

Workforce Review

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

March 2006

Did you know?

Bursting Tech Bubble, Higher Housing Costs Send People Packing

An exodus of U.S. workers from the technology-rich San Francisco Bay and Boston areas accelerated early this decade, according to Census Bureau data released April 20.

The bursting technology bubble sent people packing from the San Francisco Bay area. The rate of domestic migration out of the area nearly tripled to an average annual net loss of 14.7 people per 1,000 population, compared with a loss of 5.5 people in the 1990s.

Some economists say the loss of skilled workers, coupled with high housing costs, could hamper the ability of the tech industry to attract new labor. "Today, housing in both Boston and the Bay area is unaffordable" relative to other parts of the country, says Mark Zandi, chief economist at Moody's Economy.com. "If the tech sector takes off, it's going to be much harder to bring in skilled labor for these positions."

More than half of the roughly 973,000 tech workers employed in California in early 2000 had left the industry or the state by 2003, according to the SPHERE Institute, a Burlingame, Calif., think tank.

The tech sector tends to be highly mobile. A labor shortage in one part of the country could be quickly made up in lower-cost regions with a labor surplus, and former tech workers who left the industry but didn't relocate, could return to tech jobs as the sector rebounds.

Source: The Wall Street Journal [04/20/06]



A regional catalyst shaping and influencing the Silicon Valley workforce investment system to promote economic opportunity and shared prosperity.

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Civilian Unemployment Rate	March 2005 (Actual)	February 2006 (Revised)	March 2006 (Preliminary)	Percentage Point Change	
				02/06-03/06	03/05-03/06
San José-Sunnyvale MSA	6.0%	5.1%	4.8%	-0.3	-1.2
California	5.8%	5.4%	5.0%	-0.4	-0.8
United States	5.4%	5.1%	4.8%	-0.3	-0.6

Civilian Labor Force	March 2005 (Actual)	February 2006 (Revised)	March 2006 (Preliminary)	Percentage Change	
				02/06-03/06	03/05-03/06
San José-Sunnyvale MSA	845,100	838,200	838,000	0.0%	-0.8%
Civilian Employed	794,600	795,500	797,400	0.2%	0.4%
Civilian Unemployed	50,500	42,800	40,600	-5.1%	-19.6%

Where the Jobs Are (San José-Sunnyvale MSA)	March 2005 (Actual)	February 2006 (Revised)	March 2006 (Preliminary)	Percentage Change	
				02/06-03/06	03/05-03/06
Total Nonfarm	862,900	866,300	870,200	0.5%	0.8%
Goods Producing	213,100	213,700	213,800	0.0%	0.3%
Manufacturing	170,700	169,500	169,800	0.2%	-0.5%
Service Providing	649,800	652,600	656,400	0.6%	1.0%
Prof. & Business Svcs.	159,700	158,700	159,100	0.3%	-0.4%
Retail Trade	82,100	81,800	82,000	0.2%	-0.1%

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 City (NOVA Seven-City Consortium)	Labor Force		Labor Force % Change (03/05-03/06)	Employed		Employed % Change (03/05-03/06)	Unemployment Rate	
	March 2005	March 2006		March 2005	March 2006		March 2005	March 2006
	Santa Clara County	818,800	812,700	-0.7%	772,600	774,500	0.2%	5.6%
 Cupertino	22,700	22,600	-0.4%	21,900	22,000	0.5%	3.3%	2.8%
Los Altos	11,900	12,000	0.8%	11,600	11,700	0.9%	2.6%	2.2%
Milpitas	29,300	29,100	-0.7%	27,700	27,800	0.4%	5.4%	4.5%
Mountain View	39,200	39,000	-0.5%	37,600	37,700	0.3%	4.1%	3.4%
Palo Alto	29,500	29,500	0.0%	28,700	28,800	0.3%	2.8%	2.3%
Santa Clara	53,400	53,200	-0.4%	50,800	51,000	0.4%	4.9%	4.1%
Sunnyvale	69,900	69,600	-0.4%	66,600	66,800	0.3%	4.8%	4.0%
NOVA Workforce Investment Area	255,900	255,000	-0.4%	244,900	245,800	0.4%	4.3%	3.6%

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: March 2006					Summary
Company	WARN*	City	Affected	Cause	Individuals Affected YTD [†] : 3,963+ [‡]
Align Technology	No	Santa Clara	15	RIF	WARN Current YTD: 26 WARN Previous YTD: 22
Arcturus	No	Mountain View	3	RIF	
Atari	No	Sunnyvale	-	Closure	
Creative Technologies	No	Milpitas	-	RIF	
General Dynamics	No	Mountain View	13	RIF	
Lifescan	No	Milpitas	-	RIF	
NASA Ames Research Center	No	Sunnyvale	-	RIF	
Philips Medical Systems	Yes	Milpitas	63	RIF	
Sun Microsystems	Yes	Santa Clara/Sunnyvale	11	RIF	
Terayon Communications	No	Santa Clara	7	RIF	
Vernier Networks Inc.	No	Mountain View	20	RIF	
			132+		

* WARN : Workers' Adjustment and Retraining Notification (notice of mass layoff or closure)
[†] YTD : Year to Date — Refers to fiscal year (July 1-June 30)
[‡] Cumulative total may not equal sum of monthly numbers due to internal adjustments