

Workforce Review

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

October 2006

Did you know?

California jobless rate falls to 4.5%

California's unemployment rate fell to a 30-year low 4.5 percent in October. During the same month, employers added a modest 9,300 new payroll jobs, the state Employment Development Department said Friday. The state's unemployment rate is now the lowest it has been since California began tracking it in 1976, according to the department. It was 5.2 percent in October 2005 and 4.8 percent this past September.

"It looks like, unless things really go bad, we'll average below a 5 percent (unemployment rate) for the year," said Howard Roth, chief economist for the California Department of Finance. "The only other time we've done that was at the top of the peak of the tech boom in 2000."

Unemployment rates were even lower in the Bay Area. In the East Bay, the Oakland-Fremont-Hayward area rate was 3.9 percent. For San Francisco-San Mateo-Redwood City, it was 3.5 percent. On the Peninsula, San Jose-Sunnyvale-Santa Clara had a 4.2 percent unemployment rate.

"The Bay Area and Oakland (region) in particular is doing the best (of job markets in the state) now," Roth said.

But the number of new jobs created in the state — a figure that some economists trust more to gauge the labor market's health — was mildly disappointing. From January through September, employers had been averaging creation of 13,900 jobs per month. October's slower pace will drag down the year's average.

"People are still employed — that's what the low unemployment rate tells me. But new jobs are not being added to the economy at a very fast pace," said Sean Snaith, a consultant to Stockton's University of the Pacific Forecasting Center.

The glass-half-full, glass-half-empty statistics show that the overall economy is slowing but is not actually in a downturn, he said. If the unemployment rate were rising while job creation slowed, that would be reason to sound the alarm.

A key question is whether new jobs being created measure up in terms of salary, security and benefits to ones being lost. At the NOVA Workforce Board in Sunnyvale, a nonprofit agency that helps 15,000 displaced Silicon Valley workers a year retrain and find new jobs, director Mike Curran said he thinks the South Bay jobs being lost tend to be middle-class jobs with good benefits that people had held for years. Many of the new jobs being created don't have benefits, although others are high-end positions.

Source: *The San Francisco Chronicle* [11/18/06]



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	October 2005 (Actual)	September 2006 (Revised)	October 2006 (Preliminary)	Percentage Point Change	
				09/06-10/06	10/05-10/06
San José-Sunnyvale MSA	5.2%	4.5%	4.2%	- 0.3	- 1.0
California	4.9%	4.6%	4.2%	- 0.4	- 0.7
United States	4.6%	4.4%	4.1%	- 0.3	- 0.5

Civilian Labor Force	October 2005 (Actual)	September 2006 (Revised)	October 2006 (Preliminary)	Percentage Change	
				09/06-10/06	10/05-10/06
San José-Sunnyvale MSA	854,700	845,900	852,100	+ 0.7%	- 0.3%
Civilian Employed	810,600	807,800	816,600	+ 1.1%	+ 0.7%
Civilian Unemployed	44,100	38,100	35,500	- 6.8%	- 19.5%

Where the Jobs Are (San José-Sunnyvale MSA)	October 2005 (Actual)	September 2006 (Revised)	October 2006 (Preliminary)	Percentage Change	
				09/06-10/06	10/05-10/06
Total Nonfarm	874,200	877,600	883,300	+ 0.6%	+ 1.0%
Goods Producing	217,600	218,000	218,200	+ 0.1%	+ 0.3%
Manufacturing	171,200	171,100	171,300	+ 0.1%	+ 0.1%
Service Providing	656,600	659,600	665,100	+ 0.8%	+ 1.3%
Health Care	67,900	68,400	68,800	+ 0.6%	+ 1.3%
Prof. & Business Svcs.	158,800	161,600	161,400	- 0.1%	+ 1.6%

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 County (San Francisco Bay Area)	Labor Force			Labor Force % Change (10/05-10/06)	Employed		Employed % Change (10/05-10/06)	Unemployment Rate	
	October 2005	October 2006	October 2005		October 2006	October 2005		October 2006	
	California	17,851,000	17,863,600		+ 0.1%	16,975,900		17,106,900	+ 0.8 %
Alameda County	755,200	757,700	+ 0.3%	717,800	727,400	+ 1.3%	4.9%	4.0%	
Contra Costa County	516,500	519,500	+ 0.6%	493,400	500,000	+ 1.3%	4.5%	3.8%	
Marin County	130,900	132,000	+ 0.8%	126,000	127,900	+ 1.5%	3.8%	3.1%	
Napa County	73,100	73,300	+ 0.3%	70,400	71,100	+ 1.0%	3.7%	3.0%	
San Francisco County	423,300	425,100	+ 0.4%	402,800	409,000	+ 1.5%	4.8%	3.8%	
San Mateo County	366,400	368,900	+ 0.7%	351,400	356,800	+ 1.5%	4.1%	3.3%	
Santa Clara County	829,900	827,500	- 0.3%	787,300	793,100	+ 0.7%	5.1%	4.1%	
Solano County	213,000	213,600	+ 0.3%	202,400	204,600	+ 1.1%	5.0%	4.2%	
Sonoma County	260,100	255,000	- 2.0%	249,500	246,100	- 1.4%	4.1%	3.5%	
S.F. Bay Area	3,566,900	3,572,600	+ 0.1%	3,401,000	3,436,000	+ 1.0%	4.7%	3.8%	

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: October 2006					Summary
Company	WARN *	City	Affected	Cause	Individuals Affected YTD [†] : 2046 [‡]
Analog Devices, Inc.	Yes	Santa Clara	313	Closure	WARN Current YTD: 9
Intel Corporation	Yes	Santa Clara	261	RIF	WARN Previous YTD: 12
Radisson Hotel	Yes	Sunnyvale	55	Closure	
Sipex	No	Milpitas	70	Closure	
Sun Microsystems	Yes	Santa Clara	11	RIF	
710					

* 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