

An aerial topographic map of the San Francisco Bay Area, showing the bay, surrounding hills, and urban areas. The map is in shades of green, brown, and blue, with a dark blue overlay on the left side where the text is located.

Economic Prosperity Strategy: Discussion of draft final strategy and summary of feedback

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SPUR

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Center for Continuing Study of the California Economy (CCSCE)

Working Partnerships USA

Bay Area Council Economic Institute

Outline

- Key findings
- Key strategies
- Summary of feedback received
- Discussion

Finding #1: Just over one third of all Bay Area workers are low and moderate wage--earning less than \$18 per hour.

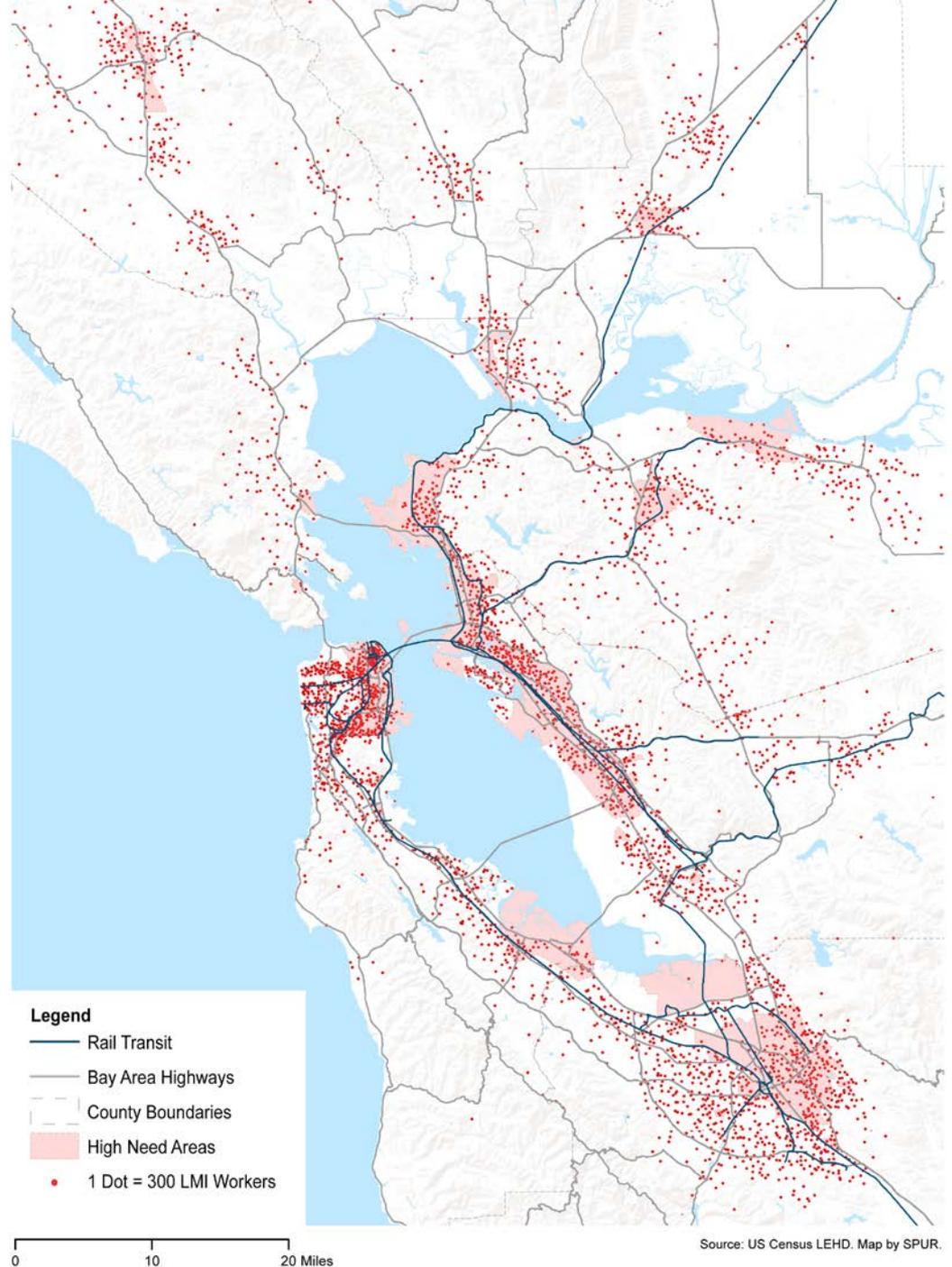
	2010	Share of total workforce
\$30 and above	1,196,090	38%
\$18 to \$30 an hour	850,210	27%
Under \$18 an hour	1,126,860	36%
Total	3,173,160	

Source: 5-year 2011 American Community Survey (PUMS data)

Project focus is **economic mobility**: how to move low and moderate wage workers into middle income jobs (earning at least \$18 to \$30 per hour)

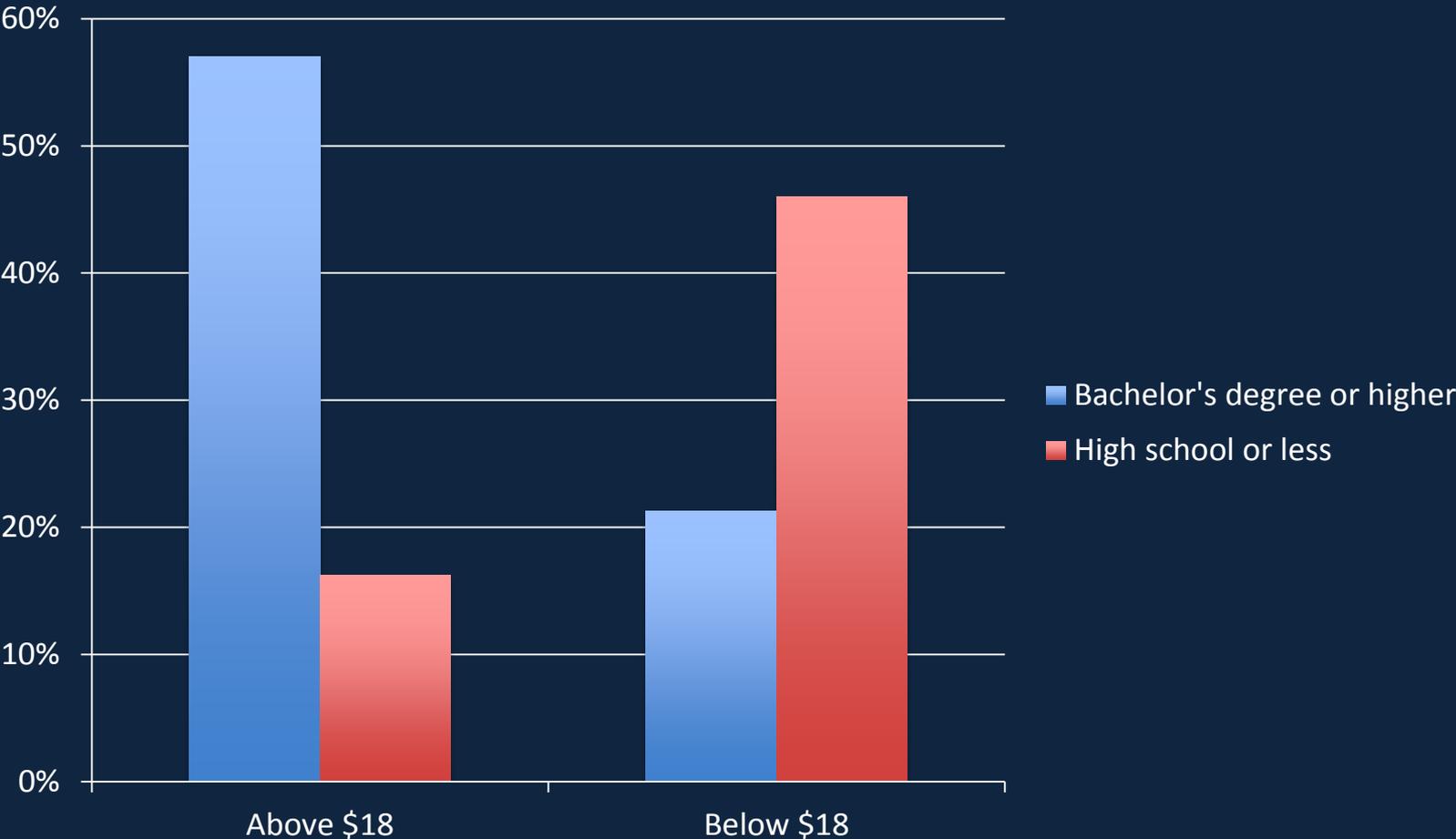
Finding #2:
Lower wage
workers live
and work
everywhere.

So increasing
economic
opportunity is a
region-wide
priority.

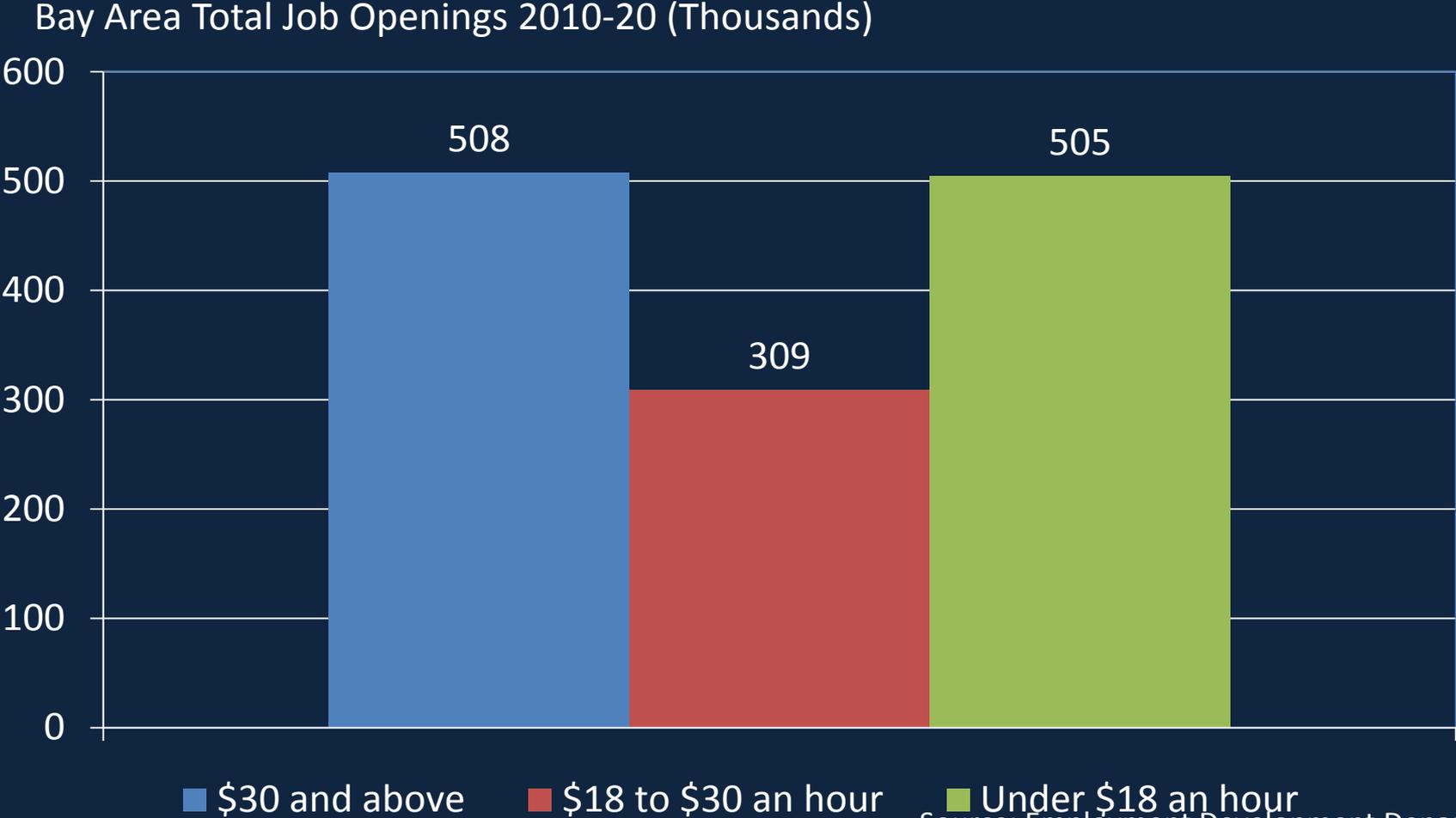


Finding #3: Education is the key difference between lower-wage workers and all workers.

Share of workers with HS or BA, by wage level



Finding #4: There are more job openings at the top and bottom than in the middle.



Source: Employment Development Department

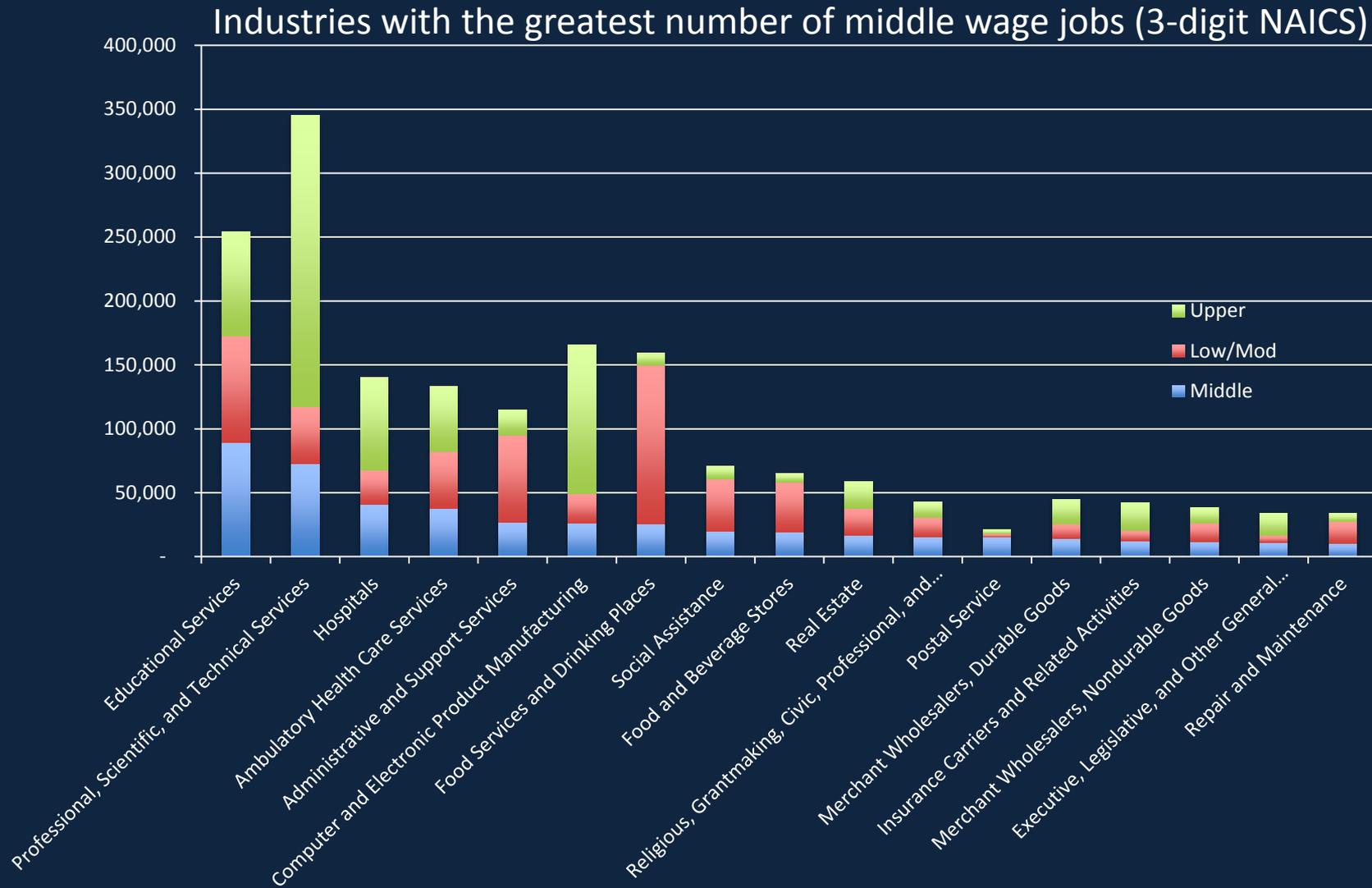
There are 30,000 annual job openings in the middle and the majority come from **replacement jobs**, not job growth

Finding #5: There are no “middle-wage industries” – these jobs are spread throughout the entire economy (43% of jobs in seven industries)

Annual job openings 2010-2020, by industry

Industry	Number of Middle Wage Job Openings
Prof, Sci, & Tech Services	2,635
Specialty Trade Contractors	2,366
Ambulatory Health Care Services	2,147
Government	1,708
Educational Services	1,665
Administrative & Support	1,304
Hospitals	998
Total	12,823

Although the distribution of wages varies.



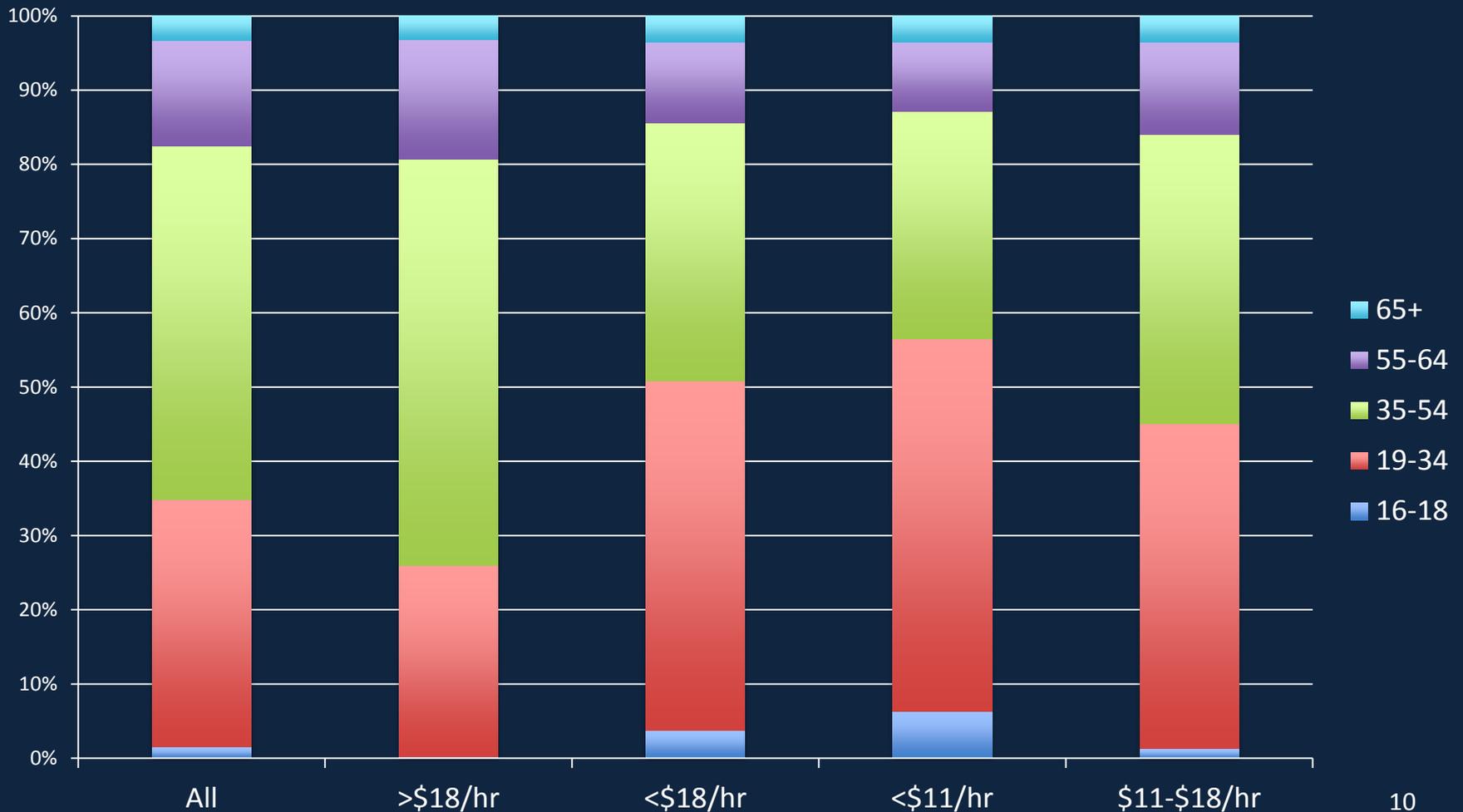
Finding #6: The jobs that pay less than \$18 per hour are not going away ...and will likely grow over time

Occupations with median wages below \$17.83 an hour in the East Bay

- **\$15 to \$18**
Office clerks, medical assistants, nursing aides, delivery truck drivers, receptionists, shipping clerks
- **\$12 to \$15**
Pre-school teachers, janitors, security guards, laborers, groundskeepers, cooks
- **\$9 to \$12**
Stock clerks, retail salespersons, home health aides, cashiers, maids, child care workers, bartenders, food prep workers, dishwashers, counter attendants, fast food cooks, and waiters/waitresses

And many workers earn low wages throughout their entire working lives.

Percent of Bay Area workers at different wage levels, by age cohort, 2010



Finding #7: Solutions require working across silos – and jurisdictions

- Much of the **decision-making** in the Bay Area takes places **in silos**
 - By **topic** (land use separate from workforce development) or
 - **geography** (individual jurisdictions in isolation).
- But success on the issues explored in this projects requires more effective action across these silos.

In conclusion, the strategy must focus on the following three interrelated goals:

Goal 1: Improve career pathways from low and moderate wage work to middle wage jobs.

Goal 2: Grow the economy in the Bay Area, with a particular emphasis on growing middle-wage jobs.

Goal 3: Upgrade conditions, particularly for workers in existing low-wage and moderate-wage jobs.

Strategies: What can the Bay Area do to improve economic opportunity?

A note on the strategies

- **Strategies** identified in the report **addressed the project goals** and resulted from outreach and research.
- The project was **focused on local and regional actions** – though the **bigger changes** are from state and federal action.
- Project was designed to and HAS already helped identify **promising pilot projects that are now underway**.
- These are strategies. **They are not traditional recommendations** that anyone should or must do.
- The HUD grant **working groups, ABAG and MTC** now have the **task of deciding how to proceed**.

Goal 1: Improve pathways to the middle

1. Expand **job-focused basic-skills training** for working adults with contextualized learning.
2. Establish **industry-driven**, evidence-based sector **partnerships** between employers and education/training providers.
3. Improve **career navigation** systems and support career pathways from K-12 and beyond (LinkedLearning, paid internships).

Summary of feedback on Goal 1

- Responds to best practice thinking in field.
- While training needs more \$, it is also important how the program spends the funds.
- Don't ignore the value of humanities and learning that isn't from a training program.
- Others argued: need to make a broader argument that not everyone needs college and there are respectable jobs that do not require a 4 year degree.
- Employer partnerships are essential but difficult in practice.
- Make sure that workforce strategies recognize that most job openings in the future will come from replacing retiring baby boomers.
- Added in more role for K-12 and community colleges.

Goal 2: Grow the economy, with emphasis on middle-wage jobs

- Strategy 4: **Focus economic development** actors on **industries of opportunity** and encourage greater policy **coordination** among jurisdictions.
- Strategy 5. **Effectively plan for a range of diverse needs and land uses** to accommodate the region's growth, including housing at all income levels, jobs and services in accessible centers, and protection of and investment in industrial lands. 70

Goal 2: Grow the economy, with emphasis on middle-wage jobs

- Strategy 6: **Rebuild and expand infrastructure** in a way that supports economic development and job growth.
- Strategy 7: **Manage the region's transportation as an integrated system** that is easy to navigate.

Summary of feedback on Goal 2 – comments and support

- Goal 2 is very important as an educational effort as it **helps local policy makers see the big picture** of their actions.
 - Economic development has to think more broadly than just business retention and expansion and think about how to coordinate with housing and transportation. Making great places is key to economic development as well.
 - Too much focus on growing high end jobs. Middle wage is key for diversity and range of opportunities for residents (particularly those at bottom).
- **Broad support for most of the strategies** – particularly:
 - Emphasis on biz retention (keep middle wage jobs there now).
 - Policies that involve regional coordination (e.g. transit).
 - Focus on putting jobs near transit and improved accessibility to jobs.
 - Strategies to increase infrastructure investment (including housing).
- **Disagreement about benefits of coordination across cities** on economic development (biz retention and taxes).
 - Some said that cities know what's best for themselves and shouldn't have to work together; others said city staff do coordinate b/c can then leverage what's best in each city but electeds will sometimes poach companies from neighbors.

Changes made based on feedback

- Made clearer that the **strategies alone won't produce enough middle-wage jobs.**
 - Added emphasis on opportunities with infrastructure as win-win (including focus on broadband).
- **Eliminated bond funding for biz growth.**
- **Developed more strategies under MTC/ABAG purview:**
 - Added more **economic development focus to PDAs** and PBA.
 - “We should not be penalized for planning for jobs in our PDAs.”
 - Requested that ABAG should **hire staff with ec dev experience** + Include WIBs and addt'l ec dev actors on RPC.
 - Identified **stronger role for regional agency** in setting industrial land use policy and overseeing goods movement.
 - Specified **regional role in transit coordination.**
- Clarified the coordination issue while making clearer “what's good for the region is what's good for the city.”

Goal 3: Upgrade conditions, particularly for low- and moderate-wage workers

8. **Raise the floor** by increasing **minimum standards** all workers (e.g. minimum wage, earned sick leave, workplace schedule flexibility)

9. **Organize and professionalize industries** to improve wages, benefits and career ladders (e.g. campaigns to professionalize industries.)

10. Establish **higher standards for public investment** to ensure that investment of public dollars is aligned with the goal of economic opportunity (e.g. broad agreements on community benefits)

Summary of feedback on Goal 3

- **Support** by many that these strategies are essential to directly attack the issue of many workers left at bottom.
- The strategies **respond directly to the findings** of the project and a growing nat'l concern with inequality.
- Some noted there is **long legacy of local innovation in labor standards** that then can become a model for future state and federal action.
- Some noted the strategies **won't be implemented without strong organizing**.
- Concern that some of the **strategies could hurt businesses** and local efforts to attract and retain businesses (and the strategies would be **better done at state or federal level**).
- Questions about **how MTC and ABAG will apply these strategies** to future regional planning efforts.

Changes made based on feedback

- Made clearer that these are **not requirements** or recommendations that local/regional gov't must enact.
- Noted **regional variation** in market strength, industry mix and political realities (so not every strategy appropriate in every location).
- Emphasized that many of the strategies would be most **effectively implemented at a subregional** level – and by state/federal action (this is also true for Goals 1 and 2).
- Noted that the **strategies are a toolkit** of different approaches that can be taken to accomplish the project's goals.

Discussion and questions