

POLICY WATCH – March 2019

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In this issue, we celebrate March as Women’s History Month! It is good to check in on how women are progressing in the workplace and as business leaders. Unfortunately, as one report laments, “women’s progress isn’t just slow – it’s stalled.” And as Shelly Zalis says, “Parity is not a female issue or a male issue; it is a *leadership* issue.” Study after study shows the benefits of equality in terms of profit, productivity, innovation and more. Time to recognize more efforts are needed because the ROI is there!

We also share good news on projections that Gen Y and Gen Z may provide a jolt to the economy and boost to the workforce as their numbers look to surpass that of the Baby Boom generation. A larger, younger workforce will help the U.S. compete and help replenish the depleting coffers of Social Security and Medicare.

Wishing you a happy spring!

Best,



Cynthia

6 Equality Trends to Watch In 2019

In honor of March being Women’s History Month, we will look at the current state of women in the workplace and in business. In [6 Equality Trends To Watch In 2019](#), by Shelly Zalis ([Link](#)) the author says, “Equality is a choice. The good news is that we generated a lot of awareness and conversation around the need for change and parity. The challenge is that we still have a lot of progress to make. For example, less than 5% of CEOs at Fortune 500 companies are women, and only about 34% of global managers are women, according to the latest [Global Gender Gap Report](#).”

Zalis makes a very important point: “Parity is not a female issue or a male issue; it is a *leadership* issue. As a woman in middle management, it’s not your responsibility to transform workplace culture. It’s time for companies to be accountable for change, and to not hide behind excuses. It’s not only the right thing to

do, it's good for the bottom line: Businesses will see a return on equality when they create measurements and solutions."

Zalis says here are six equality trends to watch and embrace in 2019:

1. More companies are offering equal paid family leave The US is one of the few developed nations that does *not* have a paid family leave policy. The upside is that more companies are recognizing the importance of offering equal paid leave for all employees, with 20 companies—including AT&T, PriceWaterhouseCoopers and Home Depot—adding or expanding their paid leave policies in 2018, [according to the non-profit Paid Leave for the United States \(PL + US\)](#).

In addition to parental leave, caregiving is also critical. "Millions of people drop out of the workforce to provide caregiving to elderly, and most are women," says Annie Sartor, Director of Advocacy at PL + US. "Providing equal paid leave is necessary to even have a shot at addressing inequities. When employers provide family caregiving equally to all employees, then we can shift the norms of caregiving for both men and women. For employers, the cutting edge is no longer simply providing equal leave, but designing initiatives to encourage men to *take* leave."

Benefit to the bottom line: Equal paid family leave—along with encouraging men to take it—will help to minimize hiring bias and the [motherhood penalty](#). [Research shows](#) that offering paid leave also helps improve employee productivity and workplace satisfaction, as well as helps keep women in the pipeline. Having more women in the workforce has been shown to be good for the economy.

2. Companies are rethinking the 9 to 5 Flex schedules that allow for work-from-home days or working hours that fall outside the typical 9 to 5 is another policy that lets employees handle caregiving responsibilities so they can better thrive at both work and home. With technology making it easier than ever to keep in touch with your teams, it may be a growing trend: 46% of organizations have employees working from home part of the time today; 77% say they will have employees working from home part of the time two years from now, according to a [Dimension Data report](#). A survey by technology company [Diversio](#) found that men and women were equally likely to say their workplace lacked the flexibility needed to balance unpaid care obligations.

Benefit to the bottom line: Flexible schedules may increase employees' productivity, and help companies [attract and retain the best talent](#)—a big cost saver since turnover is expensive.

3. Quotas are working to get more women on boards In countries that have an average of three women on large company boards (a tipping point number in which you start to see a return on diversity), all but one also have mandated quotas, [according to Bloomberg](#). The takeaway: [Having board quotas for women](#) may be a step in the right direction. [California was the first state](#) to require at least one women on corporate boards, and it may help pave the way for other states to follow suit in 2019.

Benefit to the bottom line: Fortune 500 companies with the highest number of women directors reported a 42% greater return on sales and a 53% higher return on equity than the rest, according to the [Harvard Business Review](#).

4. More states are making it illegal to ask previous salary history The wage gap is real: [Women make 80 cents](#) for every dollar a white man makes on average, according to the Census Bureau. The gender pay

gap is even greater for minorities. Basing a woman's current compensation on her salary history is one common practice that perpetuates pay inequities.

A policy trend is making it illegal for employers to ask for job candidates' salary history, with states such as Massachusetts, Delaware, California, Oregon, Hawaii and others turning it into law. The trend could be impacted should the Supreme Court grant an appeal for the landmark case Rizo v. Yovino, which ruled that it's illegal for an employer to consider an employee's prior salary when deciding their starting salary.

Benefit to the bottom line: Equality isn't a female issue; it's a social and economic issue. In fact, closing the wage gap could add \$2.1 trillion to the US economy, according to a McKinsey Global Institute report.

5. Women are on the path to reaching critical mass in government Despite the fact that we're far from having equal representation in government—women make up just 24% of Congress (the good news is that it's up from 20% the previous year), and we haven't had a female Commander in Chief to date, we had a record number of women running for—and winning—office in 2018. Plus, more female politicians are replacing men in leadership roles in Democratic organizations, such as the campaign arms for national and state races, according to Axios.

Having a government that more accurately reflects the population will help push legislation forward to better reflect women's wants and needs, from supporting equal pay to advocating for mandatory parental leave to greater protection against sexual harassment.

Benefit to the bottom line: Equal representation in government may help more legislation get completed. Women in the minority party of the House are about 33% more effective than men in getting bills passed, finds a University of Virginia study. On another note, in the business world gender-balanced leadership teams were 21% more likely to experience above-average profitability than companies with the least gender-balanced teams, according to a McKinsey Report.

6. Leaders are taking a stand for equality A giant step forward is having leadership with an equality mindset, where we're able to put ourselves in another's shoes. Organizations who have leaders embodying the purpose of equality will bring others along with them. We're seeing more examples of leaders who are taking a stand and holding themselves and their teams accountable. Take for example Diageo's global chief marketing officer Syl Saller, who personally wrote to each of the company's advertising and media agencies managers asking for information about how many women each had on its leadership team and about its gender pay gap.

Benefit to the bottom line: It's no secret that parity is good for business: Companies with the highest representation of women on their senior teams reap 34% more profits than companies with the lowest female representation, according to Catalyst. Taking inclusivity and diversity from an ideal to a reality will require leaders who walk the talk and set the tone for the rest of the organization.

Zalis urges, "If equality truly matters to you, stop looking for excuses and 'why not,' and start looking for solutions and 'why yes.' Change doesn't just happen, we have to *make* it happen. Let's choose equality."

Women's Progress Isn't Just Slow – It's Stalled

McKinsey's *Women in the Workplace 2018*, ([Link](#)), shows that “companies report that they are highly committed to gender diversity. But that commitment has not translated into meaningful progress. The proportion of women at every level in corporate America has hardly changed. Progress isn't just slow. It's stalled.”

They say, “That's what we found in *Women in the Workplace 2018*, a study conducted by McKinsey in partnership with LeanIn.Org. In the fourth year of our ongoing research, we probe the issues, drawing on data from 279 companies employing more than 13 million people, as well as on a survey of over 64,000 employees and a series of qualitative interviews.”

Underlining women's efforts, they say, “Women are doing their part. For more than 30 years, they've been earning more bachelor's degrees than men. They're asking for promotions and negotiating salaries at the same rates as men. And contrary to conventional wisdom, they are staying in the workforce at the same rate as men.”

Therefore, McKinsey states, “Now companies need to take more decisive action. This starts with treating gender diversity like the business priority it is, from setting targets to holding leaders accountable for results. It requires closing gender gaps in hiring and promotions, especially early in the pipeline when women are most often overlooked. And it means taking bolder steps to create a respectful and inclusive culture so women—and all employees—feel safe and supported at work.”

McKinsey says, “The two biggest drivers of representation are hiring and promotions, and companies are disadvantaging women in these areas from the beginning. Although women earn more bachelor's degrees than men, and have for decades, they are less likely to be hired into entry-level jobs. At the first critical step up to manager, the disparity widens further. Women are less likely to be hired into manager-level jobs, and they are far less likely to be promoted into them—for every 100 men promoted to manager, 79 women are. Largely because of these gender gaps, men end up holding 62 percent of manager positions, while women hold only 38 percent.”

And they continue, “If companies continue to hire and promote women to manager at current rates, the number of women in management will increase by just one percentage point over the next ten years. But are companies start hiring and promoting women and men to manager at equal rates, we should get close to parity in management—48 percent women versus 52 percent men—over the same ten years.”

McKinsey warns there is a need to double down on organization's efforts and offers “six actions companies need to take to make progress on gender diversity. Without action on these fronts, the numbers will not move:

- Get the basics right—targets, reporting, and accountability.
- Ensure that hiring and promotions are fair.
- Make senior leaders and managers champions of diversity.
- Foster an inclusive and respectful culture.
- Make the Only experience rare.
- Offer employees the flexibility to fit work into their lives.”

Women Entrepreneurs Need More Equality, Too

Another advocate for women is Hello Alice, the first machine learning technology to help business owners, particularly women, find their path by matching them to personalized opportunities and resources. In their latest blog ([Link](#)) in honor of Women's History Month, they write, "Until 1988, banks required women to have a male co-signor for loans, and now women are starting businesses at a faster rate than their male counterparts. Just 2% of venture capital has gone to women-led companies for the last couple of years, but when they do get the money, they outperform with higher revenue and higher investment returns.

"And one of our very favorite stats -- for every \$1 women earn, they reinvest 90% back into their families and communities. Imagine the multiplying effect of good when we lift up women entrepreneurs to reach higher mountaintops! Read up on how you can support the women business owners in your life in our recent report: ["What Women-Owned Businesses Need."](#)

Here are some excerpts from that report:

- There are 12.3 million women-owned firms in the U.S. and every day, more than 1,800 net new women-owned businesses are added to that list.
- Women control nearly 2/3 of global household spending, and the buying power of people of color and LGBTQ+ consumers is on the rise. Savvy companies and organizations serving business owners will pay attention to the needs and goals of women business owners, in order to fulfill a very sizable market opportunity.

These Countries Treat Women the Best at Work (and the U.S. isn't one of them)

In [These Countries Treat Women the Best at Work](#), by Lucy Meakin, Bloomberg, ([Link](#)), the sad truth of inequality is depicted in a graph where the U.S. doesn't even place in the top 10. In fact, Meakin says, "The U.S. and U.K. have a lot of catching up to do when it comes to treating women in work well. The two largest English-speaking economies ranked 23rd and 13th, respectively, in PricewaterhouseCoopers' annual ranking of the representation and welfare of women in the workplace across 33 Organization for Economic Cooperation and Development countries.

"The U.S. has fallen 14 places since 2000, when the PwC survey started, as full-time female employment declined, according to PwC."

Where's Best for Women Workers?

Rank	Previous Rank	Country
1	1	Iceland
2	2	Sweden
3	4	New Zealand
4	5	Slovenia
5	3	Norway
6	7	Luxembourg
7	6	Denmark
8	9	Poland
9	8	Finland
10	12	Belgium

Source: PwC Women in Work Index

Compiled from gender pay gap, female labor force participation, the gap between male and female labor force participation, female unemployment and female full-time employment rate

Millennials, Gen Z and the Coming "Youth Boom" Economy

While there has been a decline in women in the workforce, Morgan Stanley predicts that will soon change. Morgan Stanley reports in [Millennials, Gen Z and the Coming "Youth Boom" Economy \(Link\)](#), that “as Gen Z joins Gen Y in the workforce, the two cohorts could deliver a sizable jolt to U.S. GDP, consumption, wages, and housing—and put the U.S. well ahead of its G10 peers.”

It's well-known that Generation Y, often called the Millennials, will overtake Baby Boomers as the largest cohort in the U.S. this year. Less discussed, but arguably more important: Gen Z, born between 1997 and 2012, will overtake Gen Y as the country's largest cohort by 2034, ultimately peaking at 78 million. As Gens Y and Z combine in the workforce, these two outsized generations could power higher consumption, wages and housing demand, all pillars of GDP growth.

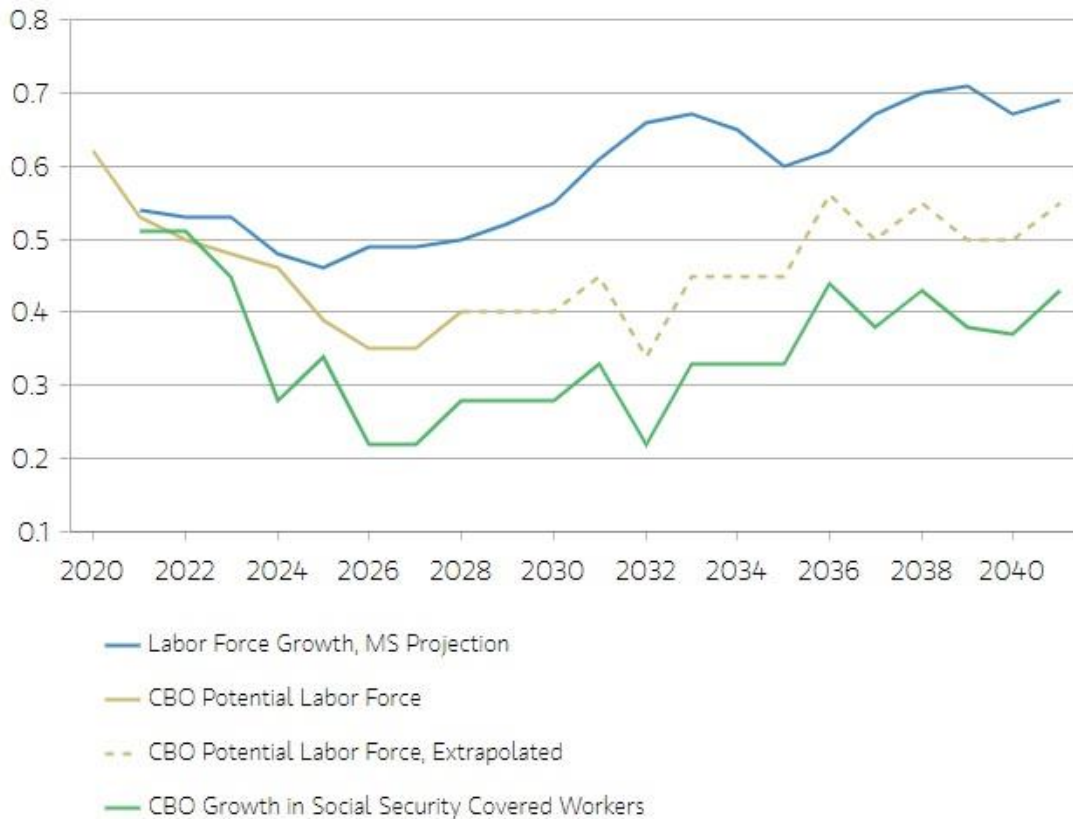
For the U.S. economy, the demographic tailwinds created by these high-population cohorts could be significant, delivering the kind of “youth jolt” that [the Baby Boomers](#) were famous for. However, according to a recent report from [Morgan Stanley Research](#), the implications of these demographic shifts aren't

baked into current Congressional Budget Office forecasts, in particular, the projections for labor-force growth.

Work by the firm’s economic team, along with an in-depth survey of Generation Y and Z consumers, uncovered a significantly brighter outlook for the U.S. in the coming decades than previously thought. As Gens Y and Z combine in the workforce, these two outsized generations could power higher consumption, wages and housing demand, all pillars of GDP growth.

In addition, these new projections on labor-force growth could also mean a rosier outlook for Social Security and Medicare solvency, offering investors an overall bullish view for the U.S. between the 2020s and 2040s—and policymakers a different perspective on the road ahead.

Potential Labor Force Growth May Start Trending Up in the 2020s



Source: Congressional Budget Office, Census Bureau, Morgan Stanley Research

Upcoming Events

2019 State of the North Bay Conference

June 13, 2019
7:30 am – 9:00 am
Sheraton, Petaluma

Leaders of the North Bay Awards Luncheon

November 1, 2019
11:30 am – 1:30 pm
DoubleTree Hotel, Rohnert Park

Please remember to submit nominations for Leaders – [Nomination Form](#)

The second annual Youth Power Teen Speech Competition is back. If you know a young leaders please urge them to enter the contest – [Rules and Entry Form](#)

Members in the News

NBLC Members Celebrating Anniversaries in March

Wells Fargo Bank – March 18, 1852
Tri Counties Bank – March 11, 1975
Skywalker Properties – March 27, 2003

Sonoma Raceway Hosts the Shell Eco-Marathon

The innovative event will run from April 3-6.

North Bay Business Journal Names Forty Under 40 Winners for 2019 – Congratulations to all NBLC Members Honored!!

The 2019 Class of the most influential business people under the age of 40 is out.

Kaiser Invests \$3 Million to End Homelessness in Sacramento, 14 Other Communities

Kaiser Permanente announced Monday that it will invest \$3 million over the next three years in an effort to end chronic homelessness in the Sacramento region and 14 other communities around the United States.

Star Staffing's Nicole Smartt Serres Sees Power in Service

Nicole Smartt Serres extends her personal conviction for community work to her business.

Redwood Credit Union's Career Exploration Day

As part of a career exploration day, 33 students visited the Santa Rosa headquarters of Redwood Credit Union (RCU) on Tuesday, March 5.

Sonoma State University's Wine Business Institute and Vinexpo New York Partner to Expand Education Program

New Wine Business Video Series Augments Wine Business Institute's Digital Education.

College of Marin's Indian Valley Organic Farm and Garden Spring Plant Sale

Plant sale runs on Saturday May 4th and Sunday May 5th.

Nelson CEO Joe Madigan Honored on Staffing Industry 100 List for 2019

Nelson, one of the largest independent staffing firms in the U.S., announces that its CEO, Joe Madigan, has been recognized on the Staffing Industry Analysts 2019 Staffing 100 List.

Catholic Charities Receives \$1 Million From St. Joseph Health of Sonoma County for Caritas Village

Catholic Charities shares a very similar mission and history with St. Joseph Health, and we are thrilled to take our partnership to a new level with Caritas Village.

SolarCraft Completes Solar Power System at Hospice by the Bay in Marin

Novato and Sonoma based SolarCraft, a leading North Bay solar installer for over 35 years, recently completed the installation of a 158 kW DC solar system at Hospice by the Bay in Larkspur, CA.

Kaiser Permanente Grants \$1 Million to PEP Housing

As part of the post-wildfire healing and recovery of the Santa Rosa community, Kaiser Permanente awarded a \$1 million grant to PEP Housing, a non-profit corporation dedicated to providing limited-income seniors access to affordable, quality housing with supportive services and advocacy.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty five years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call 707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org