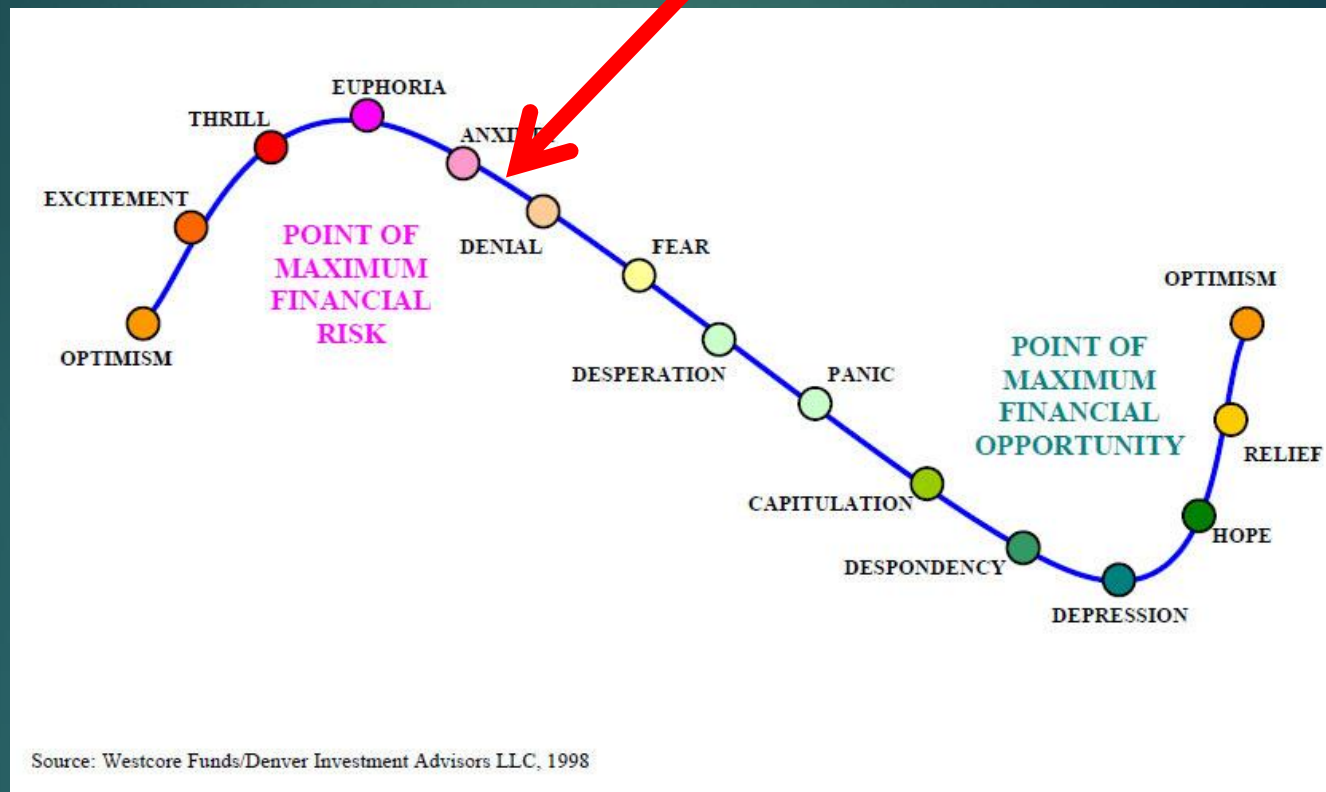


State of the Inland Empire

... An "Adventure"



JOHN HUSING, PH.D.

ECONOMICS & POLITICS, INC.

CHIEF ECONOMIST, IEEP

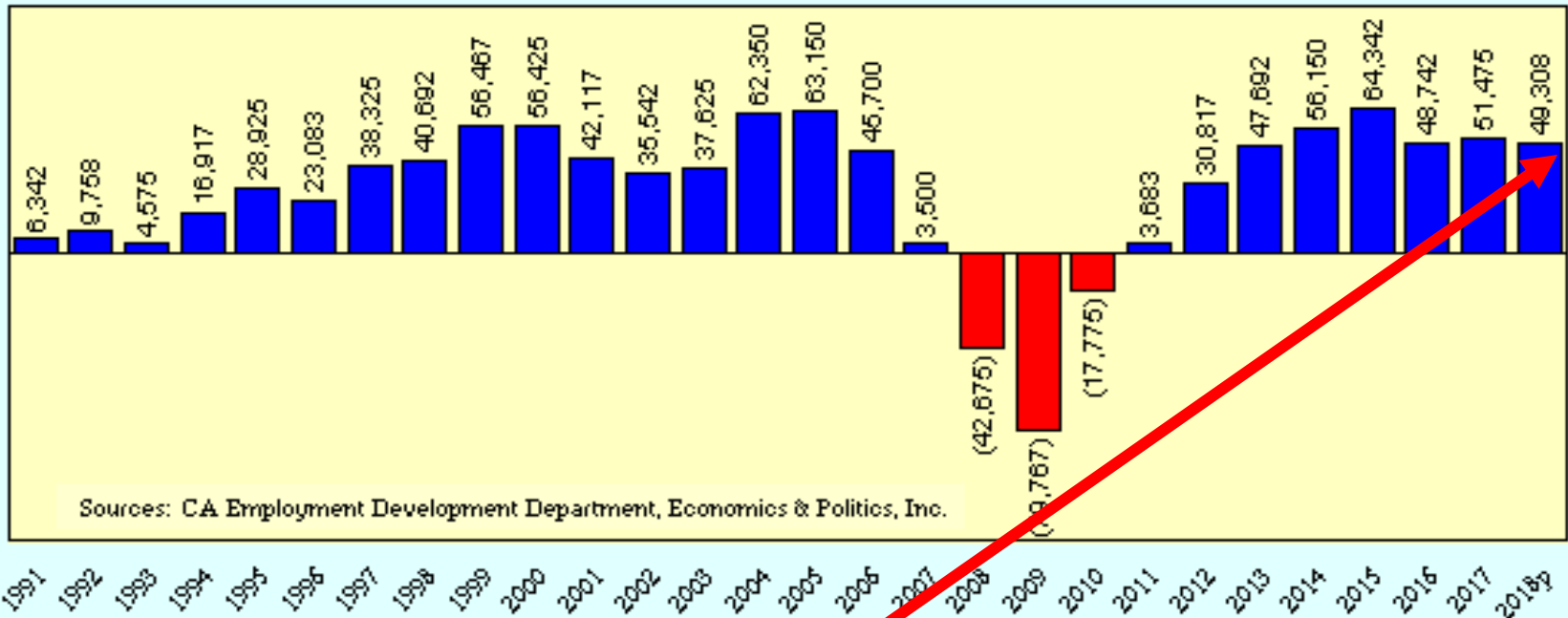


Forecast:	45,000 Jobs	3.1%	4.7% Unemployment
Actual:	49,308 Jobs	3.4%	4.2% Unemployment

Let's Begin With the Confession!

Inland Empire's Powerful Job Growth!

Wage & Salary Job Change
Inland Empire, Annual Average, 1991-2018

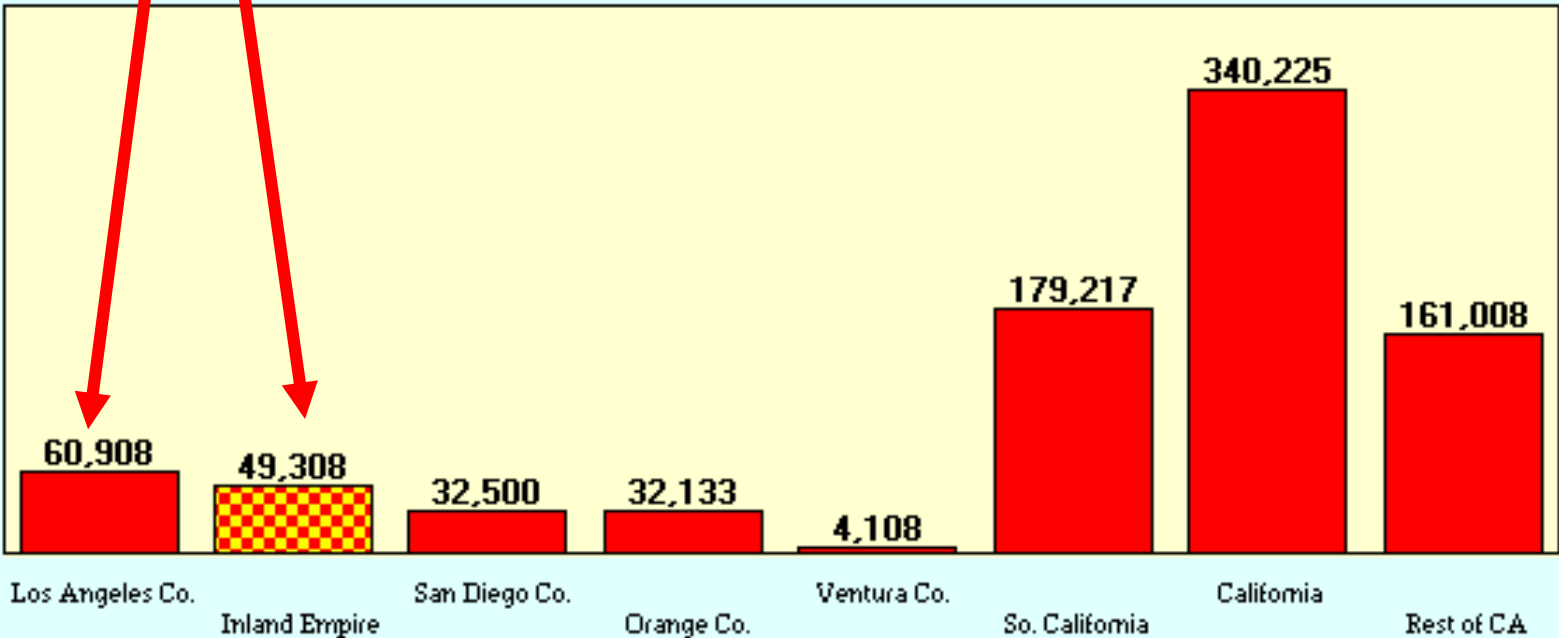


Confession

Forecast:	45,000 jobs	3.1%	4.7% Unemployment
Actual:	49,308 Jobs	3.4%	4.2% Unemployment

Inland Empire A So. CA Job Engine!

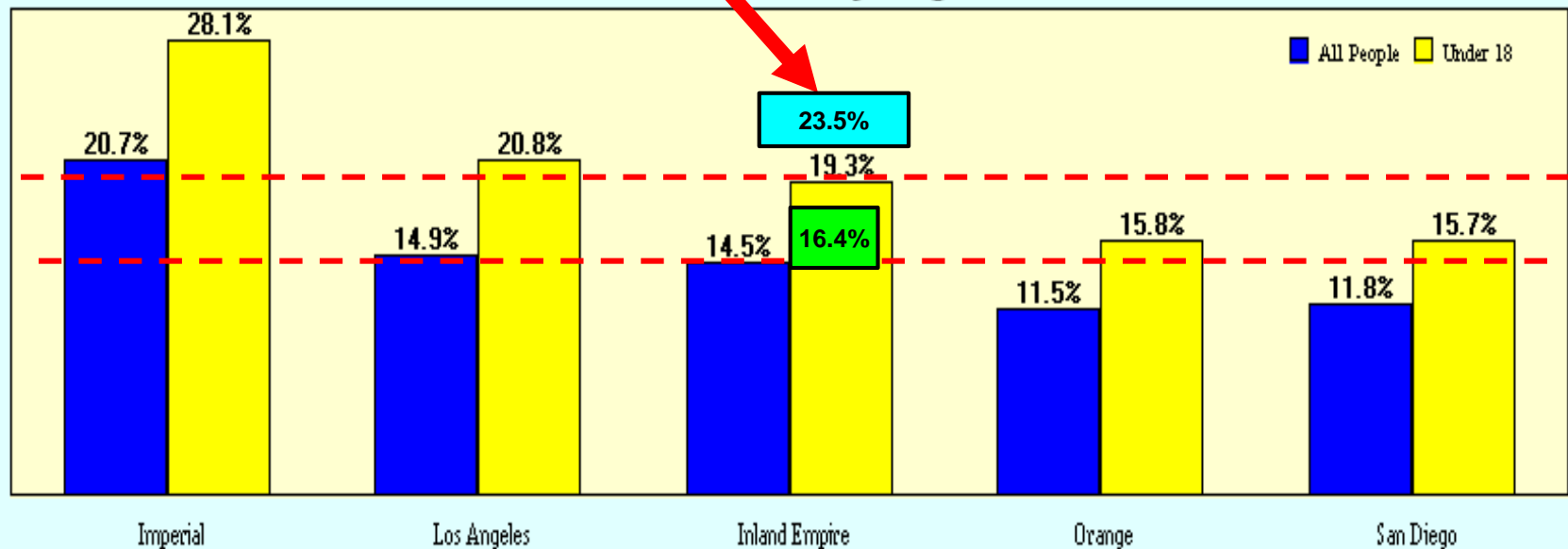
**California Job Gains
By Major Markets, Annual Average, 2017-2018**



Source: CA Employment Development Department

Poverty Falling With Job Creation

Shares Living in Poverty
Southern California, By Region, 2017



Source: American Community Survey, 2017

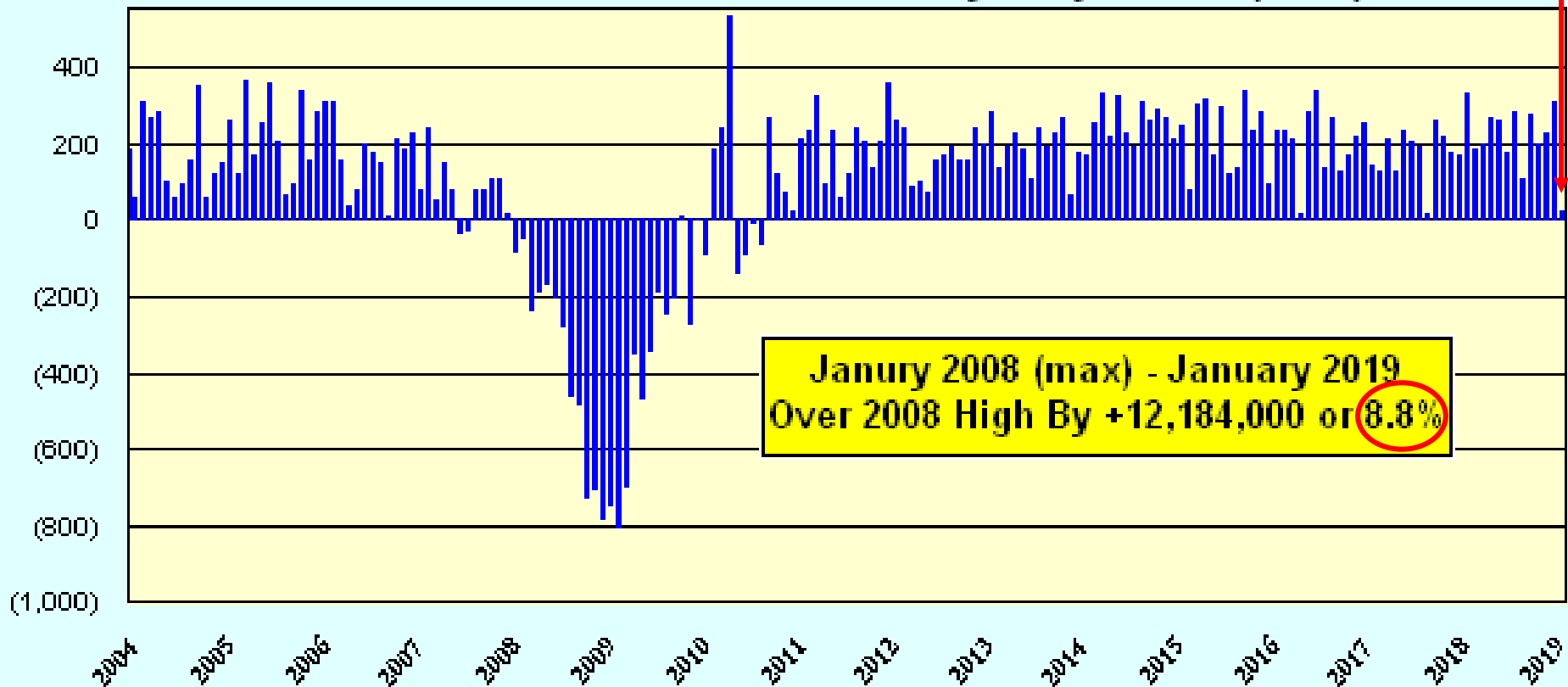


What Are The Major Dangers Facing The Economy?

U.S. Job Growth

**But ... U.S. Job Growth
Just Stopped**

Job Creation or Destruction U.S., 2004-2019, Seasonally Adjusted (000)



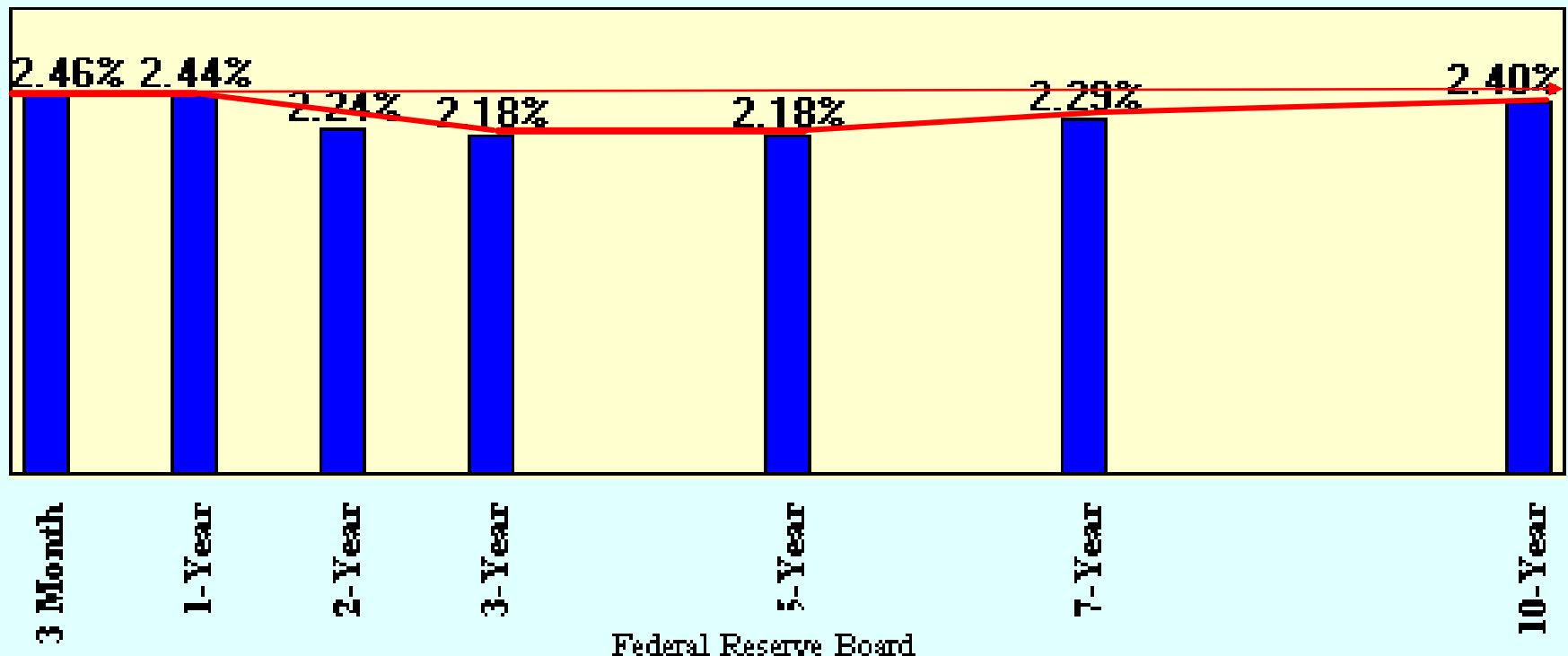
Source: U.S. Bureau of Labor Statistics

Yield Curve: Potential Recession Predictor

Recession: 2020 Possible?

Interest Rate Yield Curve March 26, 2019

3 mo. to 10 Year
-0.06%





**Pay 2.46% to
Get Funds**

**Earn 2.40% on
10-year Loans**

Profit $-.06\%$

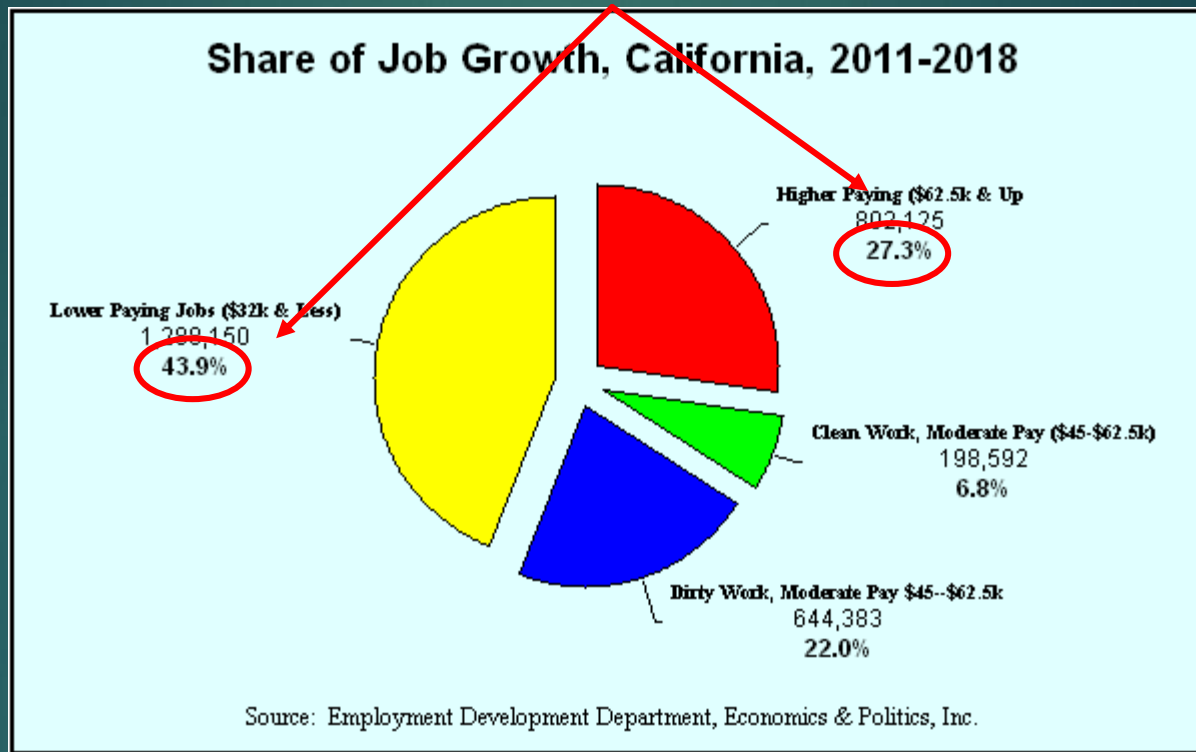
National Leadership?



Tariffs
Government Shutdown
ACA Attacks
Policy Chaos

CA Hollowing Out Middle Class Jobs

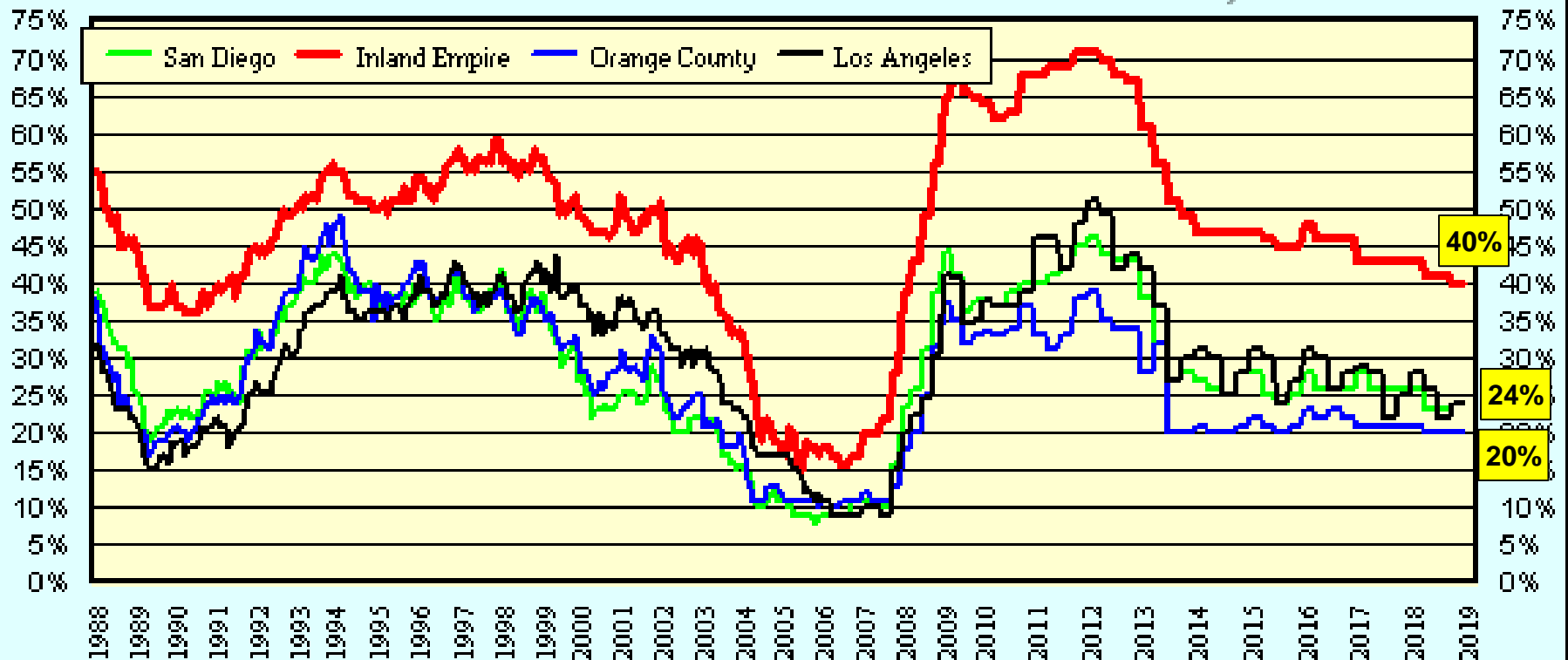
71.2%



**Regulation
Energy Policies**

Housing Affordability

Housing Affordability, Southern California Share of Families Afford Median Priced Home, 1988-2018

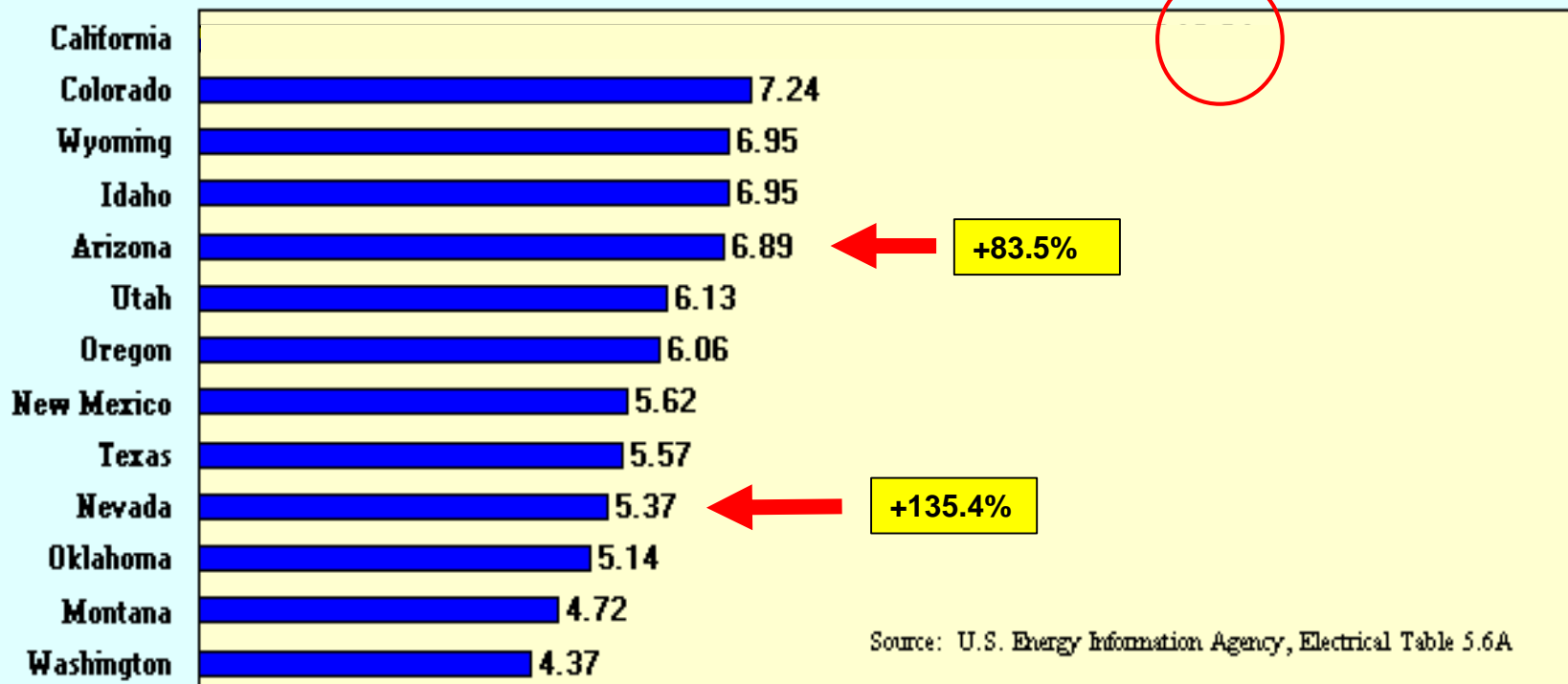


Source: CA Association of Realtors

CA Environmental Quality Act

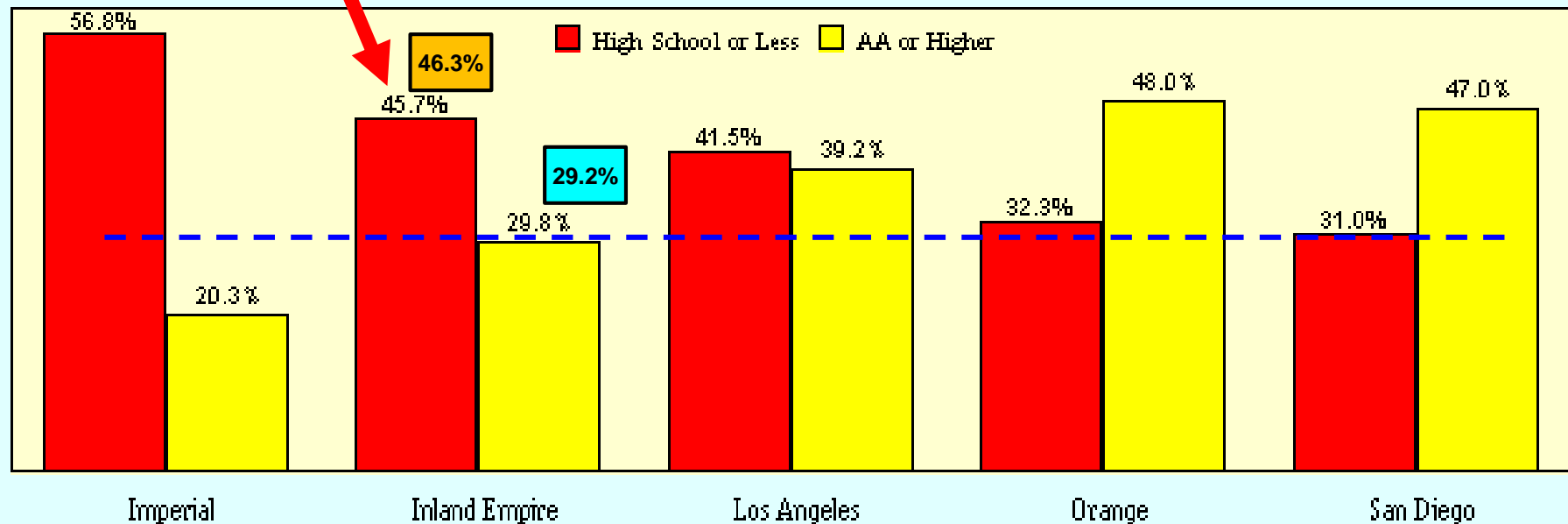
CA Electrical Cost

**Exhibit 6.-Industrial Electricity, Cents/kWh
Western U.S. States, May 2018**



Educational Challenge

**Educational Attainment, High School or Less, AA & Above
Adults, 25 & Over, by County, 2017**



Source: American Community Survey, 2017



Van Ton Quinlan
former Vice Chancellor
CA Community College System

strong workforce

Van Ton-Quinlivan

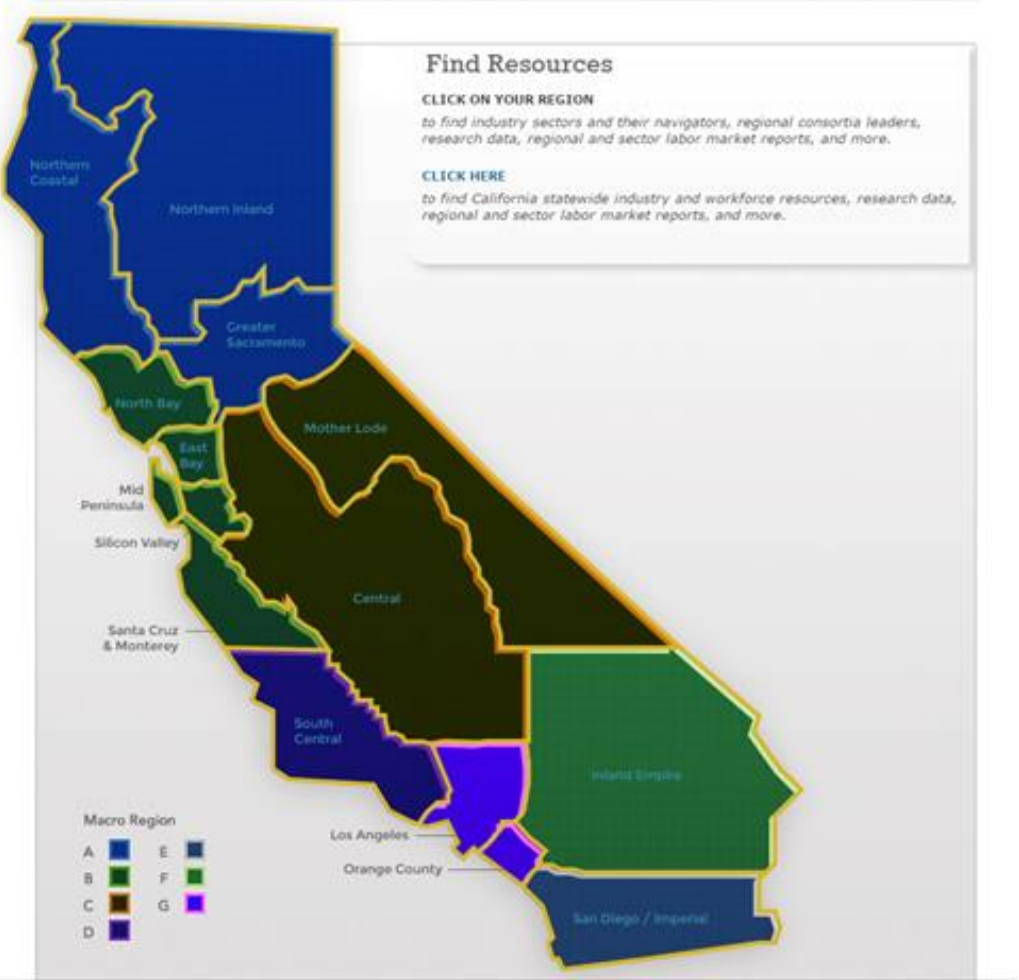
Emeritus Executive Vice Chancellor of Workforce and Digital Futures, CA Community Colleges
Executive in Residence, Institute for the Future (ITF)

@WorkforceVan

medium.com/@WorkforceVan

vtquinlivan@gmail.com





California
Community
Colleges



Doing What MATTERS
FOR JOBS AND THE ECONOMY

CALIFORNIA

- Regional economies
 - Differing labor market needs
 - Industry sectors
- 115 community colleges
- Student workforce outcomes

WORKFORCE MISSION

From afterthought to state policy priority

From \$100M to over \$1B

From data laggard to leader



New World of Work

Top Ten

21st Century Skills

Adaptability

Analysis/Solution

Mindset

Collaboration

Communication

Digital Fluency

Entrepreneurial Mindset

Empathy

Resilience

Self-Awareness

Social/Diversity

Awareness

Amazon Web Services, 19 Los Angeles Community Colleges Collaborate to Launch a Regionally-Recognized Cloud Computing Certificate



New **World** of Work

By Lauren Markle | August 9, 2018 | No Comments

Top Ten

21st Century Skills

- Adaptability
- Analysis/Solution Mindset
- Collaboration
- Communication
- Digital Fluency
- Entrepreneurial Mindset
- Empathy
- Resilience
- Self-Awareness
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New **World** of Work

Top Ten

21st Century Skills

- Adaptability
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- Entrepreneurial Mindset
- Empathy
- Resilience
- Self-Awareness
- Social/Diversity Awareness





Celebrate Strong Workforce Stars!

Student outcomes must demonstrate that:

- **Students increased earnings by 50% or more**
- **70% or more attained the regional living wage, or**
- **90% or more reported being employed in their field of study**



	GOLD	SILVER	BRONZE	TOTAL
BARSTOW			2	2
CHAFFEY	3	2	15	20
COLLEGE OF THE DESERT	1	4	7	12
COPPER MOUNTAIN		1		1
CRAFTON HILLS	1	2	2	5
MORENO VALLEY	1	3	8	12
MT. SAN JACINTO		1	7	8
NORCO		4	8	12
PALO VERDE			1	1
RIVERSIDE CITY	1	1	12	14
SAN BERNARDINO VALLEY		2	15	17
VICTOR VALLEY		3	7	10
TOTAL	7	23	84	114



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

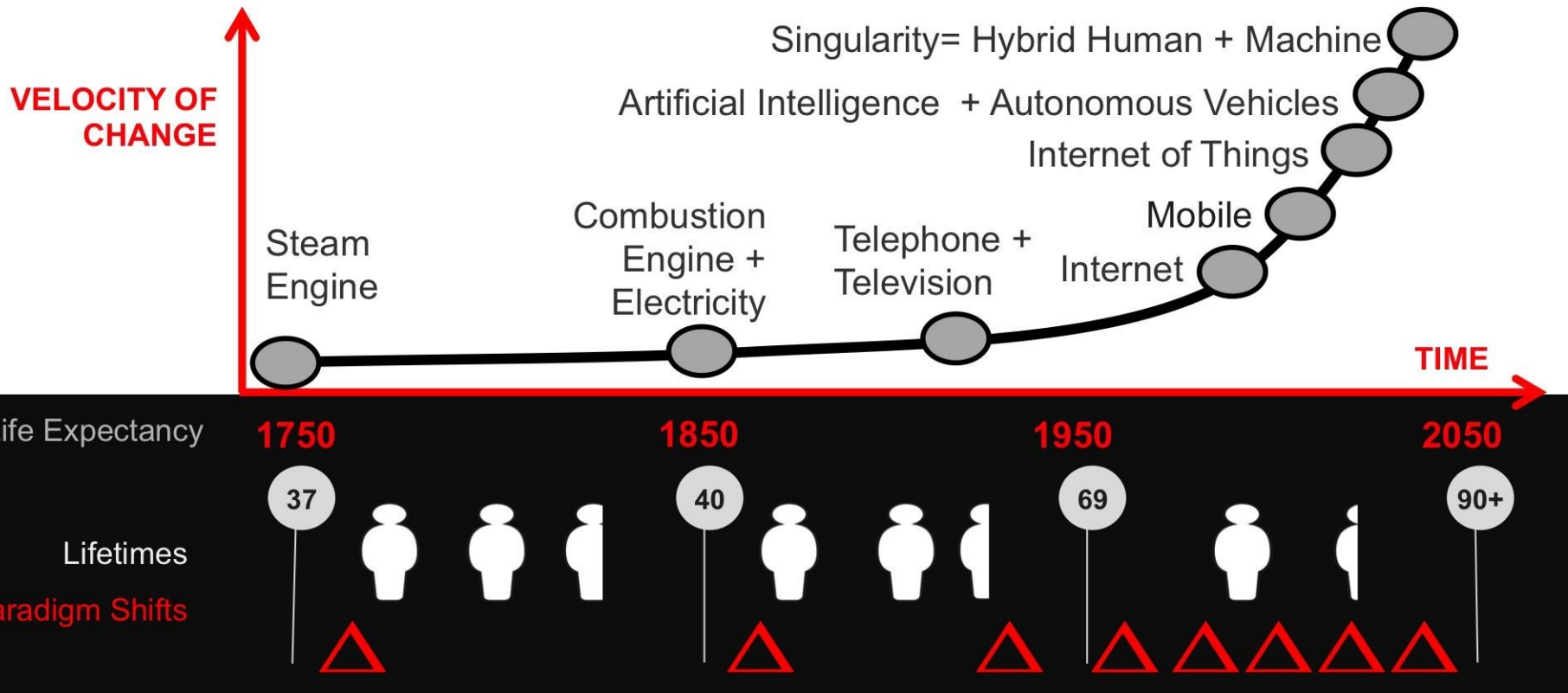
Insight Report

The Future of Jobs Report 2018

Centre for the New Economy

“...in order to harness the transformative potential of the Fourth Industrial Revolution, business leaders across all industries and regions will increasingly be called upon to formulate a comprehensive workforce strategy ready to meet the challenges of this new era of accelerating change and innovation.”

What Is Happening: Required Adaptation



© Chris Shipley + Heather McGowan

15 Jobs That Didn't Exist 15 Years Ago



Social Media Manager



AI-related jobs



Content Curator



Data Scientist



Online Brand Ambassador



Virtual Assistant



Podcast Producer



Cloud Architect



Telemedicine Physician



Mobile Web Developer



SEO Analyst



Automated Driving Jobs



Experience Designers



Developer Evangelist



Content Marketer

talent pool or talent puddle?

Partner with higher education to ensure 'day one ready' hires

- **Internship / work-based learning / apprenticeship**
 - **Pathways and curriculum**

Tuition assistance and training to upskill workers

Early career exploration for K12 youths

What Sectors Should We Carefully Watch

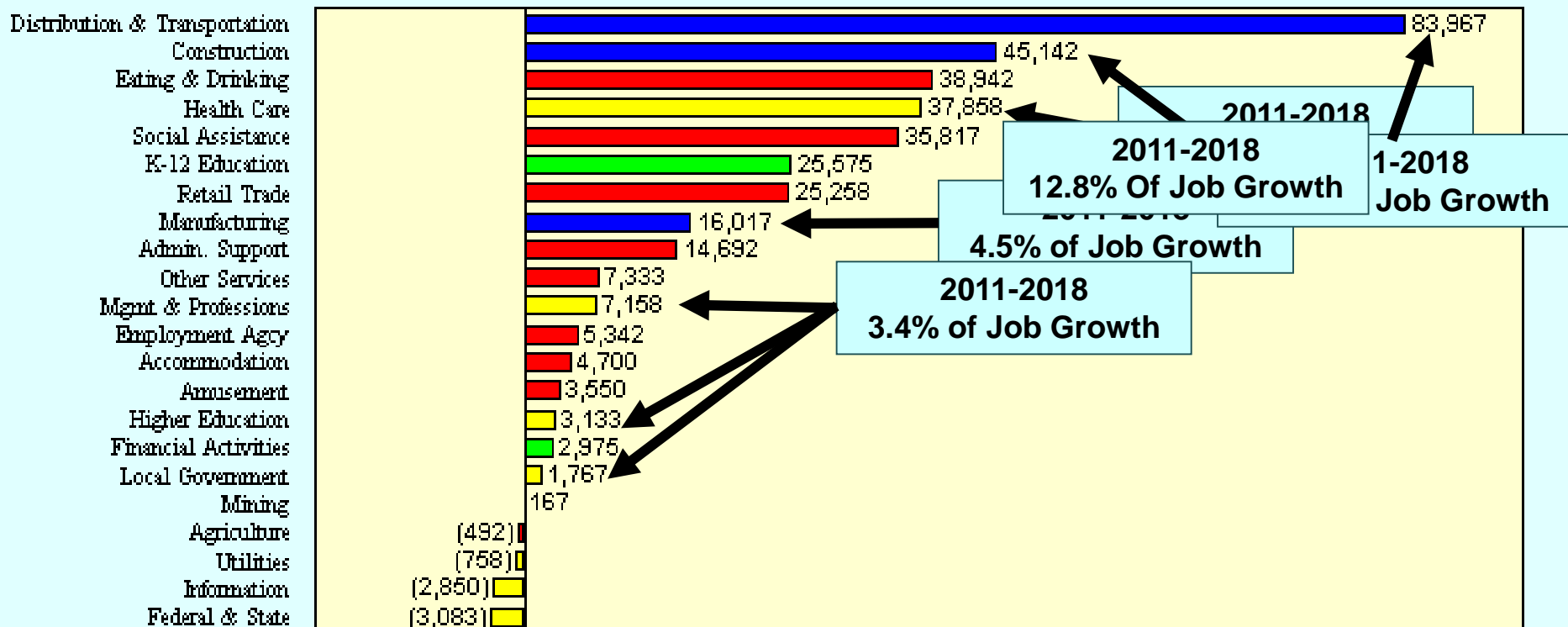


Shackleton, Scott Huts



Sector Job Growth 2011-2018

Inland Empire Growing & Declining Sectors Annual Average 2011-2018



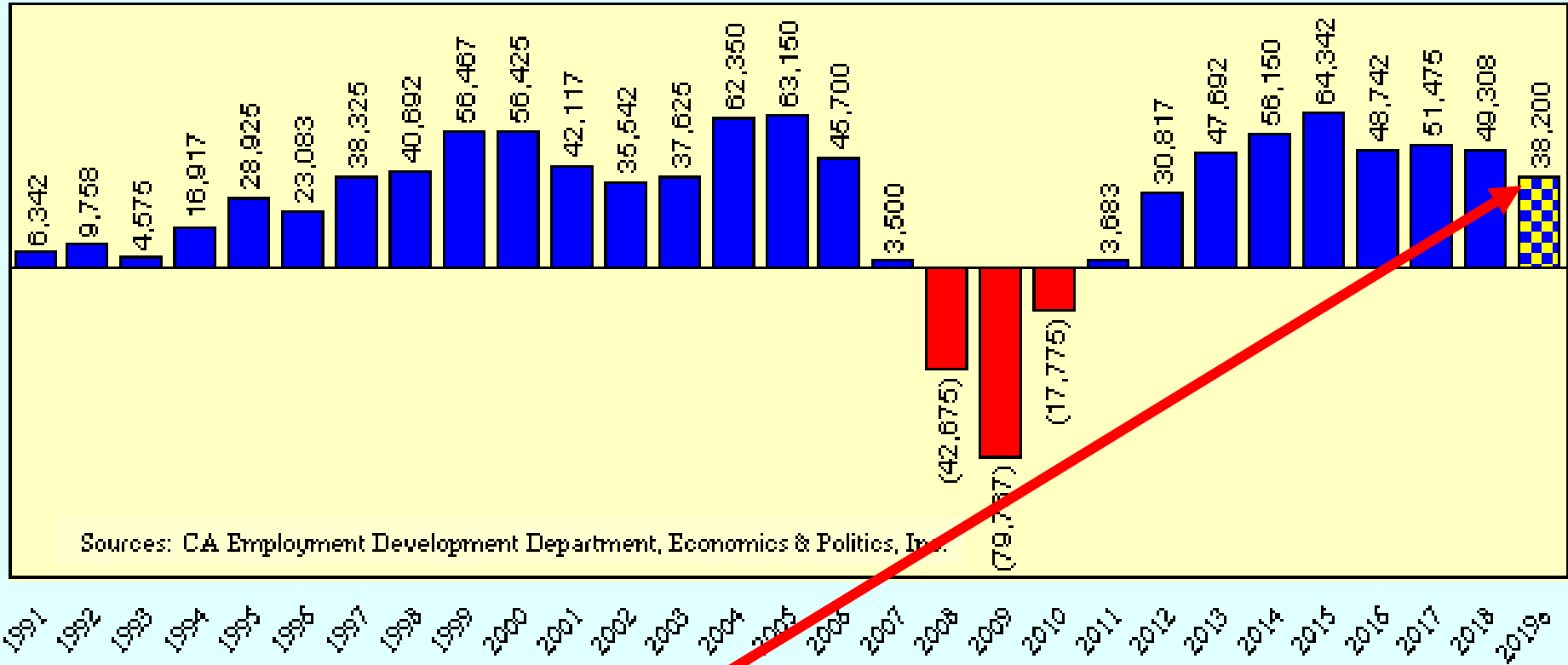
Source: CA Employment Development Department, U.S. Bureau of Labor Statistics, Economics & Politics, Inc.
Annual Average 2011-2018



Forecast Will Be A Little Underwater Versus Recent Years

Inland Empire Slowdown!

Wage & Salary Job Change Inland Empire, Annual Average, 1991-2019e



Forecast 2019: 38,200 Jobs 2.6% 4.2% Unemployment



Why The Slowdown?

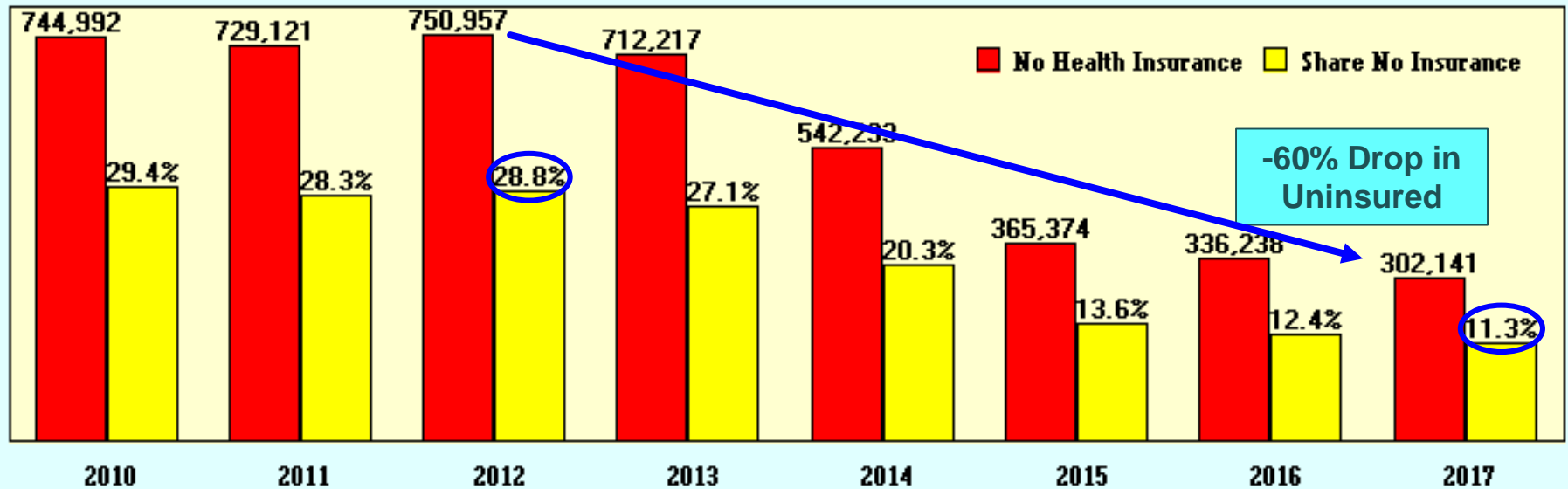
Median Health Care Pay: 2018



ACA & Health Care Demand



**Exhibit 4.-Number & Share of Population Without Health Insurance
Inland Empire, 2010-2017**



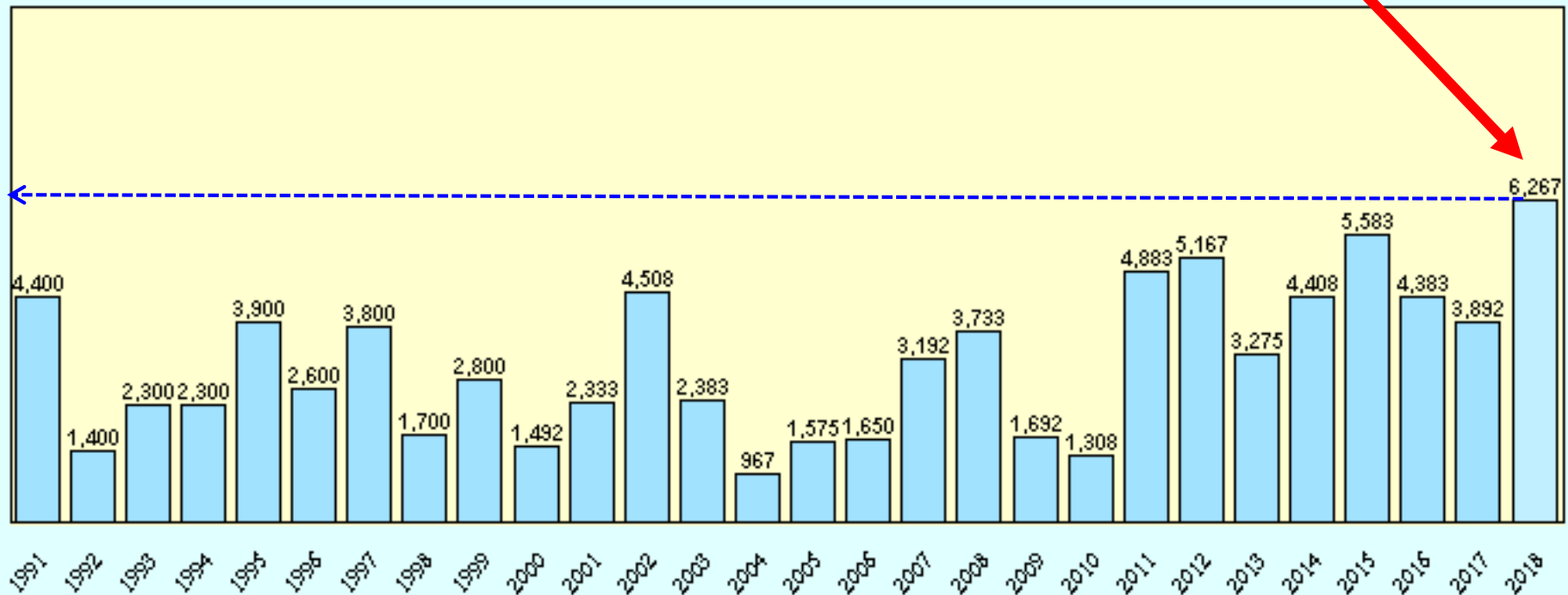
Source: American Community Survey, 2010-2017

2019 Forecast: 4,800

**Rationale: Health Providers Paid 65% of Medicaid Costs
Shortage of Trained Workers
ACA Attacks**

2018e 3,500

**Health Services Job Growth
Inland Empire, 1991-2018**



Source: CA Employment Development Department & Economics & Politics, Inc.

Logistics

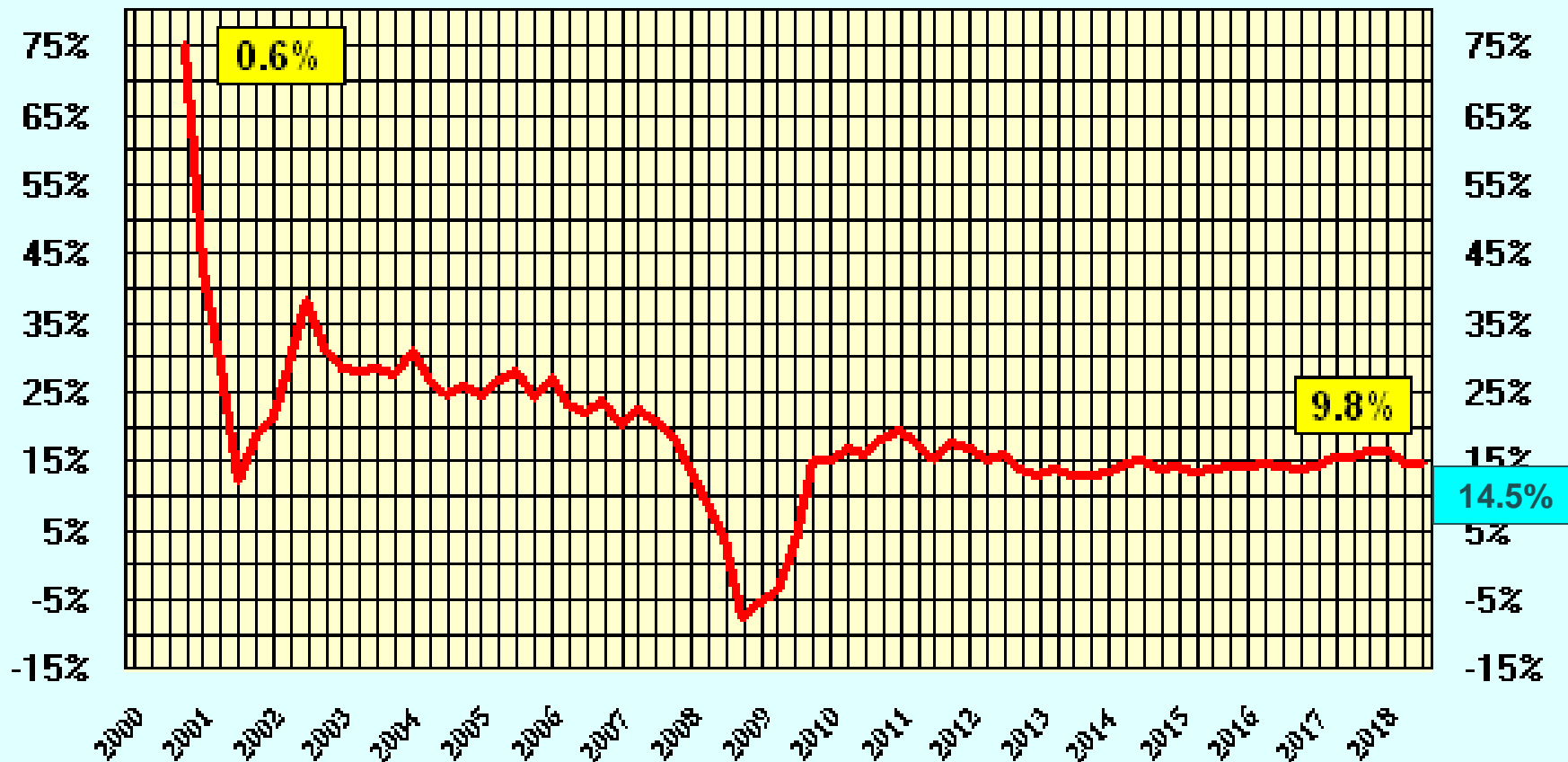


Median Logistics Pay: 2018



E-Commerce

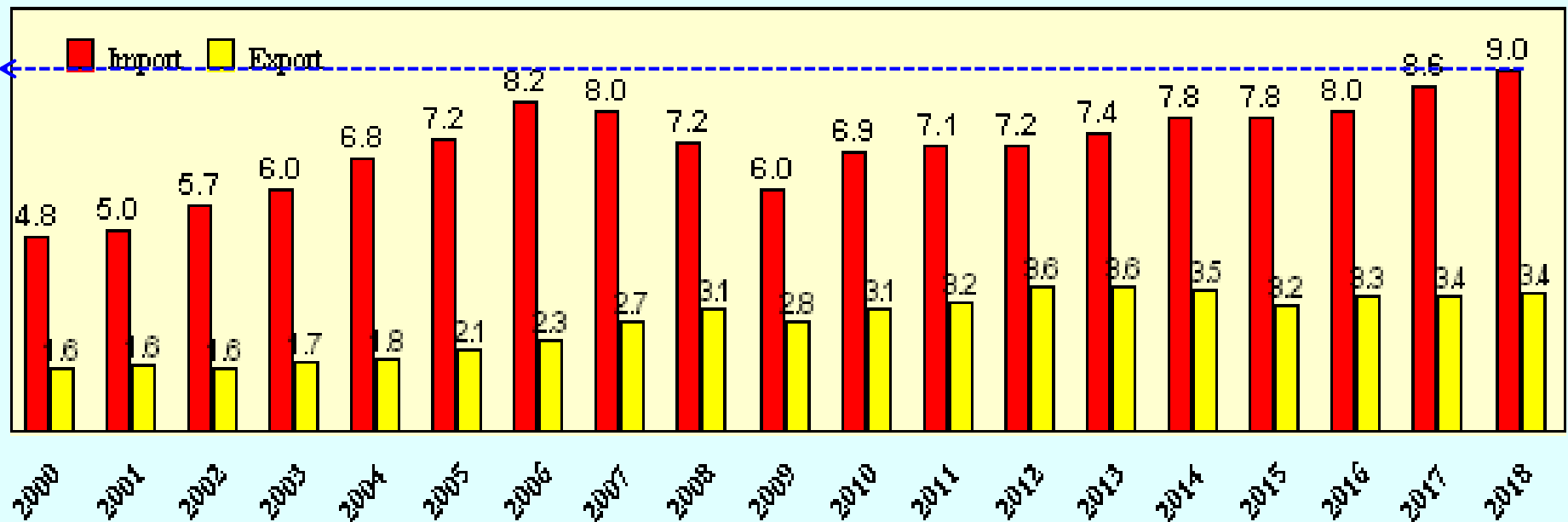
U.S. E-Commerce Growth Rates Quarter over Same Quarter Prior Year, 2000-2018



Source: Bureau of the Census

Port Container Import Volume Record Levels

**Exhibit 23.-Import & Export Volume, 2000-2018
Ports of Los Angeles & Long Beach (mil. teus)**



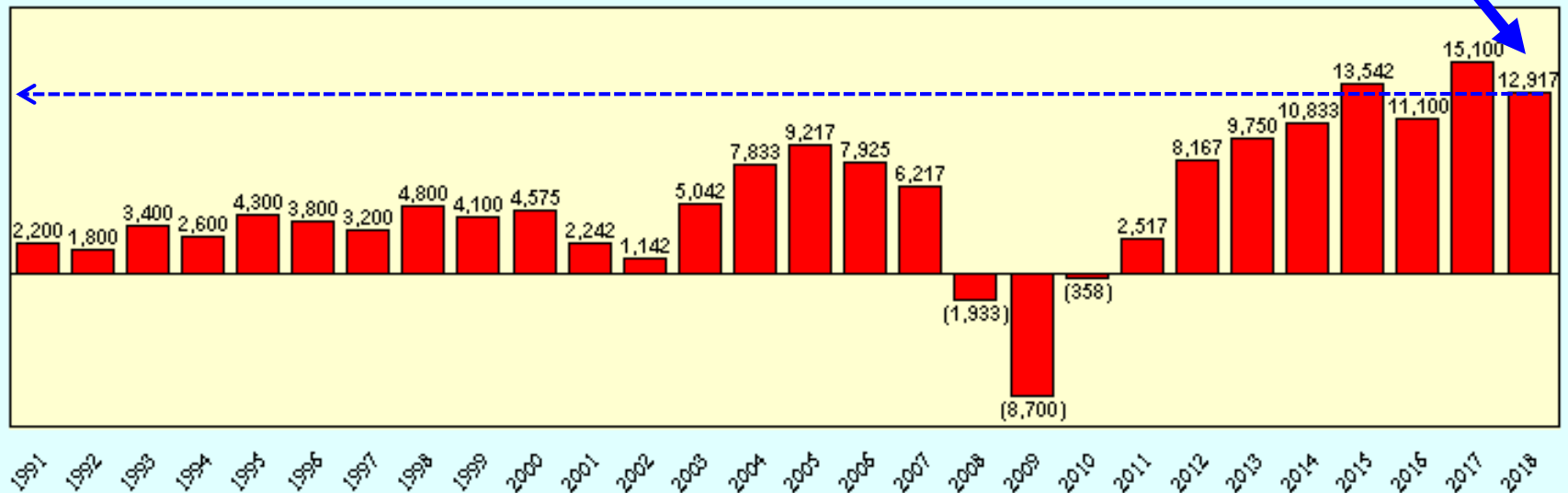
Source: Port Import Export Reporting Service (PIERS), collected from Vessel, LA-LB for 2011-2018

2019 Forecast: 9,000

Rationale: Running Out of Land in the Valley Areas
Tariffs
Shortage of Trained Middle Managers
U.S. Growth Slowdown

2018e 10,500

Logistics Sector Job Growth Inland Empire, 1991-2018



Source: CA Employment Development Department & Economics & Politics, Inc.

Disappearing Available Space For Facilities

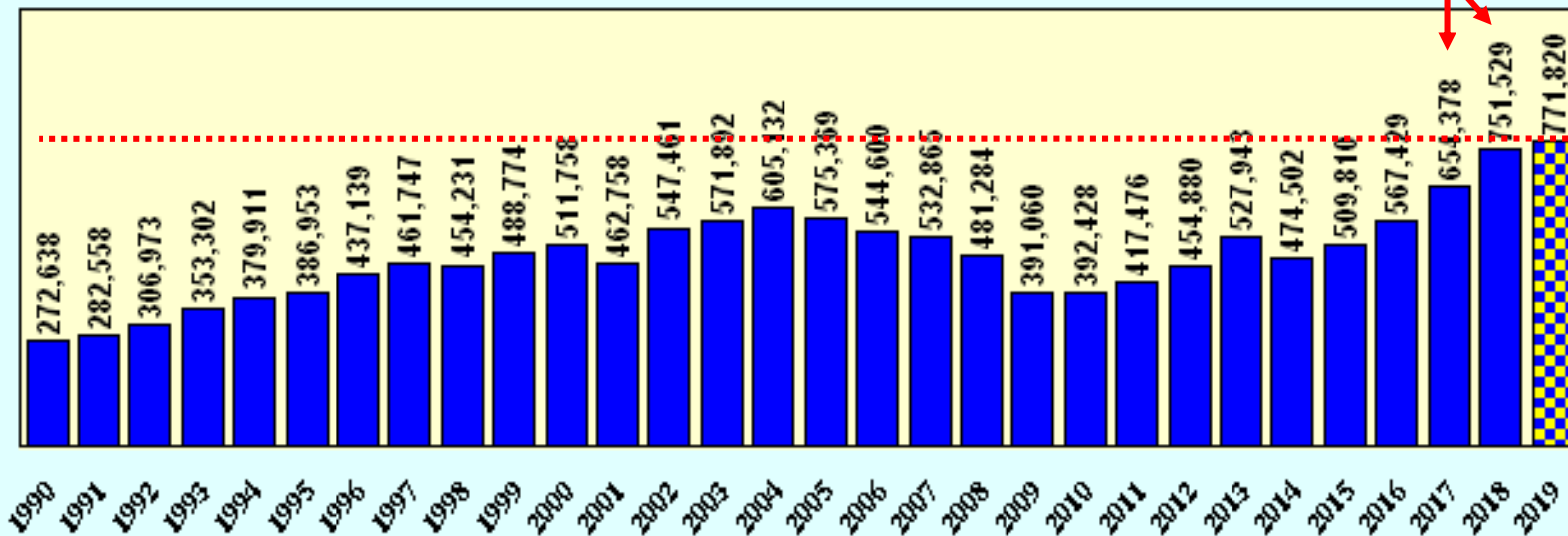
Market	500,000+	1,000,000+
High Desert	206	49
Coachella Valley	92	21
Moreno Valley/Perris	117	2
West SB Valley	45	12
Central SB Valley	49	9
East SB Valley	16	1
Southwest	15	0
Pass Area	23	7
Western RivCo Edge	13	3
Riverside	5	3
Total Remaining	581	157
Without Deserts, Moreno Valley/Perris	166	35

23,000,000 sf under construction Dec-2018

ONT Airport Cargo

Another Record Volume

Air Cargo Tonnage
LA-Ontario International Airport, 1990-2019e

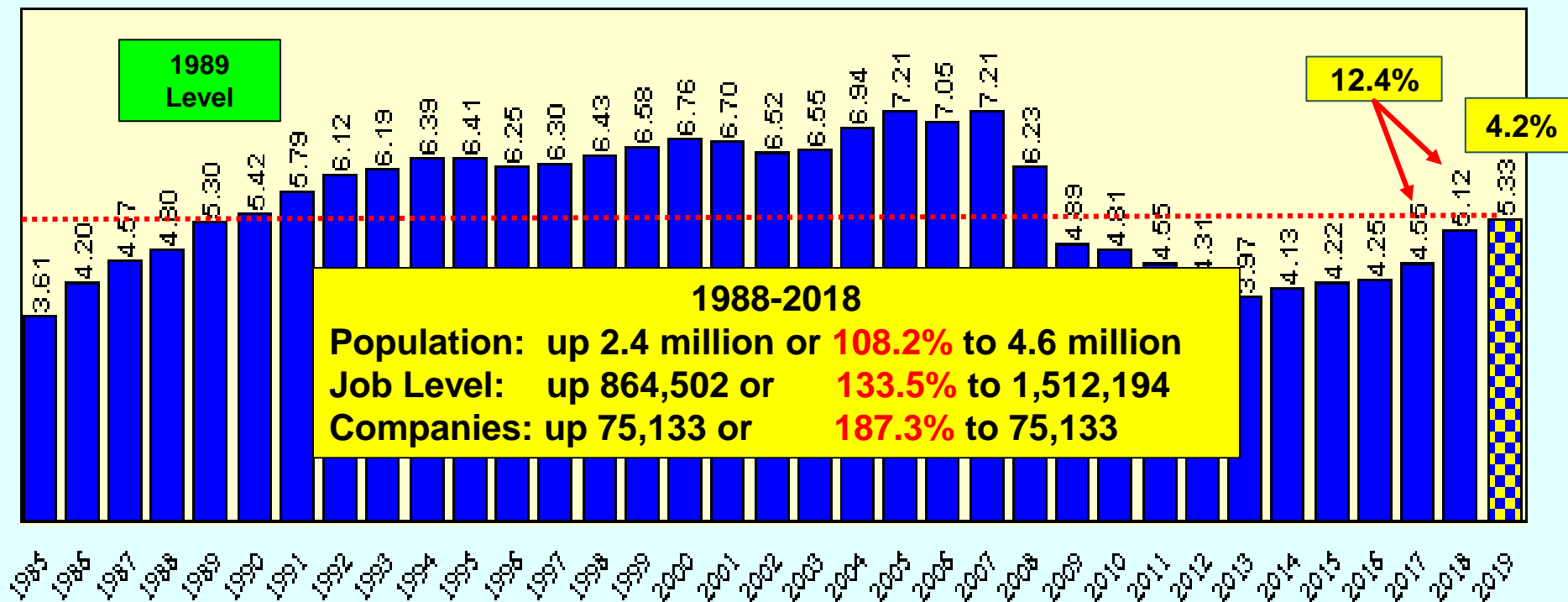


Source: Ontario International Airport

2.7%

ONT Airport Passengers

Air Passenger Service LA-Ontario International Airport, 1990-2019e



Source: Ontario International Airport



**Mark Thorpe, Executive Director
Ontario International Airport**

2018 Median Manufacturing Pay

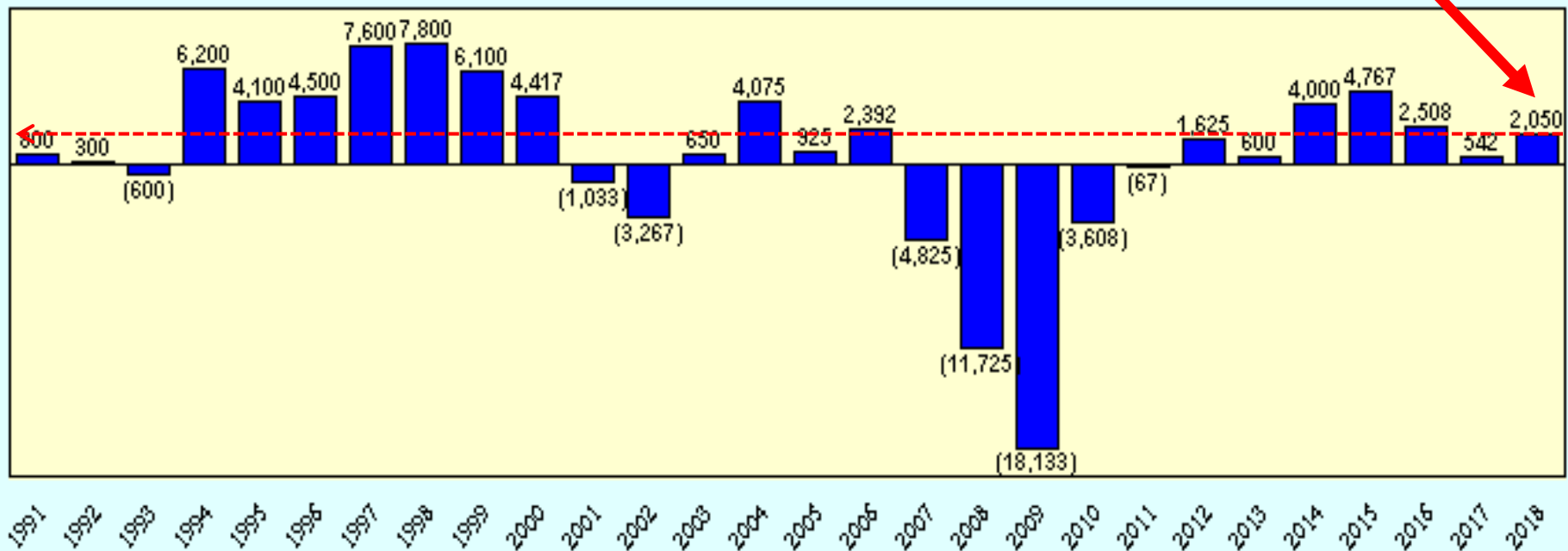


2019 Forecast: 1,000

**Rationale: Regulation & CA Electrical Costs
Tariffs
Shortage of Replacement Skilled Workers
U.S. Growth Slowdown**

Manufacturing Job Growth Inland Empire, 1991-2018

2018e 200



Source: CA Employment Development Department & Economics & Politics, Inc.

Construction



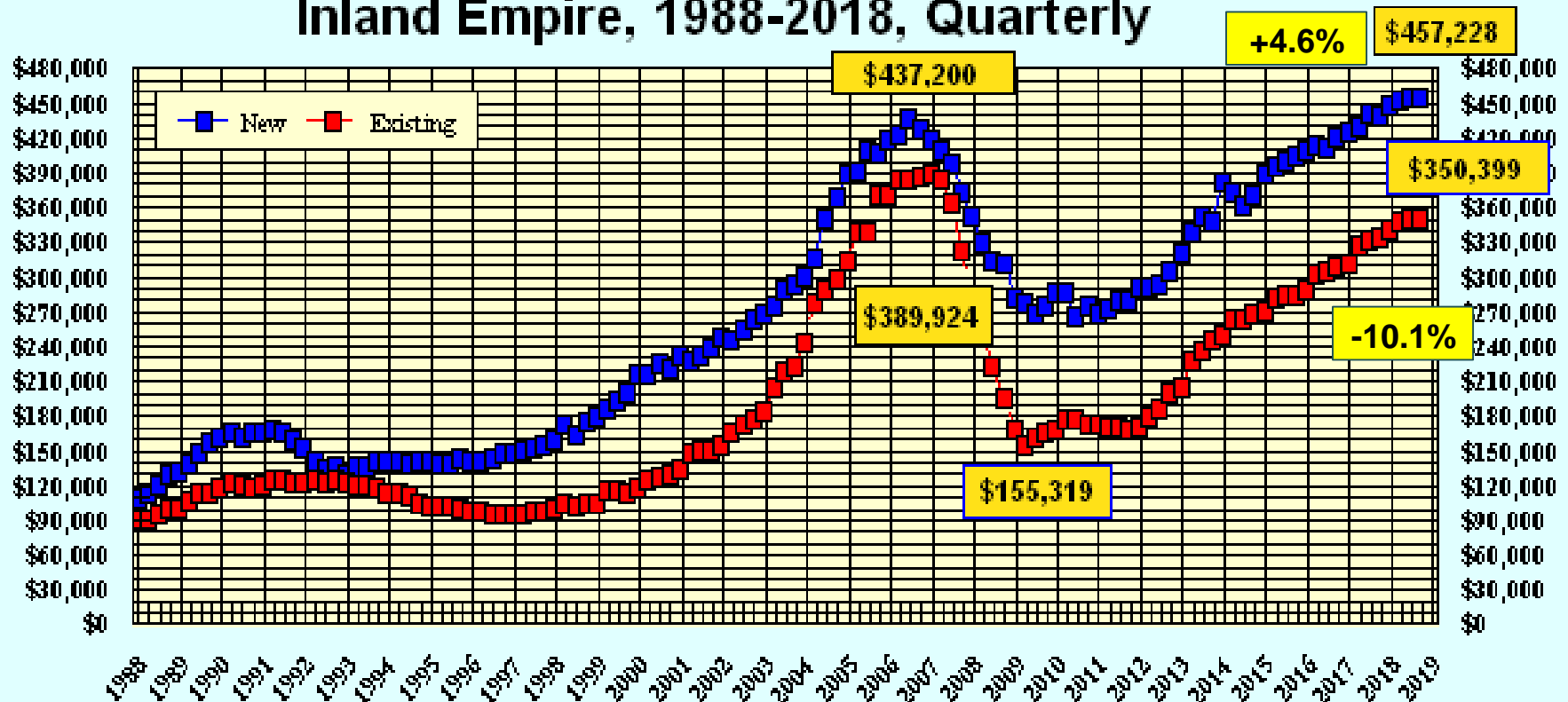
Median Construction Pay: 2018



\$53,322

Home Prices

Price Trends, New & Existing Homes Inland Empire, 1988-2018, Quarterly

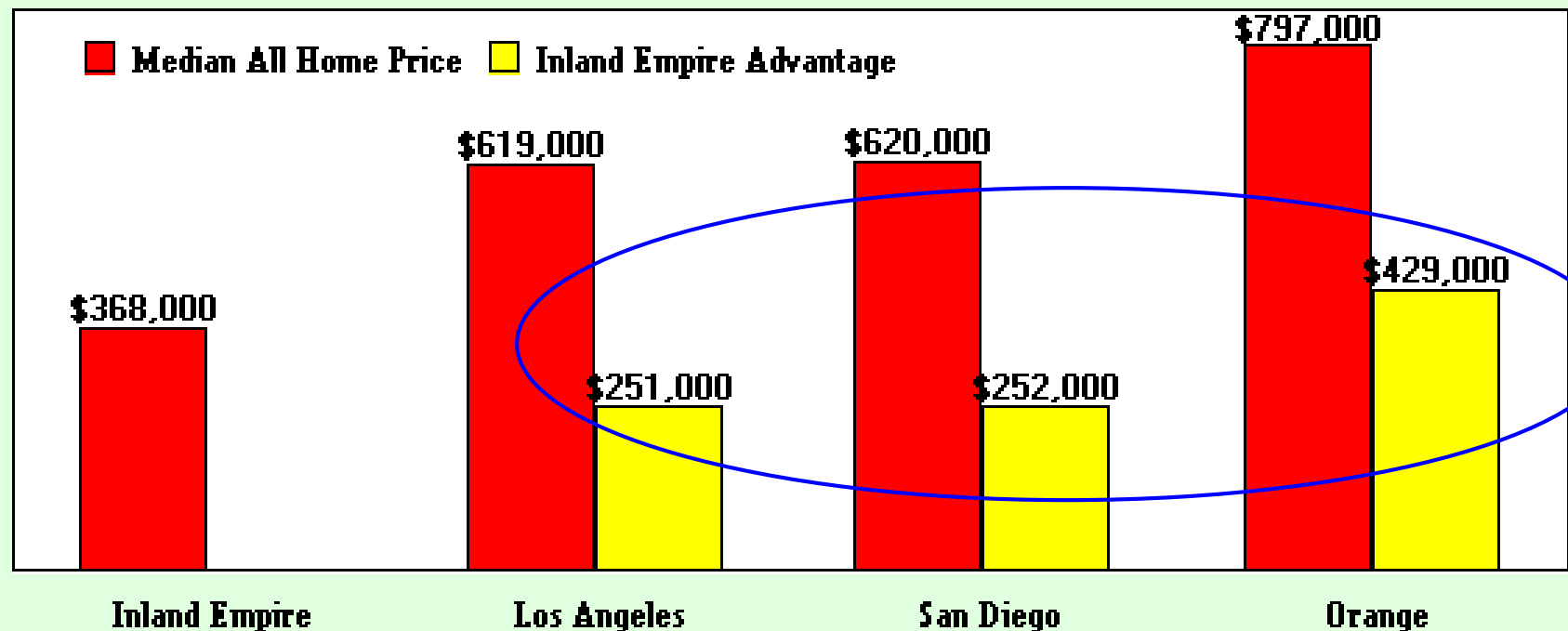


Source: Dataquik & Economics & Politics, Inc.

Price Competition

Highest Price Gaps In History

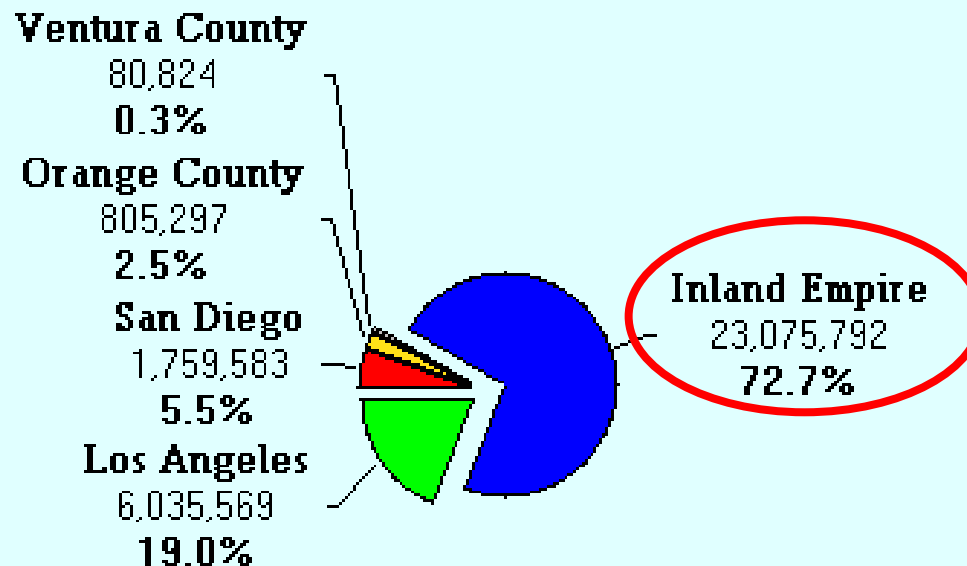
Home Price Advantage, Inland Empire & So. California Markets
Median Priced New & Existing Home, 4th Quarter 2018



Source: Dataquick

Industrial Construction

**Exhibit 9.-Industrial Space Under Construction
Southern California Market, December 2018**



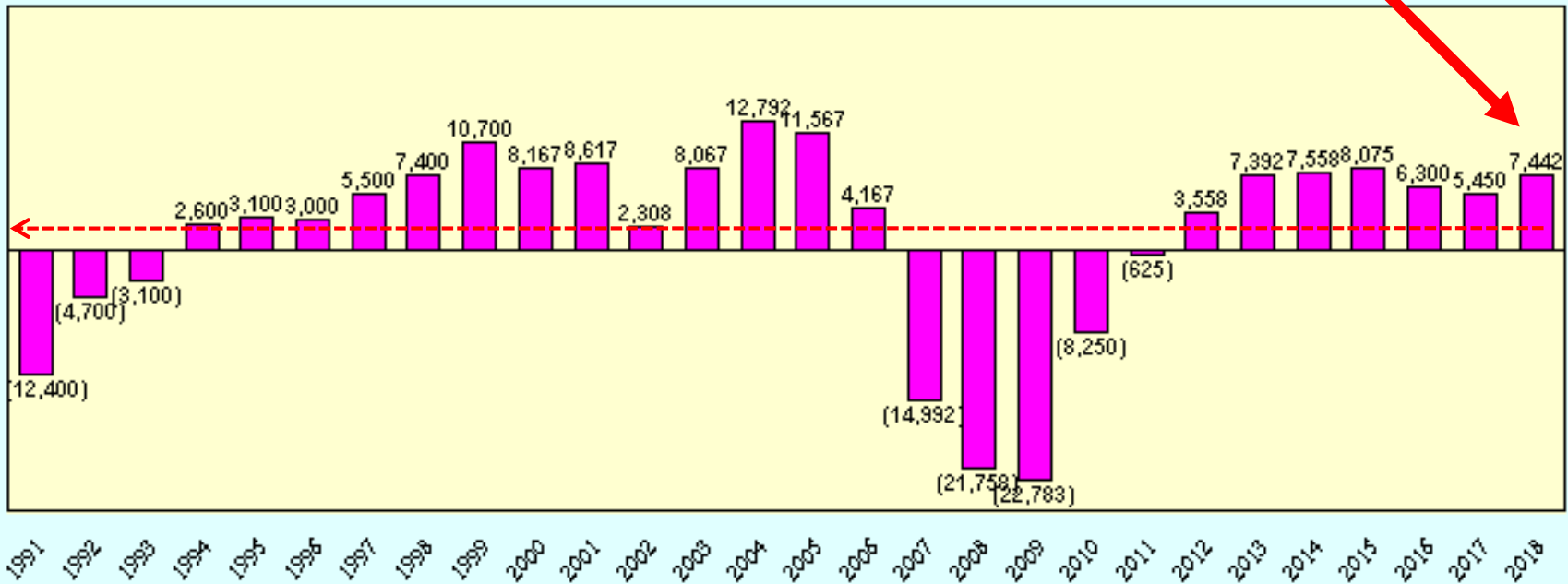
Sources: CB Richard Ellis

2019 Forecast: 6,000

Rationale: Difficulty Permitting Lots
CA Environmental Quality Act
Very High Prices, Low Volume, Lack of Supply
Shortage of Skilled Craft Workers

Construction Job Growth Inland Empire, 1991-2018

2018e 7,500



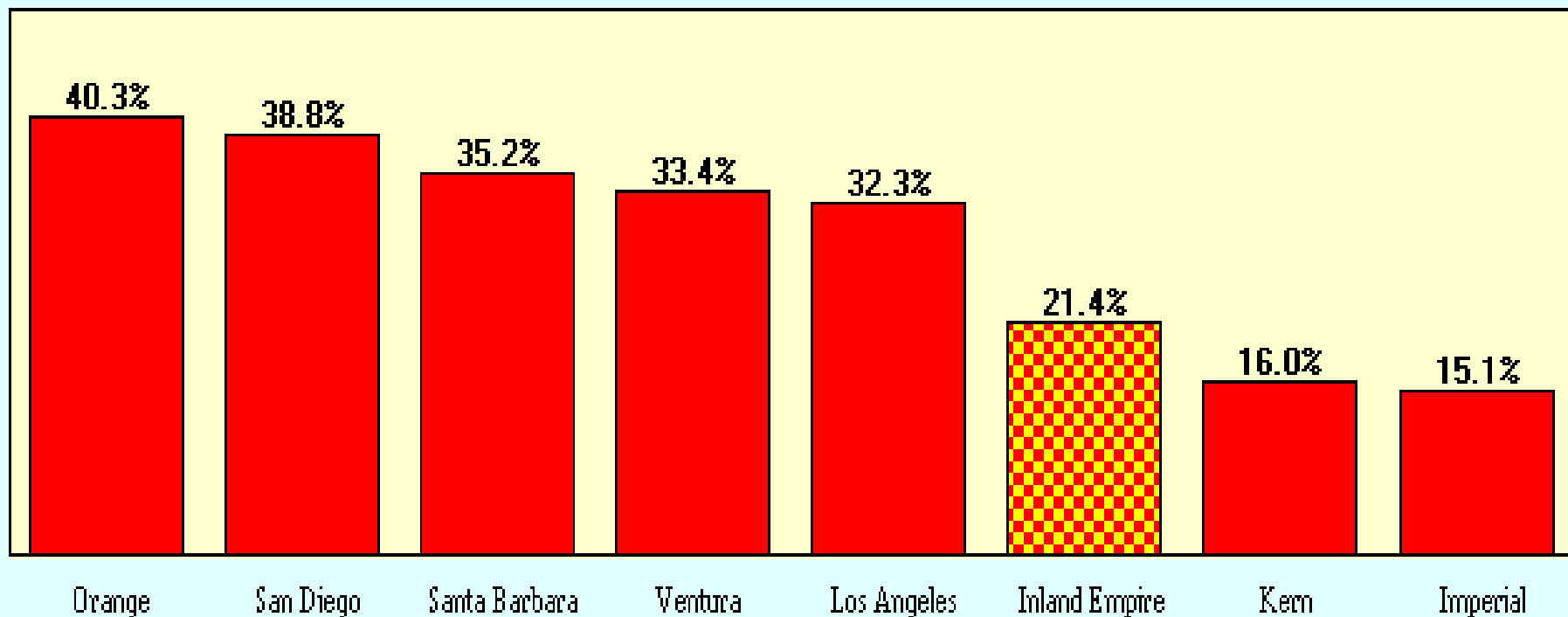
Source: CA Employment Development Department & Economics & Politics, Inc.

Median Private High-End Pay: 2018



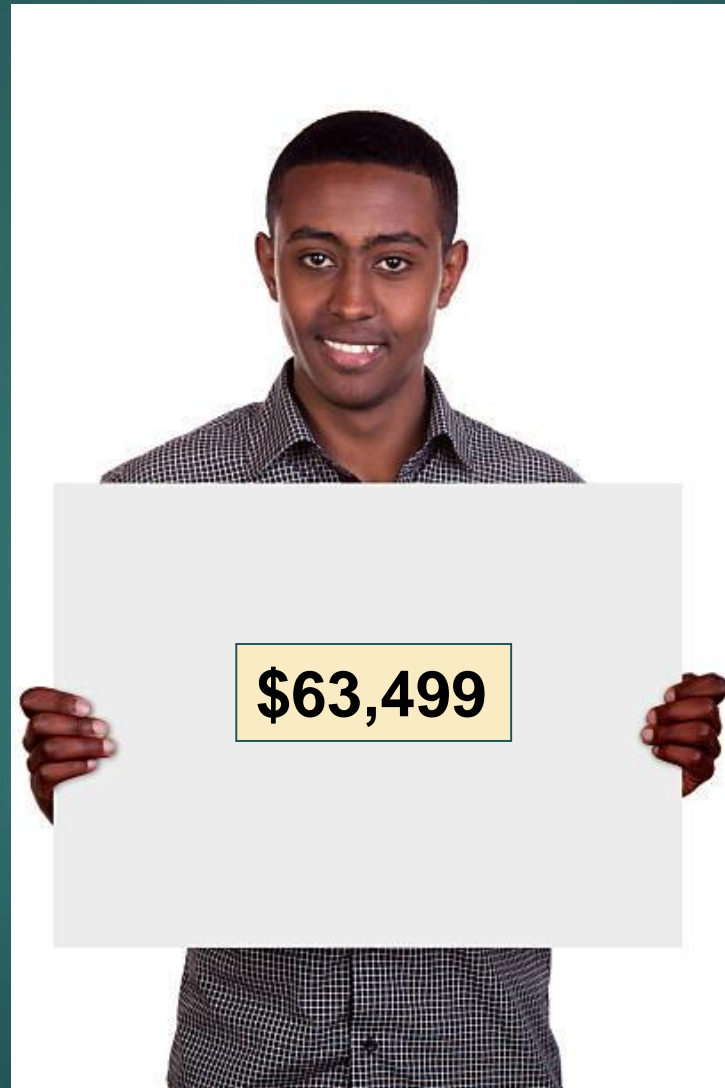
BA & Above

Bachelor's Degree or Higher Adults, 25 & Over, by Area 2017



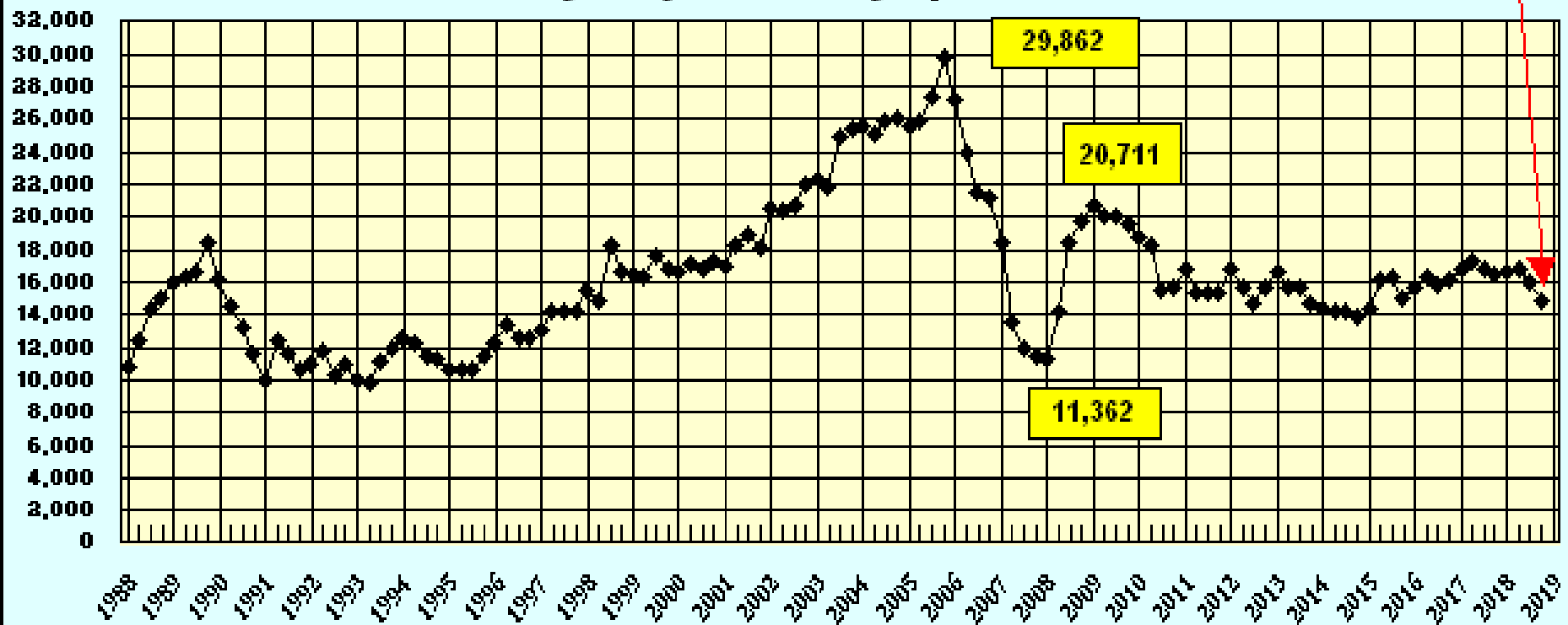
Source: American Community Survey, 2017

Median Government Pay: 2018



Home Volume: No Growth

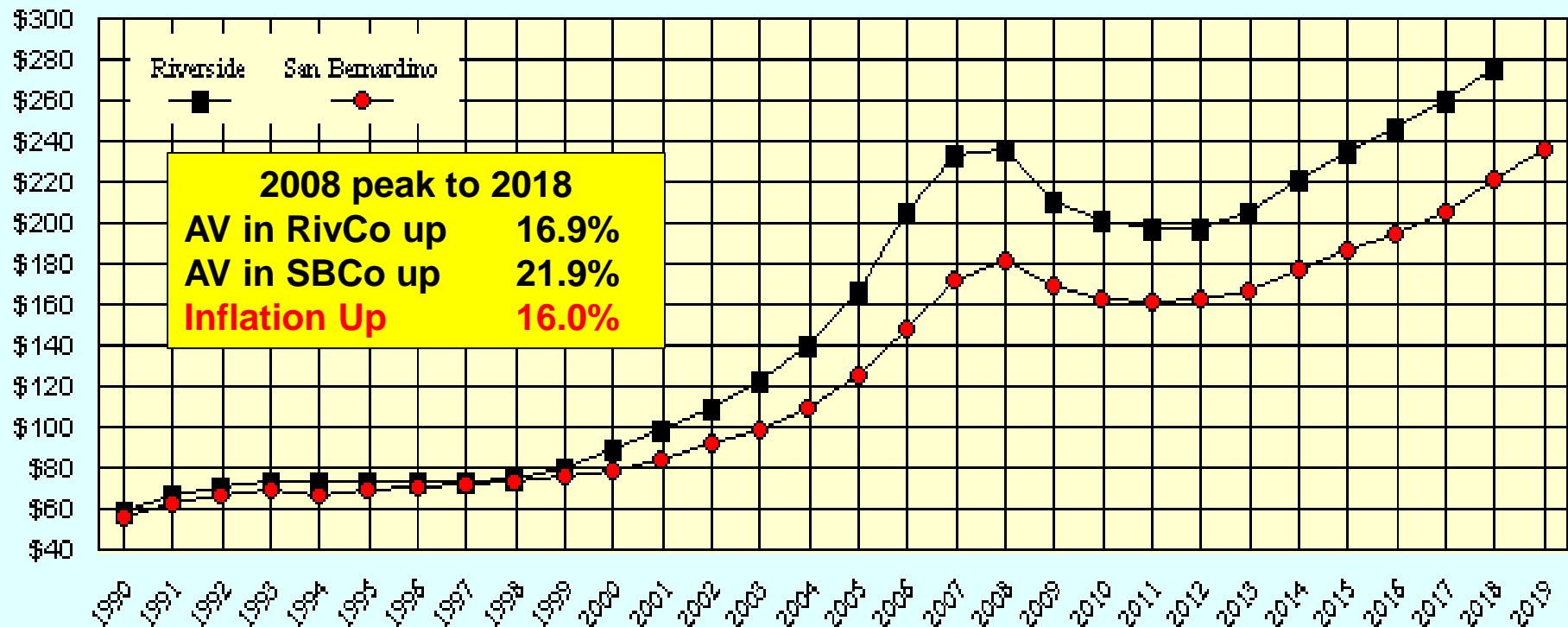
**All Homes Sales, Inland Empire
Seasonally Adjusted, by quarter, 1988-2018**



Source: Dataquick

Assessed Valuation

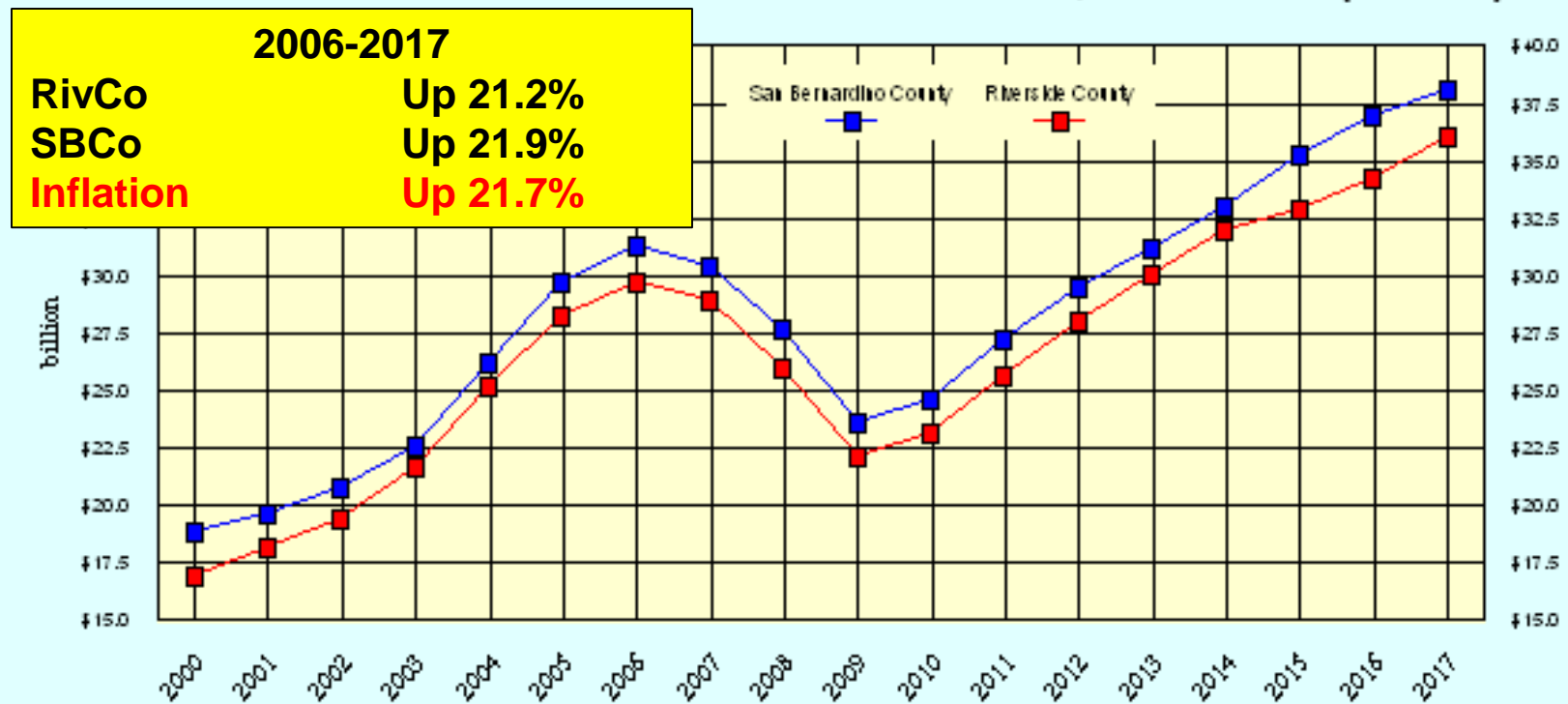
Net Taxable Assessed Valuation San Bernardino & Riverside Counties, July 1, 1990 to 2019e



Source: Riverside & San Bernardino County Assessor's Offices

Taxable Sales

Taxable Retail Sales Riverside & San Bernardino Counties, 2000-2017 (billion)

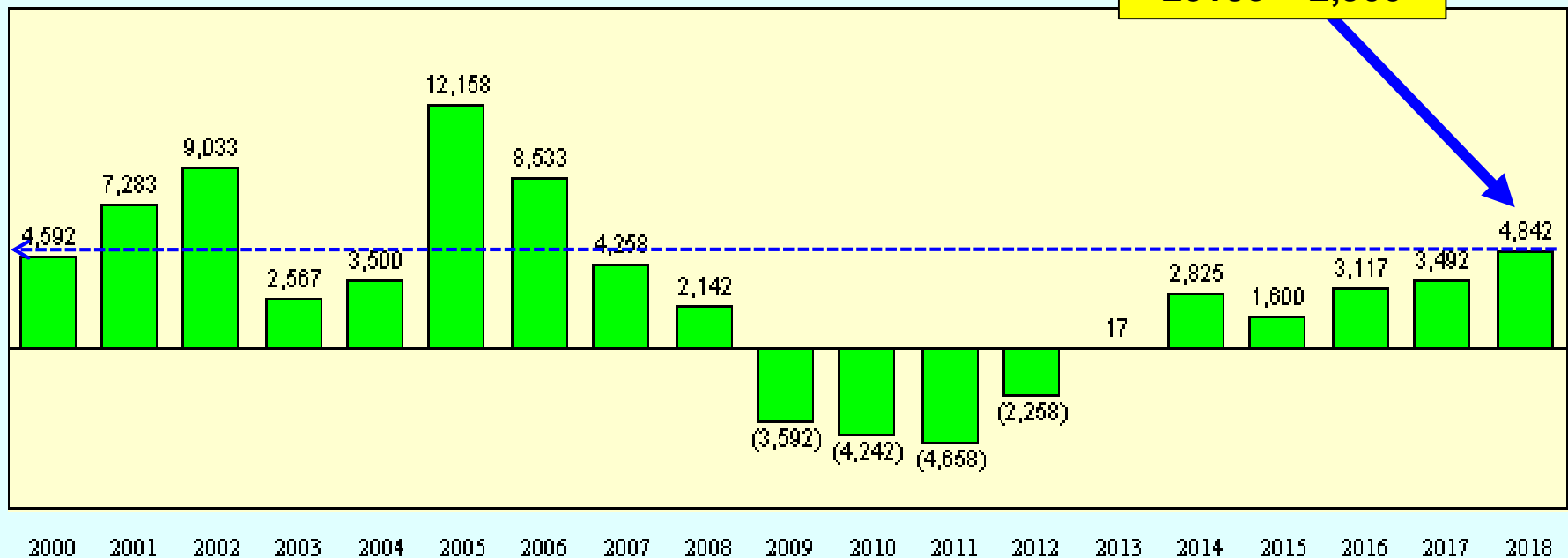


Source: CA Department of Tax & Fee Administration

2019 Forecast: 3,500

Rationale: Education Gap To Coastal Counties
Government Tax Revenue Difficulty (*internet*)

Professions, Science, Management, Colleges, Government
Inland Empire, 2000-2018



Source: CA Employment Development Department & Economics & Politics, Inc.

Median Moderate Paying Real Estate, Finance, K-12 Jobs: 2018



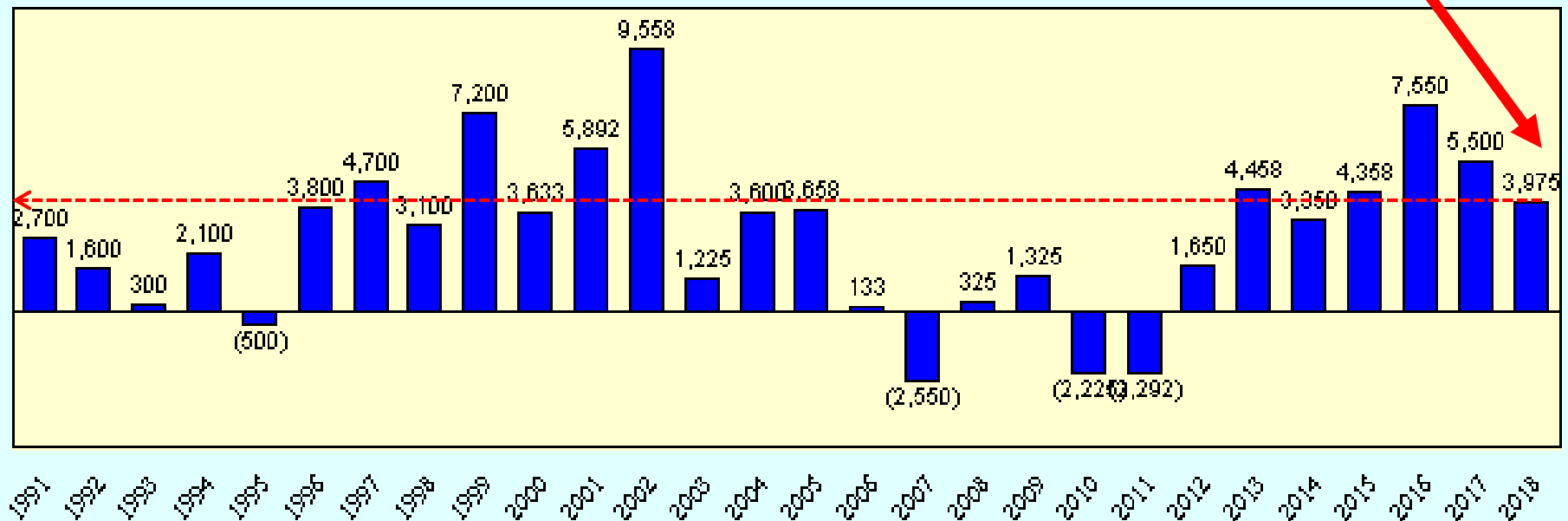
\$57,109

2019 Forecast: 3,900

**Rationale: Banks Hiring Less
Real Estate Sales Not Growing
School Budget Growth May Slow**

2018e 6,000

**Finance, Insurance, Real Estate & K-12 Education
Inland Empire, 1991-2018**



Source: CA Employment Development Department & Economics & Politics, Inc.

Population Serving Sectors



**High End Consumers
Still Doing Well**



E-commerce death



3rd Strongest Inland Sector

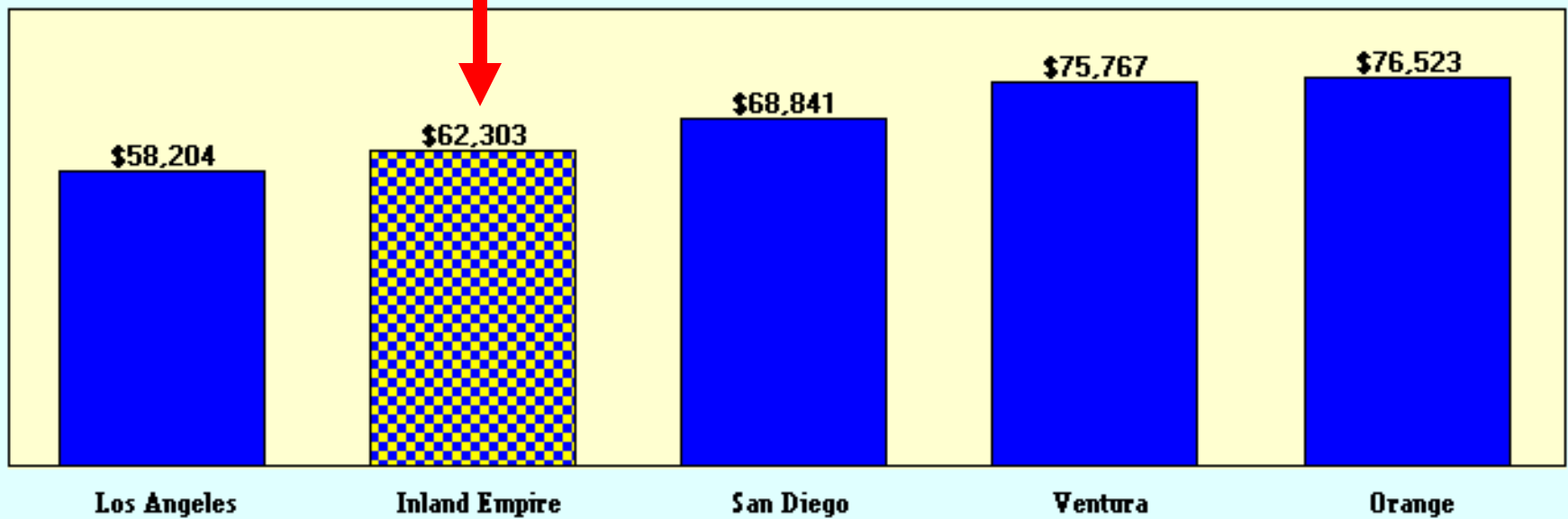


Population Serving Sector Pay: 2018



Median Household Income, 2017 Deducting Housing Costs Above IE

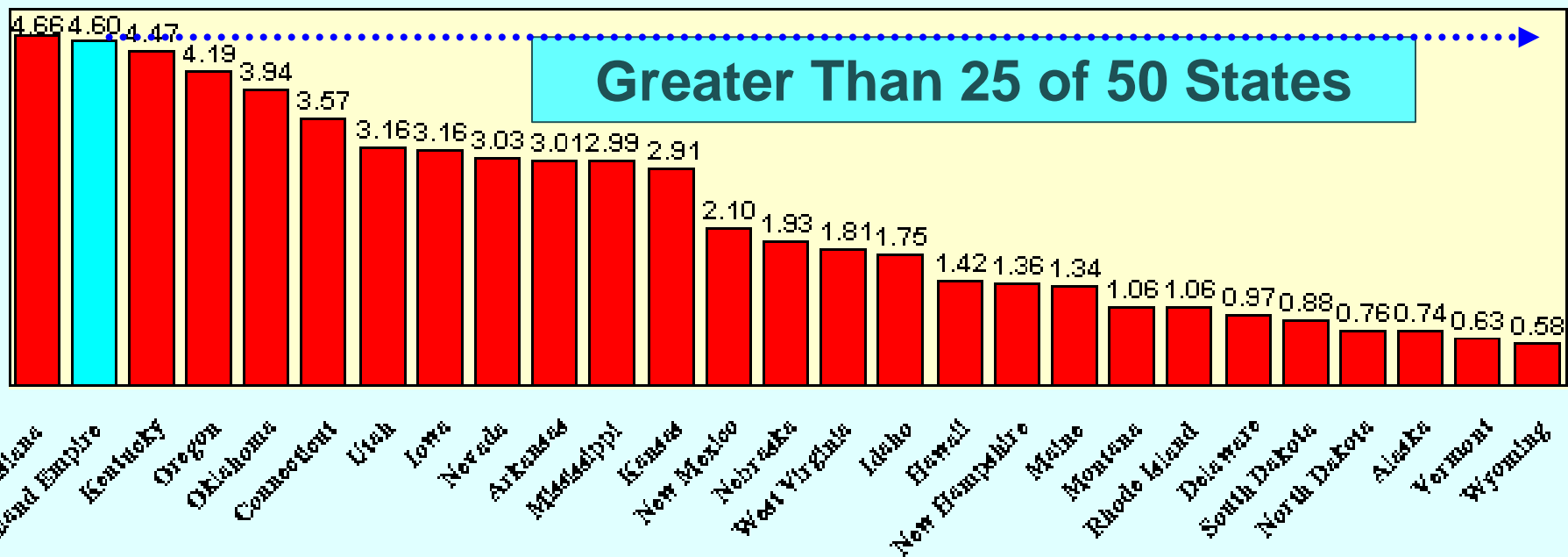
Median Household Income Deducting Housing Costs Above Inland Empire
Southern California Markets, 2017



Source: American Community Survey, 2017

Inland Empire Population

Total Population (millions) Inland Empire As A State, July 2018



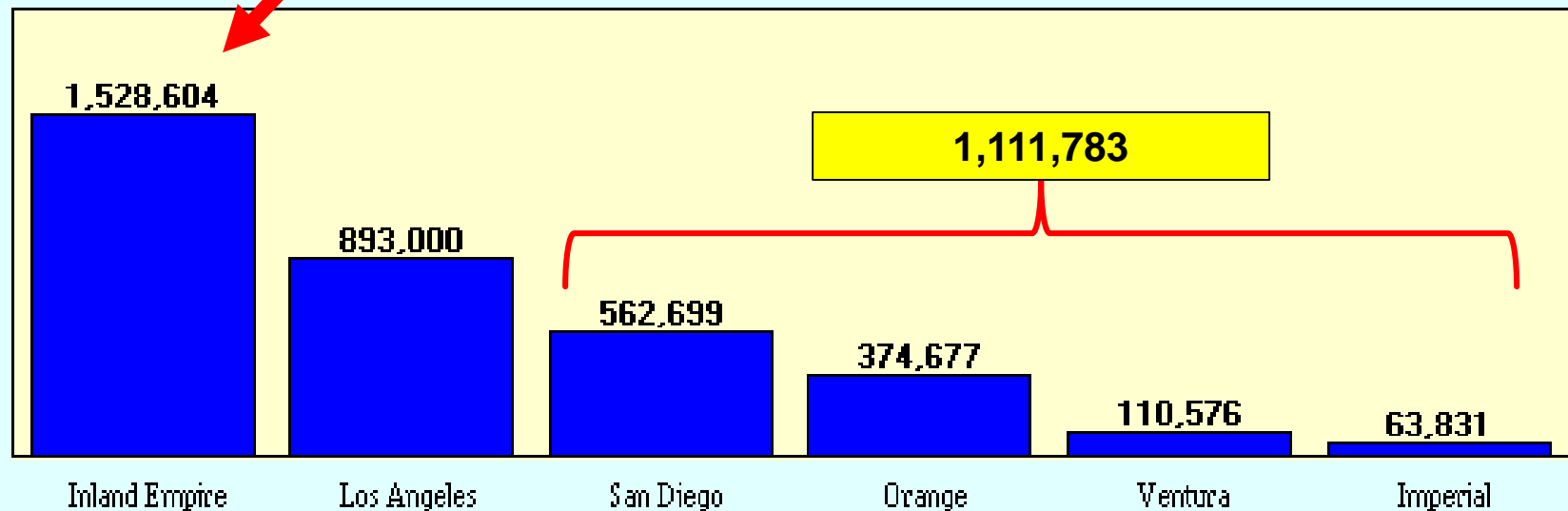
Note: Louisiana Ranked 25th

Source: U.S. Department of Commerce, CA Department of Finance

Population Forecast, 2018-2045

2045: 6,119,497

Forecasted Population Growth Southern California, 2018-2045



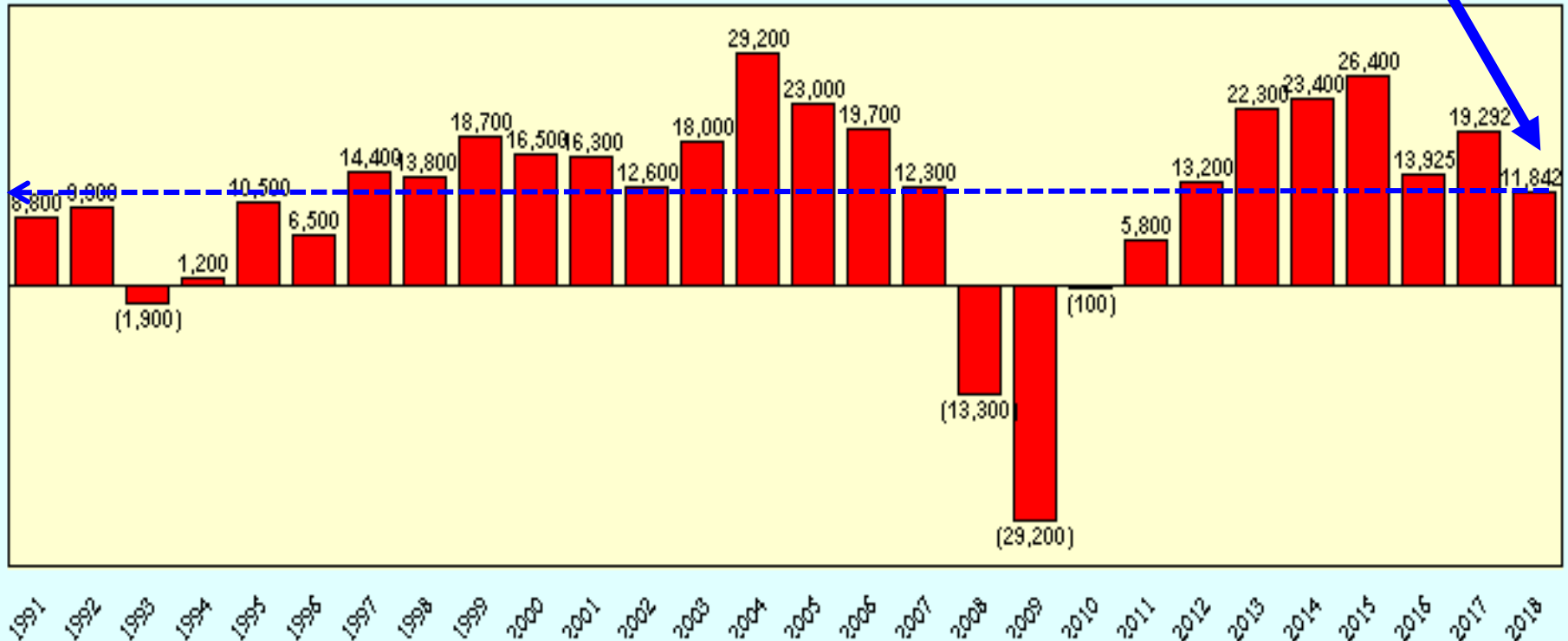
Source: CA Demographic Research Unit, Department of Finance

2019 Forecast: 9,900

Rationale: E-Commerce Hurts Retailing
Lack of Available Workers (4.2% Unemployment)
Workers Going to Logistics

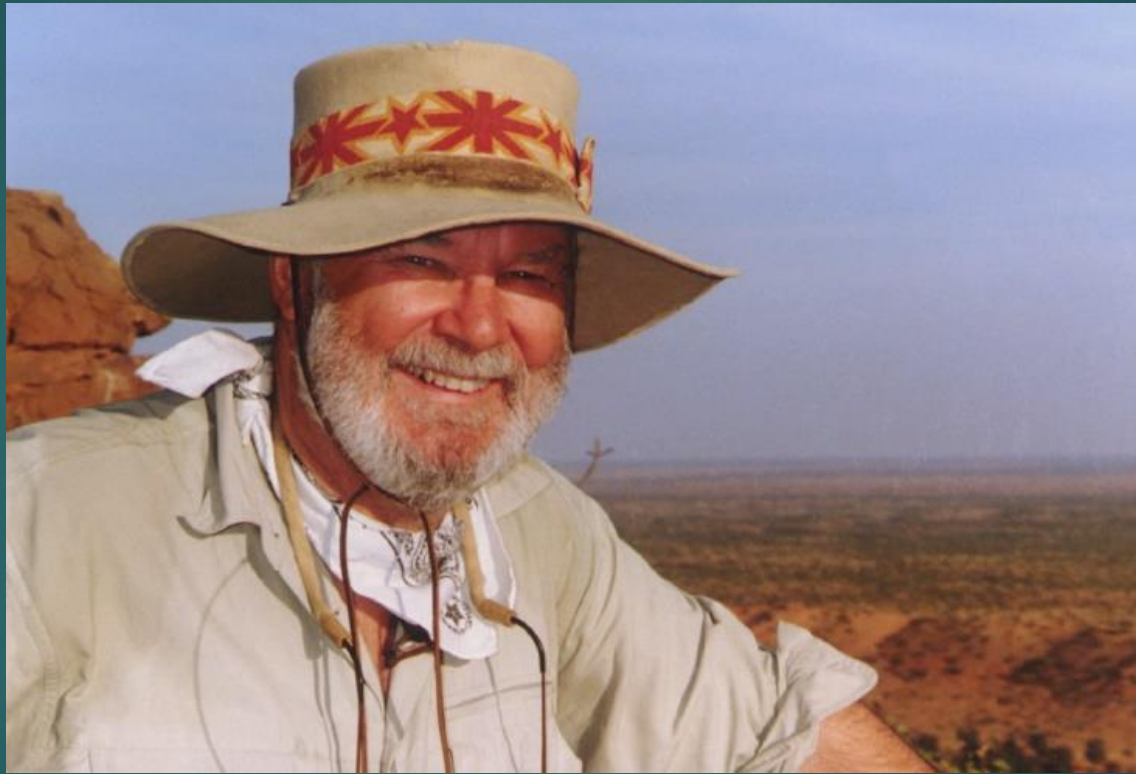
Lower Paying Sectors & Population Serving Sectors Inland Empire, 2000-2018

2018e 17,500



Source: CA Employment Development Department & Economics & Politics, Inc.

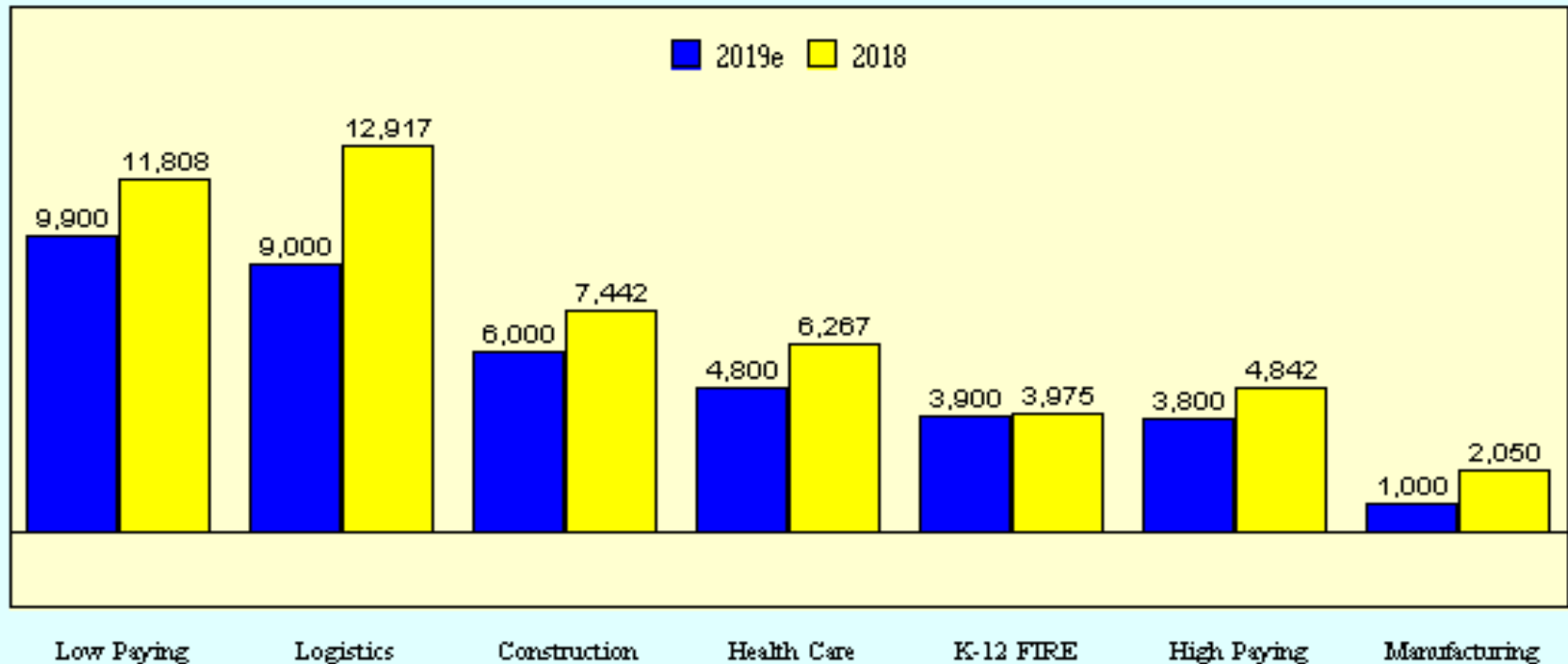
Looking Ahead



2019 Forecast

2019 = 38,200 v. 2018 = 49,300
Growth 2.52% 3.36%
Unemployment 4.2% 4.2%

**Estimated Job Changes
2019 v. 2018**



Source: Economics & Politics, Inc.

www.johnhusing.com

