

Regions Rise Together: building a plan for inclusive, sustainable growth across California

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By many economic measures, California's economy is booming. We are the fifth largest economy in the world. We are leaders in everything from manufacturing to technology to trade. We see more businesses start here than anywhere else in America—including many that go on to become industry leaders thanks to our innovative spirit, world-class colleges and universities, state-of-the-art labs, and a truly diverse workforce.

But this growth is not shared across the entire state. In fact, it's heavily concentrated along our coast. Nearly 70% of job growth from 2010 to 2018 came from the coastal areas around Los Angeles, San Diego, and the Bay Area. While alarming, that's not surprising when you consider that Monster and Aerojet are the only two companies headquartered in inland counties, out of 118 total across California included on the Fortune 1000 list.

Left unaddressed, this imbalance will keep growing. Over the past 40 years, residents in counties as varied as Merced, Kern, and San Bernardino have seen their per capita incomes drop from close to 90% of the state median to below 65%. Today, California's inland communities face higher structural unemployment. They also create fewer jobs in the state's fastest-growing industries, particularly high-wage sectors like information and professional services. The limited quality job opportunities nearby combined with high housing costs in coastal areas results in many inland residents enduring grueling daily commutes to reach employment, including more than 85,000 who daily cross the Altamont Pass from the San Joaquin Valley into the Bay Area. And all these challenges come in the face of increasing regional impacts from climate change, affecting climate-sensitive industries like agriculture as well as communities and workers.

But there is a bright side to this story: Inland communities in California are places of great opportunity and innovation. Housing prices have rebounded from the depths of the recession. The state's \$50 billion agricultural industry is rooted in the heartland and remains strong and growing. New opportunities are cropping up in emerging industries from advanced manufacturing to software to renewable energy generation, including the 4,000 students trained through Bitwise Industries who are filling historic office buildings in downtown Fresno. Career pathway programs in San Bernardino County are giving high school students lifetime skills and increasing graduation and college matriculation rates. Research from UC Merced is demonstrating new ways to study the impacts of climate change on soil and water. Wind turbine manufacturing and deployment in Kern points the path towards our renewable future. Stockton's vision for an expanded tree canopy offers a model for improved quality of life, community farming, and climate resilience.

Governor Newsom came to office committed to making sure California for all is not just a slogan but a strategy that results in sustainable and inclusive growth across the state. We believe that every region in California deserves a strong foundation for a sustainable future.

That is why today, we are announcing a new initiative, Regions Rise Together, to bring together diverse leaders in every region over the course of the next year, so that we can hear your ideas and build a comprehensive plan that lifts every part of California. This effort builds on existing locally-driven initiatives in our state's diverse regions while also leveraging the investments and policy priorities of the state.

As we visit every region throughout inland California, we bring core principles and values to the table.

We believe in a California for all. The state's extraordinary prosperity and opportunity must be available to everyone. For workers, geography should not limit your opportunity to secure a living wage job with predictable hours and pathways to acquire the necessary skills to advance in a well- paid career in a growing industry. Businesses should have access to a high-quality infrastructure, such as a fast and reliable broadband network.

We believe in helping our communities to become more resilient in the face of a climate that is already clearly changing, and in assisting them in the transition to a low-carbon future. Our infrastructure investments, particularly in a statewide rail network and the recommitment to building out high-speed rail, provide both a clean way to travel and a great tool for revitalizing our downtowns by attracting more investment, jobs and residents. Locating new businesses and homes in a more concentrated pattern within our existing communities and near transit also helps protect critical agricultural land and open space.

To make sure we are building towards real impact, we will also track and measure our progress over time. We plan to collaborate with

innovative research teams such as Social Progress Imperative and Win-Win and will connect with existing efforts to track and promote economic mobility, such as the Economic Mobility Collaborative. The data is critical as it provides an important benchmark to keep ourselves accountable to delivering real results for the people of California.

As we look ahead to a state of 50 million people by 2050, the inland areas are where renewed growth and opportunity must take place. We see you. We will listen to you. We will work together.

We commit to learning about your regions' great assets and future opportunities, and to working together to tackle our challenges. We also call on you today to bring your best ideas forward as we embark on Regions Rise Together.

We are excited to work together to create a California that works for all and in all places.

Lenny Mendonca is chief economic and business adviser and director of the California Office of Business and Economic Development. Kate Gordon is the senior advisor to the Governor on climate and the director of the Governor's Office of Planning and Research. Together with senior advisor on Economic Development and Transportation, Egon Terplan, and senior advisor on Strategy and External Affairs, Aneesh Raman, they will lead the Regions Rise Together initiative