

Workforce Review

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

Five-Year Retrospective 2005–2009

This special issue of NOVA's *Workforce Review* illustrates the significant changes in the regional workforce. For more detailed information on labor market information, visit NOVA online at www.novaworks.org/lmi/.

Did you know?

IT, temp hiring shows employer caution

Employers need a flexible workforce as they await concrete evidence that demand is returning for their products or services, so they are dedicating resources to technology and to spending on contingent or contract workers. Adecco SA, the third-biggest employer in the United States behind Wal-Mart Stores and the postal service, says clients are investing in information technology (IT) to boost productivity.

"IT has maintained strength that you normally wouldn't see this early in the recovery," said Tig Gilliam, who heads Adecco's North American operations. "They're hiring project managers and business analysts and developers, quality assurance folks, and they're doing that so they don't have to hire in other categories," Gilliam said. Gilliam said strength in IT was "making its way into other areas," like finance. Adecco is also seeing a pick-up in hiring of light-industrial temporary workers and those in areas like logistics and transport.

Meanwhile, the government report showed the fifth consecutive sequential increase in temp jobs, whose increase from November was much stronger than historical norm. Demand for temporary workers is typically a leading indicator of eventual hiring of permanent workers because temps provide flexibility, said Brad Sorensen, director of market and sector analysis at Schwab Center for Financial Research. Adecco's Gilliam said many full-time jobs will start out as temporary or contract positions in this recovery. The percentage of temps in the labor force will rebound and eventually top 3 percent, the 2006 high, he predicted.

He added, however, that he would feel more optimistic about hiring prospects if the government report had shown an increase in average hours worked. With weekly hours steady at 33.2, employers are not yet making more use of existing capacity, so they have less need to add staff. Overall, employer confidence is improving, Gilliam said. Discussions with clients are more often about returning workers than about slimming down, though clients remain cautious over the prospect of a double-dip recession.

Source: Reuters (01/08/10)



Developing a skilled workforce for Silicon Valley

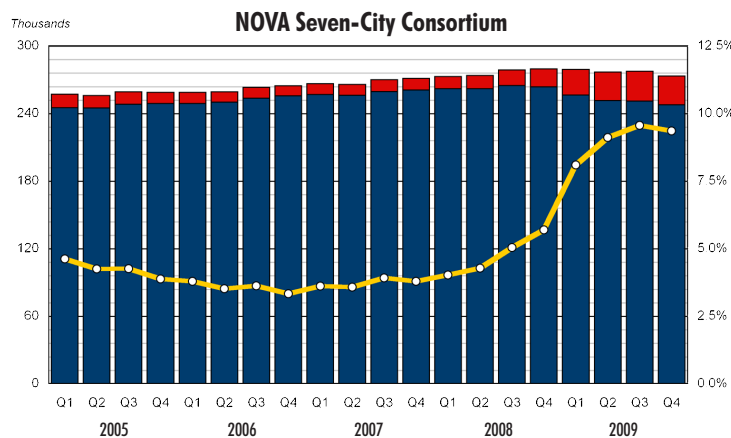
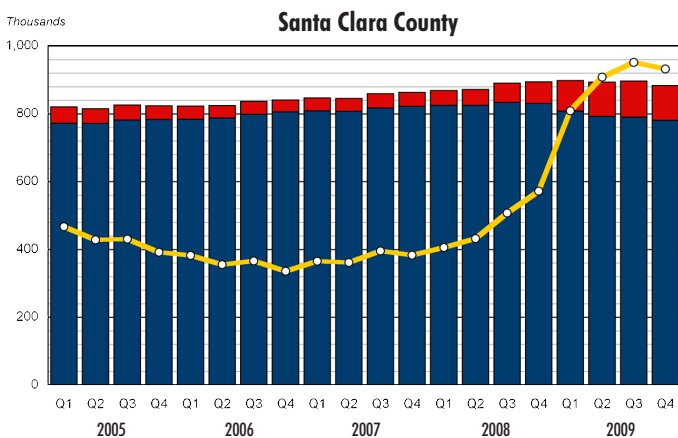
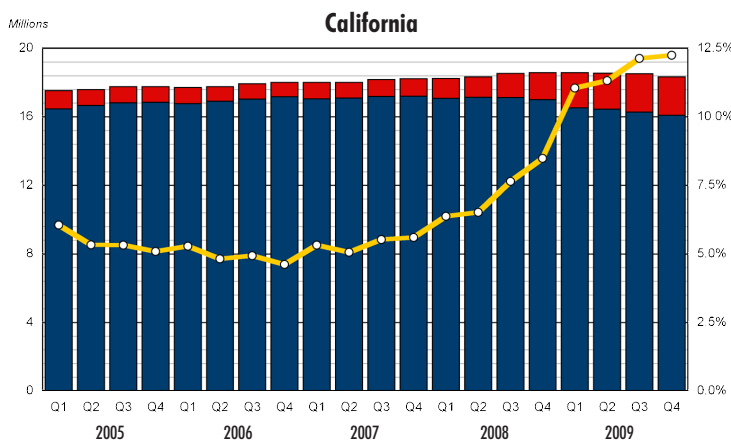
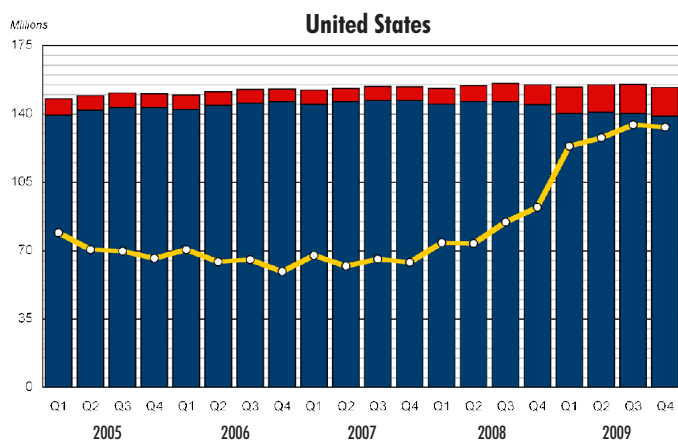
Civilian Labor Force	2005 Annual Average	2006 Annual Average	2007 Annual Average	2008 Annual Average	2009 Annual Average	Percentage Change (01/05 -12/09)
United States	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	+ 3.8%
California	17,629,200	17,821,100	18,078,000	18,391,800	18,462,800	+ 4.2%
Santa Clara County	819,900	829,900	852,300	879,900	891,600	+ 6.8%
NOVA	257,500	261,100	268,000	275,900	276,400	+ 5.5%

Employment	2005 Annual Average	2006 Annual Average	2007 Annual Average	2008 Annual Average	2009 Annual Average	Percentage Change (01/05 -12/09)
United States	141,729,800	144,427,000	146,046,700	145,362,500	139,877,500	- 0.5%
California	16,671,900	16,948,400	17,108,700	17,059,600	16,308,200	- 2.4%
Santa Clara County	776,000	792,700	812,300	827,200	791,400	+ 0.7%
NOVA	246,600	251,900	258,100	262,800	251,500	+ 0.7%

Unemployment	2005 Annual Average	2006 Annual Average	2007 Annual Average	2008 Annual Average	2009 Annual Average	Percentage Change (01/05 -12/09)
United States	7,590,600	7,000,600	7,077,700	8,924,300	14,264,600	+ 74.6%
California	957,200	872,700	969,300	1,332,300	2,154,500	+ 104.7%
Santa Clara County	43,900	37,200	40,000	52,700	100,200	+ 104.8%
NOVA	10,900	9,300	10,000	13,100	24,900	+ 105.9%

Unemployment Rate	2005 Annual Average	2006 Annual Average	2007 Annual Average	2008 Annual Average	2009 Annual Average	December 2009 (most current data)
United States	5.1%	4.6%	4.6%	5.8%	9.3%	9.7%
California	5.4%	4.9%	5.4%	7.2%	11.7%	12.1%
Santa Clara County	5.4%	4.5%	4.7%	6.0%	11.2%	11.2%
NOVA	4.2%	3.5%	3.7%	4.8%	9.0%	9.0%

Charts: Labor Force: Employed + Unemployed with Unemployment Rate (CY2005–2009, quarterly averages)



■ Employed
 ■ Unemployed
 —○— Unemployment Rate

Source: EDD Labor Market Information Division / U.S. Bureau of Labor Statistics