

# Workforce Review

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

March 2007

## *Did you know?*

### **Silicon Valley, your stock options are perking up** **Booming Nasdaq heats up value of Valley's unofficial currency**

While the Dow Jones industrial average broke the 13,000-point marker last week, the heat on tech stock prices has been building for months. So far this year, the tech-heavy Nasdaq is up about 5%, putting it on a pace for a 20 percent annualized return.

Stock options give workers the right to buy stock at a predetermined price for up to 10 years. Every uptick pushes worthless "underwater" options closer to profitability. Every uptick moves employees closer to cashing out and buying a dream.

"The market goes up, exercises go up," said Mark Clem, a director in Charles Schwab's stock plan services group. "I'd say we're closer to the beginning than the end. There are still a lot of unexercised options out there."

A Mercury News analysis of data disclosed in recent weeks from 10 of Silicon Valley's biggest companies indicates that workers at those companies could have pocketed \$6 billion simply by placing a brokerage order as the year began. Assuming they haven't cashed in any options as the market heated up, their profits have climbed to \$7 billion.

Despite the carnage of the dot-com bust that started in March 2000, all or nearly all of the options that workers can exercise at some of those companies are in the money. And not just slightly into the money, either. Some 94% of the options at the biomedical firm Gilead Sciences could fetch at least a 100% gain, beating out search engine giant Google (88%) and graphics chip maker Nvidia (82%).

Chip maker Intel's largest swath of options—191 million, according to its annual report—also is bobbing near profitability. Every \$1 increase in the stock price above \$22.12 will translate into \$191 million in paper profits.

*This article is continued at [www.mercurynews.com/businessheadlines/ci\\_5778724](http://www.mercurynews.com/businessheadlines/ci_5778724).*

Source: San Jose Mercury News [4/30/07]



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

# Workforce Review

## March 2007

Civilian Unemployment Rate	March 2006 (Actual)	February 2007 (Revised)	March 2007 (Preliminary)	Percentage Point Change	
				02/07-03/07	03/06-03/07
San José–Sunnyvale MSA	4.8%	4.6%	4.4%	-0.2	-0.4
California	5.1%	5.2%	5.1%	-0.1	0.0
United States	4.8%	4.9%	4.5%	-0.4	-0.3

  

Civilian Labor Force	March 2006 (Actual)	February 2007 (Revised)	March 2007 (Preliminary)	Percentage Change	
				02/07-03/07	03/06-03/07
San José–Sunnyvale MSA	852,600	868,600	873,900	+0.6%	+2.5%
Civilian Employed	812,000	828,600	835,700	+0.9%	+2.9%
Civilian Unemployed	40,600	40,000	38,200	-4.5%	-5.9%

  

Where the Jobs Are (San José–Sunnyvale MSA)	March 2006 (Actual)	February 2007 (Revised)	March 2007 (Preliminary)	Percentage Change	
				02/07-03/07	03/06-03/07
Total Nonfarm	883,400	902,300	905,200	+0.3%	+2.5%
Goods Producing	215,100	217,700	218,100	+0.2%	+1.4%
Manufacturing	169,800	170,000	170,000	0.0%	+0.1%
Service Providing	668,300	684,600	687,100	+0.4%	+2.8%
Health Care	70,000	73,100	73,300	+0.3%	+4.7%
Prof. & Business Svcs.	163,300	169,000	169,800	+0.5%	+4.0%

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 High-Tech Regions (Metropolitan Statistical Areas)	Labor Force		Labor Force % Change (03/06-03/07)	Employed		Employed % Change (03/06-03/07)	Unemployment Rate	
	March 2006	March 2007		March 2006	March 2007		March 2006	March 2007
	<b>United States</b>	<b>150,652,000</b>	<b>152,979,000</b>	<b>+1.5%</b>	<b>143,641,000</b>	<b>146,254,000</b>	<b>+1.8%</b>	<b>4.7%</b>
Austin, TX	819,932	842,933	+2.8%	784,354	813,474	+3.7%	4.3%	3.5%
Boston, MA	2,453,932	2,470,624	+0.7%	2,339,088	2,364,773	+1.1%	4.7%	4.3%
Portland, OR	1,117,255	1,145,479	+2.5%	1,055,393	1,085,139	+2.8%	5.5%	5.3%
Raleigh-Durham, NC	768,012	795,225	+3.5%	740,203	767,668	+3.7%	3.6%	3.5%
San Diego, CA	1,511,900	1,531,100	+1.3%	1,452,300	1,469,200	+1.2%	3.9%	4.0%
San Francisco, CA	914,800	939,600	+2.7%	877,300	904,400	+3.1%	4.1%	3.7%
Seattle, WA	1,406,500	1,420,400	+1.0%	1,343,900	1,357,300	+1.0%	4.5%	4.4%
<b>San Jose-Sunnyvale</b>	<b>852,600</b>	<b>873,900</b>	<b>+2.5%</b>	<b>812,000</b>	<b>835,700</b>	<b>+2.9%</b>	<b>4.8%</b>	<b>4.4%</b>

Source: Various State Employment Departments (CA, MA, NC, OR, TX, WA)

### Regional Layoff Activity: March 2007

Company	WARN **	City	Affected	Cause
Sears	Yes	Mountain View	309	Closure
SensArray	Yes	Santa Clara	7	RIF
Sun Microsystems	Yes	Santa Clara	1	RIF

**317**

### Summary

Individuals  
Affected YTD<sup>†</sup>: 3,435 †

WARN  
Current YTD: 36

WARN  
Previous YTD: 18

\*\* 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