

# 2014 SILICON VALLEY INDEX

- People
- Economy
- Society
- Place
- Governance



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# ABOUT THE 2014 SILICON VALLEY INDEX

Dear Friends:

There is much to celebrate in the 2014 Silicon Valley Index. We've extended a four-year streak of job growth, we are among the highest income regions in the country, and we have the biggest share of the nation's high-growth, high-wage sectors.

Our innovation engine is driving this prodigious growth. Once again we registered more patents than any previous year, increased our share of venture capital and angel investment, saw more IPOs emanating from our region, and have large and growing shares of merger and acquisition activity.

By just about any measure our performance is remarkable, and it leads the nation.

So why does the Index also make us feel uneasy?

There are two reasons, at least. One is that growth has its challenges, and despite recent efforts on the housing and transportation fronts, our region is not making enough progress. Our infrastructure isn't keeping pace with the demand placed upon it, and we haven't found a way to adequately increase the stock of housing. Though we're reporting the highest number of residential units permitted in recent years, it is discouraging that it doesn't even come close to meeting demand. As a result, housing prices continue to soar, rental expenses outpace income gains, and fewer than half of our first-time homebuyers can afford the median-priced home.

Without doubt, Silicon Valley's success has also made it a less hospitable place.

The second reason why the Index is troubling is because our prosperity is not widely shared. It is a story the Index has been telling for many years, but in this 2014 installment the gaps and disparities are more pronounced than ever. These are the hard facts: our income gains are limited to those with ultra high-end skills. Median wages for low- and middle-skilled workers are relatively stagnant and the share of households with mid-level incomes has fallen in Silicon Valley more than in the state and nation. Disparities by race are more persistent than ever. We also saw a sharp increase in homelessness.

While job growth is important, it can never be the single measure of our region's health when it is confined to a limited number of sectors. The ultimate measure is a steady increase in real income, raising the standard of living for all of our residents.

Our two organizations are committed to providing analysis and action on these vexing problems, even as we celebrate our region's incredible dynamism.

Sincerely,



**Russell Hancock, Ph.D.**

President & Chief Executive Officer  
Joint Venture Silicon Valley  
Silicon Valley Institute for Regional Studies



**Emmett D. Carson, Ph.D.**

CEO and President  
Silicon Valley Community Foundation



## WHAT IS THE INDEX?

The Silicon Valley Index has been telling the Silicon Valley story since 1995. Released early every year, the Index is based on indicators that measure the strength of our economy and the health of our community—highlighting challenges and providing an analytical foundation for leadership and decision making.

### WHAT IS AN INDICATOR?

Indicators are measurements that tell us how we are doing; whether we are going up or down, going forward or backward, getting better or worse, or staying the same.

### GOOD INDICATORS...

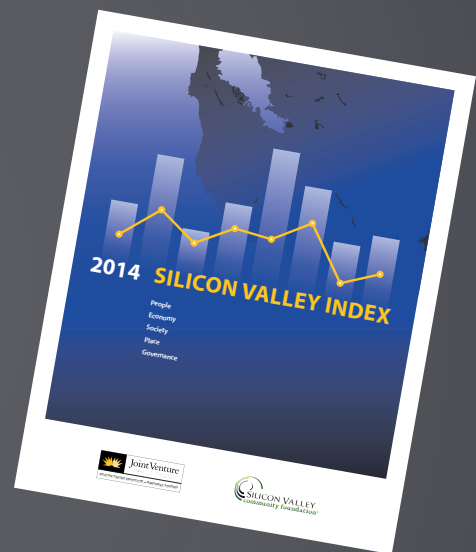
- are bellwethers that reflect fundamentals of long-term regional health.
- reflect the interests and concerns of the community.
- are statistically measurable on a frequent basis.
- measure outcomes, rather than inputs.

*Appendix B provides detail on data sources for each indicator.*

### THE SILICON VALLEY INDEX ONLINE

The Silicon Valley Index is also available online, with additional data and interactive charts allowing you to further explore the Silicon Valley story.

You'll find all this and more at [www.siliconvalleyindex.org](http://www.siliconvalleyindex.org).



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# PROFILE OF SILICON VALLEY

Area:  
**1,854  
SQUARE MILES**

Population:  
**2.92 MILLION**

Jobs:  
**1,423,491**

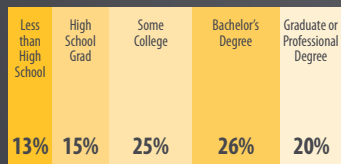
Average Annual Earnings:  
**\$107,395**

Net Foreign Immigration:  
**+19,194**

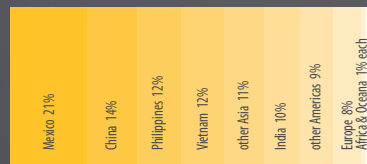
Net Domestic Migration:  
**-5,428**



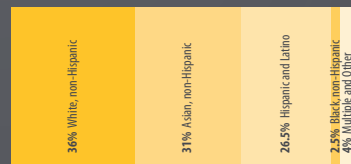
## Adult Educational Attainment



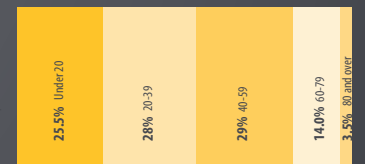
## Foreign Born 36.4%



## Ethnic Composition



## Age Distribution



Note: Area, Population, Jobs, and Average Annual Earnings figures are based on the city-defined Silicon Valley region; whereas Net Foreign Immigration and Domestic Migration, Adult Educational Attainment, Age Distribution, Ethnic Composition, and Foreign Born figures are based on Santa Clara and San Mateo County data only.

The geographical boundaries of Silicon Valley vary. Earlier, the region's core was identified as Santa Clara County plus adjacent parts of San Mateo, Alameda and Santa Cruz counties. However, since 2009, the Silicon Valley Index has included all of San Mateo County in order to reflect the geographic expansion of the region's driving industries and employment. Because San Francisco has emerged in recent years as a vibrant contributor to the tech economy, we have included some San Francisco data in various charts throughout the Index.

### Silicon Valley is defined as the following cities:

#### SANTA CLARA COUNTY (ALL)

Campbell • Cupertino • Gilroy • Los Altos • Los Altos Hills • Los Gatos • Milpitas • Monte Sereno • Morgan Hill • Mountain View • Palo Alto • San Jose • Santa Clara • Saratoga • Sunnyvale

#### SAN MATEO COUNTY (ALL)

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • South San Francisco • Woodside

#### ALAMEDA COUNTY

Fremont • Newark  
Union City

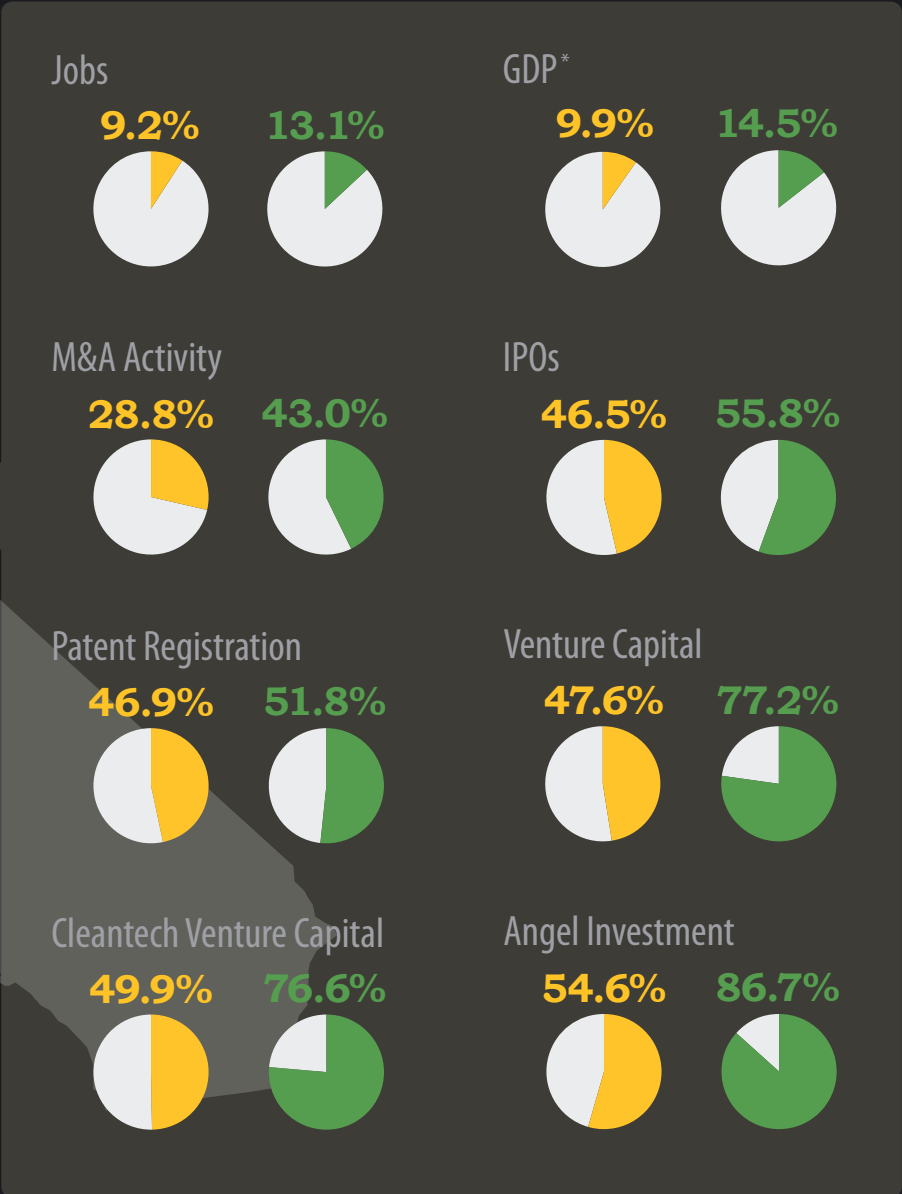
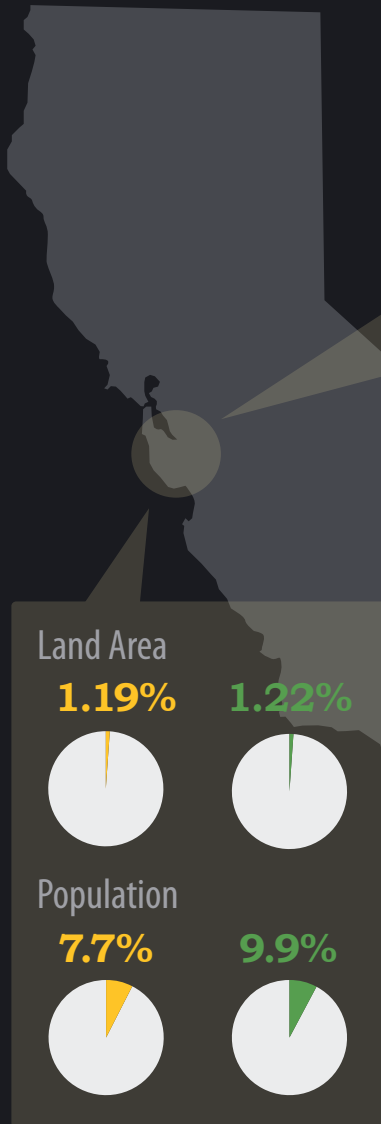
#### SANTA CRUZ COUNTY

Scotts Valley

# The Region's Share of California's Economic Drivers

■ Silicon Valley

■ Greater Silicon Valley  
(including San Francisco)



Data Sources: Land Area (U.S. Census Bureau, 2010); Population (California Department of Finance, 2013); GDP (Moody's Economy.com, 2013); Venture Capital (PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters, Q1-3 2013); Cleantech Venture Capital (Cleantech Group™, Inc., Q1-3 2013); Patent Registrations (U.S. Patent and Trademark Office, 2012); Initial Public Offerings (Renaissance Capital, 2013); Jobs (State of California Employment Development Department Quarterly Census of Employment and Wages, and EMSI, Q2 2013); Angel Investment (CB Insights, Q1-3 2013); Mergers & Acquisitions (Factset Mergerstat, Q1-3 2013). | \*Silicon Valley Percentage of California GDP includes San Mateo and Santa Clara counties only.

# 2014 INDEX HIGHLIGHTS

*Silicon Valley is experiencing a level of innovation and economic activity that is impressive by any standard, and leads the nation. Yet the region also shows stark income and achievement gaps, and faces considerable challenges in accommodating sustained economic growth.*

## ■ OUR REGION'S INNOVATORS ARE HARD AT WORK

- The number of patent registrations rose to 15,057 in 2012, an 11 percent increase over 2011.
- The region's share of California and U.S. venture capital investments increased in 2013 to 77 percent and 39 percent, respectively.
- The region's share of angel investment in California increased to 87 percent.
- Silicon Valley had 20 IPOs in 2013, an increase of 3 over the previous year.
- Silicon Valley's share of California merger and acquisition activity (M&A) increased to 29 percent; this share jumps to 43 percent when San Francisco M&A activity is included.
- A growing number of people are going into business for themselves (3,639 more people, an increase of two percent over the previous year).

## ■ SILICON VALLEY INDUSTRY EMPLOYMENT NOW EXCEEDS PRE-RECESSION LEVELS

- The region added 46,665 jobs in 2013, an increase of 3.4 percent over the prior year. California as a state, meanwhile, is still 2.2 percent below pre-recession jobs totals.
- The job growth is driven primarily by computer hardware design, information services, and the Internet industry. However, the region also added jobs in community infrastructure, health care, construction, and a range of other business services.
- The regional unemployment rate has continued its downward trend, reaching 5.8 percent in November 2013. While unemployment has declined among nearly all racial/ethnic groups in Silicon Valley since 2011, it is still over 10% for African Americans.

## ■ SILICON VALLEY'S POPULATION IS GROWING RAPIDLY, PRIMARILY DRIVEN BY FOREIGN IMMIGRATION

- The region's population growth has accelerated over the last year due to a 52 percent increase in foreign immigration in 2013 over the previous year. The region's total population grew 1.31 percent last year compared to 0.88 percent statewide, and our net migration (13,766 people) has not been this high since 1997 when it reached a high of 14,515.

## ■ 2013 BROUGHT OTHER POSITIVE TRENDS FOR SILICON VALLEY

- Commercial real estate markets continue to rebound in Santa Clara County as rents rise, vacancies decline and supply tightens. New commercial development in Santa Clara County in the first three quarters of 2013 was greater than any other year within the last decade.



- The share of approved non-residential development near transit increased dramatically in FY 2012-13.
- Water consumption has declined from 165 gallons per person per day in 2001 to 136 gallons per person per day in 2013, while the recycled percentage of total water used increased from 1.3 percent to 4.1 percent over the same time period.
- Silicon Valley's consumption of electricity has declined for five years in a row and electricity productivity has increased for the last three years. Meanwhile, opposite trends were apparent for the state overall.
- Cumulative installed solar capacity in Silicon Valley reached 189 megawatts in the first three quarters of 2013, with local government agencies representing the largest share (44 percent) of total solar capacity installed through the California Solar Initiative.

### ■ **THOUGH SILICON VALLEY'S ECONOMY IS SIZZLING, THERE ARE CHALLENGES ASSOCIATED WITH GROWTH AND PROSPERITY**

- While the region had 7,431 new residential units in building permits issued in the first 11 months of 2013 – a number that is high compared with previous years – it is not enough to support the 33,636 new residents.
- The gap between the highest and lowest earners has increased. The share of households in Silicon Valley earning more than \$100,000 increased two percentage points to 45 percent in 2012, while the share of households earning \$35,000 to \$99,000 decreased two percentage points to 35 percent.
- Silicon Valley's housing market is becoming an increasingly inhospitable environment for first-time homebuyers. Less than half of Silicon Valley's first-time homebuyers can afford to purchase a median-priced home, compared to 59 percent in the state. And while the total number of home sales has picked up, median prices continue to climb (an increase of ten percent in the last year).
- Although median household income has finally started to increase following a four-year decline (up \$1,028 between 2011 and 2012), the increase in average annual rental expenses (up \$1,526) is outpacing income gains.

### ■ **AND PERSISTENT CHALLENGES REMAIN**

- In the 2011-12 school year, only half of Silicon Valley public school students graduated having completed the necessary courses to attend a four-year college. Even fewer Pacific Islander (31 percent), African-American (29 percent) and Hispanic (27 percent) students completed these courses.
- Income disparities persist between racial and ethnic groups. The lowest-earning racial/ethnic group earns 70 percent less than the highest earning group.
- Income inequality also exists between men and women in the region. Males with a Bachelor's degree or higher make 40-73 percent more than women at the same level of educational attainment.
- Although transit ridership is increasing and more workers are finding alternative forms of transportation, three-quarters of Silicon Valley's residents still drive to work alone, adding to the growing issue of traffic congestion on the region's major roadways.

# PEOPLE

## TALENT FLOWS AND DIVERSITY

Silicon Valley's population is growing at an increasing rate. Foreign immigration jumped to over 19,000 – 52% higher than the previous year – while migration of residents to other areas continued.

### Why is this important?

Silicon Valley's most important asset is its people, who drive the economy and shape the region's quality of life. Population growth is reported as a function of migration (immigration and emigration) and natural population change (the difference between the number of births and deaths). Delving into the diversity and makeup of the region's people helps us understand both our assets and our challenges.

The number of science and engineering degrees awarded regionally helps to gauge how well Silicon Valley is preparing talent. A highly educated local workforce is a valuable resource for generating innovative ideas, products and services. The region has benefited significantly from the entrepreneurial spirit of people drawn to Silicon Valley from around the country and the world. Historically, immigrants have contributed considerably to innovation and job creation in the region, state and nation.<sup>1</sup> Maintaining and increasing these flows combined with efforts to integrate immigrants into our communities vastly improves the region's potential for global competitiveness.

<sup>1</sup> Manuel Pastor, Rhonda Ortiz, Marlene Ramos, and Mirabai Auer. *Immigrant Integration: Integrating New Americans and Building Sustainable Communities*. University of Southern California Program for Environmental and Regional Equity (PERE) & Center for the Study of Immigrant Integration (CSII) Equity Issue Brief. December, 2012.

### How are we doing?

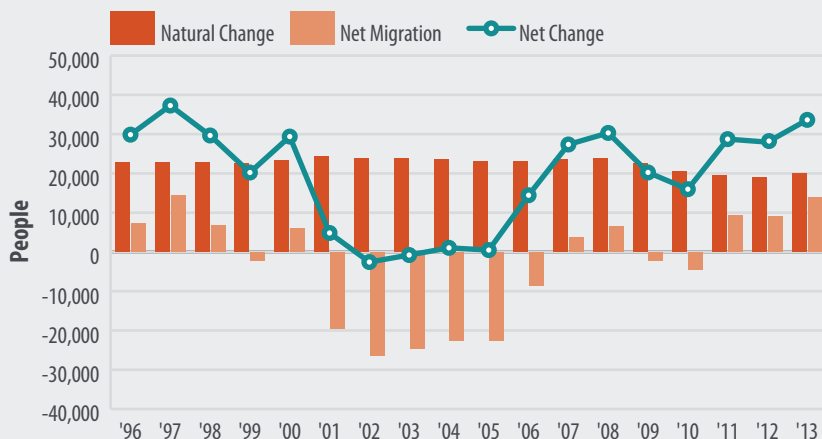
Silicon Valley's population continues to grow at an increasing rate, driven primarily by a combination of natural population growth and an influx of foreign migration (52% higher than the previous year). Between July 2012 and July 2013, Alameda County's population was the fastest growing in the state at 1.68%, followed by Santa Clara County (1.47%), Santa Barbara County (1.44%), and Placer County (1.3%), with San Mateo County and San Francisco growing more rapidly than the state, at 0.93% and 1.08%, respectively, compared with California's 0.88% growth rate. Natural population change in Silicon Valley has increased by 1000 over the previous year, at +19,870 people in 2013, while still remaining lower than the historical average of around +23,000 people per year. Net migration has reached a 15-year high with a net gain of nearly 14,000 people. Consistent with the historical pattern, foreign-born residents were responsible for the migration increase into the region in 2013 while there was a net out-flow of American citizens from Silicon Valley.

Silicon Valley's population has a higher concentration of young working-age residents than that of the nation. In Silicon Valley, 25- to 44-year olds represent the largest portion of the region's population, a trend mirrored in the state. In contrast, nationwide, the 25- to 44-year old age bracket represents the same proportion of the population as the

## POPULATION CHANGE

### Components of Population Change

Santa Clara & San Mateo Counties



Data Source: California Department of Finance | Analysis: Silicon Valley Institute for Regional Studies

### Santa Clara & San Mateo Counties, and California, 2012-2013

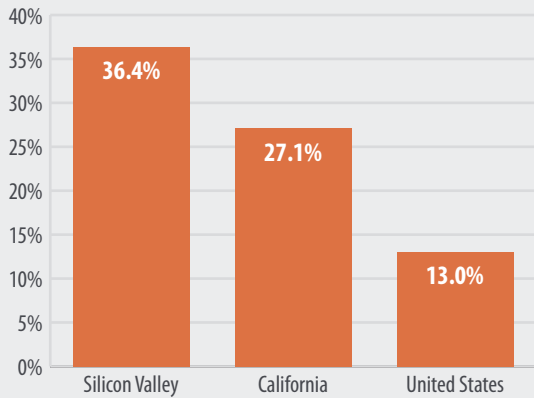
	JULY 2012	JULY 2013	% CHANGE
SANTA CLARA & SAN MATEO COUNTIES	2,562,760	2,596,396	+1.31%
CALIFORNIA	37,872,431	38,204,597	+0.88%

*Silicon Valley's population is growing at an increasing rate.*

## FOREIGN BORN

### Percentage of the Total Population Who Are Foreign Born

Santa Clara & San Mateo Counties, California, and the United States 2012



Data Source: U.S. Census Bureau, 2012 American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

*Silicon Valley's percentage of foreign-born residents is significantly higher than California or the United States.*

Talent Flows & Diversity

PEOPLE

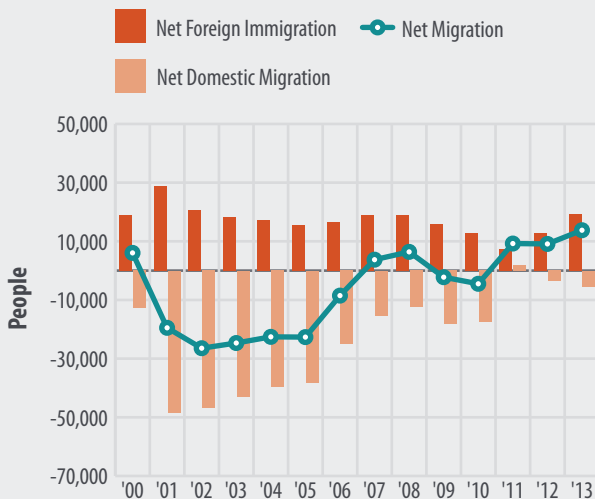
*Net migration reached more than a decade high.*

*Fifty-six percent of Silicon Valley's population is between the ages of 25 and 64, the core working age groups.*

## NET MIGRATION FLOWS

### Foreign & Domestic Migration

Santa Clara & San Mateo Counties

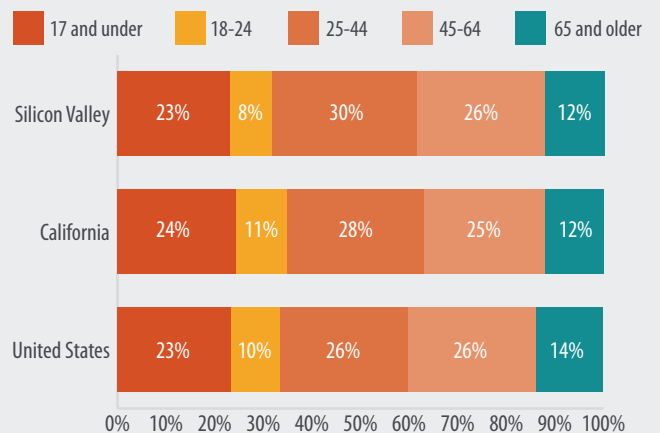


Data Source: California Department of Finance | Analysis: Silicon Valley Institute for Regional Studies

## AGE DISTRIBUTION

### 2012

Santa Clara & San Mateo Counties, California, & the United States



Data Source: United States Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

# PEOPLE

## TALENT FLOWS AND DIVERSITY

45- to 64-year old age bracket. Although age distribution across the three geographies is similar, Silicon Valley has a lower percentage of residents under age 24 compared with the state and the nation.

Silicon Valley's level of educational attainment is much higher than that of the state or nation, with 46% of the adult population having a bachelor's degree or higher compared with 31% of California adults and only 29% of those in the nation. Educational attainment across all ethnic and racial groups is notably higher in Silicon Valley than in the state. Since 2006, gains have been made across a majority of ethnicities/races in the region. In 2012, the share of Asian adults with at least a bachelor's degree rose to 58%, compared to 49% statewide. The share of Silicon Valley Hispanic or Latino adults with at least a bachelor's degree has remained constant since 2006 at 14%, while rising across the state from 10 to 11% during that same time period. Statewide, California has made steady improvements in educational attainment across all ethnic and racial groups since 2006.

The number of science and engineering (S&E) degrees conferred in the region has grown consistently since 2006, rising by 41% since 1995. In 2012, Silicon Valley post-secondary institutions conferred more than 13,000 S&E degrees, up 800 from 2011 totals. The nation also saw a marked increase in S&E degrees, showing 406,000 in 2012, up nearly

26,000 from the previous year's total. For both Silicon Valley and the U.S., these totals represent a seven percent increase in S&E degrees conferred over the previous year. However, over the last three years, Silicon Valley's share of total S&E degrees nationwide has decreased slightly from 3.5% in 2009 to 3.3% in 2012.

Silicon Valley has a high percentage of foreign born residents (36% in 2012) compared with the state (27%) and the nation (13%). As such, the region has a much higher percentage of the population that speaks a foreign language at home (51%) compared with the state (44%) and the nation (21%). The languages most commonly spoken at home, other than English, are Spanish (20% of the population), Chinese (8%), Vietnamese, Tagalog, and Other Indo-European (5% each).

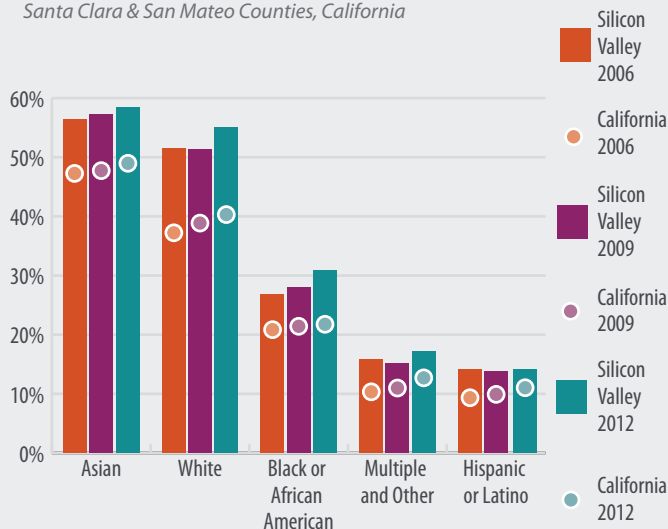
*Educational attainment varies across races/ethnicities.*

*Silicon Valley's level of educational attainment is much higher than the state or the nation, with 46% of adults having a bachelor's degree or higher.*

### EDUCATIONAL ATTAINMENT

#### Percentage of Adults with a Bachelor's Degree or Higher by Race/Ethnicity

Santa Clara & San Mateo Counties, California

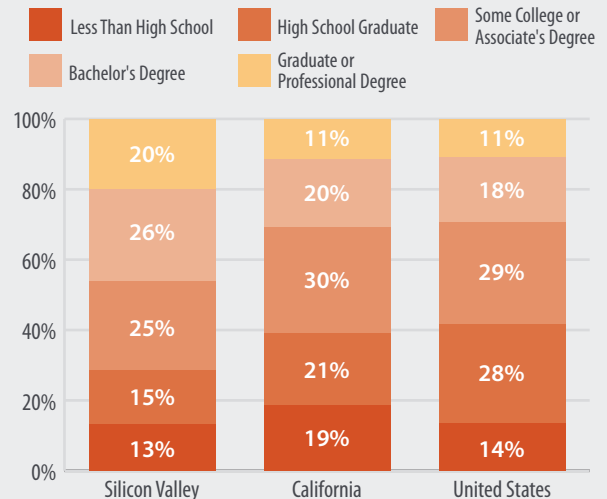


Note: Categories African American, Asian, and White are non-Hispanic or Latino. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

### EDUCATIONAL ATTAINMENT

#### Percentage of Adults, by Educational Attainment

Santa Clara & San Mateo Counties, California and the United States, 2012

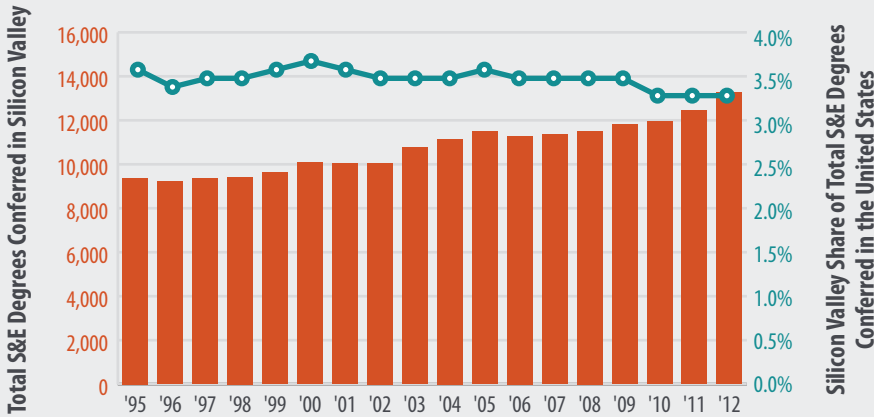


Data Source: United States Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

## TOTAL SCIENCE & ENGINEERING DEGREES CONFERRED

Total science and engineering degrees conferred continue to grow in the region and the nation, while Silicon Valley's share of U.S. total degrees conferred has declined over the last three years.

Universities in and near Silicon Valley and the United States



Data Source: National Center for Educational Statistics, IPEDS | Analysis: Silicon Valley Institute for Regional Studies

Talent Flows & Diversity

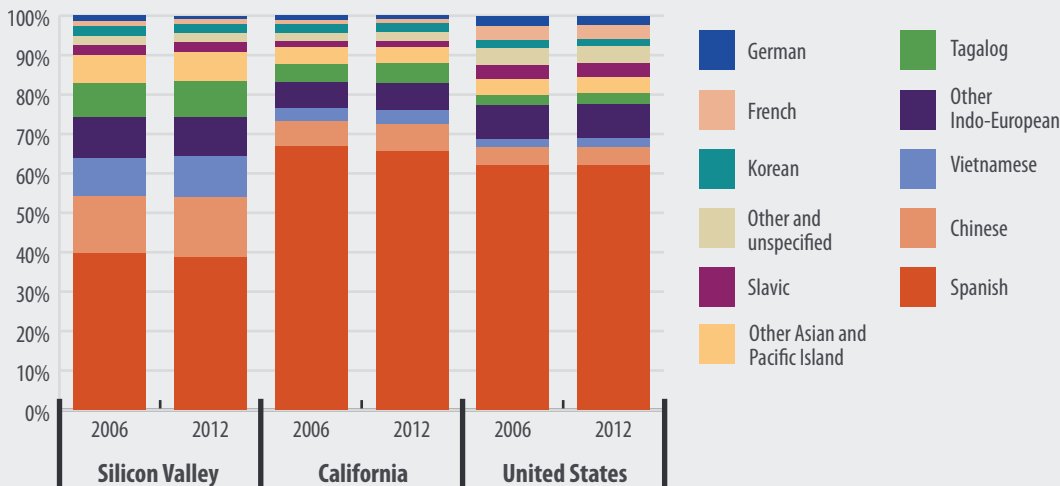
PEOPLE

More than half of Silicon Valley's population speaks a language other than English at home.

## FOREIGN LANGUAGE

### Languages Other Than English Spoken at Home for the Population 5 Years and Over

Santa Clara & San Mateo Counties, California, and the United States



Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

### Population Share That Speaks a Language Other Than Exclusively English

	2006	2012
SILICON VALLEY	48%	51%
CALIFORNIA	43%	44%
UNITED STATES	20%	21%

# ECONOMY

## EMPLOYMENT

Silicon Valley's improving employment numbers outpace national and state recovery trends.

### Why is this important?

Employment gains and losses are a core means of tracking economic health and remain central to national, state and regional conversations. Over the course of the past few decades, Silicon Valley (like many other communities) has experienced shifts in the composition of industries that underlie the local economy. While employment by industry provides a broader picture of the region's economy as a whole, observing the unemployment rates of the population residing in the Valley reveals the status of the immediate Silicon Valley-based workforce. The way in which the region's industry patterns change shows how well our economy is maintaining its position in the global economy.

### How are we doing?

In the second quarter of 2013, the greater Silicon Valley (including Scotts Valley, Fremont, Newark, and Union City) registered a 3.4% increase in employment (+46,665 jobs) over the prior year, the largest jump in the last decade.<sup>1</sup> This increase brings the total number of jobs to 1.42 million overall. The region has surpassed pre-recession job totals,

with a 3.1% increase in the number of jobs since 2007 (+42,791 jobs). In contrast, the total number of jobs in California and the U.S. are 1.4% and 2.2% below pre-recession levels, respectively. In the last year (between Q2 2012 and Q2 2013), job growth in San Mateo and Santa Clara Counties combined, and San Francisco, have neared 4% while Alameda County, California and the U.S. growth is occurring more slowly (at 2.9%, 2.4% and 2.0%, respectively).

Job growth cannot be attributed to any one industry. Silicon Valley made strides across all major areas of employment activity except Other Manufacturing, which showed a slight drop since Q2 2012. From Q2 2012 to Q2 2013, Business Infrastructure & Services shot up 6.4%, adding 13,861 new positions. During that same time period, employment in Community Infrastructure & Services rose 2.9%, adding 19,764 new positions.

Contributing most significantly to the recent increase in Community Infrastructure & Services<sup>2</sup> employment are Utilities (including state and local government jobs) with 11.4% growth from Q2 2012 to Q2 2013, Construction (9.2% growth), Banking & Financial Services (7.4%

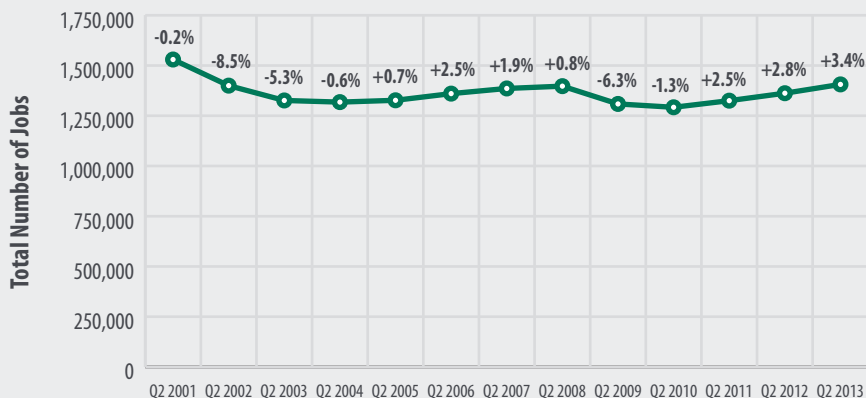
<sup>1</sup> Job growth data are from BW Research using the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages data and EMSI, and are based on the broader Silicon Valley definition including Santa Clara and San Mateo counties, plus the cities of Scotts Valley, Fremont, Newark, and Union City.

<sup>2</sup> Definitions of industry categories are included in Appendix B.

## JOB GROWTH

### Number of Silicon Valley Jobs with Percent Change Over Prior Year

Silicon Valley



### Silicon Valley Employment in Public Sector

	Q2 2007	Q2 2013	% CHANGE
LOCAL GOVERNMENT ADMINISTRATION	58,291	44,934	-22.9%
STATE GOVERNMENT ADMINISTRATION	3,361	2,139	-36.4%
TOTAL EMPLOYMENT	61,652	47,074	-23.6%

Data Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages; EMSI | Analysis: BW Research

Job growth continued an upward trend, and reached over a decade high.

Note: Percent change from 2012 to 2013 is based on unsuppressed numbers. Percent change for prior years is based on QCEW data totals with suppressed industries. Data Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW); EMSI | Analysis: BW Research

# +46,665 Jobs

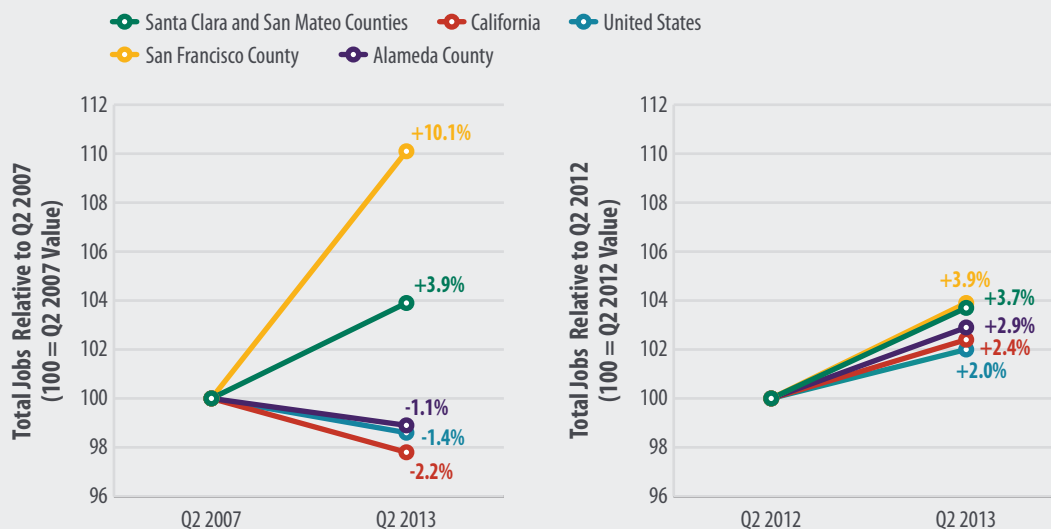
*In the second quarter of 2013, Silicon Valley registered a 3.4% increase in employment over the prior year, the largest jump in the last decade.*

- Employment
- Income
- Innovation & Entrepreneurship
- Commercial Space

## ECONOMY

### RELATIVE JOB GROWTH

Santa Clara & San Mateo Counties, San Francisco County, Alameda County, California, and the United States



*The total number of jobs in Silicon Valley has surpassed pre-recession levels, and continues to grow.*

Data Source: United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages | Analysis: BW Research

# ECONOMY

## EMPLOYMENT

growth), and Transportation (6.5% growth). Internet & Information Services dominated the growth in Innovation and Information Products & Services employment, adding more than 5,600 new positions (up 19.1% from Q2 of 2012).

Silicon Valley employment in the public sector has declined significantly since 2007, with Q2 2013 totals reflecting 23% and 36% losses, respectively, in local and state government administration jobs.

As the economy recovers from the recession, Silicon Valley unemployment rates continue a downward trend while remaining at least two percentage points above pre-recession levels.<sup>3</sup> Over the past year, Silicon Valley's unemployment rate fell from 7.5% in January to 5.8% in November 2013, and was consistently lower than that of the state and country by 2.3-2.9% and 0.8-1.5%, respectively. Unemployment rates in Silicon Valley improved across nearly all racial and ethnic groups between 2011 and 2012, ranging from 4.5% to 10.4%. Although the region saw a very slight increase in the proportion of unemployed residents to the working age population in Other Races (+0.2%), the proportion is still down 1.1% from its high in 2010.

<sup>3</sup> Residential employment data used to compute unemployment rates are from the United States Bureau of Labor Statistics and are based on the two-county definition of Silicon Valley including Santa Clara and San Mateo counties.

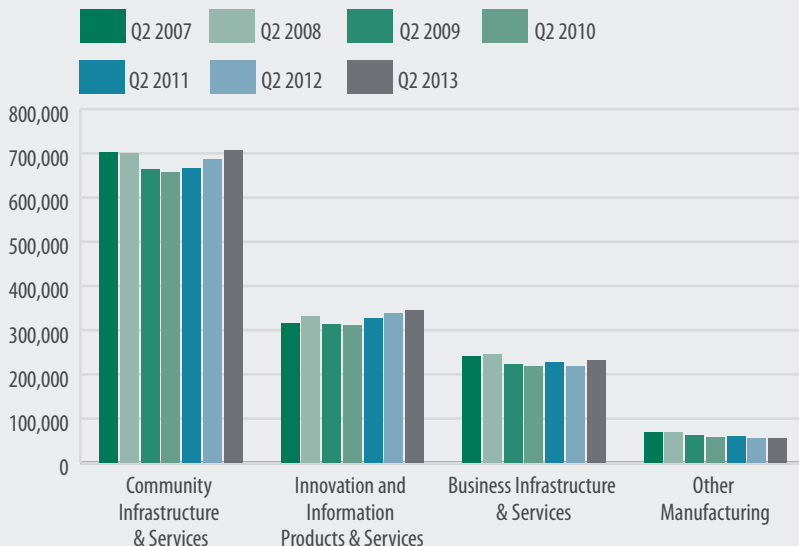
# 5.8%

## unemployment rate

*in November 2013*

### SILICON VALLEY MAJOR AREAS OF ECONOMIC ACTIVITY

#### Average Annual Employment



#### Silicon Valley Employment Growth by Major Areas of Economic Activity

*Percent Change in Q2*

	2011-2012	2012-2013
COMMUNITY INFRASTRUCTURE & SERVICES	+3.0%	+2.9%
INNOVATION AND INFORMATION PRODUCTS & SERVICES	+3.4%	+2.1%
BUSINESS INFRASTRUCTURE & SERVICES	-3.8%	+6.4%
OTHER MANUFACTURING	-4.4%	-3.1%
<b>TOTAL EMPLOYMENT</b>	<b>+2.8%</b>	<b>+3.4%</b>

*Average annual employment increased across nearly all sectors.*

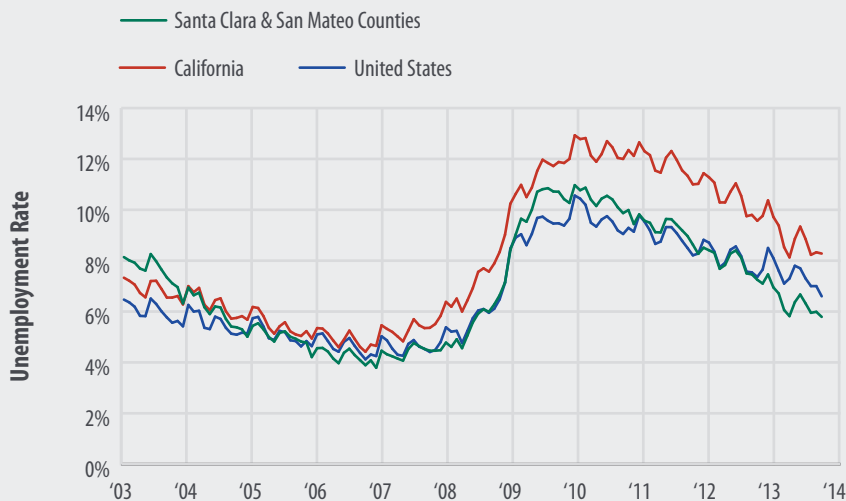
Data Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages; EMSI | Analysis: BW Research



The regional unemployment rate continues a downward trend.

## MONTHLY UNEMPLOYMENT RATE

Santa Clara & San Mateo Counties, California, and the United States



Note: Santa Clara County, San Mateo County, and California data for November 2013 are Preliminary. | Data Source: U.S. Bureau of Labor Statistics, Current Population Survey (CPS) and Local Area Unemployment Statistics (LAUS) | Analysis: Silicon Valley Institute for Regional Studies

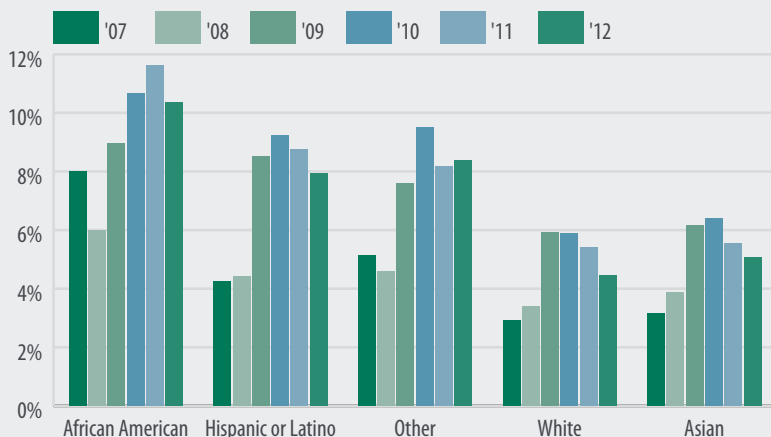
- Employment
- Income
- Innovation & Entrepreneurship
- Commercial Space

**ECONOMY**

## UNEMPLOYED RESIDENTS' SHARE OF THE WORKING AGE POPULATION

### Residents Over 16 Years of Age, by Race/Ethnicity

Santa Clara & San Mateo Counties



Unemployment declined across almost all races/ethnicities.

Note: Other includes the categories Some Other Race and Two or More Races in 2008-2012. Data for Two or More Races is not available for San Mateo County for 2007. Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INCOME

Per capita income reached a four-year high, and median household income increased following a three-year downward trend. The gap between the highest and lowest earners increased.

### Why is this important?

Income growth is as important a measure of Silicon Valley's economic vitality as is job growth. Considering multiple income measures together provides a clearer picture of regional prosperity and its distribution. Real per capita income rises when a region generates wealth faster than its population increases. The median household income is the income value for the household at the middle of all income values. Examining median income by educational attainment and gender reveals the complexity of our income gap. The number of public school students receiving free or reduced price meals is an indicator of family poverty. To be eligible for the program, family income must fall below 130% of the federal poverty guidelines for free meals and below 185% for reduced price meals.

### How are we doing?

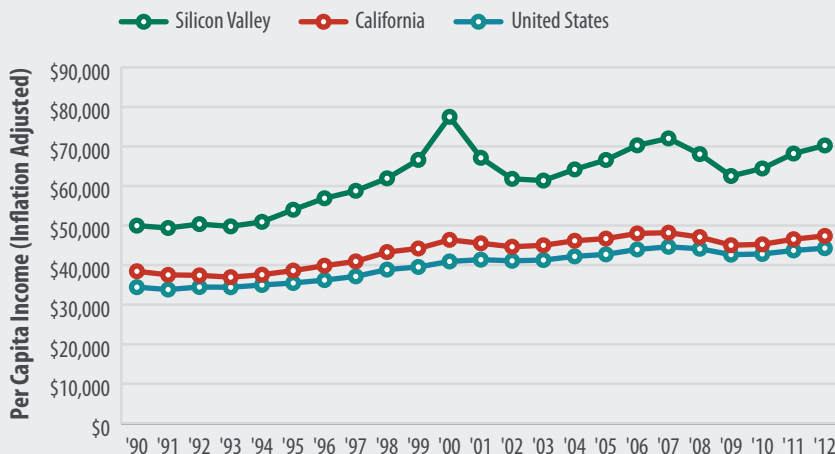
Income growth in Silicon Valley is uneven, and the gap between the high and low income earners is increasing. Average real per capita income has continued an upward trend since hitting a low in 2009, reaching \$70,243 for Silicon Valley in 2012. Per capita income in Silicon Valley has been consistently much higher than the state and U.S. (\$47,375, and \$44,276, respectively, in 2012).

Between 2010 and 2012 the gap in per capita income widened between

the highest and lowest income racial and ethnic groups in Silicon Valley. Silicon Valley per capita income levels increased the most across White (up 5.6% to \$62,374), Asian (up 2.4% to \$42,607), and Multiple and Other racial/ethnic groups (up 0.3% to \$23,480). Per capita income decreased for Black/African Americans (down 5% to \$30,758) and Hispanics or Latinos (down 2% to \$19,049). State trends for Asians, Black/African Americans, and Hispanics or Latinos are similar to those of Silicon Valley, showing per capita income changes since 2010 of +2.9%, -6.3%, and -1.6%, respectively. While Silicon Valley showed growth in the per capita income of the White population, California saw a drop of 0.6%. In another key difference from the Silicon Valley trend, the state saw a decrease in per capita income for Multiple and Other of 4.2%, down to a low in recent years of \$18,169.

## PER CAPITA INCOME

Santa Clara & San Mateo Counties, California, and the United States



Silicon Valley's per capita income *nears pre-recession levels.*

Note: Personal income is defined as the sum of wage and salary disbursements (including stock options), supplements to wages and salaries, proprietors' income, dividends, interest and rent, and personal current transfer receipts, less contributions for government social insurance. | Data Source: U.S. Department of Commerce, Bureau of Economic Analysis | Analysis: Silicon Valley Institute for Regional Studies

# \$70,243

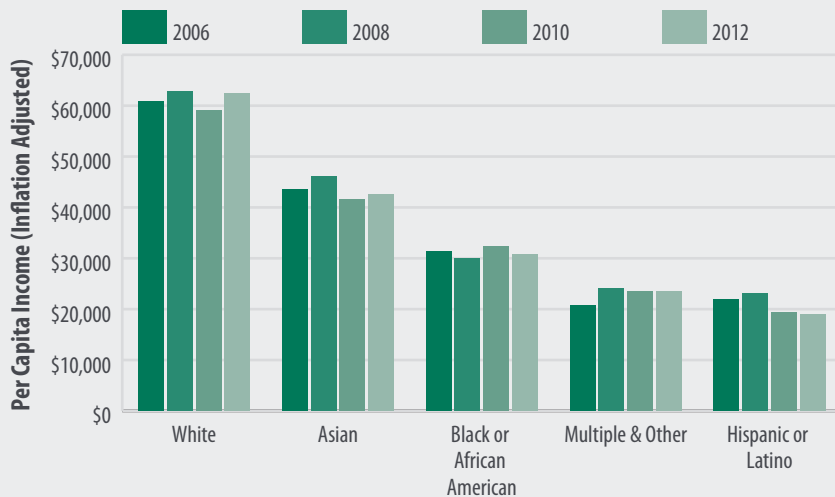
## per capita income

- Employment
- Income
- Innovation & Entrepreneurship
- Commercial Space

**ECONOMY**

### PER CAPITA INCOME BY RACE & ETHNICITY

Santa Clara & San Mateo Counties



### Percent Change in Per Capita Income | 2010-2012

	Silicon Valley	California	United States
WHITE	+5.6%	-0.6%	+0.1%
ASIAN	+2.4%	+2.9%	+1.7%
BLACK OR AFRICAN AMERICAN	-5.0%	-6.3%	-2.1%
MULTIPLE & OTHER	+0.3%	-4.2%	-2.1%
HISPANIC OR LATINO	-2.0%	-1.6%	-0.1%

*Per capita income increased across all racial/ethnic groups except Black or African American and Hispanic or Latino.*

Note: Multiple & Other includes Native Hawaiian & Other Pacific Islander Alone, American Indian & Alaska Native alone, Some other race alone and Two or more races; Personal income is defined as the sum of wage or salary income, net self-employment income, interest, dividends, or net rental welfare payments, retirement, survivor or disability pensions; and all other income; White, Asian, Black or African American, Multiple & Other are non-Hispanic. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INCOME

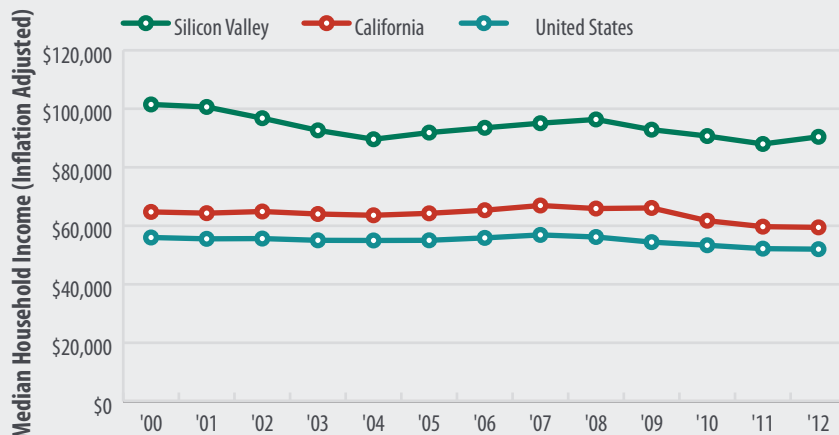
Following a three-year downward trend, median household income in Silicon Valley increased 2.8% between 2011 and 2012 to \$90,415 (inflation adjusted to 2013 dollars), while the downward trend in California and the U.S. continued (down 0.4% and 0.3%, respectively since 2011). Median income in Silicon Valley remains much higher than that of the state (\$59,455) and nation (\$52,006).

The share of households in Silicon Valley earning more than \$100,000 increased two percentage points to 45% in 2012, while the share of households earning \$35,000 to \$99,000 decreased two percentage points to 35% over the same period. California and the U.S. are exhibiting similar trends, with increases in the percentage of households earning more than \$100,000 increasing by 2% as well. The narrowing of the middle income category is evident in Silicon Valley (decreased 2% since 2010) and California (decreased 1%), while the share of households in the U.S. earning \$35,000 to \$99,000 remained at 44% since 2010.

California and U.S. has seen steady declines in individual median income since 2006 for all levels of educational attainment. Individual median income in Silicon Valley, California and the U.S. is 3-20% lower than 2006 income levels, varying by level of educational attainment. For those Silicon Valley residents with a graduate or professional degree, individual median income increased slightly from 2008 to 2010, then

### MEDIAN HOUSEHOLD INCOME

Santa Clara & San Mateo Counties, California, and the United States



### Percent Change in Median Household Income, 2011-2012

	2011 - 2012
SILICON VALLEY	+2.8%
CALIFORNIA	-0.4%
UNITED STATES	-0.3%

*Median household income increased in Silicon Valley, while it decreased slightly in California and the United States.*

Note: Household income includes wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income from estates and trusts; Social Security or railroad retirement income; Supplemental Security income; public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income; excluding stock options. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

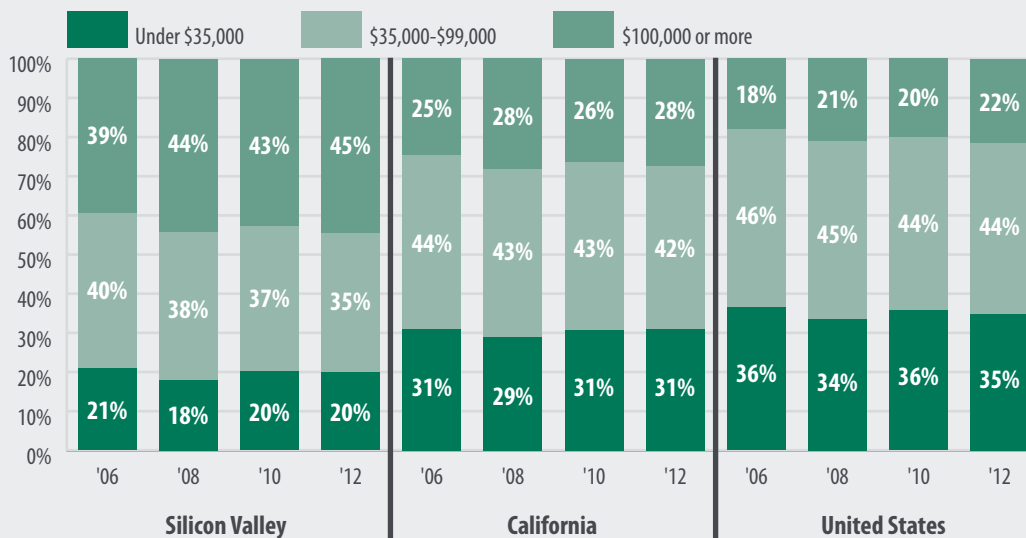
- Employment
- Income
- Innovation & Entrepreneurship
- Commercial Space

# 2.8%

*increase in median household income between 2011 and 2012*

## DISTRIBUTION OF HOUSEHOLDS BY INCOME RANGES

Santa Clara & San Mateo Counties, California, and the United States



Since 2006, the *share of middle income households has declined* in Silicon Valley, California and the United States.

Note: Income ranges are based on nominal values. Household income includes wage and salary income, net self-employment income, interest dividends, net rental or royalty income from estates and trusts, Social Security or railroad retirement income, Supplemental Security Income, public assistance or welfare payments, retirement, survivor, or disability pensions, and all other income excluding stock options. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INCOME

remained relatively steady through 2012 at around \$102,000; however, the rest of the Silicon Valley population has seen a decrease in individual median income since 2008.

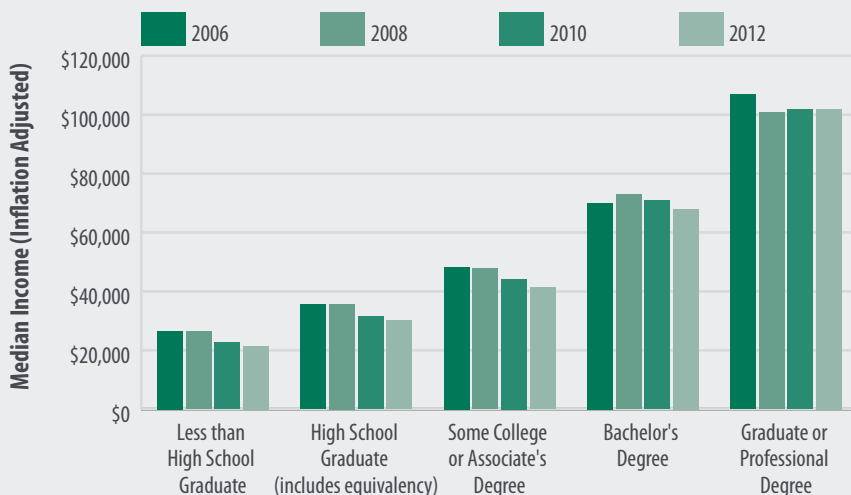
Men in Silicon Valley earn seven to 73% more than women at the same levels of educational attainment across all attainment levels other than High School Graduate (including equivalency), in which case women actually earn one percent more than men. The difference between individual median income for men and women is most striking for those with graduate or professional degrees, in which case men in 2012 were earning 73% more than women. This percentage is down from a striking 97% in 2010, meaning that men with graduate or professional degrees in Silicon Valley were earning nearly twice that of their female peers. The income disparity between genders is much more variable in Silicon Valley than the state as a whole. In California, while men also earn more money than women in the same educational attainment categories, the range is much less variable (30-52%, with the greatest disparity at the lowest and highest attainment levels).

The percentage of Silicon Valley public school students receiving free or reduced price meals dropped to 35% after three years of hovering around 37%. California's percentage showed a similar trend, decreasing to 53% in school year 2012-2013 following an all-time high of nearly 58% the previous year. The current percentages are very similar to those of the 2007-2008 school year, after which the numbers of students receiving free or reduced price meals in Silicon Valley and the state started to increase.

*Median income dropped across all educational groups except Graduate or Professional Degree.*

### INDIVIDUAL MEDIAN INCOME BY EDUCATIONAL ATTAINMENT

Santa Clara & San Mateo Counties



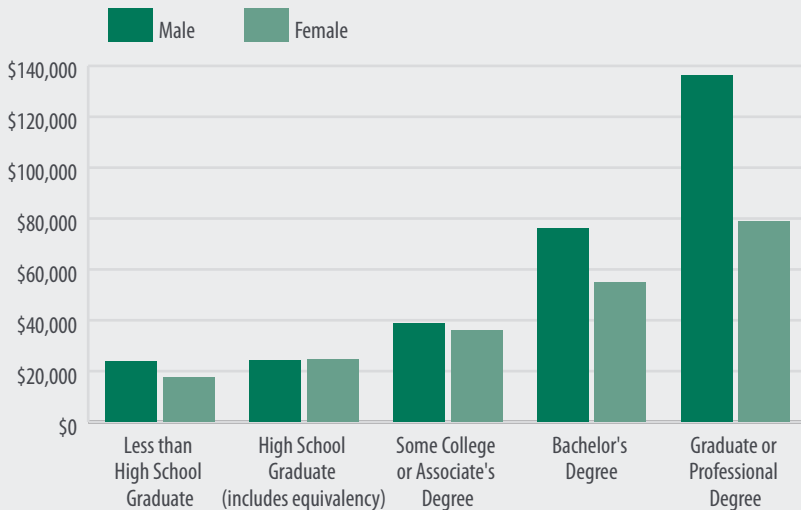
### Percent Change in Median Income by Educational Attainment | 2006-2012

	Silicon Valley	California	United States
Less than High School Graduate	-19.6%	-11.8%	-9.1%
High School Graduate (includes equivalency)	-15.0%	-14.4%	-9.7%
Some College or Associate's Degree	-14.2%	-13.9%	-11.4%
Bachelor's Degree	-2.8%	-9.1%	-5.1%
Graduate or Professional Degree	-4.5%	-5.8%	-4.9%

Note: Some College includes Less than 1 year of college; Some college, 1 or more years, no degree; Associate degree; Professional certification. The 2008 value for Graduate or Professional Degree is for San Mateo County only. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

## INDIVIDUAL MEDIAN INCOME BY GENDER AND EDUCATIONAL ATTAINMENT

Silicon Valley, 2012



Note: Some College includes Less than 1 year of college; Some college, 1 or more years, no degree; Associate degree; Professional certification. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

*Males in Silicon Valley with a Bachelor's, Graduate or Professional Degree earn 40-73% more than females with the same level of educational attainment.*

Employment

Income

Innovation & Entrepreneurship

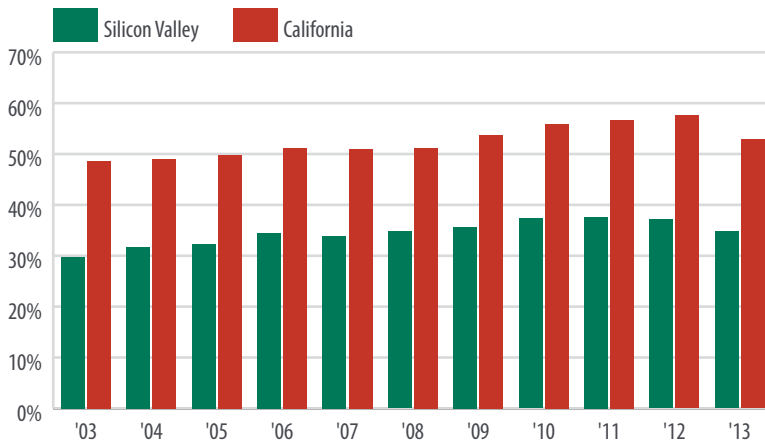
Commercial Space

ECONOMY

## FREE/REDUCED PRICE SCHOOL MEALS

### Percentage of Students Receiving Free or Reduced Price Meals

Santa Clara & San Mateo Counties, California



*The number of students receiving free or reduced price meals **dropped** in Silicon Valley and in the state.*

Data Source: California Department of Education, Free/Reduced Price Meals Program & CalWORKS Data Files; kidsdata.org | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INNOVATION & ENTREPRENEURSHIP

Silicon Valley's share of California's venture and angel investments, and mergers and acquisitions increased, while the region's share of patent registrations decreased. Labor productivity reached a plateau.

### Why is this important?

Innovation, a driving force behind Silicon Valley's economy, is a vital source of regional competitive advantage. It transforms novel ideas into products, processes and services that create and expand business opportunities. Entrepreneurship is an important element of Silicon Valley's innovation system. Entrepreneurs are the creative risk takers who create new value and new markets through the commercialization of novel and existing technology, products and services. A region with a thriving innovation habitat supports a vibrant ecosystem to start and grow businesses.

Entrepreneurship, in both new and established businesses, hinges on investment and value generated by employees. Patent registrations track the generation of new ideas, as well as the ability to disseminate and commercialize these ideas. The activity of mergers and acquisitions (M&As) and initial public offerings (IPOs) indicate that a region is cultivating successful and potentially high-value companies. Growth in firms without employees indicates that more people are going into business for themselves.

Finally, tracking both the types of patents and areas of venture capital investment over time provides valuable insight into the region's

longer-term direction of development. Changing business and investment patterns could point to a new economic structure supporting innovation in Silicon Valley.

### How are we doing?

Innovation and entrepreneurship in the region shows signs of change, particularly with respect to San Francisco's growing influence. As Silicon Valley becomes more of an acquirer in transactions, San Francisco has become more of a target in M&A activity. Similarly, Silicon Valley's seed stage angel investment has decreased, but Series A+<sup>1</sup> angel investment has increased—while the opposite is true in San Francisco. However, the combination of Silicon Valley and San Francisco remains a powerhouse in California's innovation economy, representing a massive percentage of the state's total mergers and acquisitions, venture capital and angel investments, and IPOs.

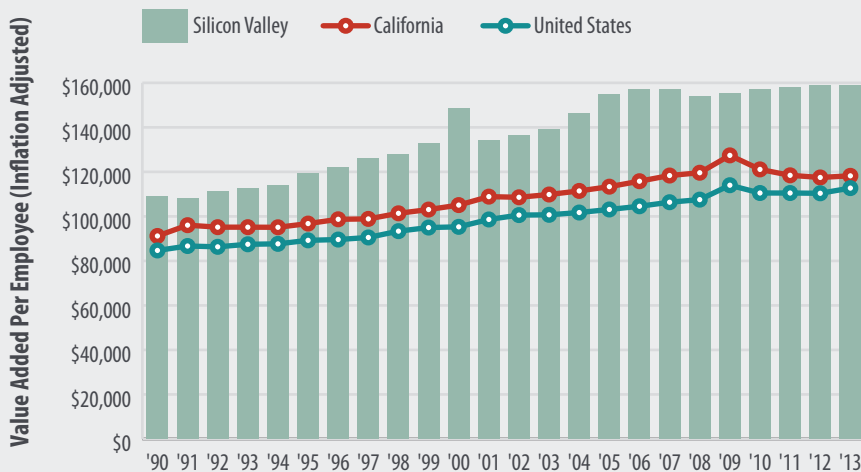
Labor productivity, or value added per employee, finally reached a plateau in 2013 after several years of growth, with a 0.1% decrease in Silicon Valley. Value added per employee in California also decreased slightly, with a 0.6% change, though labor productivity across the United

1. Series A+ rounds are typically led by institutional investors, such as traditional Venture Capital firms. Angels, however, may have the opportunity to participate in these rounds as follow-ons to their seed stage investment in companies.

## VALUE ADDED

### Value Added Per Employee

Santa Clara & San Mateo Counties, California, and the United States



### Percent Change in Value Added Per Employee

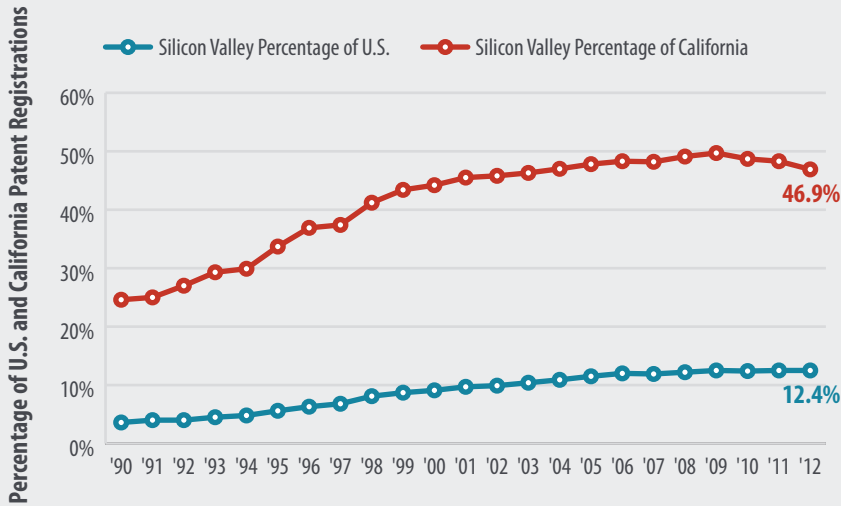
	2012-2013
SILICON VALLEY	-0.1%
CALIFORNIA	+0.6%
UNITED STATES	+2.1%

Value added per employee *remained the same*, while California and U.S. value added increased.



## PATENT REGISTRATIONS

### Silicon Valley's Percentage of U.S. and California Patents



*Silicon Valley's share of California patents declined for the third year in a row.*

Data Source: U.S. Patent and Trademark Office | Analysis: Silicon Valley Institute for Regional Studies

Employment  
Income  
Innovation & Entrepreneurship  
Commercial Space

**ECONOMY**

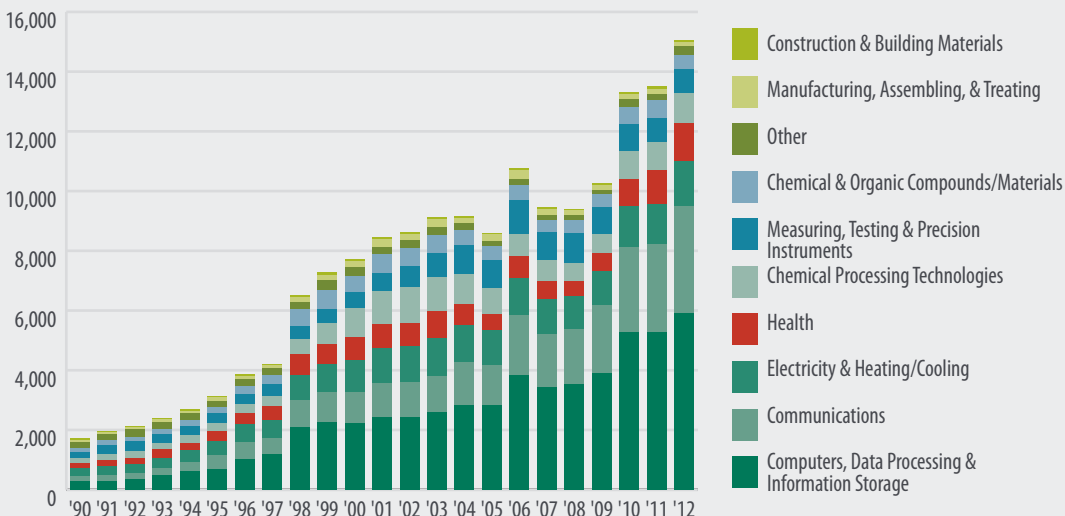
### Top 20 Patenting Organizations *Silicon Valley, 2001-2011*

Sun Microsystems, Inc.	International Business Machines Corp.	Agilent Technologies, Inc.	Marvell International LTD.
Applied Materials, Inc.	Hewlett-Packard Development Co., L.P.	Broadcom Corporation	Genentech, Inc.
Advanced Micro Devices, Inc.	Apple, Inc.	National Semiconductor Corp.	Micron Technology, Inc.
Cisco Technology, Inc.	The Regents of University of California	Xilinx, Inc.	Stanford University
Intel Corp.	Hitachi Global Storage Technologies	Altera Corporation	LSI Logic Corporation
	Netherlands B.V.		

## PATENT REGISTRATIONS

### By Technology Area

*Silicon Valley*



Data Source: U.S. Patent and Trademark Office | Analysis: Silicon Valley Institute for Regional Studies

*The number of Silicon Valley patents in computers, data processing & information storage increased.*

# ECONOMY

## INNOVATION & ENTREPRENEURSHIP

States increased by 2.1%. However, Silicon Valley's employees still contribute, on average, \$40,558 more than California employees as a whole.

While numbers of patent registrations in Silicon Valley continues to rise, our percentage of California's total decreased from 48.3% in 2011 to 46.9% in 2012. Silicon Valley's share of U.S. patents has remained relatively stable over the last four years, at just over 12%. The region's patent registrations in 2012 numbered 15,057, an 11% increase over 2011. Consistent with past years, Computers, Data Processing & Information Storage comprised the largest portion of patents in Silicon Valley, and still represents 39% of the region's total patents. Communications experienced the largest gain in patent registrations over the last year, adding 648 registrations to reach a total of 3,572 patents and an increased share of the region's total (+2%). Chemical and Organic Compounds/Materials saw the biggest drop with 105 fewer patents, or 18% fewer than in 2011.

Silicon Valley and San Francisco's share of total California venture capital investment shot up from 70% in 2012 to 77% in 2013, based on data from the first three quarters of 2013. The region's share of U.S. investment also increased, from 37% in 2012 to nearly 39% in 2013. By industry, Software continues its steady upward march, attracting an increasing share of total investment (44% in the first three quarters of 2013, up from 38% of total 2012 investments). Biotechnology also

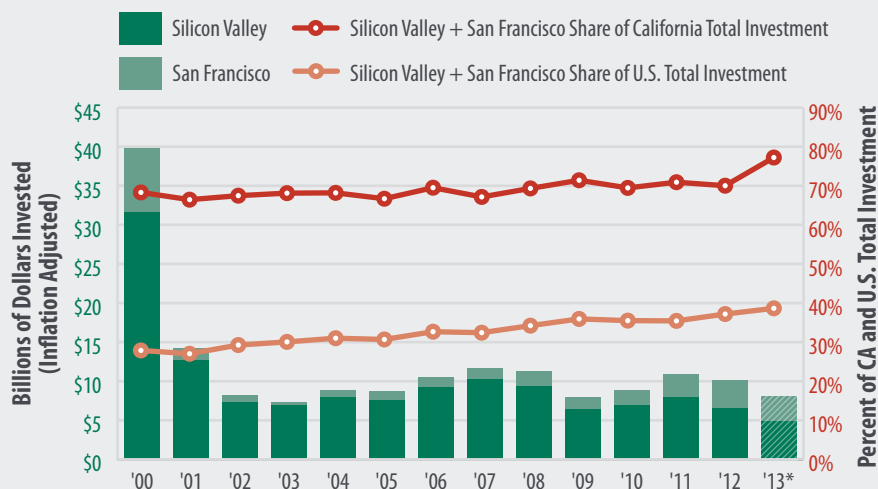
increased its share of total investments, up to 11% in Q1-3 2013 from an 8% share in 2012. The share of investments in Industrial/Energy slipped 5%, down to six percent of total Q1-3 2013 investments.

Silicon Valley venture capital investment in clean technology for 2013 is on track to exceed that of 2012, with \$840 million in the first three quarters alone. During that same time period, San Francisco clean technology investments shot up from 2012 levels, reaching \$450 million by the end of October. Together, Silicon Valley and San Francisco represent a dramatically increasing share of California's clean technology investments, up to 77% from 48% in 2012. Of the clean technology industry segments receiving venture funding, Solar investments saw a sharp decline in 2013, down 74% from \$332 million in 2012 to just \$88 million in the first three quarters of 2013. Energy Efficiency, Biofuels & Biochemicals, Fuel Cells & Hydrogen, Smart Grid, and Transportation are among the industry segments that secured growing investments between 2012 and 2013.

Disclosed angel investment in Silicon Valley has changed composition over the past three years, showing an increase in Series A+ investment from \$460 million in 2011 to \$726 million in 2012, and \$1028 million in just the first three quarters of 2013. On the other hand, San Francisco has posted a steady increase in seed stage investment from \$96 million in 2011 to more than \$164 million in 2013, while showing a decline in

### VENTURE CAPITAL INVESTMENT

Silicon Valley



The region's share of California and U.S. *venture capital investments increased in 2013.*

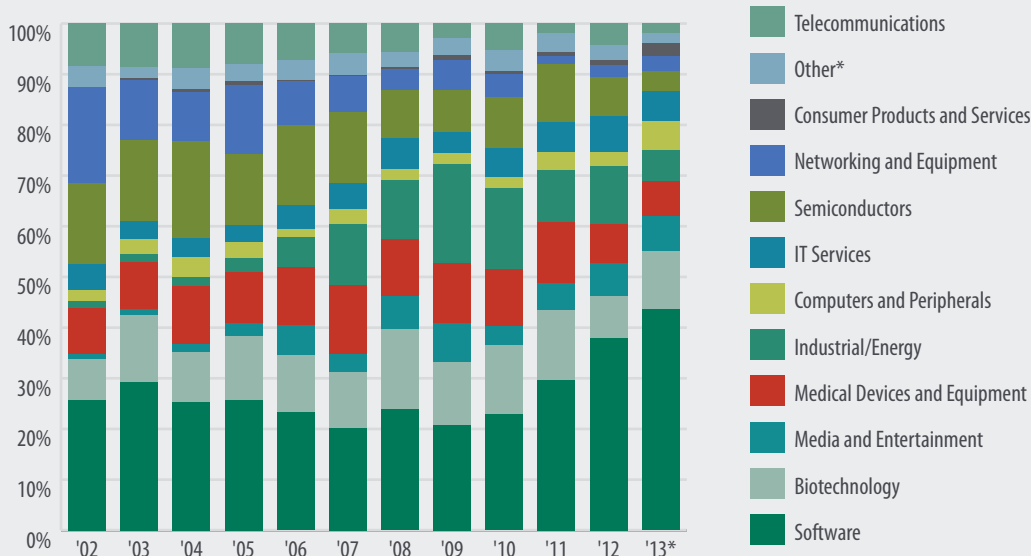
The region's share of California's *Cleantech VC investment skyrocketed in 2013, and reached an all-time high of 77%.*

\*2013 data includes Q1-3. | Data Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters  
Analysis: Jon Haveman, Marin Economic Consulting; Silicon Valley Institute for Regional Studies

Software represents 44% of total venture capital investment in the region.

## VENTURE CAPITAL BY INDUSTRY

Silicon Valley



Employment  
Income  
Innovation & Entrepreneurship  
Commercial Space

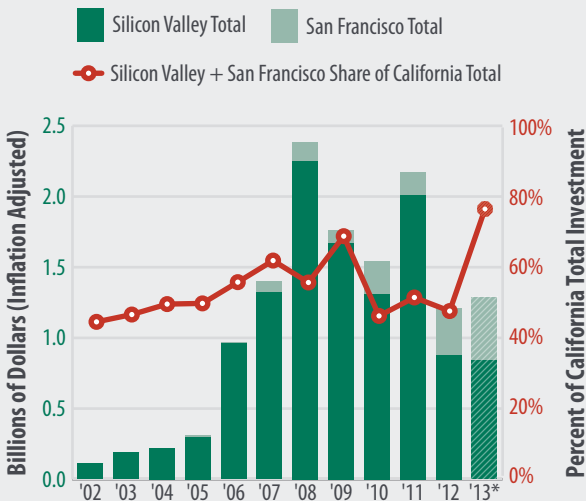
# ECONOMY

Solar accounted for a smaller share of 2013 cleantech investment in the region.

## VENTURE CAPITAL INVESTMENT IN CLEAN TECHNOLOGY

### Billions of Dollars Invested

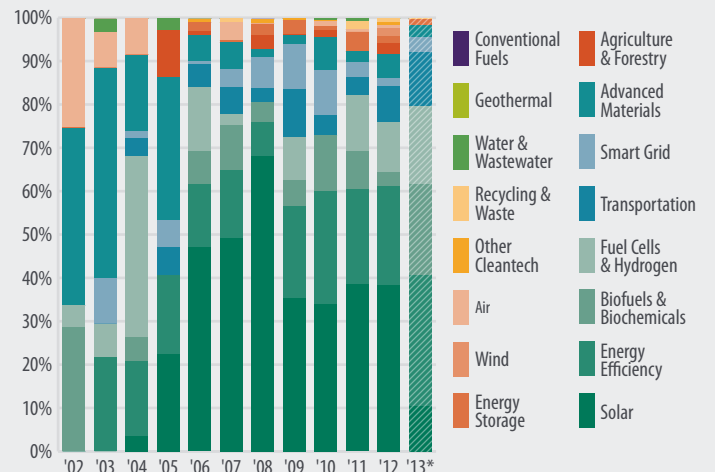
Silicon Valley, San Francisco, and California



## VENTURE CAPITAL INVESTMENT IN CLEAN TECHNOLOGY BY SEGMENT

### Percentage of Total VC Investment in Clean Technology

Silicon Valley



\*2013 data is for Q1-3. | Data Source: i3 (i3.cleantech.com) | Analysis: Silicon Valley Institute for Regional Studies

\*2013 data is for Q1-3. | Data Source: i3 (i3.cleantech.com) | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INNOVATION & ENTREPRENEURSHIP

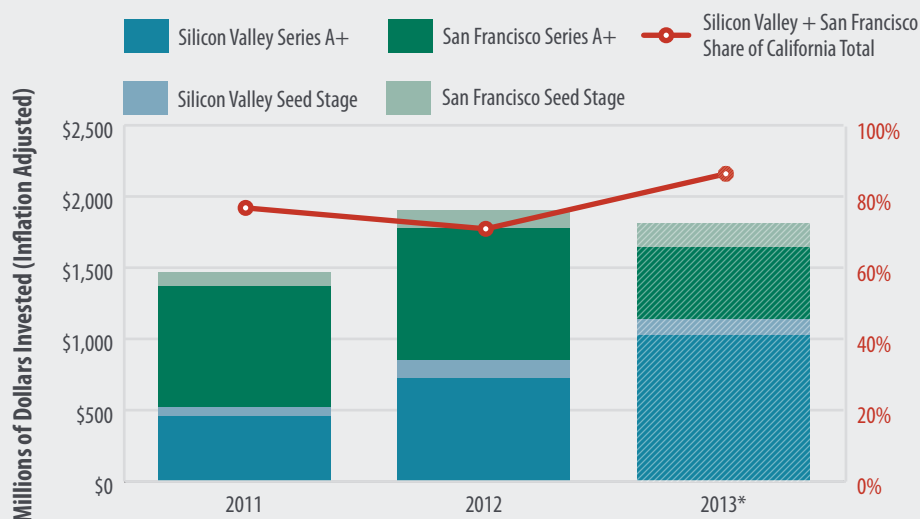
Series A+ investment from \$921 million in 2012 to \$507 million in 2013. Together, Silicon Valley and San Francisco represent a large and increasing share of California angel investment, at 87% of the statewide total.

The total number of U.S. Initial Public Offerings in 2013 has far exceeded that of recent years. Nationally there were 222 IPOs in 2013, 94 more than the previous year. IPO pricings nationally, statewide and internationally all showed increases over 2012. The number of IPOs in Silicon Valley has continued to increase year after year since the low of only one IPO in 2009, with 20 in 2013. Although the number of IPOs has increased, Silicon Valley's share of total California pricings for the year actually decreased from a peak of 51.5% in 2012 to 46.5% in 2013, and from 14.8% of all U.S. pricings in 2012 to 10.8% in 2013. San Francisco had four IPOs in 2013, so combined with Silicon Valley's 20 the region's share of California and U.S. IPOs totals 55.8% and 13.0%, respectively.

By the third quarter of 2013, Silicon Valley and San Francisco's share of California M&A activity increased to 43%, up from 38% in 2012. The region's share of U.S. deals also increased from 9% in 2012 to 10% in 2013. Based on the number of M&A deals occurring within the first three quarters, Silicon Valley is on pace to reach 2012 totals. Silicon Valley Target & Acquirer Deals (where at least one target and acquirer involved in the deals were located within the region) decreased by 3% of total M&A

### ANGEL INVESTMENT

Silicon Valley, San Francisco, and California



*The region's share of California angel investment increased to 87%.*

*Silicon Valley's and San Francisco's share of California M&A activity increased.*

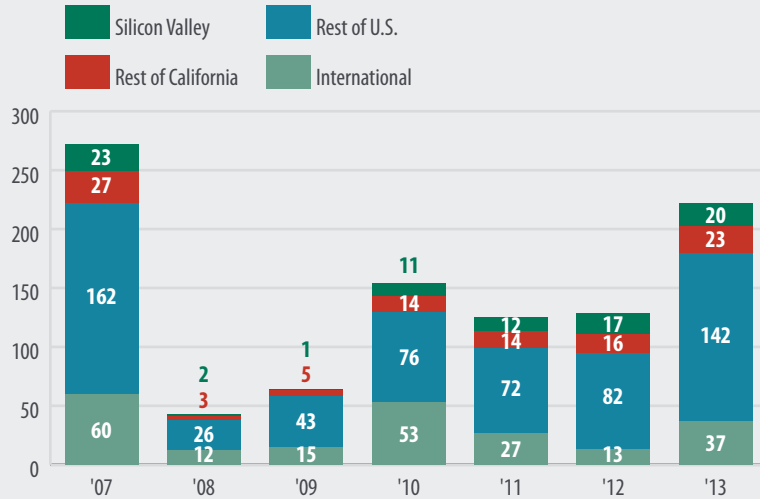
\*2013 data is through Q3. | Data Source: CB Insights | Analysis: Silicon Valley Institute for Regional Studies

*IPO pricings were up in Silicon Valley, California and the U.S., with more international companies listed on U.S. stock exchanges.*

## INITIAL PUBLIC OFFERINGS

### Total Number of U.S. IPO Pricings

Silicon Valley, Rest of California, Rest of the United States, and International Companies



Note: Location based on corporate address provided by Renaissance Capital. | Data Source: Renaissance Capital | Analysis: Silicon Valley Institute for Regional Studies

Employment  
Income  
Innovation & Entrepreneurship  
Commercial Space

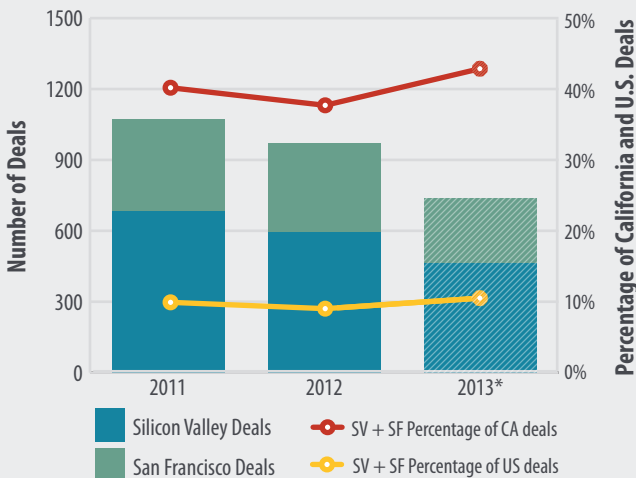
**ECONOMY**

*Silicon Valley percentages of target and acquirer deals remained the same, while San Francisco target deals increased.*

## MERGERS AND ACQUISITIONS

### Number of Deals and Share of California and U.S. Deals

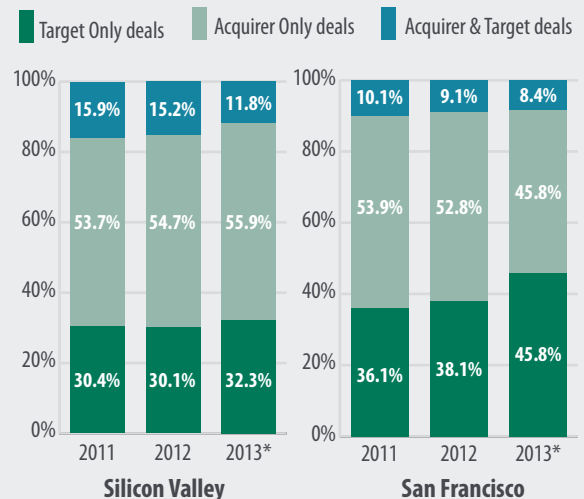
Silicon Valley, San Francisco, California, and the United States



\*Data is through the third quarter of 2013. | Note: Deals include Acquirers and Targets. | Data Source: FactSet Research Systems, Inc. | Analysis: Silicon Valley Institute for Regional Studies

### Percentage of Merger & Acquisition Deals by Participation Type

Silicon Valley and San Francisco



\*Data is through the third quarter of 2013. | Note: Deals include Acquirers and Targets. | Data Source: FactSet Research Systems, Inc. | Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## INNOVATION & ENTREPRENEURSHIP

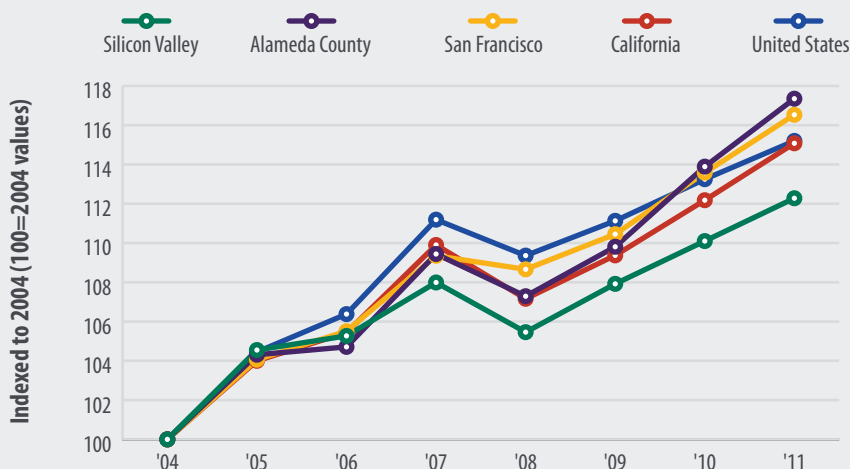
activity in 2013, while Target Only and Acquirer Only deals increased by 2% and 1%, respectively. At the same time, San Francisco shifted more heavily toward Target Only deals (up 8 percentage points over the 2012 share of local M&A activity), while Acquirer Only and Target & Acquirer Deals were down 7% and 1%, respectively.

The number of businesses without employees continues to grow in the region (relative rates up 12% since 2004), albeit at a slower rate than California or the United States (both up 15% relative to 2004), San Francisco (up 16.5%) or Alameda County (up 17%). Between 2010 and 2011, the region's entrepreneurs started 3,639 more firms without employees, amounting to a two percent gain in the total number of non-employer firms over the previous year. In 2011, twenty-six percent of the region's nonemployer firms were in the Professional, Scientific & Technical Services sector, whereas this sector only encompassed 14% of firms without employees nationally, and 17% statewide. This suggests that Silicon Valley is specialized in the sector.

### RELATIVE GROWTH OF FIRMS WITHOUT EMPLOYEES

#### Relative Growth of Firms Without Employees

Santa Clara & San Mateo Counties, Alameda County, San Francisco, California and the United States



Data Source: U.S. Census Bureau, Nonemployer Statistics | Analysis: Silicon Valley Institute for Regional Studies

#### Firms Without Employees in 2011

SILICON VALLEY	187,271
ALAMEDA COUNTY	118,341
SAN FRANCISCO	85,092
CALIFORNIA	2,887,014
UNITED STATES	22,491,080

The nonemployer growth rate **increased 12%** in Silicon Valley between 2004 and 2011.

# 2% increase

*in nonemployer firms  
between 2010 and 2011*

# 26%

*of the region's nonemployer  
firms were in the Professional,  
Scientific & Technical Services  
sector in 2011.*

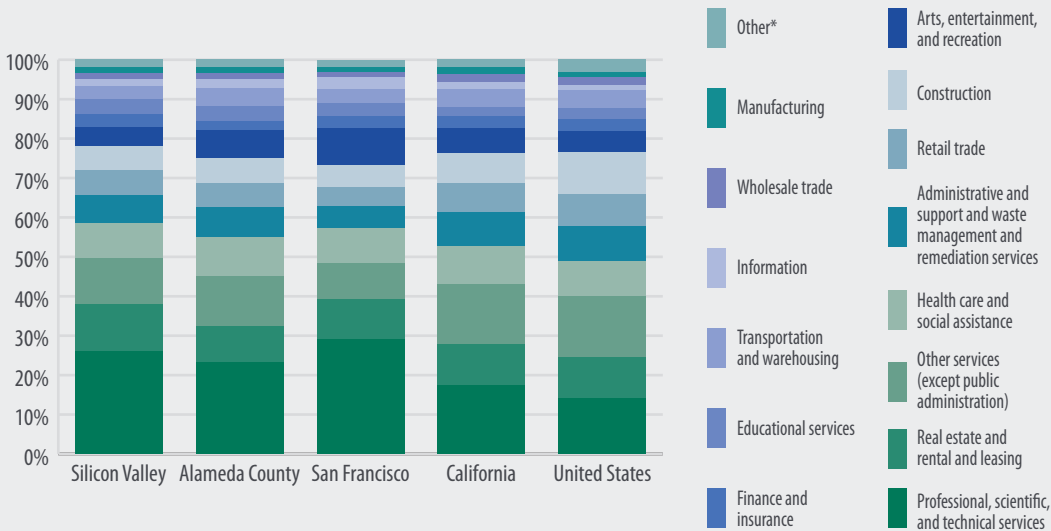
Employment  
Income  
■ Innovation & Entrepreneurship  
Commercial Space

ECONOMY

## PERCENTAGE OF NONEMPLOYERS BY INDUSTRY, 2011

### Percentage of Nonemployers by Industry, 2011

*Silicon Valley, Alameda County, San Francisco County, California, and the United States*



*The majority of  
Silicon Valley  
nonemployer  
firms are in  
Professional,  
Scientific,  
and Technical  
Services.*

\* Other includes Accommodation & Food Services; Mining, Quarrying and Oil & Gas Extraction; Agriculture, Forestry, Fishing & Hunting; and Utilities. | Data Source: U.S. Census Bureau, Nonemployer Statistics  
Analysis: Silicon Valley Institute for Regional Studies

# ECONOMY

## COMMERCIAL SPACE

Commercial real estate markets continue to rebound in Santa Clara County as rents rise, vacancies decline and supply tightens.

### Why is this important?

Changes in the supply of commercial space, vacancy rates and asking rents (i.e., the rent listed for new space) provide leading indicators of regional economic activity. In addition to office space, commercial space includes R&D, industrial and warehouse space. A negative change in the supply of commercial space suggests strengthening economic activity and tightening in the commercial real estate market. The change in supply of commercial space is expressed as the combination of new construction and the net absorption rate, which reflects the amount of space becoming available. The vacancy rate measures the amount of space that is not occupied. Increases in vacancy, as well as declines in rents, reflect slowing demand relative to supply.

### How are we doing?

Available commercial space in Santa Clara County decreased in 2013 despite the greatest amount of new commercial development of any year since 2002. While 1.9 million square feet of commercial space was added through new construction in the first three quarters of the year, the net change in occupied space (absorption) during that time period was 5.2 million square feet, resulting in a -3.3 million square foot decrease. The net absorption in 2013 was more than double that of 2012 (5.2 million

square feet, compared with 2.4 million in 2012), suggesting increased demand for commercial leases.

Vacancy rates in Santa Clara and San Mateo county continue a downward trend across all types of space except warehouse in Santa Clara County (which increased to 11% from 10.6% in 2012) and office space in San Mateo County (which increased to 14.3% from 13% in 2012).

Annual asking rents for commercial space in Santa Clara County were up for all types of space except industrial, with the greatest increase in office space rents (up \$0.19 per square foot per month from 2012). San Mateo County also saw sharp increases in office space rents, rising \$0.37 per square foot per month to \$3.22 in 2013, while industrial space rents increased only slightly and R&D space rates actually decreased.

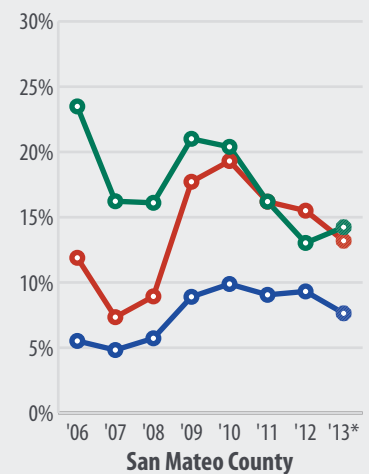
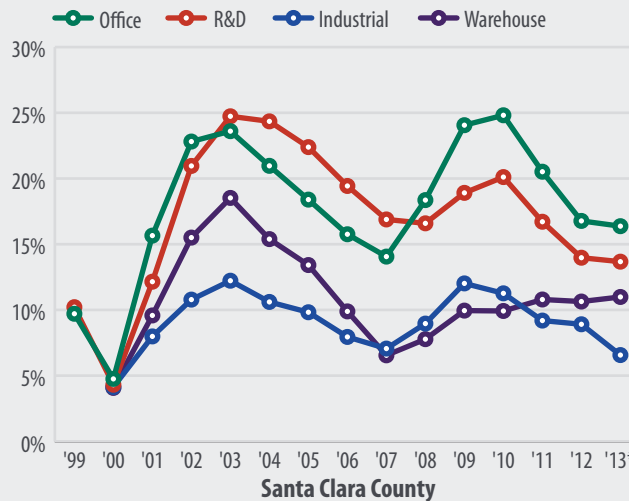
Office space continues to dominate new commercial development in Santa Clara County, with 1.86 million square feet developed in the first three quarters of 2013. Since 2009, all new commercial space aside from 200,000 square feet of R&D space has been attributed to the office sector.

## COMMERCIAL VACANCY

### Annual Rate of Commercial Vacancy

Santa Clara & San Mateo Counties

*Office space vacancy rates rose in San Mateo County, while industrial space vacancy rates fell in both counties.*

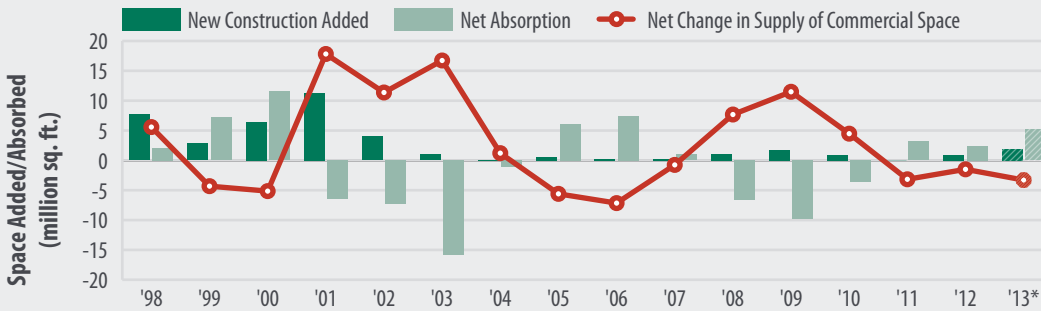


\* 2013 data is through Q3 2013 except Office Space in San Mateo County, which is through Q2 2013. | Data Source: Colliers International | Analysis: Silicon Valley Institute for Regional Studies



## Change in Supply of Commercial Space

Santa Clara County

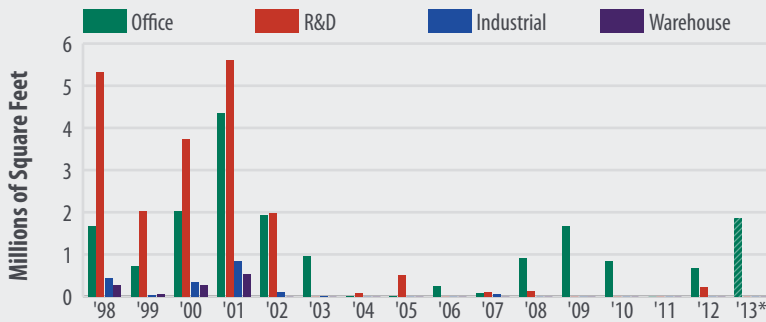


\* 2013 data is through Q3 2013. | Data Source: Colliers International | Analysis: Silicon Valley Institute for Regional Studies

Commercial space availability decreased slightly in 2013.

## New Commercial Development, by Sector

Santa Clara County



\* 2013 data is through Q3 2013. | Data Source: Colliers International | Analysis: Silicon Valley Institute for Regional Studies

Office space continued to dominate new commercial development in 2013.

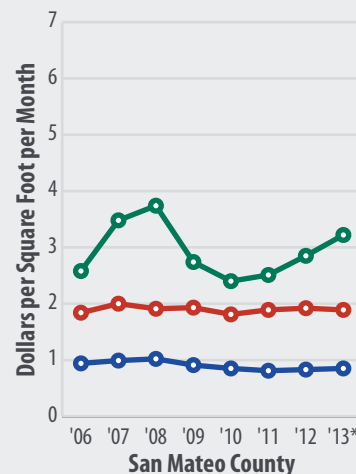
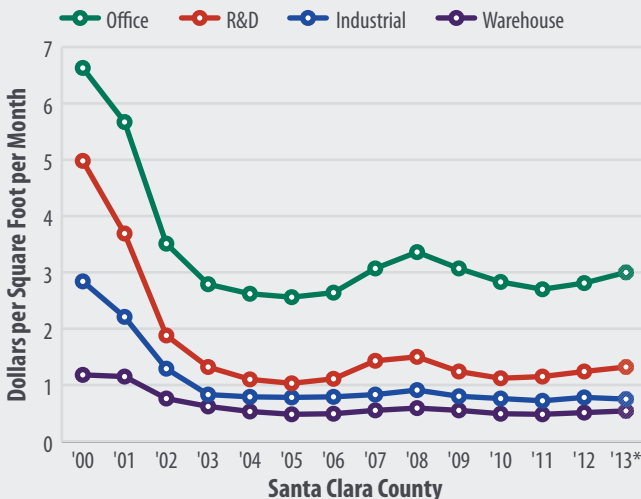
Employment  
Income  
Innovation & Entrepreneurship  
Commercial Space

ECONOMY

## COMMERCIAL RENTS

### Annual Average Asking Rents

Santa Clara & San Mateo Counties



Commercial rents continued a 3-year upward trend in both counties for office space, and for R&D space in Santa Clara County.

\* 2013 data is through Q3 2013 except Office Space in San Mateo County, which is through Q2 2013. | Data Source: Colliers International | Analysis: Silicon Valley Institute for Regional Studies

# SOCIETY

## PREPARING FOR ECONOMIC SUCCESS

While Silicon Valley continues to outpace the state in student achievement, success varies considerably by race/ethnicity.

### Why is this important?

The future success of Silicon Valley's knowledge-based economy depends on younger generations' ability to prepare for and access higher education.

High school graduation and dropout rates are an important measure of how well our region prepares its youth for future success. Preparation for postsecondary education can be measured by the proportion of Silicon Valley youth that complete high school and meet entrance requirements for the University of California (UC) or California State University (CSU). Educational achievement can also be measured by proficiency in algebra, which is correlated with later academic success. Breaking down high school dropout rates by ethnicity sheds light on the inequality of educational achievement in the region.

### How are we doing?

Overall, Silicon Valley public school students are more likely to graduate and meet UC/CSU requirements than the average student in California. Silicon Valley's graduation rate in 2011-12 was up 1% from 2010-11 to 83% of students, with a corresponding decrease in the dropout rate. Silicon Valley's graduation rate in 2011-12 was 4% higher than the

state, with a higher share of students meeting UC/CSU requirements at 50% compared to 38% within the state.

High school graduation rates and the percentage of graduates who meet UC/CSU entrance requirements in Silicon Valley vary greatly between students of different races/ethnicities. While 94% of Asian students graduated from high school in 2011-12, only 70% of Hispanic students did. And while 74% of Asian graduates in 2011-12 met UC/CSU requirements, only 27% of Hispanic and 29% of African American students did.

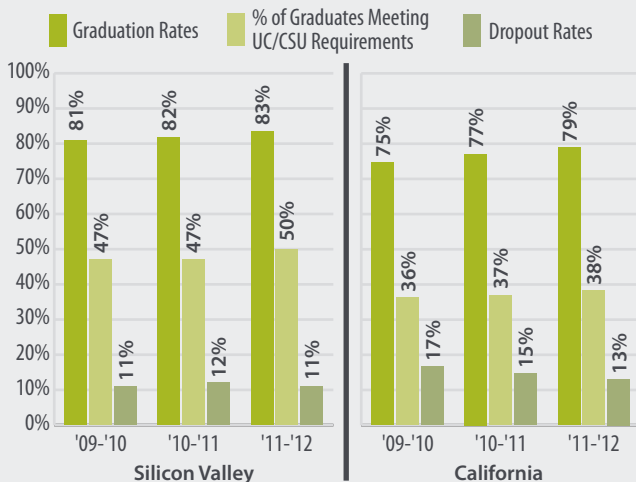
The share of Silicon Valley eighth graders with advanced or proficient scores in Algebra, based on the California Standards Test (CST), remained steady between 2012 and 2013 at 55%, while this percentage rose slightly in California (+1%) during the same time period to 50% in 2013.

*Silicon Valley graduation rates increased by 1%, and the percentage meeting UC/CSU requirements increased by 3%.*

## HIGH SCHOOL GRADUATION AND DROPOUT RATE

### Rate of Graduation, Share of Graduates Who Meet UC/CSU Requirements and Dropout Rate

Silicon Valley and California, 2009-2012

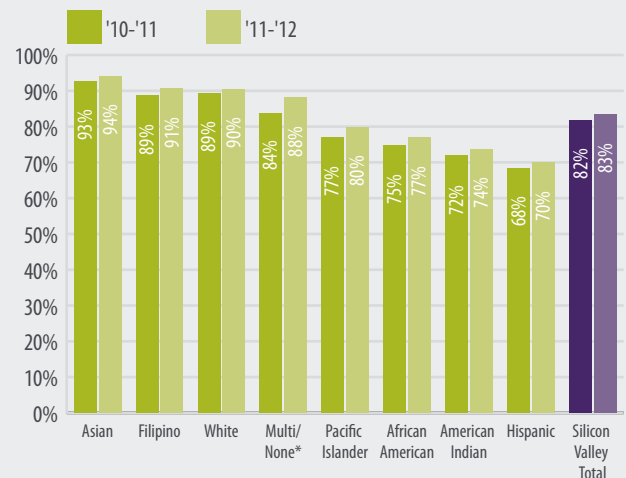


Note: Graduation and dropout rates are four-year derived rates. | Data Source: California Department of Education | Analysis: Silicon Valley Institute for Regional Studies

## HIGH SCHOOL GRADUATION RATES

### By Ethnicity

Silicon Valley, 2010/11 & 2011/12



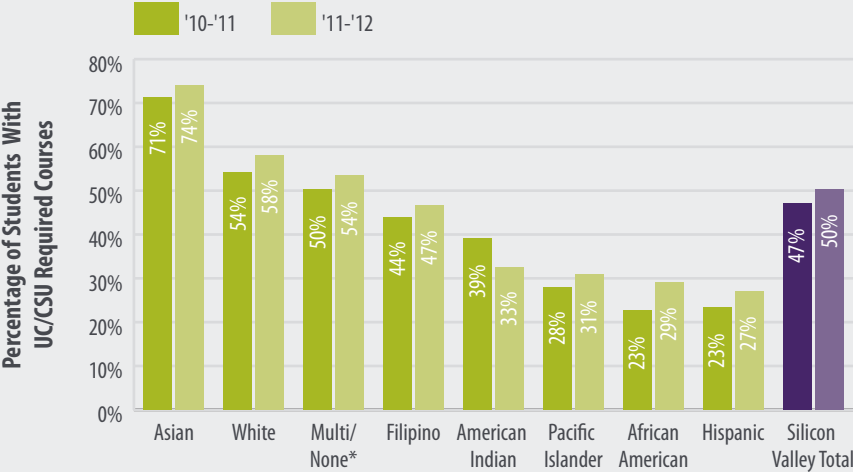
\*Multi/None includes both students of two or more races, and those who did not report their race. | Note: Graduation rates are four-year derived rates. | Data Source: California Department of Education | Analysis: Silicon Valley Institute for Regional Studies

There is a huge disparity between the share of graduates in the highest (Asian) and lowest (African American and Hispanic) groups who meet UC/CSU requirements.

### SHARE OF GRADUATES WHO MEET UC/CSU REQUIREMENTS

#### By Ethnicity

Silicon Valley, 2010/11 & 2011/12



\*Multi/None includes both students of two or more races, and those who did not report their race. | Data Source: California Department of Education | Analysis: Silicon Valley Institute for Regional Studies

- Preparing for Economic Success
- Early Education
- Arts and Culture
- Quality of Health
- Safety

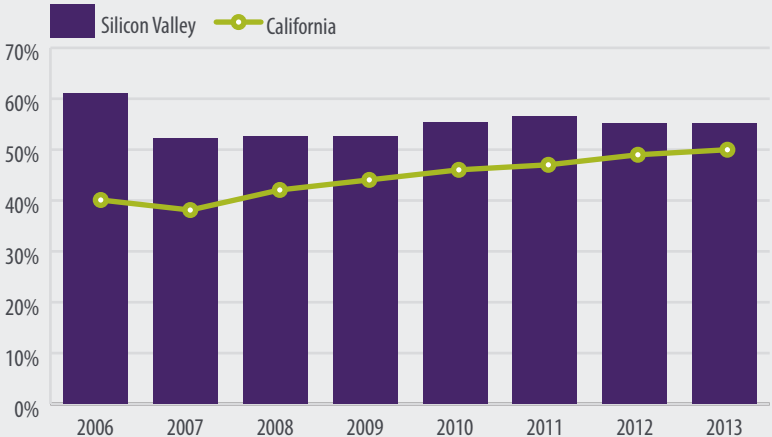
**SOCIETY**

Eighth grade proficiency in algebra remained steady in Silicon Valley.

### ALGEBRA I SCORES

#### Percentage of Eighth Graders Who Scored at Proficient or Above on CST Algebra I Test

Silicon Valley Public Schools



Data Source: California Department of Education | Analysis: Silicon Valley Institute for Regional Studies

Graduation rates vary by ethnicity, with Asian students 11 percentage points above the regional average.

# SOCIETY

## EARLY EDUCATION

School enrollment rates for three- and four-year-olds have fallen from the 2011 peak, while state and national rates remain steady.

### Why is this important?

Early education provides the foundation for lifelong accomplishment. Research has shown that quality preschool-age education is vital to a child's long-term success. Private versus public school enrollment illustrates the economic structure of our community when compared to California and the United States. Reading abilities function as important indicators for a child's future, as they are strongly correlated with continuing academic achievement.

### How are we doing?

In 2012, nearly 58% of Silicon Valley's three- and four-year-olds were enrolled in private or public school, a four percent drop from 2011. This represents the first decrease in regional enrollment since 2008. National and state rates remain relatively unchanged since 2011, hovering near 49 and 48%, respectively.

Nearly 38% of all Silicon Valley three- and four-year-olds attended private school, while only 20% were enrolled in public school in 2012. Statewide, on the other hand, more three- and four-year olds attended public school (29%) than private school (20%), but the majority (51%) were not enrolled in school at all. Nationwide trends are similar to the

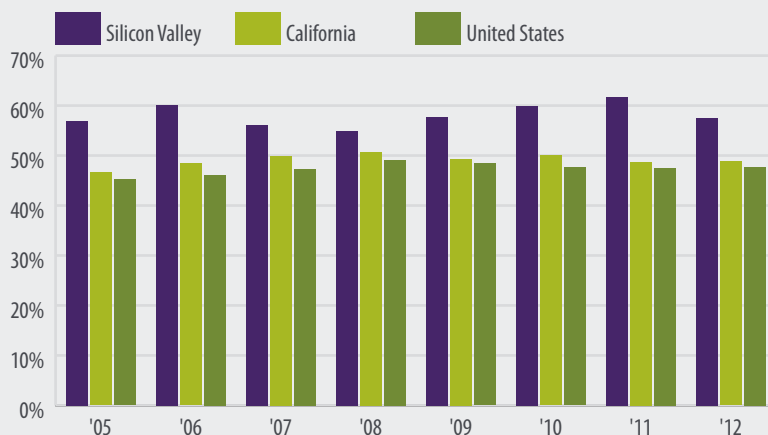
state, illustrating the difference in early education between Silicon Valley and its surroundings.

Third grade English-Language Arts (reading) proficiency in Silicon Valley varies by race and ethnicity. Asian students, with 81% at or above the proficient benchmark, represent the most successful category, though variation exists within Asian subgroups. While Chinese, Asian Indian and Korean students score among the highest groups with 85% or more above proficiency, Japanese, Vietnamese and Cambodian students lag at 66, 59 and 55%, respectively. Hispanic students, with 35% proficiency, showed a 1% decline from 2011. As a whole, 66% of the 3rd grade student population (across racial and ethnic groups) scored at or above the proficient benchmark for reading.

## PRESCHOOL ENROLLMENT

### Percentage of the Population 3 to 4 Years of Age Enrolled in School

Santa Clara & San Mateo Counties, California, and the United States



### School Enrollment for the Population 3 to 4 Years of Age

	Public School	Private School	Not Enrolled
SILICON VALLEY	19.6%	37.8%	42.6%
CALIFORNIA	28.5%	20.3%	51.2%
UNITED STATES	27.0%	20.7%	52.3%

*Preschool enrollment in Silicon Valley has declined, while holding steady in California and the United States.*

Note: Data includes enrollment in private and public schools for children three to four years of age. | Data Source: U.S. Census Bureau, American Community Survey  
Analysis: Silicon Valley Institute for Regional Studies

# 66%

Share of the 3rd grade student population scoring at or above the proficient benchmark for reading.

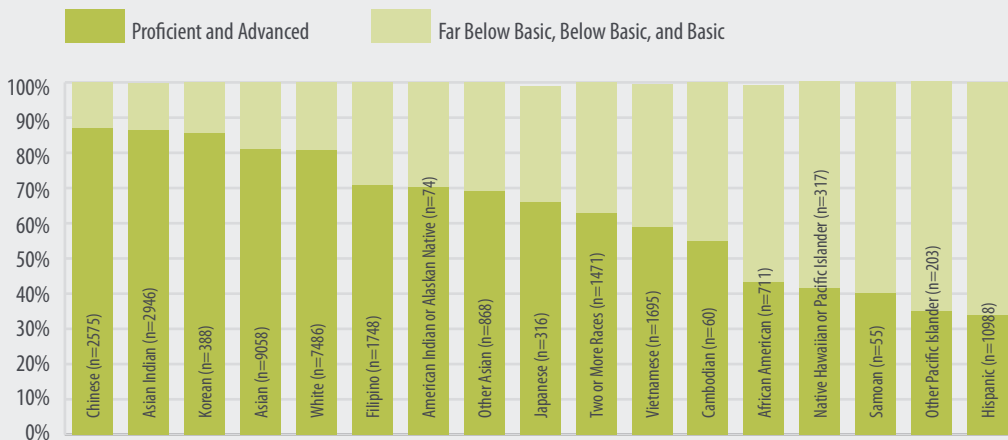
- Preparing for Economic Success
- Early Education
- Arts and Culture
- Quality of Health
- Safety

**SOCIETY**

## THIRD GRADE ENGLISH-LANGUAGE ARTS PROFICIENCY

### By Race/Ethnicity

Silicon Valley, 2013



Third grade English-language arts proficiency varies by race and ethnicity.

# SOCIETY

## ARTS AND CULTURE

A high percentage of arts revenue in Silicon Valley is earned. Santa Clara County is among the leading regions in Entrepreneurial Arts.

### Why is this important?

Art and culture play an integral role in Silicon Valley's economic and civic vibrancy. As both creative producers and employers, nonprofit arts and culture organizations are a reflection of regional diversity and quality of life. In attracting people to the area, generating business throughout the community and contributing to local revenues, these unique cultural activities have considerable local impact.

Per capita donations reveal the region's support of arts and culture. The ratio of arts and culture organizations' earned income to contributed income is an indicator of their business acumen, entrepreneurship and economic adaptability. According to Americans for the Arts, millennial organizations, or those founded in the last decade, tend to be more innovative than older organizations. The number of arts organizations that are ethnically and culturally focused, defined as nonprofit organizations with a mission to support ethnic community activities, indicates the region's ability to respond to its unique cultural and ethnic needs.

### How are we doing?

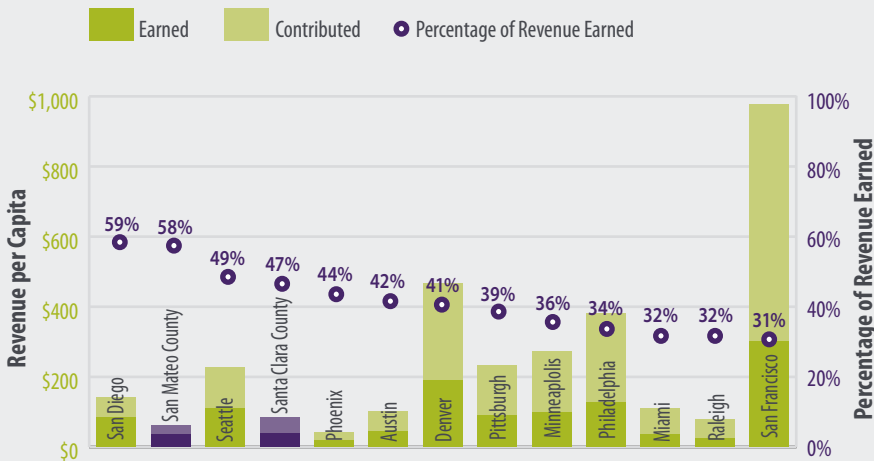
Silicon Valley's arts community reflects the same qualities—entrepreneurship, innovation and acuity—that are the trademarks of the local business community. Through its creative vision, unique products and

receptivity to regional demand, the Valley's arts community earns a relatively high percentage (58% in San Mateo County and 47% in Santa Clara County) of its annual revenue through ticket sales and other program-related activities. It also ranks high nationally in the number of millennial cultural organizations. Even when compared to other diverse cities, Santa Clara County supports a profusion of culturally and ethnically focused organizations. Per capita contribution to the arts increased in both Santa Clara and San Mateo counties between 2009 and 2010 by 9.3 and 20.2%, respectively. Per capita contributions to the arts in Santa Clara County are similar to that of the nation, while San Mateo County contributions are much lower than the national average. Both Silicon Valley counties have much lower per capita contributions to the arts than San Francisco.

## ARTS ORGANIZATION REVENUE BY SOURCE

### Earned & Contributed Revenue Per Capita

by Region, 2010



### Per Capita Donations to the Arts

	SANTA CLARA COUNTY	SAN MATEO COUNTY	SAN FRANCISCO	UNITED STATES
2009	\$40.51	\$22.13	\$612.69	\$39.97
2010	\$44.29 (+9.3%)	\$26.60 (+20.2%)	\$676.48 (+10.4%)	\$43.01 (+7.6%)

*San Mateo County earns 58% of its arts revenue; nearly half of all arts revenue in Santa Clara County is earned.*

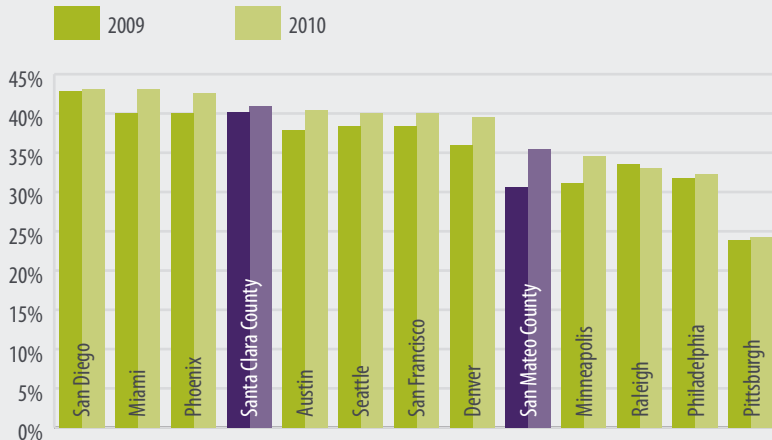
Data Source: Americans for the Arts; National Center for Charitable Statistics; U.S. Census Bureau | Analysis: Silicon Valley Creates; Silicon Valley Institute for Regional Studies

*Santa Clara County is among the leading regions in Entrepreneurial Arts, while San Mateo County trails behind.*

## ENTREPRENEURIAL ARTS

### Percentage of Arts & Culture Organizations Founded in the Last Decade

by Region, 2009 & 2010



Data Source: Americans for the Arts; National Center for Charitable Statistics | Analysis: Silicon Valley Creates; Silicon Valley Institute for Regional Studies

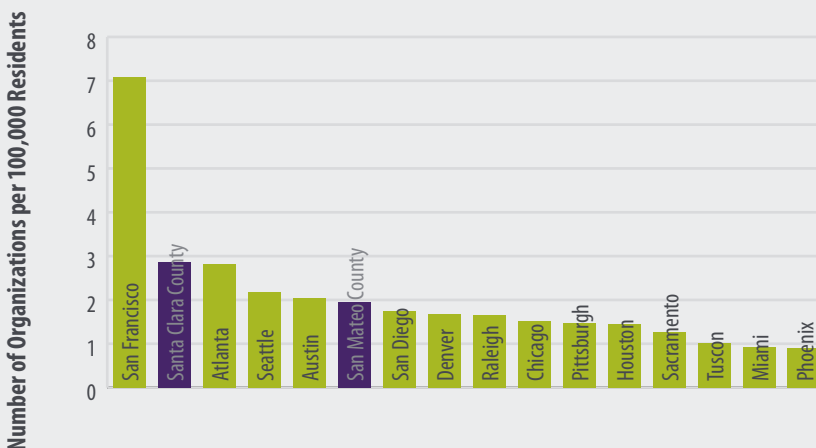
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Early Education  
Arts and Culture  
Quality of Health  
Safety

**SOCIETY**

## ETHNIC RESPONSIVENESS

### Number of Organizations that are Culturally and Ethnically Focused

by Region, 2010



Data Source: Americans for the Arts; National Center for Charitable Statistics | Analysis: Silicon Valley Creates; Silicon Valley Institute for Regional Studies

*Santa Clara County has a relatively high number of organizations with missions to support ethnic activity.*

# SOCIETY

## QUALITY OF HEALTH

41% of unemployed residents ages 18-64 did not have health insurance coverage in 2012; 16% of all adults ages 18-64 were uninsured.

### Why is this important?

Poverty, poor access to preventative health care, lifestyle choices and education generally correlate with poor health outcomes. Early and continued access to quality, affordable health care is important to ensure that Silicon Valley's residents are thriving. Given the high cost of healthcare, individuals with health insurance are more likely to seek routine medical care and preventative health-screenings.

Over the past two decades, obesity in both adults and children has risen dramatically in the United States. Being overweight or obese increases the risk of many diseases and health conditions, including Type 2 diabetes, hypertension, coronary heart disease, stroke and some types of cancers. These conditions decrease residents' ability to participate in their communities, and have significant economic impacts on the nation's health care system as well as the overall economy due to declines in productivity.

### How are we doing?

More Silicon Valley residents age 64 and under are covered by health insurance plans than in the state or the nation as a whole. The percentage of the population under age 18 that is covered by health insurance has increased since 2008 for Silicon Valley, California and the United

States. Conversely, coverage for the population between age 18 and 64 has decreased. For the 2012 working age population between 18 and 64 years of age, there is a clear distinction between the rate of coverage for employed (87% covered) and unemployed residents (59%). While the rate of coverage for unemployed residents ages 18-64 has decreased three percentage points since 2010, the rate has increased for the population over age 65 from 96% in 2010 to 99% in 2012.

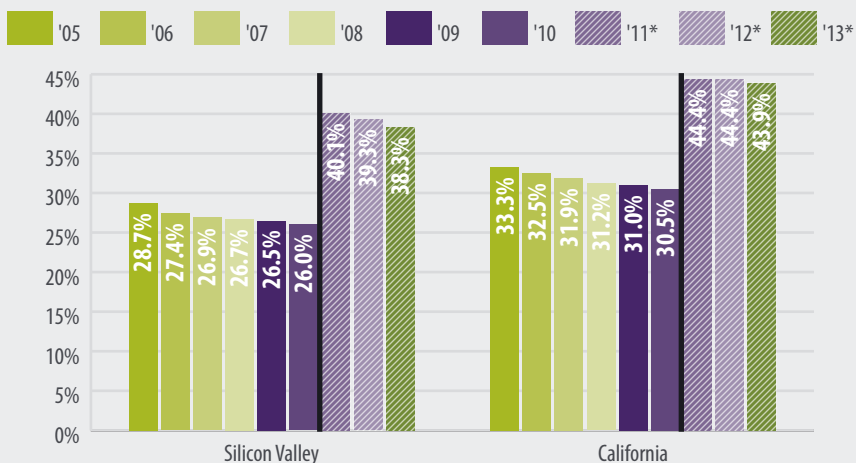
The percentages of students who are overweight or obese in Silicon Valley and the state, based on body composition data from the Department of Education Physical Fitness Test Program, have been steadily declining since 2005, dropping from 28.7% in 2005 to 26.0% in 2010 in Silicon Valley, and from 33.3% to 30.5% in the state over the same period of time. However, while the percentages of overweight or obese students (5th, 7th and 9th graders combined) in Silicon Valley as a whole appears to be declining over time, this trend is not exhibited across the board when examining each county or age group individually. Due to methodology changes in the Physical Fitness Test Program, 2011 through 2013 data cannot be directly compared to those of previous years; however, from 2011 through 2013, the overweight and obesity rates among students in both Silicon Valley and the state have continued a downward trend, decreasing 1.8 and 0.5 percentage points over

## STUDENTS OVERWEIGHT OR OBESE

*The percentage of Silicon Valley public school students who are overweight or obese has declined steadily since 2005, while remaining consistently lower than rates in the state.*

### Percentage of Student Population that is Overweight or Obese

Santa Clara & San Mateo Counties and California



\*Methodology for physical fitness testing by the California Department of Education was modified in 2011; the 2011-2013 data cannot be used for comparison purposes with data from previous years. | Data Source: California Department of Education, Physical Fitness Testing Research Files; Kidsdata.org | Analysis: Silicon Valley Institute for Regional Studies



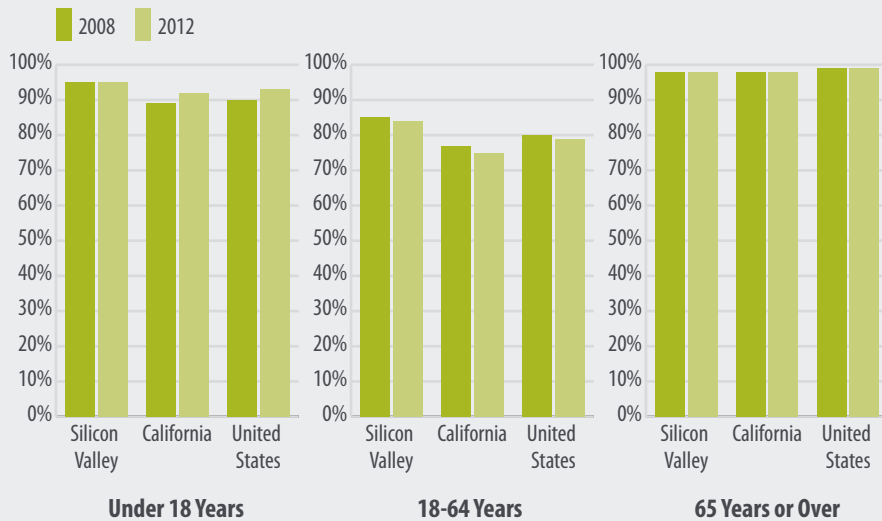
the two-year period, respectively. Silicon Valley's rates have been consistently lower than those of the state by four to six percentage points between 2005 and 2013.

Adult obesity levels in Silicon Valley are lower than those of California as a whole, while the percentage of adults who are overweight is similar

to that of the state (34.8% in Silicon Valley and 35% in California). In Silicon Valley, the percentage of overweight adults fluctuated between 30 and 36% from 2003-2012, while obesity levels during the same time period fluctuated between 16 and 19%.

### Percentage of the Population with Health Insurance, By Age

Santa Clara & San Mateo Counties, California, and the United States



Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

Coverage rates among Silicon Valley residents under age 64 are higher than those in California or the U.S.

- Preparing for Economic Success
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- Arts and Culture
- Quality of Health
- Safety

SOCIETY

### Percentage of Individuals with Health Insurance, by Age and Employment Status

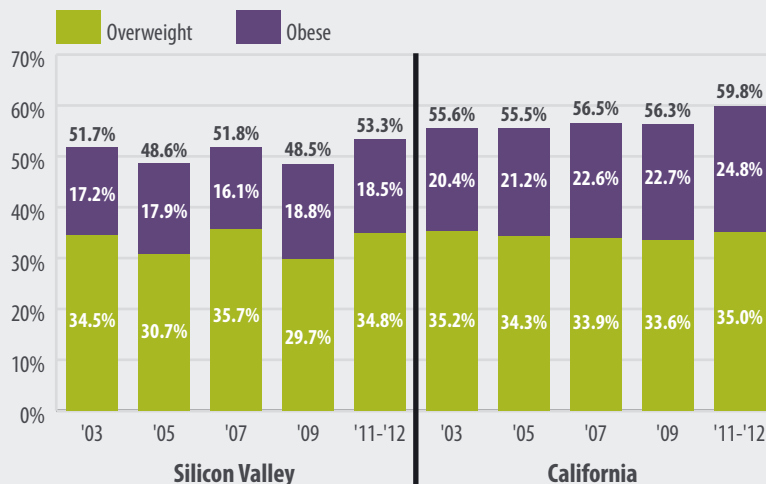
Silicon Valley, 2012

	Unemployed	Employed	Not In Labor Force
AGE 18-64	59%	87%	82%
AGES 65+	99%	98%	98%

## ADULTS OVERWEIGHT OR OBESE

### Percentage of Adult Population that is Overweight or Obese

Santa Clara & San Mateo Counties, California



Data Source: California Health Interview Survey | Analysis: Silicon Valley Institute for Regional Studies

The percentage of Silicon Valley adults who are overweight increased between 2009 and 2012, while obesity levels remained steady.

# SOCIETY

## SAFETY

Violent crime shows a slight increase following several years of decline. Numbers of public safety officers continue to shrink.

### Why is this important?

Public safety is an important indicator of societal health. The occurrence of crime erodes our sense of community by creating fear and instability, and poses an economic burden as well. The number of Silicon Valley public safety officers provides a unique window into the changing infrastructure of our city and county governments, and affects the public's perception of safety.

### How are we doing?

Violent crime in Silicon Valley showed a slight increase in 2012, with approximately 20 more crimes committed per 100,000 people. However, this rate of 264 violent crimes per 100,000 people was still well below the historical average of around 300 per 100,000 people. Statewide data follows a similar trend, with nearly 12 more crimes committed in 2012 per 100,000 people. Both California and Silicon Valley's violent crime rates had been on a steady decline prior to 2012.

Aggravated assault by far represents the majority of violent crimes committed in Silicon Valley in 2012, at 59%, followed by robbery, forcible rape and homicide, in descending order. The proportion of homicides and aggravated assaults in Silicon Valley is comparable to that in California as a whole. The percentage of forcible rapes in Silicon Valley (8%) is slightly

higher than the statewide proportion (5%), while the regional percentage of robberies (32%) is lower than that in California as a whole (35%).

The number of public safety officers in Silicon Valley has fallen since 2009 (-11.6%), with a 2.5% decrease occurring between 2012 and 2013. However, this change is less dramatic than the 5.9% drop that occurred in 2011-2012. The majority of the losses within the last two years have been in Santa Clara County, accounting for 91% and 95% in 2012 and 2013, respectively.

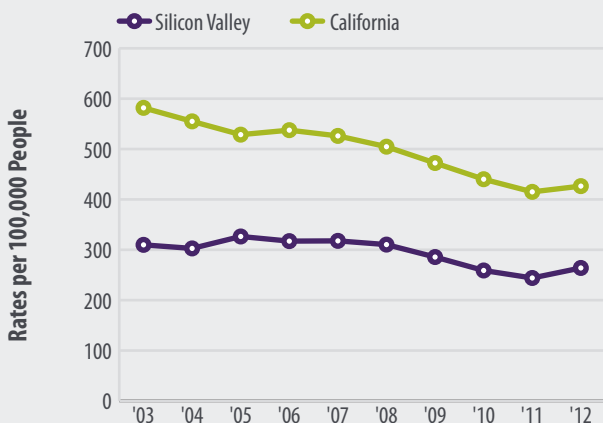
*The rate of violent crimes in Silicon Valley and California increased slightly in 2012.*

*The majority of violent crimes in Silicon Valley are aggravated assault and robbery.*

## VIOLENT CRIMES

### Violent Crime Rate

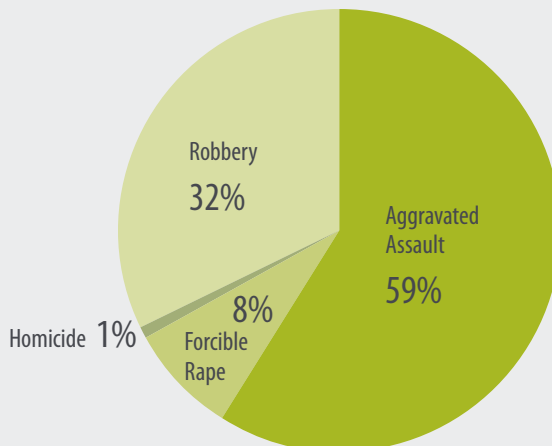
Santa Clara & San Mateo Counties and California



Note: Violent crimes include homicide, forcible rape, robbery and aggravated assault. | Data Source: California Department of Justice; California Department of Finance | Analysis: Silicon Valley Institute for Regional Studies

### Breakdown of Violent Crimes By Type

Santa Clara and San Mateo Counties | 2012



Data Source: State of California Department of Justice, Office of the Attorney General | Analysis: Silicon Valley Institute for Regional Studies

# 11.6%

decrease in the number of public safety officers since 2009.

- Preparing for Economic Success
- Early Education
- Arts and Culture
- Quality of Health
- Safety

**SOCIETY**

## PUBLIC SAFETY OFFICERS

### Total Number of Public Safety Officers

Silicon Valley



### Percent Change in Silicon Valley Public Safety Officers

2010-2011	2011-2012	2012-2013
-2.8%	-5.9%	-2.5%

The total number of public safety officers in Silicon Valley *continues a downward trend.*

Data Source: California Commission on Peace Officer Standards and Training. | Analysis: Silicon Valley Institute for Regional Studies

# PLACE

## ENVIRONMENT

Recycled water use, electricity productivity and installed solar capacity increased, while per capita electricity consumption decreased.

### Why is this important?

Environmental quality directly affects the health and well-being of all residents as well as the Silicon Valley ecosystem. The environment is affected by the choices that residents make about how to live, how to get to work, how to purchase goods and services, where to build our homes, our level of consumption of natural resources and how to protect our environmental resources.

Energy consumption impacts the environment through the emission of greenhouse gases (GHGs) and atmospheric pollutants from fossil fuel combustion. Sustainable energy policies include increasing energy efficiency and the use of clean renewable energy sources. For example, more widespread use of solar generated power diversifies the region's electricity portfolio, increases the share of reliable and renewable electricity, and reduces GHGs and other harmful emissions. Electricity productivity is a measure of the degree to which the region's production of economic value is linked to its electricity consumption, where a higher value indicates greater economic output per unit of electricity consumed.

In recent years, residents and businesses are investing in renewable energy and other clean technology installations. The length of a municipality's required permitting process can pose significant barriers to the widespread adoption of these technologies, and add significantly to the

costs. Streamlining the region's permitting requirements will yield environmental and economic gains.

### How are we doing?

Water consumption in Silicon Valley has steadily declined over the last 13 years included in this analysis, decreasing from 165 gallons per person per day in Fiscal Year 2000-01 to 136 in FY 2012-13. Over the last year, however, per capita consumption in the region has remained relatively steady, increasing only one gallon per person per day. Over the same 13-year time period, the recycled percentage of total water used has increased dramatically from 1.3% in FY 2000-01 to 4.1% in FY 2012-13.

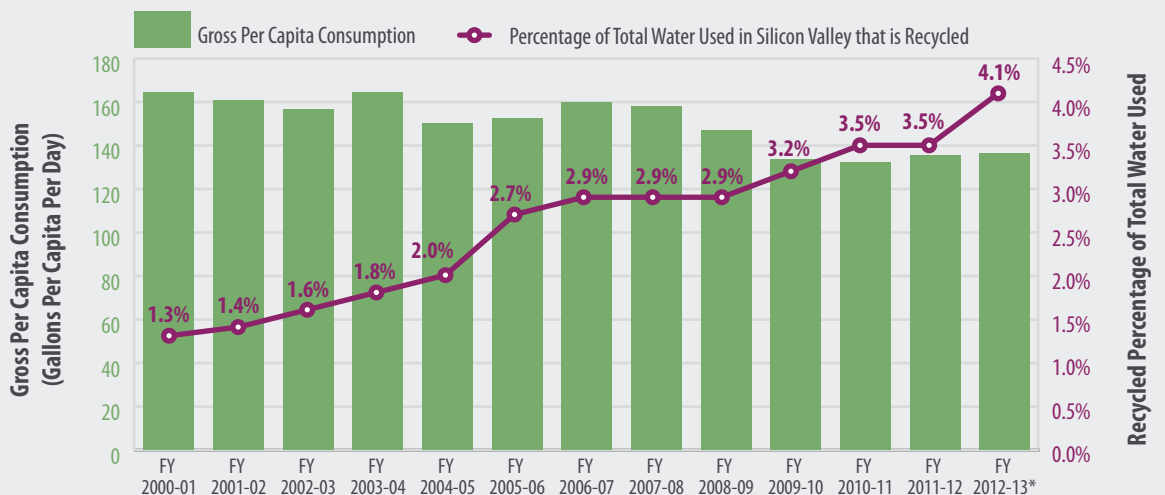
Cumulative installed solar capacity in Silicon Valley reached 189 megawatts (MW) in 2013, which is up 30 MW from the previous year. Non-residential installations (commercial, government and non-profit sectors) account for 58% of this total, based on interconnection data from the region's utilities; residential systems account for the remaining 42%. Based on data from the California Solar Initiative (CSI) – the state rebate program, administered locally by Pacific Gas & Electric throughout Silicon Valley excluding the cities of Palo Alto and Santa Clara – 44% of the cumulative installations through November of 2013 is located at local government facilities, while commercial, residential and non-profit

## WATER RESOURCES

*Per capita water consumption remained steady, while the recycled percentage of total water used increased.*

### Gross Per Capita Consumption & Share of Consumption from Recycled Water

Silicon Valley



\*FY 2012-2013 data includes preliminary data for San Mateo County and Southern Alameda County, and does not include Scotts Valley. | Data Sources: Bay Area Water Supply & Conservation Agency (BAWSCA), Santa Clara Valley Water District, and Scotts Valley Water District | Analysis: Silicon Valley Institute for Regional Studies

# 44%

Government solar projects represent the largest share of the region's cumulative solar capacity installed through the California Solar Initiative.

- Environment
- Transportation
- Land Use
- Housing

**PLACE**

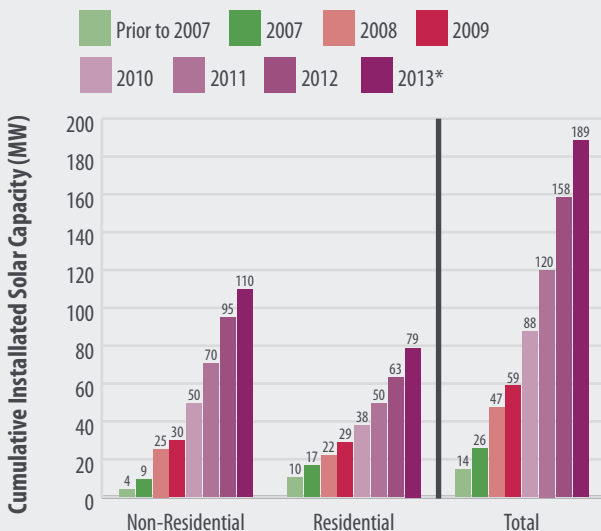
# 189 megawatts

Cumulative installed solar capacity in Silicon Valley reached 189 megawatts.

## SOLAR INSTALLATIONS

### Cumulative Installed Solar Capacity

Silicon Valley

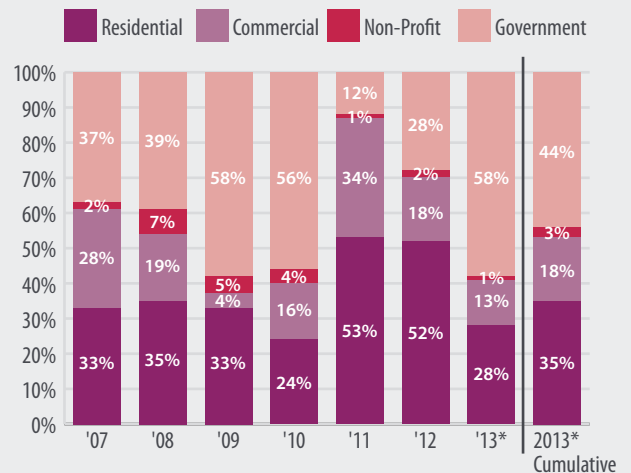


\*2013 data is through October 31. | Data Source: Palo Alto Municipal Utilities; Silicon Valley Power; Pacific Gas & Electric Analysis: Silicon Valley Institute for Regional Studies; Optony, Inc.

## SOLAR INSTALLATIONS BY SECTOR

### Percentage of Solar Capacity Installed Through the California Solar Initiative

Silicon Valley



\*2013 data is through November 20. | Note: Year based on First Incentive Claim Request Review Date, and includes application status as Completed, PBI-in payment, Pending Payment, Reservation Reserved, Confirmed Reservation, and Incentive Claim Request Review. | Data Source: California Public Utilities Commission, California Solar Initiative Analysis: Silicon Valley Institute for Regional Studies; Optony, Inc.

# PLACE

## ENVIRONMENT

installations account for 18%, 35% and 3%, respectively. It should be noted that while residential systems only make up 35% of cumulative installed solar capacity in the region, they account for more than 60% of the total number of installations participating in the CSI program.

While Silicon Valley's electricity consumption has declined for five years in a row from the peak in 2007 of 8,840 kilowatt-hours per person to 8092 in 2012, electricity productivity in the region has increased for the last three years, reaching a high of \$9,289 of Gross Regional Product per megawatt-hour of electrical energy consumed. In contrast to Silicon Valley trends, electricity consumption in California has been increasing slightly over the last two years, while electricity productivity is declining. Silicon Valley's electricity consumption has been consistently higher than that of the state (8.7% higher in 2012) although the gap between per capita consumption in Silicon Valley and the state appears to be narrowing.

Median permitting times varied over the past year for the four technologies evaluated. While the range of solar permitting times was huge in 2010 and 2011, it narrowed to under 30 days in 2013 with a median of 2.75 days. The range of permitting times for geothermal systems also narrowed in 2013 to under 20 days, with a median of 8.75, down from 14 days in 2011. The range of permitting times for wind power systems is the same as it was a year ago (under 20 days), but the median is much

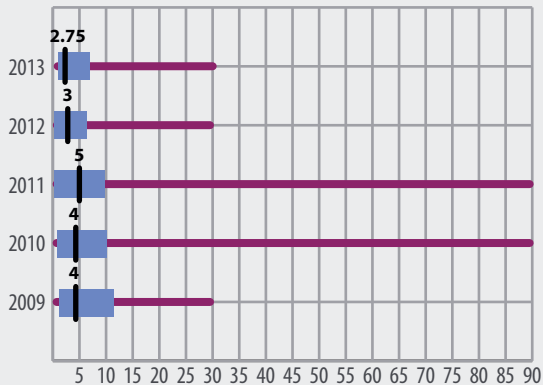
lower at 3 days in 2013. For electric vehicle charging stations, the range of permitting times actually appears to have increased in 2013, as did the 25th and 75th percentiles, while the median increased by one day to 2 days in 2013. This median permitting time is still down, however, from the 2009 median of 10.5 days.

In the charts below, the blue box represents the range for which the middle 50 percent of the responses fall. The vertical black line in the blue box represents the median (middle) value of the data set. The left-hand line represents the range for the lower 25 percent of the responses, and the right-hand line represents the range for the upper 25 percent.

### TIME REQUIRED FOR PERMITTING OF CLEANTECH INSTALLATIONS

#### Solar

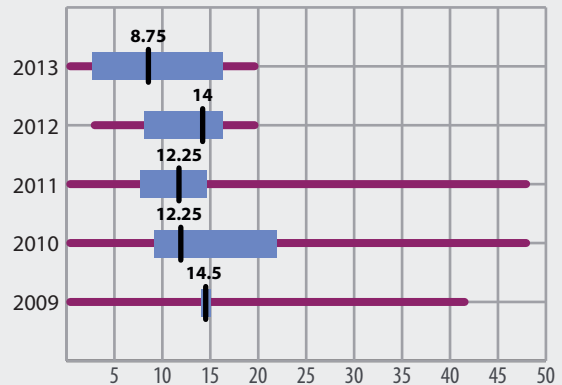
Silicon Valley



Days Required For Solar Permits

#### Geothermal

Silicon Valley



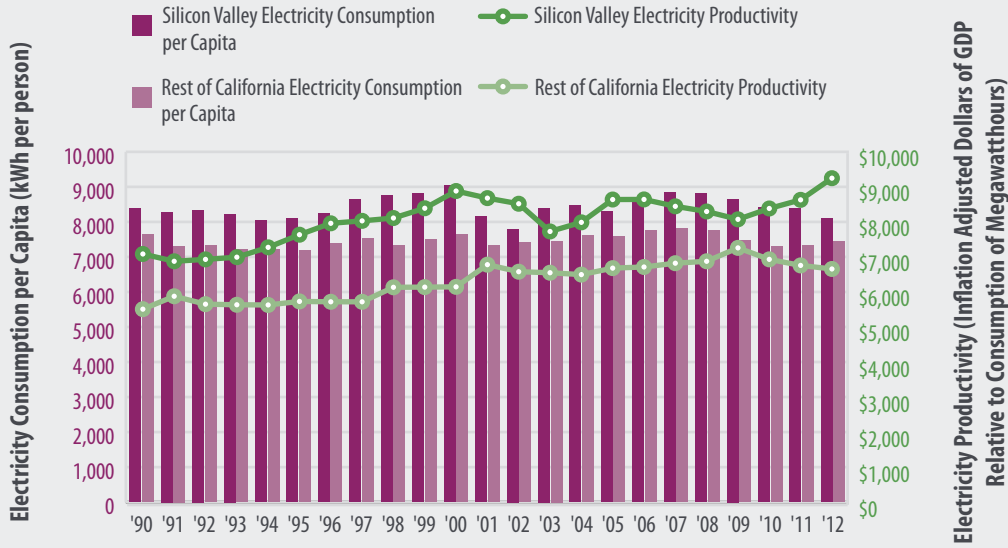
Days Required For Geothermal Permits

Data Source: City Planning and Housing Departments of Silicon Valley | Analysis: Silicon Valley Institute for Regional Studies

Silicon Valley electricity productivity continues to rise, as consumption continues a downward trend.

## ELECTRICITY PRODUCTIVITY & CONSUMPTION PER CAPITA

Santa Clara & San Mateo Counties, Rest of California



- Environment
- Transportation
- Land Use
- Housing

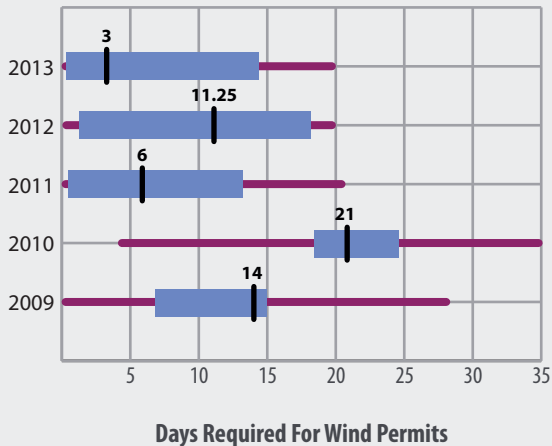
## PLACE

Permitting times decreased since 2012 for all clean technologies included except Electric Vehicle Charging Stations.

Data Source: Moody's Economy.com; California Energy Commission; State of California, Department of Finance | Analysis: Silicon Valley Institute for Regional Studies

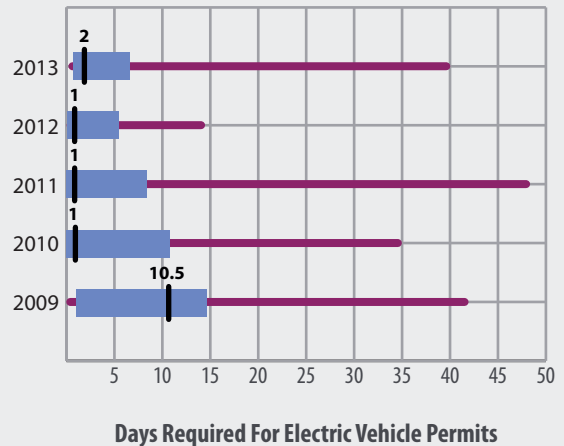
### Wind

Silicon Valley



### Electric Vehicle Charging Stations

Silicon Valley



# PLACE

## TRANSPORTATION

Long-term trends show a decrease in Vehicle Miles Traveled (VMT) per capita and a small decrease in the share of commuters who drive alone. Short-term trends show VMT increasing with the economic recovery, while transit ridership on CalTrain and VTA Express service has surged.

### Why is this important?

Adequate highway capacity and increasing alternatives to driving alone are important for the mobility of people and goods as the economy expands. Public transportation investments along with improving automobile fuel efficiency are important for meeting air quality and carbon emission reduction goals.

### How are we doing?

Vehicle Miles Traveled per person remained steady in Silicon Valley over the last year at 8,700 (+0.2% over the previous year), while gas prices increased slightly in 2012 to \$4.12 per gallon. This price represents a four-year high from the 2009 low of \$2.92 per gallon. VMT per capita has increased with recent job growth but remains below previous highs.

Over the last nine years, the means of commute for Silicon Valley workers has not changed dramatically. There have been slight increases (+1% each) in the number of people working from home, using public transportation and commuting by other means (taxicab, motorcycle, bicycle and other means not identified separately within the data distribution). Since 2003, there has been a corresponding decrease (-3%) in the number of people driving to work in a car by themselves. This

decrease is accompanied by a 10% decrease in VMT per capita during that same time period.

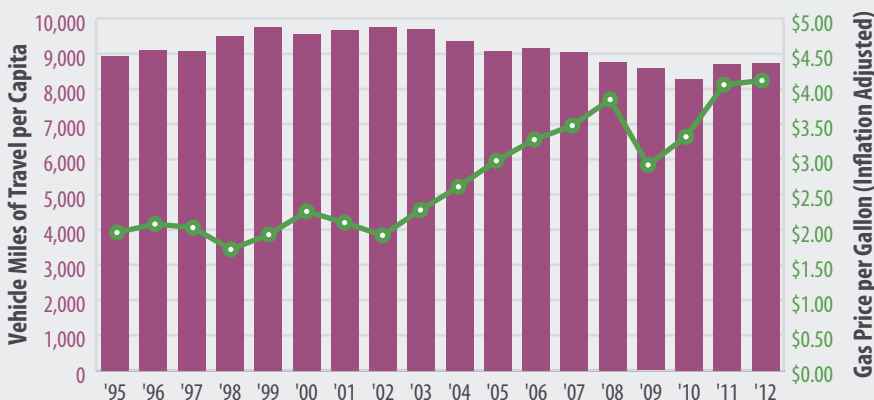
Overall, transit ridership (number of rides per capita) increased by 1.2% in the last year, continuing a two-year upward trend. Compared to a high point in 2002, the number of rides per person in Silicon Valley is down 10.6% (down over 8.5 million rides per year), entirely due to declines in bus and light rail ridership. However, over the last three years, the data shows a dramatic increase (+26.5%) in Caltrain ridership and an even larger change for Altamont Corridor Express (ACE). In the last year, there have been surges in some forms of transit use, with VTA express bus ridership up 38% between July 2012 and July 2013<sup>1</sup>, and new transit innovations in the region such as Google buses and car sharing.

<sup>1</sup> Santa Clara Valley Transportation Authority.

## VEHICLE MILES OF TRAVEL PER CAPITA AND GAS PRICES

### Vehicle Miles Traveled Per Capita and Gas Prices

Santa Clara & San Mateo Counties



### Percent Change

	2010-2011	2011-2012
VMT PER CAPITA	5.1%	0.2%
GAS PRICES	22.3%	1.5%

*Vehicle Miles Traveled remained steady, while gas prices continued to climb.*

Note: Gas prices are average annual regular retail gas prices for California, adjusted to 2013 using the Bay Area Consumer Price Index. | Data Sources: California Department of Transportation; California Department of Finance; Bureau of Labor Statistics; California Energy Almanac | Analysis: Silicon Valley Institute for Regional Studies

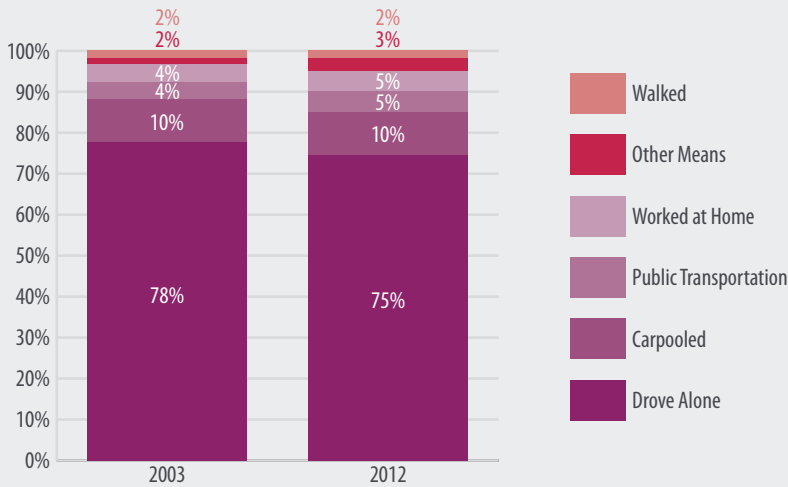


Three-quarters of the workforce drives to work alone, while other commuters are finding alternative forms of transportation.

## MEANS OF COMMUTE

### Percentage of Workers

Santa Clara & San Mateo Counties



Note: Other Means includes taxicab, motorcycle, bicycle and other means not identified separately within the data distribution. | Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

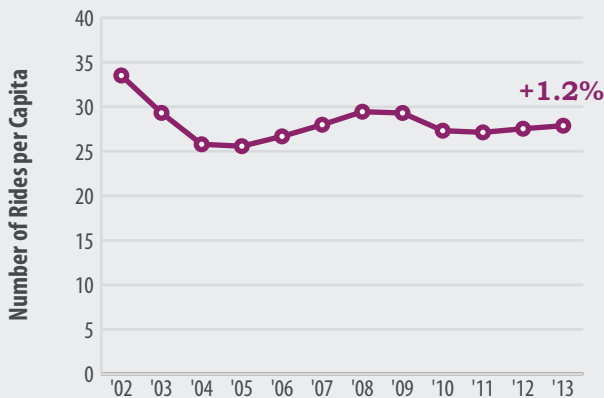
Environment  
 ■ Transportation  
 Land Use  
 Housing

# PLACE

## TRANSIT USE

### Number of Rides per Capita on Regional Transportation Systems

Santa Clara & San Mateo Counties



Note: Transit data is in fiscal years. | Data Source: Altamont Corridor Express, Caltrain, SamTrans, Santa Clara Valley Transportation Authority, California Department of Finance | Analysis: Silicon Valley Institute for Regional Studies

### Change in Per Capita Transit Use, 2010-2013

San Mateo & Santa Clara Counties

TRANSPORTATION SYSTEM	2010 PER CAPITA RIDERSHIP	2013 PER CAPITA RIDERSHIP	PERCENT CHANGE
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)			
ALL SERVICE	16.69	16.74	0.3%
EXPRESS BUS SERVICE	0.38	0.53	38.3%
SAM TRANS	5.57	4.73	-15.1%
CALTRAIN	4.79	6.05	26.4%
ALTAMONT CORRIDOR EXPRESS (ACE)	.27	.36	37.7%
<b>TOTAL</b>	<b>27.32</b>	<b>27.88</b>	<b>2.1%</b>

Transit use was up 1.2%; Caltrain, VTA and ACE ridership has risen quickly in recent years.

# PLACE

## LAND USE

*Residential density increased, and more approved non-residential construction is near transit.*

### Why is this important?

By directing growth to already developed areas, local jurisdictions can reinvest in existing neighborhoods, increase access to transportation systems, and preserve the character of adjacent rural communities while reducing vehicle miles traveled and associated greenhouse gas emissions. Focusing new commercial and residential developments near rail stations and major bus corridors reinforces the creation of compact, walking distance, mixed-use communities linked by transit. This helps to reduce traffic congestion on freeways, preserve open space near urbanized areas, and improve energy efficiency. By creating mixed-use communities, Silicon Valley gives workers alternatives to driving and increases access to workplaces.

### How are we doing?

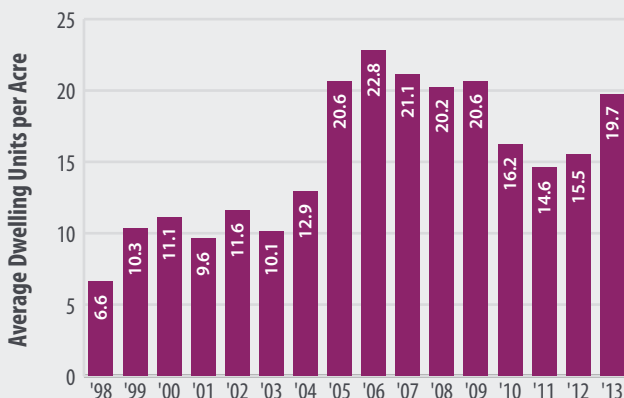
Residential density has shown an upward trend since 2011, increasing the number of newly approved residential units per acre in Silicon Valley from 14.6 in 2011 to 15.5 in 2012, and a sharp increase in the last year to 19.7 in 2013. The share of new housing units approved for development within 1/3 mile of rail stations or major bus corridors spiked in 2012, but returned to 2010/2011 levels in 2013 at 56% (equivalent to 3,619 new units).

The proportion of all newly approved non-residential development near transit more than doubled in 2013, from a near 1:1 ratio in 2011 and 2012 to a 2.25:1 ratio in 2013. And, the total amount of approved non-residential development near transit increased over the last year to three million square feet, up from 2.1 million in 2012.

## RESIDENTIAL DENSITY

### Average Units per Acre of Newly Approved Residential Development

*Silicon Valley*



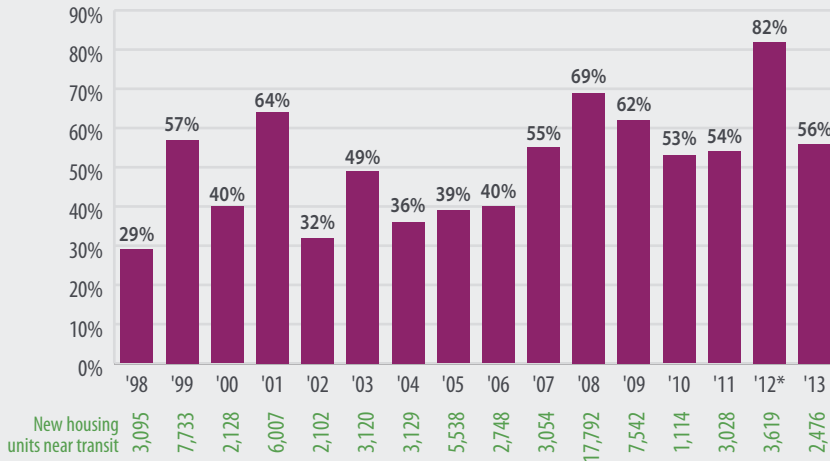
*Residential density increased to 19.7 average dwelling units per acre.*

Note: Beginning in 2008, the Land Use Survey expanded its geographic definition of Silicon Valley to include cities northward along the U.S. 101 corridor (Brisbane, Burlingame, Millbrae, San Bruno and South San Francisco). | Data Source: City Planning and Housing Departments of Silicon Valley | Analysis: Silicon Valley Institute for Regional Studies

## HOUSING NEAR TRANSIT

### Share of New Housing Units Approved That Will Be Within 1/3 Mile of Rail Stations or Major Bus Corridors

Silicon Valley



\*Beginning in 2012, the definition of transit-oriented development has been changed from 1/4 mile to 1/3 mile. | Note: Beginning in 2008, the Land Use Survey expanded its geographic definition of Silicon Valley to include cities northward along the U.S. 101 corridor (Brisbane, Burlingame, Millbrae, San Bruno and South San Francisco). | Data Source: City Planning and Housing Departments of Silicon Valley | Analysis: Silicon Valley Institute for Regional Studies

The percentage of housing near transit declined to 56%.

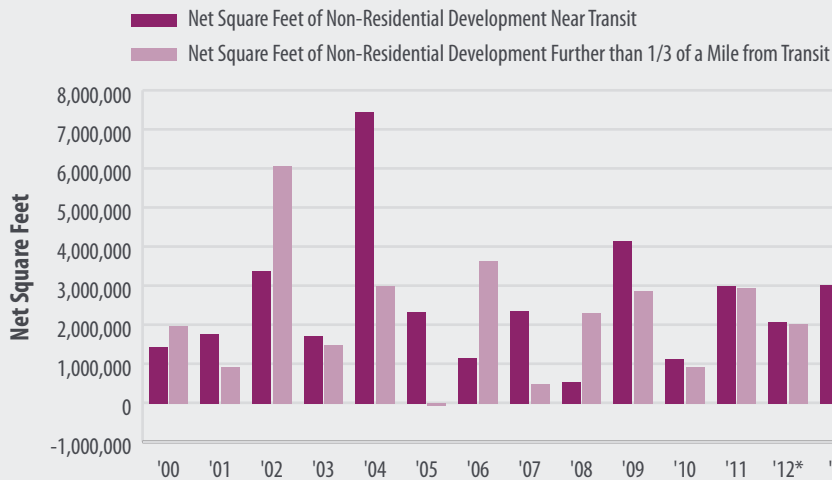
- Environment
- Transportation
- Land Use
- Housing

PLACE

## DEVELOPMENT NEAR TRANSIT

### Change in Non-Residential Development Near Transit

Silicon Valley



\*Beginning in 2012, the definition of transit-oriented development has been changed from 1/4 mile to 1/3 mile. | Note: Beginning in 2008, the Land Use Survey expanded its geographic definition of Silicon Valley to include cities northward along the U.S. 101 corridor (Brisbane, Burlingame, Millbrae, San Bruno and South San Francisco). | Data Source: City Planning and Housing Departments of Silicon Valley | Analysis: Silicon Valley Institute for Regional Studies

The proportion of non-residential development near transit shot up, and overall development increased slightly.

# PLACE

## HOUSING

*Housing construction is rebounding but lags population growth. Home sales pick up while median home prices rise and apartment rentals become less affordable.*

### Why is this important?

The housing market impacts a region's economy and quality of life. An inadequate supply of new housing negatively affects prospects for job growth. A lack of affordable housing results in longer commutes, diminished productivity, curtailment of family time and increased traffic congestion. It also restricts the ability of crucial service providers—such as teachers, registered nurses and police officers—to live near the communities in which they work. Additionally, high housing costs can limit families' ability to pay for basic needs, such as food, health care, and clothing. As a region's attractiveness increases, home sales, average home prices and rental rates tend to increase. Higher levels of new housing and attention to increasing housing affordability are critical to the economy and quality of life in Silicon Valley. The region's current high housing costs combined with recent decreases in funding for affordable housing makes the need to preserve and pursue affordable housing even more pressing.<sup>1</sup>

### How are we doing?

The total number of home sales in Silicon Valley have picked up since the low in 2007, rising 44% during that time period to 42,517 in 2013.

The trend of home sales in California is similar to that of Silicon Valley, up 30% since 2007 to 580,023. In the last year, the number of home sales per year in Silicon Valley and the state increased by 27% and 9%, respectively. While sales have picked up, median prices continue to climb. The median home price in Silicon Valley in 2013, including both Single Family Residences and Condos/Co-Ops, rose to \$691,850 from \$630,583 over the last year, an increase of 10%. This increase is much less than in the state overall, which saw median home prices rise 27.5% since 2012.

The number of residential units included in building permits in Silicon Valley will be close to 8,000 in 2013, approaching the highest levels since 2000. But even this increase in permit levels is not close to what is needed to house the 33,000+ new residents in the Valley in 2013. Even more housing will be needed to match job growth as migration should increase now that many unemployed workers have found jobs. Another recent trend is that 70% of new permits are for multi-family housing.

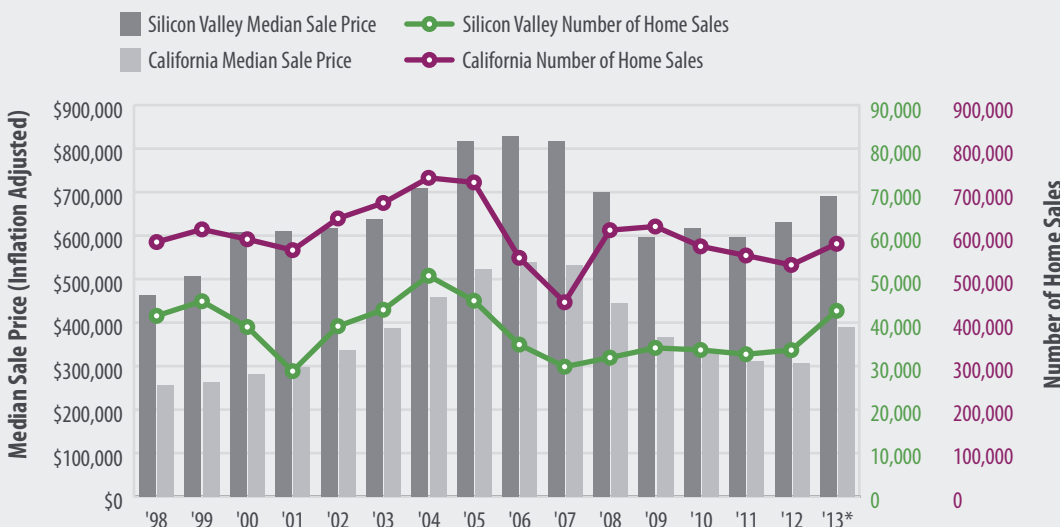
Average apartment rental rates continue to be much higher in Silicon Valley than the state or the nation. The average Silicon Valley rental rate for 2013, based on data from the first three quarters, is \$2,127 per month compared with \$1,578 in California and \$1,073 in the United States. Rental rates have trended upward for the last three years from a low of

<sup>1</sup> Mohsen, Raania, Kevin Zwick, and Shannon McDonald. *Affordable Housing Funding Landscape & Local Best Practices*. Cities Association of Santa Clara County and Housing Trust Silicon Valley. 2 December, 2013.

## TRENDS IN HOME SALES

### Median Sale Price and Number of Home Sales

*Silicon Valley and California*



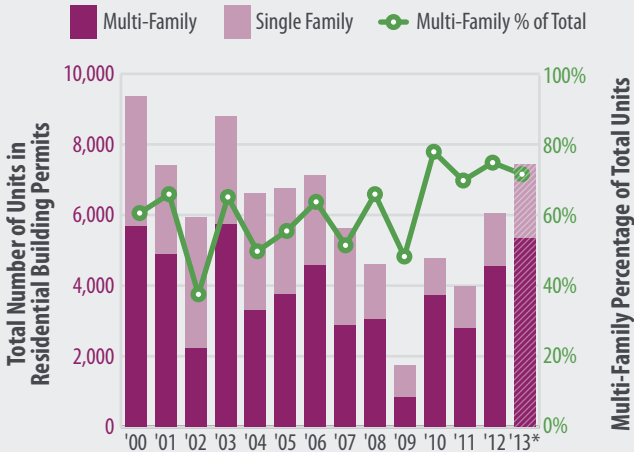
*Median home prices and home sales continued an upward trend in Silicon Valley and the state.*

\*Median sale prices and forecasted annual home sales are based on 2013 data through November. | Data Source: Zillow Real Estate Research | Analysis: Silicon Valley Institute for Regional Studies

## RESIDENTIAL BUILDING

### Single Family and Multi-Family Units Included in Residential Building Permits Issued

Santa Clara & San Mateo Counties



\*2013 data is through November. | Data Source: Construction Industry Research Board and California Homebuilding Foundation | Analysis: Center for Continuing Study of the California Economy

An upward trend continued for the number of residential units permitted.

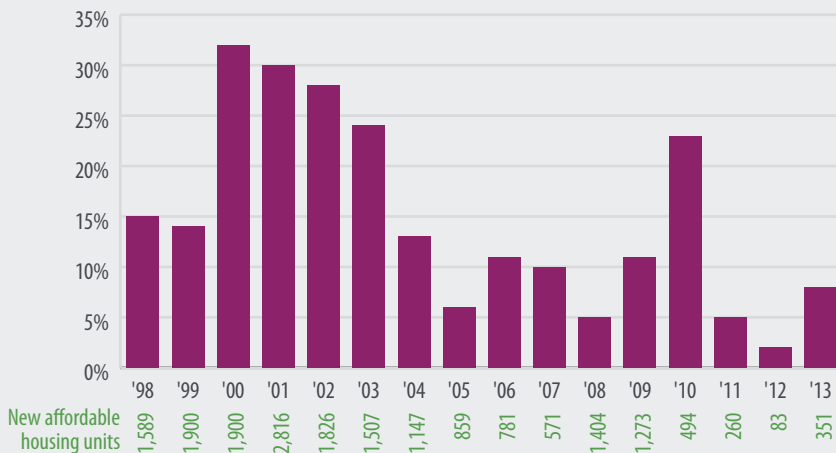
- Environment
- Transportation
- Land Use
- Housing

# PLACE

## BUILDING AFFORDABLE HOUSING

### Affordable Units as a Percentage of Total Approved New Residential Units

Silicon Valley



New affordable housing development **increased to 8.3%**.

Note: Beginning in 2008, the Land Use Survey expanded its geographic definition of Silicon Valley to include cities northward along the U.S. 101 corridor (Brisbane, Burlingame, Millbrae, San Bruno and South San Francisco). | Data Source: City Planning and Housing Departments of Silicon Valley | Analysis: Silicon Valley Institute for Regional Studies

# PLACE

## HOUSING

\$1,814 per month in 2010. As rental rates continue to rise, median household income has finally turned around, rising \$1,028 between 2011 and 2012 to \$88,276. During that same time period, however, average annual rental expenses increased by \$1,526 in Silicon Valley, indicating that apartment rentals are becoming less affordable for the region's residents.

Silicon Valley's cities approved more than 350 affordable housing units for development in FY 2012-13, more than four times the number approved in the previous year. This increase, which amounts to more than eight affordable housing units for every 100 approved for new residential development across the region, comes after a two-year period with relatively few affordable housing units being approved. The comparatively high FY 2012-13 rate of affordable housing development has the potential to offset some of the future challenges caused by rents increasing more quickly than median income.

The percentage of first-time homebuyers that can afford to purchase a median-priced home (Housing Affordability Index) in both Santa Clara and San Mateo counties fell slightly in 2013. Whereas 59% of first-time homebuyers in California can afford a median-priced home, in Santa Clara and San Mateo counties the percentages are much lower at only 48 and 40%, respectively. Silicon Valley and California are both less affordable for first-time home-buyers than the U.S., which had an

overall Housing Affordability Index from the California Association of Realtors of 74% in the third quarter of 2013. Sacramento, Los Angeles and San Diego are among the places in California that are more affordable for first-time homebuyers than Silicon Valley, while all exhibit the same downward trend in affordability over the last year.

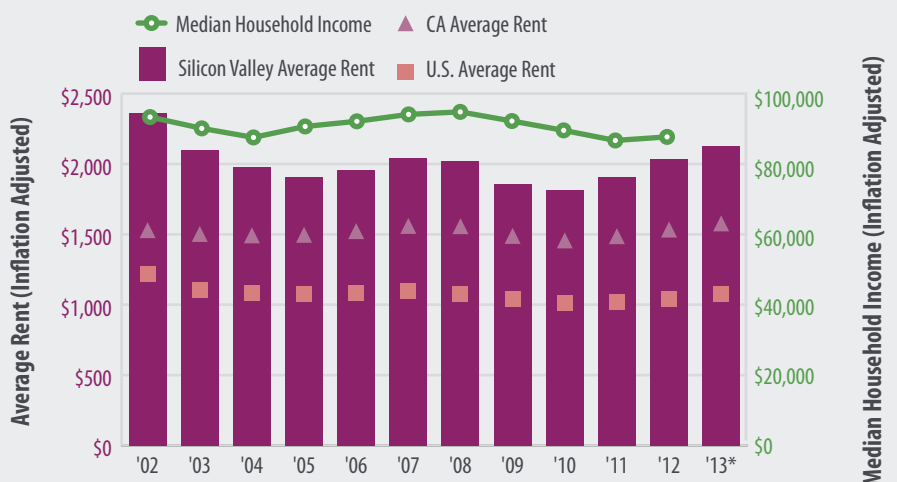
Silicon Valley, like California and the U.S., has seen an increase in multi-generational households since prior to the economic recession. As previous wage earners lost their jobs or their employment level decreased, many may have moved in with relatives to make ends meet. Since 2007, the number of households in Silicon Valley that include grandparents and grandchildren has increased by 5%, while increasing 5.5% and 4% in the state and nation, respectively, over that same time period.

### RENTAL AFFORDABILITY

*Average rents continued a four-year upward trend.*

#### Apartment Rental Rates at Turnover Compared to Median Household Income

Santa Clara & San Mateo Counties



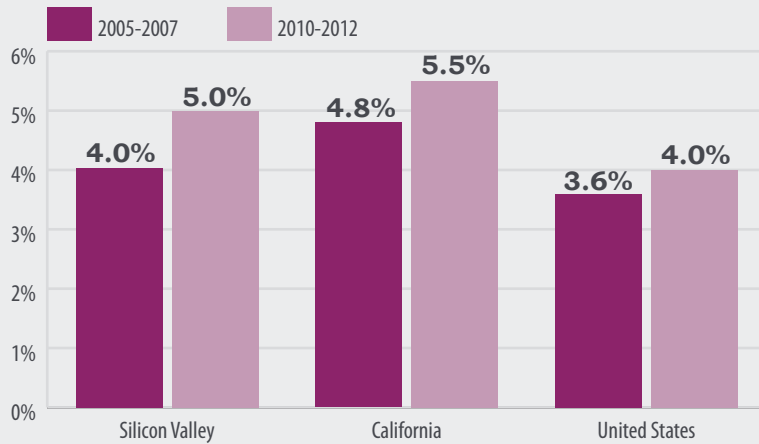
\*Estimate based on Quarters 1-3, 2013. | Data Source: RealFacts; United States Census Bureau, American Community Survey. Analysis: Silicon Valley Institute for Regional Studies

*Silicon Valley has seen a 1% increase in multi-generational households since pre-recession.*

## MULTI-GENERATIONAL HOUSEHOLDS

### Percentage of Households with Grandparents and Grandchildren

*Santa Clara & San Mateo Counties, California, and the United States*



Data Source: U.S. Census Bureau, American Community Survey | Analysis: Silicon Valley Institute for Regional Studies

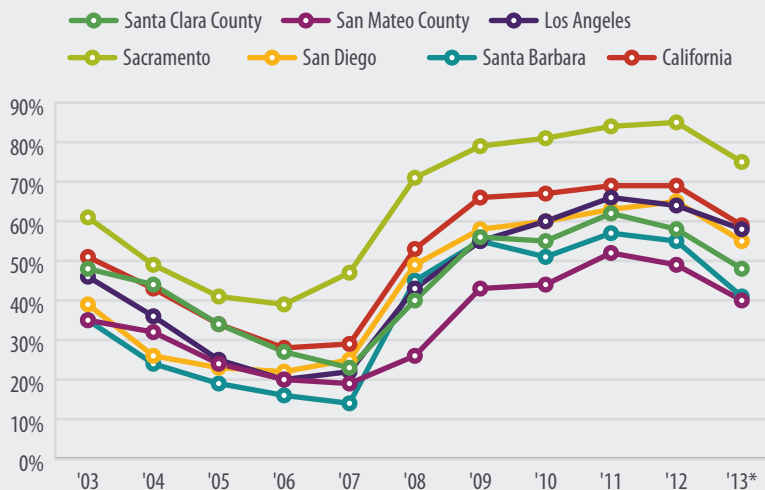
Environment  
Transportation  
Land Use  
Housing

**PLACE**

## HOME AFFORDABILITY

### Percentage of Potential First-Time Home Buyers That Can Afford to Purchase a Median-Priced Home

*Silicon Valley and Other California Regions*



\*2013 data reflects Q1-2. | Data Source: California Association of Realtors, Home Affordability Index | Analysis: Silicon Valley Institute for Regional Studies

*Home affordability fell for potential first-time homebuyers in both Santa Clara and San Mateo counties.*

# GOVERNANCE

## CITY FINANCES

City budgets are tightening, with decreases in both expenses and revenues for FY 2011-12, while revenues are becoming more dependent on Charges for Services.

### Why is this important?

Many factors influence local government's ability to govern effectively, including the availability and management of resources. To maintain service levels and respond to a changing environment, local government revenue must be reliable.

Property tax revenue is the most stable source of city government revenue, fluctuating much less over time than other sources of revenue, such as sales and other taxes. Since property tax revenue represents less than a quarter of all revenue, other revenue streams are critical in determining the overall volatility of local government funding.

### How are we doing?

City budgets have gotten tighter since the recession, with both revenues and expenses trending downward since Fiscal Year (FY) 2007-08 and 2008-09, respectively, through FY 2011-12. While total revenue for all of Silicon Valley's cities combined has decreased from \$5.88 billion in FY 2007-08 to \$5.25 billion in FY 2011-12, expenses, following a brief period of incline from FY 2006-07 to FY 2008-09 of \$0.41 billion, decreased from \$5.93 billion in FY 2008-09 to \$5.21 billion in FY 2011-12. Revenues minus expenses for Silicon Valley cities as a whole, before

transfers and/or extraordinary items, was positive for the first time since FY 2007-08 at \$44.7 million dollars in FY 2011-12. In comparison, revenues minus expenses for the state of California has been negative throughout the whole time period included in this analysis, and actually decreased between FY 2010-11 and FY 2011-12 from -\$3.3 billion to -\$6.9 billion.

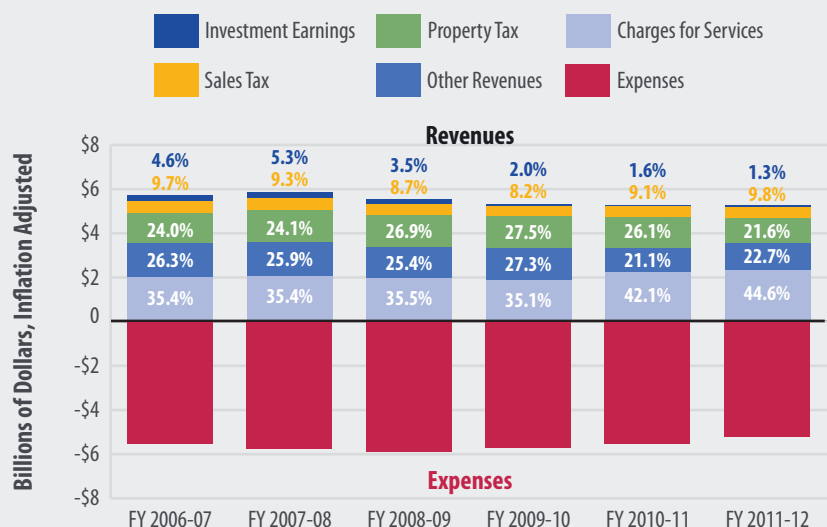
Silicon Valley city revenues have become more dependent over time on Charges for Services, and less dependent on Investment Earnings. Revenues from Charges for Services increased from 35% of total revenue in FY 2006-07 to 45% in FY 2011-12 (a difference of \$321 million annually for the region). City Revenues from Investment Earnings declined by 35% in just one year, from a peak of \$195 million in FY 2007-08 to \$127 million in FY 2008-09, and continued this downward trend through FY 2011-12. While Sales Tax revenues have remained relatively stable during this time period for Silicon Valley as a whole, Property Tax and Other Revenue Sources (which include transient occupancy tax, franchise fees and other sources) declined from FY 2009-10 to FY 2010-11. While Property Tax revenues continued this downward trend into FY 2011-12, Other Revenue Sources actually increased slightly (by \$0.75 billion overall) in FY 2011-12.

## CITY FINANCES

*City budgets have tightened, and revenues have become more dependent on Charges for Services.*

### Revenues by Source, and Expenses

Silicon Valley



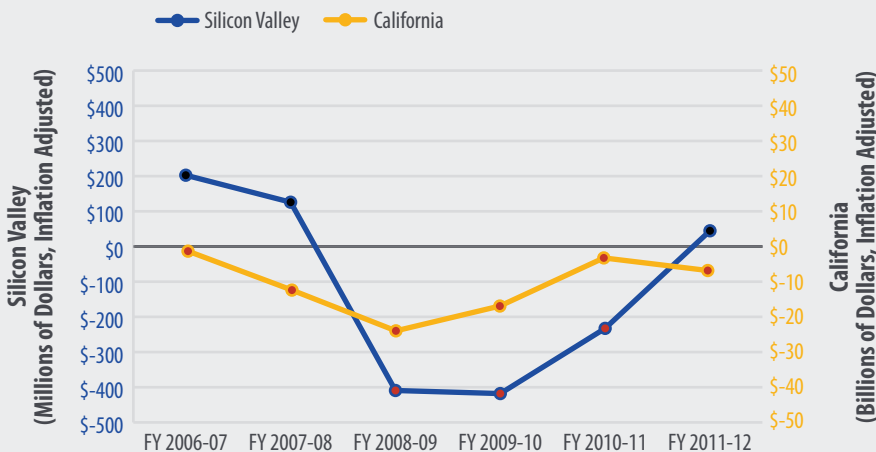
Data Source: Silicon Valley Cities, Audited Annual Financial Reports | Analysis: Silicon Valley Institute for Regional Studies



One factor that affected city finances in FY 2011-2012 was California Assembly Bill ABx1 26, which formally dissolved all of the state's Redevelopment Agencies (RDAs) as of February 1, 2012. Following dissolution, agency assets and liabilities were turned over to the Successor Agencies (the cities themselves). Due to the variety of RDA projects that our region's cities had underway, and the various ways in which local government agencies accounted for RDA projects, the impact of RDA dissolution is not directly evident in the aggregated Silicon Valley dataset presented here.

### Revenues Minus Expenses

Silicon Valley, California



*Expenses Minus Revenues is positive for the first time since 2008.*

Data Source: Silicon Valley Cities, Audited Annual Financial Reports; California State Auditor | Analysis: Silicon Valley Institute for Regional Studies

# GOVERNANCE

## CIVIC ENGAGEMENT

More voters decline to state a political party affiliation, and an increased share votes absentee.

### Why is this important?

An engaged citizenry shares in the responsibility to advance the common good, is committed to place, and holds a level of trust in community institutions. Voter participation is an indicator of civic engagement and reflects community members' commitment to a democratic system, confidence in political institutions and optimism about the ability of individuals to affect decision-making.

### How are we doing?

Since 1998, the number of Silicon Valley voters registered with the Democratic party has remained relatively stable (47% in November, 2012), while the percentage of Republican voters has decreased from nearly 32% in March of 1998 to under 28% in November, 2012. Over this same time period, the share of voters who declined to state a party preference has increased two-fold, from 15% in 1998 to nearly 28% in 2012. Similar trends can be seen throughout the state as a whole, although California has a greater share of registered Republicans than Silicon Valley, and vice versa for registered Democrats.

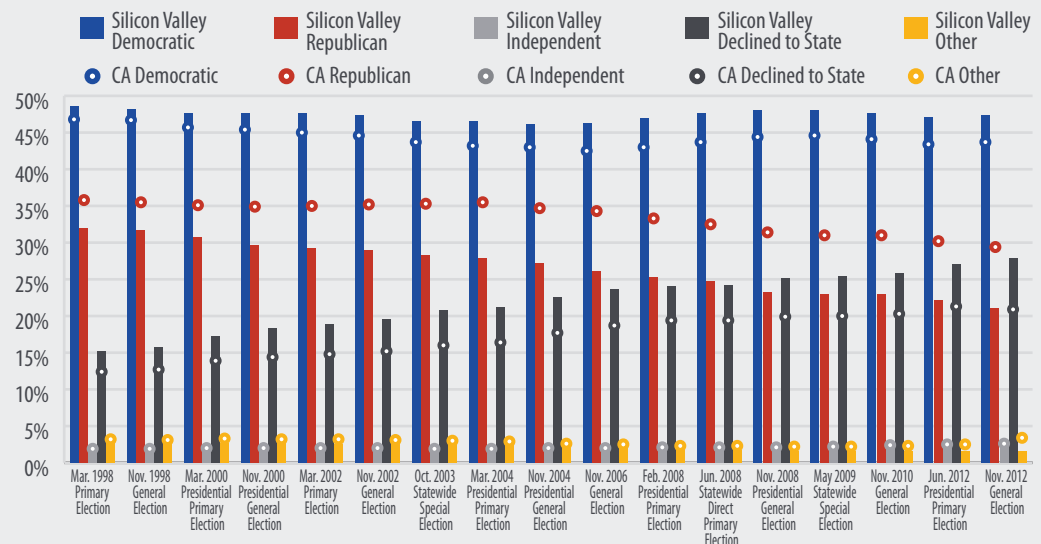
In every election since November 2002, Silicon Valley has seen a greater voter turnout than California as a whole. Voter participation in Silicon Valley and California vary greatly by the type of election, with

the greatest share of eligible voters participating in presidential elections; however, a greater share of eligible voters participated in more recent presidential elections (ranged from 55-62% in 2004, 2008 and 2012) than in the 2000 presidential election (51 and 52% in Silicon Valley and California, respectively). The share of voters participating by absentee ballot has increased dramatically since 1998 in both Silicon Valley (up as much as 55 percentage points), and California, while the share of voters participating remotely is higher in Silicon Valley compared to the state.

## PARTISAN AFFILIATION

### Percentage of Registered Voters, by Political Party

Santa Clara & San Mateo Counties

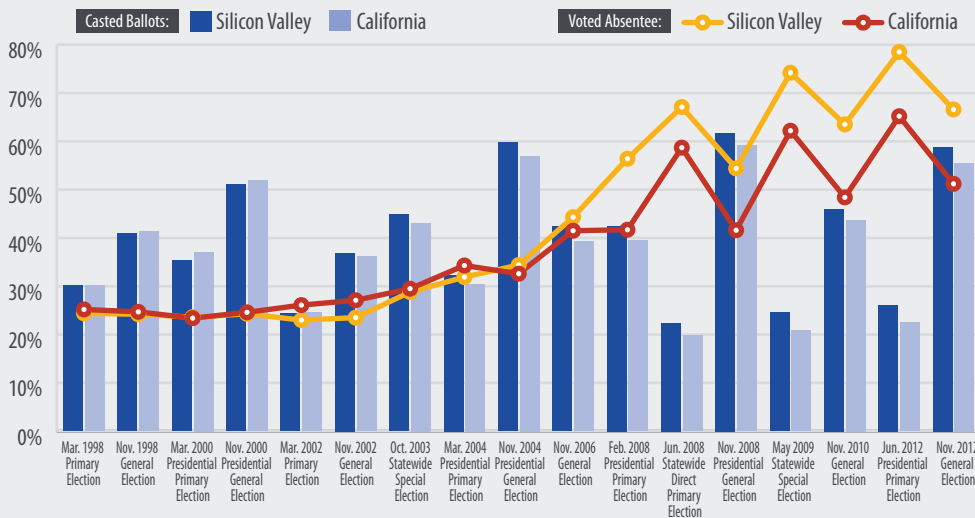


Data Source: California Secretary of State, Elections Division | Analysis: Silicon Valley Institute for Regional Studies

The percentage of registered voters declining to state their political party affiliation increased, while the percentage registered as Republicans decreased.

## VOTER PARTICIPATION

Percentage of Eligible Voters Who Casted Ballots and Absentee Ballots in General Elections



Absentee voting rates *continued to rise* in both Silicon Valley and California.

Data Source: California Secretary of State, Elections Division | Analysis: Silicon Valley Institute for Regional Studies

# APPENDIX A

	EMPLOYMENT Q2 2013	PERCENT OF TOTAL SILICON VALLEY EMPLOYMENT	PERCENT CHANGE	
			2007-2013	2012-2013
<b>TOTAL EMPLOYMENT</b>	<b>1,423,491</b>	<b>100.0%</b>	<b>3.1%</b>	<b>3.4%</b>
<b>COMMUNITY INFRASTRUCTURE &amp; SERVICES</b>	<b>706,006</b>	<b>49.6%</b>	<b>0.6%</b>	<b>2.9%</b>
HEALTHCARE & SOCIAL SERVICES*	132,797	9.3%	15.8%	4.2%
RETAIL	130,005	9.1%	-2.1%	1.7%
ACCOMMODATION & FOOD SERVICES	114,225	8.0%	11.4%	4.1%
EDUCATION*	100,867	7.1%	7.6%	-0.1%
CONSTRUCTION	58,687	4.1%	-18.3%	9.2%
LOCAL GOVT. ADMINISTRATION	44,934	3.2%	-22.9%	0.9%
TRANSPORTATION	35,833	2.5%	0.6%	6.5%
BANKING & FINANCIAL SERVICES	19,771	1.4%	-4.4%	7.4%
ARTS ENTERTAINMENT & RECREATION	18,592	1.3%	2.6%	0.0%
PERSONAL SERVICES	14,760	1.0%	22.3%	3.4%
FEDERAL GOVT. ADMINISTRATION	11,044	0.8%	-12.9%	-8.5%
NONPROFITS	10,446	0.7%	-9.8%	-3.0%
INSURANCE SERVICES	7,802	0.5%	-16.2%	-1.5%
STATE GOVT. ADMINISTRATION	2,139	0.2%	-36.4%	-10.4%
WAREHOUSING & STORAGE	2,090	0.1%	-3.5%	-4.0%
UTILITIES*	2,014	0.1%	-3.3%	11.4%
<b>INNOVATION AND INFORMATION PRODUCTS &amp; SERVICES</b>	<b>345,812</b>	<b>24.3%</b>	<b>9.9%</b>	<b>2.6%</b>
COMPUTER HARDWARE DESIGN & MANUFACTURING	128,155	9.0%	17.8%	3.8%
SEMICONDUCTORS & RELATED EQUIPMENT MANUFACTURING	50,794	3.6%	-10.4%	0.5%
INTERNET & INFORMATION SERVICES	35,356	2.5%	72.7%	19.1%
TECHNICAL RESEARCH & DEVELOPMENT (INCLUDES LIFE SCIENCES)	32,621	2.3%	22.8%	5.0%
SOFTWARE	27,333	1.9%	33.3%	5.8%
TELECOMMUNICATIONS MANUFACTURING & SERVICES	20,043	1.4%	-6.4%	-13.2%
INSTRUMENT MANUFACTURING (NAVIGATION MEASURING & ELECTROMEDICAL)	15,485	1.1%	-33.9%	-16.3%
PHARMACEUTICALS (LIFE SCIENCES)	12,825	0.9%	-1.9%	8.2%
OTHER MEDIA & BROADCASTING INCLUDING PUBLISHING	7,913	0.6%	-4.0%	-3.4%
MEDICAL DEVICES (LIFE SCIENCES)	7,005	0.5%	-1.0%	5.9%
BIOTECHNOLOGY (LIFE SCIENCES)	6,322	0.4%	3.0%	4.7%
I.T. REPAIR SERVICES	1,957	0.1%	-17.4%	-12.4%
<b>BUSINESS INFRASTRUCTURE &amp; SERVICES</b>	<b>231,647</b>	<b>16.3%</b>	<b>-4.0%</b>	<b>6.4%</b>
WHOLESALE TRADE	58,806	4.1%	-6.3%	3.0%
PERSONNEL & ACCOUNTING SERVICES	28,285	2.0%	-26.1%	7.8%
ADMINISTRATIVE SERVICES	25,222	1.8%	-2.9%	12.8%
TECHNICAL & MANAGEMENT CONSULTING SERVICES	25,101	1.8%	31.4%	9.9%
FACILITIES	24,878	1.7%	1.3%	5.4%
MANAGEMENT OFFICES	17,625	1.2%	8.4%	9.3%
DESIGN ARCHITECTURE & ENGINEERING SERVICES	17,224	1.2%	-7.2%	6.3%
GOODS MOVEMENT	11,156	0.8%	-6.6%	9.4%
LEGAL	10,408	0.7%	-6.7%	3.6%
INVESTMENT & EMPLOYER INSURANCE SERVICES	9,822	0.7%	6.4%	-3.2%
MARKETING ADVERTISING & PUBLIC RELATIONS	3,119	0.2%	-13.0%	7.9%
<b>OTHER MANUFACTURING</b>	<b>54,622</b>	<b>3.8%</b>	<b>-21.1%</b>	<b>-3.1%</b>
PRIMARY & FABRICATED METAL MANUFACTURING	14,216	1.0%	-12.0%	-3.2%
MACHINERY & RELATED EQUIPMENT MANUFACTURING	11,331	0.8%	-18.2%	-2.7%
OTHER MANUFACTURING	9,105	0.6%	-6.1%	-1.7%
TRANSPORTATION MANUFACTURING INCLUDING AEROSPACE & DEFENSE	8,388	0.6%	-47.3%	-3.8%
FOOD & BEVERAGE MANUFACTURING	8,130	0.6%	-6.2%	-3.5%
TEXTILES APPAREL WOOD & FURNITURE MANUFACTURING	2,864	0.2%	-25.3%	1.8%
PETROLEUM AND CHEMICAL MANUFACTURING (NOT IN LIFE SCIENCES)	587	0.0%	-45.4%	-28.4%
<b>OTHER</b>	<b>85,405</b>	<b>6.0%</b>	<b>58.6%</b>	<b>7.7%</b>

Data Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages; EMSI | \*Includes government jobs (state, local) | Note: Table includes annual industry employment data for Silicon Valley from the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW) for 2007 and 2012, modified slightly by EMSI (Economic Modeling Specialists Intl.), which removes suppressions and reorganizes public sector employment. Data for Q2 of 2013 was estimated at the industry level by BW Research using Q1 2013 QCEW data and updated based on Q2 2013 reported growth and totals, and modified slightly by EMSI.

# APPENDIX B

## FRONT PAGE STATISTICS

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### AREA

Land Area includes Santa Clara and San Mateo counties, Fremont, Newark, Union City, and Scotts Valley. Land Area data (except for Scotts Valley) is from the U.S. Census Bureau: State and County QuickFacts. Land area is based on current information in the TIGER\* database, calculated for use with Census 2010. Scotts Valley data is from the Scotts Valley Chamber of Commerce.

### POPULATION

Data for the Silicon Valley population comes from the E-I: City/County Population Estimates with Annual Percent Change report by the California Department of Finance and are for Silicon Valley cities. Population estimates are for January 2013.

### JOBS

The total number of jobs in the city-defined Silicon Valley region for Q2 of 2013 was estimated by BW Research using Q1 2013 United States Bureau of Labor Statistics Quarterly Census of Employment and Wages data, modified slightly by EMSI (Economic Modeling Specialists Intl.), which removes suppressions and reorganizes public sector employment.

### AVERAGE ANNUAL EARNINGS

Average Annual Earnings for Silicon Valley was calculated by BW Research using data from the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages, and EMSI. Data for Silicon Valley includes San Mateo and Santa Clara Counties, and the Cities of Fremont, Newark, Scotts Valley, and Union City.

### FOREIGN IMMIGRATION AND DOMESTIC MIGRATION

Data are from the E-6: Population Estimates and Components of Change by County - July 1, 2010-2013 reported by the California Department of Finance

## PEOPLE

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### TALENT FLOWS AND DIVERSITY

#### Components of Population Change; Population Change; Net Migration Flows

Data are from the E-6: Population Estimates and Components of Change by County - July 1, 2010-2013, July 1, 2010-2012, July 1, 2000-2010 and July 1, 1990-2000 reported by the California Department of Finance and are for San Mateo and Santa Clara Counties. The July 1, 2010-2013 population estimates include revised July 2011 and July 2012 estimates. Estimates for 2013 are provisional. Data for the years 2000-2010 are based on revised estimates released in

and are for San Mateo and Santa Clara Counties. Estimates for 2013 are provisional. Net migration includes all legal and unauthorized foreign immigrants, residents who left the state to live abroad, and the balance of hundreds of thousands of people moving to and from California from within the United States.

### EDUCATIONAL ATTAINMENT

Data for adult educational attainment are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2006, 2009, and 2012 American Community Surveys. Data reflects the educational attainment of the population 25 years and over. Educational Attainment by Race/Ethnicity reflects adults whose highest degree received was either a bachelor's degree or a graduate degree.

### AGE DISTRIBUTION

Data are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2012 American Community Survey, 1-year estimates.

### ETHNIC COMPOSITION

Data are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2012 American Community Survey, 1-year estimates. Multiple and Other includes Native Hawaiian and Other Pacific Islander Alone, Some Other Race Alone, American Indian and Alaska Native alone, and Two or More Races.

### FOREIGN BORN

Data are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2012 American Community Survey, 1-year estimates. The Foreign Born Population excludes those who were born at sea. Data for China includes Taiwan.

December 2011. Net migration includes all legal and unauthorized foreign immigrants, residents who left the state to live abroad, and the balance of hundreds of thousands of people moving to and from California from within the United States.

### Age Distribution

Silicon Valley data includes Santa Clara and San Mateo counties. Data are from the United States Census Bureau, 2012 American Community Survey, 1-year estimates.

# APPENDIX B

## PEOPLE *continued*

### Educational Attainment

Data for adult educational attainment are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2006, 2009, and 2012 American Community Surveys. Data reflects the educational attainment of the population 25 years and over whose highest degree received was either a bachelor's degree or a graduate degree.

### Percentage of Adults with a Bachelor's Degree or Higher by Race/Ethnicity

Data for adult educational attainment are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2006, 2009, and 2012 American Community Survey 1-Year Estimates. Data reflects the educational attainment of the population 25 years and over. Educational Attainment by Race/Ethnicity reflects adults whose highest degree received was either a bachelor's degree or a graduate degree.

### Total Science and Engineering Degrees Conferred

State and regional data for 1995-2012 are from the National Center for Education Statistics. Regional data for the Silicon Valley includes the following post-secondary institutions: Menlo College, Cogswell Polytechnic College, University

of San Francisco, University of California (Berkeley, Davis, Santa Cruz, San Francisco), Santa Clara University, San Jose State University, San Francisco State University, Stanford University, Golden Gate University, and University of Phoenix - Bay Area Campus. The academic disciplines include: computer and information sciences, engineering, engineering-related technologies, biological sciences/life sciences, mathematics, physical sciences and science technologies. Data were analyzed based on 1st major and level of degree (Bachelor's, Master's or Doctorate).

### Foreign Born

Data are for Santa Clara and San Mateo counties and are derived from the United States Census Bureau, 2012 American Community Survey, 1-year estimates.

### Languages Spoken at Home; Population Share That Speaks Language Other Than Exclusively English

Data for Silicon Valley include Santa Clara and San Mateo counties, and are from the United States Census Bureau, 2006 and 2012 American Community Surveys, 1-year estimates, for the population five years and over. French includes Patois, Creole, and Cajun. Spanish includes Spanish Creole. German includes other West Germanic languages.

## ECONOMY

### EMPLOYMENT

#### Number of Silicon Valley Jobs with Percent Change over Prior Year; Silicon Valley Employment in Public Sector

Data includes average annual employment estimates as of the second quarter for years 2007 through 2013 from the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages, and includes the entire city-defined Silicon Valley region. Data for Q2 of 2013 was estimated at the industry level by BW Research using Q1 2013 QCEW data and updated based on Q2 2013 reported growth and totals, and modified slightly by EMSI (Economic Modeling Specialists Intl.), which removes suppressions and reorganizes public sector employment.

#### Relative Job Growth

Data is from the United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages for Q2 2007, Q2 2012 and Q2 2013.

#### Silicon Valley Major Areas of Economic Activity; Silicon Valley Employment Growth by Major Areas of Economic Activity

Data includes average annual employment estimates as of the second quarter for years 2007 through 2013 from the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages, and includes the entire city-defined Silicon Valley region. Data for Q2 of 2013 was estimated at the industry level by BW Research using Q1 2013 QCEW data and updated based on Q2

2013 reported growth and totals, and modified slightly by EMSI (Economic Modeling Specialists Intl.), which removes suppressions and reorganizes public sector employment. Community Infrastructure & Services includes Healthcare & Social Services\* (including state and local government jobs); Retail; Accommodation & Food Services; Education (including state and local government jobs); Construction; Local Government Administration; Transportation; Banking & Financial Services; Arts, Entertainment & Recreation; Personal Services; Federal Government Administration; Nonprofits; Insurance Services; State Government Administration; Warehousing & Storage; and Utilities (including state and local government jobs). Innovation and Information Products & Services includes Computer Hardware Design & Manufacturing; Semiconductors & related Equipment Manufacturing; Internet & Information Services; Technical Research & Development (Include Life Sciences); Software; Telecommunications Manufacturing & Services; Instrument Manufacturing (Navigation, Measuring & Electromedical); Pharmaceuticals (Life Sciences); Other Media & Broadcasting, including Publishing; Medical Devices (Life Sciences); Biotechnology (Life Sciences); and I.T. Repair Services. Business Infrastructure & Services includes Wholesale Trade; Personnel & Accounting Services; Administrative Services; Technical & Management Consulting Services; Facilities; Management Offices; Design, Architecture & Engineering Services; Goods Movement; Legal; Investment & Employer Insurance Services; and Marketing, Advertising & Public Relations. Other Manufacturing includes Primary & Fabricated Metal Manufacturing; Machinery & Related Equipment Manufacturing; Other Manufacturing; Transportation Manufacturing including Aerospace & Defense; Food & Beverage Manufacturing; Textiles, Apparel,

# APPENDIX B

## ECONOMY *continued*

Wood & Furniture Manufacturing; and Petroleum and Chemical Manufacturing (Not in Life Sciences).

### Monthly Unemployment Rate

Monthly unemployment rates are calculated using employment and labor force data from the Bureau of Labor Statistics, Current Population Statistics (CPS) and the Local Area Unemployment Statistics (LAUS). Data is not seasonally adjusted. Data is for San Mateo and Santa Clara Counties, California and the United States.

### Unemployed Residents' Share of the Working Age Population

Data is for Santa Clara and San Mateo counties, and is from the U.S. Census Bureau, American Community Survey, 1-year estimates for 2007 through 2012. The data counts the number of unemployed persons, as well estimates the total population in each race/ethnic category for residents 16 years of age and older. Other includes the categories Some Other Race and Two or More Races in 2008-2012. Data for Two or More Races is not available for San Mateo County for 2007.. White is non-Hispanic or Latino. Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters.

## INCOME

### Per Capita Income

Per capita values are calculated using personal income data from the U.S. Department of Commerce, Bureau of Economic Analysis and population figures from the U.S. Census Bureau mid-year population estimates for 2010-2012 available as of March 2013. Silicon Valley data are for Santa Clara and San Mateo counties. Personal income estimates for 2001 forward reflect the results of the comprehensive revision to the national income and product accounts (NIPAs) released in July 2013, which creates a temporary break in BEA's time series for earlier years. All per capita income values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, the California consumer price index for all urban consumers from the California Department of Finance for California data, and the U.S. city average consumer price index for all urban consumers from the Bureau of Labor Statistics for U.S. data.

### Per Capita Income by Race & Ethnicity; Percent Change in Per Capita Income: 2010-2012

Data for per capita income are from the U.S. Census Bureau 2006, 2008, 2010 and 2012 American Community Surveys. All income values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, the California consumer price index for all urban consumers from the California Department of Finance for California data, and the U.S. city average consumer price index for all urban consumers from the Bureau of Labor Statistics for U.S. data. Silicon Valley data

includes Santa Clara and San Mateo counties. Per capita income is the mean money income received computed for every man, woman, and child in a geographic area. It is derived by dividing the total income of all people 15 years old and over in a geographic area by the total population in that area. Income is not collected for people under 15 years old even though these people are included in the denominator of per capita income. This measure is rounded to the nearest whole dollar. Money income includes amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income. Population data used to compute per capita values are from the U.S. Census Bureau, American Community Survey 1-Year Estimates from 2006, 2008, 2010, and 2012, table DP05 (Demographic and Housing Estimates).

### Median Household Income; Percent Change in Median Household Income: 2011-2012

Data for Median Household Income are from the U.S. Census Bureau 2000-2012 American Community Surveys. All income values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, the California consumer price index for all urban consumers from the California Department of Finance for California data, and the U.S. city average consumer price index for all urban consumers from the Bureau of Labor Statistics for U.S. data. Silicon Valley data includes Santa Clara and San Mateo counties. Median household income for Silicon Valley was estimated using a weighted average based on the county population figures from the California Department of Finance "E-4 Population Estimates for Cities, Counties, and the State, 2011-2013, with 2010 Census Benchmark," "E-4 Revised Historical City, County and State Population Estimates, 1991-2000, with 1990 and 2000 Census Counts," and "E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts."

### Distribution of Households by Income Ranges

Data for Distribution of Income and Housing Dynamics are from the U.S. Census Bureau 2006, 2008, 2010, and 2012 American Community Surveys, 1-Year Estimates. Income ranges are based on nominal values. Silicon Valley data includes Santa Clara and San Mateo counties. Income is the sum of the amounts reported separately for the following eight types of income: Wage or salary income; Net self-employment income; Interest, dividends, or net rental or royalty income from estates and trusts; Social Security or railroad retirement income; Supplemental Security Income; Public assistance or welfare payments; Retirement, survivor, or disability pensions; and All other income.

### Individual Median Income by Educational Attainment; Percent Change in Median Income by Educational Attainment: 2006-2012; Individual Median Income by Gender and Educational Attainment

Data for Median Income by Educational Attainment are from the U.S. Census Bureau 2006, 2008, 2010 and 2012 American Community Surveys, 1-Year Estimates, and include the population 25 years and over with earnings. All

# APPENDIX B

## ECONOMY *continued*

income values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data. Silicon Valley data includes Santa Clara and San Mateo counties. The 2008 value for those with a graduate or professional degree is for San Mateo County only because the Santa Clara County data reported median income in that category as \$100,000+.

### Students Eligible or Receiving Free or Reduced Priced Meals

Free and Reduced Meal Program (FRMP) information is submitted by schools to the Department of Education in January; however, the data is current as of June 2013. Data files include public school enrollment and the number of students eligible for free or reduced price meal programs. Data for Silicon Valley include Santa Clara and San Mateo counties. A child's family income must fall below 130% of the federal poverty guidelines (\$29,965 for a family of four in 2012-2013) to qualify for free meals, or below 185% of the federal poverty guidelines (\$42,643 for a family of four in 2012-2013) to qualify for reduced-cost meals. Years presented are the final year of a school year (e.g., 2011-2012 is shown as 2012). In school year 2012-2013, the California Department of Education changed its data collection methodology to utilize CALPADS (California Longitudinal Pupil Achievement Data System) student-level data rather than district-provided data, which included Non Public Schools (NPS) and some adult schools. Because these schools were not included in past FRMP files, NPS and Adult School records were excluded from the analysis.

## INNOVATION & ENTREPRENEURSHIP

### Value Added per Employee; Percent Change in Value Added Per Employee

Value added per employee is calculated as regional gross domestic product (GDP) divided by the total employment. GDP estimates the market value of all final goods and services. GDP and employment data are from Moody's Economy.com. All GDP values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, the California consumer price index for all urban consumers from the California Department of Finance for California data, and the U.S. city average consumer price index for all urban consumers from the Bureau of Labor Statistics for U.S. data. Silicon Valley data is for Santa Clara and San Mateo counties.

### Patent Registrations

Patent data is provided by the U.S. Patent and Trademark Office and consists of Utility patents granted by inventor. Geographic designation is given by the location of the first inventor named on the patent application. Silicon Valley patents include only those filed by residents of Silicon Valley.

### Patent Registrations by Technology Area

Patent data is provided by the U.S. Patent and Trademark Office and consists of Utility patents granted by inventor. Geographic designation is given by the location of the first inventor named on the patent application. Silicon Valley

patents include only those filed by residents of Silicon Valley. Other Includes: Teaching & Amusement Devices, Transportation/Vehicles, Motors, Engines and Pumps, Dispensing & Material Handling, Food, Plant & Animal Husbandry, Furniture & Receptacles, Apparel, Textiles & Fastenings, Body Adornment, Nuclear Technology, Ammunition & Weapons, Earth Working and Agricultural Machinery, Machine Elements or Mechanisms, and Superconducting Technology. The technology area categorization method was slightly modified for the 2012 data, resulting in minor changes to the proportion of patents in each technology area relative to previous years.

### Top Twenty Patenting Organizations

Silicon Valley patent data includes the San Jose-Sunnyvale-Santa Clara & San Francisco-Oakland-Fremont Metropolitan Statistical Areas (MSAs). The top twenty patenting organizations were calculated by combining data from both MSAs, and were determined based on the total number of utility patents between 2001 and 2011.

### Venture Capital Investment; Venture Capital by Industry

Data are provided by The MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Reuters. Only investments in firms located within the city-defined Silicon Valley region are included. Total 2013 Venture Capital funding level is based on Quarters 1-3. Other includes Healthcare Services, Electronics/Instrumentation, Financial Services, Business Products & Services, Other and Retailing/Distribution. All values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data.

### Venture Capital Investment in Clean Technology; VC Investment in Clean Technology by Segment

Data provided by Cleantech Group™, Inc. For this analysis, venture capital is defined as disclosed clean tech equity investment deal totals. Data are based on Joint Venture's city-defined region of Silicon Valley. The Cleantech Group describes cleantech as new technology, processes and business models, spanning a range of industries that enhance efficiency, reduce or eliminate negative ecological impact, and improve the productive and responsible use of natural resources. All values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data.

### Angel Investment

Data is from CB Insights, and includes the entire city-defined Silicon Valley region, San Francisco, and California. The analysis includes disclosed financing data for both Seed Stage and Series A+ investments in which one or more Angel investor(s) participated. Investment amounts have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data.



# APPENDIX B

## ECONOMY *continued*

### Initial Public Offerings

Data is from Renaissance Capital. Locations are based on the corporate address provided to Renaissance Capital. Silicon Valley includes the city-defined region.

### Mergers & Acquisitions; Percentage of Merger & Acquisition Deals, by Participation Type

Data provided by FactSet Research Systems, Inc. Data are based on M&A Activity in Joint Venture's zip code-defined region of Silicon Valley. Transactions include full acquisitions, minority stakes, club-deals and spinoffs.

### Relative Growth of Firms Without Employees; Firms Without Employees in 2011; Percentage of Nonemployers by Industry

Data for firms without employees are from the U.S. Census Bureau, which uses the term 'nonemployers'. The Census defines nonemployers as a business that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Most nonemployers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner's principal source of income. Silicon Valley data include Santa Clara and San Mateo counties. The 2009 nonemployer data was reissued August 15, 2012.

## SOCIETY

### PREPARING FOR ECONOMIC SUCCESS

#### High School Graduation and Dropout Rate; High School Graduation Rates; Share of Graduates Who Meet UC/CSU Entrance Requirements

Students Meeting UC/CSU Requirements includes all 12th grade graduates completing all courses required for University and/or California State University entrance. Ethnicities were determined by the California Department of Education. Any student ethnicity pools containing 10 or fewer students were excluded in order to protect student privacy. Multi/None includes both students of two or more races, and those who did not report their race. Silicon Valley includes all students attending public high school in San Mateo and Santa Clara Counties, as well as those in Scotts Valley Unified School District, New Haven School District, Fremont Unified School District and Newark Unified School District. Dropout and graduation rates are four-year adjusted rates. The adjusted rates are derived from the number of cohort members who earned a regular high school diploma (or dropped out) by the end of year 4 in the cohort divided by the number of first-time grade 9 students in year 1 (starting cohort) plus students who transfer in, minus students who transfer out, emigrate, or die during school years 1, 2, 3, and 4.

#### Algebra I Scores

Data are from the California Department of Education, California Standards Tests (CST) Research Files for San Mateo and Santa Clara Counties, and California. In 2003, the CST replaced the Stanford Achievement Test, ninth edition (SAT/9). The CSTs in English-language arts, mathematics, science, and

### COMMERCIAL SPACE

#### Commercial Space; Commercial Vacancy; Commercial Rents; New Commercial Development

Data is from Colliers International, and represents the end of each annual period unless otherwise noted. Commercial space includes Office, R&D, Industrial and Warehouse space. The vacancy rate is the amount of unoccupied space, and is calculated by dividing the direct and sublease vacant space by the building base. The vacancy rate does not include occupied spaces presently being offered on the market for sale or lease. Net absorption is the change in occupied space during a given time period. Average asking rents have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data. 2013 data is through Q3 2013 except Office Space in San Mateo County, which is through Q2 2013. 2006 data for San Mateo County Industrial and R&D are based on Q3-4 2006. 2000 data for Santa Clara County Q2-4 2000 (Industrial) and Q3-4 2000 (Warehouse).

history-social science are administered only to students in California public schools. Except for a writing component that is administered as part of the grade four and grade seven English-language arts tests, all questions are multiple-choice. These tests were developed specifically to assess students' knowledge of the California content standards. The State Board of Education adopted these standards, which specify what all children in California are expected to know and be able to do in each grade or course. The 2013 Algebra I CSTs were required for students who were enrolled in the grade/course at the time of testing or who had completed a course during the 2012-2013 school year, including 2012 summer school. In order to protect student confidentiality, no scores were reported in the research files for any group of ten or fewer students. The following types of scores are reported by grade level and content area for each school, district, county, and the state: % Advanced, % Proficient, % Basic, % Below Basic, and % Far Below Basic, and are rounded to the nearest ones place.

### EARLY EDUCATION

#### Preschool Enrollment; School Enrollment for the Population 3 to 4 Years of Age, 2012

Data for preschool enrollment is for San Mateo and Santa Clara Counties, California, and the United States. The data are from the United States Census Bureau, 2005-2012 American Community Surveys. Percentages were calculated from the number of children ages three and four that are enrolled in either public or private school, and the number that are not enrolled in school.

# APPENDIX B

## SOCIETY *continued*

### Third Grade English-Language Arts Proficiency

Data is from the California Department of Education, California Standards Tests (CST) Research Files for San Mateo and Santa Counties, Fremont Unified, Newark Unified, New Haven Unified, and Scotts Valley Unified School Districts (for Hispanic, White, and Two or More Races), for Santa Clara County only (American Indian or Alaskan Native, and Cambodian), and for Santa Mateo and Santa Clara Counties (all other racial/ethnic groups). The CSTs in English-Language Arts for third graders was administered only to students in California public schools and all questions were multiple-choice. These tests were developed specifically to assess students' knowledge of the California content standards, set by the State Board of Education. The 2013 English Language Arts CSTs were required for students who were enrolled in the grade/course at the time of testing or who had completed a course during the 2012–13 school year, including 2012 summer school. The following types of scores are reported by grade level and content area for each school, district, county, and the state: % Advanced, % Proficient, % Basic, % Below Basic and % Far Below Basic as the percentage of students in the group whose scores were at this performance standard. The state target is for every student to score at the Proficient or Advanced Performance Standard. Any ethnic/racial groups not included did not have complete data available.

### ARTS & CULTURE

#### Arts Organization Revenue by Source; Per Capita Donations to the Arts; Entrepreneurial Arts; Ethnic Responsiveness

All data is for 2009 and 2010, and comes from the Americans for the Arts Local Index and the National Center for Charitable Statistics. Contributed revenue measures total private giving to arts and culture organizations. Arts contributions per capita are calculated by dividing the total private giving to arts and culture organizations in each region by the 2010 population. Ethnic Responsiveness measures the number of organizations per 100,000 residents who are identified using the National Taxonomy of Exempt Organizations (NTEE) code A23, which refers to “cultural and ethnic awareness organizations” with missions to support ethnic activity in a community. Entrepreneurial Arts measures the share of nonprofit arts organizations with a founding (IRS ruling) date of January 2000 or later. Unites States per capita contributions for 2009 and 2010 were calculated by dividing total contributions to the arts from the annual Americans for the Arts National Arts Index (2012 Index for 2010 data, and 2011 Index for 2009 data), and dividing them by the 2010 U.S. Census population figure.

### QUALITY OF HEALTH

#### Percentage of the Population with Health Insurance, by Age; Percentage of Individuals with Health Insurance, by Age & Employment Status

Data for those with health insurance are from the U.S. Census Bureau, 2012 American Community Survey, 1-year estimates for the civilian

non-institutionalized population. Silicon Valley data includes Santa Clara and San Mateo counties.

#### Students Overweight or Obese

Data are from the California Department of Education, Physical Fitness Testing Research Files, and include all public school students in 5th, 7th and 9th grades in San Mateo and Santa Clara Counties, and California, who were tested through the Fitnessgram assessment each school year. The students with body composition above the Healthy Fitness Zone are considered overweight or obese.

#### Adults Overweight or Obese

Data is for Santa Clara and San Mateo counties, and California. The California Health Interview Survey (CHIS) is conducted via telephone survey of more than 50,000 Californians. The data includes adults 18 years of age and older. Calculated using reported height and weight, a Body Mass Index (BMI) value of 25.0 - 29.99 is categorized as Overweight, and a BMI of 30.0 or greater is categorized as Obese.

### SAFETY

#### Violent Crimes; Breakdown of Violent Crimes

Data is from the California Department of Justice, Office of the Attorney General, Interactive Crime Statistics. Violent Crimes include homicide, forcible rape, robbery and aggravated assault. Data for Silicon Valley includes San Mateo and Santa Clara Counties. Population data is from the California Department of Finance's “E-4 Population Estimates for Cities, Counties, and the State, 2011–2013, with 2010 Census Benchmark,” and “E-4 Population Estimates for Cities, Counties, and the State, 2001–2010, with 2000 & 2010 Census Counts.”

#### Public Safety Officers; Percent Change in Silicon Valley Public Safety Officers

All data are from the California Commission on Peace Officer Standards and Training. The total number of Public Safety Officers accounts for all sworn full-time and reserve personnel, which may include (but is not limited to) Police Chiefs, Deputy Chiefs, Commanders, Corporals, Lieutenants, Sergeants, Police Officers, Detectives, Detention Officers/Supervisors, Sheriffs, Undersheriffs, Captains, and Assistant Sheriffs; it does not include Community Service Officers or other non-sworn (civilian) police department personnel. All city, county and school district departments in Silicon Valley are included. Data does not include California Highway Patrol officers. 2013 data was as of July 8, 2013.

# APPENDIX B

## PLACE

### ENVIRONMENT

#### Water Resources

Data for Santa Clara County was provided by Santa Clara Valley Water District (SCVWD). Scotts Valley Water District (SVWD) provided Scotts Valley data. Bay Area Water Supply & Conservation Agency (BAWSCA) provided data for member agencies servicing San Mateo County and for Alameda County Water District, which services the Cities of Fremont, Union City and Newark. These agencies include Brisbane/GVMID, Estero, Burlingame, Hillsborough, CWS - Bear Gulch, Menlo Park, CWS - Mid Peninsula, Mid-Peninsula, CWS - South SF, Millbrae, Coastsides, North Coast, Redwood City, Daly City, San Bruno, East Palo Alto, and Westborough. Cordilleras serves residents in San Mateo County, but is not a BAWSCA member and therefore was not included in this analysis. BAWSCA FY 2012-13 data is preliminary. FY 2012-13 Recycled Water Consumption Data is from the BAWSCA Water Conservation Database. FY 2013 data for Scotts Valley was not included because it had not yet been released at the time of this analysis. Data for the population served used to compute per capita values does not include unincorporated areas of Santa Clara County. FY 2000-01 through FY 2011-12 BAWSCA service area populations are from Table 6 of the BAWSCA Annual Survey FY 2011-12 (p. 49). Data for SCVWD population served used to compute per capita values are from the 2010 Census. The Scotts Valley Water District population figure for FY 2000 is based on the AMBAG GIS-based analysis of 2000 census block population data; the 2010 population figure is based on the 2010 census block population data, and population estimates for the years in between, as well as 2011 and 2012, are derived from a linear interpolation. Total water consumption figures used to calculate per capita values do not include consumption for agriculture or by private well-owners in the SCVWD data. In the BAWSCA data, the small number of agricultural users in the service area are treated as a class of commercial user and so are included in the consumption figures. Scotts Valley Water District does not serve agricultural customers, so total water consumption figures used to compute both the per capita consumption and the recycled percentage of total water used are the same. The total water consumption figures used to calculate the recycled percentage of total water used do include consumption by agriculture and private well-owners for SCVWD data.

#### Electricity Productivity and Consumption per Capita

Electricity Consumption data is from the California Energy Commission. Gross Domestic Product (GDP) data is from Moody's Economy.com. GDP values have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, and the California consumer price index for all urban consumers from the California Department of Finance for California data. Silicon Valley data includes Santa Clara and San Mateo counties. Per capita values were computed from the California Department of Finance's "E-4 Population Estimates for Cities, Counties, and the State, 2011-2013, with 2010 Census Benchmark," "E-4 Revised Historical City, County and State Population Estimates, 1991-2000, with 1990 and 2000 Census Counts," and "E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts."

#### Solar Installations

Data are from Palo Alto Municipal Utilities, Silicon Valley Power, and Pacific Gas & Electric, and include the entire city-defined Silicon Valley region. Years listed correspond to when the systems were interconnected. Cumulative installed solar capacity does not include installations prior to 1999. Non-Residential includes Commercial, Government, Non-Profit, and Utility installations. All systems included in the analysis are Net Energy Metered and Non-Export PV. Data for PG&E "utility" installations less than 100 kW are not made publicly available through the California Energy Commission, and therefore may be missing from the dataset. PG&E data reflects interconnections under Rule 21 (to PG&E's Distribution Grid) through October 31, 2013 (<http://www.cpuc.ca.gov/PUC/energy/Procurement/LTPP/rule21.htm>).

#### Solar Installations by Sector

Data are from The California Solar Initiative (CSI) as part of the Go Solar California campaign. The percentages were computed using CEC PTC Rating, a measure of alternative current output of photovoltaic systems under PVUSA Test Conditions as calculated by PowerClerk. Years listed are based on First Incentive Claim Request Review Date, and data includes application status as Completed, PBI-in payment, Pending Payment, Reservation Reserved, Confirmed Reservation, and Incentive Claim Request Review.

#### Time Required for Permitting of Cleantech Installations

Data are from Joint Venture Silicon Valley's annual land-use survey of all cities within Silicon Valley. Participating cities included: Atherton, Belmont, Brisbane, Burlingame, Campbell, Cupertino, East Palo Alto, Foster City, Fremont, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Palo Alto, Portola Valley, Redwood City, San Bruno, San Carlos, San Jose, County of San Mateo, Santa Clara, Saratoga and Sunnyvale. Most recent data are for fiscal year 2013 (July 2012-June 2013). In these box and whisker charts, the box represents the range for which the middle 50% of the responses fall. The vertical line in the box represents the median (middle) value of the data set. The left-hand whisker represents the range for the lower 25% of the data, and the right-hand whisker represents the range for the upper 25% of the data.

### TRANSPORTATION

#### Vehicle Miles of Travel per Capita and Gas Prices

Vehicle Miles Traveled (VMT) estimates the number of vehicle miles that motorists traveled on California State Highways using a sampling of up to 20 traffic monitoring sites. Various roadway types are used to calculate VMT. Silicon Valley data include travel within Santa Clara and San Mateo counties. The California Department of Finance's "E-4 Population Estimates for Cities, Counties, and the State, 2011-2013, with 2010 Census Benchmark" and "E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts" were used to compute per-capita values. Gas prices, from the California Energy Almanac (average annual regular retail prices), have been inflation-adjusted and are reported in 2013 dollars, using the Bay

# APPENDIX B

## PLACE *continued*

Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data.

### Means of Commute

Data on the means of commute to work are from the United States Census Bureau, 2003 and 2012 American Community Survey. Data are for workers 16 years old and over residing in Santa Clara and San Mateo counties commuting to the geographic location at which workers carried out their occupational activities during the reference week whether or not the location was inside or outside the county limits. The data on employment status and journey to work relate to the reference week; that is, the calendar week preceding the date on which the respondents completed their questionnaires or were interviewed. This week is not the same for all respondents since the interviewing was conducted over a 12-month period. The occurrence of holidays during the relative reference week could affect the data on actual hours worked during the reference week, but probably had no effect on overall measurement of employment status. People who used different means of transportation on different days of the week were asked to specify the one they used most often, that is, the greatest number of days. People who used more than one means of transportation to get to work each day were asked to report the one used for the longest distance during the work trip. The categories, “Drove Alone” and “Carpool” include workers using a car (including company cars but excluding taxicabs), a truck of one-ton capacity or less, or a van. The category, “Public transportation,” includes workers who used a bus or trolley bus, streetcar or trolley car, subway or elevated, railroad, or ferryboat, even if each mode is not shown separately in the tabulation. The category “Other” includes taxicab, motorcycle, bicycle, walking, working from home and other means that are not identified separately within the data distribution.

### Transit Use; Change in Per Capita Transit Use, 2010-2013

Estimates are the sum of annual ridership on the light rail and bus systems in Santa Clara and San Mateo counties, and rides on Caltrain. Data are provided by Sam Trans, Santa Clara Valley Transportation Authority, Altamont Corridor Express, and Caltrain. Data does not include paratransit, such as SamTrans’ Redi-Wheels program. The California Department of Finance’s “E-4 Population Estimates for Cities, Counties, and the State, 2011–2013, with 2010 Census Benchmark” and “E-4 Population Estimates for Cities, Counties, and the State, 2001–2010, with 2000 & 2010 Census Counts” were used to compute per-capita values.

## LAND USE

### Residential Density

Data are from Joint Venture Silicon Valley’s annual land-use survey of all cities within Silicon Valley. Participating cities in the 2013 survey included: Atherton, Belmont, Brisbane, Burlingame, Campbell, Cupertino, East Palo Alto, Foster City, Fremont, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Palo Alto, Portola Valley, Redwood City, San Bruno, San Carlos, San Jose, County of San Mateo, Santa Clara, Saratoga and Sunnyvale. Most recent data are for fiscal year 2013 (July 2012-June 2013).

The average units per acre of newly approved residential development are reported directly for each of the cities and counties participating in the survey.

### Housing Near Transit; Development Near Transit

Data are from Joint Venture Silicon Valley’s annual land-use survey of all cities within Silicon Valley. Participating cities included: Atherton, Belmont, Brisbane, Burlingame, Campbell, Cupertino, East Palo Alto, Foster City, Fremont, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Palo Alto, Portola Valley, Redwood City, San Bruno, San Carlos, San Jose, County of San Mateo, Santa Clara, Saratoga and Sunnyvale. Most recent data are for fiscal year 2013 (July 2012-June 2013). The number of new housing units and the square feet of commercial development within one-third mile of transit are reported directly for each of the cities and counties participating in the survey. Places with one-third mile of transit are considered “walkable” (I.e. within a 5- to 10-minute walk, for the average person). Transit oriented data prior to 2012 is reported within one-quarter mile of transit.

## HOUSING

### Trends in Home Sales

Data are from Zillow Real Estate Research. Average Home Sale Prices are estimates based on Silicon Valley city median sale prices and total number of homes sold in the city-defined Silicon Valley region. Annual estimates for Silicon Valley and California are derived from monthly median sale prices. Estimates have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, and the California consumer price index for all urban consumers from the California Department of Finance for California data. Data are for single family residences, condos/co-ops, and only includes those homes that were listed on Zillow. Annual median sale prices and forecasted annual home sales for 2013 are based on monthly data through October.

### Residential Building

Data is from the Construction Industry Research Board and California Homebuilding Foundation, and includes Santa Clara and San Mateo counties. Data includes the number of single family and multi-family units included in building permits issued between 1998 and 2013. Data for 2013 is through November.

### Building Affordable Housing

Data are from Joint Venture Silicon Valley’s annual land-use survey of all cities within Silicon Valley. Participating cities included: Atherton, Belmont, Brisbane, Burlingame, Campbell, Cupertino, East Palo Alto, Foster City, Fremont, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Palo Alto, Portola Valley, Redwood City, San Bruno, San Carlos, San Jose, County of San Mateo, Santa Clara, Saratoga and Sunnyvale. Most recent data are for fiscal year 2013 (July 2012-June 2013). Affordable units are those units that are affordable for a four-person family earning up to 80% of the median income for a county. Cities use the U.S. Department of Housing

# APPENDIX B

## PLACE *continued*

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and Urban Development's (HUD) estimates of median income to calculate the number of units affordable to low-income households in their jurisdiction.

### Rental Affordability

Data on average rental rates are from RealFacts survey of all apartment complexes in San Mateo and Santa Clara Counties of 50 or more units. Rates are the prices charged to new residents when apartments turn over. They have been inflation-adjusted and are reported in 2013 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics, 2013 estimate based on first half data for Silicon Valley data, the California consumer price index for all urban consumers from the California Department of Finance for California data, and the U.S. city average consumer price index for all urban consumers from the Bureau of Labor Statistics for U.S. data. Median household income is estimated using data from the United States Census Bureau, American Community Survey, 1-year estimates and population estimates from the California Department of Finance.

### Home Affordability

Data are from the California Association of Realtors' (CAR) First-time Buyer Housing Affordability Index, which measures the percentage of households that can afford to purchase an entry-level home in California based on the median price of existing single family homes sold from CAR's monthly existing home sales survey. Beginning in the first quarter of 2009, the Housing Affordability Index incorporates an effective interest rate that is based on the one-year, adjustable-rate mortgage from Freddie Mac's Primary Mortgage Market Survey.

### Multi-Generational Households

Data are from the U.S. Census Bureau, 2007 and 2012 American Community Surveys, 3-Year Estimates. Silicon Valley data includes Santa Clara and San Mateo counties.

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## GOVERNANCE

### CITY FINANCES

#### City Finances

Data were obtained from 39 Silicon Valley cities' audited annual financial reports, including Comprehensive Annual Financial Reports, Annual Financial Statements for the Year End, Annual Financial Reports, Basic Financial Statements Reports, and Annual Basic Financial Statements Reports, as well as the State of California annual year-end financial report from the California State Auditor. Data for City Finances include both Government and Business-Type Activities (where applicable). Whenever possible, data were obtained from the following year from the following year report (e.g., the 2010 report for 2009 figures) because following year reports often reflects revisions/corrections. 2012 data was obtained from the current year (Fiscal Year 2011-2012) reports. All amounts have been inflation-adjusted and are reported in 2012 dollars, using the Bay Area consumer price index for all urban consumers from the Bureau of Labor Statistics for Silicon Valley data, and the California consumer price index for all urban consumers from the California Department of Finance for California data. Values are significant to the nearest \$1 million due to rounding in the city and state reports. Revenues Minus Expenses is reported before Transfers or Extraordinary Items. Other Revenues includes any revenue other than Property Tax, Sales Tax, Investment Earnings, or Charges for Services. Other Revenues includes the following (as categorized by the various cities in Silicon Valley): Incremental Property Taxes; Public Safety Sales Tax; Business tax; Municipal Water System Revenue; Waste Water Treatment Revenue; Storm Drain Revenue; Transient occupancy tax Business, Hotel & Other Taxes; Property transfer tax; Property Taxes In-Lieu; Vehicle license in-lieu fees or Motor Vehicle In-Lieu; Licenses & Permits; Utility Users Tax; Development impact fees; Franchise fees; Franchise Taxes Franchise & Business Taxes; Rents & Royalties; Net Increase (decrease) in Fair Value of Investments;

Equity in Income (losses) of Joint Ventures; Miscellaneous or Other Revenues; Cardroom Taxes; Fines and Forfeitures; Other Taxes; Agency Revenues; Interest Accrued from Advances to Business-Type Activities; Use of Money and Property; Property Transfer Taxes; Documentary Transfer Tax; Unrestricted/Intergovernmental Contributions in Lieu of Taxes; Gain (loss) of disposal of assets.

### CIVIC ENGAGEMENT

#### Partisan Affiliation; Voter Participation

Data are from the California Secretary of State, Elections Division. The eligible population is determined by the Secretary of State using Census population data provided by the California Department of Finance. Data are for Santa Clara and San Mateo counties. Other includes Green, Libertarian, Natural Law, Peace & Freedom/Reform, and Other.

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RealFacts

SamTrans

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Santa Clara Valley Transportation Authority

Scotts Valley Water District

Silicon Valley Creates

Silicon Valley Power

Steve Ross

Renaissance Capital

### **JOINT VENTURE SILICON VALLEY**

Established in 1993, Joint Venture Silicon Valley provides analysis and action on issues affecting our region's 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. For more information, visit [www.jointventure.org](http://www.jointventure.org).

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Silicon Valley Community Foundation makes all forms of philanthropy more powerful. We serve as a catalyst and leader for innovative solutions to our region's most challenging problems and give more money to charities than any other community foundation in the United States. SVCF has more than \$4.7 billion in assets under management. As Silicon Valley's center of philanthropy, we provide thousands of individuals, families and corporations with simple and effective ways to give locally and around the world. Find out more at [www.siliconvalleycf.org](http://www.siliconvalleycf.org).

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University of California, Santa Cruz  
University of Phoenix  
Varian Medical Systems  
VMware  
VMC Foundation  
Volkswagen Group of America  
Volterra  
Wells Fargo Bank

Wilmer Hale, LLP  
Wilson Sonsini Goodrich & Rosati, LLP  
Zanker Recycling/GreenWaste

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City of Santa Clara  
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