

# Workforce Review

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

## September 2009

### *Did you know?*

#### **California job losses keep climbing**

California lost more than five times as many jobs in September as it did the month before, signaling that the state's employment woes continue despite a budding economic recovery. Employers cut 39,300 workers from their payrolls last month, according to figures released last week by the state Employment Development Department, led by cuts in construction and government. "It is discouraging," said Esmael Adibi, an economist at Chapman University. "We want to see job losses go down and the pace slow down, but we didn't see it."

Despite the disappointing job numbers, economists said California was in the early stages of a comeback, albeit an uneven one. Southern California, which has been hobbled by the collapse in housing and construction, is projected to lag behind the Bay Area, whose bellwether tech industry is gearing up to supply growing global demand for computers, software and mobile devices. The Bay Area also stands to benefit from growing government and private investments in alternative energy and medical records technology, said Stephen Levy, an economist with the Center for Continuing Study of the California Economy. "That's our thing, and we're a smaller economy," said Levy, who is based in Palo Alto. "It will help us a little bit more." Overall, the San Francisco Bay Area received \$2.2 billion in venture capital funding in the third quarter of the year, up from \$1.9 billion in the second quarter, according to a report scheduled to be released today by Dow Jones VentureSource. By contrast, Southern California received \$458 million in venture funding in the third quarter, down from \$500 million in the second quarter.

All five metro divisions in the Bay Area saw their unemployment rates decrease from August. The jobless rates in Napa County, at 8.7%, and the San Francisco-San Mateo-Redwood City Metro Division, at 9.2%, are among the lowest in the state. Although prospects differ for the state's two biggest metropolitan areas, the job numbers indicate to economist Christopher Thornberg that California has reached the bottom of the downward spiral that started last year. "We're starting to see stability in the labor market," he said. "The free fall has come to an end."

Source: *LA Times* (10/17/09)



Developing a skilled workforce for Silicon Valley

# September 2009

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

Civilian Unemployment Rate	September 2008	August 2009	September 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.4%	12.1%	11.8%	- 0.3	+ 5.4
California	7.6%	12.2%	12.0%	- 0.2	+ 4.4
United States	6.0%	9.6%	9.5%	- 0.1	+ 3.5

  

Civilian Labor Force	September 2008	August 2009	September 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	912,300	923,200	911,300	- 1.3%	- 0.1%
Civilian Employed	854,100	811,900	803,800	- 1.0%	- 5.9%
Civilian Unemployed	58,200	111,400	107,500	- 3.5%	+ 84.7%

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

Greatest Change in Employment	September 2008	August 2009	September 2009	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>916,500</b>	<b>871,400</b>	<b>868,700</b>	<b>- 0.3%</b>	<b>- 5.2%</b>
Construction	44,400	36,600	36,300	- 0.8%	- 18.2%
Health Care	76,000	77,400	77,500	+ 0.1%	+ 2.0%
Leisure/Hospitality	79,400	78,000	76,200	- 2.3%	- 4.0%
Manufacturing	169,300	156,800	155,600	- 0.8%	- 8.1%
Retail Trade	84,300	79,000	78,700	- 0.4%	- 6.6%

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	
	September 2008	September 2009			September 2008	September 2009		September 2008	September 2009
<b>Santa Clara County</b>	<b>876,800</b>	<b>886,600</b>	<b>+1.1%</b>	<b>825,200</b>	<b>782,200</b>	<b>- 5.2%</b>	<b>5.9%</b>	<b>11.8%</b>	
Cupertino	24,800	24,200	- 2.4%	23,800	22,400	- 5.9%	4.1%	7.7%	
Los Altos	13,000	12,600	- 3.1%	12,600	11,900	- 5.6%	3.2%	6.1%	
Milpitas	32,100	32,100	0.0%	30,000	28,200	- 6.0%	6.5%	12.1%	
Mountain View	42,400	41,700	- 1.7%	40,500	38,100	- 5.9%	4.6%	8.7%	
Palo Alto	32,200	31,300	- 2.8%	31,100	29,300	- 5.8%	3.3%	6.4%	
Santa Clara	57,300	57,000	- 0.5%	54,000	50,800	- 5.9%	5.8%	10.8%	
Sunnyvale	76,300	75,600	- 0.9%	72,100	67,900	- 5.8%	5.4%	10.1%	
<b>NOVA Workforce Investment Area</b>	<b>278,100</b>	<b>274,500</b>	<b>- 1.3%</b>	<b>264,100</b>	<b>248,600</b>	<b>- 5.9%</b>	<b>5.0%</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
Applied Materials, Inc.	Yes	Santa Clara	27	RIF
Casa Olga	No	Palo Alto	65	Closure
Intuit	Yes	Mountain View	28	RIF
KLA Tencor	Yes	Milpitas	4	RIF
Maxim Integrated Products, Inc.	Yes	Sunnyvale	2	RIF
Nortel Networks	No	Santa Clara	25	RIF
Roche	Yes	Palo Alto	42	Closure
Smith and Hawken	No	Palo Alto	13	Closure
Sun Microsystems	Yes	Santa Clara	12	RIF
Sunnyvale Chevrolet	No	Sunnyvale	50	Closure
Sunnyvale Christian School	No	Sunnyvale	5	RIF
Vmware	Yes	Palo Alto	105	RIF
Company Confidential	No	Santa Clara	806	RIF
Company Confidential	No	Sunnyvale	20	Closure
Company Confidential	No	Sunnyvale	2	RIF
			<b>1206</b>	

## WARN Summary

Individuals Affected YTD †:	1,373 ‡
WARN Current YTD:	15
WARN Previous YTD:	16
** 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