

PRESS RELEASE

Working Partnerships USA
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Working Partnerships USA's *Life in the Valley Economy* (LIVE) report highlights innovation in addressing local economic challenges

Report from leading Silicon Valley research organization assesses the local economy and implications for public policy

Working Partnerships USA today released its annual look at the state of the economy in Silicon Valley. The report – **Life in the Valley Economy** – measures key benchmarks of the health of the Silicon Valley economy, and provides insight into the impact on local families and broader implications for the American middle class. The report is available for viewing online at <http://www.wpusa.org/LIVE/>.

The report found clear evidence that **the Silicon Valley economy has jumped the tracks**. The Valley, which for decades was a reliable engine for job creation, has stalled – growing new employment at less than two percent annually even during the boom of the past four years and, during the entire 2001-2008 economic cycle, shedding over 136,000 jobs. The jobs that remain, meanwhile, are increasingly low-paying and don't provide benefits to employees. Nearly a third of all workers earn less than \$15 an hour, and of the twenty most common occupations in the Valley, average pay at eight of them is below a basic living wage.

The lesson then, is simple: **economic growth no longer brings prosperity**. We saw, in the early part of this decade, a shrinking middle class during stagnant growth. More recent years have revealed that, even in a time of growth, the shrinking trend continues. Median wages and incomes have failed to keep pace with the costs of such essentials as food, gas, mortgage payments, health care premiums and childcare.

Nonetheless, there is reason for optimism. The Silicon Valley, true to its legendary spirit of innovation, is **originating and perfecting social innovations which can help get the economy, and our residents, back on track**. Take, for example, the challenge of affordable healthcare. Santa Clara County, which launched the first policy designed to assure healthcare coverage for every child, is now developing a pilot affordable insurance product for small businesses in which the business, the employee and the County are all stakeholders in guaranteeing preventive and acute care. At today's release event, Elva Acevedo, owner of Elva's Coffee Stop, spoke passionately about the real difference such a product could make for her employees and her business. Further examples of innovative ideas, ten in total, are provided in the report, addressing:

- Green jobs
- Confronting the housing challenge
- Openness around subsidized development
- Building career ladders
- Protecting our healthcare infrastructure

"We all recognize that the Silicon Valley economy of 2008 is starkly different from that of 1998," said Working Partnerships USA Executive Director Phaedra Ellis-Lamkins. "But, while we see strong evidence that the economy's traditional trajectory has faltered, leading the middle class to continue an alarming

decline, we also know that experimental and innovative policy ideas can and do have a real impact on local families and, ultimately, the entire economy.”

The full report is available at <http://wpusa.org/LIVE/>. If you are interested in interviewing one of the report’s researchers or an impacted local resident, please contact Jody Meacham at (408) 269-7872.

Working Partnerships USA is a public policy and research institute in San Jose, California that builds partnerships with community groups, labor unions, and faith based organizations to improve the lives of working families in Silicon Valley. Life in the Valley Economy is an annual report released by Working Partnerships USA that evaluates the state of the local economy and its impact on Valley residents.