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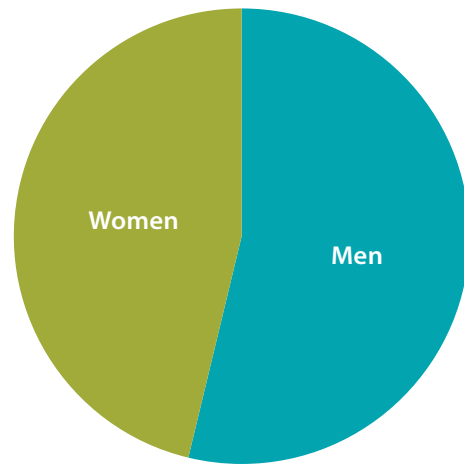
# Sacramento Region Human Capital Index



## Diversity

While the January issue reported that survey respondents viewed diversity and inclusion efforts at the bottom of the current human capital list of focus areas, with 20% responding no effort was expanded in this area, this may be about to change. AB 168, currently with the Senate, could indirectly impact organizations' efforts in this area. With this bill, organizations would not be able to ask job applicants for their salary history during the recruitment and selection process. Additionally, organizations would be obligated to disclose their pay scales upon request, reducing the common practice of asking job candidates about their individual salary history. This bill is aimed at reducing the gender wage gap, which still exists locally and throughout the nation. Even though California is doing better than most of its peers throughout the country, a 14-cent gap in wages between full-time employed men and women still exists. It is also worth keeping an eye on Senate Bill 328, which may indirectly counteract some gender diversity efforts. This bill proposes that middle and high schools would not be able to start earlier than 8:30 a.m. Delaying school start time may translate in delaying parents arriving to work, which for those in non-flexible

Figure 1  
2017 Wage Gap



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jobs may mean that they are facing difficulty in maintaining their employment. In reality this may hit women harder than men. Decades of research shows that women still bear the brunt of household chores, and more recent research shows that this holds true even when the man is the lower earner. In same-sex households the partner perceived as more "feminine" is expected to take on an increased share of unpaid work (Quadlin, 2016).

## Recruiting and Employment

The January issue reported that 57% of organizations surveyed indicated that they would actively recruit new employees. This is supported by numbers at the national level indicating increasing recruitment efforts. In support of this, unemployment remains low in our region at 4.4% (down from 5.1% in 2016) thanks to an overall increase of 25% jobs across industries (Bureau of Labor Statistics). It is worth noting that this statistic does not reflect that some industries are small with few jobs added (e.g., mining and logging). Furthermore, data reported in the January issue showed organizations indicated increased recruiting while at the same time expecting reduced voluntary turnover, which prompted us to debate whether the organizations were expecting turnover or possibly expanding their operations. Current data would suggest that the former would have been the more accurate prediction.

Jobs in the software field have increased a whopping 46.6% over the past few years (California Employment Development Department) though they make up a fraction of the overall job market locally – only about 6,500 jobs in total. The Sacramento region is bucking the national trend where organizations are predicted to spend more than \$650 million on salaries for newly created jobs in artificial intelligence as automation becomes the new normal (Jones, 2017). Large local employers — except Intel Corporation — are absent from that list, with Intel spending roughly 8% of what Amazon spends, 15% of Google’s spending, and 25% of Microsoft’s spending. Overall the Sacramento region is a small player in this domain and hosts jobs in the field of information in the low teens of thousands and further declining with a 4.3% drop from last year (BLS).

The fastest growing industry locally is personal care and service while the region keeps losing jobs in the construction sector, where we see a decline exceeding 4% since last year, tracking closely with the underbuilding of affordable housing in our region. With currently

debated legislation (SB 35) recently passed by the Senate, communities may no longer be able to thwart housing proposals which they deem not aligned with their communities and we may see an uptick in construction and construction-related jobs.

Government is currently approximately 238,000 jobs with a small (0.4%) increase since last year, but facing great loss of talent and knowledge as a majority of government workers are age 50 or older. Anecdotally government agencies have a hard time filling open positions with younger employees who find it difficult to navigate job ads and selection processes, and fear that once hired, the opportunity for creativity and freedom is small. Sacramento has the fourth fastest aging workforce in the nation.



***In the January issue we reported that more than 75% of employees view their pay and benefits positively.***



## Compensation

In the January issue we reported that more than 75% of employees view their pay and benefits positively. It remains to be seen whether this sentiment will hold for our 2018 data collection as 2018 salary predictions remain modest with an increase of about 3.2% nationally, although this is slightly up from 2017 (3.1% increase) and 2016 (3.0% increase). This may be surprising given the resurgence of the global economy and anticipation of an expanding U.S. economy due to expected eased fiscal policies at the national level (SHRM).