



THE ECONOMIC SITUATION

**The Changing Labor Market
June 2012**

Featured in this month's report:

**California Leads the Nation in Start Up Jobs
Health Care Overhaul for IT Jobs**

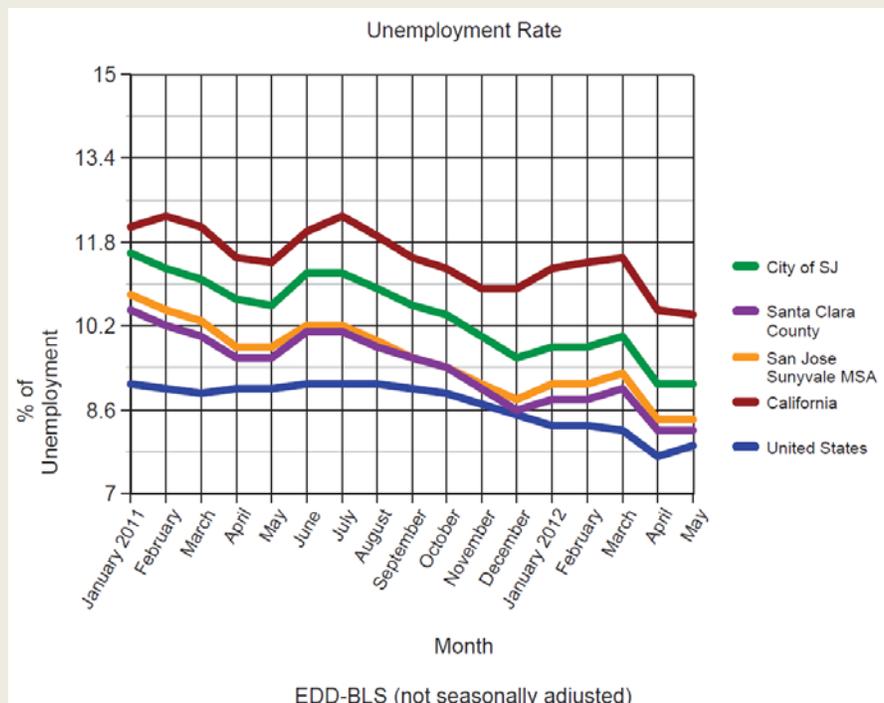
THE ECONOMIC SITUATION

JUNE 2012

The Changing Labor Market

SAN JOSE-SUNNYVALE-SANTA CLARA METROPOLITAN STATISTICAL AREA (MSA) (SAN BENITO AND SANTA CLARA COUNTIES)

The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 8.4 percent in May 2012, unchanged from a revised 8.4 percent in April 2012, and below the year-ago estimate of 9.8 percent. This compares with an unadjusted unemployment rate of 10.4 percent for California and 7.9 percent for the nation during the same period. The unemployment rate was 14.9 percent in San Benito County, and 8.2 percent in Santa Clara County. City of San Jose rate remained at 9.1%.



Between May 2011 and May 2012, employment in the San Jose-Sunnyvale-Santa Clara MSA, which also includes San Benito County, grew by 31,000 jobs, or 3.5 percent. The San Jose metro region marked its 23rd consecutive monthly increase in jobs on a year-over basis.

- Professional and business services (up 8,400 jobs) led the year-over job expansion. Notable gain occurred in employment services (up 2,300 jobs). Construction (up 4,900 jobs).

ITS BEEN
SAID...

IN THE NEWS

New Projects Give a Boost to Silicon Valley's Struggling Construction Industry



SAN JOSE (CBS SF) – Two major projects will be breaking ground in Silicon Valley in the month of April, providing a much needed shot in the arm to the hard-hit construction industry.

The unemployment rate in the Silicon Valley construction trade stood at 30%. That may change after these two projects – which many thought would never happen – break ground.

The BART extension to San Jose was slated to break ground in mid-April, and the billion-dollar-plus 49ers stadium project the following week.

“(There will be a) big impact on jobs here in Silicon Valley and throughout the Bay Area region,” said Silicon Valley Leadership Group CEO, Carl Guardino. “BART to Silicon Valley specifically, it’s a four-year construction cycle. Each of those four years, (will result in) 2,500 direct construction and construction-related jobs.”

BART trains are expected to start running through Silicon Valley in 2016.

The stadium project is projected to create a total of 7,000 jobs.

KCBS’ Mike Colgan Reports:

Relief Coming to Silicon Valley's Struggling Construction Industry

“There’s absolutely a linkage between the success of the 49ers stadium, their groundbreaking being on April 19, and the success led by visionary voters in Silicon Valley for the BART extension and our groundbreaking on April 12. And that link is obvious. We have a can-do spirit in Silicon Valley,” summed up Guardino.

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Too Hot For Jobs

May 19th 2012, 20:16 by R.A. | WASHINGTON

THE financial press went ape over the highly anticipated IPO of one Facebook, the Harvard social network turned \$100 billion phenomenon. Facebook's soaring valuation has focused attention on a Silicon Valley that is once again booming, and it has led many to wonder whether social networking isn't inflating into yet another tech bubble. Nifty little online diversions with often questionable long-run revenue potential are increasingly trading hands for enormous sums of money—Instagram, Pinterest, Groupon, and so on. Maybe these companies are overvalued and maybe they aren't; I'm in no position to say. It is probable, however that—just like in the late 1990s—meaningful innovation and economic growth are occurring beneath the froth. The 1990s gave us scads of dotcom flops, but it also gave us businesses like Amazon and Google: companies that are fundamentally changing the way the economy works. This boom, too, will have its extraordinary, transformative firms.

Could it also bring back the roaring labor market of the 1990s? An interesting new paper by Enrico Moretti and Per Thulin estimates the employment multiplier on job growth in different industries and finds that in America, a new job in the manufacturing sector of a city corresponds to an addition of 1.6 jobs in its non-tradable industries (things like eateries, education and health services, salons, landscaping, and so on). For high-tech employment the multiplier is much higher, however; 5 jobs in non-tradable industries are generally created for each job in high tech. That seems a plausible relationship. Yet when we look at individual cities and regions, we see substantial variation. **And what is particularly striking is just how limited the immediate employment impact of Silicon Valley's boom appears to be. From 2009 to 2010, the San Jose metropolitan area economy grew some 13% but employment in the metro area rose about 2%.** The Houston metro area enjoyed job creation equally fast on much slower economic growth, of just 1.6%.

For more of this article go to:

<http://www.economist.com/blogs/freexchange/2012/05/tech-booms>



IT Braces for a Huge Healthcare Overhaul, Job Opportunities Rise

BY DON WILLMOTT | JUN 11, 2012

Healthcare IT industry is about to undergo a big change, as the deadline looms to revise the medical classification list for coding everything from diseases to external causes of injuries.

And as a result of this federally mandated ICD-10 revision, which has an implementation deadline of Oct. 1, 2014, IT specialists with a background in hospital billing and electronic health records may find job opportunities open up. And those with experience in ICD are likely to find themselves in high demand.

Getting Familiar with ICD

First created by the World Health Organization 20 years ago, the International Statistical Classification of Diseases and Related Health Problems, is in its tenth revision as [ICD-10](#).

With 69,000 medical codes and growing, ramping up for ICD-10 is a huge challenge for healthcare IT but a challenge that must be met. After a series of false starts and delays (2009, 2011, 2013), many dealing with software implementation problems, the federal government mandated the official use of ICD-10 in 2014. All HIPAA “covered entities” must make the change or be subject to fines, and that’s a rapidly approaching mountain for healthcare IT professionals to climb given that experts in the field say it can take up to 18 months to take an ICD-10 upgrade project to fruition.

ICD Jobs

Jobs that are created in the midst of the ICD-10 transition fall into two main categories: technology and training. In both cases, some kind of experience in the field is required.

As Kristine Weinberger, senior healthcare business consultant at Edifecs, explains, “It wouldn’t hurt for IT professionals to take some of the same introductory classes as clinical coders to get the high-level picture of what the transition is all about. And for those IT professionals moving into healthcare from other industries, it’s recommended they learn as much as possible about the industry itself. The healthcare industry operates under different constraints than other industries, many of which impact the IT environment.”

A quick scan of job listings for senior-level ICD-10 positions ([Dice has close to 100](#)), such as ICD-10 Project Manager or ICD-10 Architect, confirms Weinberger’s assertion that some previous knowledge of hospital billing and electronic health records is a must. That’s because time is short, and the organizations involved don’t have time to lead their ICD-10 implementation teams along a long learning curve.

“This role combines strong technical architecture expertise, a solid understanding of healthcare Payer domain, ICD-10 impacted business processes, CMS, and key ICD-10 requirements as well as EDI 5010/4010 experience and a broad knowledge of claims adjudication and EDI front-end systems,” says one daunting job listing. Another listing asks for someone who “doesn’t get overwhelmed with a fast-moving project with many work streams.”

And as anyone who works under federal mandates knows, this year’s mandates will likely change next year. Flexibility is key.

“It’s critical that job seekers in the healthcare IT field stay up to date on the progress and changes shaping the regulations and incentive programs facing the industry,” says Weinberger. “The best healthcare IT pros are flexible, willing to learn, and can train their colleagues on the operation of new technologies necessary to implement new mandates. The most successful people are forward thinkers and eager to explore IT solutions that are easily adaptable and expandable as the industry evolves.”

Sector News

From: Collaborative Economics- May 2012

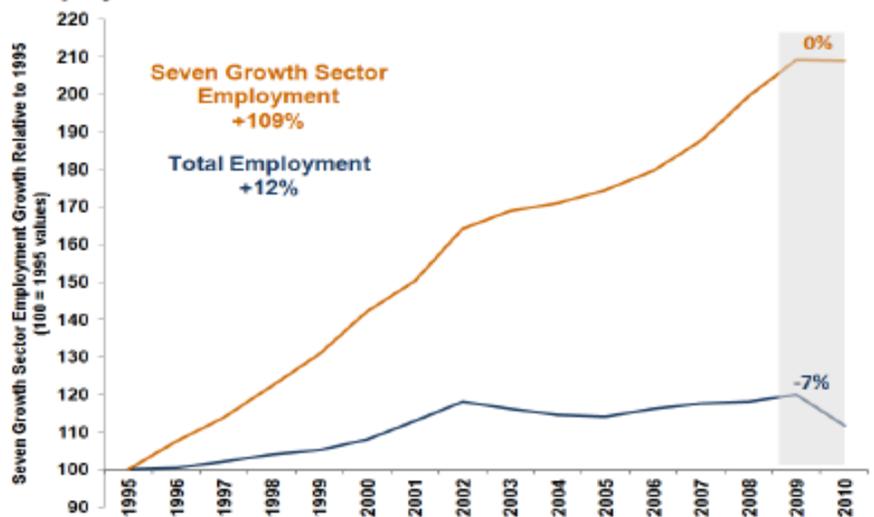
SEVEN GROWTH SECTORS DRIVING CALIFORNIA'S CLEAN AND EFFICIENT ECONOMY CALIFORNIA OVERVIEW

These seven sectors provide the products and services that enable the transformation toward a cleaner, more efficient and competitive economy.

The growth of these seven sectors has consistently outpaced that of the state. From January 1995 to 2010 the statewide employment in the seven sectors more than doubled (an increase of 109%), while jobs in the overall California economy expanded by 12 percent.

During the recent economic recession, these seven sectors showed greater resilience in terms of employment stability than the economy as a whole. In the last observable year, statewide employment fell seven percent, while jobs in the seven sectors remained stable, maintaining their employment level from the year before.

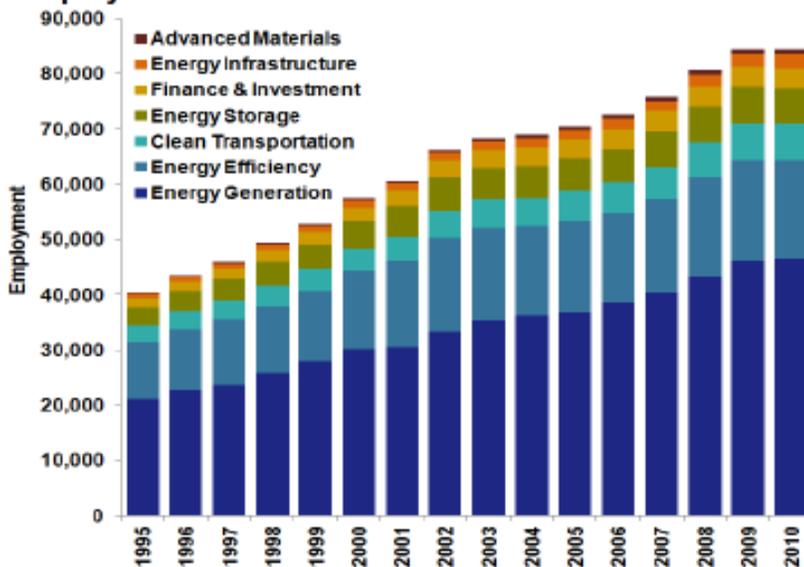
Employment Growth Relative to 1995: California



Data Source: Green Establishment Database. Analysis: Collaborative Economics

Employment distribution and gains vary across the seven sectors (See Appendix for Table: Seven Growth Sectors Employment). Over the last 15 years, two sectors (Energy Generation and Energy Efficiency) have accounted for more than three-quarters (76%) of the jobs. Combined, these two sectors have contributed over 32,900 new job opportunities statewide since 1995. In addition to Energy Generation, Clean Transportation, Finance & Investment, Energy Infrastructure, and Advanced Materials exceeded the average job growth across the seven sectors from 1995 to 2010.

Employment: California



Data Source: Green Establishment Database. Analysis: Collaborative Economics

Many of these sizeable and rapidly growing sectors have continued to thrive during recent years, despite the economic downturn. While most sectors suffered employment losses from January 2009 to 2010, the reverse was the case for Energy Infrastructure, Advanced Materials, Clean Transportation and Energy Generation. Jobs were created in each of these sectors amidst tough economic conditions. Energy Infrastructure employment expanded by nearly 14 percent in 2010, with an addition of nearly 300 job opportunities statewide. Jobs in Advanced Materials increased by four percent, and Clean Transportation and Energy Generation each grew by one percent in 2010. Employment in each of these growth sectors has at least doubled since 1995.

Growth in Businesses in Santa Clara County May 2012



Growth in Number
of Businesses in
Santa Clara County:
2007 - May 2012

Sector	2007	2008	2009	2010	2011	2012	Perc_Change
Administrative and Support Services	5,310	13,698	12,192	13,579	16,074	16,119	203.56%
Health Care	7,604	9,028	7,968	7,721	8,662	9,706	27.64%
Clean and Green	426	499	455	454	487	537	26.06%
Legal Services	1,797	2,148	2,007	1,835	2,012	2,258	25.65%
Professional Services	15,054	17,798	14,596	14,511	16,695	18,015	19.67%
Construction	7,603	8,722	6,841	7,214	8,036	8,595	13.05%
Agriculture, Forestry, Fishing and Hunting	482	521	401	418	496	530	9.96%
Hotels and Accommodations	419	494	440	401	424	455	8.59%
Waste Management and Remediation Services	172	179	143	146	158	179	4.07%
Real Estate	9,984	11,116	8,972	8,502	9,484	10,292	3.08%
Public Admin and Education	4,859	5,379	4,133	3,928	4,467	4,892	0.68%
Transportation	2,607	2,309	2,134	2,040	2,131	2,562	-1.73%

Career Advice

Jun 07 2012

Six Ways to Deal with Criticism at Work

By Alina Dizik

Criticism at work can affect every part of your life, adding stress during work hours and invading your thoughts outside the office. If you don't handle it well, negative feedback from your superiors and colleagues can ultimately derail your career. You can't prevent being criticized, but controlling your own reaction can turn a negative situation into a positive one, says Alison Green, author of the Ask a Manager blog. "People too often take criticism as a personal attack, or as a signal that all the things they've done right aren't being appreciated," Green explains. Not all criticism is bad, and sometimes it can provide feedback that's valuable to your success.

Here are six tips for dealing with criticism at work:

Take time to really listen	If a colleague or higher-up has something negative to say, don't disregard their comments even if you don't have a high opinion of the person. Instead of shutting down, stay objective about what he or she is saying (just as you would in any other situation).
Don't get defensive	Whether at work or at home, it's easy to get defensive when being criticized. Fight the urge and give your boss or co-worker a fair chance to express his or her thoughts. "The person giving you the feedback might have a reasonable point, which you'll never pick up on if you're busy thinking about how to defend yourself," says Gree
Stay calm	Don't lose your cool, especially in a professional setting. "Being calm and rational is essential," says Caroline Dowd-Higgins, director career and professional development at the Indiana University Maurer School of Law. Save your anger for discussing the incident outside of work.
Determine if it's accurate	Even if the criticism was conveyed in a startling way, there might be some truth to what your boss or colleague is saying. "Don't brush it off," says Green. "Responding with a brusque 'okay' and nothing more makes it look like you're just interested in ending the conversation," Green says. Instead, take a step back to assess the situation. Speak to mentors, family
Address the problem	No matter who's at fault, it's important to address the problem, whether it's changing your own actions, acknowledging a misunderstanding or looking for others to change their ways.
Ask questions	Even the slightest bit of negative criticism is easy to misinterpret. Be prepared to ask follow-up questions during the conversation in order to prevent a bigger misunderstanding down the road. Asking questions not only shows that you're eager to figure out a solution.

Job Demand

Online Labor Demand Dips 45,000 in May but Upward Trend Remains Strong

METRO AREA HIGHLIGHTS

In May 2012, the 20 largest metro areas posted moderate gains in labor demand, and supply/demand rates below 2 — indicating that there are less than two unemployed workers for every advertised vacancy

- The 20 large MSAs posted increases in the number of online advertised vacancies. Overall, 18 of the 52 metropolitan areas for which data are reported separately also showed increases in May.
- A number of the largest metro areas have shown strength since the official end of the recession in June 2009. Seven have posted increases of over 100 percent: Cleveland (up 148%), Minneapolis-St. Paul (up 127%), Detroit (up 127%), Columbus (up 109%), **San Jose (up 104%)**, Nashville (up 104%), and Indianapolis (up 103%).
- The Bay Area had a solid 8 percent increase in job advertisements from May 2011 to May 2012. However, the region did have a 2 percent decrease in job advertisements from April 2012 to May 2012.

In California the number of unemployed individuals continued to exceed the number of advertised vacancies. The supply/demand non-seasonally adjusted rate for the nation was 2.43 for April 2012. Adjusting for seasonality, the supply/demand rate for the nation was 2.63. California supply/demand rate for the same period was 3.64 for non-seasonally adjusted and 3.85 for seasonally adjusted. This shows that for April 2012 in California (seasonally adjusted) there were roughly four unemployed individuals for every online advertised vacancy.

The different regions within California vary in their supply/demand rate with all regions above the national level except for the Bay Area.

Thanks to EDD and Help Wanted on line for the above data. May 2012