



## Governor's Council on Economic Expansion: 02/28/2022

Minutes prepared by: Rhonda Davis, Project Consulting Group (PCG)

Location: Virtual

### Attendance

- Jeffrey Ettinger, Co-Chair, Hormel (formerly)
- Paul Williams, Co-Chair, Project for Pride in Living
- Scott Burns, Structural
- Joe Fowler, Minnesota Building and Construction Trades Council
- Jodi Hubler, Medical Alley Association
- Brenda Hilbrich, SEIU Healthcare Minnesota
- Neel Kashkari, Federal Reserve Bank of Minneapolis
- Marcus Owens, African American leadership Forum; Linking Leaders
- Tuleah Palmer, Blandin Foundation
- Joo Hee Pomplun, Alliance for Metropolitan Stability
- Nonoko Sato, Minnesota Council on Nonprofits
- Traci Tapani, Wyoming Machine
- Bharti Wahi, Department of Human Services
- Penny Wheeler, Allina Health (formerly)
- Steve Grove, Department of Employment and Economic Development
- Jodi Harpstead, Department of Human Services
- Roslyn Robertson, Department of Labor and Industry

### Agenda

- |                |  |
|----------------|--|
| 2:00 PM        | Meeting convenes   |
| 2:05 – 3:00 PM | Insight talks: Understand other approaches and frameworks for 10-year economic planning in Minnesota. <ul style="list-style-type: none"><li>• Kweilin Ellingrud, Director – McKinsey Global Institute (<a href="#">Toward an Equitable Economic Recovery in Minneapolis-St. Paul</a>)</li><li>• Joo Hee Pomplun, Executive Director – The Alliance (<a href="#">Our Area: Alliance Regional Equity Agenda</a>)</li><li>• Craig McDonnell, Assistant Commissioner – Minnesota Pollution Control Agency (<a href="#">Minnesota Climate Action Framework</a>)</li></ul> |
| 3:00 – 3:15 PM | Small group discussions  |

3:15 – 3:20 PM	Small group report out on 2-3 ideas to incorporate into the roadmap
3:20 – 3:50 PM	Subcommittee work on the roadmap – kick off <ul style="list-style-type: none"><li>• Meeting schedule</li><li>• Engagement planning</li><li>• Update vision statement</li></ul>
4:00 PM	Meeting adjourns

## Next Meeting

Date: 03/14/2022

Time: 2:00 PM – 4:00 PM

Location: Virtual

## Meeting Notes

### Meeting convenes

- Commissioner Jodi Harpstead started the meeting with the announcement that this meeting is fully virtual because an in-person meeting is not practical or prudent due to the health pandemic, pursuant with [Minnesota Statutes, section 13D.021](#).
- Commissioner Steve Grove announced the budget forecast and indicated Governor Walz and Commissioner Jim Schowalter from Minnesota Management and Budget (MMB) are speaking to the press this afternoon.
  - Additional \$1.5B in the government surplus was noted in the February 2022 forecast.
  - Higher income, spending and profit resulted in the addition of \$1.5B to the surplus. The total surplus is currently \$9.3B, an increase from \$7.7B.
  - Economic variables exist, notably inflation and the geopolitical risks as a result of the crisis in Ukraine.
- Co-chair Jeff Ettinger reviewed the agenda and highlighted the speakers for the Insight Talks, which were aimed at understanding other approaches and frameworks for the 10-year economic planning cycle in the State of Minnesota.

### Insight talks: understand other approaches and frameworks for 10-year economic planning in Minnesota

Kweilin Ellingrud, Director – McKinsey Global Institute ([Toward an Equitable Economic Recovery in Minneapolis-St. Paul](#))

Joo Hee Pomplun, Executive Director – The Alliance ([Our Area: Alliance Regional Equity Agenda](#))

Craig McDonnell, Assistant Commissioner – Minnesota Pollution Control Agency ([Minnesota Climate Action Framework](#))

**McKinsey Global Institute, Kweilin Ellingrud, Director**

- The data is directly related to the State of Minnesota as a result of multiple survey engagements conducted by McKinsey Global Institute:
  - Black Economic Mobility data
  - American Opportunity Work
  - Women in the Workplace
  - Future of Work
- Minnesota has essentially recovered from a GDP perspective, and from a jobs' perspective is at approximately 76% of pre-COVID levels.
  - COVID-19 pandemic impacted everyone, and deeply impacted individuals by gender and race.
- National overall male workforce numbers increased 100,000 compared to pre-COVID, while 1,000,000 women remain out of the workforce when comparing current data to pre-COVID. Additionally, when reviewing the data by race, Hispanic and Black workers have exited the workforce at higher levels.
- Specific to the Twin Cities area, pre-COVID racial disparities have been exacerbated, not just in terms of jobs but also in savings, median family income, and poverty rate, which was 25% for Black residents, compared with 6% of white residents pre-COVID. Additionally, unemployment for Black residents was 18% and white residents at 7% during the initial COVID outbreak. The Minnesota unemployment rate continues to improve; however, Black residents remain unemployed at a higher rate.
- Future of Work: The study examined the current technology available for implementing automation, what the wages are of the people currently doing the work, and determined if it makes financial sense to automate those jobs.
- McKinsey built a Future of Work automation model based on 800 different occupations across the USA down to the Metropolitan Statistical Areas level. The data indicates 40% of activities can be automated, taking into account that there is a dramatic difference based on the job/occupation.
  - 10% for CEOs, legislators, psychiatrists
  - 90% for assembly line work, sewing machine operators
  - 60% of occupations, which equates to one-third of all work, could be automated today and it would make business sense to do so.
- McKinsey methodology included the baseline automation future of work model that was underway pre-COVID with added data around the acceleration of automation that occurred during COVID-19. The result was further advancement of a quickly moving automation trend.
- The data depicts the industries and occupations that gained or lost jobs.
  - Gained: Health aides, healthcare workers, health professionals, STEM professionals and transportation services including warehouses, delivery and alike.
  - Lost: office support, administrative assistants are expected to shrink by 17% or 1 million jobs due to COVID-19. Customer service and sales decrease of 8% that equates to approximately 3 million jobs. Food services, restaurants and bars saw a loss of 5%, an additional 1 million jobs.

- The U.S. needs very different skills to address the disconnect in job openings instead of only requiring higher average education.
  - Skills to effectively interact with technology
  - Social and emotional skills
  - There is less need for basic problem solving or cognitive skills, and also less need for physical or manual labor skills.

### **The Alliance, Joo Hee Pomplun, Executive Director**

- The mission of The Alliance is to build campaigns that bring together the intersection of racial justice, economic justice, environmental justice, and health equity.
- The Alliance offers a vantage point and output that are both data driven and immersive in working within the community.
  - Building trust within the community and interacting with individuals who are most impacted and who are also aware of available resources encourages communal knowledge sharing.
- An emphasis on tenant protections, transit lines, specific areas of community engagement, and affordable housing.
- Monthly round table discussions focusing on how to actualize equity include organizations that are deeply embedded into the community, which helps avoid superficiality and transactional responses.
- Intentional investments will fund the Alliance recommendations, and the state will be able to make an impact within the community.
  - The document provided by The Alliance depicts those recommendations and is located here: ([Our Area: Alliance Regional Equity Agenda](#)).

### **Minnesota Pollution Control Agency (MPCA), Craig McDonnell, Assistant Commissioner**

- The framework includes six goals that cut across all subcommittees and are intrinsically connected.
- Clean transportation: transportation provides the greatest opportunity to reduce climate pollution. The goal is to connect and serve all people through a safe, equitable, and sustainable transportation system.
- Climate-smart natural and working lands: manage natural and working lands to help address climate change by absorbing and storing carbon, reducing emissions, and sustaining resilient landscapes.
- Resilient communities: prepare communities with the resources needed to plan and build a more resilient future, communities experience the impacts of climate change differently and solutions must be tailored to local needs.
- Clean energy and efficient buildings: investment in clean energy and energy efficiency benefits all Minnesotans by creating jobs, lowering energy costs, and contributing to a more stable climate.
- Healthy lives and communities: community engagement and new opportunities provide the grounding for health lives.
- Clean economy: transitioning to a cleaner economy must include solutions that benefit everyone, Minnesota will build an economy that addresses climate change and equitably provides family-sustaining job opportunities.

**Panelists provided additional information during a moderated question and answer session.**

- What is the one change or strategy you believe would best accelerate economic growth in the next five years?
  - Kweilin Ellingrud: Tie the spending bills and state funded initiatives to increasing the number of women in the workforce. Reskilling is the barrier, healthcare and childcare are needed, including for part-time workers.
  - Joo Hee Pomplun: Stability in housing, holistic healthcare access.
  - Craig McDonnell: Climate policy with a clean energy opportunity for job creation in construction and other trades.
- How did you prioritize equity and community engagement in your framework or recommendations?
  - Craig McDonnell: Community engagement focused around six goals that all discuss equity. Disproportionate impacts will be addressed within the framework, which includes community engagement. Healthy lives can come from creating opportunities.
    - Council members acknowledge that day-to-day work is horizontally connected to other pillars within the Governor's Council on Economic Expansion.
  - Kweilin Ellingrud: Reskilling will be helpful to the state, more than any other areas across the nation.
  - Joo Hee Pomplun: Authentic engagement within the community knowing we do not have the answers and learn from diverse voices who have not had a seat at the table.
    - Tension and discomfort are to be expected and are part of the process. Avoiding the tension and seeking comfort will not result in change.
- One of the responsibilities of the Governor's Council on Economic Expansion is to make a recommendation focused on equitable economic expansion. Do you have any specific advice for us on the topic?
  - Kweilin Ellingrud: Be bold. We have a real opportunity to bring creative and long-lasting results for our future. Pivotal moment in history to do the bold work necessary for significant change.
  - Joo Hee Pomplun: Conversations cannot be in a silo while simultaneously be inclusive, otherwise the effort becomes transactional inclusion and is not anticipated to last.
- When thinking about actions to ensure long-term economic growth, both the Governor and Lt. Governor have asked: what change in the system needs to take place to drive economic growth?
  - Kweilin Ellingrud: Expand the collaboration between federal and state employers to be coordinated and working together in alignment.
    - Childcare and family leave – it is embarrassing that the US does not compete with other countries and lags considerably behind.
  - Craig McDonnell: Coalition-building and deeper collaboration, including expansion of partnerships with government and academia.
  - Joo Hee Pomplun: Encourage institutions to work together with non-profit organizations, while supporting community-based research in an immersive and inclusive manner.
- How has your agenda and plan been received, and what lessons learned do you have to share related to engagement?
  - Joo Hee Pomplun: Lift up existing agendas, offering visibility to make sure the individual stories and experiences are heard.
  - Kweilin Ellingrud: Listening and hearing the responses as an opportunity for other voices to be lifted up.
  - Kweilin Ellingrud: Understand what will help push and expand the opportunities to highlight that there is a shorter path. Reskilling and retraining and making the connection to the organization or corporation.
- What approaches should we be considering that are less traditional?
  - Kweilin Ellingrud: Release the constraint of a 4-year degree as a barrier to employment.

- State government support and urge corporations to drop the 4-year and 2-year degree requirements.
- Walmart, Starbucks and others have offered digital education benefits.
- Commissioner Steve Grove indicated discussions are already underway on this topic in Minnesota.
- Internet access in the workforce has an impact to rural Minnesotans, what thoughts can you share?
  - Kweilin Ellingrud: Urban/rural divide is real and critical to solve for rural Minnesotans. Some companies indicate it is priority number one; partner with those companies.
  - Craig McDonnell: Working remotely is environmentally friendly. Continue to work with the groups here today.
- What change in the system is needed to drive economic growth?
  - Kweilin Ellingrud and Craig McDonnell both emphasized the importance to reskill and retrain with intentional partnership with community, government, and business.
  - Government needs to partner with business and community to unite on a specific, actionable goal.

### Small group discussions and report-out

- The Council broke out into small groups to discuss ideas that should be further explored and considered.
  - Childcare: Review models from other countries such as Germany, incentivize employers to help fund, focus on this since stability is fundamental to successful employment.
  - The “whole person”: Solutions need to consider the whole person and associated needs, such as more equitable wages, alternative credentialing, training, and stability in housing and childcare.
  - Reskilling: Automation requires reskilling; the activities needed to approach reskilling require intentional and specific planning, as well as implementation.

### Work on the roadmap

- Co-Chair Jeff Ettinger shared information on the approach for the remaining Council time to obtain relevant information to complete subcommittee sections of the roadmap.
  - The Council will continue to have weekly presenters and panelists come talk to the Council. The Council will also break into five subcommittees.
  - The next five meetings will rotate between the subcommittees. One subcommittee will host a meeting (including selecting presenters), with the goal of sharing cross-cutting insights to the Council as a whole.
  - The Council will have dedicated time set aside during in each weekly meeting for the subcommittees to write sections of the plan and discuss engagement in order to meet the due dates.
  - At the April 25, 2022 meeting, the subcommittees will share their current progress and recommendations with the rest of the Council to ensure that there is alignment between the subcommittees where there is overlap.
  - Council members should work with their subcommittees to engage with people and organizations to gather relevant information by attending existing meetings within the Council's networks.
  - Use the engagement tracker to record possible meetings and to report and share learning from engagement.
  - While policy change can unite and support the BIPOC community, policies intended to start, grow, and expand BIPOC women-owned businesses can be broadened to include all women.
  - Include the possibility of reskilling and take into consideration that global business is coming to Minnesota.
  - By working across the subcommittees, unity can be achieved rather than separate pillars or siloes.

- Vision statements were reviewed by the whole Council with some language updates made. They will be discussed and further refined by each subcommittee at future meetings.
  - Include the verbiage that relates to inclusive community.
  - Concepts of “full health potential,” and “caring workforce”.