

State of WORKFORCE DEVELOPMENT

Riverside County
2006





State of WORKFORCE DEVELOPMENT Riverside County 2006

Dear Community Members:

On behalf of the Riverside County Workforce Development Board (WDB), I am pleased to present the 2006 State of Workforce Development Report. The report benchmarks Riverside County and provides data to launch community discussions about issues impacting our businesses and residents.

Believing economic development and workforce development are intrinsically linked, the WDB is strategically aligned with the Riverside County Economic Development Agency (EDA). In order to accomplish EDA's goals of job growth, higher wages and increasing capital investment, the WDB is striving to meet the demands of businesses that offer high wage and career opportunities, increase the labor supply for high demand industries, and improve the link between education and business.

The WDB is committed to making a difference in the state of Riverside County's workforce development and looks forward to you joining in our efforts.

Sincerely,

A stylized, handwritten signature in dark ink, appearing to read 'Jamil Dada'.

Jamil Dada
Chairman



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INTRODUCTION

Who we are:

The mission of the Riverside County Workforce Development Board (WDB) is to provide leadership to the workforce development system in Riverside County by linking resources, people, business, and education, resulting in a globally competitive workforce. The WDB oversees the workforce development programs of the Riverside County Economic Development Agency (EDA), and these efforts are part of the EDA's far reaching goals.

EDA's three goals for economic development are to increase the number of jobs, increase the overall wages and increase capital investment in the county. This biannual State of the Workforce report is intended to serve as an illustrative guide to our county's strengths, accomplishments and continued opportunities to improve the health of the economy.

About Riverside County:

Riverside County is the fastest growing large county in the nation over the last five years, growing an astounding 26 percent and adding over 400,000 residents since 2000, bringing the total to two million. At over 7,300 square miles of land area, stretching over 200 miles across, our county boasts five distinct geographic regions, each with their own major industries and demographic characteristics. This report will focus on the entire county and attempt to measure our progress with the rest of Southern California.

About the Labor Market:

A labor market, simply put, is where the supply of labor (workers) and the demand for labor (industry) come together. Much like every other market, the labor market is subject to the same economic laws that have governed commerce for centuries.

The workforce development strategy is to affect the supply side by increasing the number and value of workers living and working here. The three economic development goals attempt to address and improve the demand for labor. This comprehensive approach, measured over time, remains the best if not only approach to bettering the economic vitality of Riverside County and its residents.

Purpose:

The purpose of this report is to enlighten the many key workforce community stakeholders by identifying and measuring a series of common demographic and economic indicators. To this end, the following report will focus on these six key indicators:

- **Workforce Education**
- **Wages**
- **Housing**
- **Transportation**
- **Job Growth**
- **Industry Growth/Emerging Technology**

Importance of the Indicators:

Each indicator's importance and relevance can be measured in numerous ways. For the purposes of this report, data is compared in two ways. First, data trends are measured against prior years within Riverside County. This will give local workforce stakeholders an opportunity to see if our policies and actions are moving the workforce forward. Secondly, the data are compared to other areas in Southern California. If our relevant improvement is leading or trailing other areas, it will provide the opportunity to share best practices with our workforce counterparts in other locales.

Riverside County, located in the heart of Southern California, from 2000 to 2005 added more residents than 41 states. It is projected that the population change from 2006-2020 is to increase by nearly 35%, which is larger than any of the surrounding counties.

Fast Facts about Riverside County:

What is the area of the County of Riverside?7,303 square miles

How many cities are there?24

How many Residents are in the County of Riverside?2 million

What is the race/ethnic breakdown?

- 44.9 percent White
- 5.5 percent Black
- 0.5 percent American Indian and Alaska Native
- 4.7 percent Asian
- 0.3 percent Native Hawaiian and Other Pacific Islander
- 1.2 percent Other Race
- 1.7 percent Two or More Races
- 41.2 percent Hispanic

What is the Homeownership rate?.....68.5 percent*

*Riverside-San Bernardino-Ontario MSA

What is the median household income?.....\$52,253

What is the per capita income?\$23,478

What is the poverty rate?11.4 percent

What is the median age of the population?32.2 years

How many people in the Civilian Workforce?860,200

What is the educational attainment?

- 78.4 percent of the people 25 years and over have at least a high school diploma
- 20.3 percent have a bachelor's degree or higher

What is the mean commute time?31.6 minutes

How many school districts in the county?24

How many Persons per square mile?261.71 (estimated.)

What is the population's age distribution?

Under 18	28.9
18 to 24.....	10.1
25 to 44.....	29.8
45 to 64.....	19.9
65 and over	11.3

(Sources: The California Departments of Finance, Employment Development: Labor Market Information Division and U.S. Census Bureau's 2005 American Community Survey and Housing Vacancies and Homeownership (CPS/HVS) Annual Statistics 2005.)

WORKFORCE EDUCATION

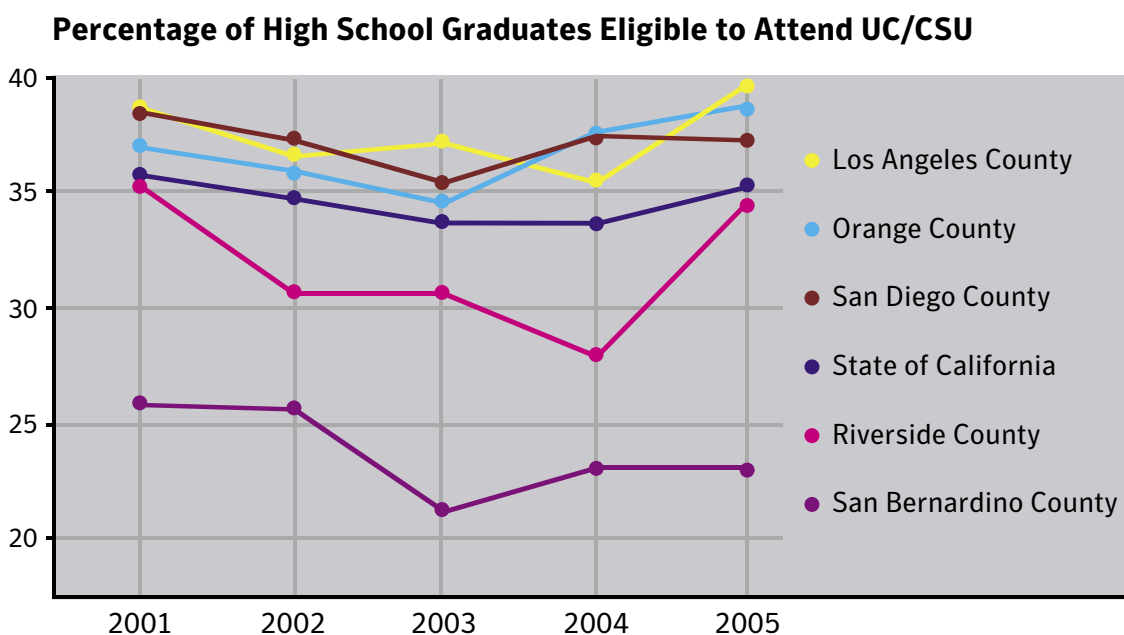
DEFINITION AND IMPORTANCE: A workforce is defined as all people working or available to work within a specific geography, industry or company. Everything that educates a population, prepares people for work or provides them an opportunity to improve their skills constitutes part of the workforce education system. The focus of this indicator lies in the fact we are specifically looking directly at the preparation and continued education of the workforce.

This aspect can be anything from the K-12 system to training in specific skills such as CNC machining or welding to advanced education through community colleges and universities. It can also be the provision of more basic skills necessary for an individual to be a contributing member of the workforce through basic literacy training, math skills, GED, etc.

The educational status of your workforce provides a measure of your resources and ability to support different industries. A skilled workforce will provide greater opportunities for a larger number of industries. A more diversified workforce allows for greater resiliency in times of economic downturn. In general, wages increase with education status and thus provide a higher standard of living. Industry will seek out a strong and educated workforce, which then affects job growth, transportation, wages and the need for housing.

UC/CSU Eligible Graduates

An important indicator of the health of the K-12 system measures the number of high school graduates eligible to attend the University of California and the Cal State University systems. From academic year 2002-03 to 2004-05, Riverside County has experienced a 23.4% increase in graduates with UC/CSU requirements, the largest increase in Southern California.

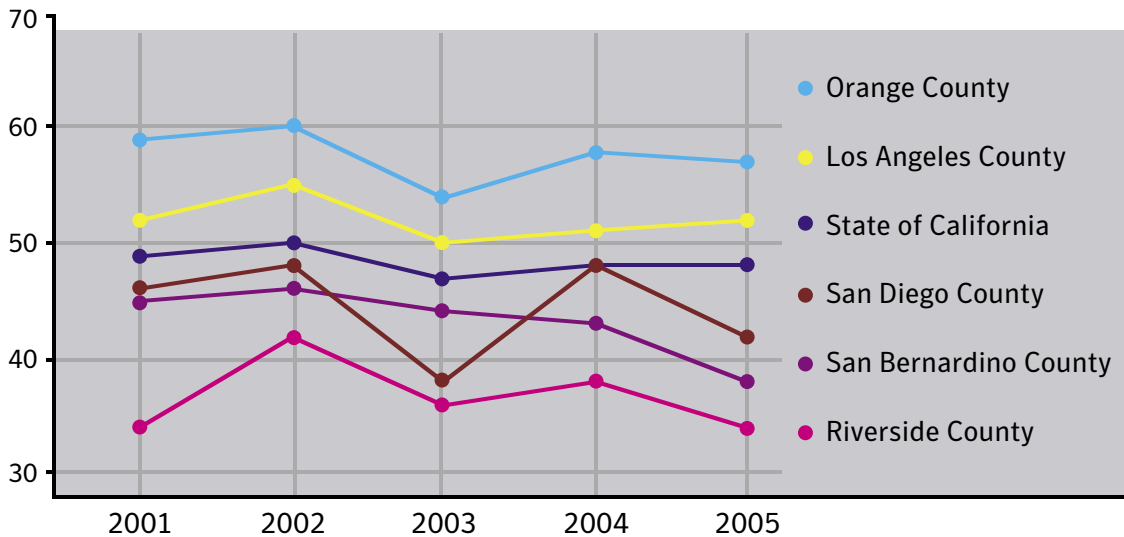


(Source: California Department of Education, Educational Demographics Unit)

College Going Rate

College going rate as defined by the California Postsecondary Commission considers “students who graduated from a California Public or Private high school in a particular academic year and contrasts that figure with the number of students age 19 or under enrolled as first-time freshman in a California Higher educational institution.” The following data represents a comparison of our surrounding counties for the 2001- 2005 period.

Percentage of All Graduates Enrolled in Higher Education 2001-2005

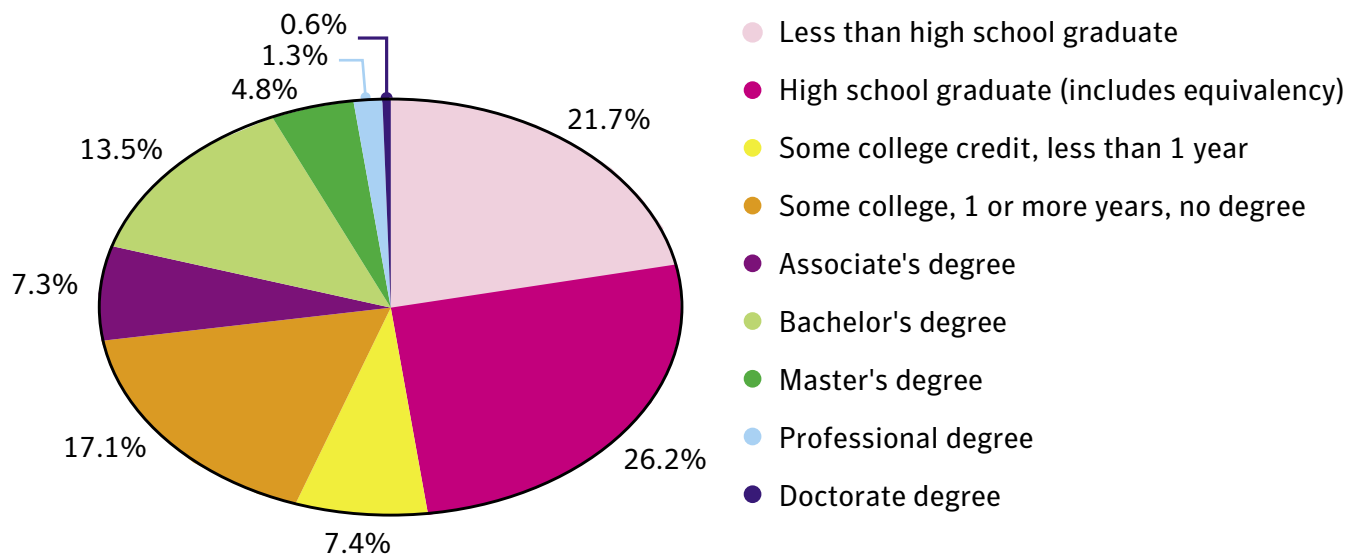


(Source: California Postsecondary Education Commission)

Educational Attainment

Of those county residents over the age of 25, 78.4% have a high school education or greater, with 52.2% having attended some college or possess a college or graduate degree. In 2000 the U.S. Census showed 75% and 50.2% respectively. Statewide, these percentages are 80.1 and 58.2 respectively.

Education Attainment for Riverside County Residents 25 Years of Age and Above-2005



(Source: U.S. Census Bureau, 2005 American Community Survey)

WAGES

DEFINITION AND IMPORTANCE: Compensation for a service provided is as old as time and is one of the reasons many of us wake up each weekday. Wages, measured hourly, weekly or annually, are a measure of the health of a region in that they provide the residents purchasing power that feeds the economy. A well-educated workforce typically earns a higher wage. Higher wages, as a measure of the demand for workers, can keep workers local. Riverside County wages currently rank 17% below the statewide average. Lower wages mean less cost for employers and may increase the number of jobs but forces the higher skilled workers to seek out better wages in the surrounding counties, thus impacting the transportation system and commute times.

Wages of the Largest Growing Occupations

In Riverside County, from 2000 to 2005, virtually every non-farm industry expanded, led by the Construction industry at 38%. Construction pays an average hourly wage of \$19.49. The following chart includes occupations with 5,000 or more workers in Riverside and San Bernardino Counties and wage information education and/or experience levels for each position

2006 - 1st Quarter Wages

Occupational Title	Mean Hourly Wage	Mean Annual Wage	Education/Experience level
General and Operations Managers	\$46.56	\$96,853	Long Term On-the- Job Training
Elementary School Teachers, Except Special Education	*	\$55,505	BA/BS Degree
Registered Nurses	\$32.07	\$66,688	Associate Degree
Combined Food Preparation and Serving Workers, Including Fast Food	\$8.76	\$18,217	Short-Term On- the- Job Training
Cashiers	\$9.66	\$20,093	Short-Term On- the- Job Training
Retail Salespersons	\$12.24	\$25,447	Short-Term On- the- Job Training
Secretaries, Except Legal, Medical, and Executive	\$14.65	\$30,481	Moderate-Term On- the- Job Training
Carpenters	\$21.19	\$44,082	Long Term On-the-Job Training
Bookkeeping, Accounting, and Auditing Clerks	\$16.27	\$33,840	Moderate-Term On- the- Job Training
Team Assemblers	\$10.98	\$22,833	Moderate-Term On- the- Job Training

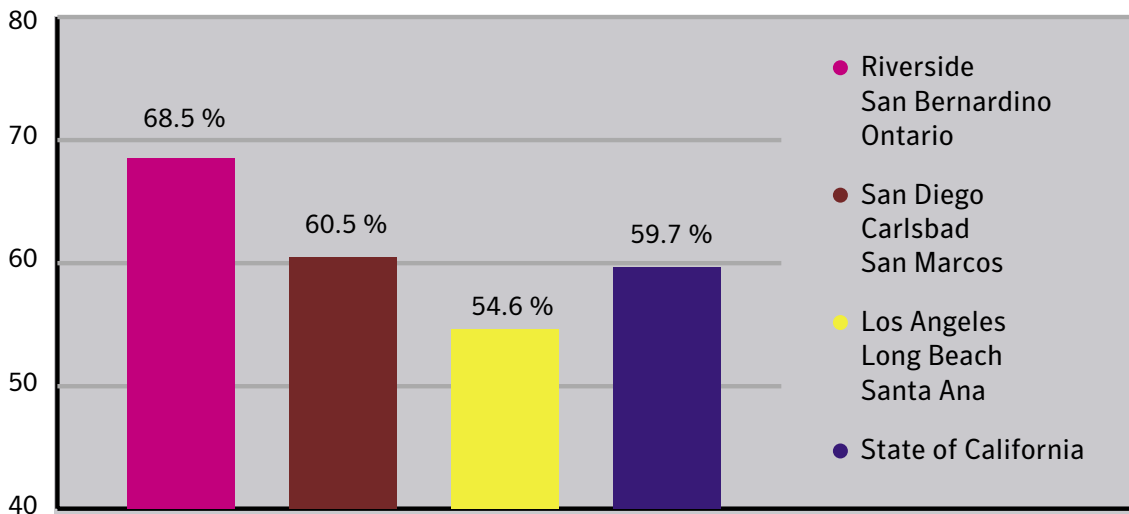
* For some occupations, workers may not work full-time all year round. For these occupations, it is not feasible to calculate an hourly wage.

Source: State of California EDD, Labor Market Information Division

HOUSING

DEFINITION AND IMPORTANCE: Housing is a basic need for all and can serve as a measure of an economy's health and vigor. As a population grows and its economy expands, so does the need for more workers to serve this growth. Residents pay local taxes, frequent local businesses and utilize local governmental services. Riverside County has a lower median home price than the coastal counties as well as the state average, making it a logical location for young families. The Construction industry, as stated previously, has been the fastest growing industry, and a good deal of this growth has been due to residential building. Riverside County was the leading jurisdiction for Single Family Residential Housing starts in 2005, according to the California Building Industry Association. The Riverside and San Bernardino areas also maintain a relatively high rate of homeownership among its households.

Home Ownership Rate 2005



(Source: State of California EDD, Labor Market Information Division)

Housing Affordability Index

The National Association of Realtors reports the median price of homes increased by 5.7% from August 2005 to August 2006 in Riverside and San Bernardino Counties.

Area	Median Prices	C.A.R. Housing Affordability Index*
California	\$576,360	23
Los Angeles	\$589,740	19
Orange	\$698,080	21
Riverside	\$410,000	32
San Bernardino	\$367,250	38
San Diego	\$598,580	21

* Denotes values from the California Association of Realtors (C.A.R.'s) First-Time Buyer Housing Affordability Index (FTB-HAI) measures the percentage of first-time buyer households that can afford to purchase a home in California

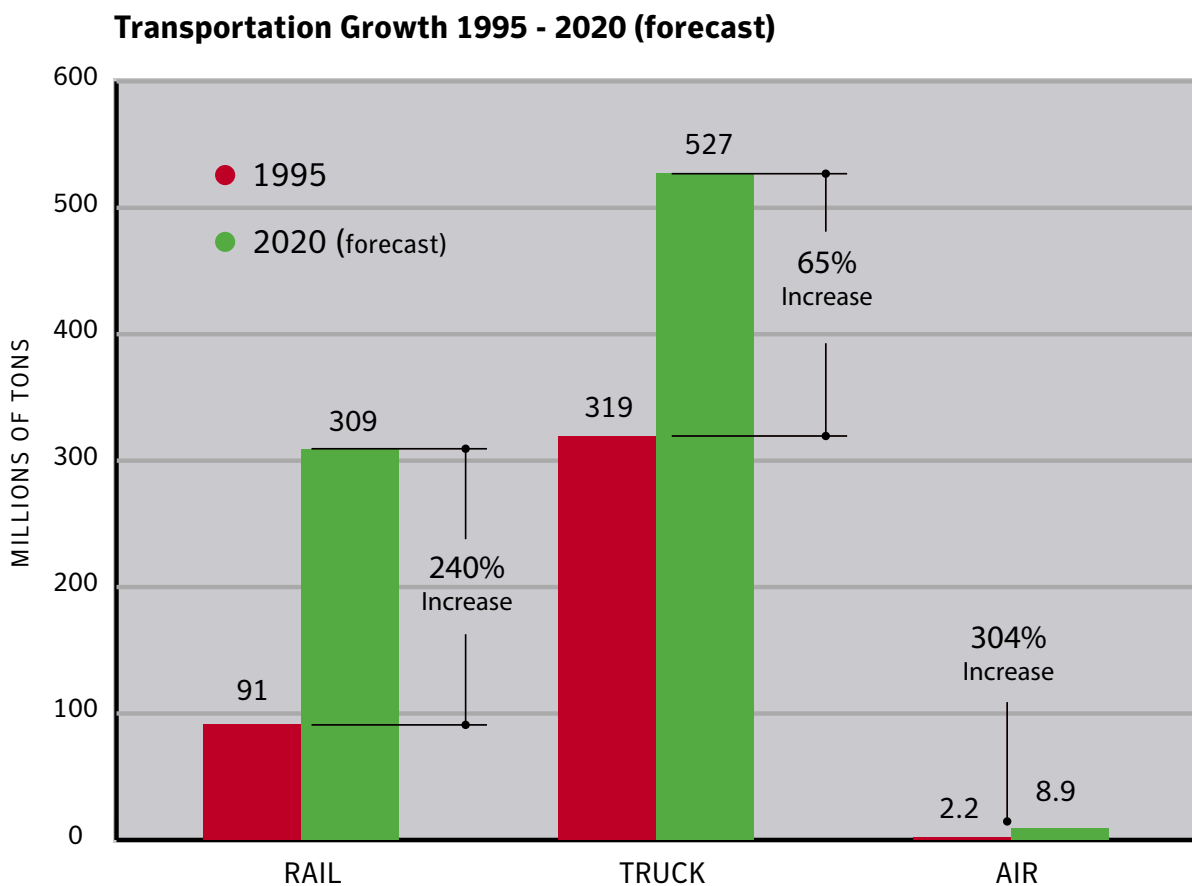
(Source: State of California EDD, Labor Market Information Division)

TRANSPORTATION

DEFINITION AND IMPORTANCE: In Riverside County, the importance of transportation cannot be overstated. The movement of goods and people to where they need or want to be is an essential ability of any economy. As discussed in the Wages indicator, the current imbalance of wages between Riverside County and our neighbors leads to many of our residents seeking higher wages outside the county. The resultant impact on transportation is seen every day on the freeways. In addition, our county is strategically located between the ports of Los Angeles and Long Beach. Without an effective transportation infrastructure, industry and business suffer. If a reasonably timely and simple means of commuting to work is not available, workers cannot sustain themselves or their industries. Therefore, transportation must be efficient, effective and relatively inexpensive to have a maximum, positive impact on the economy.

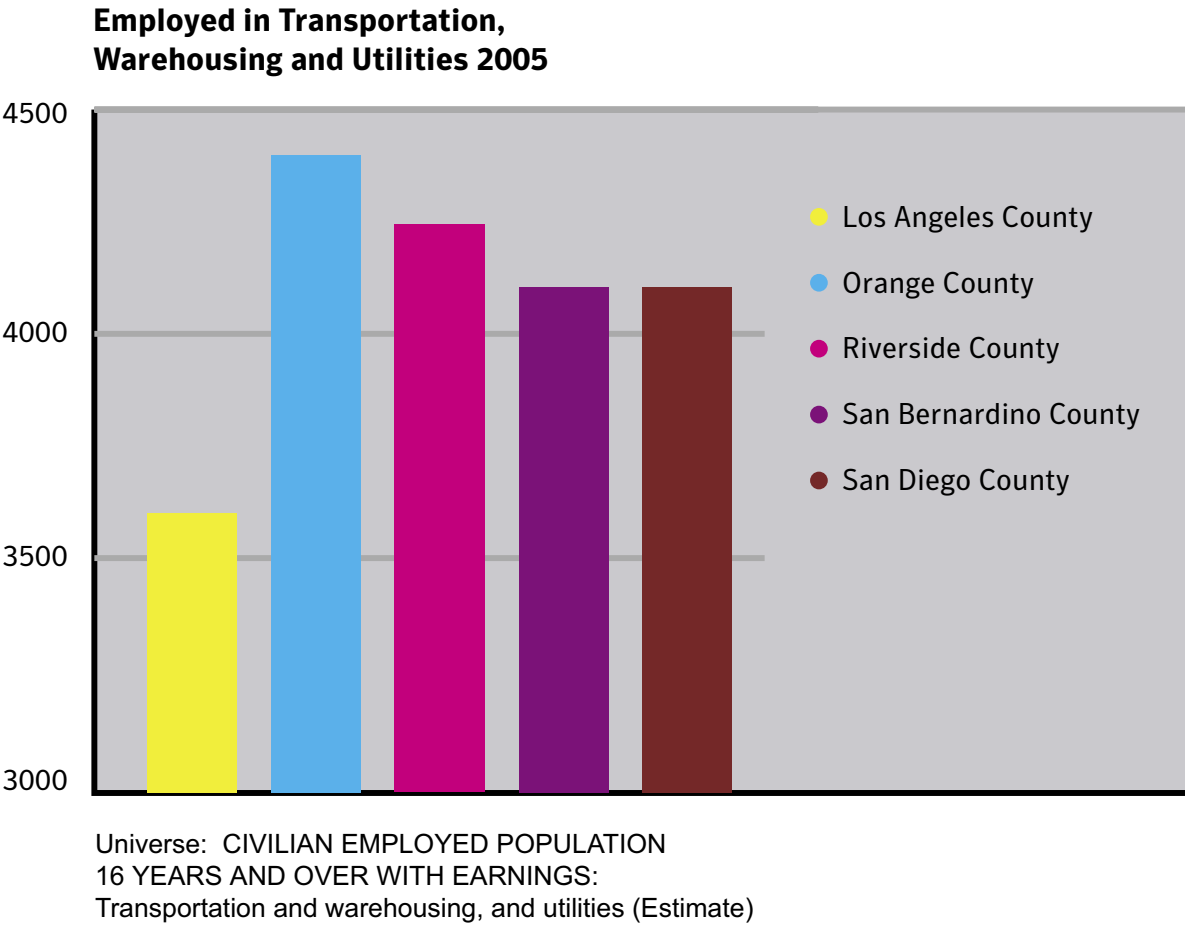
Growth

The Trade, Transportation and Utilities industry has grown 32% from 2001-2005. The Southern California Association of Governments (SCAG) estimates possible increases in truck traffic on the I-10, I-210 and SR-60 routes as high as an additional 60,000 daily trucks. The figure below shows some of the increase in freight traffic (by different modes) expected in the SCAG region.



(Source: Southern California Association of Governments)

When we look at employment numbers, we see that Riverside County has a greater number of workers in the transportation, warehousing, and utilities sector than other local areas, thereby assuring us that this will be of increasing value and need.

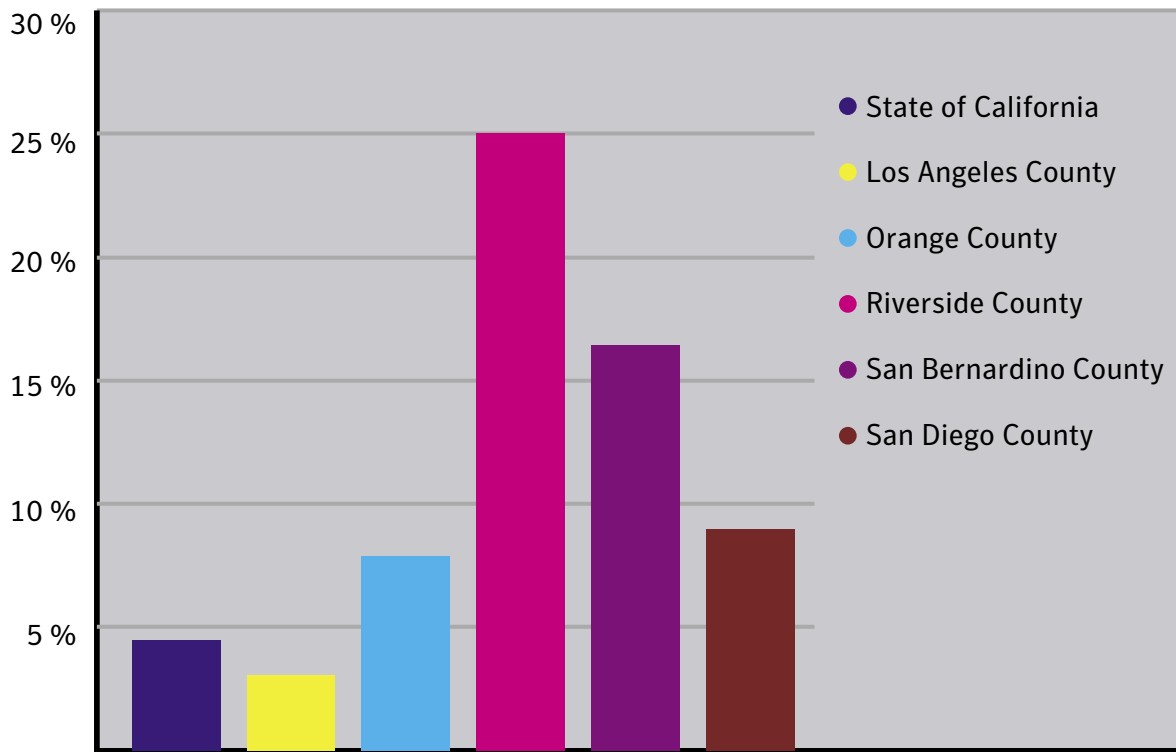


JOB GROWTH

DEFINITION AND IMPORTANCE: Strictly speaking, this indicator is the number of jobs created in an industry of area over a specific time period. Its importance as a measure of economic vitality is readily apparent. As industry expands, in general, there is a need for more workers. These workers have direct ties to the industry in question or part of the supporting cluster of suppliers, products or services. Therefore, the growth in one industry sector can have an affect on other industries as well. Job growth as an indicator also translates into the need for housing and transportation improvements as these will increase along with greater numbers of workers.

Riverside County has experienced large growth in the overall labor force and the number employed. The labor force number shows how many residents are available for work. The number of employed residents shows the number of individuals in the labor force that are currently working, regardless of the job location. Strong growth in both shows the vitality of our area. We not only have a desirable region with many moving in but also are able to accommodate most with jobs. The challenge will be to continue this growth and to find employment for those facing barriers in their employment search.

Percentage Growth Increase in Employed: 2000 - 2005



(Source: California Employment Development Department, Labor Market Information Division)

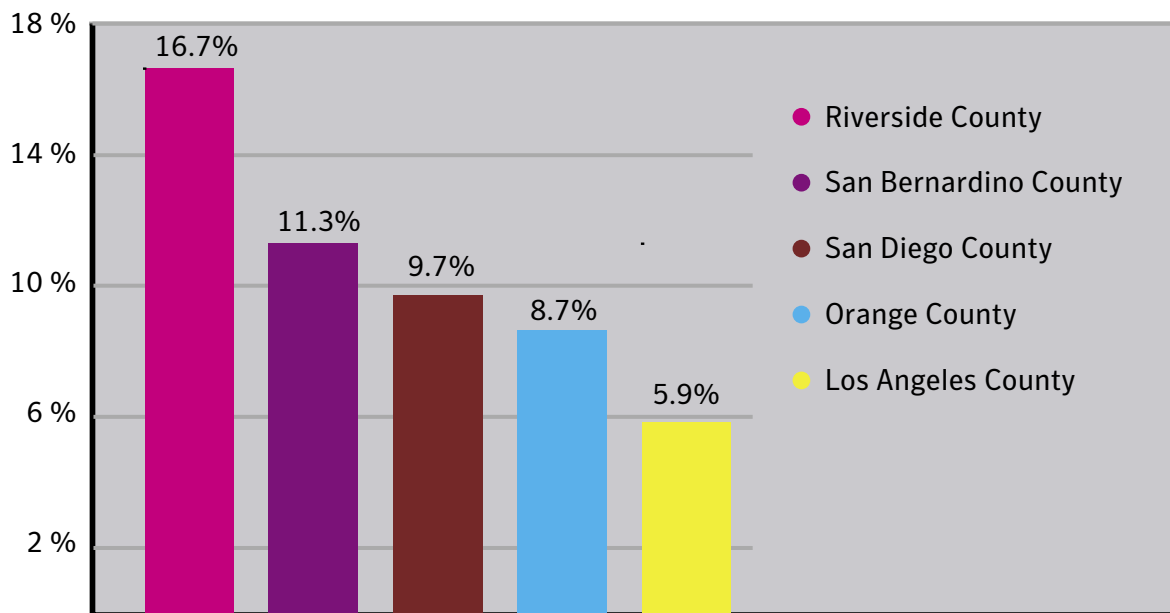
INDUSTRY GROWTH / EMERGING TECHNOLOGIES

DEFINITION AND IMPORTANCE: Industry, for the purpose of this report, means any related activities of commerce and trade. For example, all manufacturing efforts are part of that industrial sector. So too are retail establishments. The current classification system used is the North American Industrial Classification System (NAICS). Classifications serve as a lens through which to view the data they classify. Industry growth feeds job growth. Growth in industry requires continuing education to keep up with changes in technology and the knowledge base. AeA, the nation's largest high-tech industry trade association, included Riverside-San Bernardino Counties in their California Cybercities 2006 report. This area ranked second in high-tech job growth from 2003 to 2004. This compares to high-tech job losses of 2,500 in Los Angeles County and 1,300 in Orange County. The report continued to state "Throughout California, average annual tech wages were significantly higher than the average private sector wage."

In addition, locally there is much research being done in the fields of nanotechnology, genomics and alternative energy. It is important to realize that this research has not yet evolved into any particular industry. Will nanotechnology, for example, change the delivery of health services, or manufacturing or agriculture? Staying well connected with academia to identify these new processes and skills must be met by the workforce development system.

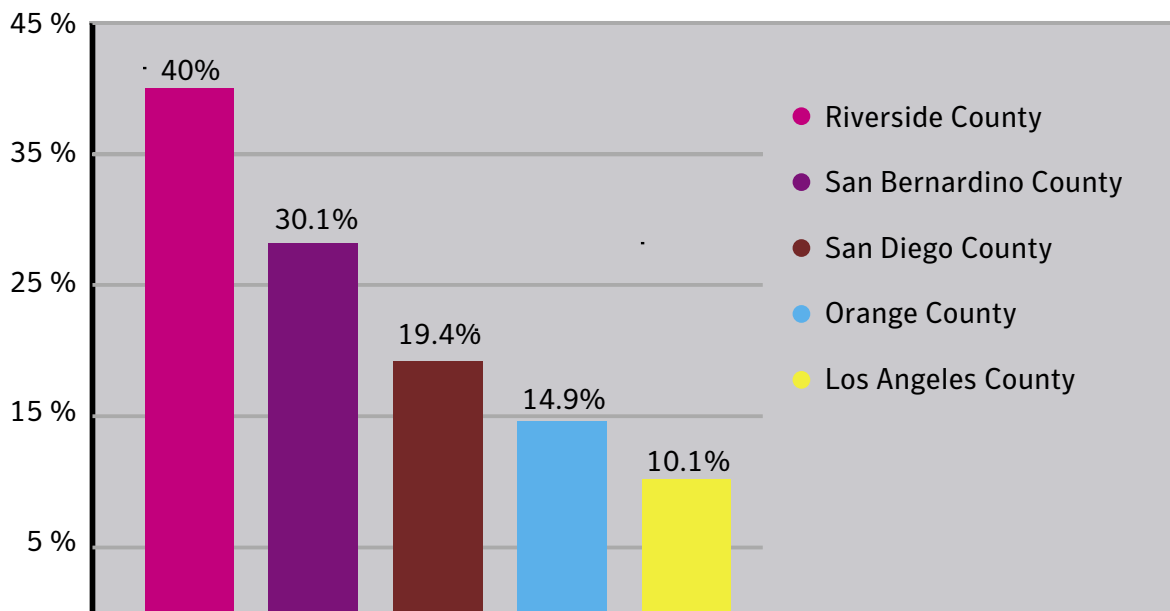
In general, our current economy is growing, and business across the board is growing. The number of business establishments in Riverside County has grown by 16.7% from 2000- 2004 (U.S. Census, County Business Patterns). Additionally, total annual payroll for the County as a whole has increased 40% in the same time.

Percentage Growth in Number of Business Establishments in County 2000-2004



(Source: County Business Patterns NAICS, U.S. Census Bureau)

Percentage Growth in Total Annual Payroll 2000-2004



(Source: County Business Patterns NAICS, U.S. Census Bureau)

Projected industrial growth in Riverside County seems to show a bright future for the business community. For the period 2002-2012, the State of California Economic Development Department Industry Employment projections show job growth of 29.9%. This phenomenal growth will place greater challenges on the other workforce indicators and require strategic planning and coordination between all stakeholders in the region.

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Vision:

To be recognized leaders in improving the quality of life in Riverside County through our workforce development system.

Mission:

To provide leadership to the workforce development system in Riverside County by linking resources, people, business, and education resulting in a globally competitive workforce.

WDB Top Goals for 2006

- Identify and meet the demands of businesses in selected industries and occupations that offer high wage and career opportunities
- Increase the labor supply for high-demand industries, both current and future, in cooperation with state and local economic development strategies throughout workforce development
- Strengthen the bridge between educational institutions and business and industry by identifying business skill needs and communicating them to education
- Create sustainability for workforce development efforts

The Workforce Development Board would like to acknowledge the leadership of the Riverside County Board of Supervisors

Bob Buster, First District-Chair

John Tavaglione, Second District

Jeff Stone, Third District

Roy Wilson, Fourth District

Marion Ashley, Fifth District



Riverside County Economic Development Agency

Robin Zimpfer, Executive Director

Jerry Craig, Managing Director

Kathryn Fortner, Workforce Development Administrator



The Workforce Development Centers of Riverside County are brought to you by the Riverside County Economic Development Agency and Workforce Development Board

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Jim Thomas, TAC Exterminators, Inc.

Tom Tomkins, Charter Communications

John Viafora, Housing Authority

Ron Visser, Real Estate & Legal Services

A special thanks to the following organization for providing assistance with research for this report:
State of California Employment Development Department, Labor Market Information Division