

JOINT VENTURE'S 2002
index

of silicon valley

MEASURING PROGRESS
TOWARD THE GOALS OF
SILICON VALLEY 2010



Joint Venture: Silicon Valley Network

Joint Venture: Silicon Valley Network is a regional, nonpartisan voice and a civic catalyst for solutions to problems that impact all sectors of the community. Joint Venture brings together established and emerging leaders from business, labor, government, education and community organizations. It also involves citizens in the region and is a neutral forum for new ideas and creative solutions. Real benefits for people, business and community organizations are its goals. Joint Venture welcomes your interest and participation in its activities, which are explained on its Web site, www.jointventure.org.

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Welcome to Joint Venture's 2002 *Index of Silicon Valley*.

Joint Venture created the annual *Index of Silicon Valley* in order to provide a reliable source of information on the economy and quality of life in Silicon Valley. Using a variety of regional indicators, the *Index* measures progress toward the goals of *Silicon Valley 2010: A Regional Framework for Growing Together*, published by Joint Venture in 1998. The goals of *Silicon Valley 2010*—which were based on the input and perspectives of more than 2,000 Silicon Valley residents—have four main areas of focus: Innovative Economy, Livable Environment, Inclusive Society and Regional Stewardship.

In charting progress toward this regional vision, each year's *Index* contains relevant, up-to-date information that Silicon Valley residents can use to bring about positive change in their communities. For individuals and organizations across the region, the *Index* provides a powerful catalyst for forward-thinking, collaborative action on issues such as education, health, housing, the environment, economic development, workforce preparedness, transportation and civic involvement.

To mark the 10th anniversary of Joint Venture's inception, this year's *Index* features a 30-year retrospective on the Silicon Valley economy. This special analysis shows that we have experienced boom-bust cycles before and that each has led to a subsequent longer-term wave of innovation and economic vitality. In the years ahead, we will need the kind of regional leadership that cultivates technological innovation while also working to broaden prosperity and create a more livable region.

We hope you will join us in striving to achieve the goals of *Silicon Valley 2010*. To access the full library of Joint Venture publications and obtain information on our various initiatives, please visit our Web site at www.jointventure.org.

W. Keith Kennedy
Chair, Board of Directors
Joint Venture: Silicon Valley Network

Introduction

WHAT IS SILICON VALLEY?

Joint Venture defines Silicon Valley as Santa Clara County plus adjacent parts of San Mateo, Alameda and Santa Cruz counties (see map on page 4). This definition reflects the core location of the Valley's driving industries and most of its workforce. Silicon Valley's concentration of industry cluster employment is unique in the Bay Area (see pages 6–7 of the *2001 Index of Silicon Valley*.) With a population of more than 2.5 million, this region has more residents than 18 U.S. states. The indicators reflect this definition of Silicon Valley, except where noted.

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.

The 37 indicators that follow were chosen in consultation with the *Index* Advisers, the Joint Venture Board, and more than 60 community experts.

Appendix A provides detail on data sources for each indicator.

WHAT IS AN INDUSTRY CLUSTER?

Several of the economic indicators relate to “industry clusters.” An industry cluster is a geographic concentration of interdependent firms in related industries, and includes a significant number of companies that sell their products and services outside the region.

Healthy, outward-oriented industry clusters are a critical prerequisite for a healthy economy. The driving clusters in Silicon Valley are:

- computers/communications
- semiconductors/semiconductor equipment
- software
- bioscience
- defense/aerospace
- innovation services
- professional services.

Together, these clusters represent 41% of all jobs in Silicon Valley.

Internet-related companies are included in established industry clusters such as computers/communications, software, financial services, and retail. Government statistics do not track employment in Internet-related companies as a separate sector.

In addition to tracking driving industry clusters, the *Index* provides employment and wage data for the other major industries in the Silicon Valley economy, such as local services and construction.

Appendix B identifies the specific subsectors constituting each cluster and the other industries.

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2002 Index Highlights



THE SILICON VALLEY REGION

Total area—1,500 square miles

Total population—2.5 million

Total jobs—1.35 million

Ethnic composition—48% White, 24% Hispanic, 24% Asian/
Pacific Islander, 4% African American

Foreign born—34% of residents were born in a foreign country

Age distribution—0–9 years old, 15%; 10–19, 13%; 20–44, 38%;
45–64, 22%; 65+, 11%

Adult educational attainment—91% at least high school graduate;
43% at least bachelor's degree

The *2002 Index of Silicon Valley* tells the story of a region challenged by job losses but making progress on many of the long-term economic, environmental, social and civic goals outlined in *Silicon Valley 2010: A Regional Framework for Growing Together*.

The economy has lost jobs for the first time in nine years, but productivity and innovation continue. The slowing economy has eased pressure on housing prices, commercial lease rates and the labor market. Though the gap between high-income and low-income households narrowed for the first time in seven years, people remain under strain. The standard of living for the region's poorest households has not increased over 1993 levels and is severely affected by a continued lack of affordable housing and child care.

The region is making some progress toward protecting open space and promoting livability through investment in transit-oriented development and affordable housing. Education shows improvement in some areas (such as reading scores) but continued decline in others (Intermediate Algebra enrollment, graduation rates). Achievement indicators for the total student population mask wide disparities by ethnicity and geography. Regional stewardship, which has been evident in areas such as philanthropy and children's health, remains an important work in progress.

DESPITE JOB LOSSES, INNOVATION CONTINUES

- Silicon Valley lost an estimated 25,000 jobs (1.8% of total employment) in 2001, the first net job loss in nine years.
- Venture capital investment fell from an all-time high of \$21 billion in 2000 to \$6 billion in 2001; investment is still above the 1998 level.
- Real per capita income, a measure of regional wealth creation, declined for the first time since 1993.
- Value added per employee, a measure of productivity, increased 4.6% in 2001 to \$170,000. This number contrasts with \$56,000 nationally.
- Silicon Valley was awarded more than 6,800 patents in the most recent year—8% of patents awarded to U.S. residents. The Valley is home to less than 1% of the U.S. population.

SLOWING ECONOMY EASES SOME PRESSURE

- By the third quarter of 2001, average apartment rental rates had decreased by 7.8% from the previous year.
- The median home price dropped from \$527,000 in October 2000 to \$481,000 in October 2001.
- Commercial lease rates dropped 58% in 2001. Vacancy rates in 2001 jumped to 16% from a low of 4% in 2000.
- After increasing significantly in previous years, average annual pay in Silicon Valley dropped by an estimated 2% in 2001.

PEOPLE ARE STILL UNDER STRAIN

- The average income earned by a representative household at the 20th percentile of Silicon Valley households has not increased over the 1993 level (inflation-adjusted). During this period, the cost of living increased 20%.
- In 2001, 15% of Santa Clara County houses sold were affordable for households with the median income. This number contrasts with the national average of 63%.
- Between 1995 and 2001, child care costs rose 29% for a preschooler and 39% for an infant (inflation-adjusted), about five times faster than the increase in median household income.

EDUCATION SHOWS MIXED IMPROVEMENT

- SAT 9 third-grade reading scores improved for both English learners and all students for the third consecutive year.
- Sixty-nine percent of young residents (ages 25–29) have some education beyond high school. This includes 88% of Asian young adults, 71% of Whites and 31% of Hispanics.
- In 2001, the share of 10th- and 11th-grade students enrolled in Intermediate Algebra fell for the second year in a row, to 26%. Enrollment fell across all ethnicities, and only 14% of Hispanics enrolled.
- Only 52% of elementary school students in Silicon Valley receive some form of arts instruction by credentialed teachers.

DEVELOPMENT PATTERN IS PROMOTING LIVABILITY

- Sixty-one percent of new housing units approved last year and 32% of new jobs will be located near transit.
- In 2001, Silicon Valley cities approved the highest number of affordable housing units of the last four years.
- In 2001, 25% of land in Silicon Valley and around its perimeter was permanently protected open space, up from 22% in 1998.
- Annual transit ridership declined from 35.2 rides per capita to 34.3, but the percentage of Silicon Valley residents who carpool to work increased from 15% to 16%.

SOCIAL INNOVATION IS A WORK IN PROGRESS

- In 2001, the new Children's Health Initiative received applications to enroll 24,000 uninsured children in health insurance programs.
- Grants from the two largest community foundations to local public benefit organizations reached a high in 2001: \$117 million. Workplace giving also reached a new high: \$23 million.
- Total electricity consumption in Silicon Valley decreased 5% in 2001, the first annual decline since 1994.
- People in Silicon Valley report volunteering 6.9 times per year, compared with 8.3 times per year for people in similar communities nationally.

Special Analysis: An Economic Retrospective on Silicon Valley

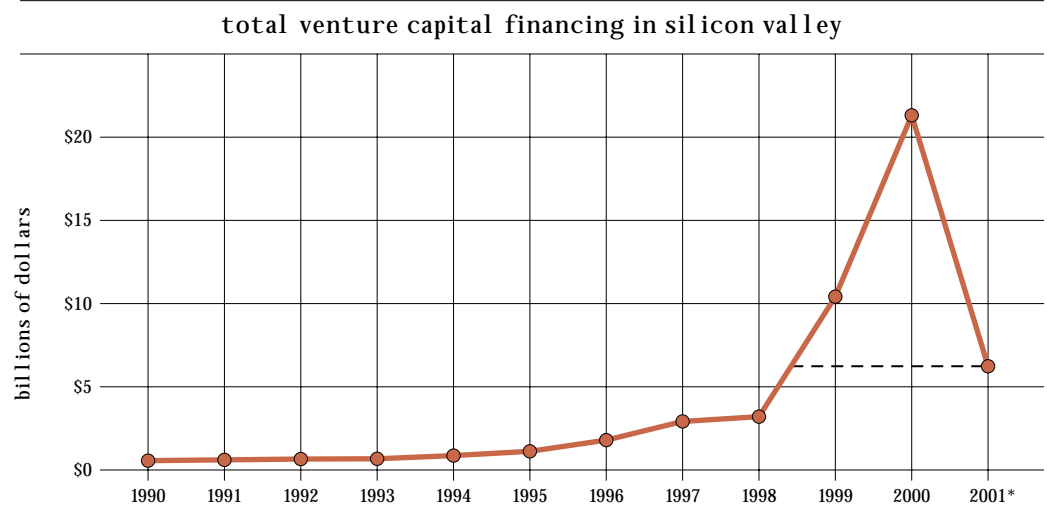
To mark the 10th anniversary of Joint Venture's inception, this year's *Index* includes a retrospective on the Silicon Valley economy. The current economic slowdown must be understood in the context of both short-term business cycles and long-term waves of innovation.

For further reading, see *Next Silicon Valley: Riding the Waves of Innovation* at www.jointventure.org/nsv.

THE SHORT-TERM BUBBLE

Over the last five years, the Silicon Valley region experienced a short-term bubble of economic activity, driven by a surge of investment in Internet-related companies.

From 1998 to 2000, venture capital investment in Valley companies increased 566% in real terms, from \$3 billion to \$21 billion. This increase followed accelerating increases in investment since the inception of the Internet browser in 1994. Since 1994, 428 Silicon Valley companies have gone public; stock market valuations have skyrocketed. The region added jobs, reaching a peak of more than 1.3 million in 2000.



Source: PricewaterhouseCoopers MoneyTree Survey in partnership with VentureOne
*Estimate

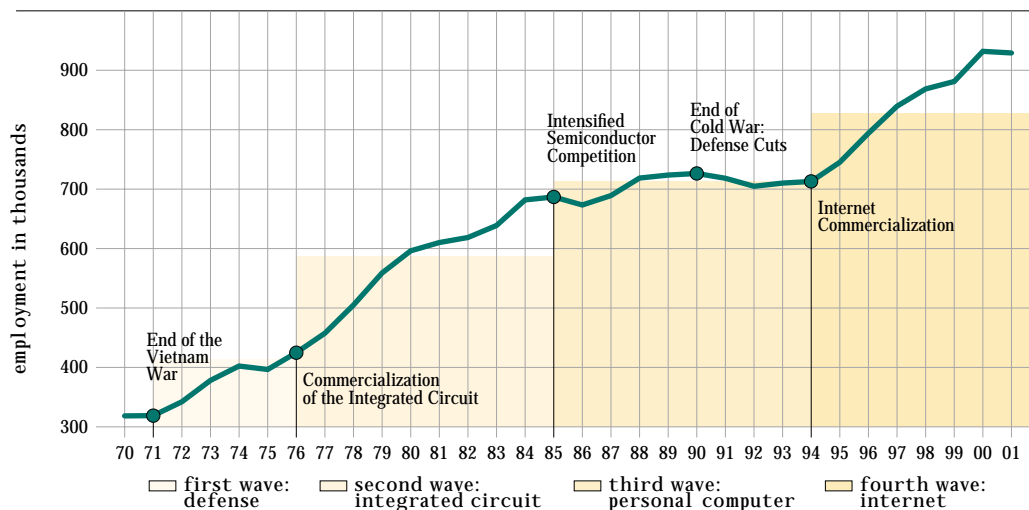
An economic downturn occurred in 2000, as too much money began chasing too few good investments, and as too many products flooded a weakening business market. The external shock of the September 11 terrorist attacks exacerbated the downturn by weakening consumer demand and business investment. As Silicon Valley experienced its first downturn since 1991–92, venture capital investment returned to just above the 1998 level, which was the highest level in prior history of the Valley.

WAVES OF INNOVATION

The short-term bubble reflects the beginning, not the end, of a longer-term wave of innovation around the Internet.

Silicon Valley's economic history is characterized by waves of technology innovation: defense, integrated circuit, personal computer, Internet. Each of these initial waves was interrupted or altered by competitive or external shocks (e.g., defense cutbacks, national economic cycles) that caused short-term employment contractions. But each wave built innovation networks of talent, suppliers and financial service providers that helped make the next technology wave possible.

a brief history of santa clara county employment



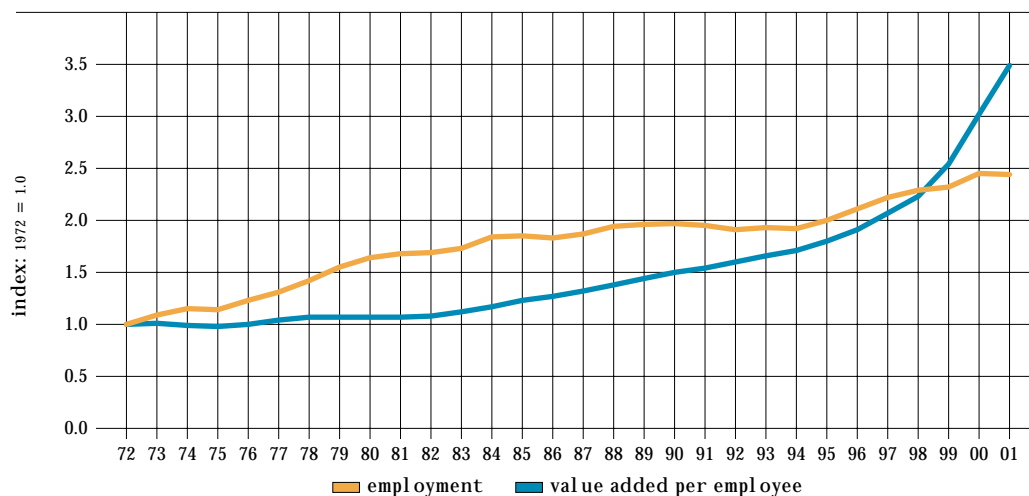
Sources: Economy.com, Collaborative Economics

PRODUCTIVITY GROWTH DRIVES LONG-TERM PROSPERITY

Throughout the last 30 years, employment has risen steadily in Silicon Valley. The Silicon Valley region lost jobs in only 5 of the last 30 years (1975, 1986, 1991, 1992 and 2001).

The most important determinant of the region’s standard of living is rising productivity. Productivity in Santa Clara County, as measured by value added per employee, increased at an average annual rate of 3% between 1970 and 1998. After 1998, value-added gains accelerated, growing from \$107,500 in 1998 to \$170,200 in 2001.

growth of employment and value added per employee, santa clara county



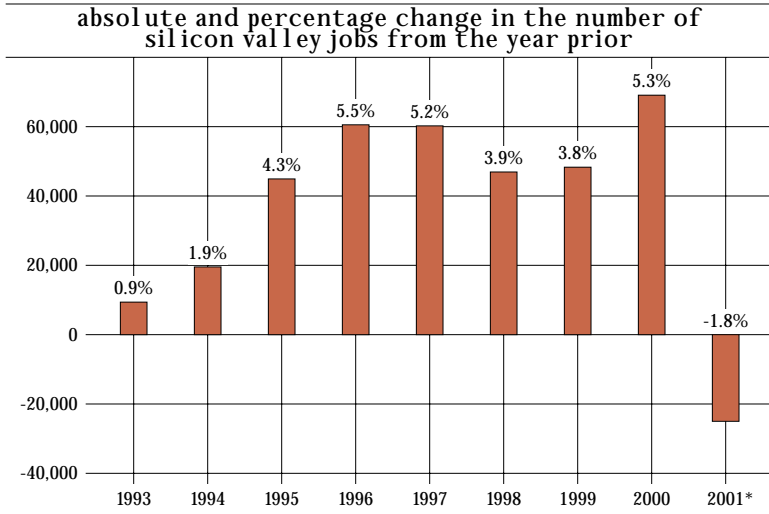
Sources: Economy.com, Collaborative Economics

Strong productivity growth has led to high and rising per capita income. In Santa Clara County, per capita income increased from \$37,400 in 1990 to \$57,400 in 2001, a gain of 53%. During this period, U.S. per capita income rose approximately 15%, from \$26,500 in 1990 to \$30,800 in 2001.

THE NEXT SILICON VALLEY

Going forward, the Silicon Valley region—its companies, people, communities and institutions—will need to draw from the region’s history of resilience to ride future boom-bust cycles, longer-term waves of innovation and national business cycles. Living with volatility will require stewardship at all levels. What leaders can do now is nurture the next waves of technology innovation and promote the social and civic innovation required to sustain Silicon Valley people and communities over the long term.

Region Loses Jobs Following Nine-Year Expansion



Source: Employment Development Department
*Estimate

WHY IS THIS IMPORTANT?

Annual net job gains or losses are a basic measure of economic health. This indicator is from a unique set of employment data for the Silicon Valley region (see Appendix B for definition of the region).

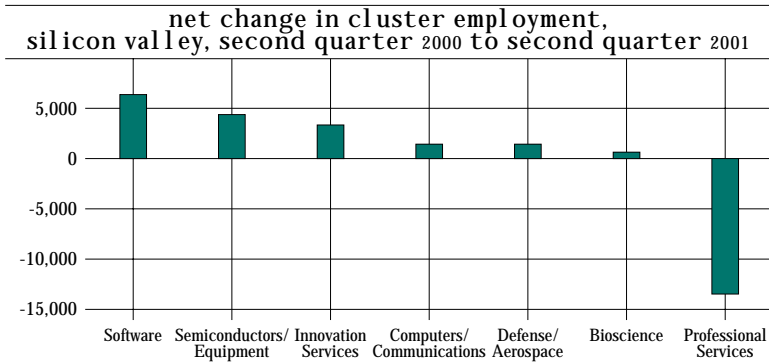
HOW ARE WE DOING?

In 2001, Silicon Valley lost about 1.8% of net employment, or 25,000 jobs. This marks the region's first net job loss in nine years.

This rate is a departure from the exceptionally strong job gains Silicon Valley experienced in the second half of the 1990s. From 1992 to 2000, employment in Silicon Valley grew at an average annual rate of 3.9%.

Since 1992, the first year of the regional employment data set, Silicon Valley has seen a net increase of more than 334,000 new jobs. The total number of jobs in the region is 1.35 million.

Five of 15 Sectors Lose Jobs; Largest Losses Are in Professional Services



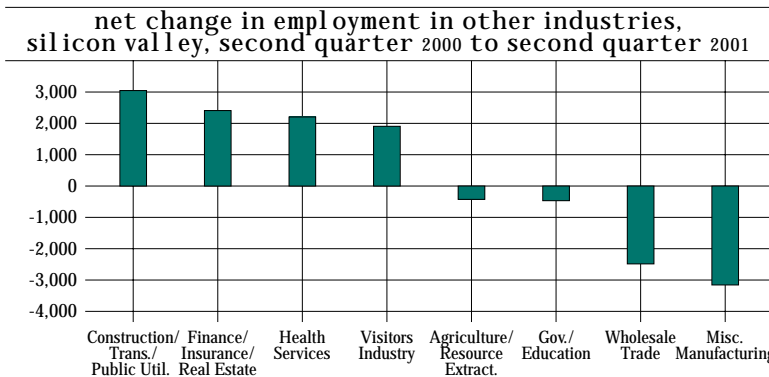
WHY IS THIS IMPORTANT?

This indicator shows how employment in different clusters and other industries changed in the most recent annual period.

HOW ARE WE DOING?

Overall, job gains in industry clusters grew 0.8% from the second quarter of 2000 to the second quarter of 2001, compared with growth of 12% in the previous year.

Professional Services lost approximately 13,500 jobs, following gains of 9,900 jobs last year. Within Professional Services, the majority of job losses were in the temporary employment categories.



Source: Employment Development Department

For the fourth year in a row, Software added the largest number of new jobs—6,400—from the second quarter of 2000 to the second quarter of 2001. The second-largest growth was in Semiconductors/Equipment with 4,400 new jobs, followed by Innovation Services with 3,300. In 2001, bioscience began adding jobs in the Valley and has become a major job creator in the broader region.

Of the other Silicon Valley industries, Construction/Transportation/Public Utilities showed the largest gains, adding more than 3,000 jobs. Finance/Insurance/Real Estate added 2,400 jobs. A number of sectors experienced job losses in 2000–2001: Miscellaneous Manufacturing, with 3,150 jobs lost, and Wholesale Trade and Government/Education, which lost 2,500 and 470 jobs, respectively.

Average Pay Declines by 2%

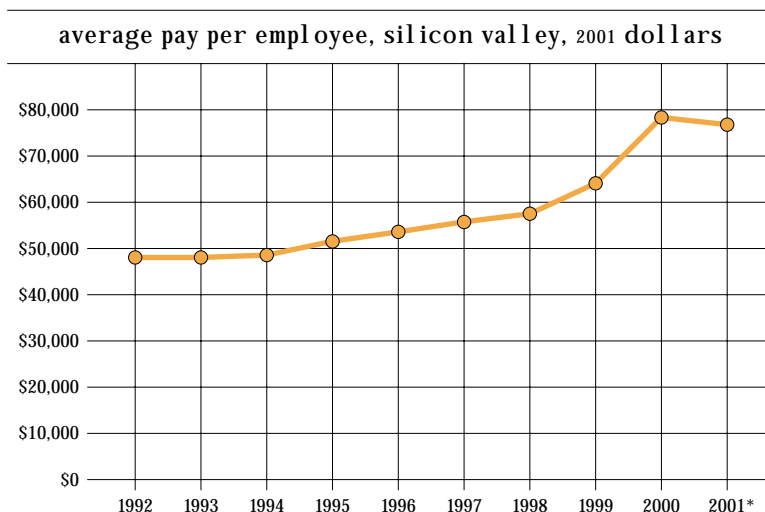
WHY IS THIS IMPORTANT?

Growth of average annual pay in inflation-adjusted terms is an indicator of job quality. It is as important a measure of Silicon Valley's economic vitality as job growth. Average pay includes salary and wages, bonuses, and stock options.

HOW ARE WE DOING?

The estimated average pay in Silicon Valley declined 2% in 2001 to \$76,800 (after accounting for inflation). The region's 2% drop in average pay is a marked departure from the 22% increase in the previous year.

Silicon Valley's average pay is more than twice the nation's average pay of \$35,300. During the 1990s, the Valley's high productivity allowed pay to increase faster than the rate of inflation; competition for talent and high housing costs accelerated pay increases.



Source: Employment Development Department
*Estimate

Highest Average Pay in 2000 Was in Computers/Communications

WHY IS THIS IMPORTANT?

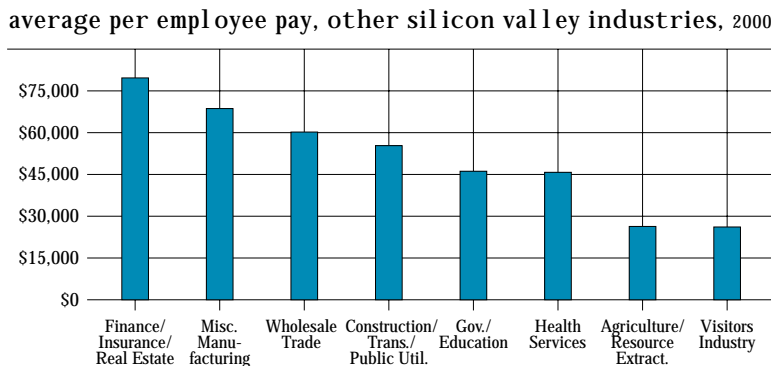
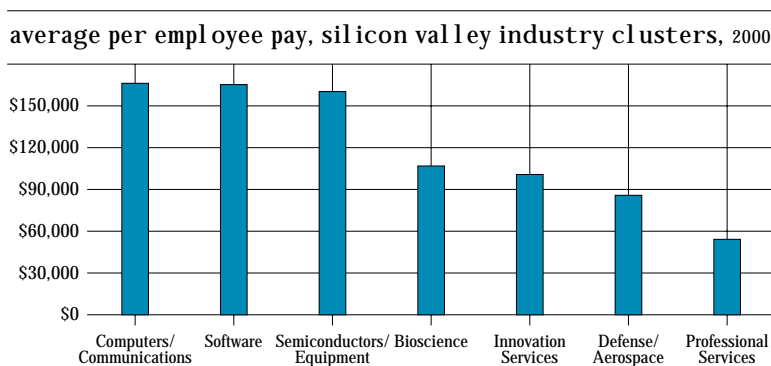
Average pay increases in driving industry clusters reflect the wealth-generating impact that outward-oriented industries have on Silicon Valley, as well as market competition for skills.

HOW ARE WE DOING?

In 2000, average pay in Computers/Communications was the highest of all the clusters, reaching \$166,100 and just surpassing the average pay in Software of \$165,200. Pay in Computers/Communications increased 44% over the 1999 level in inflation-adjusted terms, while pay in Software increased 27%. Pay in Semiconductors/Equipment was the third highest at \$160,300, followed by Bioscience at \$106,900 and Innovation Services at \$100,700.

Overall, average pay in the driving industry clusters increased 30%; average pay in other industries increased 15%.

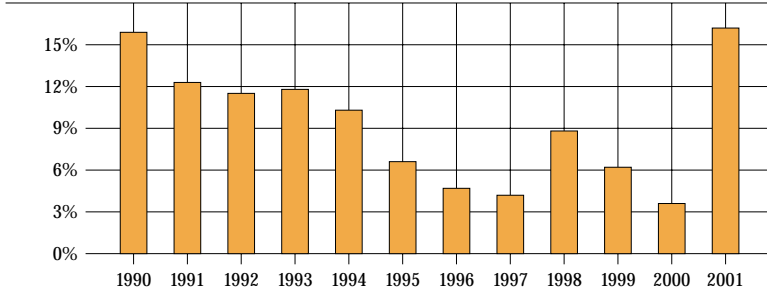
Among the other industries in Silicon Valley, Finance/Insurance/Real Estate had the highest average pay at \$79,700. The sectors with the lowest average pay were Health Services at \$45,700, Agriculture at \$26,300 and the Visitors Industry at \$26,100.



Source: Employment Development Department

Office and R&D Vacancy Rates Are Highest in 10 Years; Lease Rates Drop 47%

silicon valley r&d and office vacancy rate



WHY IS THIS IMPORTANT?

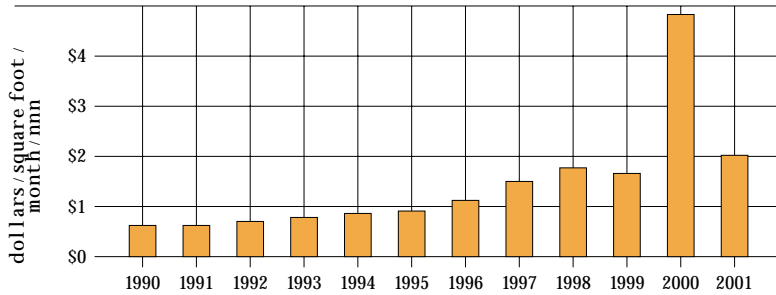
Vacancy rates are a leading indicator of economic activity. Declining vacancies for R&D and office space reflect strong demand by growing companies, leading typically to lease rate increases and investment in property development. Rising vacancies reflect slowing demand relative to supply.

HOW ARE WE DOING?

The vacancy rate for R&D and office space surged from an all-time low of 4% at the end of 2000 to 16% by the end of 2001—the highest vacancy rate in Silicon Valley since 1990. Sublease space proved to be the biggest factor driving the increase in vacancy, accounting for more than 55% of total availability.

After reaching an all-time high of \$4.83 per square foot at the end of 2000, average R&D and office lease rates retreated to \$2.02 per square foot in 2001, a 58% drop. However, 2001 rents are still well above those in 1999, when the average asking rate was \$1.66 per square foot.

silicon valley r&d and office average asking rate



Source: BT Commercial Real Estate
 Note: Lease rate data are provided "triple net" (NNN), which is a base lease rate that excludes the costs of utilities, janitorial, taxes, maintenance and insurance.

Silicon Valley 2010



This second part of the *Index of Silicon Valley* is organized according to the four theme areas and 17 goals of *Silicon Valley 2010: A Regional Framework for Growing Together*. Joint Venture published *Silicon Valley 2010* in October 1998, after more than 2,000 residents and community leaders gave input on what they would like Silicon Valley to become by the year 2010. For more information about *Silicon Valley 2010* vision, goals and recommended progress measures, call (408) 271-7213, or visit our Web site at www.jointventure.org.

Silicon Valley 2010 Goals

<p>OUR INNOVATIVE ECONOMY INCREASES PRODUCTIVITY AND BROADENS PROSPERITY</p>	<p>OUR INCLUSIVE SOCIETY CONNECTS PEOPLE TO OPPORTUNITIES</p>
<p>GOAL 1: INNOVATION AND ENTREPRENEURSHIP. Silicon Valley continues to lead the world in technology and innovation.</p> <p>GOAL 2: QUALITY GROWTH. Our economy grows from increasing skills and knowledge, rising productivity and more efficient use of resources.</p> <p>GOAL 3: BROADENED PROSPERITY. Our economic growth results in an improved quality of life for lower-income people.</p> <p>GOAL 4: ECONOMIC OPPORTUNITY. All people, especially the disadvantaged, have access to training and jobs with advancement potential.</p>	<p>GOAL 10: EDUCATION AS A BRIDGE TO OPPORTUNITY. All students gain the knowledge and life skills required to succeed in the global economy and society.</p> <p>GOAL 11: TRANSPORTATION CHOICES. We overcome transportation barriers to employment and increase mobility by investing in an integrated, accessible regional transportation system.</p> <p>GOAL 12: HEALTHY PEOPLE. All people have access to high-quality, affordable health care that focuses on disease- and illness-prevention.</p> <p>GOAL 13: SAFE PLACES. All people are safe in their homes, workplaces, schools and neighborhoods.</p> <p>GOAL 14: ARTS AND CULTURE THAT BIND COMMUNITY. Arts and cultural activities reach, link and celebrate the diverse communities of our region.</p>
<p>OUR COMMUNITIES PROTECT THE NATURAL ENVIRONMENT AND PROMOTE LIVABILITY</p>	<p>OUR REGIONAL STEWARDSHIP DEVELOPS SHARED SOLUTIONS</p>
<p>GOAL 5: PROTECT NATURE. We meet high standards for improving our air and water quality, protecting and restoring the natural environment, and conserving natural resources.</p> <p>GOAL 6: PRESERVE OPEN SPACE. We increase the amount of permanently protected open space, publicly accessible parks and green space.</p> <p>GOAL 7: EFFICIENT LAND REUSE. Most residential and commercial growth happens through recycling land and buildings in existing developed areas. We grow inward, not outward, maintaining a distinct edge between developed land and open space.</p> <p>GOAL 8: LIVABLE COMMUNITIES. We create vibrant community centers where housing, employment, schools, places of worship, parks and services are located together, all linked by transit and other alternatives to driving alone.</p> <p>GOAL 9: HOUSING CHOICES. We place a high priority on developing well-designed housing options that are affordable to people of all ages and income levels. We strive for balance between growth in jobs and housing.</p>	<p>GOAL 15: CIVIC ENGAGEMENT. All residents, businesspeople and elected officials think regionally, share responsibility and take action on behalf of our region's future.</p> <p>GOAL 16: TRANSCENDING BOUNDARIES. Local communities and regional authorities coordinate transportation and land-use planning for the benefit of everybody. City, county and regional plans, when viewed together, add up to a sustainable region.</p> <p>GOAL 17: MATCHING RESOURCES AND RESPONSIBILITY. Valley cities, counties and other public agencies have reliable, sufficient revenue to provide basic local and regional public services.</p>

GOAL 1: INNOVATION AND ENTREPRENEURSHIP Silicon Valley continues to lead the world in technology and innovation.

Number of Gazelle Companies Declines from 30 to 17

WHY IS THIS IMPORTANT?

High numbers of fast-growth companies reflect high levels of innovation in the Valley. By generating accelerated increases in sales, these firms stimulate the development of other businesses and personal spending throughout the region.

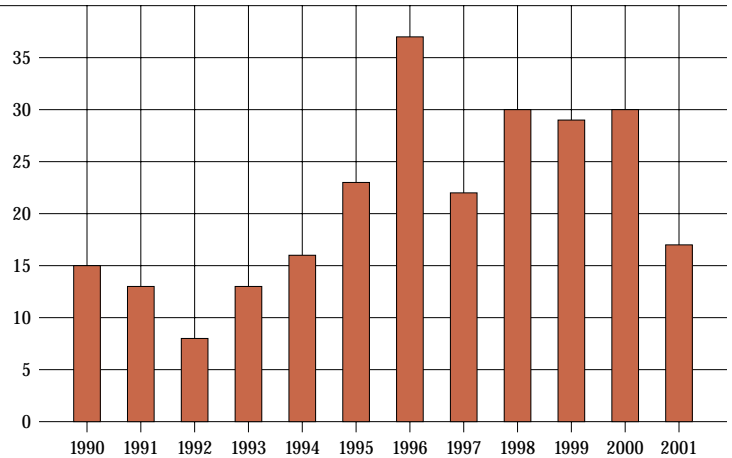
HOW ARE WE DOING?

Gazelles are publicly traded companies whose revenues have grown at least 20% for each of the last four years, starting with at least \$1 million in sales.

The number of publicly held gazelle firms in Silicon Valley declined from 30 in 2000 to 17 in 2001, a change of 43%.

Sixty-five percent of the publicly traded gazelle companies are found in the region's driving industry clusters.

number of publicly held gazelle firms in silicon valley



Source: Standard & Poor's

Venture Capital Investment Falls from \$21 Billion to \$6 Billion

WHY IS THIS IMPORTANT?

Companies that have passed the screen of venture capitalists are innovative, are entrepreneurial and have growth potential. Typically, only firms with potential for exceptionally high rates of growth over a 5- to 10-year period will attract venture capital. These firms are usually highly innovative in their technology and market focus. New venture capital investment is a leading indicator of innovation.

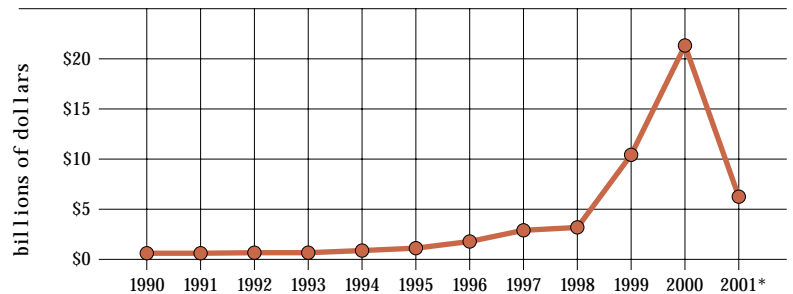
HOW ARE WE DOING?

Venture capital investment declined from a high of \$21 billion in 2000 to an estimated \$6 billion in 2001, a decrease of 71%. The current level falls between that of regional venture capital investment in 1998 and 1999.

As of the third quarter of 2001, venture capitalists had funded 356 deals, compared with 849 during the same period one year before. The region's share of national venture capital decreased, from 24% in 2000 to 20% in 2001.

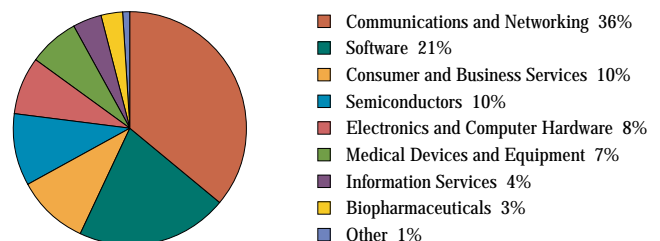
Communications/Networking companies attracted the largest share (36%) of total investment. Software captured the second-largest share of investment at 21%, up from 19% in 2000. Investment in Semiconductors/Equipment increased from 5% in 2000 to 10% in 2001. Investment in Medical Devices and Equipment grew from 3% in 2000 to 7% in 2001.

total venture capital financing in silicon valley firms



*Estimate

venture capital investment in silicon valley firms by industry**



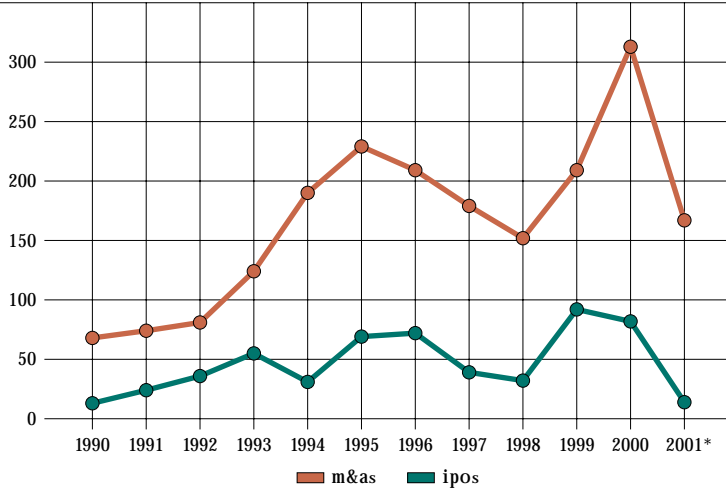
Source: PricewaterhouseCoopers MoneyTree Survey in partnership with VentureOne

*Estimate

**First three quarters of 2001

IPOs Drop to below 1991 Level

number of ipos and m&as in silicon valley



Sources: San Jose Mercury News, Thomson Financial
*Through December 12, 2001

WHY IS THIS IMPORTANT?

Through initial public offerings (IPOs) and mergers and acquisitions (M&As), companies access resources to develop technologies and products to their next level. Both IPOs and M&As are important routes to liquidity for entrepreneurs and investors in entrepreneurial companies.

The numbers of IPOs and M&As are indicators of successful entrepreneurship and future high-growth companies.

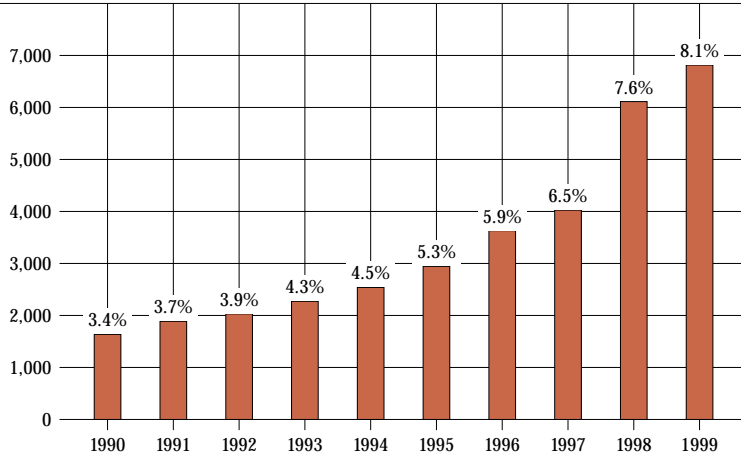
HOW ARE WE DOING?

The number of IPOs in Silicon Valley declined 83%, from 82 in 2000 to 14 in 2001. This is the lowest number of IPOs recorded since 1991.

The number of M&As in Silicon Valley decreased by 47%, from 313 in 2000 to 167 in 2001. This decrease tracks the national trend, which saw a 38% decline in M&As over the same period.

8% of U.S. Patents Are Awarded to Silicon Valley, Up from 3% in 1990

number of patents and share of u.s. patents, santa clara county and san mateo counties



Source: U.S. Patent and Trademark Office

WHY IS THIS IMPORTANT?

Patents are one indicator of a region's capacity to innovate by creating and applying new knowledge. The ability to generate and protect new ideas, products and processes is an important source of regional competitive advantage.

HOW ARE WE DOING?

In 1999, the U.S. Patent and Trademark Office awarded inventors in Santa Clara and San Mateo counties 6,817 patents—representing 8% of all patents awarded nationally. The number of patents awarded to inventors in the region increased steadily during the 1990s, as did the region's share of national patent activity.

The region's rate of new patent accumulation outstripped population growth by more than 300%. The top five Silicon Valley companies in number of patents granted include IBM, Sun Microsystems, Advanced Micro Devices, Apple Computer and National Semiconductor.

GOAL 2: QUALITY GROWTH Our economy grows from increasing skills and knowledge, rising productivity and more efficient use of resources.

Real Per Capita Income Declines for the First Time since 1993

WHY IS THIS IMPORTANT?

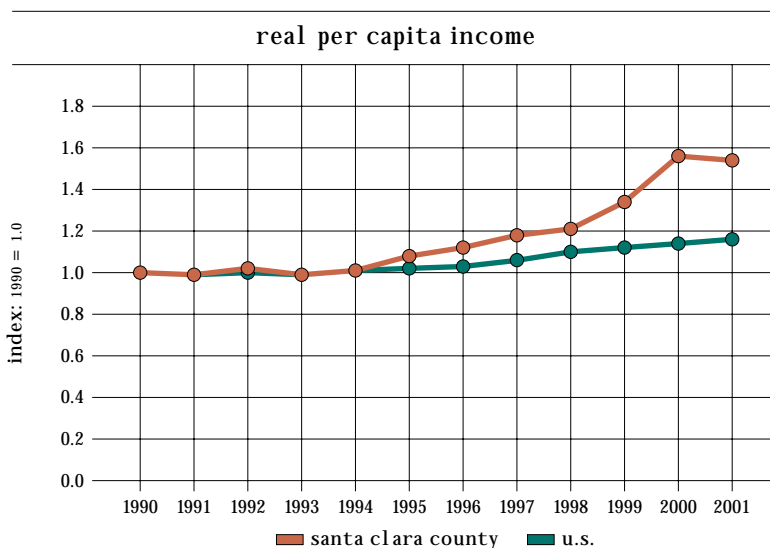
Growing real income per capita is a bottom-line measure of a wealth-creating, competitive economy. The indicator is total personal income from all sources (e.g., wages, investment earnings, self-employment) adjusted for inflation and divided by the total resident population. Per capita income rises when a region generates wealth faster than its population increases.

HOW ARE WE DOING?

For the first time since 1993, real per capita income declined in Santa Clara County. In inflation-adjusted terms, per capita income decreased from \$58,200 in 2000 to \$57,400 in 2001, a decline of 1.4%. Nationally, per capita income increased 1.6% during the same period.

However, the county's real per capita income remains significantly higher than that of the nation as a whole (\$30,800). And since 1990, real per capita income for Santa Clara County has increased 54%, compared with 16% for the nation.

Stock-option income played a significant role driving the 16% increase in per capita income between 1999 and 2000.



Source: Economy.com

Growth Moderates in Value Added per Employee

WHY IS THIS IMPORTANT?

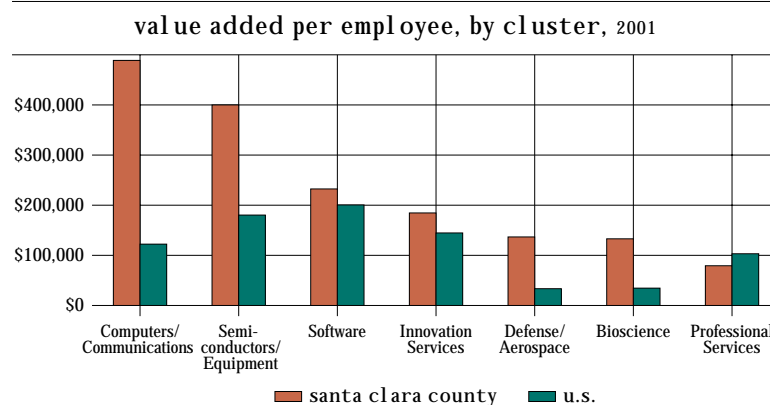
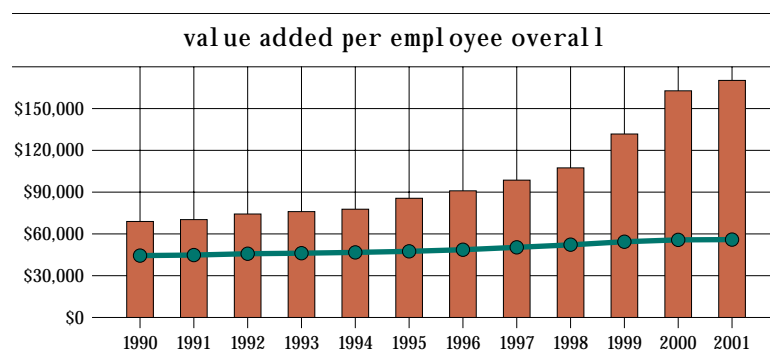
Value added is a proxy for productivity and reflects how much economic value companies create.

Increased value added is a prerequisite for increased wages. Innovation, process improvement and industry/product mix are all factors that drive value added. Value added is derived by subtracting the costs of a company's materials, inputs and contracted services from the revenue earned from its products.

HOW ARE WE DOING?

Since 1990, Santa Clara County has experienced rapid increases in value added per employee, averaging 8.6% annual growth. Between 2000 and 2001, overall value added per employee increased 4.6% to \$170,200, a more moderate pace compared to its growth in the 1990s. The national average is \$56,000.

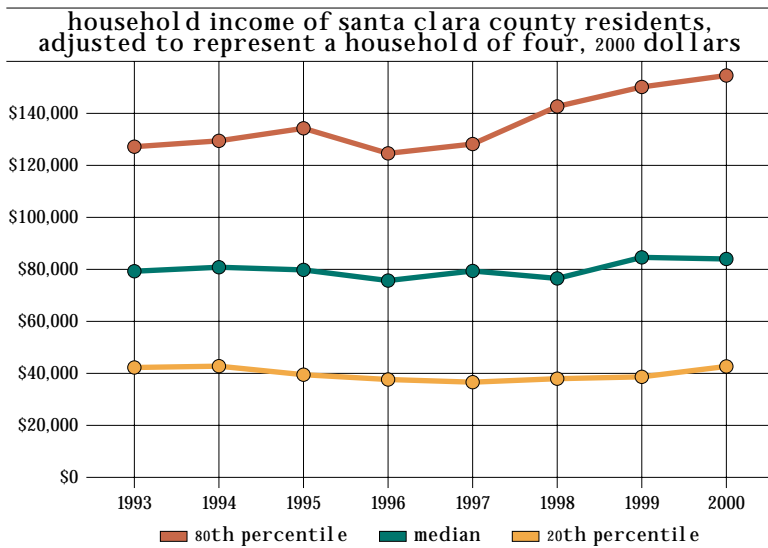
Of the driving industry clusters, Computers/Communications had the highest value added in 2001, at \$488,900. The other industry clusters with higher-than-average value added were Semiconductors/Equipment at \$400,200, Software at \$232,300 and Innovation Services at \$184,400.



Source: Economy.com

GOAL 3: BROADENED PROSPERITY Our economic growth results in an improved quality of life for lower-income people.

Standard of Living for Low-Income Households Is Not Rising



Source: U.S. Census Bureau

WHY IS THIS IMPORTANT?

This progress measure looks at change in household income at the top 20%, bottom 20% and median of the income distribution. The indicator compares the income available to a representative four-person household at identical points in the distribution over different periods of time.

HOW ARE WE DOING?

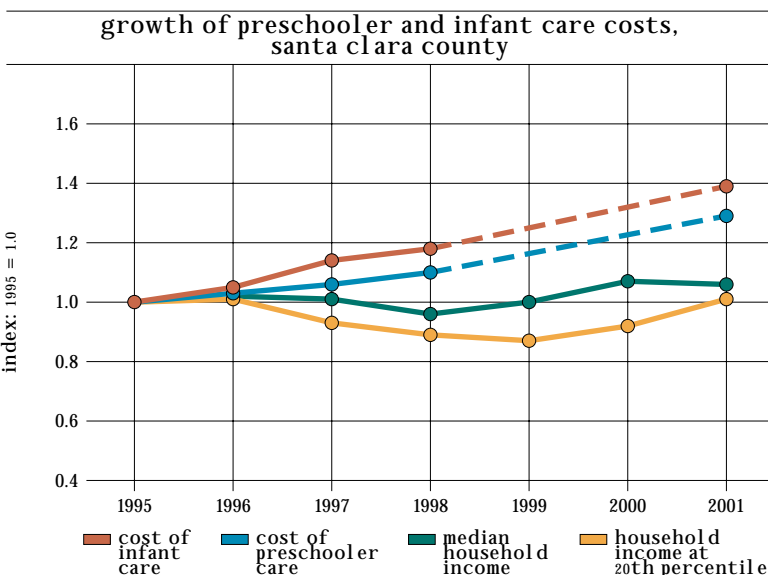
Inflation-adjusted incomes of households at the 20th percentile of the income distribution fell between 1993 and 1997, and then rose to \$42,600 by 2000—just above the 1993 level.

Nationally, household incomes at the 20th percentile rose 15% between 1993 and 2000, to \$26,800. In Santa Clara County, these incomes grew less than 1% in inflation-adjusted terms. Between 1993 and 2000, the local cost of living increased 20%.

Since 1993, inflation-adjusted income of households at the 80th percentile increased 22% to an estimated \$155,000. Median income increased 6% during this period.

GOAL 4: ECONOMIC OPPORTUNITY All people, especially the disadvantaged, have access to training and jobs with advancement potential.

Child Care Costs Rise Five Times Faster than Household Income



Source: Community Child Care Council of Santa Clara County

WHY IS THIS IMPORTANT?

Access to quality, affordable child care makes it possible for parents to work and for children to prepare to learn. How successfully a region meets child care needs has important implications for both the current and the future productivity of its workforce.

In a recent survey, 46% of working poor women (those earning less than \$25,000 annually for full-time work) cited “child and family care responsibilities” as a major barrier to advancing in their job or career.

HOW ARE WE DOING?

Between 1995 and 2001, the cost of full-time child care in Santa Clara County rose 29% for a preschooler and 39% for an infant (after adjusting for inflation). During this period, median income rose 6%. The average weekly cost of preschool is \$158; infant care averages \$208 per week.

From 1995 to 2001, child care capacity in the county increased a slight 3.5% as measured by spaces per 1000 children younger than age 6. A key constraint to increasing child care capacity is the need to expand the child care workforce.

69% of Young Residents Receive Education beyond High School; Variation Across Ethnicities Is Wide

WHY IS THIS IMPORTANT?

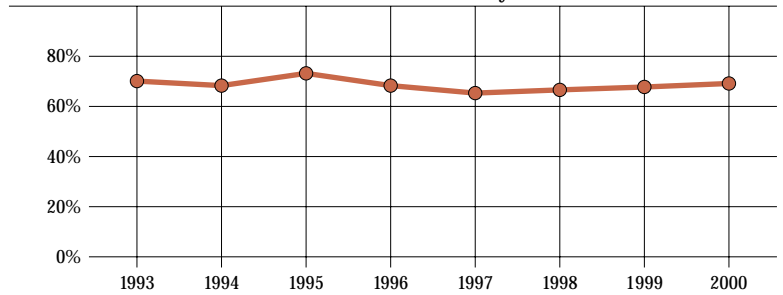
Young adults with education or training beyond high school have access to higher-paying jobs with advancement potential.

HOW ARE WE DOING?

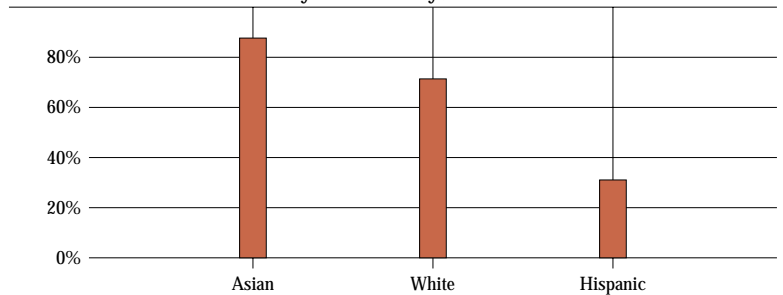
In 2000, 69% of young adults ages 25–29 in Santa Clara County had some education beyond high school, compared to 58% of young adults nationally.

Educational attainment varies greatly by ethnicity. In 2000, 88% of Asian young adults had some education beyond high school, compared to 71% of White young adults and 31% of Hispanic young adults. (Reliable data are not available for other ethnic groups due to small sample size.)

percentage of 25- to 29-year-olds with some college or more, santa clara county



percentage of 25- to 29-year-olds with some college or more, by ethnicity, 2000



Source: U.S. Census Bureau

PROTECT NATURE

LIVABLE ENVIRONMENT

GOAL 5: PROTECT NATURE We meet high standards for improving our air and water quality, protecting and restoring the natural environment, and conserving natural resources.

Air Quality Declines

WHY IS THIS IMPORTANT?

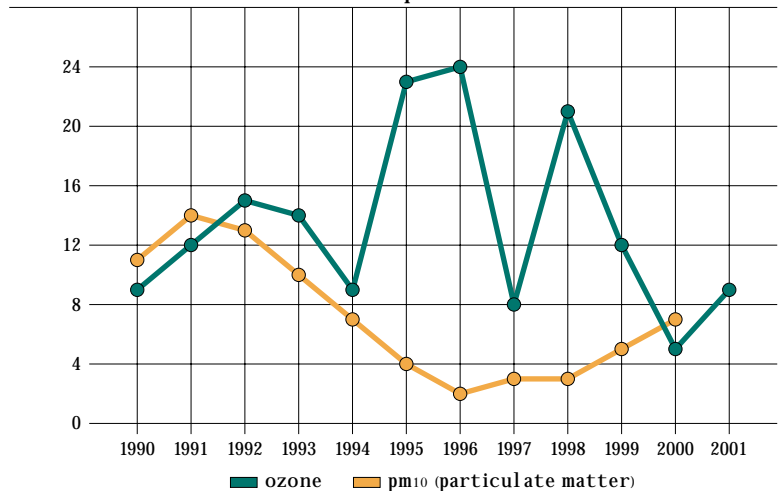
High-quality air is fundamental to the health of people, nature and our economy. The number of days that Silicon Valley air exceeds ozone and particulate matter standards is an indicator of air contamination.

Ozone is the main component of smog, and vehicles are the primary source of ozone-creating emissions. The health consequences associated with particulate matter (PM10) are more severe than those associated with ozone. Particulate matter—including dust, smoke and soot—is generated primarily during construction and wood burning.

HOW ARE WE DOING?

Silicon Valley exceeded the state standard for ozone nine days in 2001, up from five days in 2000. Days exceeding the state standard for PM10 emissions have risen steadily since 1996, reaching seven days in 2000. (PM10 is sampled only every sixth day, so actual days over the state standard could be six times the number shown, or 42 days.)

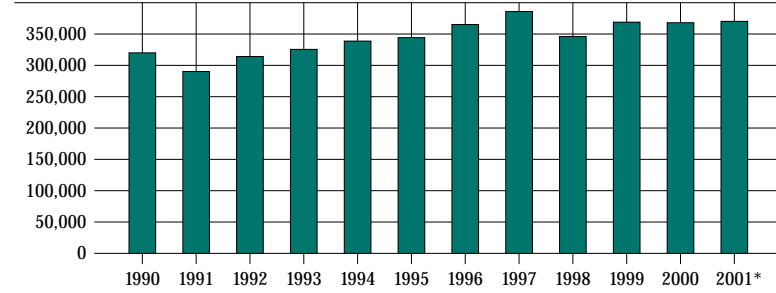
days per year that silicon valley air exceeds state ozone and pm10 standards



Source: Bay Area Air Quality Management District

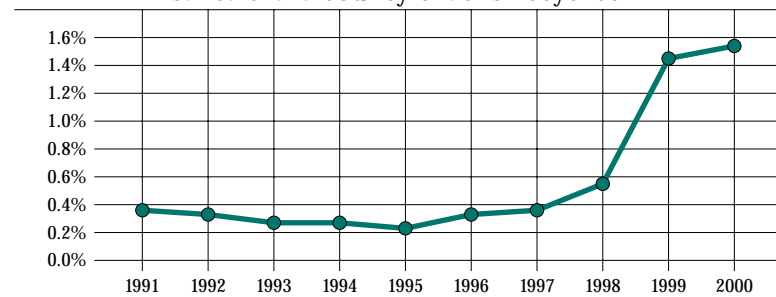
Water Use Levels Off; Share of Recycled Water Increases

acre-feet of water used, santa clara county



*Estimate

percentage of total water used in santa clara county that is recycled



Source: Santa Clara Valley Water District

WHY IS THIS IMPORTANT?

Water is a limited resource because water supply is subject to changes in climate and state and federal regulation. The quantity and quality of water are essential to residents and to technology manufacturing industries. Sustainability in the long term requires that households, workplaces and agricultural operations efficiently use and reuse water.

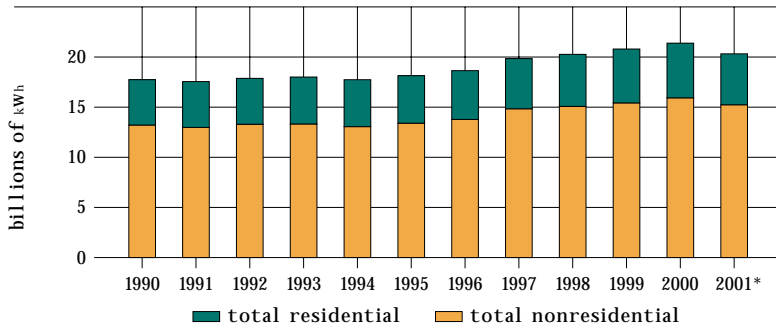
HOW ARE WE DOING?

After rising in the early 1990s, Santa Clara County's annual consumption of water has remained at approximately 370,000 acre-feet for the past three years. On a per capita basis, the county has decreased its water use from 217 acre-feet per 1,000 residents in 2000 to 215 acre-feet per 1,000 residents in 2001.

Between 1998 and 2000, the share of water used that is recycled tripled from 0.5% to 1.5%. Recycled water is used to irrigate parks and golf courses and for construction.

Electricity Consumption Drops for First Time in Seven Years

electricity consumption, santa clara and san mateo counties



WHY IS THIS IMPORTANT?

The production, transportation, transmission, and use of conventional energy all have impacts on the natural environment, including emitting greenhouse gases and atmospheric pollutants through fossil fuel combustion. Sustainable energy policies include efficient use of energy and increasing the proportion of renewable energy sources.

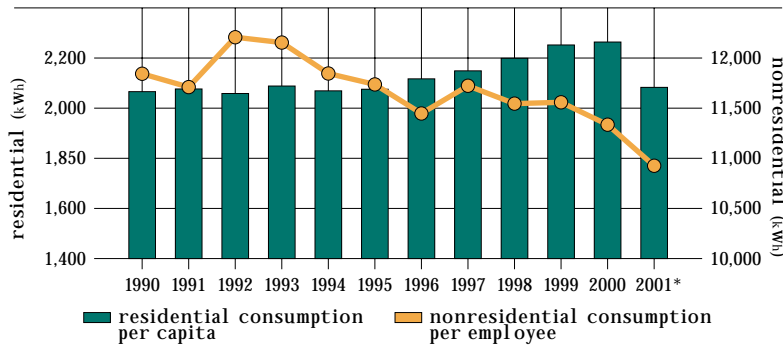
HOW ARE WE DOING?

In 2001, Silicon Valley homes and businesses consumed 20 billion kilowatt-hours (kWh) of electricity (25% residential, 75% non-residential). This total represents a 5% decrease from 2000, and the first decline in electricity consumption since 1994.

After a steady increase in electricity consumption per capita during the 1990s, Silicon Valley residents reduced their electricity consumption by 8%, from 2,264 kWh per capita in 2000 to 2,083 kWh per capita in 2001.

Nonresidential electricity consumption per employee declined 4%, from 11,335 kWh per employee in 2000 to 10,925 kWh per employee in 2001.

electricity consumption per capita, per employee



Source: California Energy Commission

*Estimate

GOAL 6: PRESERVE OPEN SPACE We increase the amount of permanently protected open space, publicly accessible parks and green space.

Permanently Protected Open Space Increases to 25%

WHY IS THIS IMPORTANT?

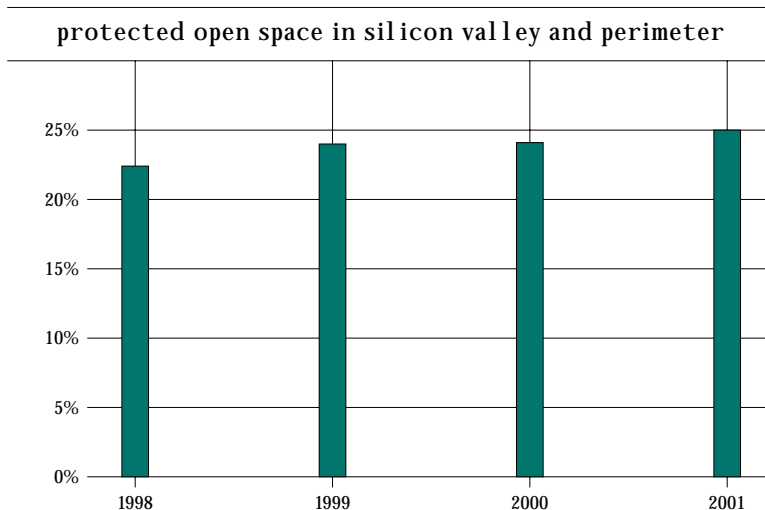
Preserving open space protects natural habitats, provides recreational opportunities, focuses development and safeguards the visual appeal of our region.

This indicator tracks lands in Silicon Valley or along its perimeter that are permanently protected through public ownership or conservation easements.

HOW ARE WE DOING?

In 2001, 25% of land in Silicon Valley and around its perimeter was permanently protected open space, up from 22% in 1998.

Sixty-three percent of this permanently protected open space is accessible to the public. Within these publicly accessible lands are 670 miles of trails for hiking, biking and horseback riding.



Source: GreenInfo Network

GOAL 7: EFFICIENT LAND REUSE Most residential and commercial growth happens through recycling land and buildings in existing developed areas. We grow inward, not outward, maintaining a distinct edge between developed land and open space.

New Housing Uses Land Twice as Efficiently as Existing Housing Stock

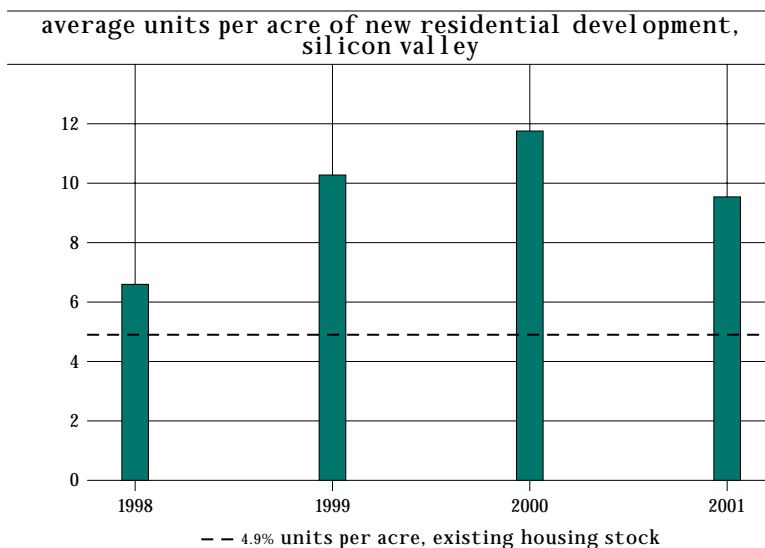
WHY IS THIS IMPORTANT?

By directing growth to already developed areas, local jurisdictions can reinvest in existing neighborhoods, use transportation systems more efficiently and preserve nearby rural settings.

HOW ARE WE DOING?

In 2001, Silicon Valley cities approved new residential developments at an average of 9.5 units per acre. This is somewhat lower than the 2000 average of 11.8 units per acre but still a significant increase from 6.6 units per acre in 1998. In addition, this 2001 average for newly approved developments is more than twice the overall ratio of 4.9 units per acre for the existing housing stock in Santa Clara County.

Urban service areas expand when cities grow outward, annexing land and providing infrastructure services such as water, sewer and roads. In 2001, Silicon Valley’s urban service area remained unchanged.

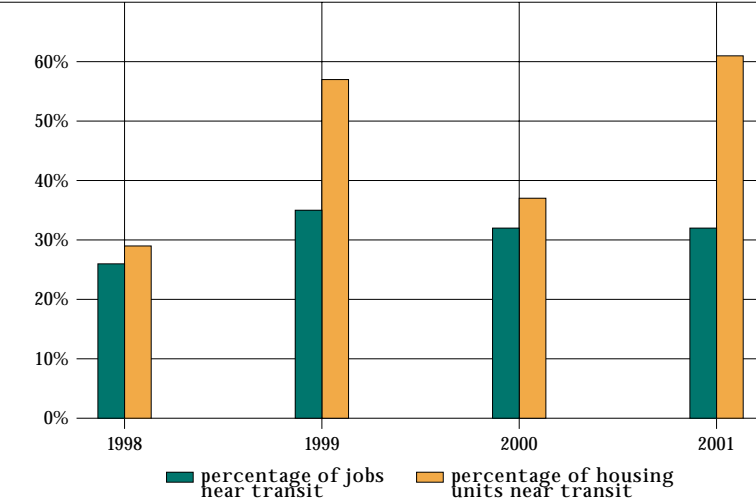


Sources: City Planning and Housing Departments, Valley Transportation Authority

GOAL 8: LIVABLE COMMUNITIES We create vibrant community centers where housing, employment, schools, places of worship, parks and services are located together, all linked by transit and other alternatives to driving alone.

61% of Newly Approved Housing Is Located near Transit, Up from 37% in 2000

new housing units and new jobs within one-quarter mile of rail stations or major bus corridors, silicon valley



Sources: Valley Transportation Authority, Congestion Management Program; City Planning and Housing Departments

WHY IS THIS IMPORTANT?

Focusing new economic and housing development near rail stations and major bus corridors reinforces the creation of compact, walkable communities linked by transit. This helps to reduce traffic congestion on Silicon Valley freeways.

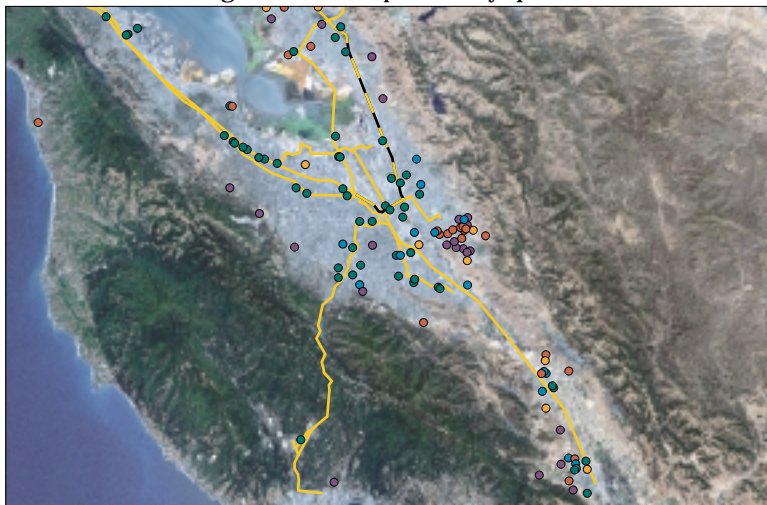
HOW ARE WE DOING?

A survey of 26 Silicon Valley cities found that 61% of all new housing units approved in 2001 were located within one-quarter mile of a rail station or a major bus corridor, up from 37% in 2000. This represents 6,000 new housing units, up from 2,100 in 2000.

Thirty-two percent of newly approved commercial/industrial development was located within one-quarter mile of transit—similar to the 2000 level. This represents space for approximately 19,700 workers.

One-Fifth of Newly Built Housing Is Near Transit Corridors

major existing and planned public transit corridors with average new home prices (by quintile)



■ \$135,000–\$410,800
 ■ \$412,900–\$504,900
 ■ \$507,500–\$609,000
■ \$609,900–\$760,365
 ■ \$762,500–\$3,606,000

Sources: Valley Transportation Authority, Metropolitan Transportation Commission, Meyers Group

WHY IS THIS IMPORTANT?

Building housing near transit helps reduce congestion, preserve undeveloped land and link individuals to employment, services and resources. This map shows the average price range of newly built housing and its proximity to major transit corridors.

HOW ARE WE DOING?

By October 2001, there were approximately 19,000 new homes in the four counties of the Silicon Valley region: Alameda, Santa Clara, San Mateo and Santa Cruz. Of the total units, approximately one-fifth (22%) were built within one-half mile of a major public transit corridor.

The average price of the housing located near a major transit corridor was \$582,000. Housing beyond the transit corridors averaged \$640,000. Fifty-two percent of the projects built near transit consisted of detached homes.

GOAL 9: HOUSING CHOICES We place a high priority on developing well-designed housing options that are affordable to people of all ages and income levels. We strive for balance between growth in jobs and housing.

Approvals for New Housing Rise, Including 2,800 New “Affordable” Units

WHY IS THIS IMPORTANT?

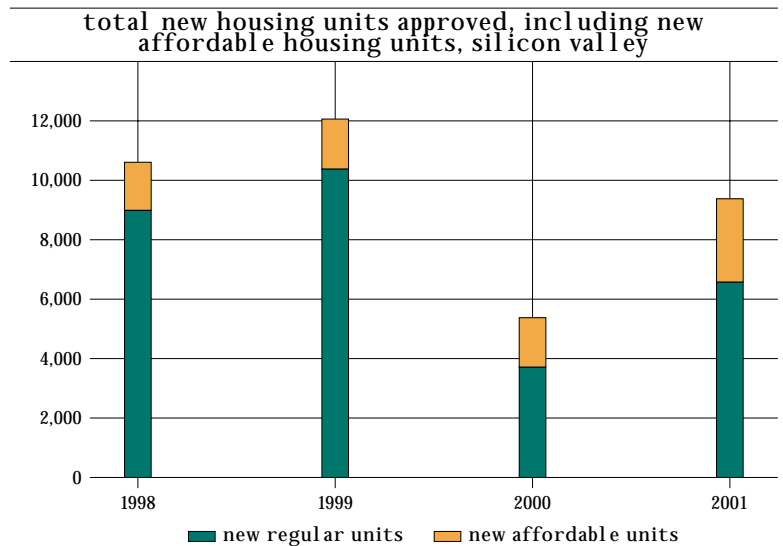
Our economy and community life depend on a broad range of jobs. Building housing that is affordable to lower- and moderate-income households provides access to opportunity and maintains balance in our communities. This indicator measures housing units approved for development by Silicon Valley cities in each fiscal year; this is a more “upstream” measure than actual housing starts.

HOW ARE WE DOING?

The number of new housing units that Silicon Valley cities approved for development rose 75% to 9,375 in 2001, after falling to 5,370 in 2000.

The number of affordable housing units approved increased from 1,660 in 2000 to 2,800 in 2001. This is the highest number approved in the last four years. Nearly 85% of new affordable housing units approved in 2001 are located in the cities of San Jose and Santa Clara.

Affordable housing is for households making up to 80% of a county’s median income. These units are developed primarily by nonprofit housing developers or are set aside as “affordable” within market-rate developments.



Sources: City Planning and Housing Departments, U.S. Department of Housing and Urban Development

Housing Growth Surpasses Job Growth for First Time in 10 Years

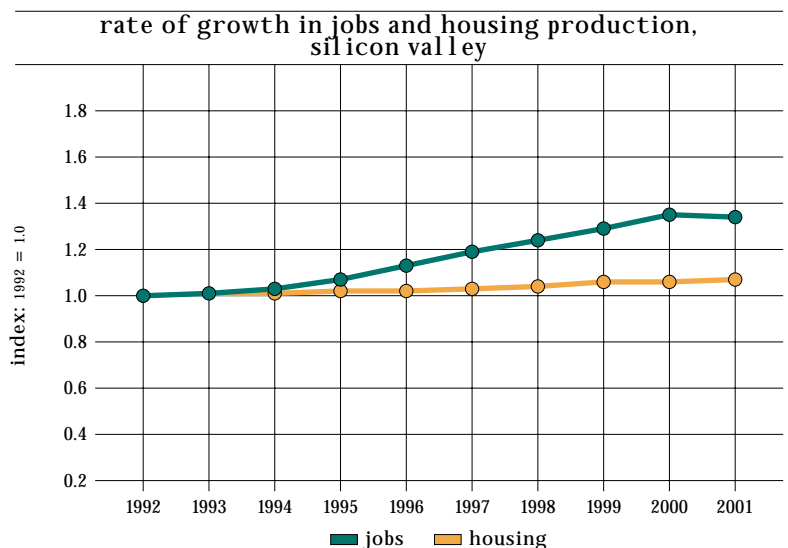
WHY IS THIS IMPORTANT?

Building housing commensurate with job growth helps mitigate commute traffic, moderate housing price increases and ease workforce shortages.

HOW ARE WE DOING?

In 2001, new housing units in Silicon Valley exceeded job creation for the first time since 1992. Between 2000 and 2001, the region increased its total housing units from 811,300 to 818,200, an increase of 1%. Meanwhile regional jobs declined 1.8% from 1,375,000 in 2000 to an estimated 1,351,000 in 2001.

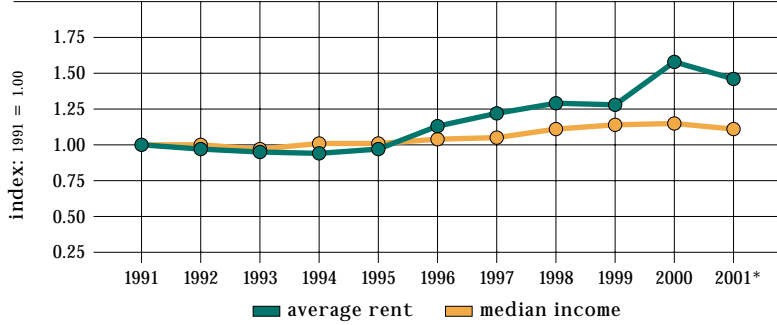
Between 1992 and 2001, Silicon Valley gained over six times more jobs (334,000) than housing units (50,100). Jobs grew 33% during this period, compared to a 7% increase in housing units.



Sources: Employment Development Department, California Department of Finance

Rental Affordability Improves; Decline in Housing Affordability Ebbs

increase in apartment rental rates at turnover compared to increase in median household income, santa clara county



WHY IS THIS IMPORTANT?

The affordability, variety and location of housing affect a region's ability to maintain a viable economy and high quality of life. Lack of affordable housing in a region encourages longer commutes, which diminish productivity, curtail family time and increase traffic congestion. Lack of affordable housing also restricts the ability of service workers—such as teachers, registered nurses and police officers—to live in the communities in which they work.

HOW ARE WE DOING?

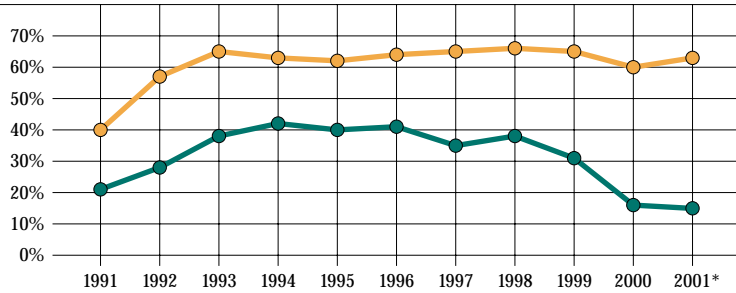
By the third quarter of 2001, average apartment rental rates at turnover had decreased by 7.8% from the previous year (inflation-adjusted). Occupancy rates declined from 99% in 2000 to 93% in the third quarter of 2001.

Two measures of housing affordability show that the sharp decline in housing affordability has ebbed. In the third quarter of 2001, the median-income household could afford to buy approximately 15% of the houses sold in Santa Clara County, down only slightly from 16% in 2000. This number contrasts with the national average of 63%.

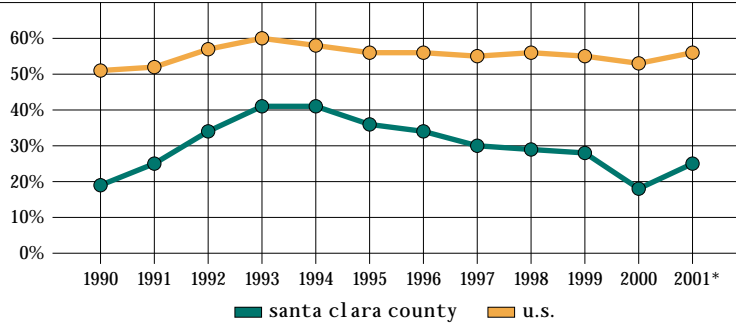
Also in the third quarter of 2001, 25% of all households could afford the median-priced home sold in Santa Clara County, a substantial increase from 18% in 2000. This number contrasts with the national average of 56%.

The median price of homes sold fell from \$527,200 in October 2000 to \$481,000 in October 2001.

percentage of homes affordable to median-income households



percentage of households who can afford to purchase the median-priced home



Sources: National Association of Home Builders, RealFacts, U.S. Department of Housing and Urban Development, California Association of Realtors

*Estimate

GOAL 10: EDUCATION AS A BRIDGE TO OPPORTUNITY All students gain the knowledge and life skills required to succeed in the global economy and society.

Third-Grade SAT 9 Reading Scores Improve

WHY IS THIS IMPORTANT?

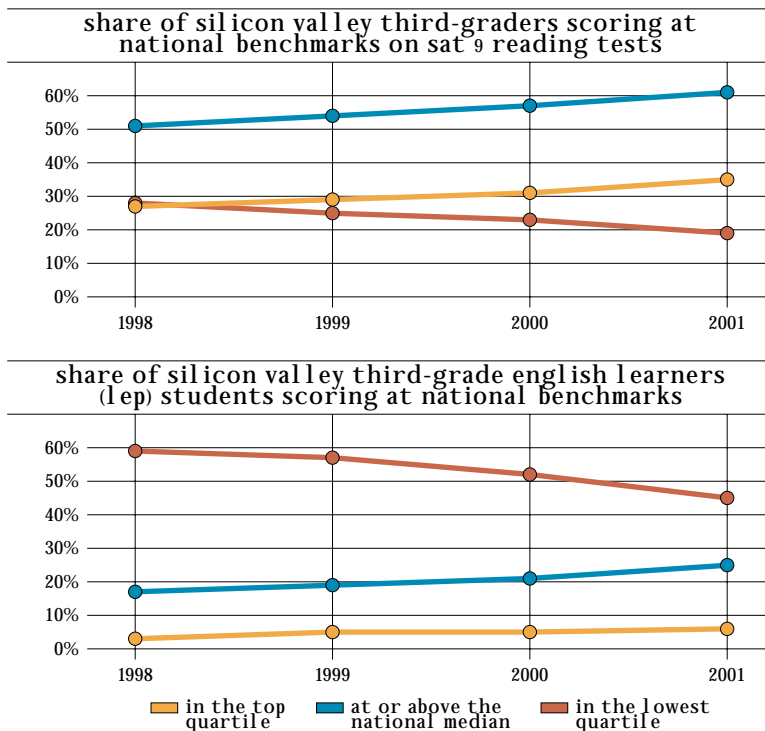
Research shows that students who do not achieve reading mastery by the end of third grade risk falling behind further in school.

Silicon Valley does not have a standardized way to measure mastery of reading at the end of third grade. The only measure available regionally is the Stanford Achievement Test Series, Ninth Edition (SAT 9), which measures performance relative to a national distribution.

HOW ARE WE DOING?

Sixty-one percent of Silicon Valley third-graders scored at or above the national median for reading comprehension in 2001, an increase from 57% in 2000. Thirty-five percent of the third-grade readers scored in the top quartile, up from 31% in 2000. The share of students scoring in the bottom quartile declined from 23% in 2000 to 19% in 2001.

The scores for English Learners (formerly LEP) also improved, but contrast with those of all students combined. Twenty-five percent of third-grade English Learner readers scored at or above the national median in 2001, compared to 21% in 2000. English Learners scoring in the top quartile grew from 5% in 2000 to 6% in 2001.



Source: California Department of Education

Enrollment in Intermediate Algebra Falls for Second Year

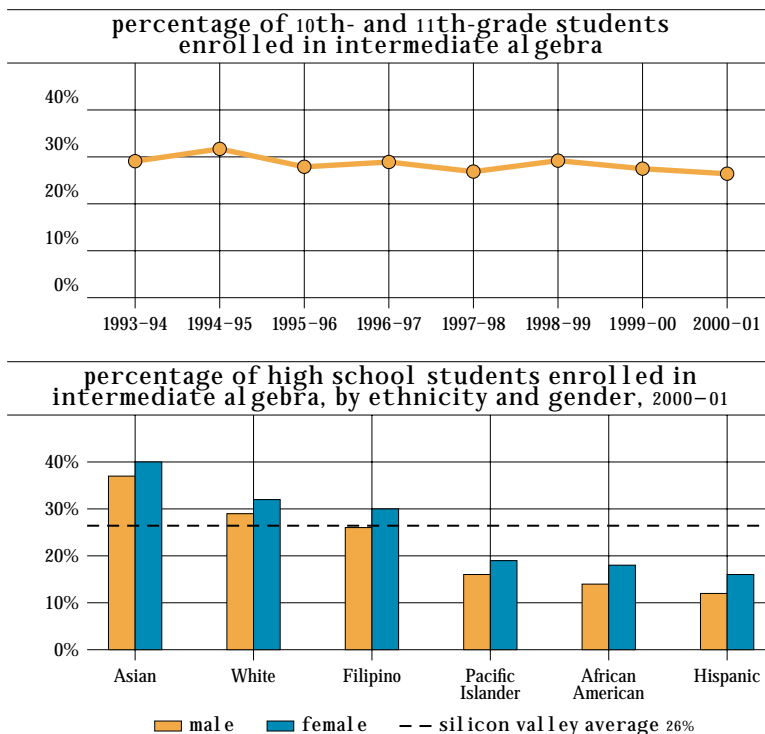
WHY IS THIS IMPORTANT?

Completing Algebra I and moving on to advanced math courses is important for students planning to enter postsecondary education as well as for students entering the workforce after high school. This indicator shows the share of 10th- and 11th-grade students enrolled in Intermediate Algebra.

HOW ARE WE DOING?

In school year 2000–01, 26% of Silicon Valley’s 10th- and 11th-graders were enrolled in Intermediate Algebra—a decline from 27% in 1999–00 and 29% in 1998–99. Enrollments were down across all ethnicities, and across all ethnicities more females (28%) than males (25%) enrolled in Intermediate Algebra.

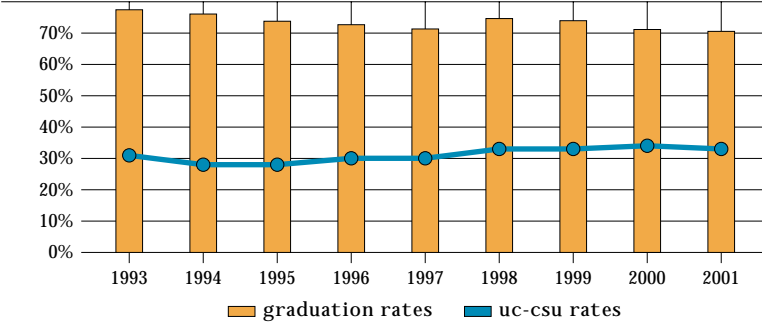
Enrollment disparity across ethnicities is wide. On average, only 14% of Hispanic students were enrolled in Intermediate Algebra. Hispanics are 32% of the student population and the fastest-growing segment. Thirty-eight percent of Asian students were enrolled, followed by Whites at 30%, Filipinos at 28%, and Pacific Islanders and African Americans at 17%.



Source: California Department of Education

Graduation Rate Declines; Share of Students Meeting UC/CSU Requirements Remains Constant

percentage of high school freshmen who graduated in four years and those who met uc/csu course requirements



WHY IS THIS IMPORTANT?

Passing a breadth of core courses required for college entry is a measure of educational achievement and readiness for future learning. Completing some type of education beyond high school is increasingly important for participating in the medium- and higher-wage sectors of the Silicon Valley economy. Showing the percentage of graduates meeting UC/CSU requirements at the school level helps draw out differences not captured in aggregate data.

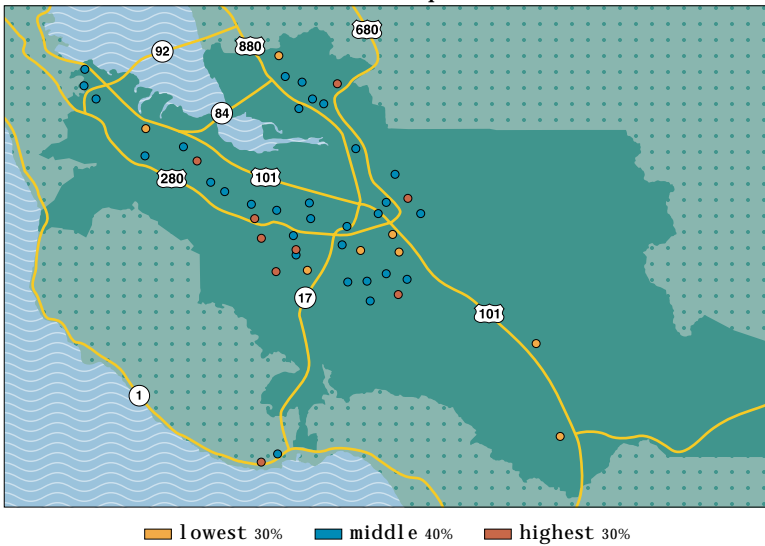
HOW ARE WE DOING?

In 2001, 71% of students who entered high school as freshmen in 1997 graduated, and 33% met the course requirements for entrance to UC/CSU.

Since 1993, the Silicon Valley graduation rate declined from 77% in 1993 to 71% in 2001. During this period, the percentage of Freshmen who entered in 1997–98 who graduated four years later and met UC/CSU requirements stayed close to 31%.

The percentage of graduates meeting UC/CSU requirements at Silicon Valley high schools varies across the region. The nine high schools with the lowest share of UC/CSU graduates serve 19,000 students (20% of all high school students).

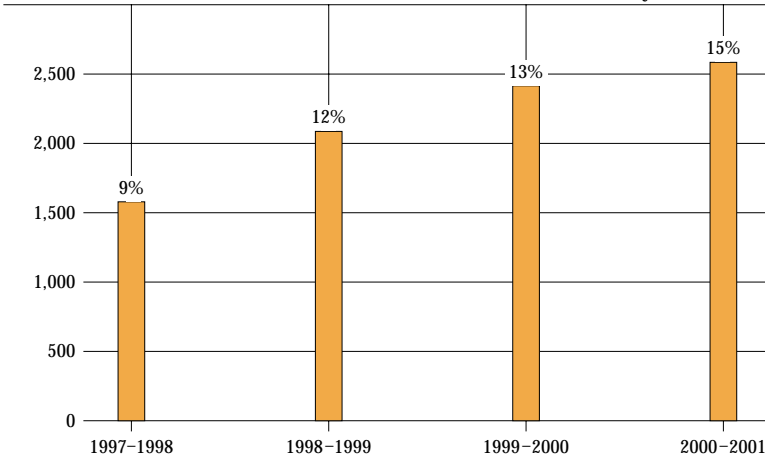
silicon valley high schools by performance at meeting uc/csu course requirements



Source: California Department of Education

Share of Teachers Not Fully Certified Increases for Fourth Consecutive Year

number and percentage of public school teachers without full certification, silicon valley



Source: California Department of Education

WHY IS THIS IMPORTANT?

Teacher certification status is one indicator of a teacher’s qualifications. Teaching staff with emergency permits or certification waivers and those participating in various internship programs have not completed the course work required for state certification to teach in a public school classroom. National research shows that emergency and temporary certification is higher among teachers with three or fewer years of teaching experience.

HOW ARE WE DOING?

In 2000–01, 15% of Silicon Valley’s public school teachers (2,745) were not fully certified. This is an increase from 9% in 1997–98.

In 6 of Silicon Valley’s 46 regional school districts, 20% or more of the teaching staff lack full certification. These 6 school districts primarily serve low-income families; 59% of the 44,600 students enrolled qualify for the Free and Reduced Price Meal Program.

GOAL 11: TRANSPORTATION CHOICES We overcome transportation barriers to employment and increase mobility by investing in an integrated, accessible regional transportation system.

Per Capita Transit Ridership Declines, but Carpooling Increases

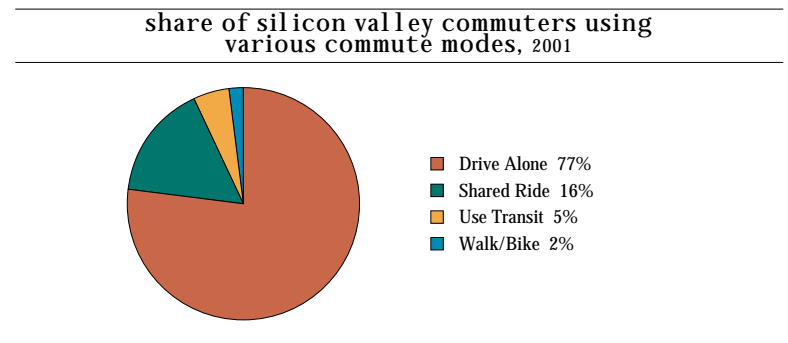
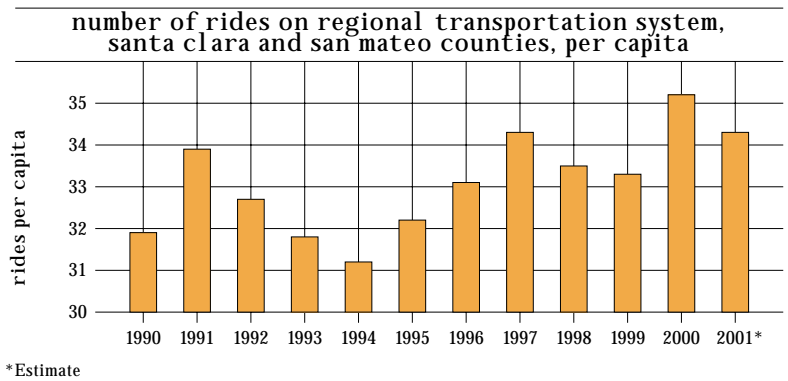
WHY IS THIS IMPORTANT?

A larger share of workers using alternatives to driving alone indicates progress in increasing access to jobs and in improving the livability of our communities. Pedestrian- and transit-oriented development in neighborhoods and in employment and shopping centers increases opportunities for walking, bicycling and using public transportation instead of driving.

HOW ARE WE DOING?

Per capita transit ridership declined from 35.2 annual rides per person in 2000 to 34.3 rides in 2001. Ridership increased on Caltrain and SamTrans, but decreased on VTA light rail and buses.

Among Silicon Valley residents, 77% drive to work alone, one percentage point less than in 2000. Sixteen percent carpool, up from 15% in 2000. Five percent of Silicon Valley residents take transit to work, and 2% walk or bike.



Sources: RIDES for Bay Area Commuters, Valley Transportation Authority, SamTrans

30% of Valley’s Freeway Miles Receive Worst Rating

WHY IS THIS IMPORTANT?

Traffic congestion is a key factor affecting quality of life. Traffic congestion is a function of overall economic activity and regional design—the location of jobs and housing and the availability of other travel options, such as public transit.

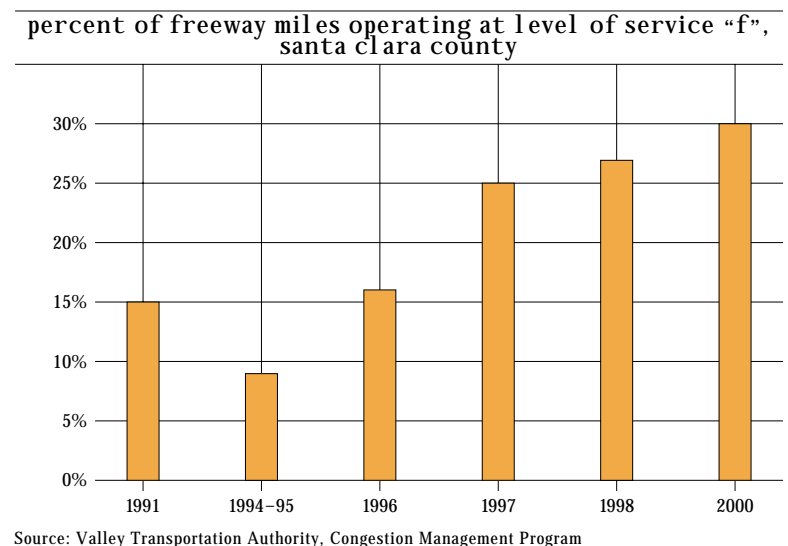
This indicator shows the number and share of freeway miles operating at service level “F” during the afternoon peak travel time. Level “F” is the worst possible rating and means forced-flow traffic with travel speeds of less than 35 miles per hour.

HOW ARE WE DOING?

In 2000, 30% of total freeway miles in Santa Clara County received the worst possible congestion rating.

2001 data for this indicator will be available mid-January 2002. See www.jointventure.org/resources/2002Index.

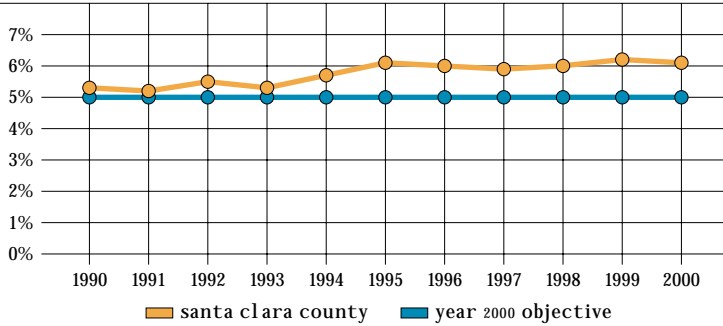
The recent *Bay Area Poll* found that transportation remained the most frequently cited top problem, ahead of the economy (Bay Area Council, November 2001).



GOAL 12: HEALTHY PEOPLE All people have access to high-quality, affordable health care that focuses on disease- and illness-prevention.

Low-Weight Births and Heart Disease Show Improvement; Child Immunization Rates Fall

percentage of births that are low weight

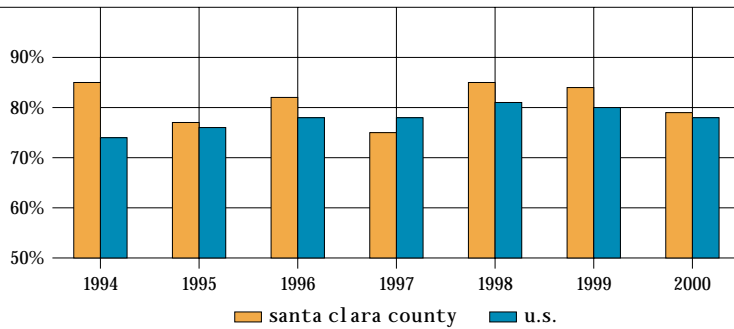


WHY IS THIS IMPORTANT?

This section reports on three key measures of residents' health. The proportion of children with low birth weight is a predictor of future costs that communities will incur for preventable health problems, special education and crime. Timely childhood immunizations promote long-term health, save lives, prevent significant disability and lower medical costs. Coronary heart disease is the cause of death that is most preventable through proper nutrition, exercise, not smoking and access to basic health care.

Poor health outcomes generally correlate with poverty, which correlates with poor access to preventive health care and education.

immunization rates of children aged 18-35 months



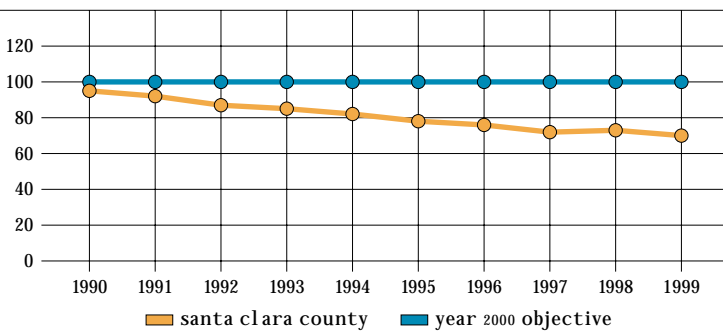
HOW ARE WE DOING?

In 2000, the share of low-weight births in Santa Clara County declined slightly to 6.1%, after rising the previous two years. The current rate of low-weight births fails to meet the Year 2000 objective of 5% set by the U.S. Public Health Service. African Americans experienced the highest rate of low-weight births at 7.1%, followed by Asians at 6.6%. Low birth weight was more common among male babies (6.8%) than female babies (5.4%).

Immunization rates for children aged 18–35 months in Santa Clara County dropped from 84% in 1999 to 79% in 2000. Still, Santa Clara County's immunization rate is slightly higher than the immunization rate in California (77%) and the U.S. (78%).

The county's death rate due to coronary heart disease has been declining steadily since 1990. In 1999, coronary heart disease accounted for 70 deaths per 100,000 residents, down from 73 per 100,000 in 1998. This is 30% below the Year 2000 objective set by the U.S. Public Health Service.

deaths due to coronary heart disease (per 100,000 residents)



Sources: Santa Clara County Department of Public Health, California Department of Health Services, Centers for Disease Control

GOAL 13: SAFE PLACES All people are safe in their homes, workplaces, schools and neighborhoods.

Violent and Juvenile Crime Rates Increase Slightly

WHY IS THIS IMPORTANT?

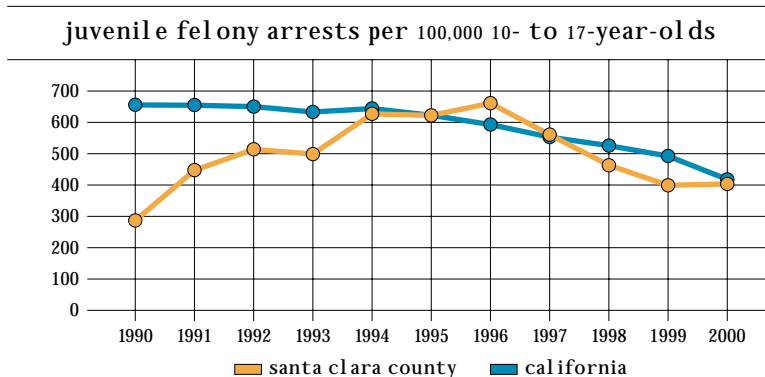
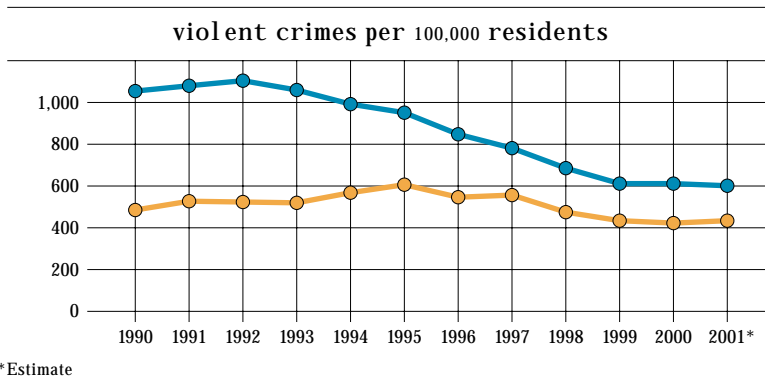
The level and perception of crime in a community are significant factors that affect quality of life. Crime has wide-ranging effects on communities. In addition to economic costs, the fear, frustration and instability resulting from crime chisel away at our sense of community and undermine people’s ability to prosper.

HOW ARE WE DOING?

The violent crime rate increased 3% in Santa Clara County, from 423 crimes per 100,000 residents in 2000 to an estimated 434 per 100,000 in 2001. This is the first increase in the county’s violent crime rate since 1997. Preliminary violent crime estimates for 2001 indicate a statewide decrease of 1.5%.

Juvenile felony arrests for violent crimes in Santa Clara County increased 1%, from 399 crimes per 100,000 10- to 17-year-olds in 1999 to 403 per 100,000 in 2000.

Silicon Valley began the 1990s with low violent crime and juvenile felony arrest rates relative to the California average. By 2000, however, the region’s crime rates more closely matched those of the state, which have been decreasing steadily.

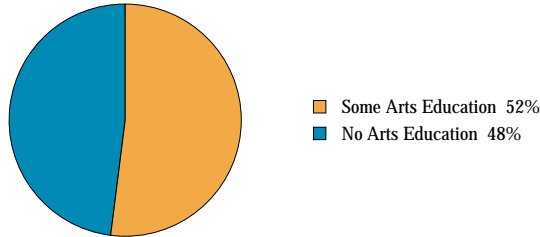


Sources: California Department of Justice, FBI

GOAL 14: ARTS AND CULTURE THAT BIND COMMUNITY Arts and cultural activities reach, link and celebrate the diverse communities of our region.

52% of Elementary School Students Receive Some Arts Education; Arts Education Is Required for 37% of High School Students

percentage of silicon valley elementary school students receiving some arts education from credentialed teacher, 1997



WHY IS THIS IMPORTANT?

Continuous, sequential arts education is important for developing the creative and intellectual capacity of the region’s young people. In addition, creative skills are an important foundation for an economy based on innovation.

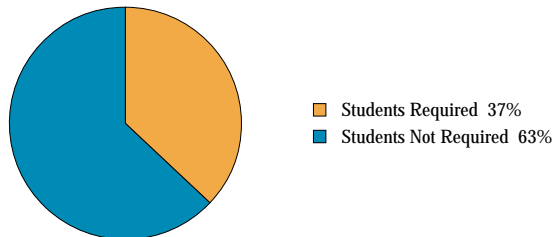
HOW ARE WE DOING?

Only half (52%) of elementary school students in Silicon Valley receive some form of arts education provided by credentialed teachers. This includes short-term experiences such as brief artist residencies and assemblies. Far fewer students in the region receive consistent, sequential, standards-based arts instruction. A new Creative Education Program, established by Cultural Initiatives Silicon Valley, aims to bring arts education to 90% of elementary school students in the next five years.

Thirty-seven percent of high school students attend schools where at least one course of arts education is required in order to graduate. Starting in fall 2003, the University of California and California State University systems will require two high school semesters of arts education for admission.

More than half of arts organizations in the region offer special programs for K–12 students, but this offering is not a substitute for continuous, sequential, standards-based arts education.

percentage of high school students required to fulfill an arts requirement, santa clara county, 2001



Sources: Cultural Initiatives Silicon Valley, Santa Clara County Office of Education

GOAL 15: CIVIC ENGAGEMENT All residents, businesspeople and elected officials think regionally, share responsibility and take action on behalf of our region’s future.

Valley Residents Are Less Likely to Volunteer than People in Similar Communities Nationwide

WHY IS THIS IMPORTANT?

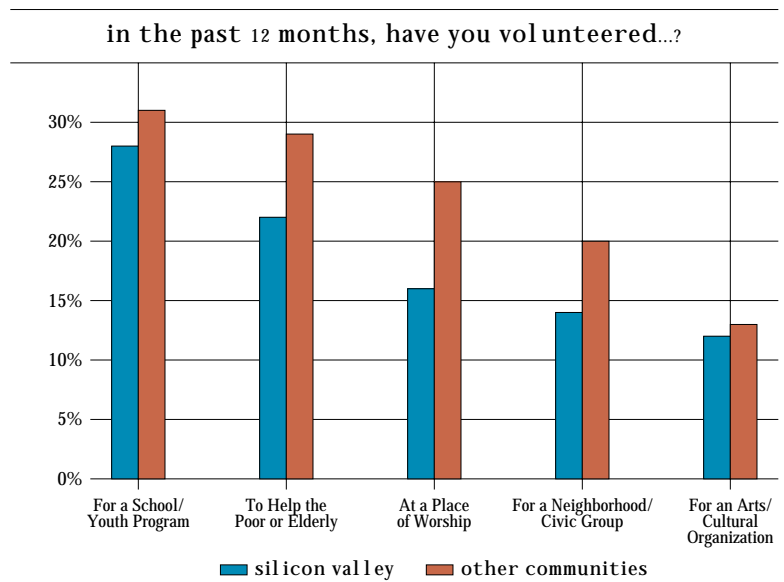
Civic involvement is important for the long-term health of individuals, the community and the economy. Volunteering time and skills is one important way that residents share responsibility for the region’s future.

HOW ARE WE DOING?

Compared with residents of similar communities nationally, Silicon Valley residents are less likely to volunteer. People in Silicon Valley report volunteering 6.9 times per year, compared with 8.3 times per year for people in communities that have a similar demographic make-up to that of our region.

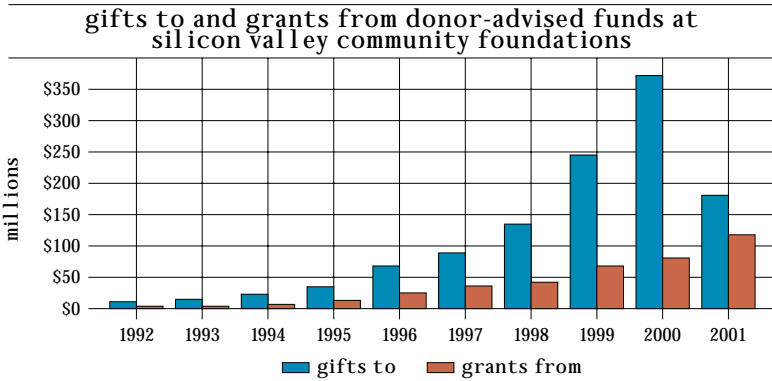
In the past year, 22% of Silicon Valley residents report volunteering to help the poor or elderly, compared with 29% of people in other communities. Sixteen percent of residents report volunteering at a place of worship, compared with 25% of people in other communities. Fourteen percent of residents volunteer for a neighborhood/civic group, as do 20% of residents in other communities.

In two areas, Silicon Valley volunteering rates are similar to those of other communities: volunteering for an arts/cultural organization (12% Silicon Valley, 13% other communities) and volunteering for a school/youth program (28% Silicon Valley, 31% other communities).

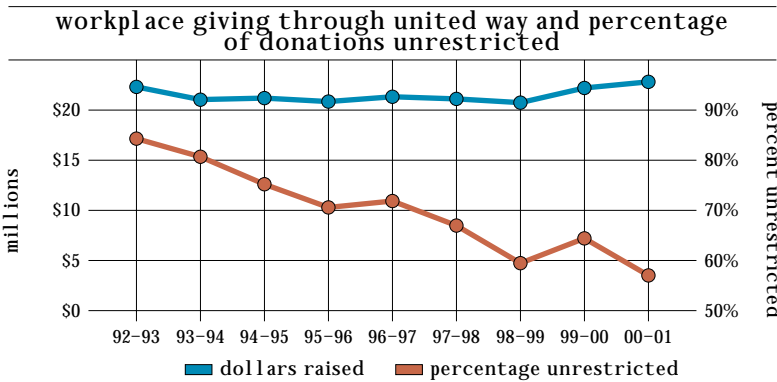


Source: Social Capital and Community Benchmark Survey

Grants from Community Foundations Reach New High, as Does Giving through the Workplace



Sources: Community Foundation Silicon Valley, Peninsula Community Foundation



Source: United Way Silicon Valley

WHY IS THIS IMPORTANT?

Giving back to the community and helping others are important parts of citizenship in a region. Both asset- and income-based philanthropy can play a strategic role in exploring new approaches to challenging social problems and supporting people through transitions.

This indicator reports on two kinds of philanthropy. Community foundations help plan and administer giving activities for individuals, families and corporations. Workplace-giving programs provide opportunities for individuals to contribute to public benefit organizations out of current income streams.

HOW ARE WE DOING?

Grants from the two largest community foundations in Silicon Valley to local public benefit organizations reached a high of \$117 million in 2001. Donor giving to the community foundations was \$181 million, following a period of extraordinary giving fueled by stock market appreciation in 1999 and 2000.

Since 1993, the two largest community foundations in Silicon Valley have received \$1.2 billion in donations and granted \$400 million.

Workplace giving through the United Way reached a new high of \$23 million in fiscal year 2000–01. Donors have increasingly designated their donations to specific organizations. This reduces the availability of “unrestricted funds,” which human service organizations use to respond to changing conditions, such as a recession. In the most recent year, 57% of donations were unrestricted, compared with 84% in 1992–93.

In addition to giving through community foundations and workplaces, philanthropy in Silicon Valley occurs through independent foundations (including family foundations), corporate foundations and individual giving.

GOAL 16: TRANSCENDING BOUNDARIES Local communities and regional authorities coordinate transportation and land-use planning for the benefit of everybody. City, county and regional plans, when viewed together, add up to a sustainable region.

Through New Initiative, 24,000 Children Apply for Health Insurance

WHY IS THIS IMPORTANT?

A new collaborative initiative makes Santa Clara County the first in the nation to target universal health insurance for children.

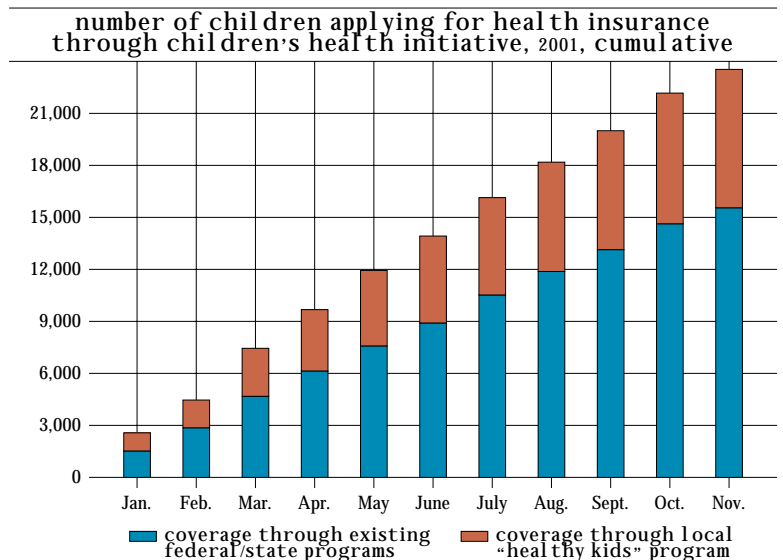
The Santa Clara County Board of Supervisors, along with Working Partnerships, the City of San Jose and People Acting in Community Together (PACT), created the Children’s Health Initiative to make health insurance available to all children in the county whose families have incomes up to 300% of the federal poverty level. The Initiative includes extensive outreach to enroll children in existing federal and state insurance programs, as well as a new locally subsidized insurance plan (Healthy Kids) to cover all remaining children.

An estimated 71,000 children were uninsured in Santa Clara County at the start of 2001.

HOW ARE WE DOING?

Since its inception in January 2001, the Children’s Health Initiative has received applications to enroll 24,000 children in health insurance programs. Sixty-six percent of the children applied for existing state and federal programs; the remaining 34% applied for the local Healthy Kids program.

Funding for the program will come from county and city governments, private foundations, individual donors and corporations.



Source: Children’s Health Initiative

GOAL 17: MATCHING RESOURCES AND RESPONSIBILITY Valley cities, counties and other public agencies have reliable, sufficient revenue to provide basic local and regional public services.

Local Government Revenue Is Highly Cyclical and Lags Economic Cycles

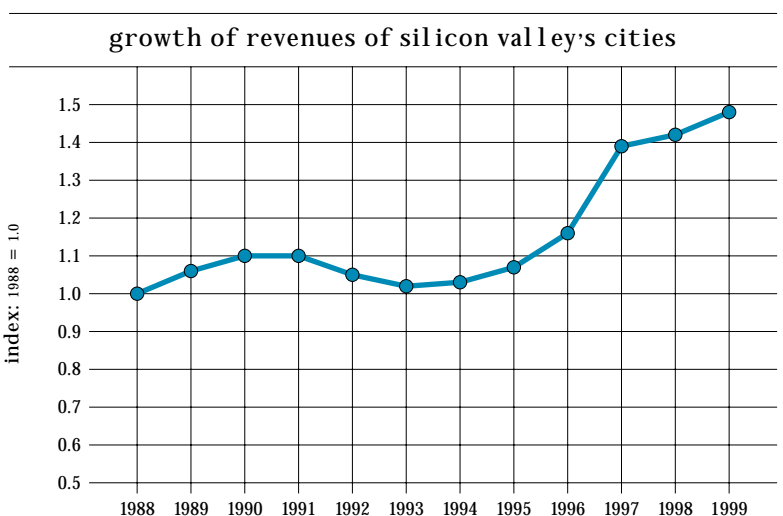
WHY IS THIS IMPORTANT?

To maintain service levels and respond to a changing environment, local government revenue must be reliable.

HOW ARE WE DOING?

Adjusted for inflation, the combined revenue of all cities in Silicon Valley has grown 48% since 1988. However, the challenge is that local government revenue is highly cyclical and lags economic cycles by as much as two years. More specifically, since 1988 revenue has declined by as much as 8% and grown by as much as 20% over a two-year period, frustrating planning, investment and service delivery.

Sales and property taxes, in particular, do not always track growth in population, employment and wealth. Cities increasingly rely on other taxes (e.g., utility, hotel) and on other revenue sources (e.g., fees) to try to stabilize and grow revenue aligned with demand for services.



Source: California State Controller

Appendix A: Data Sources

REGIONAL TREND INDICATORS

REGION LOSES JOBS FOLLOWING NINE-YEAR EXPANSION

The California Employment Development Department (EDD) and Joint Venture: Silicon Valley Network have constructed a unique data set to track employment and pay in the Silicon Valley region on the basis of unemployment insurance filings. This data series begins in 1992 and is updated quarterly. This data set does not cover self-employment, agriculture workers or military personnel.

Joint Venture's Silicon Valley data set provides the most up-to-date employment estimates for the entire region, but only the second quarter of data is available by the time of *Index* publication. The State of California provides more current monthly job estimates for counties, which indicates that jobs in Santa Clara County declined 2.6% from October 2000 to October 2001. The *Index* uses these two data sets to estimate 2001 net employment during a period of rapid change.

FIVE OF 15 SECTORS LOSE JOBS; LARGEST LOSSES ARE IN PROFESSIONAL SERVICES

Cluster and other industry employment estimates are drawn from the EDD/Joint Venture: Silicon Valley Network data set and are based on Federal Standard Industrial Code (SIC) classifications.

AVERAGE PAY DECLINES BY 2%

Data are derived from the EDD/Joint Venture: Silicon Valley Network data set and the Average Annual Wage Levels in Metropolitan Areas report of the Bureau of Labor Statistics and Economy.com. This information comes from individual firm reporting of payroll amounts in compliance with unemployment insurance rules. All wages have been adjusted into 2001 dollars using the San Francisco–Oakland–San Jose Consumer Price Index (CPI) published by the Bureau of Labor Statistics.

Pay includes bonuses, stock options, the cash value of meals and lodging, and tips and other gratuities. Pay per employee is calculated by dividing annual (quarter two to quarter two) payroll for each industry by annual average employment (quarter two to quarter two).

HIGHEST AVERAGE PAY IN 2000 WAS IN COMPUTERS/COMMUNICATIONS

Mean pay per employee for each cluster were derived from the EDD/Joint Venture: Silicon Valley Network data set.

OFFICE AND R&D VACANCY RATES ARE HIGHEST IN 10 YEARS; LEASE RATES DROP 47%

The data set for this indicator was provided by a new data source in 2002. Data are provided by BT Commercial Real Estate/NAI. Data are for R&D and office space combined. Vacancy rate is calculated by dividing space available through either direct lease or sublease by total inventory. Data cover all the cities in Silicon Valley as defined in Appendix B. Annual vacancy rates and average asking rates are based on fourth-quarter numbers.

PROGRESS MEASURES FOR SILICON VALLEY 2010

NUMBER OF GAZELLE COMPANIES DECLINES FROM 30 TO 17

The data set for this indicator was provided by a new data source in 2002. Data for gazelles are provided by Standard & Poor's. Gazelles are companies with annual compound revenue of 20% or more for four consecutive years, beginning with revenues of \$1 million. This indicator uses annual average revenue reported for publicly traded companies in Silicon Valley. 2001 revenue growth is revenue for the latest 12-month period (September to September) divided by annual average revenues for 2000.

VENTURE CAPITAL INVESTMENT FALLS FROM \$21 BILLION TO \$6 BILLION

Data are provided by PricewaterhouseCoopers MoneyTree Survey in partnership with Venture One. For the *Index of Silicon Valley*, only investments in firms located in Silicon Valley, based on Joint Venture's ZIP-code-defined region, were included. Collaborative Economics estimated the 2001 total venture capital funding level based on the first three quarters and historical growth patterns in the fourth quarter.

IPOs DROP TO BELOW 1991 LEVEL

The number of initial public offerings is tracked throughout the year by the *San Jose Mercury News* Business Department. Data on mergers and acquisitions are provided by Thomson Financial. M&As are assigned the location of the "acquiree." Figures reported for 2001 are actual numbers through December 12, 2001.

8% OF U.S. PATENTS ARE AWARDED TO SILICON VALLEY, UP FROM 3% IN 1990

Patent data are provided by the U. S. Patent and Trademark Office. Patent data are all utility patents awarded to San Jose Metropolitan Statistical Area inventors for each calendar year. The geographic distribution of patents is based on the residence of the inventor whose name appears first on the printed patent. Population data are from the Census Bureau.

REAL PER CAPITA INCOME DECLINES FOR THE FIRST TIME SINCE 1993

Data are from the Census Bureau and Economy.com. Data for Santa Clara County are adjusted using the San Francisco–Oakland–San Jose CPI. U.S. inflation adjustments use the All Urban CPI estimates. Per capita income estimates for the region are calculated using population figures from the 2000 Census. Personal income estimates are not yet available from the Census Bureau data.

GROWTH MODERATES IN VALUE ADDED PER EMPLOYEE

Value added is the sum of compensation paid to labor within a sector and profits accrued by firms. Value-added estimates are constructed using productivity estimates at higher geographic levels (state and national) and applying them to employment and wage/income data at the metropolitan level.

Value added reported in the 2002 *Index* has been revised upwards. Two factors influence these changes: Bureau of Economic Analysis (BEA) revisions to Personal Income for 1997–1999 (the last available historic date) and revisions to Gross Product in industries that are highly concentrated in the Silicon Valley region. Personal Income was

revised upward greatly in Santa Clara County. Post-revision, Santa Clara County had the fastest-growing personal income from 1998–1999 of any metropolitan area in the country, driving up value-added estimates for the region. Current Gross State Product and Gross Product Originating by Industry from the BEA showed much higher productivity than previously estimated. Several high-tech manufacturing industries, which are highly concentrated in Santa Clara County's industry mix, were affected. The productivity revisions incorporate recently available data from the Census of Manufacturers and the most recent Annual Survey of Manufacturers from the BEA. For full details see "Local Area Personal Income, 1997–1999," Survey of Current Business, May 2001, BEA.

With regard to temporary employees: At the industry level, value added is shared between personnel supply companies and the companies that utilize the labor services of those contracted employees.

STANDARD OF LIVING FOR LOW-INCOME HOUSEHOLDS IS NOT RISING

Data are from the March Supplement of the Census Bureau's Current Population Survey (CPS). The CPS sample was determined to be generally representative of Santa Clara County by comparing variables of income, age, gender and race/ethnicity to data reported in the 1990 Census.

Household income includes both earned and unearned income for all persons living in the same household. Household income is adjusted for household size by doubling household income and dividing it by the square root of the number of household residents. All incomes are adjusted for inflation using the San Francisco–Oakland–San Jose CPI.

Though the data presented are the best available at the regional level, data are derived from an annual sample of as few as 200 households. Household incomes are averaged over a three-year period to increase the reliability of reported income estimates. Data are more useful for tracking long-term trends than for noting specific year-to-year movements. Over time, specific households move up and down the distribution. Data on this "mobility" are not available at the regional level.

For an in-depth analysis of income distribution in California, see *The Distribution of Income in California* (Reed, Haber, Mameesh, 1996) published by the Public Policy Institute of California (PPIC). Joint Venture followed this methodology to generate this indicator. National household income statistics are provided by Deborah Reed of PPIC.

CHILD CARE COSTS RISE FIVE TIMES FASTER THAN HOUSEHOLD INCOME

Data are provided by the Community Child Care Council of Santa Clara County. Costs are the weighted average for full-time care at licensed child care centers and family child care homes. Capacity includes spaces at child care centers and at licensed family child care homes. Survey data are from *Unfinished Business* (www.womenofsv.org) and are from November 2000.

69% OF YOUNG RESIDENTS RECEIVE EDUCATION BEYOND HIGH SCHOOL; VARIATION ACROSS ETHNICITIES IS WIDE

Data are from the March Supplement of the Census Bureau's Current Population Survey (CPS). The CPS sample was determined to be generally representative of Santa Clara County by comparing variables of income, age, gender and race/ethnicity to data reported in the 1990 Census. Education beyond high school includes some college with no degree, associate's degrees, bachelor's degrees, master's degrees, professional school degrees and doctoral degrees. Because of small sample sizes, reliable data are not available for ethnic groups other than White, Asian and Hispanic.

Data are averaged over a three-year period to increase the reliability of reported statistics. Thus, the 2000 figure is derived by averaging the years 1999, 2000 and 2001. Data are more useful for tracking long-term trends than for noting specific year-to-year movements.

AIR QUALITY DECLINES

The Bay Area Air Quality Management District takes daily measurements of air quality at monitoring stations in Silicon Valley. The indicator reflects the number of days that at least one of these stations exceeded the state one-hour standard for ozone and the 24-hour standard for particulates. Stations include Fremont, Mountain View, Los Gatos, San Jose 4th Street, Gilroy, Redwood City, San Martin and San Jose East. PM10 is particulate matter 10 microns or less in diameter, so it includes both "coarse" (10 microns or less but greater than 2.5 microns) and "fine" (2.5 microns or less) particulate matter.

WATER USE LEVELS OFF; SHARE OF RECYCLED WATER INCREASES

Data are from the Santa Clara Valley Water District and include treated water and groundwater, as well as water from Hetch Hetchy and other local sources.

ELECTRICITY CONSUMPTION DROPS FOR FIRST TIME IN SEVEN YEARS

Data are provided by the California Energy Commission. Electricity is measured for Santa Clara and San Mateo counties. Population figures come from the California Department of Finance and employment figures are from the California Employment Development Department. The annual 2001 estimate is based on the first nine months.

PERMANENTLY PROTECTED OPEN SPACE INCREASES TO 25%

Data are from GreenInfo Network and are for Santa Clara, San Mateo and Santa Cruz counties and for all of Alameda County excluding the cities of Alameda, Albany, Berkeley, Emeryville, Oakland and Piedmont. Data include lands owned by the public and lands in private ownership protected by conservation easement. Not included are lands that are protected as open space solely through local General Plans and zoning regulations. Parcels of open-space land less than five acres are not included. "Publicly accessible open space" is defined as lands that are open to the public with no special permit required.

NEW HOUSING USES LAND TWICE AS EFFICIENTLY AS EXISTING HOUSING STOCK

Land use data for cities in Santa Clara County were compiled by the Valley Transportation Authority, Congestion Management Program as part of the annual Land Use Monitoring Survey. Joint Venture surveyed all cities outside Santa Clara County. Survey compilation and analysis were completed by VTA and Collaborative Economics.

Participating cities include Belmont, Campbell, Cupertino, East Palo Alto, Foster City, Fremont, Los Gatos, Menlo Park, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Newark, Palo Alto, Redwood City, San Carlos, San Jose, San Mateo, Santa Clara, Saratoga, Scotts Valley, Sunnyvale and Union City. Unincorporated Santa Clara County is also included. Data are for fiscal year 2001 (July '00–June '01). Data on the urban service area are provided by the Local Agency Formation Commission (LAFCO).

Average units per acre for existing residential development was calculated for Santa Clara County by dividing the total housing units by the total acres of residential development. Data are provided by the Association of Bay Area Governments and the California Department of Finance.

61% OF NEWLY APPROVED HOUSING IS LOCATED NEAR TRANSIT, UP FROM 37% IN 2000

Joint Venture conducted an affordable housing survey of all cities within Silicon Valley. Survey compilation and analysis were completed by Collaborative Economics. See previous indicator. The number of new jobs near transit is a calculation that assumes differing rates of job creation per square foot of new commercial, R&D, office and light industrial space located near transit. The number of new housing units within one-quarter mile of a major transit corridor is reported directly for each of the cities participating in the survey. Places within one-quarter mile of transit are considered “walkable,” within a 5- to 10-minute time frame by the average person.

ONE-FIFTH OF NEWLY BUILT HOUSING IS NEAR TRANSIT CORRIDORS

The United States Geographical Survey (USGS) and Earthstar Geographics provided the underlying satellite image basemap. Valley Transportation Authority (VTA) developed this image for their Design for Mobility, A Program of Best Practices for Integrating Transportation and Land Use Effort. Major transit corridors are the top performing public transportation lines, by daily weekday ridership for Alameda, Santa Clara, San Mateo and Santa Cruz counties. Mapped public transportation lines include; San Mateo County Transit (SamTrans), Caltrain, Altamont Commuter Express (ACE), VTA, Bay Area Rapid Transit (BART), Highway 17 Express and light rail. The average person walks 2–3 miles per hour, a half-mile walk would take approximately 10 to 15 minutes.

Data on new housing units are provided by the Meyers Group and consist of new housing units built or under construction, beginning in the period from January 2001 to October 2001. All housing units were available for sale during this period.

APPROVALS FOR NEW HOUSING RISE, INCLUDING 2,800 NEW “AFFORDABLE” UNITS

Joint Venture conducted an affordable housing survey of all cities within Silicon Valley. Survey compilation and analysis were completed by Collaborative Economics. Median housing income data are from the U.S. Department of Housing and Urban Development.

HOUSING GROWTH SURPASSES JOB GROWTH FOR FIRST TIME IN 10 YEARS

Data on housing units are from the California Department of Finance. They reflect net housing stock for the region. Data on employment are from the California Employment Development Department.

RENTAL AFFORDABILITY IMPROVES; DECLINE IN HOUSING AFFORDABILITY EBBS

Apartment data are from surveys conducted by RealFacts of all apartment complexes in Santa Clara County of 40 or more units. Excluded are subsidized housing, Section 8 or HUD housing, and senior complexes. Rental rates are the average of all types of units. Rates are the prices charged to new residents when apartments turn over. The 2001 estimate is based on third-quarter numbers.

Data on the percentage of houses affordable to median-income households are from the National Association of Home Builders, Housing Opportunity Index. The Index is based on the median sale price of new and existing homes, median household income and interest rates. The median home price comes from monthly sales transactions records from Experian Real Estate Solutions. Household income comes from the U.S. Department of Housing and Urban Development. The 2001 estimate is based on third-quarter numbers.

Data on the percentage of households who can afford to purchase the median-priced home come from the California Association of Realtors, Housing Affordability Index. The Index is based on the median resale price of existing single-family homes, median household income and interest rates. The median home price comes from the California Association of Realtors monthly survey of existing home sales. Household income comes from Claritas/NPDC. The 2001 estimate is based on third-quarter numbers.

THIRD-GRADE SAT 9 READING SCORES IMPROVE

Data are from the Stanford Achievement Test Series, Ninth Edition (SAT 9) of the California Department of Education. The test is given annually in the spring. SAT 9 is a norm-referenced test, rather than a criterion-referenced test. Students' scores are compared to national norms; they do not reflect absolute achievement.

ENROLLMENT IN INTERMEDIATE ALGEBRA FALLS FOR SECOND YEAR

Data are from the California Department of Education for public schools in Silicon Valley. Data are the share of 10th- and 11th-grade students enrolled in Intermediate Algebra. Students in grades 9 and 10 are counted in the dividend if they are taking the courses, in order not to penalize schools or districts that offer these courses below grade 11.

GRADUATION RATE DECLINES; SHARE OF STUDENTS MEETING UC/CSU REQUIREMENTS REMAINS CONSTANT

Data are from the California Department of Education. Graduation rates are the number of graduates divided by ninth-grade enrollment four years prior. Rates of UC/CSU completion are the number of graduates meeting UC/CSU requirements, divided by ninth-grade enrollment four years prior. The UC/CSU map, along with other maps of K-12 education metrics, were designed by Collaborative Economics and Applied Materials, Inc. to support an ongoing education initiative of Applied Materials.

SHARE OF TEACHERS NOT FULLY CERTIFIED INCREASES FOR FOURTH CONSECUTIVE YEAR

The percentage of teachers not fully certified is calculated by dividing the inverse of fully certified teachers by total teaching staff. Staffing data are provided by the California Department of Education.

PER CAPITA TRANSIT RIDERSHIP DECLINES, BUT CARPOOLING INCREASES

Data are the sum of the annual ridership on the light rail and bus systems in Santa Clara and San Mateo counties and on Caltrain. The 2001 annual estimate is based on the first nine months. Commute modes are from the RIDES for Bay Area Commuters Annual Survey.

30% OF VALLEY'S FREEWAY MILES RECEIVE WORST RATING

Data are from the Valley Transportation Authority, Congestion Management Program. Data are for the afternoon peak period.

LOW-WEIGHT BIRTHS AND HEART DISEASE SHOW IMPROVEMENT; CHILD IMMUNIZATION RATES FALL

Data on low-birth-weight infants are from the California Department of Health Services. Weight of less than 2,500 grams (5 pounds, 6 ounces) for babies is considered "low birth weight." Data on child immunizations are from the Centers for Disease Control. Children immunized with the 4:3:1 series immunizations between the ages of 18 and 35 months are included in the results. Data on coronary heart disease are from the Santa Clara County Department of Public Health; regional and time series data have been age-adjusted using the 1940 standard population distribution.

VIOLENT AND JUVENILE CRIME RATES INCREASE SLIGHTLY

Violent crime data are from the FBI's Uniform Crime Reports. Arrest data are from the California Attorney General's Office, Department of Justice, "Juvenile Felony Arrests." Violent offenses include homicide, forcible rape, assault and kidnapping. Violent crime estimates for 2001 are based on *Crimes Reported for Selected California Jurisdictions*, published by the California Criminal Justice Statistics Center.

52% OF ELEMENTARY SCHOOL STUDENTS RECEIVE SOME ARTS EDUCATION; ARTS EDUCATION IS REQUIRED FOR 37% OF HIGH SCHOOL STUDENTS

Data are provided by Cultural Initiatives Silicon Valley. Elementary school data was from a 1997 survey conducted by Wolf, Keens & Co. for Silicon Valley's arts and cultural plan, entitled *20/21: A Regional Cultural Plan for the New Millennium*. High school arts education includes courses in music, theater, dance or visual arts.

VALLEY RESIDENTS ARE LESS LIKELY TO VOLUNTEER THAN PEOPLE IN SIMILAR COMMUNITIES NATIONWIDE

Data are from the Social Capital and Community Benchmark Survey, sponsored by the Peninsula Community Foundation, Community Foundation Silicon Valley, and the John F. Kennedy School of Government at Harvard University. The project surveyed 1,505 respondents in the Silicon Valley region from July–November 2000. National comparisons are to communities with similar demographics. Research report was prepared by Santa Clara University, with assistance from Collaborative Economics.

GRANTS FROM COMMUNITY FOUNDATIONS REACH NEW HIGH, AS DOES GIVING THROUGH THE WORKPLACE

Data are aggregated for Community Foundation Silicon Valley and Peninsula Community Foundation. Gift data reflect money gifted from individuals, families and corporations. Monies from foundations or for special projects are excluded. Grant data reflect the money gifted from the individual, family and corporate funds. Competitive grants and special projects are excluded. Data are estimated for December 2001.

THROUGH NEW INITIATIVE, 24,000 CHILDREN APPLY FOR HEALTH INSURANCE

Data are from the Children's Health Initiative and reflect new applicants to the state/federal Medi-Cal and Healthy Families programs as well as to the new countywide Healthy Kids insurance program.

LOCAL GOVERNMENT REVENUE IS HIGHLY CYCLICAL AND LAGS ECONOMIC CYCLES

Data are from State of California, Cities Annual Report, Fiscal Years 1987–88 to 1998–99. Data include all cities and towns and dependent special districts and do not include redevelopment agencies and independent special districts. Data include all revenue sources to cities except for utility-based services (which are self-supporting from fees and the sale of bonds), voter-approved indebtedness property tax, and sales of bonds and notes.

Appendix B: Definitions

SILICON VALLEY

Where possible, indicator data were collected for the economic region of Silicon Valley. This region includes all of Santa Clara County as its core and extends into various adjacent areas (ZIP-code-defined) of Alameda, San Mateo and Santa Cruz counties:

CITY	ZIP CODE
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Santa Clara County

All	All
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Alameda County

Fremont	94536-39, 94555
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Newark	94560
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Union City	94587
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San Mateo County

Atherton	94027
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Belmont	94002
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East Palo Alto	94303
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Foster City	94404
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Menlo Park	94025
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Redwood City	94061-65
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San Carlos	94070
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San Mateo	94400-033
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Santa Cruz County

Scotts Valley	95066-67
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INDUSTRY CLUSTERS

Semiconductor/Semiconductor

Equipment Industry

3559* Special industry machinery

3674 Semiconductors and related devices

3825 Instruments for measuring and testing electricity and electrical signals

Computers/Communications Industry

3571 Electronic computers

3572 Computer storage devices

3577 Computer peripheral equipment, N.E.C.**

3672 Printed circuit boards

3679 Electronic components, N.E.C.**

3695 Magnetic and optical recording media

3661 Telephone and telegraph apparatus

3663 Radio and television broadcasting and communications equipment

3669 Communications equipment, N.E.C.**

Bioscience Industry

283 Drugs

384 Surgical, medical and dental instruments and supplies

8071 Medical laboratories

382 Laboratory apparatus and analytical, optical, measuring and controlling instruments (except 3822, 3825 and 3826)

Defense/Aerospace Industry

348 Small arms ammunition

3671 Electron tubes

372 Aircraft and parts

376 Guided missiles and space vehicles

3795 Tanks and tank components

381 Search, detection, navigation, guidance, aeronautical and nautical systems, instruments and equipment

Software Industry

7371 Computer programming services

7372 Prepackaged software

7373 Computer integrated systems design

7374 Computer processing and data preparation and processing services

7375 Information retrieval services

Innovation Services

5045 Computers and computer peripheral equipment and software (wholesale trade)

5065 Electronics parts and equipment, N.E.C.** (wholesale trade)

7376 Computer facilities management services

7377 Computer rental and leasing

7378 Computer maintenance and repair

7379 Computer related services, N.E.C.**

8711 Engineering services

873 Research and testing services

Professional Services

275 Printing

276 Manifold business forms

279 Service industries for the printing trade

731 Advertising

732 Consumer credit reporting agencies

733 Mailing, reproduction, commercial art and photography, and stenographic services

736 Personnel supply services

81 Legal services

8712 Architectural services

8713 Surveying services

872 Accounting, auditing, and bookkeeping services

874 Management and public relations services

*The numbers correspond to federal Standard Industrial Classification (SIC) codes.

**N.E.C. means not elsewhere classified.

Acknowledgments

Special thanks to the following organizations that contributed data and expertise:

Association of Bay Area Governments	National Association of Home Builders
Bay Area Air Quality Management District	Peninsula Community Foundation
BT Commercial Real Estate	PricewaterhouseCoopers LLP
California Association of Realtors	Public Policy Institute of California
California Department of Education	RealFacts
California Department of Finance	RIDES for Bay Area Commuters
California Department of Health Services	SamTrans
California Department of Justice	San Jose Mercury News
California Employment Development Department	San Mateo County Office of Education
California Energy Commission	Santa Clara County Department of Public Health
California Office of State Controller	Santa Clara County Office of Education
Centers For Disease Control	Santa Clara University
Children's Health Initiative	Santa Clara Valley Water District
City and County Planning Departments of Silicon Valley	Sheriff and Police Departments of Silicon Valley
City Managers of Silicon Valley	Standard & Poor's
Community Child Care Council of Santa Clara County	Thomson Financial
Community Foundation Silicon Valley	U.S. Bureau of Economic Analysis
Cultural Initiatives Silicon Valley	U.S. Bureau of Labor Statistics
Earthstar Geographics	U.S. Census Bureau
Economy.com	U.S. Department of Commerce, Exporter Location Series
Federal Bureau of Investigation	U.S. Department of Housing and Urban Development
GreenInfo Network	U.S. Geographical Survey
Local Agency Formation Commission	U.S. Patent and Trademark Office
Metropolitan Transportation Commission	United Way Silicon Valley
Meyers Group	Valley Transportation Authority

S P O N S O R S

Aspect Communications

Borland

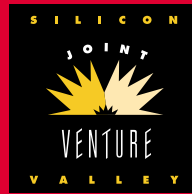
Rosendin Electric, Inc.

Rudolph & Sletten, Inc.

Sun Microsystems, Inc.

Synopsys

Therma



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