

Workforce Review

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

May 2006

Did you know?

Bay Area keeps its tech lead:

Southern California closing the gap with employment growth in sector

The Bay Area is still California's technology mecca, but the region is facing a strong challenge from down south, according to a report to be released today. The Bay Area, led by San Jose and San Francisco, still leads the state in high-tech employment and salaries, but Southern California, led by Los Angeles, is catching up.

"One surprising finding from previous reports and reinforced in this report is the extraordinary parity in the number of jobs between Northern California and Southern California," the 51-page report, "California Cybercities 2006," by the American Electronics Association stated. "Conventional wisdom and the aura of Silicon Valley may give the impression that high technology is only a Northern California phenomenon."

But in his introductory letter, AEA Chief Executive William Archey said, "What is often overlooked, however, is that Southern California's high-tech economy plays nearly an equal role to that of the northern half of the state."

The study was based on 2004 data, the most recently available information, from the Bureau of Labor Statistics, according to the association.

Overall, Northern California led Southern California in tech employment, but not by much. The north reported 439,000 jobs, compared with 418,000 in the south.

Jim Wunderman, president and CEO of the Bay Area Council, a business advocacy organization, said the "high cost of living, particularly the high cost of housing," remains the biggest challenge to doing business in the Bay Area. But, he said, the council still sees the Bay Area as "the innovation capital of the world." He said, "We need to focus on how to make sure that as the world keeps changing, the Bay Area maintains that distinction."

Source: *San Francisco Chronicle* [06/27/06]
www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/06/27/BUG4PJKMKE1.DTL



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	May 2005 (Actual)	April 2006 (Revised)	May 2006 (Preliminary)	Percentage Point Change	
				04/06–05/06	05/05–05/06
San José–Sunnyvale MSA	5.4%	4.6%	4.4%	– 0.2	– 1.0
California	5.1%	4.8%	4.6%	– 0.2	– 0.5
United States	4.9%	4.5%	4.4%	– 0.1	– 0.5

Civilian Labor Force	May 2005 (Actual)	April 2006 (Revised)	May 2006 (Preliminary)	Percentage Change	
				04/06–05/06	05/05–05/06
San José–Sunnyvale MSA	839,300	833,000	832,800	0.0%	– 0.8%
Civilian Employed	794,200	794,600	795,800	+ 0.2%	+ 0.2%
Civilian Unemployed	45,100	38,400	36,900	– 3.9%	– 18.2%

Where the Jobs Are (San José–Sunnyvale MSA)	May 2005 (Actual)	April 2006 (Revised)	May 2006 (Preliminary)	Percentage Change	
				04/06–05/06	05/05–05/06
Total Nonfarm	866,300	869,100	872,600	+ 0.4%	+ 0.7%
Goods Producing	214,000	212,900	214,000	+ 0.5%	0.0%
Manufacturing	170,300	169,300	169,600	+ 0.2%	– 0.4%
Service Providing	652,300	656,200	658,600	+ 0.4%	+ 1.0%
Prof. & Business Svcs.	159,200	160,000	159,500	– 0.3%	+ 0.2%
Retail Trade	82,100	82,000	82,300	+ 0.4%	+ 0.2%

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 (05/05–05/06)	Employed		Employed % Change (05/05–05/06)	Unemployment Rate	
	May 2005	May 2006	May 2005		May 2006	May 2005		May 2006	
	United States	149,122,000	150,991,000		+ 1.3%	141,475,000		143,976,000	+ 1.8%
Austin, TX	802,887	826,197	+ 2.9%	768,737	793,157	+ 3.2%	4.3%	4.0%	
Boston, MA	2,431,272	2,451,337	+ 0.8%	2,324,196	2,343,634	+ 0.8%	4.4%	4.4%	
Portland, OR	1,094,683	1,109,336	+ 1.3%	1,031,608	1,053,570	+ 2.1%	5.8%	5.0%	
Raleigh-Durham, NC	744,183	774,620	+ 4.1%	713,660	747,147	+ 4.7%	4.1%	3.5%	
San Diego, CA	1,494,400	1,498,000	+ 0.2%	1,433,700	1,443,300	+ 0.7%	4.1%	3.7%	
San Francisco, CA	904,600	904,800	0.0%	864,700	870,700	+ 0.7%	4.4%	3.8%	
Seattle, WA	1,362,900	1,424,700	+ 4.5%	1,294,700	1,361,600	+ 5.2%	5.0%	4.4%	
San Jose–Sunnyvale	839,300	832,800	– 0.8%	794,200	795,800	0.2%	5.4%	4.4%	

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

Regional Layoff Activity: May 2006

Company	WARN**	City	Affected	Cause
3 Com Corporation	Yes	Santa Clara	52	Closure
3 Com Corporation	No	Santa Clara	250	RIF
CPI (Varian)	No	Palo Alto	20	RIF
KLA Tencor	No	Milpitas	40	RIF
Sears	No	Mountain View	150	Closure
Siemens Medical	No	Mountain View	85	RIF

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Summary

 Individuals
Affected YTD †: 5,323+ ‡

 WARN
Current YTD: 30

 WARN
Previous YTD: 42

 ** 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