

WORK TRENDS RU

John J. Heldrich Center for Workforce Development

Transcript Episode 1: Governor Phil Murphy

Podcast Introduction (*music playing*): Welcome to *Work Trends RU* presented by the Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey. In this podcast, we speak with experts, policymakers, and thought leaders about issues affecting education, training, the economy, and well-being. Each episode of *Work Trends RU* provides insights into important topics like changes in the job market, economic challenges, and how artificial intelligence is shaping the future of work. Our guests share their thoughts and reflections on how public and private sectors can better address the needs of workers, job seekers, and employers. Join us as we discuss the evolving landscape of work and education on *Work Trends RU*. (*music ends*)

Carl Van Horn: Welcome to *Work Trends RU*. I'm Carl Van Horn, your host for today's podcast. Today, we're honored to have with us Governor Philip D. Murphy, who was elected in 2017 as the governor of New Jersey and reelected in November of 2021. He's now in his eighth year of governing the state of New Jersey and since taking office, the governor has put a long, strong emphasis on building a stronger and fairer economy and helping working people get ahead. So, he certainly is very interested in the work of the Heldrich Center and his relationship with us goes back a long way. Over 10 years ago, he and his wife, Tammy Murphy, helped found the New Start Career Network, which was a program we ran at the Heldrich Center to help long-term unemployed older workers. So, Governor Murphy, thank you for that support in the past and thank you for joining us today.

Governor Phil Murphy: Carl, thanks for having me. Good to be back and with you.

Carl Van Horn: Same here. So, when you announced your candidacy over eight years ago now, you pledged to create a stronger and fairer New Jersey for its residents and for the state's workers. So, as you reflect on that, and I know you're not done, you say you're going to run through the tape, but as you're reflecting a bit on that, what are the accomplishments that really are most important to you and you think are most important to the residents and workers of our state?

Governor Phil Murphy: Yeah, that's a good question. And obviously we're having this conversation at a time of unusual national turmoil. So, it makes a lot of what we've done even more important than I think we may have thought at the time. So stronger and fairer is code for stronger is grow the economy, create more jobs, more investment, an economy that is not sort of a zero-sum economy, which is the one that we inherited. And we've seen a very good amount of growth. So, I'm happy on that front. And a fairer economy means that we've made a

dent, at least, in some of the overwhelming inequities that we inherited when we got into office. Not all of them along racial lines, but a lot of them along racial lines. And so that side of the

house. And by the when I define stronger and fairer, the implication is that that those wires never cross. The fact of life is they each feed on the other. More investment means more jobs, but hey, when you've got a minimum wage, which is now meaningfully over \$15 an hour - by the way, I'd love to see that go even higher, not just the indexed piece of this –

benefits that are pro-worker, a whole series of public health and educational and housing investments. That may not be direct shot on equity, but at a minimum, an indirect boost. There's a whole suite of things. I, Carl, would not hang my hat on any one. I think at the time, at least minimum wage. I think there were a lot of people who thought we could never get that done. And we did, and I'm incredibly proud of that. But it's one of many steps we've taken, in most cases with the legislature, who have been terrific to work with.

Carl Van Horn: You know, one of the other things, it's certainly been for many years, a chorus of complaints about how New Jersey wasn't a good place to do business. And I know that that's something else that I believe you made a big priority and have continued to. How's that worked out in your opinion?

Governor Phil Murphy: I think it's worked out well. I mean, you never bat a thousand on keeping every company you've got or getting every company that's on the prowl. But, literally just this past week, two companies, I won't name them, looking very, very seriously at a significant, in one case, consolidating from a bunch of other states into their operation in New Jersey. I was just, in fact, back and forth with the CEO not 10 minutes ago. Another one that's moving its entire operation and they're looking at Jersey as one of three finalists. So, I think what made a good amount of progress there, I think what made it a substantial amount of progress in the startup community. We had slipped dramatically, even when we held on to our big companies, we had not held on to our culture of a startup state. We've changed that meaningfully. Most not entirely because of the strategic innovation centers, but that's been a big part of it. Carl, you've got one right in the middle of New Brunswick that's being built out. HELIX, in fact, are two stages to that. We just announced a couple of weeks ago, that Bell Labs, after doing a global search to relocate from their Murray Hill campus, picked New Brunswick in the HELIX. So, I think we've made a good amount of progress. You can always do more. And as you said, we're going to sprint through the tape.

Carl Van Horn: Yeah, I think of the Bell Labs one, especially because if you had told me that 10 years ago, that they're going to leave and go somewhere outside of where they've been located for so long, that they'd pick another spot in New Jersey, I'd have said you've been smoking something. I mean, it was a very pleasant surprise.

Governor Phil Murphy: Amen. And we worked, our team worked really hard on that one. And they're great folks, by the way, really gotten to know them well and they're game changers. It's kind of, it's stunning. So, as you know, Bell Labs had two locations. One was in Murray Hill, which spans two communities actually, and then the other one was by where I am in Holmdel.

And they're going to move from Murray Hill into New Brunswick with a brand spanking new building and all sorts of bells and whistles. And Bell Labs in Holmdel has been transformed into Bell Works, which is the ultimate work, live, play place I think I've ever seen with a private developer. So, in this case, Somerset Development, Ralph Zucker, who's doing a really good job there. Two great examples of you can have your cake and eat it too, I guess.

Carl Van Horn: Yeah, now another area which again, I count myself as being surprised, positively, happily surprised, is the growth of the film industry. Talk about that a little bit if you would, Governor.

Governor Phil Murphy: Yeah, so my predecessor, I'm not sure I know why, but pulled New Jersey out of the film and television incentive business. There's a rumor out there that he didn't like the impression that the *Jersey Shore* television series made. It could be true. But putting that aside, I think it is right in our wheelhouse in terms of who we are as a state. I'll make a general comment, Carl, and come back to film.

I always encourage everybody in our team, beginning with yours truly, when you wake up in the morning, look in the mirror and be dead honest with yourself about who you are and who you're not, what you can be, what you can't be. So, I would love, as an example, I'll probably die trying to make cars and trucks again in New Jersey, but I fear I'm gonna die trying. Film was invented in New Jersey, in Fort Lee. This is a natural for us. We're a state with oodles of talent, great location, great heritage. And again, working with the legislature, we put a series of incentives in place that we have tweaked successfully over the years. The biggest tweak being we used to be happy, and we still are happy, when something gets made in New Jersey.

So, we love that. But the biggest tweak we've made is to get studios to invest in bricks and mortar and build sound stages. So, Netflix, an almost 300-acre campus will rise in Monmouth County, Lionsgate in the South Ward of Newark, 1888 studios in Bayonne to pick three examples. But we are, I can say this after seven plus years, and we know enough to be dangerous because we now are in constant regular communications with the big studios, we're a global power in the film, television, and digital space, and God willing, we'll remain so long after I'm gone.

Carl Van Horn: Yeah, one of the other areas you emphasized was making community colleges and education in general post-secondary really more affordable. How do you think that's gone over the seven and a half years?

Governor Phil Murphy: I think it's gone well, but I wish I had more money to point at that direction. The big move for us was the Community College Opportunity Grant, the so-called CCOG, which is a last dollar program. So, you had to already have expired whatever other programs you were pursuing, Pell grants, whatever it might be. This has been, and by the way, if you're below a certain income level, you go free. And literally now tens of thousands of folks have gone through that program. And as you know, you've gotten more about this than I'll ever know, but if folks haven't been on a community college campus lately, here's a big headline. It's not a bunch of 18-year-olds, it's life learners, all different varieties. And I think it's been a game changer. You and I talked about this way back, by the way, I wanna get this off my chest. I'm a huge Carl Van Horn fan. He and I go way back. I'm a big Helderich Center fan, which has done some of the best workforce development work of any institution in the country.

Carl Van Horn: Thank you.

Governor Phil Murphy: But way back when, you'll recall, Carl, that McKinsey had written a seminal report on how does New Jersey recapture the innovation economy. And they targeted our friend Steve Van Kuiken, you'll recall. They targeted sort of the mid-skill workforce that was going to be the big shortage. And that they felt the game changer to fill up that void or to address that shortage was to make community college as affordable and accessible as possible. And that's led, I think, to a lot of good things, including, most importantly, a lot of lives that have been transformed for the better.

Carl Van Horn: You know, one of the other activities that has been, I think, throughout the beginning till now is the New Jersey Evergreen Fund and the Strategic Innovation Centers. Talk about that for a little bit, because that was definitely a new strategy that you brought.

Governor Phil Murphy: Both of those are intended to address the lost leadership in startups. And I'd throw onto that a supercharged angel investor tax credit would be another one. There are a few other examples, but those are all aimed at the next generation, if you will. The Evergreen Investment Fund is a pretty cool thing because it connects big companies with startups. Basically, it's a tax auction program, and these taxes clear usually around 90 cents on the dollar, but big companies have to commit something else other than just the dollar amount, and that includes startup space, for instance, or some educational program. And this has been a real game changer. The strategic investment centers, I mentioned the HELIX, we've done 10 of them. I'm hoping we can do another two or three. I'll give you a non-HELIX example. The best sort of prototype, I think, is the one, there are many of them, but the one at Stevens Institute of Technology, which is a category killer in fintech, so there's a higher ed player. There's our economic development authority that puts real money to work. In this case, Prudential is the big corporate partner, not to preclude others from coming in, but they're sort of the founding partner. And then the largest accelerator in the world, Plug and Play, which is there to basically help these startups grow up, find their way. The guy who runs Plug and Play thinks that each one of these centers could do several dozen startups a year.

So, think about that for a second. If you've got 10 of these centers, that's 360 plus or minus startups that probably wouldn't have happened otherwise. And the evidence is starting to pay off. You saw venture capital in the last period where there's data available was the first half of last year. And we had vaulted back up to number three in terms of destination, number three state in America behind only California and New York, which is where we should be. We should be in the top handful.

So, all those things are making a difference and, God willing, they'll continue to.

Carl Van Horn: So, one of the things that obviously businesses are always interested in is what's the quality of workforce? What's available? And you talk to these people more than anybody on the planet. What do you tell them? I mean, what's the pitch that we talk about our workforce and the programs we have to help people upskill and get better?

Governor Phil Murphy: Yeah, so a couple of New Jersey sells very well internationally. We've done a bunch of these economic missions. We just announced a big one to the Gulf - Saudi Arabia, Bahrain, and United Arab Emirates - for late April. We sell really well

internationally. And when I'm sitting across the table from a potential investor in New Jersey, the first two words out of my mouth are talent and location.

Location speaks for itself, so I'll put that aside for a moment. I emphasize, Carl, we emphasize a couple of aspects of that workforce. Number one, highly educated. Number one public education system in America with some big research-heavy universities. Rutgers being the biggest, Princeton always being on a list. Secondly, particular strength in STEM fields in the innovation economy. So, we have the highest concentration of scientists and research professionals per square mile anywhere in the world, and we sell that. And then thirdly, we sell our diversity. We want to make sure that folks know that we view diversity, unlike some others these days, as one of our core strengths, and we build our economy around that, including our innovation ecosystem. It isn't enough just to have those startups and to reclaim that venture capital ranking, but we want an ecosystem that looks like the state who we are, that reflects the broad diversity in New Jersey. And I think when you make those points, very, very, very compelling. I'll give you one country in particular that continues to overwhelm us with opportunities inbound job creation and investment is India. It will be the only mission, God willing, that I will have done twice to the same country. Actually, that's not true. Israel before the tragedies of the past couple of years. India, we're hoping to get back later this year just to give you some sense of the backlog of opportunity there inbound into New Jersey.

Carl Van Horn: I'm also interested in future casting a bit. Obviously, you started the AI Moonshot. Now, a lot of people may not know exactly what you mean by that, so talk about that a little bit.

Governor Phil Murphy: Yeah, I meant to fold that into answer, and I'm glad you brought it up.

Yeah, we had a seminal dinner in California. We treat California, by the way, like a nation state. So, we go to California at least once a year. Down south, it's largely film and television. Up north, it's almost all technology and recently, generative AI.

And we had a seminal dinner out there three years ago and the team and I walked away with an absolute conviction that New Jersey could become, the Bay Area continues to be ground zero for generative AI, but we all were 1000 % convinced that Jersey could be an East Coast analog, perhaps also alongside New York City. And, so, we started driving toward that. We formed an AI hub with Princeton University, one of these strategic innovation centers. So that one is Princeton, our economic development authority, Microsoft, and CoreWeave, which is a hyperscaler in AI that's, I think, trying to go public next month, by the way, based in Jersey with some founders who love this state. while they're around the world, they're growing their business here through their headquarters.

And the Moonshot is basically to say, you know what? There is a very good chance that sometime in the not-too-distant future, we'll have a young woman or a young man in New Jersey responsible for some, you know, enormous breakthrough that will benefit mankind, not just the nine and a half million of us who call this great state home. We're already training our entire state workforce. It's already making a difference on things like call centers, as you can imagine, but we think, drug discovery is a great example given our strength in pharmaceutical and bio and life sciences. We think the impact AI will have there will be enormous and there's no reason that shouldn't take place inside of the four walls of New Jersey to give you a very

specific example. So, we're incredibly excited. The AI book has barely been started, never mind finished. It's got some uncertainty. It generates some anxiety. There are, you know, national defense issues around this. All of that is true, but that does not mean that there won't be enormous opportunity. And we might as well have more than our fair share in that space the next guy. So, that's, we're really excited.

Carl Van Horn: So, before we move on to the next topic, anything I left out that you want to highlight?

Governor Phil Murphy: I'm good.

Carl Van Horn: OK, so thinking to the future, at some point, believe it or not, someone's going to succeed you as governor, right? And they're going to take away the mantle from you. So, what are the things, or maybe you haven't thought about this yet, but I'd be curious about what you're thinking of how, what you would tell that person that you've learned because there's not a lot of people who've served two terms as governor, right?

Governor Phil Murphy: Yeah

Carl Van Horn: There's two alive, I think, right now in this state.

Governor Phil Murphy: Yep

Carl Van Horn: So, what do you think you will tell him or her when they, if they win that election and come to you and ask for your help?

Governor Phil Murphy: It's a great question. And, by the way, there are, by my count, at least 10 folks pursuing this office. I think that's right. It's six Democrats and four Republicans. So, it's a state, and by the way, you know this as well as anybody, that has gone back and forth between parties over the decades, notwithstanding what folks think of as a blue state. You've had, as recently as Governor Christie, you've had a Republican governor. It is beyond me to predict who that might be. I'm sure there will be a list of things that, you know, I will say these are essential. These are essential. You know, we do events at Drumthwacket, the governor's mansion, celebrating a range of communities. I'm sure there's going to be, you know, things like Black History Month. We're doing a Women's History Month event. So, there'll be some events. There'll be some people either on our team or in the state that I will certainly underscore as existentially important partners. I will probably underscore, as we were discussing a few minutes ago, some of the programs that we think are also existentially important. The good news of the strategic innovation centers is that they will have been set up. They will have been funded. They'll be off the ground. They'll be, if you think of as each one of these as a rocket, they will be in their trajectory. But there'll be programs like that. I think largely you'll want to...be as helpful as possible. Governor Christie was very helpful to me in the transition. And I will do my level best to be that guy for whoever comes in and succeeds me. I think we've got things going in the direction that we all collectively want to be headed, regardless of our political affiliation. So, I think that's sort of the overarching plea that I would have is let's keep this thing going in the right direction, particularly at a time with a lot of national and international uncertainty.

Carl Van Horn: Yeah, having served in, I guess now about four different transitions, I must, and often changing party, I can tell you that that cooperation has usually been there. I mean, has been, despite what the public may see about the squabbling during the election, people tend to cooperate during that period. And that's very important.

Governor Phil Murphy: I think that's right. And I'm honored to have good relations with folks from both sides of the aisle who have preceded me and I will do everything I can to make sure that that is the case with anyone who succeeds me.

Carl Van Horn: Now, one of the segments that we do on this Work Trends experience is I like to ask people a question about their first job, because I find some interesting examples come from that. So, tell us a little bit about what was your first job for pay, not delivering the paper, although maybe that counts, but what was your first job and what did you learn from it?

Governor Phil Murphy: Yeah, this is a story I have not told in a while. In fact, I had sort of forgotten about it. I worked, I was born in Boston, grew up outside of Boston. This would be the equivalent of a diner in New Jersey, a small one. It was called a coffee shop. And my family didn't have two nickels to rub together and I was always complaining that my friends... We moved from one town to the next, and the town we moved to, we were sort of hanging onto that town by our fingertips. We were barely in the mix there. And I was always complaining to my folks. And so, I said, you know, I'm just going to go, I'm going to get a job. And a friend of a friend got me a job, but I was only 13 about to turn 14. I'm not even sure it was legal upon reflection, but it was a dishwasher.

One thing I learned is, at home, by the way, Carl, I've never said this publicly, I do the dishes.

Carl Van Horn: Me, too.

Governor Phil Murphy: I love that, another reason I love you. But here's the lesson I learned, and it's a painful one, is the guy who owned the thing, knowing that I wasn't on the books, stopped paying me. And it took an intervention by my father, which was rare for him on something like this. And I've forgotten, I used to think it was in-person, it may have been on the phone, but he had to basically go to this guy and say, you're screwing my son, you gotta pay him. And the reason I used to tell that story when I was running for this office is that turns it out that happens a lot. And you again, you've gotten something like this more than any of us will know, but having folks off the books particularly as it relates to status, is sadly a frequent occurrence and I lived it. So that's the, not the takeaway you probably wanted, although I do the dishes, but it was a good sober lesson to get early on in life.

Carl Van Horn: So, did that carry forward to saying to your labor department, "You better enforce those rules."?

Governor Phil Murphy: You betcha.

Carl Van Horn: Yeah.

Governor Phil Murphy: You bet. It's why it's not the only reason, but it's a driving, reason behind our aggressiveness on misclassification, which is the biggest, you know this again

better than anybody, that's the biggest example of this. So, these are for folks who may not be in this, in this mode, but you know, think of a big construction project where it's not union. So, the workers don't have any protection, a lot of immigrant workers, and they're being taken advantage of. And that happens sadly all the time. We've been aggressive as heck. And you need, it's a whole of government. Again, you know this, but you need attorney general, Department of Labor, Treasury, and a governor who cares about it. That's sort of the legs of the stool. But even then, it's hard.

Carl Van Horn: But I think those life lessons from your first job are always important to people. And I, like you, I carry them forward. And I think lots of other people do too.

Governor Phil Murphy: Amen.

Carl Van Horn: So, thank you very much, Governor. I really enjoyed visiting with you and thanks for giving us some of your time today.

Governor Phil Murphy: Thanks for having me, Carl. Take care, hope to see you in person soon.

Podcast Close (*music playing*): Thank you for joining us on today's episode of *Work Trends RU*, where we explore the issues affecting the future of education and how the workforce can be better supported by both the public and private sectors. Tune in next time as we continue our conversations on the evolving landscape of work and education. (*music ends*)