

# Workforce Review

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

## August 2012

*Did you know?*

### Median income falls, but so does poverty

Middle-class families continued to suffer in the aftermath of the Great Recession, and the poverty rate fell slightly, according to U.S. Census Bureau data released Wednesday. Median household income fell to \$50,054 in 2011, down 1.5% from a year earlier. Income inequality widened, as the highest income echelon experienced a jump, while those in the middle saw incomes shrink.

Meanwhile, the national poverty rate eased to 15.0% in 2011, down slightly from 15.1% the year before. Some 46.2 million people fell below the poverty line last year, and one in five children were poor. The poverty threshold for a family of four was \$23,021.

Most experts were expecting an increase in poverty, but Census officials said a rise in the number of people working full time helped keep the rate in check. Over the past year, the rich got richer, though the poor didn't get poorer. And those in the middle were pinched hard.

The top 1% saw their income grow by 6% in 2011, while the highest quintile of earners gained 1.6%, according to Census. But the middle 60% of Americans lost ground, falling between 1.6% and 1.9%. The poorest Americans did not see a significant change. "A lot of the increase in inequality from 2010 to 2011 is driven by changes at the very top of the distribution," said David Johnson, chief of Census' social, economic, and housing statistics division.

The second and third quintile of Americans now take home only 23.8% of the nation's income, the lowest since the Johnson administration, said Tim Smeeding, the director for the Institute for Research on Poverty at the University of Wisconsin-Madison. "The big story is the squeeze in the middle- and lower-middle classes," he said. "They got whacked."

Overall, median income has fallen 8.9% from its peak in 1999. And it's fallen 8.1% since 2007, just before the Great Recession began. Since the recession, incomes continued to fall, declining 4.1%. Though incomes dipped after the two preceding downturns, this drop is far worse, said Rakesh Kochhar, associate director for research, Pew Hispanic Center.

The number of men working full time, year-round increased by 1.7 million between 2010 and 2011, while the number of women rose by half a million. This jump in people holding down full-time jobs may be the reason why poverty remained essentially the same.

But the poverty rate does not truly reflect the condition of poor Americans because it does not take into account roughly \$900 billion in government assistance, said Robert Rector, a senior research fellow at the Heritage Foundation, a conservative group. "The entire welfare state is off the books," he said, noting that the nation hasn't made any progress in enabling Americans to become self-sufficient since the War on Poverty began under Johnson.

*(Complete article available at link below.)*

Source: CNN.com (09/12/12)

<http://money.cnn.com/2012/09/12/news/economy/median-income-poverty/index.html>

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WORKFORCE  
DEVELOPMENT

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

Unemployment Rate	August 2011	July 2012	August 2012	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	9.9%	8.8%	8.5%	- 0.3	- 1.4
California	11.9%	10.9%	10.4%	- 0.5	- 1.5
United States	9.1%	8.6%	8.2%	- 0.4	- 0.9

  

Labor Force	August 2011	July 2012	August 2012	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	926,200	944,200	941,900	- 0.2%	+ 1.7%
Civilian Employed	834,300	861,600	861,700	0.0%	+ 3.3%
Civilian Unemployed	91,900	82,700	80,200	- 3.0%	- 12.7%

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

Change in Employment	August 2011	July 2012	August 2012	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>874,200</b>	<b>901,900</b>	<b>903,800</b>	<b>+ 0.2%</b>	<b>+ 3.4%</b>
Construction	32,000	34,500	35,900	+ 4.1%	+ 12.2%
Manufacturing: Aerospace, et al	7,800	7,100	7,000	- 1.4%	- 10.3%
Retail: Electronics, et al	5,100	4,500	4,500	0.0%	- 11.8%
Information	50,200	53,300	53,900	+ 1.1%	+ 7.4%
Accommodation & Food Service	65,700	68,500	68,500	0.0%	+ 4.3%

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 Seven-City Consortium)

	Labor Force			Unemployment			Unemployment Rate		
	August 2011	August 2012	Annual Change	August 2011	August 2012	Annual Change	August 2011	August 2012	Annual Change
<b>Santa Clara County</b>	<b>900,600</b>	<b>916,200</b>	<b>+ 1.7%</b>	<b>88,600</b>	<b>77,500</b>	<b>- 12.5%</b>	<b>9.8%</b>	<b>8.5%</b>	<b>- 1.3</b>
Cupertino	24,800	25,400	+ 2.4%	1,600	1,400	- 12.5%	6.4%	5.5%	- 0.9
Los Altos	13,000	13,300	+ 2.3 %	700	600	- 14.3 %	5.0%	4.3%	- 0.7
Milpitas	32,600	33,200	+ 1.8 %	3,300	2,900	- 12.1%	10.1%	8.7%	- 1.4
Mountain View	43,000	43,900	+ 2.1 %	3,100	2,700	- 12.9%	7.3%	6.3%	- 1.0
Palo Alto	32,100	32,900	+ 2.5 %	1,700	1,500	- 11.8%	5.3%	4.5%	- 0.8
Santa Clara	58,000	59,000	+ 1.7 %	5,200	4,600	- 11.5%	9.0%	7.8%	- 1.2
Sunnyvale	77,000	78,500	+ 1.9 %	6,500	5,700	- 12.3%	8.5%	7.3%	- 1.2
<b>NOVA Region</b>	<b>280,500</b>	<b>286,200</b>	<b>+ 2.0%</b>	<b>22,100</b>	<b>19,400</b>	<b>- 12.2%</b>	<b>8.0%</b>	<b>6.8%</b>	<b>- 1.2</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity

Company	WARN *	City	Affected	Cause	Layoff Summary	
Applied Materials	Yes	Multiple	10	RIF	Individuals Affected YTD †:	311
Motorola	Yes	Sunnyvale	161	RIF	Events Current YTD †:	7
Space Systems/Loral	Yes	Palo Alto	90	RIF	Events Previous YTD †:	18
			<b>261</b>			

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

NOTE: Layoff data are reported by NOVA staff responding to layoff events and should be considered only an estimate of regional activity

Source: NOVA's internal Rapid Response database