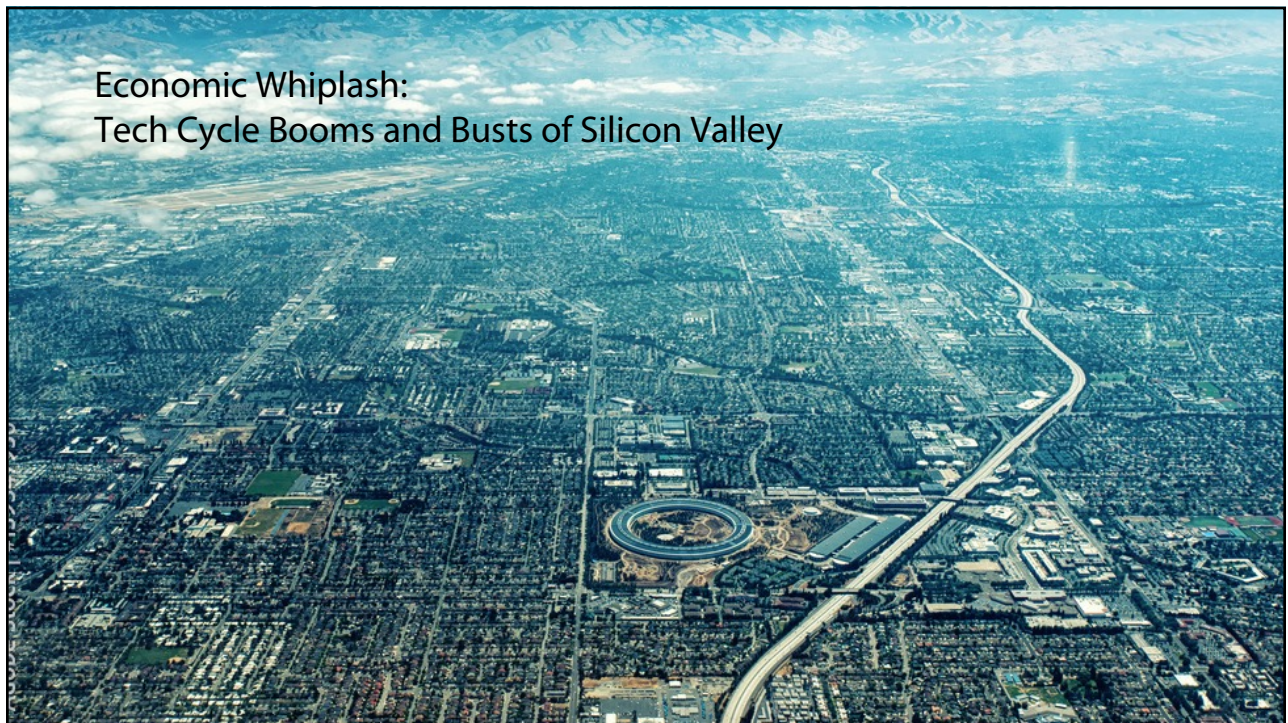




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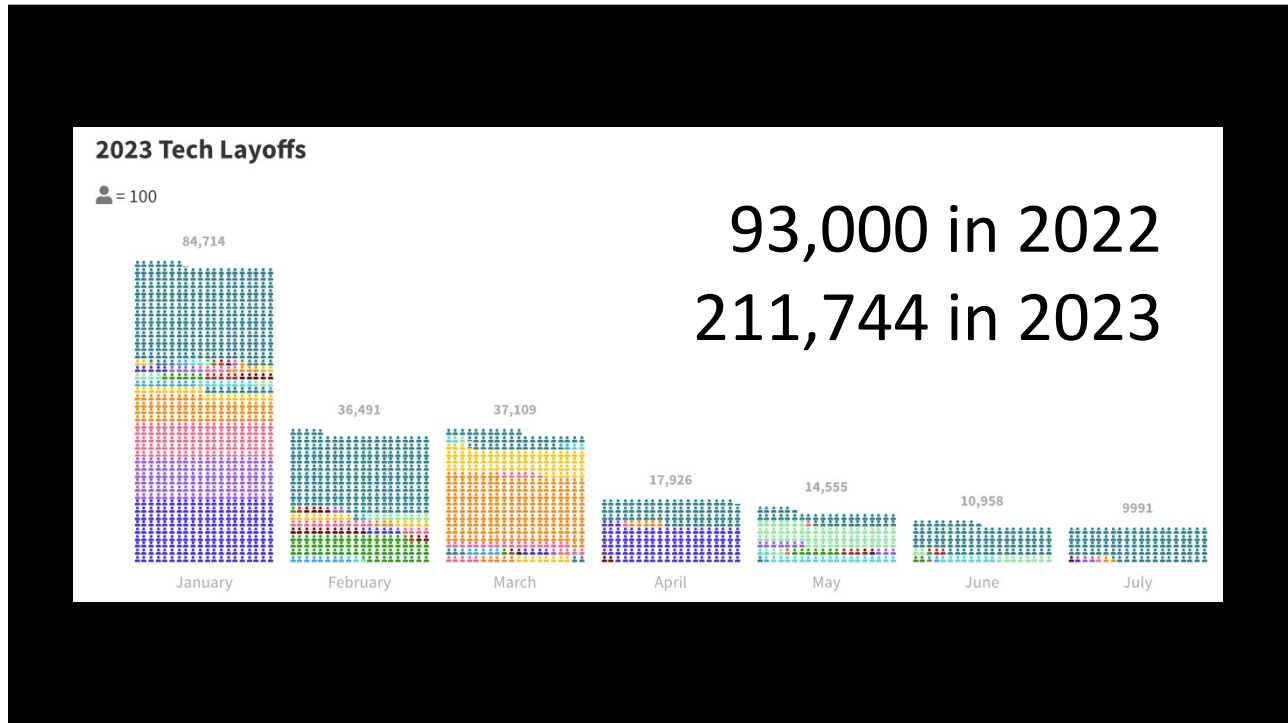
2

# The Collapse of Silicon Valley

3

# Massive Layoffs

4



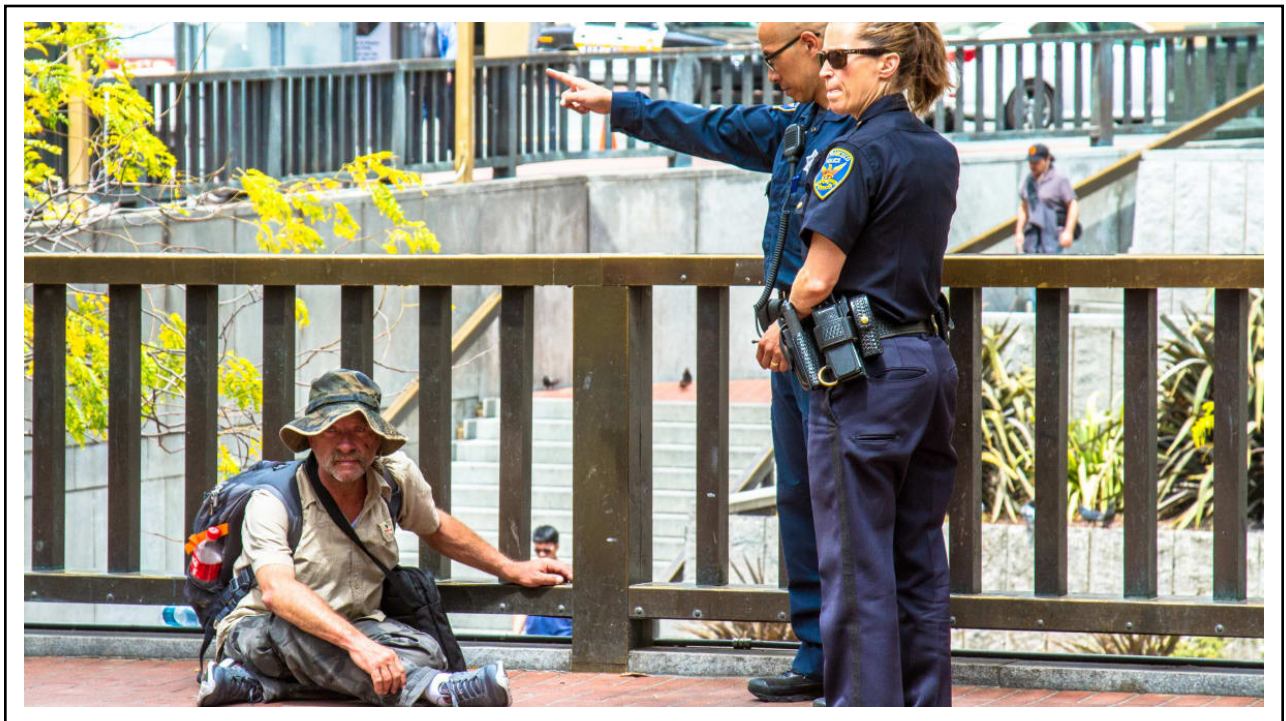
5

SF  
Doom Loop

6



7



8



9



10



11



12



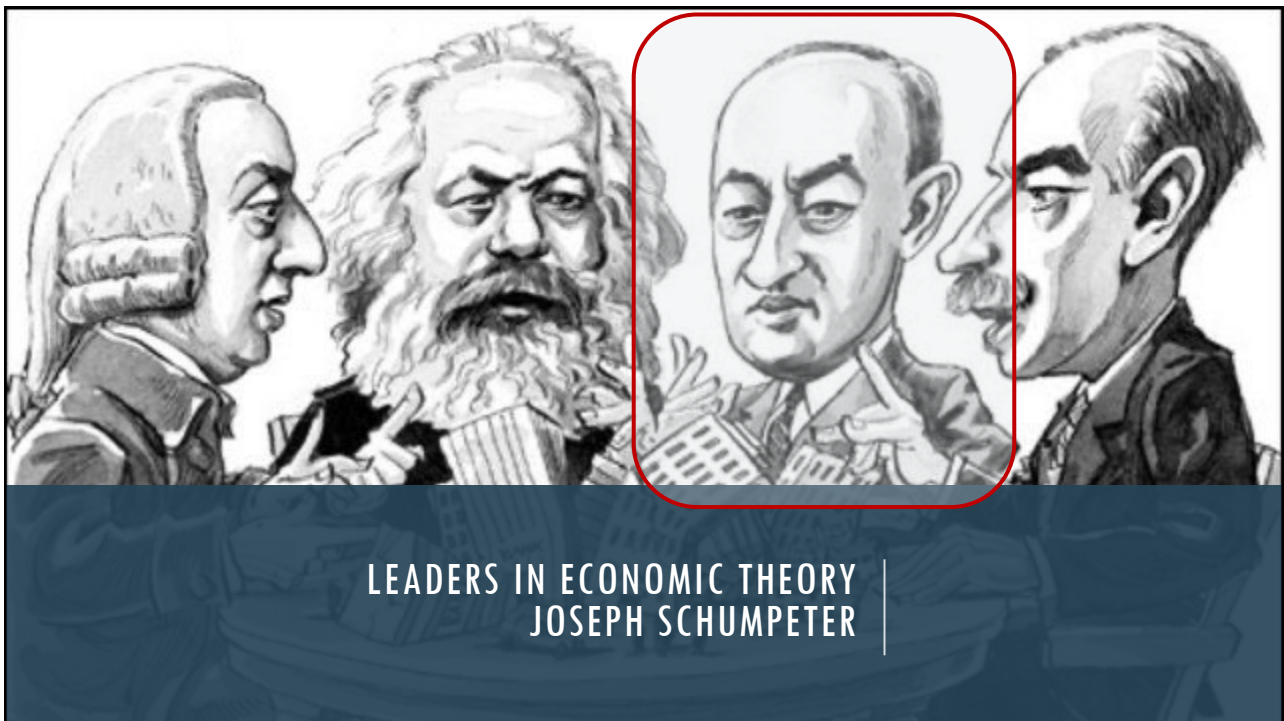
13

New York, Beijing,  
London, Tel Aviv,  
Texas, Florida

14



15



16



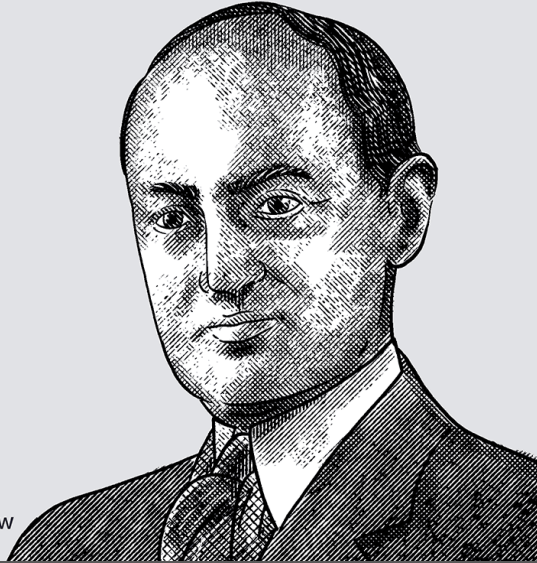
## Joseph Schumpeter

**Born:** February 8, 1883

**Died:** January 8, 1950

### **Economist and Economist Historian**

- Best known for his 1942 book "Capitalism, Socialism, and Democracy," the theory of creative destruction, and for offering the first German and English references to methodological individualism in economics
- Creative destruction, a term he coined, describes how the old is constantly being replaced by the new



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# Gales of Creative Destruction

18

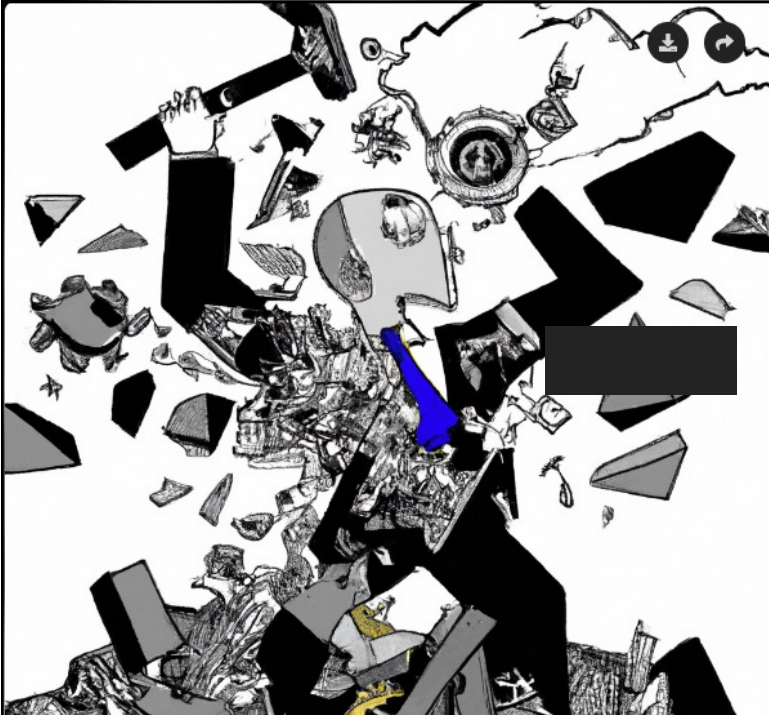
**Old inefficient companies must go out of business in**

*“gales of creative destruction”*

to release capital and workers for more innovative ways



19




# DALL-E 2

DALL-E 2 is an AI system that can create realistic images and art from a description in natural language.


Generated Results ✕

Prompt ✎

creative destruction as theorized by Joseph Schumpeter

 Dalle

20



**1960s & 1970s:  
Semiconductors**


**The Silicon of Silicon Valley**  
Fairchild, Intel, National, AMD

**Semiconductor Equipment**  
Applied Materials, KLA,  
Lam Research, Agilent, Novellus

**Defense**  
Lockheed, Honeywell,  
Westinghouse, Varian

21

# 1980s Cycle



**Trigger:** High Inflation, Fiscal Policy

**Death:** Mainframe Computers, Defense

**Growth:** PC Industry

22

# 1980s Tech Growth

Microprocessors and Memories  
 Disk Drives  
 Graphics Boards  
 Application Software  
 ASICs – LSI Logic

23



## 1970s & 1980s: Computing:

### PCs and Workstations

Apple, Amdahl, Fujitsu, IBM Clones,  
 Sun, Silicon Graphics, MIPS, ...

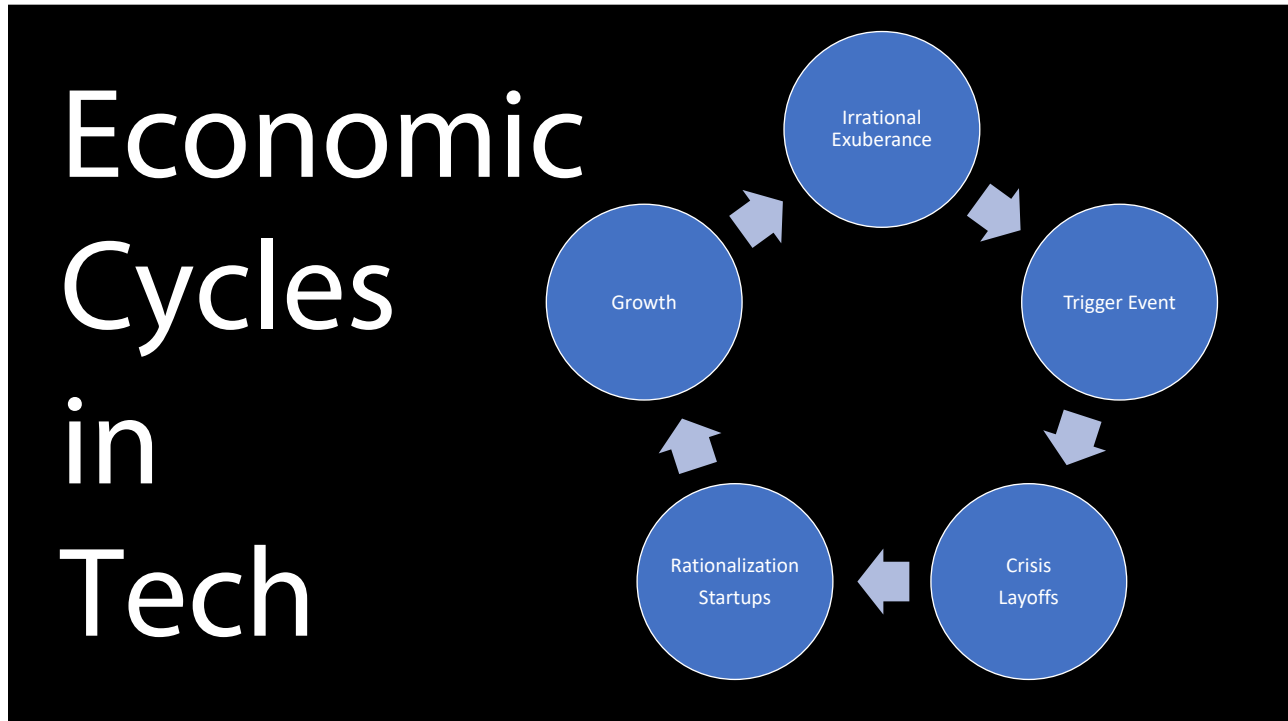
### Networks

Xerox, 3Com, SyOptics, Cisco,  
 Juniper,...

### Storage


IBM, Quantum, Maxtor, Seagate,  
 Tandon...

24



25

# Early 1990s Cycle



Trigger: Defense Cuts, Japanese Threat

Death: Semiconductor Oversupply


Growth: Internet

26

# 1990s Tech Growth

Networking  
Communications  
ISPs  
Digital Audio and Video

27



The map shows the San Francisco Bay Area with several cities labeled: San Rafael, Berkeley, San Francisco, Hayward, Fremont, Pacifica, Redwood City, Palo Alto, CA, Moss Beach, Half Moon Bay, San Gregorio, Pescadero, Los Gatos, and San Jose. Three regions are highlighted with colored circles: a yellow circle labeled 'Enterprise Software' near San Francisco, a green circle labeled 'Networks' near Palo Alto, and a yellow circle labeled 'Security' near San Jose.

## 1990s Networks & Enterprise Software

Datacom  
Cisco, Juniper, Vmware, Netgear

Databases  
Oracle, Citrix, SAP

SaaS  
Salesforce, Netsuite, Intuit

Security  
Symantec, McAfee

28

# 1997-2000



# Dot-Com Boom...!

29

# Dot Com Boom!

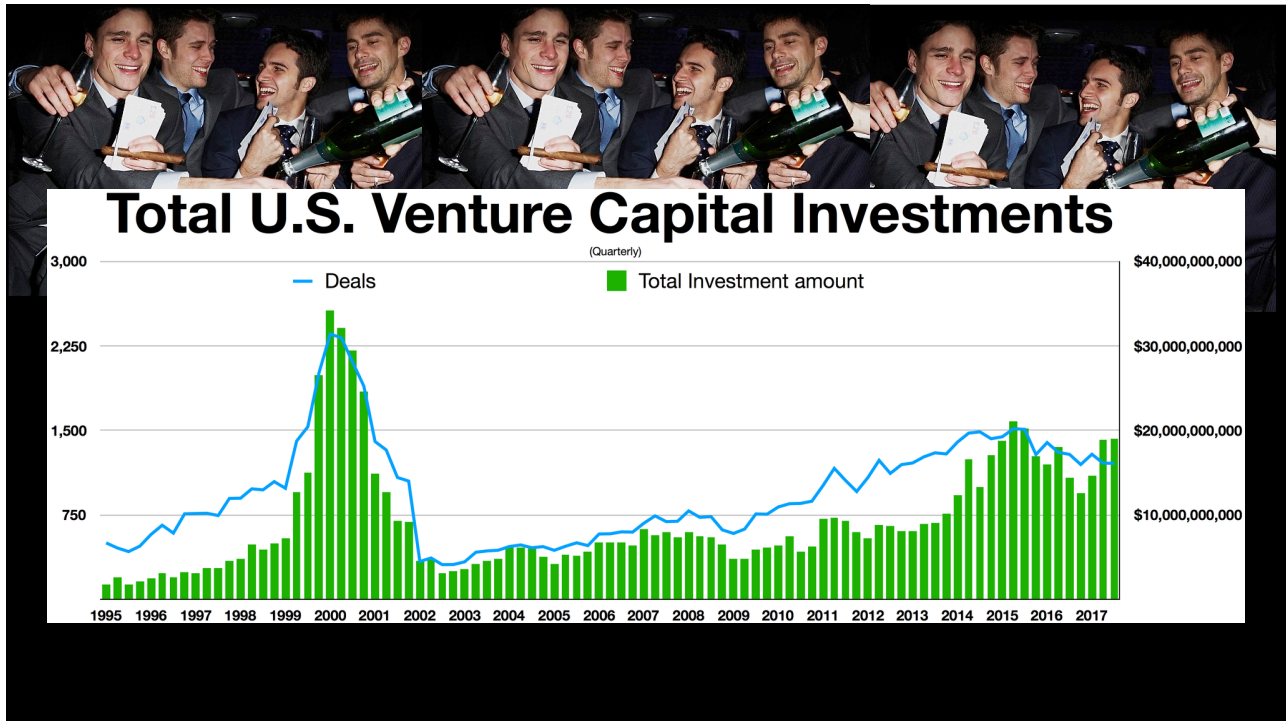
Trigger: View of the Future

Death: Common Sense

Growth: Real Internet Applications



30



31

# Dot Comp Boom!

New Online Businesses  
New Business Models (Ads)  
Everything goes Online

32





33

# Dot Com Bust



Trigger: Irrational Exuberance

Death: Most Dot-Com dreams

Growth: Social Media, Entrepreneurship

34



## Dot Com Boom & Bust Search & Social Media

Ad-driven business models

South Bay:

Google, Yahoo!, Facebook, LinkedIn

SF SOMA:

Twitter, Digg, Zynga, Wikipedia, Yelp

35



## Dot Com Boom & Bust Entrepreneurship...!

Incubators & Accelerators

Y-Combinator

Plug & Play Tech Center

Berkeley Skydeck

Stanford StartX

Angel Groups

Sand Hill Angels

Band of Angels

36

# 2008-2011



# Financial Crisis

37

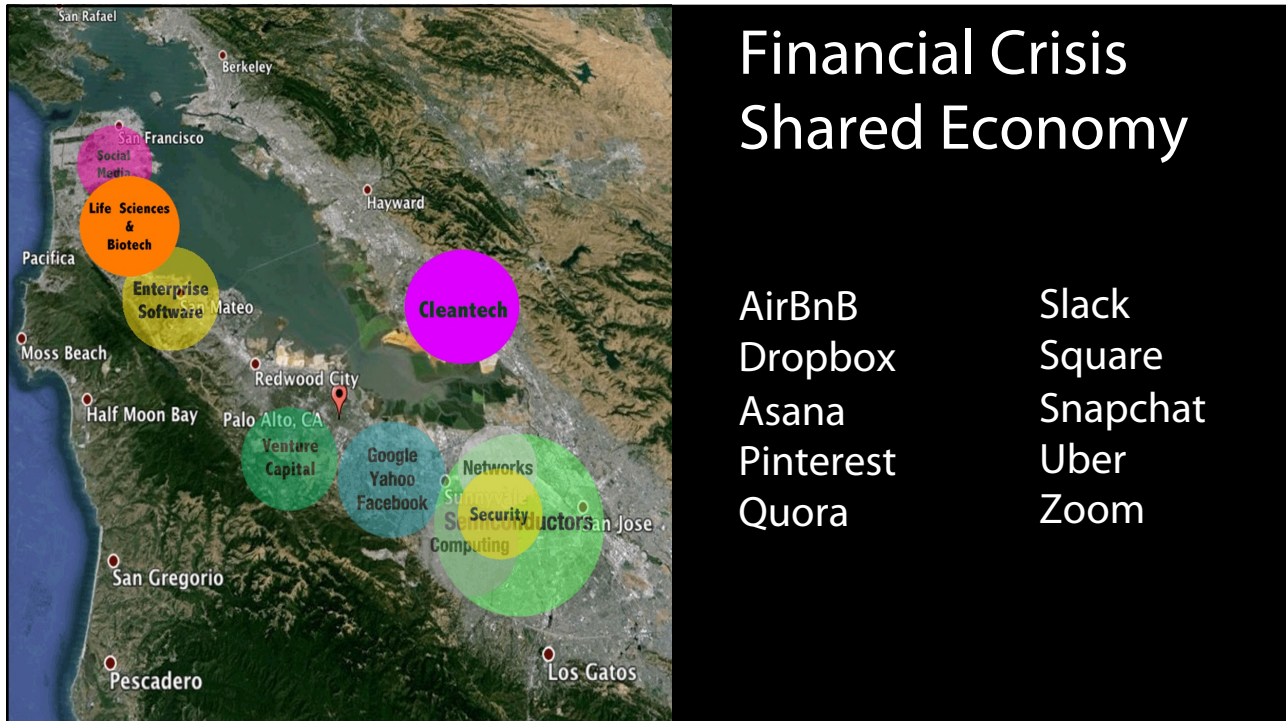
# 2008-2011

Trigger: Bank and financial market overreach

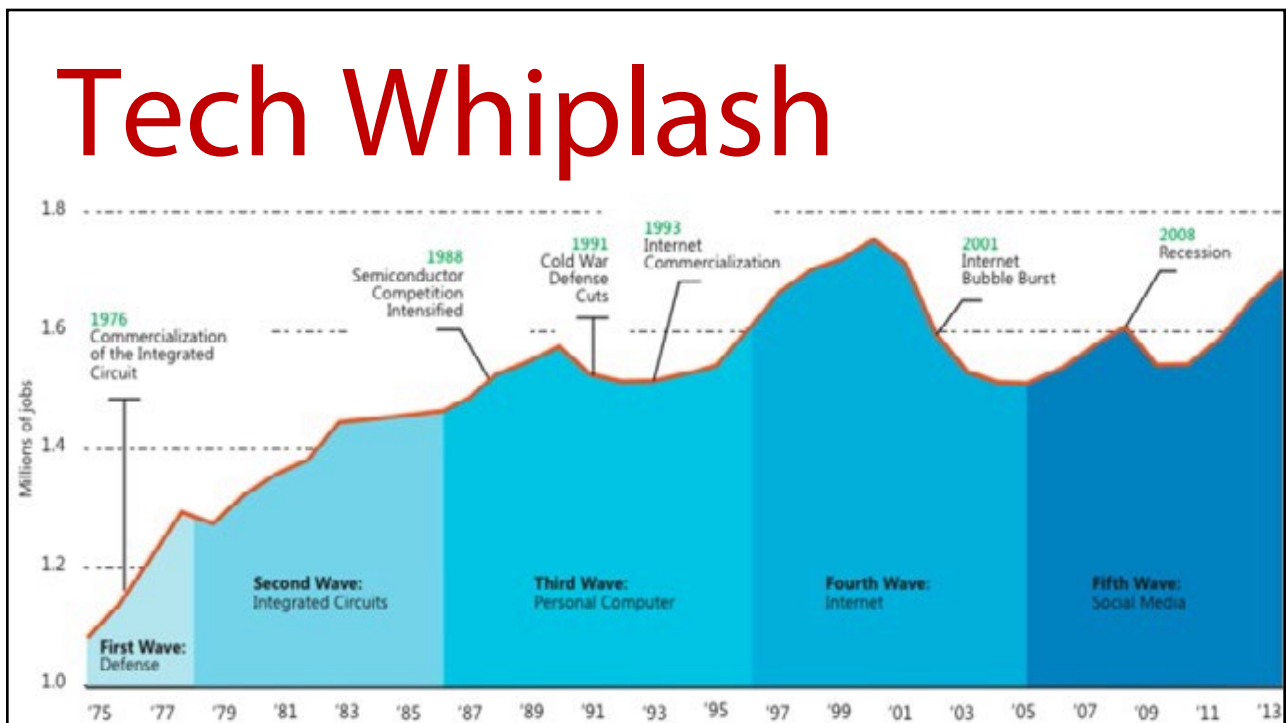
Death: Enterprise and Consumer Spending

Growth: Shared Economy

38



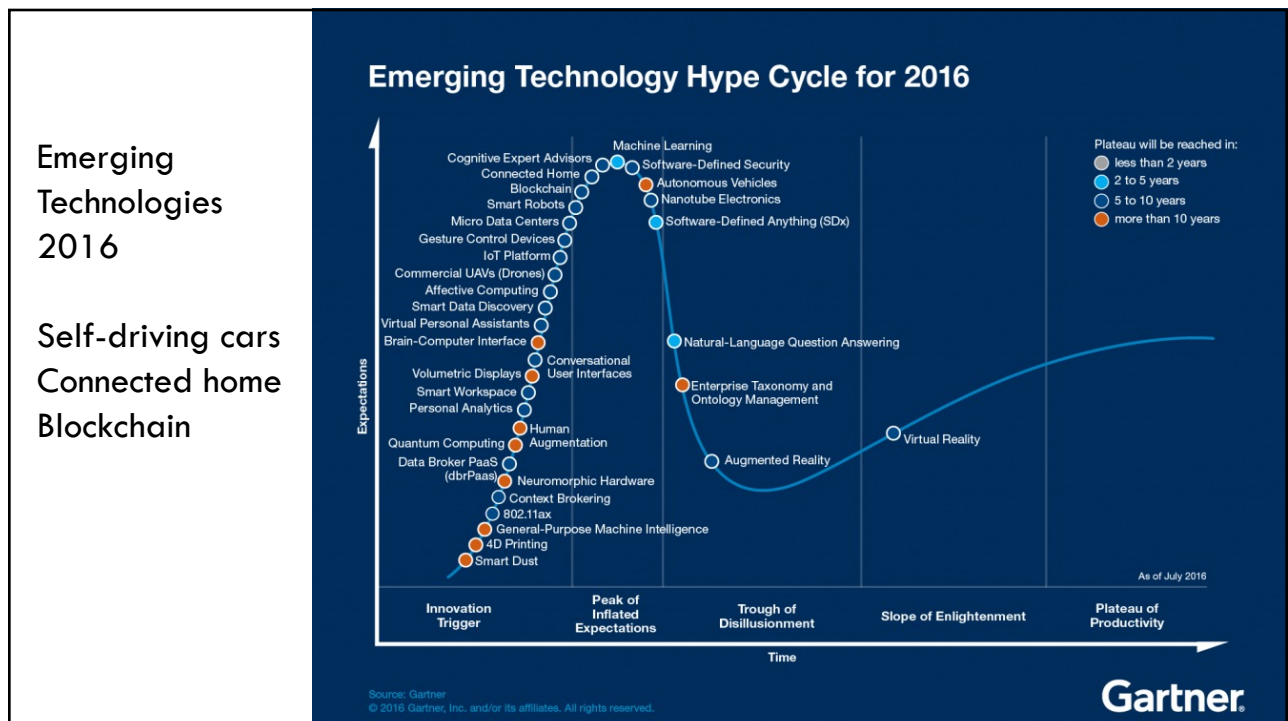
39



40



41



42

# 2023

# Now What?

- Covid
- Globalization
- VC Crisis
- Writer's Strike

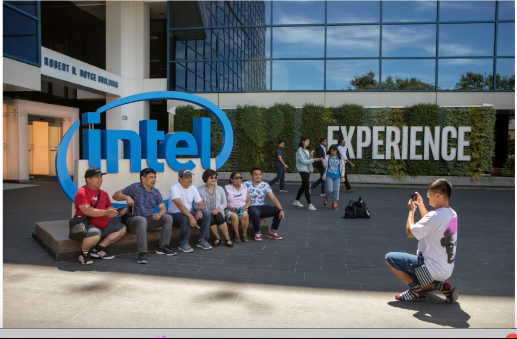
43

BUSINESS > ECONOMY · News

SUBSCRIBER ONLY

## Tech companies reveal plans to jettison hundreds more Bay Area jobs

Chip industry, circuit board firms are among the latest to chop local jobs

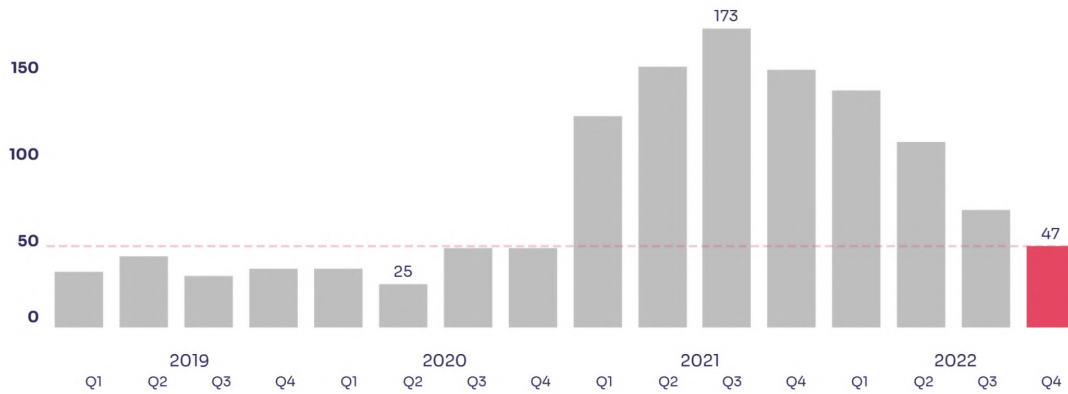
A photograph showing a group of about ten people sitting on a low concrete wall in front of an Intel Experience store. The Intel logo is prominently displayed on the wall behind them. A person is kneeling in the foreground, taking a photo with a smartphone. The store has large glass windows and a sign that says 'EXPERIENCE'. The building name 'ROBERT N. ROYCE BUILDING' is visible above the entrance.

44

# 2022's Downturn Was Also Evidenced by the Declining Number of New Unicorns

Global Number of Unicorns Based on Join Date by Quarter

Source: Startup Genome, 2023



# The Mercury News

WEDNESDAY, JULY 26, 2023

## GOLDEN STATE'S GLOW IS FADING



Visitors shop at vendor and food booths during the Castro Valley Fall Festival in September 2022. A new forecast shows that, after decades of population growth, the number of California residents will remain roughly the same for 30-plus years.

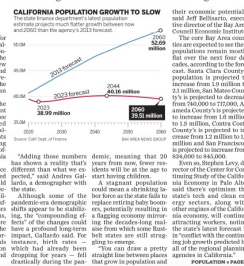
Previous forecast of big population gains are tempered as new outlook shows a flattening of residential numbers through 2060

**By Edwin Velez**  
 After adding residents for nearly its entire history, California can expect its population to remain roughly the same through 2060, new projections show in a trend that sends previous forecasts and forecasts the Golden State's status as an "immigration magnet."

The forecast from the state's finance department comes as the state's population has grown by about 46 million since 1970, as residents fled to the high housing costs and other quality-of-life concerns that California has become known for.

A decade ago, the finance department had projected the state population would maintain its upward trajectory, very much in line with the 2014 report by the Brookings Institution, which included the state's population would grow by 50 million people by 2060. But the new projections, which were released last week, show a sharp decline in the number of people moving away in the state's west and south.

The new projections also show that the population will not only stop growing but will actually drop by 30.5 million.



## Judge blocks policy on asylums

Federal jurist delivers blow to Biden administration but elates a variety of civil rights groups

**By William Jordan and Glenn Feldman**  
 The New York Times

A federal judge on Tuesday struck down a stringent new asylum policy that officials have called crucial to managing the southern border, dealing a blow to the Biden administration's strategy after illegal crossings by migrants doubled sharply in the last few months.

The rule, which has been in effect since May 15, would have allowed migrants to apply for asylum only if they have crossed into the United States without either securing an appointment at an asylum port of entry or paying four times the fee to get protection in another country using the way-finding advisory program that used to be available to migrants.

The judge said that the policy violated U.S. law and fundamental migration-law principles. He also said that the policy would have a chilling effect on the rights of migrants to seek asylum.

The judge also said that the policy would have a chilling effect on the rights of migrants to seek asylum.

## Competitive rental markets have big swings in Bay Area

**By Tashia Mohr**  
 The San Jose Mercury News

There are few things as frustrating as looking for an apartment that checks all the boxes. It's affordable, it's close to the beach, it's in a good location, it has all the amenities, and it's in a nice neighborhood. But, it's perfect, someone will want to live there.

It's easier to rent in some parts of the Bay Area than others. According to a new report, the South Bay/Redwood City/Palo Alto and the East Bay areas are the most competitive rental markets in Silicon Valley ranked on the fourth most competitive.

The report by the iQOO study used data from 17 rental markets in the U.S. and calculated their rental rates, average tenant days, prospective renter per week, renewal rate and the average...



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**Doom loop (noun) —**  
*A scenario in which one negative development causes another negative development, which then makes the first problem worse.*

*A vicious cycle.*

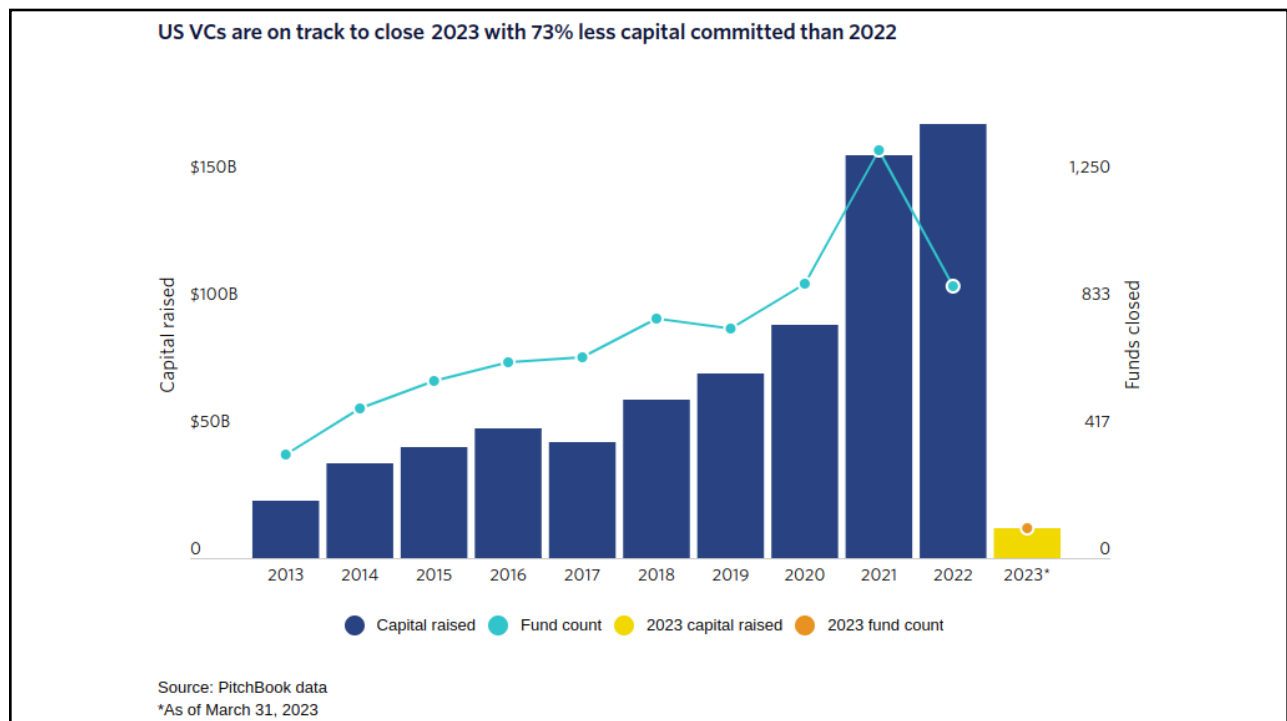
48



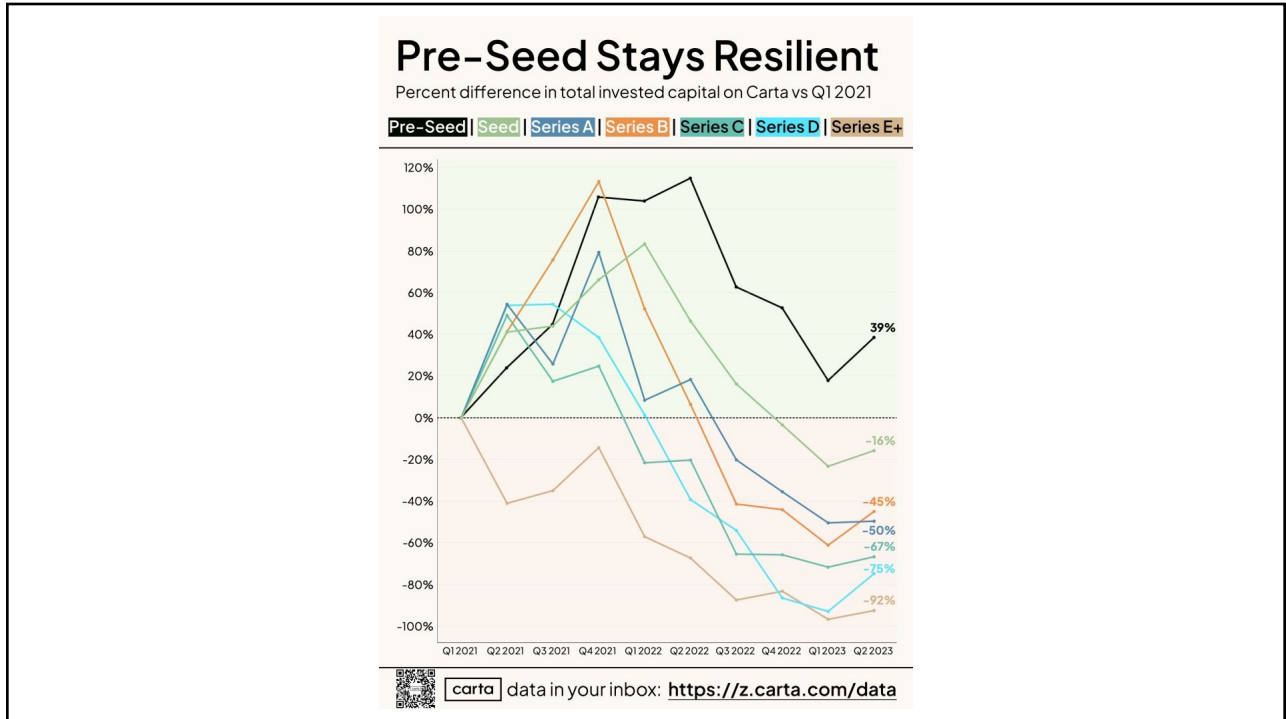
# 2023

Chaos = Opportunity  
 Digital+ Physical + Biological  
 West → Developing Economies  
 AI. Does it really change everything?

49



50



51



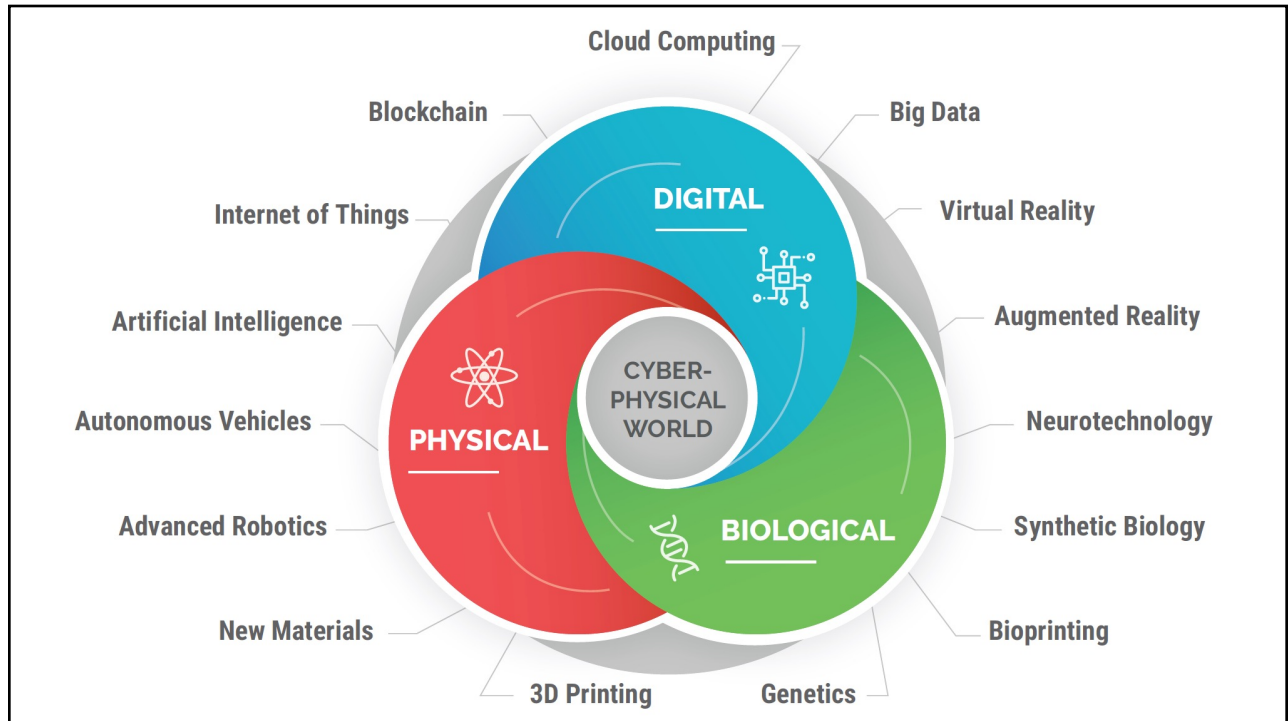
52

Rank	City	Country	Rank Change (from 2022)	Total Score
1	<u>San Francisco</u>	United States	—	546.427
2	<u>New York</u>	United States	—	223.407
3	<u>London</u>	United Kingdom	—	127.426
4	<u>Los Angeles</u>	United States	—	116.943
5	<u>Boston</u>	United States	—	103.337
6	<u>Beijing</u>	China	—	99.019
7	<u>Shanghai</u>	China	—	67.567
8	<u>Bangalore</u>	India	—	64.232
9	<u>Paris</u>	France	+1	57.477
10	<u>Tel Aviv-Yafo</u>	Israel	-1	56.774
11	<u>Berlin</u>	Germany	+1	48.356

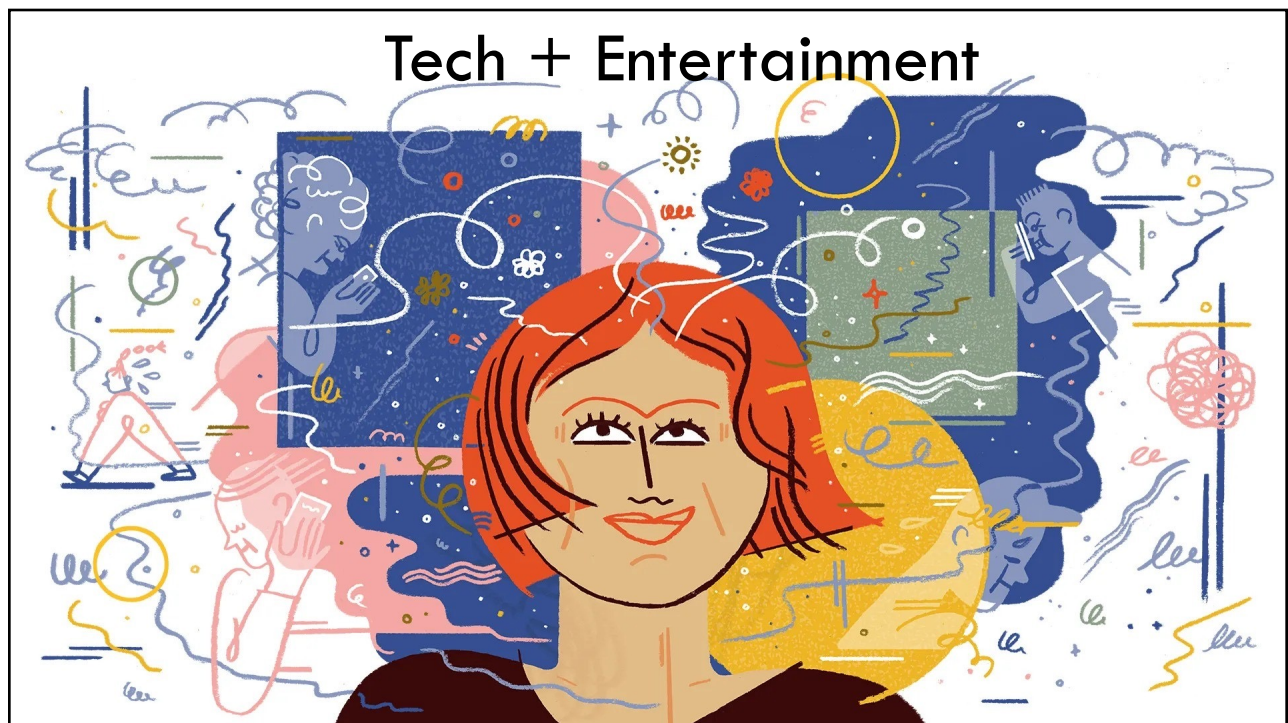
53

Regional Rank	Country	# of Ranked Cities	Global Rank	Rank Change (from 2022)	Total Score
1	United Kingdom	74	2	—	51.218
2	Sweden	19	5	—	27.074
3	Germany	40	7	-1	25.939
4	France	29	8	+1	22.916
5	The Netherlands	23	10	+1	21.423
6	Switzerland	18	11	+1	21.125
7	Finland	8	13	+1	18.372
8	Estonia	3	14	-1	17.674
9	Spain	40	15	+1	16.958
10	Ireland	8	16	-1	15.141
11	Lithuania	3	17	—	14.271


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55




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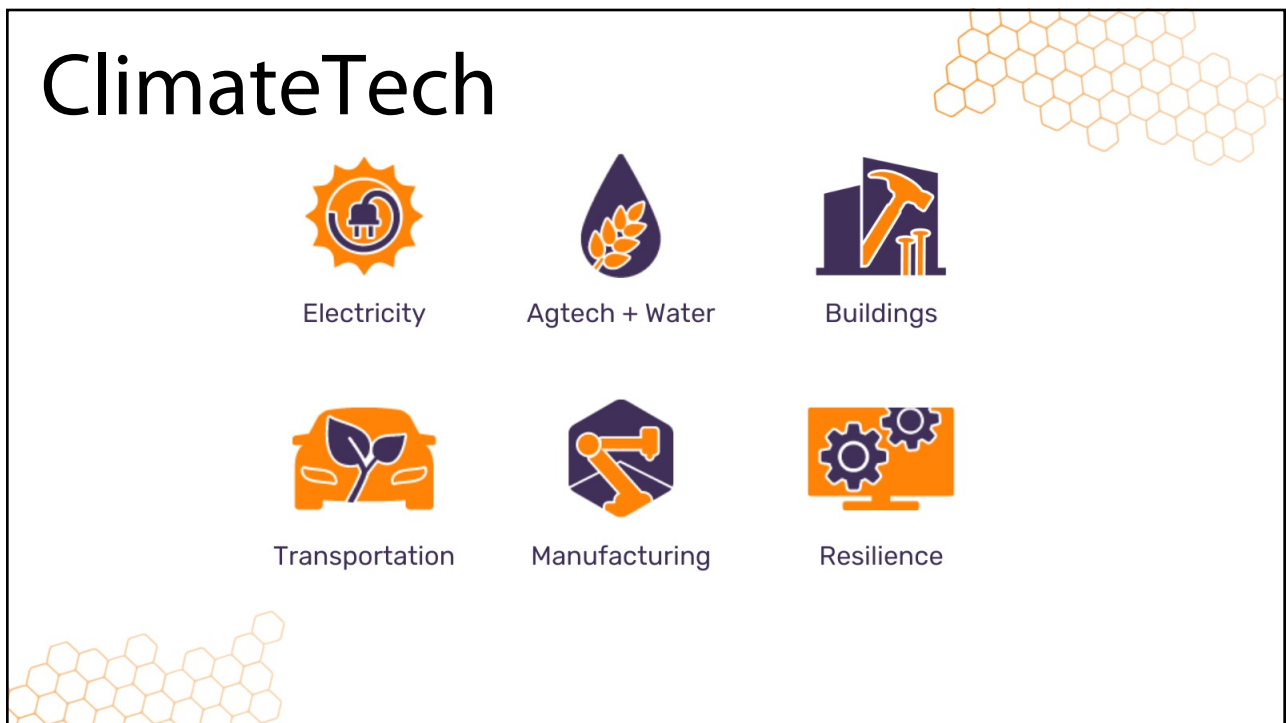
Where  
**biology and technology**  
advance one another







*Leading to innovations across the board*

 <b>Biomolecules</b>	 <b>Biosystems</b>	 <b>Biomachine interfaces</b>	 <b>Biocomputing</b>
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# ClimateTech

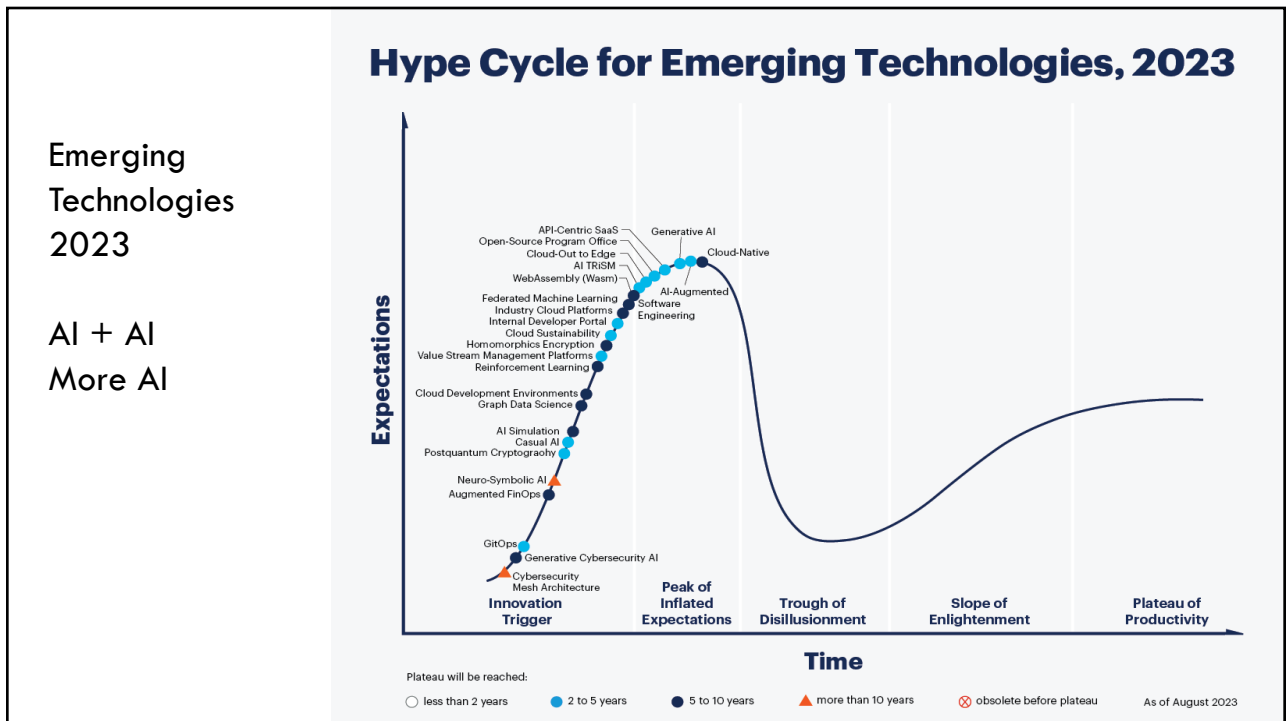


 <b>Electricity</b>	 <b>Agtech + Water</b>	 <b>Buildings</b>
 <b>Transportation</b>	 <b>Manufacturing</b>	 <b>Resilience</b>

58



59



60

# Message to the World

Silicon Valley is still in business

Global resource to everyone that has a great new

Idea  
Business  
Industry

Exciting new frontiers with have opened up

Let's build the next massive cycle together

61

# Silicon Valley has Collapsed

62

Silicon Valley  
has Collapsed  
and will rise again

63



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