

# Workforce Review

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

## May 2015

*Did you know?*

### Silicon Valley CEOs plan to hire in droves, but Achilles' heels remain, survey says

Silicon Valley leaders see a sunny road ahead, even though it may be crowded with traffic.

Business leaders in Santa Clara, San Mateo, San Francisco, southern Alameda and northern Santa Cruz counties predict a hiring boom in 2015. Almost 64 percent of 217 companies surveyed plan on staffing more people this year, according to the annual CEO Business Climate Survey by the Silicon Valley Leadership Group.

Of course, there will be challenges in wooing new talent to the region, with housing costs and traffic chief among those concerns.

"Silicon Valley's economic surge has brought incredible success to the region, but the swell of economic activity and high employment have also brought increasing attention to a series of underlying problems," wrote the authors of the report.

So what are the perks and pitfalls of attracting new workers to Silicon Valley?

#### **The Good:**

The region could see as many as 16,000 jobs added over the next 12 months, according to the survey. Only 2 percent of the companies queried expected to reduce jobs during the year, down from 4 percent in 2013 and 14 percent in 2012.

What's helping drive job growth? Almost 83 percent of those surveyed cited the "entrepreneurial mindset" as one of the top strengths of the region. Other attractive qualities included access to skilled labor, proximity to customers and competitors, weather and proximity to world-class universities.

#### **The Bad:**

High housing costs was cited as the top challenge facing employees and their families. Almost 84 percent of the respondents listed it as the biggest issue facing Silicon Valley. The median price for homes sold in Santa Clara County in 2014 was \$739,700, up 9.9 percent from the previous year, according to the report, which cited the numbers from Zillow. Compare that to the national median price for a home in 2014, which was \$298,100, according to the U.S. Census Bureau.

Employee recruitment/retention costs was a concern for two-thirds of the respondents, followed by traffic congestion, business regulation and business taxes. Among those who cited state business regulations as challenge, 50 percent specifically mentioned the California Environmental Quality Act as a roadblock to further growth.

The authors of the report ended on an optimistic note, but offered a word of caution to anyone who might think that Silicon Valley can easily maintain its status as the top destination for tech workers.

"Given the difficulties of attracting and keeping a well-trained 21st century workforce in a competitive global economy, these accomplishments are all the more impressive," the authors wrote. "But in a global economy, a region's success today can be trumped by another region tomorrow."

Source: *Silicon Valley Business Journal* (05/13/15)  
<http://bit.ly/1FlpY8F>

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

Unemployment Rate	April 2014	March 2015	April 2015	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	5.1%	4.2%	4.0%	- 0.2	- 1.1
California	7.2%	6.5%	6.1%	- 0.4	- 1.1
United States	5.9%	5.6%	5.1%	- 0.5	- 0.8

  

Labor Force	April 2014	March 2015	April 2015	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	1,011,900	1,048,400	1,052,200	+ 0.4%	+ 4.0%
Civilian Employed	960,600	1,004,300	1,010,600	+ 0.6%	+ 5.2%
Civilian Unemployed	51,300	44,100	41,700	- 5.4%	- 18.7%

Select Regional Industry Statistics (San José–Sunnyvale–Santa Clara MSA)

Change in Employment	April 2014	March 2015	April 2015	Percentage Change	
				Monthly	Annual
<b>Total Nonfarm</b>	<b>993,700</b>	<b>1,044,700</b>	<b>1,053,200</b>	<b>+ 0.8%</b>	<b>+ 6.0%</b>
Specialty Trade Contractors	27,000	29,500	31,600	+ 7.1%	+ 17.0%
Electronics & Appliance Stores	4,300	4,400	4,500	+ 2.3%	+ 4.7%
Couriers & Messengers	2,800	3,400	3,300	- 2.9%	+ 17.9%
Real Estate	10,600	11,100	11,500	+ 3.6%	+ 8.5%
Computer Systems Design	61,600	70,300	71,900	+ 2.3%	+ 16.7%

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			Unemployment			Unemployment Rate		
	April 2014	April 2015	Annual Change	April 2014	April 2015	Annual Change	April 2014	April 2015	Annual Change
<b>Santa Clara County</b>	<b>982,700</b>	<b>1,022,400</b>	<b>+ 4.0%</b>	<b>48,400</b>	<b>39,300</b>	<b>- 18.8%</b>	<b>4.9%</b>	<b>3.8%</b>	<b>- 1.1</b>
Cupertino	28,900	30,100	+ 4.2%	1,200	900	- 25.0%	4.0%	3.1%	- 0.9
Los Altos	14,000	14,600	+ 4.3%	400	400	0.0%	3.2%	2.5%	- 0.7
Milpitas	36,100	37,600	+ 4.2%	1,700	1,400	- 17.6%	4.6%	3.6%	- 1.0
Mountain View	47,500	49,600	+ 4.4%	1,800	1,500	- 16.7%	3.8%	2.9%	- 0.9
Palo Alto	34,600	36,100	+ 4.3%	1,200	1,000	- 16.7%	3.4%	2.6%	- 0.8
Santa Clara	65,000	67,700	+ 4.2%	2,900	2,300	- 20.7%	4.4%	3.5%	- 0.9
Sunnyvale	82,100	85,500	+ 4.1%	3,600	2,900	- 19.4%	4.4%	3.4%	- 1.0
<b>NOVA Region</b>	<b>308,200</b>	<b>321,200</b>	<b>+ 4.2%</b>	<b>12,800</b>	<b>10,400</b>	<b>- 18.8%</b>	<b>4.1%</b>	<b>3.2%</b>	<b>- 0.9</b>

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: April 2015

Company	WARN *	City	Affected	Cause
Symantec	Yes	Mountain View	7	RIF
Company Confidential	Yes	Sunnyvale	76	RIF
Company Confidential	Yes	Sunnyvale	95	RIF

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Layoff Summary

Individuals Affected YTD †:	3,825
Events Current YTD †:	66
Events Previous YTD †:	72

\* **WARN: Worker Adjustment and Retraining Notification**  
(notice of mass layoff or closure)  
† **YTD: Year to Date**  
(Program year: July 1–June 30)

NOTE: Layoff data are reported by NOVA staff responding to layoff events and should be considered only an estimate of regional activity

Source: NOVA's internal Rapid Response database