

## California Community Colleges Chancellor's Office Podcast Episode 47

### The Economic Value of the California Community College System

Eloy Ortiz Oakley: Hi. This is Eloy Ortiz Oakley, chancellor of the California Community Colleges. And you're listening to another episode of the California Community Colleges, chancellor's office podcast. I've often talked about the economic impact the community colleges have on their communities, on their states and on the nation. And recently the California Community Colleges released a report about that economic impact. The report is titled the economic value of the California Community College system. I had the chance to preview it at the last board of governor's meeting in January, and to just quickly summarize, based on fiscal year 2018/19 data, the California Community Colleges added more than 128 billion, that's billion with a B in income to the California economy. And if you think about that in terms of the total growth state product, that's 4.2%. In terms of jobs, the community colleges' impact supported 1.5 million jobs in the state, which is about one out of every 16 jobs that's created in the state.

So the economy of the state of California like many states across the nation, is closely tied to the health and resiliency of our community colleges, of the students that we serve and of the partnerships we have with employers. And to talk more about the California economy, I have a guest today that knows a lot about what's been happening in California, leading the conversation about what needs to happen in California to move California Forward. And of course, he leads the organization called California Forward. Today, I have a very special guest by the name of Dr. Micah Weinberg. He is the CEO of California Forward. Dr. Weinberg leads California Forward, which is a cross-sector civic leadership group, which is committed to leading a movement to improve government and create an inclusive, sustainable growth in the state's regions. His work focuses on increasing the dynamism, the resiliency and inclusive of communities in California, and of course, throughout the nation and the world, because as California goes, so goes the world.

I'm anxious to get into a conversation with him. He's been taking a hard look at this economy in California for a long time. And of course, in thrills of a pandemic. It'd be interesting to hear his thoughts about where we go from here in a post pandemic recovery. So with that, Micah, welcome to the show. It's great to have you.

Micah Weinberg: Thanks for having me.

Eloy Ortiz Oakley: All right. Well, let's jump right in. For those listeners who have been living under a rock and have not heard of California Forward before, tell me about the organization and what you're hoping to accomplish.

Micah Weinberg: That's okay. It's not exactly a household name. And I'm not rebranding it now, but I think the real key thing is, we're about moving California Forward together, right? So we bring people together across parties, across regions, across interests to tackle the state's most pressing challenges, centering equity, keeping an eye on sustainability and growing the economy. So achieving that triple bottom line, we just think, this is obviously what we believe we should be doing, but it turns out that the destiny of the central valley is intricately tied up with that of the bay area, with the inland empire and so on. So we cannot have good outcomes for anybody unless we really understand these distinctive regions and we're working together, rural, urban, north, south, all the different parts of the state.

Eloy Ortiz Oakley: Right. So I think the point that you made about the different connections in the regions, California is in many ways a big state broken up into many regions, different economies, the coast versus the central valley, the north versus the Souths, Giants versus the Dodgers. We are definitely a regional state. What's been your experience so far? How are these regions working together to serve the needs of the state? What do we need to do different? And what does California see as a way forward to bring these regions together, to really focus on the future of California?

Micah Weinberg: Yeah. Well, I mean, we really need to remain focused on solutions and be less sort of attached to whatever kind of ideology we have coming into it. And really just ask the question, how do we get people, the broadband access that they need? When we're talking about economic recovery, there is no economic recovery. There is no economic prosperity without access to high speed affordable internet. That's been a focus of ours. We have to deal with these wildfires, right? I mean, that's a very practical issue and there's a lot that we have to do. There's a lot that we have to build. And that's also a challenge for California to sort of do things quickly and build things quickly and respond to these challenges. But we believe that if we bring people together across the different regions, we'll be able to do that.

And it is a lot about this. There was a mayor of city on the peninsula and the bay area. He made a very, very bad joke about building a wall around his city, because there are a lot of places in California that aren't inclusive. Now, if he actually were to build a wall around his city, they would have no water, no energy, no workforce, no food, right? And that's true of any part of California is that we are totally interdependent with each other. And so we need solutions that are going to work for everybody. And that's why the community college system, I think, has been such a central partner of ours over the years, that you were on our board. We worked with you folks on the strong workforce program because a community college system is also rooted in all of the different communities of the state. And doesn't think about it just as north, just as south, just as urban or just as rural, you are also thinking about how it all fits together.

This transcript was exported on Feb 09, 2022.

Eloy Ortiz Oakley: No. That's exactly right. It's a privilege for us to have a community college in just about every community in the state of California. Now, the community colleges, along with our partners at the UC, CSU, along with the Newsom administration, leaders in the state legislature, lots of people have been joining with organizations, such as yours, California Forward to talk about the economic recovery.

Micah Weinberg: Right.

Eloy Ortiz Oakley: We were talking about it after the great recession that's been exacerbated because of the pandemic. And so a lot of the talk today is a focus recovery with equity. And this term equity has sort of been injected into this conversation. Now that we are beginning to hopefully see a light at the end of the tunnel of this pandemic, what are some of the ways that you think we are achieving inequitable recovery in your view and what are we missing?

Micah Weinberg: So yeah. I mean, and this is a little bit of a rhetorical thing, but an economic recovery implies recovering the economy that we had before the pandemic. And to a certain extent, we've actually already done that. This is a V-shaped recession. When you look at the economic trends, we're basically back where we would have been had the COVID not even happened. However, part of where we were, right, a central part of where we were is that we have the highest rate of poverty in this state when adjusted for the cost of living. We have yawning, racial inequities, actually much larger in this state than in some other states around the country. And so what does it mean to actually address those things? What would it mean to really create real equity? And we focus a lot in California around making sure that people have access to the earned income tax credit and variety of different sort of entitlement programs such as that.

And those are all really great, but the real way that we're going to achieve equity is through creating power, creating wealth for those community that have been systematically locked out of home ownership, systematically discriminated against as they develop their small businesses or try to advance within our society in California. And so we at California Forward have been very, very focused on the empowerment side of the equation. So we're working a lot on home ownership. We're working a lot on access to capital for small businesses, owned by people of color. Those are both major initiatives of our California economic summit and really looking at that wealth building and power building, in addition to whatever sort of redistribution we think needs to happen within the system.

Eloy Ortiz Oakley: So one of the initiatives, I know the governors talked a lot about, and I know you've been involved with California Forward and the California economic summit has been the region's rise together initiative.

This transcript was exported on Feb 09, 2022.

Micah Weinberg: Yeah.

Eloy Ortiz Oakley: Can you tell us a little bit about that and how we're trying to achieve some of these goals through that initiative?

Micah Weinberg: Yeah. And it gets back to a little of what we were saying around the interdependency, but the basic idea is that what we call regions in California are as large as most other states and in some cases, as large as other countries. You look at the Bay area and Los Angeles, they're both top 20 world economies. So we really need to understand the distinctiveness and the distinct strengths of the San Joaquin Valley, the Inland Empire, the Redwood Coast, the Imperial valley, we're talking about it being the new Lithium valley, right? All of these different areas have strengths and the state, and I'm glad that they're doing this under Newsom, needs to stop taking our economy for granted. Yes. I love the Bay area. I'm coming to you from Oakland. I work for the Bay Area Council, huge Bay Area homer, but there needs to be things going on all across the state in order to achieve racial equity.

There need to be healthy economies all across the state and not just sort of the... We're very proud of them, the very large, very well-funded companies in a particular region of our state. So that's one of the big reasons why we focused on that. And so there've been lots of different efforts, but just one that I'll hit on really quickly is the community economic resilience fund because region drives together, sort of initially was more of like, well, let's get together on the regional level. There are great organizations in our California Stewardship network, from the Central Valley Community Foundation to the Los Angeles Economic Development Corporation all around that are doing this work. But the state hadn't really invested in and funded this kind of regional economic development. And it's doing that through this program.

Eloy Ortiz Oakley: That sounds great. And I think it provides a lot of great examples of success stories in the different regions that we can all learn from. Now, community colleges, I think have been a part, if not a big part of a lot of these discussions in various regions of the state. How do you see the role of community colleges evolving? Obviously there's been a lot of talk about a skills gap in America and in California, what role do you see community colleges playing in filling the skills gap, any other gap that you see in the economy that you feel community colleges could help support and fill?

Micah Weinberg: Yeah. Well, I'm talking to the chancellor of the community colleges. So let me say some really nice things that I actually also believe. So just an essential role. I mean, we mentioned the central sort of place that they have in a lot of different communities, and I know you have this economic impact report. So yes. You educate a lot of people, but you're also this anchor institution for economic development, you are providing a lot of great sustainable jobs of the types that we are trying to grow in these regions, right? And then the

community colleges, I think can be an essential sort of fulcrum point between economic development and workforce development and community development, right? Because you touch all those different areas.

So at a minimum, the folks who work for the community colleges need to make sure to be at these regional planning tables and generally they are, and just continue to work on what we worked on together through the strong workforce program. What are the connections between the community college's curriculum and the needs of employers, and really addressing that skills gap that you talked about, which we could talk about a little bit more, because it is very real based on what has happened in the economy that has led to this sort of great resignation that folks are talking about.

Eloy Ortiz Oakley: Right. Well, let's talk about the great resignation. I think we hear a lot of the headlines.

Micah Weinberg: Yeah.

Eloy Ortiz Oakley: Lots of people are saying different things about it. We hear it from our students about their frustrations all the time. What do you think is going on? Is this a labor supply phenomenon or yeah. What do you think some of the downstream effects are that we should be preparing for?

Micah Weinberg: Yeah. So we really do have a significant labor supply and sort of skills match issue, which has not always been the case in our economy, different recessions of, sometimes there's been a labor demand issue. Sometimes there's been various other causes, but in order to be strong going forward, we're going to need to address the fact that the great resignation is basically the great retirement. So there were millions of people across the United States that were already on the brink of retirement, in some cases working past conventional retirement age that have just decided like, okay, I'm done. So that's a huge piece of this. And the challenge becomes that a lot of these folks are in really good jobs, senior people at utility company and all kinds of different things. And we don't have all of the skills yet necessary to replace folks in those jobs.

So that's going to be community college work. That's going to be on the job training. That's going to be lots of other ways in which people are going to move up in this economy. And then everybody else, it's not really, there's the great retirement, but the rest of it is more like a great churning that people are moving out of certain jobs and into other jobs, it's more kind of frictional unemployment than a long term desire for people to no longer work in the economy. So I think those get conflated a lot, but we need to understand what the actual drivers are here. Need to understand there is a lot of opportunity, but people are going to need to develop the skills to take advantage of it. And

the community college system is the most important vehicle for that happening in the state of California.

Eloy Ortiz Oakley: Yeah. No. It'll be interesting to see how this all plays out. I mean, I've certainly thought about participating the great retirement in the last 18 months, but unfortunately the finances don't quite work out yet. So let me ask you about another problem that's been vexing the state for a long time. Throughout this pandemic, we've heard a lot about the cost of housing.

Micah Weinberg: Yeah.

Eloy Ortiz Oakley: The challenge that particularly millennials and younger generations have getting into the housing market, what's some of the thinking that California Forward about how we deal with this problem, because something's got to give at some point.

Micah Weinberg: Yeah. I mean, first off we just need to make sure we understand what we're aiming at. And there is nothing that we could do that would more successfully advance racial equity, economic equity, address poverty, et cetera, than building a tremendous amount of housing. People will quibble, is it 3.5 million units? Is it 2 million units? Is it 10 million units, houses, homes? That doesn't really matter because we're not building any of those number. So let's just start with whatever number and keep going up from there because unfortunately through a variety of factors, costs have gone up for construction. California is already a place where due to various regulatory laws, it takes a longer time to build in particular sort of the type of multifamily, urban infill housing that we want to see, right? And there's just nothing that we could do that would be more impactful for racial equity and equity generally than building a tremendous amount of housing at scale.

So some of this is really blocking and tackling at the local level and getting the people on the planning commissions and the city councils that are approving these projects to understand it. And then there's been some good efforts at the state level, SB 9, SB-10, Senator Atkins has been a tremendous champion on these issues, but none of it is really adding up to the number of homes that we need for people. And the implication of that is poverty. The implication of that is homelessness. It's in the word. These people don't have homes. There are not homes, we need to build homes. And then the final thing that I'll say is that, we need to do that for our other methods of achieving equity in order to be successful. So I support the raising of the minimum wage.

The problem is, within the context of an extremely tight housing market, you just end up taking that extra money and giving it to your landlord, right? Which is not actually the way that we would achieve race equity. We need there to be substantially more housing supply in every community that the community colleges are in of every type of housing. Again, it's not like single family homes

or urban infill. It is all of the above. And that has been our approach. And just the final thing that I'll say is, we also need to really think about housing for home ownership. We built these towns, these neighborhoods and sort of the middle of the 20th century. We provided really great loans for people to get in and begin to build that, generational wealth, we are no longer building those homes. We are no longer sort of supplying that, government support at that scale. And there's a very different complexion of the home buyers these days, right?

Eloy Ortiz Oakley: Right.

Micah Weinberg: I mean, it's a much more diverse state. We are a state that is becoming more diverse by the day and we need to make sure that the opportunities for people to build that wealth, build that multi-generational wealth through home ownership are actually there for the people of today as they were 50, 60 years ago.

Eloy Ortiz Oakley: I think this is an issue that obviously we've been talking a lot about, particularly for the students that we serve. I mean, this is a major issue, both in terms of housing and security for students, but also what housing means to their future and is housing going to be part of their future? Is home ownership part of their future anymore like it has been for generations of Americans before? So I do think that this is sort of a fundamental issue that we're going to have to figure out going forward. Otherwise, it's going to be a tough future in terms of equity, if we can't solve it.

Micah Weinberg: Yeah. And we'll still be this huge economy, but we'll be a country club. And that's increasingly what we're becoming. It's sort of like, the landed Gentry and then the people who work for them and that is not anybody's vision of what California is supposed to be about, but without building millions of additional homes, that is what it is already becoming.

Eloy Ortiz Oakley: Right.

Micah Weinberg: That's just something that I'm really glad. I mean, and the community colleges end up being sort of these social service agencies. You have students that are homeless, you have students that have all these variety of different issues and maybe they're food insecure, right? And they're coming into your classrooms. And so this is something that it's essential for everyone in the economy to really work on together.

Eloy Ortiz Oakley: Yeah. No. The fact that we have an entire new vocabulary around basic needs for students today should be a warning sign to everybody that people across California are having a tough time making ends meet.

Micah Weinberg: Yeah.

Eloy Ortiz Oakley: Let me ask you this as we begin to wrap up, I can talk to you all day long and I'd love to get your back once we are on the other side of the pandemic and we start to see how the economy shapes up. We'd love to have you back to talk more about where we go from here, but let me ask you this. As we think about the California economy, what bright spots do you see? What kind of hope should we have for California's economy going forward? And what do you want people to know about where we go from here and about the signs that California sees on the horizon?

Micah Weinberg: So I come from kind of former coal country in Appalachia, and the problem that they have there is that there is no money and no activity and no sort of momentum to build on. We kind of take for granted in California that we do have a lot of economic activity. So for example, the logistics industry has just absolutely exploded in Northern San Joaquin Valley, the Inland Empire, a lot of these different places. And there are a lot of challenges associated with that. I mean, this is an industry that really needs to become substantially more sustainable, an industry where we want to have folks getting better compensated for these jobs. But what's sort of makes me hopeful is we have a set of industries that we can reform and improve here in California. So we have a lot to build on, but that doesn't sort of make the job of figuring this all out, that doesn't do it itself.

I mean, I guess, I don't know. So we have this young leader advisory council of just these absolutely amazing folks from sort of late high school to just having graduated and the energy and enthusiasm and just sort of consciousness around issues of environmental sustainability, just taken for granted, issues of equity, taken for granted. This is a priority, right? These are so many of your students. And that does give me hope. I think there's been sort of a fundamental mind shift on a lot of these issues that will mean that race equity isn't something that they're just a couple of organizations that care about and is otherwise kind of a sideline academic conversation, but is actually built into our basic strategy around these issues with the support of the new generation.

Eloy Ortiz Oakley: Oh. I agree. I mean, as a native Californian myself, this has always been a state full of ideas, full of energy and a lot of focus on solutions. So I'm hopeful as well that, that's what's going to drive us forward. So listen, Micah, this has been a great conversation. Really appreciate your time, your thought, your perspective, the work that you're doing, and of course, the work of the organization that you lead. So thank you for being with us.

Micah Weinberg: Absolutely.

Eloy Ortiz Oakley: All right. You've been listening to another episode of the California Community College Chancellor's Office podcast. I've been talking to my guest here, CEO and the leader of California Forward, Micah Weinberg. Thanks for listening in and we'll be back soon with another podcast. Thanks for listening.



This transcript was exported on Feb 09, 2022.

Speaker 3: Be sure to join us for the next California Community College's podcast. This has been a California Community College's presentation.