How Silicon Valley's Talent Wars Are Killing Its Nonprofits

When you imagine a typical nonprofit, you may picture a soup kitchen, a community center, or a homeless shelter. While such services still exist, many nonprofits now design apps, build websites, and design digital tools that help deliver social programs and services to those in need.

"A lot of organizations that were previously not integrating technology into their programs have quickly realized that you can't do work in the social sector or the public health sector without embracing technology, because it's cost effective and impactful," says Bhupendra Sheoran, the executive director of Youth Tech Health (YTH), a San Francisco Bay Area-based nonprofit organization. "Almost every organization that we work with has some level of technology integration in their organization and their programs," he adds.

NONPROFITS GETTING PRICED OUT OF THE VALLEY

One might then assume that Silicon Valley and the surrounding Bay Area would be the ideal place for a tech-focused nonprofit to set up shop. After all, the region is packed with tech talent, and its local tech companies regularly boast about their commitment to helping nonprofit organizations in their communities, as it helps attract talent and can be good for business overall.

But in reality, the skyrocketing cost of living is taking its toll on vital community institutions, while a war for talent continues to drive tech workers' salaries beyond the reach of the nonprofit sector. Average salaries of tech workers across the U.S. jumped 7.7% to $96,370 annually, according to the latest annual salary survey by Dice. In Silicon Valley, that average is north of six figures.

"Just because you have decided that social change is your passion and you want to make a difference doesn't mean you should be penalized and not paid living wages," Sheoran says, adding, "In the last few years, because the salary gap changed significantly, with tech salaries going really, really high, that has driven up the price of real estate, the price of goods, and everything else in the Bay Area."

Ballooning salaries and perks in the tech industry, explains Sheoran, have been detrimental to local nonprofits like YTH, who now struggle to provide the services many have come to rely on.

"We aren't able to hire these high-quality coders and developers to work with us, we can't afford their rates, they're totally beyond our reach," he says. "We end up having to work with folks who are willing to do this as part of their corporate social responsibility."

CSR CONTRIBUTIONS WON'T CUT IT

But taking advantage of the kindness of neighboring tech giants is only a Band-Aid solution, explains Sheoran. "That is a fantastic initiative," he says. "The challenge is that these staff members have their full-time jobs, and when they work with organizations like ours they are extremely dedicated, they are really passionate, they really want to help, but it's a capacity issue." Holding down a full-time job and then being expected to work with a nonprofit like Sheoran's "where the requirements are pretty intense" is understandably difficult to manage.

The type of support provided by the technology industry in the Valley also doesn't always match the needs of the area's nonprofits, explains Naldo Peliks, the chief operations officer of Centro Community Partners, an Oakland-based nonprofit that provides entrepreneurial resources for underserved Bay Area communities via its Business Planning App.

"We get a lot of in-kind support," says Peliks, for legal and strategic advice. "We receive a grant from Google, and with that we receive some advisory services and support from Google's team," he says. "That's great for giving guidance, but one of our biggest challenges is finding engineers to commit their time to help us build technology."

While tech giants are willing to loan their local nonprofits a coder or adviser for a few hours here and there, Peliks says without consistent staff it becomes very difficult to complete large projects in a timely manner. Not only does that mean those in need receive tech-based solutions and services at a slower pace, but speed is also vital in the development of technology-based solutions, as supporting operating systems and hardware quickly become obsolete. "We're obviously developing technology here, and technology isn't something that you develop over a 20-year cycle, this is stuff that has to happen quickly," he says.

In spite of being based in the technology capital of the world, Centro has had to hire a Ukraine-based Android developer and use freelancers based in Venezuela. "We have multiple people in different locations that contribute small pockets of hours, so in the end we develop a lot slower," says Peliks.

Article continues at

Source: *Fast Company* (09/15/16)
http://bit.ly/2cBobQ9

UNEMPLOYMENT

Region	August 2015	July 2016	August 2016	Percentage Point Change 1 month	12 months
San José MSA	4.2%	4.2%	4.1%	− 0.1	− 0.1
San Francisco MD	3.5%	3.6%	3.4%	− 0.2	− 0.1
California	6.1%	5.9%	5.6%	− 0.3	− 0.5
United States	5.2%	5.1%	5.0%	− 0.1	− 0.2

INDUSTRY EMPLOYMENT

Sector — August 2016	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region) 1 month	12 months
Total Nonfarm	**1,087,100**	**1,087,800**	**2,174,900**	+ 0.6	+ 3.0
Construction	48,300	46,900	95,200	+ 1.2	+ 7.6
Manufacturing	163,300	35,800	199,100	+ 0.2	− 0.7
Retail Trade	87,300	82,700	170,000	+ 0.2	+ 0.7
Information	81,100	61,100	142,200	− 0.3	+ 2.5
Professional & Business Services	235,800	277,600	513,400	+ 1.0	+ 5.3
Educational Services	44,700	27,400	72,100	− 1.1	+ 7.6
Health Care & Social Services	119,600	105,900	225,500	0.0	+ 4.6
Hospitality & Leisure	103,800	140,200	244,000	+ 0.6	+ 3.7
Government	87,100	126,000	213,100	+ 2.7	+ 1.3

NOTE: San José MSA (San José-Sunnyvale-Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties

San Francisco MD (San Francisco-Redwood City-South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

LABOR FORCE & ANNUAL CHANGE

9-County San Francisco Bay Area

	Labor Force August 2015	August 2016	Change	Employed August 2015	August 2016	Change	Unemployment August 2015	August 2016	Change
California	**18,998,500**	**19,357,900**	**+ 1.9%**	**17,839,100**	**18,281,600**	**+ 2.5%**	**6.1%**	**5.6%**	**− 0.5**
Alameda County	827,400	843,500	+ 1.9%	787,600	804,500	+ 2.1%	4.8%	4.6%	− 0.2
Contra Costa County	551,500	561,600	+ 1.8%	523,900	535,000	+ 2.1%	5.0%	4.7%	− 0.3
Marin County	142,400	145,400	+ 2.1%	137,300	140,300	+ 2.2%	3.6%	3.5%	− 0.1
Napa County	75,600	77,400	+ 2.4%	72,400	74,300	+ 2.6%	4.2%	4.1%	− 0.1
San Francisco County	552,000	563,100	+ 2.0%	531,900	543,400	+ 2.2%	3.6%	3.5%	− 0.1
San Mateo County	445,100	454,000	+ 2.0%	430,000	439,200	+ 2.1%	3.4%	3.2%	− 0.2
Santa Clara County	1,022,200	1,054,000	+ 3.1%	979,800	1,011,900	+ 3.3%	4.1%	4.0%	− 0.1
Solano County	206,400	210,300	+ 1.9%	194,100	198,400	+ 2.2%	6.0%	5.7%	− 0.3
Sonoma County	261,700	265,600	+ 1.5%	250,300	254,800	+ 1.8%	4.4%	4.1%	− 0.3
SF Bay Area (sum)	4,126,500	4,217,500	+ 2.2%	3,949,500	4,044,400	+ 2.4%	4.3%	4.1%	− 0.2

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

REGIONAL LAYOFF ACTIVITY

August 2016 Events

Company	Location	# Affected
Funny or Die	San Mateo	20
Sports Authority	*Multiple cities*	170
StemCells, Inc.	Sunnyvale	27
SunEdison, Inc.	Belmont	15
Symantec Corp.	Mountain View	77
Total		**309**

WARN SUMMARY

Events YTD[†]:	14
Individuals Affected YTD:	562
Individuals Previous YTD[‡]:	686

* **WARN:** Worker Adjustment and Retraining Notification *(notice of mass layoff or closure)*

† **YTD:** Year to Date *(Program year: July 1–June 30)*

‡ **Previous YTD:** No data available for San Mateo County, FY2014/15

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database