

Report: Silicon Valley Sees Job, Wealth Grow

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SAN FRANCISCO (AP) — Silicon Valley is creating jobs and wealth for highly skilled workers but may be leaving some residents behind as employment closes in on pre-Great Recession levels, according to a report released Tuesday.

The 2012 Silicon Valley Index found job growth in the high-tech hub far outpaced the country as a whole last year. The region added 42,000 jobs, a jump of nearly 4 percent, compared with a nationwide increase of little more than 1 percent.

The current unemployment rate in the region stands at 8.3 percent, the same as the national average but well below the overall state rate of 10.9 percent.

Job growth occurred in all major sectors of the Silicon Valley economy except manufacturing. Key industries adding jobs included cloud computing, mobile devices, mobile apps, Internet companies and social media.

"Silicon Valley does seem to be mounting a fairly impressive recovery," said Russell Hancock, president and chief executive of Joint Venture Silicon Valley, a nonprofit that compiles the index annually along with the Silicon Valley Community Foundation. "We were the last to succumb to the national recession, and we appear to be the first emerging out of it."

Hancock said the improving economy hasn't resulted in the same widespread benefits as previous periods of growth. In the past, he said, advances in the high-tech industry would also create many mid-level jobs that served as the "spine" of Silicon Valley.

This time around, what Hancock called a "bonanza" for highly educated workers hasn't trickled down.

Per capita income for the four-county region covered by the index rose to \$66,000 last year due to rising wealth among high earners.

The report does not provide a median income figure for 2011, but the number dropped by 3 percent between 2009 and 2010, and the percentage of students receiving free or reduced-price lunches rose.

"Technology used to be this tide that would rise and lift all the boats," Hancock said. "That doesn't seem to be the case anymore."

Optimism among investors has helped drive the region's return to prosperity for those with the right science, engineering and business skills. Venture capital investments rose by 17 percent last year, the third increase in as many years following a sharp drop after the 2008 economic downturn.

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Investments in software jumped in 2011, but the biggest leap was a doubling in backing for so-called clean technology. Most of the \$3 billion poured into the industry went toward efforts to develop alternative energy sources.

Other signs that Silicon Valley was retaining its reputation as the country's innovation engine included a 30 percent surge in patent registrations in 2010 compared with the year before. The region's 13,300 new patents represented 12 percent of all the patents registered in the U.S. that year, the report said.

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