

# Workforce Review

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

## April 2015

*Did you know?*

### California tops other states in job growth

For years, business lobbyists complained about what they derided as “job killer” laws that drive employers out of California. Rival state governors, notably former Texas Gov. Rick Perry, made highly publicized visits to the Golden State in hopes of poaching jobs. But new numbers from the U.S. Bureau of Labor Statistics tell a different story. Total jobs created in the 12 months ending Jan. 31 show California leading other states. California gained 498,000 new jobs, almost 30% more than the Lone Star State’s total of 392,900 for the same period. Florida came in third with 274,100 new jobs, followed by New York with 157,700 and Georgia with 131,900.

“These data explain why so many governors are coming to California in search of jobs,” said Stephen Levy, director of the Center for the Continuing Study of the California Economy in Palo Alto. “The state has just set records,” he noted in terms of its share of venture capital funding, exports, tourism and tech growth.

Unmentioned in the excitement about new CA jobs is that most are low paying jobs in the retail and tourist industries. Manufacturing is a dead industry in the Golden State, and construction jobs are experiencing at best an anemic statewide recovery. Though solid expansion continued in the tech-heavy San Francisco Bay Area, the latest figures reflected an unforeseen jump in Southern California employment.

Preliminary totals for new jobs in the Los Angeles Basin were raised by 109,900 for the year ending in January. The biggest jumps were 58,200 for the Los Angeles metropolitan area and 34,800 for the Inland Empire. Tourism, international trade, development of a regional tech sector and an uptick in construction contributed to the Southern California boomlet, Levy said. The leap in job creation shows that California is a leader in the global economy, said Kish Rajan, director of the Governor’s Office of Business and Economic Development. “While other states continue to chase us,” he said, “we’re chasing our California-sized ambitions.”

#### Underground economy

California’s official economy, which generates reams of government statistics, isn’t the only one that’s growing rapidly. Less publicized is the state’s “underground economy” that includes a variety of state tax-evading and other illegal activities such as working off the clock, paying for jobs in cash and not buying workers’ compensation insurance.

A new report from the state independent watchdog Little Hoover Commission says this underground economy is robbing government agencies of an estimated \$8.5 billion to \$10 billion a year in uncollected tax revenue.

Noncompliance by some California businesses creates unfair competition for honest employers, the commission said. Among the commission’s 15 major recommendations is a call for better leadership and coordination of state tax-collecting and workplace-regulatory agencies that combat the underground economy. Alas, that was also a principal finding of a similar study by the commission in a prior report on the underground economy three decades ago.

The commission’s executive director, Carole D’Elia, said the lack of progress “has been disheartening to say the least.”

Source: LA Times (03/22/15)

<http://www.latimes.com/business/la-fi-capitol-business-beat-20150323-story.html>

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

Unemployment Rate	March 2014	February 2015	March 2015	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.0%	4.5%	4.2%	- 0.3	- 1.8
California	8.3%	6.8%	6.5%	- 0.3	- 1.8
United States	6.8%	5.8%	5.6%	- 0.2	- 1.2

  

Labor Force	March 2014	February 2015	March 2015	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	1,021,100	1,047,300	1,048,000	+ 0.1%	+ 2.6%
Civilian Employed	960,200	1,000,600	1,003,600	+ 0.3%	+ 4.5%
Civilian Unemployed	60,900	46,700	44,400	- 4.9%	- 27.1%

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

Change in Employment	March 2014	February 2015	March 2015	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>989,200</b>	<b>1,036,500</b>	<b>1,043,900</b>	<b>+ 0.7%</b>	<b>+ 5.5%</b>
Construction: Spec. Contractors	26,900	28,900	29,400	+ 1.7%	+ 9.3%
Manufacturing: Machinery	8,800	9,200	9,200	0.0%	+ 4.5%
Retail: Electronics Stores	4,300	4,400	4,400	0.0%	+ 2.3%
Educ: Colleges/Universities	28,400	29,500	29,700	+ 0.7%	+ 4.6%
Government: State	6,400	6,200	6,700	+ 8.1%	+ 4.7%

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 County (Nine-county San Francisco Bay Area)**

	Labor Force			Unemployment			Unemployment Rate		
	March 2014	March 2015	Annual Change (%)	March 2014	March 2015	Annual Change (%)	March 2014	March 2015	Annual Change (%age point)
<b>California</b>	<b>18,687,700</b>	<b>18,879,200</b>	<b>+ 1.0%</b>	<b>1,578,600</b>	<b>1,223,000</b>	<b>- 22.5%</b>	<b>8.4%</b>	<b>6.5%</b>	<b>- 1.9</b>
Alameda County	784,900	810,900	+ 3.3%	52,400	38,500	- 26.5%	6.7%	4.8%	- 1.9
Contra Costa County	542,100	543,600	+ 0.3%	37,900	27,300	- 28.0%	7.0%	5.0%	- 2.0
Marin County	143,400	140,800	- 1.8%	6,700	4,900	- 26.9%	4.7%	3.5%	- 1.2
Napa County	78,200	73,000	- 6.6%	4,700	3,400	- 27.7%	6.0%	4.6%	- 1.4
San Francisco County	491,700	540,500	+ 9.9%	25,900	19,600	- 24.3%	5.3%	3.6%	- 1.7
San Mateo County	407,500	436,800	+ 7.2%	20,300	14,800	- 27.1%	5.0%	3.4%	- 1.6
Solano County	218,100	203,500	- 6.7%	17,400	12,800	- 26.4%	8.0%	6.3%	- 1.7
Sonoma County	263,200	256,600	- 2.5%	16,300	11,800	- 27.6%	6.2%	4.6%	- 1.6
Santa Clara County	937,200	1,018,200	+ 8.6%	57,500	41,900	- 27.1%	6.1%	4.1%	- 2.0

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

**Regional Layoff Activity: March 2015**

Company	WARN *	City	Affected	Cause	Layoff Summary
Broadcom Corp.	Yes	Santa Clara	60	RIF	
Macy's @ Vallco	Yes	Cupertino	107	Closure	
RadioShack	No	Cupertino	4	Closure	Events Current YTD †: <b>65</b>
Tabula	Yes	Santa Clara	120	Closure	Events Previous YTD †: <b>68</b>
Toppan Photomasks	Yes	Santa Clara	75	Closure	
<i>Company confidential</i>	No	<i>Sunnyvale</i>	<i>10</i>	<i>RIF</i>	
			<b>376</b>		

\* **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