The Silicon Valley Dichotomy

work2future

March 2017
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1 THE SILICON VALLEY DICHOTOMY

1.1 INTRODUCTION

Known for its research parks and technology centers, Silicon Valley is often referenced as a region with exceptionally high wealth generation.\(^1\) The Valley’s tech sector, which has become one of the region’s primary economic drivers over the last 50 years, is also a contributor to high regional average and median incomes.\(^2\) With a median household income of $102,300, Santa Clara County, the core of Silicon Valley, appears to be quite prosperous. Yet hidden among the region’s high-earning tech employees is a different narrative. In the midst of wealth and innovation, four in ten households are in some form of economic distress, yet these individuals are concealed by one of the highest median incomes in the nation. The following research was prompted by this dichotomy, the contrasting broad references to Silicon Valley’s high average and median incomes and locally-observed indications of poverty and financial distress.

Four in ten households across Silicon Valley are living in poverty, financial distress or financial insecurity. These individuals are concealed by one of the highest median incomes in the nation.

This study is built upon extensive review and analysis of publicly available labor market and economic data, as well as a comprehensive review of relevant national and regional research (see Appendix D: Bibliography). In addition, two survey components were completed as part of the research design. The first was a quantitative sampling of Santa Clara County adult residents, which provides context and some quantification of the issues related to financial distress and insecurity, including underemployment, housing costs, and perceived challenges to economic mobility. The second survey targeted the geographic areas within Santa Clara County where financial distress and insecurity were highest, providing greater focus on those populations more likely to be impacted by the challenges addressed in the study.

Understanding the Silicon Valley Dichotomy requires going beyond the most basic, or at least most reported, economic indicators such as average income, median wages, unemployment, and poverty rates. These traditional metrics of economic health tend to hide financial hardship experienced by the remainder of the region’s working population—those excluded from the high-skill, high-wage labor market. In looking more closely at the distribution of income, quality of employment (measured by both current wages and growth potential), and cost-of-living expenses, we begin to observe that the region’s seemingly high economic prosperity is not shared across all its working adults. The research attempts to

\(^{1}\) For this study, Silicon Valley refers to Santa Clara County unless otherwise noted.
identify the communities most impacted by poverty, financial distress, and financial insecurity, as a step towards better serving these populations in the future. A deeper understanding of the specific challenges and opportunities faced by each impacted community will assist policymakers and workforce development programs as they consider the future world of work in Silicon Valley.

1.1.1 A Profile of Economic Distress in Silicon Valley

With one of the highest median incomes in the nation, Santa Clara County and surrounding areas, such as San Francisco and San Mateo, are often considered one of the most prosperous regions in the country. Yet despite a median household income of $102,300, about three in ten households in the County live in poverty or financial distress, with another one in ten households at the edge of financial insecurity (Figure 1). For this study, economic distress has been categorized into one of the following three tiers:

- **Poverty**: These are the roughly eight percent of households that live below the federal poverty threshold.

- **Financial Distress**: Households that are above the poverty threshold, but below the Self-Sufficiency Standard for Santa Clara County. While these homes are not captured in national poverty estimates, their household income is insufficient to support the exceptionally high costs of living in Silicon Valley.

- **Financial Insecurity**: These are households that can currently afford basic needs, but they report their financial situation is unstable—a single, unexpected bill of $500 would have a significant impact on household budgets.

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4 U.S. Census Bureau, American Community Survey (ACS), Selected Economic Characteristics, 2015 1-year estimate for Santa Clara County

5 The rates for both poverty and financial distress are taken from the Self Sufficiency Standard Tool and are specific to Santa Clara County. The Self-Sufficiency Standard for Santa Clara County is based on region-specific costs of living and is generated by the Insight Center for Community and Economic Development. The percentage for financial insecurity is an extrapolation based on primary survey research; these are individuals who are earning above the self-sufficiency standard, but report a financially insecure situation—an unexpected bill of $500 would disturb the household budget.
The dichotomy between a high median income and substantial presence of economic distress has been developing for years. The research in this study provides several pieces of evidence that illustrate how Silicon Valley has been experiencing this growing divide for the last 10 to 15 years, with some of the foundational trends probably dating back over 20 years. Such evidence is seen in the steep rise in housing costs compared to household income (Figure 3) and poorly distributed regional job growth that favors either highly-educated professional workers or low-skill, low-wage workers (Figure 4).

This growing divide has become so severe that in 2015, the Silicon Valley Institute for Regional Studies reported that the region’s income inequality topped that of the nation’s.\(^6\)

### 1.2 SUMMARY OF KEY FINDINGS

Based on regional economic data, other comparative metrics, and primary survey research, the research team identified the following key themes and findings:

#### 1.2.1 Wage Disparity across Occupational Groups

Silicon Valley has greater wage inequality than the nation. High median and average incomes are not evenly distributed and conceal the 40 percent of households living in poverty or economic distress. A low-wage worker in Silicon Valley takes home an average income of $29,600—38 percent of the region’s average income, and only 23 percent of the average wage for a high-wage worker. The region’s median household income of $102,300\(^7\) is driven primarily by employment in Silicon Valley’s

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\(^6\) Silicon Valley Institute for Regional Studies. Income Inequality in the San Francisco Bay Area. June 2015.

\(^7\) U.S. Census Bureau, American Community Survey, 2015 1-year estimate for Santa Clara County
signature sector—the technology industry—but higher wages are not evenly distributed across all industries and occupations. Those working in mid- to low-skill jobs earn significantly less than both the regional average and its top-earning employees. A study by the Silicon Valley Institute for Regional Studies found that the average income for the top five percent of households in the Bay Area is almost 32 times higher than the average income in the bottom 20 percent of households—roughly $473,000 higher, compared to a difference of $328,000 in the nation overall. In fact, the difference between the incomes of low- and high-skill workers is more pronounced in Santa Clara County, compared to the state, nation, and other tech centers across the country. Low-skill, low-income workers in tech-heavy employment centers like Boston, Portland and Seattle—and even in less tech-intensive cities like Cleveland—take home at least half of their region’s average wage, while those in Santa Clara County earn only 38 percent of the regional average (see Figure 2, p. 9).

1.2.2 Unsustainable Growth in Cost of Living

The problem of income inequality is compounded by the region’s exceptionally high cost of living, and those most affected are mid- to low-income workers. A low-income worker who earns only 38 percent of the region’s average wage still earns less than the Self-Sufficiency Standard—the income required to afford basic needs without public or private assistance—for a single-person household. That standard is 269 percent higher than the federal poverty threshold. The Self-Sufficiency Standard for Santa Clara County is two to three times greater than federal poverty standards, depending on the size of a household. The federal poverty threshold for a single adult is $12,331, while the Self-Sufficiency Standard for a single adult in Santa Clara County is $33,111—269 percent higher than the federal estimate. The Self-Sufficiency Standard for two adults with two children in school is 303 percent higher than the federal estimate. So, while only eight percent of individuals are officially below the federal poverty rate, nationally-based measures overlook the remaining individuals who simply cannot afford to live in Silicon Valley without extraordinary effort or outside help.

1.2.3 Maldistribution in Occupational Job Growth and Shrinking Career Pathways

The middle class is shrinking as employment growth becomes increasingly concentrated at the high- and low-end of the wage scale. Since 2006, high-skill and low-skill jobs have grown by 26 and 23 percent, respectively, while mid-skill, mid-wage employment opportunities have only grown by 10 percent. Not only are employment opportunities in mid-wage jobs declining relative to high- and low-wage ones, but regional income gains have historically been experienced by mostly highly-paid workers, further exacerbating the region’s wage disparity. Between 1989 and 2014, low-income households saw their wages decline by 14 percent while high-income households experienced a growth of 26 percent. With relatively fewer mid-wage employment opportunities, individuals at the low end of the income bracket—especially those with lower educational attainment—do not have access to as many career pathway and skill development opportunities as prior generations.

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8 Silicon Valley Institute for Regional Studies. Income Inequality in the San Francisco Bay Area. June 2015.
1.2.4 Communities Impacted by Economic Distress

Primary research conducted for this project determined that specific populations most affected by financial distress include Latino, Vietnamese, and Filipino immigrants, as well as young adults. In general, individuals in impacted communities report that they are unable to achieve their career goals due to financial and educational constraints. Because these communities are also disproportionately affected by the region’s high cost of living, housing, transportation, healthcare, education, and credit card debt account for the largest impact on household budgets. Across the board, distressed communities report concern with navigating the job market; this means getting relevant work experience, degrees and certifications, money and free-time to invest in career goals, developing resumes, technical training, and networking and employer communication.

1.3 The Drivers of Financial Distress

1.3.1 Income Inequality

National economic reports tend to highlight Silicon Valley’s high average or median income, but fail to examine wage variation within the region and across various occupational groups. These high average wages are driven primarily by Silicon Valley’s signature sector—the technology industry. Yet those working in mid- to low-skill jobs earn significantly less than the regional average, much less its top-earning employees. As a result, the high median and average incomes in Santa Clara County mask the 40 percent of households living in poverty, financial distress, and financial insecurity.

The following occupational segmentation technique delineates most occupations into one of three tiers, based on their average wages and skill requirements. These tiers are used to compare incomes for high-, mid-, and low-skill jobs for the remainder of the report. The occupational tiers are broadly defined as follows:

**Tier 1 Occupations** are typically the highest-paying, highest-skilled occupations in the economy. As of 2016, the average annual wage for Tier 1 occupations in Santa Clara County was approximately $127,546 a year. This occupational category includes positions such as managers (e.g., Chief Executives and Sales Managers), professional positions (e.g., Lawyers and Physicians) and highly-skilled technology occupations, such as scientists, engineers, computer programmers, and software developers.

**Tier 2 Occupations** are typically the middle-skill, middle-wage occupations that have historically provided the majority of employment in the country. As of 2016, the average annual wage for Tier 2 occupations in Santa Clara County was approximately $57,720 a year. This occupational category includes positions such as technicians, or teachers, office and administrative positions (e.g., Accounting Clerks and Secretaries), and manufacturing, operations, and production positions (e.g., Assemblers, Electricians, and Machinists).

**Tier 3 Occupations** are typically the lowest-paying, lowest-skilled occupations in the economy. As of 2016, the average annual wage for Tier 3 occupations in Santa Clara County was approximately $29,578 a year. These include positions such as Security Guards, food service and retail positions, building and grounds cleaning positions (e.g., Janitors), and personal care positions (e.g., Home Health Aides and Child Care Workers).

10 Please note that this research was focused on individuals 18 years and older. Other research on financially distressed populations in Silicon Valley indicates that those under the age of 18 years old are even more likely to be impacted by poverty and financial distress.
While the average occupational wage in Silicon Valley is respectively 43 percent and 62 percent higher than the statewide and national average, it is unevenly distributed across the region’s workers. The county’s Tier 1 high-wage, high-skill occupations—engineers, scientists, accountants, and lawyers—take home an annual average income of $128,000 a year. In contrast, Tier 2 mid-wage occupations, such as teachers, assemblers, machinists, and office or administrative positions earn approximately $58,000 a year on average, and Tier 3 low-wage occupations, such as security guards, food service and retail positions, or grounds cleaning and personal care positions earn an average $30,000 a year.\(^{11}\)

A low-income worker in Silicon Valley—with an average income of $30,000—takes home just 38 percent of the region’s average income of $78,000, and only 23 percent of the average wage for a high-skill worker (Table 1).

\textit{Table 1. Average Occupational Income by Tiers and Region}

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Clara County</td>
<td>$ 78,499</td>
<td>$ 127,546</td>
<td>$ 57,720</td>
<td></td>
</tr>
<tr>
<td>CA</td>
<td>$ 54,704</td>
<td>$ 102,336</td>
<td>$ 49,982</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>$ 48,506</td>
<td>$ 89,773</td>
<td>$ 45,240</td>
<td></td>
</tr>
</tbody>
</table>

The difference between average wages for Tier 1 and Tier 3 occupations is more pronounced in Santa Clara County compared to the state, nation, and other tech centers across the country. As the figure below indicates, mid- to low-skill workers earn a smaller portion of the region’s average wage than both the nation and other high-tech employment areas, such as Boston, Seattle, and Portland. Low-income workers across Boston, Portland, and Seattle take home at least half of their region’s average wage, while those in Santa Clara County earn just 38 percent of the regional average. Even in Cleveland, where the federal poverty rate is 15 percent—almost twice that of Santa Clara County’s—Tier 2 and Tier 3 workers still take home a significantly larger share of their region’s annual average income (Figure 2).

\(^{11}\) EMSI Average Hourly Earnings by Occupation, 2016; assume 40 hours per week, 52 weeks per year.
1.3.2 Cost of Living, Poverty, and the Self-Sufficiency Standard

The problem of income inequality in Silicon Valley is compounded by the region’s high cost of living, which traditional poverty thresholds compiled by the federal government do not reflect. To properly account for differences in regional costs of living, indices such as the Self-Sufficiency Standard have been developed to provide alternative measures that incorporate geographically-specific costs to estimate the income needed to meet basic needs. These measures are particularly important in a region where rents are 185 percent higher, housing prices 250 percent higher, and the cost of goods and services six percent higher than the national average.13 So while only eight percent of households fall below official federal poverty thresholds, this nationally-based measure significantly undercounts the remaining individuals who simply cannot afford to live in Silicon Valley.

A note on Federal Poverty Thresholds and the Self-Sufficiency Standard:

Each year, the U.S. Census Bureau updates the federal poverty threshold for various family sizes. Poverty status is determined by comparing pre-tax income against the threshold, which is set at three times the cost of a minimum food diet in 1963; this is updated annually for inflation using the Consumer Price Index (CPI). These thresholds were originally created in the 1960s as a way to quantify and track poverty in America. The Census Bureau warns that such thresholds should be used only as a “statistical yardstick” instead of as an estimate for how much is required to afford cost of living.

The Self-Sufficiency Standard, on the other hand, measures the amount of income required for various family sizes to meet basic needs without public or private assistance. The methodology takes into account geographically-specific housing, food, child care, health care, and transportation expenses in order to determine the appropriate, sustainable wage for various family configurations in all counties across California.

As seen in the table below, Self-Sufficiency Standards for Santa Clara county are well above federal poverty thresholds—about two to three times greater, depending on household size. The federal

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12 EMSI Occupational Wages, 2016
poverty wage for a single adult is $12,331. Yet the Self-Sufficiency Standard for a single adult living in Santa Clara County is $33,111—this is 269 percent higher than the federal estimate. The Self-Sufficiency Standard for two adults and two children in school is 303 percent higher than the federal estimate. Because cost of living in Santa Clara County is much higher than other regions across the nation, the County also has a higher Self-Sufficiency Standard than Seattle and Multnomah County—where Portland is located (Table 2).14

Table 2. Comparative Wage Standards by Size of Family

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Adult</td>
<td>$12,331</td>
<td>$33,111</td>
<td>$25,440</td>
<td>$19,993</td>
</tr>
<tr>
<td>1 Adult, 1 Child (school-age)</td>
<td>$16,337</td>
<td>$53,694</td>
<td>$46,151</td>
<td>$39,178</td>
</tr>
<tr>
<td>2 Adults, 1 Child (school-age)</td>
<td>$19,078</td>
<td>$62,613</td>
<td>$51,551</td>
<td>$39,666</td>
</tr>
<tr>
<td>2 Adults, 2 Children (school-age)</td>
<td>$24,036</td>
<td>$72,722</td>
<td>$63,290</td>
<td>$50,021</td>
</tr>
</tbody>
</table>

Those who are most affected by the cost of living are the mid- to low-income workers, as these individuals earn well below the region’s Self-Sufficiency Standard. A low-income worker who takes home only 38 percent of the region’s average wage and only 23 percent of an average high-skill income, faces a sustainable living wage that is 269 percent higher than federal estimates.

The average Tier 2 worker in Santa Clara County makes about $58,000 a year, and the average Tier 3 worker earns about $30,000, but the Self-Sufficiency Standard for a family of two adults and two children—both school-age—was almost $73,000 a year in 2014; a teacher working a mid-wage job might have to find additional part-time work or seek financial assistance to support a family (Table 1 and Table 2).

Housing is the largest contributor to Silicon Valley’s high costs of living; the region has seen real estate prices rise faster than the median household income over the last 15 years for both renters and homeowners. Between 1980 and 2014, the median price of a home increased almost six-fold, while the median household income rose at half that rate. Over the same period, home prices in the United States went up only half as much as in Santa Clara County, while median national rent increased by only 55 percent.19 In Santa Clara County today, about one in four homeowners and four in ten renters spend 35 percent or more of their income on mortgage or rents.20

14 Multnomah County is used as a proxy for Portland because city-specific wages were not available in this dataset.
15 U.S. Census Bureau. Poverty Thresholds for 2015 by Size of Family and Number of Related Children Under 18 Years.
18 Id.
Even with a decent mid-wage profession, a family could not afford Fair Market Rent (FMR) for a two-bedroom home in Santa Clara County.\textsuperscript{21} In Cleveland, the 2016 FMR for a two-bedroom home is within reach for a groundskeeper, and in Seattle and New York City, FMR is affordable for high school teachers. But in San Jose, the annual income needed to afford FMR for a two-bedroom home is $79,760—a typical bus driver, high school teacher, groundskeeper, or social worker would be unable to afford rent, let alone purchase their own home.\textsuperscript{22} These high costs of living have given rise to a variety of coping mechanisms for economically distressed individuals and households in Silicon Valley.\textsuperscript{23}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{Figure3.png}
\caption{Change in Cost of Housing and Income for Santa Clara County, 1980-2014}
\end{figure}

For families with young children, the cost of childcare is another large contributor to cost of living. In 2009, Santa Clara County had the highest cost for center-based childcare in the region; the annual cost of care for preschool to infancy centers range from about $10,000 to $15,000, compared to a state average of $7,000 to $11,000.\textsuperscript{24} Those most affected by childcare costs are low-income immigrant families with parents who also have low educational attainment. According to the 2013 Santa Clara County Child Care Needs Assessment, there are about 74,000 children with working parents who are at or below 70 percent of the state median income.\textsuperscript{25} Oftentimes, these communities have fewer

\begin{notes}
\item[21] The U.S. Department of Housing and Urban Development (HUD) estimates Fair Market Rents (FMRs) for metropolitan and nonmetropolitan areas across the country. The FMR is the 40\textsuperscript{th} percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market.
\item[22] Stromberg, Brian, and Mindy Ault. Paycheck to Paycheck 2016: A Snapshot of Housing Affordability for School Workers. National Housing Conference.
\item[23] These mechanisms are further discussed in Section 1.5 of the report.
\item[24] Santa Clara County Office of Education. 2013 Santa Clara County Child Care Needs Assessment. Table 8B, Number of Children by Income Category, by Age, At or Below 70\% of State Median Income. May 2013.
\item[25] Id.
\end{notes}
resources to invest in education compared to wealthier neighborhoods, perpetuating the cycle of poverty and inequality.\textsuperscript{26}

As cost of living becomes increasingly unaffordable for the region’s impacted communities, those with no solution in sight are looking to simply move out of the region. According to a recent survey conducted by Charles Schwab, nine in ten Bay Area residents believe the region’s cost of living is unreasonable—one of the worst areas in terms of living expenses, taxes, and housing.\textsuperscript{27} In the next few years, one-third of Bay Area residents report that they will simply leave the region given the increasing cost of housing.\textsuperscript{28}

1.3.3 Changing Labor Markets

Both a national and local phenomenon, the labor market has grown increasingly divided over the last two decades, as high- and low-skill occupational growth is shown to have outpaced mid-wage employment opportunities.\textsuperscript{29} Today, high- and low-skill jobs account for 67 percent of occupations in Santa Clara County, compared to a nationwide average of 58 percent.\textsuperscript{30} And with low growth across middle tier jobs, much of the region’s employment opportunity is now concentrated either at the low end or the high end.

In a knowledge-driven economy like Silicon Valley’s, educational attainment can be especially critical to finding sustainable employment. But workers at the low end of earnings are less likely able to invest in educational attainment when cost of housing is quadruple the national average. Because of this, it is especially important for these individuals to progress through occupational career pathways in order to transition into higher-paying positions over their lifetime. These are jobs that provide low-skilled workers with the opportunity for skill development through hands-on training.\textsuperscript{31} Such mid-skill, mid-wage occupations—supervisors, financial clerks, carpenters, or electricians—are a critical stepping stone between low-skill and high-skill positions. While the middle class is not shrinking in absolute terms, mid-wage occupations in Santa Clara County are growing at a much slower rate than high- or low-wage positions. Between 2006 and 2016, high-skill and low-skill jobs have respectively grown by 26 and 23 percent, while mid-skill employment opportunities have only grown by 10 percent (Figure 4).

Alongside shrinking mid-wage employment opportunities, economists predict the nation’s occupational composition is rapidly trending towards automation, and workers in mid- to low-skill jobs, especially those with limited education, will continue to see declines in employment opportunity. A study


\textsuperscript{27} Charles Schwab. The View from San Francisco Bay Area. March 2016.

\textsuperscript{28} Avalos, George. One-third of Bay Area residents hope to leave soon, poll finds. May 2016.


\textsuperscript{30} EMSI 2016, QCEW Employees, Santa Clara County and United States

conducted by the University of Oxford in 2013 examined 702 occupations across the nation, assigning a probability of automation to each occupation given educational attainment and wages. Applying this framework to the occupational composition in Silicon Valley reveals that 37 percent of Silicon Valley’s current occupations are considered vulnerable to automation and technological advancements, and almost nine out of ten (88 percent) vulnerable occupations in Silicon Valley are either Tier 2 or Tier 3 occupations. This is consistent with the national profile, that shows greater declines in Tier 2 and Tier 3 as those positions are more susceptible to being automated.

Figure 4. Rate of Change in Occupational Composition for Santa Clara County, 2006-2016 Q3

1.4 VULNERABLE POPULATIONS

1.4.1 Overview of Financial Challenges and Career Obstacles

The research team conducted a survey to gather primary data from geographic regions more likely to be affected by financial distress. The sampling plan included those neighborhoods with a median household income that is below the average household income at the 40th percentile in Santa Clara County. The survey was intended to profile these communities and understand the financial challenges and career obstacles faced by individuals from mid- to low-income neighborhoods. The survey found that impacted communities—those with a higher concentration of workers in low- to mid-wage jobs—report that they are unable to achieve their career goals due to constraints on fiscal resources, educational attainment,

33 Northside San Jose, Brookwood Terrace/Mayfair San Jose, and Downtown San Jose, South San Jose, Tully Santee/East Valley San Jose, Cambrian Park East San Jose, West San Carlos/Burbank San Jose, East Santa Clara, Alum Rock San Jose, Rose Garden San Jose, and Alviso
industry experience, and technical training. Because these communities are also disproportionately affected by high costs of living, housing, transportation, healthcare, education, and credit card debt account for the largest impact on household budgets.

Education, money, and resources were the most highly reported challenge for individuals across impacted neighborhoods. Over half (56 percent) of surveyed respondents reported that obtaining the money and resources needed to invest in their career goals has been a challenge in finding employment in their desired career or positions. Another 54 percent of respondents reported that lack of an academic degree or certification has held them back from achieving their desired career goal (Figure 5).

Furthermore, almost three-quarters (74 percent) of residents from low- to mid-income neighborhoods report that housing costs considerably or somewhat impact household budgets, and over half of residents also report transportation, healthcare, education, and credit card debt significantly impact household finances (Figure 6).

*Figure 5. Challenges or Obstacles to Finding Employment in Desired Career or Position*

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Considerable/ somewhat of a challenge</th>
<th>Not a challenge</th>
<th>It depends</th>
<th>Don't know/ Refused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting the money and resources needed to invest on my career goals</td>
<td>56.0%</td>
<td>30.4%</td>
<td>3.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Getting the academic degree and/or certification needed for your career</td>
<td>53.6%</td>
<td>32.8%</td>
<td>6.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Getting relevant work and/or industry experience</td>
<td>53.6%</td>
<td>32.0%</td>
<td>6.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Getting technical training as well as developing technical skills and expertise</td>
<td>52.8%</td>
<td>37.6%</td>
<td>5.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Getting the free-time needed to focus on my career goals</td>
<td>48.0%</td>
<td>36.8%</td>
<td>9.4%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Getting connected and networking with industry insiders and employers</td>
<td>47.2%</td>
<td>37.6%</td>
<td>9.4%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Developing resumes and related materials that demonstrate your qualifications</td>
<td>44.0%</td>
<td>43.2%</td>
<td>9.4%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Getting comfortable and confident communicating with employers and those hiring</td>
<td>39.2%</td>
<td>44.8%</td>
<td>9.4%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>
### Figure 6. The Extent to which Various Expenses Impact Household Budget

<table>
<thead>
<tr>
<th>Expense</th>
<th>Considerable/ somewhat of an impact</th>
<th>Not an impact</th>
<th>It depends</th>
<th>Don't know/ Refused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing, rent or mortgage costs</td>
<td>73.6%</td>
<td>20.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobile or related transportation costs</td>
<td>64.8%</td>
<td>29.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare or related costs</td>
<td>60.0%</td>
<td>35.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education or training costs, including paying student loans</td>
<td>59.2%</td>
<td>33.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card debt or other interest on debt</td>
<td>56.8%</td>
<td>36.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childcare or related costs</td>
<td>36.0%</td>
<td>53.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elderly care or related costs</td>
<td>25.6%</td>
<td>60.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4.2 Impacted Communities

The survey also found that several populations or subgroups across Santa Clara County are more likely to be affected by financial distress. Santa Clara County’s Office of Human Relations reports that Latino and Black or African American households are more likely to fall below the Self-Sufficiency Standard, and about 20 percent of Asian households also earn below the Self-Sufficiency Standard. More specifically, the primary research conducted for this project determined that specific subgroups affected by financial distress include Latino, Vietnamese, and Filipino immigrants, as well as young adults. However, the barriers to sustainable employment vary across these distressed communities based on educational attainment, language barriers, and career navigation priorities.

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34 County of Santa Clara, Office of Human Relations. A Tale of Two Valleys – The Price We Pay for Living in Santa Clara County. 2015.

35 Data for these populations is derived from primary survey research conducted by BW Research in July 2016. Young adults are defined as working individuals between the ages of 18 and 29. It should be noted that while about a third of African American households fall below the Self-Sufficiency Standard, this population comprises 2.5 percent of the County’s overall population. The survey sample size is too small to draw meaningful conclusions.
Table 3. Households Below and Above the Self-Sufficiency Standard

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Total</th>
<th>Percent of Households</th>
<th>Percent Below Self-Sufficient Standard</th>
<th>Percent Above Self-Sufficiency Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>460,867</td>
<td>100%</td>
<td>22.2%</td>
<td>77.8%</td>
</tr>
<tr>
<td>Asian Households</td>
<td>144,323</td>
<td>31.3%</td>
<td>18.8%</td>
<td>81.2%</td>
</tr>
<tr>
<td>Black or African American Households</td>
<td>13,419</td>
<td>2.9%</td>
<td>32.3%</td>
<td>67.7%</td>
</tr>
<tr>
<td>Latino Households</td>
<td>93,288</td>
<td>20.2%</td>
<td>45.0%</td>
<td>55.0%</td>
</tr>
<tr>
<td>White Households</td>
<td>205,671</td>
<td>44.6%</td>
<td>13.5%</td>
<td>86.5%</td>
</tr>
</tbody>
</table>

1.4.2.1 Immigrants

The County is home to a rich diversity of immigrant and non-English speaking families; two out of every five residents are born outside of the United States, and just over half the population speaks a language other than English. Immigrants make up nearly half of the region’s workers; 47 percent of employed individuals in Santa Clara County identify as foreign-born. These individuals also comprise a significant share of the region’s top five industries—manufacturing, professional and technical services, healthcare and social assistance, retail, and arts and hospitality.

Public data indicates that educational attainment varies across the region’s ethnic subgroups. In 2015, over 60 percent of individuals of Asian descent had a Bachelor’s degree or higher, compared to about 15 percent of the Hispanic or Latino population. In fact, a separate report found that three in five black and Latino boys in Santa Clara County fail to read proficiently by the third grade, and more than one in 10 Latino boys drop out of high school.

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36 County of Santa Clara, Office of Human Relations. A Tale of Two Valleys – The Price We Pay for Living in Santa Clara County. 2015. Though the report was published in 2015, data in this table is from 2007.
For Latino immigrants, educational attainment is the most significant challenge to their career goals—few individuals have completed beyond high school or some college, and 59 percent of Latino immigrants are in poverty or financial distress. In addition to educational attainment, the majority of Latino immigrants report that a lack of money and resources presents a challenge to achieving their career goals. Because these individuals are less likely able to afford higher educational attainment, they are most concerned with navigating the job market; this means getting relevant work experience, earning money to invest in career goals, developing resumes, technical training, and networking. There is also evidence to suggest that culture might play a role in career navigation and educational priorities, as young Latino men are increasingly participating in mentoring programs to support their interest in attaining a college education and debunk the notion that they must begin work after graduating high school.41

On the other hand, both Vietnamese and Filipino residents typically have a Bachelor’s degree or higher, yet many are still working part-time jobs and living in financial distress. Respectively, 52 and 50 percent of Vietnamese and Filipino immigrants are living in poverty or financial distress. For these individuals, navigating the job market, work experience, and language barriers are the greatest challenge to their career goals. Over half of Vietnamese residents have at least a Bachelor’s degree, but they report that gaining work experience presents the greatest challenge to finding employment in their desired careers.

About a third of individuals also mentioned they would like to become more comfortable communicating with employers and hiring managers. Thirty-seven percent of Filipino residents have a Bachelor’s degree or more, but many are in part-time jobs and would prefer full-time employment. Unlike Vietnamese and Latino immigrants, their main concerns are related to expanding skills and expertise through work experience and technical training. Another two-thirds also report they do not have enough free time to invest in their career goals.

1.4.2.2 Young Adults

In addition to immigrant populations, young working adults are attempting to pursue higher education in spite of financial distress. Many of these individuals are faced with financial hardship because they are working entry-level, low-wage jobs while attending classes at a local university. Young workers are twice as likely to be poor or financially distressed compared to the average adult; about six in ten (61 percent) are either poor or financially distressed. Full-time student workers are focused on getting relevant work experience and networking, as well as obtaining the fiscal resources and time needed to invest in their career goals.

The cost of housing and education take a significant chunk of monthly paychecks, so much so that working students cannot afford to buy food; about eight in ten young workers report that rent either considerably or somewhat impacts their finances, followed by education and training costs. Because of this, food pantries and federal aid are becoming increasingly common on college campuses. Over half of surveyed students at San Jose State University participated in the Supplemental Nutrition Assistance Program (SNAP) or CalFresh while taking classes. Following a 2014 survey that found half of students skip meals due to financial constraints, SJSU partnered with Second Harvest Food Bank to provide food assistance for student workers.42

1.5 Coping Mechanisms and Adaptive Behaviors

The financial hardships across Silicon Valley’s distressed populations have resulted in a number of different coping mechanisms, and many financially distressed individuals are simply leaving the region. A recent poll found that one-third of residents will soon leave the Bay Area due to the cost of housing.43 Furthermore, San Jose’s “move-away rate” sits at 77 percent; this means that middle class families that earn below $60,000 are 77 percent more likely to move out of the city than to move in. At the same time, the city is seeing a very high move-in rate for individuals earning more than $150,000. These high-earning workers have the adverse effect of increasing housing costs and further squeezing out low-income workers.44

1.5.1 Underemployment

It can be argued that underemployment is both a symptom and a cause of Silicon Valley’s economic dichotomy, as workers seeking permanent, full-time employment end up in temporary and/or part-time

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42 San Jose State University. SJSU Student Food Access Survey. Fall 2014.
43 Avalos, George. The Mercury News. One-third of Bay Area residents hope to leave soon, poll finds. May 2016.
assignments. As this population grows, a larger portion of residents must begin to work multiple low-wage jobs, creating more strain and less opportunity for economic advancement.

**Silicon Valley’s unemployment rate is below state and national averages, but underemployment in the region is higher than the California average.**

Underemployed workers are those who are in part-time, seasonal, or contract positions but would prefer full-time, permanent work. Santa Clara County’s low unemployment rate of 3.7 percent—two points lower than the statewide average—does not account for those individuals who work limited hours with unsustainable wages.45

About sixteen percent of workers in Santa Clara County are underemployed46; this is higher than California’s average of 11 percent, as well as Los Angeles County (12 percent) and New York City (10 percent).47 Oftentimes, these are educated workers who are unable to find full-time work and thus settle for part-time, temporary, seasonal, or contract positions. As such, they are less likely to receive healthcare benefits, placing additional stress on other financial imperatives such as housing, transportation, and childcare.48

1.5.2 Homelessness & Other Undesirable Living Arrangements

When the above coping mechanisms are still insufficient to alleviate financial distress, some residents must resort to other adaptive behaviors. Primary survey research for this project found that 17 percent of distressed individuals report more than one family living in their household. Such high housing costs coupled with barriers to sustainable employment have also contributed to the County’s large homeless population. Santa Clara County now has the ninth highest homeless population in the country—almost 7,000 people—and the highest rate of unsheltered homelessness (71 percent). The region is also third in the nation in terms of chronically homeless individuals.49 But Silicon Valley’s homeless individuals are not necessarily unemployed. High costs of living have also created a new class of homeless workers who commute into the city from outside the area, living in their cars Monday through Friday before going home for the weekend.50 High housing costs have uprooted entire families, and even high school students are now making long daily commutes into the city.51 Furthermore, individuals that are being

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45 California Employment Development Department, January 2017.
46 Estimate is comparable to U-6 and is based on California Economic Development Department (EDD) unemployment and data from the primary survey research conducted for this project. The estimate includes unemployment rate (July 2016, EDD), portion of adults working part-time for economic reasons, and the unemployed who have stopped looking for work.
47 U.S. Bureau of Labor Statistics, U-6 Labor Underutilization Rate, 2016 annual average
48 BW Research, primary research survey data, July 2016.
51 Noguchi, Sharon. Bay Area housing costs prompt high school students to make 70-mile commutes. August 2016.
evicted to make room for higher-paying tenants are unable to find affordable housing and end up living out of their cars.  

2 CONCLUSIONS

As the epicenter of globally successful tech companies, Silicon Valley boasts one of the highest median incomes in the nation. But underneath the region’s innovative wealth generation, four in ten households are living in poverty, financial distress, or insecurity. As cost of living skyrockets, a region often cited as one of the most prosperous in the nation is now seeing income inequality that is greater than both state and national averages, greater than several other tech centers across the country. These high median and average incomes conceal the 40 percent of households who are struggling to achieve their career goals and maintain expenses for housing, education, healthcare, and other basic necessities.

Those most affected by high costs and low wages are employees working in low- to mid-skill jobs. These individuals earn a small fraction of both the regional average wage and highest-paid occupations. In Santa Clara County, a low-income worker who takes home only 38 percent of the region’s mean wage, or 23 percent of an average Tier 1 income, is expected to afford basic necessities in an area where the Self-Sufficiency Standard is two to three times greater than federal poverty thresholds. These workers are also increasingly less likely to progress into sustainable employment, as job growth has become concentrated at either the high- or low-end of the wage scale, and automation threatens to further shrink middle class opportunities. With declining employment growth across mid-wage jobs, individuals at the low end of the income bracket—especially those with lower educational attainment—do not have access to the career pathway and skill development opportunities which later allow progression from low to higher-wage positions.

Within these communities of low- to mid-wage workers are the specific populations that are particularly affected by financial distress—Latino, Vietnamese, and Filipino immigrants, as well as young adults. Generally, impacted communities are unable to achieve their career goals due to fiscal or educational constraints. And with exceptionally high costs of living, impacted populations are also less likely able to invest in education or career goals without sacrificing their fiscal resources for housing and other basic necessities. The barriers to sustainable employment vary across immigrant populations and young adults; those seeking higher education struggle to afford the cost of living, while others with college degrees, unable to land full-time employment, cannot further their career goals working in part-time jobs.

Efforts by work2future and others in the community—educational institutions, non-profit organizations, and businesses—to develop more viable pathways to self-sufficiency can help to mitigate the Silicon Valley dichotomy to some extent. However, it will take many different approaches across a wide variety of fronts to overcome the trends that have led to the increasing economic dichotomy over the last two decades.

While the primary research component of this project was able to highlight several impacted communities and barriers to sustainable employment, there is a need to more intimately understand the specific challenges and opportunities for impacted populations. Future research may work to

52 Potts, Monica. Dispossessed in the Land of Dreams. December 2015.
identify where these individuals fit into the labor market—their unique and valuable skillsets that will define the next wave of global innovation and prosperity. During this time of shifting demand and technological revolution, it is evident that jobs of the future will require the sort of human ingenuity that cannot be automated—creativity, passion, and communication skills.\(^5^3\) Investments made by today’s policymakers and workforce development programs—decisions that shape the world’s next generation of engineers and entrepreneurs—are critical to the development of a society that honors opportunity, economic mobility, and self-fulfillment.

APPENDIX A: METHODOLOGY

BW Research worked with work2Future to develop a survey instrument that would meet the research objectives of this study. In developing the survey instrument, BW Research utilized techniques to overcome known biases in survey research and minimize potential sources of measurement error.

The project consisted of several phases, the first phase was a general assessment of the financial and employment landscape for residents across Santa Clara County while the second and third phases provided a deeper dive into the profile or impacted communities—expenses that most impact household budgets, obstacles to career development, current employment profile and educational attainment, as well as demographics.

Prior to data collection, BW Research conducted interviewer training and pre-tested the survey instrument to ensure that all words and questions were easily understood by respondents. Telephone interviews were generally conducted from 9:00 am to 4:30 pm Monday through Friday. The data collection period for all three phases was between May 17th and July 5th, 2016.

The overall margin of error for phase one, at the 95 percent level of confidence, is +/- 4.88 percent for questions answered by all 404 respondents. The margin of error for the combined phase two and three effort is +/- 3.99 percent for questions answered by all 604 respondents.
APPENDIX B: SURVEY TOPLINES, RESIDENT

Screener Questions

A. Do you live in Santa Clara County?
   100.0% Yes
   0.0% No [THANK AND TERMINATE]

SA Zip. What is your home zip code?
   39.3% North County
   38.4% South County
   22.3% Distressed

B. What is your age?
   0.0% 17 years and younger [TERMINATE]
   13.8% 18 to 24 years old
   12.3% 25 to 29 years old
   15.6% 30 to 34 years old
   14.2% 35 to 39 years old
   8.7% 40 to 44 years old
   6.9% 45 to 49 years old
   9.3% 50 to 54 years old
   9.1% 55 to 59 years old
   10.1% 60 to 64 years old
   0.0% 65 years or older [TERMINATE]
   0.0% Don't know/ Refused [TERMINATE]

C. Gender:
   49.2% Male
   50.8% Female

D. What ethnic group do you consider yourself a part of or feel closest to? (IF HESITATE, READ):
   33.3% White
26.6% Hispanic or Latino
16.1% Asian – Chinese
10.9% Asian - Other
3.9% Asian – Filipino
2.9% Asian – Vietnamese
1.2% Black or African American
1.0% Asian – Japanese
0.8% Pacific Islander
1.9% Other
1.3% Don’t know/ Refused [DON’T READ]

E. Are you a full-time student?
16.9% Yes [ASK F]
83.1% No [SKIP TO Q1]
0.0% Don’t know/ Refused [TERMINATE]

F. Are you currently working or looking for a job?
54.4% Yes, I am working [GO TO Q1]
45.6% Yes, I am looking for work [GO TO Q1]
0.0% No, I am not working or looking for work [TERMINATE]
0.0% Don’t know/ Refused [TERMINATE]

I. Introduction
1. To begin, how long have you lived in Santa Clara County?
3.0% Less than 1 year
14.9% 1 to 4 years
8.8% 5 to 9 years
11.4% 10 to 14 years
61.4% 15 years or more
0.6% Don’t know/ Refused [DON’T READ]

Next, we would like to ask you about work in the region.
2. Are you currently working, either part-time or full-time for pay?
   
   57.1% Yes, full-time
   18.2% Yes, part-time
   24.7% No

3. Have you been laid off or let go from a job in the last 10 years?
   
   31.6% Yes
   67.5% No
   0.8% Don’t know/Refused [DON’T READ]

[ASK Q4 IF Q3=1 OTHERWISE SKIP]

4. How many times have you been laid off or let go from a job in the last 10 years?
   
   50.2% One time
   32.0% Two times
   17.8% Three or more times

II. Employment Profile

[ASK Q5 IF Q2=1 OR 2; IF Q2=3, SKIP TO Q19]

5. Are you currently working at more than one job for pay?
   
   22.5% Yes
   76.9% No
   0.6% Don’t know/Refused [DON’T READ]

IF Q5=1 THEN READ "When we ask about a current job, please talk about the one where you typically work the most hours a week."

[ASK Q6 IF Q2=2, OTHERWISE SKIP TO Q7]

6. Would you prefer to have a full-time job?
   
   56.4% Yes
   29.8% No
   13.8% Depends
7. Are you currently working in a permanent position or one that is temporary, contract or seasonal?
   - 75.1% Permanent
   - 9.6% Temporary or seasonal
   - 13.1% Contract
   - 2.3% Don’t know/ Refused [DON’T READ]

8. Does your employer pay for healthcare benefits for you and your family?
   - 29.4% No
   - 32.0% Yes, but just for myself
   - 37.6% Yes, for me and my family
   - 1.1% Don’t know/ Refused [DON’T READ]

[ASK Q9 IF Q7=2 OR 3, OTHERWISE SKIP TO Q10]

9. Would you prefer to have a permanent position?
   - 82.7% Yes
   - 4.2% No
   - 10.7% Depends
   - 2.5% Don’t know/ Refused [DON’T READ]

10. How many hours, on average, do you work a week for pay? This does NOT include the time you spend travelling to and from work. [IF Q5=1: This is the number of hours that you typically work in a week for all of your paying jobs]
    - 4.5% Up to 10 hours
    - 8.9% More than 10 hours up to 20 hours
    - 12.0% More than 20 hours up to 30 hours
    - 51.4% More than 30 hours up to 40 hours
    - 8.5% More than 40 hours up to 50 hours
    - 9.9% More than 50 hours
    - 4.8% Don’t know/ Refused [DON’T READ]

11. How long have you been working at your current job?
7.7% Less than 6 months
13.7% 6 months to 1 year
21.9% More than 1 year up to 3 years
18.3% More than 3 years up to 5 years
37.7% More than 5 years
0.6% Don’t know/ Refused [DON’T READ]

12. What industry are you currently working in? (WAIT AND READ ONLY IF NEEDED)

31.5% Technology
14.1% Professional or business services
8.3% Education
7.9% Retail or food service
6.6% Healthcare
5.5% Construction
5.0% Manufacturing
2.5% Public sector
17.0% Other [DON’T READ]
1.8% Don’t know/ Refused [DON’T READ]

13. What is your occupation or positional title?

74.0% Professional, technical or managerial occupation
10.5% Clerical or sales occupation
5.4% Service occupation
8.2% Other
1.9% Don’t know/ Refused

III. Underemployment Assessment

14. Are you satisfied or dissatisfied with your current job? (GET ANSWER, THEN ASK:) Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?

41.2% Very satisfied
47.5% Somewhat satisfied
8.4% Somewhat dissatisfied
1.3% Very dissatisfied
1.5% Don’t know/ Refused [DON’T READ]

15. Are you satisfied or dissatisfied with the opportunities for career advancement and growth in your current job? (GET ANSWER, THEN ASK:) Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?

34.5% Very satisfied
39.5% Somewhat satisfied
15.0% Somewhat dissatisfied
6.5% Very dissatisfied
4.5% Don’t know/ Refused [DON’T READ]

16. Are you currently looking for a job somewhere else?

35.9% Yes
60.6% No
3.5% Don’t know/ Refused [DON’T READ]

[ASK IF Q16=1, OTHERWISE SKIP]

17. What is the primary reason you are looking for another job?

34.6% Higher pay
21.4% More opportunities for advancement
17.6% Better benefits
7.2% More flexible schedule
6.0% Better hours
5.0% Closer to home
7.5% Other
0.7% Don’t know/ Refused [DON’T READ]

Next we would like to ask about your skills, training and experience as it relates to employment.

18. Do you feel you have more training and experience than is required to perform your current job, in other words do you feel overqualified for your current position?
IV. Unemployment Profile

[ASK IF Q2=3, OTHERWISE SKIP TO Q21]

19. Which of the following descriptions is closest to your current situation?

- 31.0% Unemployed (includes those looking for work and those not looking)
- 27.3% Homemaker or stay at home parent
- 21.3% Retired and no longer looking for paid employment
- 4.6% Part-time student who is not looking for paid employment
- 12.5% Other [DON'T READ]
- 3.4% Don't know/ Refused [DON'T READ]

[ASK IF Q19=3, OTHERWISE SKIP]

20. How long have you been unemployed?

- 11.0% Up to 4 weeks
- 6.8% More than 4 weeks up to 12 weeks
- 19.7% More than 12 weeks up to 6 months
- 18.4% More than 6 months up to 1 year
- 38.2% More than 1 year
- 5.8% Don't know/ Refused [DON'T READ]

V. Occupational Preference and Economic Security Profile

Next we would like to ask a few brief questions about your employment preferences.

21. Has there been specific careers or positions that you wanted to find employment in that needed education or training beyond High School, if yes please identify the career or position?

- 41.9% Yes
- 48.0% No, there has not been a specific career or position that I wanted that required education or training beyond high school
- 10.1% Don't know/ Refused [DON'T READ]
***Of respondents that selected “yes”***

79.2% Professional, technical or managerial occupation
7.6% Service occupation
2.1% Clerical or sales occupation
2.0% Other
9.0% Don’t know/ Refused

22. Are you currently working in that career or position, or do you expect to in the future?

37.5% Yes, I am currently working in that field
26.3% Yes, I expect to be working in that field in the future
18.7% No, I am not working in that field and do not expect to in the future
12.2% Not sure, If I will be working in that field in the future
5.3% Don’t know/ Refused [DON’T READ]

23. What have been the two biggest challenges to getting employed in the career or positions that you are interested in?

24.9% Lack of opportunity/ too much competition
18.9% Financial (salary, debt, childcare costs, etc.)
17.3% Lack of education
16.1% Lack of experience
12.1% Lack of a specific set of skills
8.4% Discrimination (age, gender, race, etc.)
5.7% Transportation requirements
5.5% Time requirements
4.7% Motivation, patience, confidence, etc.
4.4% Finding the right fit
13.9% Other
20.3% Don’t know/ Refused

24. Does your educational background, allow you to find employment in the type of jobs you want to work in?

54.5% Yes, my education allows me to get most or all of the jobs I would be interested in
31.3%  Somewhat, my education allows me to get some of the jobs I would be interested in
10.2%  No, my education significantly limits the type of work I would be interested in
4.0%  Don’t know/ Refused [DON’T READ]

Lastly, I want to ask about work and life in Silicon Valley

25. Do you feel job opportunities in Silicon Valley over the next 3 to 5 years for people like yourself, will get better, stay the same or get worse?

38.4%  Get better
36.6%  Stay the same
19.8%  Get worse
5.2%  Don’t know/ Refused [DON’T READ]

26. Do you feel job opportunities in Silicon Valley for your children or the next generation, will get better, stay the same or get worse?

40.8%  Get better
24.4%  Stay the same
24.8%  Get worse
10.0%  Don’t know/ Refused [DON’T READ]

27. How would you characterize your household’s current financial situation, meaning if an unexpected bill of $500 were to occur, what impact would it have on your household.

38.5%  Secure financial situation, it would have little to no impact
36.7%  Somewhat secure financial situation, it would have some impact
20.1%  Not secure financial situation, it would have a considerable impact
4.7%  Don’t know/ Refused [DON’T READ]

[IF Q27=2 OR 3 ASK Q28]

28. What is your biggest concern about your household’s current financial situation? [DO NOT READ, ALLOW TWO RESPONSE]

27.6%  Housing costs are too high
27.3%  Household income too low
18.6%  Cost of living (food, bills, taxes, etc.)
12.3%  Medical costs are too high
12.1%  Employment is uncertain
8.6%  Not enough savings
3.0%  Educational costs are too high
1.5%  Transportation costs are too high
19.7%  Other
16.5%  Don’t know/ Refused [DON’T READ]

To wrap things up, we just have a few background questions for statistical purposes only.

A. Do you own or rent the unit in which you live or do you neither own or rent where you currently reside?

39.9%  Rent
55.8%  Own
4.3%  Refused

B. How many children under 19 years of age live in your household?

57.0%  No children
19.7%  One child
17.5%  Two children
5.7%  Three or more children

C. Including yourself, please tell me how many adults 19 years of age or older live in your household?

1.0%  No adults 19 years of age or older
18.0%  One adult 19 years of age or older
50.0%  Two adults 19 years of age or older
26.4%  Three or more adults 19 years of age or older
4.6%  Don’t know/ Refused [DON’T READ]

D. Do you have more than one family living in your household?

14.3%  Yes
84.3%  No
1.3%  Refused [DON’T READ]
E. Are there any languages spoken in your home other than English? (If yes:) Which ones?

63.4% No
34.2% Yes
2.4% Refused [DON'T READ]

***Of respondents that selected “yes”***

41.8% Spanish
24.4% Chinese (Mandarin, Cantonese, etc.)
7.4% Vietnamese
4.3% Tagalog
3.8% French
18.3% Other

F. What is the last grade level you completed in school?

0.6% Less than high school
10.3% High school diploma or GED
23.1% Some college
10.1% Post high school certificate or Associate Degree (A.A. or A.S.)
33.0% Four-year Bachelor’s Degree (B.A. or B.S.)
21.7% Graduate school (M.S., MBA, M.A., Ph.D, M.D., J.D.)
1.3% Don’t know/ Refused [DON’T READ]

G. What is the highest grade level either of your parents completed in school?

8.0% Less than high school
18.3% High school diploma or GED
16.4% Some college
9.2% Post high school certificate or Associate Degree (A.A. or A.S.)
23.3% Four-year Bachelor’s Degree (B.A. or B.S.)
19.0% Graduate school (M.S., MBA, M.A., Ph.D, M.D., J.D.)
5.7% Don’t know/ Refused [DON’T READ]

H. Were you or your parents born outside of the United States, if yes, from what country? (IF HESITATE, READ):
52.6% No
25.4% Yes, I was born outside of the US
18.4% Yes, at least one of my parents was born outside of the US
3.5% Don't know/ Refused [DON'T READ]

I. Last few questions for statistical purposes. I am going to read some income categories. Please stop me when I reach the one that best describes how much gross income (If needed: total amount earned without taxes taken out) you personally earned last year from working. (IF HESITATE, READ):

11.7% Below $10,000
10.2% $10,001 to $25,000
13.4% $25,001 to $50,000
16.2% $50,001 to $75,000
16.3% $75,001 to $100,000
13.5% $100,001 to $150,000
9.8% More than $150,000
8.9% Don't know/ Refused [DON'T READ]

[IF QB=No children or DK/NA & QC=1 SKIP QK]

J. Now I am going to ask about the total income for your household. Please stop me when I reach the one that best describes your total household income before taxes from last year. (IF HESITATE, READ):

8.1% Below $25,000
13.9% $25,000 to $50,000
6.6% $50,001 to $75,000
7.5% $50,001 to $75,000
19.0% $75,001 to $100,000
26.2% $100,001 to $200,000
12.0% More than $200,000
6.7% Don't know/ Refused [DON'T READ]
APPENDIX C: SURVEY TOPLINES, IMPACTED COMMUNITIES

The second survey targeted the geographic areas within Santa Clara County where financial distress and insecurity were highest. These areas include the three neighborhoods that are home to over 20 percent of individuals that live below the federal poverty standard: Northside San Jose, Brookwood Terrace/Mayfair San Jose, and Downtown San Jose. An expanded definition that accounts for the region’s cost of living identified an additional eight distressed communities to survey: South San Jose, Tully Santee/East Valley San Jose, Cambrian Park East San Jose, West San Carlos/Burbank San Jose, East Santa Clara, Alum Rock San Jose, Rose Garden San Jose, and Alviso.

Screener Questions

G. Before we begin, I want to confirm that you live within our study area. What is your home zip code? (If respondent gives the PO Box zip codes, prompt them to give their home zip code for survey purposes).

H. In what year were you born?

- 17.5% 18 to 24 years old
- 12.7% 25 to 29 years old
- 11.9% 30 to 34 years old
- 9.4% 35 to 39 years old
- 8.6% 40 to 44 years old
- 6.9% 45 to 49 years old
- 10.2% 50 to 54 years old
- 10.2% 55 to 59 years old
- 12.5% 60 to 64 years old

I. Are you a full-time student?

- 15.2% Yes
- 84.8% No

J. Are you currently working or looking for a job?

- 50.9% Yes, I am working
- 49.1% Yes, I am looking for work

I. Introduction

I would like to start by asking you about work in the region.

29. Are you currently working, either part-time or full-time for pay?

- 44.9% Yes, full-time
- 19.4% Yes, part-time
35.7%  No

30. Have you been laid off or let go from a job in the last 10 years?

32.1%  Yes
66.2%  No
1.7%  Don't know/Refused [DON'T READ]

[ASK Q3 IF Q2=1 OTHERWISE SKIP]

31. How many times have you been laid off or let go from a job in the last 10 years?

53.4%  One time
29.3%  Two times
17.2%  Three or more times

II. Employment Profile

[ASK Q4 IF Q1=1 OR 2; IF Q2=3, SKIP TO Q14]

32. Are you currently working at more than one job for pay?

22.4%  Yes
77.2%  No
0.4%  Don't know/Refused [DON'T READ]

IF Q4=1 THEN READ "When we ask about a current job, please talk about the one where you typically work the most hours a week."

[ASK Q5 IF Q1=2, OTHERWISE SKIP TO Q6]

33. Would you prefer to have a full-time job?

57.1%  Yes
28.6%  No
14.3%  Depends

34. Are you currently working in a permanent position or one that is temporary, contract or seasonal?

72.0%  Permanent
12.1%  Temporary or seasonal
12.5%  Contract
3.4%  Don't know/Refused [DON'T READ]

35. Does your employer pay for healthcare benefits for you and your family?

40.1%  No
36.6%  Yes, but just for myself
21.6%  Yes, for me and my family
1.7% Don’t know/ Refused [DON’T READ]

[ASK Q8 IF Q6=2 OR 3, OTHERWISE SKIP TO Q9]

36. Would you prefer to have a permanent position?

80.7% Yes
7.0% No
12.3% Depends

37. What industry are you currently working in? (WAIT AND READ ONLY IF NEEDED)

19.0% Technology
15.9% Retail or food service
9.9% Professional or business services
9.9% Education
7.8% Healthcare
6.9% Construction
6.5% Manufacturing
3.4% Public sector
19.8% Other (Specify)
0.9% Don’t know/ Refused [DON’T READ]

38. What is your occupation or positional title?

56.5% Professional, technical, or managerial occupation
17.8% Clerical or sales occupation
10.0% Service occupation
13.9% Other
1.7% DK/NA [DON’T READ]

III. Underemployment Assessment

39. Are you satisfied or dissatisfied with your current job? (GET ANSWER, THEN ASK:) Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?

39.7% Very satisfied
44.4% Somewhat satisfied
12.1% Somewhat dissatisfied
2.6% Very dissatisfied
1.3% Don’t know/ Refused [DON’T READ]

40. Are you satisfied or dissatisfied with the opportunities for career advancement and growth in your current job? (GET ANSWER, THEN ASK:) Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?
30.6% Very satisfied
34.1% Somewhat satisfied
20.3% Somewhat dissatisfied
9.5% Very dissatisfied
5.6% Don't know/ Refused [DON'T READ]

41. Are you currently looking for a job somewhere else?
   36.2% Yes
   60.8% No
   3.0% Don't know/ Refused [DON'T READ]

IV. Unemployment Profile

[ASK IF Q1=3, OTHERWISE SKIP TO Q17]
42. Which of the following descriptions is closest to your current situation?
   31.8% Homemaker or stay at home parent
   27.9% Unemployed (includes those looking for work and those not looking)
   20.2% Retired and no longer looking for paid employment
   3.1% Part-time student who is not looking for paid employment
   13.2% Other (Specify)
   3.9% Don't know/ Refused [DON'T READ]

[ASK IF Q14=3 OTHERWISE SKIP]
43. Are you currently looking for a job?
   81.8% Yes
   18.2% No

[ASK IF Q14=3, OTHERWISE SKIP]
44. How long have you been unemployed?
   8.3% Up to 4 weeks
   11.1% More than 4 weeks up to 12 weeks
   22.2% More than 12 weeks up to 6 months
   19.4% More than 6 months up to 1 year
   33.3% More than 1 year
   5.6% Don't know/ Refused [DON'T READ]
V. Occupational Preference and Economic Security Profile

Next I would like to ask a few brief questions about your employment preferences.

45. Has there been specific careers or positions that you wanted to find employment in that needed education or training beyond High School, if yes please identify the career or position?

- 78.2% Professional, technical, or managerial occupation
- 6.3% Clerical or sales occupation
- 5.6% Service occupation
- 4.2% Other
- 5.6% DK/NA [DON’T READ]

46. Are you currently working in that career or position, or do you expect to in the future?

- 24.2% Yes, I am currently working in that field
- 24.5% Yes, I expect to be working in that field in the future
- 27.5% No, I am not working in that field and do not expect to in the future
- 17.6% Not sure, If I will be working in that field in the future
- 6.3% Don’t know/ Refused

47. What has been the challenges or obstacles you have faced getting employed in the career or positions that you want to work in? Have the following challenges been considerable for you in getting employed in your career of choice.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Considerable challenge</th>
<th>Somewhat of a challenge</th>
<th>Not a challenge</th>
<th>It depends</th>
<th>Don’t know/Refused [DON’T READ]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Getting relevant work and/or industry experience</td>
<td>21.6%</td>
<td>32.0%</td>
<td>32.0%</td>
<td>5.6%</td>
<td>8.8%</td>
</tr>
<tr>
<td>B. Getting the academic degree and/or certification needed for your career</td>
<td>30.4%</td>
<td>23.2%</td>
<td>32.8%</td>
<td>6.4%</td>
<td>7.2%</td>
</tr>
<tr>
<td>C. Getting connected and networking with industry insiders and employers</td>
<td>23.2%</td>
<td>24.0%</td>
<td>37.6%</td>
<td>5.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td>D. Getting technical training as well as developing technical skills and expertise</td>
<td>21.6%</td>
<td>31.2%</td>
<td>37.6%</td>
<td>1.6%</td>
<td>8.0%</td>
</tr>
<tr>
<td>E. Getting comfortable and confident communicating with employers and those hiring</td>
<td>14.4%</td>
<td>24.8%</td>
<td>44.8%</td>
<td>8.8%</td>
<td>7.2%</td>
</tr>
<tr>
<td>F. Developing resumes and related materials that demonstrate your qualifications</td>
<td>17.6%</td>
<td>26.4%</td>
<td>43.2%</td>
<td>6.4%</td>
<td>6.4%</td>
</tr>
<tr>
<td>G. Getting the free-time needed to focus on my career goals</td>
<td>21.6%</td>
<td>26.4%</td>
<td>36.8%</td>
<td>4.8%</td>
<td>10.4%</td>
</tr>
<tr>
<td>H. Getting the money and resources needed to invest on my career goals</td>
<td>36.8%</td>
<td>19.2%</td>
<td>30.4%</td>
<td>6.4%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

48. Are there or has there been other challenges or obstacles to your career goals that we have not discussed, if yes can you briefly describe them?

- 23.4% Time and money (applying for jobs, pursuing higher education)
- 10.6% Language barrier
- 8.5% Family (home/childcare)
8.5%  Health reasons or disability  
8.5%  Lack of experience  
6.4%  Issues with coworkers, managers, job duties assigned and/or workplace  
6.4%  Personal motivation/organization/focus  
4.3%  Age  
2.1%  Competition/insufficient amount of jobs  
12.8%  Other  
8.5%  DK/NA [DON’T READ]  

Lastly, I want to ask about work and life in Silicon Valley  

49. Do you feel job opportunities in Silicon Valley over the next 3 to 5 years for people like yourself, will get better, stay the same or get worse?

34.3%  Get better  
31.3%  Stay the same  
27.1%  Get worse  
7.2%  Don’t know/Refused [DON’T READ]  

50. Do you feel job opportunities in Silicon Valley for your children or the next generation, will get better, stay the same or get worse?

39.1%  Get better  
21.1%  Stay the same  
28.3%  Get worse  
11.6%  Don’t know/Refused [DON’T READ]  

51. How would you characterize your household’s current financial situation, meaning if an unexpected bill of $500 were to occur, what impact would it have on your household.

28.0%  Secure financial situation, it would have little to no impact  
34.1%  Somewhat secure financial situation, it would have some impact  
33.0%  Not secure financial situation, it would have a considerable impact  
5.0%  Don’t know/Refused [DON’T READ]  

52. Please tell me if the following costs are a considerable impact, somewhat of an impact, or not an impact on your household finances and budget.

<table>
<thead>
<tr>
<th></th>
<th>Considerable impact</th>
<th>Somewhat of an impact</th>
<th>Not an impact</th>
<th>It depends</th>
<th>Don’t know/Refused [DON’T READ]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Housing, rent or mortgage costs</td>
<td>52.0%</td>
<td>21.6%</td>
<td>20.0%</td>
<td>1.6%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
B. Education or training costs, including paying student loans

<table>
<thead>
<tr>
<th>Percentage</th>
<th>36.0%</th>
<th>23.2%</th>
<th>33.6%</th>
<th>3.2%</th>
<th>4.0%</th>
</tr>
</thead>
</table>

C. Healthcare or related costs

<table>
<thead>
<tr>
<th>Percentage</th>
<th>28.8%</th>
<th>31.2%</th>
<th>35.2%</th>
<th>3.2%</th>
<th>1.6%</th>
</tr>
</thead>
</table>

D. Childcare or related costs

<table>
<thead>
<tr>
<th>Percentage</th>
<th>25.6%</th>
<th>10.4%</th>
<th>53.6%</th>
<th>3.2%</th>
<th>7.2%</th>
</tr>
</thead>
</table>

E. Elderly care or related costs

<table>
<thead>
<tr>
<th>Percentage</th>
<th>12.0%</th>
<th>13.6%</th>
<th>60.0%</th>
<th>5.6%</th>
<th>8.8%</th>
</tr>
</thead>
</table>

F. Automobile or related transportation costs

<table>
<thead>
<tr>
<th>Percentage</th>
<th>27.2%</th>
<th>37.6%</th>
<th>29.6%</th>
<th>4.0%</th>
<th>1.6%</th>
</tr>
</thead>
</table>

G. Credit card debt or other interest on debt

<table>
<thead>
<tr>
<th>Percentage</th>
<th>27.2%</th>
<th>29.6%</th>
<th>36.0%</th>
<th>2.4%</th>
<th>4.8%</th>
</tr>
</thead>
</table>

53. Have you considered moving, to another region, because of the high costs in Silicon Valley?

28.8% Yes, seriously considered moving
36.0% Yes, somewhat considered moving
32.8% No, have not considered moving because of high costs
2.4% Don't know/ Refused [DON'T READ]

54. In the last three years or 36 months, have you delayed or deferred paying off expenses, because of the impact it would have on your monthly household budget?

40.8% Yes
54.4% No
4.8% Don't know/ Refused [DON'T READ]

K. Do you own or rent the unit in which you live or do you neither own nor rent where you currently reside?

52.4% Rent
42.4% Own
4.4% Neither, rent nor own
0.8% Refused [DON'T READ]

L. Please tell me how many children under 19 years of age live in your household?

63.2% No children
17.7% One child
12.7% Two children
5.8% Three or more children
0.6% Don't know/ Refused [DON'T READ]

M. Including yourself, please tell me how many adults 19 years of age or older live in your household?
1.1%  No adults 19 years of age or older
22.4%  One adult 19 years of age or older
39.1%  Two adults 19 years of age or older
31.9%  Three or more adults 19 years of age or older
5.5%   Don't know/ Refused [DON'T READ]

N.  Do you have more than one family living in your household?

16.9%  Yes
81.4%  No
1.7%   Refused [DON'T READ]

O.  Are there any languages spoken in your home other than English? (If yes:) Which ones?

64.5%  No
33.0%  Yes
2.5%   Refused [DON'T READ]

*** Of respondents that selected “yes” ***

40.3%  Spanish
16.8%  Chinese (Mandarin, Cantonese, etc.)
  6.7%  Tagalog
15.1%  Vietnamese
  3.4%  French
17.6%  Other

P.  What is the last grade you completed in school?

3.3%  Less than high school
17.2%  High school diploma or GED
29.1%  Some college
10.0%  Post high school certificate or Associate Degree (A.A. or A.S.)
28.0%  Four-year Bachelor’s Degree (B.A. or B.S.)
10.8%  Graduate school (M.S., MBA, M.A., Ph.D, M.D., J.D.)
1.7%   Don’t know/ Refused [DON’T READ]

Q.  What is the highest grade level either of your parents completed in school?

13.9%  Less than high school
19.7%  High school diploma or GED
19.7% Some college
7.2% Post high school certificate or Associate Degree (A.A. or A.S.)
18.3% Four-year Bachelor’s Degree (B.A. or B.S.)
13.0% Graduate school (M.S., MBA, M.A., Ph.D, M.D., J.D.)
8.3% Don’t know/ Refused [DON’T READ]

R. What ethnic group do you consider yourself a part of or feel closest to? (IF HESITATE, READ):

42.9% White
18.6% Hispanic or Latino
10.0% Asian – Chinese
8.0% Asian - Other (Specify)
5.0% Asian – Vietnamese
4.4% Asian – Filipino
1.4% Black or African American
1.1% Asian – Japanese
0.6% Pacific Islander
5.5% Other (Specify)
2.5% Don’t know/ Refused [DON’T READ]

S. Were you or your parents born outside of the United States, if yes, from what country? (IF HESITATE, READ):

53.2% No
25.5% Yes, I was born outside of the US
17.2% Yes, at least one of my parents was born outside of the US
4.2% Don’t know/ Refused [DON’T READ]

T. Last few questions for statistical purposes. I am going to read some income categories. Please stop me when I reach the one that best describes how much gross income (If needed: total amount earned without taxes taken out) you personally earned last year from working. (IF HESITATE, READ):

21.3% Below $10,000
17.5% $10,001 to $25,000
24.1% $25,001 to $50,000
23.8% $50,001 to $75,000
13.3% Don’t know/ Refused [DON’T READ]

[U. Now I am going to ask about the total income for your household. Please stop me when I reach the one that best describes your total household income before taxes from last year. (IF HESITATE, READ):

12.4% Below $25,000
27.3% $25,001 to $50,000]
<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,001 to $75,000</td>
<td>9.7%</td>
</tr>
<tr>
<td>$75,001 to $100,000</td>
<td>11.6%</td>
</tr>
<tr>
<td>$100,001 to $150,000</td>
<td>9.0%</td>
</tr>
<tr>
<td>$150,001 to $200,000</td>
<td>12.0%</td>
</tr>
<tr>
<td>More than $200,001</td>
<td>7.5%</td>
</tr>
<tr>
<td>Don't know/ Refused</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

V. Gender (Recorded from voice, not asked):

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>40.4%</td>
</tr>
<tr>
<td>Female</td>
<td>59.6%</td>
</tr>
</tbody>
</table>
APPENDIX D: BIBLIOGRAPHY


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