



The Tomás Rivera
POLICY INSTITUTE

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INLAND EMPIRE RESIDENTS REPORT NEED FOR HIGH-SKILL, HIGH-WAGE JOBS
Survey Respondents Indicate Approval of a Tax Hike Linked to Upgrading the Regional Economy

Los Angeles, CA, August 26, 2004 – More than one-third of Inland Empire residents are commuting to neighboring counties for work, primarily to pursue higher-paying, higher-skill jobs in neighboring counties, according to a new report by the Tomás Rivera Policy Institute (TRPI) at the University of Southern California.

The report, "Economic Development and the Knowledge Economy in California's Inland Empire: Progress or Stagnation," examines the reasons why high-tech, and high-paying jobs are not as prevalent in Riverside or San Bernardino counties as in neighboring counties, as well as in key comparison regions across the country.

Using secondary research data, TRPI conducted a comparative analysis of educational attainment, job opportunities and research and development (R&D) levels in the Inland Empire to regions that have a successful knowledge economy, which is characterized by a greater presence of technology-based companies. They include: San Diego County, Salt Lake County, Utah, and the Research Triangle Park region of North Carolina. The Institute also conducted a survey of 929 employed adults as well as interviews with policymakers in Riverside and San Bernardino counties.

Not all jobs are created equal

The surge in commuting among Inland Empire residents has occurred at the same time that the region has witnessed the highest level of job creation in the state. While economic and job growth in the Inland Empire has been extraordinary over the past decade, the region lags behind the state of California and other regions in the nation in moving into the knowledge economy.

“There is strong evidence that economic growth in the Inland Empire region has been robust, yet the types of industries that have flourished limit residents’ prospects for higher-skill, higher-pay employment,” said Louis Tornatzky, Ph.D., TRPI Research Scholar and co-author of the report.

The industries that employ the most people in the Inland Empire include food and administrative services. While there is always a need for a large number of support and service jobs, the Inland Empire lags considerably behind statewide employment in the science/tech sector – the second largest area of employment in the state, but only eighth in this region.

More than 77% of Inland Empire survey respondents agreed that Riverside and San Bernardino counties needed more high-skill jobs, and 83.9% agreed that government agencies, universities and private industry should collaborate to produce those jobs in the region. Incredibly, 67.8% of survey respondents re-affirmed this latter objective even if it would demand a small increase in taxes. In addition, 82.3% of survey respondents thought it was a good or excellent idea to change the focus of economic development in the Inland Empire so that more time and resources are spent trying to recruit high-tech, high-skill companies and 87.7% of respondents were positive about increasing assistance to new companies throughout the region.

Population surges

Between 1990 and 2000, Riverside and San Bernardino counties added 700,000 to their population totals, an increase of 26%. While more and more people were moving to the region, they were not always working in the region. More than 33% of the survey respondents worked in locations other than San Bernardino and Riverside counties – a figure that parallels the reported number of commuters in the 2000 Census (29%, the highest in the nation). The most frequent Inland Empire commuter destinations are Los Angeles County (15.8%) and Orange County (9.8%).

Among commuter respondents to the TRPI survey, 79.7% were driving alone in their car, and another 14.5% were carpooling, with less than 5% using public transportation. This helps explain why a discouraging 33.7% of Inland Empire commuters claim to spend from 2 to 4 hours on the road every day commuting to work and back.

Laying the foundation of career success

The report analyzed the academic achievement between residents of the Inland Empire and the three comparative regions and found that some shortcomings in job opportunity may be attributed to lower educational attainment.

Higher education leaders recognize that a highly skilled workforce is a major part of a successful high-tech/information economy and one important benchmark is the higher education enrollment among a region's college-age population (18-24-year-olds). Only 37% of college-age Inland Empire residents are enrolled in post-secondary education. In contrast, in San Diego County, 65% of college-age residents are enrolled, followed closely behind by Research Triangle Park with 57%.

A key ingredient in a thriving knowledge economy

One asset that a region needs to possess in fostering a high-wage, fast-growing knowledge economy is a robust university research community. The level of research expenditures at UC Riverside (UCR) is considerably lower than at other comparable California institutions. While less than one-third of all R&D money spent at UCR was on science and engineering (29%), three-quarters of R&D money at UCLA was spent in these fields. In addition, the per capita rate for science and engineering dollars at UCR was among the lowest in the state at just over \$75,000 per professor. In comparison, UC San Diego averaged \$567,000 of science and engineering research funds per professor in 2000.

The report recommends some steps local civic, business and academic leaders can take to help guide the future of the region into a thriving, knowledge-based economy:

- Convene a region-wide commission to develop a comprehensive, actionable plan for the region.
- Nurture fast-growing small companies trying to use technology to build products, capture markets, and improve productivity and efficiency as a critical supplement to recruiting larger companies with economic incentives.
- Increase higher education enrollment, the percent of people pursuing bachelor's degrees, and the number of people pursuing degrees in the field of engineering.
- Expand the level of university and industrial research and development. Stakeholders in the Inland Empire, leadership in the UC system, and political interests in the state of California need to make a commitment to expedite a transition to research and technology greatness for UC Riverside.

Copies of "Economic Development and the Knowledge Economy in California's Inland Empire: Progress or Stagnation" can be downloaded at www.trpi.org/PDFs/IE.pdf. The John Randolph Haynes and Dora Haynes Foundation, a leading supporter of social science research for Los Angeles, funded the project.

Founded in 1985, the Tomás Rivera Policy Institute advances critical, insightful thinking on key issues affecting Latino Communities through objective, policy-relevant research, and its implications, for the betterment of the nation. The Tomás Rivera Policy Institute is located at the University of Southern California and is an affiliated research unit of the School of Policy, Planning, and Development.

