



# **THE ECONOMIC SITUATION**

## **The Changing Labor Market**

**January 2012**

**Featured in this month's  
report:**

**Declining Unemployment**

**Net Jobs Gains**

**Contract Manufacturing Study**

**Older Workers**

# THE ECONOMIC SITUATION

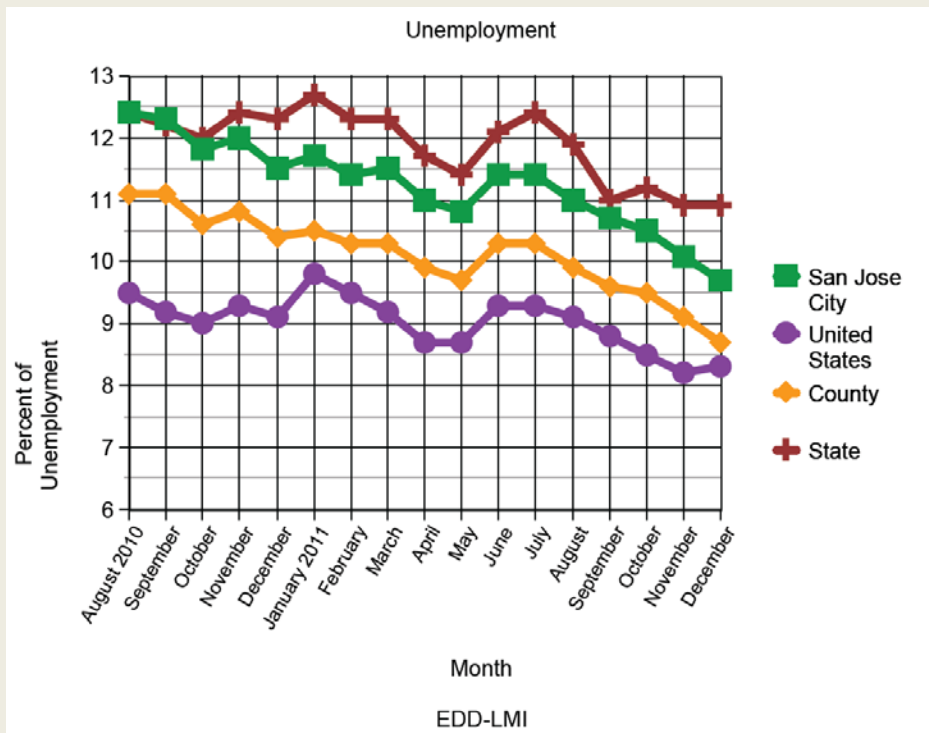
## January 2012

### The Changing Labor Market

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#### 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 8.9 percent in December 2011, down from a revised 9.2 percent in November 2011, and below the year-ago estimate of 10.6 percent. This compares with an unadjusted unemployment rate of 10.9 percent for California and 8.3 percent for the nation during the same period. The unemployment rate was 16.0 percent in San Benito County, and 8.7 percent in Santa Clara County.



City of San Jose showed a 2% decline in the unemployment rate since January 2011. In which the labor force had a modest increase of 8300 jobs. (January 2011, labor force = 458,400- December 2011, labor force = 466,700).

ITS BEEN  
SAID...



work2future is pleased to announce the release of a breakthrough study on Contract Manufacturing in Silicon Valley

*Excerpts from the Study:*

Contract manufacturing refers to the process whereby companies outsource the production of their prototypes, components, or finished products to manufacturing firms. Typically, companies will provide the product design and will hire the manufacturer to serve as their factory for production, assembly and shipping logistics. While some have argued that an increasing share of contract manufacturing is being conducted overseas or outside of the region, new opportunities for this industry are growing in Silicon Valley.

The goals of the research include identifying characteristics of contract manufacturers, distinguishing trends between firms conducting work for emerging and established products, assessing employment growth and opportunities for the future, developing skill profiles of occupational categories, addressing hiring challenges, reviewing educational programs, and developing recommendations for economic development policy.

**The study will be available at:**  
**[http://www.work2future.biz/content/labor-market-information\\_research-studies-and-reports/](http://www.work2future.biz/content/labor-market-information_research-studies-and-reports/)**

***From the EDD California Regional Bulletin***

**Veterans Career Technical Training Initiative approved in San Jose**, according to the Silicon Valley/San Jose Business Journal. The pilot program will run for 30 months, through the 2013 to 2014 school years, providing up to 100 scholarships each year to qualified veterans. Scholarships cover registration fees, tuition, uniforms, and instructional materials, with a focus on study programs in culinary arts, diesel/truck and auto careers, specialty trades-related courses, precision machining, law enforcement, and probation/legal occupations. The Central County Occupational Center (CCOC) will offer both day and evening technical training classes and the Metropolitan Adult Education Program (MAEP). work2future and NOVA, the local Workforce Investment Boards in Santa Clara County, must refer veterans. Additional partners supporting the initiative include the Employment Development Department (EDD), Santa Clara and San Benito Counties Building and Construction Trades Council, union apprenticeship programs, and the MetroED Foundation.



## Job Seekers Turn to Facebook for Job Hunting

Posted By [John Zappe](#) On November 16, 2011 @ 8:00 am In [Featured, News and Features](#) | [15 Comments](#)

<sup>[1]</sup>Facebook is emerging as the leading social network when it comes to job hunting. By a margin approaching 2-to-1, job seekers credit Facebook with helping them get their current job.



LinkedIn ran a distant second, with 46 percent of job seekers attributing their job to that business-oriented network. Twitter, the short messaging network, got a thumbs-up for its job help from 36 percent.

Those are among the findings of [Jobvite's Social Job Seeker Survey 2011](#) <sup>[2]</sup> released this morning. The survey doesn't say how the social networking helped the job-seekers. Other data suggests it may mean seekers researched the companies on social networks, reached out to their contacts for information, got a referral, or were contacted directly. Since most job seekers use more than one social network, the numbers add up to more than 100 percent.

In terms of sheer numbers, the results are not too surprising. Facebook has in excess of 800 million members, while LinkedIn has about 135 million. What is surprising, however, is that by an even larger margin recruiters in an earlier Jobvite survey reported making hires through LinkedIn.

Nevertheless, regardless of which social network they prefer, job seekers with the most contacts do more job hunting and get better results than their counterparts with fewer than 150 connections, friends, or followers. Of these "super social" job seekers as Jobvite calls them, 28 percent found a job directly through their online social networking.

As you might expect, Facebook has the largest percentage of super social job seekers — 37 percent — compared to LinkedIn's 10 percent and Twitter's 11 percent. Super socials, as the Jobvite survey discovered, are young and strong earners: 62% percent are under 40; 42 percent earn over \$75,000, and 40 percent have a college degree. They divide almost evenly on gender with 49 percent female.

"Our new national survey shows that socially savvy job seekers have an advantage over their fellow job hunters and it's paying off," said Dan Finnigan, Jobvite president and CEO. "While referrals are still the top source of new jobs, online social networks play an increasingly important role in job hunting today."

One curious data point is the number of workers who, Jobvite reports, say they find their job through social networking. Jobvite puts the count at more than 22 million, an increase of 7.6 million since its 2010 survey. If that's accurate, then 15.8 percent of the [48 million jobs filled in the year ending Sept. 30](#) <sup>[3]</sup> would be the result of social networks.

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Bay Area Technology Professionals Can't Get Hired as Industry Moves On - NYTimes.com

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January 28, 2012

## Old Techies Never Die; They Just Can't Get Hired as an Industry Moves On

By AARON GLANTZ

Silicon Valley may be booming again, but times are still tough for the 200 out-of-work professionals who crowd into Sunnyvale's City Hall every Thursday morning.

Most of them hold advanced degrees in engineering and have more than a decade of experience in the technology sector. They fill all of the seats in the City Council chamber and spill out into the aisles.

They are members of Pro Match, a government-financed support group and "interactive career resource center" for educated older workers who have suddenly, and usually involuntarily, found themselves on the job market. Most have been out of work for months.

The job market "is not the same as it was years ago," said Massimo Sutera, 45, a microprocessor engineer who was laid off last year when his firm, Zoran Corporation, a video chip maker, was acquired by the British firm C.S.R., which promptly scaled back its Sunnyvale operations, discontinuing its investment in digital television systems-on-a-chip. "It's a mess."

While Web-based companies like Facebook and Google are scouring the world for new talent to hire, older technology workers often find that their skills are no longer valued.

Part of the problem, analysts said, is that many of the companies shedding jobs are technology manufacturers, while most of the companies that are hiring are Internet-based.

While employment figures published by the state Employment Development Department show that Silicon Valley's technology sector has more than made up for job losses that occurred early in the recession, the rebound has not helped everyone.

Cisco Systems, a maker of computer networking equipment that is Santa Clara County's largest private employer, laid off 1,331 workers last year. The semiconductor sector, which used to be the lifeblood of the South Bay's economy, has lost 4,600 jobs since 2008.

"These are people who know how to run a factory floor, but most of these new companies don't care about that," said Connie Buck, a career counselor who helps run Pro Match.

As a result, the South Bay's unemployment rate, which stood at 8.9 percent in December, remains higher than the national average.

[http://www.nytimes.com/...y-area-technology-professionals-cant-get-hired-as-industry-moves-on.html?\\_r=1&pagewanted=print\[2/2/2012 4:04:52 PM\]](http://www.nytimes.com/...y-area-technology-professionals-cant-get-hired-as-industry-moves-on.html?_r=1&pagewanted=print[2/2/2012 4:04:52 PM])

Check out the latest on resumes from high tech HR professionals at [Tech Resumes 2.0](#): [http://www.work2future.biz/content/abor-market-information\\_research-studies-and-reports/](http://www.work2future.biz/content/labor-market-information_research-studies-and-reports/)

## Top Ten Most in Demand Occupations January 2012

### Employers in the Silicon Valley Are Hiring More than just Tech Talent

By Abby Lombardi on January 13, 2012 in Occupations.

When you think of hiring demand in the Silicon Valley, the first thing that comes to mind is probably tech talent. Yes, IT occupations are growing fast in the Valley. However, there are other occupations and skills with an increasing number of job ads. In this post, we look at some of those jobs – and how difficult it is to fill them in the San Francisco and San Jose areas.

Below are the 10 most demanded (not tech related) occupations in the San Jose and San Francisco areas during December 2011. 8 of these occupations saw year-over-year growth in hiring compared to December 2010. Healthcare jobs are growing steadily in this area, with Registered Nurses, Physical Therapists, and Occupational Therapists appearing in the below lists. In fact, of the 10 occupations below, Physical Therapists had the highest year-over-year growth at more than 170%. Only Marketing Managers and Retail Sales Managers saw a decline in online job ads. However, Marketers were the most demanded occupation that wasn't tech related in December.

| <u>Occupation</u>                                       | <u>Volume of Job Ads % Change vs. December 2010</u> |         |
|---|---|---------|
| Marketing Managers                                      | 1,394   | -3.1%   |
| Registered Nurses                                       | 993   | +8.3%   |
| Physical Therapists                                     | 786   | +177.7% |
| Accountants   | 659   | +23.0%  |
| Executive Secretaries and Administrative Assistants     | 593   | +11.5%  |
| First-line Managers/Supervisors of Retail Sales Workers | 572   | -16.9%  |
| Management Analysts                                     | 559   | +12.7%  |
| Sales Managers  | 553   | +2.8%   |
| Industrial Engineers                                    | 545   | +7.5%   |
| Occupational Therapists                                 | 445   | +35.7%  |

Of the above 10 occupations, Recruiters are likely to see the most difficulty when sourcing for Occupational Therapists, Physical Therapists, and Marketing Managers. Our *Hiring Scale*<sup>™</sup> shows that the local talent pool of Occupational and Physical Therapists consists of about 1 potential candidate for every job advertised in the Silicon Valley. The talent pool of Marketers is also small, with about 2 potential candidates currently working in this field in the local area. Companies that are hiring for these jobs are likely to see high competition for candidates and a longer than average time-to-fill. For example, the average duration of an online job ad for Physical Therapists is about 7 weeks.

## Special Feature Older Workers and the Workforce



• Sep 14, 2011, 11:47 AM

# How Are Older Workers Faring in Today's Economy?

By Alicia Munnell



Alicia Munnell, the director of the Center for Retirement Research at Boston College, is a weekly contributor to "Encore."

Although the economy is technically in a recovery, unemployment remains high. And the Fed's August 9 decision to keep rates low through mid-2013 suggests that policymakers expect weak growth for the foreseeable future. What's happening to older workers in this never-ending malaise?

The answer turns out to be a little complicated. Two forces are at work. On the one hand, labor force participation among older workers has risen significantly since the mid-1980s, a reversal of the long-standing trend toward ever-earlier retirement. The reasons for this reversal include changing incentives in Social Security and employer pensions; better education and health coupled with less strenuous jobs; and the decline in retiree health insurance. Participation rates among older men even continued to rise during both of the recessions in this decade – a dramatic change from previous experience (click on the figure below). Most likely the upward trend was reinforced by the financial crises that depleted 401(k) balances.

On the other hand, the edge that older workers used to have relative to younger workers when it comes to layoffs seems to have disappeared. The conventional wisdom was that when workers are young, they and their employers share the costs of acquiring skills that are particularly useful at the particular firm. When workers age, employers are reluctant to lay them off because they would lose their investment and be forced to train new younger workers. Until recently, virtually every study looking at displacement rates concluded that the probability of being displaced declines with age. But things are changing. Data from the Displaced Worker Survey show that the difference in displacement rates between younger and older workers has disappeared. The key factor explaining this loss of relative job security is a decline in the tenure of older workers as workers increasingly shift jobs in their 50s. It was long tenure, not age, that had been protecting older workers from being laid off.

Of the two forces, the trend growth in labor force participation appears to dominate the loss of job security. As a result, the employment rate of older workers – the percent of the population with a job – declined only slightly during the 2007-2009 recession. This pattern contrasts sharply with the far more typical decline in employment rates for workers under age 55 (click on figure below).

Not all is well, however. The number of older people who want to work is much greater than the number of available jobs. As a result, the unemployment rate for older workers has increased more than in any previous post-war recession. And older workers who lose their jobs have a very hard time finding a new one.

## Older Workers

A survey last month by office-equipment maker Pitney Bowes found that about 20% of midlevel corporate employees now report to a boss who is younger than they are.

That figure seems set to climb: Almost half (45%) of manufacturing companies are trying to encourage workers in their 50s and 60s to stay on the job longer, so as not to lose their hard-to-replace skills and experience, according to a new poll of senior executives by Advanced Technology Services.

"It's happening everywhere," says Jim Finkelstein, president and CEO of a consulting firm called FutureSense, based in San Rafael, Calif., and author of a new book, *Fuse: Making Sense of the New Cogenerational Workplace*. Many of his clients are tech companies and family-owned businesses that bring him in to help resolve clashes between Baby Boomers and bosses they perceive as still wet behind the ears.

"Part of the reason for this big shift, of course, is that we Boomers were supposed to have retired en masse by now, to make room for the next generation of talent," Finkelstein says.

<http://management.fortune.cnn.com/2011/11/11/young-bosses-older-workers/>

## Special Feature Older Workers and the Workforce

The New York Times

**Economix**

Explaining the Science of Everyday Life

MAY 6, 2011, 6:27 PM

### Older Workers Without Jobs Face Longest Time Out of Work

By CATHERINE RAMPELL

After reaching record highs month after month, the typical length of time a jobless worker in the United States has been unemployed finally fell in April, to "only" 38.3 weeks. But the outlook is looking bleaker for the nation's older workers.

Sure, older workers are much less likely to be unemployed than their younger counterparts. Here's a look at unemployment rates by age:

Source: Bureau of Labor Statistics Note: The figures are presented as a 12-month moving average because not all age groups had seasonally-adjusted data available.

As you can see, the older you are, the less likely you are to be unemployed. The unemployment rate for people over age 65 is about 6.5 percent, taken on a 12-month moving average. The unemployment rate for teenagers is nearly four times that.

But if older workers *do* lose their jobs, their chances of finding another job are extraordinarily low. Here's a look at the average duration of unemployment (on a 12-month moving average), broken down by age of the unemployed:

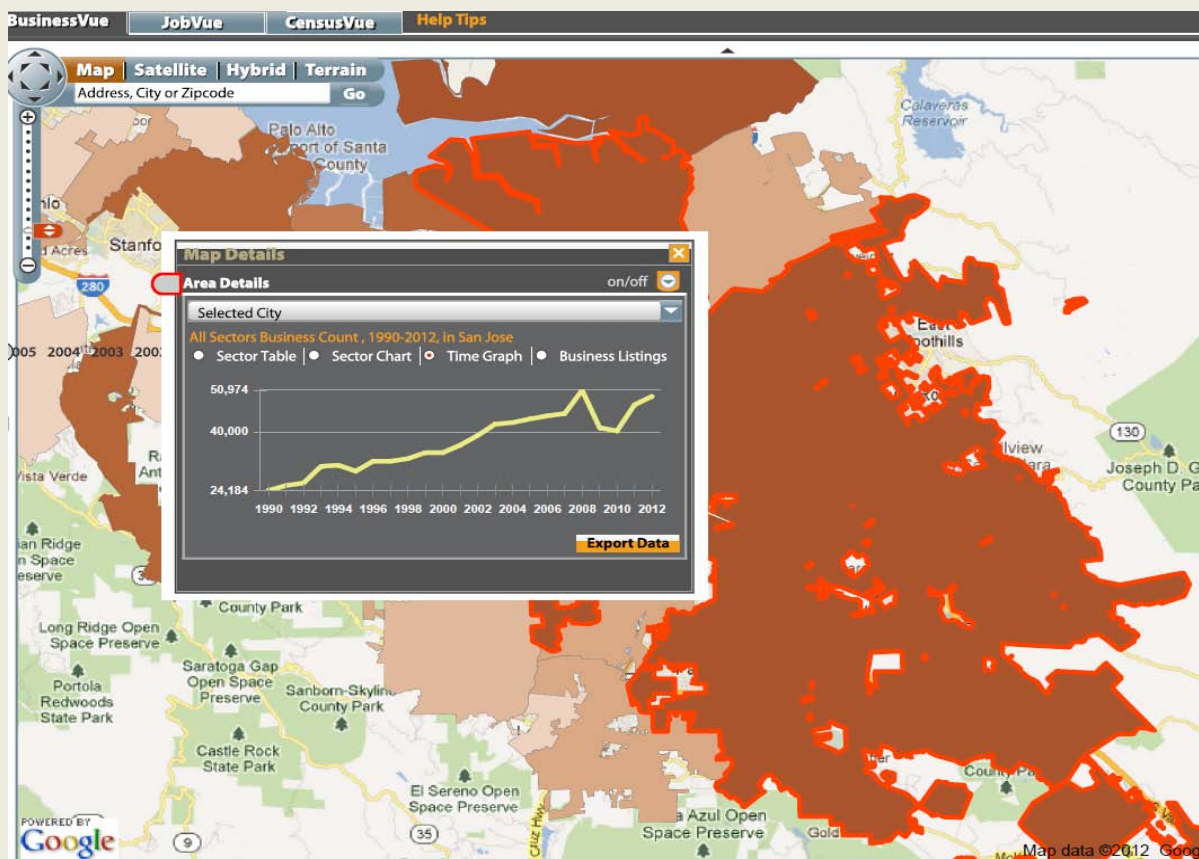
Source: Bureau of Labor Statistics Note: The figures are presented as a 12-month moving average to adjust for seasonality. The average jobless person over age 65 has been looking for work for 43.9 weeks. For someone between the ages of 55 and 64, the typical duration is 44.6 weeks, just a few weeks shy of a year. The average unemployment spells for both of these groups are at record highs.

# EconoVue Economic Snapshot Brought to you by [www.econovue.com](http://www.econovue.com)

- EconoVue business data showed a continuing improvement in the # of business and the # of employees in the City of San Jose.

| Date              | # of Business | # of Employees |
|-------------------|---------------|----------------|
| January 2011      | 47,093        | 356,058        |
| January 2012      | 49,343        | 397,637        |
| Increase/Decrease | 4.8%          | 11.6%          |

(Updated January 2012)



# COMING EVENTS

Date:  
February 29,  
2012  
Time:  
1:00-3:30pm

**Confirmed  
Employers:**

CET Staffing  
LandMark Protection  
Accountemps  
Target  
Auxin Solar  
CornerStone Staffing  
ATR International  
Wendy's  
Intrium HomeStyle  
Fresh & Easy Markets  
Coast Personnel  
Securitas

For directions call:  
408-794-1234 Web-  
site:  
[www.work2future.biz](http://www.work2future.biz)

work<sup>2</sup>future<sup>SM</sup>  
opportunity • jobs • success

## Job Fair @

work2future  
Youth Training Center  
2072 Lucretia Ave.,  
San Jose Ca., 95122

**OPEN TO THE PUBLIC**

- ◆ Meet with many local employers
- ◆ Limited Free Parking (public transit is encouraged)
- ◆ Bring work2future badge to expedite registration
- ◆ Bring several resumes, as no copier will be available

Come dressed to impress  
and bring plenty of resumes