

Workforce Review

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

June 2006

Did you know?

Valley jobs up, but few in high tech

Silicon Valley employers added a modest 6,100 jobs to their payrolls in June, although much of that growth came from slow and steady job creation in the leisure and hospitality industry and not in the region's high-tech sector.

But busy hotels and restaurants—which Steve Cochrane, an economist who follows Silicon Valley, chalks up to a bump in business travel—are a sign that the valley's core tech businesses are bouncing back, even if the report shows they're not adding greatly to their payrolls here.

"When the economy goes down, you'll see companies using teleconferencing or video conferencing at a higher level than they normally would," said Kevin Maguire, director of global travel for Applied Materials, the Santa Clara chip manufacturing-equipment maker.

Employment at hotels, restaurants, and entertainment and recreation venues in Santa Clara and San Benito counties expanded by 1,500 jobs in June, according to a survey of businesses released Friday by the state's Employment Development Department.

The added hospitality jobs are a sign that more investors, customers and corporate partners are visiting Silicon Valley. "The more firms are making plans, are marketing products, are collaborating with other people, the more travel is required," said Cochrane, senior economist for Economy.com.

Leisure and hospitality employers have been adding positions over the past three years, while job growth in many other valley industries has wobbled from month to month.

The computer and electronic product manufacturing sector slipped by 900 jobs in June, down 0.8 percent, over the past 12 months. Meanwhile, the Internet service provider and Web search portal sector gained 900 jobs, an increase of 5.9 percent, during the same period.

"I keep waiting for one of these industries to take off and be the leader of the economy," Cochrane said. "But this is evidence of the churning of the tech industry and the competition taking place. That signifies good health in the economy, but it's not creating a lot of jobs."

Source: *San Jose Mercury News* [07/22/06]



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	June 2005 (Actual)	May 2006 (Revised)	June 2006 (Preliminary)	Percentage Point Change	
				05/06-06/06	06/05-06/06
San José-Sunnyvale MSA	5.7%	4.4%	5.0%	+0.6	-0.7
California	5.4%	4.6%	4.9%	+0.3	-0.5
United States	5.2%	4.4%	4.8%	+0.4	-0.4

Civilian Labor Force	June 2005 (Actual)	May 2006 (Revised)	June 2006 (Preliminary)	Percentage Change	
				05/06-06/06	06/05-06/06
San José-Sunnyvale MSA	845,900	832,800	840,300	+0.9%	-0.7%
Civilian Employed	797,600	795,800	798,200	+0.3%	+0.1%
Civilian Unemployed	48,300	36,900	42,100	+14.1%	-12.8%

Where the Jobs Are (San José-Sunnyvale MSA)	June 2005 (Actual)	May 2006 (Revised)	June 2006 (Preliminary)	Percentage Change	
				05/06-06/06	06/05-06/06
Total Nonfarm	871,800	870,800	875,900	+0.6%	+0.5%
Goods Producing	216,400	213,700	215,800	+1.0%	-0.3%
Manufacturing	171,000	169,400	170,500	+0.6%	-0.3%
Service Providing	655,400	657,100	660,100	+0.5%	+0.7%
Prof. & Business Svcs.	160,000	159,500	160,700	+0.8%	+0.4%
Retail Trade	82,400	82,200	82,500	+0.4%	+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 (06/05-06/06)	Employed		Employed % Change (06/05-06/06)	Unemployment Rate	
	June 2005	June 2006		June 2005	June 2006		June 2005	June 2006
Santa Clara County	829,900	815,800	- 1.7%	783,900	775,300	- 1.1%	5.5%	5.0%
Cupertino	23,100	22,700	- 1.7%	22,300	22,000	- 1.3%	+ 3.3%	+ 2.9%
Los Altos	12,100	12,000	- 0.8%	11,800	11,700	- 0.8%	+ 2.6%	+ 2.3%
Milpitas	29,700	29,200	- 1.7%	28,100	27,800	- 1.1%	+ 5.3%	+ 4.8%
Mountain View	39,800	39,200	- 1.5%	38,200	37,800	- 1.0%	+ 4.0%	+ 3.6%
Palo Alto	29,900	29,500	- 1.3%	29,100	28,800	- 1.0%	+ 2.8%	+ 2.5%
Santa Clara	54,200	53,300	- 1.7%	51,600	51,000	- 1.2%	+ 4.8%	+ 4.3%
Sunnyvale	70,900	69,700	- 1.7%	67,600	66,800	- 1.2%	+ 4.7%	+ 4.2%
NOVA Workforce Investment Area	259,700	255,600	- 1.6%	248,700	245,900	- 1.1%	+ 4.2%	3.8%

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: June 2006					Summary
Company	WARN*	City	Affected	Cause	
Albertsons	Yes	Various Cities	278	Closure	Individuals Affected YTD[†]: 6,096+ ‡ WARN Current YTD: 32 WARN Previous YTD: 24
Alza Corporation	Yes	Mountain View	612	RIF	
Elliott Laboratories	No	Sunnyvale	5	RIF	
Intel Corporation	No	Santa Clara	-	RIF	
Johnson & Johnson Pharmaceutical	No	Mountain View	75	RIF	
Sun Microsystems	No	Santa Clara	53	Closure	
			1,023+		

* 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