

Workforce Review

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

June 2012

Did you know?

Good News: More People Are Quitting

The good news for the job market: More people are quitting their jobs. The bad news: More are getting laid off, too.

That's the basic takeaway from the Labor Department's monthly Job Openings and Labor Turnover Summary, otherwise known as JOLTS. The survey doesn't get as much attention as the monthly jobs report because it isn't as timely — today's numbers are from May, whereas [the July 6] report was from June. But for those willing to wait, JOLTS gives a remarkably detailed look at the state of the job market.

Today's report is a mixed bag. On the plus side, the number of people quitting private-sector jobs rebounded in May after falling in April for the first time in five months. The less-volatile three-month average hit a post-recession high of just under 2 million. That's good news, because quits are a vital part of the "churn" that marks a healthy job market — when people leave their jobs, they open up opportunities for others. Quits are also a sign of confidence: Workers are much less likely to quit their jobs if they don't think they can find a new one.

Job openings, too, reversed their one-month slide. Private employers have been posting more job openings since the recession ended in mid-2009, a year before the broader labor market showed any meaningful recovery. There are now 3.5 unemployed workers for every job opening (public or private sector), down from a peak of more than 6.5 in the worst of the recession.

The trouble is that companies are posting jobs at a much faster rate than they're actually filling them. Private job openings are up 17% from a year ago. Actual hiring is up just 3.6%. Companies cite lots of reasons for the slow pace of hiring, which has been consistent throughout the recovery: Economic uncertainty at home and abroad, a lack of workers with the right skills, efficiency gains that make it possible to get more production out of fewer workers. Economists also cite another factor: Companies are posting jobs, but aren't trying very hard to fill them.

Taken on its own, rising hiring — even slowly rising hiring — would be enough to gradually heal the labor market. The trouble is that layoffs are rising too. After trending downward in late 2011 and early 2012, layoffs have risen for two consecutive months. More than 1.7 million people were laid off or fired in May, the most since December 2009. Based on Friday's grim jobs report, there's little reason to think the layoff picture improved much in June.

*Source: Wall Street Journal: "Real Time Economics" blog (07/10/12)
on.wsj.com/Nrlmjf*

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

Unemployment Rate	June 2011	May 2012	June 2012	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	10.2%	8.4%	8.8%	+ 0.4	- 1.4
California	12.0%	10.4%	10.7%	+ 0.3	- 1.3
United States	9.3%	7.9%	8.4%	+ 0.5	- 0.9

Labor Force	June 2011	May 2012	June 2012	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	921,000	938,300	943,900	+ 0.6%	+ 2.5%
Civilian Employed	826,800	859,300	860,800	+ 0.2%	+ 4.1%
Civilian Unemployed	94,200	79,000	83,100	+ 5.2%	- 11.8%

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

Change in Employment	June 2011	May 2012	June 2012	Percentage Change	
				Monthly	Annual
Total Nonfarm	883,200	909,200	917,100	+ 0.9%	+ 3.8%
Construction	31,300	35,700	36,000	+ 0.8%	+ 15.0%
Manufacturing: Transportation	8,700	7,900	6,700	- 15.2%	- 23.0%
Retail: Electronics, et al	5,100	4,600	4,500	- 2.2%	- 11.8%
Accommodation & Food Service	65,600	69,700	67,600	- 3.0%	+ 3.0%
Government: City	13,900	12,900	13,300	+ 3.1%	- 4.3%

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 County (Nine-county San Francisco Bay Area)

	Labor Force			Employed			Unemployed		
	June 2011	June 2012	Annual Change	June 2011	June 2012	Annual Change	June 2011	June 2012	Annual Change
California	18,364,800	18,444,500	+ 0.4%	16,157,300	16,472,400	+ 2.0%	2,207,400	1,972,100	- 10.7%
Alameda County	760,600	768,800	+ 1.1%	678,700	695,800	+ 2.5%	81,900	73,000	- 10.9%
Contra Costa County	524,300	529,000	+ 0.9%	467,300	479,100	+ 2.5%	57,000	49,900	- 12.5%
Marin County	134,700	138,400	+ 2.7%	124,300	129,200	+ 3.9%	10,400	9,200	- 11.5%
Napa County	77,600	77,700	+ 0.1%	70,700	71,700	+ 1.4%	6,900	6,100	- 11.6%
San Francisco County	460,400	472,300	+ 2.6%	419,100	435,700	+ 4.0%	41,300	36,700	- 11.1%
San Mateo County	379,000	388,500	+ 2.5%	347,200	360,900	+ 3.9%	31,800	27,600	- 13.2%
Santa Clara County	894,800	917,500	+ 2.5%	804,600	837,800	+ 4.1%	90,200	79,700	- 11.6%
Solano County	215,300	217,200	+ 0.9%	189,900	194,400	+ 2.4%	25,400	22,800	- 10.2%
Sonoma County	258,100	262,700	+ 1.8%	232,000	239,800	+ 3.4%	26,100	22,800	- 12.6%
SF Bay Area (sum)	3,704,800	3,772,100	+ 1.8%	3,333,800	3,444,400	+ 3.3%	371,000	327,800	- 11.6%

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	
Blockbuster Video	No	Sunnyvale	8	Closure	Individuals Affected YTD †:	5,082 †
Foothill–De Anza CCD	No	Cupertino	12	RIF	Events Current YTD †:	90
Hewlett–Packard	Yes	Cupertino	67	RIF	Events Previous YTD †:	71
<i>Municipal Government</i>	No	<i>Multiple Cities</i>	77	RIF		
Yahoo!	Yes	<i>Multiple Cities</i>	850	RIF		
			1,014			

* **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