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## CALIFORNIA ECONOMIC SUMMIT

# 2018 ROADMAP TO SHARED PROSPERITY



**A PLAN TO ELEVATE CALIFORNIA**

## ELEVATE CALIFORNIA

# THE CHALLENGE OF OUR TIME

For millions of Californians, it may be the best of times. For millions more, it sure doesn't feel like it. The state's economy remains on an unprecedented growth streak, and innovative businesses continue to define global trends and generate enormous wealth. With an eye to the future, state leaders have enacted some of the world's most ambitious climate policies—positioning California to be at the forefront of industries from advanced energy to the internet of everything.

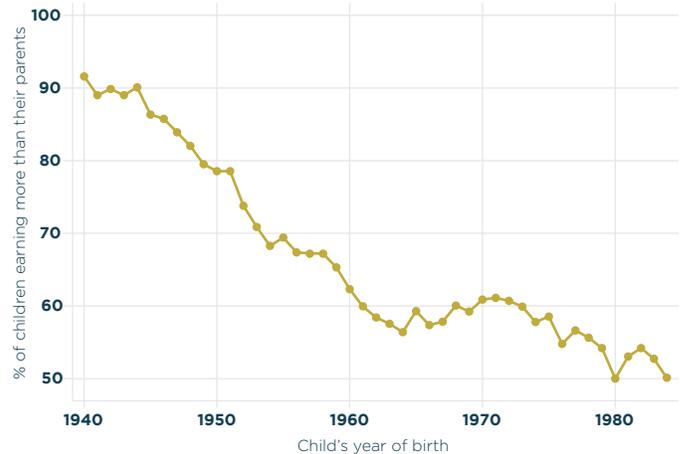
At the same time, the California Dream feels more elusive than ever. More than one in three Californians is living near or below the poverty line. Five million Californians are stuck in minimum wage jobs—and as escalating housing and commuting costs swallow up meager paychecks, homeownership rates have fallen to their lowest levels since World War II. Automation and other economic disruptions are eroding workers' sense of security, while a warming climate is raising the specter of drought, wildfire, and rising seas. With each passing generation, fewer young people are doing better than their parents.

This widening sense of disparity—and disquiet about the future—isn't unique to California. It is the source of political turmoil and division all over the country. It also points to a new imperative: It is time to Elevate CA.

### THE SUMMIT: A PLATFORM TO UNITE AND ELEVATE

The California Economic Summit has emerged as California's only statewide venue with a comprehensive agenda for taking on these multifaceted threats to our prosperity. Since the first Summit in 2012, this unique network of public-, private-, and civic-sector leaders has championed initiatives aimed at the triple bottom line: seeking to simultaneously advance economic growth, ensure environmental quality, and provide opportunity for all. The Summit's "One Million Challenges" have zeroed in on the need to expand California's skilled workforce, lower housing costs, and invest in sustainable water systems—advancing new performance-oriented investments in career technical education, producing new innovations in infrastructure finance, and creating a policy framework big enough to take on the housing crisis.

### THE FADING AMERICAN DREAM: PERCENT OF CHILDREN EARNING MORE THAN THEIR PARENTS BY YEAR OF BIRTH



Data source: Raj Chetty, *Improving Equality of Opportunity in California: New Lessons from Big Data*, Stanford University, 2016

The Summit recognizes more is needed to address the foundational issues facing Californians: reducing income inequality, increasing economic security and community resiliency in a time of climate change, bolstering wealth generation, and restoring upward mobility.

At the 2017 Summit in San Diego, nearly 500 participants affirmed these priorities and identified three major new initiatives to help lift every California community into prosperity.

The 2018 Roadmap outlines the Summit's plans to take on these challenges of our time—pushing the state to set goals and track progress toward restoring upward mobility, ensure rural regions aren't left behind, and demonstrate how every California community can make itself a model of resiliency. Together with the One Million Challenges, this new agenda is outlined in more detail on the pages that follow.

## IT IS TIME TO ELEVATE CA

**1.6M** number of Californians who can't find a job or are working part-time and want full-time work

**40%** growth in incomes of top 10 percent since 1980

**81%** number of Californians who say high cost of living is forcing people out of the state

**-19%** growth in incomes of bottom 10 percent since 1980

# WHAT IT WILL TAKE: 2018 INITIATIVES

1:

## Setting goals consistent with California values

### ELEVATE CA

The Summit will support legislation defining tangible state metrics for upward mobility—and establishing a system for tracking progress.

2:

## Ensuring rural areas aren't left behind

### ELEVATE RURAL CA

The Summit will launch a statewide collaborative committed to advancing the sustainable development of rural regions.



**Human development:**  
1M more skilled workers



**Sustainable communities:**  
1M more homes  
1M more acre-feet of water



**Quality job creation strategies:**  
1M more jobs

3:

## Making it last, by modeling resiliency for every region

### THE 2018 SUMMIT

The November 15-16 Summit in Santa Rosa will focus on the need for resiliency in every region—whether it is from natural disasters, climate change, or economic uncertainty.

4:

## Advancing solutions that meet the triple bottom line

### THE ONE MILLION CHALLENGES

The Summit will continue ongoing initiatives to close gaps in skilled workers, livable communities, and well-paying jobs.

# A VISION FOR CALIFORNIA

## 1: Setting goals consistent with California values

### Elevate CA

If economic mobility is the goal, the state should set targets for achieving it—and develop a system for tracking progress and directing funding where it can make a difference.

The Summit will support legislation defining a set of statewide mobility goals, modeled after California's successful climate change policies, which first defined concrete emissions targets for the state in 2006.

Guiding this legislative effort will be the Principles to Elevate CA adopted at the 2017 Summit in San Diego.

*“The federal government was never going to solve this problem for us, no matter who occupied the White House. As Californians, we control most of the public policies and investments that will determine our fate. Our success can—and must—inspire a different course for the nation.”*

—**Dave Regan**, President, SEIU-United Healthcare Workers & **Ashley Swearingin**, Former Mayor of Fresno, President & CEO of the Central Valley Community Foundation

# PRINCIPLES TO ELEVATE CA



## Cross cutting principles

### FOCUSING ON THE TRIPLE BOTTOM LINE

- The triple-bottom-line framework needs to be applied to policy decisions, not just business ones. We must align public resources and regulations to simultaneously advance equity, prosperity, and sustainability. And we cannot afford major policies that prioritize one or even two at the expense of the third.
- Triple-bottom-line solutions can also promote greater understanding—across ideologies and interests, geographies and generations—building society's capacity to reduce conflict and to develop inclusive and resilient communities and regions.

### RURAL-URBAN CONNECTIONS

- Sustainable urban communities are reliant on sustainable rural communities. Vibrant urban economies benefit from vibrant rural economies. And equitable and just economies must be equitable and just within regions and among regions.

Endorse the Principles to Elevate CA at [caeconomy.org/endorse](http://caeconomy.org/endorse)

At the 2017 Summit, steward leaders agreed to the following principles to unify leaders as they seek to improve the social, economic, and environmental conditions in California, the nation, and the world. These principles can help guide public actions and private choices that contribute to a vibrant, just, and sustainable future—a prosperity shared among us and with future generations.



## Equity

- Improving equity will require reducing income inequality, increasing economic security, bolstering wealth generation, and restoring upward mobility.
- Equal opportunity—always a moral imperative—is now a social and economic imperative. As the population gets older—and grows more slowly—as many Californians as possible need to be engaged in the economy and contribute to their communities.
- Improving resiliency will require lifting up lower-income Californians, enabling more workers to reach median incomes and stability, and accelerating innovation and entrepreneurship.
- Public programs—from the safety net to workforce development—must more effectively help impoverished Californians achieve self-sufficiency and resiliency.

## Prosperity

- Attracting private capital and seizing opportunities for high-wage growth will require public-private partnerships that create value for investors, communities, and regions.
- Attracting private capital to generate valuable and in-demand jobs will require state agencies to collaborate more with local agencies at the regional level—to align public investments and regulations in support of projects that advance the triple bottom line.
- Technological and other disruptions will require public agencies and their civic partners to be nimble and adaptable—and to proactively help individuals and families adapt and thrive.

## Sustainability

- California's environmental leadership—on climate change, public health, and biodiversity—will have the greatest impact if California can demonstrate how to reduce carbon use and restore ecosystems while creating more equitable, just, and resilient regional economies.
- Developing truly sustainable communities will require a radical integration of new technology and community design, deep and strategic collaboration among public agencies, and resilient local enterprises and regional economies.

# EMERGING INITIATIVES FOR 2018

**2:** Ensuring rural areas aren't left behind

## ELEVATE RURAL CA

While the Summit will sustain progress on the One Million Challenges, California's rural regions face a unique set of challenges, from disproportionately high concentrations of poverty and unemployment to their proximity to forests and natural landscapes struggling to respond to destructive fires and unhealthy watersheds. In 2018, the Summit will launch a statewide collaborative committed to advancing the sustainable development of rural regions, focused on three opportunities:

- 1. Biomass development:** Supporting development of a next-generation forest products industry in response to a dead and dying tree epidemic in the Sierra Nevada.
- 2. Broadband connectivity:** Expanding broadband access to more than a million Californians living without high-speed internet.
- 3. Water infrastructure:** Providing assistance to small communities struggling to invest in local drinking water infrastructure.

**3:** Making it last, by modeling resiliency for every region

## THE 2018 SUMMIT

The next Summit on November 15-16 in Santa Rosa will focus on the need for resiliency in every region, whether it is from natural disasters, climate change, or economic uncertainty.

The Summit has partnered with Sonoma County to document the region's response to the 2017 wildfires—and to analyze in real time the lessons learned and opportunities for system change that are emerging as a result. The Summit's goal is to work with local leaders to establish a governance model for resiliency that can be adopted by every California community—before disaster strikes.

Like every Summit, the Sonoma Summit will not be limited to just one event. The Summit network, in association with leaders from Sonoma and neighboring counties—Mendocino, Lake, Solano, Marin, and Napa—will convene before and after the Summit on issues ranging from disaster response to water sustainability and housing affordability.

# 2017 SUMMIT SUCCESS



## ONE MILLION MORE SKILLED WORKERS

To restore upward mobility and meet employers' needs, California requires one million more graduates with bachelor's degrees and **one million more workers with middle-skilled credentials over the next 10 years.**

### → 2017 PROGRESS

- Supported implementation of new \$200 million program for career technical education
- Developed and promoted new strategies for connecting employers with education and workforce programs
- Elevated student success models—and encouraged their adoption—through blogs and webinars



## ONE MILLION MORE HOMES

With supply falling far below demand—and with half of Californians now unable to rent or buy a home in their communities—California needs to build **one million more homes in the next 10 years.**

# THE ONE MILLION CHALLENGES

4:

Advancing solutions that meet the triple bottom line

## THE ONE MILLION CHALLENGES

The Summit will continue ongoing initiatives—the One Million Challenges—that aim to expand the pipeline of skilled workers, make housing more affordable and water more reliable, and create more well-paying jobs.

### ONE MILLION WORKERS

Accelerate employer engagement strategies (like the Strong Workforce Program) to provide students with the skills they need

Develop tech-infrastructure and programs to reconnect workers displaced by shifts in the economy

Create new flexible learning options for workers to access training resources and upskill

Expand workforce pipelines in high opportunity sectors

### ONE MILLION JOBS

Support regional partners' agendas for building economic resiliency, especially through growth strategies in promising industry clusters such as green or blue technology



### ONE MILLION HOMES

Advance efforts to make housing more affordable by assisting in implementation of the 2017 housing package and growing political and policy support for further action in 2018

### ONE MILLION ACRE-FEET OF WATER

Accelerate water sustainability and resilience at a regional scale by partnering with Sonoma County and other Russian River stakeholders on a pilot project to integrate sustainable management of the watershed. Incorporate findings into California Water Plan Update 2018.

### → 2017 PROGRESS

- Advanced passage of 15-bill housing package as first step toward confronting housing shortage
- Provided technical assistance to legislators, and advocated for policy proposals that would put state on path to long-term goal: building one million more homes



### ONE MILLION MORE ACRE-FEET OF WATER

Californians continue to use more water each year than the state's infrastructure can sustainably provide. To create a reliable water supply for residents, businesses, farms, and the environment, California needs to conserve, capture, and re-use **one million more acre-feet of water each year for a decade.**

### → 2017 PROGRESS

- Launched pilot program in the Russian River watershed with the Department of Water Resources and Sonoma County
- Published and promoted strategies for quantifying the value of ecosystem services
- Convened local leaders to improve connections between land use planning and groundwater management



# SUMMIT LEADERS AND PARTNERS

## Leadership

### HONORARY CHAIRS

**GEORGE SHULTZ**

Hoover Institution,  
Stanford University

**LEON PANETTA**

The Panetta Institute  
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**DIANNE FEINSTEIN**

U.S. Senator

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California Community Colleges,  
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Doing What Matters for Jobs & the  
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EAH Housing

Employment Training Panel

First 5 Association of CA

First 5 CA

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First 5 Alameda

First 5 Sonoma

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Local Government Commission

McKinsey Global Institute

Milken Institute

Pure Luxury

Santa Rosa Metro Chamber of Commerce

Southern CA Association of Governments

## Summit Conveners



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Thriving Regions. Thriving State.

## Action Team Leads

More than 700 experts and practitioners are working through the Summit on action teams committed to the triple bottom line. In 2018, these teams and their leaders are supporting efforts to meet the One Million Challenges:

### INFRASTRUCTURE

**MARK PISANO**

USC Sol Price School  
of Public Policy

**SEAN RANDOLPH**

Bay Area Council  
Economic Institute

### CAPITAL

**GREG WENDT**

Stakeholders Capital

**SETH WILSON**

Cutting Edge Capital

**JIM GOLLUB**

Gollub and Associates

### WORKING LANDSCAPES

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UC Agriculture and  
Natural Resources

**A.G. KAWAMURA**

Solutions from the Land

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Creswell Consulting

**RAY PEARL**

California Housing Consortium

### WORKFORCE

**ALMA SALAZAR**

Los Angeles Area  
Chamber of Commerce

**VAN TON-QUINLIVAN**

California Community Colleges,  
Chancellor's Office

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**MATT BOGOSHIAN**

U.S. Environmental Protection  
Agency (former)