



valley vision

Community Inspired Solutions

The Workforce and Education
Poll Series: The Future of Work
in the Capital Region



March 2020

Photo by: Nicholas Wray

Contributions

Valley Vision

For 25 years Valley Vision has helped governments, businesses, foundations and community groups better understand our region and its people through high quality research. By uncovering common ground facts using scientific opinion polls, focus groups, community needs assessments, best practice reports and other research tools, Valley Vision is a trusted interpreter, commentator, forecaster, and work partner for community inspired solutions.

The Institute for Social Research at Sacramento State University

The Institute for Social Research at Sacramento State University supports community partners in improving programs and policies in the region and throughout the state. Located at the university's downtown location, the Institute offers a broad range of expertise conducting survey and applied research. Since 1989, our collaborations with government agencies and nonprofit organizations have contributed to public accountability, program fidelity, and the strengthening of communities.

About the Polling Series

Valley Vision and the Institute of Social Research (ISR) at Sacramento State conducts scientifically administered survey research of area resident attitudes. The survey data inform policy-makers and stakeholders on key regional issues by providing on-the-ground public engagement data. The approach used is highly effective and unique - establishing a scientifically valid and demographically representative panel of regional residents that reflects a microcosm of the region as a whole. The panel size is consistently about 2,000 people from six counties - Sacramento, Yolo, El Dorado, Placer, Yuba, and Sutter. The panel is weighted to demographically represent the region and each survey achieves a statistical valid margin of error of not more than +/- 3%.

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Regional Attitudes Polling Series:

A program of Valley Vision and the Institute for Social Research at Sacramento State

2020 – an election year, and time in history marked by accelerated changes fueled by technology, the environment, global economics, and more. This is a year for decisive action that should be informed by data. Valley Vision and the Institute of Social Research (ISR) at Sacramento State University are excited about illuminating real data about how people think and feel by conducting public opinion polling in the six-county Capital region. These data inform regional decisions and priorities and shine a light on where we need to turn our attention to meet community needs.

Using best-in-business surveying practices, we have created a representative panel of close to 2,000 residents who reflect the diversity of our region and provide us the ability to achieve results with a small margin of error (+/-3% margin). Our confidence in the rigor of our approach and accuracy of our data enables us to provide trusted information to local decision-makers on the issues that matter most to the people who live here.

We are excited to present to you the results of our fifth public opinion survey – this time on education and workforce opportunities in the Capital region. We wanted to know about technology disruption, the gig economy, experiences at work, values towards work, experiences of discrimination, and aspirations for the future. All these topics are explored in this report on the Future of Work. What did we find? People are excited about the future and all the change that will come, but to be successful they also need the security and support that has historically been found in traditional employment. These ideas represent a tension – the securities offered in the past and the shape of opportunity of the future are not always compatible. Our report explores the tensions between these two realities.

However, our findings don't stop there. This survey on education and workforce opportunities was so expansive, and aligned so closely with other

research and work that Valley Vision is doing, that we believe it warrants a whole series. So, in the coming months, Valley Vision will be releasing a series of reports, videos, and articles about the future of work and education and skills of the future in partnership with ISR. Additionally, we will release reports about the risk and impact of job displacement in partnership with the

We wanted to know about technology disruption, the gig economy, experiences at work, values towards work, experiences of discrimination, and aspirations for the future.

Capital Region Workforce Development Boards and the Los Rios Center of Excellence. These topics are critical to our success as a region in the face of accelerated changes to our economy, our demographics, and the way we do work.

How should these reports and other products be used? We believe that a common set of facts is the right launching place for action. As our region works to set strategies to prepare our communities for the future, Valley Vision and ISR are committed to using data to gain an aligned vision and catalyze action, setting the course for years to come. Please join us as we set this course together.

Best Regards,



Meg Arnold
Interim CEO,
Valley Vision



Shannon Williams
Executive Director,
Institute for Social Research



Evan Schmidt
Senior Director,
Valley Vision



Executive Summary

The Education & Workforce Poll: The Future of Work in the Capital Region

Valley Vision will present the findings of the workforce and education survey in a series of reports, focusing on how respondents are navigating work and their outlook for their future. Subsequent reports will focus on skills of the future, perspectives on education, and risk of job displacement.

Survey Overview

The acceleration of technology innovation is one of the most significant transformative forces of our time. Today's innovations, such as digitalization, automation, artificial intelligence (AI) and other technologies, have changed the nature of our national and global economy and are changing the nature of work across all sectors of industry, impacting workers as skill and competency needs shift.

future are not always compatible. As our economy moves more towards gig work and shorter-term job tenure; the desire for security and protection might be increasingly compromised as markets and opportunity live more and more in the open marketplace of the gig economy, requiring people to be more entrepreneurial and individualistic.

Some key findings and conclusions for the future of work in the Capital region include:

- **Respondents are optimistic about new technologies and 82% are excited or confident about the effect that technology innovation will have on their future job prospects.** Despite this excitement, a major skill shift is underway and some workers are at risk of losing jobs.

Poll respondents are excited about the future, including changes to their own work life as a result of technology innovation, but still want and need security and protections in place to ensure their success.

Valley Vision and California State University, Sacramento's Institute for Social Research, surveyed the Capital Region to understand how respondents are navigating work and education in the face of these changes. We found that poll respondents are excited about the future, including changes to their own work life as a result of technology innovation, but still want and need security and protections in place to ensure their success. Unfortunately, the securities offered in the past and the shape of opportunity of the



- The “gig” economy, or employment through short-term or contract engagements, has a significant impact on our region’s people and economy. **About one-third of respondents currently earn income through employment “gigs” and one-quarter report that income from the gig economy is their primary source of income.** Without the legal protections or job security of traditional employment, a challenge here and across the nation is to make sure that the gig economy offers opportunities, not just dead-end jobs.
- **Despite changes to the nature of work, such as the growing gig economy, respondents still value job security and long-term service to an organization.** Although younger generations tend to have shorter job tenure, workers of any age are looking for the same things – meaningful work, opportunities to grow, recognition for contributions, and high performing companies.
- Entrepreneurship is a key aspect of the modern economy and most respondents are confident in their entrepreneurial abilities: **62% of respondents believe that they have entrepreneurial skills and abilities and 50% say that they’d take a chance and start their own business.** Creating entrepreneurial networks across the region – especially spanning rural communities – is key to inclusive economic growth.
- **Two-thirds of respondents have faced discrimination in the workforce, especially related to sex and race.** Ensuring that there are opportunities for social mobility and well-being for all is critical for a thriving and inclusive region.



- **More than half of respondents are open to leaving for better opportunities elsewhere, if needed.** Creating, retaining, and attracting talent is a shared responsibility across business, education, community, and individuals. We must work together to support talent here in the Capital region.

Changes that will happen to work as a result of technology pose uncertainties for workers and industries. Employers, policy-makers, and leaders in the Capital region have the opportunity to build inclusive and thriving communities that are ready for the future, despite changing conditions. The Capital region will need to advance an entrepreneurial and generative culture that provides learning opportunities, adapts to changing skill and occupation demands, creates opportunities in a new economy, and builds supportive community infrastructure.

Will we in the Capital region be able to leverage new opportunities to create success or will we be marginalized by the changing economic landscape?

Survey Findings

Respondents are optimistic about new technologies and 82% are excited or confident about the effect that technology innovation will have on their future job prospects. Despite this excitement, a major skill shift is underway and some workers are at risk of losing jobs.



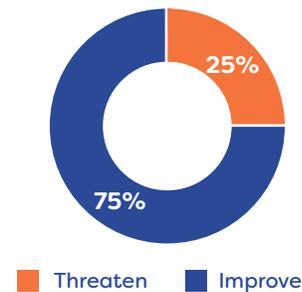
Knowing that new technologies are changing how work gets done, almost 40% of respondents are excited and 43% are confident about the impact that the future of work will have on them.

When considering whether new technologies will improve or threaten future work prospects for them, three out of four respondents believe their prospects will improve.

How do you feel about how new technologies in work will affect you?



Do you think that technology developments will improve or threaten your future job prospects?



Behind the Topline Results

Those making \$100K or less per year are more likely to feel threatened by changes to the workplace than those making over \$100K (~30% threatened vs. 17% or less).

In a similar study by PwC, workers' attitudes are becoming more optimistic over time. Increasing conversations about robots and automation result in excitement about new technologies and their applications.¹ Similarly, in a canvassing of over 900 experts by Pew Research Center, 63% of experts believe that by 2030, advancing AI and related technology systems will enhance and empower uniquely human capacities, having a positive effect on work.² The Capital Region's confidence and excitement is consistent with findings from other surveys.



The Bigger Picture: The Risk of Job Displacement and Skill Shift

Despite the feelings of optimism, there is a realistic forecast of some job displacement as a result of technologies like automation and artificial intelligence worldwide. These changes will increasingly mean that technology may assume more and more predictable tasks, while jobs for workers will increasingly be uniquely human - like critical thinking, unpredictable tasks, managing and interacting with others, and applying expertise. Occupations that are highly at risk include retail and customer service, food service, transportation, office support and administration, or other similar jobs. Changes are happening right now and in the near future. According to the World Economic Forum's 2018 Future of Jobs Report, there is an expected 42% average shift in required workforce skills within 2018-2022 globally.³ Additionally, cybersecurity issues, privacy concerns, and apprehension around a growing reliance on technology could infringe on privacy and security, impacting the workforce. These displacements risks will have a disproportionate impact on vulnerable populations - disproportionately impacting populations and geographies that are more heavily concentrated within at-risk occupations. Providing re-training programs and equitable educational opportunities are key strategies to support talent and opportunity in the Capital region⁴.

1. Workforce of the Future: The Views of 10,000 Workers (PwC 2017). <https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-future-appendix.pdf>
2. Anderson, J., & Rainie, L. Artificial Intelligence and the Future of Humans (Pew Research Center 2019). <https://www.pewresearch.org/internet/2018/12/10/artificial-intelligence-and-the-future-of-humans/>
3. The Future of Jobs Report (World Economic Forum 2018). http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf
4. Parilla, Joseph, Sifan Liu and Marek Gootman. Charting a course to the Sacramento region's future economic prosperity. (The Brookings Institution 2018). <https://www.brookings.edu/research/charting-a-course-to-the-sacramento-regions-future-economic-prosperity/>

The gig economy is active in our region and has a significant impact on our region's people and economy. Without legal protections or job security of traditional employment, a challenge here and across the nation is to make sure that the gig economy offers opportunities, not just dead-end jobs.

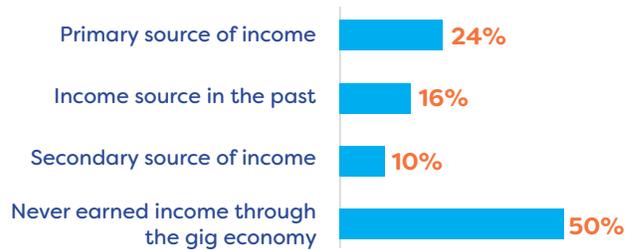


The “gig economy” is a growing sector of the labor market where employment is found through short-term term or contract-based engagements. Technology has fueled the gig economy, enabling increased mobility for freelance workers to operate outside of traditional full-time models. Computing, smartphones, apps, online payment systems, accessible design tools, and more, have enabled workers to market themselves and conduct work outside of constraints of a traditional employer. Some examples include driving-services such as Uber or Lyft; freelance contract work; online platforms like UpWork or TaskRabbit where people can advertise their services; selling products online or in-person, like Etsy, eBay, or Pampered Chef; property listings on sites like Airbnb or VRBO; and more.

Some participants in the gig economy might find gig work preferable, while others are operating outside of traditional employment out of necessity. There are increasing gig opportunities and an increasing trend towards participation in the gig economy.

The gig economy is active in the Capital region. For 34% of the respondents, the gig economy is currently their primary or secondary source of income and 50% of the respondents have had experience with the gig economy at some point.

Has income from the gig economy ever made up any of your overall income?



Selling products or providing professional services are the most common gigs with 24% participating in the gig economy in that way. Overall, 11% of respondents drive for car services, like Uber or Lyft. Younger respondents are much more likely to be participating in this way - 24% of 18-38 year olds report that they drive for a car service, in contrast to 5% or less of those older than 38 years.

What, if any, types of gig employment do you currently have?



Behind the Topline Results

- Gig economy workers are more likely to be younger – 59% of Gen Z and Millennials (18-39 year olds) are participating in the gig economy while 36% of Gen X (39-54 year olds) and 7% of Baby Boomers or Silent Generation (55-89)⁵ are participating in the gig economy.
- Respondents who are currently participating in the gig economy as primary or secondary sources of income are much more likely to be Black (67%) or Hispanic of any race (57%) compared to Whites (30%) or Asians (13%).
- Those who live in suburbs are less likely to participate in the gig economy, with a rate of 17% versus 41% in the city and 36% in small towns.
- In our poll, 93% of those 55 through 89 do not participate in the gig economy at all, although 22% of this age group has participated in the past. This is in contrast to Gallup's recent study which found that the gig economy is often used by those in or nearing retirement to supplement their income⁶. High occurrence of state pensions in Sacramento may make gig work less desirable for those nearing or in retirement in our region.

The degree of participation in the gig economy in our region is similar to the nation as a whole.

The Big Picture: What is the typical profile of gig workers in the U.S?

Our survey shows that the degree of participation in the gig economy in our region is similar to the nation as a whole. According to Gallup, 36% of U.S. workers participate in the gig economy as either their primary or secondary jobs; this corresponds closely to the Capital region at 34%.

Research suggests that different age groups participate in the gig economy for different reasons. Prudential's recent study notes that Millennials are most likely to seek gig opportunities to support lifestyle; Gen X is most likely to seek gig employment to make ends meet; and Baby Boomers are most likely to seek gig employment for extra money supplementing retirement⁷. Both nationally and here in our region, gig workers tend to be younger, perhaps choosing to participate to support lifestyle decisions, including flexibility in work and hours.



5. According to McKinsey & Company, "Millennial" includes those born 1980-1994 and "Gen Z" includes those born 1995-2010, in our study this corresponds to 18-38 year olds in total. "Gen X" includes those born 1965-1979, in our study this corresponds to 39-54 year olds; Baby Boomers includes those born 1944-1964, in our study this corresponds to 55-76 year olds; and The Silent Generation includes those born 1928-1943, in our study this corresponds to 77-89).

6. The Gig Economy and Alternative Work Arrangements (Gallup 2018). <https://www.gallup.com/workplace/240878/gig-economy-paper-2018.aspx>

7. Gig Economy Impact by Generation (Prudential 2019). https://www.prudential.com/wps/wcm/connect/1b4fcf8-afc0-4c87-bc12-2ace844aeb3/Gig_Economy_Impact_by_Generation.pdf?MOD=AJPERES&CVID=mMoGiuO



The effect of racial discrimination has the potential to be amplified in the gig economy, which lacks the legal safeguards of traditional employment and relies on self-promotion and marketing.

The type of gig work varies by race, with national data showing that Black and Hispanic gig workers are more likely to be agency temps, on-call, and contract company employees whereas freelancers, consultants, and independent contractors are more likely to be White.⁸ These data suggest that people of color are more likely to be in lower paid, less flexible, less advantageous gig work than Whites. The effect of racial discrimination has the potential to be amplified in the gig economy, which lacks the legal safeguards of traditional employment and relies on self-promotion and marketing. With 58% of Black respondents saying that they participate in the gig economy in the Sacramento region, it is important to consider how to address racial equity in non-traditional work environments, ensuring that the gig economy does not unravel progress in racial equity that has been made in the traditional workforce⁹.

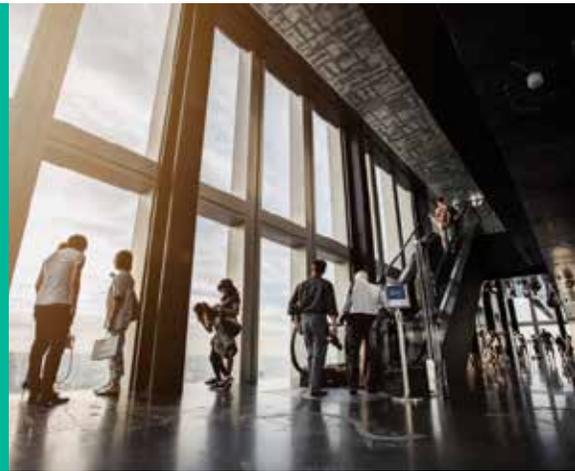
California Assembly Bill 5 was enacted in January 2020, representing a major policy change related to gig economy and demonstrating ways that policy makers are trying to protect workers. This bill requires some employers to reclassify those who were previously contractors, as employees. This bill came about to protect workers and prevent employers from off-loading workers to contractor status, avoiding protections for employees. Businesses are making sweeping changes across California to become compliant, and the impact of the bill on the gig economy and workers in general is not yet known¹⁰. This is a prime example of the challenges in policy-making and other practices intending to protect workers while still enabling open market and technology-enabled innovation.

8. Gig Economy Data Hub. <https://www.gigeconomydata.org/basics/who-participates-gig-economy#race>

9. The Unequal Geography of the Gig Economy (The Atlantic 2018). <https://www.theatlantic.com/business/archive/2018/06/gig-economy-inequality/560942/>

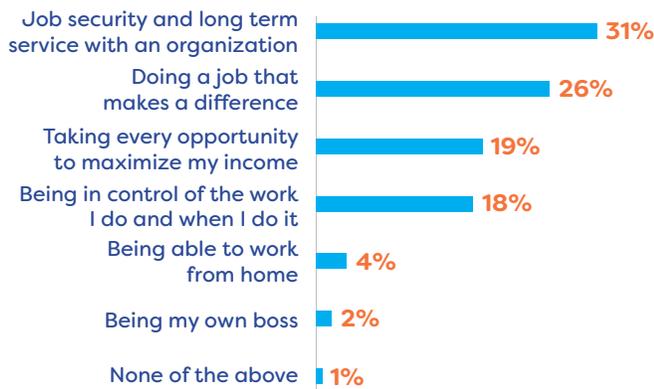
10. Roosevelt, Margot. New California labor law AB5 is already changing how business treat workers. LA Times, February 14, 2020. <https://www.latimes.com/business/story/2020-02-14/la-fi-california-independent-contractor-small-business-ab5>

Despite changes to the nature of work, such as the growing gig economy, respondents still value job security and long-term service to an organization. Although younger generations tend to have shorter job tenure overall, workers of any age are looking for the same things – meaningful work, opportunities to grow, recognition for contributions, and high performing companies.



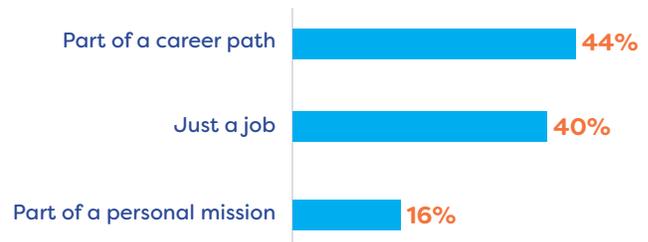
Respondents who are employed were asked what they value most about their career. The most frequent responses were job security and long term service with an organization (31%) and doing work that makes a difference (26%). Our region reports slightly higher preference towards job security and long term service with an organization than the nation as a whole, with 25% choosing this option in the PwC survey versus 31% in the Capital region. “Doing a job that make a difference” was preferred similarly, at 29% in the U.S. as a whole and 26% in the Capital region.

What, is most important about your career?



Employed respondents were asked which best describes how they feel about their current primary employment – whether it is “part of a career path,” “just a job,” or “part of a personal mission.” Approximately the same amount of employed respondents feel that they are “part of a career path” versus working in “just a job”.

How do you feel about your current employment?



Behind the Topline Results

- Respondents 54 and younger are most likely to care about job security and long term service with an organization compared to those older than 55 who are most likely to care about doing a job that makes a difference.
- Respondents with incomes more than \$75K are more likely to value job security and long term service compared to those making less than \$75K.
- Respondents 54 and younger are both most likely to see their employment as part of a career path (45% or more), while those older than 55 are most likely to see it as just a job (42%) as well as more likely to see their employment as part of a personal mission (32%).

The Bigger Picture: Job Security versus Job-Hopping: What are the Trends?

Data from our survey shows that younger generations rank job security as only a slightly lower priority than Gen X or Baby Boomers (28% of Millennials/Gen Z versus 39% of Gen X and 31% of Boomers or Silent Generation). However, there is also a popular notion that younger generations (Millennials and Gen Z) are more oriented towards job-hopping than older generations. What does job tenure, or time at one company, really look like in today's workforce?



The bottom line is that now, as always, workers of any age want meaningful work and will settle into a company, possibly long-term, that treats them well.

The Current Population Survey (CPS) surveys employees across the U.S. every two years on job tenure. The 2018 U.S. Bureau of Labor Statistics¹¹ Employee Tenure Summary reports that “career jobs” that span one’s entire working life have never been common for most workers in the last 40 years. Rather, average job tenure peaked around 2014 at 4.6 years overall and has decreased for all since then. Younger generations do have shorter tenure in general than older generations, however, research shows that younger generations want job security, development opportunities, and potential for advancement.

What qualities correlate to shorter tenures at a job for younger generations? In the 2019 Deloitte Global Millennial Survey, they found that 49% of Millennials would, if they had a choice, quit their current jobs in the next two years, up from 38% in their 2017 survey.¹² The top reasons that Millennials want to leave are that they are dissatisfied with pay/financial rewards (43%); not enough opportunities to advance (35%); and lack of learning and development opportunities (28%).

What qualities correlate to longer tenure?

Overall, companies that have a higher standard for how workers are treated have longer tenured employees. For example, public sector jobs, which typically have more security and benefits, have longer tenures. Millennials who report that they want to stay in their job for the next two years are also more likely to report that their company delivers best on financial performance, community impact, talent development, and diversity and inclusion (Deloitte 2019).

The bottom line is that now, as always, workers of any age want meaningful work and will settle into a company, possibly long-term, that treats them well. As the California State Capitol, our region has a large public sector, providing good benefits and job security for employees. As a result, the region has the ability to hold on to younger employees and engage their energy and leadership in all aspects of community.

11. Employee Tenure Summary (U.S. Bureau of Labor Statistics 2018). <https://www.bls.gov/news.release/tenure.nr0.htm>

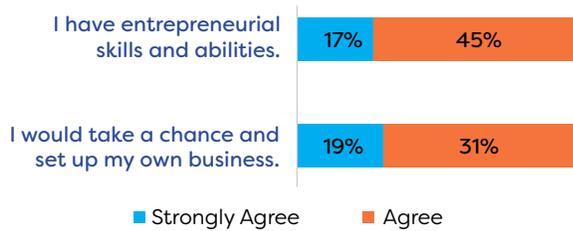
12. Global Millennial Survey (Deloitte 2019). <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/deloitte-2019-millennial-survey.pdf>

Entrepreneurship is a key aspect of the modern economy and most respondents are confident in their entrepreneurial abilities. Creating entrepreneurial networks across the region – especially spanning rural communities – is key to inclusive economic growth.



The new economy relies on individuals who can market themselves and advance their own business interests. In the Sacramento region, 62% of respondents believe that they have entrepreneurial skills and abilities and 50% say that they'd take a chance and start their own business.

Entrepreneurial Abilities & Starting a Business



Compared to the global PwC survey on the future of work, respondents from the Capital region were more confident in their entrepreneurship abilities (62% versus 58% nationwide), but less confident in their ability to start a new business (50% in the Capital region versus 62% nationwide).

Behind the Topline Results

Those living in cities and suburbs are more confident about their entrepreneurial skills and abilities, with 68% and 60% respectively agreeing or strongly agreeing that they have entrepreneurial abilities, while only 49% of those in rural communities say the same. People who are employed also have a greater degree of confidence in their entrepreneurial abilities, with 67% agreeing or strongly agreeing compared to 50% of unemployed respondents. Likewise, those who are employed (54%) are more likely to say that they'd take a risk to start a business compared to those who are unemployed (42%). Black respondents are more likely to say that they are entrepreneurial, with 79% agreeing or strongly agreeing that they have entrepreneurial skills and abilities compared to 57% of Whites and 59% of Asians.



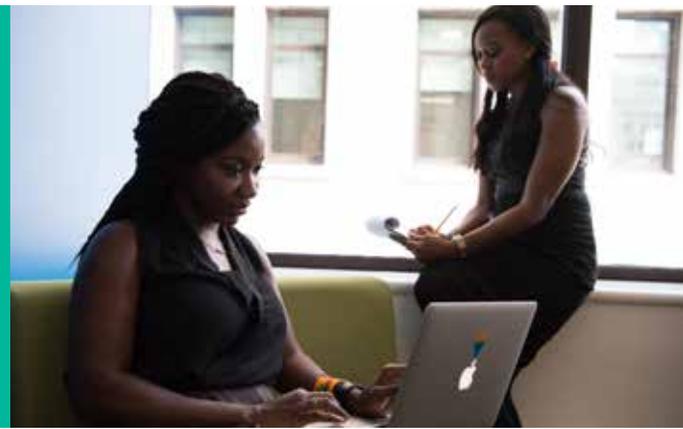
The Bigger Picture: Entrepreneurialism in Rural Communities

Those in rural areas are less likely to say that they have entrepreneurial abilities. Likewise, respondents in rural area are less likely than those in cities to participate in the gig economy, with 52% saying that they have never earned money through the gig economy. These findings suggest that respondents in rural communities in our region are more dependent on the traditional economy and established companies – even though these are often less accessible in rural communities. Without strategies to connect and include rural communities in new types of economic opportunities and channels, rural communities are at risk of falling behind. Developing culture and infrastructure that is supportive to entrepreneurs can therefore be considered an important economic development strategy for rural communities. Often, entrepreneurialism can be challenging in rural communities because there is more limited access to markets, services, and investment capital; lower demand for services or product; and an absence of other entrepreneurs and supportive culture. Technical assistance, supportive programs in schools and community, and connections to entrepreneurial networks can all build support structures for entrepreneurialism in rural communities and are an important part of regional community development efforts.¹³

Without strategies to connect and include rural communities in new types of economic opportunities and channels, rural communities are at risk of falling behind.

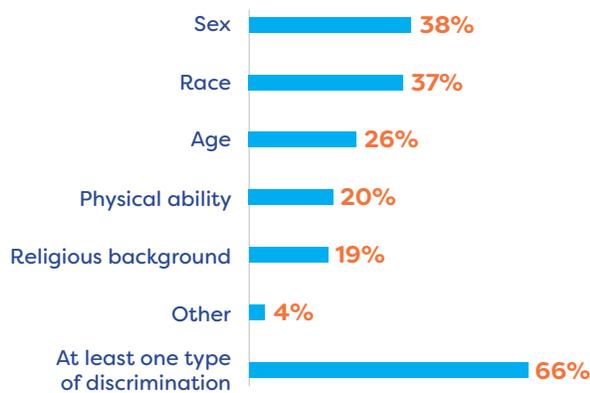
¹³. Entrepreneurship in rural communities: An emerging strategy presents opportunities and challenges (Federal Reserve Bank of Minneapolis 2001). <https://www.minneapolisfed.org/article/2001/entrepreneurship-in-rural-communities-an-emerging-strategy-presents-opportunities-and-challenges>

Two-thirds of respondents have faced discrimination in the workforce, especially related to sex and race. Ensuring that there are opportunities for social mobility and well-being for all is critical for a thriving and inclusive region.



Respondents in the Capital region are affected by discrimination, with 66% reporting that they have experienced at least one type.

Percentage of respondents who have faced discrimination in the job market



- 79% of Latinos report having faced at least one type of discrimination and report significantly higher rates of discrimination across all categories than non-Hispanics, Whites, or Asians.
- 73% of women and 59% of men report that they have faced at least one type of discrimination.
- Respondents from outside of Sacramento County report more accounts of discrimination in the job market based on sex (46%) and religious background (31%) than do those within the County.

Our findings are consistent with national trends. A recent survey by Glassdoor, one of the world’s largest online sites for jobs and recruiting reported that about 61% of American employees report that they have witnessed or experienced discrimination in the workplace.¹⁴

Behind the Topline Results

- Blacks report the highest rates of discrimination across all categories, with 95% having faced at least one type of discrimination.

¹⁴. Diversity and Inclusion Study. (Glassdoor 2019). <https://www.glassdoor.com/about-us/app/uploads/sites/2/2019/10/Glassdoor-Diversity-Survey-Supplement-1.pdf>

The Bigger Picture: People of Color are at higher risk of missing out on digital skills – a critical skill need in the new economy

In a recent economic assessment of the Sacramento region, the Brookings Institution found that 72% of jobs today require medium or high degrees of digital skills, whereas 15 years ago, only 47% of jobs required the same degree of digital skills.¹⁵ Unfortunately, our digital skills gap along with long-term racial educational attainment disparities pose risks for growing portions of our region's population. Addressing racial and other inequities in education and the workforce is critical to the social, cultural, and economic success of our region.

Demographically, California has become one of the few states in the U.S. where minority groups make up the majority of the population and the same demographic shifts are occurring in our own region. Unfortunately, many Hispanic and Black youth are

not receiving the education and training in digital skills that are necessary to thrive in the future labor market. In the Capital region specifically, existing educational disparities lead to lower degree attainment by people of color – with just 50% of Blacks and Hispanics attaining education beyond high school, compared to 69% of White and Asian. Research shows that educational attainment disparities place people of color at higher risk of job displacement. A recent study from McKinsey Global Institute (MGI) noted that Black and Hispanic populations have heavy representation in the highly automatable occupations, such as data entry workers, food service workers, or administrative assistance. This places Black and Hispanic workers more at most risk of displacement compared to White and Asian-American workers.

Addressing racial and other inequalities in workplace opportunities– both in terms of educational opportunity and discrimination – will be key to creating an inclusive and thriving regional economy, and will help ensure that Capital Region residents are able to fully participate in the workforce, regardless of race.

Addressing racial and other inequalities in workplace opportunities– both in terms of educational opportunity and discrimination – will be key to creating an inclusive and thriving regional economy, and will help ensure that Capital Region residents are able to fully participate in the workforce, regardless of race.



15. Parilla, J., Liu, S., & Gootman, M. (2018). "Charting a Course to the Sacramento Region's Future Economic Prosperity." Brookings Institute. <https://www.brookings.edu/research/charting-a-course-to-the-sacramento-regions-future-economic-prosperity/>

16. Lund, S., Manyika, J., Hilton Segel, L., André, D., Hancock, B., Rutherford, S., & Macon, B. (2019). "The Future of Work in America: People and places, today and tomorrow." McKinsey Global Institute. McKinsey & Company. <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-in-america-people-and-places-today-and-tomorrow>

More than half of respondents are open to leaving for better opportunities elsewhere, if needed. Creating, retaining, and attracting talent is a shared responsibility across business, education, community, and individuals. We must work together to support talent here in the Capital region.



Companies in the region that can create and maintain competitive salaries and positive workplace culture will do best at leveraging and retaining local talent.

When looking for job opportunities, 55% would leave the area if they needed to, with 16% wanting to leave. 45% are not willing to relocate for work. Respondents with incomes less than \$50K are more willing to relocate for work (73%) than those of higher income levels (closer to 50% on average).

How willing are you to relocate out of the area to find job opportunities?



The Bigger Picture: Attracting and Retaining Talent

According to a study by Glassdoor¹⁷, a job recruiting site with access to more than 750K job applications nationwide, only 29% of job applications on average are to employers outside of an applicant's current geographic region. However, in the Sacramento metropolitan region, 44% of job

applicants were to employers outside the region, making our region the metropolitan area that ranked fifth in the nation for job applicants pursuing jobs out of area. In our survey, 39% of those in the region said they would move if they had to and 16% actively want to move. Overall, these numbers indicate that there is a high degree of opportunity to retain or lose people in the region – meaning that up to 55% of respondents could be driven to move by opportunity elsewhere, or lack of opportunity here. The high degree of those applying for jobs outside the region could reflect that job applicants are not finding sufficient opportunities in Sacramento, or that there is a job/skill mismatch in the region.

Harvard Business Review¹⁸ reports that higher base salaries and high quality workplace culture are most likely to attract applicants from outside an area. High quality culture translates to learning and career growth opportunities within a company; clear company values and a mission that connects with a larger social good; and high quality senior leadership. Retaining talent is one of the most critical actions for leaders and employers in our region in determining our future success. Companies in the region that can create

17. Chamberlain, Andrew Ph.D., Metro Movers: Where are Americans Moving for Jobs, and is it Worth it? May 2018. Glassdoor https://www.glassdoor.com/research/app/uploads/sites/2/2018/05/GD_ResearchReport_MetroMovers_Draft4.pdf

18. Chamberlain, Andrew Ph.D. "The Who, Where and Why of Moving for a Job. Harvard Business Review, 2018. <https://hbr.org/2018/08/the-who-where-and-why-of-moving-for-a-new-job>



Regional residents are optimistic and ready to take on new challenges. Will we create adequate and inclusive opportunities for our region through these changing times?

and maintain competitive salaries and positive workplace culture will do best at leveraging and retaining local talent. Creating, retaining, and attracting talent is a shared responsibility across our communities - we will need to work together to address our challenges.

What will our future hold?

The data in this report has painted a picture of our current workforce challenges and opportunities, as seen through the eyes of community members in the Capital region. Our economy and the way that work gets done is always being reshaped - and never so rapidly as it is now. Our regional survey, in combination with other research and trends from around the nation, suggests that:

- There is a sense of optimism about changes to the workforce, however, real threats of job displacement lie around the corner.
- There is desire for job security in a world where jobs are increasingly less secure. Employees are looking for employers that care for and recognize the achievements of workers.
- There is an increasing gig economy presence in the region and in the nation. It will be important to take action so that the gig economy offers opportunities, not just dead-end jobs.

- Entrepreneurialism is an important component of economic prosperity and regional vitality - we should promote the entrepreneurial mindset and build connectivity throughout the region.
- Age-old discriminations lurk and threaten our success - we must ensure that our region creates opportunity for all now and in the future, especially in the growing gig economy.
- Respondents are open to opportunities here and elsewhere - it will be key to offer educational, training, and employment opportunities here in the region to create a thriving and inclusive environment for the population.

Supporting our talent in the region through education and workforce training is critically important - especially as our economy, social systems, and technology applications are changing more rapidly than ever before. Today we are at the front end of these changes that are creating new ways to live, learn, and work. Regional residents are optimistic and ready to take on new challenges. Will we create adequate and inclusive opportunities for our region through these changing times?

Stay tuned for upcoming reports on skills of the future, perspectives on education, and job displacement.

Making an Impact: About Valley Vision's 21st Century Workforce Impact Area

Impact Area Overview



Valley Vision's 21st Century Workforce impact area is our largest single area of ongoing work. Developed and expanded significantly in recent years, Valley Vision serves as a regional workforce system intermediary, bridging education and workforce development providers and employers to ensure that our employment development investments are deployed to meet current and future needs. This Impact Area generally supports 5-7 ongoing and interconnected projects simultaneously.

What We Do

We inform workforce development providers, including community colleges and workforce boards, on the changing skills needs of industry and employers in our region, so that workforce investments are aligned with these needs, and we engage workforce partners and employers in a more systemic and efficient process, by:



Conducting qualitative and quantitative research, in partnership with the Center of Excellence at Los Rios, on employment needs and expected job growth, including the accelerating impacts of technology, automation and other factors – the “Future of Work” – on at-risk occupations and developing solution strategies, focused on the region's targeted industry clusters.



Organizing and convening Regional Industry Advisory meetings and other industry-led workforce forums, actively bringing industry and employers to the table to identify skill gaps in high-demand occupations, especially for middle skill (career education) jobs; identifying needed pathways, programs and curricula, especially for the Strong Workforce Program; and facilitating programs and partnerships that strengthen the responsiveness of the workforce system to the rapidly changing needs of the economy.



Representing the region in statewide workforce innovation networks developing models for regional talent development; as designated regional workforce coordinator for the California Workforce Development Board, California Labor and Workforce Development Agency, GO-Biz, Chancellor's Office, California Community Colleges; partner with several industry associations; and subject matter expert and resource for many regional, state and federal partners.



We support City of Sacramento in developing its neighborhood-specific workforce plans, by: Developing neighborhood-specific analytical model of employment and training needs for Mayor's Workforce Collective; convening working subgroup of key partners and providing capacity support to the Mayor's Office – initial focus on Aggie Square community

Our Major Partners

Community Colleges

Los Rios Community College District, Sierra College, and Yuba Community College District, through the Strong Workforce program for formalized industry advisory meetings and cluster workforce assessments; provides capacity support for the Regional Directors for Employer Engagement; conducts special projects such as updating the career education advisory meeting handbook; also partnering with the Chancellor's Office on Energy Skills Collaborative.

Workforce Boards

SETA, as well as Golden Sierra, Yolo, North Central Counties Consortium. Key areas include the Future of Work research and regional strategy, industry cluster organizing, and support for Sacramento Valley Manufacturing Initiative. Most recently, we have been designated as the Regional Coordinator for the Capital region workforce boards, a formal role funded through the California Workforce Development Board's Regional Planning program.

City of Sacramento

Mayor's Workforce Collective; Inclusive Economic and Community Development Investment Committee's Workforce Subcommittee

Sacramento Valley Manufacturers' Initiative (SVMI)

We serve as fiscal sponsor for SVMI and provide capacity and implementation assistance to this employer-founded initiative to address the skills gap and employment needs of manufacturers; model for regional industry council.

Union Bank

To implement a 7.5K Coding Challenge for k-12, for digital skills pathways, addressing digital skills disparities identified in Brookings Institution report on the region.

JPMorgan Chase

Regional representative in statewide network of regional civic leadership organizations developing regional talent development model, partnering with California Economic Summit; fiscal agent and partnership for an Oakland ICT hub pathways project.

Morgan Family Foundation

For digital skills readiness and pathways for the manufacturing sector, across food and ag, health and life sciences, and future mobility.

Comprehensive Economic Development Strategy/Prosperity Strategy

Regional lead for workforce/talent development strategy.



Survey Methodology

In June 2019, 826 area respondents (out of a panel of about 1,600 individuals) completed an online survey about the environment of the Sacramento region. Respondents represent six counties: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba. The responses and the panel were weighted based upon gender, county, age, education, race/ethnicity, and income in order to reflect the census demographic profile for the region. The margin of error for this survey is +/-3.41%.

Survey Panel Demographic and Geographic Profile

VALLEY VISION | WORKFORCE & EDUCATION SURVEY

		weighted % (n=826)
County of residence	El Dorado	6
	Placer	14
	Sacramento	55
	Sutter	7
	Yolo	13
	Yuba	5

Age	18-22 years	8
	23-38 years	30
	38-54 years	25
	55-73 years	31
	74+ years	5

Race	White/Caucasian	64
	Black/African-American	18
	East Asian (Chinese, Japanese, Korean, etc.)	8
	South Asian (Indian, Pakistani, etc.)	3
	Native American or Alaska Native	1
	Native Hawaiian or Other Pacific Island	2
	Middle Eastern or North African	0
	Other (please specify):	6

Hispanic status	Hispanic	23
	non-Hispanic	77

Income	Less than \$15,000	9
	\$15,000 to \$30,000	16
	\$30,000 to \$50,000	11
	\$50,000 to \$75,000	17
	\$75,000 to \$100,000	13
	\$100,000 to \$150,000	17
	\$150,000 to \$200,000	8
	\$200,000+	10

Gender	Male	49
	Female	51

Live in a...	City	50
	Suburb	26
	Small town	14
	Rural community	10

Employment status	Employed full time	53
	Employed part time	12
	Not employed, seeking employment	7
	Not employed, not seeking employment	9
	Other (self employed, retired, student, etc)	19

Education	Less than high school	1
	Grade 12 or GED (high school graduate)	4
	Some college or technical school	28
	Associate's degree	28
	Bachelor's degree	28
	Master's degree	8
	Professional degree beyond a Bachelor	1
	A doctorate	2

Has children/dependents aged 5-25	Yes	36
	No	64



valley vision

Community Inspired Solutions

valleyvision.org

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