

Workforce Review

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

November 2013

Did you know?

Income Inequality is Hurting the Economy, 3 Dozen Economists Say

The growing gap between the richest Americans and everyone else isn't bad just for individuals. It's hurting the U.S. economy. So says a majority of more than three dozen economists surveyed last week by The Associated Press. Their concerns tap into a debate that's intensified as middle-class pay has stagnated while wealthier households have thrived.

A key source of the economists' concern: Higher pay and outsize stock market gains are flowing mainly to affluent Americans. Yet these households spend less of their money than do low- and middle-income consumers who make up most of the population but whose pay is barely rising.

"What you want is a broader spending base," says Scott Brown, chief economist at Raymond James, a financial advisory firm. "You want more people spending money."

Spending by wealthier Americans, given the weight of their dollars, does help drive the economy. But analysts say the economy would be better able to sustain its growth if the riches were more evenly dispersed. For one thing, a plunge in stock prices typically leads wealthier Americans to cut sharply back on their spending.

"The broader the improvement, the more likely it will be sustained," said Michael Niemira, chief economist at the International Council of Shopping Centers.

A wide gap in pay limits the ability of poorer and middle-income Americans to improve their living standards, the economists say. About 80 percent of stock market wealth is held by the richest 10 percent of Americans. That means the stock market's outsize gains this year have mostly benefited the already affluent.

Those trends have fueled an escalating political debate. In a speech this month, President Barack Obama called income inequality "the defining challenge of our time."

Obama also called for an increase in the federal minimum wage, now \$7.25. Republican leaders in the House oppose an increase, arguing that it would slow hiring.

Several states are acting on their own. California, Connecticut and Rhode Island raised their minimum wages this year. Last month, voters in New Jersey approved an increase in the minimum to \$8.25 an hour from \$7.25.

Income inequality has steadily worsened in recent decades, according to government data and academic studies. The most recent census figures show that the average income for the wealthiest 5 percent of U.S. households, adjusted for inflation, has surged 17 percent in the past 20 years. By contrast, average income for the middle 20 percent of households has risen less than 5 percent.

(Complete article available via link)

Source: *The Huffington Post* (12/18/13)
<http://huff.to/1bLL1fF>

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

Unemployment Rate	November 2012	October 2013	November 2013	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	7.8%	6.4%	6.3%	- 0.1	- 1.5
California	9.6%	8.3%	8.3%	0.0	- 1.3
United States	7.4%	7.0%	6.6%	- 0.4	- 0.8

Labor Force	November 2012	October 2013	November 2013	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	940,900	951,000	951,200	0.0%	+ 1.1%
Civilian Employed	867,100	890,100	891,700	+ 0.2%	+ 2.8%
Civilian Unemployed	73,800	60,900	59,500	- 2.3%	- 19.4%

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

Change in Employment	November 2012	October 2013	November 2013	Percentage Change	
				Monthly	Annual
Total Nonfarm	922,700	945,000	949,500	+ 0.5%	+ 2.9%
Construction: Contractors	27,400	31,100	31,200	+ 0.3%	+ 13.9%
Mfg: Nondurable Goods	10,700	11,600	11,300	- 2.6%	+ 5.6%
Publishing: Newspapers, et al	1,300	1,200	1,200	0%	- 7.7%
Hospitality: Accommodation	7,700	8,100	8,100	0%	+ 5.2%
State Government: Education	4,700	4,800	4,900	+ 2.1%	+ 4.3%

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		
	November 2012	November 2013	Annual Change	November 2012	November 2013	Annual Change	November 2012	November 2013	Annual Change
Santa Clara County	914,600	924,800	+ 1.1%	70,700	56,900	- 19.5%	7.7%	6.2%	- 1.5
Cupertino	25,400	25,800	+ 1.6%	1,300	1,000	- 23.1%	5.0%	3.9%	- 1.1
Los Altos	13,300	13,600	+ 2.3%	500	400	- 20.0%	3.9%	3.1%	- 0.8
Milpitas	33,100	33,500	+ 1.2%	2,600	2,100	- 19.2%	8.0%	6.4%	- 1.6
Mountain View	43,900	44,600	+ 1.6%	2,500	2,000	- 20.0%	5.7%	4.5%	- 1.2
Palo Alto	32,900	33,600	+ 2.1%	1,400	1,100	- 21.4%	4.1%	3.2%	- 0.9
Santa Clara	59,000	59,700	+ 1.2%	4,200	3,400	- 19.0%	7.1%	5.6%	- 1.5
Sunnyvale	78,400	79,500	+ 1.4%	5,200	4,200	- 19.2%	6.6%	5.3%	- 1.3
NOVA Region	286,000	290,300	+ 1.5%	17,700	14,200	- 19.8%	6.2%	4.9%	- 1.3

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: November 2013

Company	WARN *	City	Affected	Cause	Layoff Summary	
Andrews International	Y	Cupertino	66	RIF	Individuals Affected YTD †:	1,453
Applied Materials	Y	Multiple cities	41	RIF	Events Current YTD †:	41
Bayer Healthcare	Y	Sunnyvale	6	Closure	Events Previous YTD †:	28
Intuit	Y	Mountain View	10	RIF		
Symantec Corp.	Y	Mountain View	3	RIF		

* **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