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## **2008 SILICON VALLEY INDEX**

### **Silicon Valley Growth in People, Jobs, Investment Pass Dot Com Boom Pace Annual Report Also Cites Economic Challenges for Mid-Wage Earners**

SAN JOSE and MOUNTAIN VIEW, Calif. – February 19, 2008 – Silicon Valley experienced a sixth consecutive year of productivity gains in 2007 that surpassed previous highs from the dot com boom, but the growth spurt is offset by economic instability, according to the 2008 Silicon Valley Index released today by Joint Venture: Silicon Valley Network and Silicon Valley Community Foundation.

While the region reported significant growth in population, jobs, median income and investment capital in 2007, economic turbulence is bringing pressure to Silicon Valley workers and their families, particularly mid-wage earners, as they move between jobs and work for smaller firms that offer fewer benefits.

"The rapid change imposed by innovation, venture capital investment and globalization among our leading companies keeps Silicon Valley in the world spotlight," said Russell Hancock, president and CEO of Joint Venture. "But the volatility of our financial markets, the sub-prime mortgage crisis and fears of impending recession dims the glow for our workforce."

The Silicon Valley Index, published annually by Joint Venture since 1995, measures the strength of the region's economy and the health of the community. This year's index was produced for the first time in partnership with Silicon Valley Community Foundation and coincides with Joint Venture's annual "State of the Valley" conference, sponsored by the community foundation, to be held on February 22 at the San Jose McEnery Convention Center. Keynote speakers this year include FDIC chair Sheila Bair and former U.S. Labor Secretary Robert Reich.

"The Index reflects good news for some in Silicon Valley, rough patches for others and heart wrenching choices for many," said Emmett D. Carson, Ph.D., CEO and President of the community foundation. "The research is a wake-up call to our community that we must work across sectors to address the intertwined challenges facing our region, especially for families with the fewest resources."

The Index reports its findings in five major sections: People (talent flows, diversity); Economy (innovation, employment, income); Society (preparing for economic success, early education, arts and culture, health,

safety); Place (environment, land use, housing, commercial space); and Governance (civic engagement, revenue).

Highlights among the sections in this year's 64-page Index were:

**People:** Silicon Valley's population grew 1.5 percent in 2007, with a net increase over 2006 of 38,000 people – the third consecutive year of increasing population growth rates. Together, 35 percent of San Mateo County and Santa Clara County residents are foreign-born and almost half the population in those counties – 48 percent – speaks a language other than English at home.

**Economy:** Silicon Valley gained 28,000 jobs, a faster growth rate than California or U.S. overall. Venture capital investment was up nearly 11 percent, with the valley receiving 62 percent of the clean tech VC dollars in the state.

**Society:** Disparities in health and education continue by race and ethnic groups. High school graduation rates dropped and juvenile offenses increased slightly. Child immunizations rates are not improving. Arts organizations in the region are growing in number with decreasing funding.

**Place:** Water consumption dropped 6 percent, solar and wind systems installations were up 21 percent, transit ridership was up 3.4 percent and Silicon Valley is home to 11 percent of all hybrid vehicles registered in California. The share of new housing approved near transit rose to 55 percent. Foreclosure rates jumped four times over 2006, rents are up 7 percent.

**Governance:** Nonprofits continue to grow and voters are increasingly independent, with 23 percent of the valley's registered voters having no party affiliation. City revenues rose 37 percent mainly due to property taxes. Although the region accounts for roughly 7 percent of the state's population, Silicon Valley residents contributed 15 percent of state revenues from personal income tax.

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#### **ABOUT JOINT VENTURE: SILICON VALLEY NETWORK**

*Established in 1993, Joint Venture provides analysis and action on issues affecting the Silicon Valley economy and quality of life. The organization brings together established and emerging leaders—from business, government, academia, labor, and the broader community—to spotlight issues, launch projects, and work toward innovative solutions.*

#### **ABOUT SILICON VALLEY COMMUNITY FOUNDATION**

*Beginning in 2008, Silicon Valley Community Foundation is partnering with Joint Venture: Silicon Valley Network to produce the Silicon Valley Index and is lead sponsor of the State of the Valley conference. The merger of Community Foundation Silicon Valley and Peninsula Community Foundation took effect on January 1, 2007, creating Silicon Valley Community Foundation, a catalyst and leader for innovative solutions to the region's most challenging problems. Serving all of San Mateo and Santa Clara counties, the new community foundation is among the largest community foundations in the nation, with more than \$1.9 billion in assets under management and 1,500 philanthropic funds. In a region known for innovation in business and technology as well as philanthropy, the new community foundation addresses local needs and supports Silicon Valley's charitable giving to causes locally, nationally and around the globe. The integration marks the first merger of equals involving two*

of the country's leading community foundations and sets new precedent in the philanthropic sector. Find out more at [www.siliconvalleycf.org](http://www.siliconvalleycf.org).

**ABOUT JOINT VENTURE'S SILICON VALLEY INDEX**

Joint Venture has published the Silicon Valley Index since 1995. The indicators measure the strength of our economy and the health of our community, highlighting challenges and providing an analytical tool for decision making. Copies of the Index can be downloaded at the Joint Venture website after February 22 ([www.jointventure.org](http://www.jointventure.org)); hard copies are available for purchase by contacting the Joint Venture office.

**ABOUT JOINT VENTURE'S "STATE OF THE VALLEY" CONFERENCE**

Joint Venture releases the Index to the public at the State of Silicon Valley conference, an annual "town meeting" featuring dialogue and discussion about the region's challenges and opportunities. The 2008 event, sponsored by Silicon Valley Community Foundation, takes place February 22 at San Jose's McEnergy Convention Center. Featured speakers include FDIC Chair Sheila Bair and former U.S. Labor Secretary Robert Reich.