



e!evate

BECOMING

ESSENTIAL

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DRIVING INNOVATION AND ENTERPRISE

Becoming Essential

The Virus of the Century is the Opportunity of the Century

Joe J. Wallace, CEO and Chief Innovation Officer
Coachella Valley Economic Partnership

November 19, 2020



Moving Toward Being Essential

- Jobs of the Future
- The Importance of Becoming Essential and Diversification
- The Elon Musk Effect
- Coachella Valley Affordability Index
 - Locals vs. Bay Area Tech Telecommuters
- Game Changers of the Future



Jobs of the Future

- Pre-COVID19 Jobs in the Coachella Valley
- Recovery Prospects
- Entrepreneurship
- Business Attraction from Coastal California
- Business Resurrection
- Telecommuters
- ***March 2020 Disrupted the Mission for Survival of Businesses***



COVID19 Impact on Employment

- Unemployment increased from 7.2% to 33.8%
- Automation Trends Accelerated
- Hardest Hit Business Sectors
 - Retail, Restaurants, Personal Services, Social Services (>50%)
- 30% to 50% of Businesses at Risk of Failure
- Pre-COVID Highest Paying Sector was Government; Lowest Paying Sectors were Hospitality and Retail
- Work from Home Accelerated
 - 31% of CV Jobs (38% national)

The Virus has Exposed Weaknesses and Opportunities



COVID19 Emphasized the Importance of Diversification and Becoming Essential

- Recovery Jobs
- Organic Entrepreneurship
- Business Attraction
 - Small Businesses from Coastal CA
 - Large Attraction is Nearly Impossible
- Telecommuters
 - Refugees from Coastal California
 - High Wage – High Skill Workers



Elon Musk Effect: Outmigration of Talent/Wealth

- Visible Tiff with Governor and Alameda Co. Supervisors
- Divested of all California Real Estate
- Tesla Expansions
 - Gigafactory to Nevada (0% State Income Tax)
 - Truck Factory to Texas (0% State Income Tax)
- Elon's Contract: \$50 Billion Bonus Opportunity
 - Stay in California and pay \$8.4 Billion in taxes
 - Move to Texas and pay \$0 in taxes



Targeting High Value Telecommuters

- Upgrading the Workforce
- Raise the Educational Attainment of the Region
- Increase Median Household Income
- Desensitize Local Businesses from Economic Shocks
- Become Essential to the Rest of the World
- Attract People Who Benefit by Being Here Who Also Elevate the Coachella Valley in Every Way



Real Estate is our Bright Spot

Score of 100 = Median Family Income can afford Median Priced Home
Higher Number = Less Affordable

Palm Springs: 279 (4)

Rancho Mirage: 208 (4)

Cathedral City: 171 (9)

Indio: 166 (3)

Coachella: 166 (2)

Palm Desert: 162 (12)

Indian Wells: 157 (13)

Desert Hot Springs: 150 (2)

La Quinta: 145 (34)

Coachella Valley: 186 (83)

Assumptions: 3% interest, 30 year loan, 10% down, 33% LTV, Single Family Home



Coachella Valley Real Estate to Telecommuters

Technology Telecommuters Perspective

Sr. Software Engineer Median Salary: \$220,000 (Bay Area)

Palm Springs: 64

Rancho Mirage: 64

Cathedral City: 35

Indio: 33

Coachella: 27

Palm Desert: 42

Indian Wells: 76

Desert Hot Springs: 24

La Quinta: 53

Coachella Valley: 45

Coachella Valley Real Estate is Easily Affordable to Bay Area Technology Workers



Coachella Valley Game Changers have NOT CHANGED

- Comprehensive University System
 - STEM Degrees
 - Research Capability
 - Adult Retraining for Coding etc.
- State of the Art Communications
 - Bandwidth, 5G, Cellular
- Competitive Public K-12 Education
- Regional Focus on Everything
- Reliable Transportation Options
- Salton Sea Solution Moving Forward
- Ubiquity of Vision and Awareness
- ***Re-establish the Cash Cows of Hospitality and Tourism***



Vision for the Coachella Valley's Future

- Opening of Palm Desert iHub
- Launch of Telecommuter Attraction Campaign
- Eternal Vigilance for Fundamental Needs for Prosperity
- Bandwidth, STEM, Investment, Education & Regionalism
- There is Much Important Work to do in the Next Decade and it will Require Investments, Patience, and Perseverance

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Returning to the Halcyon Days of February will not Suffice



Let's Elevate Together