

# Workforce Review

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

## October 2013

Did you know?

### Latest Employment Report Shows College Still Counts

Mom and Dad were right about staying in school.

There's always attention on billionaires like Bill Gates who dropped out of college and made it big. There are programs like Peter Thiel's 20 Under 20 Fellows, which encourages students to leave school to become entrepreneurs. But, what's lost in that red herring is the most important benefit of being true to your school: You are more likely to actually have a job right now.

The disparity in employment of those with sheepskins and those without is striking. Overall, the unemployment rate in America, as of the September jobs report, is 7.2 percent. If you only have a high school diploma, that ticks higher to 7.6 percent, according to the Bureau of Labor Statistics. Attend some college, and that rate goes down to 6 percent.

But the poles are more striking. If you drop out of high school, it is a 10.3 percent rate. If you complete college, the unemployment rate is just 3.7 percent. Statistically, that's full employment.

Truth is, if dropping out of school were the path to success, we would be a nation of billionaires. There are a little north of 15 million college students in this country, yet our completion rate, as measured by the Organization for Economic Co-operation and Development, is just 46 percent. For those keeping score, that puts us dead last in the developed world.

On the other hand, there are 442 billionaires in the U.S, as of the last Forbes ranking. As if you needed proof, that makes the Gateses and Jobses of the world the much-publicized exceptions to the less-sexy rule.

Does that mean that the only way to financial success or security is through college? Hardly. Those who argue that life is filled with experiences which are of equal and even more importance than what you learn in the classroom are not off-base.

But schools have a benefit, beyond what is taught in books. That's true especially for entrepreneurs. Take networking opportunities. Colleges provide a ready-made network of people who can help anyone start or grow a business. Stanford professors are regulars [on] startup boards in Silicon Valley. Alumni networks can yield both mentors and customers. While business graduate schools are the best example of the strength of networking, the same opportunities happen on the undergrad level at schools of all sizes.

And then there is the philosophical benefit. America was founded as a nation of doers, of people who created and innovated. That took hard work. Whether it was forming a new government, or settling a vast land, or building the first assembly line or even putting a man on the moon, there was an underlying work ethic involved that is becoming sadly absent today.

*(Complete article available via URL provided)*

Source: Reuters (10/22/13)  
<http://reut.rs/1aWdpe6>

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

Unemployment Rate	October 2012	September 2012	October 2013	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	8.0%	6.4%	6.4%	0.0	- 1.6
California	9.8%	8.2%	8.3%	+ 0.1	- 1.5
United States	7.5%	7.0%	7.0%	0.0	- 0.5

  

Labor Force	October 2012	September 2012	October 2013	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	947,400	958,200	949,200	- 0.9%	+ 0.2%
Civilian Employed	871,300	897,200	888,300	- 1.0%	+ 2.0%
Civilian Unemployed	76,100	61,100	61,000	- 0.2%	- 19.8%

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

Change in Employment	October 2012	September 2012	October 2013	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>920,200</b>	<b>938,100</b>	<b>943,100</b>	<b>+ 0.5%</b>	<b>+ 2.5%</b>
Construction	37,100	41,200	41,700	+ 1.2%	+ 12.4%
Electronic Computer Mfg.	35,300	38,100	38,200	+ 0.3%	+ 8.2%
Electronics/Appliance Stores	5,100	5,300	5,600	+ 5.7%	+ 9.8%
Educational Services	39,400	36,400	39,700	+ 9.1%	+ 0.8%
Government: Federal	9,800	9,600	9,500	- 1.0%	- 3.1%

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		
	October 2012	October 2013	Annual Change	October 2012	October 2013	Annual Change	October 2012	October 2013	Annual Change
<b>United States</b>	<b>155,779,000</b>	<b>154,918,000</b>	<b>- 0.6%</b>	<b>11,741,000</b>	<b>10,773,000</b>	<b>- 8.2%</b>	<b>7.5%</b>	<b>7.0%</b>	<b>- 0.5</b>
<b>California</b>	<b>18,602,300</b>	<b>18,574,100</b>	<b>- 0.2%</b>	<b>1,822,400</b>	<b>1,547,700</b>	<b>- 15.1%</b>	<b>9.8%</b>	<b>8.3%</b>	<b>- 1.5</b>
Austin, TX	974,765	989,657	+ 1.5%	51,589	50,894	- 1.3%	5.3%	5.1%	- 0.2
Boston, MA	2,561,742	2,563,699	+ 0.1%	148,971	160,602	+ 7.8%	6.3%	6.8%	+ 0.5
Portland, OR	1,185,537	1,161,509	- 2.0%	90,4811	75,120	- 17.0%	7.6%	6.5%	- 1.1
San Diego	1,607,700	1,598,900	- 0.5%	138,400	112,700	- 18.6%	8.6%	7.0%	- 1.6
San Francisco	1,022,700	1,023,600	+ 0.1%	66,100	52,600	- 20.4%	6.5%	5.1%	- 1.4
Seattle, WA	1,503,440	1,512,150	+ 0.6%	98,820	84,320	- 14.7%	6.6%	5.6%	- 1.0
<b>San José–Sunnyvale</b>	<b>947,400</b>	<b>949,200</b>	<b>+ 0.2%</b>	<b>76,100</b>	<b>61,000</b>	<b>- 19.8%</b>	<b>8.0%</b>	<b>6.4%</b>	<b>- 1.6</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

**Regional Layoff Activity: October**

Company	WARN *	City	Affected	Cause	Layoff Summary	
Areva NP	Yes	Mountain View	2	RIF	Individuals Affected YTD †:	1,327
KLA–Tencor	No	Milpitas	10	RIF	Events Current YTD †:	30
ST Microelectronics	Yes	Santa Clara	52	RIF	Events Previous YTD †:	24
Symantec Corp	Yes	Mountain View	2	RIF		

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\* **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