

Workforce Review

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

May 2014

Did you know?

California job growth beats rest of U.S., UCLA Anderson Forecast says

Job growth in much of California has outpaced the national average over the last year, signaling a continued economic rebound for the state in the coming years, according to the quarterly UCLA Anderson Forecast released Thursday [06/12/14].

Economists with UCLA's Anderson School of Management found that Silicon Valley had the highest rate of job growth in the state during the last year, at 4% — more than double the national average. Employment numbers in Los Angeles, the Inland Empire, Ventura County and Orange County also outperformed the national average, according to the analysis.

Employment numbers in the Inland Empire and Los Angeles are still below the pre-recession peak, while San Francisco, Silicon Valley and San Diego have regained the job losses in the wake of the foreclosure crisis. The East Bay, the San Joaquin Valley and counties near the Oregon border were the only regions that experienced job growth slower than the U.S. average.

“California really is bucking the trend of what’s happening in the rest of the U.S.,” said Jerry Nickelsburg, a senior economist with the UCLA Anderson Forecast who focuses on state economic trends.

UCLA economists also projected a continuing decline in California's unemployment rate over the next two years, dropping from an average of 7.7% this year to 5.9% in 2016. Those rates are still expected to be higher than the national average, but Nickelsburg pointed to data showing continued growth in California's labor force. Unemployment rates can be imprecise statistics because the numbers do not reflect workers who have dropped out of the labor force and given up on finding work.

Data showing a growing labor force in California, along with higher employment numbers, indicate a strengthening economy, Nickelsburg said. “The whole reason you talk about discouraged workers is that people drop out of the labor force to do something else, because the markets aren't providing them with good enough options,” he said. “We have just the opposite. We have people coming into the labor force — hundreds of thousands of them since the recession.”

Source: *Los Angeles Times* (06/13/14)
<http://lat.ms/1psevtr>

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

Unemployment Rate	May 2013	April 2014	May 2014	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.8%	5.5%	5.3%	- 0.2	- 1.5
California	8.6%	7.4%	7.1%	- 0.3	- 1.5
United States	7.3%	5.9%	6.1%	+ 0.2	- 1.2

Labor Force	May 2013	April 2014	May 2014	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	944,700	951,800	955,100	+ 0.3%	+ 1.1%
Civilian Employed	880,600	899,700	904,700	+ 0.6%	+ 2.7%
Civilian Unemployed	64,100	52,200	50,400	- 3.4%	- 21.4%

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

Change in Employment	May 2013	April 2014	May 2014	Percentage Change	
				Monthly	Annual
Total Nonfarm	959,500	989,100	991,700	+ 0.3%	+ 3.4%
Specialty Trade Contractors	26,500	27,800	28,200	+ 1.4%	+ 6.4%
Mfg: Aerospace Products	6,800	6,300	6,200	- 1.6%	- 8.8%
Information	57,100	62,400	62,600	+ 0.3%	+ 9.6%
Employment Services	20,100	22,100	22,400	+ 1.4%	+ 11.4%
Fed'l Govt: Dept. of Defense	800	900	900	0.0%	+ 12.5%

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 2013	May 2014	Annual Change	May 2013	May 2014	Annual Change	May 2013	May 2014	Annual Change
Santa Clara County	918,200	928,600	+ 1.1%	61,100	48,000	- 21.4%	6.7%	5.2%	- 1.5
Cupertino	25,600	26,000	+ 1.6%	1,100	900	- 18.2%	4.3%	3.3%	- 1.0
Los Altos	13,400	13,700	+ 2.2%	400	400	0.0%	3.3%	2.6%	- 0.7
Milpitas	33,200	33,600	+ 1.2%	2,300	1,800	- 21.7%	6.9%	5.3%	- 1.6
Mountain View	44,200	44,900	+ 1.6%	2,200	1,700	- 22.7%	4.9%	3.8%	- 1.1
Palo Alto	33,200	33,900	+ 2.1%	1,200	900	- 25.0%	3.5%	2.7%	- 0.8
Santa Clara	59,300	60,000	+ 1.2%	3,600	2,800	- 22.2%	6.1%	4.7%	- 1.4
Sunnyvale	78,900	79,900	+ 1.3%	4,500	3,500	- 22.2%	5.7%	4.4%	- 1.3
NOVA Region	287,800	292,000	+ 1.5%	15,300	12,000	- 21.6%	5.3%	4.1%	- 1.2

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: May 2014

Company	WARN *	City	Affected	Cause	Layoff Summary	
Applied Materials	Yes	Multiple cities	7	RIF	Individuals Affected YTD †:	2,751
Lockheed-Martin	Yes	Sunnyvale	86	RIF	Events Current YTD †:	79
MEE Direct LLC	Yes	Milpitas	13	RIF	Events Previous YTD †:	63
Network Appliance	Yes	Sunnyvale	164	RIF		
Company confidential	No	Mountain View	18	RIF		
Company confidential	No	Sunnyvale	6	RIF		
			294			

* **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