

POLICY WATCH – July 2023

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The hottest summer in world history! And it's not just the temperature. There are lots of hot topics in this issue. NBLC shares its response to the ruling against affirmative action and renews its commitment to diversity and inclusion. We lament the latest statistics on how bad the housing crisis is and hope for the state to take more action to get new housing built.

We also delve into some major demographic shifts that when coupled with some behavioral changes, alert us to emerging problems in our country around workforce and resiliency. How many friends do you have and why is that important?

We hope you have vacation plans or enjoyed some R & R. You deserve it!

Best,



Cynthia

North Bay Leadership Council's Response to Affirmative Action Ruling

Affirmative action in college admissions has been a mainstay in most states with the noble intent to level the playing field for marginalized students and recognize the significance of race in providing equal opportunity.

The decision by the U.S. Supreme Court to end affirmative action admissions by colleges and universities will have far reaching affects, with impacts on businesses who recognize that diversity within their workforce is imperative, and on the workforce facing greater obstacles to getting the education and training needed to meet the skill requirements of employers.

The Supreme Court ruling disrupts the fifty years of progress made that provided more people with accessibility and opportunity to participate fully in American economic and civic life. The Court supplants its judgment over that of the most prestigious educational institutions in the country, as well as 82 corporations and business groups who signed three amicus briefs to the court, including Google, Salesforce, Microsoft, Verizon, Starbucks, and American Express.

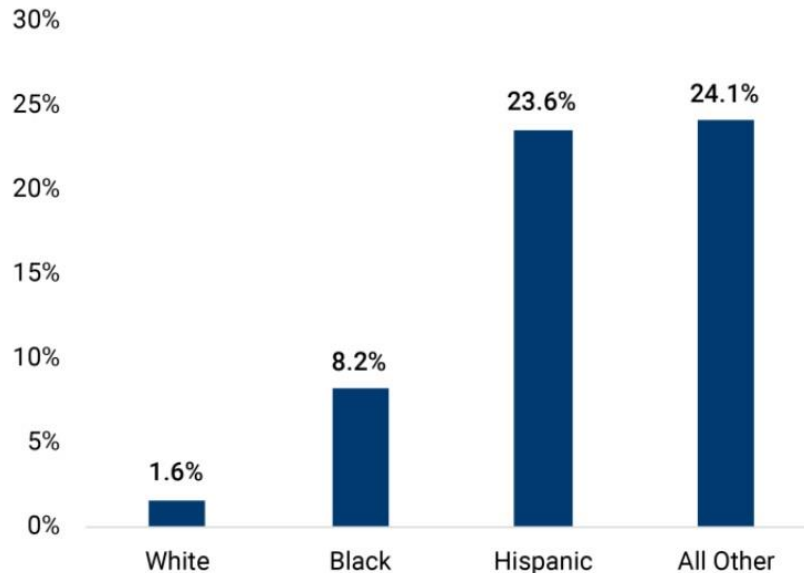
The amicus brief filed by International Business Machines Corp. (IBM) and Aeris Communications, Inc. (Aeris) along with the Massachusetts Institute of Technology (MIT) and Stanford University “underscore[s] the importance of diversity not just within higher education or the corporate world at large, but in the particular cross-section of academia and industry within the intensely collaborative, and increasingly global, STEM industries.” As IBM, Aeris, MIT, and Stanford explain, “Not only does diversity promote better outcomes for students in STEM, it contributes to better science. As such, American businesses at the forefront of innovation in STEM depend on the availability of a diverse cross-section of talented graduates from the nation’s most rigorous and elite institutions.”

Demographic changes demand that employers attract diverse employees and ensure that these diverse employees have the skills needed in the workplace. Brookings’s Joseph Kane says, “The overall labor force will grow from 161 million workers to 169 million (an additional 4.8%) over the next decade, largely driven by women and people of color. From 2021 to 2031, the number of women in the U.S. labor force will increase by 6.1%, while the number of men will only increase 3.5%. At the same time, the number of Black and Latino or Hispanic workers will increase 8.2% and 23.6%, respectively, while the number of white workers will only increase 1.6%. The Bureau of Labor Statistics does not separately report other racial groups—including Asian American and Native American workers—but groups in the “all other” category will grow the fastest (24.1%).”

FIGURE 3

Percent change in civilian labor force, by race

2021 to 2031



Source: Brookings analysis of BLS Current Population Survey data.



These statistics show that the workforce will be increasingly diverse. America’s economic future depends on that workforce being educated and skilled. Without affirmative action, the pipeline to educate diverse

students will be reduced as has been proven in states like California that don't have affirmative action in admissions. In California, which stopped affirmative action after the passage of Prop 209 in 1996, other methods to improve diversity have not been able to match the positive results of affirmative action, especially in the more selective campuses of University of California. California's diversity is not reflected in the student bodies of our public higher education institutions, and this means our changing demographics will exacerbate this situation. This ruling also means that the private universities in California must also end race-conscious admissions which will further limit diversity on those campuses and ultimately, in our workforce.

Given that the workforce will be more diverse, employers need to redouble efforts to build a stronger long-term talent pipeline, which crucially depends on reaching and supporting more diverse workers. It is expected that groups opposing affirmative action will now be focusing on employers' hiring and promotion practices. However, it is important that employers maintain their commitment to their Diversity, Equity and Inclusion programs as companies that are more diverse will do better at attracting more diverse employees in the competition for talent.

To make their DEI programs less of a target for litigation, employers should remove quota systems for hiring and instead improve their recruiting practices to cast a wider net of potential employees. This can include recruiting from higher education institutions that serve more diverse student bodies, offering apprenticeships and more collaboration with their local universities and colleges.

And all of us can do more to support local college and career readiness programs, universal preschool, greater funding of educational institutions, mentoring programs, internships and other mechanisms to help level the playing field before a student gets to college. Let's make the disappointment in the Court's decision a driver for us to do more to ensure that students get the education they need so our economic and civic lives prosper.

Grim Housing Report Underlines California's Housing Crisis

Ryan Fonseca, writing for the Los Angeles Times, in [You don't need this report to know California's housing market is grim, but here you go](#), ([Link](#)), shares grim statistics for housing in California. In their 2023 State of the Nation's Housing report, researchers with Harvard University's Joint Center for Housing Studies, found "The Golden State has been an especially tough place to find a lower-cost apartment. California 'lost an additional 633,000 units renting for between \$600 and \$1,000 and an astounding 677,000 units renting for \$1,000-1,399 — the largest decline of any state,' said Sophia Wedeen, a research analyst.

"Nationwide, California has experienced 'the most notable growth' in homelessness since 2020, the report states. And an increasing share of people are leaving California. Net moves out of state jumped from 208,000 in 2019 to 340,000 in 2022, according to researchers."

Fonseca says, "A recent poll found that [4 in 10 state residents had thought about leaving](#), with about 55% of those surveyed expressing concerns about the costs of healthcare and housing."

"In addition to expanding the supply of new homes, improving the existing housing supply is critical," the report authors wrote. "At 43 years of age, the median home in 2021 was the oldest it has ever been, up from 27 in 1991."

“One complicating factor: the rising risks of climate-related disaster,” says Fonseca. “That’s especially troubling in California, which contains a high concentration of high-risk counties. That was one reason State Farm and All State gave in announcing their recent decisions to no longer sell new home insurance policies in California.”

The report also notes that “expanding development will require zoning reform to support a broader range of housing types and investments in off-site construction methods that could reduce development costs.” “California’s housing crisis is a half century in the making,” officials wrote in the statewide housing plan. “Decades of underproduction underscored by exclusionary policies have left housing supply far behind need and costs soaring.”

Fonseca says, “The officials called for the state to plan for more than 2.5 million homes over an eight-year cycle. To help get us there, legislators enacted more flexible zoning rules to make it easier to build multifamily housing and for single-family home owners to add ADUs to their property.”

But despite those efforts, California is nowhere near keeping up with the demand for new housing or even preserving existing affordable housing. And notably, Californians leaving the state are moving to the states with the fastest growth in housing like Utah, Idaho and Texas. And one big fix that hasn’t been done by the legislature is to modernize CEQA so this barrier to new construction is removed. With the recent passage of CEQA reforms for infrastructure, it is hoped that similar reforms to CEQA will be made for housing construction to ease the housing crisis.

Social Isolation of Young Men Portends Problems

There is a new worldwide phenomena of social withdrawal among young men, as reported in Let’s Stay In, by John MacGhlionn, in American Mind (Link). MacGhlionn says, “In Japan, social withdrawal among young men is now so severe that the Japanese have a very specific term for it: *hikikomori*. *Hiki* means ‘to withdraw,’ and *komori* means ‘to remain inside.’ They don’t date; they don’t mate; they don’t work; and they don’t socialize. In short, they refrain from doing anything that requires them to leave their hyper-isolated chambers.”

And it is happening in the U.S. MacGhlionn says, “In the U.S., as in Japan, young men are retreating *en masse*. We are witnessing the rise of the American hikikomori. This sociocultural phenomenon involves a refusal to cooperate or engage with other members of society. Something needs to be done, and fast, because the negative outcomes are piling up.”

What negative outcomes? He says, “American males are far more likely to commit suicide than American females by a factor of nearly four. ‘Deaths of despair,’ mostly meaning suicide or drug overdose, have risen rapidly among young and middle-aged men, actually causing a decline in life expectancy. Rather staggeringly, 60% of American men in their twenties are single, and only 50% of single men are seeking a romantic relationship. This is not normal behavior, and it’s certainly not healthy.”

And as we experience a labor shortage and see that our workforce participation rate is shrinking, MacGhlionn gives one reason why. “To compound matters, as the political economist Nicolas Eberstadt recently warned, seven million prime working-age men (those between the ages of 25 and 54) are jobless and have no intention of finding work. What do these men do with their free time? According to Eberstadt, they spend an average of 2,000 hours per year glued to screens. To put that number in perspective, the average American employee spends about the same amount of time working.”

He adds, “To compound matters, 50% of the seven million consume copious amounts of prescription drugs and/or weed, and two-thirds live in a household that receives at least one disability payment every month.”

The problem is more extreme if you look at another social trend that has changed. MacGhlionn says, “An increasing number of Americans have absolutely no friends. In the 90s, millions of Americans had at least ten friends. Social isolation destroys both the brain and the body. Gilbert references this meta-analysis that shows how feelings of social isolation and loneliness have the same effects on the body as both obesity and smoking 15 cigarettes a day.”

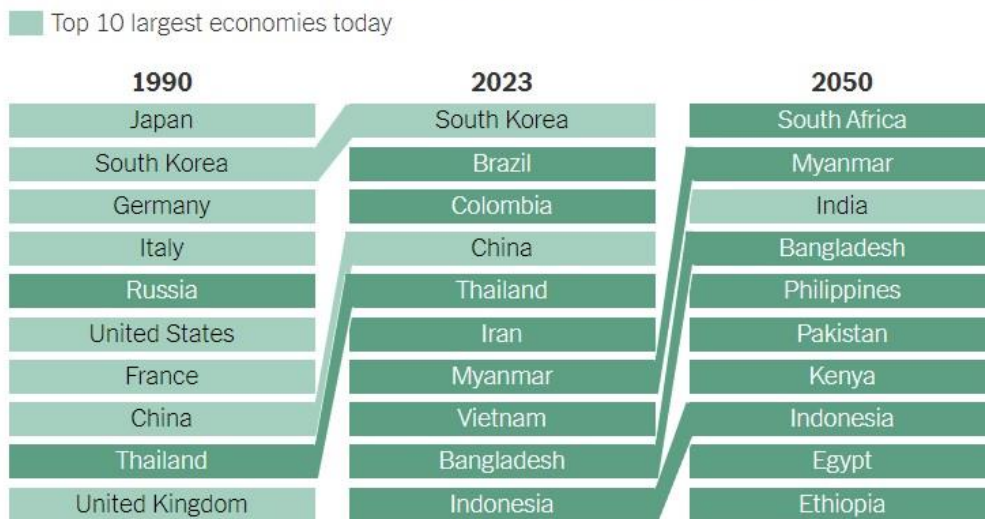
Issues such as low skills and low incomes, psychological and developmental issues, and even a decline in testosterone levels have been proffered as to what is causing this move to socially isolate. And these young people’s disassociation can lead to violence and self harm. MacGhlionn warns, “As a global phenomenon, this epidemic of loneliness demands organized, mass action to reintegrate people into social life. Even promoting pick-up basketball games, neighborhood cookouts, or all-night Monopoly sprees would be better than nothing. Otherwise the accelerating atomization of society will result in a collapse of all bonds and lead us into a new, frightening post-political era.”

Vast Demographic Shift

In How a Vast Demographic Shift Will Reshape the World by Lauren Leatherby, New York Times, ([Link](#)) shares how much of the world’s population is aging and what that means for our future. Coupled with the previous article about our young men checking out, we realize how much we need to fix that problem given this demographic shift.

Leatherby says, “The projections are reliable, and stark: By 2050, people age 65 and older will make up nearly 40 percent of the population in some parts of East Asia and Europe. That’s almost twice the share of older adults in Florida, America’s retirement capital. Extraordinary numbers of retirees will be dependent on a shrinking number of working-age people to support them.”

Largest working-age share of population



Sources: U.N. World Population Prospects, World Bank • Graphic includes countries with at least 50 million people in 2023. Largest economies are determined by gross domestic product.

The author says, “In all of recorded history, no country has ever been as old as these nations are expected to get. As a result, experts predict, things many wealthier countries take for granted — like pensions, retirement ages and strict immigration policies — will need overhauls to be sustainable. And today’s wealthier countries will almost inevitably make up a smaller share of global G.D.P., economists say.”

She says, “Slightly higher fertility rates and more immigration mean the United States and Australia, for example, will be younger than most other rich countries in 2050. In both the United States and Australia, just under 24 percent of the population is projected to be 65 or older in 2050, according to U.N. projections — far higher than today, but lower than in most of Europe and East Asia, which will top 30 percent.”

“But behavioral and governmental policy choices loom large,” says Leatherby. ‘You can say with some kind of degree of confidence what the demographics will look like,’ says Philip O’Keefe, who directs the Aging Asia Research Hub at the ARC Center of Excellence in Population Aging Research and previously led reports on aging in East Asia and the Pacific at the World Bank. ‘What the society will look like depends enormously on policy choices and behavioral change.’”

Dominican University’s Fall 2023 Executive Education Programs

Check out these programs that could improve your executive skills!

Executive Presence & Communication Skills

Sept. 12 & 19, 9:00 am - 4:30 pm

The Art of Sales: Mastering Consultative Selling Techniques

Oct. 10th, 9:00 am - 4:30 pm

Negotiate with Confidence

Oct. 31st, 9:00 am - 4:30 pm

Members in the News

Dominican University’s Pollinator Garden Gains Campus-Wide Support

This past winter, it only took one rainstorm to fully fill a 3,000 water tank that will supply Dominican University of California’s newly-developed pollinator garden with enough water for an entire year.

Redwood Credit Union Earns 2023 Bronze Anvil Award from PRSA

Redwood Credit Union recently earned a 2023 Bronze Anvil Award from the Public Relations Society of America, the leading professional organization serving the communications community in the U.S. and beyond.

Northern California Public Media’s News Director Greta Mart and the KRCB News Team Announced as Finalists for the 2023 Covering Climate Now Journalism Awards

Congratulations to News Director Greta Mart and the KRCB News team for being finalists for the 2023 Covering Climate Now Journalism Awards!!

Nelson Connects Appoints Jeff Phelps New Chief Executive Officer

California-based employment services firm Nelson Connects announces the appointment of Jeff Phelps as Chief Executive Officer.

Buck Institute for Research on Aging NIH Training Grant Renewed for \$3.9 Million

The T32 program, which is administered by the Buck Institute has trained 110 fellows in research on aging over the past 25 years.



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

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