

Innovations

News and insights to meet the needs of an evolving community of businesses, job seekers, and educators

Economic Evolution *Silicon Valley's Post-Bust Correction*

Silicon Valley, nucleus of high technology, has played an undeniably pivotal role in the world's evolution from the Age of Industry to the Age of Technology and beyond. From this position on the forefront of change, it is understandable that the region would reap a great deal of the economic returns on these investments. Despite fluctuations in the nation's economic cycle, the period of growth held sway from the middle of the 20th century reaching its peak in the dot-com boom of the late 1990s. When the exaggerated bubble burst in 2000, the Valley seemed to bear the brunt of the correction. Data shows, however, that the region, the state, and the U.S. followed very similar economic paths in this recent cycle.

As signs of economic life return around us, preliminary indications show that on several fronts we are arguably right where we would have been had we not experienced the extraordinary spike of 1999 and 2000. Venture capital funding shows signs of growth and the discussion of philanthropic giving has been reinitiated. Even unemployment seems to have stabilized as this "jobless recovery"—the worst in terms of job growth following a recession since World War II—begins to turn around.

Venture capital, the seemingly inexhaustible pool of funding to which Silicon Valley had a disproportionate share, dropped sharply following the bust but has begun to return. According to the research firm VentureOne, venture-capital backed IPOs (initial public offerings) occurred in the Valley at the rate of one every business day—



more than 250 each year at the height of the boom. In the two years since the bubble burst, there have been a total of 58, although 18 of these took place in the most recent two months, most of which have been in the biotechnology industry.

Joint Venture: Silicon Valley Network, in their *2003 Index of Silicon Valley*, reported that the amount of investment from venture capital firms showed a sharp spike at the height of the boom and has since returned to a point slightly above the 1998 figure. It is also interesting to note that the proportion of VC funding within Silicon Valley as compared to that of the rest of the nation remained steady throughout the entire cycle of growth and decline—ranging narrowly from 25 percent in 1995 to 34 percent in 1999.

Philanthropy in the Valley has also begun to show new signs of life. In early December, more than 150 corporate executives and venture capitalists met to discuss the importance of corporate giving within the region and to begin the process of exploring philanthropic opportunities. While numbers are not readily available, it is clear that such a meeting demonstrates that local businesses are no longer in a place in which the financial stability of the business precludes any thought of community giving.

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- Advanced Micro Devices
- Analog Devices, Inc.
- Applied Materials
- Biltmore Hotel & Suites
- Carpenters Training Committee
- Center for Continuing Study of the California Economy
- Children's Discovery Museum
- County of Santa Clara
- Crest Financial Services
- Department of Rehabilitation
- Emergency Housing Consortium
- Employment Development Department
- Foothill-De Anza Community College District
- Four Points Sheraton Hotel
- Housing Authority of the County of Santa Clara
- Intel Corporation
- Intuit
- Kaiser Permanente
- Lockheed Martin Missiles & Space
- Microsoft Corporation
- Molecular Medicine Research Institute
- NASA Ames Research Center
- National Council on the Aging
- Network Appliance, Inc.
- Polycom, Inc.
- Proofpoint Systems, Inc.
- San Jose Newspaper Guild
- Santa Clara Unified School District
- Silicon Valley Manufacturing Group
- Solectron Corporation
- Sunnyvale Chamber of Commerce
- Surgical Optics

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Director

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As Governor Schwarzenegger begins his process of resolving the State's budget crisis, he has expressed his dedication to reinvigorating the economy of Silicon Valley, recognizing it as instrumental to the State's economic vitality. While he has not provided specific details of his

plans for economic recovery, his dedication to creating a business-friendly environment throughout the state will help to limit the reasons for companies to dismiss the area as a place in which to do business.

Steering beyond Limitation

CONNECT! Helps Job Seekers with Disabilities Navigate Employment Opportunities

Silicon Valley is a competitive labor market that can leave even the most stalwart individuals behind. Job seekers who have the best credentials, most experience, and superior know-how typically win the gold when competing for career opportunities. However, the acidic climate of the local employment market puts job seekers with disabilities at a disadvantage. The unemployment rate of workers with disabilities in Silicon Valley is 55 percent. Thanks to new efforts put forth by the CONNECT! Job Seeker Center, individuals with disabilities now have more opportunities to even the playing field during their job search.

Collaborating with several businesses, the CONNECT! Job Seeker Center provides universal services and a range of assistive technologies, and houses two disability-focused organizations—the Department of Rehabilitation and Project HIRED. Thanks to a new Disability Program Navigator grant, the Center now has a full-time staff person, Pauline Aughe, dedicated to leveraging the network of employers connected to agencies that provide services to indi-

viduals with disabilities. As the disability navigator, Aughe's outreach efforts include providing awareness and education services to employers regarding individuals with disabilities. Aughe's expertise on the services offered through the existing programs improves both the quality of service and the number of persons with disabilities served.

The CONNECT! Navigator project also provides disability-awareness services to businesses and other organizations to educate all audiences about individuals with disabilities. CONNECT! continues to discuss strategies and customize employment opportunities for disabled workers with other one-stops and workforce development agencies.

For more information about partnership opportunities, please contact the CONNECT! Job Seeker Center at (408) 774-2365. For more information about services to those with disabilities please contact Pauline Aughe at (408) 774-5417.

Change to Workforce Innovations and Labor Market Information Publications

As with many companies and agencies throughout the nation, the lagging economy has impacted NOVA's financial situation, forcing NOVA to reexamine its spending priorities. As a federally funded workforce development agency, NOVA has a duty first and foremost to serve people who need help with their career exploration and job-search goals. It has therefore been determined that NOVA's current funding must focus on continuing a high level of direct service to both job seekers and businesses in

our community. As such, in order to save money and cut costs, future labor market information publications such as *Workforce Innovations* will only be offered electronically and on a limited basis. Once the economy recovers, NOVA hopes to reinstitute its award-winning series of labor market information publications, reports, and forums. In the meantime, please see our website at www.novaworks.org/lmi for a complete listing of NOVA labor market publications available online.

No Cost Counseling for Small Businesses

The Silicon Valley Small Business Development Center (SBDC) offers individual and group counseling at no cost to small businesses on a variety of small business topics. SBDC business professionals are available to educate and counsel in areas including, but not limited to, finance, marketing, legal, and managing a small business. This service is available at the CONNECT! Business Service Center

at 465 S. Mathilda Avenue in Sunnyvale. For more information on these counseling services, please call (408) 730-7830.

The SBDC also offers a variety of classes to assist small businesses. You may obtain information on the classes or register online at www.acteva.com/go/center.

Bulletin Board



Groundhog Job Shadow Day

Here's your chance to make a positive impact on local youth and invest in the workforce of the future. Register by January 15 to be a workplace host for this year's Groundhog Job Shadow Day on Tuesday, February 3. Educate youth about your industry, your company, and the kinds of careers they offer. Help them to see how their education today can prepare them for tomorrow's workplace.

Organized by Junior Achievement of Silicon Valley & Monterey Bay, Inc., and in collaboration with NOVA and the Silicon Valley Workforce Investment Network, the event sends middle and high school students into area businesses where they shadow employees for a day.

To register as a workplace host, contact Debbie Gale by phone at (408) 988-8915 ext. 211, or e-mail at dgale@jascc.org.

LMI Forum

You are invited to NOVA's 15th Annual LMI Forum on January 27, from 9:30 a.m. to 12:30 p.m., at the Quinlan Community Center in Cupertino. At the forum, the *2003 Occupational Outlook Reports* for Santa Clara and San Mateo Counties will be unveiled along with the *Santa Clara County Training Directory*.

For each report, more than 350 employers per county were interviewed in regard to selected occupations. The *Santa Clara County Training Directory* is a comprehensive list of training providers in Santa Clara County.

For more information on the forum and to register, visit us online at www.novaworks.org/lmi or call (408) 730-7835.

Labor Market Information

The Department of Rehabilitation (DOR) recently reported an increase in wages and the attainment of meaningful jobs among Californians who have “significant disabilities” in fiscal year 2002–2003.

There has been a 19 percent increase in employment of people who are served by the department since fiscal year 1999–2000, and a 10 percent increase over the 2001–2002 fiscal year. According to the DOR, average hourly wages for individuals placed by the department have increased by 14 percent from \$9.15 in fiscal year 2000–2001 to \$10.69 in fiscal year 2002–2003.

“These numbers reflect a heartening trend. Even in this difficult job market, Californians who have significant disabilities are proving to be a viable workforce,” states Catherine Campisi, director of the DOR. “Employers are moving past their fears of hiring a person with a disability and recognizing the value of this diverse talent pool.”

Despite this progress, the struggle for rightful employment remains evident as merely 55 percent of the four million Californians between the ages of 21 and 63 who have a disability are employed.

Source: *Silicon Valley/San Jose Business Journal*
(www.bizjournals.com/sanjose/stories/2003/09/22/daily67.html)

Featured Website

Valuable Labor Market Information for Employers

www.calmis.ca.gov

The Employment Development Department offers a wealth of current labor market information for all California businesses at www.calmis.ca.gov. Explore this website to gain crucial knowledge and tips in the following areas:

- **How to develop your business:** This section helps you make sound decisions to ensure the future success of your company and presents training opportunities for employers.
- **Employee Matters:** Here you can find information on developing workers’ skills, disability insurance, the unemployment insurance program, finding qualified employees, and what you should know if you are reducing your workforce.
- **Taxes:** This section provides information on payroll tax, reporting requirements, and tax credits to save you money.



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