

Silicon Valley

Opportunities & Challenges

Russell Hancock
Joint Venture Silicon Valley

16 April 2013



The Valley's Distinctive Properties

40 cities, 4 counties

2.53 million people

37 percent foreign born

1.2 million people in the workforce

43 percent have college degree(s)

25 percent in high-skill professions

17 percent in science & engineering

Median household income 40 percent higher than the nation

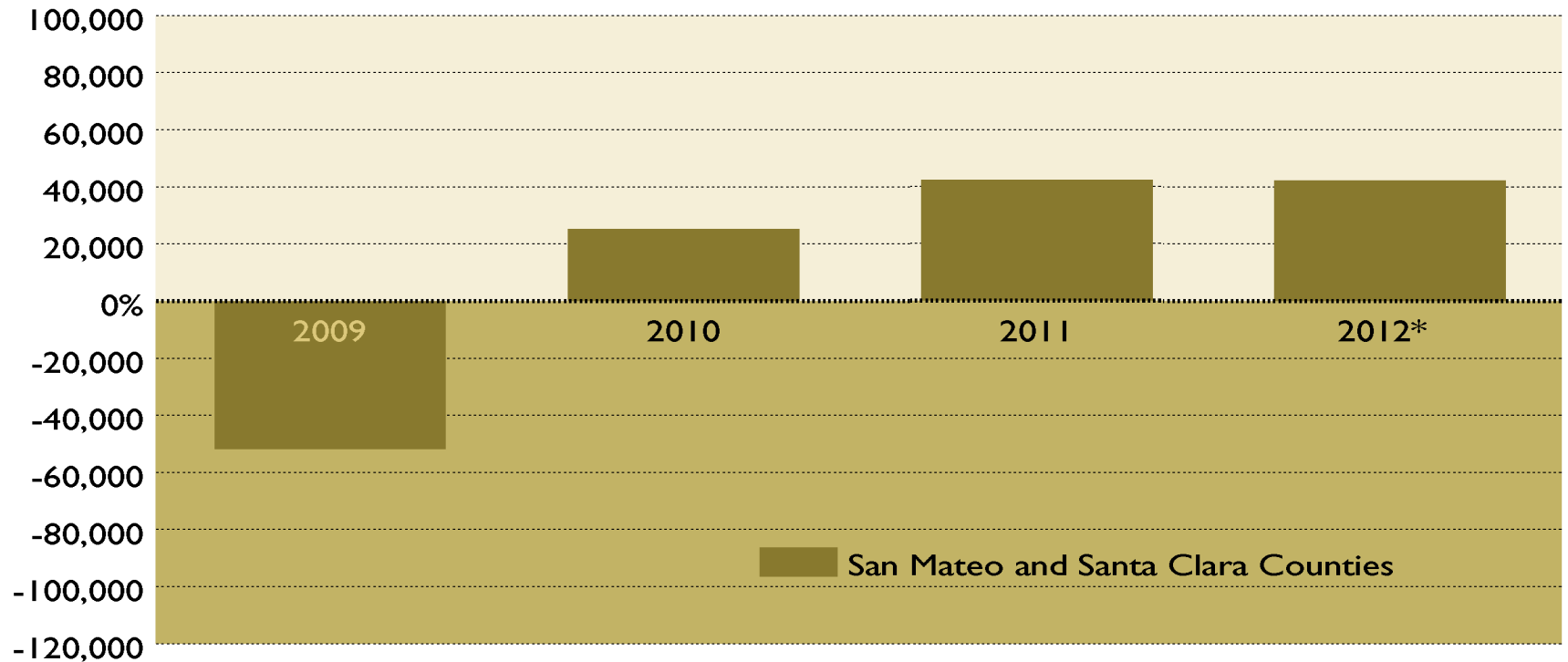
9 percent of California GDP

12 percent of US patents

**So what's
happening
right now in
Silicon
Valley?**

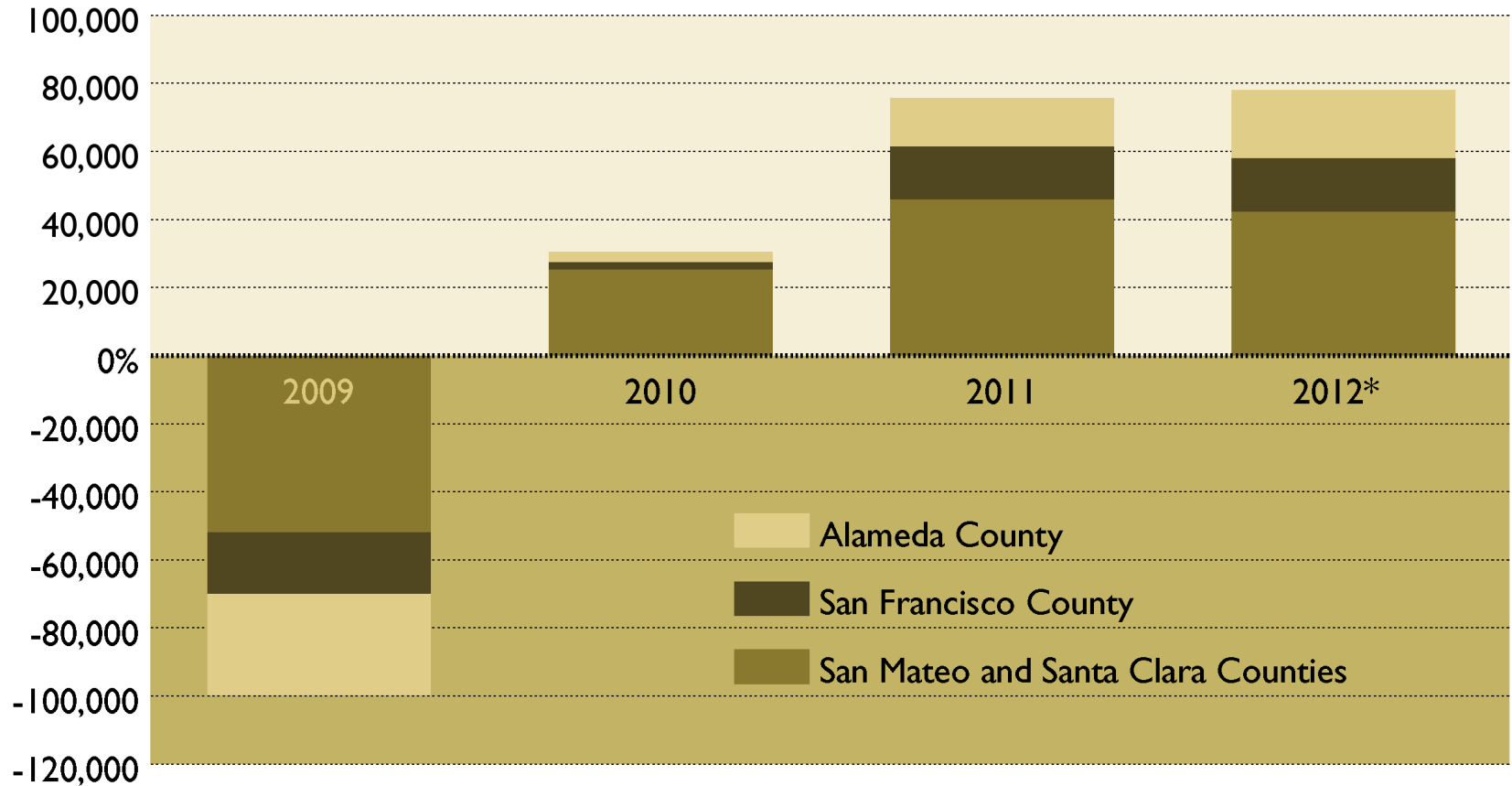
JOB GROWTH

Annual Change in Total Employed Residents



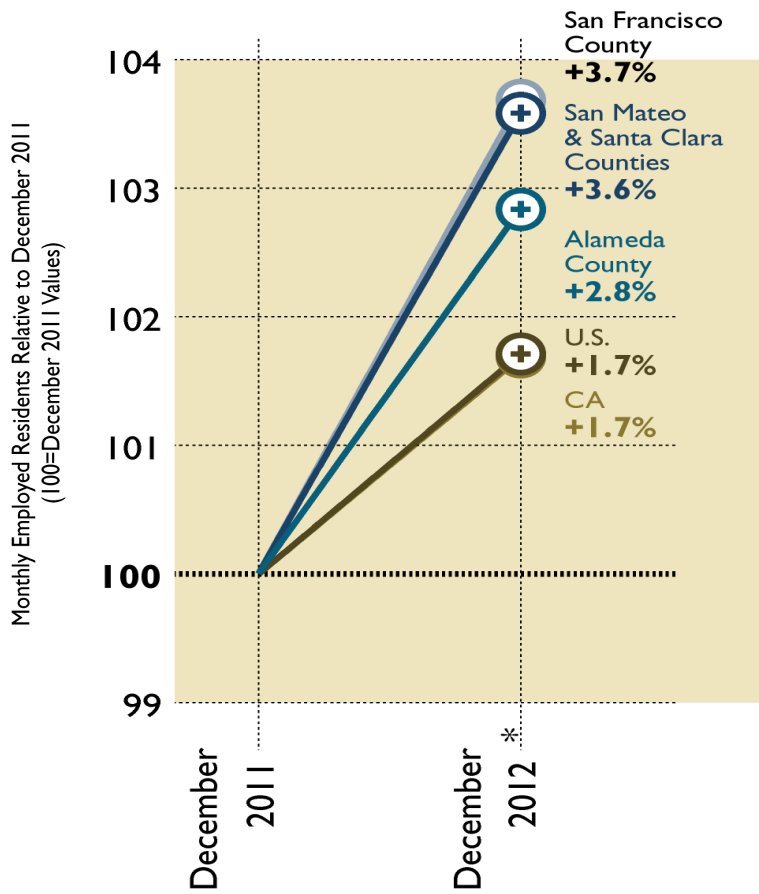
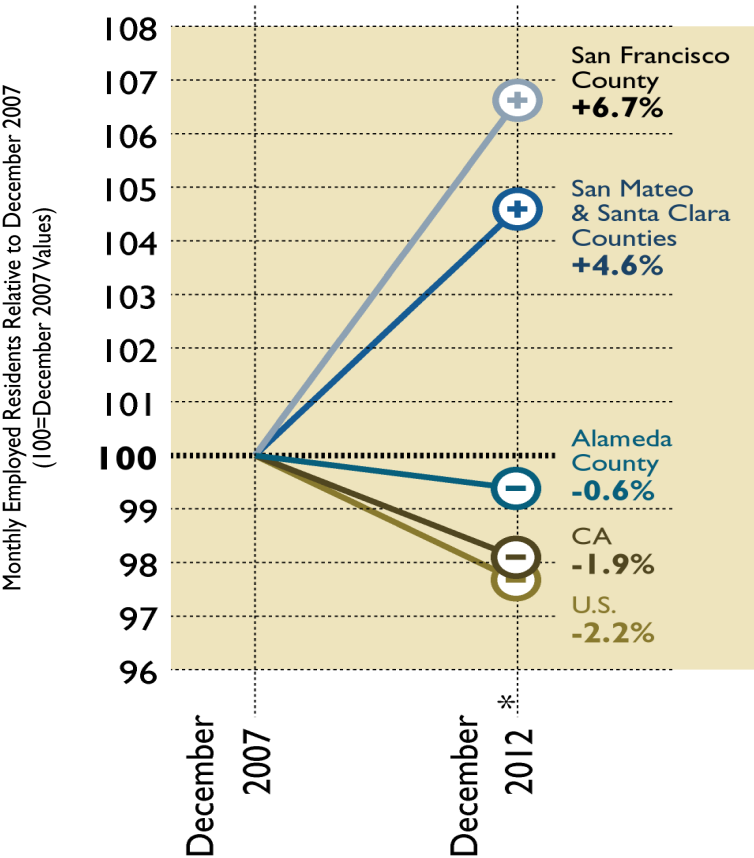
JOB GROWTH

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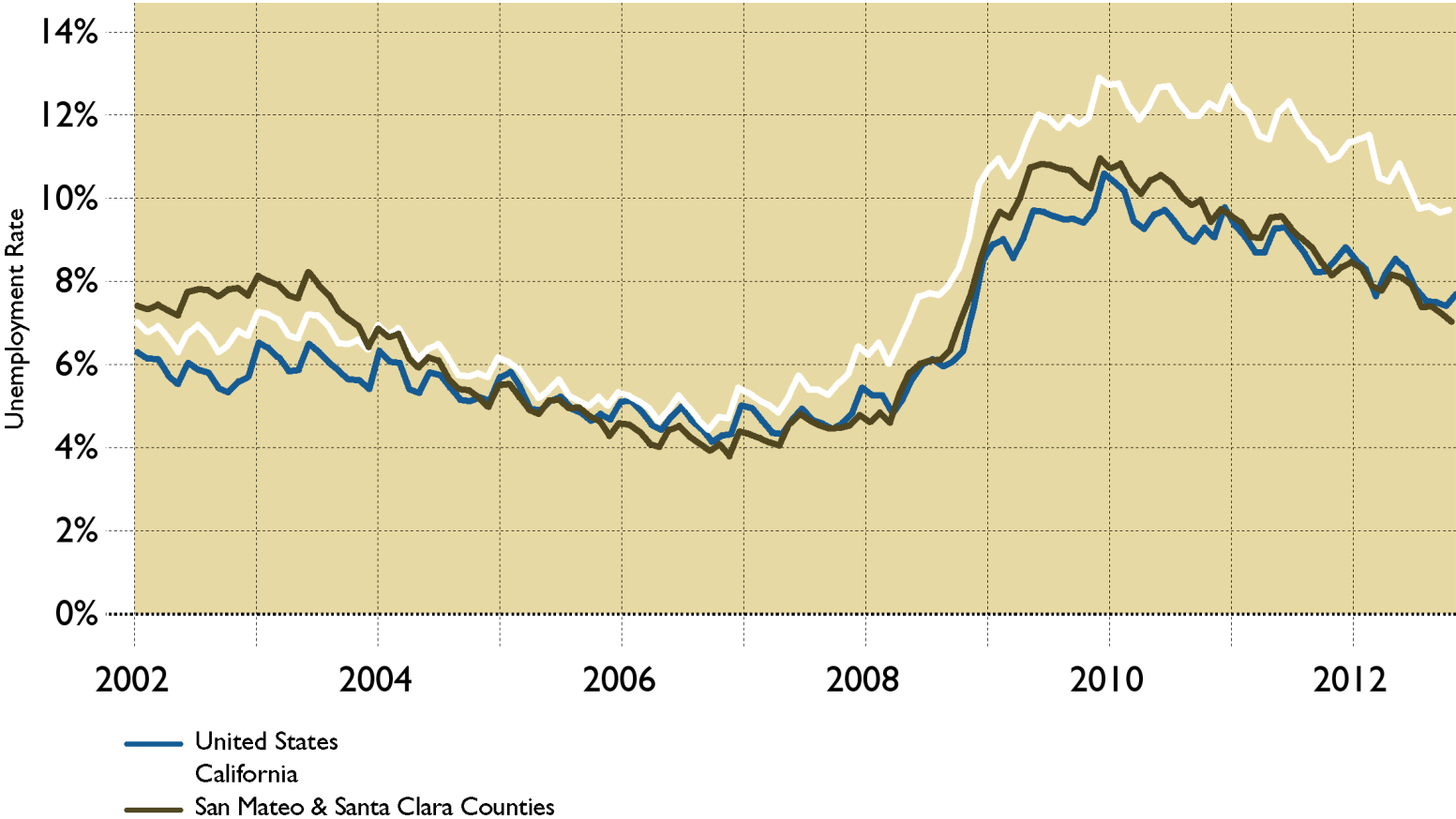
EMPLOYMENT GROWTH RATES

Silicon Valley, California, United States



UNEMPLOYMENT RATE

Silicon Valley, California, United States



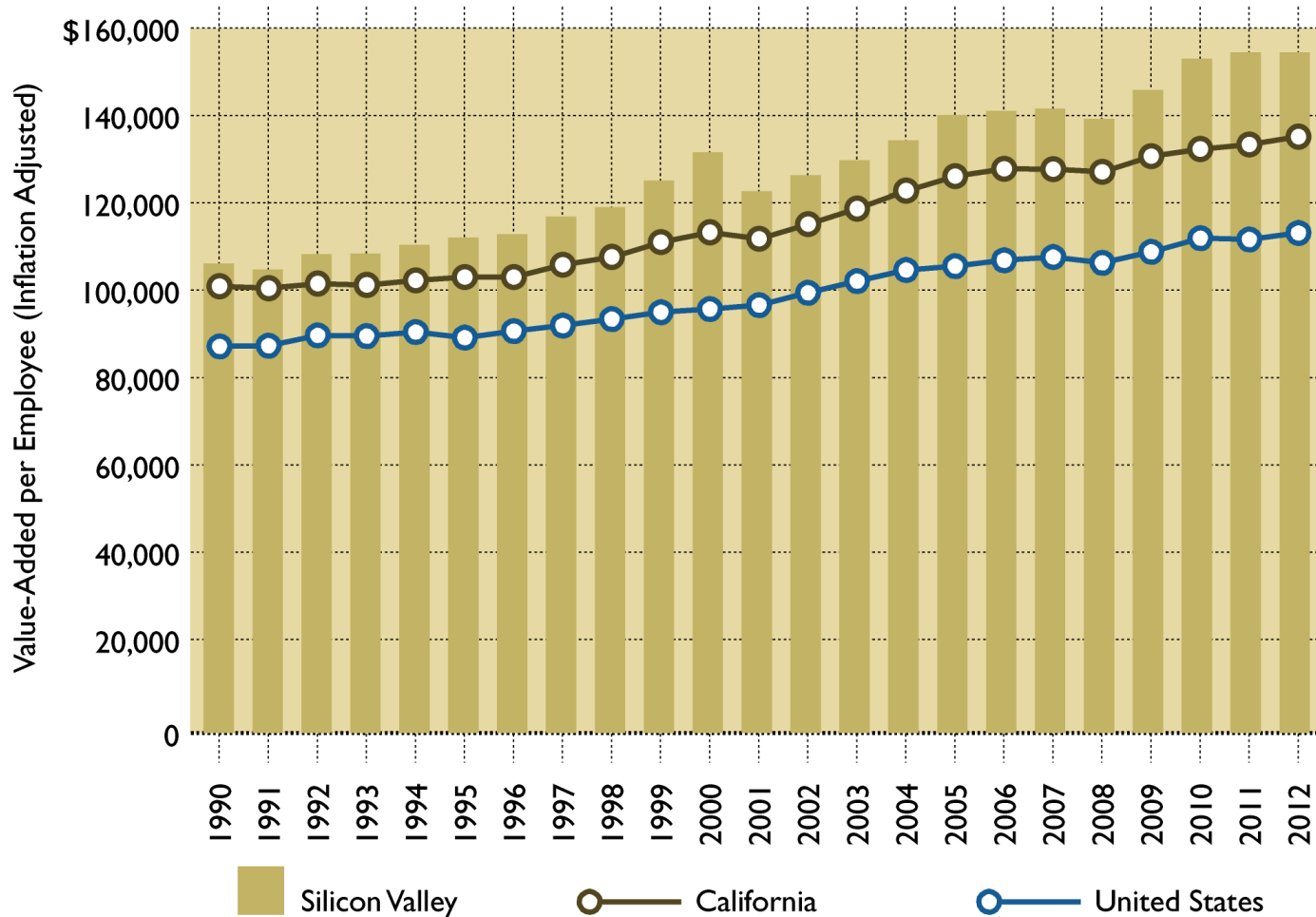
MAJOR AREAS OF ECONOMIC ACTIVITY

	Employment 2012 Q2	Percent of Total Silicon Valley Employment	Percent Change	
			2007 - 2012	2011 - 2012
Total Employment	1,367,509	100.0%	-1.9%	4.2%
Community Infrastructure	782,583	57.2%	-1.5%	3.9%
Health & Social Services	134,699	9.8%	10.4%	2.4%
Retail	129,755	9.5%	-5.3%	3.7%
Accommodation & Food Services	113,117	8.3%	6.3%	5.4%
Education	103,631	7.6%	2.0%	2.2%
Construction	57,651	4.2%	-24.4%	11.0%
Consumer Services	41,454	3.0%	-5.2%	3.7%
Wholesale Trade	33,621	2.5%	-11.6%	1.2%
Transportation	27,450	2.0%	-0.9%	4.4%
Federal Government Administration	23,802	1.7%	-8.3%	-3.0%
Arts, Entertainment, & Recreation	25,011	1.8%	-4.8%	3.8%
Consumer Financial Services	21,537	1.6%	-12.8%	6.0%
Other	22,894	1.7%	119.5%	13.6%
Goods Movement	19,291	1.4%	-18.0%	1.3%
Local Government Administration	10,734	0.8%	-9.6%	-2.9%
Nonprofits	11,099	0.8%	-7.0%	3.3%
Utilities	4,767	0.3%	-7.6%	4.1%
Warehousing & Storage	2,037	0.1%	-7.7%	-0.3%
State Government Administration	33	0.0%	-58.2%	-21.4%
Information Products & Services	302,459	22.1%	6.5%	4.5%
Software	101,376	7.4%	17.2%	9.8%
Computer Hardware	42,571	3.1%	10.9%	0.0%
Semiconductor & Semiconductor Equipment Manufacturing	39,309	2.9%	1.0%	3.9%
Internet & Information Services	31,201	2.3%	43.2%	8.7%
Electronic Component Manufacturing	23,523	1.7%	-19.7%	-1.8%
Communications Services & Equipment Manufacturing	20,533	1.5%	7.4%	1.8%
IT Wholesale Trade	19,783	1.4%	-11.4%	1.0%
Instrument Manufacturing	17,457	1.3%	-20.1%	2.2%
Other Media & Broadcasting	4,686	0.3%	21.0%	-4.7%
IT Repair Services	2,020	0.1%	6.0%	-15.9%
Innovation & Specialized Services	156,537	11.4%	3.3%	8.7%
Technical & R&D	54,182	4.0%	9.2%	14.5%
Personnel	31,706	2.3%	-1.7%	12.2%
Management Offices	19,622	1.4%	-20.9%	-24.0%
Specialized Financial Services	22,119	1.6%	0.3%	3.2%
Legal	10,170	0.7%	-10.5%	2.8%
Management Services	8,485	0.6%	0.0%	0.0%
Marketing/Ad/PR	6,617	0.5%	2.0%	-16.7%
Design	3,636	0.3%	-26.3%	6.4%
Business Infrastructure	59,642	4.4%	-6.9%	5.5%
Facilities	38,742	2.8%	-2.7%	3.1%
Administrative Services	20,900	1.5%	-13.8%	10.2%
Other Manufacturing	45,204	3.3%	-31.6%	-4.9%
Other Primary & Fabricated Metal Manufacturing	14,004	1.0%	-17.4%	-7.0%
Div. Ag & Food Manufacturing	13,896	1.0%	-7.4%	0.8%
Other Machinery & Equipment Manufacturing	7,275	0.5%	-33.9%	-14.5%
Other Petrochemical Manufacturing	4,295	0.3%	-17.3%	-6.3%
Textile, Wood & Furniture Manufacturing	2,861	0.2%	-29.1%	5.0%
Other Misc. Manf. & Space & Defense Manufacturing	1,424	0.1%	-87.7%	-4.6%
Paper & Packaging Manufacturing	1,224	0.1%	-36.5%	-4.8%
Mining	225	0.0%	-33.4%	6.6%
Life Sciences*	21,084	1.5%	-36.0%	0.2%
Medical Devices	10,976	0.8%	-16.1%	-1.6%
Biotechnology	10,108	0.7%	7.5%	2.4%
Pharmaceuticals	***	-	-	-

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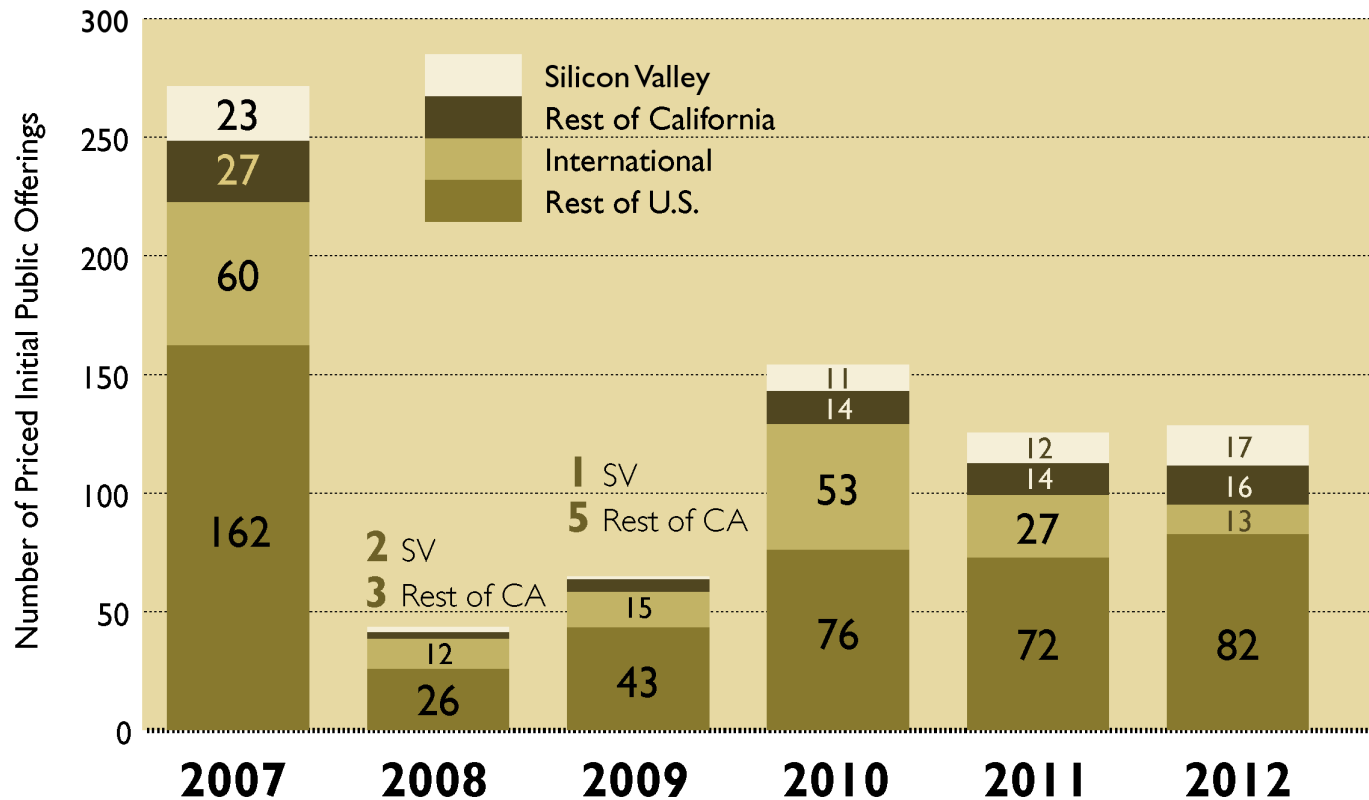
VALUE ADDED PER EMPLOYEE

Silicon Valley, California, United States, 1990-2012



INITIAL PUBLIC OFFERINGS

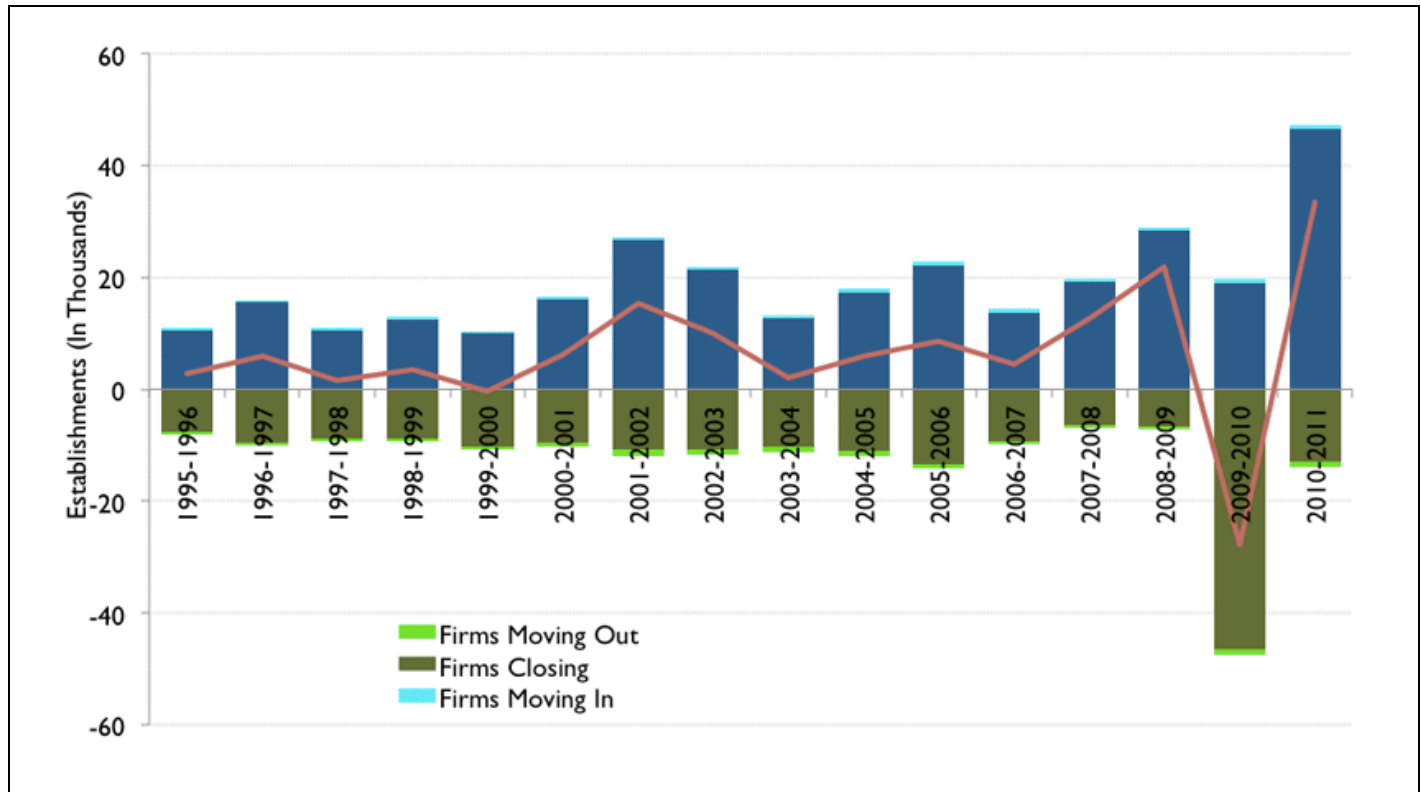
Total number of US IPO pricings



But the real story is Silicon Valley's small companies

Establishment Churn

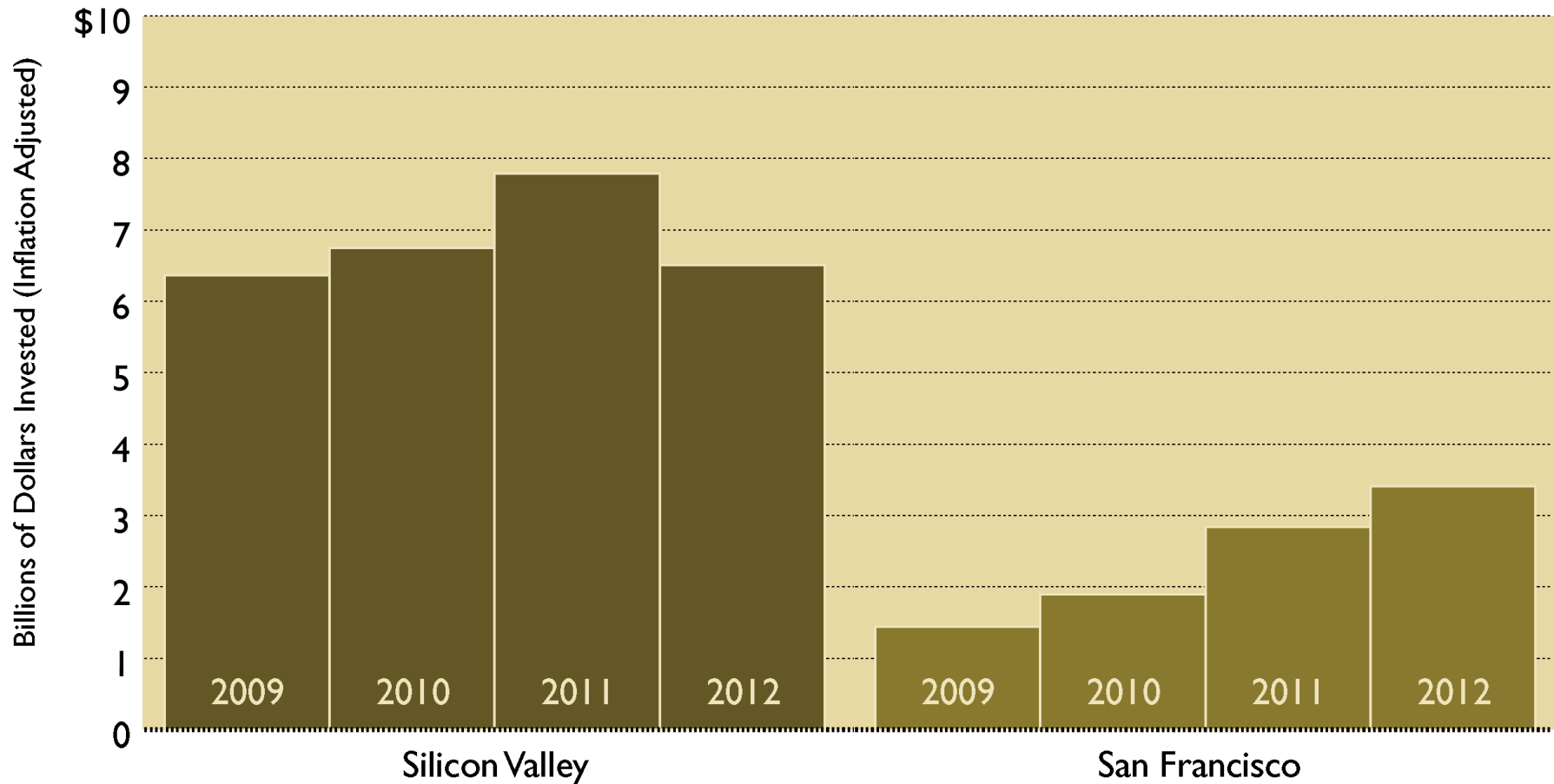
Silicon Valley, 1996-2011



However...

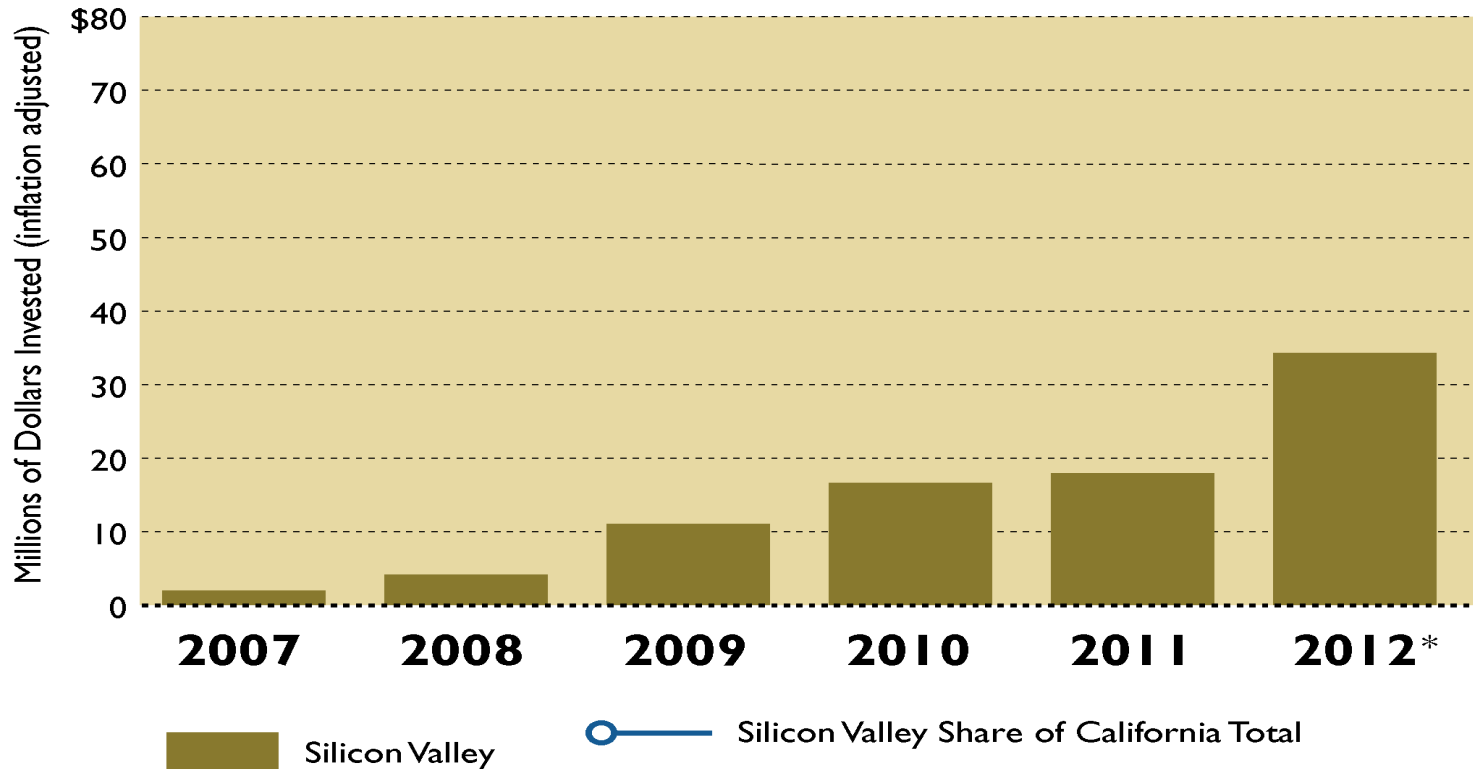
VENTURE CAPITAL

Silicon Valley, San Francisco, 2009-2012



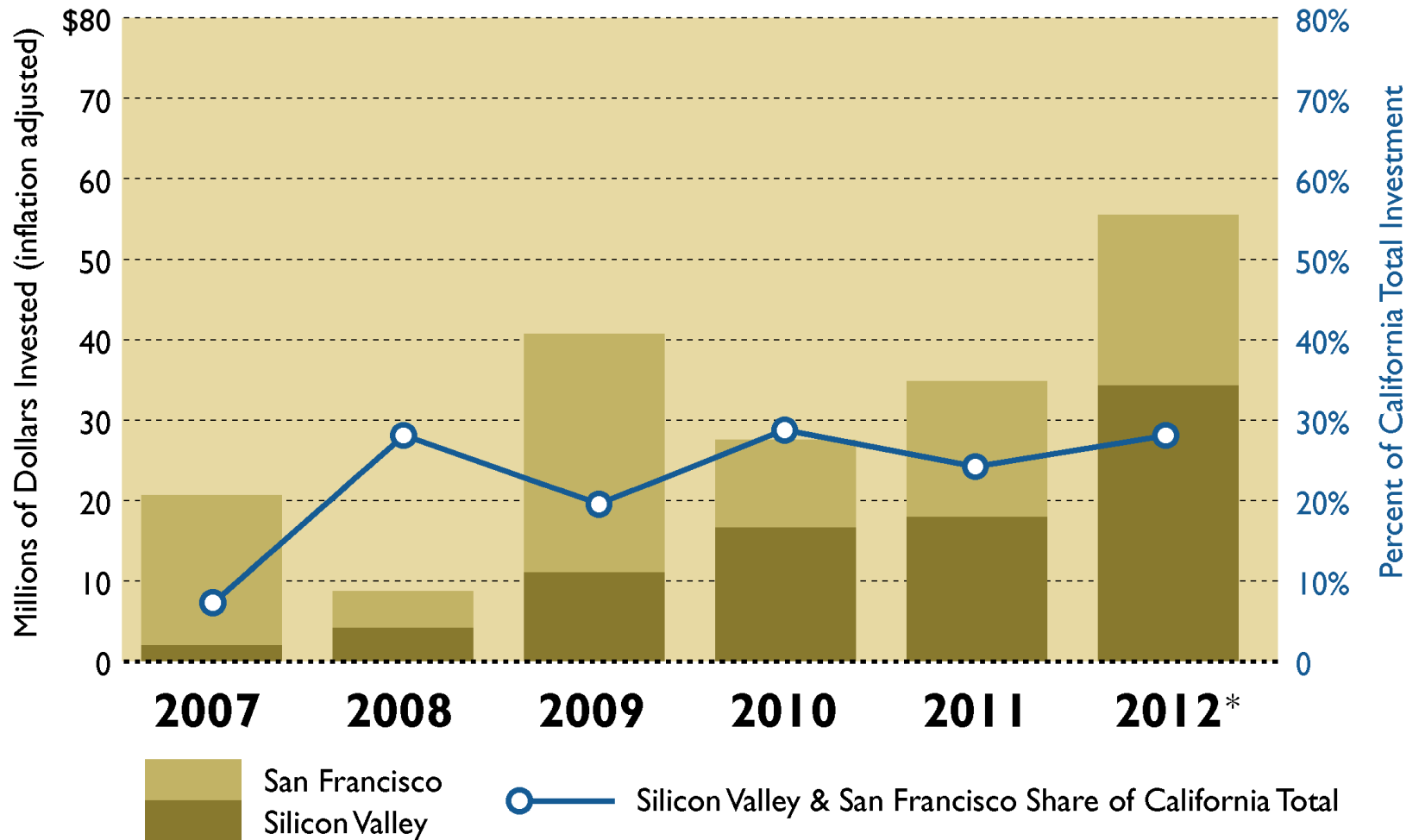
ANGEL INVESTMENT

Silicon Valley



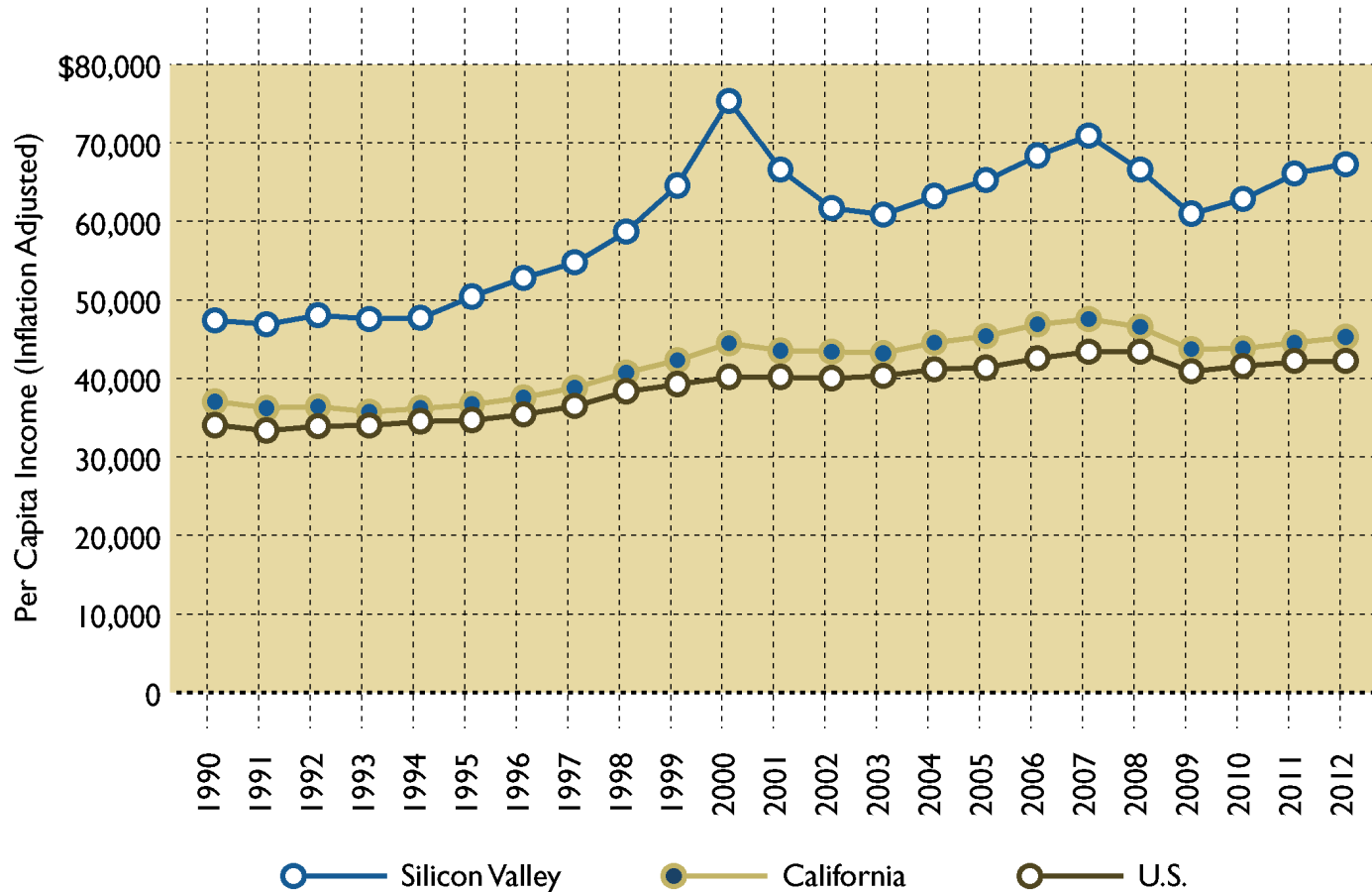
ANGEL INVESTMENT

Silicon Valley and San Francisco



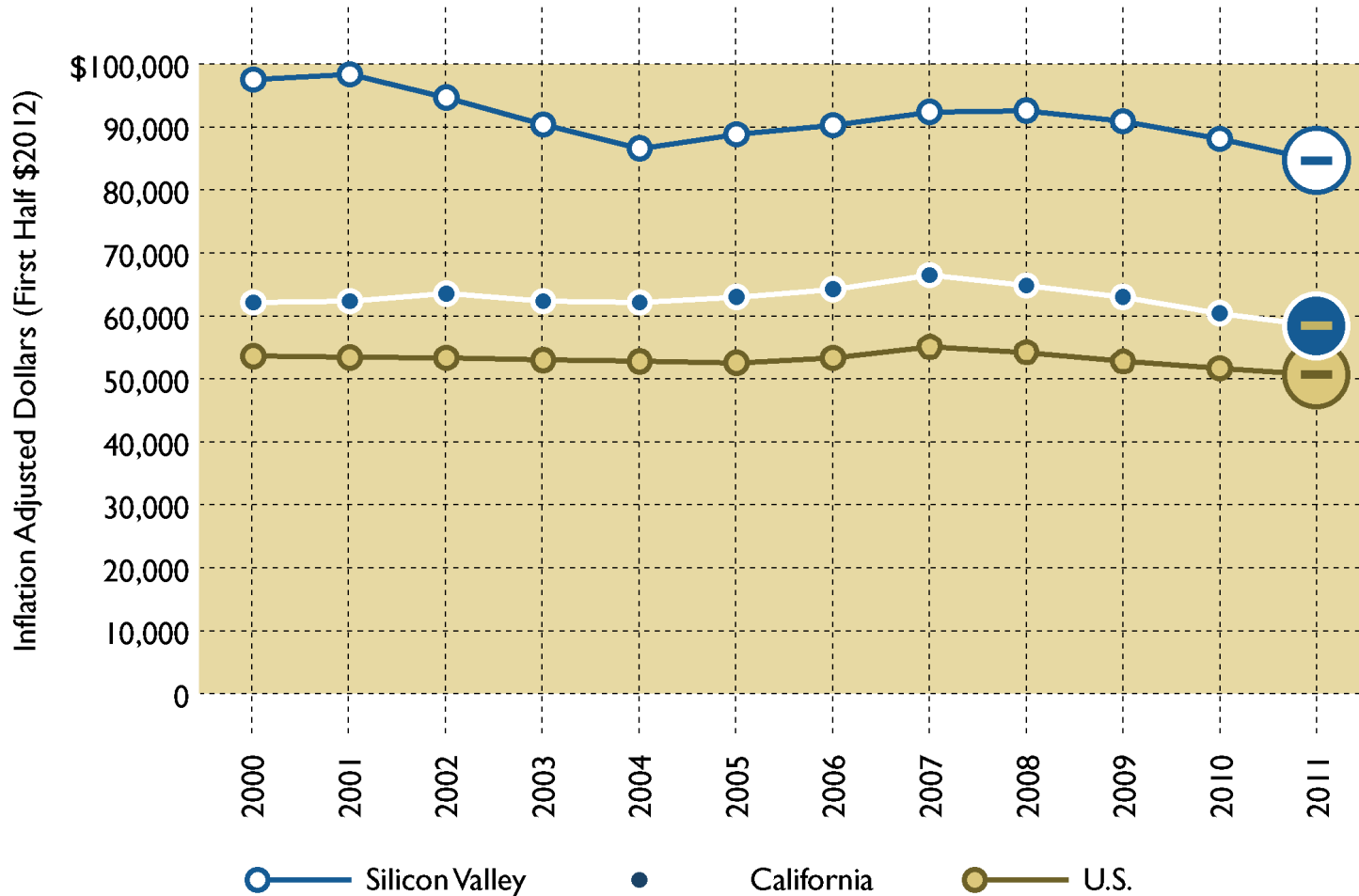
REAL PER CAPITA INCOME

Silicon Valley, California, United States, 1990-2012



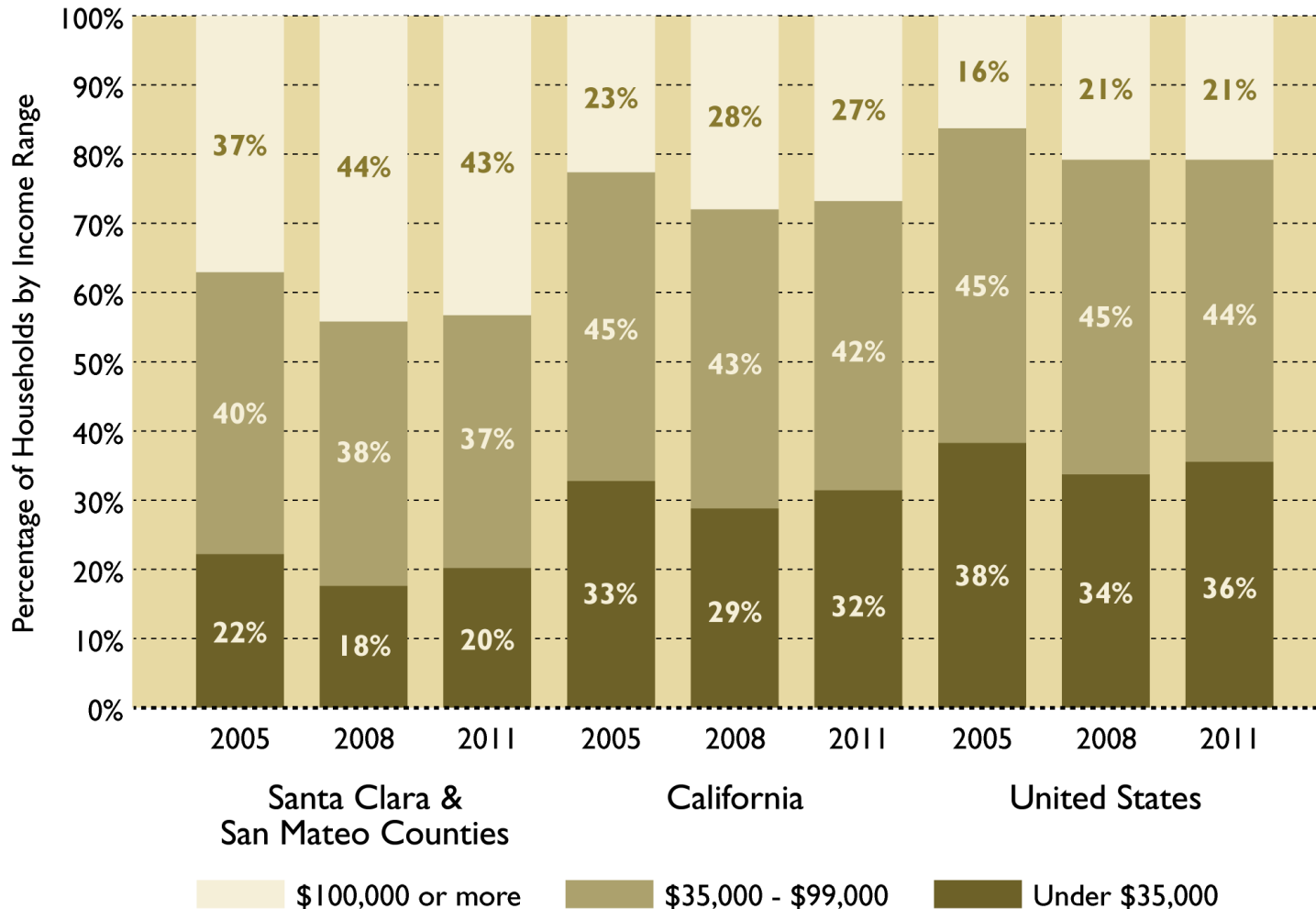
MEDIAN HOUSEHOLD INCOME

Silicon Valley, California, United States, 2000-2012



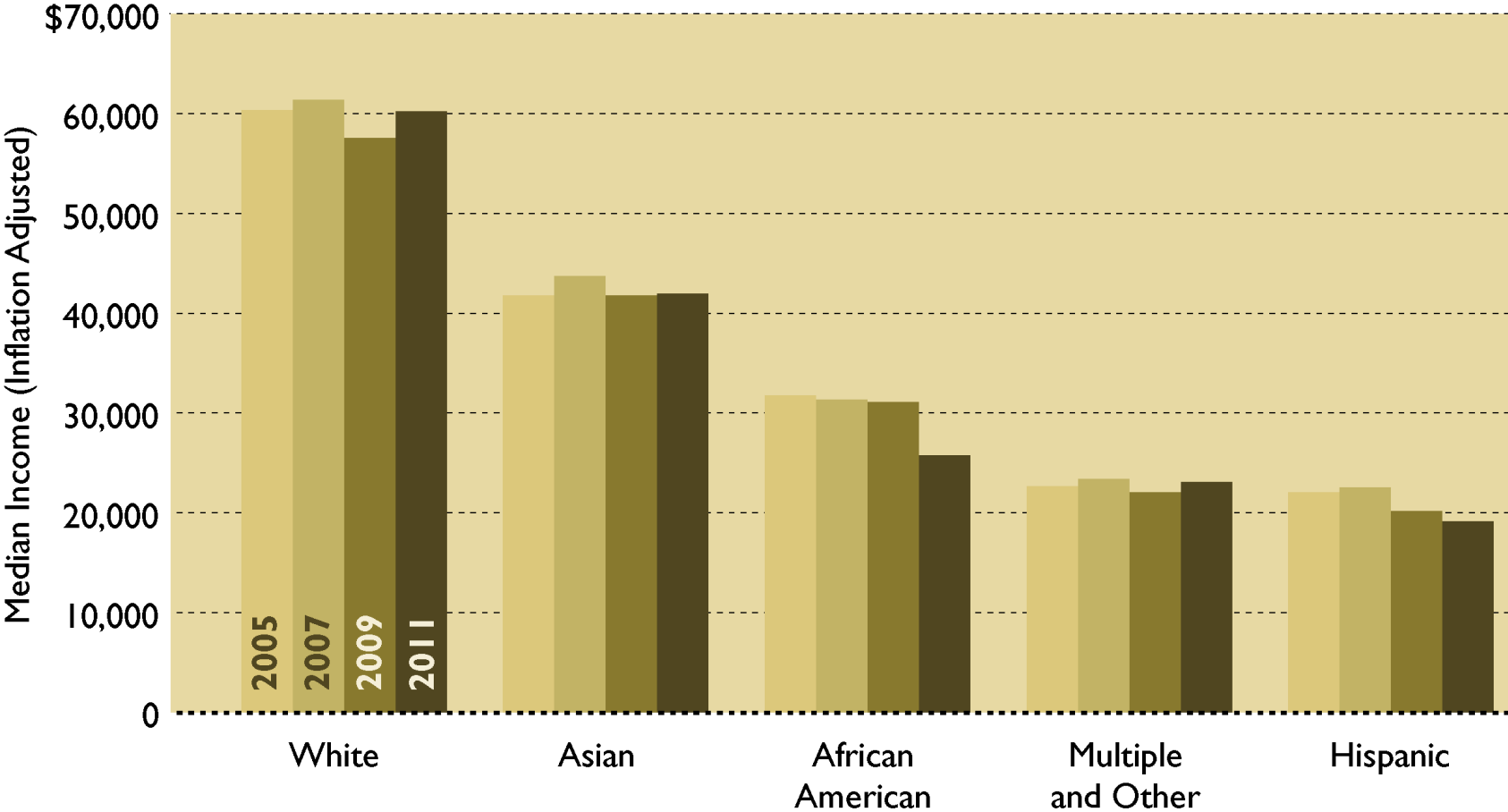
DISTRIBUTION OF HOUSEHOLDS BY INCOME

Silicon Valley, California, United States, 2005-2011



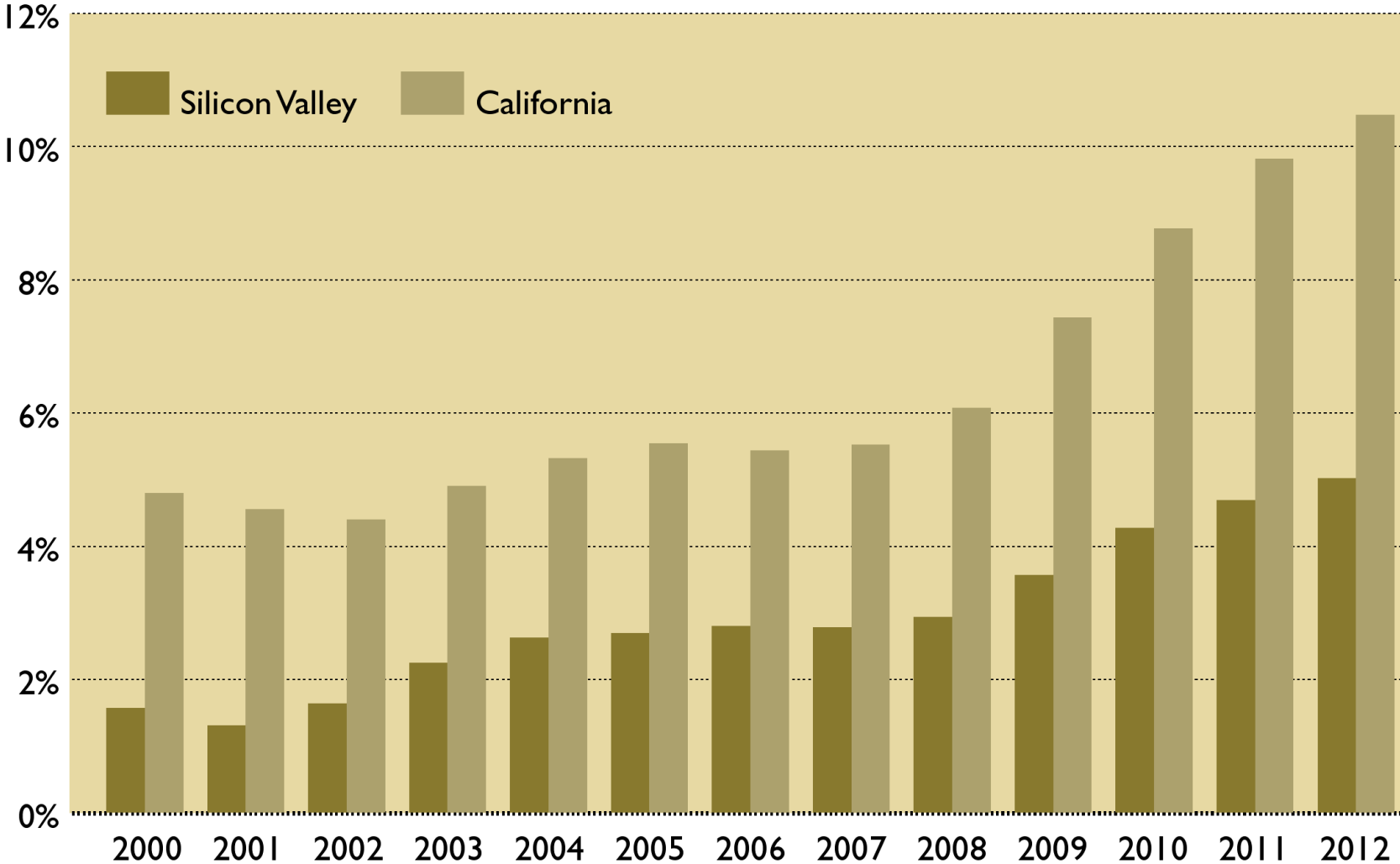
REAL PER CAPITA INCOME BY ETHNICITY

Silicon Valley, 2005-2011



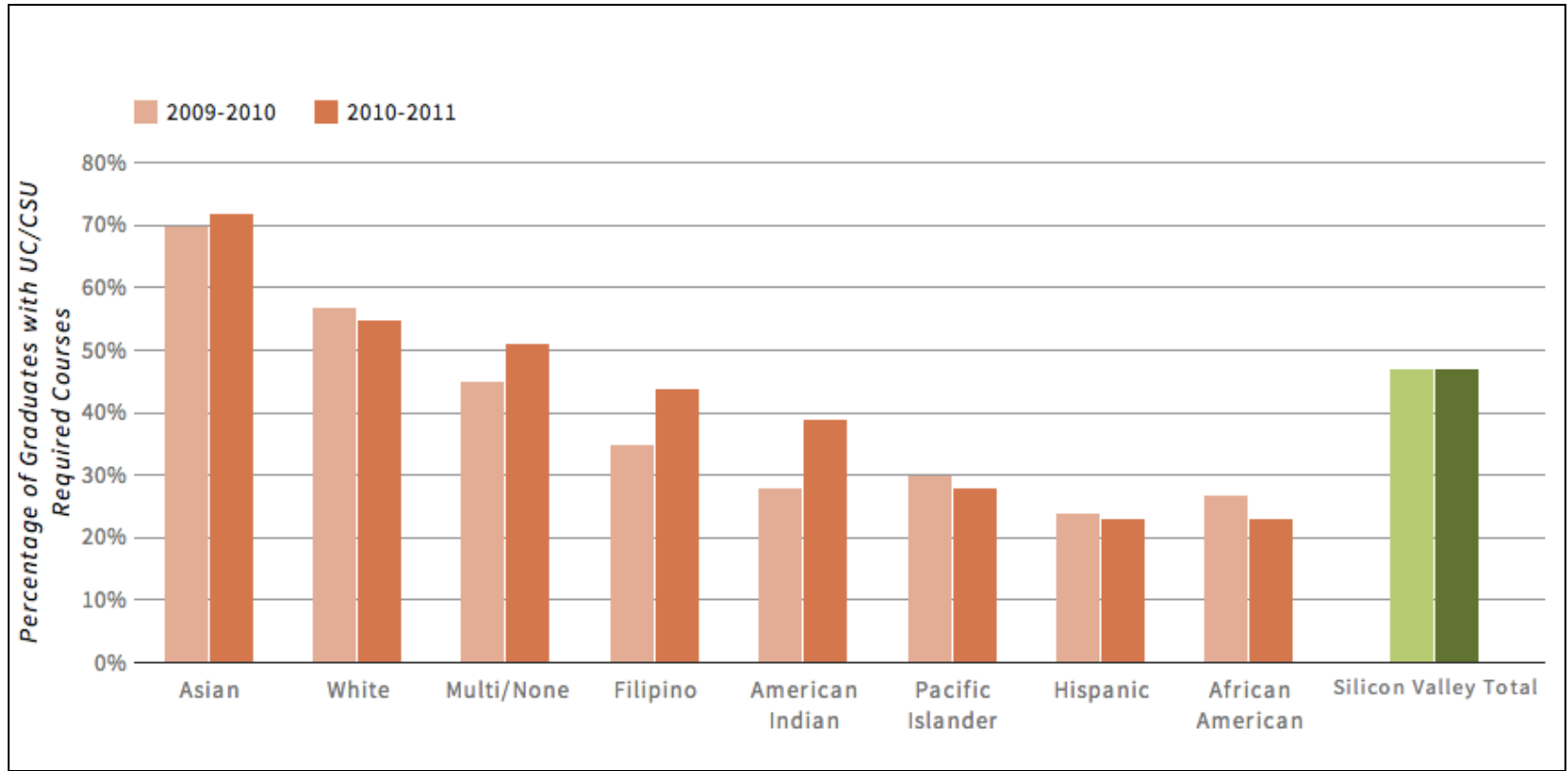
FOOD STAMP PARTICIPATION

Silicon Valley and California, 2005-2011



Share of Graduates Meeting UC/CSU Requirements

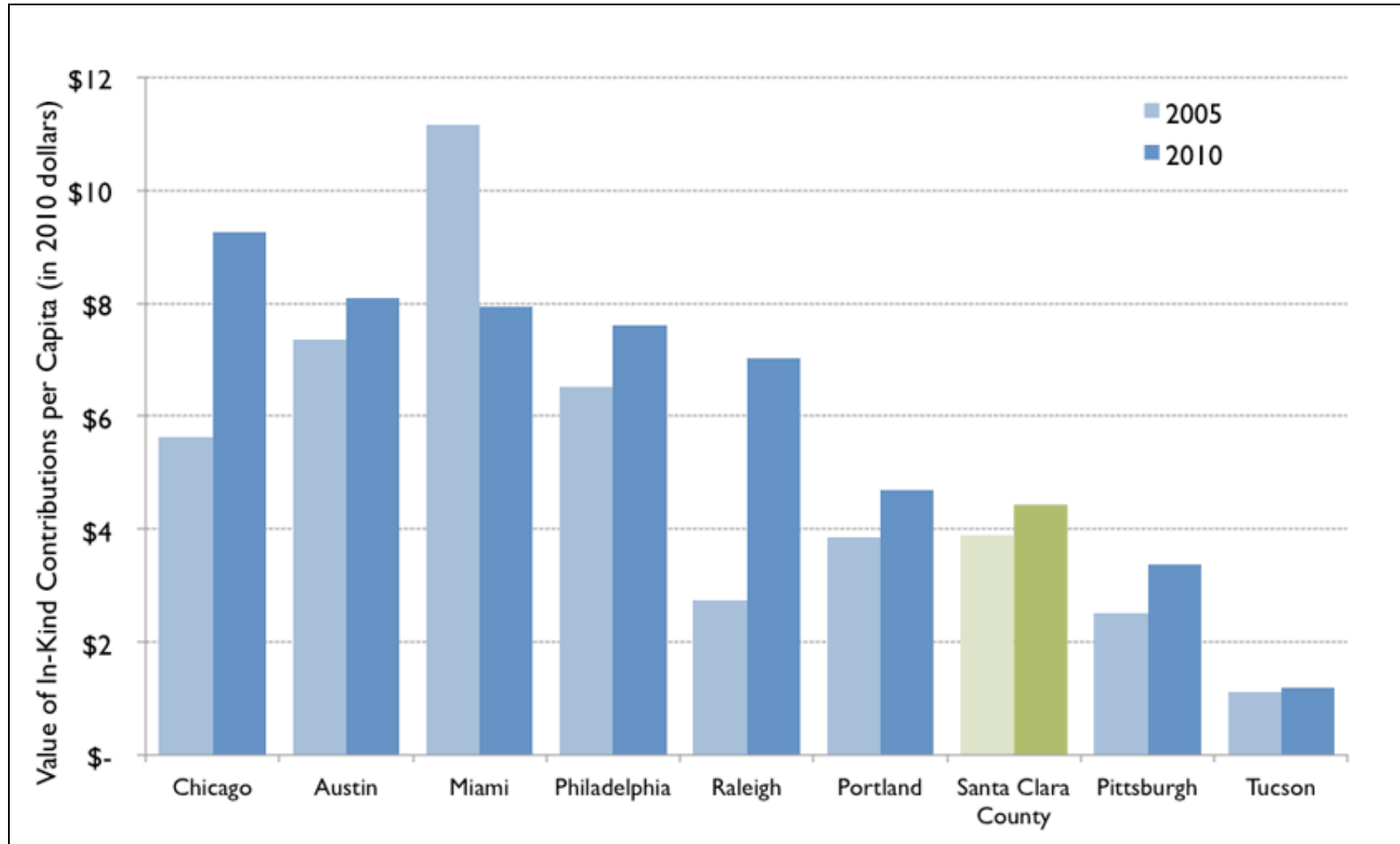
Silicon Valley, 2009-2011



**Other
Items of
Interest ...**

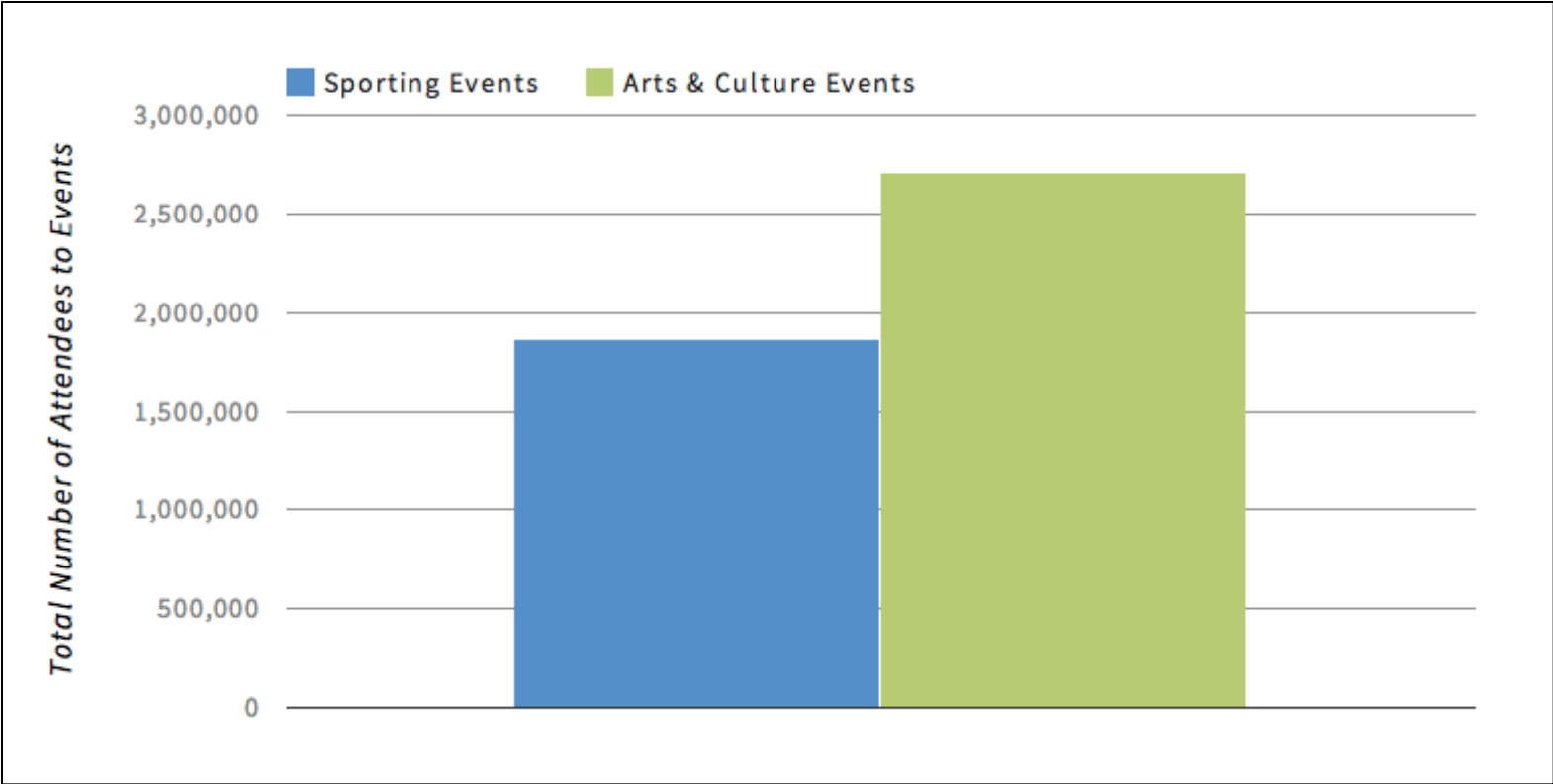
In-Kind Contributions to the Arts, 2005 and 2010

Santa Clara County and other regions



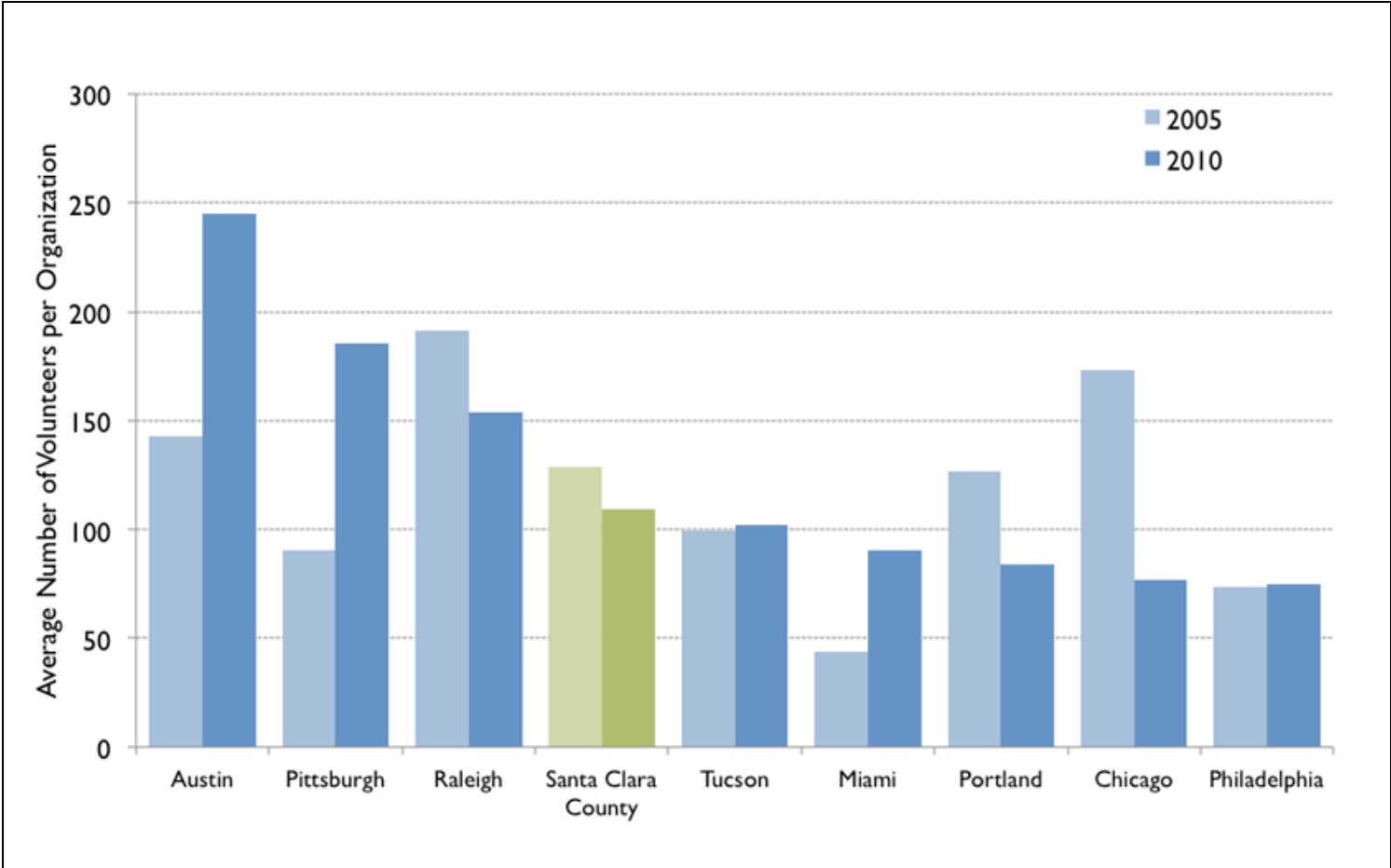
Attendance at Events

Santa Clara County, 2010



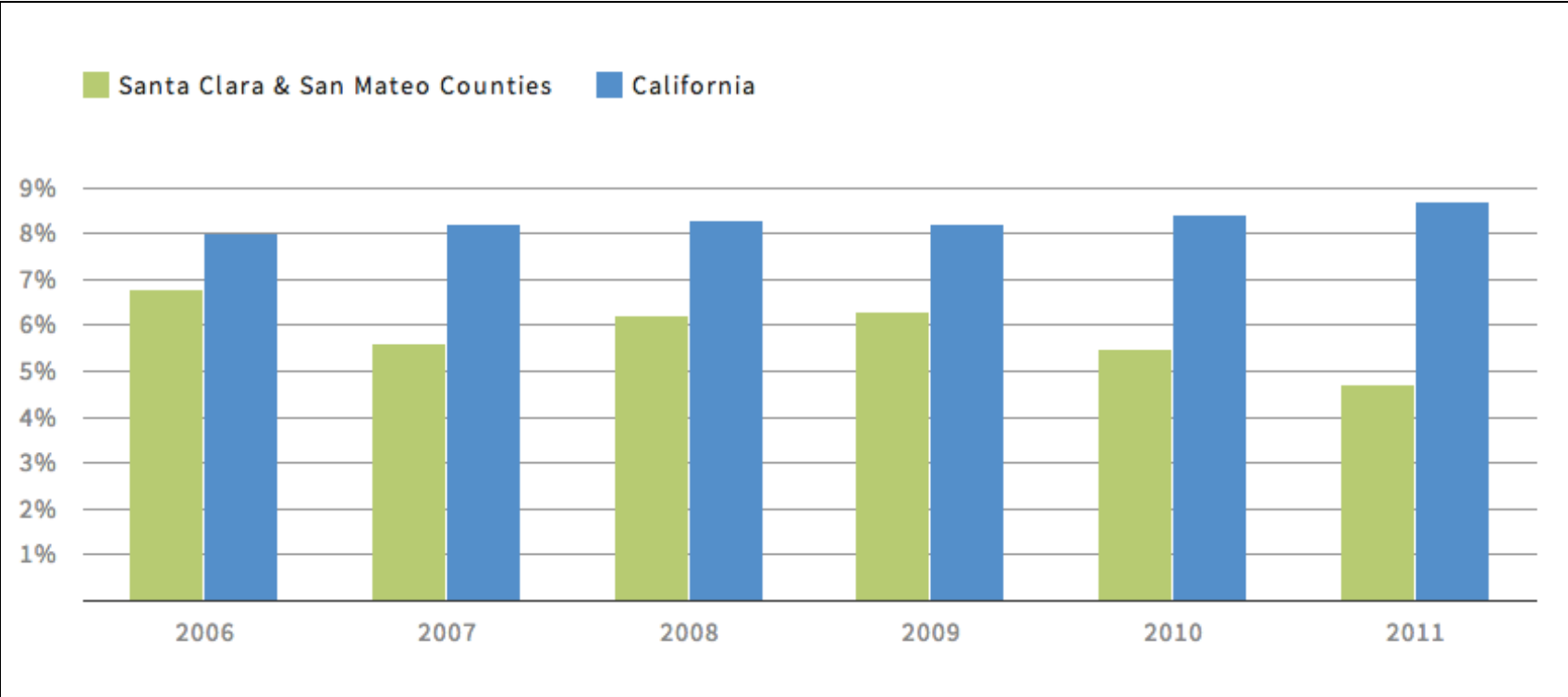
Volunteerism in the Arts

Silicon Valley and other regions, 2005 and 2010



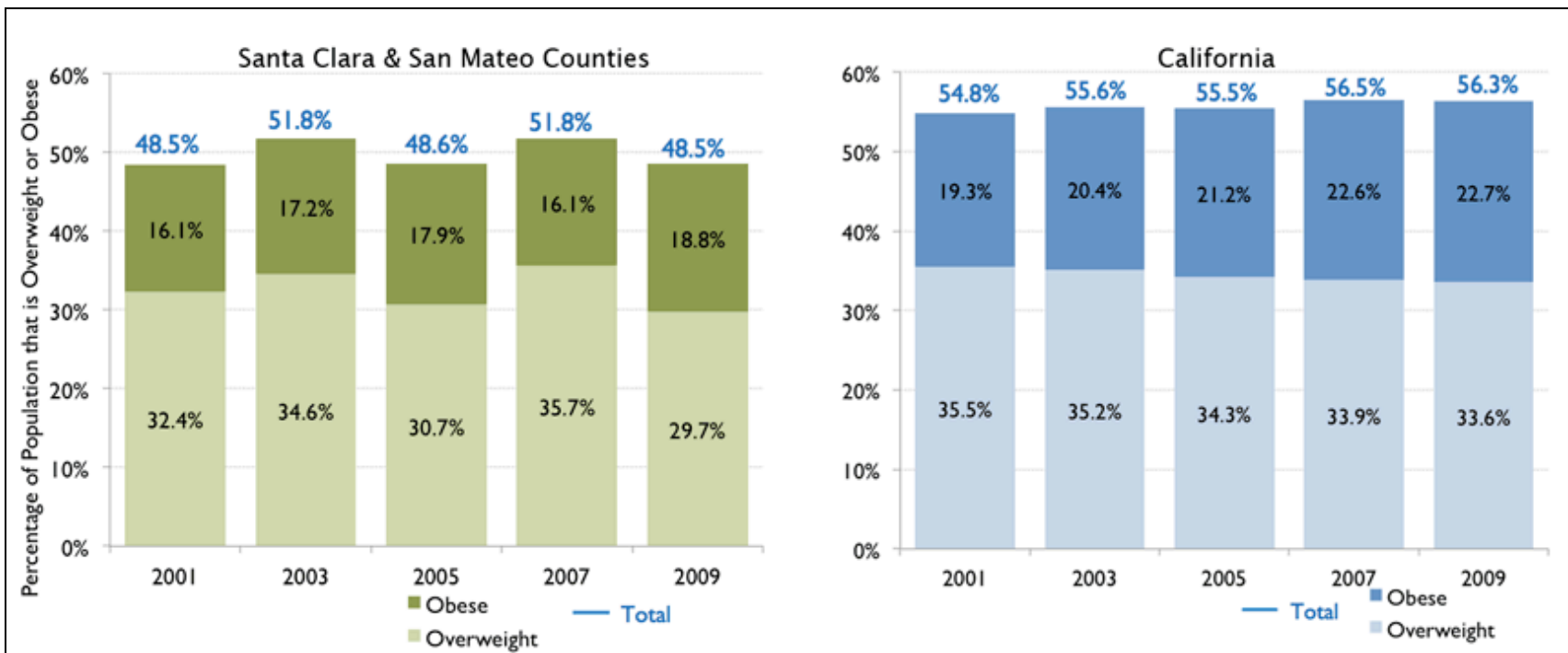
Disconnected Youth

Silicon Valley and California, 2006-2011



Overweight and Obese Adults

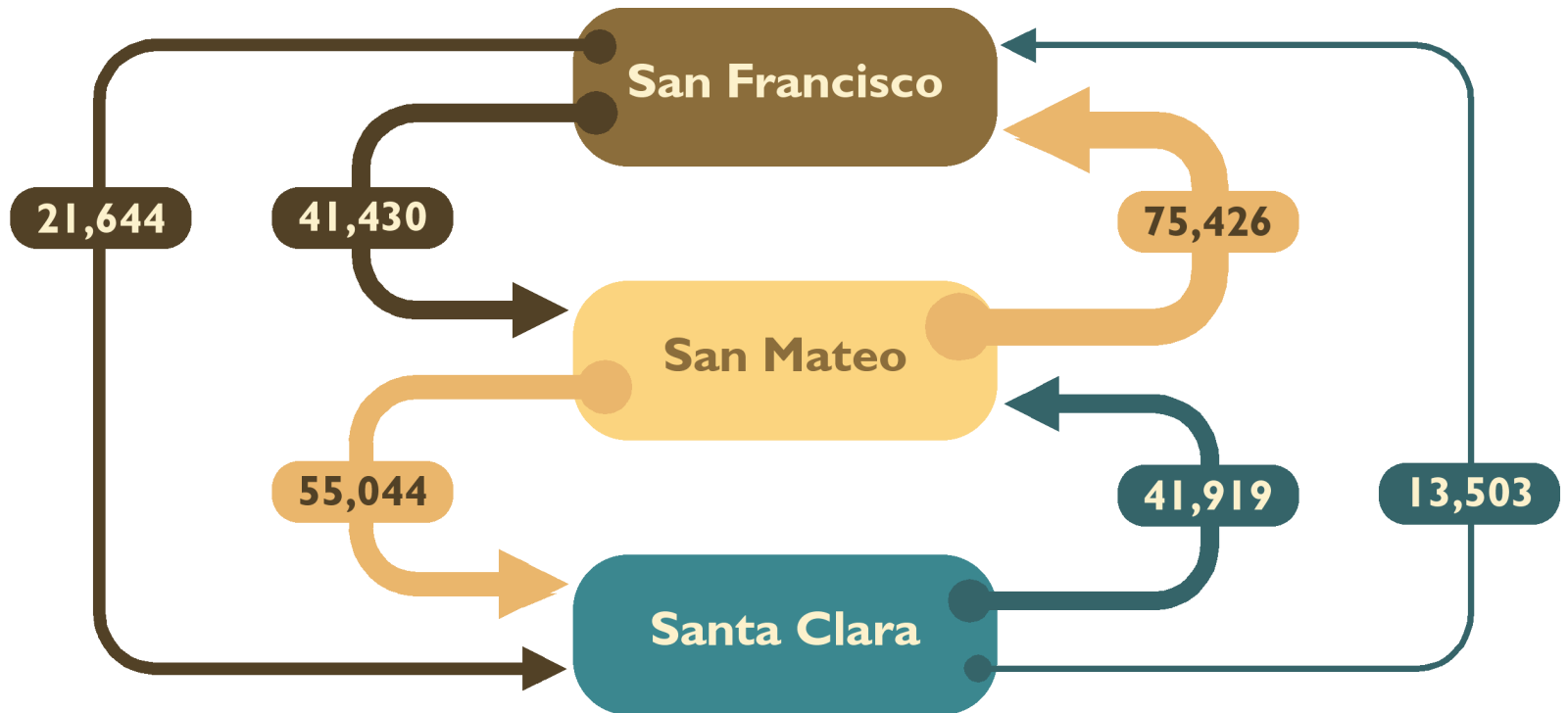
Silicon Valley and California, 2001-2009



Maybe the
most striking
finding in the
Silicon Valley
Index is ...



Commutate patterns on the Peninsula 2012



Question:

Is it time for the Bay Area
to take more regional
approaches to planning
and decision making?

Thank you for inviting me!

Russell Hancock
President & Chief Executive Officer
Joint Venture Silicon Valley
www.jointventure.org
www.siliconvalleyindex.org

