

Workforce Review

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

July 2005

Did you know?

Silicon Valley reaches job milestone

July marked the first year-to-year employment growth since the dot-com bust

Silicon Valley employment expanded in July, the first month since the dot-com bust that more people were earning paychecks than a year earlier. According to a state report released Friday, Santa Clara and San Benito County employers tallied 871,300* positions on their payrolls last month—600 more jobs than in July 2004. It represented a barely-there increase of 0.1 percent.

"It's just crossed that number by a hair's breadth, but you could say it's a landmark in that it's positive for the first time," said Steven Cochrane, senior economist at Economy.com. He cautioned it's still too early to celebrate because the job growth could be wiped out by a later revision or simply not last. "There's no guarantee it's going to be positive next month because the numbers are volatile."

Economists like to see employment statistics stay consistent for at least three months. And there are plenty of reasons to worry the Valley's modest improvement won't last through the fall. Oil prices may keep skyrocketing. Interest rates may rise. The red-hot housing market may finally cool. If home sales and construction slow, Valley employment stands to lose some of the momentum it has gained, particularly in the past two months.

But several economists expect to see small annual job growth for 2005, which would show the Valley's employment engine has stopped sputtering and is finally reving up.

"By next year, job growth in the Valley could be approaching state averages for the whole year," said Scott Anderson, senior economist for Wells Fargo. "The employment growth gap you see between Northern and Southern California continues to disappear and should disappear completely by this time next year as the Bay Area and Silicon Valley economies continue to gain momentum."

Source: San José Mercury News [8/19/05]
www.mercurynews.com/mld/mercurynews/news/12429009.htm

* includes farming industry totals not included on reverse



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	July 2004 (Actual)	June 2005 (Revised)	July 2005 (Preliminary)	Percentage Point Change	
				06/05-07/05	07/04-07/05
San José MSA	6.9%	5.6%	5.5%	- 0.1	- 1.4
California	6.5%	5.4%	5.4%	0.0	- 1.1p
United States	5.7%	5.2%	5.2%	0.0	- 0.5

Civilian Labor Force	July 2004 (Actual)	June 2005 (Revised)	July 2005 (Preliminary)	Percentage Change	
				06/05-07/05	07/04-07/05
San José MSA Total	860,000	853,800	862,100	+ 1.0%	+ 0.2%
Civilian Employed	800,900	805,900	814,700	+ 1.1%	+ 1.7%
Civilian Unemployed	59,000	47,900	47,400	- 1.0%	- 19.7%

Where the Jobs Are	July 2004 (Actual)	June 2005 (Revised)	July 2005 (Preliminary)	Percentage Change	
				06/05-07/05	07/04-07/05
San José MSA Nonfarm	862,900	862,800	863,600	+ 0.1%	+ 0.1%
Goods Producing	215,300	211,800	214,900	+ 1.5%	- 0.2%
Manufacturing	171,800	169,900	172,300	+ 1.4%	+ 0.3%
Service Providing	647,600	651,000	648,700	- 0.4%	+ 0.2%
Prof. & Bus. Services	166,300	166,000	166,400	+ 0.2%	+ 0.1%
Retail Trade	81,600	80,700	81,800	+ 1.4%	+ 0.2%

NOTE: San José MSA (Metropolitan Statistical Area) = Santa Clara and San Benito Counties

Source: California Employment Development Department, LMID

Labor Force by County (San Francisco Bay Area)	Labor Force			Labor Force % Change (07/04-07/05)	Employed		Employed % Change (07/04-07/05)	Unemployment Rate	
	July 2004	July 2005	July 2004		July 2005	July 2004		July 2005	
	California	17,667,700	17,942,900		+ 1.6%	16,514,700		16,971,400	+ 2.8%
Alameda County	754,000	767,100	+ 1.7%	706,000	726,800	+ 2.9%	6.4%	5.3%	
Contra Costa County	509,000	518,800	+ 1.9%	479,600	493,700	+ 2.9%	5.8%	4.8%	
Marin County	130,200	132,100	+ 1.5%	124,000	127,000	+ 2.4%	4.7%	3.9%	
Napa County	72,900	73,500	+ 0.8%	69,500	70,500	+ 1.4%	4.6%	4.0%	
San Francisco County	427,200	431,800	+ 1.1%	400,600	410,000	+ 2.3%	6.2%	5.1%	
San Mateo County	363,900	369,400	+ 1.5%	345,000	353,200	+ 2.4%	5.2%	4.4%	
Santa Clara County	835,000	837,000	+ 0.2%	777,900	791,200	+ 1.7%	6.8%	5.5%	
Solano County	210,700	214,300	+ 1.7%	197,600	202,500	+ 2.5%	6.2%	5.5%	
Sonoma County	255,300	258,000	+ 1.1%	241,900	246,500	+ 1.9%	5.2%	4.5%	
S.F. Bay Area	3,558,200	3,602,000	+ 1.2%	3,342,100	3,421,300	+ 2.4%	6.1%	5.0%	

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: July 2005					Summary	
Company	WARN *	City	Affected	Cause	Individuals Affected YTD †:	
Cherry Pie Graphics	No	Santa Clara	2	RIF	424+ ‡	
Chordiant Software	No	Cupertino	35	RIF		
Fairchild Imaging	No	Milpitas	10	RIF	WARN Current YTD:	2
Finisar	No	Sunnyvale	50	RIF	WARN Previous YTD:	1
GE Healthcare	No	Sunnyvale	-	RIF		
KLA Tencor	Yes	Milpitas	60	RIF		
Kulicke & Soffa Ind.	Yes	Santa Clara	75	Closure		
Mercury Interactive	No	Mountain View	132	RIF		
SGI	No	Mountain View	50	RIF		
Spherion	No	Cupertino	10	Closure		
Veritas Software	No	Mountain View	-	RIF		
424+						

* 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