POLICY WATCH - March 2023

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In this issue we look at how can we help reduce polarization and disfunction in our region and our country through building trust, shared values and more collaboration between the business community, government and civic leaders. As we face multiple crises, it becomes imperative that we find a path forward to secure our future.

We also celebrate Women's History Month and note how it was founded at Sonoma State. The North Bay leading the way forward – again!

And keep a watch for the announcement of this year's Leaders of the North Bay Honorees and the winner of the Youth Power Speech Contest that will be coming to you next week. We can't wait to introduce you to these leaders!

Best,

Cynthia

America -- The Build-Nothing Country?

America's has a growing inability to build almost anything according to Noah Smith in The Build-Nothing Country (Link). Smith says, "what's frustrating me is America's seeming inability to build the things it needs to build in order to prosper and flourish in the 21st century. From housing to transit to solar power to transmission lines to semiconductor fabs, the U.S. has little trouble marshalling the financial and physical capital to create what it needs, but ends up stymied by entrenched local interests who exploit a thicket of veto points to preserve the built environment of the 1970s."

Smith says, "Stasis has become America's spoils system, and it can't go on." He cites the abuses of the California Environmental Quality Act in California that is being used to thwart new housing construction as example of the desire to limit development. Smith says, "Meanwhile, across the

USA, housing is just not getting built. The recent runup in prices motivated a lot of developers to pull out their checkbooks, but they barely managed to raise housing starts to their pre-2008 levels, and now things are heading back to stasis as prices cool off."

And Smith shares that this kind of short thinking is spreading throughout the U.S. to impede all kinds of development including green energy, transit, advanced manufacturing and more. He makes the point that "Last August the nation celebrated the passage of the Inflation Reduction Act, which allocated \$400 billion to building green energy in the U.S. But as with housing and transit, allocating money doesn't necessarily mean anything actually gets built."

"Even in semiconductors, the ultra-high-tech industry where the U.S. and its allies must maintain leadership in order to maintain their edge over China, the U.S. can't seem to build much. TSMC, the Taiwanese company that recently agreed to build a big plant in Arizona, is running into major cost issues."

Smith says, "For decades, I've heard progressives bemoan America's unwillingness to spend money on things like transit and green energy. But now America is spending all the money, and things still aren't getting built, because of the country's broken system of permitting, land use, and development."

"This is such an important point that it bears repeating," says Smith. "Money is not physical stuff. Just because you earmark \$5 billion for a subway or \$2 billion for a solar farm in some Excel spreadsheet somewhere doesn't mean a physical train or power plant has actually been created. If permitting holds up the process for years, then you still haven't built a damn thing. And if eventually construction does begin, but the cost balloons to absurd levels, that means that a pitifully inadequate amount of actual physical transit, or housing, or solar will be created, despite that huge flood of dollar signs in your spreadsheet."

Driving home that point, Smith says, "For decades now, Americans have told ourselves that we're the richest nation on Earth, and that as long as we had the political will to write big checks, we could do anything we wanted. But that was never really true, was it? The inflation that followed the pandemic should have been a wake-up call — we had all this excess cash, and we started spending it on physical goods, and mostly what happened was just that the price of the physical goods went up. And so R.I.P. to all that cash. From meaningless numbers on a spreadsheet you came, and to meaningless numbers on a spreadsheet you shall return."

"What matters is not how big America's spreadsheet numbers are, but how much physical stuff we get. And yet as a society we've decided to award people with stasis instead of stuff. In many dysfunctional societies, the government's guarantee of economic inclusion comes in the form of a specific physical good — usually, cheap fuel. In the United States, the in-kind subsidy we provide our people is the option to keep their world from changing."

And here's an interesting observation by Smith: "If you're one of the roughly 2/3 of Americans who owns a home, you can raise your wealth — at least on paper — by going to local government

meetings and arguing to restrict the local housing supply. But perhaps just as importantly, you can preserve the built environment around you in exactly the form you're used to. You can keep your streets quiet and uncrowded. You can preserve your open space, your big lawn, and your scenic views. You can keep your neighborhood free of any poor people who might live in nearby apartments or ride a train to your area. You have the option to keep your area free of anything you don't want, for any reason."

"This is a form of subsidy from the government to the people of America. It seems like a costless subsidy, because it doesn't involve writing checks to people. But the costs are real, and Americans pay the costs. They pay them in the higher tax bills that citizens pay to fund infrastructure. They pay them in the increased prices businesses have to charge to make up for higher land costs. They pay them in higher rents. They pay those costs in more expensive electricity and increased carbon emissions. They pay them in the lower wages that workers earn because their cities can't build sufficient housing near to the areas of greatest economic opportunity. They pay them in lower productivity because cities can't grow big enough. They pay those costs in lost wages and incomes from disinvestment, when companies decide that America's obstacles to land development make it a bad country to build a factory in. And eventually they pay the cost of a weak country that doesn't have the economic strength to stand up to rivals like China."

Smith says, "Physical stasis seems cheap, but it's an incredibly expensive way to subsidize the lifestyles of Americans. And it seems that whenever our real incomes flatlined, as they did in the 70s and again in 1999-2015, we increased this stasis subsidy to compensate, making it even harder to build anything — a booby prize for an electorate mired in stagnation, which ended up exacerbating that very stagnation. The 70s were when the embrace of stasis began, but the 2010s are when it reached its apotheosis."

"This ill-advised path has now come to its inevitable end," cautions Smith. "We no longer have the luxury of giving our people a shadow subsidy by freezing their neighborhoods and cities in amber. Spiraling housing costs in any city with real economic opportunity, a floundering energy transition, and the inexorable migration of manufacturing to more development-friendly countries have become so severe that we must dispense with our collective illusion that America will always look like it looked in 1975. Slashing the thicket of red tape that prevent development, and subordinating local interests to the needs of the nation itself, are no longer idle dreams — they are immediate necessities. If we insist on continuing to be the Build-Nothing Country, our once-mighty middle class will sink into a genteel poverty, and someone else will build the future on the bones of our civilization."

We hope that we will come together to support the new housing, green energy, infrastructure and advanced manufacturing our country needs and maximize the investment of our tax dollars in these projects to produce tangible results beyond a wider spread sheet.

Navigating a Polarized World

Given the need for us to come together to get America on the right track, it is illuminating to see what one group offers as a path forward. This year's Edelman Trust Barometer is focused on Navigating a Polarized World (<u>Link</u>) and has some good tips on how we can reduce polarization.

Here are excerpts from the report:

2022 was supposed to have been the year when the world emerged from the pandemic, with a promised return to normal life and an economic boom. Instead, we got an unprecedented Russian invasion of Ukraine, spiraling commodity prices, greater global food insecurity, skyrocketing interest rates, continued climate shocks, strict Covid lockdowns in China and a retreat from globalization due to geopolitical risks. This triggered a cost-of-living crisis among the lower- and even the middle-class worldwide.

In the 2023 Edelman Trust Barometer, we see how these macro pressures manifest at an individual level in a set of fears ranging from inflation to nuclear war. These sit on top of pre-existing worries about job losses to automation and the impact of climate change. The consequence is a descent from distrust to acute polarization in society.

Without intervention, we will see a continued move from a crisis of institutional trust to a crisis of interpersonal trust.

- Business must continue to lead and do so while navigating polarization.
- You can do that by tackling issues like DEI, climate, and reskilling.
- Work with, not against government to raise living standards, offer skill development opportunities, and foster secure communities.

We are living through a period of huge systemic change in a multi-polar world, with divisive forces fanning economic grievance. Left untended, the consequence will be further polarization, slowing economic growth, deeper discrimination and an inherent inability to solve problems. Business needs to play a leading role, restoring economic optimism by creating jobs. This will give Government time to recover its footing while the social fabric is mended from the rifts caused by the pandemic.

With that in mind, here's a To Do list for business in 2023:

Get to a simple measure of ESG, so you can demonstrate your societal impact. At present there are a dizzying 180 different approaches. A simple and single standard, which is universally accepted, will be much easier to defend when challenged by political or vested interests. KPIs (key performance indicators) that show Business is indeed keeping its word on ESG goals while building support for innovation, would allow companies to calculate their progress and respond to financial institutions evaluating potential investments.

Make Diversity, Equity, and Inclusion a fundamental part of global business strategy. DE&I must live beyond our largest companies. Use the supply chain to insist on diversity at medium- and small businesses as has been done in sustainability. Defy the usual excuse of recession; keep

pushing for more diverse boards of directors and top management teams and make religion an equal third leg along with race and gender.

Hold divisive forces accountable. Pull advertising money from media platforms that spread disinformation. Defend facts by showing the science behind innovation and publishing on your own platforms. Stop talking to media that push conspiracy theories. Stand up to politicians who may try to bully you.

Work with and not against Government. That goes especially for policies that raise living standards, offer opportunities for continuing education/reskilling, and improve public safety. That also means partnership with Government on a broader set of issues including privacy and security, geopolitics, plus proper supervision of new markets such as crypto.

President Biden's Proclamation on Women's History Month, 2023

In recognition of March being Women's History Month, we are sharing part of President Biden's <u>Proclamation on Women's History Month</u> (<u>Link</u>). During Women's History Month, we celebrate the countless women who have fought tirelessly and courageously for equality, justice, and opportunity in our Nation. We also reaffirm our commitment to advancing rights and opportunities for women and girls in the United States and around the world. We are mindful that we are building on the legacy of both recognized trailblazers and unsung heroines who have guided the course of American history and continue to shape its future.

The full participation of women is a foundational tenet of democracy. Women — often women of color — have been on the frontlines, fighting for and securing equal rights and opportunity throughout our country's history as abolitionists, civil rights leaders, suffragists, and labor activists. Women continue to lead as advocates for reproductive rights, champions of racial justice, and LGBTQI+ equality. Throughout history, these women have opened the doors of opportunity for subsequent generations of dreamers and doers. As community leaders, educators, doctors, scientists, child care providers, and more, women power our economy and lead our Nation. As first responders and service members, they stand watch over our lives and liberties. As innovators, entrepreneurs, and essential workers in every industry, they represent the very best of America.

But despite significant progress, women and girls continue to face systemic barriers to full and equal participation in our economy and society. Last year, the Supreme Court overturned Roe v. Wade, stripping away a constitutional right from the American people and the ability of millions of women to make decisions about their own bodies, putting their health and lives at risk. Disparities persist in economic security, health care, and caregiving responsibilities, especially for women and girls of color. Those who perform critical work, including those who care for our children and our families, are too often overlooked, underpaid, and undervalued.

Ours is the only Nation in the world established upon a profound but simple idea — that all people are created equal. My Administration is committed to upholding that idea and to making its

promise real for every American. That is why I created the Gender Policy Council to advance gender equity and equality across the Federal Government. It is why I released the first-ever national gender strategy to promote the rights and opportunities of women at home and abroad, which outlines my Administration's commitment to equal access to education, economic security for women and families, health care, and freedom from gender-based violence. As we implement the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act, we are working to reduce barriers so that women can access new jobs in sectors where they have been historically underrepresented. I have signed historic legislation to ensure equal protection for pregnant women and nursing mothers in the workplace. And I strengthened and reauthorized the Violence Against Women Act, a major milestone in our ongoing efforts to ensure all people can live free from violence. Finally, in December 2022, I was proud to sign the Respect for Marriage Act and defend the rights of LGBTQI+ and interracial couples.

My Administration will continue to defend reproductive freedom to ensure that all Americans — regardless of their gender, race, ethnicity, sexual orientation, gender identity, or income — have the ability to make the choices that are right for themselves and their families. I have taken executive action to safeguard access to reproductive care, including medication abortion, help ensure women can receive emergency medical care, protect patients' privacy and access to accurate information about their reproductive rights, and combat discrimination in the health care system. I continue to call on the Congress to pass a Federal law restoring the protections of Roe v. Wade so all women in every State have the right to choose. And my Administration released the first Blueprint for Addressing the Maternal Health Crisis to save lives and address systemic discrimination that many women face every day in our health care system, including women of color, women in rural communities, and women with disabilities.

Leading our efforts is the most diverse group of women at the highest levels of Government in United States history, including Vice President Kamala Harris and a record number of female cabinet secretaries. Together with the most diverse set of judges ever nominated to the Federal bench — including Supreme Court Justice Ketanji Brown Jackson — women are seated at every table where decisions are being made.

This month, as we continue our work to advance gender equity and equality, let us celebrate the contributions of women throughout our history and honor the stories that have too often gone untold. Let us recognize that fundamental freedoms are interconnected: when opportunities for women are withheld, we all suffer; and when women's lives are improved, we all gain. Let us strive to create a Nation where every woman and girl knows that her possibilities know no bounds in America.

Thank you, President Biden for your support!

Women's History Month Started at Sonoma State University

In another first for leadership coming from the North Bay, Women's History Month began as a local celebration in Santa Rosa, California. As reported on Sonoma State's website, "The Education

Task Force of the Sonoma County (California) Commission on the Status of Women planned and executed a 'Women's History Week' celebration in 1978. The organizers selected the week of March 8 to correspond with International Women's Day. The movement spread across the country as other communities initiated their own Women's History Week celebrations the following year."

"In 1980, a consortium of women's groups and historians—led by the National Women's History Project (now the National Women's History Alliance based in Santa Rosa)—successfully lobbied for national recognition. In February 1980, President Jimmy Carter issued the first Presidential Proclamation declaring the Week of March 8, 1980 as National Women's History Week."

Honorees for the Leaders of the North Bay Awards to be Announced on April 5th!

We are excited that we will be announcing the Honorees for this year's Leaders of the North Bay Awards on April 5th. We will also announce the winner of the Youth Power Speech Contest at that time. We can't wait to introduce you to these leaders!

The Awards Luncheon will be held on May 12th at the DoubelTree Hotel, Rohnert Park. Ticket sales begin on April 5th, too. Go to <u>www.northbayleadership.org</u> for more information.

Members in the News

Star Staffing Presents: Strategic Leadership for Stronger Workplace Culture

Are you struggling to move from tactical HR leadership to a more strategic HR leadership? This webinar is for you.

W. Bradley Electric Elects Leslie Murphy as Their New Board Chairman

Congratulations Leslie! We know this is a well deserved promotion and you will do even more great things with your new

Bank of America, Seneca Women Launch Worldwide Women-Focused Marketplace Bank of America Corp. (NYSE: BAC) is doubling down on its efforts to help one of the fastest-growing groups of entrepreneurs: women.

The LIME Foundation's CEO Letitia Hanke Receives Spirit Award by the Sonoma County Commission on the Status of Women

This year's theme is "Building Bridges – Forging Unity", intended to highlight people actively working to build bridges across divides of race, gender, class and politics to deepen empathy and understanding, inspiring collective action to make concrete changes in our community to achieve greater equity and inclusion, particularly impacting women and girls.

Sonoma County Tourism Bringing NBC's 'Today' Show Broadcast from Sonoma County Coming in April

Sonoma County's tourism hotspots and some of its artists will be featured in April on NBC's "Today" show.

College of Marin Advancement Updates

Thank you to all of our donors who generously supported our students during the year-end season of giving.

Marin Sanitary Service Marks its 75th Anniversary

Marking its 75th year of business, Marin Sanitary Service has acquired two new pieces of equipment to prevent tons of food waste and paper recyclables from ending up in landfills.

College of Marin Plant Sale Coming Soon!

Ready to start your spring garden? Good news! Our Spring Plant Sale is coming soon!



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