



# Silicon Valley and the California Economy

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## INTRODUCTION

**How do tech manufacturer companies in the Silicon Valley influence the California economy?**



➤Silicon Valley is known as the home of the latest technology and the birthplace of the most startups. (Avalos, 2016)

➤California is wealthy enough to be its own country (French, 2016)

➤How do companies like SanDisk and Cisco affect the economy?

**SanDisk®**



➤Many people have done analysis on an economy but a specific focus on the Silicon Valley gives more useful information and the strengths of this economy.

➤This is important because it could show people in this area are the driving factors for what creates a successful economy and how other economies can follow this example.

Silicon Valley is the home of new start up companies and technology.

- *How does this affect the economy?*
- *How much money is generated?*
- *What makes California's economy strong?*
- *How much money goes into startups as investments?*

## BACKGROUND

### Goals:

- The project is applied research, focused on analyzing certain “habits” and economic preferences companies have.
- An analysis of factors that maintain California’s strong economy.
- Relies on quantitative data to answer growth questions and highlighting important qualities of the California economy.

### The Facts:

#### The Significance of Silicon Valley Habits:

- Investors inside California are willing to spend billions of dollars to start and grow their businesses
- More jobs results in a more distribution of income
- 400,000 jobs relating to high tech (French, 2016)
- High tech employees tend to invest their income in stocks relating to technology which causes an influx of new startups and jobs (Rotman, 2016).
- This cycle is keeps repeating itself while creating not only more innovation but also job opportunities (Rotman, 2016).

### Data:

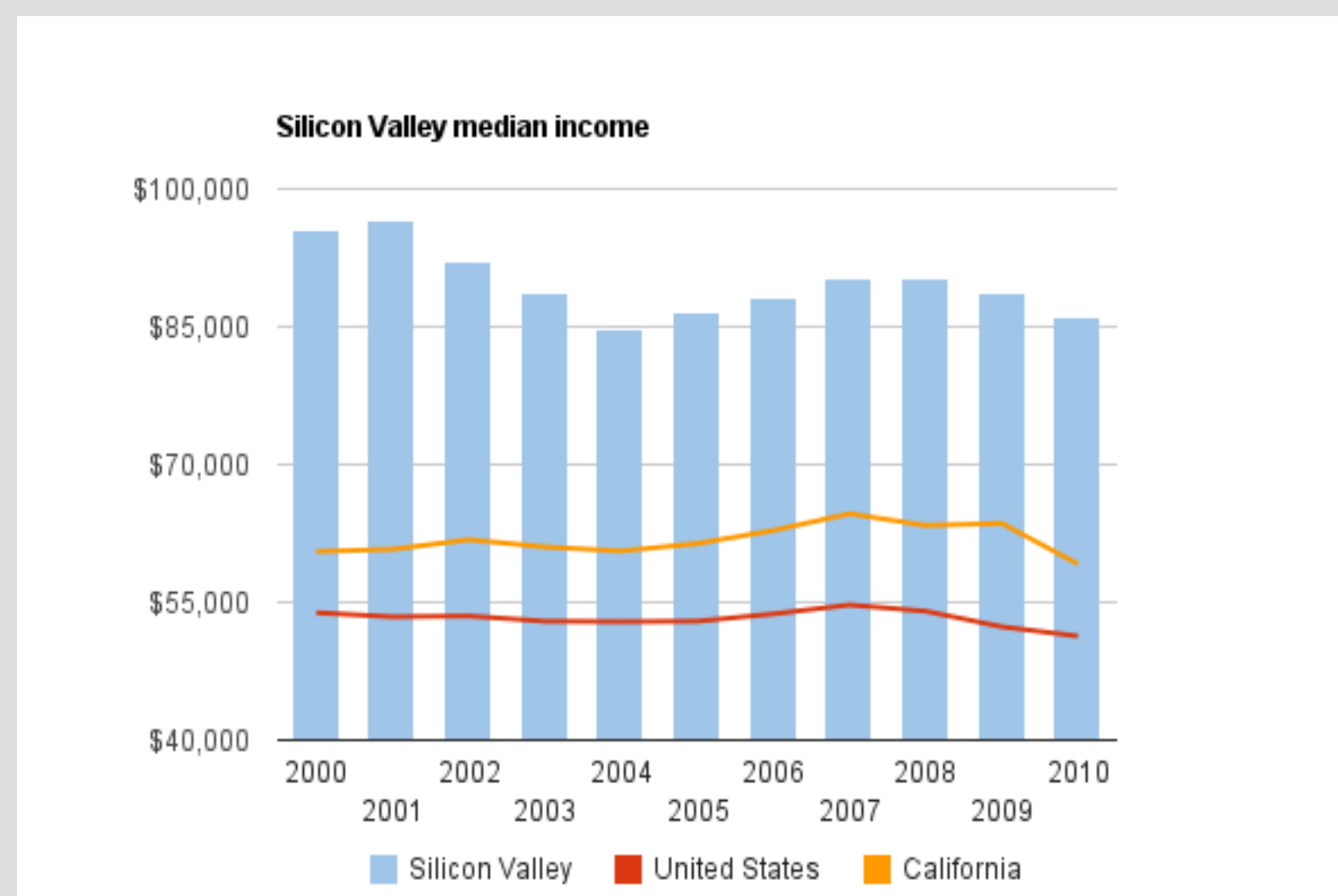


Figure 1: This graph shows the nation’s average income vs. the Silicon Valley’s

- The median income for people who live in the Silicon Valley are a lot higher than the US median income. Where is this money coming from?

## DATA ANALYSIS AND RESULTS

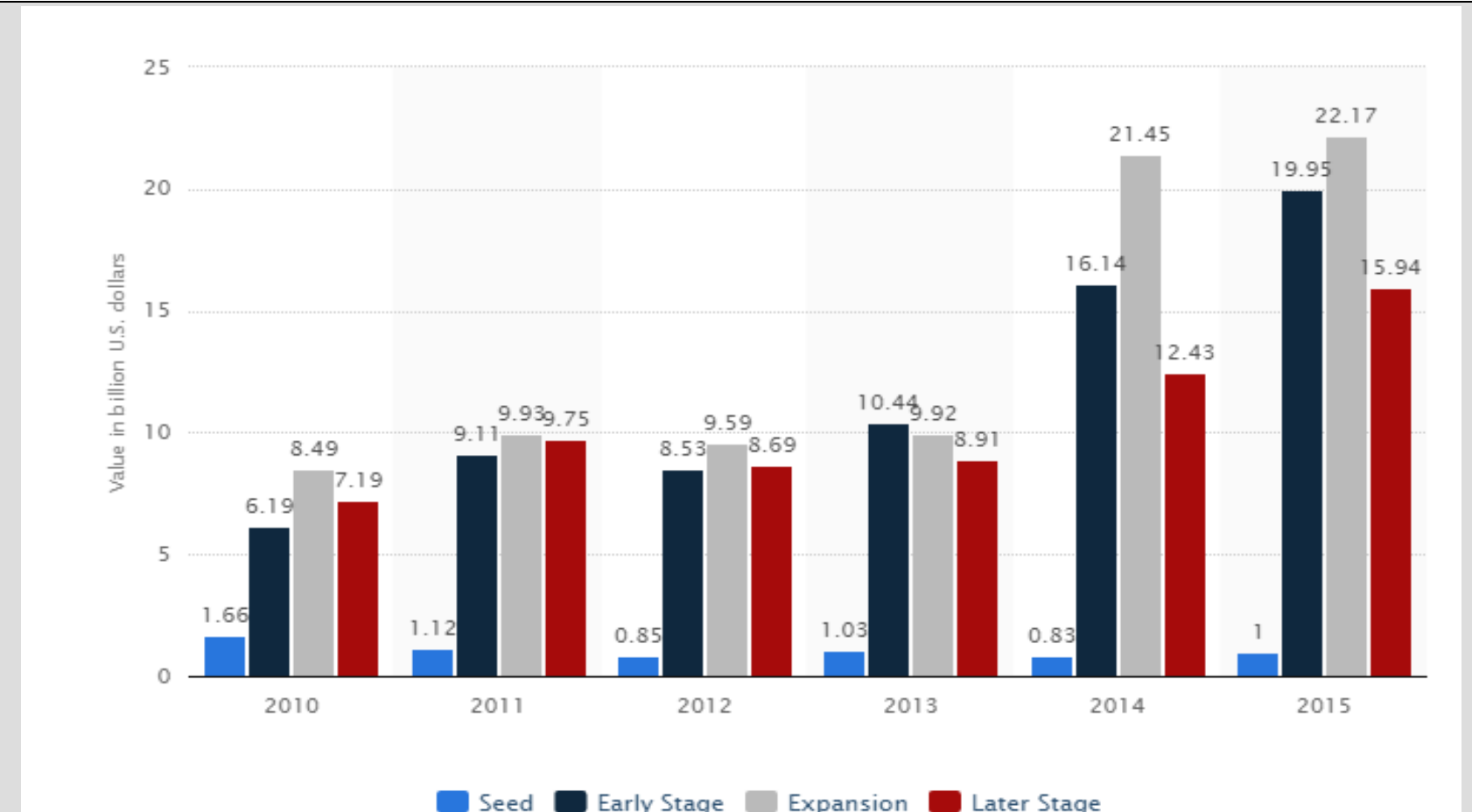


Figure 2: This graph shows the importance of how much money each company produces for both itself and its employees.

### Identifying:

- In 2015, a peak of \$22.17 billion dollars was used for company expansion that lead to an increased number of jobs.
- More jobs results in a more distribution of income.
- This number is projected to grow even more as a focus on health and tech products are created for the demand of people.
- Seed money is dropping but rather stable and doesn’t play too big a role throughout.
- The early stage is the most important part of a company’s success and investment there has almost grown to \$20 billion.

## ACKNOWLEDGEMENTS / REFERENCES

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