

# Workforce Review

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

## June 2009

### *Did you know?*

#### **Economist: U.S. may see double-dip recession by late 2010**

The end of the recession is “literally just around the corner,” the U.S. Chamber of Commerce’s chief economist said, but there is a 15 percent to 20 percent chance of another economic downturn by late 2010. Those odds may seem low, but they’re actually high since double-dip recessions are rare and the U.S. economy grows 95 percent of the time, said the chamber’s Marty Regalia. He predicted that the current economic downturn will end around September but that the unemployment rate will remain high through the first half of next year.

Inflation, however, looms as a potential problem because of the federal government’s huge budget deficits and the massive amount of dollars pumped into the economy by the Federal Reserve, he said. If this stimulus is not unwound once the economy begins to recover, higher interest rates could choke off improvement in the housing market and business investment, he said. “The economy has got to be running on its own by the middle of next year,” Regalia said. Almost every major inflationary period in U.S. history was preceded by heavy debt levels, he noted. The chances of a double-dip recession will be lower if Ben Bernanke is reappointed chairman of the Federal Reserve, Regalia said. Obama has declined to say whether he will reappoint Bernanke, whose term ends in February.

Meanwhile, more than half of small business owners expect the recession to last at least another two years, according to a survey of Intuit Payroll customers. But 61 percent expect their own business to grow in the next 12 months. “Small business owners are bullish on their own abilities but bearish on the factors they can’t control,” said Cameron Schmidt, director of marketing for Intuit Employee Management Solutions. “Even in the gloomiest economy, there are opportunities to seize.”

Source: *Silicon Valley/San Jose Business Journal* (07/06/09)



Developing a skilled workforce for Silicon Valley

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

Civilian Unemployment Rate	June 2008	May 2009	June 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.0%	11.4%	11.8%	+0.4	+5.8
California	7.0%	11.3%	11.6%	+0.3	+4.6
United States	5.7%	9.1%	9.7%	+0.6	+4.0

Civilian Labor Force	June 2008	May 2009	June 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	901,900	912,700	917,700	+0.5%	+1.8%
Civilian Employed	848,000	809,000	809,000	0.0%	-4.6%
Civilian Unemployed	53,900	103,700	108,700	+4.8%	<b>+101.7%</b>


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

Greatest Change in Employment	June 2008	May 2009	June 2009	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>921,000</b>	<b>878,400</b>	<b>877,600</b>	<b>-0.1%</b>	<b>-4.7%</b>
Construction	45,000	36,700	37,500	+2.2%	-16.7%
Health Care	74,400	77,200	77,500	+0.4%	+4.2%
Leisure/Hospitality	80,500	77,800	78,900	+1.4%	-2.0%
Manufacturing	169,200	156,600	154,000	-1.7%	-9.0%
Retail Trade	83,300	79,000	78,900	-0.1%	-5.3%

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 City (NOVA 7-City Consortium)

	Labor Force			% Change Annual	Employed			% Change Annual	Unemployment Rate	
	June 2008	June 2009	June 2008		June 2009	June 2008	June 2009			
	<b>Santa Clara County</b>	<b>876,800</b>	<b>892,200</b>		<b>+1.8%</b>	<b>825,200</b>	<b>787,200</b>		<b>-4.6%</b>	<b>5.9%</b>
 Cupertino	24,500	24,400	-0.4%	23,600	22,500	-4.7%	3.8%	7.7%		
Los Altos	12,900	12,700	-1.6%	12,500	11,900	-4.8%	2.9%	6.1%		
Milpitas	31,700	32,300	+1.9%	29,800	28,400	-4.7%	6.1%	12.1%		
Mountain View	42,000	42,000	+0.0%	40,200	38,400	-4.5%	4.3%	8.7%		
Palo Alto	31,900	31,500	-1.3%	30,900	29,500	-4.5%	3.1%	6.4%		
Santa Clara	56,600	57,300	+1.2%	53,600	51,100	-4.7%	5.4%	10.8%		
Sunnyvale	75,400	76,000	+0.8%	71,600	68,300	-4.6%	5.0%	10.1%		
<b>NOVA Workforce Investment Area</b>	<b>275,000</b>	<b>276,200</b>	<b>+0.4%</b>	<b>262,200</b>	<b>250,100</b>	<b>-4.6%</b>	<b>4.7%</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
23andMe	No	Mountain View	10	RIF
City of Milpitas	No	Milpitas	18	RIF
ELORET Corp.	No	Moffett Field	10	RIF
KLA Tencor	Yes	Milpitas/Santa Clara	7	RIF
Los Altos School District	No	Los Altos	80	RIF
Mountain View-Los Altos Adult Ed.	No	Mountain View	30	RIF
Numonyx	Yes	Santa Clara	6	RIF
One Workplace	No	Milpitas	12	RIF
Vishay-Siliconix, Inc.	Yes	Santa Clara	8	RIF
Company Confidential	No	Palo Alto	10	RIF
Company Confidential	No	Santa Clara	16	RIF

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## WARN Summary

Individuals Affected YTD †:	7,482 ‡
WARN Current YTD:	106
WARN Previous YTD:	49

\*\* 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