



WORKFORCE  
DEVELOPMENT

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## **Silicon Valley in Transition update: Tech Employment Growth to Continue Despite Global Economic Challenges**

SUNNYVALE, Calif. — Despite the looming European debt crisis and ongoing slow U. S. economic growth, Silicon Valley tech employers remain relatively bullish about hiring prospects for the next year but are reporting increasing difficulty finding qualified workers, according to a recent survey of 50 companies.

Fifty-eight percent of the companies expect to increase employment by November 2012, said NOVA, the Sunnyvale-based nonprofit workforce and economic development agency that commissioned the research. BW Research Partnership of Carlsbad, Calif., conducted the study.

“Silicon Valley continues to benefit from a deep talent ecosystem that continues to produce innovative products and services demanded throughout the world,” NOVA executive director Kris Stadelman said.

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NOVA and three regional workforce agencies commissioned the survey to update findings from a May 2011 survey that formed the basis of *Silicon Valley in Transition*, a major economic and workforce development study of the region's tech cluster that was presented in July. The other agencies are work2future (San Jose), San Mateo County and Santa Cruz County.

While the recent findings of companies projecting employment growth are within two percentage points of the May findings, the more recent results show a more pessimistic outlook for the number of employees companies expect to hire. The November findings project tech employment to grow by 5 percent within one year and 9 percent over two years. The corresponding May findings were 11 percent and 15 percent.

The rampant pace of technological growth and skill demands is leading to a shortage of qualified job applicants. Seventy-seven percent of employers in the November survey reported at least some difficulty in finding and hiring qualified employees. Forty percent are either currently experiencing or expect to experience a talent shortage. And 30 percent said the skills of their current employees are not sufficient to meet current and future business needs.

"We are moving into new market areas where our current people do not have experience in building or selling the technology," one company representative said.

The lack of skilled workers means that "answers to problems take longer than expected," said another.

Job applicants need both technical skills and so-called entrepreneurial skills including "a willingness to learn and try new things," one employer said.

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The sweeping convergence of cloud computing, mobile applications and social media will drive much of the Valley's future job growth, the survey found.

Concerns about talent shortages are consistent with the findings of the May survey and underscore the importance of key recommendations in the *Silicon Valley in Transition* study. They include the need for employers and regional stakeholders to invest in educational infrastructural and for workforce boards to develop strong partnerships with employers to better prepare workers for current and future skill demands.

The Silicon Valley workforce boards are currently seeking resources from the federal government to help unemployed tech job seekers acquire the technical and entrepreneurial skills to meet the talent demands of Silicon Valley employers.

Those initiatives would include working with area colleges, universities and consultants to offer training for in-demand technical skills as well as helping job seekers develop flexible, more entrepreneurial mindsets.

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**NOTE TO EDITORS:**

For detailed survey findings, please contact Luther Jackson; The complete Silicon Valley in Transition study is available at:

<http://novaworks.org/LaborMarketInfo/Reports/InformationTechnologyStudy.aspx>