

Workforce Review

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

December 2012

Did you know?

A California Drought: Not Enough Children

Declining migration and falling birthrates have led to a drop in the number of children in California just as baby boomers reach retirement, creating an economic and demographic challenge for the nation's most populous state.

"After decades of burgeoning population and economic growth...the state now faces a very different prospect," said a report released Tuesday by the University of Southern California and the Lucile Packard Foundation. The report, "California's Diminishing Resource: Children," analyzed data from the 2010 census and the American Community Survey to conclude that the trend marks a "historic transition" for the state.

In 1970, six years after the end of the baby boom, children made up more than one-third of California's population. By 2030, they will account for just one-fifth, according to projections by lead author Dowell Myers, a USC demographer. "We have a massive replacement problem statewide," Mr. Myers said in an interview.

The shrinking pool of youngsters coincides with a bulging population of older people. Nationally, "we are approaching a period of very large retirement, something like two million people a year for the next 20 years," said Stephen Levy, director of the Center for Continuing Study of the California Economy, an independent research group.

In 1970, California averaged 21 seniors for every 100 working-age adults. By 2030, that ratio is expected to rise to 36 seniors per 100 working-age adults, according to the report. That retirement wave will place "massive pressure on institutions and programs for an aging population," the report said. Today's children will be the workers who pay for those programs and who take jobs vacated by boomers in the state's high-technology hub in Silicon Valley, its entertainment industry in Los Angeles and its farm belt in the Central Valley.

Investments in the state's education system will be vital to meet labor-force needs and prevent the economy from contracting, said Mr. Levy. With less migration to the state, the skills and human capital necessary to keep California's economy afloat will need to be homegrown, both Mr. Levy and Mr. Myers said.

With more than 90% of the state's children under age 10 born in the state, "the majority of the next generation of workers will have been shaped by California's health and education systems," Mr. Myers said. "It's essential that we nurture our human capital." Many of those future workers, however, will have grown up in poverty. More than 20% of children in California now live below the federal poverty level.

The report found that the birthrate had tumbled for every population group. In 2010, it was below replacement level for whites, Asians and African-Americans. The birthrate for Hispanics, who account for 51% of children under 18 in the state, was slightly above replacement level. But Hispanic birthrates are seeing the steepest drop of any group and are expected to fall to the replacement level in 2020, the report said.

Source: *Wall Street Journal* (01/08/13)
<http://on.wsj.com/UqCj1X>

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

Unemployment Rate	December 2011	November 2012	December 2012	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	8.8%	7.8%	7.6%	- 0.2	- 1.2
California	10.9%	9.6%	9.7%	+ 0.1	- 1.2
United States	8.3%	7.4%	7.6%	+ 0.2	- 0.7

Labor Force	December 2011	November 2012	December 2012	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	933,200	950,700	953,500	+ 0.3%	+ 2.2%
Civilian Employed	850,800	876,300	880,800	+ 0.5%	+ 3.5%
Civilian Unemployed	82,400	74,400	72,800	- 2.2%	- 11.7%

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

Change in Employment	December 2011	November 2012	December 2012	Percentage Change	
				Monthly	Annual
Total Nonfarm	897,700	926,100	925,300	- 0.1%	+ 3.1%
Construction	32,100	36,500	35,500	- 2.7%	+ 10.6%
Circuit Board Manufacturing	4,100	3,500	3,700	+ 5.7%	- 9.8%
Clothing Stores	11,200	11,800	12,100	+ 2.5%	+ 8.0%
Internet Service Providers	5,100	5,400	5,500	+ 1.9%	+ 7.8%
State Government	6,800	6,300	6,300	0.0%	- 7.4%

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 2011	December 2012	Annual Change (%)	December 2011	December 2012	Annual Change (%)	December 2011	December 2012	Annual Change (%age point)
California	18,432,200	18,489,600	+ 0.3%	2,017,800	1,800,400	- 10.8%	10.9%	9.7%	- 1.2
Alameda County	763,700	776,200	+ 1.6%	71,200	63,900	- 10.3%	9.3%	8.2%	- 1.1
Contra Costa County	525,600	534,200	+ 1.6%	48,800	43,800	- 10.2%	9.3%	8.2%	- 1.1
Marin County	136,800	140,600	+ 2.8%	8,800	7,800	- 11.4%	6.4%	5.5%	- 0.9
Napa County	75,100	74,700	- 0.5%	6,600	5,900	- 10.6%	8.8%	7.9%	- 0.9
San Francisco County	467,800	478,700	+ 2.3%	35,900	30,900	- 13.9%	7.7%	6.5%	- 1.2
San Mateo County	385,000	394,800	+ 2.5%	27,200	23,800	- 12.5%	7.1%	6.0%	- 1.1
Solano County	217,600	219,700	+ 1.0%	22,700	20,500	- 9.7%	10.4%	9.3%	- 1.1
Sonoma County	253,400	261,700	+ 3.3%	22,700	20,100	- 11.5%	9.0%	7.7%	- 1.3
Santa Clara County	906,200	926,300	+ 2.2%	78,100	69,100	- 11.5%	8.6%	7.5%	- 1.1

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	
Macy's	No	Santa Clara	200	RIF	Individuals Affected YTD †:	1,608
Talbots	No	Palo Alto	20	Closure	Events Current YTD †:	33
Vishay-Siliconix	No	Santa Clara	35	RIF	Events Previous YTD †:	55
Company confidential	No	Sunnyvale	16	RIF		
			271			

* **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