

# Workforce Review

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

May 2009

## Did you know?

### **California won't resume growth till late 2010: forecast**

California's economy faces more hard times this year and will not grow until late next year, weighed down by the ongoing housing slump and the state government's need to slash spending, a UCLA Anderson Forecast report released on Tuesday said. California, the country's most populous state with roughly 38 million people, also faces a double-digit unemployment rate persisting until 2011, the report said.

"California is in for a continued rough ride for the balance of 2009 and is not going to see economic growth return until the end of the year, shortly after the U.S. economy begins to grow," the report said. A \$24.3 billion budget gap faced by the state is sure to force deep spending cuts, which will limit the contribution of public spending to the state's economic recovery, the report said. The home of Silicon Valley and Hollywood, and often seen as a cultural trendsetter, California will be a follower not a leader in recovery from the country's current downturn, the report said.

Some relief in housing, however, is taking shape. "Our employment forecast suggests that it will be late in 2009 before prices are tempting enough and supply is low enough for the market to stabilize. When it does, the contraction in residential construction will, finally, after more than three years, cease to be a drag on the California economy," the report added. But then the drag from state worker layoffs will emerge, and it will be "decidedly negative and will retard economic growth in 2010."

California's unemployment rate now stands at a near-record 11 percent, largely from slashed payrolls in home building and finance amid the mortgage crisis and foreclosure surge. California's economy will begin to grow at more normal levels by the beginning of 2011, but not enough jobs will be created to push the unemployment rate below double digits until the end of 2011, the report predicted.

Source: San Francisco Chronicle (06/16/09)



Developing a skilled workforce for Silicon Valley

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

Civilian Unemployment Rate	May 2008	April 2009	May 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	5.5%	11.0%	11.2%	+0.2	+5.7
California	6.5%	11.0%	11.2%	+0.2	+4.7
United States	5.2%	8.6%	9.1%	+0.5	+3.9

  

Civilian Labor Force	May 2008	April 2009	May 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	893,900	921,400	912,200	- 1.0%	+2.0%
Civilian Employed	844,900	819,800	809,900	- 1.2%	- 4.1%
Civilian Unemployed	49,000	101,600	102,300	+0.7%	+108.8%

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

Greatest Change in Employment	May 2008	April 2009	May 2009	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>918,300</b>	<b>878,000</b>	<b>878,200</b>	<b>+0.0%</b>	<b>- 4.37%</b>
Construction	44,500	37,400	36,500	-2.4%	- 18.0%
Health Care	74,200	76,800	76,900	+ 0.1%	+ 3.6%
Leisure/Hospitality	79,300	76,500	78,000	+2.0%	- 1.6%
Manufacturing	168,400	158,600	157,300	- 0.8%	- 6.6%
Retail Trade	83,400	78,300	78,800	+ 0.6%	- 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 High-Tech Region (Metropolitan Statistical Area)

	Labor Force			% Change Annual	Employed			% Change Annual	Unemployment Rate	
	May 2008	May 2009			May 2008	May 2009			May 2008	May 2009
	<b>United States</b>	<b>154,003,000</b>	<b>154,336,000</b>		<b>+0.2%</b>	<b>145,927,000</b>	<b>140,363,000</b>		<b>-3.8%</b>	<b>5.2%</b>
California	18,305,300	18,441,400	+0.7%	17,119,300	16,374,500	-4.4%	6.5%	11.2%		
Austin, TX	862,400	894,197	+3.7%	828,578	839,207	+1.3%	3.9%	6.1%		
Boston, MA	2,488,684	2,487,405	-0.1%	2,377,756	2,300,556	-3.2%	4.5%	7.5%		
Portland, OR	1,160,985	1,191,503	+2.6%	1,104,352	1,053,854	-4.6%	4.9%	11.6%		
San Diego	1,553,000	1,561,000	+0.5%	1,469,200	1,414,100	-3.8%	5.4%	9.4%		
San Francisco	965,000	964,500	-4.4%	921,700	881,400	-4.4%	4.5%	8.6%		
Seattle, WA	1,459,720	1,502,310	+2.9%	1,397,770	1,375,970	-1.6%	4.2%	8.4%		
<b>San José–Sunnyvale</b>	<b>893,900</b>	<b>912,200</b>	<b>+2.0%</b>	<b>844,900</b>	<b>809,900</b>	<b>-4.1%</b>	<b>5.5%</b>	<b>11.2%</b>		

NOTE: Totals may not add correctly due to rounding

Source: Multiple states' employment development departments (CA, MA, NC, OR, TX)

## Regional Layoff Activity

Company	WARN **	City	Affected	Cause
Applied Materials, Inc.	No	Santa Clara/Sunnyvale	94	RIF
Flextronics International	Yes	Milpitas	257	RIF
KLA Tencor	Yes	Santa Clara/Milpitas	86	RIF
Marvell Semiconductor, Inc.	Yes	Santa Clara	88	RIF
Nike	No	Santa Clara	18	Closure
Numonyx	Yes	Santa Clara	5	RIF
SAP Labs, Inc.	Yes	Palo Alto	91	RIF
Sun Microsystems	Yes	Santa Clara	93	RIF
Vishay-Siliconix, Inc.	Yes	Santa Clara	40	RIF
Company Confidential	Yes	Santa Clara	329	RIF
Company Confidential	Yes	Sunnyvale	42	RIF
Company Confidential	No	Mountain View	6	RIF
			<b>1,149</b>	

## WARN Summary

Individuals Affected YTD †:	7,707 †
WARN Current YTD:	105
WARN Previous YTD:	53

\*\* 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