

Workforce Review

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

May 2012

New rules make it harder to get unemployment benefits

Did you know?

NEW YORK (CNNMoney) — Millions of jobless Americans now have another hurdle to pass before collecting federal unemployment benefits. New rules passed by Congress this year require that the jobless go to their local One-Stop Career Center for an in-person assessment if they want to receive federal unemployment checks. This means the unemployed now have to trek to these centers, which has left some states scrambling to find space and personnel to handle all these one-on-one meetings.

Some 9 million people are expected to go through these assessments by year's end. Plus, in order to comply with the new federal rules, some states are ramping up their requirements on documentation of the jobless' attempts to return to the workforce. Previously some states, like Ohio for instance, did spot-checks, but are now requiring regular submission of job search efforts. Other states, such as New Hampshire, collected the information electronically but must now tell claimants to bring paper records to their assessment meeting.

These new rules aren't all bad, experts say. They help reconnect the jobless with resources that could assist them and re-energize their job hunt. "It's an opportunity for someone to sit down to see what's changed about them and the job market," said Ben Johnson, spokesman for the Ohio's Department of Job and Family Services.

The new requirements are part of Congress' overhaul of federal extended unemployment benefits, which President Obama signed in February. The law not only reauthorized federal benefits, but it also increased the unemployment system's focus on helping people find jobs rather than distributing checks. "It emphasizes re-employment instead of just paying claimants benefits and not doing much else for them," said Rich Hobbie, executive director of the National Association of State Workforce Agencies.

The centers, however, have had a tough time getting people to come in. Hobbie has heard anecdotally that about one-third of folks aren't showing up. If they don't, they usually lose their check for that period, though their benefits will start flowing again once they appear. The centers follow up with those who miss their appointments. In Ohio, the no-show rate is running at about 50%, Johnson said.

Some states, particularly those with high unemployment, have also struggled to arrange all these meetings. In Nevada, for instance, some centers have had to rent out convention halls to handle the crowds. The state has an 11.7% unemployment rate, the highest in the nation.

California expects to process half a million long-term unemployed folks through its centers this year. The state began mailing packets to the jobless just starting their initial tiers of federal benefits in late May with a notice of their appointment date and time. At the meeting, staffers will also determine whether claimants are eligible to continue receiving benefits.

"It will also further ensure that recipients of unemployment benefits are actively seeking work," said Pam Harris, director of the Employment Development Department in California, where the unemployment rate stands at 10.9%.

While the federal government is distributing about \$450 million to the states to help cover the costs of this intensified interactions, the effort could ultimately save the government some money because the jobless find new positions and stop collecting benefits sooner, Hobbie said. Re-employment initiatives could shorten the job search period by up to eight weeks. "We know these services are effective," he said.

Source: CNN Money (06/15/12)
<http://cnmmon.ie/PeQSRU>

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WORKFORCE
DEVELOPMENT

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

Unemployment Rate	May 2011	April 2012	May 2012	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	9.8%	8.4%	8.4%	0.0	- 1.4
California	11.4%	10.5%	10.4%	- 0.1	- 1.0
United States	8.7%	7.7%	7.9%	+ 0.2	- 0.8

Labor Force	May 2011	April 2012	May 2012	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	913,600	938,000	973,600	0.0%	+ 2.6%
Civilian Employed	824,300	858,900	858,800	0.0%	+ 4.2%
Civilian Unemployed	89,300	79,100	78,800	- 0.4%	- 11.8%

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

Change in Employment	May 2011	April 2012	May 2012	Percentage Change	
				Monthly	Annual
Total Nonfarm	877,200	903,600	908,300	+ 0.5%	+ 3.5%
Construction	30,500	34,000	35,400	+ 4.1%	+ 16.1%
Manufacturing: Aerospace, et al	7,800	7,100	7,100	0.0%	- 9.0%
Retail: Electronics, et al	5,200	4,600	4,600	0.0%	- 11.5%
Information	47,900	51,400	51,700	+ 0.6%	+ 7.9%
Accommodation & Food Service	65,100	68,500	69,200	+ 1.0%	+ 6.3%

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			Employed			Unemployment		
	May 2011	May 2012	Annual Change	May 2011	May 2012	Annual Change	May 2011	May 2012	Annual Change
Santa Clara County	887,200	910,600	+ 2.6%	802,300	835,800	+ 4.2%	85,000	74,800	- 12.0%
Cupertino	24,500	25,200	+ 2.9 %	22,900	23,900	+ 4.4%	1,500	1,300	- 13.3%
Los Altos	12,800	13,200	+ 3.1 %	12,200	12,700	+ 4.1 %	600	500	- 16.7%
Milpitas	32,100	33,000	+ 2.8 %	29,000	30,200	+ 4.1 %	3,200	2,800	- 12.5%
Mountain View	42,400	43,600	+ 2.8 %	39,300	41,000	+ 4.3 %	3,000	2,600	- 13.3%
Palo Alto	31,700	32,700	+ 3.2 %	30,000	31,300	+ 4.3 %	1,600	1,400	- 12.5%
Santa Clara	57,100	58,700	+ 2.8 %	52,100	54,300	+ 4.2 %	5,000	4,400	- 12.0%
Sunnyvale	75,900	78,000	+ 2.8 %	69,600	72,500	+ 4.2 %	6,200	5,500	- 11.3%
NOVA Region (sum)	276,400	284,400	+ 2.9%	255,200	265,900	+ 4.2%	21,200	18,500	- 11.8%

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	Santa Clara	6	RIF	Individuals Affected YTD †:	4,068 ‡
Digital Air Strike	No	Sunnyvale	7	RIF	Events Current YTD †:	82
Lockheed Martin	Yes	Sunnyvale	105	RIF	Events Previous YTD †:	69
Palo Alto Medical Foundation	No	Sunnyvale	15	RIF		
Company confidential	No	Santa Clara	9	RIF		
			142			

* **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