

Workforce Review

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

July 2014

Did you know?

Bay Area wages and benefits rising twice as fast as national average

Wages and benefits for private industry employees in the Bay Area are rising more quickly than in any other major metro region in the country and twice as fast as the national average, a government survey released Tuesday [08/05/14] shows.

"It's tech. High tech is driving this," said Christopher Thornberg, founding partner with Beacon Economics. "The Bay Area has one of the strongest economies in the nation."

Total compensation — measured as the combination of wages, salaries and benefits — for people working in private industry in the nine-county Bay Area rose 4.6 percent over the 12 months that ended in June, the U.S. Bureau of Labor Statistics reported.

During the same one-year period, total compensation rose 2 percent nationwide and by 4.1 percent in the Dallas-Fort Worth metro area, which was the No. 2 region in the country among 15 urban centers surveyed by the agency. The percent increases were not adjusted for inflation.

"This reflects the strong job growth in the high-wage industries in the Bay Area," said Jeffrey Michael, director of the Stockton-based Business Forecasting Center at University of the Pacific. "The recovery in the job market is stronger here in the Bay Area than other regions."

Wages and salaries — excluding benefits — rose 4.1 percent in the Bay Area and 1.9 percent nationwide.

As examples of how the technology sector is helping to fuel job growth, Santa Clara County and the San Francisco-San Mateo-Marin region remain among the national leaders in employment gains. During the 12 months that ended in June, Santa Clara County posted a 3.5 percent increase in total payroll jobs, the San Francisco metro area was up 3.2 percent and the East Bay showed a 2.7 percent gain. The nationwide leader was Florida's Orlando-Kissimmee metro area, up 3.7 percent.

The upswing in Bay Area labor costs is strong enough to start triggering inflation, warned Scott Anderson, chief economist with San Francisco-based Bank of the West.

"You start to worry about a feedback loop between higher wages and rising prices in general," Anderson said. Already rising wages have pushed up prices for Bay Area homes, economists say.

"One reason why home prices are going through the roof is because of these strong wages," Thornberg said. "If you are one of the tech employees, home prices are not too expensive. But for everyone else, housing is too expensive."

Source: San Jose Mercury News (08/05/14)

http://www.mercurynews.com/business/ci_26280726/bay-area-wages-and-benefits-rising-twice-fast

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

Unemployment Rate	July 2013	June 2014	July 2014	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	7.3%	5.5%	5.9%	+ 0.4%	- 1.4%
California	9.4%	7.3%	7.8%	+ 0.5%	- 1.6%
United States	7.7%	6.3%	6.5%	+ 0.2	- 1.2%

Labor Force	July 2013	June 2014	July 2014	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	954,300	955,800	958,200	+ 0.3%	+ 0.4%
Civilian Employed	884,500	903,600	901,200	- 0.3%	+ 1.9%
Civilian Unemployed	69,800	52,300	57,000	+ 9.0%	- 18.3%

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

Change in Employment	July 2013	June 2014	July 2014	Percentage Change	
				Monthly	Annual
Total Nonfarm	957,800	997,200	984,900	- 1.2%	+ 2.8%
Mfg: Computer & Electronics	108,100	110,200	111,400	+ 1.1%	+ 3.1%
Telecommunications	5,200	5,600	5,700	+ 1.8%	+ 9.6%
Employment Services	21,600	22,700	23,200	+ 2.2%	+ 7.4%
Leisure & Hospitality	89,200	91,500	92,500	+ 1.1%	+ 3.7%
Gov't: Department 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 Metropolitan Statistical Area (U.S. High-Tech Regions)

	Labor Force			Unemployment			Unemployment Rate		
	July 2013	July 2014	Annual Change	July 2013	July 2014	Annual Change	July 2013	July 2014	Annual Change
United States	157,196,000	157,573,000	+ 0.2%	12,083,000	10,307,000	-14.7%	7.7%	6.5%	- 1.2
California	18,713,600	18,699,600	- 0.1%	1,756,000	1,466,900	-16.5%	9.4%	7.8%	- 1.6
Austin, TX	1,008,208	1,032,359	+ 2.4%	56,172	47,238	-15.9%	5.6%	4.6%	- 1.0
Boston, MA	2,583,295	2,627,020	+ 1.7%	173,030	145,648	- 15.8%	6.7%	5.5%	- 1.2
Portland, OR	1,170,362	1,188,733	+ 1.6%	85,818	75,163	- 12.4%	7.3%	6.3%	- 1.0
San Diego	1,601,700	1,603,300	+ 0.1%	128,100	106,100	-17.2%	8.0%	6.6%	- 1.4
San Francisco	1,042,100	1,050,200	+ 0.8%	60,600	49,900	-17.7%	5.8%	4.8%	- 1.0
Seattle, WA	1,526,040	1,571,740	+ 3.0%	85,980	78,220	- 9.0%	5.6%	5.0%	- 0.6
San José–Sunnyvale	954,300	958,200	+ 0.4%	69,800	57,000	- 18.3%	7.3%	5.9%	- 1.4

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: July 2014

Company	WARN *	City	Affected	Cause	Layoff Summary
Coldwater Creek	No	Multiple cities	22	Closure	
Hewlett-Packard	Yes	Palo Alto	82	RIF	
Intuit	Yes	Mountain View	28	RIF	Events Current YTD †: 9
KLA-Tencor	No	Milpitas	37	RIF	Events Previous YTD †: 8
Lockheed Martin	Yes	Sunnyvale	62	RIF	
RGB Networks	No	Sunnyvale	30	RIF	* WARN: Worker Adjustment and Retraining Notification (notice of mass layoff or closure) † YTD: Year to Date (Program year: July 1–June 30)
Symantec Corp.	Yes	Mountain View	42	RIF	
Company confidential	No	Milpitas	11	RIF	

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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