Welcome today's episode of Critical Mass Radio show. I am your host Ric Franzi. Our guest today is Dr. Mira Farka. She's with Cal State University of Fullerton, Mihaylo College of Business and Economics. We'll get to her in a minute. This business talk show here is live on Tuesdays and Wednesdays at 4 p.m. and normally Thursday at 3 p.m. But today, we're at our special time of 4 p.m. here on octalkradio.net, Orange County's only community radio station. If you're listening, this show is a podcast. We encourage you to consider listening live during our broadcast times. The show is brought to you by our commercial advertisers, Brandman University, Commercial Bank of California, Decision Toolbox, Smart Business Magazine, Succession Strategies and our newest sponsor Center Club. The goal for this show is to help you, our listening audience of CEOs running middle market firms to improve your decision making skills. And oh do we have a good one for you today. Last week for those of you here in Orange County, you know the midyear economic forecast was put on by Cal State Fullerton's business school the--Anil Puri was there and Mira Farka was the featured speaker as she always is. And they do two of those updates a year. The midyear is in, you know, April and the annual event is in October. And I attend all of those because I love to hear what they have to say. Frankly I have to be honest. I didn't love hearing what they had to say over the past few years, but it's getting better, isn't it Dr. Farka?

It is Ric. And I was going to say thank you for having me here today. It's always a pleasure to talk to you.

Yeah, it's great. I'm so thankful we're able to have you on the show live in addition to the audio that we picked up during the session. So, there was a lot in the midyear, even though it's a midyear, right?

Yeah.

It's not the full economic forecast.

Right.

You have a lot of content and you had six months since the last one to talk about both trends that are positive and risk to the globe--to the national global economy and then also specifically here in southern California and Orange County.

Absolutely. A lot of things have happened over the last six months. I mean there's--and as you mentioned most of it for better which is the good news.

Right.

So in terms of sort of overview, we have a slightly more upbeat as you have--we've talked about it.

Right.

Right after the event, you said this is the most positive we heard in quite a while, right?

Right, it was.

So that was--we were very pleased to share better news this time around. The overall outlook has improved, but at the same time we'd go into the details and we talk about the fact that why we're not forecasting a breakout year or why there were actually won't be a breakout year over the--over at least for the remaining of this decade.

Right.

Which is a sobering thought, but maybe it's not. You know what I mean, maybe--
Yeah.

--maybe we're so used to a boom and bust mentality that maybe this one, we won't--

Well, this one--

--this one is quickly.

This is what we've been saying sort of like the new normal, right?

OK.

It's, you know, the next three years for sure will be the best of the decade in our opinion in terms of our forecast. But clearly, you know, there's long term trends that are sort of holding us back. There's also, you know, short term risk that we're facing. And of course, if you've take into account even the more longer term trends like demographic changes, household behavior of changes, all those are sort of go to slow us down. And the fact that, you know, overall there is seem to be sort of a shift both on the part of the household and on the part of the businesses since the great recession.

Right.

And that's when we think it's going to sort of hold us back and it's not going to be your usual garden variety sort of recovery.

One of the key messages that you continue to deliver is employment topics because there seems to have been a trend that predates this last recession about this concept of a jobless recovery.

Right.

This isn't the first jobless recovery we've had. It's just this one is such a dramatic recession and they were so much joblessness created--

Right.

--that it--I feel like it exaggerates it. It's a bad situation, but it really magnifies the fact that we're not creating enough jobs in this economy--

Right.

--to suck up the people that are entering it, let alone, all the people that were displaced from the last recession. It seems to me and you guys did a very good job talking about technology that the positives of technology and the risks that--the negative effects that the technology and the workforce.

Right.

And so, I think that happens regardless if we're in a boom or bust economy, right?

Absolutely. I mean it's actually very interesting. I don't think we've talk enough about it to sort of fully understand. You know, the slow moving trends that are occurring in the labor market. And you were absolutely right, if this was not for the fact that we lost about nine million jobs during the recession, this would be just like the other two recessions and recoveries where we loss a few jobs and we recover them slowly, but we recover them over time. Obviously the reason, you know, why we'd feel so much more pain now is because we had so many more jobs that we loss. But one thing that I think it's overlooked and there's been quite a bit of studies in economics about this especially lately is that, you know, technology as you mentioned is replacing jobs more and more. And that's because it's a lot easier to go and buy a
machine, then if you actually have to hire workforce, we have to basically provide their healthcare and you have to provide, you know, benefits and so on.

>> Right.

>> So businesses are adjusting in many different ways and we've highlighted this as well. We have part-time jobs that are actually created, you know, a lot bigger numbers this around than before. Full time employment is--I mean total employment is now back to where it was before the recession almost 400,000 jobs short But part--but basically full time jobs are about four million people short as, you know, prior to the recession. So, there's certainly a shift. Temp employment is up versus, you know, temporary employment if you actually look at it from 2004, growth is about 35 percent, you know, the overall employment sort of growth is about 5 percent since 2004. So obviously, you know, business are adjusting. But one thing that I sort of want to point out and we didn't really have time to sort of delve into too much deeper, but the--it's sure this is the--basically in the mid-80s because of technological, you know, sort of changes that have happened and they're still rapid. Labor is even replaced sort of machines more and more. And this is, you know, we've had these jobless recoveries before. The interesting thing is that it doesn't happen steadily as one would think.

>> OK.

>> It actually happens right away, right after the recession.

>> Wow.

>> And then every single recession sort of keeps you at a lower base in terms of employment.

>> So, it compounds the problem--

>> Right.

>> --of jobless recessions because companies turn to technology--

>> Right.

>> --to strengthen their business coming out of the recession.

>> Right. And you'd think that--

>> Wow.

>> --these are slow moving trends, but they're not. Actually they only occur right after a recession and then there's nothing happen for a while until the next recession which replaces the next wave of workers. So, it's a little bit counterintuitive in a sense.

>> Right. And we have about two minutes until our first commercial break. So, this is such a fascinating part of it because you're right, you can read the headlines of your economic midyear review and forecast and it's encouraging especially in the area of employment. The deeper you look at the research that you've done--and I'm correct in saying that you and the organization that you and the dean kind of lead here really take the leadership role in constructing that report.

>> Yes, yes. We have a team of experts as well as students actually that work with us which is pretty good 'cause, you know, it gives them a sort of legs up in analyst, but yes.

>> Right. So, it's put out by the Mihaylo College of Business and Economics, but it's also put out by?
The Center for Economic Forecasting and Analysis.

Of which you are?

I'm the co-director and so Anil Puri, the dean, yeah.

OK. So that's a separate entity that's doing this research.

Right.

And it's affiliated with the college, but it's also its own organization.

Absolutely.

So many of the jobs are low wage.

Yes.

You know, part time, it's just--it feels to me that the--that we're living through interesting times and how we are moving to another age of something in our workforce, right?

Absolutely. And, you know, these things happen when this great shift occur. I mean this is happening, you know, if you go back 200 years we go with industrial revolution. I mean that, you know, that was one of the big changes that kind of displace the workers from the labor force and machines. I mean now, we have the digital age technology of which we'd touchdown a little bit in the midyear forecast. So obviously, you'll have these changes that occur. And this doesn't really--I mean it's worrisome, but it--I'm not too worried about this because we'll find a way to go through this. We've been through these things before. We've been through these cycles before. We've been through the electricity, you know, inventions before that have sort of had this huge productivity bust, booms. And then basically, it had some kind of negative impact on the labor force. So now, we have to find a way to retrain that labor force--

Right.

--to be able to actually deal with the future's labor market.

Right. And that's the dicey part about being an economist in my opinion watching it from the outside. I marvel at it because on one hand, you have all this real world data and information. But you also can--and it's in the moment, but you also have to take--you're professionally trained to take a longer term of view, you know, when it becomes a history lesson, some of the emotion of the fact that it's our friends and family that are out of work--

Right.

--and have to be retrain, you can be dispassionate about that and a little bit what I think is more objective.

Right.

But, when you're in it for the moment, it seems like not hysteria because it's really important that it is a trend that we're, unfortunately, for some people having to live through. And there's really--there's nothing that people can do about it, right?

No, I mean--yeah. It's--not at the moment. I mean longer--these things will have to take some time.

Right.

They'll have to run their course and that's actually--I mean that's one--that's a hard part like you said.
> Right

> I mean it sort of--it's hard for me to see, you know, my students having harder time with, you know, landing a job because the job market is so hard to sort of penetrate these days.

> Some of the job market.

> Some of the job market.

> And on that note, we're going to take our first commercial time out 'cause my engineer has given me the time to break. And I'm so excited to have talk to Mira Farka here in the studio. And I have all this audio, we're going to work it out ladies and gentlemen, don't go anywhere, you can learn lot from this conversation after these words from our commercial sponsors.

[ Music ]

> [Background Music] Commercial Bank of California or CBC is a well funded full service bank located in the heart of Orange County. When it comes to safety and stability, CBC is one of the highest levels of capital of any commercial bank ranked in the top six percent in the nation. Commercial Bank of California was founded in 2003 by group of Orange County's finest entrepreneurs. To this day, our bank is governed by our founders including General William Lyon of William Lyon Homes, Alex Meruelo of the Meruelo Group, and Frank Willey of Fidelity National Financial to name a few. In short, we were a bank founded, built and ran by entrepreneurs for entrepreneurs. Not every business in Orange County should be our customer, however, if your business is looking for a bank that can assist in finance, production, analytics, and risk management, there's no better bank to choose. To understand the true power of how Commercial Bank of California can help you achieve your goals, hit us a call at 714-431-7000 or visit us on the web at www.combancal.com, member at the IC.

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> Richard Franzi is the author of two popular business books for CEOs. His first book, Critical Mass: The 10 Explosive Powers of CEO Peer Groups was the first book ever written on the secret value of CEO peer groups. His second book now with newly updated information is Critical Mass: The Power of CEO Guiding Principles. Richard's books contain powerful information to help CEOs, lending middle market companies gained valuable insight to improve their decision making skills. Richard's books are available as PaperBox or Kindle versions from amazon.com. So find them, type Richard Franzi in the search box.

> Welcome back to this edition of Critical Mass Radio Show, I am your host Ric Franzi. I have Dr. Mira Farka. She's with the Department of Economics. Well, it's actually the business school, the Mihaylo College of Business and Economics at Cal State University of Fullerton, right?

> You got to right at this.

> If you're going to do the brand--

> It's a mouthful.
Do it. Do it, right, right, but--

It's a mouthful.

Yeah, ready to learn, ready to lead Cal State Fullerton. I'd like to thank and acknowledge our listeners who download our radio shows as a podcast. You've downloaded over 12,500 shows in the last 30 days. And we here at the program appreciate your continued and growing support. Of course all of our shows can be heard live here on internet radio stateoctalkradio.net where we broadcast any time from iTunes, Stitcher.com and other business oriented services. As I said, Dr. Farka is our guest. You know, we ended that by saying some of the students maybe the business school students are having trouble finding work. But there are other colleges that can't kick out enough graduates and there are trade schools that can't meet the demand for technical trades and manufacturing. You said energy during the break. We really have to reorient I think our population towards where the jobs are of the future and they're not always in science and engineering although they're clearly are a lot there.

No, I absolutely agree. And that's why I don't--I'm, you know, I think it's good that we're talking about this, about the issues that we have in the labor market. But, I also find it as an opportunity and this is a very good opportunity to basically take a step back and think and retrain our workforce, what our new workforce will look like? How would they actually meet the demands of tomorrow? I mean, you know, some of the unemployment that we see for example about 0.5 percent of it is due to what's called sort of structural changes, sort of the issue about, you know, skills mismatch, right?

OK.

I men it's very difficult for firms to basically--and then I hear this all the time to find qualified workers. And it is--some of it is in STEM, so Science and Technology and, you know, Engineering and Mathematics. But as you mentioned we're speaking in the break. Obviously some of the reaction doesn't have to be, you know, college educated. It can actually be sort of vocation schools where we can have sort of the business community work with community colleges work with, you know, the sort of the local business leaders where you can find niches where education can actually help to train the future workforce. And I think we're lacking a little behind, a little bit slow on this. But, I'm pretty optimistic that this will actually create a better workforce so we can use this sort of issues that we're facing right now with the slow recovery in the labor market to basically open up an opportunity.

I agree. I'm very optimistic about it, but as we said before, when we look back on this, we'll see the lessons learned and the positive that came from it. When you're living through it, it's hard to keep that perspective--

It's been very [inaudible].

--especially if you're been touched by it. And this recession touched so many people and so many industries, we all sort of felt that, right? I mean, you know--

True.

--you had to stand up in front of those audiences of hundreds of people and deliver news that was just very painful to hear--

Yeah. A couple of times, I had to beg him not to shoot me but yeah. So yeah, it was--

I'm only the messenger, yeah, yeah.

It was tough a couple of times.

Yeah. Well, you know, the dean was your--let's see your co-star that day.
I had a co-start.

And I was able to get a few minutes of his time before the economic conference. So, I'm going to ask Paul, the engineer to play the interview that I had with the dean and then Dr. Mira Farka and I will come back and talk more about the economic midyear update. This is Ric Franzi with Critical Mass Radio Show on location in Orange County for the Cal State Fullerton University midyear economic outlook and forecast. I have the pleasure of talking with Dean Anil Puri. Dean in reading the report, I see that you've identified four positive trends. Would you highlight those for our audience?

Certainly, you know, this is probably our most upbeat forecast in the last five years. Things have been slowly getting better. And I think we are now under a [inaudible]. Fair much more rapid growing both of the national economy but also in Orange County. Some of the positive trends that we see for example, one of the most important one right now is housing sector. Housing prices have regained a substantial loss that the market suffered for many years. We're still not quite of the same level and maybe we shouldn't be that quickly but it is on demand. And not only the housing prices, construction activity has gone up, it's going to go up in the future. Secondly and maybe even more important is the employment gains. The moderate employment has been increasing at the national level in the Orange County. We still haven't recovered all the jobs I must point out. Even five years after, 45 years after the recession ended, but we are on our way. And I think over time especially the remainder of this year and the next two to three years, we should see substantially faster growth in jobs and employment. Now, in Orange County, there have been some exciting news lately. I'm sure people have noted that and that the merger activity, [inaudible] taken over by Facebook for 2 billion dollars and so, I think that show the strength of the Orange County has been the sector and a lot of excitement that are taking place. Orange County continues to do well in terms of labor force participation and job growth. One weak spot and I may say it's not clear right now where we are and there's a startup, new businesses. Until very recently that number has been very, very low during the recession startups fell dramatically. But there's evidence now, honestly, it's anecdotal evidence, we'll find out the numbers later as to whether the pickup and the news firm starting up is a reality. And that will be a real clue for the county's economy.

That was something that you talked about last fall when you did your annual economic outlook in forecast that the lack of the startups was driving sort of unemployment. It was keeping unemployment back as well.

That's correct. You know, a lot of new employment opportunities that have created by new firms existing firm employs them but only when there's growth. New firms start from zero and start hiding though they hide in small numbers. So the number of small new company that start is very important for employment growth.

So, there's never only--always good news, there's always things from an economist perspective called risks. Could you talk to us a little bit about what you identify as the risk?

This is Ric Franzi with Critical Mass Radio.

Yeah, you know, we live in a complicated non-lenient world. It's not all positive. It's not all bright. There are always risks to keep in mind. And I think that right now the most important risk of the Federal Reserve policy with regard to interest rates and monetary easing. Right now, Fred had been handling the policy very well, but in moderate reduction in bond buying. But what will happen in the next six to eight month is going to be important. How quickly the bond buying stops and interests go up. We believe that we won't see a price in the federal bank rate until at least the end of 2015 and maybe early 2016. I think that year will give enough time for businesses to be in a--still a better shape and housing market will be in better shape to withstand that increase into interest which is bound to happen sooner or later even where we are.

So, let's bring this down to Orange County. How do these macroeconomic trends both positive and the risks affect us here as a business owner and executive in the Orange County market.

All of the things that I mentioned, that directly [inaudible] Orange County. Housing market and what happen with that. You know, for whatever reason housing starts [inaudible] in Orange County in 2013 compare to 2012 and that is not a good news, but I think the first year's number that we've seen for the first three months look much better. And I
think that need to continue to get better for Orange County in economy because we have a substantial construction industry and we also the hub of high-tech in medical devices and electronics. In those sectors, are doing very well and they'll continue to do very well. Geopolitical risk from Ukraine problems to extend that international trade is affected; we're going to be affected because we explore a lot of high-tech, high-technologies stuff abroad. So, a lot of it, national interest rates, what the Fed does for the national level is going to affect mortgage rates and therefore [inaudible] community. And also of this trend, national trends have direct implication for Orange County.

>> I remember that you have been consistently talking about how important construction as it relates to employment is here in Orange County that was the hardest hit sector I believe in the lay offs that we saw as far as percentage of unemployed. Do you see that employment and construction here in Orange County continuing to pick up?

>> Sure, No. Construction employment got was loss--45 percent of the job were loss in the construction industry during the recession about 35,00 jobs. Now, the latest number shows that about nine to ten thousand have been recovered. So, there's still a long way to go if we ever to get to that level. S, I think any improvement in construction is very much satisfactory or very much in needed. But construction is not the only sector, it's not largest employment sector anywhere. The largest employment sectors are professional services, engineers and architects and accountant, and I think that is where implode of employment is going to be greatly affected, how well, how quickly those sectors improve. Now another important sector to keep in mind, is the leisure and hospitality. Disneyland is the big [inaudible] but there a lot of other entertainment and leisure activities going on in Orange County and that sector has shown persistent upward trend more than any other sector even through the recession. And as the economy recovers international travel will improve, I think we'll see a positive benefit to Orange County from these trends.

>> Dean s always, it's a pleasure to get a few minutes of your time at this economic outlook and forecast. Thank you for you time and I look forward to listening to you and Dr. Farka.

>> Thank you.

>> And I was telling the truth. I was looking for this and he's such a nice guy the dean.

>> Yes he is, yes. This is the extra job on top of being the dean in the schools--

>> Right, right.

>> --sort of working with the forecast, yes.

>> But we have Dr. Mira Farka here. As I said, she was the co-star with the dean for that Luncheon. And we've been kind of hitting on employment and I know that my audience were CEOs of middle market companies and maybe employment isn't exactly their area of interest because they own the businesses--

>> Right.

>> --so they run the businesses--

>> So, they

>> --but they see if from skills gap--

>> Right.

>> And it's interesting to me that even during the height of the recession, when they did have the opportunity to hire, there was a continued feeling that it was difficult to find the right people for job skills and the once that--I guess I'm worried about, I have worried about the most Dr. Farka and maybe you could help me to get a sense for that. Were the older members of the workforce--
>> Yes.

>> --who had achieved some level of middle management regardless of the industry--

>> Right.

>> --who have been displaced, because they became more expensive. And I've worry that you're talking about retraining and stuff, those seem like the once because of the ramp toward what was supposed to be retirement is shorter for them. Have you any data on what's happening with work course participation in that age group?

>> Yes, I mean so, interestingly enough, I mean people think that, you know, one of the issues--one of the main thing that has happened during these recovery is basically labor force's participation rates have dropped dramatically. But if you look at it more closely in terms of age groups as to which part of the people that are actually withholding the labor or deciding to leave the labor force. They're actually not who do you think it would be. They're not the 55 to 64 nor are they the 65 plus years old. I mean these people are actually choosing to stay longer in the work force--

>> OK.

>> --and work longer in the workforce--

>> OK, good.

>> --for whatever reason. Now, having said that, because of the population agent, because about you know, the proportion--because this age group as proportional population is actually getting bigger and bigger as the population [inaudible] there are more of them who are actually retiring--

>> Right.

>> --so, we have both things. More people are staying longer compared to say 20 years ago, but also more people are also retiring. So, demographics are going to be a bit against us in terms of labor force participation rites. That's not a surprise.

>> Right, so, you could write a really shocking headline about that fact.

>> --right.

>> But if you don't tell the fact that the mass numbers are also driving that trend anyway. It sort of--it would take some of the scene--

>> It would.

>> --out of the emotion of--

>> Absolutely

>> --so many people are working longer, they work longer because of the recession well--

>> Absolutely. And one of the issues that has been, you know, exactly you know, especially when you're targeting the older demographic. The ones that are not you know, say 10 years prior to the retirement agent. And it's very difficult. You know, when we say that you know, let's build public project and you know, let's have infrastructure and let's employ this people. You're not going to have mortgage bankers or you're not going to have people I mean you know--

>> Right.
--retraining overnight and actually working in construction, not at that age. So, those are the sort of the demographic that I feel more worried about, because those are the ones that are probably going to be permanently leave the labor force and not comeback because of the lack of the jobs, because the fact that the labor force, the profile of labor force is changing dramatically.

But if I remember correctly from the mid year, one of the areas were the participation rate was the lowest was in the younger--

Much younger demographic, right.

So, let's hold that thought. We're going to take a commercial break ladies and gentlemen. And when we come back Dr. Farka is going help us to understand why so many of those 20 some things are back in your house, CEOs of middle market companies after this words from our commercial sponsors.

When it comes to pioneers and their respective industries, we all know the Apples, Starbucks and Trader Joe's of the world, in the realm of recruiting; Decision Toolbox is the industry's best kept secret with 90 percent of their business from referrals and repeat costumers. For over 20 years, Decision Toolbox's US based team of recruiters, sourcers, professional writers, quality personnel and tech support has perfected a six sigma approach to talent management. No matter the size of the project, Decision Toolbox delivers incredible results, a cost for hire less than half of what contingency firms charge. With the winning candidate presented in an average of 14 days, all with a 12 month candidate warranty. With results like that, Decision Toolbox won't be a secret for long. Visit us at www.thetoolbox.com for more information.

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Well, all right. Well, I'm having a great time. I enjoy every guest on Critical Mass Radio Show. I've never had a bad guest but some guest are just more interesting than others and that is the case today with Dr. Mira Farka. We're talking all things economics. Well she is, I'm just listening. I'd like to thank our audience demographic who are 98 percent business owners and executives who listened to learn from our guest their experiences. If your firm is interested in reaching top decision makers, then advertising on our radio show may be the answer. Each month, our sponsors gain valuable exposure through those parts of the program. We've delivered over 37,000 highly targeted sponsor impressions last month. If you'd like to advertise on the program, call Rose Chamora [assumed spelling], 951-515-4661. All right, let's get back to this conversation with Dr. Farka. We're just touching the tip of what you guys presented during that Luncheon. And if someone would like to get a copy of the mid year outlook and forecast, is that available? For the--

Yes. Yes, that is available online at our Center for Economic Analysis and Forecasting. So you go to,
business.fullerton.edu and you'll find it there under the one that centers it says.

>> For Google search, right?

>> Google search.

>> CSUF--

>> Yes--

>> --mid year--

>> --mid year economic forecast they'll just pop out--

>> --and it pops out, and yeah, and get a good PDF for that. And it's an--I give you credit, it's an easy read.

>> And it's an--well, you should see the first draft, it's a lot longer. So that's good.

>> OK. Well the draft I read--

>> So we give--no it's--I think it makes it more accessible to people. People don't have time to really read 20 pages of this--something so we just highlight the main points.

>> --right.

>> Thank you.

>> You're welcome. You know, let's bring it back to Orange County 'cause we do have 80 percent of our listening audience are in Southern California. And I know that, in addition to talking about these national trends, you also spend--you and the dean had spent some time talking about specific issues. And one the industries in Orange County that was most hard hit was construction.

>> Absolutely.

>> And I recognized as its--it's not the largest employer in the county but it had I think some of the biggest, as a percent, job losses right?

>> Yes.

>> Can you give us a sense for how construction is fairing in Orange County?

>> So I mean--So obviously during the recession, I mean it basically, sort of became a shadow of itself. It dropped by 50 percent. I mean, you know, anytime you have something short of a lore--workforce actually dropping by 50 percent--

>> Right.

>> --that's worrisome, right? So obviously there is clearly some structural change that is about to occur and I think it already has occurred. But it's kind of back, which is good news. Obviously we see some--we see quite a bit of construction activity with the housing markets sort of on rebound as Anil mentioned earlier. We should see further improvement in construction but we actually don't expect it to be, you know, to reach the level it was. At least not to command as bigger workforce as it did prior to the recession.

>> Because there won't be as much construction activity?
Because there--well--

'Cause technology didn't really--that's not a disruptive force in construction.

Well, it won't be as much of a boom as it was back--

OK.

--withdrawal of the economic growth back--

OK.

--about a decade ago. So certainly it will command a smaller share of the workforce but that's like I said, it's not necessarily a bad thing.

Right.

Again, it goes into the heart of the matter that we've got to retrain, you know, the new labor of the--labor profile tomorrow will not really necessarily look like yesterday so.

You know, it's a little unfair I think that we measure ourselves over the--off the peak of when the economy was overly stimulated.

Yes.

'Cause in my mind, it was an artificial demand.

Absolutely.

We artificially created demand which then supply rush to and then if we're trying to get back to that, that's--I think that's unsustainable.

Yeah. I don't think we should.

Right.

That's why I think it's a good opportunity to sort of think--and again, I want us to be a bit cautious. I know you hear people saying, you know, college is important and I agree with that obviously. I teach, I have my students, right?

Make a living out of it, yeah.

I make a living out of it but let's just say--I'm actually even more interested in pushing. I mean, not everybody is going to go to college, about a third of our, you know, workforce actually go through college. In fact, US is one of the highest educated workforces, believe it or not--

Wow.

--compared to the Germany or--and other European countries. 33 percent in US, about 26 percent in Germany for example so, that's kind of interesting.

Did not know that.

Yes, it's an interesting sort of fact--
It is.

--that kind of gets lost. But again, we have to think also about vocational schools. We've got good blue collar worker--working jobs. Energy sector would be one of the huge drivers I think that will propel us going forward on that direction. So, we shouldn't left--we shouldn't leave that behind. Obviously the retraining that I'm talking about incorporates everything including more college but including particularly--be mindful in other but he's going to go to college. Let's try to find a way to retrain those workers and I think that's part of a vocational.

And they're good jobs.

Absolutely.

You were saying, you know, 80,000 I mean these are nice jobs that you can get through technical training.

Oh yes. Driving, and driving a trucking in North Dakota will get you 80,000 and I think that's a fantastically good job for any college graduates, so.

Right, if you're willing to go there and put the time in which if I remember correctly, if you go back to my parent's generation, right, I mean they moved around the country for where work was. We were very--We were much more willing and maybe we still are, maybe I'm talking out of ignorance now, my memory of the stories are people--

The good old times.

People went to--Eastern cities kind of the different locations for the job.

No, Ric you're right mobility is actually down. If you look at the numbers, mobility, I mean, we're a lot less mobile society these days. And economist that deal with sort of trend are sort of tried to figure it out will try--will always kind of like I say, you know, we have this self-doubt that always creep up. We're like the mostly secure people you'll meet.

Right, you have so much data that conflicts and you have to try to figure out what's true?

But mobility is down and I think part of the reason, I mean, we're trying to sort of grapple with this and part of reason maybe if we can perhaps we're more of an aging economy now. We're no longer as young as we used to be on an average--

OK, OK.

And on average and older people, you know, tend to move a little bit less of course the house and market made it harder to move around. That was another factor.

Right, came very expensive, right.

So, mobility is down so some of it is structural, some of it is probably just by the cycle because of the housing boom-boom and bust that we just had. But again we'll have to figure it out to see the longer term trends but it's actually quite interesting of it you mention because we are becoming less mobile than we were before.

Man, I have so many things that I'd like you to share with the audience. I have questions and I sense you have data and probably some answers to those questions so

Oh, I don't know about that.

No, I believe it for this fact. Take that to the bank ladies and gentlemen and so you'll know one of the things that we talked about all fair was maybe having Dr. Farka had become a more of a regular as a part of our program and so, I'm going to pursue that because--
I would love that.

--I want to talk to you about immigrations and what that's doing because I think there's a lot of things that we need to have a dispatch in a conversation about as it relates to our economy and to our people and you have knowledge that you could help bring perspective if you're willing to do that.

Oh, Ric, I'd love to it's been fun. I really enjoyed it.

It's a kick in the pants.

So, it's always been fun.

Yes, and--all right ladies and gentlemen I hate to say this but Dr. Mira Farka is--her part on the Critical Mass Radio Show is coming to an end so if they want to find more information about this business school, the Mihaylo College of Business and Economics, with the work that you're doing with the forecast, really the right thing to do is get into the Cal State Fullerton website right in and find the business school.

Yes, or you can Google it.--

And go through there. Type, Anil Puri and see all the superstar stuff that he has done in the community over the years.

They should, yeah, I invite everyone., I think we have quite a bit of a welcome information there. We also have some special reports on international trade which is very important and it focus on Orange County exports mostly which is, you know, a booming market. So, I think, you know, as a booming opportunity and opportunity for our businesses to basically penetrate foreign markets that is left sometimes unexplored.

You know, we had a show a couple weeks ago with a lawyer who helps companies, middle market companies for growth, how to export.

That's what we need more off, absolutely.

I agree. I think you grow your business by growing your market, right, and if you can grow your market--

And now, and I mean now with the rest of the worlds are catching up in terms of income, now you're going to have middle class in it and they can develop--the developing nations are actually now able to keep up in terms of purchase in power with the goods that are produced here, and that, you know, that's--that's really important.

And we have that made in America label which for years inside the country was sort of a, "Oh my God." Now in the world, it's desirable.

It is absolutely desirable, yeah. I think it's a little bit of a miss-opportunity.

Oh I think so too.

But I think we're--I see positive signs. So, we're moving on the right direction.

You know, because I would like to do, you know, I do--once a year my economic conference--

Yes, I know.

At Center Club, yes, and I'd love to do one on exporting for middle market companies because I think they don't know what they don't know about how--what's out there to help you the government programs that will help you. The
There's loans, there's--absolutely, there's reasonably, you know, sort of interest rates on those loans. I mean, it is a very important--like I said I see positive signs which is good. So, things are moving at the right directions but I think it was ignored for the longest time. And I think, you know, I know where there's--I mean just to say one last thing, globalization has been tough for--because it displace jobs but I think we're getting to the point where globalization will actually help us, you know, it'd be a mistake.

Oh my God. Could you imagine that?

It'll be a mistake to pull out now.

So we could be a net energy exporter--

Absolutely.

And we could be--globalization could be a positive not a death--not a negative for this culture.

It will probably be a positive now that basically the rest of the wages are catching up.

It's like we're in the '50s again, right? I mean we--I think we're on the precipice potentially in this country with our energy and the rest of the stuff. The stuff that's going on--

Manufacturing, high tech manufacturing for example, it's a very important sort of area to explore so I think it's--we should look for there's a lot of opportunity--we have challenges but there's a lot of opportunities out there.

What if--OK, ladies and gentlemen if you're listening to us live here, you heard it first that Dr. Mira Farka is going to become a regular guest on our radio show and if you're listening to this as a pot cast search by her name M-I-R-A  F-A-R-K-A and you'll see the other shows that she's been on Critical Mass Radio show. Dr. Farka, I cannot thank you enough for being a friend of the program, a part of our Critical Mass community and giving so much great information in such a short amount of time.

Ric, it's been a true pleasure it always is and I've really enjoyed it.

Thank you. All right, we'll be back and I'm going to talk about the mission possible, women helping women Luncheon, in fashion that I went to recently and I have some audio and I just want to give an update on that after these words from our commercial sponsors.

There's something positive about the word up. When things are looking good they're looking up, when someone's down you cheer them up. So, how do you move up? Well, when it comes to getting your bachelor's or master's degree there's one university that stacks up, Brandman University. Brandman is ranked by US news and world repost is one of the nation's top 10 universities for online bachelors programs. Brandman's online graduate programs in business, in education also received top honors. So, look us up at Brandman.edu. Brandman University, move up.

Richard Franzi is a highly sought after keynote speaker on topics of interest to CEOs of middle firms across North America. Richard's talks include Killing Cat Leads to Rat, a fascinating look at how unintended consequences of CEO's
decisions impact their firm's performance. Your gray matter matters which explore how a CEO's mind set can differentiate a middle marker firm and define its culture. Richard delivers talks to a variety of audiences branching from executive team retreats to key notes in front of hundreds of CEOs. To learn more about his talks, visit www.CriticalMassforBusiness.com and select the contact page or call 949-887-4104.

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[Music ]

>> Welcome back to this episode of Critical Mass Radio show. I am your host Ric Franzi. I as you may know each month the last show of the month we feature worthy non-profits that are serving the needs of Orange Country and global residence and Women Helping Women/Men2Work is certainly one of those organizations and recently they had their annual fashion show in Gaia. Women Helping Women/Men2Work is an organization that provides training, job training, job skills training, clothing professional business attire for people who do not have the proper clothes to go on interviews. And what's really interesting and you'll hear it when I talk to people who are at the event and there are quite a number of people at the event. It was at the Fashion Island. Janie Wolicki is the CEO, chief executive officer. I have an interview with her. I also have an interview with Robin Williams, which will be playing. She's the director of programs. And one of the things that Women Helping Women Men2Work have found during the recession which is part of what Dr. Farka and I were talking about here earlier on this show is that the demographic of the people that were in need really changed. It became more if you want to think of it as middle class. People who were job displaced and lost everything including their clothing and they were really starting over. So, they really have to expand their mission beyond Women Helping Women which traditionally they help battered and abused women getting back into the work force as well and men, and so they added Women Helping Women/Men2Work. It's a great organization. And I have select audio of just people that I interviewed, people on the board and just people that were there so let's listen to a couple of those now. This is Ric Franzi with Critical Mass Radio Show at the Women Helping Women, Mission Possible Luncheon & Fashion Show and I'm talking to one of the directors and you are?

>> Paula Garcia-Young.

>> Paula, tell me a little bit about your involvement in this organization, why are you involved and why are you supporting this worthy cost?

>> Sure, absolutely. I'm a board of director, I've been on the board for two years but been involved with the organization about five years now, and mainly just dealing what we need to do giving back to the community, helping women and men get back into the work force, very involved in the Santa Ana Community. I grew up in Santa Ana and why not get back where I grew up and just time to get back.

>> What is it about this cause and this charity that you find so inspiring?

>> I think the main thing is number one, is we do not charge, we do not help, we do not charge out clients that are coming in who are already out of work, who are struggling trying to get back in the work force. We're not only just dressing them getting them prepared for the interview process we're also teaching them some skills. Maybe they need to re-train on computers, telephone skills, interviewing skills. We're doing all of that. And again I press the issue that we're not charging these clients. We're really trying to help them feel comfortable, confidence to get back in the work force.

>> So, this Luncheon & Fashion Show seems like one of the major events for fund raisers. Does Women Helping Women/Men2Work have other functions throughout the year?

>> Absolutely, this is our main fundraiser. We do wine and cheese, we do mixers, we do big quarterly sales. We have a store called Deja New that's in Costa Mesa where we are selling donated clothing that's higher end, maybe not work
force appropriate boutique style, purse, hand bags and all of that money gets donated right back to the organization.

>> Well, that's excellent. I want to thank you for your time and the time you're donating to this worthy cause.

>> Great. Thank you so much in your time for being here helping us.

>> This is Ric Franzi with Critical Mass Radio show. I'm at the Women Helping Women/Men2Work, Mission Possible Luncheon & Fashion Show and I'm speaking with?

>> Laurie Rowen.

>> Laurie, I know you've been a long time board member and now you're on the advisory board, why do you stay so committed to this organization?

>> It's been great. I've actually been part of this organization for eight years. I started out helping plan events just like this one and then transition to the board and now I'm in the advisory board. And I've just been blown away by the growth of the organization. Just eight years ago they were helping so many less women, men and teen and now they're exploded. Their men's division, Men2Work, it's amazing. They helped so many men who've had issues maybe alcoholism, you know, gone to prison, and now need help with getting professional attire, getting the resumes, and getting basically job help with computers. So, just seeing the success and see how many people they helped has made me committed to this organization.

>> And I would think over the difficult time of the recessions when jobs are hard to find anyway it must have been particularly difficult for the people that Women Helping Women/Men2Work to find jobs and the service that they provide must have been instrumental in helping them to find a job?

>> Exactly it. With the recession so many more people needed jobs and these people weren't always the people you think of that were in shelters. These were your neighbors, these were your fathers, your brothers, your you know, friend's parents who maybe had great jobs but they fell into a position where they didn't know what to do and they need assistance. So, WHW was so instrumental in helping those people during the recession get back into the work force and some of them now are succeeding and right back where they were before.

>> Thank you for your time.

>> thank you so much.

>> This is Ric Franzi. I'm back live at the studio. There were 250 guests that attendant these Women Helping Women/Men2Work Luncheon. The purpose of the funds that they raised during--it was a fundraising event is the support of their employment success program. These provides employment readiness and support programs to challenge job seekers including resume development, interview training, taped mock interviews and other services images consultants. So let's listen to a few more interviews that I picked up during my time at this event. Hi this is Ric Franzi with Critical Mass Radio Show. I'm at the Women Helping Women/Men2Work Mission Possible Luncheon & Fashion Show and now I'm speaking with?

>> Marcia Evans.

>> Marcia, you're with Farmers & Merchants Bank right?

>> Yes.

>> Can you say why Farmers & Merchants Bank chooses to support Women Helping Women/Men2Work?

>> Farmers & Merchants Bank has been contributing to the community for many years. We've been owned by the Walker family since 1907 and all through those decades they supported non-profit organizations and this is just another
one that, you know, I fell in love with and introduced the bank to and it helps, you know, clients find jobs and build their careers again and our back is a strong supporter of that career building and really support families and employment.

>> So, you brought this organization to Farmers & Merchants Bank's attention, why did you nominate them as a charity for the bank to sponsor?

>> Because they do help clients find jobs and careers, and I take that personally because of my, you know, growing up, my mom was a single mom. I lost my father when I was really young and she had to support three kids and struggled to the 60s and just trying to get out and get a job and what she did--but--just, you know, that connection I think really hit home for me. And I met the director and just fell in love with the organization and it was just as, you know, organization that I can get involved with and just from my personal experience felt connected.

>> That's very powerful. On a lighter note, this is a fashion show. It seems like it's going to be a lot of fun. There are ton of people on the other side of that door. Have you been to a fashion show sponsor? I've not been to a fashion show sponsored by Women Helping Women before. Have they done this before?

>> They've done it every year and it's fun. This year we're actually featuring clothing from our Deja New shop. So with--We can shop there. Every Saturday, come on down, and join us. We'd love to see you there and find some gifts for the special women in your life.

>> Thank you for your time.

>> Thank you so much.

>> This is Ric Franzi with Critical Mass Radio Show I'm at the Women Helping Women/Men2Work Mission Possible Luncheon & Fashion Show and I have the honor of speaking with?

>> Janie Wolicki Chief Executive Officer of WHW.

>> So, what do you expect from today's event? It's already [inaudible] event out in the lobby, a lot of people, a lot of energy.

>> You know, this is a really great event to help people get connected to WHW to really learn about what we do kind of at a basic level. And then from there we invite them to come in to our center and see what we're doing and see the impact that we're really making for client.

>> So tell me about the impact that you're making for clients because I know during the recession finding jobs was difficult for anyone and I would think it was even more challenging for people who didn't have training and their proper attire. Give us a sense for the role that your organization is playing?

>> Right. So our role now is really different than it was just a few years ago. We're dealing now with a much more sophisticated job seeker, people who've never ever experienced unemployment. And when you read the register you'll see that the unemployment rate in Orange County is about 5 percent. That doesn't include a lot people. It's actually nearly 18 percent when you include all the people who aren't included. People who have never filed for an unemployment, people how have run out of benefits, people who own their own businesses and loss it. So, we're dealing with people that really need mostly just a little hand up and so they're able to pick and choose which program they participate in. They don't have to go through a series--they can pick our professional apparel program, our educational job readiness workshops. They can work one-on-one with the job placement specialist. They can come in to our computer lab and we can also provide them with employment related transportation.

>> Janie does that mean in addition to helping your traditional population now, have your mission grown then, have you had to expand your services because of the need growing so much?
>> Absolutely, so in 2008 we were serving about a thousand clients a year. This year we will serve nearly 6,000. Back in the old days which we define that as before 2008 we were serving largely women coming out of traumatic situations whether it's domestic violence, divorce, health problems. Now the people that we're serving are your next door neighbor and your brother.

>> That's very powerful. Tell me about what we can expect from today? It sounds like it's going to be a fun event. I understand you're your fashion show is an annual event for Women Helping Women/Men2Work. Tell us what we can expect?

>> Sure, so we're starting out the day with a silent auction where you can bid on all kinds of fabulous items along with a complimentary martini bar. When we come in for lunch you're going to see a video that gives you a really great idea of the kind of clients that we're serving today and you'll hear some client testimonials. There's going to be a very lively live auction after that followed by a fashion show presented by Deja New which is WHW upscale resale shop.

>> Last question for you, what do you see people in the community who listen to my radio show who are business owners and middle market companies, how can they help your organization?

>> There are so many ways to get involved in WHW whether it's volunteering at one of our apparel centers of one of our other program, of course donating financially is always wonderful, donating your clothings so you can clean out your closets. We can take away that guilt for you. Or you can shop for a cause at either a Saturday sale which is coming up at May 3rd or at Deja New, our upscale resale shop which is featured in the fashion show today.

>> I said last question but it made me think of one more. I've had the chance to talk to several of your board members, are you looking for additional board members, if somebody out in the community would be interested?

>> We're always looking for talented individuals that would like to give some of their time, talent and treasure to WHW so, yes, Ric, thanks for asking.

>> Thanks Janie.

>> Thank you.

>> All right back to the studio, I apologize for the few others that I interviewed. We're just up against the clock and I'm not able to air your wonderful thoughts but I think for those that are listening live or as a podcast, you get a sense for the commitment that the people that are involved in Women Helping Women/Men2Work have for the purpose and the mission of the organization. Just to let you know, they raised over a 115,000 dollars at that event and that money goes right into helping people in the ways that you heard us talk about here on the radio shows so I'm very honored that they allowed me to attend and gave me up their time so I could get the audio and I was really happy to be able to share it with you a little bit of that experience. But it is time to end the show today, unfortunately, but I'd like to let you know that the goal for the show is to help you, our listening audience of CEOs running middle market firms, to improve your decision making skills. This show is brought to you by our advertisers--Brandman University, Commercial bank of California, Decision Toolbox, Smart Business magazine, Succession strategies and Center club of Costa Mesa. Our engineer today and knowledgeable person of world events is Paul Roberts, our producer is Crystal Nguonly, guest coordinator Kathleen Shepherd [assumed spelling], our marketing strategist is Asia Salastino [assumed spelling], Pelisa Podany is out live events coordinator, VP in sales, Rose Gimora [assumed spelling] and I'm your host Ric Franzi. If you like to learn more about my business Critical Mass for Business or maybe you want to refer a future guest or even advertise on the program, visit the website criticalmassforbusines.com. Until the next show. I hope all of your decisions will move your company in a positive direction.

>> You have been listening to Critical Mass Radio Show business talk show focussed on exploring topics of interest to CEOs who are leading middle market companies, with your host Richard Franzi.

[ Music ]