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TRANSFORMING THE LANDSCAPE OF LATINO BUSINESS PROCUREMENT OPPORTUNITY

Second Quarter 2018

CINCO PREGUNTAS:

Former State Assemblyman Joe Coto looks at foundation giving and the future of Latino California.

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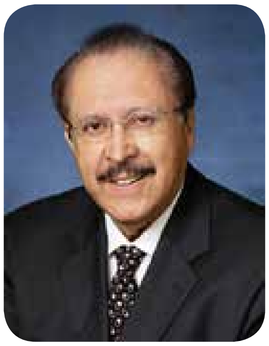

GILBERT R. VASQUEZ
LALCC Board Chairman

NORMA GOMEZ
Interim Executive Director

ENVISIONING THE FUTURE OF LOS ANGELES

Transforming the landscape of Latino business procurement opportunity.

It's a lofty and ambitious aspiration and it's the mission we've set for LALCC. That mission includes our goal of doubling the revenue of Los Angeles Latino-owned businesses within the next four years. Helping us get there is a recently adopted strategic plan focusing on three objectives: enhancing our value to members, expanding Latino procurement, and increasing our community's influence.

The initiatives we are undertaking this year give us the infrastructure we need to scale our activities so we can double our membership and increase revenues by 20 percent, thereby ensuring our sustainability. Those efforts are focused on improving member services and communications, internal operations, and public policymaking.

We're also enhancing our business assistance programs to secure certification designations for disabled veterans, disadvantaged business enterprises, women, local and small businesses, a step that will help them and access $200 billion in procurement contracts over the next eight years. We are investing in the next generation of Latino entrepreneurs by expanding our NextGen Latinos initiative to connect emerging leaders with wealth and power.

At more than $1 trillion, Los Angeles has the second-largest GDP of any metropolitan region in the country. By 2022, we foresee a Los Angeles that's even stronger. We imagine a Los Angeles where Latinos hold more positions of influence in government, Corporate America and the nonprofit sector. We see a Los Angeles where Latino-owned businesses can compete on a fair and level playing field. We envision a Latino community that not only is the foundation for regional success, but whose voice is heard from city hall to Sacramento to Washington, D.C.

It is our time.

Adelante!

Gilbert R. Vasquez
Board Chairman

Norma Gomez
Interim Executive Director

Vision Statement

The vision of the Los Angeles Latino Chamber of Commerce (LALCC) is to focus on economic development in the Latino community in the Greater Los Angeles Metropolitan area. This includes setting the platform for the growth of Latino-owned businesses through actual programs for procurement, access to capital, technical assistance, and other structures that can be developed for use by its members.

Policy issues and advocacy will be an additional priority for the organization. It will deliberate on leveling the playing field to enable Latinos full participation in the U.S. economy at a level representative of its demographics. The LALCC will open its doors for strategy and collaboration with other chambers, minority chambers, advocacy organizations, and the public sector to effectively address these issues.

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CINCO PREGUNTAS

JOE COTO

Chair, The Two Hundred Project

Joe Coto is chair of The Two Hundred Project, a California coalition of community leaders, opinion makers and advocates working to address the state's housing crisis and reduce the wealth gap for low-income minorities. During his six years representing the 23rd district, which includes the San Jose area, the former California State Assemblyman's legislative agenda focused on education, children's healthcare, diversity and inclusion, economic development and homeownership. Coto chaired the Assembly's Governmental Organization and Insurance committees and the Select Committee on Urban Education. He also served on the Education; Banking and Finance; Elections and Redistricting; Revenue and Taxation; and Arts, Entertainment, Sports, Tourism and Internet Media committees. Coto also chaired the 27-member Latino Legislative Caucus.

A former teacher, he earlier was superintendent of the Oakland Public Schools and San Jose's East Side Union High School District. Before being termed out of office in 2010, he introduced Assembly Bill 624 which, had it been enacted, would have required foundations with more than $250 million in assets to disclose key data about diverse staffing, board membership, and investments in minority communities.

1. What led you to introduce Assembly Bill 624? Is the lack of diversity in foundation giving still a significant problem?

The lack of funding going to diverse organizations was and remains a problem in California. In 2006, we had 6,200 foundations with assets of $77 billion, of which only 3.6 percent went to minority-led organizations. Nationally, foundations were allocating only 1.6 percent to organizations serving Latinos, with Native Americans receiving less than half of that.

Based on research done by the Greenlining Institute, we introduced A.B. 624 in 2008 with the sole purpose of increasing transparency about foundation giving in California, which is important in pooling resources to address our most serious community issues. It was not meant to impose quotas on giving. While the bill didn't become law, it did lead to a multimillion-dollar, multiyear compromise with five of the largest foundations to increase grant-making in the areas of capacity building, leadership and youth development, financial literacy, and health and civic engagement programs in minority communities. However, that funding level hasn't kept pace with the substantial growth in the state's Latino and minority populations.

2. Income inequality and asset accumulation through homeownership continue to challenge Latino families. How might legislation like A.B. 624 make a difference?

The issue is beyond California and the scope of A.B. 624. It's a national problem that was caused by the federal government's change in lending regulations. That change brought about the foreclosure crisis and the Great Recession that devastated homeowners' equity, which is the bulk of a household's wealth. Latino families lost $177 billion in assets and had foreclosure rates 240 percent higher than non-minorities. African American families lost $194 billion. In just over two years, they lost all the gains they had made during the previous 40 years.

With lending institutions tightening their credit policies and the cost of housing escalating amid a tight housing market, it's almost impossible to buy a home in California, especially for Millennials. If new legislation along the lines of A.B. 624 were to be introduced, foundations could help support down payment assistance, financial literacy, and homebuyer counseling programs that might help younger Californians get their finances in order.

This is a multibillion-dollar problem that can't be fixed with small grants or state legislation alone. It needs a national solution and it's why the Two Hundred Project met with Washington leadership in 2015. We

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advocated for a "Marshall Plan" for homeownership like the reconstruction program the U.S. helped finance after World War II. The federal government needs to make a major investment in lending opportunities that will help people buy their own homes, which is the key to building household wealth.

3. Obesity and diabetes are major health problems disproportionately affecting Latinos. How effective have foundations and major nonprofits been in addressing them?

There've been lots of investments made in health programs by funders like the California Endowment and Packard Foundation. But diabetes and obesity have grown to such proportions that much more needs to be done. And it's not just access to healthcare that's the issue. Compounding the problem is that Latinos are underrepresented in the medical field.

One of the bills I introduced and which became law required that, as part of a physician's continuing education, they take linguistic and cultural diversity training. Forty percent of the state's population is Latino, and a significant percentage of Latino seniors speak mostly Spanish. Being able to communicate in a language other than English has become imperative.

"One of the bills I introduced and which became law required that, as part of a physician's continuing education, they take linguistic and cultural diversity training. Forty percent of the state's population is Latino, and a significant percentage of Latino seniors speak mostly Spanish. Being able to communicate in a language other than English has become imperative. "

– Joe Coto, Chair
The Two Hundred Project

I also introduced a bill, signed by then Gov. Arnold Schwarzenegger, that created a task force on diabetes and obesity. It spent a year meeting with health experts on steps the state could take to address those diseases. With new legislation similar to A.B. 624, government and foundations could work together to monitor health trends, develop remedies, and recruit more minorities into medicine.

4. The education gap in California remains a fundamental challenge for Latinos. If the state's educational system hasn't been able to fix the problem, how might a future A.B. 624 help solve it?

We need to understand that mathematics is where we need to start. It's the key to getting more Latinos into college prep courses at the high school level and then having them meet the University of California's admissions requirements.

Studies have found that mathematics is one of two key factors in getting students into and through college. They need to take algebra by the ninth grade, geometry by the tenth grade and advanced math after that. But only 17 percent of Latino students enroll in higher-level math courses by the ninth grade – if ever. The second key to success is for students to know that their parents want them to go to college.

With legislation like A.B. 624, we could encourage foundation funding for programs that prepare students for higher-level math, now part of what we call science, technology, engineering and mathematics (STEM). But there's another problem: a lack of math majors in the teaching profession. In our school systems, we don't have enough math teachers who majored in mathematics. Funding could help underwrite programs that prepare more math majors to teach in our schools, draw more Latinos into math courses and college prep programs, and then get them into college.

5. What's next for the effort?

Our efforts to pass A.B. 624 made a difference even though the bill never made it into law. Foundations built on the compromise they made with us and started funding different minority nonprofits, as well as training, development and youth programs. But because our minority communities continue to expand, those investments need to keep growing. The only way we can make sure that happens is by having another state legislator of color introduce a bill like A.B. 624.

RON GASTELUM AND RICK OLIVAREZ JOIN LALCC BOARD OF DIRECTORS

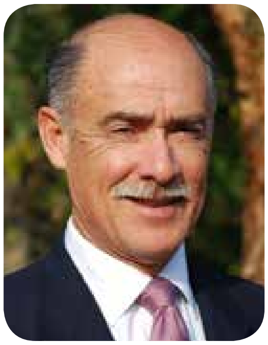
Ron Gastelum, former Metropolitan Water District (MWD) chief executive officer, and noted Los Angeles attorney Rick Olivarez have been appointed to LALCC's board of directors.

"Rick's expertise in government law, public contracts and ethics will be a tremendous asset in helping us advocate for and create more opportunities for Latino small business owners," said Gilbert R. Vasquez, LALCC board chairman. "Ron's impressive credentials managing a complex, vital public agency like the Metropolitan Water District and his experience serving an extremely diverse population of 18 million Southern Californians likewise will help us expand our economic development and outreach efforts."

Ron Gastelum

Gastelum is co-founder, president and chairman of Water Conservation Partners, Inc., which works with water officials and private investors to identify water conservation opportunities and develop verification standards encouraging water-saving innovations in real estate development projects.

During his five-year term as MWD's CEO and general manager, Gastelum spearheaded a management restructuring, implemented a new strategic plan and long-term capital improvement and finance plan, and led efforts to diversify the region's water supply and improve its water storage infrastructure. Before joining MWD, he was general counsel at BKK Corporation, a family owned waste and environmental services company.



RON GASTELUM

Gastelum also served on the board and the executive committee of the Los Angeles Area Chamber of Commerce for over 10 years, and also served for one year as that chamber's interim executive vice president.

A graduate of Whitter College, he earned a juris doctor from the UCLA School of Law.

RICK OLIVAREZ

Rick Olivarez

Olivarez is founding and managing partner of the Olivarez Madruga Lemieux O'Neill law firm, where he oversees its municipal and school district practice groups. He also serves as city

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LALCC Board of Directors

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RC Schrader
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Latino Practice Group
Bolton & Company

DENNIS V. ARRIOLA
Chief Strategy Officer, Executive Vice President of External Affairs and South America, Sempra Energy

SEMPRA ENERGY: POWERING TRANSFORMATION

"There probably hasn't been as much change in the industry since Thomas Edison invented the light bulb over a century ago."

That statement might puzzle most consumers, whose closest interaction with their utility is jiggling a thermostat or flipping a light switch. But for Dennis Arriola, chief strategy officer and executive vice president of external affairs and South America at San Diego-based Sempra Energy, it captures what is one of the most exciting times in the power industry.

"The changes in the industry have been driven by technology, competition, policy and regulation – and consumer demands," said Arriola, who most recently served as president and CEO of Southern California Gas Co. (SoCalGas) from 2014 to 2016. Arriola added that, over the next 20 years, despite conservation and efficiency efforts, the demand for energy is expected to increase more than 7 percent in the U.S. and 40 percent globally.

"For heating, cooling or transportation, energy as we know it today is changing and it's changing how we acquire it, how we transport it, how we store it and how we pay for it."

Sempra Energy, a Fortune 500 energy services holding company, is well-positioned for that transformation. It owns San Diego Gas & Electric (SDG&E) and SoCalGas and has an 80-percent stake in Texas' largest electric utility, Oncor Electric Delivery Co. Sempra's wind and solar power generation operations extend from Pennsylvania to Hawaii. The company's pipeline and natural gas storage facilities include a large liquified natural gas (LNG) terminal in Ensenada, Mexico, and a $10 billion liquified natural gas facility, Cameron LNG, under construction in Hackberry, La., with a third facility proposed for Port Arthur, Texas. Sempra Energy also operates utilities in Chile and Peru.

Meeting growing demand

It's not only electricity usage that's driving demand. It's also transportation, which is increasing demand for clean fuel. "In California, over 38 percent of greenhouse gases are produced by transportation. When you include refineries that are producing gasoline and diesel, that goes up to 50 percent," said Arriola, an Artesia native and Stanford University graduate.

To address that issue, SoCalGas has been working with some of the country's largest engine-manufacturing companies to build heavy-duty truck engines that use low-emission LNG or compressed natural gas. The utility is working on power-to-gas technology that can use excess solar- and wind-generated electricity to create other forms of fuel that can be added to natural gas supplies. It also is developing processes to convert biogases, such as methane, into renewable natural gas.

Renewables are a key factor in Sempra Energy's energy equation. It has wind and solar-generating facilities in 11 states, including the Great Valley Solar facility being constructed near Fresno. Arriola pointed out that approximately 45 percent of SDG&E's energy supply already comes from renewable resources and soon it is expected to reach 50 percent.

Fueling global markets at home and abroad

"Ten to 12 years ago, the U.S. was running out of natural gas," he said. "And it's one of the reasons we built our import terminal in Ensenada to bring in natural gas from Russia, Australia, Malaysia and anywhere that had it."

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However, new technology and processes to extract natural gas from shale have radically transformed the U.S. natural gas market, he explained. Abundant and relatively inexpensive supplies is spurring the company to shift operations at its LNG facilities from import to export, with an eye on shipping natural gas to China, Japan, South Korea and, in particular, Mexico, which is a strategic market for Sempra.

The company has been operating in Mexico for more than 20 years, starting with two small natural gas distribution companies along the U.S.-Mexico border. In 2013, Sempra Energy launched an IPO for its Mexican subsidiary, IEnova, and became the first energy infrastructure company to be listed on the Mexican Stock Exchange. Today, IEnova is one of the largest energy companies in Mexico. The $7.6-billion firm operates Mexico's largest natural gas pipeline network and is developing a major fuel supply business.

"We see Mexico as a great opportunity, not only to help the country modernize and expand its infrastructure, but also as an important export market for U.S. suppliers. The Mexican energy authority predicted that, over the next 10 years, Mexico is going to need $45 billion in additional energy investments – electric transmission, fuel supply, electric charging, renewables. We expect some of those services to come from U.S. companies."

In countering some of the hyperbole surrounding NAFTA, Arriola said, "From an energy standpoint, it's been a grand slam. In the past year alone, between Mexico and the U.S., we've traded close to $20 billion in services and oil and gas. Of that $20 billion, the U.S. has a trade surplus of about $11 billion. NAFTA is working for the energy industry. It's driving the economy and creating good middle-class jobs."

SEMPRA at a Glance

Sempra Energy, which had 2017 revenues of more than $11 billion, has approximately 20,000 employees and serves more than 40 million consumers worldwide.

Utilities

- **San Diego Gas & Electric – Founded in 1881, SDG&E serves 3.6 million consumers in San Diego and southern Orange counties.**
- **Southern California Gas – Operating since 1867, SoCalGas is the nation's largest natural gas distribution utility and serves 21.7 million consumers throughout Central and Southern California.**
- **Oncor Electric Delivery Company – The largest electric utility in Texas, serves more than 10 million consumers statewide.**
- **Sempra South American Utilities – Chilquinta Energía serves more than 2 million consumers and operates electric transmission lines in central Chile. In Peru, Luz del Sur serves more than 4.9 million consumers in Lima's southern region and is also active in the development and operation of hydro-electric projects.**

Infrastructure

- **IEnova – Operations include natural gas pipelines, natural gas distribution utilities and an LNG import facility, as well development of liquids terminals. It also operates wind and solar power-generation facilities.**
- **Sempra LNG & Midstream – The company develops LNG facilities, midstream natural gas infrastructure and natural gas storage in North America, including an LNG export terminal now under construction in Hackberry, La., and a similar proposed project in Port Arthur, Texas.**
- **Sempra Renewables – It owns and operates through joint and solo ventures nearly 2,600 megawatts of renewable generating capacity in 11 states, enough to power approximately 600,000 homes and businesses.**

Supplier diversity

- **In 2017, about 43 percent of the roughly $1.3 billion Sempra Energy's California utilities spent on procurement went to women, minority, disabled veteran and LGBT-owned companies. SoCalGas and SDG&E spent more than $640 million and more than $703 million, respectively, with diverse suppliers.**

WEAPONIZING THE U.S. CENSUS

The threat of a government shutdown over a federal budget proposal is a distant memory. Amendments addressing the Deferred Action for Childhood Arrivals (DACA) program have long passed and the Supreme Court appears content to avoid DACA disputes. But the decision by the U.S. Department of Commerce to reinstate a question about legal residency to the 2020 Census calls for a renewed urgency in establishing a path to citizenship.

DACA: A New American Sentiment

According to a Pew Research Center study conducted earlier this year, almost three-quarters of Americans favor granting permanent legal status to immigrants brought to the U.S. illegally when they were children. And 60 percent oppose a proposal to substantially expand a wall along the U.S.-Mexico border. When considering both policies combined, 54 percent of Americans support both granting permanent legal status to immigrants who came to the U.S. as children and oppose expanding the U.S. border wall.

About 90 percent of Democrats and Democrat-leaning independents and half of Republicans and Republican leaners favor this approach addressing all unauthorized immigrants, not just DACA participants specifically.

Democrats almost uniformly (80 percent) support permanent legal status for those brought to the U.S. illegally as children and oppose the border wall expansion. Republicans, on the other hand, are divergent in their views.

Slightly more than one-third of Republicans oppose permanent legal status for immigrant children and favor an expanded border wall. But 30 percent favor both policies while 17 percent favor legal status for children and oppose the wall. Republicans younger than 50 overwhelmingly support permanent legal status for illegal immigrant children; those 50 and over are evenly divided. Most moderate and liberal Republicans support the legal status proposal; conservative Republicans are split. Republicans 18 to 49 are less likely to support a wall expansion, with support significantly higher among conservatives than among Republican moderates and liberals.

Democrats almost uniformly (80 percent) support permanent legal status for those brought to the U.S. illegally as children and oppose the border wall expansion. Republicans, on the other hand, are divergent in their views.

Broadly, majorities across all demographic, religious and educational groups approve of granting permanent legal status. Across education levels, more oppose than support expanding the border wall.

Beyond DACA: From Immigration to Naturalization

In a March editorial, the *Los Angeles Times* wrote “Immigrant communities – and especially people who are living in the United States illegally – will be less likely to cooperate with the census, for fear that any acknowledgment of non-citizenship status will be used against them or their families. It doesn't take a cynic to see this for what it is: an effort by the Republican administration to reduce the population count in immigrant-heavy communities, which tend to be in Democratic-heavy urban areas.” It added, “A lower count, in turn, will lead to less representation of those communities in Congress and less federal aid.”

(The census also is used for infrastructure and disaster relief funding and in managing public health assistance and emergency services.)

The solution is to increase naturalization which will help ensure the needs of communities are identified and, ideally, addressed. While naturalization rates did increase 37 percent between 2005 and 2015, according to Pew Research, immigrants from Mexico, Honduras and Guatemala still had among the lowest rates of U.S. naturalization. In contrast, India and Ecuador posted the largest increases.

Of the 6 million Mexican immigrants who were U.S. citizens or eligible for citizenship in 2015, only 2.5 million were naturalized citizens compared with 3.5 million who were eligible for naturalization. Mexican immigrants have had one of the lowest naturalization rates (42 percent) of any group.

The nonpartisan research organization identified several reasons why lawful Mexican immigrants had not applied for citizenship, among them a lack of English proficiency and limited interest in and the cost of applying for citizenship. It also found that geographic proximity and close ties to home countries also may lower naturalization rates, increasing the odds of immigrants returning home without becoming U.S. citizens.

A Passion to Make a Difference

JULIE MILLER-PHIPPS
President, Kaiser Foundation Health Plan and Hospitals, Southern California

For Julie Miller-Phipps, president of Kaiser Foundation Health Plan and Hospitals in Southern California, healthcare became a career mission almost at first sight. But she did it the hard way.

Several concussions, broken bones and other childhood accidents brought her to local emergency rooms where she experienced an epiphany: medicine could help her make a difference in the lives of others. That led to volunteering as a candy-striper at a Torrance-area hospital and two years of nursing studies in Delaware. A summer position brought her to Canyon General Hospital in Orange County where she had a second revelation: nursing was not for her; she would run a hospital instead of staffing it.

The serendipitous acquisition of Canyon General by Kaiser Permanente (KP) in 1979 – "I came with the building," as Miller-Phipps described it – launched a 40-year career that has included 12 different positions. In her current role since 2016, she directs Kaiser Foundation Health Plan and Hospital operations across Southern California, including 15 hospitals and 230 medical offices serving 4.5 million KP members. She previously was president of Kaiser Foundation Health Plan of Georgia and before that senior vice president and executive director for Kaiser Permanente's service area in Orange County, Calif.

A unique kind of healthcare provider

In the industry, Kaiser Permanente is distinguished by two things: 1) an integrated care delivery model through which members can receive most of the care they need under one roof, and 2) its nonprofit status. As a nonprofit, KP reinvests any surplus operating revenues into keeping premium rates affordable, paying for new technologies and equipment, and updating and constructing new facilities, among other initiatives.

As part of its social mission, KP invests significantly in programs that improve community health and support access to and improvement in the healthcare safety net. It provided nearly $1 billion to support local community health initiatives. They include health services for low-income, uninsured, and underinsured KP members and non-members; support for programs that offer free school meals for students from Medi-Cal households; and school health/meal nutrition and summer youth employment programs. Many of its efforts focus on prevention.

"Prevention is as important as safe care," she explained. "People have to own a lot of their healthcare and we have to make sure they're able to understand where they are with their health and the opportunities for improving it." Innovation has driven and continues driving many of those opportunities.

KAISER PERMANENTE®

"Kaiser Permanente started nearly 75 years ago as a very innovative organization," added Miller-Phipps, who earned a degree in sociology from California State University, Fullerton and a master's degree in healthcare administration from the University of La Verne. "It's embedded in who we are as an organization and a key to our success. That innovation began with pre-paid healthcare and a focus on prevention, which was almost unknown at the time."

Innovation driving healthcare

An important part of KP's innovation strategy is its HealthConnect electronic health records system, which includes all 12+ million Kaiser Permanente members. "It's a learning laboratory," said Miller-Phipps, who was quick to stress the critical importance of patient privacy in all KP initiatives. "We can study and help design the best approaches for caring for a certain kind of individual, dealing with a series of symptoms or a diagnosis and what provides the best health outcomes. It's extraordinarily powerful."

Among the other healthcare innovations Kaiser Permanente has introduced are:

- telehealth consultations – using video, iPhone, iPad and personal computer – for patients not wanting or unable to commute to a medical facility;
- a partnership with Target stores to open Kaiser Permanente-staffed retail clinics providing pediatric and women's healthcare; monitoring and care for

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Kaiser Permanente by the numbers

- **Founded: 1945**
- **Headquarters: Oakland, Calif.**
- **2017 revenue: $72.7 billion**
- **Operating groups: Kaiser Foundation Health Plan, Permanente Medical Groups, Kaiser Foundation Hospitals**
- **Members: 12+ million nationally**
- **Employees: 211,000 nationally, including 22,000 physicians, 57,000 nurses**
- **Facilities: 39 hospitals and 682 medical offices**
- **Markets served: California, Colorado, District of Columbia, Georgia, Hawaii, Maryland, Oregon, Virginia, Washington**

Southern California Region

- **Headquarters: Pasadena**
- **Members: 4.5 million**
- **Member diversity: 260+ ethnicities, 118 languages; Latinos, whites and Asian/Pacific Islanders are largest ethnic communities served**
- **Employees: 72,000, including 7,400 physicians, 25,000 nurses**
- **Facilities: 15 hospitals, 230 medical offices, Kaiser Permanente School of Medicine, Pasadena (pending accreditation)**
- **Markets served: Coachella Valley; Kern County; West Ventura; Los Angeles, Orange and San Diego counties; Inland Empire**
- **Community service: In 2017, nearly $1 billion invested in local community health programs**

Supplier Diversity

- **Nationally: In 2017, more than $2 billion spent with diverse businesses, surpassing its goal of $1.35 billion**
- **Southern California: Spent $641 million with diverse suppliers in the region. Largest regional minority spend categories: pharmaceuticals, construction, and facility, language and security services**

chronic conditions, including diabetes, cholesterol and high blood pressure; basic dermatological services; and treatment for minor illnesses;

- mobile health vehicles providing primary care services in mainly rural areas; and
- improved check-in processes, including iPad-equipped kiosks, and wait-time and prescription pick-up text messaging.

"Change is inevitable and innovation has to drive all businesses," she added. "You have to spend at least some of your time deciding what your innovative approaches need to be and how to stay relevant in the market." That is one of the reasons Kaiser Permanente is heavily focused on research.

KP, which runs the largest non-university research arm in the country, also is an academic medical organization; it teaches 600 medical residents daily throughout Southern California alone. Its educational initiatives will take a quantum leap forward when the Kaiser Permanente School of Medicine, which is pending accreditation, opens in Pasadena. The first group of 48 students eventually will grow to its full capacity enrollment of 192.

"The school will have a unique, innovative focus on training a diverse group of physicians using our integrated healthcare delivery system," said Miller-Phipps, whose daughter inherited her passion for medicine and is a family physician in Northern California. "Typically, medical students spend the first two years in the classroom and then move into clinical rotation. But with us, rotation will begin almost immediately."

Gastelum and Olivarez Join LALCC Board

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attorney for three municipalities and as general counsel to several Los Angeles County elementary, high school and K-12 districts.

He earned a bachelor's degree in political science from the University of California, Los Angeles and a juris doctor from American University in Washington, D.C. He was admitted to the California Bar in 1997.

Olivarez is president of the White Memorial Medical Center Charitable Foundation and serves on the board of the NALEO Educational Fund.

LALCC GOLF TOURNAMENT TO KICK OFF CHCC's 40th ANNUAL CONVENTION

LALCC's Fifth Annual Leadership Golf Tournament will kick off the California Hispanic Chambers of Commerce (CHCC) Statewide Annual Convention and 40th Anniversary Celebration, which runs from Aug, 22 – Aug. 24. The tournament is the first to be co-hosted by both organizations and will benefit LALCC charities.

The tournament will begin at 8 a.m. on Wednesday, Aug. 22, at the Montebello Country Club, which is located at 850 Via San Clemente in Montebello.

The three-day CHCC convention will be held at the L.A. Grand Hotel Downtown and will feature workshops and panel sessions focusing on procurement, international trade, Latino Millennials and Latina entrepreneurs. It also will include general membership and regional chamber meetings and CHCC's annual awards gala. The convention attracts more than 3,000 entrepreneurs, small business advocates, corporate representatives, community leaders and government officials.

For golf tournament registration, event and sponsorship information, contact LALCC at (213) 347-0008 or visit lalcc.org/events-calendar. CHCC convention information is available at chccconvention.com.

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How to Avoid Your Own "#MeToo" Moment

By Teresa Sanchez-Gordon

El movimiento #MeToo está en boca de todos.

The #MeToo movement has exposed the widespread incidence of sexual assault and harassment throughout the workplace. The groundswell that began in Hollywood has spread to a score of other industries and organizations. When it comes to your workplace, do you know how to prevent your own #MeToo moment?

Preventing sexual harassment starts with understanding that you're liable. All employers, no matter how big or small their businesses, are liable for harassment by their supervisors or employees. The law requires employers to take steps to prevent and promptly correct sexual harassment. If employers fail to take such steps, they may be legally liable.

Judge Teresa Sanchez-Gordon

Defining sexual harassment. A single incident may qualify as sexual harassment, so it's vital to understand what it is. Sexual harassment occurs when someone conditions a job, promotion or other work benefit in exchange for sexual advances or other conduct based on sex. Sexual harassment gives rise to a hostile work environment when the offensive conduct interferes with an employee's work performance and creates an intimidating, hostile or offensive work environment. The law says that sexual harassment must be severe or pervasive to be unlawful, which means that it negatively affects the conditions of employment and creates an abusive work environment.

It's more than quid pro quo. The typical act of sexual harassment is offering employment benefits in exchange for sexual favors, but other offensive conduct also can qualify as sexual harassment. The Department of Fair Employment and Housing (DFEH) cites other examples of behavior that may count as sexual harassment: unwanted sexual advances; leering; assault; sexual gestures; the display of sexually suggestive objects or pictures; or using derogatory comments, slurs, jokes or sexually degrading words to describe an individual. Actual or threatened retaliation for rejecting advances or complaining about harassment likewise is unlawful.

Culture complicates the issue. Employers with a culturally diverse workforce face many other challenges because of the cultural differences they deal with on a daily basis. For example, Latinos are accustomed to a closer social interaction. They often express themselves through physical contact and occasionally share jokes that carry sexual innuendo. Comments that would otherwise be understood as compliments, like calling a co-worker "chula," or a casual invitation to drinks by a supervisor can be interpreted as undesired sexual advances.

Avoiding a #MeToo moment starts with communication. Employers are mandated by law to proactively prevent harassment and correct it when it occurs. They have many responsibilities, such as implementing a harassment prevention policy, and, in some cases, providing sexual harassment prevention training to all supervisory employees. The law requires employers to post a copy of DFEH's sexual harassment poster and distribute educational brochures and the business' harassment prevention policy, both of which may need to be translated if employees speak a language other than English.

A price to pay. Failure to comply with prohibitions against sexual harassment may subject employers to significant financial settlements for emotional damages; compliance with court orders mandating changes to business policies and practices; or hiring or reinstating employees, along with the costs of back pay or promotions, punitive damages, and attorney's fees and costs.

Smart, proactive anti-harassment policies and training are an investment in employee safety, a healthy workplace and the financial success and reputation of a business.

Judge Teresa Sanchez-Gordon served on the Superior Court of California, presiding at the Stanley Mosk Civil Courthouse for over 17 years in a high volume/profile direct civil courtroom. She is a private mediator and arbitrator at ADR Services and serves as a panelist on the Los Angeles County Policy of Equity Program. She was born in Jalisco, Mexico and raised in East Los Angeles.

BofA Survey Looks at Hispanic Small Business Owners

Latino entrepreneurs have greater confidence in the U.S. and local economies than they did in 2017 and are more optimistic about their financial performance and hiring plans this year than their non-Latino counterparts, according to the second annual Bank of America Hispanic Small Business Spotlight.

The report found that "External influences such as technology and employees may be driving these positive sentiments. Hispanic business owners are early technology adopters, leading their non-Hispanic peers in digital and social media usage. Hispanic entrepreneurs are also investing in their employees' long-term growth and success, believing their ability to attract and retain talent directly impacts their bottom line."

Survey highlights:

- **The economy –** Hispanic entrepreneurs are bullish about their growth, with 77 percent of them planning to grow their businesses during the next five years. Only half of non-Latino business owners plan to grow their businesses. Nearly 90 percent of Hispanic entrepreneurs believe the business environment will strengthen during the next decade. However, Latinos remain more concerned about corporate tax and interest rates, credit availability, the stock market and consumer spending.

- **Revenues –** Almost mirroring last year's results, 71 percent of Latinos, compared with 50 percent of non-Latinos, expect increased revenues during the next year.
- **Hiring/retention –** While projections are down overall, more than twice (37 percent) as many Latino business owners than their non-Latino peers (16 percent) plan to hire more employees. More than 80 percent of Latino owners believe attracting and retaining quality employees plays a role in their business growth, with more than twice as many Hispanic owners as non-Hispanics investing in their employees during the last two years.
- **Hispanic cultural heritage –** Two-thirds of Hispanic entrepreneurs believe they face unique challenges compared with non-Hispanics. However, a majority say their cultural heritage has helped grow or had no effect on their firms' ability to attract and retain customers, hire and retain talent, network, or access capital and vendors.
- **Social media –** Significantly more Hispanic entrepreneurs than their non-Latino peers use social media to market their businesses, share updates with customers, network, and hire employees. They also have relied on social media to start their businesses and support their bottom line.

Bank of America interviewed more than 1,000 small business owners across the country, nearly 400 of whom were Latino business owners and almost 150 were primary Spanish speakers. Their firms had between two and 99 employees and annual revenues of between $100,000 and $4,999,999.

LOS ANGELES TIES NEW YORK FOR FOREIGN REAL ESTATE INVESTORS

For the first time, Los Angeles has tied New York as the top American city for foreign real estate investors, according to a survey sponsored by the Association of Foreign Investors in Real Estate (AFIRE) and conducted in the fourth quarter of 2017. Los Angeles previously ranked second among U.S. cities and, as recently as 2014, ranked fifth nationally. New York had been the top U.S. city for the past seven years.

The 26th annual survey also found that after Los Angeles and New York, the remaining top five U.S. cities were Seattle, Washington, D.C., and San Francisco.

"With the growth of online shopping, foreign investors continue to rank industrial/logistics properties as their number one investment opportunity," said Jim Fetgatter, AFIRE chief executive officer in a news release. "The cargo coming into the Port of Los Angeles represents 43% of all cargo coming into the United States. Respondents also say online shopping is likely to have the biggest effect on real estate over the next five years. With these as benchmarks, it's easy to see why investors would be bullish on Los Angeles."

AFIRE members are among the largest international institutional real estate investors in the world and have an estimated $2 trillion or more in real estate assets under management globally.

LAEDC, UCLA Anderson Forecasts for Los Angeles and California Economies

Los Angeles County's economy is expected to outpace the country's growth rate over the next two years, increasing 2.4 percent in 2018 and 2.2 percent in 2019, according to the Los Angeles Economic Development Corporation's (LAEDC) 2018-2019 Economic Forecast & Industry Outlook.

Job growth in the county, home to more than 10 million residents and a workforce of more than 5.1 million, has averaged 2.5 percent annually since 2011. However, that's expected to decrease to 1.9 percent during the next two years because of a tighter labor market and fewer needed jobs. Unemployment should decline next to 4.3 percent in 2018 and 4.1 percent in 2019.

The largest job growth is expected in healthcare and social assistance and administrative and support services. Employment in construction and leisure/hospitality (mostly in lower-paying food services) also will increase. Even though Los Angeles County remains one of the country's largest manufacturing sectors, that sector will continue shedding jobs, adding to four consecutive years of declining payrolls. Retail trade is expected to add jobs; however, the sector will remain pressured by online commerce. Government employment will contract slightly.

Personal income, which has posted consecutive increases since 2013, is expected to continue growing, reaching nearly $620 billion in 2019 from almost $586 billion in 2017.

Looking statewide

California accounts for more than 14 percent of and is the largest contributor to the country's GDP. The state's GDP should grow by 2.7 percent this year and 2.6 percent in 2019, with both surpassing the country's projected growth rate. Job creation is forecast to increase 1.8 percent in 2018 but decrease to 1.7 percent in 2019, according to LAEDC.

The sectors that should record the biggest gains are administrative and support services and healthcare and social assistance. Construction and leisure/hospitality also will continue growing. Manufacturing and natural resources employment will expand slightly. After losing nearly 167,000 jobs between 2007 and 2017, it is unlikely that manufacturing payrolls will increase to their pre-recession levels.

Per capita income is expected to increase 2.9 percent in 2018 and 2.8 percent in 2019.

At year-end, Imperial and Colusa counties had the highest unemployment rates of 17.9 percent and 17.3 percent, respectively. Three of the state's 58 counties had unemployment rates of more than 10 percent and nine had rates exceeding 8 percent. The lowest rates were in San Mateo (2.1 percent) and Marin (2.3 percent) counties and San Francisco (2.4 percent.)

Separately, UCLA Anderson Forecast expects that demand for manufacturing and engineering in Southern California may increase, given demand for technologically advanced equipment and software. With that will come the need for more labor and higher wages to attract out-of-state workers. Statewide total employment should grow 2.2 percent in 2018, 1.7 percent in 2019 and 0.9 percent in 2020. For the same period, real personal income should grow 3.1 percent, 3.6 percent and 2.8 percent, respectively.

Los Angeles Tourism Sets Records: 48.5 Million Visitors, $22.7 Billion in Spending

The 48.5 million visitors who came to Los Angeles County last year not only set a new tourism record, they also pumped $22.7 billion into the local economy, a new high for the region. The overall economic impact of that spend was nearly $35 billion.

According to the Los Angeles Tourism & Convention Board, visitor traffic was up 2.6 percent compared with 47.3 million in 2016, while spending increased 3.9 percent. The number of domestic visitors also hit an all-time high of 41.2 million. The number of international visitors reached 7.3 million, another milestone. Last year marked the seventh consecutive annual gains in visitor traffic.

China, Canada and South Korea accounted for the largest numbers of international visitors. However, the number of visitors from Mexico, historically the largest group of international guests, decreased nearly 3 percent last year.

Tourism is one of the region's largest industries and employs more than 523,000 people, or one in almost every nine jobs in the county. It also generated $2.7 billion in state and local revenue, saving each Los Angeles County resident almost $840 in taxes.

Tourism also was a bright spot for the state. Visitors spent more than $132 billion in 2017, up 3 percent from the prior year, according to Visit California. Approximately 40 percent of it came from Californians and 37 percent from out-of-state residents. About 23 percent of all visitors came from abroad.

DID YOU KNOW?

In 2017, nine of the country's 10 fastest-growing metro regions and all 10 of the fastest-growing counties were in the South and West, according to the U.S. Census Bureau. Relocations from other parts of the country drove the growth.

Fastest-growing Metros

2017 Rank	2016 Rank	Metro Area	2017 Population	Population Increase
1	1	Dallas-Fort Worth-Arlington, TX	7,399,662	146,238
2	2	Houston-The Woodlands-Sugar Land, TX	6,892,427	94,417
3	3	Atlanta-Sandy Springs-Roswell, GA	5,884,736	89,013
4	4	Phoenix-Mesa-Scottsdale, AZ	4,737,270	88,772
5	11	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,216,589	65,908
6	6	Seattle-Tacoma-Bellevue, WA	3,867,046	64,386
7	13	Riverside-San Bernardino-Ontario, CA	4,580,670	57,017
8	8	Orlando-Kissimmee-Sanford, FL	2,509,831	56,498
9	9	Austin-Round Rock, TX	2,115,827	55,269
10	7	Tampa-St. Petersburg-Clearwater, FL	3,091,399	54,874

Fastest-growing Counties

2017 Rank	2016 Rank	County	2017 Population	Population Increase
1	1	Maricopa, AZ	4,233,383	73,650
2	3	Clark, NV	2,156,724	47,355
3	6	Riverside, CA	2,386,522	36,744
4	2	Harris, TX	4,617,041	35,939
5	5	Tarrant, TX	2,021,746	32,729
6	4	King, WA	2,155,962	32,687
7	8	Bexar, TX	1,927,747	30,831
8	7	Dallas, TX	2,587,462	30,686
9	12	Denton, TX	808,299	27,911
10	14	Collin, TX	942,453	27,150

los **angeles**
latino chamber of commerce
lalcc.org

333 S. Grand Ave., Suite 450
Los Angeles CA 90071
(213) 347-0008

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LALCC HOSTS CALIFORNIA GUBERNATORIAL FORUM

A possible trade war with China, the ongoing conflict between the state and the Trump administration, education, equal pay, healthcare and, surprisingly, Proposition 13, were among the leading topics addressed at an April 4 LALCC forum featuring three of the top four Democratic candidates competing to become the state's 40th governor. The session featured Antonio Villaraigosa, former Los Angeles mayor; Delaine Eastin, former superintendent of public instruction; and State Treasurer John Chiang. Christina Bellantoni, assistant managing editor for politics at the *Los Angeles Times*, moderated the 90-minute session which was held at the Central Library's, Mark Taper Auditorium in Downtown Los Angeles.