

# Workforce Review

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

## November 2011

Did you know?

### Report: California's middle class shrinks to below 50 percent

Not even half of California's families are middle-class anymore as the recession and its aftermath widened the gap between rich and poor, according to a new report.

Three decades ago, 60 percent of California families could count themselves in what the Public Policy Institute of California calls the "middle-income" bracket. Not rich but doing reasonably well, the middle class formed a comfortable majority and shared the state's prosperity. But the portion of middle-income families slipped to 49.7 percent last year, according to the nonpartisan research group's study. Using census figures and a federal standard-of-living measure adjusted for inflation, the report defines the middle-income bracket as families who earn \$44,000 to \$155,000 a year. "It really reflects a decades-long trend, at least three decades of shifts in our economy," said report co-author Sarah Bohn.

Globalization and technological progress contributed to the long-term changes, which hurt some but were not always bad for everyone over the decades, she said. While some fell out of the middle into poverty, others moved from the middle to the higher income brackets. "Up to 2006, it looked like a net improvement," Bohn said. "The low-income group was pretty steady. The high-income group in California was growing."

Now, however, few are moving up. The downturn reduced the fortunes of almost all groups in California, but families who already earned lower incomes were hit the hardest. Income dropped for California's lowest-income families by more than 21 percent from 2007 to 2010 while dropping by just 5 percent for the most affluent families. What that means, Bohn said, "depends on your point of view."

Underemployment — not enough hours worked — was a bigger cause of declining incomes for working Californians than lower wages, according to the study. "Employers during this recession were not adjusting wages, they were laying off workers," she said. "That's different from previous recessions. We think that the reason is that during this recession, inflation was really low. It's easier for them to just leave the salary the same and let inflation eat it away."

The recession amplified existing racial differences in economic well-being: African-American and Latino families fared the worst. Education, more than race or income, was the biggest divider in how people fared and was the most important factor in determining a family's well-being, Bohn said. Those with college degrees were best able to buffer the downturn's ill effects.

"Experts on income inequality believe that as income gaps widen, it could be even harder for people who start at the bottom to climb the income ladder," said Alissa Anderson of the California Budget Project. "Already, rags to riches stories are less common."

Source: *San José Mercury News* (12/08/11)

[http://www.mercurynews.com/california/ci\\_19493664](http://www.mercurynews.com/california/ci_19493664)

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

Unemployment Rate	November 2010	October 2011	November 2011	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	11.0%	9.5%	9.2%	- 0.3	- 1.8
California	12.5%	11.2%	10.9%	- 0.3	- 1.6
United States	9.3%	8.5%	8.2%	- 0.3	- 1.1

  

Labor Force	November 2010	October 2011	November 2011	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	898,900	916,100	913,900	- 0.2%	+ 1.7%
Civilian Employed	799,800	828,700	830,100	+ 0.2%	+ 3.8%
Civilian Unemployed	99,100	87,300	83,800	- 4.0%	- 15.4%

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

Change in Employment	November 2010	October 2011	November 2011	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>861,800</b>	<b>885,500</b>	<b>890,100</b>	<b>+ 0.5%</b>	<b>+ 3.3%</b>
Manufacturing: Computer, et al	105,000	112,200	112,600	+ 0.4%	+ 7.2%
Retail: Electronics, et al	4,900	5,300	5,600	+ 5.7%	+ 14.3%
Publishing: Newspaper, et al	1,500	1,200	1,000	- 16.7%	- 33.3%
Gov't: State: Education	4,400	5,000	5,200	+ 4.0%	+ 18.2%
Gov't: State: excl. Education	2,300	1,900	1,800	- 5.3%	- 21.7%

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		
	November 2010	November 2011	Annual Change	November 2010	November 2011	Annual Change	November 2010	November 2011	Annual Change
<b>United States</b>	<b>153,950,000</b>	<b>153,883,000</b>	<b>0.0%</b>	<b>138,909,000</b>	<b>140,580,000</b>	<b>+ 1.2%</b>	<b>15,041,000</b>	<b>13,303,000</b>	<b>- 11.6%</b>
<b>California</b>	<b>18,148,400</b>	<b>18,185,300</b>	<b>+ 0.2%</b>	<b>15,880,800</b>	<b>16,206,500</b>	<b>+ 2.1%</b>	<b>2,267,600</b>	<b>1,978,800</b>	<b>- 12.7%</b>
Austin, TX	911,448	919,712	+ 0.9%	846,527	859,400	+ 1.5%	64,921	60,312	- 7.1%
Boston, MA	2,557,292	2,554,670	- 0.1%	2,370,101	2,407,835	+ 1.6%	187,191	146,835	- 21.6%
Portland, OR	1,201,753	1,196,927	- 0.4%	1,079,914	1,103,463	+ 2.2%	121,839	93,464	- 23.3%
San Diego	1,558,800	1,587,600	+ 1.9%	1,393,600	1,442,100	+ 3.5%	165,100	145,500	- 11.9%
San Francisco	961,200	976,300	+ 1.6%	874,500	902,400	+ 3.2%	86,700	73,800	- 14.9%
Seattle, WA	1,494,000	1,505,500	+ 0.8%	###	###	+ 1.9%	136,600	123,000	- 10.0%
<b>San José–Sunnyvale</b>	<b>898,900</b>	<b>913,900</b>	<b>+ 1.7%</b>	<b>799,800</b>	<b>830,100</b>	<b>+ 3.8%</b>	<b>99,100</b>	<b>83,800</b>	<b>- 15.4%</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

**Regional Layoff Activity**

Company	WARN *	City	Affected	Cause
BAE Systems	No	Milpitas	5	RIF
Calisolar	Yes	Sunnyvale	74	RIF
<i>Company confidential</i>	Yes	Sunnyvale	82	RIF
<i>Company confidential</i>	Yes	Santa Clara	207	RIF
<i>Company confidential</i>	No	Mountain View	14	RIF

  

Layoff Summary	
Individuals Affected YTD †:	<b>2,507 †</b>
Events Current YTD †:	<b>45</b>
Events Previous YTD †:	<b>35</b>

  

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\* **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 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