

DIRECTOR'S MESSAGE

Changes in Workforce Leadership Abound

As the 118th Congress took the helm in January, there are new leaders in key roles impacting our workforce world.

We are looking forward to hearing what Dr. Virginia Foxx (R-North Carolina) has in store as the new chair of the Committee on Education and the Workforce. One of her top priorities in the past has been to mandate a large percentage of all WIOA dollars to be expended on participant training. While this doesn't sound like a bad idea on the surface, the valid concern is that of percentage—if a majority of the budget of boards across the country goes instead to participant training, it could choke the ability of boards to fulfill the rest of their roles.

Senator Bernie Sanders-(I-Vermont) is the new Chair of the Health Education Labor and Pensions committee. As Senator Sanders is such a visible public figure, we can hope that he will bring more visibility and an "amplified microphone" to workforce development issues.

At the U.S. Department of Labor, Secretary Marty Walsh recently announced his departure. His replacement may be Assistant Secretary Julie Su, formerly California's Secretary of Labor, as President Biden has formally nominated her to the position. Her approval is dependent upon Senate confirmation, which may prove to be a tough fight.

Finally, there has been a shift at the Governor's cabinet as well as it relates to our world

of workforce development. Stewart Knox was sworn in as the State's Secretary of Labor at the end of December. Secretary Knox is a steady leader with a vast background at the local level and NOVA has a strong and positive history with him. Good things ahead!

Rest assured that we at NOVA are keeping abreast of all developments impacting policy, program and dollars in the workforce development world.



—Marléna

STATE OF THE REGION

2023 Silicon Valley Index: Silicon Valley in Flux

Joint Venture Silicon Valley released its annual *Silicon Valley Index* last month. While there are many positive trends in the region, there are significant issues that will require reassessment and hard choices in the future.

Highlights of the 2023 edition:

- 91,000 people have left the region over the past two years which represents the highest number on record, without a similar influx of people entering the region. This out-migration is giving rise to new tech hubs where tech workers are relocating.
- Remote work is now considered part of our workplace culture rather than a response to a temporary health crisis. This has had a significant impact on commercial real estate, transit systems, and downtown small businesses where employment centers are located. This will also affect the future of the supporting sectors.



- Silicon Valley is in flux and is no longer breaking performance records, attracting significant venture capital, and creating new businesses. The innovative engine added 88,000 jobs, a 5.4% growth rate. The tech sector is growing faster than retail, education, transportation, and nonprofits. It is also growing more rapidly here than in other parts of the nation and world. However, the tech boom during the pandemic did not last and the tech sector is now recalibrating, reflected in the recent surge in layoffs. Also in 2022, venture capital declined to \$48 billion, down from \$90 billion, and the number of new IPOs recorded just four launches.
- In the 2021-22 school year, Silicon Valley's high school dropout rate fell to its lowest level in a decade, and the graduation rate increased to its highest level since 2011. In addition, the share of high school graduates that meet UC/CSU requirements continue to rise. However, disparities among racial and ethnic groups remain.

- Silicon Valley home prices rose 7% in 2022, with a record median price of \$1.53 million. The share of first-time homebuyers who can afford a median-priced home fell to 27% and is as low as 14% for people of color. Half of renters are spending more than 30% of their income on rent.
- Income inequality increased in Silicon Valley by 5%. Average wages vary significantly across race and ethnic groups, with a five-year average wage for White residents at 138% higher than for Hispanic or Latino residents and 88% higher than for Black or African American residents. Gender wage gap is growing.

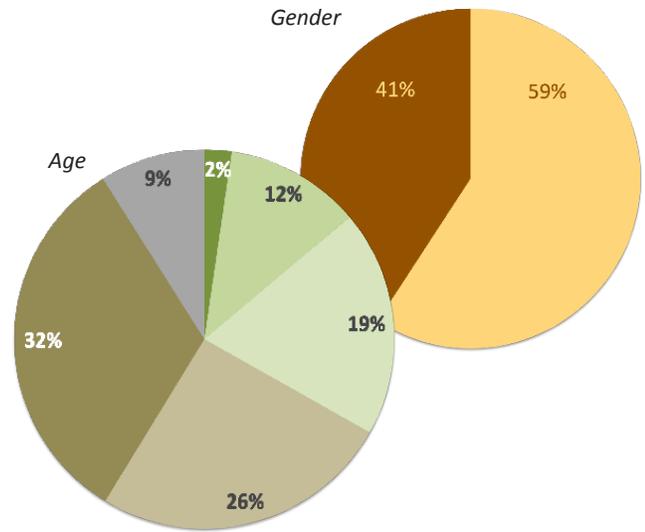
These developments will impact the supply of talent, access to self-sufficient employment for all residents, and the ability to live and work here. NOVAworks is seeking to address these issues through its programs and partnerships in the community.

For additional information about Joint Venture: SiliconValley or their annual *Silicon Valley Index*, visit <https://jointventure.org/>.

NOVAworks CUSTOMERS

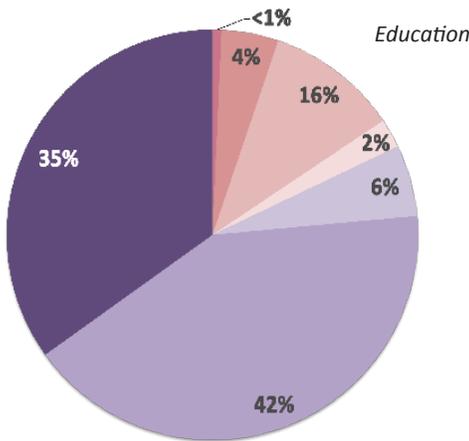
Customer Demographics: Age & Gender (December 2023)

The median age of customers of NOVAworks' two job centers is 49 and two-thirds of all customers are 45 or older. Historically, more women than men have accessed NOVAworks services and the current data confirm this trend.



Customer Demographics: Educational Attainment (December 2023)

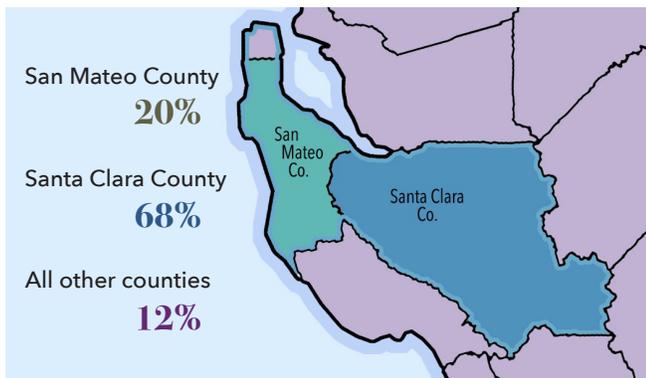
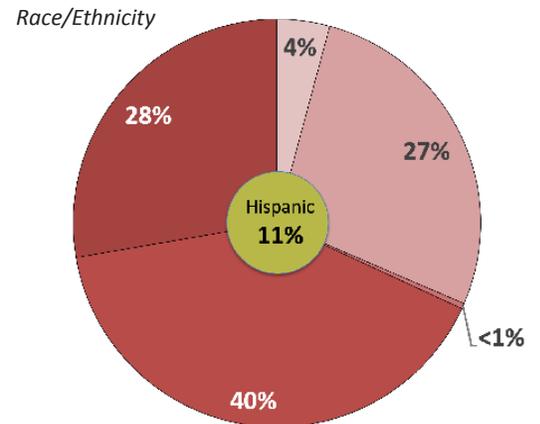
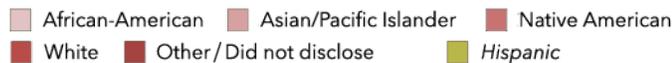
Customers of NOVAworks' two job centers tend to be highly educated with 77% possessing a bachelor degree or higher and more than one-third have a higher degree.



Customer Demographics: Race/Ethnicity (December 2023)

NOVAworks' customers are diverse with no race composing a majority, although more than a quarter chose not to disclose their race or ethnicity.

Hispanic ethnicity is independent of race and can apply in conjunction with any race.



Customer Commute: County of Residence (December 2023)

The vast majority of NOVAworks customers reside within Santa Clara County and interact with the Sunnyvale staff. One-fifth reside within San Mateo County, and the remaining 12 percent commute into the NOVAworks region from outside these two counties.

BUSINESS SPOTLIGHT: EMPLOYEE-OWNED BUSINESSES

With something on the order of 300,000 small businesses owned by Baby Boomers in California, there is growing concern that many of these small companies may be forced to go out of business when their owners retire, resulting in layoffs for many of those employed by these companies.

One solution that is gaining traction is the employee-owned model of business ownership, which may be implemented in one of three forms (see chart at right). In essence, the employees have varying degrees of financial investment in the sustainability of the business without the need for a sole proprietor.

Kirk Vartan, general manager of A Slice of New York Pizza and NOVAworks board member, is a local pioneer on this front, having converted his pizzeria into a worker co-op in 2017. Vartan has shared the lessons he's learned with other employers and with the general public, and pressed local and statewide officials for their support.

The State legislature heeded the call by Vartan and other supporters, resulting in the unanimous passage of the Employee Ownership Law, which took effect January 1. The law establishes the California Employee Ownership Hub within the California Office of Small Business, which will work to "increase awareness and understanding of employee ownership among stakeholders, assist business owners and employees in navigating available resources, and streamline and reduce barriers to employee ownership."

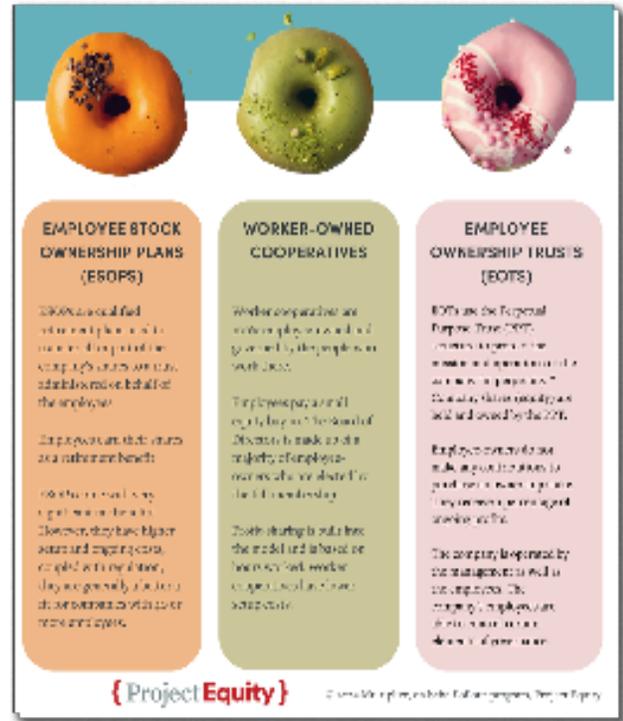
NOVAworks sees the value in keeping these businesses within our community and is seeking to promote employee ownership as one option in our directive to avert layoffs. To this end, NOVAworks staff will be speaking in support of employee ownership efforts at the California Rapid Response Round Table on April 4. Business Services Manager Lelan Anders and Business Liaison Winter Renwick will present on the topic, and Renwick will moderate a panel discussion on which Vartan will be participating.

NOVAworks staff was also recently invited to attend the Employee Ownership Equity Summit, which was held in early February in Oakland. The summit was hosted by Project Equity (<https://project-equity.org/>), a national leader in the movement to expand employee ownership. Evan Edwards, Project Equity's CEO, echoed the concern of the impact of Boomer retirements: "This silver tsunami represents the greatest wealth transfer in American history." Project Equity's efforts to bring together key players from across the country are a sign of its intent to "transform local economies and build a path to equity for workers."

Project Equity also conducts assessments of companies that are considering the employee ownership model. The fee for this assessment, however, may be prohibitive for many smaller

businesses. NOVAworks is exploring options for subsidizing these fees for a set number of identified companies within our region through federal WIOA layoff aversion funding.

[Access the chart below and additional documentation from Project Equity's website at <https://bit.ly/eo-chart.>]



CUSTOMER SUCCESS

“ Thank You, NOVAworks,

I was laid off back in August (2022). Although my employer was paying for access to [Lee-Hecht-Harrison] support to help me find a new job, I was too depressed to accept the generous offer. In one of the few meetings I had with them, they suggested NOVAworks as a resource.

In November, I registered with NOVAworks and wasted no time signing up for the workshops. After taking the “Job Plan” and “Summary Statement” workshops, I got an interview with a recruiter for Advantest thanks to some tips I received in the workshops.

The hiring manager really liked my resume and wanted to speak to me. I was so happy because, at this point, I had thought I had lost my mojo. It used to be easy for me to find a job when all I only had to do deal with was humans. But nowadays, you must get past the computer that scans

“ [W]orking with NOVAworks has given me my mojo back. ”

your resume first. NOVAworks' first workshop helped me there. The recruiter and I spoke for a while, and I was able to use another lesson I learned from NOVAworks. When I was asked, “Tell me about yourself,” I knew the correct thing to say: I answered this question with my elevator pitch. I talked about my work experiences and

how I am a great fit for the position. Well, it worked, because the recruiter moved my application on.

The next step was to answer a 19-question questionnaire. I was taken aback. I had to ask myself how bad do I want this job. The essay questions weren't bad. Then I came to the last question. I had to write one to two paragraphs about my work experience and why I would be a good candidate for

this role. I started stressing, I wanted to say so much. But wait, I just learned this! Four days before this questionnaire, I had attended the “Summary

Statement” workshop, where we had to write our summary statements. I already had the answer to the last question, I just had to tweak it a little to fit this role. So copy and paste and I was done.

The next day the recruiter called me back excited, saying that the hiring manager really liked my answers and wanted to interview me. He was so excited that he was prepping me for the interview by giving me questions I should ask the hiring manager and suggestions that would make me the top candidate.

I have to say that working with NOVAworks has given me my mojo back. After interviewing with the hiring manager, she brought me in to meet the team. I was able to win them over and was offered the position. NOVAworks was able to help me get interviewed and hired, and I got the salary I needed to stay in my home. I am so grateful. ”

— Nicole Turner
NOVAworks Customer

NOVAWORKS

has moved to the ground floor of the new Sunnyvale Civic Center.

Effective March 20, 2023, our new address will be:

**456 West Olive Avenue
Sunnyvale, CA 94086**

FAST FACT

According to Bloomberg's recent Gender Equality Index, women make up 50% of entry-level workers but only 38% of midlevel managers and 24% of executives.

Source: Bloomberg Gender Equality Index (2023)
<https://bit.ly/bloomberg-gi-index-2023>

Celebrating International Women's Day annually on March 8

INDUSTRY DATA

Top 10 Women-Owned Small Businesses by Revenue			
Company	City	Employees	Annual Revenue
G. Swanson Construction	Milpitas	25	\$ 35,060,646
TCG Builders	Milpitas	50	\$ 28,992,911
<i>Mirapath</i>	<i>Cupertino</i>	42	\$ 26,351,287
Lynsco Garden Materials	San Carlos	50	\$ 24,612,216
Lenaco	South San Francisco	45	\$ 23,414,232
D.M. Figley	Menlo Park	17	\$ 22,178,464
<i>Maantic</i>	<i>Sunnyvale</i>	30	\$ 17,780,001
<i>Akraya</i>	<i>Santa Clara</i>	48	\$ 17,060,754
Sunnyvale Hyundai	Santa Clara	21	\$ 15,660,837
Medical Care Professionals	South San Francisco	36	\$ 13,619,212

Top 10 Minority-Owned Small Businesses by Revenue			
Company	City	Employees	Annual Revenue
A.G. World Transport	South San Francisco	25	\$ 35,936,862
Bay Area Systems & Solutions	South San Francisco	43	\$ 27,519,496
<i>Mirapath</i>	<i>Cupertino</i>	42	\$ 26,351,287
Whizz Systems	Santa Clara	33	\$ 24,560,242
MJC International Group	South San Francisco	10	\$ 22,271,477
Palmer Electric	San Carlos	37	\$ 18,209,302
<i>Maantic</i>	<i>Sunnyvale</i>	30	\$ 17,780,001
<i>Akraya</i>	<i>Santa Clara</i>	48	\$ 17,060,754
Rasient Systems	Santa Clara	50	\$ 15,819,277
Predii	Palo Alto	20	\$ 14,000,000

Small business = 50 employees or fewer; NOVAworks region (2022); italicized = on both lists

Source: Econovue (2023)

ABOUT NOVAWORKS

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