

Workforce Review

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

May 2013

Did you know?

'Hidden' economy in Silicon Valley built without advanced degrees

Silicon Valley is world-renowned for the Nobel Prize winners and MacArthur "geniuses" behind theoretical breakthroughs in science, technology, engineering and math. Less well-known are people like Patrick Pickerell, a high school dropout whose \$10 million-a-year Pleasanton metal manufacturing company is powered by people with no university credentials but plenty of math and fix-it skills — ingredients essential to innovation.

A new report, "The Hidden STEM Economy," reveals that a university degree is not required for 27.5 percent of all jobs in the San Jose area in the fields of science, technology, engineering and math. The number is even higher — 36 percent — in San Francisco and the East Bay.

The report urges policymakers to boost funding for training in such careers as toolmaking, technical writing and technician work — the critical pick-and-shovel brigades in tech's gold rush. Of the \$4.3 billion spent annually by the federal government on tech-oriented education and training, just one-fifth goes toward training below the bachelor's degree level. National Science Foundation spending largely ignores community colleges, it asserts.

"Jobs that require less than a bachelor's degree represent a hidden and unheralded STEM economy," said Jonathan Rothwell, author of the report by the prestigious Brookings Institution in Washington, D.C. "The overemphasis on four-year and higher degrees as the only route to these careers has neglected cheaper and more widely available pathways," he said.

Drawing from high schools, vocational schools and community colleges, these jobs pay annual salaries averaging \$73,000 — less than positions requiring a university degree, but \$30,000 a year more than those in fields outside science, technology, engineering and math.

(Complete article available at link below.)

Source: *San Jose Mercury News (06/10/13)*

http://www.mercurynews.com/siliconvalley/ci_23424656

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

Unemployment Rate	May 2012	April 2013	May 2013	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	8.5%	6.6%	6.3%	- 0.3	- 2.2
California	10.3%	8.5%	8.1%	- 0.4	- 2.2
United States	7.9%	7.1%	7.3%	+ 0.2	- 0.6

Labor Force	May 2012	April 2013	May 2013	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	930,000	949,300	950,700	+ 0.1%	+ 2.2%
Civilian Employed	850,900	886,200	890,700	+ 0.5%	+ 4.7%
Civilian Unemployed	79,200	63,000	60,100	- 4.6%	- 24.1%

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

Change in Employment	May 2012	April 2013	May 2013	Percentage Change	
				Monthly	Annual
Total Nonfarm	903,400	922,900	929,800	+ 0.7%	+ 2.9%
Construction	34,500	36,600	37,700	+ 3.0%	+ 9.3%
Comp./Peripheral Equip. Mfg.	36,700	39,300	39,800	+ 1.3%	+ 8.4%
Adm. & Support & Waste Svcs.	51,700	55,000	56,400	+ 2.5%	+ 9.1%
Ambulatory Health Care Svcs.	34,400	34,200	35,600	+ 4.1%	+ 3.5%
Leisure Services	82,700	85,900	87,900	+ 2.3%	+ 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			Unemployment			Unemployment Rate		
	May 2012	May 2013	Annual Change	May 2012	May 2013	Annual Change	May 2012	May 2013	Annual Change
Santa Clara County	903,300	924,100	+ 2.3%	75,200	57,200	- 23.9%	8.3%	6.2%	- 2.1
Cupertino	25,000	25,800	+ 3.2%	1,300	1,000	- 23.1%	5.4%	4.0%	- 1.4
Los Altos	13,100	13,600	+ 3.8%	600	400	- 33.3%	4.2%	3.1%	- 1.1
Milpitas	32,700	33,400	+ 2.1%	2,800	2,100	- 25.0%	8.6%	6.4%	- 2.2
Mountain View	43,300	44,500	+ 2.8%	2,700	2,000	- 25.9%	6.2%	4.6%	- 1.6
Palo Alto	32,400	33,500	+ 3.4%	1,400	1,100	- 21.4%	4.4%	3.3%	- 1.1
Santa Clara	58,200	59,700	+ 2.6%	4,400	3,400	- 22.7%	7.6%	5.7%	- 1.9
Sunnyvale	77,400	79,400	+ 2.6%	5,500	4,200	- 23.6%	7.1%	5.3%	- 1.8
NOVA Region	282,100	289,900	+ 2.8%	18,700	14,200	- 24.1%	6.6%	4.9%	- 1.7

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: Month

Company	WARN *	City	Affected	Cause
Affymax	Yes	Palo Alto	227	RIF
Applied Materials	Yes	Multiple	9	RIF
Calmar Laser	No	Sunnyvale	4	RIF
Country Gourmet	No	Mountain View	18	Closure
Pacific Gas and Electric	Yes	Cupertino	1	RIF
Sherman Clay	No	Santa Clara	4	Closure
			263	

Layoff Summary	
Individuals Affected YTD †:	2,837
Events Current YTD †:	63
Events Previous YTD †:	83

* **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