CREATING QUALITY JOBS FOR ALL IN WASHINGTON’S TECH SECTOR

EXECUTIVE SUMMARY AND RECOMMENDATIONS

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PREFACE:
JOIN THE NORTHWEST PAPERS DIALOGUE

OneAmerica is the largest organizing, civic engagement, and advocacy organization rooted in Washington’s immigrant and refugee communities. We play an active and leading role pressing for racial equity and progressive change in immigrant rights, education and early learning, voting rights, and immigrant integration.

With support from the Northwest Area Foundation, OneAmerica is publishing a series of papers titled the Northwest Papers, which focus on three inter-connected problems in Washington state: rising economic instability, the decline of quality jobs, and the persistent reproduction of inequality in our institutions. This paper, *Creating Quality Jobs for All in Washington’s Tech Sector*, provides an illuminating profile of the Tech sector, a major driver of economic growth and wealth generation. But who has access to these economic benefits, and who does not?

Our paper addresses this core question by calling out the structural and institutional inequities within the Tech sector that limit opportunities for career growth and achievement for women, Black, Indigenous, People of Color, immigrants, and refugees. A large share of the tech workforce is employed in positions with precarious economic stability, either as low-wage warehouse workers or through staffing agencies or gig work. Women and BIPOC community members are grossly underrepresented relative to society overall owing to internal workplace discrimination and cultures in the tech sector, compounding the failure of educational and workforce pipelines into the sector. H-1B workers hired through staffing agencies are often grossly underpaid relative to their occupational peers and contract and gig workers face greater job insecurity, fewer benefits, and lower pay than regular employees in the sector. Women of all races remain sidelined from the most prestigious and well-paying jobs.

Gender and racial inequities in the tech workforce are also rooted in a range of historical, economic, and political causes. These inequities are perpetuated by ongoing institutional sexism, racism and poverty in society and have created barriers to equal employment opportunities. For example, sub-groups of immigrants and refugees face a range of ongoing barriers such as high drop-out rates in K-12 education, underemployment of college graduates in low wage jobs, a dearth of adult language learning programs for individuals with technology experience, and little access to professional networking opportunities.

*Creating Quality Jobs for All in Washington’s Tech Sector* proposes achievable economic and workforce policy recommendations to address these problems. These
recommendations are designed to generate dialogue and inspire action. We call on industry leaders and policymakers to create – in a meaningful and systemic way – opportunity and advancement for women, BIPOC, and immigrant workers.

As the authors of the report point out – addressing these workforce issues is good both for the economic well-being of Washington workers and families and the tech sector’s bottom line. Washington’s workforce and economic development policies must focus its resources on improving job quality and reducing inequities, including in the tech sector. King County and the City of Seattle have an important role to play in this effort, with its high concentration of tech companies and workers. We invite you to become an active participant in an ongoing and spirited dialogue. Join us in shaping and implementing the solutions our communities are demanding.

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EXECUTIVE SUMMARY
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INTRODUCTION
This report is for workers, policymakers, and key stakeholders; it provides a fresh perspective and understanding of the Seattle-area tech workforce and its structural and institutional inequities. Far from being monolithic in structure, the sector encompasses a wide variation in wages, occupations, and job quality. While several previous studies of the tech sector have focused on its size, breadth, earnings, and economic impacts, most do not focus on the problems of poor job quality and workforce inequities. This paper calls out the structural and institutional gender and race inequities within the tech sector, provides an alternative narrative about this workforce, and suggests achievable economic and workforce policy recommendations to address these problems.

The technology sector, with its unprecedented wealth and economic concentration, can provide good quality jobs including living wages, comprehensive benefits, career pathways, wealth building opportunities, and a fair and engaging workplace for all tech workers. Women, Black, Indigenous, and people of color (BIPOC) communities should be equitably represented in the industry. All tech workers need consistency and security in employment, income, and financial well-being over time and that both industry leaders and policymakers should address, in a meaningful and systemic way, the institutional inequities and unequal representation, opportunities and advancement it provides to women, BIPOC, and immigrant workers. With these goals in mind, our recommendations are designed to generate dialogue and action among key stakeholders, advocates, and policymakers.

TECH SECTOR AND WORKFORCE
While Washington is host to thousands of technology companies, Amazon and Microsoft are the dominant players with a combined market capitalization of over $3 trillion. A dense web of small and medium-sized businesses in Washington engage in activities including software publishing, web and mobile applications, cloud computing, and computer services. The sector’s core activities are interwoven with a range of temporary staffing agencies, university and public-sector research centers, educational institutions, and investment sources such as angel, venture capital, and private equity.

In 2019, Washington’s technology sector employed 245,900 workers at companies engaged in one or more of four subsectors, including business services, electronic retail, internet services, and software publishing. This includes all workers directly employed by the big-four tech companies in the Seattle area: Amazon (including warehouse workers), Microsoft, Google, and Facebook, as well as other tech companies, but excludes workers outside of the tech sector, such as those performing tech-related work in all the other sectors of the state economy.
Between 2013 and 2019, tech-sector employment grew at a rapid pace. Today, Amazon (80,000 employees) and Microsoft (58,000 employees) are the largest tech sector employers in Washington, with more than 55 percent of the total workforce. Amazon has become our state’s largest employer.

**WORKFORCE INEQUITIES IN THE TECH SECTOR**

While tech companies have publicly committed to doing better when it comes to hiring and promoting more women and people of color, deep racial and gender disparities persist within the technology sector and workforce. These disparities are due to societal and workforce pipeline issues but also to a toxic “boys’ club” culture in the tech industry.

The actual job quality, wages, benefits, and opportunities for career advancement of women, BIPOC, immigrants, and refugees tell a different story than the popular narrative that all tech workers hold high wage, high quality jobs. H-1B visa workers who play an important role in the sector are often paid less than native-born workers. The tech-sector also employs significant numbers of workers in jobs classified as contract or gig work where they face greater job insecurity, fewer benefits, and lower pay than regular employees in the sector. Women of all races remain sidelined from the most prestigious and well-paying jobs in tech and are often steered into lower prestige tracks instead of advancing into senior technical roles.

While some foreign-born sub-groups such as Indians and Chinese workers are well-represented in the tech workforce, others remain under-represented, with most immigrant and refugee community members, including those with foreign technology credentials, struggling to find their way into the technology sector.

Policymakers working with industry and community stakeholders can address these issues by targeting new investments, enacting policies to improve poor quality jobs, and addressing inequities in our education and workforce systems. We need to dismantle institutional barriers for women and BIPOC communities in our tech-labor market.

The task of expanding employment and educational opportunities, improving job quality, and addressing workforce inequities for underrepresented populations is not only an avenue for long-term economic development; improving job quality and reducing gender and racial inequities is also good for the tech industry’s bottom line and the well-being of Washington workers and their families. Improving job quality and reducing inequities should become a focus of economic and workforce development policy state-wide, as well as regionally—particularly in King County with its high concentration of tech companies and workers.
RECOMMENDATIONS:
QUALITY JOBS FOR ALL IN WASHINGTON’S TECH SECTOR

The sustainability of the technology sector has become increasingly important as the sector has emerged as both a dominant economic force and a core employer in Washington state. O’Mara has noted that the industry, and companies like Amazon and Microsoft, have become monopolistic, on par with Standard Oil and U.S. Steel in the past. Therefore, ensuring a sustainable future for tech industry workers requires government at all levels to intervene in the labor market and oversee the sector. The following are recommendations at both the federal and state level that we believe should be initiated to support efforts to produce sustainable jobs that are equitable, stable, and provide living wages, generating wealth for workers and the larger community.

In Washington state, the Office of the Governor, the Department of Commerce, the state workforce board, and other agencies are key components of our larger workforce ecosystem and provide valuable services. But we must better align and coordinate economic development and workforce development strategies and investments between the Governor’s office and across Washington’s economic and workforce development agencies to better address current disparities and labor market failures in the tech sector and workforce.

FEDERAL LEVEL

- **Institute a H-1B visa performance review taskforce**: The Department of Homeland Security, Department of Labor, and the Department of Justice should form a taskforce comprised of immigrant-rights activists, unions, and technology companies to review the data and come up with recommendations to ensure pay equity and pathways for permanent residency status for H-1B workers from all countries.

- **Create an equity-in-tech working group within the Office of Science and Technology Policy (OSTP)** that would coordinate with other agencies like the Department of Labor, the Equal Employment Opportunity Commission, and with members from the technology industry, workers’ rights groups, BIPOC organizations, and women’s rights groups to identify policy recommendations to address workplace equity issues in the sector.

STATE LEVEL

- **Broaden the Governor’s Information and Communication Technology (ICT) sector lead’s scope** to include promoting equity, stability, and quality jobs throughout the industry. Building a robust technology sector in Washington requires going beyond business recruitment. This work would be further supported and coordinated if an ICT lead role, focused on tech-worker training, was created at the Workforce Training and Coordinating Education board.
• **Create a Washington Innovation start-up fund:** California, Illinois, Oregon, and Vancouver, BC have created funds utilizing public investment dollars to support expanding their state’s technology start-up sector. Washington should create a similar fund, modeled after these efforts, to incubate the next generation of entrepreneurs for technology products and jobs. The fund should particularly target and support women and BIPOC business leaders for funding.

• **Expand the Center of Excellence for Information and Computing Technology:** Washington has created 11 centers of excellence to support economic development and education across the entire state. Working with the state’s institutions of higher education, community and technical colleges around the state should broaden the ICT focus to include continuous training and upskilling of the technology workforce (incumbent workers) in areas beyond computer science and robotics, for other career pathways the sector offers, such as project management and technical writing. In addition, the centers should fund the development of career pathways for workers working in the sector but not employed directly by tech companies, such as contract and immigrant workers, to access training for jobs. The centers should also include an equity component for women and BIPOC workers who need potential wrap around services to support additional education and training.

• **Launch state-supported worker-owned co-ops** that independent and contract workers could join to provide services to the technology sector that could offer the workers a more stable and equitable employment relationship with the industry employers. The services for inclusion involve incumbent-worker training, job placement, and portable benefits schemes potentially modeled after ones in countries like Denmark, Norway, and Sweden. The organization could also be focused on how to recruit, retrain, and retain women and BIPOC workers.

• **Convene a BIPOC tech summit,** along with regional workforce development councils, to identify structural barriers and solutions led by and centered on people of color.

• **Institute an annual state-of-technology and tech workforce report** that would produce detailed information on the number of workers in the state, including independent contractors, staffing agency contractors, and H-1B workers, and address the state of diversity within the tech industry. Combine the data from all of the diversity reports released by the big tech companies, as well as requiring such data from smaller firms. Currently, there are limited sources of information on these issues; the need should be addressed more intensively. A comprehensive annual report could establish a data-rich baseline to guide more effective policy development for the technology sector.

• **Invest in institutions charged with identifying and supporting immigrants and refugees with foreign credentials** to apply those credentials to the workforce in Washington state. The Welcome Back Center at Highline College in south King County is one such agency, though they have lacked resources to focus attention on technology workers.

• **Create state and regional liaison positions to build and strengthen networking opportunities** between technology companies and social service organizations working with immigrants and refugees with technology credentials. Such efforts could establish private-public strategies to provide apprenticeship, up-skilling, and tailored technical language learning opportunities to assist immigrants and refugees with technology skills to re-enter the technology workforce in Washington state.
• Invest in strategies to connect low-income community members (youth and adults) to skills of value to the technology sector, including programming boot camps, and ensure that such programs include robust strategies for language access and cultural orientation. Skillspire is one such community-based organization working to connect immigrant and refugee community members to high-demand skills in the technology sector.

NEW QUESTIONS AND TOPICS FOR FURTHER RESEARCH

In the course of researching the tech sector, we identified questions that require future research that would benefit policymakers:

• Recent attempts to unionize within the tech industry, such as at Google, as well as through some delivery apps, such as at Instacart, requires further research into the balance of worker power within the industry.

• How artificial intelligence (AI) will affect jobs within the tech industry in the future, creating new jobs around AI and robotics, while eliminating some jobs that can be done by AI or robots (both full-time jobs and platform jobs).

• The gig economy requires further research, as it challenges many traditional notions about employment, particularly regarding job quality and access to benefits. There also appears to be a great deal of occupational segregation within the gig economy, with those working through apps such as care.com being largely women and women of color, while the vast majority of Uber and Lyft drivers in the Seattle area are men of color.

• The lack of intersectional data available from the tech companies themselves makes it difficult to track hiring, pay, and advancement by race and gender simultaneously. Currently, of the big four tech companies, only Google provides any intersectional data in its annual diversity report. More research is required in this area to understand how men and women of color, particularly those from underrepresented racial minorities, are faring in various job categories in the tech sector.

• More research is needed to determine the number and percentage of H-1B visa holders who become legal permanent residents in Washington state to determine the effectiveness of the H-1B as a pathway to legal permanent residency and citizenship. Persistent concerns over the role of outsourcing firms have also dogged the H-1B visa program. Greater data on how such firms conduct their business, and how their workers are paid, access potential pathways to citizenship and are treated in the workforce would provide needed transparency to the H-1B visa program.