



THRIVE
Inland SoCal

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CALIFORNIA JOBS FIRST

EXECUTIVE SUMMARY

California Jobs First – Thrive Inland SoCal Phase One: Inland SoCal Regional Planning Report Executive Summary

Introduction

The Inland Southern California region is a rapidly growing area stretching from the Los Angeles Basin to the borders of Arizona and Nevada. Composed of Riverside and San Bernardino Counties, this region is the largest U.S. metropolitan area by land area and home to more than 4.6 million people. Demographically, Inland SoCal mirrors the diversity of the state as a whole: Roughly one million residents of the region are foreign-born, over two-thirds identify as a person of color, and more than half identify as Hispanic.

Economically, Inland SoCal does well on a number of measures, with exponential job creation in recent years powered in large part by the demands of a rapidly expanding population and a steadily growing goods movement sector. The region’s extensive multimodal freight system, sizable logistics industry presence, and proximity to the Ports of Los Angeles and Long Beach position Inland SoCal as a vital node in the nation’s domestic and global logistics and distribution network. The region also boasts two public universities that invest in applied innovation and technology commercialization alongside core postsecondary education and 12 community colleges with strong track records for preparing students for quality jobs in the region and collaborating with industry partners.

However, despite these gains, one-third of all Inland SoCal residents and half of all children in the region belong to a family that struggles to make ends meet, despite having at least one adult family member who works. Quality jobs and opportunities for wealth building are not broadly accessible, particularly for those from historically underrepresented and disinvested communities.

The California Jobs First (CJF) initiative now underway offers a unique opportunity for Inland SoCal to design a regional economic development plan that prioritizes quality job creation, widely shared prosperity, climate readiness, and access to economic mobility and wealth-building opportunities. A broad coalition of stakeholders have come together under the banner of Thrive Inland SoCal to craft an inclusive economic development strategy for the region.

WELCOME TO THRIVE INLAND SOCAL

California Jobs First was created by the State of California to promote a sustainable and equitable recovery from economic distress of the COVID-19 pandemic. It supports new plans and strategies to diversify local economies and to develop sustainable industries that create high-quality, broadly accessible jobs for all Californians.

Thrive Inland SoCal was created with CA Jobs First planning funds and is building the partnerships and capacity to make that future a reality in Riverside and San Bernardino counties. As the Inland SoCal region prepares for a more technological, sustainable, and carbon neutral future, it is imperative to center on the region’s most important



Thrive Inland SoCal is a comprehensive, collaborative, and inclusive regional economic development effort working to boost quality job creation and expand access to quality jobs and wealth building for all Inland SoCal residents, especially those that have been historically disinvested and underrepresented.

This summary document provides findings and insights from Thrive Inland SoCal's work on CJF Phase 1, which concluded at the end of 2023. During this discovery phase, the Thrive Inland SoCal research team used data analytics, desk research, one-on-one conversations, and group discussions to better understand the regional economy, key challenges for inclusive economic growth, and potential opportunities to explore. We present this material here in the hopes that others will also be able to learn from and make use of our work.

As we move into Phase 2 of the CJF process, which will run through the end of August 2024, Thrive Inland SoCal is working diligently to establish itself as a hub for developing projects and coordinating funding in the region. We plan to hold regular local meetings even after the CJF initiative ends and will continue to drive and support activities and programs that contribute to inclusive regional economic development. By encouraging greater coordination and collaboration among stakeholders across the region, Thrive Inland SoCal will work to make a positive difference in the lives of all residents of the region.

Thrive Inland SoCal is a comprehensive, collaborative, and inclusive regional economic initiative to generate higher quality jobs and improve access to them, with the goal of offering greater opportunity for all residents and communities, especially those that have been historically disadvantaged and underrepresented.

I. Economy

Analysis of Economic Factors

The Inland SoCal region's economy presents a paradox—successful by many conventional metrics while falling short in generating inclusive outcomes for residents. Driven by growth in logistics/warehousing and local-serving industries, the past decade has brought exceptional increases in employment, total earnings, and value-added outputs, exceeding state and national trends. However, that growth has not translated into enough access to high-quality jobs, particularly for the one-third of residents (and half of children) who belong to families with a working adult but still struggle to make ends meet. Bridging the gap between growth and opportunity has been a defining challenge for the region for decades.

National and global economic disruptions as well as local policy choices fueled this unbalanced dynamic. Over the second half of the 20th century, Inland SoCal evolved from a collection of farming communities to a center of defense contracting. After the Cold War ended, the decline of that sector eliminated many of the region's middle-class jobs. Increasing global trade, proximity to population centers and ports, undeveloped land, and an eagerness to boost economic activity made logistics the region's dominant industry, adding tens of thousands of jobs, but few of them matched the pay and benefits of jobs lost in previous years.



TODAY, LESS THAN HALF OF THE REGION'S JOBS MEET THE CRITERIA FOR AN OPPORTUNITY JOB THAT ENABLES FAMILY FINANCIAL SELF-SUFFICIENCY AND STABILITY OR PROVIDES A PATHWAY TO SUCH A JOB WITHIN 10 YEARS.

While the region continues to experience rapid growth, its economy lags in measures of productivity that would enable its industries to move into higher-value activity. Over-reliance on the logistics sector and the lower-wage jobs it provides underscores the need for economic diversification and workforce upskilling. This imperative for change is enhanced by potential challenges from global supply chains shifting away from the Pacific Rim, climate adaptation and environmental impact concerns, and the rise of automation and other technological advancements.

Despite these challenges, Inland SoCal has real opportunities. Its foothold in logistics offers a strong base for adapting and innovating to help lead the future of a more sustainable and climate-ready approach to supply chains. Its growing, diverse population includes many residents of working age at a time when many other parts of the U.S. are grappling with population declines and baby boomer retirements. Its proximity to Los Angeles offers unrealized opportunities for complementary economic activities that serve the larger regional market. The California Jobs First process is enabling the region to consider these and other opportunities for creating more inclusive and prosperous communities.

Redefining Economic Success

With increased attention to the negative competitive and societal consequences of economic disparities, reinforced by the COVID-19 pandemic, many regions across California and throughout the U.S. are grappling with the challenge of creating quality jobs and ensuring broader access to those jobs. Expectations for economic development are shifting from job counts to job quality and a healthy balance of growth, prosperity, and inclusion.

Emphasizing business attraction, location marketing, and other conventional economic development approaches have proven insufficient to deliver broadly shared economic benefits. Success in the global economy and quality job creation depend on establishing comparative advantages where regions can outcompete peers, particularly in knowledge-intensive industries that command higher wages. These advantages stem from “traded” sectors that bring new money into the region by selling goods and services to customers outside the region. This activity helps build local wealth and generates demand in “local-serving” sectors such as shops, restaurants, and the arts.

Figure 1: New Goals for Economic Development Success



Challenges Underlie Rapid Growth

The Inland SoCal region has experienced blockbuster growth in jobs and economic output since 2012. Job creation reached 35% in 2022, rebounding from 22% in 2020 and exceeding the 2019 pre-pandemic rate of 27%. However, looking at the sources of this growth reveals challenges to achieving broad and durable prosperity:

- Job growth in Inland SoCal is driven predominantly by industries that alone cannot position the region for inclusive growth. Local-serving industries that serve an expanding population, such as health care and construction, accounted for over 60% of job growth between 2012 and 2022. Logistics accounted for another 33% of job growth. All other traded industries accounted for a very small proportion of job growth, underscoring concerns about the diversity and sustainability of the region's economic base and its ability to produce inclusive outcomes.
- The region's industries lag on measures reflecting prosperity – the ability to generate more value-intensive activities that lead to higher worker wages. Regional performance in productivity and average wages was middling between 2012 and 2022, aside from a brief surge during the early days of the pandemic.¹ Information, construction, and hospitality industries lagged benchmarks the most.

Nearly 40% of Inland SoCal residents belong to a family that struggles to make ends meet, including more than half of all children in the region

Despite exponential job growth in the region, nearly four in 10 Inland SoCal residents belong to a family that cannot afford basic living expenses. Of this group, most belong to a struggling working family; only one-fourth of struggling residents belong to a family without a worker. These findings suggest that the region's economy does not offer enough opportunity for many workers to sustain themselves and their families, reflecting both rising costs of living and limited on availability of quality jobs.

The share of workers that struggle to make ends meet varies by age, race, and education. As is typical in most regions, young workers with less experience struggle at higher rates than older workers, but 25- to 34-year-olds in prime working age struggle at above-average rates. Hispanic workers are disproportionately affected, with 34% not able to achieve financial stability (representing some 68% of the region's total struggling workers). Unsurprisingly, workers with lower educational attainment are also more likely to struggle, underscoring the importance of clear, well-supported career pathways that increase skills and develop talent.

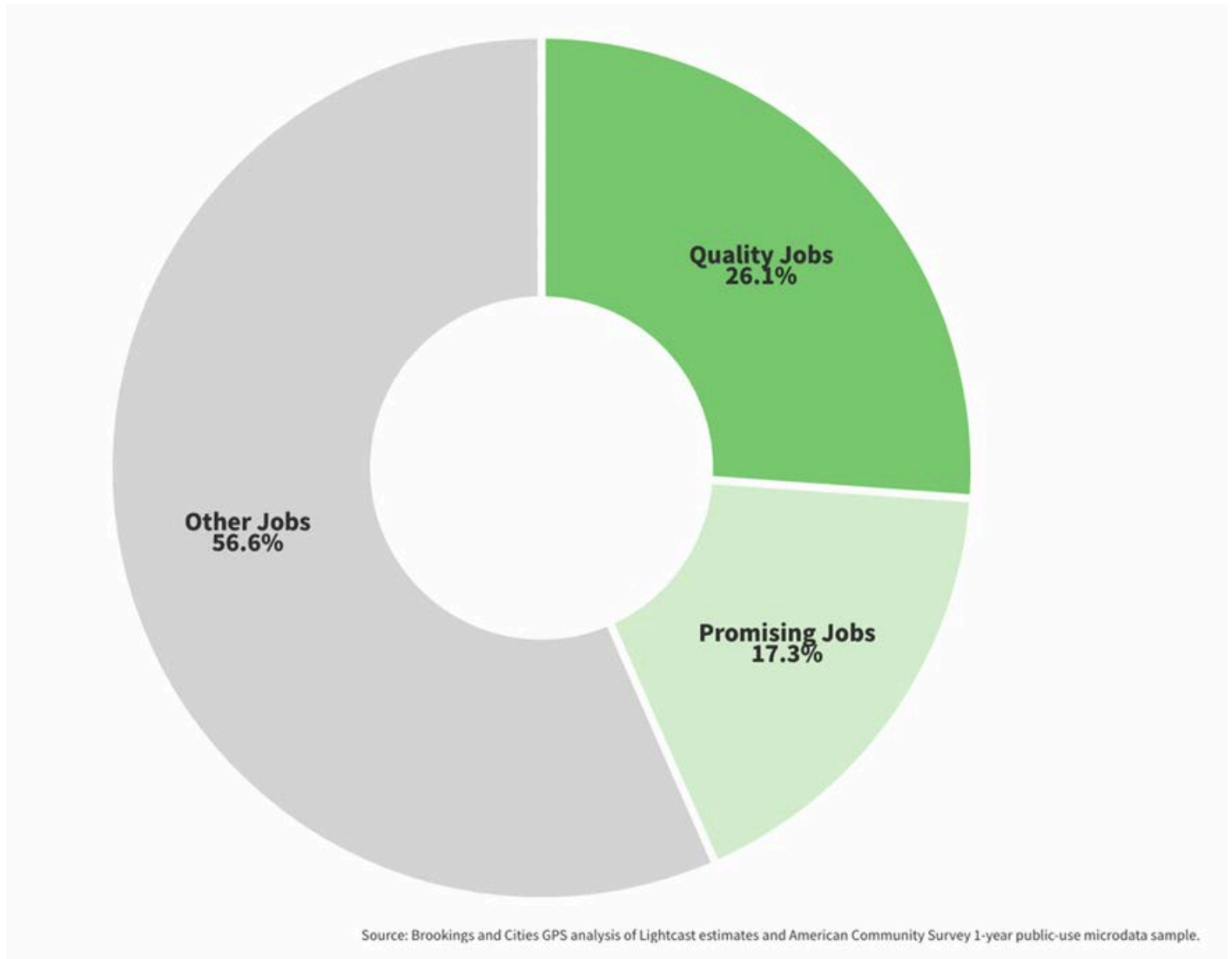
¹ Productivity can increase during economic downturns as firms shed less productive activities.

Too Few Jobs Enable Workers to Make Ends Meet

The Inland SoCal region faces a fundamental gap in the number of jobs available that support financial self-sufficiency and economic mobility. Analysis shows that **only slightly more than a quarter of jobs in the region currently qualify as quality jobs**, meaning that they pay a livable wage, offer employer-sponsored health insurance, and provide stability in terms of maintaining a quality job in the future (see Figure 2). An additional 17% of jobs count as “promising jobs,” meaning that they offer a pathway to a quality job over the next decade. Closing this gap by supporting industries that offer higher proportions of quality jobs, preparing residents for those jobs, and upgrading the quality of existing positions must be the goals that underpin regional economic and workforce development strategies.

Figure 2: Share of “Opportunity Jobs” in the Inland SoCal Region

Quality jobs and promising jobs together are considered opportunity jobs.



What are “quality” and “promising” jobs?

While a “good job” has many possible definitions based on quantitative and qualitative factors (see Talent and Labor Analysis), this study employs an “Opportunity Industries” analysis developed by the Brookings Institution to identify the industry-level distributions of “quality” and “promising” jobs that enable workers to achieve financial self-sufficiency and stability for themselves and their families.

According to this methodology, a **quality job** must:

- Pay an annualized living wage that allows families to make ends meet while also accumulating some savings to build wealth over time.
- Offer employer-sponsored health insurance, which is a proxy for other worker benefits.
- Provide worker stability in terms of retaining or leading to another quality job in the future.

Promising jobs are positions that do not meet all these criteria, but still provide a pathway into a quality job within 10 years.

Together, quality and promising jobs are considered “opportunity jobs.”

This analysis relies on quantitative factors because data can be consistently assessed across different industries, employers, and geographies. Qualitative considerations ranging from inclusive workplaces to consistent schedules are also important to workers but highly variable by employer and location, with data not collected, not comparable, or unreliable. Some regions have formed collaboratives with major employers that self-assess on various qualitative aspects of their workplaces.

Because industries vary in their ability to generate quality and promising jobs, economic development activities must prioritize those sectors that can offer residents greater economic mobility.

Tradable industries in Inland SoCal offer opportunity jobs at a higher rate than local-serving industries (44% versus 38%), despite the dominance of logistics, which typically offers lower-than-average job quality. However, the scale of the local-serving sector means that its component industries offer more total opportunity jobs. Notably, several sectors offering high rates of opportunity jobs—such as utilities, mining, and information—offer few total jobs in the region. For instance, while 85% of utilities jobs count as opportunity jobs, only 4,540 such jobs exist in the Inland SoCal region.

II. Talent and the Labor Market

Analysis of Employment Factors

Job growth in Inland SoCal is mainly in industries that serve local needs, like retail and health care, and in logistics, which includes transportation and warehousing. During 2012-22, most new jobs came from these sectors. However, despite this growth, many residents still find it hard to afford living in the region. This is particularly true in areas like the High Desert and East San Bernardino County. Regionwide, nearly 40% of people belong to families struggling to make enough money to cover basic expenses. Typically, Hispanic workers face greater difficulties compared to other demographic groups.

One of the most significant factors affecting earnings in the region is the nature of employment, specifically the industries in which the majority of residents are employed. The key sectors dominating regional employment are health care and social assistance, transportation and warehousing, retail trade, accommodation and food services, and educational services. These industries collectively account for 57% of the total number of employed workers (or jobs) in the region. Health care and social assistance represents 14.9% of employment, with workers earning an average of \$4,832 per month. Following closely is the transportation and warehousing industry, constituting 13% of employment, with an average monthly earning of \$4,379. Transportation and warehousing have seen significant growth recently, nearly doubling in the past five years. Retail trade is also a substantial contributor, making up 10.8% of employment, with an average earning of \$4,059. Meanwhile, the accommodation and food services sector constitutes 9.9% of the two-county region's employment, though with comparatively lower average monthly earnings of \$2,766. Educational services round out the top industries, representing 8.4% of employment, with workers in this sector earning an average of \$5,518 per month. Interestingly, even though educational services make up a smaller portion of jobs, they have the highest average earnings among the top industries.

In this region there are over 42,000 jobs in the clean energy sector, making up more than half of all energy-related jobs. Most of these jobs are in energy efficiency, followed by renewable energy. Riverside County ranks 7th in the state and 15th in the nation for clean energy employment, with San Bernardino County close behind.

Barriers to Finding a Quality Job

Workers interviewed for this analysis mentioned different challenges in finding good jobs depending on the industry. For instance, those in transportation and warehousing talked about issues like low pay, surveillance at work, and difficulties with joining unions or dealing with retaliation. On the other hand, workers in health care and social assistance felt they had limited opportunities for advancement and struggled with not having enough breaks and dealing with unpredictable schedules, which affected their well-being. Overall, workers faced various obstacles in keeping their jobs, including financial problems like child care and

transportation, social issues like discrimination and language barriers, educational barriers such as access to training programs, and environmental challenges like extreme heat and unpredictable weather.

Age, education, gender, and race also impact workers' likelihood of holding a quality or promising job. For instance, 78% of bachelor's degree holders can claim a quality or promising job, versus 49% of associate degree holders and 31% of high school diploma or GED holders. In terms of gender, 47% of men hold a quality or promising job, compared to 38% of women. Turning to race and ethnicity, 59% of white workers hold a quality or promising job, compared to 33% of Hispanic workers and 46% of Black workers. These disparities need to be addressed through workforce training and other efforts to improve access to quality jobs and build a more inclusive economy.

Education

Education can lead to better job opportunities, higher earnings, and better quality of life. According to the California Department of Education, for school year 2022-23, Riverside County had a high school graduation rate of 91.4%, above the state average of 86.2%. San Bernardino County, however, was slightly below the state average at 85.5%. Dropping out of high school results in limited employment opportunities and may reduce economic earning potential.

Higher educational attainment in the two-county region is also lower than that of surrounding Los Angeles and Orange Counties. According to the California Department of Education, the college-going rate for 2020-21 for Riverside County was 52.3%, lower than the state average of 62.2%. The rate for San Bernardino County is slightly higher than that of Riverside, at 53.0%. U.S. census data additionally underscores these trends. According to 2022 American Community Survey (ACS) one-year estimates, for the population 25 years old and over, 15.7% had a bachelor's degree in Riverside County, with 14.5% in San Bernardino County. In Los Angeles County 22.7% of the population has a bachelor's degree; the percentage is even higher in Orange County, at 27.5%.

III. Environment

Analysis of Environmental Factors

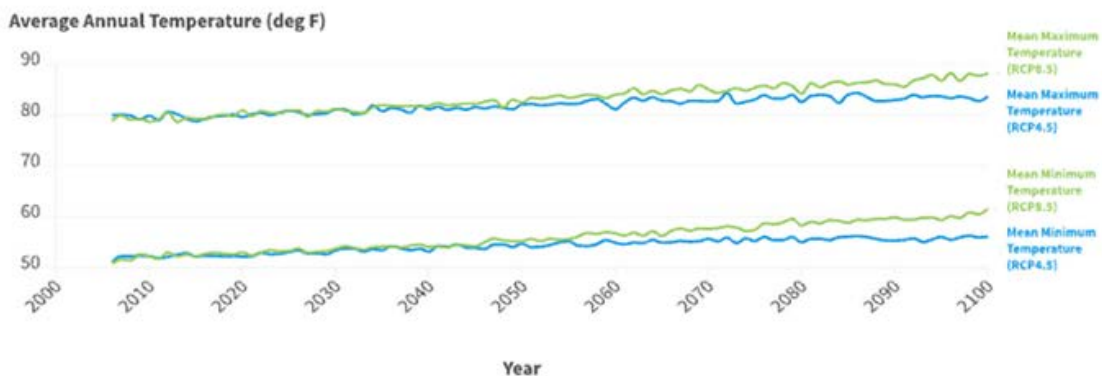
Analysis of the Inland SoCal environment raises concerns about climate, air quality, and natural resources. Temperatures are expected to increase, especially in areas with less vegetation. These changes will impact communities differently. In addition, the increased warming may affect the region's reliance on snowpack for agriculture and drinking water. Air pollution, mainly from transportation and industrial activities, may become more intense. While climate change and pollution threaten environmental quality and public health, there is also exciting potential for growth in the use of renewable energy, green energy initiatives, and clean energy jobs.

Climate

Inland SoCal is projected to trend toward more extreme weather patterns because of climate change. Average temperatures across the region are expected to increase 4-8°F by 2100. This temperature rise will be associated with an increase in the intensity of heat events, which are projected to occur 13-22% more frequently and last 25-38% longer by 2050. Such events will be even more intense by 2100, with potentially serious consequences for public health. Increases in temperatures are also expected to contribute to significant decreases in the Sierra Nevada snowpack by 2050, which will reduce water reliability.

Figure 3. SoCal Inland Projected Temperature Increase (2006 - 2100)

By 2100, under the moderate RCP 4.5 emissions scenario, mean minimum temperatures are projected to increase approximately 3°F and mean maximum temperatures 4°F above current normal low and high temperatures. For the high RCP 8.5 emissions scenario, mean minimum and maximum temperatures are projected to increase approximately 8°F above current normals.



Source: Cal-Adapt • Cal-Adapt. (2018). LOCA Derived Data [GeoTIFF]. Data derived from LOCA Downscaled CMIP5 Climate Projections. Cal-Adapt website developed by University of California at Berkeley's Geospatial Innovation Facility under contract with the California Energy Commission. Retrieved October, 2023 from <https://cal-adapt.org/>

Greenhouse Gas Emissions

Currently, the biggest contributors to greenhouse gas (GHG) emissions in the Inland SoCal region are transportation, building energy use, and agriculture. Transportation is the largest source of GHGs, contributing 51% of total emissions in San Bernardino County and 36% of total emissions in Riverside County. The other two major sources of GHG emissions, agriculture and building energy, have impacts that vary greatly across the two counties.

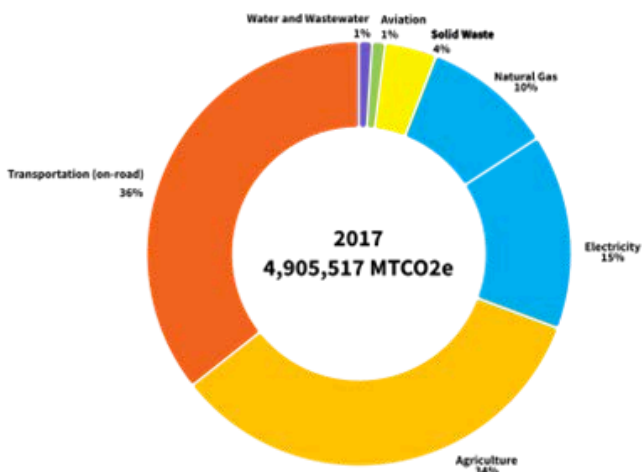
Future projections for both counties indicate significant increases in GHG emissions due to population and economic growth. If left unchecked, there will be a projected increase of 28.8% by 2030 and 130% by 2050 in Riverside County. In San Bernardino County, these increases are expected to reach 15% by 2030 and 38% by 2050.

However, when expected climate mitigation strategies are factored into the Riverside County projections, it shows a potential decrease in GHG emissions by 2030. (Currently GHG emissions projections for San Bernardino County that include mitigation efforts are not available). Mitigation efforts include promoting alternative travel modes, adopting electric vehicles, increasing energy efficiency, reducing water consumption, recycling waste, and offsetting carbon emissions by planting trees and implementing landscape strategies. Equity considerations must be central to these strategies to ensure that benefits extend to low-income, disinvested, homeless, and historically underrepresented communities.

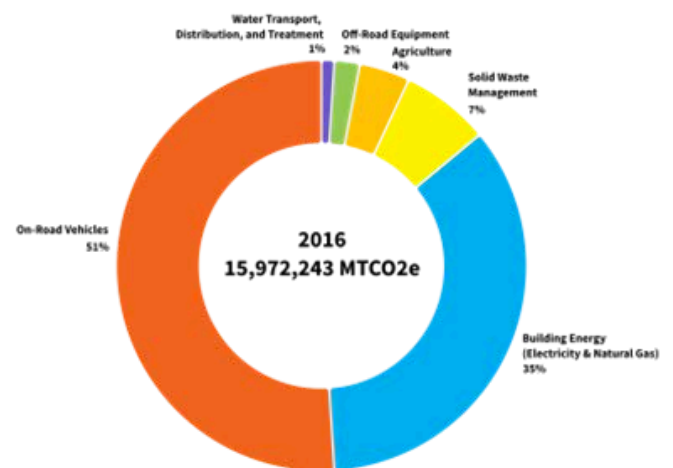
Figure 4. Current Greenhouse Gas Emissions – Riverside and San Bernardino Counties

Transportation, building energy use, and agriculture are the biggest contributors to GHG emissions in Inland SoCal.

Greenhouse Gas Emissions: Riverside County



Greenhouse Gas Emissions: San Bernardino County



Source: County of Riverside Climate Action Plan Update • Riverside County Planning Department

Source: San Bernardino County Regional Greenhouse Gas Reduction Plan • San Bernardino Council of Governments (2021). Greenhouse gas emission inventory conducted in 2016. For information on methodologies, see San Bernardino County Regional Greenhouse Gas Reduction Plan - J ppendices (https://www.gosocala.com/wp-content/uploads/2019/09/San_Bernardino_Regional_GHG_Reduction_Plan_J_ppendices_Vol_2021.pdf)

Air Quality

Air quality in the region is influenced by vehicle emissions, industrial activities, and natural events such as wildfires. Levels of pollutants such as carbon monoxide (CO), sulfur dioxide (SO₂), lead, and PM₁₀ sulfate remain below state and federal standards, with concentrations of SO₂ and CO decreasing due to enhanced emission controls. However, ozone, PM₁₀, and PM_{2.5} often surpass standards, revealing ongoing air quality challenges related to urban areas and communities located near heavy traffic and industrial zones with greater pollution. This reality also underscores environmental justice concerns. Climate change and urbanization threaten to worsen air quality issues, particularly with increasing ozone and particulate matter levels. Wildfire smoke only compounds these challenges. Emission reduction policies, including standards established by the California Air Resources Board and U.S. Environmental Protection Agency, aim to mitigate these issues through measures such as banning gasoline-powered yard equipment and mandating a transition to zero-emission vehicles.

Land Use

Over the course of the 20th century, land use in Inland SoCal transitioned from predominantly agricultural to increasingly urban and industrial developments. This shift continues and is particularly noticeable near urban centers. Since 1984, Riverside County has experienced a 26% decline in agricultural land, while San Bernardino County saw an 11% decline. The growth of the logistics industry has been a key factor in this change and is associated with a 60% increase in warehouse footprints from 2000-2010 and another 43% by 2020. Residential development tends to follow a pattern of suburban sprawl, pushing into rural areas and raising concerns about traffic, public services strain, and environmental degradation.

Although state policies like SB 375 and SB 743 address sprawl and promote sustainable development, land use decisions remain chiefly local. Amid these changes, conservation efforts are seeking to balance development with environmental preservation, as seen in the habitat conservation plans (or Multiple Species Habitat Preservation Plans) developed in western Riverside and the Coachella Valley that aim to safeguard biodiversity and manage open spaces effectively. The plans call for conservation and management of 500,000 acres in western Riverside and 745,000 acres in the Coachella Valley.

Water Reliability and Quality

In the Inland SoCal region, domestic and commercial sectors consume 46% of water, while agriculture consumes 44%. Regional water supplies come from a mix of groundwater, surface water, and deliveries from external suppliers. Water reliability in Inland SoCal faces pressures from increasing population growth, climate change-induced declines in precipitation, and reduced flow in the Colorado River. Efforts to adapt to these challenges include enhancing stormwater capture and groundwater recharge and promoting water conservation and efficiency.

Water contamination poses significant challenges in Inland SoCal, with groundwater supplies especially vulnerable to pollutants such as salts, nitrates, arsenic, fluoride, uranium, perchlorate, and hexavalent chromium due to legacy agriculture, industrial activities, and natural occurrences. Areas like the Indio subbasin and the Mojave River and Morongo groundwater basins are notably affected, with a significant percentage of wells exceeding safe contaminant levels. When managing surface water supplies, special attention is required to balance community needs with ecosystem conservation, highlighting the importance of comprehensive water quality management strategies.

Soil Quality

Facing challenges from urbanization, industrial activities, and climate change, soil quality is also a concern. Soil quality affects farmers' ability to grow crops. Soil contamination poses risks to human health and the environment. Agriculture soils face challenges like soil salinity, organic matter depletion, and compaction. Urban soil quality is adversely affected by construction, pollution, and the decrease of natural vegetation, with contamination from industrial activities being a major concern in the western parts of the region. Despite ongoing remediation efforts, challenges persist in fully restoring urban soil health. Federal, state, and local programs offer technical and financial assistance to take action on this front.

Natural Assets

The Inland SoCal region is rich in the mineral resources needed for clean energy development, notably rare earth elements and lithium. MP Materials operates the Mountain Pass mine, which produces 15% of the global rare earth supply. The company recently initiated refining and magnet manufacturing in the U.S. Efforts to mine and process these materials have emphasized sustainable practices, including a dry tailings storage method to mitigate environmental risks. Moving forward, the efforts of the Blue Ribbon Commission on Lithium Extraction, created by AB 1657 to explore opportunities and challenges surrounding extracting lithium alongside geothermal energy in the Salton Sea area, could position the Inland SoCal region in partnership with the Imperial Valley as key players in global lithium supply, with technologies in place to minimize environmental impacts. Beyond minerals, the region's diverse ecosystems—from urban landscapes to desert areas—provide essential services, including microclimate regulation and carbon sequestration. The different roles that these ecosystems play highlight the need for balance between resource extraction and environmental conservation.

CalEnviroScreen Rankings

CalEnviroScreen4.0 (CES) is a tool developed by the California Office of Environmental Health Hazard Assessment to help policymakers understand the overall impacts of environmental burden on specific populations at a detailed level. Seven percent of census tracts in the two-county region had the worst CES scores between 2015 and 2017. Of these, over 20% have the worst asthma rates (measured as age-adjusted rate of emergency department visits per 10,000 residents), and over 20% have the highest rates of cardiovascular disease (using the same measure).

Energy

Inland SoCal's energy landscape is undergoing a transformation, driven by rising electricity demand from residential, commercial, and industrial sectors as well as a state-mandated pivot toward renewable energy. Electricity consumption increased by 11% from 2018 to 2022, with Southern California Edison predicting an increase of up to 25% in energy demand by 2031 due to population growth, higher temperatures, and an increase in electric vehicle use. Despite renewable energy capacity growing by 274% since 2000, natural gas still dominates, representing 56.4% of total energy generation. Solar provides 30.8% and wind 6.5%. Distributed energy resources such as rooftop solar are already being deployed across the region with a 21% adoption rate, which provides a source of sustainable power generation.

IV. Public Health

Analysis of Public Health Factors

The public health situation in the SoCal Inland region is concerning, with social, economic, and environmental factors contributing to poorer health outcomes compared to other parts of California. There are significant disparities in health, with higher rates of diseases like diabetes, coronary heart disease, chronic liver disease, and psychological distress. Air pollution, especially from transportation, is a problem. Areas around the Salton Sea in particular face severe challenges from airborne contaminants. Additionally, there are not enough doctors for the population, which makes it harder for people to access health care. Further research is needed to understand and address barriers to care, especially for Tribal communities and veterans.

Health Performance

The Centers for Disease Control and Prevention (CDC) defines public health as “the science and art of preventing diseases, prolonging life, and promoting health through the organized efforts and informed choices of society, organizations, public and private communities, and individuals.” It is also an important consideration for economic development because it provides insights into the health of area residents, who participate in the regional economy as workers as well as consumers of goods and services.

The Inland SoCal region performs poorly compared to the state in many health outcomes, like diabetes (12.1% for the region vs. 10.5% for the state) and heart disease (7.7% for the region vs. 7.1% for the state).^[1] Among California’s 58 counties, San Bernardino ranked among the worst for diabetes-related deaths according to 2021 CDC data. Data on asthma and high blood pressure rates is similarly concerning. Data from the California Health Interview Survey (CHIS) reveal that the region experiences higher rates of asthma compared to the state as a whole for several racial groups. At a more micro level, the CDC’s asthma tracker shows that some census tracts in San Bernardino have almost a 14% rate. Rates of diabetes and high blood pressure diagnosis are even more concerning; CHIS data shows that diagnosis rates are higher than the state average for all racial groups on both indicators (see Table 1).

Table 1. Comparison of Asthma, Diabetes, and High Blood Pressure Rates in Inland SoCal

The Inland SoCal region performs poorly compared to the state in many health outcomes, like asthma, diabetes, and heart disease.

EVER DIAGNOSED WITH ASTHMA	San		
	Bernardino	Riverside	California
Asian	14.6%	13.0%	11.6%
Black	22.8%	15.9%	19.9%
White	16.1%	15.4%	16.6%
Two or More Races	32.9%	24.8%	22.7%
Latino	12.1%	11.6%	14.4%

EVER DIAGNOSED WITH DIABETES	San		
	Bernardino	Riverside	California
Asian	15.0%	15.5%	10.7%
Black	18.1%	19.1%	14.9%
White	12.3%	11.3%	8.5%
Two or More Races	5.7%	13.1%	6.3%
Latino	12.6%	12.9%	12.1%

HAS/HAD HIGH BLOOD PRESSURE	San		
	Bernardino	Riverside	California
Asian	24.4%	23.8%	22.3%
Black	46.6%	40.1%	38.1%
White	35.1%	35.8%	29.1%
Two or More Races	24.7%	24.8%	21.6%
Latino	23.8%	24.1%	23.3%

Source: California Health Interview Survey, data pooling 2019-22

Health Care Access and Coverage

While health care coverage in the region has improved, there are still many who lack coverage. According to 2022 American Community Survey (ACS) one-year estimates, 7.4% of Riverside County residents and 8.1% of San Bernardino County residents do not have coverage.

According to CHIS data (pooled for 2019-22), 26% of San Bernardino County residents do not have a usual source of care; in Riverside, the proportion is somewhat lower at 14%. Similarly, 22.1% of San Bernardino County residents and 26.7% of Riverside residents have delayed or did not get care when they needed it.

Lack of practicing physicians also poses a major barrier to access. The U.S. Health Resources and Services Administration collects data on the number of practicing medical professionals by region. In Riverside County in 2021, there were 179 doctors per 100,000 residents. In San Bernardino County, the ratio was slightly better, with 244 doctors per 100,000 residents. For comparison, Los Angeles County had 397 doctors per 100,000 residents and Orange County had 450 doctors per 100,000 residents.

Poverty

Poverty is one of the greatest threats to health, affecting both quality of life as well as life expectancy. According to 2022 ACS one-year estimates, 10.7% of Riverside County residents and 13.4% of San Bernardino County residents are living in poverty. The challenge of poverty is more acute for the region's young people: 13% of Riverside County residents age 18 or younger and 18.2% of San Bernardino County residents in that same age group are living in poverty. Poverty among older adults (age 65+) is also an issue, with 11.6% of older adults living in Riverside County and 13.3% of older adults living in San Bernardino County falling below the poverty line.^[2]

When looking at poverty rates by gender, women experience poverty at a higher rate than men. In Riverside County, 11.9% of women residents are living in poverty, in San Bernardino County this number rises to 14.9%. When disaggregating the data by major racial groups and Hispanic origin, Blacks account for the highest percentage in both counties. Among those who identify as Hispanic of any race, poverty rates stand at 11.7% for Riverside County and 13.8% for San Bernardino County.^[3]

V. Industry Clusters

Economic Sector Opportunities

A wide-ranging analysis of regional industry performance and industry clusters, opportunity jobs, talent base, education and workforce development systems, innovation assets, growth capital, and more revealed several potential areas where the Inland SoCal region could grow quality and promising jobs that are accessible to residents. These areas will be explored further by Thrive Inland SoCal during spring/summer 2024 through additional research as well as engagement with a broad range of stakeholders—employers, entrepreneurs, and investors; education and workforce providers; government officials and agencies; environmental, civic, and community organizations; and others.

Figure 5: Factors Guiding Prioritization of Industry Sector-Based Economic Opportunities



Sustainable Supply Chains: The region’s enormous concentration of goods movement activity and expertise cannot be overlooked, despite the fact that many parts of the industry currently do not offer a significant proportion of quality jobs and create environmental impacts. The region has the potential to create better jobs and reduce environmental impacts by becoming a national leader in supply chain modernization, with area firms providing products and services that improve sustainability, efficiency, and resilience in logistics. Autonomous systems and information technology are notable areas of innovation in the region that have attracted growth capital and are relevant to sustainable supply chains. Related efforts might focus on digital transformations, carbon reduction in freight movement and trucking, warehouse management systems, automation, and robotics.

Advanced Manufacturing: The region shows potential in legacy and emerging subsectors of manufacturing and related services that concentrate quality jobs, building on shared talent needs, innovation, and other assets (while attending to energy-related and environmental challenges). Opportunities center on 1) higher-margin products that are competitive to make in California, such as complex industrial and commercial equipment, machine parts, microelectronics, and instrumentation; 2) goods where the region has an established foothold that could be maintained, such as transportation equipment components and structural metals; and 3) products serving large nearby markets, like chemicals, building components and construction materials. Growth in opportunity-rich services such as engineering and drafting are attached to these subclusters as a natural part of the value chain. Together, these activities currently represent nearly 4% of the region’s opportunity jobs and almost 9% of its export economy.

Advanced Business and Professional Services: Recent growth in technical and administrative service activities that concentrate quality and promising jobs (representing about 6% of total opportunity jobs in the region) suggests potential to spur expansion and diversification. Some of these sectors, such as freight arrangement and engineering drafting and design are connected to other strong traded sectors like logistics and manufacturing. Changes in the marketplace may enable growth by serving other parts of southern and central California, particularly for services like medical testing laboratories or equipment cleaning that need to be done nearby but can be accomplished for less in Inland SoCal. Other emerging areas for exploration include activities within cybersecurity, computer systems design, software development, environmental engineering, and design.

Clean Tech: The region has seen increasing investment in innovation facilities and activities related to products and services that aim to improve environmental outcomes (although data do not reflect significant scale or competitiveness in associated commercial activity). UC Riverside’s Center for Environmental Research and Technology (CE-CERT) and the OASIS Clean Tech Park (now under construction) as well as California Air Resource Board’s research and vehicle emissions testing headquarters represent important assets for clean tech innovation. While clean tech is the fourth-largest category of translated research in the region, it does not compare to national hubs and growth capital investment in clean tech startups remains extremely limited. However, overlaps exist with other major sectors in the region, including sustainable supply chains and advanced manufacturing. Furthermore, the Lithium Valley Commission’s extraction planning activities and the UC Riverside co-lead role for the federally designated “Tech Hub” strategy development consortium are increasing the focus on advanced energy ecosystems and supply chain possibilities. Recognizing that several other regions currently have a stronger position in clean tech, any substantial expansion will likely occur over the long term. That said, evidence shows value in fully evaluating the opportunity and potential to better integrate economic development efforts around the sector.

Data also affirm that strategies to boost the availability of quality jobs must extend beyond job creation in prioritized traded sectors, especially for residents belonging to demographic groups and/or disinvested communities that have historically lacked access to opportunity. Promising potential interventions include efforts to improve job quality within existing major employment sectors and better link residents with those local-serving sectors that concentrate opportunity jobs.

Neither of these actions aim to drive new growth. The number of local-serving jobs depends primarily on local demand for goods and services and is not influenced by industry-based economic development, which focuses on stimulating growth. However, the research shows that local-serving sectors like construction, health care, and utilities do offer a large number of quality jobs and the region can do more to expand pathways for disconnected residents to access those jobs. While the potential for upgrading job quality in certain sectors is often constrained by external market forces, efforts to increase productivity, reduce turnover, and enhance employer capacity can boost outcomes for workers and businesses.

Research also suggests consideration of other sector-specific strategies, especially for middle-market firms, such as:

- Helping employers improve productivity, which in turn enables workers to garner higher wages through training and technology.
- Working with employers to adopt business practices that better support workers, benefiting firms via higher retention and workers with improved job quality.
- Pursuing intermediary functions or employer collaboratives to provide improved benefits to workers at scale.
- Investing in childcare availability as a tool for enabling workforce participation and supporting wealth building among childcare providers.
- Coordinating collaboratives across target industry-specific employers and workforce development providers to overcome fragmentation, share information on needs, design worker-centered programs, and achieve greater scale and visibility.
- Promoting community-level networks to help employers and residents identify, prepare for, and connect to quality jobs.

VI. Looking Ahead

The Inland SoCal region has many strengths, including numerous institutions of higher education, solid advanced manufacturing capabilities, a diverse population, and sizable potential for clean energy jobs. Efforts are also being made to tackle issues like food insecurity and structural racism. However, there are weaknesses too, including uneven economic growth, overreliance on the logistics industry, too few quality jobs, pollution and health problems, and risks from climate change like heat waves and wildfires. Opportunities for growth through inclusive strategies, innovation, and specific industry sectors are needed alongside strategies to address key threats such as disparities in economic outcomes, environmental concerns like poor air and water quality, and ongoing issues with health care access, especially for veterans and those in need of mental health support.

Thrive Inland SoCal is working vigorously to become a central place for developing projects and coordinating funding in the region. Our goal is to support and drive important activities and programs by continuing our discussions and local meetings after the planning phase has ended. By bringing these efforts together, we are working to make the most of the region’s opportunities, meet the needs of our region, and make a significant and positive transition to a more prosperous and inclusive future.

[1] 2022 CHIS data, “Ever diagnosed with heart disease.”

[2] U.S. Census 2022 American Community Survey one-year estimates, “Poverty Status in the Past 12 Months,” <https://data.census.gov/table/ACSST1Y2022.S1701?q=poverty&g=050XX00US06065,06071>

[3] U.S. Census 2022 American Community Survey one-year estimates, “Poverty Status in the Past 12 Months,” <https://data.census.gov/table/ACSST1Y2022.S1701?q=poverty&g=050XX00US06065,06071>