

THE ECONOMIC SITUATION

September, 2012

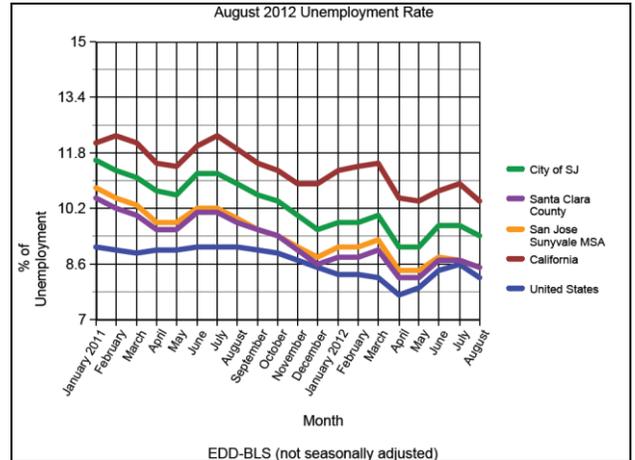
Workforce Snapshot

Unemployment August 2012

Labor Market MSA, August marked the area's 26th consecutive month of job additions on a year-over basis.

- The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 8.5% in August 2012.
- California was at 10.4% and
- 8.2% for the United States,
- 8.5% in Santa Clara County and
- 9.4% for the City of San Jose

Source EDD September 21, 2012



MSA Stats for August 2012

- Manufacturing grew by 1,500 jobs, reversing its average 200-job decrease between July and August over the prior 10 years.
- Trade, transportation, and utilities added 1,500 jobs,
- Wholesale trade up 1,100 jobs reversed and retail trade grew by 400 jobs seasonally.
- Construction experienced an above-average seasonal boost of 1,400 jobs, primarily within specialty trade contractors (up 1,300 jobs).
- Meanwhile, leisure and hospitality trimmed 1,000 jobs seasonally.

Stats Year to Date

- Professional and business services expanded by 7,000 jobs from last August. Notable gains occurred within computer systems design and employment services (which also includes temporary agencies), each up by 1,200 jobs over the year.
- Private health care and social assistance added 3,500 jobs, while private schools grew by 3,000 jobs.
- Other industries recording sizeable gains over the year included: trade, transportation, and utilities (up 4,800 jobs), construction (up 3,900 jobs), information (up 3,700 jobs), leisure and hospitality (up 3,500 jobs), and manufacturing (up 1,800 jobs).

work2future commissioned a follow up to last year's Underemployment Study here are some excerpts from the latest findings.

What is Underemployment

Workers are underemployed when they are;

- **Unemployed:** People looking for work or those who have quit looking for work but would work if they were offered meaningful employment.
- **Underused:** Part-time or multiple job holders who want to work in one full-time paying job
- **Underutilized:** Workers in jobs that are not utilizing their skills appropriately

Underemployment in San Jose

The research provided three estimates of underemployment in the City of San Jose;

- **Unemployed (U3): 10.5% (EDD: 9.7%)**
- **Underused (U6 & Gallup): 23.2% (CA U6: 20.3%)**
- **Underutilized: 30.4% to 35.3%**

Please note these estimates are additive meaning underutilized includes unemployed and underused.

Underemployment in Santa Clara County

The research provided three estimates of underemployment in Santa Clara County;

- **Unemployed (U3): 8.9% (EDD: 8.7%)**
- **Underused (U6 & Gallup): 22.4% (CA U6: 20.3%)**
- **Underutilized: 29.4% to 36.9%**

Please note these estimates are additive meaning underutilized includes unemployed and underused.

A recent report links the nation's high unemployment rate to a lack of an educated workforce, according to Bloomberg News. In the Brookings Institute report, Senior Research Associate and Associate Fellow Jonathan Rothwell looks at short-run or "cyclical" unemployment rate changes versus the causes of long-run unemployment. The report concluded that the gap between the demand and supply of educated workers increases the U.S. unemployment rate as much as 2 percentage points. "Metro areas with the most highly educated workers relative to demand also have the lowest unemployment rates for both less educated and less experienced workers," Rothwell wrote. "High educational attainment is essential for the health of metropolitan labor markets before, during, and after recessions. Educational attainment makes workers more employable, creates demand for complementary less-educated workers, and facilitates entrepreneurship." Cities with high demand for college graduates include San Jose, Washington, D.C., and San Francisco. Silicon Valley's San Jose had the highest level of demand for highly educated labor force; with approximately 56 percent of job listings requiring at least a bachelor's degree. EDD Regional Bulletin September 2012