

# Workforce Review

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

## August 2009

### *Did you know?*

#### **U.S. Income gap widens as poor take hit in recession**

The recession has hit middle-income and poor families hardest, widening the economic gap between the richest and poorest Americans as rippling job layoffs ravaged household budgets. The wealthiest 10 percent of Americans – those making more than \$138,000 each year – earned 11.4 times the roughly \$12,000 made by those living near or below the poverty line in 2008, according to newly released census figures. That ratio was an increase from 11.2 in 2007 and the previous high of 11.22 in 2003. Household income declined across all groups, but at sharper percentage levels for middle-income and poor Americans.

Median income fell last year from \$52,163 to \$50,303, wiping out a decade's worth of gains to hit the lowest level since 1997. Poverty jumped sharply to 13.2 percent, an 11-year high. Analysts attributed the widening gap to the wave of layoffs in the economic downturn that have devastated household budgets. They said while the richest Americans may be seeing reductions in executive pay, those at the bottom of the income ladder are often unemployed and struggling to get by. Large cities such as Atlanta, Washington, New York, San Francisco, Miami and Chicago had the most inequality, due largely to years of middle-class flight to the suburbs. It's unclear whether income inequality will continue to worsen in major cities, said William H. Frey, a demographer at the Brookings Institution. Many Americans are staying put for now in traditional cities to look for jobs and because of frozen lines of credit.

"During the years of the housing bubble, there was middle-class movement from unaffordable metros with high-income inequality," Frey said. "Now that the bubble burst, more of the population may be headed back to the high-inequality areas, stemming their middle-class losses."

Source: Associated Press (09/28/09)



Developing a skilled workforce for Silicon Valley

## August 2009

## Labor Force Statistics (San José–Sunnyvale–Santa Clara MSA)

Civilian Unemployment Rate	August 2008	July 2009	August 2009	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	6.4%	11.8%	12.0%	+ 0.2	+ 5.6
California	7.7%	12.1%	12.1%	0.0	+ 4.4
United States	6.1%	9.7%	9.6%	- 0.1%	+ 3.5

  

Civilian Labor Force	August 2008	July 2009	August 2009	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	917,000	925,600	922,600	- 0.3%	+ 0.6%
Civilian Employed	858,000	816,400	811,700	- 0.6%	- 5.4%
Civilian Unemployed	59,100	109,200	110,900	+ 1.6%	+ 87.6%

## Industry Statistics (San José–Sunnyvale–Santa Clara MSA)

Greatest Change in Employment	August 2008	July 2009	August 2009	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>917,000</b>	<b>873,000</b>	<b>871,200</b>	<b>- 0.2%</b>	<b>- 5.0%</b>
Construction	45,300	37,300	36,900	- 1.1%	- 18.5%
Health Care	75,800	77,300	77,500	+ 0.3%	+ 2.2%
Leisure/Hospitality	80,000	78,000	78,000	0.0%	- 2.5%
Manufacturing	170,400	155,600	156,600	+ 0.6%	- 8.1%
Retail Trade	85,000	79,000	78,800	- 0.3%	- 7.3%

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 Region (Metropolitan Statistical Area)

	Labor Force			% Change Annual	Employed		% Change Annual	Unemployment Rate	
	August 2008	August 2009			August 2008	August 2009		August 2008	August 2009
<b>United States</b>	<b>155,387,000</b>	<b>154,897,000</b>	<b>-0.3%</b>	<b>145,909,000</b>	<b>140,074,000</b>	<b>-4.0%</b>	<b>6.1%</b>	<b>9.6%</b>	
California	18,526,900	18,500,600	-0.1%	17,095,500	16,253,800	-4.9%	7.7%	12.1%	
Austin, TX	869,479	896,332	+3.1%	828,265	831,472	+0.4%	4.7%	7.2%	
Boston, MA	2,521,689	2,532,893	+0.4%	2,396,619	2,319,958	-3.2%	5.0%	8.4%	
Portland, OR	1,181,075	1,185,570	+0.4%	1,109,061	1,045,660	-5.7%	6.1%	11.8%	
San Diego	1,582,100	1,575,100	-0.4%	1,480,200	1,411,200	-4.7%	6.4%	10.4%	
San Francisco	982,700	972,000	-1.1%	929,300	879,700	-5.3%	5.4%	9.5%	
Seattle, WA	1,460,970	1,505,680	+3.2%	1,397,060	1,377,240	-1.4%	4.4%	8.5%	
<b>San José–Sunnyvale</b>	<b>917,000</b>	<b>922,600</b>	<b>+0.6%</b>	<b>858,000</b>	<b>811,700</b>	<b>-5.4%</b>	<b>6.4%</b>	<b>12.0%</b>	

NOTE: Totals may not add correctly due to rounding

Source: Multiple states' employment development departments (CA, MA, OR, TX, WA)

## Regional Layoff Activity

Company	WARN**	City	Affected	Cause
Company Confidential	No	Milpitas	30	Closure
Intuit	Yes	Mountain View	169	RIF
KLA Tencor	Yes	Milpitas	12	RIF
Lockheed Martin	Yes	Sunnyvale	192	RIF
Roche	Yes	Palo Alto	64	Closure
Sun Microsystems	Yes	Santa Clara	92	RIF
Trend Micro Incorporated	Yes	Cupertino	58	RIF

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## WARN Summary

Individuals Affected YTD<sup>†</sup>: 1,061 †

WARN Current YTD: 16

WARN Previous YTD: 18

\*\* WARN: Worker Adjustment and Retraining Notification (notice of mass layoff or closure)

† YTD: Year to Date (Fiscal year: July 1 - June 30)

† Summary Total may not equal sum of monthly numbers due to internal adjustments

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database