

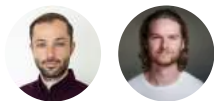
BUSINESS > **ECONOMY** • News

Silicon Valley's inequality gap is growing twice as fast as in rest of U.S.

Nine local billionaires hold 15 times the wealth of the bottom half of households combined



Apple Park's spaceship campus is seen from this drone view in Sunnyvale, Calif., on Monday, Oct. 21, 2019. (Jane Tyska/Bay Area News Group)



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[Silicon Valley's staggering income divide](#) has widened twice as fast as the state and national average over the past decade, reflecting a tech-driven economy failing to deliver a living wage for almost a third of families while also producing 56 billionaires.

That's according to a new closely watched annual report from Joint Venture Silicon Valley, a nonprofit think tank. The group's analysis of a range of public and private data found that income inequality in the region soared 44% between 2010 and 2023, as median household earnings climbed to \$154,100 a year, nearly double the national figure.

The report also highlights stark disparities in pay, health, education and housing for Black and Latino residents, who face longstanding systemic inequities and have been largely locked out of the tech industry's unprecedented wealth creation.

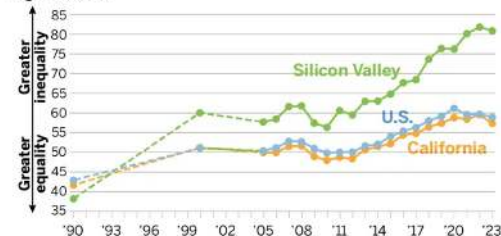
"The old theory was a growing economy was good for everybody because a rising tide lifts all boats," said Russell Hancock, Joint Venture president and chief executive. "Silicon Valley is showing a different outcome — that actually, boom conditions in this valley only lift some."

REALTED: [The 9 wealthiest Silicon Valley households have 15 times more wealth than the bottom half of their neighbors](#)

The 2025 Silicon Valley Index report, set to be released Friday, looked primarily at San Mateo and Santa Clara counties, an area with 2.6 million people. Some data points also incorporated information from San Francisco and southern Alameda County cities, including Fremont and Newark.

SILICON VALLEY INEQUALITY HIGHEST

Household income inequality in Santa Clara and San Mateo counties has outpaced California and U.S., reaching an all-time high in 2022.



Note: Inequality was measured using the Absolute Gini Coefficient, a metric that incorporates the spread of income distribution between high and low earners and their household spending.
Source: Silicon Valley Index, United States Census Bureau, American Community Survey.

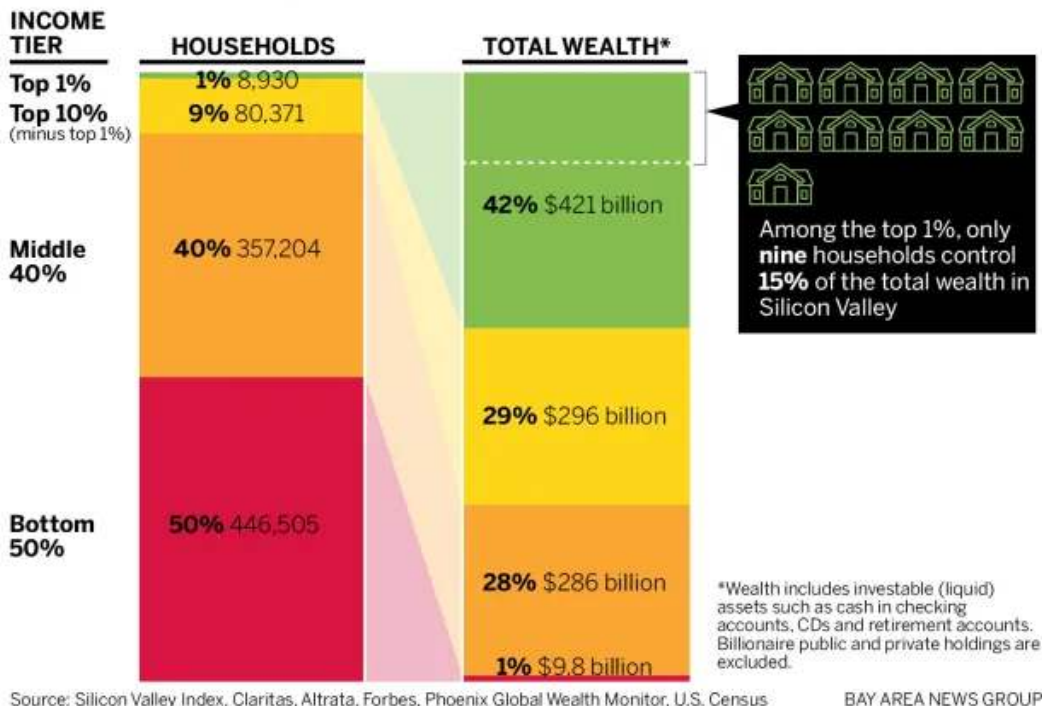
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Among Joint Venture's most startling findings: Nine Silicon Valley billionaires together [hold 15 times the liquid wealth](#) of the bottom 50% of households combined. (The calculation did not include billionaires' public and private holdings, such as stocks, which make up a significant portion of their total wealth.)

42% OF WEALTH HELD BY 1% OF HOUSEHOLDS

In Santa Clara and San Mateo counties, 8,930 households had more wealth than at least 803,709 households (90%) in 2024.



Source: Silicon Valley Index, Claritas, Altrata, Forbes, Phoenix Global Wealth Monitor, U.S. Census

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When factoring in all investments, the Valley's top billionaire, Mark Zuckerberg, alone held an [estimated between \\$220 and \\$230 billion](#) as of this week more than 20 times the wealth of the bottom 446,505 households.

Hancock attributed the gross imbalance in part to the rise of the Valley's venture capitalist system, in which wealth is created through stakes in ownership rather than wages or salaries. He noted, however, that [growing inequality](#) is now a fact of life across the country and urged national policymakers on both sides of the aisle to work toward big-picture solutions instead of giving in to "angry populist forces" as their constituents feel increasingly left behind.



Manuel Jimenez stands in his apartment in Morgan Hill, Calif., on Tuesday, March 4, 2025. (Shae Hammond/Bay Area News Group)

Manuel Jimenez, a retired financial analyst who has lived in the Valley for most of his adult life, said he believes “capitalism with no barriers, no boundaries, no controls” is pushing people into poverty and fueling deep disparities around him, he said in an interview.

“It’s just impossible to live here,” Jimenez said. “It’s no longer the American Dream — it’s the American nightmare around here.”

Born in Mexico, Jimenez, 67, said he got his first job at 12 years old, working in crop fields near Salinas. In the 1970s, he said he attended San Jose State University, graduated with two degrees, and remained in the South Bay, mainly working for defense contractors like Lockheed Martin and Teledyne. He became a U.S. citizen in 1990.

But during the 2008 foreclosure crisis, he lost the two homes he owned, and his deep savings evaporated. He continued to work and became a renter, but money didn’t last like it used to.

“The more I worked as I got older, the less I got ahead,” he said.

Now, Jimenez lives on \$2,000 a month in Social Security benefits, plus \$23 in food assistance.

This winter, he was homeless for more than a month until he qualified for a low-income apartment at a senior living facility in Morgan Hill. Rent is \$950 per month. He’s grateful for his new home, but he’s considering moving back to Mexico, where it’s far less expensive.



Manuel Jimenez holds a badge from one of his old jobs inside his apartment in Morgan Hill, Calif., on Tuesday, March 4, 2025. (Shae Hammond/Bay Area News Group)

Jimenez is one of the 30% of Silicon Valley households who, without assistance, could not afford necessities such as food, housing, child care and transportation, the report found. For a family of four, each working adult must earn at least \$36 an hour to comfortably afford the region, double the state minimum wage.

One of the clearest examples of the struggle to afford the area is the skyrocketing need for food assistance programs. According to the report, 37% of children in the Valley live in households that may not have reliable access to food.

At the beginning of the COVID-19 pandemic, the food bank network Second Harvest of Silicon Valley fed about 250,000 people monthly. The [need quickly doubled](#), and hunger never returned to normal levels, said Tracy Weatherby, the food bank's chief impact officer.

"In Silicon Valley, hunger is a result of the overall cost of living, not the unemployment rate or anything else," she said. "Even people who are working full time, even people who are retired and have a steady income, have real difficulty making ends meet."



Second Harvest volunteer, Neel Jagdish, 17, opens boxes of produce to distribute at Stonegate Elementary School in San Jose on Feb. 1, 2025. (Photo by Iris Sanchez/Mosaic)

But for many who can afford the Valley — including the one in 10 residents who is a software engineer — there are new reasons for optimism.

Despite shedding tens of thousands of tech jobs since the pandemic, the region's powerhouse industry is buzzing on the promise of [artificial intelligence](#). In 2024, Silicon Valley and San Francisco generated a combined \$69 billion in venture capital investment. Of that total, \$22 billion went to AI companies, a 90% increase since 2020.

Tamuz Hod, 26, lives in San Francisco and works for an AI startup in Palo Alto that doubled in size over the last year to 100 employees.

Hod, who grew up in Sunnyvale and assumes he'll move back to the South Bay someday to start a family, said it's a "lucrative" time for AI and an exciting industry to be a part of.

"My community is doing decently well," he said. "I know that's not true of everyone."

If the current state of the Valley's tech-driven economy is any indication, it's far from certain that AI will be a boon for the entire region.

Today, for example, Latino residents' per-capita income is just \$37,800, a third of that of White residents, according to the Joint Venture Index. The disparities also cut across gender lines, with women earning 77 cents for every dollar that men take home.

The report also identified similar disparities in health outcomes, with Silicon Valley's Black women four times more likely to die of pregnancy-related complications and three times more likely to have a child die before his or her first birthday. When it comes to education, just 21% of Latino residents have a bachelor's degree, compared to 70% of Asian residents.

Looking at housing, the index noted the median home price in the region topped \$1.9 million last year, making home ownership out of reach for most residents across demographics. But the report found just 9% of Black and 8% of Latino first-time homebuyers can afford to purchase a median-priced home, compared to 21% of White and 25% of Asian first-time buyers.

Meanwhile, four in 10 Silicon Valley renters and homeowners of all backgrounds spend more than 30% of their income on monthly rent or mortgage payments, classifying them as "cost burdened" by federal standards.

To help alleviate those strains, Poncho Guevara, executive director of Sacred Heart Community Services, a nonprofit supporting poor people in the Valley, called on policymakers to increase funding for affordable housing and rental assistance to prevent evictions and homelessness. The Valley's homeless population totaled more than 12,500 people last year, a 49% surge over the past decade.

Guevara pointed to the emergence of local guaranteed-income pilot programs — many [funded by Valley tech companies](#) — as a promising alternative to provide vulnerable families in the region a needed safety net.

"We've got to make sure if we have limited resources, how are we targeting those who have been historically struggling?" he said.

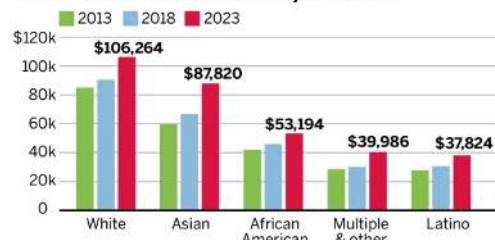
At the state level, lawmakers have made the [high cost of living the focus of this legislative session](#), with plans to take up proposals on housing, electricity bills, home insurance and grocery costs.

In Washington, D.C., Republicans now in control of Congress have pledged to ease the burden on workers by cutting taxes and slashing business regulations. President Donald Trump, meanwhile, has imposed new tariffs that he promises will create factory jobs but that economists say will likely raise prices.

INCOMES RISE IN SILICON VALLEY

Silicon Valley's inflation-adjusted income per person rose significantly between 2013 and 2023 across most racial and ethnic groups with Asian residents experiencing the greatest gains.

Per capita income by race and ethnicity in Santa Clara and San Mateo counties in inflation-adjusted dollars



Source: Silicon Valley Index, United States Census Bureau, American Community Survey.

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For anti-poverty advocates in the Valley, Republican proposals to make [steep cuts to Medicaid](#), housing vouchers and food assistance, along with Trump's orders to halt vast swaths of federal spending, have them worried the region's inequality gaps will only grow wider in the years to come.

Poncho said that means it's incumbent on local leaders to find ways to support the most vulnerable in their communities.

"It's not even a situation where it's, let's plug some holes," he said. "I think the entire dam might break."

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