

Alleviating the Jobs-Housing Mismatch: Cost-Based Housing Needs Planning

Presentation to the Jobs-Housing Taskforce
May 17, 2001

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Problem: Current housing needs planning is based on expected job growth, but not matched to what those expected new jobs will pay.

Solution: Collect data on numbers and salaries of expected job growth and estimate housing needs within cost categories.

Project: Survey employers planning to add jobs in the City of Dublin to show how a cost-based housing estimate can be formulated for the City.

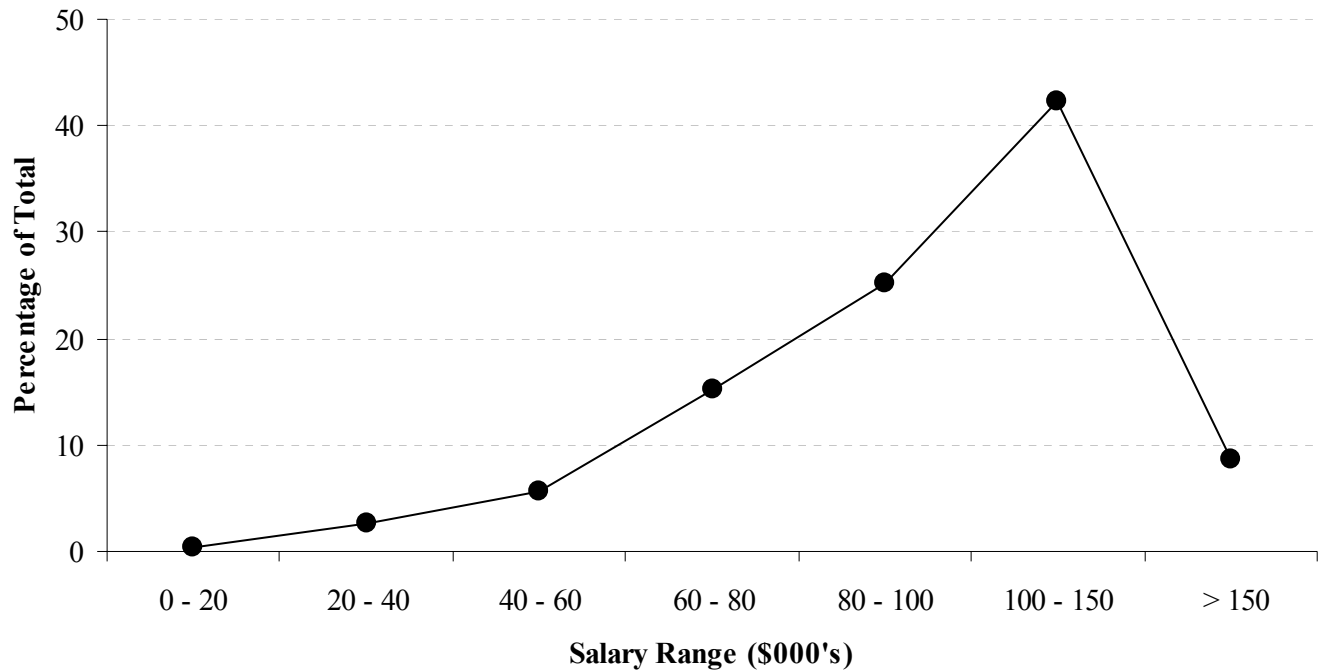
Results: Preliminary analysis shows that current planning is for too few housing units and that the current planned cost allocation does not match income levels of expected new households.

The most important result of the study is that more research is needed on how employers report new jobs and how to formulate accurate job multipliers.

Collecting Job and Salary Data

Salary Range		Employer 1	Employer 2	Employer 3	New Jobs	
(\$000's)		(#)	(#)	(#)	(#)	(%)
<	20	1	10	4	15	0.3
20	-	40	77	28	113	2.6
40	-	60	71	105	241	5.6
60	-	80	68	457	664	15.3
80	-	100	51	814	1092	25.2
100	-	150	29	1634	1839	42.4
>	150	<u>30</u>	<u>5</u>	<u>341</u>	<u>376</u>	<u>8.7</u>
Total		646	311	3383	4340	100.0

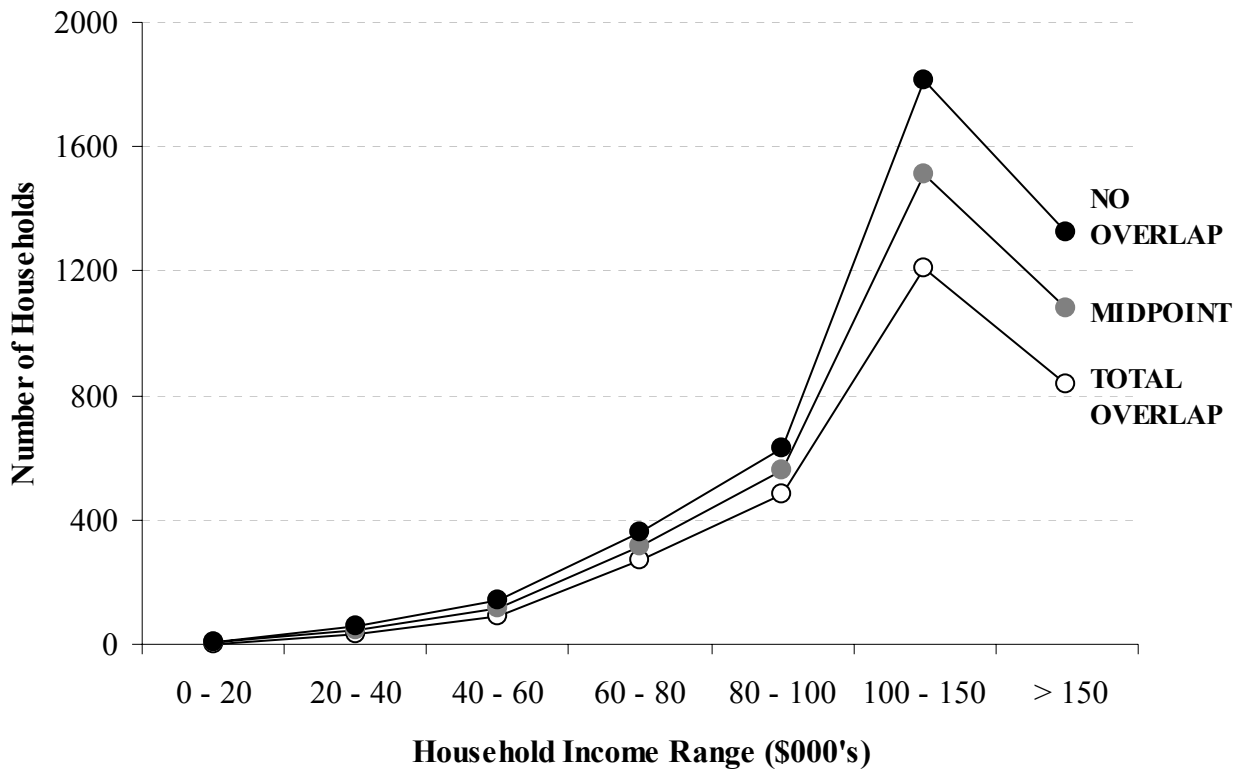
Distribution of New Jobs



- Survey reveals that job growth will be largely high paying.
- Where are lower paid support staff? Are there other "hidden" workers employed by subcontractors?

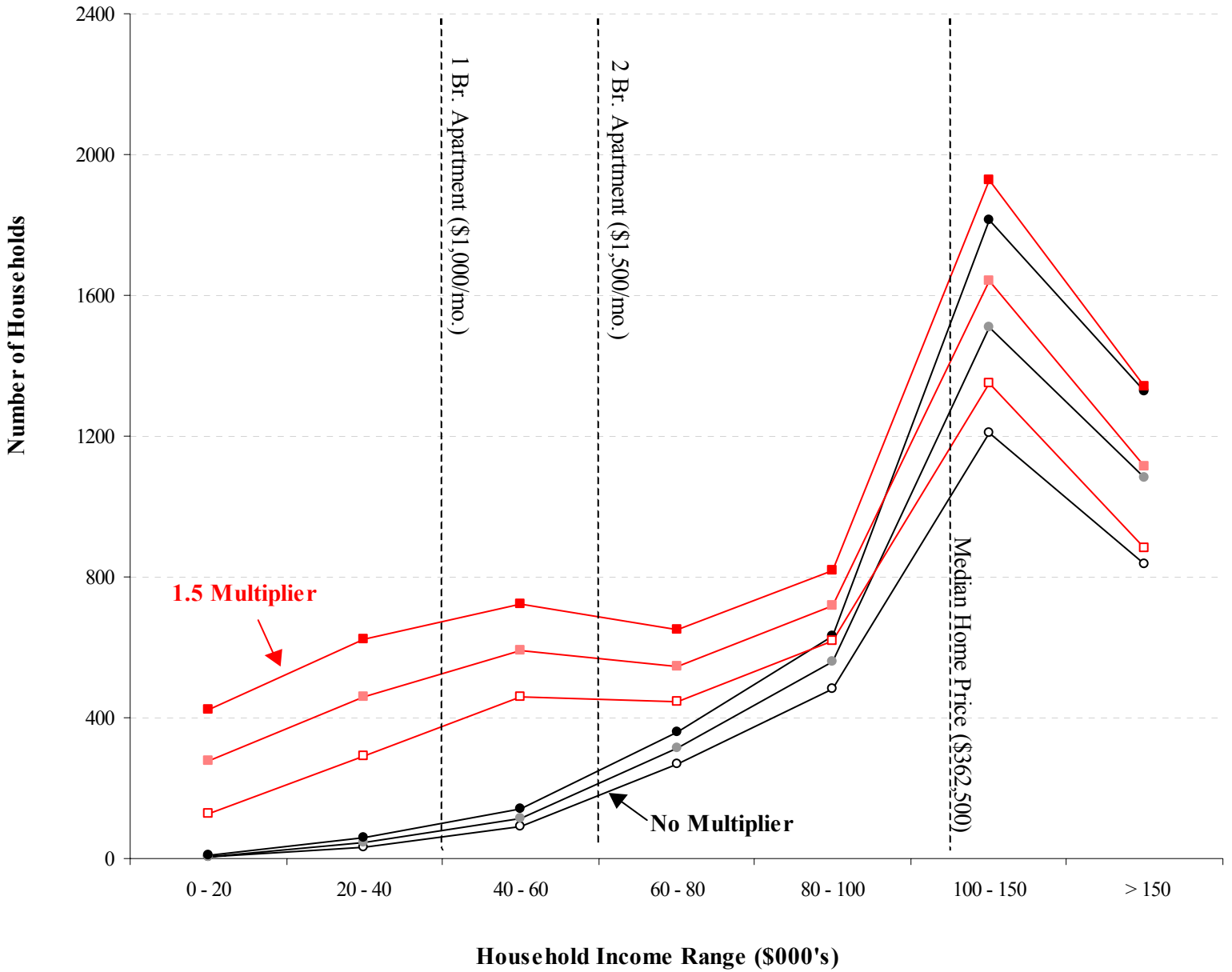
Estimating Households and Incomes

Household Income Range <hr/> (\$000's)	NO OVERLAP		MIDPOINT		TOTAL OVERLAP	
	New Households		New Households		New Households	
	(#)	(%)	(#)	(%)	(#)	(%)
< 20	8	0.2	6	0.2	3	0.1
20 - 40	61	1.4	45	1.2	30	1.0
40 - 60	140	3.2	114	3.2	89	3.1
60 - 80	361	8.3	314	8.7	268	9.2
80 - 100	633	14.6	558	15.4	483	16.6
100 - 150	1812	41.7	1510	41.6	1208	41.4
> 150	<u>1326</u>	<u>30.5</u>	<u>1080</u>	<u>29.8</u>	<u>835</u>	<u>28.6</u>
Total	4340	100.0	3628	100.0	2916	100.0



- What about the lower paid workers our survey didn't show?

Affordability and Support Jobs



- The number of houses needed at the lower income level is vastly underestimated without some kind of multiplier, and without accounting for support staff who may not be included on major employer payrolls.
- While current housing prices may be in a reasonable range for those jobs found in the employer survey, they are out of reach for possible support employees.

Conclusions

- It is possible to estimate housing needs using wage information, so that housing unit recommendations can be made within appropriate cost categories.
- The key to an accurate housing needs estimate is in getting an accurate support job multiplier.
- To the extent that previously estimated multipliers do not include the effects of subcontracting and temporary employment, they may underestimate job growth at the low end of the scale.
- This study points to a larger question: are our current planning systems taking into account structural changes in the economy such as subcontracting? Is the invisibility of subcontracted and temporary workers in our estimates of job growth making these same people invisible in our housing planning?

For further information or a copy of the complete project report, please email dspaulding@alum.pomona.edu