

Workforce Review

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

May 2011

Did you know?

Silicon Valley sees steady growth in tech sector jobs

Strong May job gains in the South Bay's tech sector cemented Silicon Valley's leading role in the economic recovery of the Bay Area and California, a state report released Friday shows.

The unemployment rate in Santa Clara County dropped from 9.9 percent in April to 9.7 percent in May, the state Employment Development Department reported. That's the lowest it has been in more than two years.

The valley's computer and electronic products manufacturing sector still has to gain back some 70,000 jobs to reach levels it enjoyed during the dot-com boom. But the smaller information sector, which includes internet service providers, web portals, and data processors, surpassed its dot-com job level in May, with about 48,000 jobs.

The growth in tech hiring has rapidly expanding companies scrambling to find increasingly scarce engineering talent, and starting to add personnel in sales and marketing.

"The local economy is in a hyper-growth phase," said Scott Schwarzhoff, vice president of developer relations and marketing at Appcelerator. Companies in mobile, social, cloud, and "contextware," are drawing on an "increasingly tighter and tighter pool of talent," Schwarzhoff said. The demand is drawing people to the valley from out of state and from other countries, he said.

What the valley is seeing in company growth is unique, said Tim Guleri, managing partner of Sierra Ventures, which has invested in Appcelerator.

"It's never been the case that there have been three billion-dollar-plus markets that have been created simultaneously," he said. The leaders in these markets — mobile, social, and cloud computing — "are just exploding" with both revenue and demand from customers. "That's what's causing hiring needs and the growth," he said.

The San Jose metro area added 1,900 nonfarm jobs in May, much of that growth in the computer, computer software, and internet industries. The total nonfarm growth is less than the 21-year average for May, but the upward trend in tech is clear.

The tech-heavy professional and business-services sector grew by 1,100 jobs, well above its average 400-job gain from April to May in the previous 21 years, the EDD said. That puts job seekers in the driver's seat.

Brad Kemp of Beacon Economics said the Bay Area is leading the state out of the aftereffects of the recession, with soaring demand for the high-tech products it makes. But many of those products, such as computers and software, allow employers to hire fewer people, he said, adding to a complex job picture in which some technology workers are in high demand and other unemployed people are still struggling to find good jobs again.

Source: *San Jose Mercury News* (06/17/11)

http://www.mercurynews.com/ci_18302579

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

Unemployment Rate	May 2010	April 2011	May 2011	Percentage Point Change	
				Mayly	Annual
San José–Sunnyvale MSA	11.1%	10.1%	9.9%	- 0.2	- 1.2
California	11.9%	11.7%	11.4%	- 0.3	- 0.5
United States	9.3%	8.7%	8.7%	0.0	- 0.6

Labor Force	May 2010	April 2011	May 2011	Percentage Change	
				Mayly	Annual
San José–Sunnyvale MSA	896,500	895,000	891,800	- 0.4%	- 0.5%
Civilian Employed	796,900	804,800	803,500	- 0.2%	+ 0.8%
Civilian Unemployed	99,600	90,200	88,300	- 2.1%	- 11.3%

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

Change in Employment	May 2010	April 2011	May 2011	Percentage Change	
				Mayly	Annual
Total Nonfarm	858,800	866,300	868,200	+ 0.2%	+ 1.1%
Construction	32,100	32,400	31,800	- 1.9%	- 0.9%
Retail Trade	77,300	78,600	78,200	- 0.5%	+ 1.2%
Employment Services	16,800	17,700	17,500	- 1.1%	+ 4.2%
Health Care & Social Assist.	78,100	80,300	80,300	0.0%	+ 2.8%
Government: State & Local	88,000	84,500	84,300	- 0.2%	- 4.2%

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 Metropolitan Statistical Area (U.S. High-Tech Regions)

	Labor Force			Employed			Unemployment		
	May 2010	May 2011	Annual Change	May 2010	May 2011	Annual Change	May 2010	May 2011	Annual Change
United States	153,866,000	153,449,000	- 0.3%	139,497,000	140,028,000	+ 0.4%	14,369,000	13,421,000	- 6.6%
California	18,142,800	17,993,300	- 0.8%	15,978,300	15,938,200	- 0.3%	2,164,500	2,055,100	- 5.1%
Austin, TX	907,360	918,413	+ 1.2%	845,191	856,503	+ 1.3%	62,169	61,910	- 0.4%
Boston, MA	2,536,678	2,526,097	- 0.4%	2,343,894	2,358,504	+ 0.6%	192,784	167,593	- 13.1%
Portland, OR	1,185,008	1,187,972	+ 0.3%	1,061,689	1,086,325	+ 2.3%	123,319	101,647	- 17.6%
San Diego	1,551,100	1,554,400	+ 0.2%	1,394,100	1,404,800	+ 0.8%	157,000	149,500	- 4.8%
San Francisco	956,300	945,500	- 1.1%	872,500	868,700	- 0.4%	83,800	76,700	- 8.5%
Seattle, WA	1,499,320	1,466,730	- 2.2%	1,366,100	1,346,658	- 1.4%	133,210	120,072	- 9.9%
San José–Sunnyvale	896,500	891,800	- 0.5%	796,900	803,500	+ 0.8%	99,600	88,300	- 11.3%

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	Santa Clara	30	RIF
AtLumin	No	Sunnyvale	40	Closure
Borders	No	Milpitas	30	Closure
Company confidential	No	Mountain View	12	RIF
Company confidential	No	Sunnyvale	20	RIF

WARN Summary

Individuals Affected YTD †:	2,032 †
Events Current YTD †:	67
Events Previous YTD †:	108

* **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