

Workforce Review

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

December 2014

Did you know?

Report Underscores Why Silicon Valley Remains Top Tech Center

Traffic congestion is one of the thorny issues we deal with on a daily basis. One in six Silicon Valley workers spends two hours or longer each day behind the wheel. Yet, 2,400 new companies opened offices or facilities here over the past two years, drawing in an estimated 2,000 new residents.

"Given how expensive it is here, why do people keep coming here?" asks Greg Becker, president and CEO of Silicon Valley Bank as well as chairman of the Silicon Valley Leadership Group. One of the reasons, he says, is worker productivity, measured by annual output per worker. It was 17 percent higher than second-place New York and 62 percent higher than the national average in 2013.

The Silicon Valley Leadership Group, along with the Silicon Valley Community Foundation, spent 15 months mining data to find out the region's strengths and weaknesses comparing statistics for five competing tech centers, Southern California, Seattle, Austin, New York and Boston. Strengths included the number of patents filed by Silicon Valley innovation companies, the pool of trained STEM (science, tech, engineering and math) workers, and access to venture capital.

Another strength, the study suggests, underscores the importance of immigration reform to support economic vitality. Look around and you can see how diverse our talent pool is. Ninety-seven percent of new residents to the Valley in 2013 came from abroad and only three percent came from other parts of the U.S.

Just over half, 56 percent of all Silicon Valley STEM workers with a minimum bachelor's degree are foreign born, while one in five was born in California. That makes this region dependent on immigrant workers. The report's sponsors are sitting with freshman state and federal legislators in the weeks ahead to urge them to take action to help support the immigrant talent pool. Meetings will also be held with local government officials.

"They have two-year legislative sessions," points out Carl Guardino, president and CEO of the Silicon Valley Leadership Group. "The clock is ticking. Where are we in moving the ball in these key areas to be more competitive over the next two years?"

The data also highlight a key reason why today's students won't be able to fill tech jobs in the future. Only 59 percent of third graders in California are testing "proficient" in reading, while only 54 percent of eighth graders are proficient in algebra, a course commonly required for college entry. Underperforming educational achievement could hurt Silicon Valley's future competitiveness.

Quality of life issues also were compared among the six tech centers. Silicon Valley had the highest median cost for existing homes at \$470 per square foot; the lowest was \$191 per square foot in the Seattle area. Southern California ranked second behind Silicon Valley at \$335 per square foot. New York and Boston were tied at \$230.

While the focus of the study appears to be on the technology sector, the Silicon Valley Community Foundation's CEO and President, Emmett Carson Ph.D., points out that for every one job created in the tech sector, five others are created in non-tech areas. Quality of life issues, such as traffic, education and housing costs, also impact lower income residents in the Valley.

"At the wage you have, can you have a quality standard of life?" asks Carson. "Can you have good housing? Can you have your kids in a school? Will you have health care? That's what we need to be intentional about."

Source: KGO TV (01/14/15)

<http://abc7news.com/technology/report-underscores-why-silicon-valley-remains-top-tech-center-/475651/>

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

Unemployment Rate	December 2013	November 2014	December 2014	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	5.8%	5.2%	4.6%	- 0.6	- 1.2
California	7.9%	7.1%	6.7%	- 0.4	- 1.2
United States	6.5%	5.5%	5.4%	- 0.1	- 1.1

Labor Force	December 2013	November 2014	December 2014	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	953,400	977,800	976,000	- 0.2%	+ 2.4%
Civilian Employed	897,900	926,800	931,100	+ 0.5%	+ 3.7%
Civilian Unemployed	55,500	51,000	44,900	- 12.0%	- 19.1%

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

Change in Employment	December 2013	November 2014	December 2014	Percentage Change	
				Monthly	Annual
Total Nonfarm	987,600	1,018,700	1,026,900	+ 0.8%	+ 4.0%
Aerospace Products, etc.	6,500	6,100	6,000	- 1.6%	- 7.7%
Clothing & Cloth. Acc. Stores	12,200	12,000	12,500	+ 4.2%	+ 2.5%
Real Estate & Rental & Leasing	12,900	13,400	13,700	+ 2.2%	+ 6.2%
Computer Systems Design	57,900	62,900	64,800	+ 3.0%	+ 11.9%
Ambulatory Health Care Svcs.	37,800	39,600	40,100	+ 1.3%	+ 6.1%

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 (Nine-county San Francisco Bay Area)

	Labor Force			Unemployment			Unemployment Rate		
	December 2013	December 2014	Annual Change (%)	December 2013	December 2014	Annual Change (%)	December 2013	December 2014	Annual Change (%age point)
California	18,501,300	18,726,400	+ 1.2%	1,462,700	1,251,800	- 14.4%	7.9%	6.7%	- 1.2
Alameda County	780,000	789,800	+ 1.3%	48,400	39,600	- 18.2%	6.2%	5.0%	- 1.2
Contra Costa County	537,600	544,300	+ 1.2%	34,100	27,900	- 18.2%	6.3%	5.1%	- 1.2
Marin County	142,700	146,600	+ 2.7%	6,000	4,900	- 18.3%	4.2%	3.4%	- 0.8
Napa County	76,300	76,400	+ 0.1%	4,600	3,900	- 15.2%	6.0%	5.1%	- 0.9
San Francisco County	489,100	502,100	+ 2.7%	23,200	19,300	- 16.8%	4.7%	3.8%	- 0.9
San Mateo County	405,600	416,000	+ 2.6%	18,300	14,700	- 19.7%	4.5%	3.5%	- 1.0
Solano County	217,500	218,500	+ 0.5%	16,000	13,300	- 16.9%	7.4%	6.1%	- 1.3
Sonoma County	258,200	263,600	+ 2.1%	14,600	12,300	- 15.8%	5.7%	4.7%	- 1.0
Santa Clara County	926,600	948,500	+ 2.4%	52,600	42,300	- 19.6%	5.7%	4.5%	- 1.2

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: December 2014

Company	WARN *	City	Affected	Cause	Layoff Summary
Aramark	Yes	Mountain View	175	Closure	
Microsoft	Yes	Multiple cities	21	RIF	
Narus	Yes	Sunnyvale	35	Closure	Events Current YTD †: 45
Symantec	Yes	Mountain View	25	RIF	Events Previous YTD †: 49
Westcor	Yes	Sunnyvale	40	RIF	
Company confidential	NO	Mountain View	32	Closure	
			328		

* **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