

JOB CHURN IN SILICON VALLEY

Tech jobs in Bay Area surpass dot-com era's peak

The Bay Area now has a record number of technology jobs that surpasses even the peak of the dot-com years, a surge fueled by a hiring binge over the past four years.

And despite worries about a potential slowdown, experts are saying a "Tech Bubble 2.0" doesn't appear to be on the horizon.

The Bay Area now has 746,100 technology jobs, topping the record set during the dot-com era by 21,000 jobs, according to this newspaper's analysis of Employment Development Department statistics for the nine-county region.

While the surge has brought more jobs, it also has added to the region's housing and traffic woes, prompting some experts to warn that the expensive cost of living and transportation snarls could imperil the remarkable economic expansion in Silicon Valley and its nearby outposts.

"We are creating all kinds of tech jobs, but at the same time we are nowhere near to solving all the housing and traffic problems," said Russell Hancock, president of San Jose-based Joint Venture Silicon Valley, a private-public partnership.

Roughly 1 in 5 payroll jobs in the Bay Area is now in high-tech industries, the analysis of the EDD figures shows — a statistic that economists say has both an upside and a downside.

"What's good is that these are really good, high-paying jobs," said Jon Haveman, a principal executive with San Rafael-based Marin Economic Consulting. "What's bad is tech employment can be very volatile, so the Bay Area will experience job losses disproportionately in a downturn. That has happened in the past."

During the most recent 12 months, the number of tech jobs grew by 4.6 percent in Santa Clara County, 2.6 percent in the East Bay and 6.8 percent in the San Francisco-San Mateo area.

Experts believe the Bay Area job market is likely to stay hot and won't be frozen by a downturn, primarily because the foundation of the latest upswing is based on a foundation of solid companies with robust profits.

"People keep saying winter is coming for the tech sector," Hancock said, "but that isn't happening yet."

Article continues at <http://bayareane.ws/2blad57>

Source: *San José Mercury News* (08/17/16)

Tremors of change: After Cisco, IT companies ... may lay off workers

Cisco Systems Inc's announcement on Wednesday that it plans to lay off 5,500 employees is unlikely to be the last round of Silicon Valley pink slips as hardware companies struggle to keep up with rapid technology shifts, analysts and recruiters said.

Companies that traditionally have made most of their money selling computers, chips, servers, routers and other

equipment are especially vulnerable, analysts say, as mobile applications and cloud computing become increasingly important.

The Cisco layoffs come in the wake of Intel's announcement in April that it was laying off 12,000 workers. Dell Inc. said in January it had shed 10,000 jobs and is expected to make further cuts after it closes a \$67 billion deal to acquire data storage company EMC Corp.

So far this year, technology companies in the United States have shed about 63,000 jobs, according to outplacement consultancy Challenger, Gray & Christmas, Inc.

"The hi-tech industry is going through a serious deconstruction," said Trip Chowdhry, an analyst at Global Equities Research. "There is more pain to come."

Chowdhry said he expects job cuts to rise drastically as more companies subscribe to "super cloud" services from the likes of Amazon.com Inc and Microsoft Corp. These services manage hardware, software, networks and databases and eliminate the need for workers to manage various technology layers, Chowdhry said.

In January, Chowdhry estimated that layoffs in the tech industry would hit 330,000 this year. On Wednesday, he said he had raised his estimate to 370,000. Some other analysts said that forecast was too bleak.

IBM Corp., Hewlett Packard Enterprise Co., Oracle Corp. and Dell Inc. could be the next to shed workers, analysts said.

Hewlett Packard Enterprise, Dell and Oracle declined comment and IBM could not be immediately reached for comment.

Article continues at <http://bit.ly/2bcxdFr>

Source: *Economic Times* (08/18/16)

Region	July 2015	June 2016	July 2016	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	4.5%	4.1%	4.3%	+ 0.2	- 0.2
San Francisco MD	3.8%	3.4%	3.6%	+ 0.2	- 0.2
California	6.5%	5.7%	5.9%	+ 0.2	- 0.6
United States	5.6%	5.1%	5.1%	0.0	- 0.5

Sector — August 2016	San Jose MSA (July 2016)	San Francisco MD (July 2016)	Combined Region (July 2016)	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,076,300	1,082,900	2,159,200	- 0.4 %	+ 2.8 %
Construction	47,600	45,700	93,300	+ 1.5 %	+ 6.4 %
Manufacturing	162,800	35,800	198,600	+ 0.7 %	- 0.7 %
Retail Trade	87,400	82,300	169,700	+ 0.7 %	+ 1.0 %
Information	80,900	61,900	142,800	+ 0.8 %	+ 2.7 %
Professional & Business Services	231,600	276,800	508,400	+ 1.1 %	+ 5.0 %
Educational Services	44,700	28,000	72,700	- 4.0 %	+ 6.1 %
Health Care & Social Assistance	118,900	105,900	224,800	+ 0.6 %	+ 4.8 %
Leisure & Hospitality	103,300	139,600	242,900	0.0 %	+ 3.2 %
Government	83,300	123,300	206,600	- 6.9 %	+ 1.2 %

NOTE: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

Jurisdiction	Labor Force			Unemployment			Unemployment Rate		
	July 2015	July 2016	Change	July 2015	July 2016	Change	July 2015	July 2016	Change
• San Mateo County	445,400	453,700	+ 1.9%	16,200	15,600	- 3.7%	3.6%	3.4%	- 0.2
• Santa Clara County	1,024,400	1,048,700	+ 2.4%	45,000	44,100	- 2.0%	4.4%	4.2%	- 0.2
– Cupertino	29,600	30,300	+ 2.4%	1,100	1,000	- 9.1%	3.5%	3.4%	- 0.1
– Los Altos	14,400	14,800	+ 2.8%	400	400	0.0%	2.9%	2.7%	- 0.2
– Milpitas	39,200	40,100	+ 2.3%	1,600	1,600	0.0%	4.1%	3.9%	- 0.2
– Mountain View	49,900	51,100	+ 2.4%	1,700	1,600	- 5.9%	3.4%	3.2%	- 0.2
– Palo Alto	35,500	36,300	+ 2.3%	1,100	1,000	- 9.1%	3.0%	2.9%	- 0.1
– Santa Clara	67,200	68,900	+ 2.5%	2,700	2,600	- 3.7%	4.0%	3.8%	- 0.2
– Sunnyvale	85,700	87,700	+ 2.3%	3,400	3,300	- 2.9%	3.9%	3.8%	- 0.1
NOVA Region	766,900	782,900	+ 2.1%	28,200	27,100	+ 3.9%	3.7%	3.5%	- 0.2

NOTE: NOVA Region consists of seven cities in Northern Santa Clara County and the entirety of San Mateo County

Source: California Employment Development Department, LMID

Company	Location	# Affected	WARN SUMMARY	
			Events YTD [†] :	Individuals Affected YTD:
Corner Store	Palo Alto	8	6	253
CST California Stations, Inc.	Palo Alto	7		
Hewlett-Packard Enterprise	Palo Alto	82	595	
SanDisk	Milpitas	42		
Simply Hired	Sunnyvale	94		
Company confidential	Mountain View	20		
Total		253		

WARN SUMMARY

Events YTD[†]: 6
Individuals Affected YTD: 253
Individuals Previous YTD[‡]: 595

* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)
† **YTD: Year to Date** (Program year: July 1–June 30)
‡ **Previous YTD: Year to Date** (Previous program year: July 1–June 30)

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database