

## POLICY WATCH – October 2023

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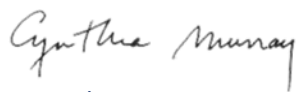
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Earlier in October, NBLC held its State of the North Bay conference. There was lots of positive information shared about a growing economy and a new vitality to entrepreneurship in the North Bay. One thing that wasn't upbeat was looking at the declining population of the North Bay (and California in general). The people who are "voting with their feet" to leave our region are mostly young workers who can't afford the high housing costs here and are choosing to build their futures where they can buy a home and generate wealth. The workforce shortage is hitting employers hard, often causing businesses to shorten their hours of operation and/or reduce their services. That's one reason why NBLC's top priority is creating new housing!

Also in this issue, we look at the changing demographics of our children and what's in store for a child born today, which is very different from those born decades ago. Our children are our future, and we need to prepare now to give them the bright future that we all depend on.

Best,



Cynthia

### Shrinking population in the North Bay and Greater California

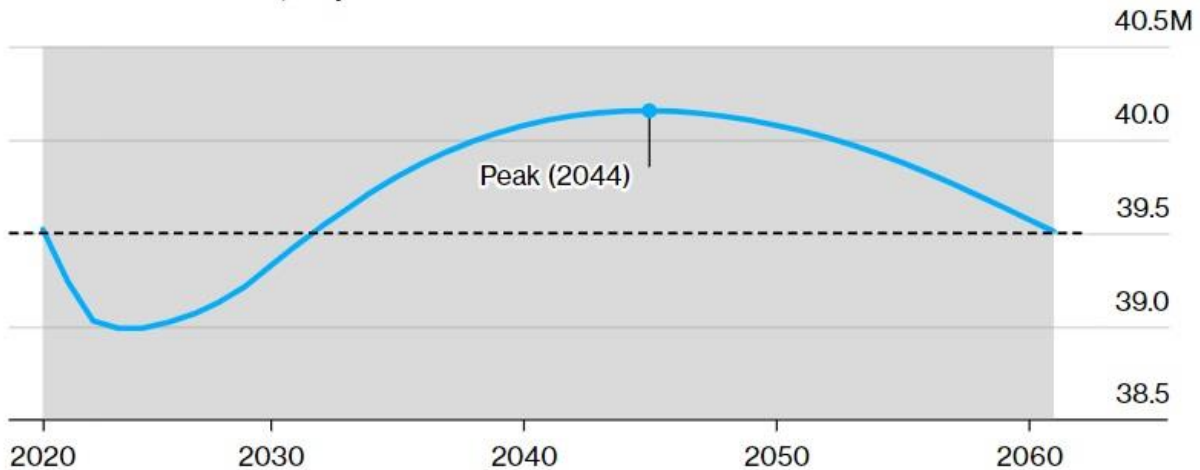
In [California Looks Into the Future — and Sees Fewer Californians](#) By [Alexandre Tanzi](#) and [Eliyahu Kamisher](#) ([Link](#)), the authors say, "More than a century of long-term population growth in California could be over, according to new projections that show the state will have about the same number of people in 2060 as it does now. The forecast from the California Department of Finance is sobering news for the country's most populous state, which saw its first-ever population decline in 2020 amid an exodus driven by the pandemic and high housing costs. Lower birth rates and aging baby boomers will add to the demographic drag over the coming decades."

"The department predicts that there'll be 39.5 million people in the state by 2060. Just three years ago, forecasters were expecting the number to be 45 million — and a decade ago, the population was seen surging to almost 53 million."

## California Population Stagnation

California's population in 2060 is expected to be slightly smaller than 2020

■ Estimates 2020-22; Projections 2023-60



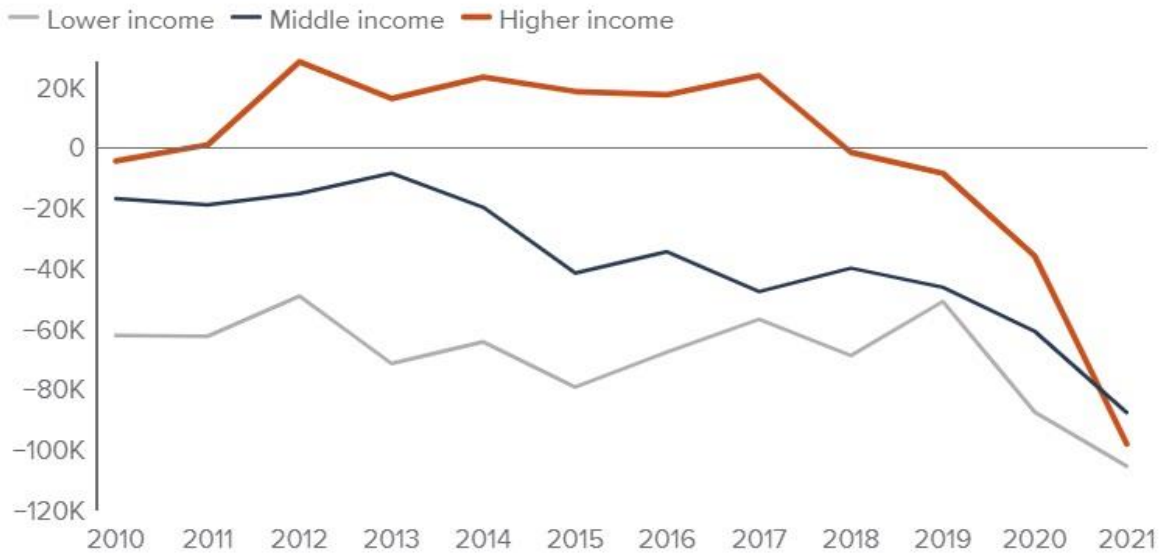
Source: California Department of Finance. Demographic Research Unit

The Public Policy Institute's [What's Behind California's Recent Population Decline—and Why It Matters](#) by Hans Johnson, Eric McGhee, Carolyn Subramaniam, and Vicki Hsieh ([Link](#)) reports "A significant driver of the state's population loss has been residents moving to other states—most often Texas, Oregon, Nevada, and Arizona. Housing costs loom large in this dynamic. In a [recent PPIC survey](#), about a third (34%) of Californians say they are considering moving out of the state due to housing costs."

"Housing pressures disproportionately affect people with lower incomes and lower levels of educational attainment, though [large racial differences](#) in migration rates even within income groups suggest other factors such as family ties and social networks might also be at play. In addition, while the majority of domestic outmigrants are lower- and middle-income, [an increasing proportion of higher-income Californians](#) are also exiting the state. The "new normal" of remote work in many white-collar professions has enabled some higher-income workers to move. [Politics](#) might also play a role, as conservatives are much more likely than liberals to say they have considered leaving the state."

# California is losing households at all income levels

Net interstate migration among adults ages 18-64



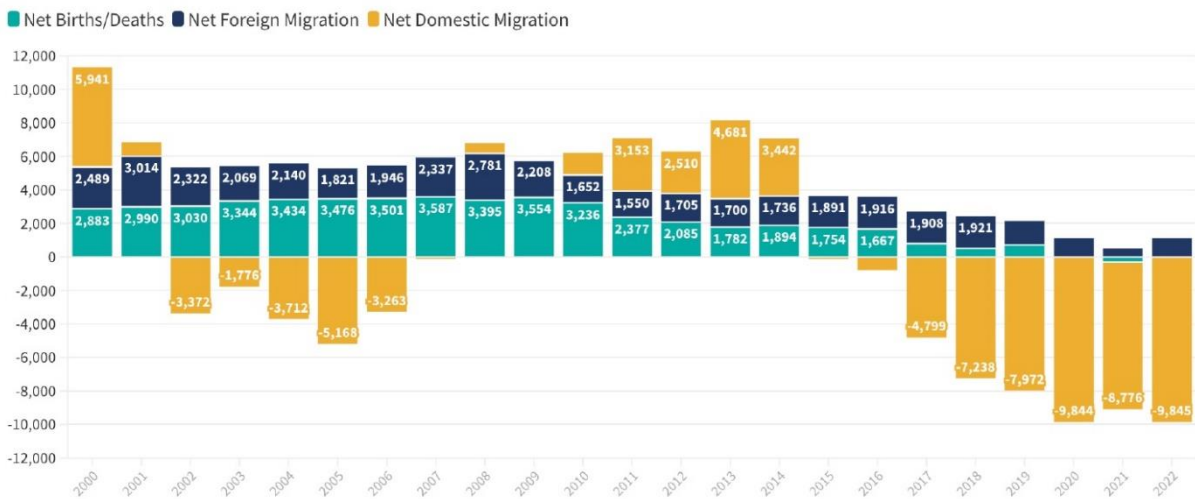
SOURCE: PPIC calculations based on American Community Survey data through 2021.

Get the data • Embed • Download image

At NBLC’s State of the North Bay conference we learned that the North Bay is seeing a substantial decline in population since its height in 2016.

## The North Bay lost nearly 9,000 people in 2022 due to high domestic out-migration, low foreign immigration and near zero net births.

North Bay components of population change, 2000 - 2022



Source: CA Department of Finance • Analysis: Bay Area Council Economic Institute

Eric McGhee, a senior fellow at the Public Policy Institute of California, says the long-term forecast is “more illustrative than it is predictive,” because it’s hard to project that far ahead. But he says it poses real questions for California’s leaders as they grapple with a housing affordability crisis.

“California’s government really wants to be helping people who are worse off and giving them opportunities and we see they are leaving the state,” said McGhee. “People are voting with their feet.”

Tanzi and Kamisher illustrate what some of the effects of population decline might be. They say, ‘Population losses over the last few years will have a compounding effect in the future,’ says Andres Gallardo, a demographer who works for the state government. ‘You don’t have those people, and those people don’t have kids,’ he says, adding that it’s the first time California’s long-term forecast has shown the population staying flat.”

We are already seeing consequences they say, “California lost a House seat in 2021 — the first since achieving statehood in 1850 — and the new population estimates could signal more to come. By comparison, Texas — the second most populous state — is projected to expand from 30 million people to 36.7 million by 2060, according to its latest forecast from 2022.”

The authors add, “What’s more, California’s tax base will be eroded, and many population-related jobs such as school teachers will come under pressure since there’ll be fewer students.”

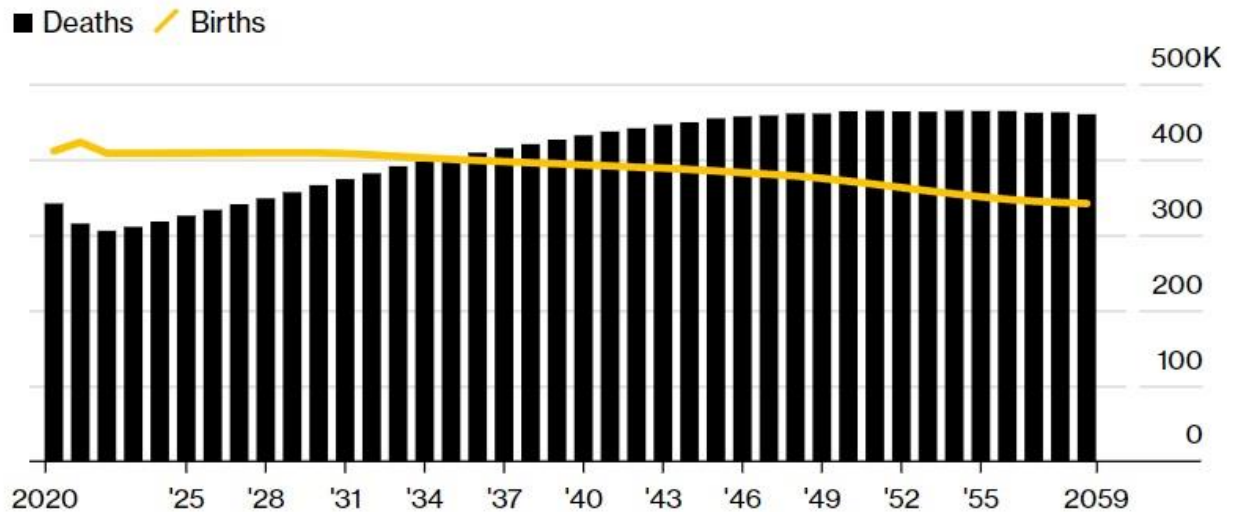
The impact could be biggest in regions like the County of Los Angeles, which is expected to shrink by 1.7 million people from 2020 to 2060.

“If there’s a bright spot in the forecast, the state is at least expected to recoup its pandemic population decline in the coming years — returning to its 2020 population level in the 2030s, before peaking in 2044,” they say.

The forecasts are based on a combination of natural increase in population — births minus deaths — and net migration. The demographers project that the number of deaths in California will exceed births by 2035.

## Californian's Natural Population Increase to Flip

Births currently exceed deaths, but that is expected to reverse around 2035



Source: California Department of Finance, Demographic Research Unit

The total fertility rate for California has been below what's known as the replacement level, of 2.1 births per woman, since 2009 and it's projected to decline to 1.5.

Meanwhile, the number of deaths is expected to jump to more than 460,000 a year in the 2050s — up by about 150,000 from this year's estimate, as the baby-boomer demographic ages. The number of Californians aged 95 or more is expected to jump fourfold by 2060 to almost half a million.

### Changing Demographics of California's Children

In [California babies are predominantly children of color, report shows](#) by Karen D'Souza ([Link](#)), we learn that, "Roughly three out of four California babies are children of color, according to the State of Babies Yearbook: 2023, a national report published by Zero to Three, a research and advocacy organization."

This change in demographics will have long-lasting impacts on California. D'Souza says, "Other key points in this report include the grim truth that two million infants and toddlers in this country are living in poverty, almost 39% of babies live in impoverished households and 14% of households with infants and toddlers are food insecure. In California, roughly 72% of babies live in families with low incomes."

She adds, "Trauma is also a recurring theme in the report as almost 26% of babies and toddlers have lived through at least one adverse childhood experience, leaving them vulnerable to physical or mental health conditions, experts say."

"The data in the Yearbook tell a concerning story but show that policy choices can break the constraints of poverty, safeguard health coverage and provide essential childcare support for families with young children," said Miriam Calderón, chief policy officer of Zero to Three, in a release. "We stand at a crossroads of policy and possibility. During the pandemic, we saw how bold action can lift babies and families out of

poverty and provide them with the support they need to thrive. Unfortunately, many of those investments are expiring.”

With the expiration of the child tax credit, it is expected we will see an increase in child poverty. Our future depends on how well we take care of our children.

## What’s Ahead for a Child Born Today?

And to give us a better idea of the future our children face, check out [Our Kids and the Urgency of Their Future](#) by Alex Steffen in Snap Forward ([Link](#)). Steffen says, “A baby born today in a middle-class family in a wealthy country can expect, actuarially, to see the year 2100. A college freshman this fall will not yet have hit retirement age in 2070. Today’s middle class five-year-old will likely have their kids sometime around 2040. To have kids is to be bound to the future for decades to come.”

He says, “And we know those will be decades of not only tremendous upheavals in planetary systems, but jolting transformations in technology, the economy, politics and society. The future in which our kids will live their lives, raise their own children, and settle into old age is going to be radically different from the world we parents — even younger parents — grew up in, ourselves.”

Steffan says, “To be a parent today is to have our deepest loves and hopes chained to discontinuities so large and fast-moving that not only have we never seen them before, but no human beings have ever lived through their like.”

“To be a parent now is to raise a child whose world will look to us like a maelstrom of the uncertain, the unpredictable and the unprecedented... but will be, for them, just how the world is,” says Steffen. “Simply by having kids, we launch them into a future for which none of us has been prepared. How, then, are we supposed to ready them, to guide them, and to smooth their way forward?”

And to add that concern, here are some stats from Save the Children: ([Link](#))

The climate crisis magnifies [inequality](#), [poverty](#), displacement and may increase the likelihood of [conflict](#).

- 90% of diseases resulting from the climate crisis are likely to affect children under the age of five.
- By 2050, **a further 24 million children are projected to be undernourished** as a result of the climate crisis.
- By 2040, it is estimated that **one in four children will be living in areas with extreme water shortages**.
- Almost **160 million children are exposed to increasingly severe and prolonged droughts**.
- **The education of around 38 million children is disrupted each year** by the climate crisis.
- The climate crisis is forcing families to migrate. By 2050, **there could be 143 million more migrants** due to the climate crisis.

Taking care of our children needs to be a priority. With fertility declining and risks increasing, the future depends on the coming generations’ viability and resiliency.

## 4 Day Workweek -- the Latest Change to How We Work

One way we might help ensure a better future for our children is to adopt a 4-day work week. Mansoor Soomro writes in [The 4-day workweek could be the best way to bridge the gender pay gap—and the](#)

companies that have tried it are living proof ([Link](#)) that it could help with the child care crisis and help close the gender pay gap. He says, “The recipient of the latest Nobel Prize in Economics, Prof. Claudia Goldin, has analyzed 200 years of data on the gender pay gap—and proved that the current earnings gap can be mainly attributed to childcare responsibilities.”

Soomro says, “Childcare responsibilities are often disproportionately borne by women, primarily due to the traditional gender roles that have persisted for generations in many cultures around the world. These roles have perpetuated the societal expectation that women are the primary caregivers in households. A four-day work week presents an opportunity to encourage fathers to participate more equitably in childcare duties.”

“Goldin noted that both men and women start on equal footing, but the gap widens when kids are born, and then women continue to shoulder a big chunk of the burden,” says Soomro. “Similarly, McKinsey and LeanIn found in their report surveying over 200 firms that women are still being held back in the workplace because of factors including childcare expectations. In short, women’s participation in the labor workforce continues to be low—and the gender pay gap continues to be a major issue.”

“There is no better time than now to introduce a four-day workweek,” says Soomro. “A shorter working week, in the form of a four-day workweek, is a transformative solution that can empower employees by providing them with the flexibility they need to juggle work and caregiving responsibilities effectively, closing the gender pay gap. Critically, it would narrow the gap between women working part-time due to childcare and family responsibilities and their full-time colleagues.”

He says, “The most apparent advantage of a four-day workweek is the extra day off. This extra day provides women with the gift of time, enabling them to spend more quality moments with their children. For example, a mother who previously left for work early in the morning and returned late in the evening would have an additional full day to bond, play, and engage with her kids. The emotional benefits of this are immeasurable.”

“Microsoft Japan reported a 40% productivity increase as part of their Work-Life Choice Challenge, demonstrating that a shorter workweek can lead to more focused and efficient work,” says Soomro. “This increased efficiency directly benefitted women with childcare responsibilities, as it reduced the stress associated with managing work and family life.”

He says, “One of the significant challenges for women with childcare responsibilities is the risk of career stagnation. Often, women are forced to reduce their working hours or take a hiatus from their careers to meet their caregiving responsibilities. The four-day workweek can be instrumental in allowing women to continue their careers without major interruptions and can enable companies to retain female talent.”

Another example is “Unilever whose All Roles Flex policy is a prime example of a company actively supporting women with childcare responsibilities. The policy offers flexible working options, including shorter workweeks, to all employees. Unilever’s commitment to flexibility has contributed to a more diverse and gender-balanced leadership team.”

Soomro says, “The four-day workweek is not just a schedule change—it’s a very good sketch of how the future of work should be. Organizations that embrace a four-day workweek send a powerful message: they are committed to gender equality and support the diverse needs of their employees. By empowering

women with childcare responsibilities, we are not only creating a more inclusive and equitable workforce but also a better society.”

### Street Smart Campaign

Another way to protect our children is the Street Smart campaign. Please heed their message.

**EYES UP,  
PHONE DOWN**

**80% of crashes are  
related to driver  
distraction.**

**Eyes Up, Marin**  
[www.streetsmartsmarin.org](http://www.streetsmartsmarin.org)

Street  Smarts Marin is a program of  TAM  
Transportation Authority of Marin



## Members in the News

### **Brett Martinez Named 2023 California Advocate of the Year**

Brett Martinez, president and CEO of Redwood Credit Union, has been named 2023 California Advocate of the Year by the California and Nevada Credit Union Leagues (CCUL).

### **Star Staffing celebrates 25 years**

Star Staffing is marking 25 years in operation. The women-run and women-owned business grew as an idea formed at the founder's kitchen table.

### **Redwood Credit Union Donates More than \$49,000 to Local Nonprofits for International Credit Union Day**

On October 19, Redwood Credit Union joined credit unions around the world in celebrating International Credit Union (ICU) Day, a day for credit unions to reflect on their history and commitment to serving their members and communities.

### **Bank of America Donates a Green House to Homeward Bound**

Bank of America identified the need for a Green House at Homeward Bound and provided this money and lifesaving tool!

### **Sonoma State University is Offering "Guaranteed Admission" to High School Students**

To help make college a reality, Sonoma State University is trying a relatively new approach: High school students who have completed the requisite coursework and have a minimum 2.5 high school GPA are now "guaranteed admission" to the Rohnert Park, California-based school.

### **Kaiser Permanente's \$1 Million Dollar Fire Recovery Grant is Housing Students at SRJC**

Kaiser's grant allows many students to find housing security.

### **Burbank Housing Invites You to the Grand Opening of Laurel at Perennial Park**

Santa Rosa's newest 100% affordable senior housing community.

### **Redwood Credit Union Named Healthiest Credit Union in California, Sixth in Nation**

Redwood Credit Union has recently been ranked the healthiest credit union in California and sixth healthiest in the nation among large credit unions as of June 30, 2023, according to Glatt Consulting's credit union industry HealthScore, which measures credit unions' financial strength and growth.

### **Midstate Construction Completes Caritas Village Family Apartments**

General Contractor Midstate Construction Corporation, and Developer Caritas Acquisitions VI, LLC recently completed Caritas Village, a 20 unit affordable housing community located in Napa, CA.

### **Arrow Benefits Group's Rosario Avila Recognized by North Bay Business Journal's Excellence in Diversity Award**

Rosario Avila has been named a Diversity in Business Award winner by the North Bay Business Journal.

### **Exchange Bank's Mary Leonard-Wilson Honored by Women in Banking**

Mary is an SVP Chief Credit Officer and a member of the executive committee for Exchange Bank in Santa Rosa, CA.

## **Providence Santa Rosa Memorial Hospital Earns Distinction for High Performance in Maternity Care**

Providence Santa Rosa Memorial's Family Birth Center has been named to the Cal Hospital Compare Maternity Care Honor Roll.



### **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](mailto:info@northbayleadership.org)  
[www.northbayleadership.org](http://www.northbayleadership.org)