

# Workforce Review

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

## April 2011

Did You Know?

### Job Openings Rise at Local Start-Ups

For a sign of how the tech sector is accelerating in Silicon Valley and the greater Bay Area, consider the rising number of job openings at companies backed by venture capital.

According to a new index, the growth in job openings at venture-backed Bay Area start-ups is now far outstripping that of job openings at such start-ups elsewhere in the nation.

Total job openings at venture-backed start-ups in the region have more than doubled to 3,609 currently, compared with 1,739 in April 2008 before the financial crisis, according to the index by VentureLoop Inc., a San Francisco firm that provides recruiting resources and services.

In contrast, the number of job openings at venture-backed companies elsewhere in the U.S. rose 69% to 3,311 from 1,961 over the same period. VentureLoop bases its index on open jobs data it collects from 13 top venture-capital firms, including Benchmark Capital, Sequoia Capital and Founders Fund.

“The Bay Area market for technology employees has grown to a level of competition not seen since the dot-com boom days,” said Jeremy McCarthy, VentureLoop’s chief executive. He added that 52% of venture-backed job openings nationally are now located in the Bay Area, up from 47% in April 2008.

VentureLoop’s index shows how demand for talent has ramped up here as start-ups ride a new tech wave. One such company is social-discovery website Tagged Inc. Tagged CEO Greg Tseng said he originally planned to double the San Francisco company’s head count to 100 employees this year from 50 people late last year. But after strong revenue growth this year, he now aims to triple the work force to 150 people by the end of December.

The hiring acceleration also is in full swing at Pocket Gems Inc., a San Francisco mobile gaming company that started the year with about 11 employees. After receiving venture financing from Sequoia Capital last year, the start-up is beefing up its teams of software engineers and product managers. CEO Daniel Terry said Pocket Gems has hired about 22 people this year and plans to bring in 20 more each quarter.

“Basically, everyone is looking to scale up their businesses,” Mr. Terry said.

The hiring ramp-up isn’t spread evenly across job sectors, however, and is mainly confined to software engineers and data-analytics professionals, say venture capitalists and recruiters. Indeed, Silicon Valley’s unemployment rate remains above the national average, at 10.6% in March compared with 9.2% nationally, according to data from the California Employment Development Department.

Among start-ups, the rising number of job openings isn’t likely to slow soon. According to a study last month from Silicon Valley Bank, which provides banking services to many venture-funded companies, 83% of start-ups surveyed said they are optimistic about the business environment and plan to continue hiring. That was up from an already high percentage of start-ups—73%—that said they planned to recruit new hires in last year’s survey.

Source: Wall Street Journal (5/19/11)

<http://online.wsj.com/article/SB10001424052748703509104576327312216559724.html>

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

Civilian Unemployment Rate	April 2010	March 2011	April 2011	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	11.4%	10.6%	10.1%	- 0.5	- 1.3
California	12.2%	12.3%	11.7%	- 0.6	- 0.5
United States	9.5%	9.2%	8.7%	- 0.5	- 0.8

  

Civilian Labor Force	April 2010	March 2011	April 2011	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	902,500	900,000	896,000	- 0.4%	- 0.7%
Civilian Employed	799,600	804,600	805,600	+ 0.1%	+ 0.8%
Civilian Unemployed	102,900	95,500	90,300	- 5.4%	- 12.2%

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

Change in Employment	April 2010	March 2011	April 2011	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>853,500</b>	<b>864,000</b>	<b>866,600</b>	<b>+ 0.3%</b>	<b>+ 1.5%</b>
Construction	31,800	31,300	32,300	+ 3.2%	+ 1.6%
Employment Services	16,300	17,700	18,000	+ 1.7%	+ 10.4%
Government: State & Local	88,500	84,400	85,400	+ 1.2%	- 3.5%
Healthcare/Social Assistance	77,600	80,100	80,100	0.0%	+ 3.2%
Publishing: Newspapers	1,500	1,400	1,300	- 7.1%	- 13.3%

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		
	April 2010	April 2011	Annual Change	April 2010	April 2011	Annual Change	April 2010	April 2011	Annual Change
<b>California</b>	<b>18,183,500</b>	<b>18,030,400</b>	<b>- 0.8%</b>	<b>15,971,800</b>	<b>15,925,800</b>	<b>- 0.3%</b>	<b>2,211,700</b>	<b>2,104,500</b>	<b>- 4.8%</b>
Alameda County	757,100	741,000	- 2.1%	671,600	664,300	- 1.1%	85,600	76,700	- 10.4%
Contra Costa County	522,300	513,500	- 1.7%	464,800	459,800	- 1.1%	57,500	53,800	- 6.4%
Marin County	131,400	129,700	- 1.3%	120,700	119,800	- 0.7%	10,700	9,900	- 7.5%
Napa County	74,100	72,800	- 1.8%	66,700	65,800	- 1.3%	7,400	7,000	- 5.4%
San Francisco County	457,700	450,200	- 1.6%	415,000	411,800	- 0.8%	42,700	38,400	- 10.1%
San Mateo County	373,000	367,100	- 1.6%	339,700	337,200	- 0.7%	33,300	30,000	- 9.9%
Santa Clara County	876,300	869,900	- 0.7%	778,300	784,200	+ 0.8%	98,000	85,700	- 12.6%
Solano County	215,600	210,300	- 2.5%	190,100	185,900	- 2.2%	25,500	24,400	- 4.3%
Sonoma County	253,000	252,200	- 0.3%	226,500	227,400	+ 0.4%	26,500	24,800	- 6.4%
<b>SF Bay Area (sum)</b>	<b>3,660,500</b>	<b>3,606,700</b>	<b>- 1.5%</b>	<b>3,273,400</b>	<b>3,256,200</b>	<b>- 0.5%</b>	<b>387,200</b>	<b>350,700</b>	<b>- 9.4%</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

## Regional Layoff Activity

Company	WARN *	City	Affected	Cause
A.G. Ferrari Foods	No	Sunnyvale	6	Closure
AtLumin Energy	No	Sunnyvale	40	Closure
Party City	No	Mountain View	12	Closure
Russell's Furniture	No	Santa Clara	2	RIF
			<b>60</b>	

  

WARN Summary	
Individuals Affected YTD <sup>†</sup> :	1,940 <sup>‡</sup>
Events Current YTD <sup>†</sup> :	61
Events Previous YTD <sup>†</sup> :	105

\* **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