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**New Study Shows Students Making Incremental Progress in Some Key Educational Areas**

**and A Vexing Exodus of Residents from the Bay Area**

San Jose, CA – February 19th, 2018 –The Silicon Valley Competitiveness and Innovation Project (SVCIP), now in its fourth year, reinforces the traffic, housing and education challenges facing our region, but offers some new glimmers of hope when it comes to opening opportunity in our region, and developing a strong local workforce.

Since 2015, the percentages of students who meet or exceed state standards have increased at important developmental points: From 52 percent to 55 percent in 3rd grade English Language Arts, from 49 percent to 53 percent in 8th grade Math, and from 65 percent to 69 percent in 11th grade English. Meanwhile, our institutions of higher education have grown the number of undergraduate and advanced-level STEM degrees conferred by 16 percent, far outpacing competitor U.S. tech hubs and quadrupling the growth rate from a year ago.

The report also highlights why dramatic steps have been taken in the last year to address our most vexing problems. Median housing prices have crept past the $1M mark, far beyond competitor regions such as Seattle at $439K and Austin at $272K. Yet California’s governor signed bold legislation in 2017 to encourage the construction of new homes, establish a permanent source of funding for affordable housing, put before the voters an affordable housing bond, and allow jurisdictions to require that new developments require that a percentage of new units be affordable.

These insights as well as others are spotlighted in the SVCIP 2018 report. Developed by the Silicon Valley Leadership Group and Silicon Valley Community Foundation in 2014, the project seeks to proactively identify a data-driven economic strategy to reinforce the region’s competitive advantages in innovation and ensure continued job growth. Study details, including a downloadable PDF of the study can be found at [SVCIP.com](file:///C%3A%5CUsers%5Cnsanchez%5CDropbox%5CSVLG--%5CComms%20Coord%20Team%5CSVCIP%202017%5Csvcip.com).

“Our quality of life in Silicon Valley is fast deteriorating, as demonstrated by the fact that in one year we have moved from an average in-flow of nearly 2,000 new residents to an average out-flow of 42 residents. This is a tangible sign that our exorbitant housing costs and increasing traffic congestion are unsustainable,” said Emmett Carson, Ph.D., CEO and President of Silicon Valley Community Foundation.

The report brings quantitative rigor to challenges facing the region beyond traffic and housing – particularly the troubling educational performance gaps across ethnic groups.  The report also shows that the Valley experienced net negative migration for the first time in the four-year history of the report, driven largely by a significant increase in the number of Silicon Valley residents leaving for other parts of the United States.

Meanwhile, the cumulative gap between housing production and job growth continued to widen.  Between 2010 and 2016, employment in Silicon Valley grew by 29 percent while housing only increased by 4 percent. “This equation is simply not sustainable and the public is beginning to recognize this fact. In a recent poll, we found that 64 percent of voters in the Bay Area favor building more new housing and 53 percent said they would support new construction even if it changed the character of their neighborhood,” said CEO and President Carl Guardino of the Silicon Valley Leadership Group. “Simply put, jobs need a place to sleep at night and people want us to find sustainable solutions to the crisis.”

To find affordable housing, people are also traveling greater distances and braving longer commute times. An average Silicon Valley commuter now spends 72 minutes commuting per day round trip, making commute length only second to New York City, where workers spend 74 minutes in traffic.

However, as mentioned above, considerable steps have been made to find solutions to the region’s housing and transportation challenges. Those include a traffic relief package championed by State Senator Jim Beall and housing streamlining legislation authored by Senator Scott Wiener.

Guided by an advisory council and a series of discussions with legislators, business and civic leaders, the SVCIP team in partnership with Collaborative Economics (COECON), a strategic advisory and consulting firm, developed an Indicator Dashboard and public policy agenda to evaluate and promote the health of Silicon Valley’s innovation ecosystem. The SVCIP represents a first step in identifying key public policy issues to address in the near term.

*Note: The Silicon Valley region is defined as Santa Clara, San Mateo and San Francisco counties.*

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**Sample of Key Findings from SVCIP 2018**

* Silicon Valley’s growth rate for innovation industry jobs slowed considerably, along with Austin and New York. Seattle’s doubled.
* A second group of innovation regions are on the rise: Denver/Boulder, Atlanta, Portland and North Carolina’s Research Triangle have all grown faster than more established innovation regions.
* Silicon Valley’s cost of doing business is among the highest in the nation, and its labor productivity is higher than in other innovation regions.
* Although Silicon Valley still ranks behind Boston and Austin in terms of number of STEM degrees conferred per capita, the region experienced the highest growth rate in STEM degrees conferred of any innovation region.
* In 2016 Silicon Valley saw a net out-migration of residents, on average 42 people per month. This was a sharp reversal from 2015, when the region was gaining an average of 1,962 residents per month.

**About the Silicon Valley Leadership Group**

The Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 375 of Silicon Valley’s most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including education, energy, environment, health, housing, tax policies, tech and innovation and transportation. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley and contribute more than $3 trillion to the worldwide economy. For more information, visit [svlg.org](http://svlg.org/ceo_blog/2017/02/immigration-and-innovation/).

**About Silicon Valley Community Foundation**

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems. We engage donors and corporations from Silicon Valley, across the country and around the globe to make our region and world better for all. Our passion for helping people and organizations achieve their philanthropic dreams has created a global philanthropic enterprise committed to the belief that possibilities start here. Learn more at [siliconvalleycf.org](http://www.siliconvalleycf.org/).

**About Collaborative Economics**

Collaborative Economics (COECON) is a strategic advisory and consulting firm that works with clients to create breakthrough solutions for regions and communities. COECON has extensive experience helping states and regions develop innovation strategies. Find out more at coecon.com.