

A Good Year for Silicon Valley Workers (If You Do Not Look at Housing Costs)—Challenges Ahead

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Some Good News

- Strong job growth
- Falling unemployment rates including for less educated workers
- Rising labor force participation as more workers join the workforce and find jobs
- Declining poverty rates
- Wage increases strongest for low-wage workers

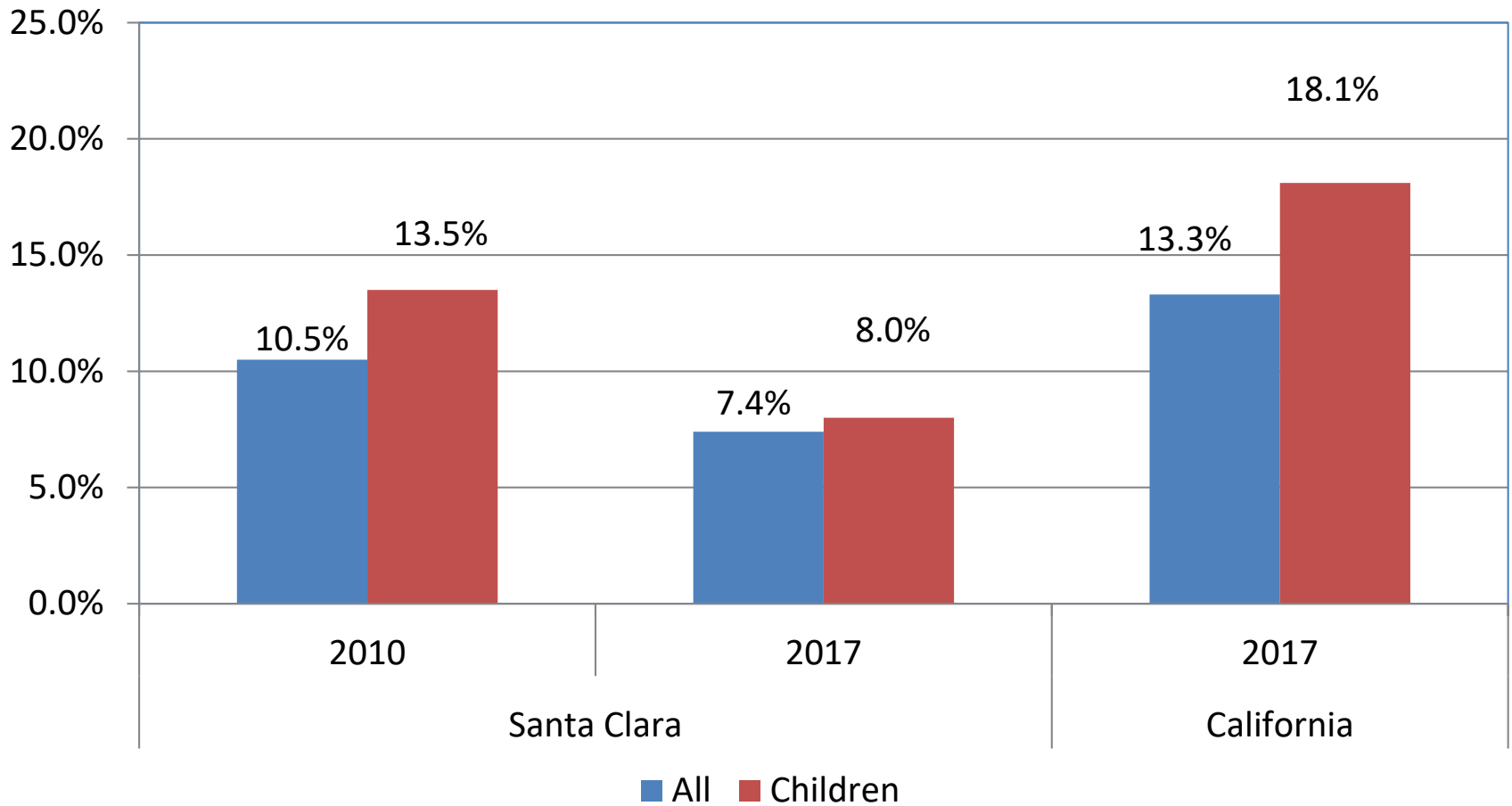
Still

- High housing costs lead to high poverty rates when income gains are adjusted for housing cost increases
- High and low wage jobs growing while middle wage jobs struggle
- Wage gains for low wage workers are rising briskly in % terms and that will continue but it does not move them into the middle class or make housing easy

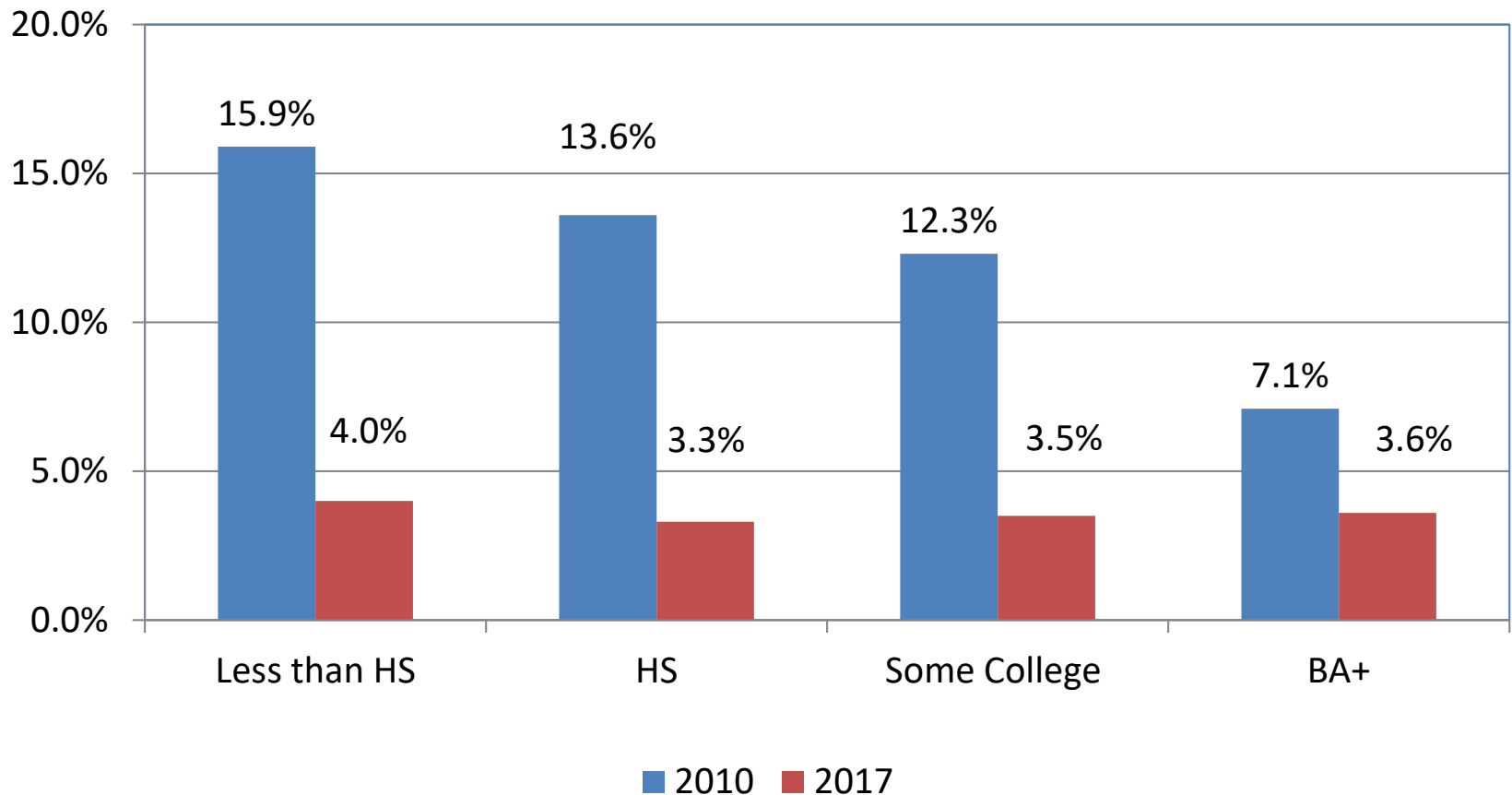
Impacts of the Job Growth Surge by the Numbers

- In 2018 SV job growth was 3.5%--roughly twice the 1.8% (CA) and 1.6% (US) rate
- SC County UE rate was 2.4%, was 10.4% in 2010
- Poverty declined and some rejoined the workforce

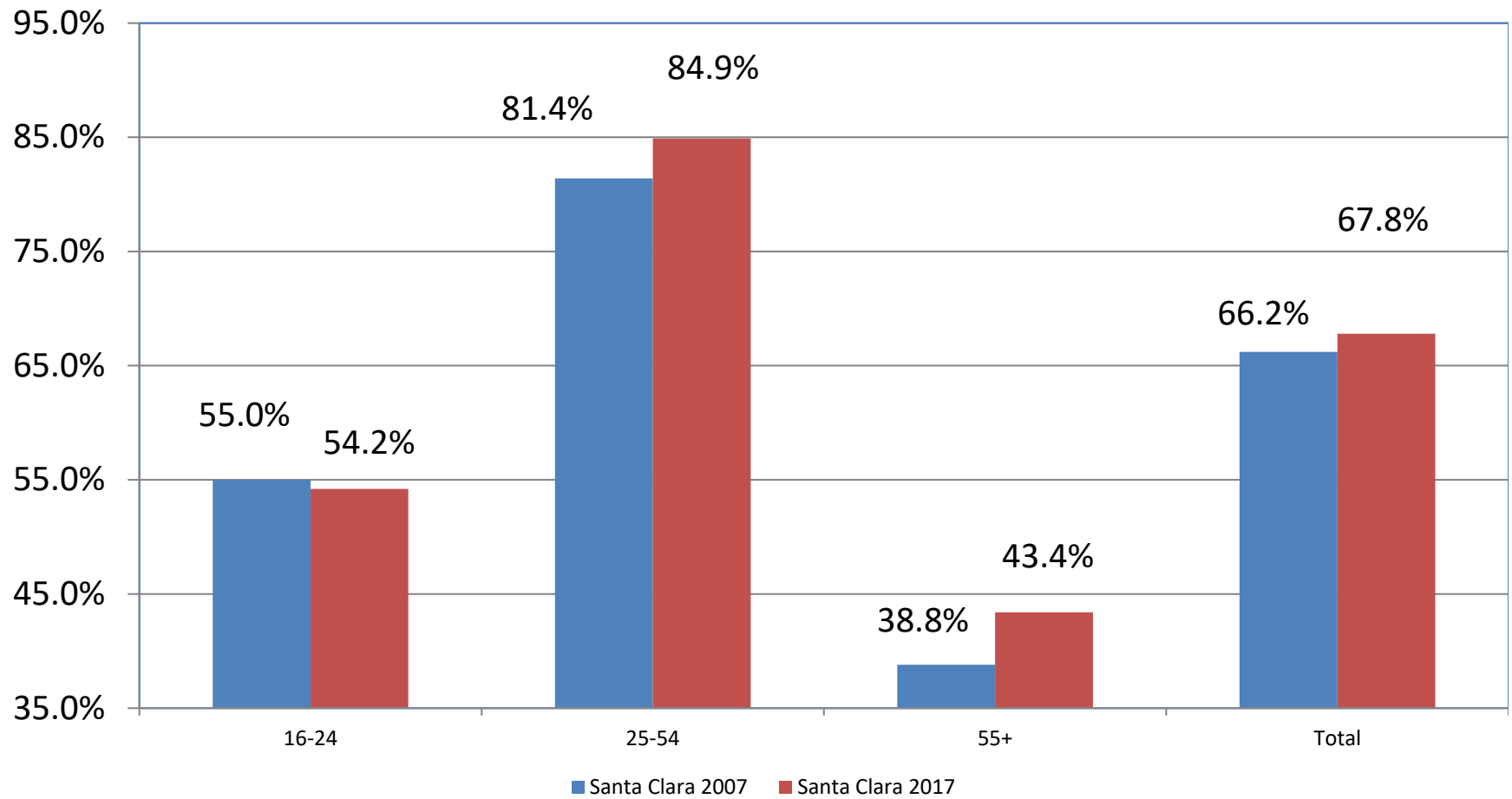
Poverty rates



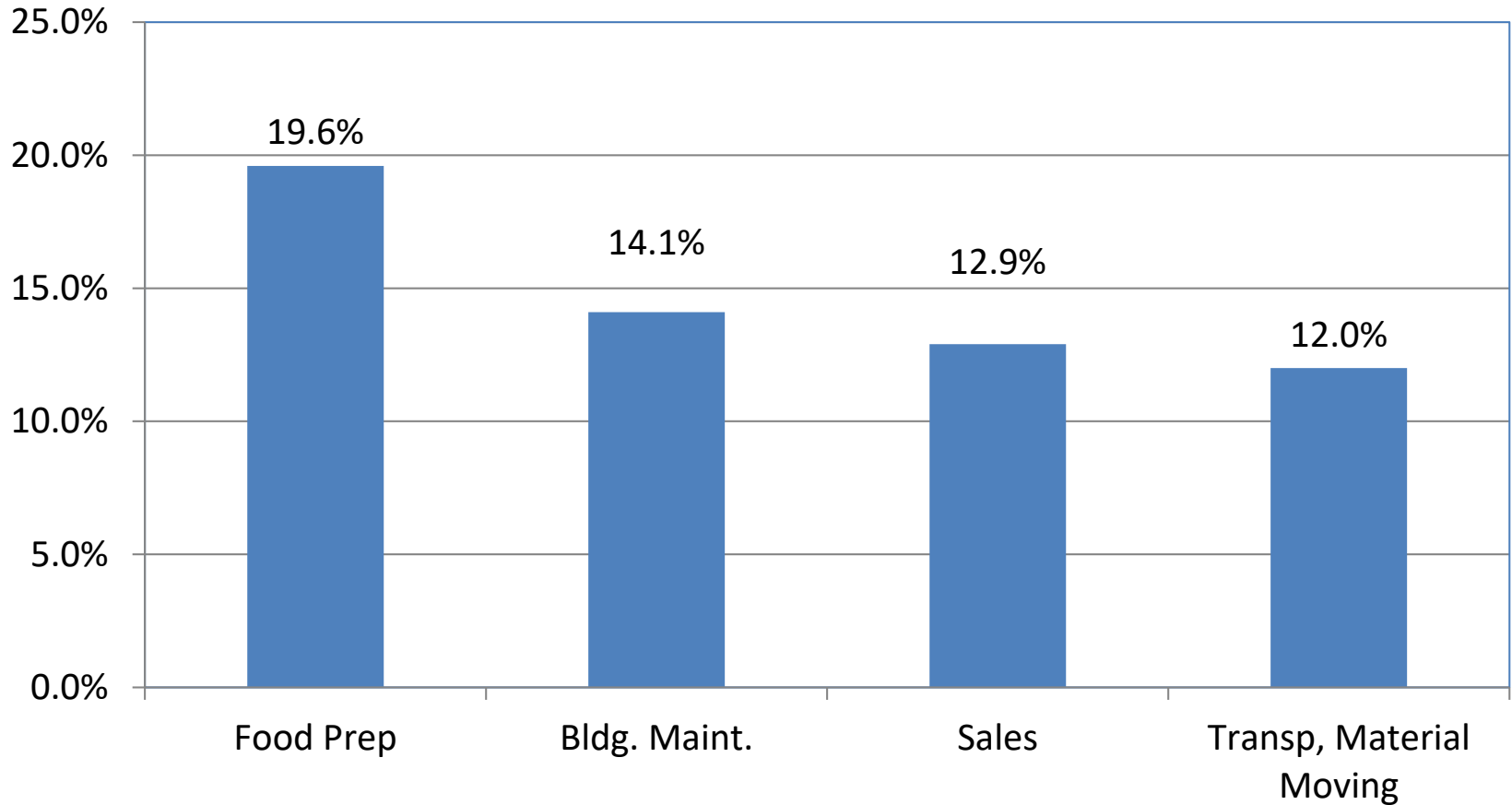
Unemployment Rate by Education Santa Clara County



Labor Force Participation Rose Counter to National Trends



Median Wage Gains 2015-18



The NOVA Mission and the retreat

Focus

- We have a Dual Workforce Mandate
- Today we are focusing on helping low wage workers get better jobs
- Some data and a challenge
- The challenge is whether today's focus can move the needle much and is the best way to help low wage workers and their families

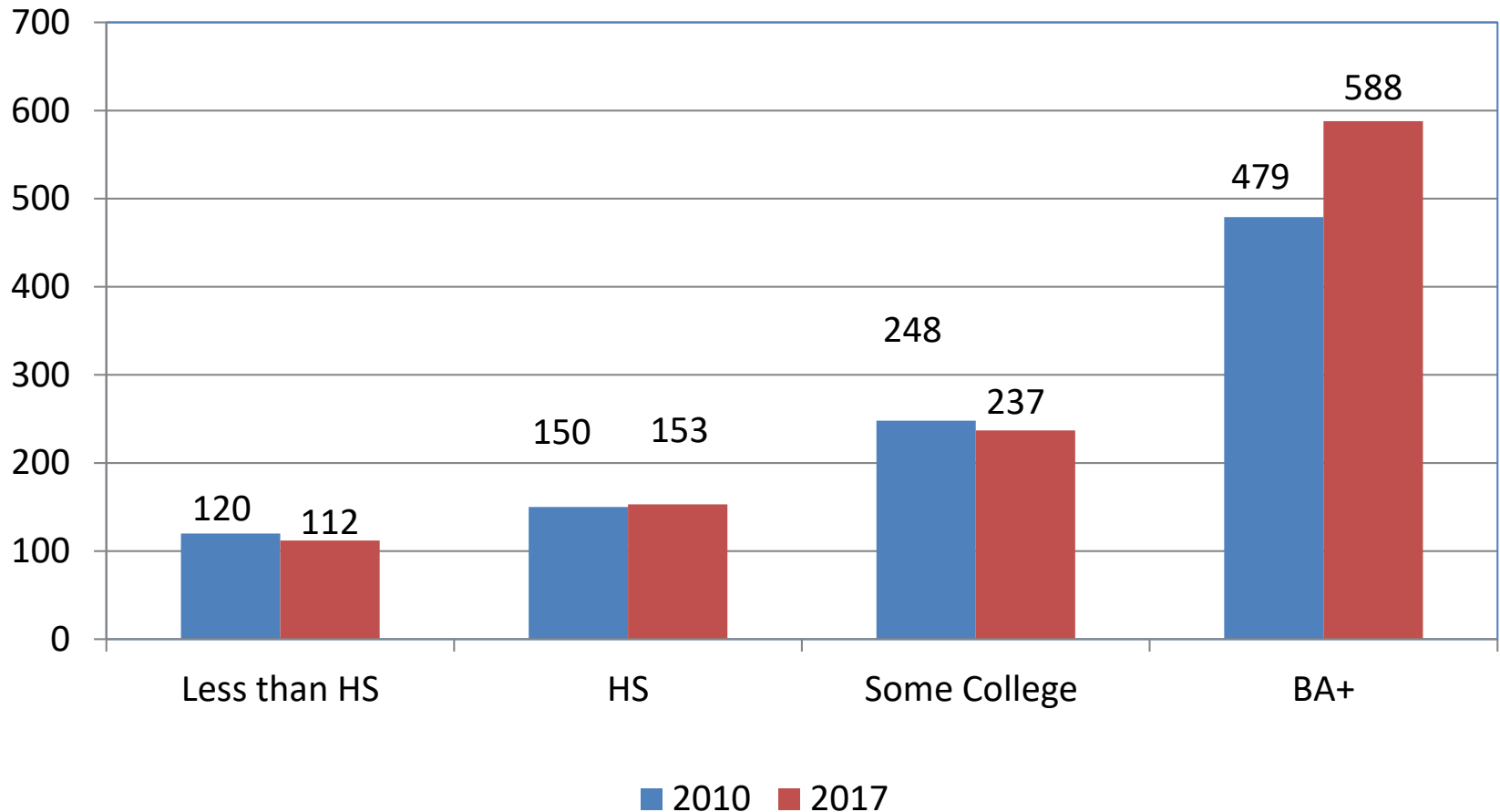
A Dual Workforce Mandate and Dual Labor Market Realities

- Learn about and meet the needs of employers
- Help workers find jobs including individuals who are “disadvantaged” by education, disability, language or other reasons
- We have fewer at risk residents than other areas by a large margin but also more workers at risk of job churn, again by a large margin— with job openings amidst layoffs

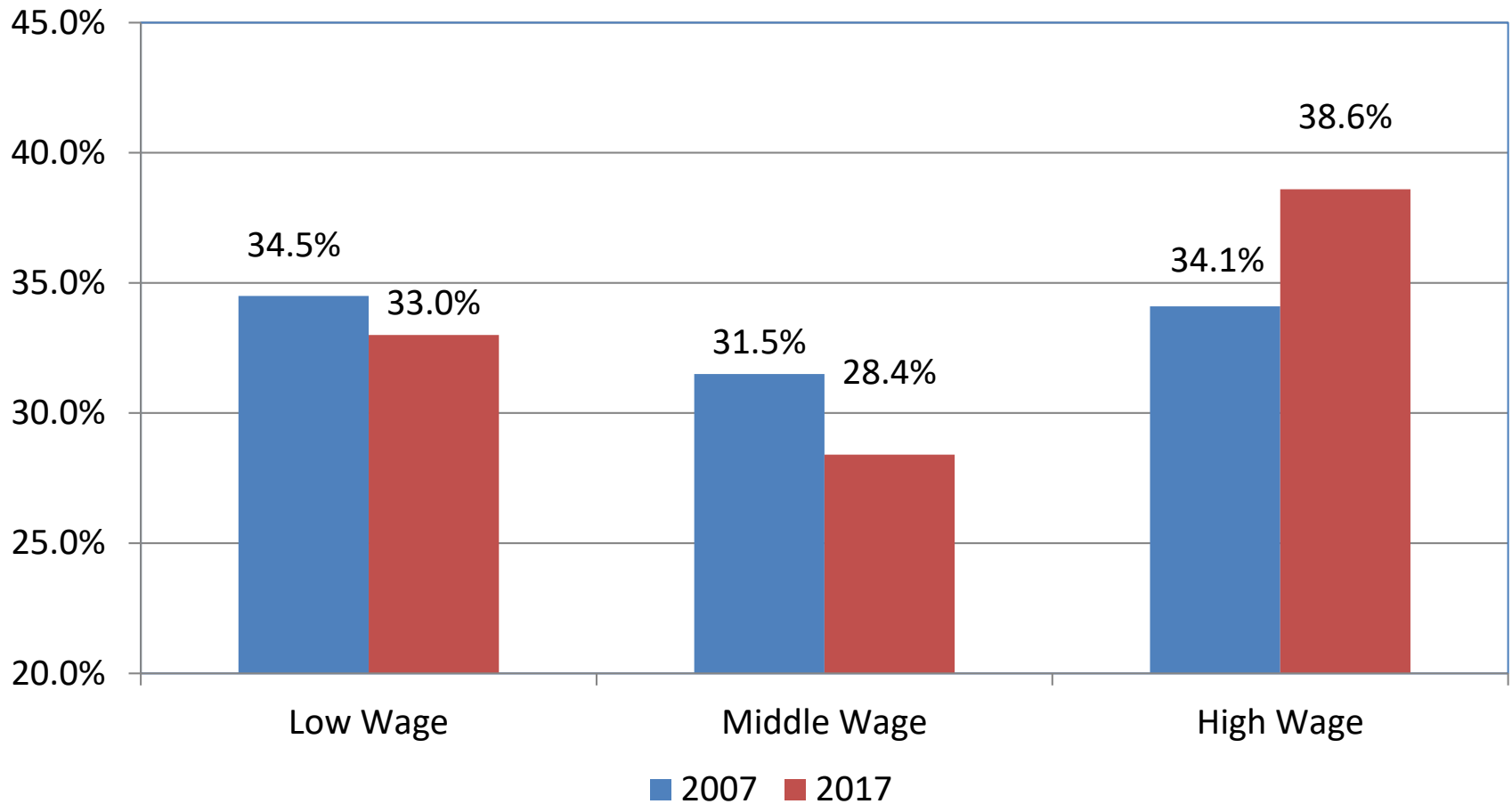
Promoting Access to Skill Building Opportunities for Low Income Adults

- Our theme for today. So far we have achieved low unemployment, low but rising wages and higher labor force participation.
- This next step faces many challenges
- A complementary and, perhaps easier and higher impact goal is to improve the standard of living for low income residents including but not limited to skill building

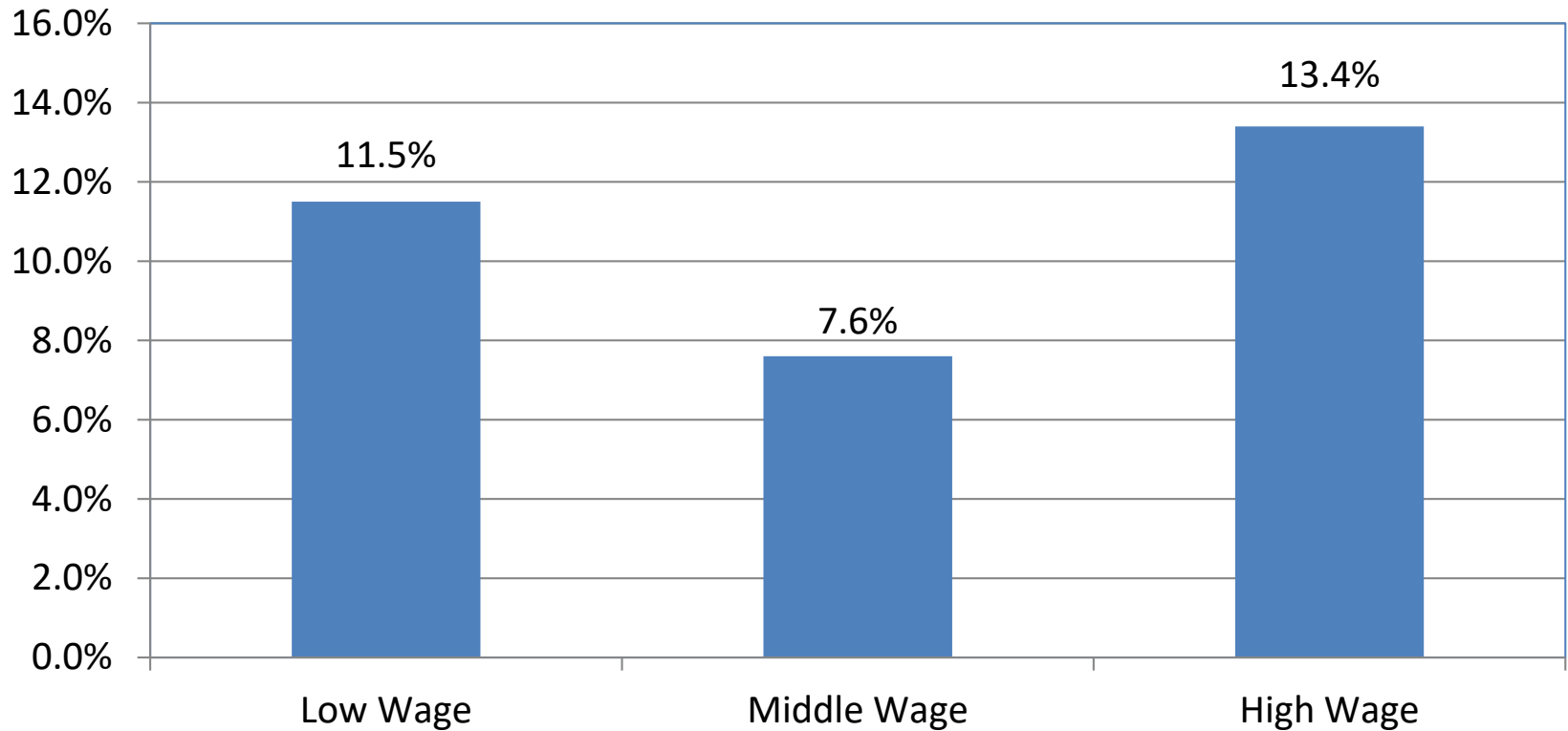
Education of Workforce Santa Clara County (Thousands)



Share of Jobs in San Jose Metro Area



Job Growth in California 2016-26



Strategies are Proposed to Meet the Dual Mandate

Strategy 1: Improve career pathways from low and moderate wage work to middle wage jobs. Prepare residents for success.

Strategy 2: Grow the economy in the Bay Area.

Strategy 3: Upgrade working conditions and the safety net, particularly for workers in existing low-wage and moderate-wage jobs.

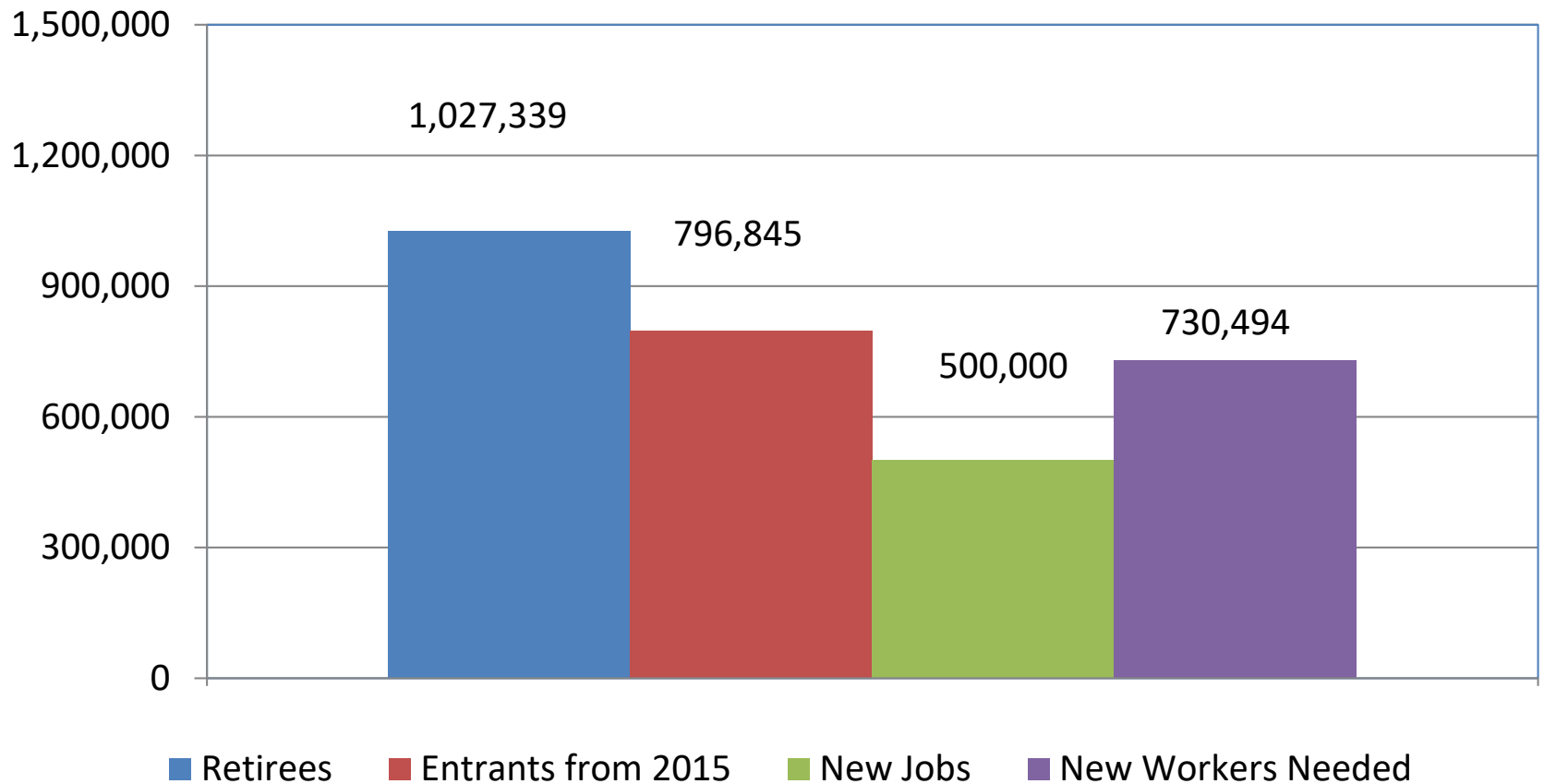
Very Hard to Move Up if the Train Ain't Movin'
Hence the Phrase “Engine” of Economic Growth



Annie E. Casey Foundation Thoughts re Helping Low Wage Workers

- The common elements of an effective sector strategy include:
- engagement with employers in high-growth industries to understand and address their labor force needs;
- quality workforce programming that equips participants with targeted skill development and industry-recognized certifications;
- wraparound services, including child care, transportation, housing and peer support, to address the barriers job seekers face

Bay Area Retirement Wave 2015-30



Helping LOTS of Low Income Working Families

- Expand subsidized housing—attack the main cause of economic distress here
- Expand but reform MediCal
- Allow unauthorized immigrants to learn and earn
- Strengthen and enforce labor standards
- Expand and improve educational opportunities for the next generation.

Deal with the Reality that Low Wage
Jobs Will Increase