

Workforce Review

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

October 2009

Did you know?

U.S. recovery seen subdued, jobless rate high: OECD

The U.S. economic recovery will be weaker than after previous deep recessions, and the high jobless rate will decline only slowly, said the [Organization for Economic Cooperation and Development] (OECD). In its twice-yearly economic outlook, the OECD said the U.S. Federal Reserve and the White House must begin to withdraw economic supports as growth becomes self-sustaining.

[T]he OECD is forecasting a modest 2.8 percent rise in 2011 GDP, which would be well below the 3.2 percent average from 1997 through 2006. Stubbornly high unemployment will keep wages down, which means household demand is not likely to increase strongly next year. The personal saving rate will probably stay well above pre-recession levels through 2011, the OECD said.

The OECD pointed out that much of the recent rebound in economic growth was a direct result of government policies, including the Fed's near-zero interest rate and a \$787 billion fiscal stimulus package.

The consequence of that is a growing budget deficit that is likely to remain above 10 percent of GDP in 2010. If persistently high budget deficits drive up long-term interest rates, that could compromise the recovery, the OECD said. It also saw a risk that financial firms may incur greater losses than envisaged, notably on commercial real estate loans where defaults are on the rise.

On the plus side, rising stock markets and a turnaround in housing prices were helping to patch tattered household balance sheets, and that could lead to a stronger-than-expected rebound in consumer demand and a healthier economic recovery.

Source: Reuters (11/19/09)



Developing a skilled workforce for Silicon Valley

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

Civilian Unemployment Rate	October 2008	September 2009	October 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.7%	11.8%	11.9%	+ 0.1	+5.2
California	7.9%	12.0%	12.3%	+ 0.3	+4.4
United States	6.1%	9.5%	9.5%	0.0	+3.4

Civilian Labor Force	October 2008	September 2009	October 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	919,200	912,500	912,600	0.0%	- 0.7%
Civilian Employed	857,200	804,600	803,700	- 0.1%	- 6.2%
Civilian Unemployed	62,000	107,900	108,900	+ 0.9%	+ 75.6%

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

Greatest Change in Employment	October 2008	September 2009	October 2009	Percentage Change	
				Monthly	Annual
Total Nonfarm	916,600	867,200	871,100	+0.4%	- 5.0%
Construction	44,200	36,500	35,500	- 2.7%	- 19.7%
Semiconductor Mfg.	46,500	39,600	39,300	- 0.8%	- 15.5%
Manufacturing	168,100	155,500	155,200	- 0.2%	- 7.7%
Health Care	76,700	77,500	77,900	+0.5%	+ 1.6%
Educational Services	31,800	28,500	31,700	+11.2%	- 0.3%

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 County (San Francisco Bay Area)

	Labor Force			% Change Annual	Employed			% Change Annual	Unemployment Rate	
	October 2008	October 2009	October 2009		October 2008	October 2009	October 2008		October 2009	
California	18,564,400	18,356,400		- 1.1%	17,091,900	16,104,900	-5.8%	7.9%	12.3%	
Alameda	773,600	769,700		- 0.5%	719,800	681,000	- 5.4%	7.0%	11.5%	
Contra Costa	533,400	530,900		- 0.5%	496,900	470,100	- 5.4%	6.9%	11.5%	
Marin	138,300	134,300		- 2.9%	131,500	123,400	-6.2%	4.9%	8.1%	
Napa	78,000	75,500		- 3.2%	74,000	68,700	- 7.2%	5.2%	9.0%	
San Francisco	455,000	446,100		- 2.0%	428,700	402,100	- 6.2%	5.8%	9.9%	
San Mateo	388,300	379,600		- 2.2%	367,900	345,000	- 6.2%	5.3%	9.1%	
Santa Clara	893,800	887,500		- 0.7%	834,100	782,000	- 6.2%	6.7%	11.9%	
Solano	215,600	213,900		- 0.8%	199,400	188,100	- 5.7%	7.5%	12.0%	
Sonoma	267,900	262,900		- 1.9%	251,500	236,200	- 6.1%	6.1%	10.1%	
San Francisco Bay Area	3,743,900	3,700,400		- 1.2%	3,503,800	3,296,600	- 5.9%	6.4%	10.9%	

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity

Company	WARN**	City	Affected	Cause
Cooley Godward Kronish	No	Palo Alto	58	RIF
Game Crazy	No	Santa Clara	10	Closure
Intuit	Yes	Mountain View	7	RIF
Lifescan	Yes	Milpitas	87	RIF
Roche	Yes	Palo Alto	62	Closure
Vmware	Yes	Palo Alto	43	RIF
Company Confidential	No	Sunnyvale	12	RIF

WARN Summary

Individuals Affected YTD [†] :	1,572 ‡
WARN Current YTD:	31
WARN Previous YTD:	37

** 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

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NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database