

Apple poised for hiring spree in Silicon Valley

June 5 2013, by Michael Liedtke

Apple expects to expand its Silicon Valley workforce by nearly 50 percent during the next three years, signaling the company's faith in its ability to keep coming up with hit products like the iPhone and iPad.

The projections detailed in a report released Tuesday envision [Apple](#) hiring 7,400 more workers at its Cupertino, California, headquarters between now and the planned completion of a new office complex in 2016. Apple Inc. now employs about 16,000 people in and around Cupertino, the company's home town for most of its 37-year history. That accounts for about one-fifth of Apple's nearly 73,000 employees worldwide.

Apple submitted the report to Cupertino city officials as part of its effort to win approval to build a new 3.4 million-square-foot (320,000-square-meter) campus. Former CEO [Steve Jobs](#) likened the proposed campus to a spaceship in his final public appearance four months before he died in October 2011 after a long fight with pancreatic cancer.

Cupertino so far has been largely supportive of Apple's plans for the new headquarters, but city officials are still seeking more information to help inform their final decision on the project.

The report commissioned from consulting firm Keyser Marston Associates provides a rare glimpse into the nerve center of Apple's closely guarded operations. The snapshot doesn't shed any light on Apple's upcoming products, but the anticipated need for so many more

workers at the company's headquarters is an indication that management has grand ambitions that will require a lot more engineering prowess.

Investors, though, have begun to question whether Apple's idea factory has been drying up since Jobs died. Although its revenue is still steadily rising, Apple has been depending on upgrades to the [iPhone](#) and iPad instead of releasing another breakthrough product.

Apple CEO Tim Cook, Jobs' hand-picked successor, has hinted that the company may be working on something revolutionary in [television sets](#) or a [wearable computing](#) device, such as a wristwatch. It hasn't been enough to allay Wall Street's fears that Apple is losing its magic touch while facing tougher competition from a list of formidable rivals that includes Google Inc., Samsung Electronics, Amazon.com Inc. and Microsoft Corp.

The persisting concerns have caused Apple's stock to fall 36 percent from its all-time high reached last September. The shares closed Tuesday at \$449.31.

With annual revenue of nearly \$157 billion, Apple can still afford to treat the people working at its headquarters extremely well.

The report estimates Apple paid the 16,000 employees working in the Cupertino area a combined \$2 billion in salary last year. That translates into an average salary of \$125,000 per Cupertino-area employee. Apple didn't provide Keyser Marston with specific salary figures, so the firm used salary data for Silicon Valley software engineers filed with the state government. The numbers represent a "conservative" estimate of the employees' salaries, according to the report.

Although the report didn't touch on the subject, Apple probably doesn't pay the employees working outside its headquarters nearly as well.

Nearly 43,000 of Apple's employees worldwide work in the company's stores or other jobs in its retail division, according to the company's annual report. Apple has also come under blistering criticism for relying on contractors that hire cheap labor in factories in China and other countries to assemble its products.

Not surprisingly, the Keyser Marston report draws a flattering portrait of Apple. It depicts the company as an indispensable cog in [Silicon Valley's](#) economy, a sensitive issue for Apple after coming under fire last month in Washington for legally sheltering a large chunk of its profits overseas to minimize its U.S. tax bill. Apple CEO [Tim Cook](#) testified before a Senate subcommittee in an attempt to convince skeptical lawmakers that the company has been doing more than its share to support the U.S. economy.

Much of the Keyser Marston report breaks down the economic benefits that Apple brings to a city with a population of about 58,000 people. Apple will pay \$9.2 million in taxes to Cupertino during the current fiscal year ending in June, accounting for about 18 percent of the city's general fund, according to the report. If the new headquarters is built, the report estimated the Apple's tax contributions to Cupertino will rise to \$13 million annually.

Nearly 1,300 of Apple's 16,000 headquarters workers live in Cupertino. Another 2,100 of the headquarters workers live in the neighboring cities of Sunnyvale and Santa Clara.

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Citation: Apple poised for hiring spree in Silicon Valley (2013, June 5) retrieved 24 May 2024 from <https://phys.org/news/2013-06-apple-poised-hiring-sprees-silicon.html>

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