

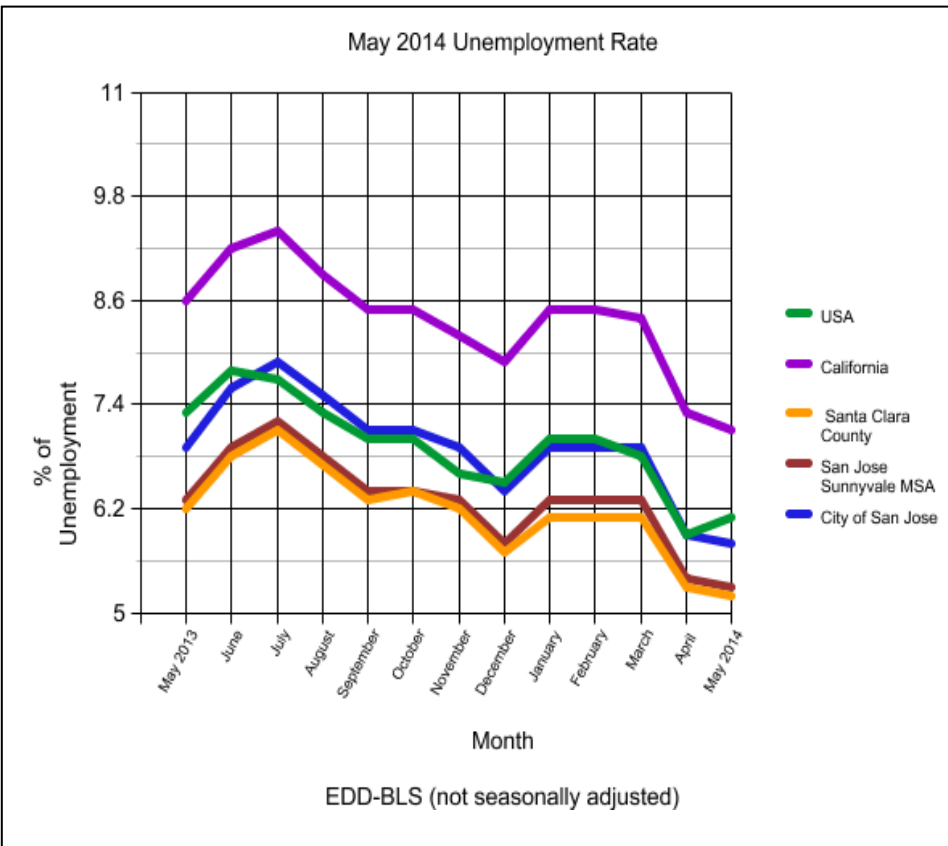


THE ECONOMIC and WORKFORCE SITUATION June 2014 Snapshot

Unemployment for May 2014

San Jose-Sunnyvale-Santa Clara MSA was 5.3%, California 7.1%, United States 6.1 %, Santa Clara County was 5.2% and the city of San Jose was 5.8%.

Source EDD June 20, 2014



San Jose-Sunnyvale-Santa Clara MSA Stats

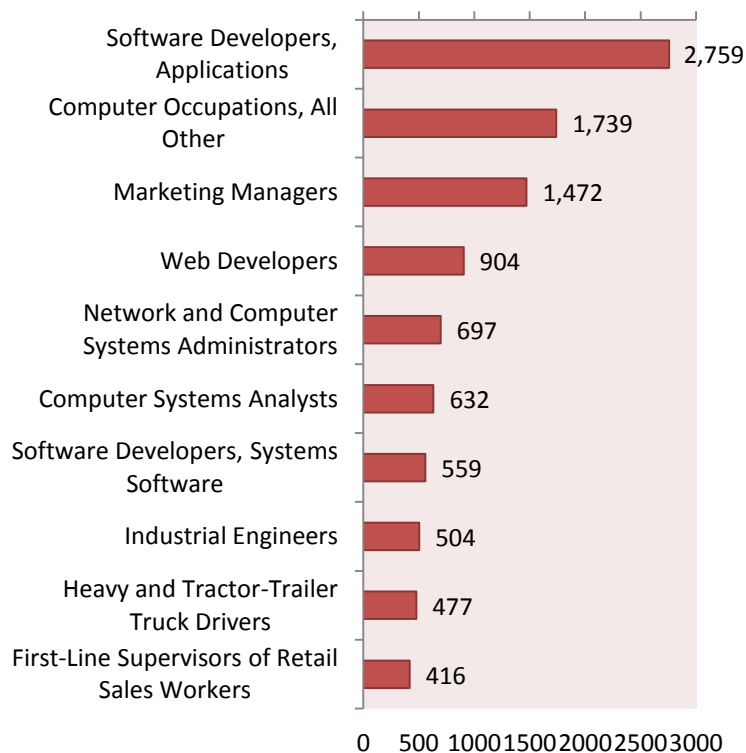
Between May 2013 and May 2014, total employment in the San Jose-Sunnyvale-Santa Clara MSA, which also includes San Benito County, grew by 32,700 jobs, or 3.4 percent. Private nonfarm employment expanded at the same rate (3.4 percent), adding 29,600 jobs.

- Private educational and health services gained 8,600 jobs from last May. Private health care (up 5,000 jobs), social assistance (up 3,100 jobs), and private schools (up a net 500 jobs), each recorded gains.
- Information, up by a net 5,500 jobs, marked its 52nd consecutive monthly increase on a year-over basis.
- Manufacturing gained 5,100 jobs. Durable goods advanced by 4,500 jobs, while nondurable goods added 600 jobs.
- Professional and business services rose by 4,100 jobs, with gains in administrative and support and waste services (up 2,100 jobs) representing just over half of the increase.

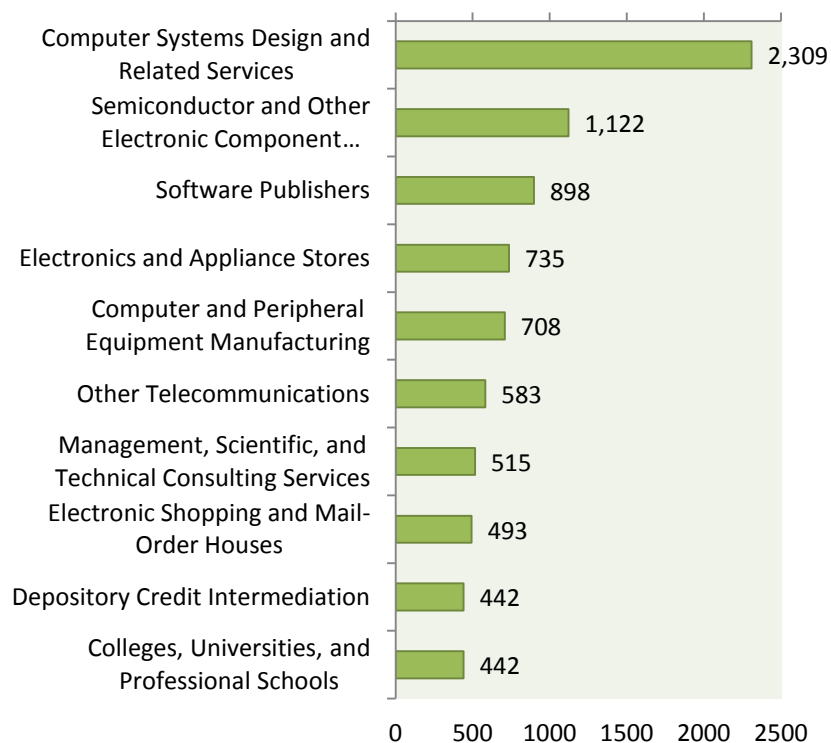
EDD-BLS June 20, 2014

San Jose MSA Top Occupations and Industries in Job Postings May 1-30, 2014

Top Occupations May 2014



Top Sectors May 2014



Prepared by: Work2Future Special Projects Team

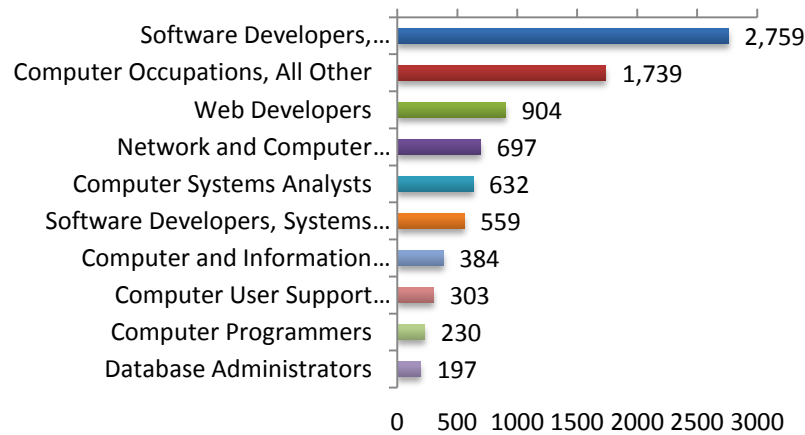
Source: BLS Local Area Unemployment Statistics; W2F Enrollments and Wanted Analytics. May 1-30, 2014



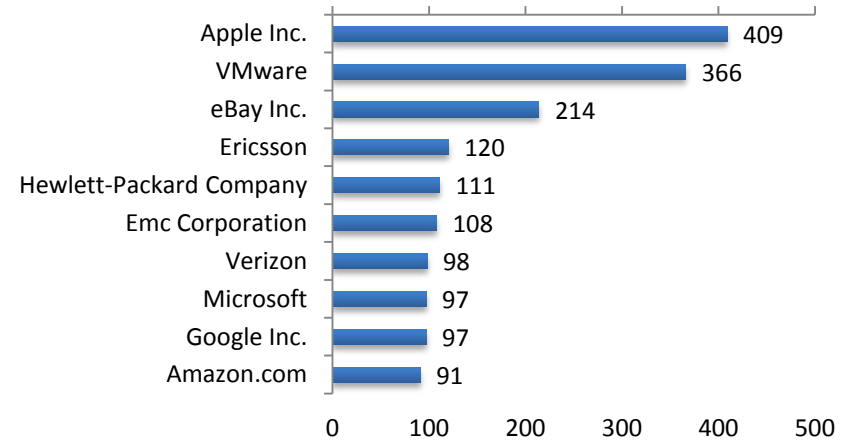
In-demand Occupations and Skills by Function in Job Postings San Jose MSA May 1-30, 2014

ICT

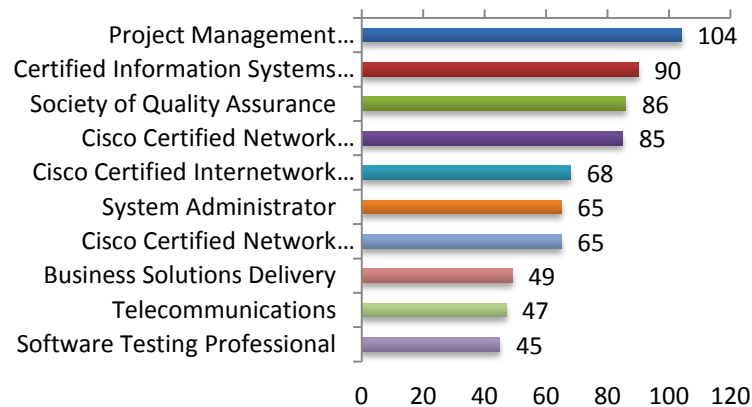
Top Occupations



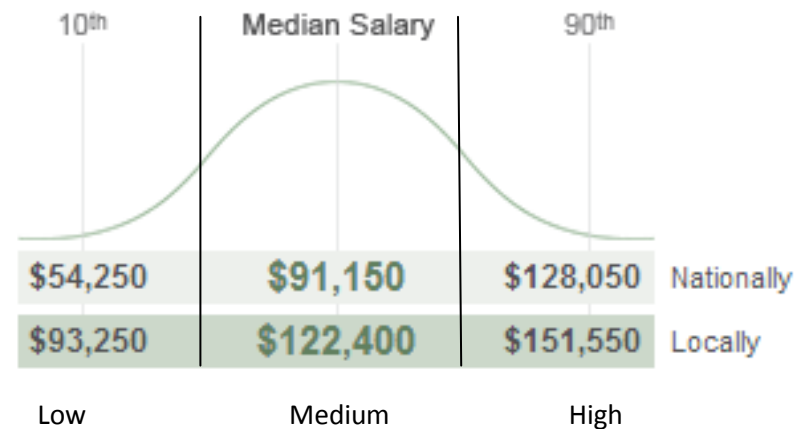
Employers



Skills and Certifications

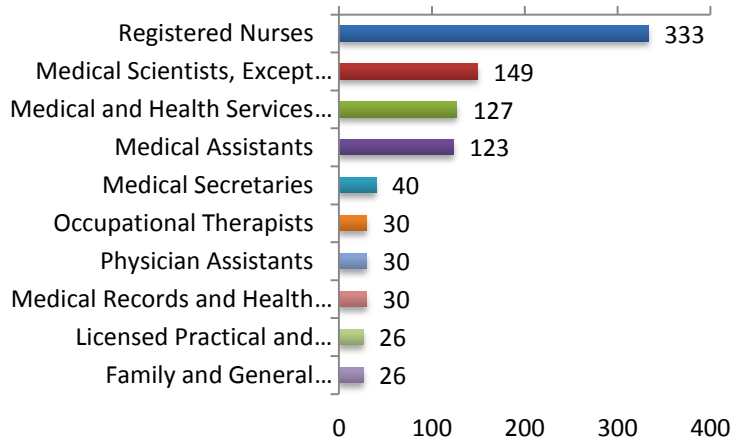


Market Salary

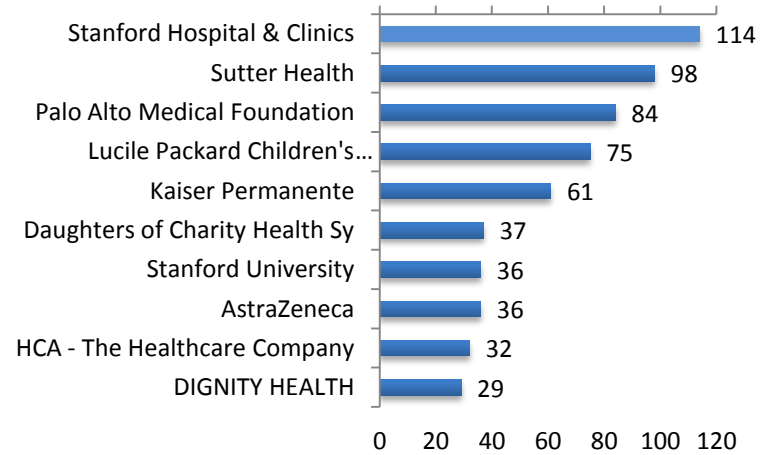


MEDICAL/HEALTH

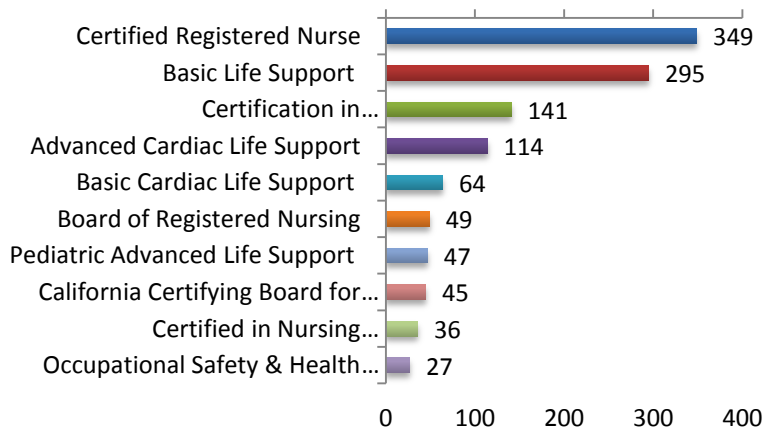
Top Occupations



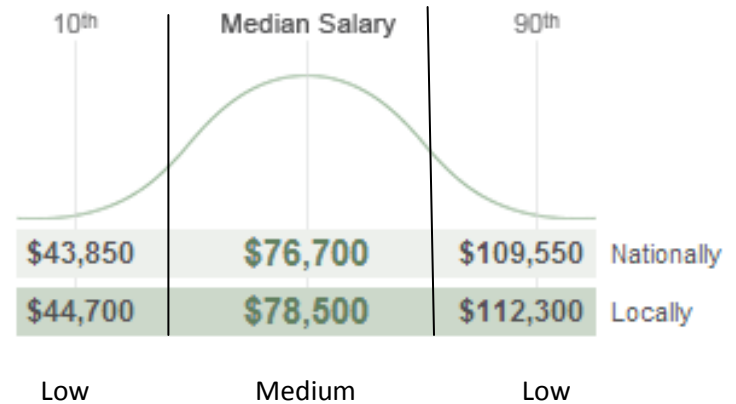
Employers



Skills and Certifications

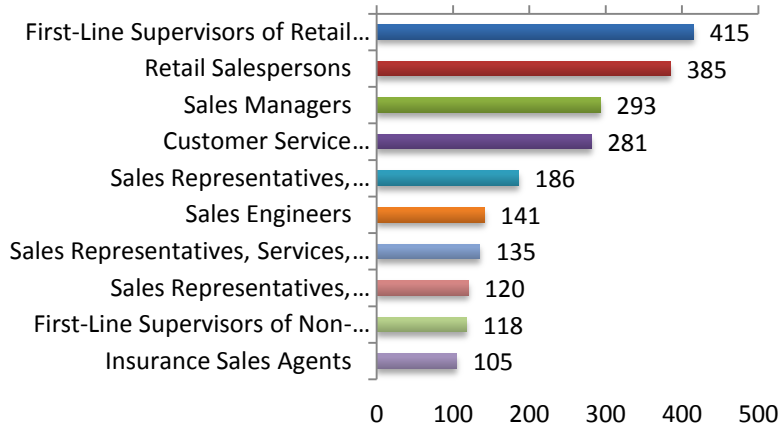


Market Salary

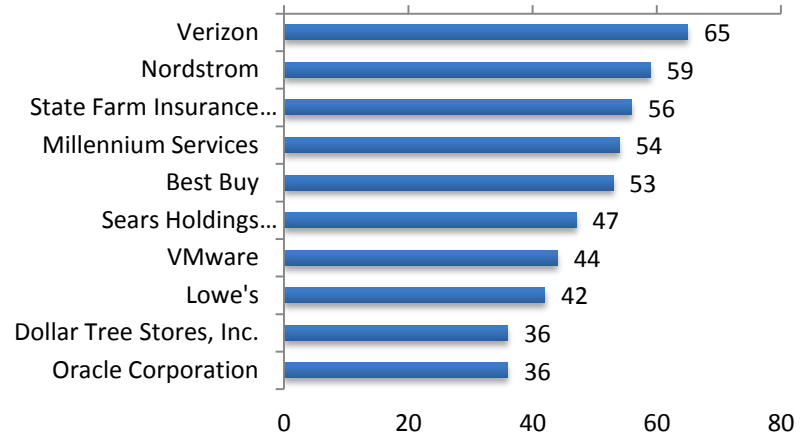


SALES/BIZ DEVELOPMENT

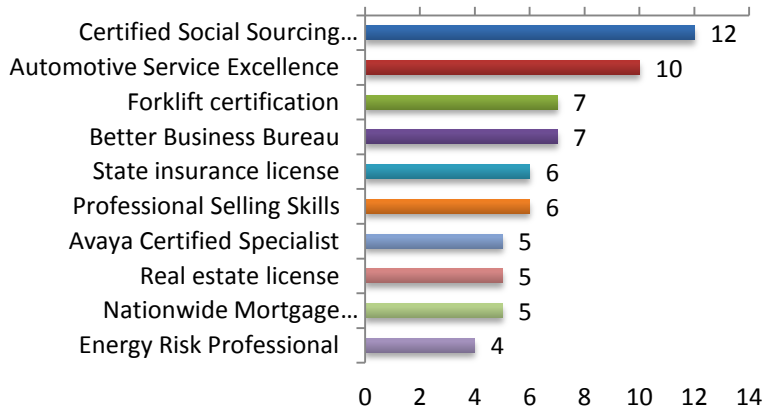
Top Occupations



Employers



Skills and Cerifications



Prepared by: Work2Future Special Projects Team
 Source: Wanted Analytics. May 1-30, 2014

Can the Jobs-and-Income Crisis End Well?

By Chris Farrell November 25, 2011

(Note: Although this article is written almost three years ago, it is still very relevant as it touches upon one of the most important problems of the Bay Area: the distribution of wealth)

Could John Maynard Keynes be right about 2030? Not the Depression-era Keynes who wrote the playbook that policy mavens still consult for ideas on combating high unemployment and sluggish economic growth. I'm referring to the Keynes who boldly forecast that the "economic problem" of insufficient wealth to meet everyone's everyday needs would be solved in a hundred years. The prediction that economic abundance would replace economic scarcity was made in a 1930 article, "The Economic Possibilities for Our Grandchildren."

The essay opens on the gloomy impact of the Great Depression: "We are suffering just now from a bad attack of economic pessimism." People understandably believe, he said, "that a decline in prosperity is more likely than an improvement in the decade which lies ahead."

Keynes didn't buy into the conventional misery. "We are suffering, not from the rheumatics of old age, but from the growing-pains of over-rapid changes, from the painfulness of readjustment between one economic period and another," he wrote. Keynes didn't buy into the conventional misery. "We are suffering, not from the rheumatics of old age, but from the growing-pains of over-rapid changes, from the painfulness of readjustment between one economic period and another," he wrote.

In the new economic era, he believed, the combination of rising productivity in manufacturing, agriculture, and other sectors of the economy, striking improvements in transportation networks, more capital invested in new equipment and technologies, and low population growth could boost per capita income by a factor of four to eight over the next 100 years among the developed nations. It turned out to be an "eerily accurate average growth rate," according to Lee Ohanian, economist at UCLA.

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Darkness Preceding Dawn?

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But what if we're merely living through another painful adjustment from one economic period to another? In recent writings, such scholars as Eric Brynjolfsson, Andrew McAfee, W. Brian Arthur, and Richard Florida, as well as consultants at McKinsey & Co., have made a strong case that we're living through a transition toward an economy dominated by a digital ecosystem. "Technological progress—in particular, improvements in computer hardware, software, and networks—has been so rapid and so surprising that many present-day organizations, institutions, policies, and mindsets are not keeping up," write Brynjolfsson and McAfee, scholars at the MIT Sloan School of Management and authors of the e-book, *Race Against the Machine*. Adds Arthur, a visiting researcher with the Intelligent Systems Lab at the Palo Alto Research Center in [a McKinsey & Co. essay](#): "Is this the biggest change since the Industrial Revolution? Well, without sticking my neck out too far, I believe so."

It takes time for major technological innovations to spread throughout an economy. A huge, nearly invisible digital economy has been built since the personal computer entered the workplace about three decades ago, followed by the commercial dawn of the Internet in 1995 via Netscape's initial public offering. Arthur calculates that the digital "second economy" will rival the physical economy in size by 2025. Brynjolfsson and McAfee illustrate the rapid evolution of the digital economy with examples such as the driverless, software-controlled car being developed by Google([GOOG](#)) and the Watson supercomputer IBM ([IBM](#)) designed to play *Jeopardy*. Instead of electric power—a major innovation that drove productivity in the mass production economy of Smokestack America in an earlier era—think Big Data. In 15 of the U.S. economy's 17 sectors, companies with more than 1,000 employees store over 235 terabytes of data, on average. That's more data than the Library of Congress contains, [according to McKinsey](#). Mining the data offers vast opportunities for improving efficiency and quality in most businesses.

Is Innovation Lacking?

The payoff will be high productivity, the fundamental building block of enhanced living standards. Hard as it is to believe today, it's possible that Keynes's forecast that the "economic problem" of meeting everyday "absolute needs" for everybody could be solved in a further 19 years. (Keynes knew that status and other needs are insatiable.) Not everyone is buying it. Perhaps the best-known digital-boom skeptic is Tyler Cowen, economist at George Mason University and author of the e-book, *The Great Stagnation*.

Yes, the Internet and similar technologies have had an impact on work and our everyday lives, from booking an airplane flight to staying in touch on Facebook. But digital-based innovations, Cowen argues, pale in their economic impact compared with electricity, powerful motors, the automobile, the telephone, pharmaceuticals, and radio, to mention only a few transformative technologies of an earlier generation. He contends that the lack of major innovation lies behind the disturbing stagnation in income since the 1970s.

The issue between naysayers and optimists may be partly a matter of timing. The digital-economy folks believe the infrastructure is reaching a critical mass and that transformations are about to accelerate. Only three decades ago, the Internet was an obscure network, mostly for researchers; today almost 2 billion people worldwide are connected, with nearly \$8 trillion traded through e-commerce.

How Will Gains Be Distributed?

There's no real dispute about the dark side of the digital economy: Rapid technological change is leaving behind—and will leave behind—many workers. The rise of the machine could spell low wages and long spells of unemployment for the median worker. Indeed, it appears that mid-skill workers such as people in administrative support and machine operators are particularly vulnerable. Those jobs are relatively easy to automate.

From 1980 to 2009, essentially the period that coincides with the rise of the digital age, the share of jobs in the mid-skill category shrank by two thirds, according to Jason R. Abel and Richard Deitz, economists at the Federal Reserve Bank of New York. Over the same period of time, high-skill jobs such as positions in engineering and math increased their share, from 12 percent to 15 percent. Low-skill jobs, such as personal care and food preparation, went from 13 percent to 17 percent.

The demand for highly skilled workers comfortable in a changing world of global competition and technological upheaval will stay strong. Gardeners, hairdressers, and home health aides are hard jobs to replace with information technologies. Everyone else may well be vulnerable.

Here's where Keynes comes in again. In "The Economic Possibilities for Our Grandchildren," Keynes the optimist believed that once enough wealth had been created to meet ordinary needs, the real economic problem would be how to take advantage of leisure—to live an emotionally and psychologically rich life. However, what if the remaining problem in 2030 isn't leisure but producing enough engaging jobs?

Specifically, the difficult test in the new economy won't be income generation; the challenge will be to include everyone in the institution of the workplace—to offer all of society the reality of an engaging job. The central challenge of the economic policy shifts from "producing prosperity" to "distributing prosperity," says Arthur.

It's a nice problem to have, compared to what we're dealing with today. It's enticing to imagine that the digital economy offers a realistic prospect of prosperity for all. The question is: Will we have the political will to distribute the wealth throughout society?

You can reach the full article at:

<http://www.businessweek.com/finance/can-the-jobsandincome-crisis-end-well-11252011.html#p2>