

OPINION

SLO, state economies face same hurdles

By Michael Manchak

Common threads surfaced about the challenges and opportunities facing both state and local economies at two recent events.

The Central Coast Economic Forecast in San Luis Obispo, and the California Economic Summit held in Fresno, together hosted nearly 1,300 attendees including civic and business leaders and elected officials.

In SLO County, economist Chris Thornberg of Beacon Economics drilled into the economy of 2019 and predicted what next year may bring. With his microscope on local economic challenges and opportunities, he delivered some stern observations.

First the good news: he does not foresee a recession in 2020 although one is long absent, despite the volatile stock market and mixed consumer confidence.

He said leading economic indicators are separate from the root cause of a recession.

Thornberg gave a warning that the Central Coast, and by inference the Tri-Counties, must address its challenges, in particular, the need for more workforce housing up and down the coast.

Using Sonoma County as an example, he illustrated how expeditiously and creatively it is dealing with sorely needed housing in the wake of devastating fires.

He pointed out that the high cost and lack of availability of housing for the working class and families is harming our communities and inhibiting a future resilient and diverse economy.

He said that the health of businesses and our communities go hand in hand, and our economies are tied directly to a lack of workers of all professions, which in turn is tied to the cost of living and a lack of housing.

Thornberg said that the root of the issue is not the ability to create more housing, but a willingness. This issue is causing a shrinking population in some communities as young people seek higher wages and less expensive housing elsewhere.

A big question on many people's minds at the event is how our communities and economies will deal with a

lack of workers in all industries and professions.

What's more, Thornberg questions who will provide the goods and services and at what cost if there are too few workers. Most economists argue that costs will rise in this scenario of a shrinking workforce.

Thornberg compared the things that we are worried about versus what we should be worried about.

He asserts that we are concerned with the number of jobs versus the number of workers; the number of jobs versus the quality of jobs; who pays for health care, versus what are we paying for; tax levels versus tax structure; income inequality versus creating more livable wages; and funded government liabilities versus unfunded government liabilities.

He also said that the general public is more concerned about a lack of business investment versus a lack of public investment (infrastructure); inflation versus slow bank lending; and the cost of housing versus the supply of housing.

The California Economic Summit focused on big-picture policy issues such as workforce, education, housing and infrastructure.

Organized by California Forward and the California Stewardship Network, the annual event was built upon the principle that regional approaches to problem-solving are critical to advancing a triple bottom line strategy of growing a balanced economy, improving environmental quality, and increasing opportunities for all.

Examples of policies and programs to uplift the quality of life in communities were highlighted at the event and give hope for the fifth largest economy in the world — despite being ranked worst in homelessness, education and business surveys.

What good is a \$3 trillion dollar state economy if it ranks worst in so many important matters?

The resounding focus of both events was to face these issues head-on, roll up our sleeves, and make improvements.

• *Michael Manchak is the president and CEO of the Economic Vitality Corp. of San Luis Obispo County.*

Viewpoint

DUBROFF

Continued from page 1A

because Ventura County, like most of the Central Coast, been on a slow growth track for a couple of decades and housing costs make it hard to recruit out-of-market.

Shockingly, Ventura County has lost population, according to recent census reports. That loss may be revised away, but it stands out because population losses are extremely rare in urban or suburban counties in the West.

Research by California Lutheran University's Dan Hamilton and David Hayes-Bautista at UCLA concluded that Ventura County's next generation workforce will be ready for higher paying jobs. One large cohort, the sons and daughters of farmworkers, is increasingly tech savvy, prefers English over Spanish and is highly motivated to pursue a profession.

The idea of reinventing the workforce has struck a chord with leaders like CSUCI President Erika Beck and EDC-VC chief Bruce Stenslie. It comes at a time when Ventura County has incorporated an economic vitality element into its general plan and a new generation of students is progressing through its well-regarded school system.

County government is one large organization that's trying to lead by example. It is adapting artificial intelligence for forecasting fires and leveraging technology to reduce costs and improve services.

A broadband initiative, led by EDC for the Tri-Counties plus Monterey County, holds the promise of delivering new data and imaging services at much faster speeds up and down the Central Coast to speed the transformation.

There is no guarantee that a workforce overhaul will pro-

duce faster growth. When it comes to advanced manufacturing training, the Ventura County Community College District has been slow to respond to what employers like Haas Automation see as a looming skills gap. It's not totally clear what the new jobs in fields like bioscience and agricultural technology will look like — or how to train for them.

When it comes to training for professional careers in health care and financial management, the process is expensive and time consuming. Even with CLU and CI in growth mode, an MBA in health care management, for example, is still on the horizon.

One idea that has resonated with economists like Chris Thornburg at Beacon Economics is adapting CLU's successful Hub 101 model to create innovation centers across the region, and use them as a springboard for talent development.

Matter Labs is working with the Port of Hueneme on such an adaptation — innovation is a particular strength of the region and could lead to unexpected opportunities. Organizations like VCEDA and P-20, a business-education alliance hosted by the Ventura County Office of Education, could reorient themselves around expanded internship and mentoring programs.

The biggest risk in reinventing the region's workforce is that, at the end of the day, workers are more mobile than companies. A highly skilled Ventura County workforce will only want to stay in the region if the jobs are here and if housing is affordable.

But then again, a new generation of skilled workers may press elected officials to do something they haven't done so far: develop the will to press for denser, taller, more connected and more affordable urban living and working environments.

• *Contact Editor Henry Dubroff at hdubroff@pacbiztimes.com.*

PACIFIC COAST
BUSINESS TIMES
www.pacbiztimes.com

14 E. Carrillo St., Ste. A
Santa Barbara, CA 93101
(805) 560-6950 — Fax: (805) 560-8399

ADMINISTRATION**EDITOR AND CHAIRMAN:** Henry Dubroff**PUBLISHER:** Linda le Brock**OFFICE MANAGER:** Debra Giles**NEWSROOM****MANAGING EDITOR:** Glenn Rabinowitz**SPECIAL REPORTS EDITOR:** Chris Officer**STAFF WRITER:** Marissa Nall**CONTRIBUTORS**

Tom Bronzini, Tony Biasotti, Carly Kay, Elizabeth Braun

ADVERTISING**ACCOUNT EXECUTIVE:** Veronica Kusmuk
FINANCIAL AND PROFESSIONAL SERVICES, HOSPITALITY
vkusmuk@pacbiztimes.com or (805) 845-2708**ACCOUNT EXECUTIVE:** Sean McCullough
COMMERCIAL REAL ESTATE, INSURANCE, BUSINESS SERVICES
smccullough@pacbiztimes.com or (805) 845-2733**DIRECTOR OF MARKETING:** Romi Ramirez**ADVERTISING DESIGNER:** Cory Yniguez**BUSINESS SERVICES****TICKETS TO PCBT SPECIAL EVENTS:**Romi Ramirez: (805) 845-2697
or rramirez@pacbiztimes.com**CIRCULATION SALES & SUBSCRIPTIONS:**Debra Giles: (805) 845-2063
or circulation@pacbiztimes.com**BUY A REPRINT OF YOUR FAVORITE STORY:**Cory Yniguez: (805) 845-2745
or cyniguez@pacbiztimes.com**BUY A TOP 25 LIST:**Visit www.pacbiztimes.com/lists**GIVING BACK****CHAMBER OF COMMERCE MEMBERSHIPS:**

Camarillo, Carpinteria, Goleta Valley, Greater Oxnard, San Luis Obispo, Santa Barbara Region, Santa Maria Valley, Santa Paula, Simi Valley, Greater Conejo Valley, Ventura

SPONSORSHIPS:

UC Santa Barbara Economic Forecast Project, UCSB College of Engineering, CSU Channel Islands, MIT Enterprise Forum, California Lutheran University, VCEDA, EVC-SLO

CONNECT WITH USwww.facebook.com/pacbiztimestwitter.com/pacbiztimes**OUR AWARDS****Society of Professional Journalists**

• 2010: Sigma Delta Chi national breaking news award

Society of American Business Editors & Writers• 2001: Certificate of merit, overall excellence
• 2006: Certificate of merit, overall excellence
• 2008: Breaking News award
• 2009: Breaking News online award
• 2011: Breaking News award**U.S. Small Business Administration**

• 2004: Small Business Journalist of the Year, Los Angeles District

Los Angeles Press Club• 2010: First place, Business Story
• 2010: First place, Hard News Story
• 2013: First place, Hard News Story
• 2016: First place, Headline