

May 18, 2012

A Review of Current California Economic News

**In this week's
Bulletin,
you will find:**

California Posts
Unemployment Data
for April

Large Manufacturers
are Returning to the
U.S. From China

California Wants More
International Tourists

Redding Chamber of
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to Help Struggling
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Digital Designers
Wanted in the Silicon
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University of California
Consolidates Human
Resource and Payroll
Services at Riverside

Amazon Expects to
Bring More Than
1,000 Jobs to San
Bernardino

**You will find this
week's Bulletin on
the LMID Web site.**

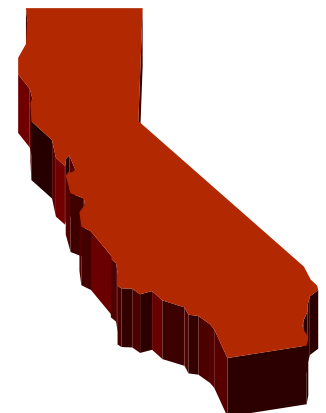
National

California's seasonally adjusted unemployment rate for April 2012 was 10.9 percent, down from a revised 11.0 percent during March 2012, and below the year-ago rate of 11.8 percent. The seasonally adjusted unemployment rate for the nation during April was 8.1 percent. You will find this month's press release and individual county and community data online at www.labormarketinfo.edd.ca.gov.

Large American manufacturers are leaving China for the U.S., reports the [Los Angeles Times](#). A survey by Boston Consulting Group reports that many large American firms are planning to or actively considering "reshoring" by returning their factories from China to the U.S. In previous years, many American manufacturers moved their production facilities off shore to China because of cheaper labor and favorable policies. Currently, 37 percent of U.S. based companies doing business in China with annual sales of more than \$1 billion are looking into the possibility of moving back home. Among even larger firms, manufacturers with \$10 billion annual sales, 48 percent of the executives said they want to relocate stateside. "This survey shows that companies are coming to the conclusion surprisingly fast that the U.S. is becoming competitive when the total costs of manufacturing are accounted for," said Michael Zinger, a partner with the consulting group. These executives forecast that up to 30 percent of manufacturing could return by the end of the decade because of rising Chinese wages, complicated transportation, and quality control issues. The Boston Consulting Group foresees 3 million jobs added with \$100 billion in annual production by the end of the decade.

Statewide

California wants to increase international visitor spending, according to the [Sacramento Bee](#). As part of the long-term efforts to help grow the state's economy by attracting more international visitors, [Visit California](#) joined the Los Angeles Tourism & Convention Board to host North America's premier trade show known as the International Pow Wow during April. "Aligning efforts with Brand USA to boost international tourism into our country is a natural extension of our global marketing program and key to our state's future economic health. In terms of economic impact and global exposure, International Pow Wow is the Olympic Games of the U.S. travel industry," said Caroline Beteta, Visit California president and CEO. In 2011, spending by 220 million visitors to California led to a record \$102.3 billion in expenditures, supporting 893,000 jobs, and generating \$2.3 billion in local tax dollars. International tourism is the fastest-growing segment and represents 20 percent of total visitor spending, adding up to \$19.1 billion in 2011.



Northern

The Greater Redding Chamber of Commerce commits to help local businesses remain open, reports the [Record Searchlight](#). To help business owners achieve this goal, the Chamber has started a new service titled “The Flying Squad.” This free service is open to members and nonmembers of the Chamber who are encountering financial challenges and might be on the brink of business closure. The service provides assistance with taxes, budgets, human resources, and other support that may be of use to struggling businesses. Patrick Wallner, chairman of the Chamber board, said there might be some initial resistance because business owners may not want their struggles made public. To address this reluctance, the Fly Squad volunteers have signed confidentiality agreements. The objective is to offer specialized assistance before a business reaches the point of no return.

Central

Silicon Valley tech companies are hunting for digital designers, according to [CNNMoney](#). Large and small high-tech companies are fighting over the small group of talented artists to design websites and applications. User interface designer, Johnnie Manzari, comments, “There’s a huge demand for finding talent. Just like with engineering, one of the reasons it’s been so difficult is there just aren’t many people that are that good. Not only are people looking for designers more than they used to, but the bar they’re willing to accept has gone up.” Many of the tech giants purchased startups in order to get access to its staff (termed “acq-hires”). Facebook bought Sofa, a Dutch software design company, and Push Pop Press, a digital publishing firm founded by a former Apple interface designer. Google recently picked up Digger founder Kevin Rose, and some of his staff from Milk, a mobile application design company. Google brought the product and design staff on board, but surprisingly did not hire the engineers. Dribbble, an invite-only online forum for designers, is incredibly popular for designer recruitment, with the job board featuring ads from companies such as Facebook, Zappos, and Yelp. There are now 25,000 members on Dribbble, with a 60,000-person waiting list. Manzari says that faster Internet speeds, improved browsers, and the increase in smartphones and tablets are some factors leading to the designer hiring frenzy. Online designer salaries have increased, outpacing their print-focused counterparts. The median salary of a designer is \$85,000.

Southern

The University of California plans to build a systemwide personnel and payroll service center in Riverside, according to the [San Francisco Business Times](#). All 10 UC campuses will switch to a new system called UCPath, which will consolidate human resources and payroll services starting as soon as July 2013. Riverside is ideal because of the availability of office space, lower housing costs, and availability of UC employees to work at the center when it opens. The new system will start with 140 to 160 employees and could grow to as many as 600 as the system gets up and running. The University of California said UCPath expects to save \$100 million per year from the change and it could start paying for itself in just five years. Local UC employees working in payroll and personnel will have a chance to apply for UCPath jobs, but it is not clear how many will choose to relocate to Riverside.

San Bernardino expects a flood of jobs this fall thanks to Amazon. According to the [Press Enterprise](#), Internet retail giant Amazon plans to move into a 950,000-square-foot building, dubbed a “fulfillment center” on the former Norton Air Force Base property as early as this fall. Dave Clark, Amazon’s vice president for global customer fulfillment, expects the development to create more than 1,000 full-time jobs; a number on par with the company’s other fulfillment centers around the nation. Amazon will join other tenants on the former air force base property, including the Stater Bros. headquarters, Mattel, and Kohl’s distribution sites.



State of California

Labor and Workforce Development Agency

Employment Development Department

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