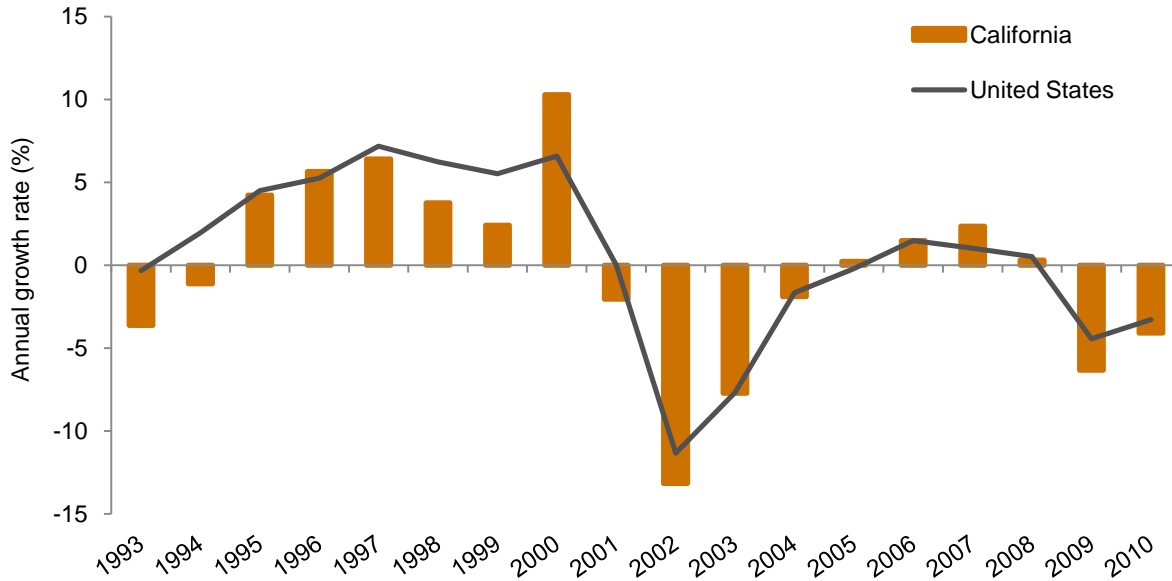


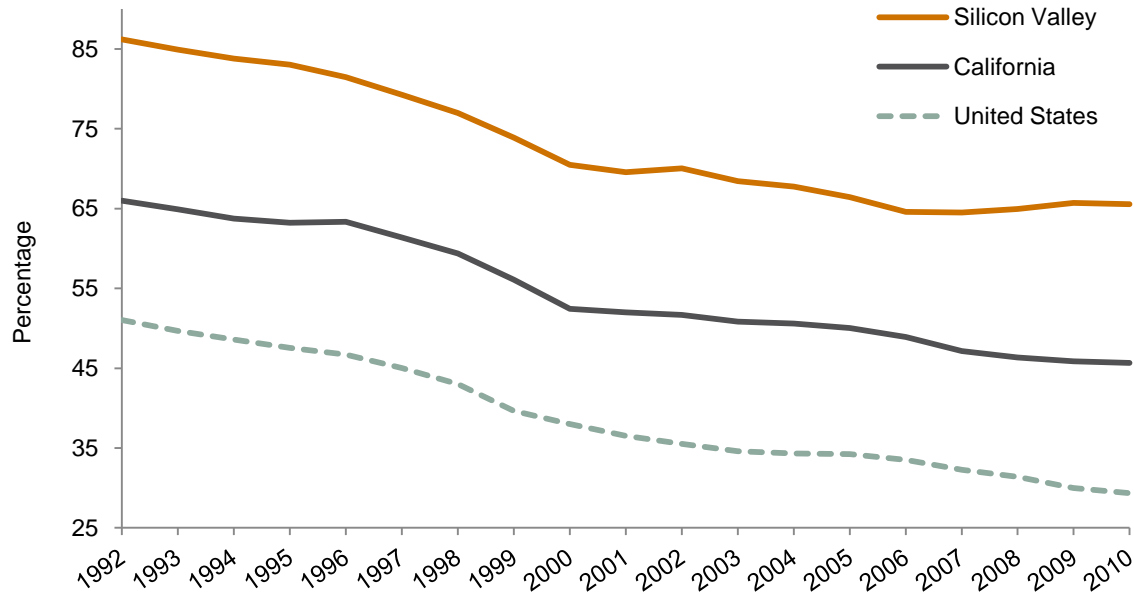
- **CALIFORNIA'S SHARE OF WORKERS IN HIGH-TECH INDUSTRIES IS HIGHER THAN THE NATIONAL AVERAGE.**
High-tech employment represents 4.3% of the total employment in California, but only 2.9% of the total employment in the nation (as of April 2010). High-tech employment accounted for roughly 5% of California jobs in the 1990s and peaked at 5.6% in 2000 (at the height of the dot-com bubble), but then fell to 4.4% by 2003 and has since remained between 4.2% and 4.3% of California employment.
- **THE RECESSION HIT CALIFORNIA'S HIGH-TECH EMPLOYMENT HARD.**
Since the start of the recession, the high-tech sector has contracted in both California and the nation. High-tech employment declined 6.3% in California in 2009 and at an annualized rate of 4.1% in early 2010, compared to a national decline of 4.4% in 2009 and 3.3% in 2010. But—unlike in the dot-com bust—high-tech employment in California has tracked the state's overall employment: High-tech's *share* of the California economy has remained stable throughout the recession.
- **A MAJORITY OF CALIFORNIA'S HIGH-TECH WORKERS ARE EMPLOYED IN MANUFACTURING.**
California's high-tech employment is distributed among four broad industries. Computer and electronic product manufacturing accounts for 46% of California's high-tech jobs (compared to 29% nationally), while 33% of the state's high-tech workers are employed in computer systems design, 18% in telecommunications, and 3% in Internet service provision, portals, and data processing.
- **SILICON VALLEY IS THE EPICENTER OF THE NATION'S HIGH-TECH MANUFACTURING.**
In the San Jose metropolitan area, the heart of Silicon Valley, 12.6% of all jobs are in the computer and electronic products manufacturing industry—15 times the national concentration. Even in other high-tech centers such as Austin and Boston, high-tech manufacturing accounts for less than 3% of total employment. High-tech manufacturing accounts for two-thirds of the high-tech employment in the county.
- **BUT HIGH-TECH EMPLOYMENT EVERYWHERE IS SHIFTING FROM MANUFACTURING TO SERVICES.**
Despite California's concentration in high-tech manufacturing, high-tech employment is shifting toward services. In California, manufacturing accounted for 66% of high-tech employment in 1992, but only 46% in 2010. The shift from high-tech manufacturing to services has been even more pronounced nationally, with manufacturing as a share of high-tech employment declining from 51% to 29% between 1992 and 2010. This shift reflects actual job loss in high-tech manufacturing, where employment between 1992 and 2009 has declined at an annual rate of 2.2% in California and 2.4% in the nation.



Employment Growth in High-Tech Industries



Share of High-Tech Employment in High-Tech Manufacturing Industries



Sources: Current Employment Statistics (State and Metro Area Employment, Hours and Earnings), U.S. Bureau of Labor Statistics.

Notes: The high-tech sector includes computer and electronic product manufacturing (NAICS 334); telecommunications (517); Internet service providers, web search portals, and data processing (518); and computer systems design and related services (5415). In the first graphic, 2010 employment growth is for the first four months of the year, annualized. In the second graphic, 2010 employment shares are for April. "Silicon Valley" refers to the San Jose-Sunnyvale-Santa Clara MSA, which includes Santa Clara and San Benito counties.

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