POLICY WATCH – June 2022

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June has been a rough month. A rough month after a rough couple of years. The January 6th hearings revealing how close we came to losing our democracy and that the threat of that happening is more real today than then. The Supreme Court overthrowing 50 years of precedence in ending women's autonomy. The continuing number of people being felled by COVID leaving so many with long COVID impacts. The brutal war in Ukraine. Unchecked inflation. Climate change accelerating. It's been a rough month!

We have been through challenging times before. We have prevailed before. We can get through this if we come together. The majority must lead, those united in upholding the Constitution and protecting the rights of all people. We can make our voices strong by voting (80 million voters didn't vote in 2020) and participating at every level of our government to ensure that we are represented. We have work to do to get beyond these rough times, but we can do it!

June is also the beginning of summer. In this issue, we urge you to make time to take a summer vacation. To keep our strength up, we need to take breaks and recharge. We hope you have a vacation planned for this summer!

Best,

Cynthia Murray

Cynthia

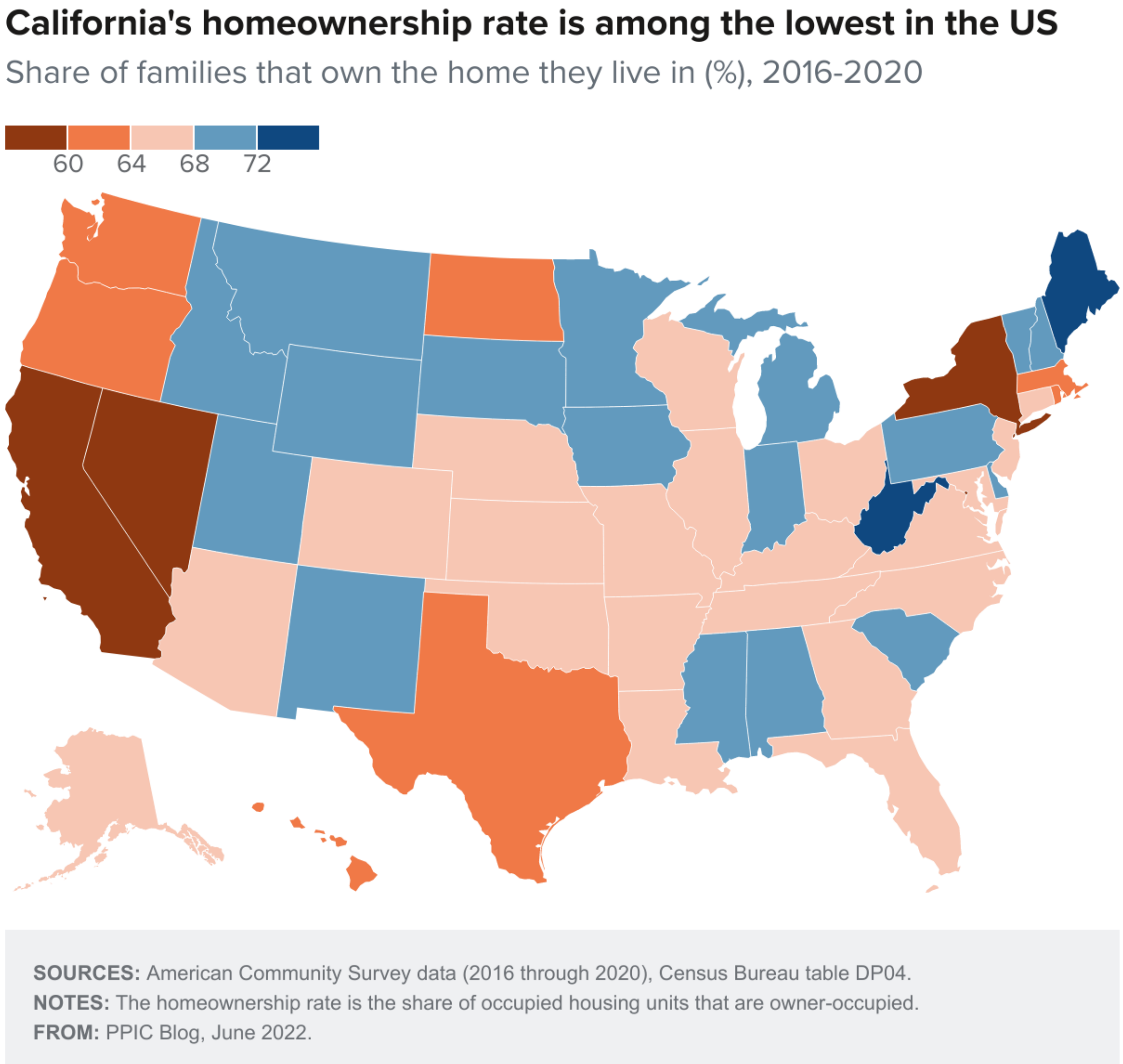
Housing Increasingly Out of Reach for the California Workforce

In California's Housing Divide - Public Policy Institute of California (ppic.org), we learn that our housing crisis is worsening, especially for African Americans and Latinos. Authors Marisol Cuellar Mejia, Hans Johnson, and Julien Lafortune write, "The housing crisis in California affects residents of all races and ethnicities, but the lack of affordable housing is particularly acute for African Americans and Latinos. Skyrocketing rents in many California metro areas impose growing financial burdens, limiting opportunities for savings. Combined with rising home prices and interest rates, owning a home has become harder to afford over the past year, even as many saw growth in wages. Given the disproportionate impact of the COVID-19 pandemic on households of color, disparities in homeownership are expected to widen. To address these gaps, policy actions that target the causes of these longstanding inequities are necessary."

The authors state, “Before the pandemic, the racial homeownership gap in California was large, but it appeared to be narrowing. In 2019, the Latino homeownership rate stood at 44.1%, or 19.2 points below that of white households. The Black homeownership rate was even more worrisome at 36.8%, or 26.4 points below the rate for white households. However, Latino and Black households also saw large gains in homeownership between 2014 and 2019 (2.2 and 2.3 percentage points, respectively). Meanwhile, homeownership among Asians grew the most in this period (2.5 percentage points) and, at 59.8%, was only 3.4 points below the white homeownership rate in 2019. Because home equity makes up the majority of wealth for low- and middle-income families, gaps in homeownership rates magnify wealth inequality.”

“Most homeowners start as renters who then save their way into buying a house—but when rents are high, chances to save are low” say the authors. “African American and Latino renters are more likely to pay a sizable share—30% or more—of their household income on gross rent, making the prospect of saving for homeownership daunting. (Even among homeowners, African Americans and Latinos are more likely to spend a high share of their income on mortgages.)”

Dan Walters in A Solution that Won’t Fix California’s Low Homeownership (Link) says, “California is the land of dreams and extremes and nowhere is that more evident than in the state’s very low rate of homeownership. Just 56% of California’s families live in homes they own, very slightly higher than New York’s lowest-in-the-nation 55% rate and nearly 10 percentage points behind the 65% national rate, according to the Public Policy Institute of California.”



Walters explains, "That so few Californians live in their own homes should not be surprising. After all, the state has the nation's highest rate of poverty and when the near-poor are added, more than a third of the state's nearly 40 million residents live with financial distress, PPIC has calculated."

He says, "Moreover, the state's median home price of $834,000 — nearly twice the national figure — means that only a quarter of California families can afford such a home, those with incomes of $160,000 and above. In other words, homeownership is another of the many indices of California's highly stratified society — one infinitely ironic for a state whose political leaders, particularly Gov. Gavin Newsom, tout it as a model of egalitarianism and social mobility that should be emulated elsewhere."

What can be done to improve the housing situation in California? Unfortunately, Walters doesn't think much of President Pro Tem Toni Atkins proposal. His critique is, "Under her California Dream for All, the state would partner with some families to make down payments on home purchases and then recoup its investment when homes are later refinanced or sold. Atkins' program would join other state programs that already offer homeownership assistance. And while her sincerity is genuine, at best her proposal would help only an estimated 8,000 families in a state where about 7 million families are renters."

Walters says, "It's typical of politicians' approaches to social and economic disparity — create a new program with a catchy title that has little impact, if any, and sidesteps core issues. California's low rate of homeownership results from high levels of poverty and sky-high home prices. Throwing a few dollars at it doesn't solve the problem and could even make it worse by enticing some families to buy homes they really cannot afford." That's what went wrong in 2008 when the housing bubble burst.

Walters advises what the real solutions are, "California's homeownership rates will rise when the state improves its economic fundamentals — when it removes impediments to housing construction, makes itself more welcoming to investment in middle-income jobs and improves educational outcomes of poor children."

When the budget is finalized, we will see how much money is going into new housing and after that, which housing bills get the Governor's signature. It is encouraging that there are efforts being made, even small ones, but we need serious action taken to address the dire housing needs of our state.

Spending the State Surplus: Follow the Money to the Right or Wrong Places

In Californians to get up to $1,050 in inflation relief through Newsom's budget deal holds by Lindsey Holden (Link), we learn, "Californians will receive up to $1,050 in inflation relief funds as part of a $300 billion budget agreement state leaders reached after weeks of negotiations The $17 billion inflation package will send $9.5 billion directly to 17.5 million taxpayers through a three-tiered plan, with more funds going to lower-income Californians."

Holden says, "The package is a three-tiered, income-based system in which those earning less will receive more. About 97.5% of all California taxpayers will be eligible for relief money. The largest group of 14.2 million, earning $75,000 as individuals and $150,000 as joint filers, would get $350 each and another $350 if they have at least one dependent. This means joint filers with one or more dependents would get $1,050."

"The second tier of 2.1 million taxpayers, earning between $125,000 per individual and $250,000 for joint filers, would get $250 per person and another $250 for at least one dependent, for a total of up to $750." "The last tier of 1.1 million taxpayers, earning $250,000 as individuals and $500,000 as joint filers, would receive $200 per person and another $200 for at least one dependent, for up to $600. About 500,000 taxpayers, those earning more than $250,000 or $500,000 for joint filers, would not be eligible for relief under the tentative plan."

Holden says, "Although the budget does not include plans to suspend the overall gas excise tax, lawmakers plan to put the diesel sales tax on hold and backfill the lost revenue with $439 million. This will save drivers using diesel fuel about 23 cents per gallon, "which primarily benefits businesses," according to the budget plan."

Putting money back into Californians' pockets will be a stopgap measure, certain to make the voters in the fall feel more warmly about the Democrats' efforts to help them in through these difficult financial times. But whether this compromise is the right way to alleviate their hardships remains to be seen.

Summer of Our Discontent -- But We Need a Vacation More than Ever!

Llewellyn King in It may be the summer of discontent, but the sun will shine (Link) shares what many of us are feeling: "All the portents are that 2022 will be a summer to remember — and not in a good way. It will be a summer of shortages, high prices, possible electric blackouts, and severe and unpredictable storms. It also promises to be a summer of political ugliness, where civility and facts are missing."

Kings says, "National unity and cohesion, which usually can be expected in times of crisis, isn't in sight. We are gracelessly at each other's throats. Also missing will be any sense that there is strong leadership anywhere; not in the White House, Congress or among our allies."

"Given these tribulations, caused by a dangerous war in Ukraine following the COVID-19 pandemic, and you are entitled to be despondent. All this wasn't in the playbook — the events that shape the world never are."

"For Americans, these aren't the worst of times. They are just very trying times. We will feel them directly in the wallet, painfully so. Gasoline and other fuels will be very expensive, and heating oil will be a big-ticket item next winter. House prices are still stratospheric, and rents are going up. The markets are shaky. Americans are feeling that all isn't well and that things are coming unstuck — reliable, everyday things."
And King's observations were made before the Supreme Court's stripping away women's right to autonomy and some of the gun safety protections that are so needed in this age of mass shooting. He also said this before the January 6th hearings which revealed how close we came to losing our democracy. And yet what he advises rings true: we need a summer break!

King says, "But don't reach for the arsenic. For most of us, glorious summer, so important to the North American lifestyle, will be as it always is with crowded beaches, jammed highways, chaotic airports and painful sunburn. We will have summer; and summer will have its joys, its rituals and its happiness."

In Despite Inflation, Most Americans Are Planning A Summer Vacation, (Link), Robert Sands writes, "a recent survey from **The Vacationer** shows that 80% of American adults plan to travel this summer. It also includes the 45% that said they would travel more than once. This means nearly 93 million Americans will travel once this summer and 115 million will travel more than once. In the 2021 Summer Travel Survey, only 173 million American adults said they would travel. According to this year's survey at least 35 million more Americans are expected to travel during the summer of 2022."

Sands says, "Also, the younger people are the more likely they are to travel internationally. Age categories who plan to travel abroad include: 27% of American adults aged 18-29; 23% of those aged 30-44; 19% aged 45-60; 14% of American adults over age 60. The over 60 age group is also the most likely to say they will not travel at all this summer at 26%.

Jena McGregor writes in Summer Is Here, And More Bosses Are Making Vacations Mandatory (Link), "After a more than two-year pandemic that's led to unprecedented burnout, unsettling mental health crises and historic resignation rates, more bosses seem to finally realize paid time off can't just be a flashy perk that's touted to lure workers. It may need a requirement."
"It's not the policy, it's the usage of the policy," says Jenny Dearborn, a veteran human resources executive in the technology industry, which like Wall Street, is known for long hours, intense cultures and in some cases, an expectation that workers return to working from the office."

McGregor says, “Advisers who consult with employers say they’re hearing more about vacation mandates, whether in the form of more closely tracked time off usage or more company-wide closures designed for everyone to take a breather at the same time. ‘We’re seeing a trend toward organizations trying to enable people to take time off—or by policy, requiring them to take it off,’ says Carol Sladek, work-life consulting leader at Aon.”

“Driving the push toward time off expectations, experts say, include the under-use of ‘unlimited’ leave programs, changes in state laws and a pandemic that has not only worsened burnout and left people concerned about overworked colleagues, but changed the optics of time off in a work-from-anywhere world,” says McGregor.

“We started to see people take less official vacation because they were living this virtual ‘workcation’ life,” says Kaleana Quibell, vice president of wellbeing and partnerships at the consulting group Sequoia, which is based in Silicon Valley and works largely with tech companies. “Employers are now recognizing that’s fun and exciting and a change of scenery but doesn’t solve for burnout.”

“Stephanie Nadi Olson, founder of We Are Rosie, a network of on-demand marketing professionals, switched in 2020 from an unlimited time off policy to one where her employees must take five days off per quarter—or lose out on their full bonus. (Employees also get an extra five days they can use whenever, for a total of 25 days of paid time off.)”

“When the pandemic began, the small startup, which now has 60 employees, was barely a year old, and employees were telling her they were scared things would fall through the cracks or felt guilty asking colleagues to cover for them. Switching to a mandate—and tying it to bonuses— ‘changed our culture around time off really quickly,’ Olson says. ‘It changed our culture around removing that guilt.’”

“In the summer of 2020, the photo book company Chatbooks instituted ‘MTO,’ or mandatory time off (they’ve now stopped labeling it PTO). In addition to a two-week shutdown during the holidays, employees are expected to take a week each quarter. While there’s no penalty if they don’t, director of people operations Madison Bohannon says she tracks each department at the 200-person company and follows up with managers, sparking conversations like ‘do we need to add someone to the team? Do we need to spread things a little differently so that you have the ability to unplug?’ she says. ‘No one should feel like they can't take a week off of work.’”

McGregor says, “Deardon believes the more that big companies like Goldman Sachs talk about minimum vacation time expectations, the more other companies may follow. ‘That’s a very big deal that they have put a stake in the ground,’ she says. ‘It gives other people sort of permission to do what they thought was right the whole time.’”

This year with all that we have been through and are going through, it should be mandatory to take a vacation to recharge, rest and reset.

Members in the News

Sonoma State University’s Wine Business Institute’s Board President, Ron Rubin Awarded Honorary Doctorate

Selected by the Board of Trustees of the California State University Ron Rubin, an industry beverage authority received an honorary degree of Doctorate of Humane Letters at Sonoma State University (SSU) School of Business and Economics (SBE) commencement ceremony.

North Bay Leadership Council's CEO Helps Marin Builders Association Disburse $15,000 in Scholarships
The 2022 annual awards were presented on Wednesday, June 15th at the Scholarship Awards & Past Presidents Reception, hosted at The Club Restaurant, McInnis Park Golf Center in San Rafael.

The Buck's Impact Circle Supports a First-Ever Pilot Study to Look at the Effects of a Ketogenic Supplement in Older Adults
This year the Buck's Impact Circle chose to support the first-ever clinical study to be done at the Buck Institute.

Canine Companions' New Santa Rosa Center Aims to Fill National Need for Service Dogs
There aren't enough service dogs for the 60 million people in the U.S. living with a disability, according to Canine Companions for Independence CEO Paige Mazzoni.

Ultragenyx Celebrates New Research Facility, 2 Years Later Than Planned
Novato-based Ultragenyx on Thursday afternoon held a ribbon-cutting ceremony to mark the opening of its state-of-the-art research facility, located at 32 Leveroni Court, in the Bel Marin Keys Industrial Park.

Congratulation to our Members Recognized at the Influential Women Awards for Napa, Marin, Sonoma Counties
The North Bay Business Journal has announced this year's recipients of its Influential Women Awards.

W. Bradley Electric Starts New Project at 180 El Camino with Lusardi Construction Company in South San Francisco
The 750k sq ft. project consists of (3) 6 story buildings ground up – Core & Shell.

BPM Merges with North Bay Accounting Firm
The deal marks the San Francisco accounting firm's fourth combination since 2020.

Basin Street Properties' Stony Point Campus in Santa Rosa Welcomes Swad Wealth Management
Basin Street Properties, a prominent real estate investment, development, and management firm, is pleased to announce financial planning firm Swad Wealth Management has signed a lease at Santa Rosa's Stony Point Campus.

Bank of America Enhances Employee Benefits as Part of Being a Great Place to Work
New global Electric Vehicle Program for employees to buy or lease new all-electric passenger vehicles.

Exchange Bank Grant puts Ipads to Work for Local Promoteres
We are thrilled to acknowledge a grant from Exchange Bank Foundation for technology hardware that will support the crucial work of local promotores de salud (also known as community health workers) in their capacity as community health liaisons in northern Sonoma County.

Who We Are

Over thirty 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