

Workforce Review

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

May 2005

Did you know?

Forecast: Sluggish California Economy through 2006

An economic report out Tuesday predicts continued slow growth for the U.S. economy through 2006 and growth that is slower still for California.

The California economy is a picture "of an economy not at the start of a new expansion, but very near the end of an old one," wrote UCLA Senior Economist Christopher Thornberg in the UCLA Anderson Forecast.

On the plus side, taxable sales are up 10 percent so far this year over last, non-real-estate investment is rising, office vacancy rates are declining, and airports and seaports are busy, Mr. Thornberg reports.

But on the minus side, personal income growth has been slow and taxable sales and wages are out of balance. Sales are driven by consumer demand, which is driven by the "wealth effect" of a hot real estate market, he stated. In other words, people are spending more because their homes are more valuable, not because they're getting larger paychecks.

California's economy could weaken further if the real estate market cools off, Mr. Thornberg warned. "Prices don't have to go negative to have an impact. Just 15 percent to zero percent [growth] is enough to start the dominoes falling."

The U.S. economy will experience sluggish growth this year and next, but "the likelihood of a recession within a year is minimal," wrote Forecast Director Edward Leamer.

Source: Silicon Valley Business Journal
[<http://sanjose.bizjournals.com/sanjose/stories/2005/06/20/daily10.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	May 2004 (Actual)	April 2005 (Revised)	May 2005 (Preliminary)	Percentage Points Change	
				04/05-05/05	05/04-05/05
San José MSA ¹	6.6%	5.4%	5.1%	- 0.3	- 1.5
California	6.0%	5.2%	5.0%	- 0.2	- 1.0
United States	5.3%	4.9%	4.9%	0	- 0.4

Civilian Labor Force ²	May 2004 (Actual)	April 2005 (Revised)	May 2005 (Preliminary)	Percentage Change	
				04/05-05/05	05/04-05/05
San José MSA ¹ Total	846,100	840,900	843,400	+ 0.3%	- 0.3%
Civilian Employed	790,400	795,500	800,600	+ 0.6%	+ 1.3%
Civilian Unemployed	55,800	45,400	42,800	- 5.7%	- 23.3%

Industry Employment ³	May 2004 (Actual)	April 2005 (Revised)	May 2005 (Preliminary)	Percentage Change	
				04/05-05/05	05/04-05/05
San José MSA ¹ Nonfarm	862,000	856,100	860,500	+ 0.5%	- 0.2%
– Goods Producing	210,700	208,600	210,200	+ 0.8%	- 0.2%
— Manufacturing	169,300	168,500	169,800	+ 0.8%	+ 0.3%
– Service Providing	651,300	647,500	650,300	+ 0.4%	- 0.2%
— Prof. & Business Svcs.	164,400	164,800	165,100	+ 0.2%	+ 0.4%
— Government	96,600	95,000	95,100	+ 0.1%	- 1.6%

¹ San José MSA (Metropolitan Statistical Area) = Santa Clara and San Benito Counties

Source: California Employment Development Department, LMID

² Civilian labor force data are by place of residence.

³ Industry employment is by place of work.

CalWORKs Caseload by City	April 2004	April 2005	Change	Historic Change (2001-2005) NOVA Workforce Investment Area
	(# of households)	(# of households)	(04/04-04/05)	
Santa Clara County	12,949	14,323	+ 10.6%	
Cupertino	85	77	- 9.4%	
Los Altos	12	6	- 50.0%	
Milpitas	403	436	+ 8.2%	
Mountain View	270	276	+ 2.2%	
Palo Alto	64	78	+ 21.9%	
Santa Clara	585	709	+ 21.2%	
Sunnyvale	401	422	+ 5.2%	
NOVA Workforce Investment Area	1,820	1,934	+ 6.2%	

Source: County of Santa Clara

Regional Layoff Activity: April 2005					Summary Individuals Affected YTD [†] : 3,526 [‡] WARN Current YTD: 24 WARN Previous YTD: 42
Company	WARN [*]	City	Affected	Cause	
Bass	No	Milpitas	6	Closure	
Easy Spirit	No	Palo Alto	4	Closure	
Endwave Corporation	No	Sunnyvale	3	RIF	
Northrop Grumman IT	Yes	Sunnyvale	64	RIF	
SGI	No	Mountain View	–	RIF	
SRHH Inc. – Radisson Hotel	No	Sunnyvale	50	Closure	
127+					

^{*} 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