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The [National Venture Capital Association](#) issued a couple of reports recently. [One](#) is on venture capital fund raising. The [other](#) is a report on a survey of venture capital professionals. Each of them make for ugly reading, if you would like to see a robust recovery and dynamic economy.

Here are a few key findings:

- 2010 Q2 commitments only \$1.9 billion, down 49 percent from 2010 Q1 and the lowest since 2003 Q3.
- 20101 first half commitments only \$5.6 billion, down from \$9.5 billion in the first half of 2009.
- 90 percent of United States survey respondents expect to see a decline in the number of venture capital firms in their country.
- A majority of respondents in China, India, and Brazil expect to see an increase in the number of venture capital firms in their country.

The pessimists cited unfavorable investment environments caused by economic uncertainty, increased regulatory uncertainty, increased taxes, decreased research spending, and problems in the exit markets.

This is a problem for the United States, and California in particular. Our high-tech sector, supported by massive amounts of venture capital, has been one of our few relative strengths over the past decade, omitting real estate and finance for obvious reasons. Given the continuing decline in manufacturing jobs, and the ongoing weaknesses in the real estate and finance sectors, it is hard to see the impetus for a strong rebound without vigorous venture capital activity.