

STATE OF WORKERS IN THE INLAND EMPIRE 2025

JUNE 2025





EXECUTIVE SUMMARY

Over the past decade, Southern California's Inland Empire, spanning Riverside and San Bernardino counties, has experienced major labor market and demographic shifts that mirror broader statewide trends. These shifts have also contributed to the region's distinct opportunities and challenges. This report examines wage patterns, employment structures, income inequality, and the cost of living, drawing primarily on 5-year samples from the American Community Survey through 2022 to assess how economic changes shape the daily realities of Inland Empire workers and households.

KEY FINDINGS

1

ISSUES WITH JOB QUALITY AND ACCESS

- The Inland Empire workforce is **younger, more racially diverse, and more concentrated in low-wage sectors** than the rest of the state.
- Key regional industries experiencing the most growth in the Inland Empire, including **warehousing and storage, and miscellaneous manufacturing (i.e., logistics managers)**, offer **fewer middle-wage opportunities**; imperiling the region's middle class.
- A large share of the workforce lacks access to **colleges and universities and other skills training**, which impedes advancement into better-paying, stable jobs.
- As automation, remote work, and climate policy reshape regional employment, the current workforce composition risks leaving many behind unless **investments in education, retraining, and equitable job pipelines** are prioritized.

2

PERSISTENT AND RACIALIZED WAGE INEQUALITY

- The Inland Empire labor market has seen a **relative increase in earnings for low-wage workers**, driven in part by rising minimum wages, labor shortages, labor organizing, and policy support during and after the COVID-19 pandemic.
- Between 2013 and 2022, **wage inequality between the top and bottom earners narrowed**, but the income gap between **middle-income and high-income workers remained entrenched**.
- **Racial wage disparities persist and have widened since the pandemic**, with Black and Latino workers earning significantly less than White and Asian counterparts. This inequality is particularly evident in both **personal and household incomes**, revealing deep economic opportunity and intergenerational wealth divides.

3

RISING COST BURDENS FOR RENTERS

- Housing affordability is a growing concern in the Inland Empire and the state. From 2013 to 2022, median housing costs grew by nearly 20% in the Inland Empire, higher than neighboring counties in Southern California. Renters continue to spend **a larger share of their income on housing** than homeowners—and this inequality has remained persistent over time.
- Median **personal income for renters remains more than \$20,000 lower** than that of homeowners, reinforcing barriers to homeownership and wealth accumulation.
- **Additional housing expenses** (e.g., utilities, insurance, property taxes) have risen for all households. However, renters bear the **heaviest proportional burden**, typically spending nearly **30% of median household income on housing** (the threshold for affordability as defined by the U.S. Department of Housing and Urban Development), and many renters spend more than that threshold.

4

THE FULL COST OF LIVING IS OUT OF REACH FOR MANY

- According to the Economic Policy Institute, a **single parent with two children needs over \$106,000 annually** to meet basic living expenses (“paycheck to paycheck”) in the Inland Empire.
- Our findings reveal that **many families—especially renters, single parents, and Black and Latino households—are earning far less than what is needed to afford many basic living expenses**, even with full-time employment.

5

COMMUTING AND WORK PATTERNS ARE SHIFTING

- **A higher share of Inland Empire residents commute outside the region for work than in other regions in California.** Approximately 377,000, or 75%, of Inland Empire residents are employed within the region, while nearly 25% commute to other parts of California for work.
- **Remote work has grown in the Inland Empire**, now accounting for over 12% of work arrangements—up from just 4–5% pre-pandemic.
- **Public transit use has declined steadily regionally and statewide**, reflecting limited regional infrastructure and safety concerns.
- **Commute times have remained remarkably stable** across transportation modes, suggesting persistent burdens for those who continue to “pay in time.”

POLICY IMPLICATIONS

- **Diversify the employment options.** The Inland Empire needs to add more jobs that provide family-sustaining wages outside of industries related to logistics. The most common jobs that have grown in the region are either very low-wage or high-wage jobs.
- **Support wage equity** through targeted workforce development, greater protections for workers' rights to unionize and collective bargaining, and pay transparency laws.
- **Invest in affordable housing**, particularly for renters, through new construction, rental subsidies, and pathways to homeownership.
- **Expand publicly subsidized childcare and access to early education**, particularly for working parents facing rising household expenses.
- **Improve public transportation infrastructure** and expand regional mobility options to reduce commute burdens and address environmental concerns.

CONCLUSION

The Inland Empire stands at an economic crossroads. While it has benefited from some positive employment and wage trends, structural inequalities in income, and the rising cost of living, especially housing, continue to limit upward mobility—especially for renters, low-income households, and communities of color. These trends risk deepening regional inequality and undermining long-term prosperity without targeted and inclusive policy responses.

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