

**BUSINESS**

**ECONOMY**

**POLICY**



**SAMCEDA**  
San Mateo County Economic Development Association

**FUTURE**



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## A Message From Our Chair

Welcome to the 62nd Annual Meeting. Each year the San Mateo County Economic Development Association (SAMCEDA) gathers members and stakeholders to review the achievements of the past year and discuss the economic drivers that will shape the opportunities for the coming year and beyond.

I would be hard pressed to start any review of last year without saying what a great year it has been for the Bay Area - both its companies and its residents. We continue to be a center of economic activity for the nation with low unemployment and a larger share of high paying jobs. The Peninsula commands some of the highest commercial rent in the nation - a testament to the desirability of this location.

In this economy, we have the good fortune to be able to complain about growth problems. As existing companies expand and new companies pop up, the increased congestion on our highways and the high cost of housing make it all that more difficult to attract and retain top talent. Without a regional solution to these problems, it is easy to imagine some of our corporate decision makers opting for expansion in other areas. Will those types of decisions drive our next downward cycle?

SAMCEDA has these concerns at the forefront of its agenda; teaming up with other business organizations to champion solutions for reducing congestion, housing to fit a myriad of needs and education and skills training that will allow the area to maintain a vibrant business climate. Our President and CEO, Rosanne Foust has served as the co-chair of one such organization, the Bay Area Business Coalition, to ensure that San Mateo County businesses have a strong voice regarding any legislation proposed by the four regional regulatory agencies: Association of Bay Area Governments (ABAG), Bay Area Air Quality Management District (BAAQMD), Bay Conservation and Development Commission (BCDC) and the Metropolitan Transportation Commission (MTC). Additionally, SAMCEDA has pushed our state legislators for CEQA reform and we are appreciative of State Senator Hill's efforts in this regard.

Important transportation issues also receive SAMCEDA's attention with our continued support for the electrification of the Caltrain system for increased environmentally sound passenger capacity and our strong advocacy for keeping the privately operated employee buses on the road to reduce passenger vehicles on Highway 101 and 280.

SAMCEDA has been an important voice in solutions that balance the quality of life and the need for a thriving economic engine.

Mirroring our region's growth, SAMCEDA has seen unprecedented gains in membership and influence over the past year. We not only provide our members with timely information about important issues gathered from our partner organizations, but we develop original content and economic data that allow decision makers access to the tools they need.

And the real work is just starting. With a continued robust economy the regional issues of transportation, infrastructure financing and housing will continue to loom large. There is no magic to finding solutions to these issues; we need thoughtful actions that are the result of smart people with a focus on the business community having a seat at the table when opportunities for innovation and change present themselves. I encourage you to join us and share in that voice.



**Steve Mincey**

CEO, DES Architects + Engineers — Chair of the Board, SAMCEDA



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# INNOVATORS

## 2014 SAMCEDA Awards of Excellence

2014 marked the 5th year that SAMCEDA's annual Awards of Excellence highlighted and celebrated the depth of innovation and entrepreneurship taking place in San Mateo County. Hundreds of companies were thoroughly vetted during the year, fifteen were nominated and six were chosen as *Innovators*.

Innovation is a fundamental pillar of our County's economy. SAMCEDA works to

ensure that it continues to be an economic priority for both public and private stakeholders.

SAMCEDA has long advocated and been a leading voice for the business community on the Peninsula. Our primary objective has and always will be to highlight the important role that business plays in a community and more importantly to communicate that a healthy business community leads to a healthy overall community.

"Anyone can look for fashion in a boutique or history in a museum. The creative explorer looks for history in a hardware store and fashion in an airport."

— Robert Wieder



**David D. Bohannon  
Memorial Award  
Recipient**  
Robert Webster,  
President & CEO  
of Bohannon  
Development  
Company



2014 Awards of Excellence at the Oracle Conference Center

Steve Mincey, SAMCEDA Chair; Dana Bloom, Stella & Dot; Christopher Sundermeier, Reputation.com; Alexandra Watkins, Jim Newton, TechShop; Robert Webster, Rosanne Foust, SAMCEDA President & CEO; Ken Gullicksen, Evernote

Alexandra Watkins, Keynote Speaker, Chief Innovation Officer, Eat My Words

# TRENDS AFFECTING WORKFORCE DEVELOPMENT IN SAN MATEO COUNTY AND THE SAN FRANCISCO PENINSULA STRATEGY AND POLICY RECOMMENDATIONS

## Executive Summary

This report reviews broad economic forces in San Mateo County and the Peninsula and considers their implications for workforce development. The report spotlights the persistence poverty even in the face of surging job growth, reviews the best practices fostering upward mobility for the workforce, and outlines strategies that can be carried out by workforce boards, community colleges, private industry and community organizations.

The report recommends that industry leaders, education officials, workforce boards, and elected officials come together around regional approaches that will support the twin goals of workforce development and economic growth.

Developed by:

Silicon Valley Institute for Regional Studies — Stephen Levy

Commissioned by:

The Economic Vitality Research and Education Foundation (EVRE)  
The San Mateo County Economic Development Association (SAMCEDA)

Sponsored by:



## The Peninsula Economy is Surging

Job levels in the Peninsula metro areas were 8.3 percent above the pre-recession peak in April 2014 while the Peninsula unemployment rate was down to 4.8 percent. The gains were led by a surge in technology jobs from San Francisco to San Jose. Expansions are continuing throughout the Peninsula and these plus an upturn in housing, transportation and construction are leading to a strong rebound including a significant uptick in construction jobs. Venture capital funding rose in the first quarter of 2014 to levels last seen in 2001 with the Bay Area recording a record high 57.7 percent share of the nation's VC funding—nearly all of it in the Peninsula counties.



## San Mateo County Residents Make Education and Income Gains, but Disparities Exist

San Mateo County has a higher share of adult residents with a BA degree or better compared to the state average (43.9 percent versus 30.1 percent) and a higher share of foreign-born residents (34.2 percent versus 27.1 percent) while the county has a lower share of residents living in poverty (7.4 percent) compared to the 15.3 percent state average. The share of residents under age 18 (22.2 percent) and renters (40.6 percent) are slightly below the state average. Median household income at \$87,751 is well above the \$61,400 state average but educational attainment and related household income is far below the county and state average for Hispanic and African-American residents.

## Industry, Occupation and Wage Trends

The information, professional, scientific and technical services sectors have and will continue to lead the Peninsula's economic base. Health care and the leisure and hospitality sectors (including restaurants)

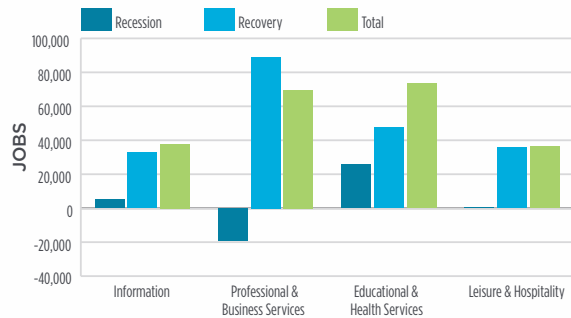
will also produce large job gains in the foreseeable future. Construction and related sectors are expected to continue their expansion.

### There are two important high-level occupational trends that hold significance for the Peninsula:

One is that the Peninsula economy, like that of the Bay Area, will continue to have more low-wage and high-wage jobs, and fewer in the mid-range. Specifically, the Peninsula will have more jobs that have a median wage under \$20 per hour and more jobs above \$35 per hour, and either segment will outnumber middle wage jobs paying between \$20 and \$35 per hour. Helping all low wage workers move up will be extremely challenging.

Second, over the next ten years more than 2 of every 3 job openings available to workers/students and needed by businesses will be to replace people who retire or change occupations. Identifying and working to prepare job seekers for these jobs, rather than concentrating primarily on job growth, will become increasingly important.

### Job Growth Leaders



Source: California Employment Development Department (EDD)

### Workforce Policies and Strategies for Future Success

To help San Mateo County leaders prepare for the future, this report identifies three crucial components of successful workforce strategies:

- Addressing barriers that make training more difficult such as education, English language and digital literacy deficiencies.
- Improving training initiatives by engaging industry partners and forming sector-based partnerships.
- Improving career navigation efforts by connecting workers and students to professional networks more effectively and helping people navigate the new online tools to apply for jobs.

### The report also recommends six specific approaches to workforce development:

- **Using contextualized learning:** enhancing skills in a work-related context and environment.
- **Developing industry partnerships:** designing training curricula with direct input from a group of partners in an industry.
- **Exciting high school students:** using Linked Learning and internships to help students connect studies to good jobs.
- **Navigating the new world of job search:** helping job seekers understand and connect to the new world of online job search and application.
- **Connecting to mentors and networks:** building avenues so workers can connect to the advice and experience of successful people in their field.
- **Taking a regional approach:** looking at regional job opportunities, developing partnerships of workforce boards and education/training providers, and avoiding duplication of services.

### What San Mateo County Leaders Can Do

#### To close gaps and seize future opportunities, industry leaders can:

- Host onsite English and related job readiness programs
- Participate in Linked Learning programs to inform and excite high school students
- Help develop industry-driven training partnerships

#### Workforce boards and training partners can:

- Collaborate to develop regional programs that avoid duplication of services
- Help customers learn about the new world of online job search
- Form alumni groups to mentor and network with current program participants

### Peninsula Area Industry Structure April 2014

	SF METRO	SJ METRO	PENINSULA
Total, All Industries	1,095,400	996,500	2,091,900
Total Farm	2,100	5,200	7,300
Total Nonfarm	1,093,300	991,300	2,084,600
Natural Resources, Mining and Construction	100	300	400
Construction	41,200	38,000	79,200
Manufacturing	37,500	148,800	186,300
Wholesale Trade	27,000	37,700	64,700
Retail Trade	91,400	77,200	168,600
Transportation, Warehousing and Utilities	40,800	14,200	55,000
Information	53,400	62,600	116,000
Financial Activities	76,300	30,200	106,500
Professional and Business Services	252,700	194,600	447,300
Educational and Health Services	148,600	153,200	301,800
Leisure and Hospitality	144,900	89,500	234,400
Other Services	42,800	25,200	68,000
Government	136,600	96,800	233,400
Federal Government	18,000	10,100	28,100
State and Local Government	118,600	86,800	205,400

Source: California Employment Development Department (EDD)

## BUSINESS — POLICY — ECONOMY CONVENER — COMMUNICATOR — CONNECTOR

### Economic Development

- Advocate and support California Environmental Quality Act (CEQA) reform efforts including recent legislation that would have substantially decreased the occurrence of “document dumping” (SB 1451 Hill).
- Active leadership role with the Bay Area Business Coalition (BABC), bringing together regional business groups including the Bay Area Council and Silicon Valley Leadership Group to ensure the business community is represented in policy conversations and proposed legislation introduced by the four regional regulatory bodies: Association of Bay Area Governments (ABAG), Bay Area Air Quality Management District (BAAQMD), Bay Conservation and Development Commission (BCDC), and Metropolitan Transportation Commission (MTC).
- Co-Sponsored the annual Economic Forum featuring Gary Schlossberg, Wells Capital Management Senior Economist and industry CFO’s with the Redwood City-San Mateo County Chamber of Commerce.
- Connect state and local legislators to industry leaders in all fields including high tech, digital media/entertainment, software, biotech, artificial intelligence and online marketing and analytics.
- Regularly provide economic presentations to local and regional civic groups.
- Community partner for annual events including Skyline College’s Success Summit, Redwood City-San Mateo County Chamber of Commerce’s Progress Seminar, and the San Francisco Business Times Peninsula Structures.



### Transportation

- Actively engaged with the Caltrain modernization and electrification project.
- Continuing support of California High Speed Rail and its connection to Caltrain.
- Advocate for San Francisco Municipal Transportation Authority private commuter shuttle project.
- Provided financial support for a Bay Area Council business community poll regarding the BART strike.



## Housing

- Ongoing support for the Grand Boulevard Initiative (GBI) and the local infrastructure improvements needed to build housing along this major transportation corridor (El Camino Real). Co-Sponsor of biannual GBI Awards.
- Identify and disseminate information on the critical housing needs throughout San Mateo County.



## Education

- Early supporter of the countywide initiative, the “Big Lift”, led by the San Mateo County Office of Education to increasing reading proficiency of third grade students from 58% today to 80% by 2020.
- Member of the San Mateo County Workforce Investment Board (WIB) working to create linkages between employers, public and private educational institutions including the San Mateo County Community College District in order to create training opportunities and job placements for underemployed and unemployed in San Mateo County.
- Member of Notre Dame de Namur University’s School of Business and Management advisory council.
- Support San Francisco State University programs and initiatives in San Mateo County.
- Working with Supervisor Slocum and Assembly Member Mullin on CONNECT 13 and CONNECT 14 forums to showcase technology and the viability of social media for community engagement.



## Communication

- Produce and distribute information on the economy, business environment and public policy issues through SAMCEDA e-newsletters and social media platforms including Facebook and Twitter.
- Produced inaugural “Spotlight on Business” show with Peninsula Television (PenTV).
- Produced SAMCEDA feature in new online magazine Peninsula Local Magazine “[penlocalmag.com](http://penlocalmag.com).”





# SAMCEDA

San Mateo County Economic Development Association

## WHO IS SAMCEDA?

SAMCEDA was founded in 1953 to promote business issues that enhance and sustain the economic prosperity of our region and its local communities. The message was and still is simple, "Business is Good, Business Brings Opportunity."

The rapid pace of change and innovation locally, regionally, nationally, and globally demands the SAMCEDA meet an ever-changing environment with information, ideas and tools our members need to be one step ahead.

## What We Offer?

- An influential voice and a seat at the table on issues that affect business, education, non-profits and residents.
- Direct communication with top federal, state, regional and local political leaders and other stakeholders.
- Established relations with regional partners throughout the Bay Area as a member of the Bay Area Business Coalition. The Coalition formed to advocate on specific public policy issues and is now developing and leading an economic development strategy for the greater Bay Area.
- Access to information on a timely basis regarding public initiatives on multiple topics including technology, environment, education, healthcare, land use/zoning and economic development that directly impact how business is done.
- Up-to-date economic research prepared both internally and externally and drawn from multiple independent sources on San Mateo County, the greater Bay Area and the State of California.



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Join the conversation at #SAMCEDAbusiness

## PLATINUM CHAIRMAN CIRCLE

