

## Another view

# Valley must find ways to share wealth, insure health

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"These really are good times, but only a few know it."

Henry Ford wrote these words in 1930, just a year after the stock market crash that heralded the Great Depression. Today, economic analysts quick to celebrate the recent job gains in Silicon Valley may be repeating Ford's error.

Households struggling to balance stagnant wages and uncertain health insurance with rising mortgage costs and gas prices truly "know" the kind of times in which we live, and "good" isn't the adjective they use as they make their appointments for credit counseling.

Working Partnerships USA has just completed its first an-

nuual Life in the Valley Economy (LIVE) Report. That study reveals a region still reeling from the economic earthquake of the 2001 dot-com collapse. Even more disturbing, it indicates that the tough times of the bust may be followed by tougher times in the recovery.

Despite small recent increases in employment, the problems for working families still begin with job availability. The Valley needs 156,700 new jobs just to regain 2001 levels. In fact, employment levels are below those reached in 1997. In 10 years, Silicon Valley has not managed to add a single net new job.

The quality of the new jobs is also a critical failing. Median wages have grown a mere 2.8 percent since 2001. Seven of the top 20 occupations in the county now pay less than the San Jose living wage, \$12.77 an hour.

While wages in Silicon Valley have barely budged during the nominal recovery, the cost of living has ballooned to astro-

nomical heights. Since 2000, home prices have jumped 49 percent, child care costs are up 39 percent, tuition at a public university has nearly doubled and gasoline has gone from under \$2 to spikes in excess of \$3 per gallon. Combine wages' poor showing with blistering fast growth in the cost of living and working families find themselves deep in the hole.

The benefit picture is even grimmer. One quarter of workers have no health benefits on the job, and those with a health plan have seen their payments double in the past six years. Thus far, public hospitals and clinics have helped to maintain basic health care access for the burgeoning numbers of children and adults without job-based insurance. But Santa Clara County is now threatened by massive budget cuts that could decimate the health care safety net, leaving tens of thousands of patients with nowhere to turn.

Silicon Valley's legendary high-risk, high-stakes business

model of constant change may yield spectacular success stories for a few companies, but it wrecks havoc on the security of working families. One in six Valley workers was laid off at some time between 2001 and 2003, experiences that swallow savings and make long-term planning difficult. For the 20 percent of the workforce now trapped in contingent or

part-time employment, even holding a permanent job at risk of lay-off would be an improvement. What the LIVE Report makes evident is that even a region capable of sending gigabytes around the world in microseconds is not necessarily able to sustain its middle class with sufficient job opportunity.

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ties, access to health care, affordable housing and income stability.

Fortunately, Silicon Valley does have a world-renowned characteristic that can enable it to respond to these multiple challenges: the ability to design and embrace innovations.

When the Valley has aggressively applied its talents to tackling public policy challenges, the results have been impressive. Silicon Valley policy innovations include such accomplishments as the Children's Health Initiative, the Santa Clara County Citizenship Collaborative, San Jose's Strong Neighborhoods Initiative, and San Jose Unified School District's college readiness curriculum. Many of these successful models have been replicated by other jurisdictions.

More than ever, Silicon Valley needs to combine the creative drive of its private sector

with the focus on quality of life and family security of public institutions. Our region urgently requires a host of imaginative, deliberate policy innovations if we are to support and expand the middle class.

To this end, Working Partnerships USA today launches a call for a Community Congress on Shared Prosperity in Silicon Valley. Our strategy is to bring together hundreds of residents and organizations — from all communities and walks of life — to tackle these problems head-on: not piece by piece, but in a comprehensive framework. Our emphasis is on "outside the box" thinking, on not merely seeking best practices but designing better ones, on breaking deadlocks between interests through sheer originality. Our goal is that Silicon Valley becomes renowned not just for technology and for entrepreneurial success but as a place where the success of the overall economy is mirrored in the well-being of neighborhoods, workers and families.

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