Important Study Looks At Silicon Valley's "Invisible" Low Wage Workers

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"We knew the tech industry was booming, but we weren't seeing that translate into an abundance of jobs for our communities – until we looked at the low-wage jobs in contracting industries. Those are growing fast, just like tech profits are. It's no wonder that one in three working households in Silicon Valley can't make ends meet when these growing industries pay wages that barely cover rent."
– Derecka Mehrens, Executive Director of Working Partnerships, USA.
[Working Partnerships USA](#) and [Silicon Valley Rising](#) released a report Wednesday, [Tech's Invisible Workforce](#), that looks at the contract industry workers at Silicon Valley's "booming" tech companies.

In the last two-and-a-half decades, the number of Silicon Valley "second-class" jobs in potential contract industries has grown three times faster than overall Silicon Valley employment. These contractors and subcontractors jobs are disproportionately filled by Black and Latino workers compared to direct tech employees, and these workers receive much lower wages. As a result, Silicon Valley's inequality and occupation segregation is amplified, especially among people of color.

The report finds that direct tech employees earn $113,300. Contractor and subcontractor tech industry workers – workers employed indirectly rather than treated as legitimate employees – are paid much less. White-collar workers in contract industries average $53,200 and blue-collar workers in contract industries average $19,900.

Along with this wage differential, as income drops the proportion of the workforce that is comprised of Black and Latino workers goes up. According to the report, Black or Latino workers make up, on average:

● 10 percent of Silicon Valley's direct tech workforce.
● An estimated 26 percent of the white-collar contract industry workforce.
● An estimated 58 percent of the blue-collar contract industry workforce.

> Silicon Valley companies have gotten [a lot](#) of [heat](#) in recent years for failing to recruit people black and Hispanic people into their ranks. But if you factor in contractors and others whose jobs bring them inside those companies, the industry appears bit more inclusive — just perhaps not in the way one might hope.

> At one time in history, the janitors, bus drivers, food service workers, and security guards who staff corporate campuses might have been employed directly by the businesses where they cooked lunches and cleaned floors. That's become less and less true in recent decades, according to a new analysis of labor data by researchers at the University of California – Santa Cruz — especially in Silicon Valley.

The Road to Responsible Contracting

The report concludes with a section on how companies could contract out jobs responsibly.

> **Silicon Valley Rising calls on our region's leading businesses to commit to the following principles:**
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> **Responsibility**: Ensure that their subcontracted workers are paid a livable wage, receive equitable benefits, have the right to a voice at work without fear of discrimination or retaliation, do not suffer mass layoffs when contracts change hands, and are protected from misclassification and other forms of wage theft.
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> **Transparency**: Release public data on their subcontracted workforces, including diversity, pay, and benefit data for each subcontractor.
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> **Inclusion**: Invest in building a community where janitors, security officers, cafeteria workers, teachers, nurses, firefighters and other non-tech workers can afford to live. Support access to full-time work, affordable housing, an accessible, world-class public transit system, and high-quality education for low-wage workers and their children.
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> **Opportunity**: Work with advocates to explore new approaches to create education and career pathways for contract workers and their families to move into core tech jobs.
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> The technology industry faces a clear choice. It can continue the status quo of exclusive jobs and exclusionary growth, widening the existing racial, gender and income gaps and accelerating the race to the bottom. Or it can wield its enormous economic influence combined with its capacity for innovative solutions to become a true global pioneer – to not just disrupt markets and technology, but to disrupt inequality.

Click to read the report, [Tech's Invisible Workforce](#).

See Also

Campaign for America's Future has been covering Silicon Valley Rising's fight to improve conditions for this "invisible" workforce.