

## POLICY WATCH – May 2020

### In This Issue

- State of the North Bay Conference – Get your tickets today!
- Can the North Bay be better post-pandemic?
- Women Hit Hardest in Pandemic-triggered Job Losses
- Members in the News



In this issue we look at, and for, some silver linings to our response and recovery from this pandemic. Just a few months ago, our biggest crisis was climate change. That concern has been overtaken by the pandemic, but we see opportunity to find solutions for both the pandemic and climate change in how we rebuild and reset our economy. I hope you will enjoy exploring some of those ideas in the article below.

We also hope that you will join us for our State of the North Bay Conference on June 11<sup>th</sup>. We are excited to be looking forward to how the North Bay can rise from these challenges and rebuild better than before. We have two great speakers to lead that discussion – for more information see below.

We also spotlight how women are being disproportionately hit hard by the pandemic-triggered job losses. This inequity is just one that we have a chance to correct if we reset the economy to work better for more people than before. Our debt of gratitude to all our essential workers should result in them being treated as the key resource they have proven to be.

We hope to see more restrictions easing as it is safe to do so and that more of us will be able to protect our lives and livelihoods in the month to come. A special tribute to all the graduates who proceed to the next chapter in their lives missing graduations and other special life moments. We know this is tough and applaud your grace in accepting the difficult cards you have been dealt. Congratulations on your graduation!

Best,

Cynthia

### **State of the North Bay Conference – Recover, Rebuild, Reset and Rise!**

The virtual State of the North Bay Conference is on June 11<sup>th</sup> from 7:30 a.m. – 9:00 a.m. In the midst of the biggest disruption to the economy in the last century, how do we get through this pandemic and reset the economy to fix inequities and make it more resilient for all people? While they don't have all the answers, our two speakers will share ideas and hope for a better tomorrow.

Dr. Micah Weinberg, CEO, California Forward, and Chris Dombrowski, Acting Director for the Governor's Office of Business and Economic Development (GO-Biz) will provide new insights and fresh data on the North Bay's economic resilience and what key factors are shaping our future.

# RECOVER REBUILD RESET

Dr. Weinberg is the CEO of California Forward. This cross-sector civic leadership group is committed to producing prosperity for all Californians in all of the state's regions and to improving government performance and accountability. Prior to joining CA Fwd, Dr. Weinberg was President of the Bay Area Council Economic Institute, the leading think tank

focused on the most critical economic and policy issues facing the Silicon Valley/San Francisco region, and was a Senior Research Fellow at New America.

Dr. Weinberg's writing has appeared in diverse outlets from the New York Times to Policy Studies Journal, and he has appeared on Fox News and NPR. Dr. Weinberg's work focuses on increasing the dynamism, resilience and inclusiveness of communities in California and throughout the nation and world. This requires all people to have access to the building blocks of the California Dream including economic opportunity, health and wellbeing, affordable transportation, housing and lifelong education, and a healthy environment.

Chris Dombrowski is Acting Director for the Governor's Office of Business and Economic Development (GO-Biz). He has served as the Chief Deputy Director of GO-Biz since 2019. He brings over a decade of state policy experience to his role in the Administration. He has served as a policy consultant to then Lt Governor Newsom in his Lieutenant Governor's office, including work on the Lt Governor's 2011 Jobs and Competitiveness report. He previously served as the California Director of Operations for Next Gen Climate Action and as a legislative aide in the California Senate for both President pro Tempore Darrell Steinberg and President pro Tempore Don Perata.

Join us to learn about the Next Normal and how we can work collectively to weather the turbulence of our economy and set the stage for the rise of the North Bay.

Tickets are \$25 each. To purchase tickets, go to <https://www.eventbrite.com/e/2020-state-of-the-north-bay-conference-tickets-104066708326>

## **Can the North Bay be better post-pandemic?**

We are in a period of disruption. Disruption can be good, bad or both. What I hope is that we use the recent crises as great teachers and learn lessons that will take us to a better world that is more resilient, equitable and able to prevent and manage future crises.

The key for me is how do we take these disruptions and use them to positively reset our country's economic and social structure? Are there measures we can take to counter the impacts of the coronavirus and climate change at the same time? Can we make the next normal a better world?

We can do it if we make greater economic, social and environmental resiliency core to our planning for the recovery and reset ahead. And we can do it if we work collectively. In fact, it is only if we work collectively that change can be made.

Just a few months ago, the changes that we have made to slow the spread through social distancing and the shutdown would have been unimaginable. But we have collectively done it and proven that with the right education and credibility of the leaders, people will make changes. And these changes have not only helped fight the virus, but also produced many improvements to our environment like reducing greenhouse gas emissions from less driving and business activity.

And also just a few months ago, the big issue was adapting to climate change and fears that we were killing our planet. In reference to climate change, that includes the impacts of climate change, like fires, drought, floods, sea level rise, storms, power outages and the rest. We can't turn away from this looming climate crisis despite the urgent need to respond to the virus.

I think climate solutions are pandemic solutions. Each requires a global response, each affects people in different ways and both show the importance of a well-functioning government basing decisions on science and facts.

In a report from McKinsey & Company, Addressing Climate Change in a Post-Pandemic World (<https://www.mckinsey.com/business-functions/sustainability/our-insights/addressing-climate-change-in-a-post-pandemic-world>) they found:

“Pandemics and climate risk are similar in that they both represent **physical shocks**, which then translate into an array of socioeconomic impacts. By contrast, financial shocks originate from within the financial system and are frequently remedied by restoring confidence. Physical shocks, however, can only be remedied by understanding and addressing the underlying physical causes.”

“Furthermore, addressing pandemics and climate risk requires the same fundamental shift, from optimizing largely for the **shorter-term performance** of systems to ensuring equally their **longer-term resiliency**.”

“Healthcare systems, physical assets, infrastructure services, supply chains, and cities have all been largely designed to function within a very narrow band of conditions. In many cases, they are already struggling to function within this band, let alone beyond it.”

“The coronavirus pandemic and the responses that are being implemented (to the tune of several trillion dollars of government stimulus as of this writing) illustrate how expensive the failure to build resiliency can ultimately prove. In climate change as in pandemics, the costs of a global crisis are bound to vastly exceed those of its prevention.”

“Finally, both reflect “tragedy of the commons” problems, in that individual actions can run counter to the collective good and deplete a precious, common resource. Neither pandemics nor climate hazards can be confronted without true **global coordination and cooperation**.”

“Indeed, despite current indications to the contrary, they may well prove, through their accumulated pressures, that boundaries between one nation and another are much less important than boundaries between problems and solutions.”

So given all of that, what could happen now?

Another crucial point is when there are huge disruptions like COVID, economies get rebuilt and reset. And we have opportunities to implement solutions in ways that weren't possible before.

Here's what the next normal could look like:

In [Why Solutions to Coronavirus and Climate Change are the same](https://www.huffpost.com/entry/why-solutions-coronavirus-climate-change-same_n_5e908f19c5b6260471e0d840), by Amanda Schupak (HuffPost: [https://www.huffpost.com/entry/why-solutions-coronavirus-climate-change-same\\_n\\_5e908f19c5b6260471e0d840](https://www.huffpost.com/entry/why-solutions-coronavirus-climate-change-same_n_5e908f19c5b6260471e0d840)), she says, "We've got all kinds of businesses that are closed or on life support. This is an opportunity to potentially do stuff that may improve their energy efficiency, may be able to transition them off of fossil fuels, and who knows what else. I think there are opportunities to accelerate change, even with the disaster that's in front of us.

McKinsey & Company think the tide may be turning toward "[building back better](#)" after the crisis. "We can already start seeing how the coronavirus pandemic may influence the pace and nature of climate action, and how climate action could accelerate the recovery by creating jobs, driving capital formation, and increasing economic resiliency."

"Moreover, lower interest rates may accelerate the deployment of new sustainable infrastructure, as well as of adaptation and resilience infrastructure—investments that would support near-term job creation."

For companies, McKinsey sees two priorities. "Seize the moment to decarbonize, in particular by prioritizing the retirement of economically marginal, carbon-intensive assets. And take a systematic and through-the-cycle approach to building resilience. Companies have fresh opportunities to make their operations more resilient and more sustainable as they experiment out of necessity—for example, with shorter supply chains, higher-energy-efficiency manufacturing and processing, videoconferencing instead of business travel, and increased digitization of sales and marketing."

"Some of these practices could be expedient and economical to continue, and might become important components of a company-level sustainability transformation—one that accompanies the cost-efficiency and digital-transformation efforts that are likely to be undertaken across various industries in the wake of the pandemic."

A key point in preparing now for the next disaster to hit. McKinsey says, "When it comes to resilience, a major priority is building the capability to truly understand, qualitatively and quantitatively, corporate vulnerabilities against a much broader set of scenarios, and particularly physical events. In that context, it will also be important to model and prepare for situations where multiple hazards would combine: it is indeed not difficult to imagine a pandemic resurgence coinciding with floods or fires in a given region, with significant implications for disaster response and recovery. The same holds true for public entities, where resilience thinking will have to take greater account of the combination and correlation of events."

"Not knowing when the next crisis will hit, teleworking and greater reliance on digital channels should endure long after the lockdowns have ended, which will decrease the need for large company offices and shrink real estate footprints for operations. Which in turn will reduce transportation demand and emissions."

McKinsey thinks we need to correct the inequities that have been exposed in this pandemic – the uninsured, the essential workers not making a decent salary, the high casualty rates of people of color due to their lack of health care and poor living conditions, the homeless, the undocumented, the people in nursing homes and prisons.

Many ways are being proposed to fix inequities including increased paid family leave, universal sick pay, subsidized day care, a livable minimum wage, and free school lunches. There is also a new appreciation for essential workers who can't work at home: grocery clerks, truck drivers, health care workers, farmworkers, and others as heroes. That appreciation will likely result in improved pay and benefits for workers without whose labor we cannot survive.

Localizing supply chains back to the US and regionally is also now growing in understanding of the need for redundancy so we can be self-sufficient. Incorporated in that thinking is the ability to reduce some emissions (those in a company's value chain but not associated with its direct emissions or the generation of energy it purchases).

McKinsey hopes “markets may better price in risks (and, in particular, climate risk) as the result of a greater appreciation for physical and systemic dislocations. This would create the potential for additional near-term business-model disruptions and broader transition risks but also offer greater incentives for accelerated change.”

One lesson learned is that we are seeing the critical role that “big government” plays in our lives and our health. We also see the deadly consequences of four decades of disinvestment in public infrastructure and dismissal of public expertise. Not only will America need a massive dose of big government to get out of this crisis but we will need big, and wise, government more than ever in its aftermath.

McKinsey adds, “And, while not a foregone conclusion, there may also be a greater appetite for the preventive and coordinating role of governments in tackling such risks. Indeed, the tremendous costs of being the payor, lender, and insurer of last resort may prompt governments to take a much more active role in ensuring resiliency.”

McKinsey asks “The real question is: do we lock ourselves into the use of fossil fuels in our infrastructure choices today, or do we instead use this crisis as a moment to accelerate the transition that is already on its way?” They urge that we “devote a portion of the vast resources deployed for economic recovery to climate-change resiliency and mitigation. These would include investments in a broad range of sustainability levers, including building renewable-energy infrastructure, expanding the capacity of the power grid and increasing its resiliency to support increased electrification, retrofitting buildings, and developing and deploying technologies to decarbonize heavy industries. The returns on such investments encompass both risk reduction and new sources of growth. “

McKinsey says, “For all—individuals, companies, governments, and civil society—they see two additional priorities. First, use this moment to raise *awareness* of the impact of a climate crisis, which could ultimately create disruptions of great magnitude and duration. That includes awareness of the fact that physical shocks can have massive nonlinear impacts on financial and economic systems and thus prove extremely costly.”

“Second, build upon the *mindset and behavioral shifts* that are likely to persist after the crisis (such as working from home) to reduce the demands we place on our environment—or, more precisely, to shift

them toward more sustainable sources. By all accounts, the steps we take in the decade ahead will be crucial in determining whether we avoid runaway climate change.”

McKinsey warns, “Just like rate of contagion of the virus grew if there was a delayed response, we face the same issue with addressing climate change. If we choose to ignore the issue for a year or two, the math becomes even more daunting. To defeat the coronavirus and to restart the economy, to save lives and livelihoods, it is also critical that we begin now to integrate the thinking and planning required to build a much greater socio-economic and environmental resiliency as part of the recovery ahead.”

More than anything, the pandemic has shown how quickly things can change if they must. Let’s seize this opportunity to reset for a better next normal.

## **Women Hit Hardest in Pandemic-triggered Job Losses**

In [Women have been hit hardest by job losses in the pandemic. And it may only get worse, \(https://www.washingtonpost.com/dc-md-va/2020/05/09/women-unemployment-jobless-coronavirus/\)](https://www.washingtonpost.com/dc-md-va/2020/05/09/women-unemployment-jobless-coronavirus/) by Samantha Schmidt, we learn that the current recession is impacting women far more than men, which is the opposite of what happened in the Great Recession starting in 2008.

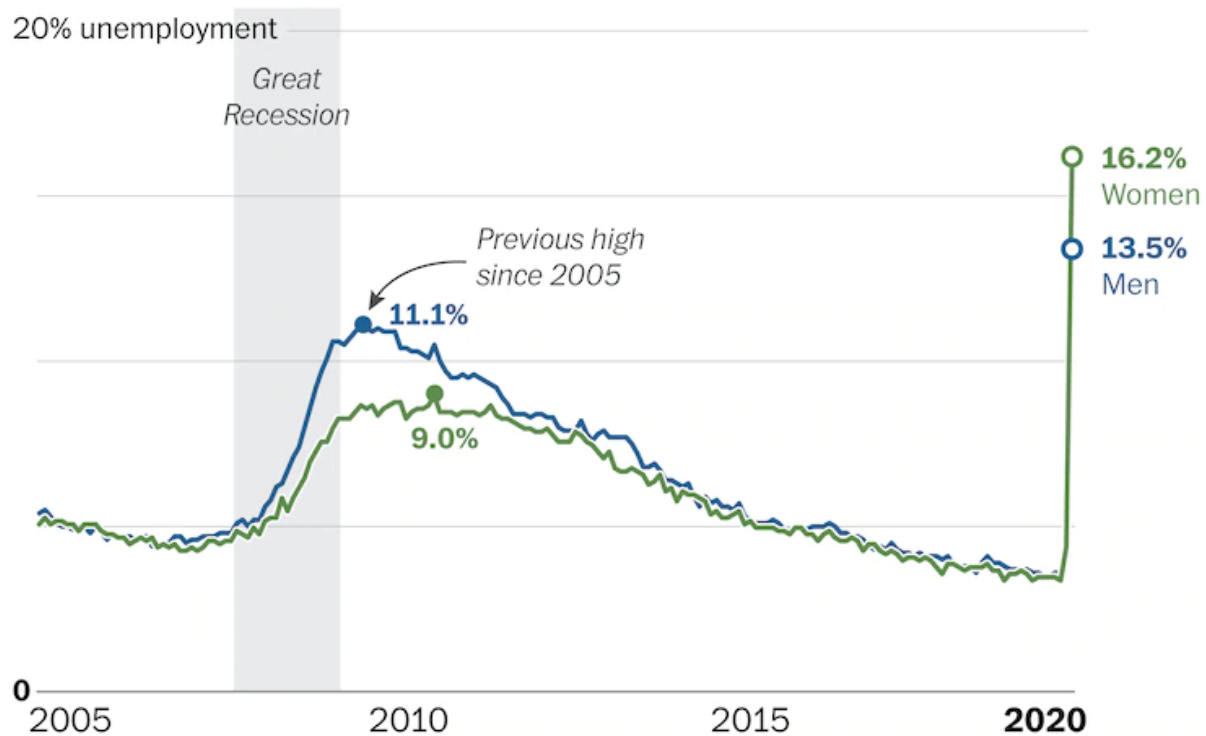
Schmidt says, “The last time Americans faced an economic crisis, it was called a ‘Mancession.’ As millions of people lost their jobs in the Great Recession, 70 percent were men, many in construction and manufacturing. This time, as job losses linked to the coronavirus pandemic dwarf what the country experienced in the 2007-2009 crisis, the heaviest toll is falling on women.”

“Waitresses, day-care workers, hairstylists, hotel maids and dental hygienists are among the 20.5 million people who watched their jobs vanish in April — the most devastating spike in unemployment since the Great Depression,” says Schmidt. And the numbers in May continue that trend.

Schmidt says, “Women have never experienced an unemployment rate in the double digits since the Bureau of Labor Statistics began reporting data by gender in 1948 — until now. At 16.2 percent, women’s unemployment in April was nearly three points higher than men’s, according to Labor Department rates released Friday. But a closer look at the numbers shows deeper disparities. Not only are women overrepresented in some of the hardest-hit industries, such as leisure and hospitality, health care and education, but women — especially black and Hispanic women — lost jobs in those sectors at disproportionate rates.”

“Before the pandemic, women held 77 percent of the jobs in education and health services, but they account for 83 percent of the jobs lost in those sectors, according to an analysis by the National Women’s Law Center,” says Schmidt. “Women made up less than half of the retail trade workforce, but they experienced 61 percent of the retail job losses. Many of these women held some of the lowest-paying jobs — the cashiers, hotel clerks, office receptionists, hospital technicians, teachers’ aides.”

## Unemployment by gender



Note: For civilian Americans age 16 and older, seasonally adjusted

Source: Labor Department

THE WASHINGTON POST

Alarming, Schmidt says, “The pandemic has wiped out the job gains women made over the past decade, just months after women reached the majority of the paid U.S. workforce for only the second time in American history. Labor experts worry that even as states reopen, many workers, especially in leisure and hospitality, will continue to suffer cuts to hours, wages and tips. Low-wage workers, who are disproportionately female, will be the least likely to be rehired, economists say.”

Schmidt reveals, “Even when men experienced the greatest initial job losses during the Great Recession, women took much longer to recover. Between June 2009 and June 2011, women lost 281,000 jobs while men gained 805,000. Those losses were driven by public-sector job cuts.”

“As local and state governments slash their budgets in the coming months, government workers will face painful job losses, and those will affect more women, who hold nearly 58 percent of public-sector posts, said Betsey Stevenson, a professor of public policy and economics at the University of Michigan. Many of these jobs are in public schools.”

Schmidt point out, “Working mothers face an especially daunting recovery because they rely on schools and day-care centers that remain closed. Even if hotels and restaurants and stores reopen, some women might not be able to find the child care necessary to return to work. ‘If summer camps don’t open up, if schools don’t open in the fall, who goes back to work?’ Stevenson said.”



“Women have made inroads in traditionally male industries, but their job gains have primarily been in traditionally female-oriented sectors — working with people in jobs that are often lower paying, says Schmidt. “Cornell University economists Francine Blau and Lawrence Kahn found that the difference in occupations chosen by men and women was the single largest factor accounting for the gender pay gap. Not only do women make about 82 percent of what men make, but they also have less savings. And time away from work tends to depress women’s wages, potentially exacerbating the country’s persistent gender pay gap, said Emily Martin, vice president for education and workplace justice at the NWLC.”

Schmidt notes, “While women overall were more likely than men to be unemployed, black and Hispanic women were hit the hardest, at 16.4 and 20.2 percent unemployment respectively.”

When we look at our strategies for recovery and reset of the economy, let’s hope that we are able to fix some of these inequities so that women are not being disproportionately impacted by job losses, health risks and lower pay. We are past the time that there should be treated as an unimportant part of the nation’s workforce.

## **Members in the News**

### **iWorkGlobal Recognized for Achievement in Growth and International Expansion at the 2020 American Business Awards**

iWorkGlobal was named the winner of two Silver Stevie® Awards in the Achievement in Growth and Achievement in International Expansion categories in the 18th Annual American Business Awards®.

### **AT&T Summer Learning Academy**

The AT&T Summer Learning Academy is a free, self-paced online learning certificate program powered by our award-winning AT&T University curriculum.

### **Bank of America’s Efforts to Support Our Local Community**

As of Friday, May 8, Bank of America has received SBA approval for loans to more than 294,000 small businesses for more than \$26 billion in relief under the program.



### **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](mailto:info@northbayleadership.org)

[www.northbayleadership.org](http://www.northbayleadership.org)