

# Workforce Review

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

## June 2015

*Did you know?*

### Silicon Valley slips to No. 3 spot in nation on influential startup index

Unseating Silicon Valley, Austin has moved up to be the No. 1 U.S. city for startups in the latest annual Kauffman Index report.

The Kauffman Index, from the Ewing Marion Kauffman Foundation, measures entrepreneurship at the national, state and metropolitan levels across a three metrics: The rate of new entrepreneurs, the number of entrepreneurs who started their companies when unemployed and the number of startups per capita.

In 2014, the Kauffman Index ranked San Jose No. 1 and Austin No. 2. This year's report has San Jose falling two spots to No. 3. San Francisco is No. 6, falling from the fifth spot.

The latest Kauffman Index ranked Miami as No. 2, with Los Angeles as No. 4, followed by Denver, San Francisco, and New York City. The full metro-area rankings from the report can be found here.

According to the data, roughly 410 out of every 100,000 adults in the San Jose region became entrepreneurs in a given month during the past five years, on average. San Jose claims about 168 startup businesses — defined as businesses less than a year old that employ at least one person besides the owner — per 100,000 residents.

Elsewhere in California, Los Angeles snagged the No. 4 spot, staying even from last year, while San Diego ranked ninth, gaining one spot, and Riverside fell to No. 18 from No. 11.

At the state level, Montana was ranked as the No. 1 state in the U.S. for entrepreneurship. California placed 14th on the list, falling nine spots from the 2014 edition.

Source: *Title* (06/04/15)  
<http://bit.ly/1CfXpD2>

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

| Unemployment Rate      | May 2014 | April 2014 | May 2015 | Percentage Point Change |        |
|------------------------|----------|------------|----------|-------------------------|--------|
|                        |          |            |          | Monthly                 | Annual |
| San José–Sunnyvale MSA | 5.1%     | 3.9%       | 4.1%     | + 0.2                   | - 1.0  |
| California             | 7.2%     | 6.1%       | 6.2%     | + 0.1                   | - 1.0  |
| United States          | 6.1%     | 5.1%       | 5.3%     | + 0.2                   | - 0.8  |

  

| Labor Force            | May 2014  | April 2014 | May 2015  | Percentage Change |         |
|------------------------|-----------|------------|-----------|-------------------|---------|
|                        |           |            |           | Monthly           | Annual  |
| San José–Sunnyvale MSA | 1,016,400 | 1,051,400  | 1,058,300 | + 0.7%            | + 4.1%  |
| Civilian Employed      | 964,200   | 1,010,000  | 1,015,200 | + 0.5%            | + 5.3%  |
| Civilian Unemployed    | 52,100    | 41,400     | 43,000    | + 3.9%            | - 17.5% |

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

| Change in Employment            | May 2014         | April 2014       | May 2015         | Percentage Change |               |
|---------------------------------|------------------|------------------|------------------|-------------------|---------------|
|                                 |                  |                  |                  | Monthly           | Annual        |
| <b>Total Nonfarm</b>            | <b>1,000,300</b> | <b>1,051,700</b> | <b>1,057,400</b> | <b>+ 0.5%</b>     | <b>+ 5.7%</b> |
| Construction                    | 38,300           | 42,100           | 43,500           | + 3.3%            | + 13.6%       |
| Couriers & Messengers           | 2,900            | 3,400            | 3,400            | 0.0%              | + 17.2%       |
| Computer Systems Design & Rel.  | 62,100           | 71,900           | 72,000           | + 0.1%            | + 15.9%       |
| Employment Services             | 19,600           | 21,200           | 21,400           | + 0.9%            | + 9.2%        |
| Ambulatory Health Care Services | 36,400           | 39,000           | 39,200           | + 0.5%            | + 7.7%        |

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 Metropolitan Statistical Area (U.S. High-Tech Regions)**

|                      | Labor Force        |                    |               | Unemployment     |                  |                | Unemployment Rate |             |               |
|----------------------|--------------------|--------------------|---------------|------------------|------------------|----------------|-------------------|-------------|---------------|
|                      | May 2014           | May 2015           | Annual Change | May 2014         | May 2015         | Annual Change  | May 2014          | May 2015    | Annual Change |
| <b>United States</b> | <b>155,841,000</b> | <b>157,719,000</b> | <b>+ 1.2%</b> | <b>9,443,000</b> | <b>8,370,000</b> | <b>- 11.4%</b> | <b>6.1%</b>       | <b>5.3%</b> | <b>- 0.8</b>  |
| <b>California</b>    | <b>18,737,500</b>  | <b>19,061,500</b>  | <b>+ 1.7%</b> | <b>1,342,600</b> | <b>1,180,400</b> | <b>- 12.1%</b> | <b>7.2%</b>       | <b>6.2%</b> | <b>- 1.0</b>  |
| Austin, TX           | 1,049,053          | 1,060,249          | 1.1%          | 43,017           | 32,978           | - 23.3%        | 4.1%              | 3.1%        | - 1.0         |
| Boston, MA           | 2,585,429          | 0                  | 0.0%          | 132,409          | 0                | 0.0%           | 5.1%              | 0.0         | 0.0           |
| Portland, OR         | 1,192,483          | 0                  | 0.0%          | 73,404           | 0                | -0.0%          | 6.2%              | 0.0         | 0.0           |
| San Diego, CA        | 1,536,600          | 1,563,100          | 1.7%          | 94,500           | 77,300           | - 18.2%        | 6.1%              | 4.9%        | - 1.2         |
| San Francisco, CA    | 954,600            | 985,500            | 3.2%          | 39,100           | 33,400           | - 14.6%        | 4.1%              | 3.4%        | - 0.7         |
| Seattle, WA          | 1,555,780          | 1,584,170          | 1.8%          | 69,800           | 60,570           | - 13.2%        | 4.5%              | 3.8%        | - 0.7         |
| San José, CA         | 1,016,400          | 1,058,300          | 4.1%          | 52,100           | 43,000           | - 17.5%        | 5.1%              | 4.1%        | - 1.0         |

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

**Regional Layoff Activity: May 2015**

| Company              | WARN * | City        | Affected   | Cause   | Layoff Summary              |       |
|----------------------|--------|-------------|------------|---------|-----------------------------|-------|
| Lockheed Martin      | No     | Sunnyvale   | 25         | RIF     | Individuals Affected YTD †: | 4,386 |
| Fresh Market         | Yes    | Palo Alto   | 54         | Closure | Events Current YTD †:       | 72    |
| Zynga                | Yes    | Santa Clara | 1          | RIF     | Events Previous YTD †:      | 80    |
| Unilever             | Yes    | Sunnyvale   | 57         | Closure |                             |       |
| Cache                | No     | Santa Clara | 10         | Closure |                             |       |
| Company confidential | Yes    | Milpitas    | 120        | Closure |                             |       |
|                      |        |             | <b>267</b> |         |                             |       |

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

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