

FUTURE OF WORK COMMISSION

Convening 4 Low-Wage Work and Economic Equity

December 12, 2019

The Riveter: West LA
Los Angeles, CA



ABOUT THE INSTITUTE FOR THE FUTURE (IFTF) AND ITS ROLE

The Institute for the Future (IFTF) is working with the California Labor Secretary and larger State Team to coordinate the work of the Commission. IFTF draws on its over 50 years of research and experience in convening discussions of urgent future issues to support the efforts of the Commission to build a strong vision for the future of work in the state. IFTF has been a leading voice in discussions about the future of work for the past decade, seeking positive visions for a workforce undergoing transformational change. As a facilitator of the Commission's work, it will help guide the convenings, helping establish the comprehensive understanding necessary to build a world-class workforce of the future. IFTF will draw on the work of its [Equitable Futures Lab](#) to frame these discussions of future jobs, skills, and labor policy in terms of creating an equitable economy where everyone has access to the basic assets and opportunities they need to thrive in the 21st century.

ABOUT IFTF

Institute for the Future is the world's leading futures organization. For over 50 years, businesses, governments, and social impact organizations have depended upon IFTF global forecasts, custom research, and foresight training to navigate complex change and develop world-ready strategies. IFTF methodologies and toolsets yield coherent views of transformative possibilities across all sectors that together support a more sustainable future. Institute for the Future is a registered 501(c)(3) nonprofit organization based in Palo Alto, California. www.iff.org

For more information, please contact
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SCHEDULE OF CONVENINGS

- 1 | **September 10-11, 2019**
Overview: The Present and Future State of Work in California
Location: Sacramento

- 2 | **October 10, 2019**
Technological Change and Its Impact on Work
Location: Palo Alto

- 3 | **November 14, 2019**
Education, Skills, and Job Quality
Location: Riverside

- 4 | **December 12, 2019**
Low-wage Work and Economic Equity
Location: Los Angeles

- 5 | **January 16, 2020**
Employment and Labor Law in the New Economy
Location: San Diego

- 6 | **February 13, 2020**
Social Policy, Work, and Economic Security
Location: Stockton

- 7 | **March 12, 2020**
Investors, Capital, and the Future of Work
Location: San Francisco

- 8 | **April 2, 2020**
Synthesis
Location: Sacramento

LOW-WAGE WORK AND ECONOMIC EQUITY

Despite the longest economic expansion in U.S. history and very low official unemployment rates by historical standards, we now have the highest level of income inequality since the Census Bureau began tracking this measure more than 50 years ago. The economic gains of recent decades have not been evenly distributed across the income spectrum. The labor market has instead seen negligible real wage growth for low-wage workers and a proliferation of low-wage jobs. Economists have largely focused on a core set of factors to explain these outcomes (though there is considerable debate on the relative significance of each): the shift from a manufacturing to a service-based economy, technological change that has disproportionately benefited those with higher levels of education, competition from trade and the globalization of economic production, and weakened labor market institutions and policies that would otherwise restrain inequality (e.g. declining value of the minimum wage, lower unionization, etc.)

We have also seen continued barriers to economic equity, as inequality by race, gender, and immigrant status have persisted in California. The mechanisms that reproduce inequality in the labor market can include occupational segregation, labor market segmentation, spatial isolation and direct discrimination. The California Future of Work Commission has been challenged to develop an expansive vision of economic equity so that the future of work in California is inclusive and benefits all Californians.

The early stages of technological change may most directly impact low-wage jobs, especially in service sectors. We are already seeing the incorporation of automation in retail and food service jobs. There will be important differences across industries and among workers, by education level, gender, and other characteristics--[the most vulnerable workers are likely to face the most direct impacts](#). Research suggests that [occupations that require lower levels of education are the most at-risk to displacement](#) through automation. Beyond job displacement, technological change is likely to have greater impact on job quality in low-wage jobs, through such practices as algorithmic management and workplace monitoring.

Many California workers earn wages below what would be required to afford minimum standards of living. A [comprehensive analysis by MIT](#) that determines the cost of living based on typical expenses (including food, child care, medical, housing, and transportation) estimates that for a family with two parents (both working) and two children, each parent would need to earn \$16.39/hour in California to afford minimum standards of living. The estimated living wage varies across major regions within the state from \$17.19/hour in Fresno to \$22.76/hour in San Francisco/Oakland.

One in three California workers (35%) earns less than \$15/hour. Working full-time, year-round at this wage would generate an annual income of about \$31,000. One half of all Latino/a workers in the state make less than \$15/hour, compared to 23% of white workers. The majority of those making under \$15/hour are women, though women comprise just under half of the California's total labor force. Those making less than \$15/hour have lower educational attainment than the workforce overall; one in five (21%), though, have an associate's degree (7%) or a bachelor's degree (14%). Most workers making less than \$15/hour in California (57%) are over age 30. In the Fresno metro area, 45% of workers make less than \$15/hour, compared to 21% in the San Francisco Bay Area. The vast majority (69%) work full-time.

LOW-WAGE WORK AND ECONOMIC EQUITY

The largest shares of low-wage workers in California work for employers in retail (16%), food services/restaurants (13%), and health care/social services (12%). The occupations in which the greatest share of workers earn less than \$15/hour include: agricultural workers (82%), food preparation workers (82%), personal care aides (77%), cashiers (77%), and childcare workers (74%).

Wage inequality has grown significantly over the past 40 years in the U.S., with hardly any change in wages for low-wage workers. From 1979-2018, wages for the top 10% of workers increased by 45%, after adjusting for inflation. Wages for the median worker increased by 14%. For the bottom tenth of workers, wages have increased by just 4% since 1979. In fact, all of that growth has taken place after 2016 (from 1979-2016, wages for the bottom tenth of workers declined slightly by -0.6%). During the current economic expansion since 2009 (the longest in U.S. history), wages have grown by 7% for the bottom tenth of workers and by 9% for the top tenth. Even in Silicon Valley, an engine of extraordinary wealth generation, [real wages actually declined for all but the top 10% of earners](#) from 1997-2017.

Low-wage work can create significant public costs, as many low-wage workers have incomes that are below the eligibility thresholds for social assistance programs. Half of California state expenditures on Medicaid/CHIP and Temporary Assistance for Needy Families (TANF) goes to recipients in working families. [A study of state expenditures on social programs](#) estimated that just over half of the \$7.3 billion in state expenditures on Medicaid/CHIP and TANF in 2009-2011 went to recipients in working families. Across the U.S., 52% of state expenditures on these programs were for recipients in working families.

Low-wage workers also confront the challenges of unpredictable scheduling, income volatility, and the lack of other employment benefits. [Irregular scheduling is linked to difficulty in finding childcare and housing hardship.](#) other Low-wage workers are [far less likely to receive benefits](#) like health insurance, retirement, paid vacation, sick leave, and maternity leave. The Federal Reserve Board estimated that [36% of low-income families went without some necessary medical treatment](#) in 2018.

California has a heterogeneous mix of employers, especially by firm size. More than 96% firms in California are small businesses with fewer than 50 employees; 71% have fewer than five employees. About 41% of workers in California are at firms with fewer than 50 employees. Though less than 0.1% of employers in California have more than 1,000 employees, these largest firms employ 15% of California workers.

Employers in low-wage industries can face particular competitive pressures that keep wages low throughout an industry. The structure of several industries with a large share of low-wage work may serve to discourage employers from acting on their own to increase wages. If a large competitor pays relatively low wages, it can be difficult for others in the industry to compete without lowering wages. This is sometimes described as a 'race to the bottom', as firms begin to compete on labor costs, driving down wages throughout the industry. Some policy interventions have focused on industry-level standards to raise the floor to discourage firms from competing on lowering wages, such as the industry-specific minimum wage policy for fast food establishments in New York State.



ABOUT THE CONVENING

The fourth convening of the Future of Work Commission takes place in Los Angeles, a diverse, global city that faces many of the demographic, economic and social challenges and opportunities that the state as a whole will confront in coming years. As with the previous convening, the Commission will hear from external experts in the morning, and the afternoon will be dedicated entirely to discussion among Commissioners about the substantive work facing the Commission.

The convening will begin with a welcome from Los Angeles County Supervisor Hilda Solis, who formerly served as the U.S. Secretary of Labor in the Obama Administration from 2009 to 2013. Manuel Pastor (University of Southern California) will provide perspectives on the political economy of low-wage work and inequality in California. Abel Valenzuela (UCLA) will draw on his research on low-wage work, race and immigrant workers in Los Angeles and beyond, including informal or unregulated work and day laborers. This will be followed by a conversation with the first set of employers to share insights directly with the Commission. Mark Herbert (Small Business Majority) will provide perspectives on the problems of low-wage work, as a representative of an organization of small business owners in California. Pamela Kan (Bishop Wisecarver) will share insights from a California-based manufacturer.

In the afternoon, the Commission will continue the work it began at the previous convening to collectively develop a shared understanding of the scope of the Commission's work and begin considering the criteria and characteristics of potential solutions.

SOME QUESTIONS TO CONSIDER

1. What floors should be in place to ensure the livelihood of all California workers (e.g. wages, benefits, work conditions, scheduling, etc)?
2. What are the key barriers to economic equity faced by workers of color, immigrant workers, and other marginalized workers in California?
3. What strategies or policies could encourage employers to pursue high-road employment and discourage a race to the bottom by competing primarily on wages?
4. What policies or strategies can shape technological development to improve jobs and promote economic equity rather than displacing jobs or exacerbating inequality (e.g. funding for R&D, incentives and regulation regarding adoption of technology, data collection, etc.)?

SELECTED RESOURCES

[Low-Wage Work in California: Data Explorer](#). UC Berkeley Labor Center.

Martha Ross and Nicole Bateman. [“Meet the low-wage workforce.”](#) Brookings Institution. 2019.

[Income Volatility: A Primer](#). Aspen Institute Expanding Prosperity Impact Collaborative (EPIC). 2016.

Drew Desilver. [“For most U.S. workers, real wages have barely budged in decades.”](#) Pew Research Center. 2018.

DESIGN PRINCIPLES

The Commission collectively developed the following design principles to create and evaluate recommendations.

Bold: nothing should be excluded on the basis of political feasibility

Forward-Facing: let's not solve for the last war

Work-Adjacent: include work plus housing, transportation, living

Context-Sensitive: take into account implications across gender, race, age, geography

Coalition-Building: bring together multiple stakeholders

Portfolio-Based: easy/fast to hard/long-term

Scalable: achieve high impact

Agile and Iterative: can be prototyped and adapted as needed

Measurable: identify clear areas of potential impact

Actionable and Practical: grounded in real-world solutions that can be implemented

THURSDAY, DECEMBER 12

9:30am	Arrive	12:20pm	Lunch
10:00am	Welcome/Opening Hilda Solis , Los Angeles County Board of Supervisors; former U.S. Secretary of Labor	1:00pm	Commissioner Discussion Part 1 <i>Facilitated by Lyn Jeffery, Institute for the Future</i>
10:20am	Low-Wage Work and Economic Equity in California Manuel Pastor , Distinguished Professor of Sociology, University of Southern California Abel Valenzuela Jr. , Professor of Urban Planning, Luskin School of Public Affairs, University of California, Los Angeles <i>Moderated by Anmol Chaddha, Institute for the Future</i>	2:35pm	Break
11:20am	Break	2:50pm	Commissioner Discussion Part 2 <i>Facilitated by Lyn Jeffery, Institute for the Future</i>
11:30am	Employer Perspectives on Jobs and Economic Equity Mark Herbert , Vice President, California, Small Business Majority Pamela Kan , President, Bishop-Wisecarver <i>Moderated by Lenny Mendonca Chief Economic and Business Advisor; Director, Governor's Office of Business and Economic Development</i>	3:40pm	Break
		3:50pm	Commissioner Discussion Part 3 <i>Facilitated by Lyn Jeffery, Institute for the Future</i>
		4:30pm	Public comment NOTE: The Commission may not discuss or take action on any matter raised during the public comment session, except to decide whether to place the matter on the agenda of a future meeting (Government Code sections 11125, 1125.7(a)).
		5:00pm	Adjourn

PANELISTS

OPENING AND WELCOME



HILDA SOLIS

Supervisor
District 1, Los Angeles County
@HildaSolis

Hilda L. Solis has served on the Los Angeles County Board of Supervisors since 2014. She previously served as the U.S. Secretary of Labor in the Obama Administration, as the first Latina in the U.S. Cabinet. Solis represented a Southern California district in the U.S. Congress from 2001 to 2009. As a Representative in Congress, she championed expanded access to affordable health care, environmental protection, and improving the lives of working families. A recognized leader on clean energy jobs, she authored the Green Jobs Act which provided funding for “green-collar” job training for veterans, displaced workers, at-risk youth, and low-income residents. Solis became the first woman to receive the John F. Kennedy Profile in Courage Award in 2000 for her pioneering work on environmental justice issues, including legislation enacted in California in 1999 that was the first of its kind in the nation. Solis graduated from California State Polytechnic University, Pomona, and earned a Master of Public Administration from the University of Southern California.

LOW-WAGE WORK AND ECONOMIC EQUITY IN CALIFORNIA



DR. MANUEL PASTOR

Distinguished Professor of Sociology
University of Southern California
@Prof_MPastor

Dr. Manuel Pastor is a Distinguished Professor of Sociology and American Studies & Ethnicity at the University of Southern California. He currently directs the Program for Environmental and Regional Equity (PERE) at USC and USC’s Center for the Study of Immigrant Integration (CSII). Pastor holds an economics Ph.D. from the University of Massachusetts, Amherst, and is the inaugural holder of the Turpanjian Chair in Civil Society and Social Change at USC. Pastor’s research has generally focused on issues of the economic, environmental and social conditions facing low-income urban communities – and the social movements seeking to change those realities. His current research culminates in his latest book, *State of Resistance: What California’s Dizzying Descent and Remarkable Resurgence Means for America’s Future*. Previous volumes relevant to the future of work include: *Equity, Growth, and Community: What the Nation Can Learn from America’s Metro Areas*, co-authored with Chris Benner (UC Press 2015), *Just Growth: Inclusion and Prosperity in America’s Metropolitan Regions*, co-authored with Chris Benner (Routledge 2012), and *Staircases or Treadmills: Labor Market Intermediaries and Economic Opportunity in a Changing Economy*, co-authored with Chris Benner and Laura Leete (Russell Sage 2007).

LOW-WAGE WORK AND ECONOMIC EQUITY IN CALIFORNIA



ABEL VALENZUELA JR.

Professor of Urban Planning,
Luskin School of Public Affairs
University of California, Los Angeles
@AValenzuelaJr

Abel Valenzuela is a professor of Chicana/o studies and urban planning and director of UCLA's Institute for Research on Labor and Employment. He has authored numerous research articles, books, and reports on immigrant settlement, work, and urban poverty. His research on day labor and immigrant labor markets have helped frame national public and policy narratives on immigrant and low-wage workers. Los Angeles occupies a central focus of his research and teaching, and the city guides the Institute's research directions. Valenzuela was born and raised in Los Angeles, earned his bachelor's degree from UC Berkeley and his M.C.P. and Ph.D. from the Massachusetts Institute of Technology. He has published numerous articles and technical reports on low-wage workers, including co-editing (with Lawrence Bobo, Melvin Oliver, and Jim Johnson) "Prismatic Metropolis: Inequality in Los Angeles" published by the Russell Sage Foundation in 2000, "Immigration and Crime: Race, Ethnicity, and Violence" (with Ramiro Martinez Jr.). He has also published in *American Behavioral Scientist*, *Journal of Ethnic and Migration Studies*, *Annual Review of Sociology*, *New England Journal of Public Policy*, *Working USA: A Journal of Labor and Society*, *International Journal of Comparative Sociology*, and *Regional Studies*.

EMPLOYER PERSPECTIVES ON JOBS AND ECONOMIC EQUITY



MARK HERBERT

Vice President, California
Small Business Majority
@smlbizmajority

Mark Herbert directs Small Business Majority's operations throughout California. As Vice President, California, Mark oversees policy, outreach and development efforts across the state while also directing Small Business Majority's work on responsible small business lending issues nationwide. Previously, Mark served as the organization's California Director, Project Manager, and Outreach Manager in California -- where he developed strong relationships with small business owners and business organizations across the state. Prior to joining the Small Business Majority more than six years ago, he worked for state and federal lawmakers where he directed business operations and built relationships with small business owners and key stakeholders in relation to public policy issues. An entrepreneur himself, Mark runs a small consulting business specializing in volunteer management and organizational capacity building. He serves on the advisory boards for the Northern California, San Diego, and Imperial Valley Small Business Development Centers networks, which oversee a total of 22 SBDCs in California. Mark also serves on Covered California's Marketing, Outreach and Enrollment Advisory Group.

PANELISTS

EMPLOYER PERSPECTIVES ON JOBS AND ECONOMIC EQUITY (CONTINUED)



PAMELA KAN

President

Bishop-Wisecarver

@Peekan

Pamela Kan has served as President of Bishop-Wisecarver (BW) since 1999 and helps the company leverage its 70 years of experience to provide proven motion solutions that are expertly designed and delivered to perform, enabling customers to solve their toughest industrial automation challenges. Kan's entrepreneurial vision and commitment to customer service helped her lead the company in its first acquisition, as well as becoming certified in the Bay Area Green Business Program and as a WBENC (Women's Business Enterprise National Council) certified woman-owned business. As one of the few female leaders in the manufacturing industry, Kan is active in numerous regional and national trade organizations helping to promote manufacturing as a strong career option, as well as STEM-focused student programs and mentoring groups for new women business owners. Kan is the Past Chair of the Executive Committee for California Manufacturing and Technology Association and has served on the California Workforce Development Board, the Workforce Development Board of Contra Costa County, and is a member of the East Bay Advanced Manufacturing Partnership.

COMMISSIONERS



ROY BAHAT

Venture Capitalist
Bloomberg Beta
@roybahat

Roy Bahat invests in the future of work as a venture capitalist, with a focus on machine intelligence. Prior to his life as a VC, Bahat founded start-ups, served as a corporate executive at News Corp., and worked in government in the office of New York City mayor Michael Bloomberg. As the head of Bloomberg Beta, an investment firm with 150 million dollars under management, Bahat and his team have invested in areas like automation, data, robotics, media, productivity tools, and many others. Fast Company named Bahat one of the Most Creative People in Business and noted “Bahat is a natural innovator ... one of the most candid people you’ll ever meet (check out his LinkedIn profile).” He organized “Comeback Cities,” where he leads groups of venture capitalists and members of Congress on bus tours to find the untapped beds of talent and entrepreneurship in America. He also co-chaired the Shift Commission on Work, Workers, and Technology, a partnership between Bloomberg and think-tank New America to look at automation and the future of work 10 to 20 years from now.



DOUG BLOCH

Political Director
Teamsters Joint Council 7
@TeamsterDoug

Doug Bloch has been political director at Teamsters Joint Council 7 since 2010. In this capacity, he works with over 100,000 Teamsters in Northern California, the Central Valley, and Northern Nevada in a variety of industries. He was the Port of Oakland campaign director for Change to Win from 2006 to 2010 and a senior research analyst at Service Employees International Union Local 1877 from 2004 to 2006. Mr. Bloch was statewide political director at the California Association of Community Organization for Reform Now (ACORN) from 2003 to 2004 and ran several ACORN regional offices, including Seattle and Oakland, from 1999 to 2003. He was an organizer at the Non-Governmental Organization Coordinating Committee for Northeast Thailand from 1999 to 2003.



DR. SORAYA M. COLEY

President
Cal Poly Pomona
@PresColeyCPP

Dr. Soraya M. Coley, a veteran administrator with more than 20 years of experience in higher education, became the sixth president of Cal Poly Pomona in January 2015. Coley transitioned to Cal Poly Pomona from Cal State Bakersfield, where she was the provost and vice president for academic affairs from 2005 to 2014. She also served as interim vice president for university advancement in 2011–12. Her experience includes serving as Cal State Fullerton’s dean of the College of Human Development and Community Service, as administrative fellow, and professor and department chair for the human services department. She was the system-wide provost and vice president for academic affairs at Alliant International University, from 2001 to 2003. Coley earned a bachelor’s in sociology from Lincoln University, a master’s in social planning and social research from Bryn Mawr, and a doctoral degree in social planning and policy from Bryn Mawr. She is married to Ron Coley, Lt. Col. (Ret.) USMC, who after his military service, enjoyed a distinguished career in public service and higher education administration, including six years as Senior County Administrator in Orange County, California, and multiple senior positions at the University of California.



LLOYD DEAN

Chief Executive Officer
CommonSpirit Health
@LloydHDean

Lloyd Dean is chief executive officer of CommonSpirit Health, a newly created national health care system formed by Dignity Health and Catholic Health Initiatives. He is co-chair of the California Future Health Workforce Commission, chair of the Board of Directors for the Committee on Jobs in San Francisco, and a member of the McDonald’s Board of Directors. Dean holds degrees in sociology and education from Western Michigan University and received an honorary Doctor of Humane Letters degree from the University of San Francisco. A strong advocate for health care reform, he has been actively engaged with President Obama and the White House Cabinet on healthcare issues.

COMMISSIONERS



JENNIFER GRANHOLM

Former Governor
State of Michigan
@JenGranholm

Jennifer Granholm served two terms as Michigan's 47th governor from 2003 to 2011, and was the Michigan Attorney General from 1998-2002. As Governor, Granholm led the state through a brutal economic downturn that resulted from the Great Recession and a meltdown in the automotive and manufacturing sectors. She worked relentlessly to diversify the state's economy, strengthen its auto industry, preserve the manufacturing sector, and add new, emerging sectors, such as clean energy, to Michigan's economic portfolio. After leaving office, Granholm served as an advisor to Pew Charitable Trusts' Clean Energy Program, where she led a national campaign for clean energy policies. She also hosted Current TV's political news analysis show "The War Room with Jennifer Granholm" and co-authored *A Governor's Story: The Fight for Jobs and America's Economic Future*, which tells how Michigan pioneered ways out of an economic storm and offers proven advice for a nation desperate to create jobs. Currently, Granholm is a contributor to CNN, a Senior Advisor to the progressive political groups Media Matters and American Bridge, is head of the sustainability practice at Ridge-Lane, and sits on numerous private sector and non-profit boards.



LANCE HASTINGS

President
California Manufacturers & Technology Association
@lance_hastings

Hastings has held several leadership roles at MillerCoors the past 15 years. He served most recently as Vice President of National Affairs for MillerCoors. Prior to that he served as Head of Regulatory & Tax Affairs for SABMiller. He also represented Miller Brewing Company and MillerCoors in Sacramento as Director of State Government Affairs, where he served on CMTA's Board of Directors. Before his long career as a manufacturing executive Hastings was the Vice President and Director of Government Relations from 1998 to 2003 at the California Grocers Association. Hastings also worked in the California State Legislature for almost a decade as a chief consultant, starting in 1989. Hastings has a Bachelors of Arts in Economics and a Minor in Government

from California State University at Sacramento.



MARY KAY HENRY, CO-CHAIR

International President
Service Employees International Union (SEIU)
@MaryKayHenry

Mary Kay Henry is International President of the 2 million-member Service Employees International Union (SEIU), and her leadership is rooted in a deep-seated belief that when individuals join together they can make the impossible possible. Under her leadership, SEIU has won major victories to improve working families' lives by strengthening and uniting healthcare, property services, and public sector workers with other working people across the United States, Canada and Puerto Rico. In 2010, Mary Kay Henry became the first woman elected to lead SEIU, after more than 30 years of helping unite healthcare workers. By 2015, she was named one of the 100 most creative leaders by Fast Company magazine and was included in the top 50 visionaries reshaping American politics by Politico magazine for SEIU's innovative leadership in propelling the fight for living wages embodied in the historic movement known as the "Fight for \$15." Henry believes that to better fulfill the promise of a just society America has always aspired to be, we must fight for justice on all fronts including defending the gains accomplished for access to affordable healthcare for all families under the Affordable Care Act, comprehensive immigration reform and a path to citizenship for all hardworking immigrant families, and safety and justice in all communities of color across the country.



CARLA JAVITS

President & CEO
Roberts Enterprise Development Fund (REDF)
 @cjavitsredf

Carla Javits is President and CEO of REDF (The Roberts Enterprise Development Fund), a pioneering venture philanthropy galvanizing a national movement of social enterprises—purpose-driven, revenue-generating businesses that help people striving to overcome employment barriers get good jobs, keep those jobs, and build better lives. Through her stewardship, REDF has invested in 183 social enterprises in 26 states. These businesses have generated \$755 million in revenue and employed 37,700 people—and counting. REDF’s goal is to see 50,000 people employed by 2020, contributing their skills and talents to our communities and helping to build a stronger, more inclusive society.



SARU JAYARAMAN

President
ROC United & ROC Action, Director of the Food Labor Research Center
 @SaruJayaraman

Saru is the President of One Fair Wage, Co-Founder of the Restaurant Opportunities Centers United (ROC United), and Director of the Food Labor Research Center at the University of California, Berkeley. Saru is a graduate of Yale Law School and the Harvard Kennedy School of Government. She was profiled in the New York Times “Public Lives” section in 2005, named one of Crain’s “40 Under 40” in 2008, was 1010 Wins’ “Newsmaker of the Year” and New York Magazine’s “Influentials” of New York City. She was listed in CNN’s “Top10 Visionary Women” and recognized as a Champion of Change by the White House in 2014, and a James Beard Foundation Leadership Award in 2015. Saru authored *Behind the Kitchen Door* (2013), a national bestseller, and has appeared on CNN with Soledad O’Brien, Bill Moyers Journal on PBS, Melissa Harris Perry and UP with Chris Hayes on MSNBC, Real Time with Bill Maher on HBO, the Today Show, and NBC Nightly News with Brian Williams. Her most recent book is *Forked: A New Standard for American Dining* (2016). In 2019, she was named the San Francisco Chronicle Visionary of the Year.



TOM KALIL

Chief Innovation Officer
Schmidt Futures

Tom Kalil has been Chief Innovation Officer at Schmidt Futures since 2017. He was deputy director of the White House Office of Science and Technology Policy for President Obama from 2009 to 2017. Kalil was special assistant to the Chancellor for Science and Technology at the University of California, Berkeley from 2001 to 2008 and was chair of the Global Health Working Group for the Clinton Global Initiative in 2007 and 2008. He also served on the White House National Economic Council from 1993 to 2001 and from 2000 to 2001, was deputy assistant to President Clinton for technology and economic policy.



ASH KALRA

Assemblymember
California Assembly District 27
 @Ash_Kalra

Assemblymember Ash Kalra was elected to represent the 27th California State Assembly District in 2016, and was appointed Chair of the Assembly Committee on Labor and Employment and sits on the Aging and Long Term Care, Education, Judiciary, Water, Parks, and Wildfire committees. Assemblymember Kalra has established himself as a leader on issues ranging from the environment and conservation, to criminal justice reform, health care sustainability, housing affordability, growing our transportation infrastructure, and expanding economic opportunity to all Californians. Previously, Kalra served as a San Jose City Councilmember, and as a deputy public defender in Santa Clara County. Kalra earned a Juris Doctor degree from the Georgetown University Law Center and is the first Indian-American to serve in the California Legislature.

COMMISSIONERS



STEPHANE KASRIEL

Chief Executive Officer

Upwork

@skasriel

Stephane Kasriel has been Chief Executive Officer of Upwork Inc. since 2015, after being Vice President of product at Upwork's predecessor company oDesk, and subsequently Senior Vice President of Product and Engineering from 2012 to 2015. He held multiple positions at PayPal from 2004 to 2010, including Managing Director for PayPal France, Global Head of Consumer Products and Global Head of Mobile Business Development. Kasriel serves as co-chair for the World Economic Forum's Council on the New Social Contract and previously served as Co-chair for the World Economic Forum's Council on Education, Gender and Work. Kasriel earned a Master of Business Administration degree from Institut Européen d'Administration des Affaires (INSEAD) and a Master of Science degree in computer science from Stanford University.



FEI-FEI LI

Co-Director and Professor

**Human-Centered AI Institute,
Stanford University**

@drfeifei

Dr. Fei-Fei Li is the inaugural Sequoia Professor in the Computer Science Department at Stanford University, and Co-Director of Stanford's Human-Centered AI Institute. She served as the Director of Stanford's AI Lab from 2013 to 2018. During her sabbatical from Stanford from January 2017 to September 2018, she was Vice President at Google and served as Chief Scientist of AI/ML at Google Cloud. Dr. Fei-Fei Li's main research areas are in machine learning, deep learning, computer vision and cognitive and computational neuroscience. She has published nearly 200 scientific articles in top-tier journals and conferences, including *Nature*, *PNAS*, *Journal of Neuroscience*, *CVPR*, *ICCV*, *NIPS*, *ECCV*, *ICRA*, *IROS*, *RSS*, *IJCV*, *IEEE-PAMI*, *New England Journal of Medicine*, etc. Dr. Li is the inventor of ImageNet and the ImageNet Challenge, a critical large-scale dataset and benchmarking effort that has contributed to the latest developments in deep learning and AI. In addition to her technical contributions, she is a national leading voice for

advocating diversity in STEM and AI. She is co-founder and chairperson of the national non-profit AI4ALL aimed at increasing inclusion and diversity in AI education.



JAMES MANYIKA, CO-CHAIR

Senior Partner

McKinsey & Company

James Manyika is Senior Partner at McKinsey and Company and Director of the McKinsey Global Institute. He was appointed by President Obama as Vice Chair of the Global Development Council at the White House (2012–present), and by US secretaries of commerce to the Digital Economy Board of Advisors (2016) and the National Innovation Advisory Board (2011). He serves on several other boards, including the Council on Foreign Relations, Aspen Institute, and John D. and Catherine T. MacArthur Foundation. He is a non-resident Senior Fellow of Brookings Institution and a Fellow of DeepMind and the Royal Society of Arts. A Rhodes Scholar, he holds a BSc in Electrical Engineering from University of Zimbabwe, and an MSc, MA and DPhil from Oxford University in Robotics, Computation.



JOHN MARSHALL

Senior Capital Markets Analyst

**United Food and
Commercial Workers**

John Marshall is a Senior Capital Markets Analyst with the United Food and Commercial Workers' (UFCW) Capital Stewardship Program. At the UFCW, Marshall conducts financial research on public and private companies and works closely with investors and analysts on corporate governance matters. For the past two years, Marshall has been the UFCW staff liaison to the AFL-CIO's Commission on the Future of Work and Unions. Marshall graduated from the University of California at Santa Cruz with a degree in American Studies, received his MBA from the UCLA Anderson School of Management and is a holder of the Chartered Financial Analyst (CFA) designation. Prior to joining the UFCW, Marshall was Research Director for the SEIU Capital Stewardship Program. He has also held positions at Ullico, Inc., SEIU Local 250, and UNITE HERE Local 2.



ART PULASKI

Executive Secretary-Treasurer
and Chief Officer
California Labor Federation
@ArtPulaski

Art Pulaski is the Executive Secretary-Treasurer and Chief Officer of the California Labor Federation. Since his election in 1996, Pulaski has reinvigorated grassroots activism in unions and championed support for new organizing. Under Pulaski's leadership, the California Labor Federation's achievements have included restoring daily overtime pay, raising the minimum wage, increasing benefits for injured and unemployed workers, creating collective bargaining opportunities for hundreds of thousands of public sector workers, and passing the nation's first comprehensive Paid Family Leave law. In 2010, the Federation led the successful campaign to ensure every California Democrat in Congress voted in favor of the landmark federal health care reform legislation. Pulaski has led the California labor movement in new strategies of political action and economic development. Since he took office at the California Labor Federation in 1996 the labor group has more than doubled in size.



MARIA S. SALINAS

President & CEO
**Los Angeles Area Chamber
of Commerce**
@salinas_ms

Maria S. Salinas is the President & CEO of the Los Angeles Area Chamber of Commerce, the largest business association in Los Angeles County representing more than 1,600-member companies and serving the interests of more than 235,000 businesses across the Los Angeles region. Ms. Salinas took the helm of the organization in August of 2018 and became the first woman and Latina to lead the L.A. Area Chamber in its 130 year history. An accomplished business woman, entrepreneur, and a stalwart community leader, Ms. Salinas' business acumen and financial expertise provides her with the right experience to lead the Chamber. Ms. Salinas is a graduate of Loyola Marymount University (LMU), earning a Bachelor of Science in Accounting in 1987. She is currently Chair of the Board of Regents and member of the Board of Trustees at LMU, Board Chair of UnidosUS, and member of the founding Board of Directors of Kaiser Permanente School of Medicine. Over the years, she has served numerous

esteemed civic and nonprofit organizations and has been recognized for her leadership and community service. Ms. Salinas lives in Pasadena, California, with her husband Raul, a prominent Los Angeles attorney, and their four sons.



PETER SCHWARTZ

Senior Vice President of
Strategic Planning
Salesforce
@peterschwartz2

Peter Schwartz is an internationally renowned futurist and business strategist, specializing in scenario planning and working with corporations, governments, and institutions to create alternative perspectives of the future and develop robust strategies for a changing and uncertain world. As Senior Vice President of Strategic Planning for Salesforce, he manages the organization's ongoing strategic conversation. Peter leads the Salesforce Futures LAB—a collaboration between strategic thinkers at Salesforce and its customers around provocative ideas on the future of business. Prior to joining Salesforce, Peter was co-founder and chairman of Global Business Network. He is the author of several works. His first book, *The Art of the Long View*, is considered a seminal publication on scenario planning. Peter has also served as a script consultant on the films "The Minority Report," "Deep Impact," "Sneakers," and "War Games." He received a B.S. in aeronautical engineering and astronautics from Rensselaer Polytechnic Institute in New York.

COMMISSIONERS



HENRY STERN

State Senator
California Senate District 27
@HenrySternCA

Senator Henry Stern was elected to represent the 27th California State Senate District in 2016. He chairs the Senate Natural Resources and Water Committee and formerly chaired the Elections and Constitutional Amendments Committee. Senator Henry Stern is a sixth-generation Californian and native of this district. He is a former environmental lawyer, lecturer, senior policy advisor and civics teacher. Senator Stern has lectured at UCLA and UC Berkeley, enjoys volunteering at his local Boys & Girls Club and is a member of the Santa Monica Mountains Conservancy Advisory Committee, the Jewish Federation, the American Jewish Committee, and the Truman National Security Project. He earned a Juris Doctor degree from the University of California, Berkeley School of Law.



MARIANA VITURRO

Deputy Director
National Domestic Workers Alliance (NDWA)

Mariana Viturro is the Deputy Director at the National Domestic Workers Alliance (NDWA), the leading organization working to build power, respect, and fair labor standards for the estimated two million nannies, housekeepers, and elderly caregivers in the United States. She started organizing in the San Francisco Bay Area in 1998. Mariana has been organizing with immigrant communities and communities of color for the last 15 years. Prior to NDWA, as the Co-director of St. Peter's Housing Committee, Mariana guided a programmatic transition from service provision to organizing and then facilitated the organizational merger with a sister organization resulting in the creation of Causa Justa::Just Cause. Since March 2011, she has used her strong operational and organizing skills and a commitment to creating a culture of support and accountability to NDWA.



BETTY T. YEE

Controller
State of California
@BettyYeeforCA

State Controller Betty T. Yee was elected in 2014, following two terms on the California Board of Equalization. Reelected as Controller in 2018, Ms. Yee is the 10th woman in California history to be elected to statewide office. As the state's chief fiscal officer, Ms. Yee chairs the Franchise Tax Board and is a member of the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) Boards. These two boards have a combined portfolio of more than \$570 billion. Ms. Yee also serves on the Ceres Board of Directors, a nonprofit working to mobilize many of the world's largest investors to advance global sustainability and take stronger action on climate change. Ms. Yee has more than 35 years of experience in public service, specializing in state and local finance and tax policy. Ms. Yee previously served with the California Department of Finance where she led the development of the Governor's Budget, negotiations with the Legislature and key budget stakeholders, and fiscal analyses of legislation. She previously served in senior staff positions for several fiscal and policy committees in both houses of the California State Legislature. Ms. Yee received her BA in sociology from the University of California, Berkeley, and holds a master's degree in public administration.

SUPPLEMENTAL MATERIALS

DR. MANUEL PASTOR

Distinguished Professor of Sociology

University of Southern California

From Resistance to Renewal: A 12-Step Program For the California Economy. 2019.

[Executive summary](#)

[Full Report](#)

PAMELA KAN

President

Bishop-Wisecarver

[It's time to re-energize manufacturing](#)



FROM RESISTANCE TO RENEWAL

A 12-Step Program For Innovation
and Inclusion in the California Economy



October 2018

By Manuel Pastor and Chris Benner
With Arpita Sharma, Edward Muña, Stina Rosenquist, and Vanessa Carter

USC Dornsife

Program for Environmental and Regional Equity

The Program for Environmental and Regional Equity (PERE) is a research unit situated within the USC Dornsife College of Letters, Arts & Sciences. PERE conducts research and facilitates discussions on issues of environmental justice, regional inclusion, and social movement building. PERE's work is rooted in the new three R's: rigor, relevance, and reach. We conduct high-quality research in our focus areas that is relevant to public policy concerns and that reaches directly affected communities that most need to be engaged in the discussion. PERE's main project areas are: Environmental Justice, Regional Equity, Social Movements, Immigrant Integration, and Rapid Response.



The Santa Cruz Institute for Social Transformation builds on the cutting-edge work at UC Santa Cruz addressing critical issues: economic inequality, environmental threats, political and educational stratification that is jeopardizing our very democracy. The institute conducts rigorous research that is complemented by hands-on engagement of our students and strong partnerships beyond the academic world, serving as an incubator for new ideas and an accelerator for pathbreaking scholarship in the public interest.

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In addition, the authors could not have completed this report without the inspiration and vital support of so many partners in the field. In the process of developing this framework for a new California economy, we convened three different focus groups with the participants from a wide range of community, labor, and other organizations (a full list is available in the appendix). The participants sometimes validated what we had to say and more often challenged us to better reflect their realities on the ground. We thank them for their feedback on the report – and we know that any implementation of the ideas here will require continued collaboration and organizing.

— Manuel Pastor, Los Angeles
— Chris Benner, Santa Cruz

Executive Summary

For better or worse, California often leads the nation. In the past, we developed policies which stripped fiscal finance, ignored working poverty, and perpetuated racial inequalities—and we often exported our bad practices to others. But the Golden State is now experiencing a progressive political comeback—based in key structural reforms and inspiring movement organizing—that has transformed the state into a leader on supporting immigrant integration, addressing climate change, promoting decriminalization, and more.

Yet political resistance has not translated to economic renewal. Despite boasting the world's fifth largest economy, California also ranks fourth among U.S. states in terms of income inequality. Worker productivity has soared by over 90 percent since 1980, while real median wages—what the average worker makes—have flatlined. Communities of color may be optimistic about their political futures, but the ratio of Black to white household income is even lower today than it was in the early 1990s and the ratio of Latino to white household income has barely budged.

The reasons behind the growing economic gaps are often rooted in national dynamics: the skyrocketing wealth of those in the top 1 percent, the steadily widening divides in the wages of those with and without educational credentials, the slippage in union power and worker voice, and the failure of America to fully address structural racism in education and labor markets. The underlying trends seem slated to worsen in the face of increasing globalization and rising automation, trends that are straining wages, driving uncertainty, and further reducing the influence of everyday Americans on economic policy.

We need a national debate about how to promote innovation and inclusion. Globalization and automation may bring a new economic dynamism, but for workers, this is often experienced as job churning and economic insecurity. Our 20th-century institutions—with employer-based benefits and scant social protection against economic disruptions—seem ill-suited for a 21st-century economy. But the current administration in Washington seems hell-bent on blaming “the others”—for example, immigrants—

for the uncertainty rather than engaging in essential discussions about how to adjust to the pressures of global trade, technological change, and shifting employment.

California has been there before. In the 1990s, we reacted to big economic transformations that devastated our industrial base by bashing immigrants, banning affirmative action, eliminating bilingual education, and criminalizing youth of color. Having wracked ourselves over those coals, we wised up: Even before the 2016 elections that helped to position California as a “state of resistance,” the Golden State had adopted a \$15 an hour minimum wage; steadily expanded immigrant access to state services; and reoriented its education spending to more effectively focus on English learners, low-income students, and foster youth.

It is now time for California to once again take the lead, in this case on establishing a forward-looking vision and framework for the state's economy that reduces our current economic, political, and social polarization. With Congress stripping away deductibility for state and local taxes, the Justice Department threatening California for shielding undocumented residents, and the Environmental Protection Agency seeking to overrule the State's climate policies, California is, in effect, being told to go its own way if it wishes to continue standing for progressive values. So perhaps it should, remembering that California has long dragged the nation—often kicking and screaming—to a better future.

To provide leadership not just in lawsuits but in economic policy, we need to understand five new trends in the economy and in economic thinking. The first is that current levels of inequality are actually derailing prosperity, as equity is key to achieving sustainable growth. The second is that racism must be rooted out of our economic and social systems; this will help us make full use of all our talents and ensure that we are not distracted from seeking economic common ground.

A third is that we need to make protecting the planet central to policy-making; we can drive innovation and

development by addressing climate change. A fourth is that the current crossroads have created a new opportunity for partnerships with business. While progressives have been rightly wary of corporate intentions and eager to support alternative forms of enterprise (such as worker cooperatives), there are few alternatives to job creation at a large scale and some businesses have lined up to support immigrants, diversity, and a green economy.

A fifth big trend is that the new economy is not just about technology but also about demography. In that light, the biggest change facing the state is not the growth of its ethnic population; after decades of rapid shifts, that has actually stabilized. The truly important impending dynamic is the aging of the population, a phenomenon that requires the cultivation of a “caring economy” in which both workers are supported to care for family members and those workers who support our elders and young are cared for with decent working conditions and wages.

So how do we develop a new economy that values and promotes social solidarity? To get there, we need to realize that economic institutions and policies need to do three things: grow employment and the economy, strengthen connections between people and places, and provide security for families and communities. That, after all, was the real secret of

the New Deal: a Keynesian willingness to pump the economy when it sank in recession; to invest in those parts of the country, like Appalachia, that would otherwise have been left behind; and to expand security, including creating unemployment insurance and expanding retirement systems and eventually health insurance.

In thinking about how to adjust those basic principles of sustaining growth, deepening connections, and reducing fear in our time and our state, we think that a 12-step program—always handy for recovery from the inequality and racism that has plagued us—is in order. While we are aware that these steps do not exhaust the full set of possibilities, and while we see our effort less as a blueprint and more as an invitation to a conversation about the state’s future, we see the following as key steps to promote innovation and inclusion in the Golden State.



1 First, we need to promote innovation and secure public returns from public investments in innovation. If you take apart an iPhone—conceptually, so do not do this at home—you find a wealth of public investments in technology development and educational institutions that have made innovation possible. We need to expand this kind of investment in key areas of new technology with significant impact, such as advanced manufacturing, renewable energy and energy efficiency, and socially beneficial applications of artificial intelligence. We also need to develop mechanisms to capture a public return on that investment and use it to both fund further innovation and support residents with a “technology dividend” parallel to the Alaska Permanent Fund. The State could also use spur innovation and inclusion with a stronger commitment to renewable energy, green technologies, and the promotion of advanced manufacturing.

2 Second, we must care for the caring economy. The state should lead in recognizing that one key aspect of the new economy involves a particular sort of demographic change: the aging of California. In 2010, 11 percent of Californians were at least 65 years old; by 2060, that number will be 26 percent. Because of this, we are likely to have a larger caring economy in terms of increased elder care, but the question is whether it will also be a more caring economy in terms of the treatment of those domestic workers and those family members providing support. This calls for policies like expanded family leave, caregiver tax benefits, and caregiver support programs, including both enhanced training and improved wages as well as full implementation of the California Domestic Workers Bill of Rights.

3 Third, we should empower and equip workers for change. Workers rightly complain about the new level of job insecurity, but even with interventions to limit artificial “independent contracting” and create a minimum wage floor for the “gig economy,” the level of job churn is probably not going away. What can counter the pressures is enhanced worker voice in setting wages and working conditions, something that could be furthered by making unionization easier and creating industry wage boards. Also key is encouraging easier adjustment with on-the-job training, apprenticeship programs, and other forms of workforce development.

4 Fourth, we should encourage lifelong learning. If job churn is part of the “new normal,” California can help support continual reskilling by expanding access to higher education (particularly community college) and increasing investments in early childhood education. The state should also focus on disrupting the school-to-prison pipeline by making more progress on altering school suspension policies and creating a more relationship-centered education environment. Education spending should rise, teacher pay should be improved, and local residents and current paraprofessional staff should be encouraged to become instructors.

5 Fifth, we must promote financial security. If Californians are to embrace change, families and individuals need a cushion. This could include expanding universal savings funds (including “baby bonds”), expanding the State’s EITC, and exploring universal basic income (UBI) programs (in the form of the “technology dividend” we describe above). We also need portable benefits, including universal health insurance and new vehicles for retirement investments, as well as a reworking of unemployment insurance and the development of wage insurance for those who experience transitions in the labor market.

6 Sixth, we need to support all of California’s regions and communities. The state has sharp divides between a prosperous coast, which hosts high-tech, bio-tech, and entertainment industries, and an inland California marked by a low-wage agricultural sector and a high-pollution logistics industry. State development dollars should be driven to central California to close the gap, particularly as this is where young families are on the rise as high housing costs drive people further away from Los Angeles and the Bay Area. Special efforts should also be made to bring resources to distressed communities within metropolitan areas.

7 Seventh, we must ensure successful de-incarceration and reentry. The racial disparities in our criminal justice system have finally spurred large-scale action, such as the decision to de-felonize drug use and the more recent elimination of money bail. While we need to reverse the criminalization of Black and Brown communities, a pattern that has contributed to an explosive growth in state prisons, we also need to turn our attention to supporting

those who are departing the system and seeking to gain employment. We can improve upon on the “Ban the Box” legislation that was signed in late 2017, provide more bundled and complete reentry services, and eliminate the fees and fines that sometimes trap individuals in the system.

8 Eighth, we should embrace and integrate immigrant California. Over a quarter of Californians are immigrants and roughly half of California’s children have at least one immigrant parent; how the current generation of arrivals does will determine the future of their kids and of the state. Workforce development and other systems should be reworked to provide assistance and training for immigrants, regardless of status, and policies that promote entrepreneurship by immigrants (such as removing status requirements for certifications) should be furthered. The State could help by encouraging naturalization and coordinating its own services through an Office of Immigrant Affairs.

9 Ninth, we must ensure affordable housing for all. The state faces an acute crisis for both renters and those seeking to buy into a set of markets in which prices have run away from the average person’s reach. The state needs to dramatically increase the supply of affordable housing, using both dollars and rule changes to do so. Interim measures, like rent stabilization, will likely be necessary to promote neighborhood stability. Other policies will be needed to constrain gentrification and displacement. The state could also consider new forms of social housing based on a vision of housing as a human right.

10 Tenth, we should seek to improve the movement of people, goods, and services. A state that once embraced our cars and our sprawl is now choking our environment and forcing many into brutal commutes. The state is ready to invest: In Los Angeles County alone, taxpayers have agreed to raise and spend roughly \$160 billion on transit improvements, with a significant emphasis on new rail systems and buses. This is also a key area for job generation, not only in construction but in the advanced manufacturing of railcars and buses and maintenance of the new systems. Goods movement is a major job generator but often with low pay and high

pollution; efforts should be made to drive up labor and environmental standards.

11 Eleventh, we must secure our environmental future. The state should acknowledge that economic security will be short-lived if the environment is wrecked in the process. Continued action on addressing climate change is necessary, particularly when it can also yield new jobs in the green and clean energy economies. Some naysayers have given up on climate denial and instead argue that there will be disemployment in striving communities of color; aside from the dubiousness of that economic claim, it is notable that African Americans, Latinos, and Asians in California are more likely to recognize the seriousness of climate change and to suffer directly from pollution, making people of color more likely supporters than whites for action on climate.

12 Twelfth, we should align fiscal and governance systems for an inclusive economy. Some of what California needs to do in this arena is controversial. For example, taxing services would stabilize revenues but the regressive nature of that shift would need to be addressed through exemptions and tweaks in an already progressive income tax. Proposition 13 should be changed to require that property taxes be leveled on the current market value and not the historical value of commercial property; this would yield revenues, promote fairness, and lead to the more efficient use of land. The state should also consider lowering the threshold to raise revenues and experiment with participatory budgets and other ways to devolve more power to communities.

Can all this be done? California has certainly experienced the kinds of broad political and cultural shifts that now make realizing this ambitious 12-step program not just a dream, but a real possibility for making concrete improvements in Californians' daily lives. The policy center of gravity has certainly moved to favor addressing economic and racial inequity—and even a business community that once was wary of addressing inequality and structural discrimination has recognized that poverty is an Achilles' heel and that diversity and openness are assets for the economy.

But we should also be clear that achieving a different economy is fundamentally about power. After all, we have noted that worker productivity in California soared in the last 35 years even as the real median wage stagnated. This was not just a function of shifting returns to technology—that helps to explain why skill-based wage gaps have grown but not why the middle has been stuck. The widening gap has been less about uninformed economic policies and more about an imbalance of influence due to weaker unions and stronger corporations. Rebalancing forces is now key to a new economic strategy.



Fortunately, California finds itself blessed not just with some wise political leaders but also with a dynamic collection of labor unions, immigrant rights groups, environmental justice advocates, education reformers, anti-incarceration activists, and others who have sought to align and ally for a more just and welcoming economy. They assessed the political landscape, reframed issues to broaden support, and fought strategic battles to raise the minimum wage, begin the process of de-incarceration, and rework cap and trade to deliver more benefits to overexposed and socially vulnerable communities.

California now has an opportunity to lead boldly in economic as well as environmental and social policy, to be first in inclusion as well as innovation. While there remain significant limits to what California can do on its own about our economic challenges, it is important to remember that the New Deal—the national social compact that dealt with the insecurities and fears of an earlier economy—was actually developed by state-level experimentation that later became the basis for federal policy. California's progressive advocates, community-based organizations, and labor and other allies now have an opportunity to offer not just a new vision but a new program for the state and for the nation.

We are hopeful that the state can indeed move from resistance to renewal. One of us is a fifth-generation Californian, while the other arrived as a child of immigrant parents. But both of us grew up in a time when the state was investing in the next generation, and both of us were forged politically by decades of struggles by labor and community groups to expand those investments to achieve a more just California. We have seen the state move from crisis to community, from despair to hope—and we are optimistic that it can now move from an economy of exclusion to one where all Californians find themselves able to live, work, and dream in the Golden State.





PER THE SPEC

Quality conversations for the manufacturing world

MARCH 8, 2017 BY PAMELA KAN

It's time to re-energize manufacturing

In the final blog post of this series, let's take a look at ways to ensure an increase in the number of skilled workers in the manufacturing sector.

The U.S. manufacturing industry is experiencing a time of incredible growth and is considered the world's 8th largest economy. The country is benefiting from this success, but so are the employees! Check out the most recent data from [The Manufacturing Institute](#):



THORS SPOTLIGHT:

Recognizing Women with Manufacturing IQ®



- Manufacturing supports 17.6 million jobs in the U.S.
- The average U.S. manufacturing worker earns \$77,506 annually, while the average for workers in other industries is significantly lower at \$62,546
- A large majority, 90%, of manufacturing workers have medical benefits

With such obvious perks for the overall economy and individuals, why are we looking at a lack of skilled workers in manufacturing, especially among women? According to a highly cited [report by Deloitte and The Manufacturing Institute](#), in the next decade, nearly 3.5 million manufacturing jobs will likely be needed, and 2 million are expected to go unfilled due to the skills gap.

With manufacturing proven to be a successful industry, it has hit the “maturity” stage of the life cycle. It is profitable, people know about it (although perceptions are often negative and incorrect), and it has more work to be done than people to do it. For those of us in the manufacturing industry, we need to take this time to re-energize the sector so we continually go back to the growth stage, instead of moving into a decline. It’s obvious that increasing the number of skilled workers in the talent pipeline is one of the main ways we will continue this re-energized growth in manufacturing. But how do we make that happen?

STEM Education + Female Role Models

I’ve covered this in detail in [another blog post](#), but it bears mentioning here as well. In the [2015 public perception report](#) by Deloitte and The Manufacturing Institute, Americans are reluctant to choose careers in manufacturing, and thus, they aren’t encouraging the next generation to pursue these jobs either. Millennials (ages 19-33) showed the lowest likelihood for ranking manufacturing as their first career choice. However, most of these respondents had no personal experience or familiarity with manufacturing. For those who did, they ranked manufacturing as their third most popular career choice out of 7 industries, as opposed to the overall 5th ranking.

This is an important data point showing up over and over—when students have some knowledge with manufacturing, their interest in pursuing it as a career rises exponentially. The STEM programs, mentors, role models, Manufacturing Day events, and career fairs all play a role in showcasing the benefits of manufacturing and providing hands-on, real insight that could change the minds and career paths of a significant number of young women. The statistics and my own personal observations are in total agreement: when young women are given hands-on STEM education, as well as the chance to observe

female role models and be mentored, their interest in STEM careers as well as their follow-through is significant. The statistics are great, but seeing it first hand is powerful. Women currently in manufacturing have an incredible opportunity and responsibility to help bring in the next generation of women into this industry.

Technology

This goes back to perception. So many students (and adults) still see manufacturing as dark, dirty warehouses where workers suffer through hours of rote motions with monstrously big, greasy equipment. That couldn't be further from the current realities and those of us in manufacturing need to showcase this in every way possible. Manufacturing in 2017 means technologically advanced machinery, modern buildings designed to help teams of employees collaborate and communicate more easily, and it includes use of robotics, 3D printing, artificial intelligence, virtual reality, augmented reality, and the Internet of Things, just to name a few.

Millennials have been raised with technology as part of every aspect of their lives and understanding that it plays an important role in manufacturing will help them see this as a more viable career option. From hardware to software and everything in between, the technology advancements in manufacturing are constant and require workers who can keep adapting.

New Materials and Environmental Responsibility

Manufacturing requires constant research and experimenting to determine if new materials can better solve a problem. It's not working with the same old thing that's been used for 30 years, but instead requires thinking differently to find new materials for new uses. In addition to strong salaries and benefits, workers want to be challenged and feel they are contributing to something bigger than one product or one company.

Manufacturing allows for this, as the industry is always looking for ways to innovate and solve problems in new ways, while also saving money, time, and the planet.

Most potential employees don't realize manufacturing companies like mine are often conflict-free certified, meaning that tin, tantalum, tungsten, gold, or their derivatives are not used in parts or materials we use or sell. This helps us support responsible sourcing practices across our supply chains. Companies can also work to be green certified where we commit to going above and beyond what is required to conserve resources, prevent pollution, reduce waste, and shrink our carbon footprint. Manufacturing is socially and

environmentally involved, which should matter to all of us, but is a noted concern to younger workers.

Innovation

Manufacturing isn't a career where you check your brain at the door. It needs great problem solvers who can work to meet current customers' needs, while also developing new innovations for future concerns. The 2014 Deloitte/The Manufacturing Institute report mentioned above found that 78 percent of millennials said their decision to work at a company was influenced by how innovative they considered the company to be. Don't miss that number or its importance. The majority of young workers are selecting their future employers based on perceived innovation. Manufacturing is all about innovation—it's what we do all day, every day. This same group said they value opportunities for personal development and a chance to make a difference.

Talking with the engineers at my company, they have all said—many times—that what they most love about the manufacturing industry is the ability to take their schooling and innate interests and make a difference by creating something new that can help a customer. This is what millennials want and manufacturing has this. We need to be shouting this out a little louder!

Manufacturing is an economic powerhouse. The National Association of Manufacturers has a [Top 20 Facts](#) list that includes these staggering numbers:

- Manufacturing contributed \$2.17 trillion to the U.S. economy in 2015
- For every \$1 spent in manufacturing, another \$1.81 is added to the economy, making it the highest multiplier of any economic sector.

With STEM education and role models leading the way, a new generation can see that manufacturing is an economic leader providing technologically advanced, environmentally concerned, innovative career choices allowing people to make a difference in their community and world. Getting this message out to students, especially females, will provide the biggest impact in solving our industry's need for skilled workers.

