

# Workforce Review

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

## February 2005

### *Did you know?*

Stem cell research set to spur job growth, local investment

Proposition 71's impact on the Bay Area promises to be deep and wide ranging, according to Matt Gardner, president of industry association BayBio. The unprecedented bond measure, which allocated \$3 billion for stem cell research in California over the next decade, will bring a variety of riches to the area, Mr. Gardner says, from brain power and economic development to prestige and corporate tourism.

On the scientific front, Prop. 71 funds could place the Bay Area at the forefront of medical research, Mr. Gardner says, by helping scientists develop therapeutic breakthroughs for a variety of conditions—from Parkinson's to spinal cord injuries. These conditions are often singled out because they lead to permanent cell damage or death and create the need for "replacement" cells. Stem cells, which can develop into any type of cell in the body, could theoretically become those replacement parts. These medical possibilities, meanwhile, are already luring eminent researchers to the Bay Area, Mr. Gardner notes, further cementing the region's position as a biotechnology world leader.

Economically, Prop. 71 will have a cascading effect on the area, Mr. Gardner says, spurring job growth, early-stage companies, and ultimately private investment. The first boost will come in the form of job openings at research institutions that receive grant money, such as post-doctoral and lab positions. In addition, if the institute decides to permanently locate here, it will inject about 50 jobs into the local economy.

Private companies are also likely to sprout up once research yields therapeutic leads. But Mr. Gardner notes that the proposition's true impact on the private sector won't be known for at least two decades since it takes 10 to 15 years of research and development activity to produce a product and "you don't know how many viable concepts will end up in the hands of companies." The venture capital community, Mr. Gardner adds, will be reluctant to support stem cell companies until investors can see a clear return through an acquisition or initial public offering.

Source: Silicon Valley/San José Business Journal [3/18/05]  
<http://www.bizjournals.com/sanjose/stories/2005/03/21/story8.html>



*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	February 2004 (Actual)	January 2005 (Revised)	February 2005 (Preliminary)	Percentage Point Change	
				01/05-02/05	02/04-02/05
San José MSA	7.5%	6.3%	6.2%	- 0.1	- 1.3
California	6.7%	6.3%	6.1%	- 0.2	- 0.6
United States	6.0%	5.7%	5.8%	+ 0.1	- 0.2

Civilian Labor Force	February 2004 (Actual)	January 2005 (Revised)	February 2005 (Preliminary)	Percentage Change	
				01/05-02/05	02/04-02/05
San José MSA Total	861,800	843,800	853,700	+ 1.2%	- 0.9%
Civilian Employed	796,800	791,100	800,500	+ 1.2%	+ 0.5%
Civilian Unemployed	65,000	52,700	53,200	+ 0.9%	- 18.2%

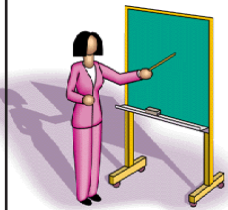
Where the Jobs Are	February 2004 (Actual)	January 2005 (Revised)	February 2005 (Preliminary)	Percentage Change	
				01/05-02/05	02/04-02/05
San José MSA Nonfarm	852,700	843,700	850,000	+ 0.7%	- 0.3%
Goods Producing	208,700	207,700	208,700	+ 0.5%	0.0%
Manufacturing	168,600	169,000	169,300	+ 0.2%	+ 0.4%
Service Providing	644,000	636,000	641,300	+ 0.8%	- 0.4%
Prof. & Bus. Services	165,500	162,300	164,100	+ 1.1%	- 0.8%
Government	95,400	92,800	93,800	+ 1.1%	- 1.7%

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

Source: California Employment Development Department, LMID

### Labor Force by Bay Area County

Bay Area County (%age of CA's Labor Force)	Unemployment Rate (02/05)	Labor Force			Percentage Change	
		02/04	01/05	02/05	01/05-02/05	02/04-02/05
<b>Santa Clara County (4.7%)</b>	<b>6.0%</b>	<b>835,500</b>	<b>818,200</b>	<b>827,700</b>	<b>+ 1.2%</b>	<b>- 0.9%</b>
Alameda County (4.3%)	5.7%	756,700	752,900	759,600	+ 0.9%	+ 0.4%
Contra Costa County (2.9%)	5.3%	510,570	509,600	513,900	+ 0.8%	+ 0.7%
Marin County (0.7%)	4.2%	131,000	130,700	131,600	+ 0.7%	+ 0.5%
Napa County (0.4%)	4.8%	70,870	71,000	72,200	+ 1.7%	+ 1.9%
San Francisco County (2.4%)	5.5%	429,400	428,200	431,000	+ 0.7%	+ 0.4%
San Mateo County (2.1%)	4.7%	366,900	365,000	368,100	+ 0.8%	+ 0.3%
Solano County (1.2%)	6.0%	206,400	208,500	210,200	+ 0.8%	+ 1.8%
Sonoma County (1.5%)	4.9%	256,300	255,800	257,700	+ 0.7%	+ 0.5%
<b>Bay Area Total (20.2%)</b>	<b>5.5%</b>	<b>3,563,640</b>	<b>3,539,900</b>	<b>3,572,000</b>	<b>+ 0.9%</b>	<b>+ 0.2%</b>



Source: California Employment Development Department, LMID

### Regional Layoff Activity

Company	WARN*	City	Affected	Cause
Copper Mountain Networks	No	Palo Alto	2	RIF
Gospel Books & Music	No	Mountain View	5	Closure
Integrated Silicon Solutions	No	Santa Clara	-	RIF
Maxtor Corporation	Yes	Milpitas	60	RIF
Proto Engineering Corp.	No	Sunnyvale	30	Closure
SGI	Yes	Mountain View	55	RIF
Transmeta Corporation	Yes	Santa Clara	306	RIF

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### Summary

Individuals Affected YTD†:	2,911 ‡
WARN Current YTD:	20
WARN Previous YTD:	39

\* 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