

Workforce Innovations

March/April 2003

News and insights to meet the needs of an evolving community of businesses, job seekers, and educators

Feature Article: 2003 Index of Silicon Valley

Response to the State of the Region

On January 24, 2003, Joint Venture: Silicon Valley released their much anticipated *2003 Index of Silicon Valley*, the ninth in the organization's annual series of comprehensive snapshots of the Valley's economy and quality of life. The findings of this year's report identify shifts in the local labor market and confirm the general assessment of the state of the economy within this 1500 square-mile region.

Labor Market

A roller-coaster economy is nothing new to this region, which is quite familiar with successive waves of technological innovation. Driven initially by the defense industry, Silicon Valley shifted to semiconductor manufacturing in the 1970s. This was followed by the growth of the hardware industry in the '80s, which resulted from the advent of the personal computer.

According to Joint Venture's *Index*, we've now entered the era of software. Total employment in this industry has grown considerably since the early 1990s to consist of approximately 122,000 employees as of 2001. Over this same period, computer and communications hardware manufacturing has decreased substantially to 79,000 total workers. It's interesting to note that the biomedical industry, smaller in comparison to the information technology industries, is emerging as a candidate for the next wave of Valley innovation.

State of the Economy

As anyone residing within the Valley can attest, the economic downturn has radically affected the quality of life. This is partially compounded by the exceptional growth the region had experienced for

several years prior; any correction to such a growth spurt would have to be dramatic.

Between the first quarter of 2001 and the second quarter of 2002, the Valley witnessed the loss of 127,000 jobs, representing roughly nine percent of total employment. This reduction totaled more than half of all job gains between 1998 and 2000. Consequently, the unemployment rate, which had been at an all-time low of 1.3 percent (Santa Clara County, December 2000), peaked at 8.1 percent just two years later.

With this reversal of fortunes, the average annual pay decreased by six percent, venture capital investment declined by 42 percent, and the average lease rates for office space fell sharply. All of these data points are nearly identical to pre-pinnacle rates of 1997-98.

NOVA's Response

NOVA Workforce Board has been proactive in its attitude toward ongoing shifts within the Valley's labor force. Programs such as Tech-to-Teaching, which transitions high-tech workers into local education, and the Skills Gap program, which provides training to alleviate the need for importing specialized workers, were implemented several years ago in anticipation of this regional shift. Speaking of NOVA's role in reshaping Silicon Valley's workforce, Clysta Seney, chair of NOVA's Workforce Board stated, "In a way, we are venture capitalist for tax dollars" delivering "responsive and flexible services for our ever-changing workplace, both technical and non-technical."

The Board met with Marguerite Wilbur, president and CEO of Joint Venture, at a recent strategic

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- Advanced Micro Devices
- Analog Devices, Inc.
- Applied Materials
- Billmore Hotel & Suites
- Center for Continuing Study of the California Economy
- Center for Quality of Management
- Children's Discovery Museum
- County of Santa Clara
- Crest Financial Services
- De Anza College
- Department of Rehabilitation
- Emergency Housing Consortium
- Employment Development Department
- Hewlett Packard Company
- Housing Authority of the County of Santa Clara
- Intel Corporation
- Intuit
- Kaiser Permanente
- Lockheed Martin Missiles & Space
- Microsoft Corporation
- National Council on the Aging
- Network Appliance, Inc.
- Polycom, Inc.
- PRI Automation
- San Jose Newspaper Guild
- Santa Clara Unified School District
- Solectron Corporation
- Sun Microsystems, Inc.
- Sunnyvale Chamber of Commerce

Clysta Seney,
Chairperson

Poncho Guevara,
Vice Chairperson

Elaine Hamilton,
Vice Chairperson

Clare Phillips,
Past Chairperson

Michael Curran,
Director

Continued from Page 1: *The State of the Region*

planning session to discuss how the organization might best utilize the data presented in the *Index* in “delivering a resilient workforce to sustain the region’s success.” As a result, the Board will focus this year on implementing programs that highlight transferable skills relevant to the biomedical industry, as well as on opportunities within nursing services and the small business sector. With an eye to the future, the workforce development system can better prepare today’s dislocated workers for tomorrow’s opportunities.

In addition to workforce issues, Joint Venture’s *2003 Index* also concentrates on the people, regional attitudes toward the environment, and regional stewardship—all elements of a well-developed community. Copies of the *Index* can be obtained from Joint Venture at www.jointventure.org.



CONNECT! Partner

Job Seeker Center

Layoffs and unemployment. Where once unemployment was a rare bump on one’s career path, it is now an unfortunate yet almost expected fact of life. Fortunately, businesses and job seekers facing this bump have CONNECT! available to help.

Located on the CONNECT! Business and Career Campus, the CONNECT! Job Seeker Center is a comprehensive community resource that provides job seekers with numerous services from a variety of local agencies, including NOVA and California’s Employment Development Department (EDD). Workers and unemployed individuals look to the Center to help them reenter the workforce or embark upon a new career path. Job seekers can take advantage of an array of reemployment services, such as individualized career advising, targeted and informative job search workshops, job search networking groups, a complete career resource library, and use of computers that provide access to the Internet and CalJOBS, EDD’s job search and résumé-posting website.

Employers find comfort in the knowledge that services available at the CONNECT! Job Seeker Center will support their employees through layoffs and unemployment. Supporting employers in times of workforce reduction is just one of the many ways CONNECT! supports businesses. Contact CONNECT! Business Services and an account representative will provide knowledgeable, experienced assistance and present the vast array of free or low-fee resources to meet a business’s needs. CONNECT! provides HR solutions such as staffing, training, and retention. Employers seeking to maintain or expand current staffing levels, for example, are linked with the CONNECT! Job Seeker Center for qualified applicants. The Center provides professional facilities from which to conduct onsite interviews and employer presentations.

If you are an employer and would like to find out more about business services provided by NOVA, visit www.novaworks.org/businesses or contact the CONNECT! Business Service Center at 408-730-7830.

NOVA Program

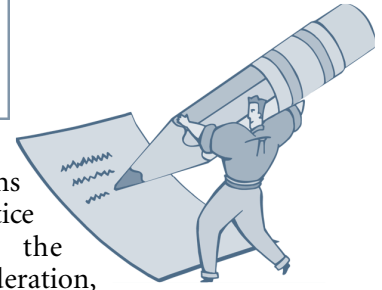
New Legislation Affects California Employers

Governor Gray Davis signed new legislation in September affecting businesses that employ 75 or more people. Modeled after the 1988 federal Worker Adjustment and Retraining Notification (WARN) Act, the new law (AB 2957) became effective January 1, 2003, and specifies that businesses must provide at least 60 days advance notice to employees of an impending plant closure, relocation, or mass layoff. Additionally, notices of the layoff must be sent to the Employment Development Department, the local Workforce Investment Board, and the chief elected official of each city and the county affected. Employers not in compliance with the new legislation face possible civil penalties.

Under AB 2957, a “mass layoff” includes any layoff of 50 or more employees. An “employee” is defined as a person employed by the employer for at least six of

the last twelve months prior to the layoff notice date. According to the California Labor Federation, this new WARN Act will cover an estimated five million more California workers than are covered by the federal law.

If you need to downsize, whether you are subject to WARN or not, NOVA can assist you with the process. NOVA will consult with you during the initial planning stages and will provide resources to help your laid-off employees with their job search. To learn more about our services, contact our Business Service Center at 408-730-7830 or visit our website at www.novaworks.org/businesses. For more information on AB 2957, visit the NOVA website at www.novaworks.org/whats_new.



Bulletin Board

New NOVA Workforce Board Chairs



The NOVA Workforce Board welcomes three new chairs for 2003. Clysta Seney is the newly appointed chairperson and Poncho Guevara and Elaine Hamilton will serve as vice chairs. Clare Phillips, who served as chairperson of the WB for three consecutive years, remains an active member.

Clysta Seney, senior manager of workforce strategies at Applied Materials, has been an instrumental member of the WB since 1995. As chairperson, Clysta will continue to bring many years of quality business relations and strategic planning experience to NOVA. Poncho Guevara, director of government affairs for the Emergency Housing Consortium, has contributed to the efforts of the WB since 1996. Elaine Hamilton, vice

president of human resources for Network Appliance, has been an active member for nearly three years.

The primary role of the WB is to address the workforce investment needs of Silicon Valley by directing and guiding NOVA and the CONNECT! collaborative. By fostering new and better ways of serving the community, WB members help NOVA to create strategic alliances with businesses, the workforce development community, and other critical stakeholders.

For more information about NOVA or its Workforce Board, visit www.novawb.org or call NOVA at 408-730-7232.

Labor Market Information

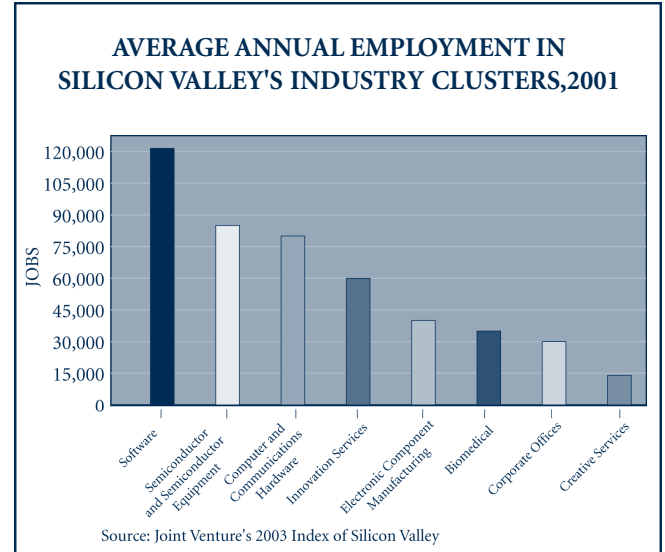
Joint Venture Takes the Pulse of the Valley

On January 24th, Joint Venture: Silicon Valley released its annual report—the *2003 Index of Silicon Valley*—noting the Valley's vital statistics, such as:

- Software held the largest cluster employment in 2001 (averaging 122,000 employees), followed by semiconductor equipment manufacturing (84,000) and computer and communications hardware manufacturing (79,000);
- Combined employment in innovation services, creative services, and corporate offices totaled 105,000, and was a distant second to the software industry;
- Employment in clusters such as the biomedical industry averaged 36,500 workers.

In addition to providing statistics on industry, Joint Venture's 2003 Index also identifies key economic indicators, such as trends in education, social concerns, housing developments, and environmental challenges, and also provides recommendations for sustained progress in the Valley.

To obtain the full report, visit Joint Venture's website at www.jointventure.org.



Featured Website

**Joint Venture:
Silicon Valley Network**
www.jointventure.org



Joint Venture: Silicon Valley Network brings together leaders of business, government, education, and the community to take action on important regional issues that affect Silicon Valley's economic vitality and quality of life. The network covers all of Santa Clara County, San Mateo County from Route 92 south, Scotts Valley in Santa Cruz County, and Fremont, Newark, and Union City, all in Alameda County.

On Joint Venture's website you can view or order any of its many publications, including the annual *Index of Silicon Valley*. There are also links to current initiatives, resources, an online newsletter, FAQs, press releases, and upcoming events.



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