



Keynote Speaker

Mr. William C. Allen: President and CEO of Los Angeles Economic Development Corporation

<http://laedc.org/william-c-bill-allen/>

“Role of Innovation in Economic Development”

William C. Allen: Thank you Steve for the invitation and for the opportunity that you and Michael Hoggan extended to me to join you all. I am always inspired when I visit this campus because to me there is no more shining example of resilience and promise in the San Fernando region than California State University Northridge.

We're only three and a half months away from the 28th anniversary of the devastating Northridge Earthquake of 1994 that literally shook this campus to its very core and rocked our entire San Fernando Valley economy. The earthquake was felt as far away as Los Vegas and took nearly 60 lives, injured about 8,000 of our neighbors in our communities, sending 1,600 of them to local hospitals and doing nearly 20 billion dollars in damages to this region, including more than 400 million dollars in damage to this very campus at that time--the single greatest impact of a natural disaster on any American campus at that time. But despite those traumatic impacts, Cal State Northridge and its student, faculty and administrative leadership showed remarkable courage and determination not only to continue to move forward with classes and university life in the aftermath of that tragic event but also to lead this institution through higher heights in every way since.



1994 Northridge Earthquake

CSUN today is a larger, stronger and better university within more beautiful and modern campus and a magnificent performing arts center that beckons and welcomes visitors to this campus from near and far to share in the extraordinary energy of this campus. CSUN does in fact truly shine in this San Fernando Valley. After the earthquake, I actually had the pleasure of working with your then President Blenda Wilson as she was rebuilding this campus, and we worked together to attract a world class biomedical device manufacturing firm called MiniMed, founded by a friend of mine, a serial entrepreneur named Alfred Mann, to build a state of the art research and manufacturing facility at the north end of this campus. And just last week, that company, since acquired by Medtronic, announced the US FDA approval of their MiniMed 530G system, a new type of insulin pump for people with diabetes. A device that is being hailed as the next best thing to an artificial pancreas that consents when a person's blood sugar levels get dangerously low and then withhold insulin accordingly. My own involvement in helping bring that company and the associated 1,500 jobs that came with it to this campus also came as result of the Northridge Earthquake.



2013 Oviatt Library

Until that day in 1994 I had spent more than 15 years in the entertainment industry. About half of my career with the CBS television network as a programmer of primetime television series and, later as president of MTM Television during the era when we produced Hill Street Blues, St. Elsewhere, Remington Steel, Newhart, WKRP in Cincinnati and many other popular programs of the 1980s and early 1990s. But on January 17, 1994 our studio was rocked by that very same earthquake forcing us to shut our production of the then number one show on television show called Seinfeld and forcing us to close the headquarters building where the roof collapse, and had we been in that building then many of us would have been severely injured if not killed. My colleagues and I were faced with the daunting task of rebuilding our production facilities and studios while keeping as much of our work operational as possible. Our situation was not unique. It was faced by hundreds of businesses and thousands of families across this valley and it was faced by this university. *Our situation required all of us to think differently and to reach out to others for help. Formal and informal networks of friends and colleagues, neighbors throughout the valley came together and eventually coalesced into an amply named Economic Alliance of the San Fernando Valley. And because of the critical importance of higher education to our regional economy, even then one, of the first investors and most active board members of that alliance was then CSUN president Blenda Wilson.*

Our situation required all of us to think differently and to reach out to others for help. Formal and informal networks of friends and colleagues, neighbors throughout the valley came together and eventually coalesced into an amply named Economic Alliance of the San Fernando Valley. And because of the critical importance of higher education to our regional economy, even then one, of the first investors and most active board members of that alliance was then

Since that time, her successors Jolene Koester and Diane Harrison had been deeply involved in the work of that alliance. In 1995, the then business government and education leaders of the valley formalized the existence of what was until then an all volunteer alliance by developing a well-defined consensus oriented and comprehensive strategic plan for economic recovery in the valley and incorporated the economical alliance as a nonprofit public benefit corporation in early 1996 to lead the implementation of that plan.

One of the foundational elements to that plan was the importance of improving education at all levels so that we could better attract new businesses, investment and jobs to the valley and ensure greater participation in our economy, and a pathway to prosperity for more of our 1.7 million valley residence at that time. CSUN School of Education, not yet endowed by Michael Eisner's family foundation, was critical to our successful implementation of that plan given its large role in preparing quality teachers for our K-12 schools--as were the college of business, economics, engineering and computer science, health and human development and other professional schools here which were needed to help prepare and improve the workforce foundation of key sectors of our valley economy, including business and financial services, aerospace, biomed, healthcare and entertainment among the others.

Many of the key planning and implementation meetings were held right here on campus and informed by the work of professors like Shirley Svorny and later Dan Blake and Bill Roberts as they shed light on the realities of our economy through the leadership they provided of the **San Fernando Valley Economic Research Center** here at CSUN. They helped us all make more informed decisions about the strategic and tactical steps necessary to advance our economy and its key clusters of economic activity.

In 1995, I stepped down as President of MTM television, sold my interest in the parent company and spent a great deal of volunteer time helping develop that strategic plan for the valley's economic recovery. And in 1996 I agreed to become the first full time CEO of that alliance of the San Fernando Valley. Over the next few years, the alliance helped plan public meetings and conduct them that conceived and even developed the mode grade and alignment strategies for what is now known as the very successful metro Orange Line public transit system across the valley floor. We partnered with my present employer, the LA County Eco-

conomic Development Corporation, to provide free business assistance to hundreds of businesses struggling to recover from the effects of the earthquake and the other economic crises of that era including the closure of the General Motors plant that used to manufacture Camaros and Firebirds in Van Nuys. And the downsizing of the aerospace and defense companies in this valley that had supported the aerospace and defense industry which was downsizing at the end of the Cold War.

Now, we brought education reform efforts like **Project Red** to the San Fernando Valley seeking support from the Eisner Foundation which made two successive 1 million dollar grants to launch that very successful effort in our most challenged areas of the northeast San Fernando Valley. And then wisely, recognizing that the success of Project Red was largely dependent on the quality of the teachers implementing it, the Eisner Family Foundation chose to endow the Eisner College of Education here at CSUN because this is where the largest number of K-12 teachers were coming from to serve the schools in our valley. The more I traveled across the valley meeting with business, government and education leaders to implement the noble mission of that economic alliance the more I ran into graduates of CSUN in key leadership positions in each of those sectors. So flash forward to January 2006, when I was recruited to become the CEO of the **Los Angeles County Economic Development Corporation** serving the 88 cities, 200,000 businesses and 10 million residents of LA County, *and the first thing I did was recommend a similar strategic planning process to include not only businesses who were there to--who were the primary members of the LAEDC but also a government and education institutions like CSUN because of the critical importance of higher education to the LA County economy.*

...and the first thing I did was recommend a similar strategic planning process to include not only businesses who were there to--who were the primary members of the LAEDC but also a government and education institutions like CSUN because of the critical importance of higher education to the LA County economy.

Over the next two years, we surveyed and conducted focus groups with 5,000 businesses of all types and from all across the county and we asked them about the challenges they were facing. Then we compared the challenges that they identified against the regional strategies being employed by some of the world's most successful economic regions across this country and throughout other nations. We conducted 26 public meetings that more than a thousand in 80 stakeholders groups attended. They were from our region's business, government, education, labor, environmental and other sectors, and together we planned LA County's first ever consensus oriented comprehensive strategic plan for economic development--a plan to ensure a strong, diverse and sustainable economy for the residents and communities of Los Angeles County. That plan has since been adopted unanimously by all five county supervisors and 84 cities across this

county either through direct council actions of their own or through votes as participants in their regional councils of government.

The first major aspirational goal and set of key objectives developed by our broad coalition of stakeholders was to prepare a better educated workforce by improving education at all levels and ensuring that businesses could find enough workers with the right knowledge and skill sets to meet their needs. And that job seekers and incumbent workers would both be able to enter sectors of our economy offering high value jobs and built-in career ladders. Specific strategies to achieve those objectives included conducting and publishing research on the workforce shortages, skills gaps, and required proficiencies which the LAEDC Economic and Policy Analysis Group has since done, and evaluating education, training and placement programs for continuous improvement which work is ongoing today throughout our county and is exemplified by this symposium today. We've been specifically called for integrating

The first major aspirational goal and set of key objectives developed by our broad coalition of stakeholders was to prepare a better educated workforce by improving education at all levels and ensuring that businesses could find enough workers with the right knowledge and skill sets to meet their needs.

workforce training activities and higher education from entry level through college and university based through enhance professional education to create seamless career pathways leading to high value jobs in targeted industries like aerospace and life sciences, just for two examples.

One of the first people I invited to help us both plan and execute these strategies was Blenda Wilson's successor, Jolene Koester. I developed a strong appreciation for Jolene's character, intellect and leadership while serving as a member of the CSU Search Committee that selected her as President of CSUN. Jolene agreed that CSUN would become a member the LAEDC and helped us plan and implement strategies and tactical initiatives to benefit the entire county and all of its economic regions. Since then we've had many wise members of the faculty and administration on our key strategic advisory committees including the dean of the Tseng College of Extended Learning Joyce Feucht-Haviar and her Director of Programs and Partnerships Julia Potter. It was through them that I was introduced to your dynamic new President, Dianne Harrison, and your provost and a brilliant provost I might add, Harry Hellenbrand. And I think it was they who suggested to Michael Hoggan that I be invited to join you today. And to all of them, I am indeed grateful. I've been enjoying reading by the way President Harrison and Provost Hellenbrand's various speeches and letters to the faculty in the CSUN community expressing their visions and insights into this extraordinary institution.

The challenges that they and all of you in higher education in California face today are truly unprecedented. The increasing demands our economy is placing on your institutions to supply the educated, skilled and creative workforce and entrepreneurs necessary to complete in the global economy, the need for applied research to innovate in that environment, the difficulty in planning and staffing the delivery of relevant curriculum in an age when technology is rapidly disrupting key industries, occupations and career pathways, combined with the complexity of educating the unprecedented numbers of first generation college students representing more language and cultures than ever before in our system, all at a time when the great global recession forced our state government to dramatically, and I would assert unwisely, reduce its investment in education at all levels, and most acutely in higher education. It's nothing short of daunting with a capital D. One must truly be very brave in this new world to be willing to take on the challenges that you all do each day, and for that I salute each and everyone of you.

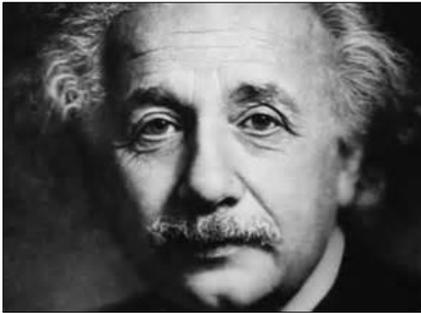
But brave we must all be as frankly the future of our economy, our democracy and our quality of life all depend on our getting this right. We have long accepted the fact that a sustainable democracy requires a well-educated population. But as we continue to transition globally from an industrial economy to a knowledge-based economy, it is becoming increasingly clear that human intelligence, knowledge and creativity, are becoming the most valuable economic resources of all. As urban theorist **Richard Florida** writes in his best-selling book, The Rise of the Creative Class, the ability to come up with new ideas and better ways of doing things is ultimately what raises productivity and thus living standards. Florida goes on to explain that we live in a time of great promise. We have evolved economic and social systems that tap human creativity and make use of it as never before. This in turn creates an unparalleled opportunity to raise our living standards, build a more humane and sustainable economy and make our lives more complete. But there is no guarantee that this promise will come to fruition. It can just as easily go unfulfilled.

Right now in the United States that is unfortunately exactly what is happening. The transformations we have given rise to stands incomplete. *The great dilemma of our time is that having generated such incredible creative potential, we lack the brother social and economic system to fully harness it and put it to use. "No one is going to do this for us," he says, "it is us to each of us, all of us, to complete the transformation to us society that taps and rewards our full creative potential."* And his follow up book, The Flight of the Creative Class, Florida goes on to emphasize the importance of tapping the full creative capabilities of every single human being. He notes that the creative class is already doing well in our society. They're taking care of themselves. But he cautions that addressing the needs of the 30 percent of our nation's workforce that make up this creative class, not just artists and writers and musicians, but also engineers and scientists, architects and engineers, and anyone who uses creativity as a key factor in their work and business, education, healthcare, law or some other profession, is not enough.

"The Role of Innovation in Economic Development"

He stresses that to both prevent widespread social unrest and benefit economically from the creative input of the maximum number of its citizens, the US and other countries will simply have to find ways to bring the service and manufacturing sectors more fully into the creative age. In this respect, *our greatest challenge involves growing--involves both the growing class divide that the creative age is producing, and the huge reservoir of untapped creative potential that is being squandered. Addressing this divide is not only socially and morally just; it is an economic imperative for our society or any society interested in long term innovation and prosperity.*

Considering the complexity of the challenges we face as a society today and the urgency to improve our response to them, I'm reminded of the greatest to academic of all, Albert Einstein. Professor Einstein once famously said, "**We cannot solve today's problems at the same level of thinking we were at when we created them.**" No-



where is this statement more to the point, more fittingly targeted and more applicable than

with the current state of education in America including higher education.

As everyone here already knows, there is an important battle being waged in America. It is the battle to prepare our students at all phases along the educational continuum for the jobs that will be foremost in tomorrow's economy. It is the battle to chip away at the growing and accelerating imbalance between the demand that exists for well prepared workers to-

day and its current supply. And it is the battle to prepare deeper pools of human talent to not only help build the next Space X or Silicon Beach innovation hub here in our county but also to solve some of the world's most intractable problems such as curing devastating diseases, combating global warming, or simply figuring out a way to provide enough clean water to millions of people around this planet. We are as, you all know, losing this battle to fully develop, empower and unleash our nation's most important resource, its human capital. But whether we ultimately lose or win the final decisive war which, make no mistake will also determine whether we prosper or decline as a society or nation. Well, that's still to be determined. *What I do know, however, is that to eventually win we must all heed Einstein's admonishment, to change our level of thinking in a way to adapt to what is actually in front of us.*

For as another greater leader from the world of business, the former **General Electric CEO, Jack Welch**, correctly understood, *if the rate of change is faster outside your organization than within then the end is near.* So, at the very least I hope we can all agree to work together to better synchronize our levels of thinking to match the rate of change occurring outside these sanctified university walls. What are some of the ways we might consider thinking and acting differently?

"...our greatest challenge involves growing--involves both the growing class divide that the creative age is producing, and the huge reservoir of untapped creative potential that is being squandered. Addressing this divide is not only socially and morally just; it is an economic imperative for our society or any society interested in long term innovation and prosperity."

As everyone here already knows, there is an important battle being waged in America. It is the battle to prepare our students at all phases along the educational continuum for the jobs that will be foremost in tomorrow's economy.

Since my remarks today are largely about the nexus between higher education in our regional economy, and most of your institutions, particularly those in the CSU system, play a primary role in preparing the workforce for your regional economies. I would suggest you begin by first ensuring that you truly understand your existing regional economy, whether your institution is here in the San Fernando Valley or the Silicon Valley or any other region of our state, nation, or world. Many well-educated, well-read, and well-meaning leaders right here in our community, in our own regional economy, mistakenly ascribe unduly large attention and importance to the industry that I came from, in the entertainment industry. Some newspapers provide a disproportionately large amount of coverage on that industry, and even refer to LA as a company town much like Kohler, Wisconsin, which was largely dependent on that one great plumbing company for jobs in its community, or Hershey, Pennsylvania with that world-famous chocolatier has long employed a large percentage of that community's residence in the manufacture of their chocolates, and many of the dairy farmers in that region in the supply of milk for that chocolate.



Make no mistake, Hollywood is profoundly important to our regional economy and has helped to attract countless related creative companies engaged in the design and manufacture of movies, television, music, and even fashion, toys and games, helping our region become the creative capital of America. And they have brought untold wealth into this region from the export or sale of movies and television shows throughout the world. We need to help them return production to this state. We need to help continue to nurture and grow that sector. But did you know that there are actually many more people employed today in Los Angeles County in manufacturing than there are in the entertainment industry? That's right, there are almost twice as many people employed in manufacturing in LA County as in the entire entertainment industry.

350,000 people working in more than 13,000 companies, the greatest number of manufacturing employees and employers of any county in the United States.

We are not only the entertainment and creative capital of America; we are in fact the manufacturing capital of America. *We make everything from Budweiser Beer to Boeing cargo planes, from See's Candy to satellites, from handbags to Hot Pockets to helicopters. And so that's right. We make more commercial helicopters than any other county in America. And traditional manufacturing in our county is becoming more mechanized, more computerized, more advanced by necessity as each day passes. So preparing our manufacturing labor force will require substantially more education than in the past. Now whether you drive an Audi, BMW, Ford, Honda, Toyota, Volkswagen, or Volvo, there's a good chance it was designed right here in the automotive design capital of America, Los Angeles County, a region that is home to more than 20 auto design studios.*

And as the technology and our vehicles becomes more sophisticated and connected, the levels of education required to design and engineer them continues to escalate. So, be sure you know what all the clusters and sectors are that make up your regional economy and make an effort to understand which of them are traded clusters, otherwise known as export-oriented clusters, that serve markets beyond your own with goods and services produced in your region, but sold and distributed elsewhere. The sale of which brings wealth back in to your region that can then be circulated through your more local serving populations-serving sectors and clusters to help more of your residence share and potentially growing regional prosperity. Be sure also to determine and analyzes the actual supply and demand in your labor market. What are the high, middle, and

low skills sought by employers in your region? Who in your market possesses those skills? Is there an abundance or scarcity of people with those skills or talent in your region?

1. Give thought to how global economic forces and advances in technology are likely to impact and change the clusters, sectors, occupations and related skill sets required for each of those sectors in your region in the years ahead.

2. Consider specifically how your institution, its students and your regional economy and the regional economies that compete with yours, will be impacted by disruptive, transformative advances in energy discovery, development and distribution, in healthcare drug and device innovation, food preparation and ag-technologies, water resource production, management and delivery, digitization of content production and distribution, gene sequencing, nano productivity, robotics, artificial intelligence, data security technology, adaptive manufacturing technologies, et cetera.

3. Then develop your higher education priorities, programs, faculties, courses, delivery methods, and the associated budgets for each, all of those regional and global economic realities and prospects in mind.

4. And in your process, please involve the civic stewards in your region who have emerged and accepted responsibility for leaving a stronger, healthier, more robust and just economy for the next generation.

They want to help you succeed because they understand, as Richard Stengel said in Time Magazine's October 29, 2012 issue on reinventing college in America that *a higher education has been the great engine of American prosperity, innovation and social mobility and we weaken it in at our own peril*. We must find a way to do better. I would bet that most of us in this room consider ourselves stewards of our environment who recognize that we have a moral responsibility to leave this earth a better place or at least a more sustainable place for future generations. If so I trust that which endeavor to behave accordingly in our use of scarce natural resources in our impact on the environment as a result of our own behaviors, and in our role as champions of the environment persuading others, our children, our employees, our mentees, to accept that environmental stewardship role and its accompanying responsibilities themselves.

Well, I would suggest you all that we need to additionally accept the fact that *each of us has a similar moral responsibility to help ensure the health, vitality and sustainability of our economy for future generations*. Are we willing to take on that responsibility as stewards of place and more specifically as stewards of our regional economy to ensure as

best we can that the economic prosperity that we have enjoyed in this region and other parts of this great state and nation during our lifetimes will still be available to future generations? Or are we willing to stand by and watch our regions decline like that of Detroit?

"...each of us has a similar moral responsibility to help ensure the health, vitality and sustainability of our economy for future generations."

As you think about that future, be sure you also study and contemplate and work to truly understand the emerging economy in your region. It is essential that curricula be developed, conceived, and offered in a way that it is fully focused on what will be needed in the key sectors and clusters of the emerging economy as opposed to what may have been needed in the past or may simply currently appear to be invoked. For example, the Green Economy, please don't misunderstand my mention of the Green Economy here, it is important and growing, especially in our state of California. But during the recession, untold millions of dollars of federal stimulus programs were spent training people in our communities for green-collared

jobs that were all the rage in the medium of political campaigns but it did not actually exist or emerge after the students who trained for them had completed their training, which amounted to a cruel waste of their time and money in pursuit of skills for jobs that were not yet present in sufficient numbers, or coming anytime soon in their local or regional economies.

"Think about serving both of your clients in your regional economies, both the students and the employers..."

Think about serving both of your clients in your regional economies, both the

students and the employers, understanding that a successful and results-oriented curricular structure, one that results in employment for your students within six months after graduation, is best achieved if industry is actively working with higher education providers. Continue to innovate in your delivery of curriculum to students on campus, in workplaces and through the internet.

Higher education must become more responsive to the needs of the increasingly diverse range of students whose futures are now and will increasingly be more dependent on what you have to teach them. Industrial-age systems of education will not serve them or our economy or our society well. Develop and incorporate flexible and more information-age measurements to evaluate higher education success, not just traditional employment but for example how about levels of our entrepreneurialism. An endeavor to balance short-term success, with tracking and reporting, that tracks long-term meaningful change in the individual's career levels. I know that CSUN and many other CSU campuses are developing programs, courses, and student and alumni networks to encourage and support student entrepreneurs in the successful conception, planning, development, funding, staffing and operation of their own enterprises, whether scalable, high tech, high growth in nature, or modest visions for opening a single boutique retail outfit or a community focus-service business on one's own. This investment in enabling entrepreneurship in our regional economies will be an essential piece of the puzzle of how to create jobs in what has been still a relatively jobless economic recovery today.

The Southern California Association of Government is working with our own LAEDC economist, recently projected that our LA County economy will not replace all the jobs lost in the great recession that began more than five years ago until at least 2018. And that does not even include the numbers of new jobs that we must create in this region to accommodate the population growth taking place between 2008 and 2018.

Focus also on removing the artificial barriers and the stigma between what constitutes education and what constitutes workforce training, understanding that higher education is workforce training in the information age. Endeavor to institutionalize system-wide approaches and collaboration encouraging and embracing active and seamless collaboration between regional system players, K-12 schools, community colleges, universities and industry. With integrated system-wide approaches and reporting to move individuals forward through a series of steps from basic education to employability.

In order to keep pace with the rapid advances in science and technology that are increasing the value and demand for knowledge workers and to compete against the many nations in the world today that are investing more time and money in the education of their citizens, we must improve both student access and success here in California and all across this nation. Our educational attainment rates must improve and the rate of improvement must accelerate.

Recent university study projected that by 2020, two out of three jobs in America will require some post-secondary education or training. About 33 percent will require a bachelor's degree or better, an additional 30 percent more will require some college or an associate's degree. And yet here in LA County, our LAEDC economist report that only about 28 percent of our adults, 25 and older, have completed a bachelor's degree or better. Fortunately to help encourage us to improve these levels of educational attainment, there is ample evidence that education increases both individual and regional prosperity. For individuals, we know several things. The unemployment rate for college graduates is about half that of the rate for the American workforce as a whole.

Looked in another way, the unemployment rate for people in their 20s with only a high school diploma is about three times higher than the rate for those with at least a bachelor's degree in that age grade. We also know that from studies of [Census Bureau Information](#), the average lifetime earnings of a bachelor's degree holder are currently about 84 percent more than that earned by the average high school graduate, a difference of more than a million dollars over their lifetimes. And that premium on college education has been steadily increasing in our society overtime. 30 years ago that premium was only about 48 percent, but as our economy continues to transition from an industrial-age model to an information-age model, that pre-



mium will likely continue to grow as it has for the past 30 years. And according to a [Milken Institute](#) study, published earlier this year on the effect of educational attainment on regional economic prosperity, a region's economic fortunes are closely tied to the quality of its workforce. Simply stated, education increases regional prosperity.

Milken found that adding one year to the average years of schooling among the employed in a metropolitan area is associated with an increase in real GDP per capita of 10.5 percent and an increase in wages per worker of 8.4 percent. Now what's more, the benefits of additional schooling to regional economies are even greater for better educated workers. **Adding one year of schooling to the average educational attainment among employed workers with at least a high school diploma is associated with an increase in real GDP per capita of 17.4 percent, and an increase in real wages per worker of 17.8 percent.** In contrast, an additional year of education for workers with just nine or 10 years of schooling have little effect on real GDP per capita or real wages per worker. And clusters matter, as the returns are even higher if your regional economy includes clusters which involve high skill jobs like business and IT service industries as ours does.

The [Milken Institute](#) completed--when it comes to education a rising tide really does lift all those. It is a location's most important source of sustainable competitive advantage. The [Milken Institute](#) looked specifically at our Los Angeles, Long Beach, Santa Ana, and Metropolitan Statistical Area and projected that if our employed workforce had the same average years of schooling as the Washington-Arlington-Alexandria MSA, our real GDP per capita in 2010 would have increased to \$59,428 from the actual \$51,959. Imagine what that could've done for our regional economy with the families who participate in it and the taxes that would have flowed from that additional income to help fund further higher education in our region and our state. As a result, Milken made a several specific policy suggestions, including:

1. boosting college access and affordability through government investment and incentives, institutional efficiencies to help control the affordability of education, and
2. business assistance with scholarships and paid internships.
3. They also recommended government remove barriers to educational choices, that educational institutions provide more flexible and technology-enabled formats conducive to adult learning and that businesses provide more tuition assistance and encourage further professional development through work-related certificates and degrees for incumbent employees.
4. Additionally, to increase higher graduation rates, they recommended better analysis of the patterns and causes of dropouts. Actions to minimize obstacles to degree completion, the provision of effective counseling systems for students and improve policies on credit transfers.

In 2012, the **Institute for Suicidal Studies** at UC Berkeley published a study on California's economic pay off from investing in college access and completion, and concluded that *the benefits of higher education extend well beyond the direct pay-off for students and regions, and in fact includes substantial gains for the state itself as it receives increased tax revenue and reduced cost for social welfare and incarceration.* In fact they reported that for every dollar California invests in students who'd go to college, it will receive a net return on investment of \$4 dollars and .50 cents as the increase on higher earnings of graduates are taxed in ensuing years and as the state saves money in social services and incarceration costs.

Now, what's more those who complete college show the highest gains, double the return for those who at-

"...for every dollar California invests in students who'd go to college, it will receive a net return on investment of \$4 dollars and .50 cents as the increase on higher earnings of graduates are taxed in ensuing years and as the state saves money in social services and incarceration costs."

tended but did not graduate. And importantly, they found that college pays off for every Californian, regardless of ethnicity. The advantages of earning a baccalaureate degree relative to a native born, non-Hispanic, white, high school graduate, yields about 1.2 million more for African-Americans, 1.5 million more for native born Asians, and about 1.1 million more for native-born Latinos. **They concluded that by the time our next generation of college graduates reach age 50 they will have repaid than early 4.5 billion dollars the state originally invested in them plus an additional 10 billion.**

"So just as the investment in higher education is critical to our regional economy, so too is it critical to the ultimate success of California."

So just as the investment in higher education is critical to our regional economy, so too is it critical to the ultimate success of California. As I prepare to conclude my remarks today let me share with you that the authors of that UC Berkley study on investing in college access and completion, report that there are nearly 2.8 million young adults in their prime college-going years in our state, ages 20 to 24, one of the largest age groups accounted in recent California census in 2010. They are outnumbered only by those ages 15 to 19 on whom future decisions about college going weigh most heavily. Together, the sheer size of these two groups highlight the urgency of higher education access and completion in California.

So, I applaud your gathering today and tomorrow as you have regularly for some time now in these series of symposia on the future of the California State University System and higher education in the brave new world. As you said about the process of redesigning and retooling your system and your campuses to better and more efficiently meet the needs of both your clients, the students who seek what you can offer to improve their lives and the eager employers who increasingly need your help to supply their more precious

resource, human capital, please know that organizations like mine, the Los Angeles County Economic Development Corporation, and many of our peer organizations throughout this region and in the entire city California, stand ready to offer whatever support and encouragement in what we can because we simply cannot succeed in achieving our missions and our visions of helping everyone of our neighbors to meet their basic human need for a job, unless we help you and the K-12 teachers that you are preparing in your schools of education to equip our residents with the knowledge and skills to do so. Failure at this essential task has been an option for far too long in this state. Let's restore the ambition and vision and guiding principles of the master plan and take that option to fail off the table for good.

Thank you very much.

[Applause]

END

