



California Future of Work Commission
Notes from Stakeholder Convening: Military and the Future of Work
Friday 28 February 2020

Attendees:

- Mr. Raj Shah (Chairman of Arceo.ai, former Managing Partner Defense Innovation Unit)
- Mr. Roy Bahat (Commissioner; Head of Bloomberg Beta)
- Lieutenant General Edward Hanlon, Jr., United States Marine Corps (Retired)*
- Lieutenant General Eugene L. Tattini, United States Air Force (Retired)*
- Rear Admiral Peter W. Gautier (Coast Guard District Commander for California)
- Mr. Andreas Mueller (Chief of Federal Policy for the California Military Department, Executive Director of the Governor's Military Council)*
- Brigadier General Peter Cross (Commander of the Youth & Community Programs Task Force of California Military Department)
- Brigadier General Steve "Bucky" Butow (Space Portfolio Director Defense Innovation Unit)
- Ms. Katherine Boyle (Partner, General Catalyst)
- Mr. Peter "Rebel" Yelle (Strategic Development Manager, General Atomics)

**Member of the Governor's Military Council, a body that provides insight and guidance to California's state leaders on developing a strategy to support and grow military operations.*

The military is a critical employer in the state of California.

- California's largest employer is the military, with 184,540 active duty and reserve members.
- San Diego has the largest concentration of military personnel in the world, creating more than 300,000 military-connected jobs and representing 1 in 5 jobs in the county. The military generates an estimated \$45 billion in GRP in San Diego alone.
- The history of the state's economy shows that military contracts, and the technological development that came with them, were essential foundations for many California industries including the technology industry. (The internet itself was originally a military-funded project.)
- While the military is a pipeline of talent for the California economy, the number of military veterans per capita in California fell 48% from 2000 to 2016—more than the national average.

The military is, in many ways, a model employer.

- All jobs in the military are quality jobs, e.g., every worker on any active duty base has benefits including health insurance.
- Lifelong learning is built in to military career planning; personnel have regular career guidance and access to education and training.
- The military evaluates its workforce's physical and mental health to assess fitness to serve.

Differences between the military and the private economy prevent California from using the economic resources of the military to their fullest.

- The gap has grown, over decades, between the nature of work in the private sector vs. the military, due to differences in training, resources and culture. Many people in the private sector know few if any military personnel, due to military facilities closing in many areas. We are in danger of having "two labor markets," one military and one civilian.
- Intellectual capital has moved from the military to the private sector. The business and technology worlds are now driving innovation, whereas previously the military was at the forefront of innovation.

The military can be an important asset for driving economic growth in the state. There are several ways to achieve this:

- Recognizing the California State Guard (comprised of citizens, many of whom are former veterans -- formerly known as the California Military Reserve) as a place to experiment with technical product development and new forms of public work (e.g., disaster response), etc. The California State Guard is designed to support the work of the California National Guard (a federally funded military force, part of the National Guard of the United States) in the event of a state security or natural disaster emergency.
- Training military personnel to better adapt to the technology work environment through apprenticeships.
- Reopening a military facility in the Bay Area, which could also create more mutual understanding (e.g., Moffett is a favorable location to add military personnel).
- Encouraging the military and private sector to work more closely together, e.g., sponsoring a research summer study into areas of collaboration like a joint cybersecurity training.
- Improving education (only a fifth of individuals are eligible to serve, due to poor literacy or other issues) and reducing the cost of housing across the state.
- Leasing or subsidising state land to the military to experiment with testing and R&D.
- Exercising convening power of the state with regulatory bodies, contractors, businesses and investors to explore ways to improve the regulatory process for innovation -- Governor's Military Council could be an anchor in these efforts.

There are modest steps California could consider to retain veterans in the state.

- California is only 1 of 9 states that taxes military benefits; examine ways to stop this.
- Nearly all states have license plates available exclusively to veterans. California doesn't allow this, and many veterans feel underappreciated here.