2%	12.3%	+ 0.1	- 0.5
United States	10.2%	9.5%	9.2%	- 0.3	- 1.0

  

Civilian Labor Force	March 2010	February 2011	March 2011	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	905,200	898,100	898,600	+ 0.1%	- 0.7%
Civilian Employed	797,200	803,500	803,100	0.0%	+ 0.7%
Civilian Unemployed	108,000	94,600	95,500	+ 1.0%	- 11.6%

  

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

Change in Employment	March 2010	February 2011	March 2011	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>844,800</b>	<b>859,600</b>	<b>862,900</b>	<b>+ 0.4%</b>	<b>+ 2.1%</b>
Construction	31,200	31,200	30,500	- 2.2%	- 2.2%
Employment Services	16,100	17,900	17,700	- 1.1%	+ 9.9%
Government: State & Local	87,400	83,300	84,100	+ 1.0%	- 3.8%
Healthcare/Social Assistance	76,900	79,600	80,300	+ 0.9%	+ 4.4%
Publishing: Newspapers	1,500	1,500	1,400	- 6.7%	- 6.7%

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 seven-city consortium)

	Labor Force			Employed			Unemployment		
	March 2010	March 2011	Annual Change	March 2010	March 2011	Annual Change	March 2010	March 2011	Annual Change
<b>Santa Clara County</b>	<b>878,400</b>	<b>871,600</b>	<b>- 0.8%</b>	<b>776,000</b>	<b>781,700</b>	<b>+ 0.7%</b>	<b>102,400</b>	<b>89,900</b>	<b>- 12.2%</b>
Cupertino	24,000	24,000	0.0%	22,200	22,300	+ 0.5%	1,800	1,600	- 11.1%
Los Altos	12,500	12,500	0.0%	11,800	11,800	0.0%	800	700	- 12.5%
Milpitas	31,800	31,600	- 0.6%	28,000	28,200	+ 0.7%	3,800	3,400	- 10.5%
Mountain View	41,700	41,500	- 0.5%	38,100	38,300	+ 0.5%	3,600	3,200	- 11.1%
Palo Alto	31,000	31,000	0.0%	29,000	29,300	+ 1.0%	2,000	1,700	- 15.0%
Santa Clara	56,400	56,100	- 0.5%	50,400	50,800	+ 0.8%	6,000	5,300	- 11.7%
Sunnyvale	74,900	74,400	- 0.7%	67,400	67,800	+ 0.6%	7,500	6,600	- 12.0%
<b>NOVA Consortium</b>	<b>272,300</b>	<b>271,100</b>	<b>- 0.4%</b>	<b>246,900</b>	<b>248,500</b>	<b>+ 0.6%</b>	<b>25,500</b>	<b>22,500</b>	<b>- 11.8%</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

### Regional Layoff Activity

Company	WARN *	City	Affected	Cause
Applied Materials	Yes	Multiple cities	5	RIF
Panasonic Cloud Entertainment	Yes	Cupertino	57	Closure
St. Jude Medical	Yes	Sunnyvale	58	Closure
Yahoo!	No	Sunnyvale	28	RIF
<b>148</b>				

  

WARN Summary	
Individuals Affected YTD <sup>†</sup> :	<b>2,009<sup>‡</sup></b>
Events Current YTD <sup>†</sup> :	<b>61</b>
Events Previous YTD <sup>†</sup> :	<b>104</b>

  

\* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)  
<sup>†</sup> **YTD: Year to Date** (Program year: July 1–June 30)  
<sup>‡</sup> **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