

Workforce Review

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

August 2014

Did you know?

America's wealth gap 'unsustainable,' may worsen: Harvard study

BOSTON (Reuters) - The widening gap between America's wealthiest and its middle and lower classes is "unsustainable", but is unlikely to improve any time soon, according to a Harvard Business School study released on Monday [September 8].

The study, titled "An Economy Doing Half its Job", said American companies — particularly big ones — were showing some signs of recovering their competitive edge on the world stage since the financial crisis, but that workers would likely keep struggling to demand better pay and benefits.

"We argue that such a divergence is unsustainable," according to the report, which was based on a survey of 1,947 of Harvard Business School alumni around the globe, and which highlighted problems with the U.S. education system, transport infrastructure, and the effectiveness of the political system.

Some 47 percent of respondents in the survey said that over the next three years they expected U.S. companies to be both less competitive internationally and less able to pay higher wages and benefits, versus 33 percent who thought the opposite.

The results marked an improvement from a 2012 Harvard Business School survey of its alumni showing 58 percent of respondents expecting a decline in U.S. competitiveness, according to the survey.

But Harvard wrote, respondents of the 2014 survey "were much more hopeful about the future competitive success of America's firms than they were about the future pay of America's workers."

Harvard called on corporate leaders to help solve America's wealth gap by working to buttress the kindergarten-to-12th-grade education system, skills-training programs, and transportation infrastructure, among other things.

"Shortsighted executives may be satisfied with an American economy whose firms win in global markets without lifting U.S. living standards. But any leader with a long view understands that business has a profound stake in the prosperity of the average American," according to the report.

"Thriving citizens become more productive employees, more willing consumers, and stronger supporters of pro-business policies," it said. "Struggling citizens are disgruntled at work, frugal at the cash register, and anti-business at the ballot box."

Source: Reuters (09/08/14)
<http://reut.rs/1t1T8JX>

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

Unemployment Rate	August 2013	July 2014	August 2014	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.9%	6.0%	5.5%	- 0.5%	- 1.4%
California	8.9%	7.9%	7.4%	- 0.5%	- 1.5%
United States	7.3%	6.5%	6.3%	- 0.2%	- 1.0%

Labor Force	August 2013	July 2014	August 2014	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	954,300	957,600	971,300	+ 1.4%	+ 1.8%
Civilian Employed	888,000	900,500	917,400	+ 1.9%	+ 3.3%
Civilian Unemployed	66,300	57,100	53,900	- 5.6%	- 18.7%

Change in Employment	August 2013	July 2014	August 2014	Percentage Change	
				Monthly	Annual
Total Nonfarm	967,900	984,500	998,800	+ 1.5%	+ 3.2%
Construction	39,300	39,700	41,400	+ 4.3%	+ 5.3%
Manufacturing: Aerospace	6,600	6,200	6,100	- 1.6%	- 7.6%
Retail: Personal Care Stores	5,000	4,900	4,900	0.0%	- 2.0%
Healthcare: Ambulatory Serv.	36,600	39,700	40,300	+ 1.5%	+ 10.1%
Local Gov't: Education	34,400	30,200	35,700	+ 18.2%	+ 3.8%

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		
	August 2013	August 2014	Annual Change	August 2013	August 2014	Annual Change	August 2013	August 2014	Annual Change
Santa Clara County	928,300	945,000	+ 1.8%	64,000	52,100	- 18.6%	6.9%	5.5%	- 1.4
Cupertino	25,900	26,500	+ 2.3%	1,100	900	- 18.2%	4.4%	3.5%	- 0.9
Los Altos	13,600	13,900	+ 2.2%	500	400	- 20.0%	3.5%	2.7%	- 0.8
Milpitas	33,600	34,200	+ 1.8%	2,400	1,900	- 20.8%	7.1%	5.7%	- 1.4
Mountain View	44,700	45,600	+ 2.0%	2,300	1,800	- 21.7%	5.1%	4.0%	- 1.1
Palo Alto	33,600	34,400	+ 2.4%	1,200	1,000	- 16.7%	3.7%	2.9%	- 0.8
Santa Clara	59,900	61,100	+ 2.0%	3,800	3,100	- 18.4%	6.3%	5.0%	- 1.3
Sunnyvale	79,700	81,300	+ 2.0%	4,700	3,800	- 19.1%	5.9%	4.7%	- 1.2
NOVA Region	291,000	297,000	+ 2.1%	16,000	12,900	- 19.4%	5.6%	4.4%	- 1.2

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: August 2014

Company	WARN *	City	Affected	Cause	Layoff Summary
Alexza Pharmaceuticals	No	Mountain View	10	RIF	
Aruba Networks	Yes	Sunnyvale	116	RIF	
BPI Express Remittance	No	Milpitas	4	Closure	Events Current YTD †: 18
California Pizza Kitchen	Yes	Palo Alto	52	Closure	
Disney Interactive	Yes	Palo Alto	55	RIF	Events Previous YTD †: 16
Hewlett-Packard	Yes	Palo Alto	39	RIF	
KLA-Tencor	No	Milpitas	12	RIF	* WARN: Worker Adjustment and Retraining Notification (notice of mass layoff or closure) † YTD: Year to Date (Program year: July 1–June 30)
Space Systems Loral	Yes	Palo Alto	53	RIF	
Supertex	Yes	Sunnyvale	19	RIF	
360					

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