

# **Public Health, Socio-Economics & Logistics in the Inland Empire**

**John E. Husing, Ph.D.  
Chief Economist  
Inland Empire Economic Partnership**

**Riverside & San Bernardino Counties Are Each In The Bottom Half of California Counties on Public Health Determinants and Outcomes**

**What is the Appropriate Economic Strategy for Raising Public Health & the Quality of Life in the Inland Empire?**

# Key Determinants of Public Health

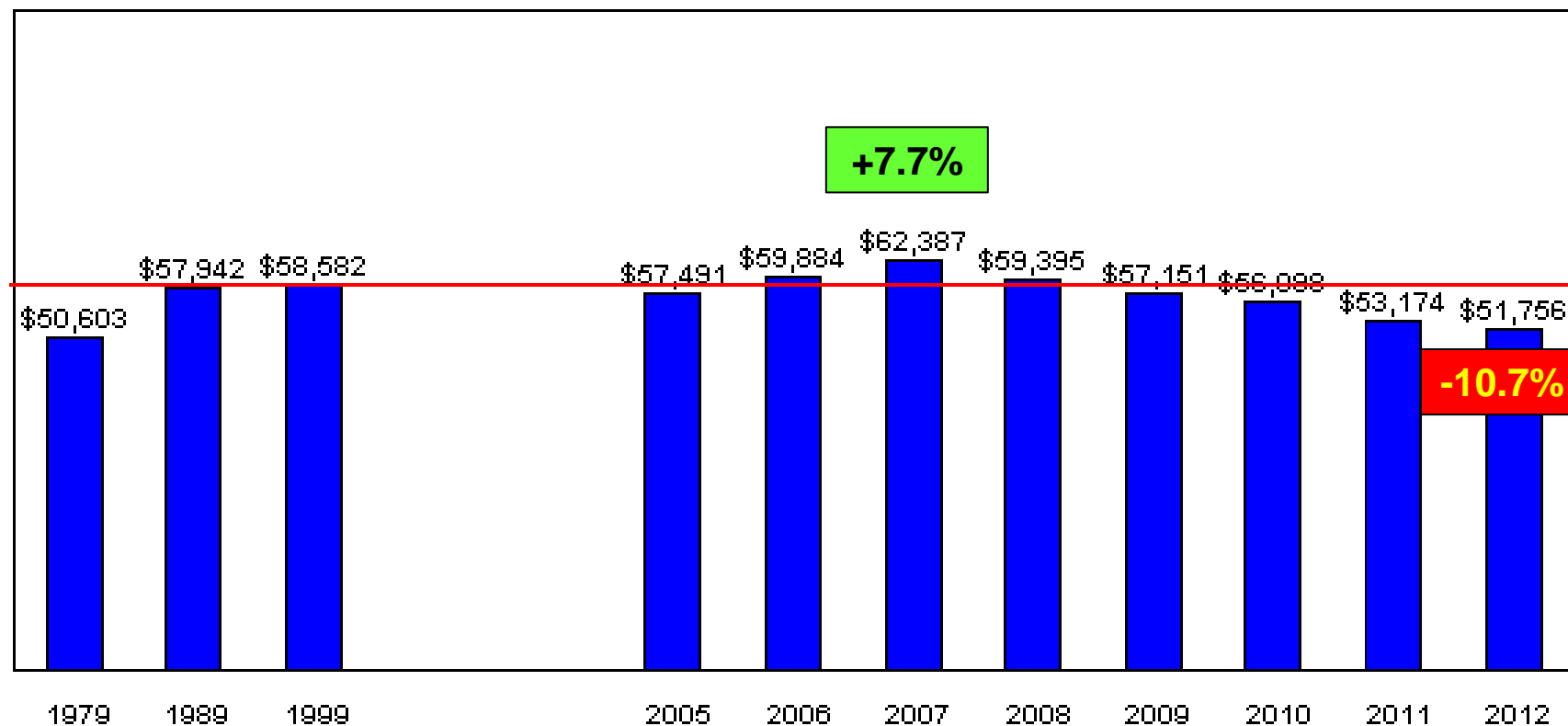
1. Socio-Economics	40%
2. Population's Health Behaviors	30%
3. Access to Medical Care	20%
4. Environmental	10%

Source: Different Perspectives For Assigning Weights To Determinants of Health, University of Wisconsin, Public Health Institute, 2010

# **Major Socio-Economic Metrics**

# Stagnant Incomes for 23 Years

**Exhibit 1.-Median Household Income, Inflation Adjusted  
Inland Empire, 1980-2012 (2012=100)**



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics

# Inland Empire Poverty

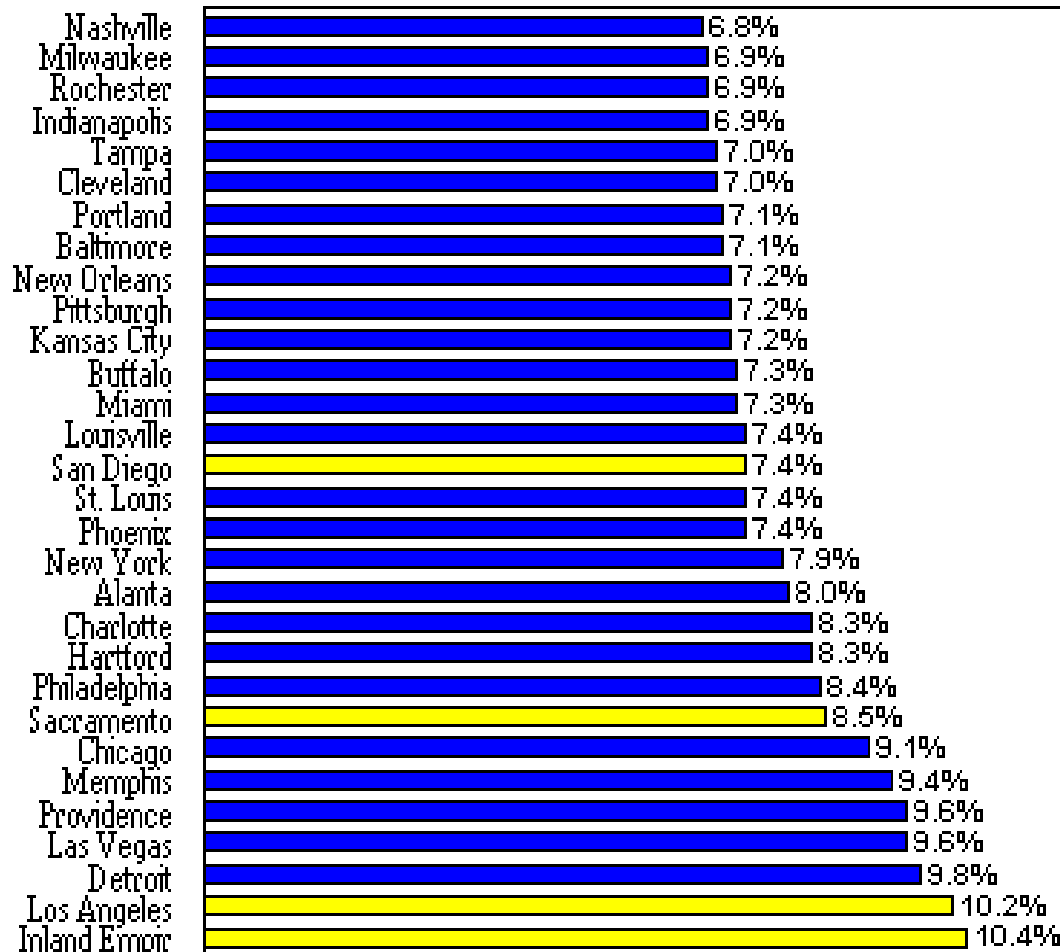
Exhibit 2.-Share & Number of Inland Residents Below Poverty Level

Census Bureau Year	People In Poverty	Share of Population in Poverty	Population
1990	306,417	11.8%	2,588,793
2000	477,496	14.7%	3,255,526
2012	828,431	19.0%	4,293,892
Changes	+170.4%	+7.2%	+65.9%

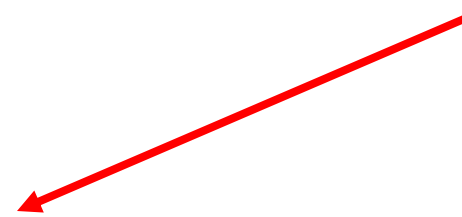
Hispanic:	23.9%
African American:	27.2%
White:	12.1%
Asian:	10.4%

# Worst U.S. Metropolitan Area Unemployment Rates

Unemployment Rates, Highest 30 of 50, August 2013  
Worst U.S. Metropolitan Areas, Over 1 million Population

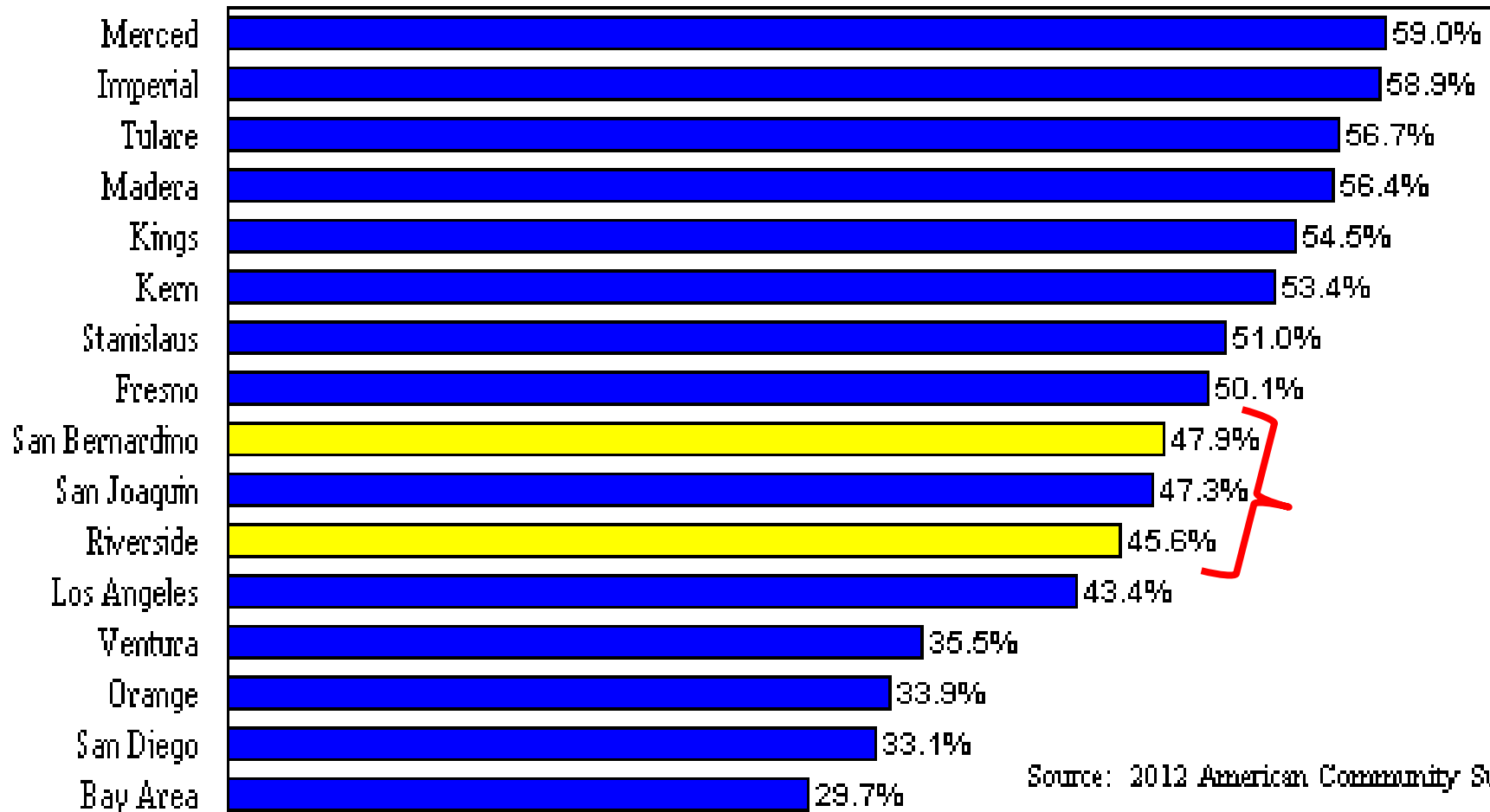


Source: U.S. Bureau of Labor Statistics  
Light Bars = CA Markets  
Los Angeles & Orange County Separated



# Adult Educational Level High School or Less, 2012

Share of Population High School or Less  
Southern California & Central Valley, 2012



Source: 2012 American Community Survey



# Major Socio-Economic Metrics

## Hispanic Adult Educational Level, 2011

### Social Justice Issue

County	Hispanics	High School or Less	Share
Los Angeles	2,685,944	1,847,407	68.8%
Riverside	529,863	355,523	67.1%
San Bernardino	533,129	352,080	66.0%
Ventura	183,696	118,009	64.2%
Orange	562,138	358,891	63.8%
San Diego	550,249	333,563	60.6%
Imperial	80,623	49,213	61.0%
<b>Southern California</b>	<b>5,125,642</b>	<b>3,414,686</b>	<b>66.6%</b>

**We will have Permanent & Growing Underclass with the Public Health & Social Justice Issues that this creates ...**

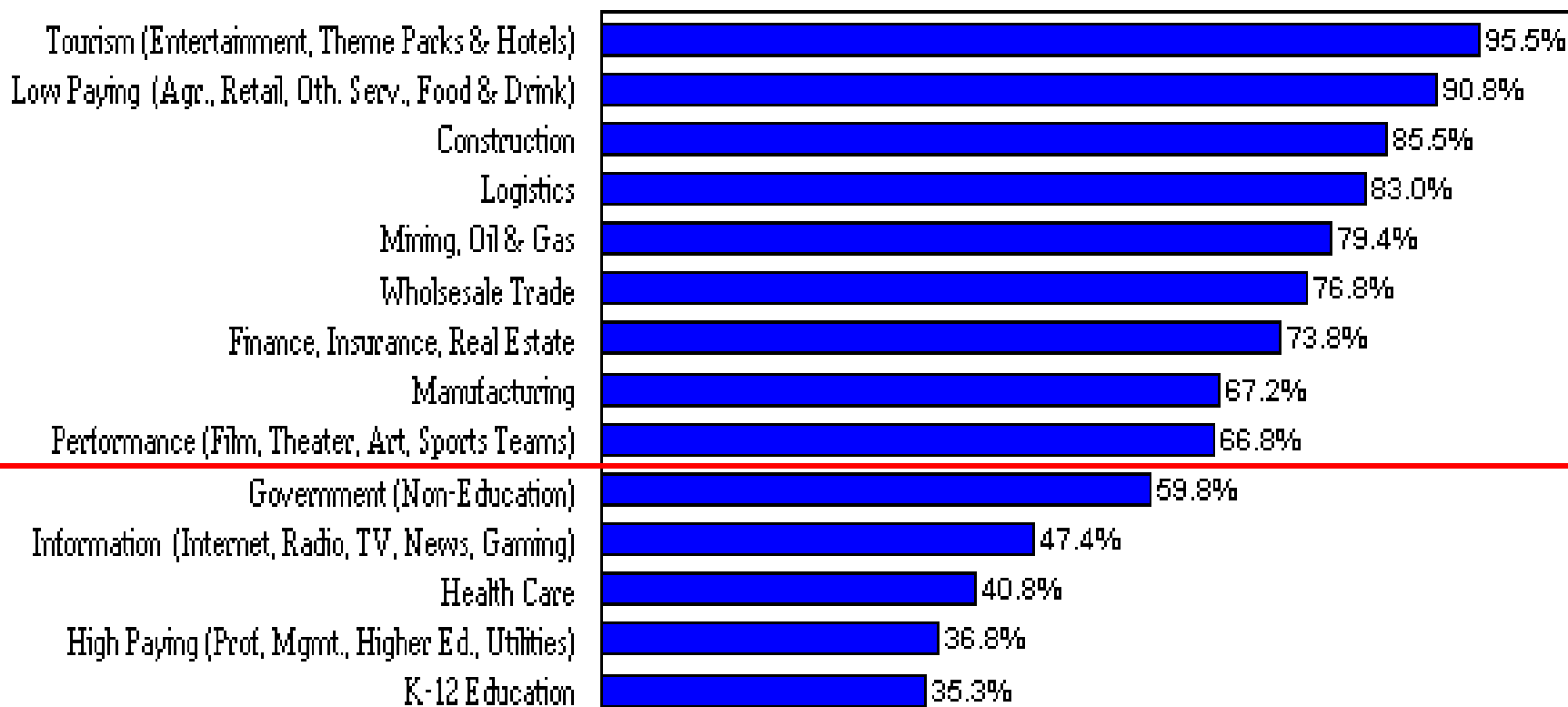
***Unless we undertake Concerted Efforts to address the Socio-Economic issues emerging in our region.***

# What is Needed?

- Sectors With Few Education Barriers to Entry
- Median Incomes Approaching Middle Class Earnings
- Skill Ladders Up Which Workers Can Move To Median Incomes
- Sectors Adding Jobs
- Short Course Adult Training in Specific Skills

# Sectors With High School or Less Education To Enter

## Share of Jobs, High School or less Inland Empire, 2013

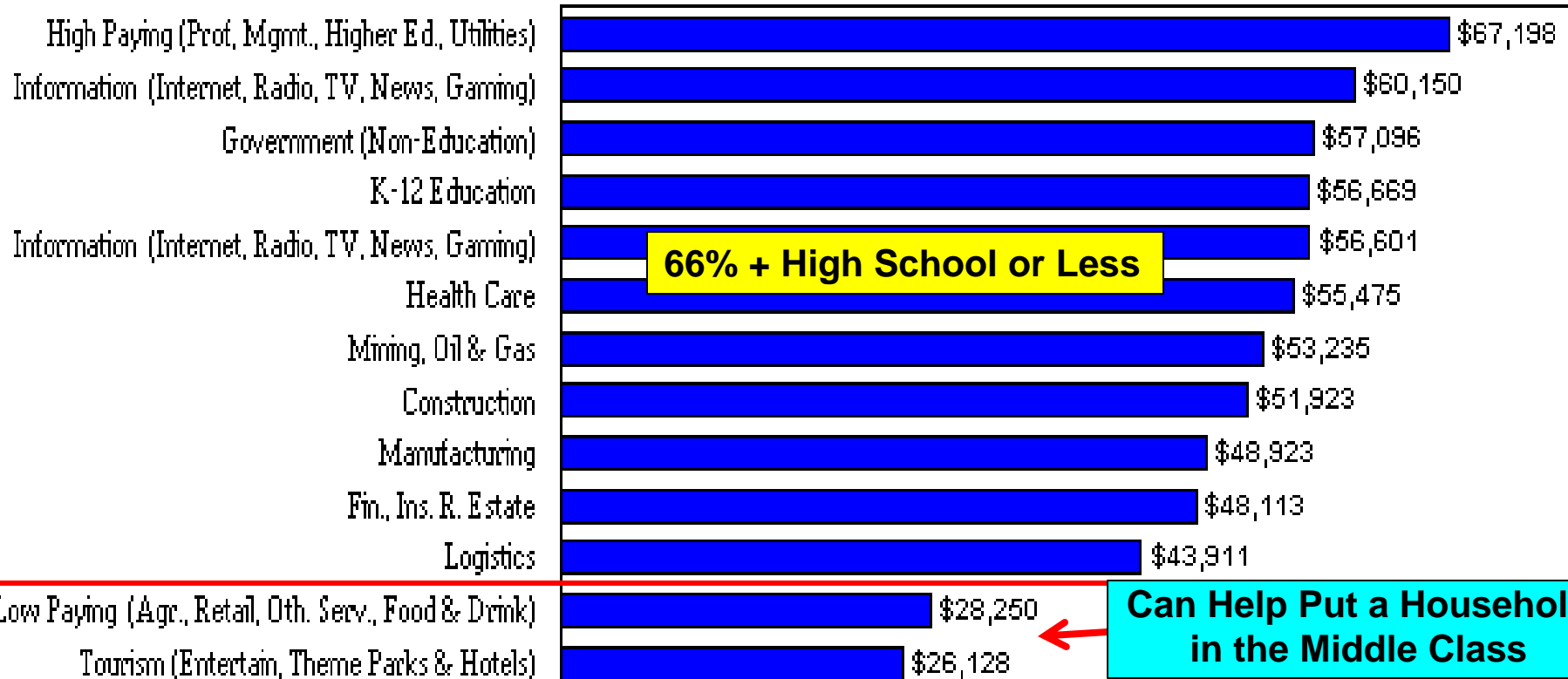


Note: Sector Occupational Structure CA, Occupations for Inland Empire

Source: CA Employment Development Department

# Median Incomes Approaching Middle Class Earnings

## Median Income By Sector Inland Empire, 2013

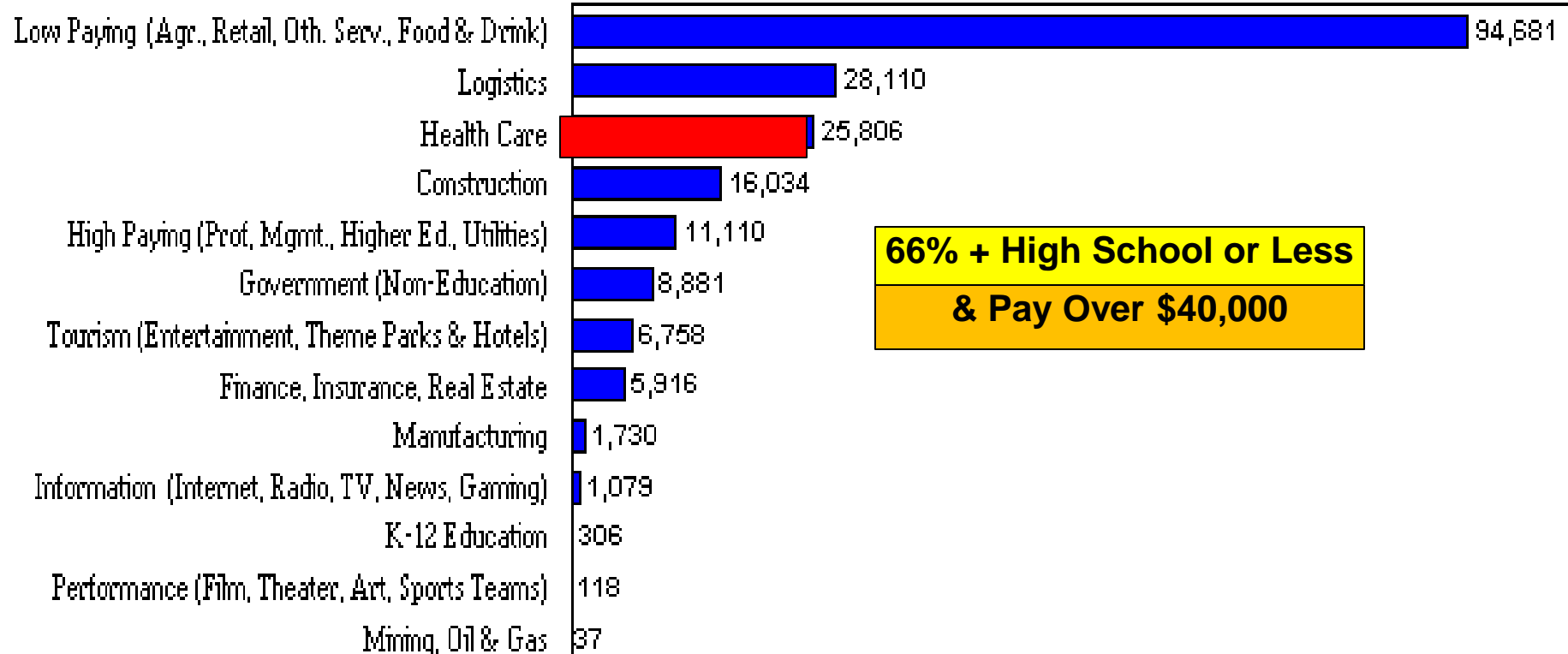


Note: Sector Occupational Structure CA, Occupations for Inland Empire

Source: CA Employment Development Department

# Job Growth: The Ultimate Challenge

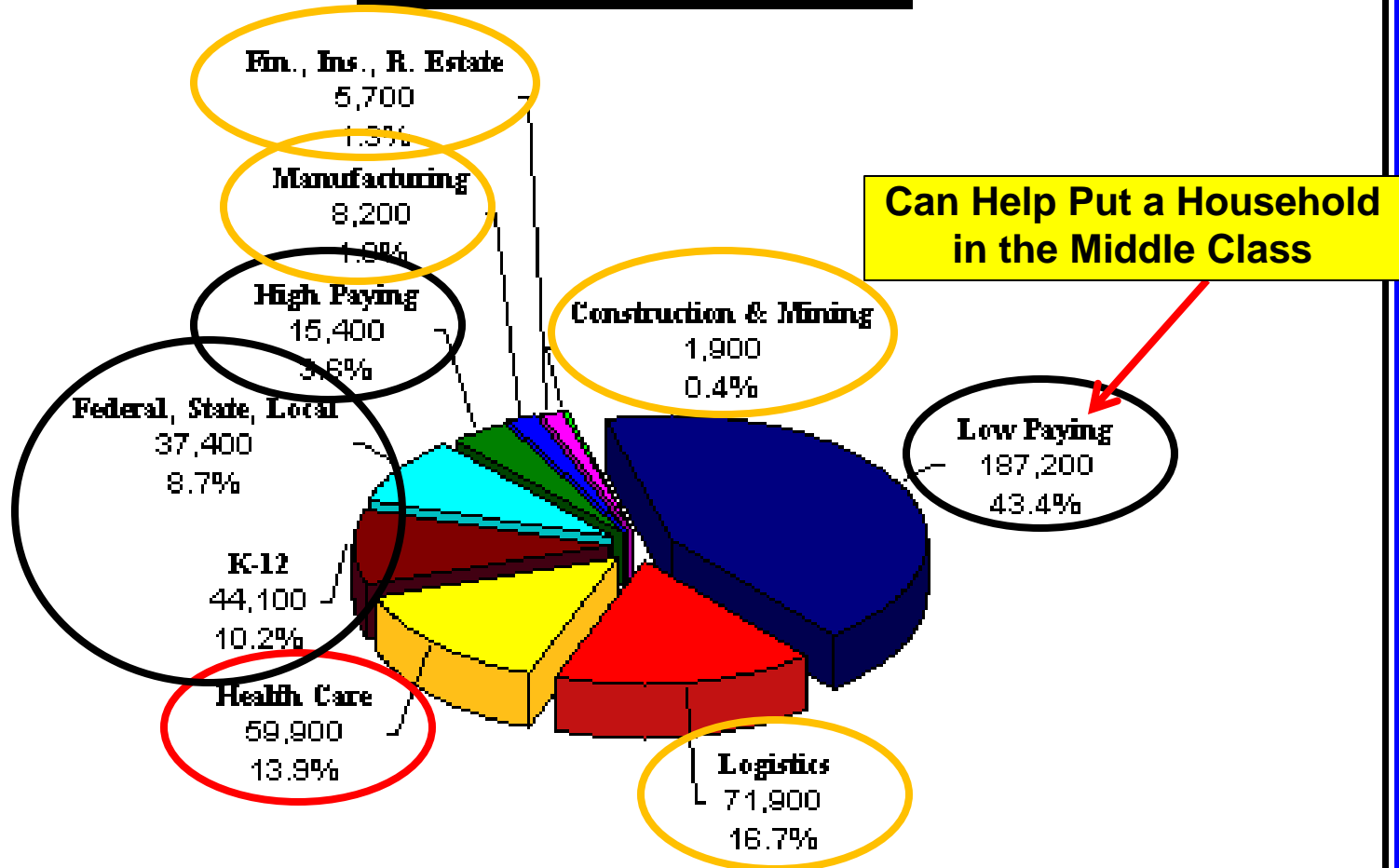
## Job Growth Estimate Inland Empire, 2012-2020



Source: CA Employment Development Department

# What Has Caused Long Term Inland Empire, Job Growth?

**Job Growth By Sector  
Inland Empire, 1990-2012**



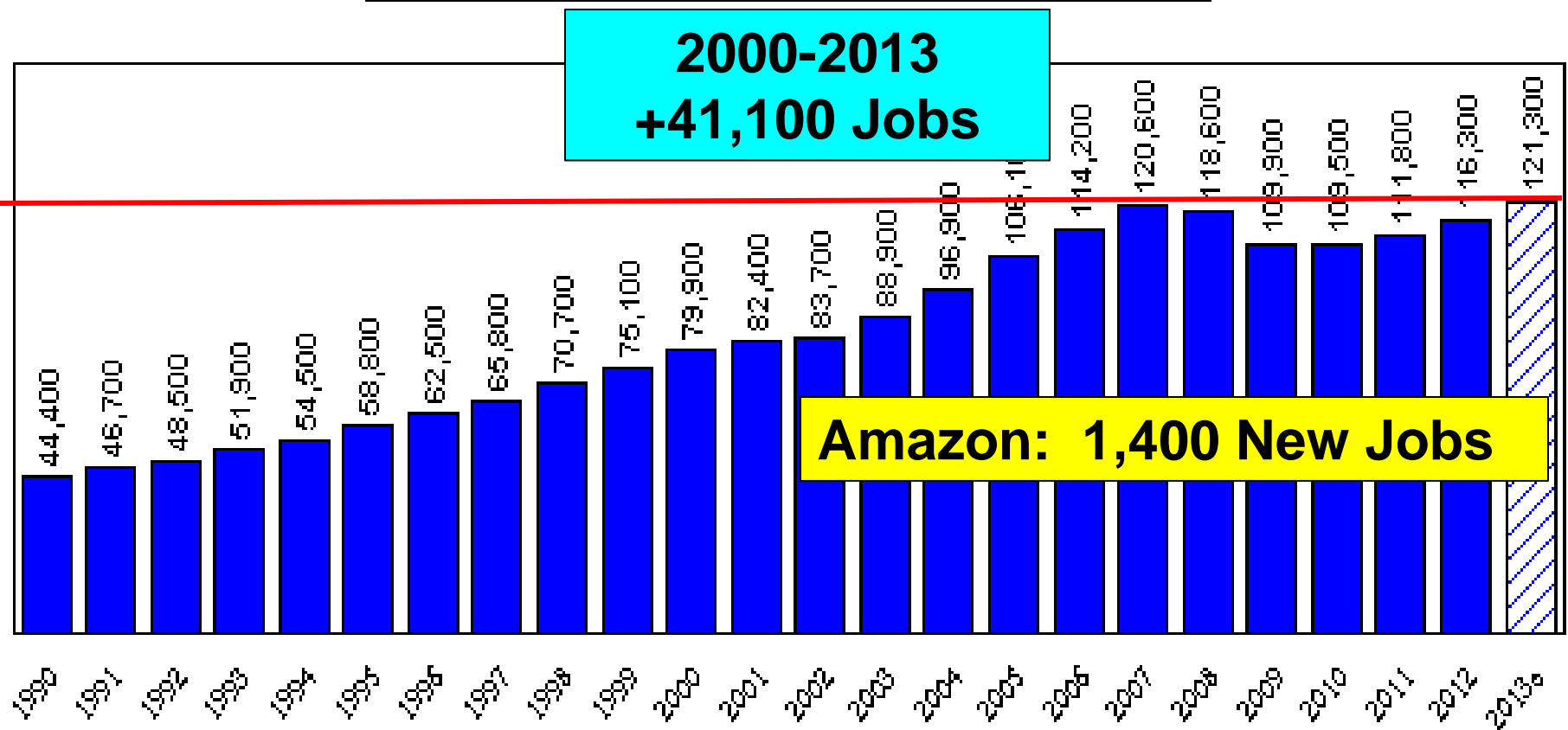
Source: CA Employment Development Department

# **Strategy For Modestly Educated Workers**



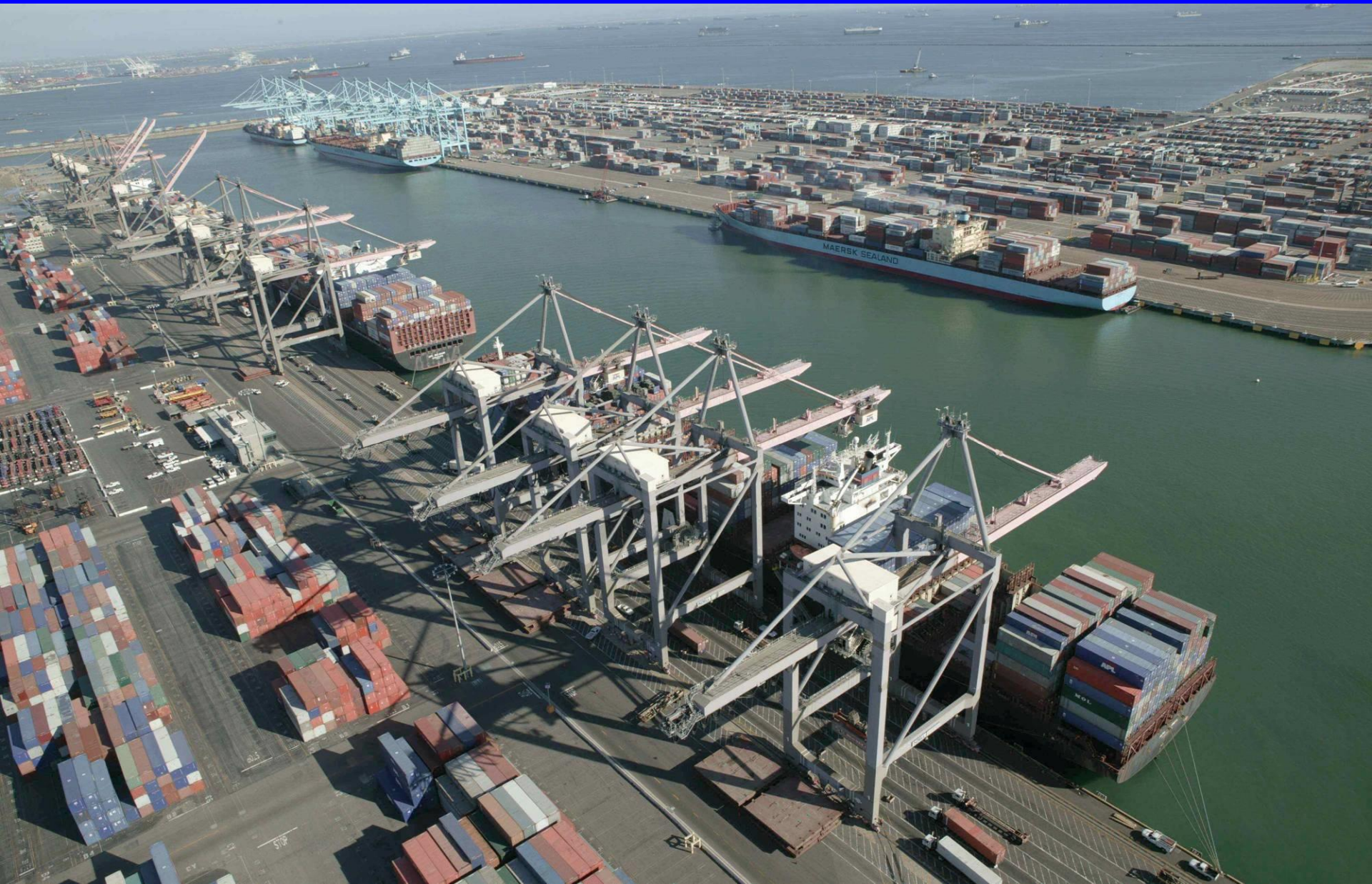
# 1. Logistics (\$43,911, Good Growth Prospects)

Exhibit 2.-Logistics Sector Job Growth  
Inland Empire, 1991-2013e



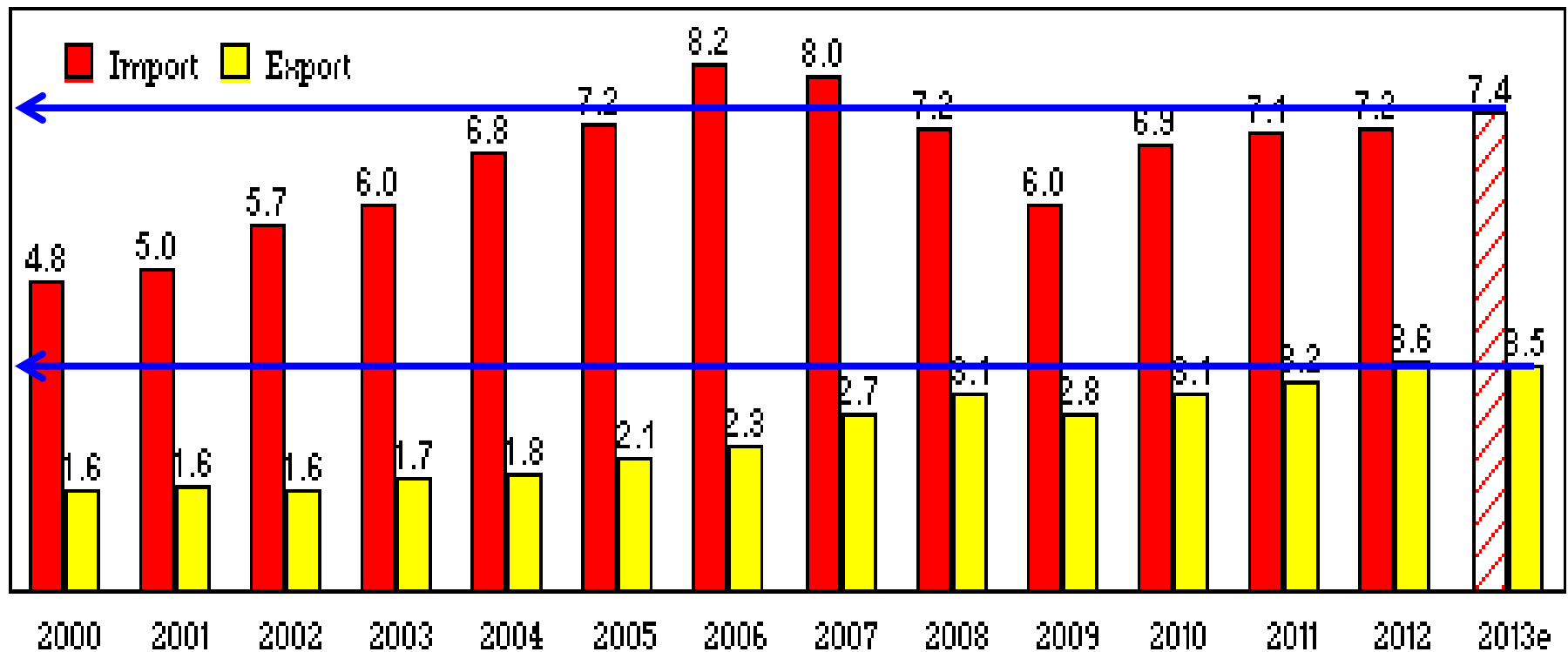
Source: CA Employment Development Department

# Logistics Flow of Goods



# Port Container Volumes

Exhibit 3.-Import & Export Container Volume, 2000-2013e  
Ports of Los Angeles & Long Beach (mil. teus)



2013 = Based upon experienced Year to Date, June

Source: Port Import Export Reporting Service (PIERS), collected from Vessel, LA-LE for 2011-2013



amazon.com



# Fulfillment Warehousing



# 17 Firms Looking For Space: 7 Are Fulfillment Centers

Confidential Retailer	E-Comm	1,500,000
Confidential Retailer	E-Comm	1,000,000
Ashley Furniture	E-Comm	1,000,000
Deckers Outdoor Corp	Distribution	800,000 to 1,000,000
Georgia Pacific	E-Comm	700,000 to 1,000,000
<b>OAKLEY</b>	Distribution	500,000 to 800,000
Aldi Grocers	Distribution	700,000 to 900,000
Medline, Inc.	Distribution	850,000
Kohl's	E-Comm	700,000
Yokohama Tires	Distribution	700,000
<b>LF USA</b>	E-Comm	700,000 to 800,000
ULINE	Distribution	600,000
DSC Logistics / Kraft	Distribution	600,000 to 700,000
<b>3M</b>	Distribution	500,000
<b>ONE WORLD DIRECT</b>	E-Comm	450,000
Genco	Distribution	
Subaru	Distribution	

Source: Jones LaSalle

**Average Square Feet Per Job Combined = 1,641 to 1,693**

# Logistics As Percent Inland Job Growth Jan-June 2012 - 2013

Total Job Growth	18,333
Logistics	5,067
Share	27.6%

# Training Need

## Skills Taught To Logistics Sector's Standards

- Information Technology Skills
- Norco College + Distribution Management Association

# Issue: South Coast AQMD

Full EPA Ozone Attainment Not Possible Unless Reduce Truck Emissions Beyond What Current Technology Can Achieve

## Clash

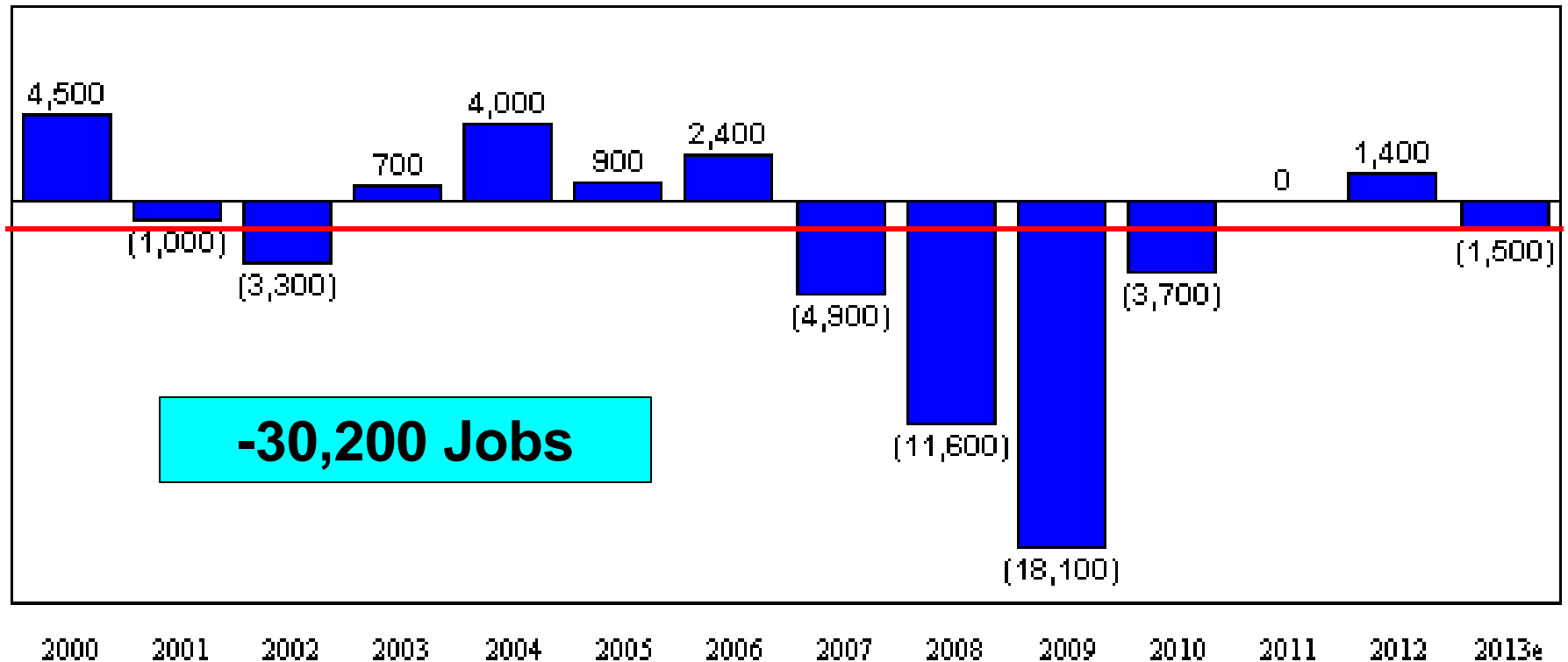
Public Health ... Socio-Economic Gain

Public Health ... Clean Air



## 2. Manufacturing (\$48,923, Poor Growth Prospects)

Exhibit 12.-Manufacturing Sector Job Growth  
Inland Empire, 2000-2013e



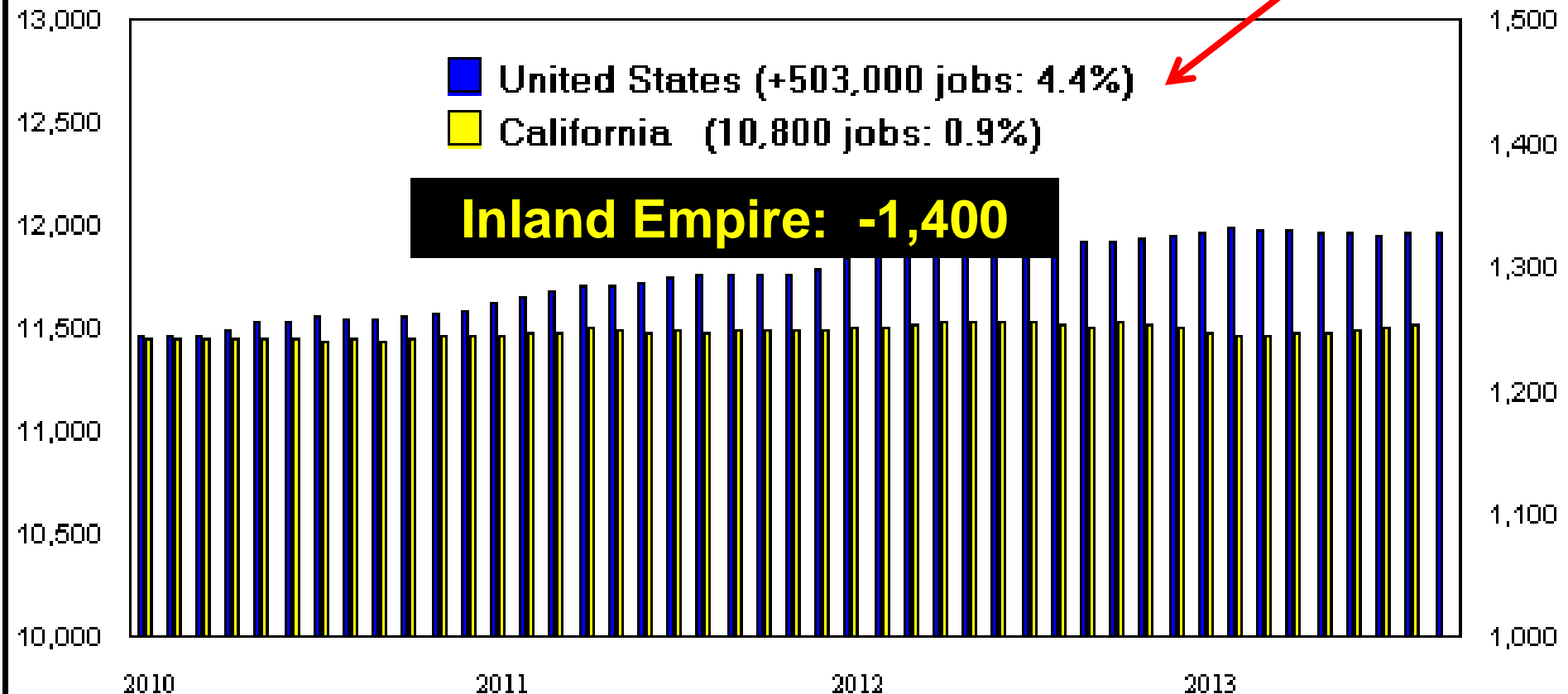
**-30,200 Jobs**

2013 based upon growth rate first eight months

Source: CA Employment Development Department

# U.S. v. California Manufacturing Jobs

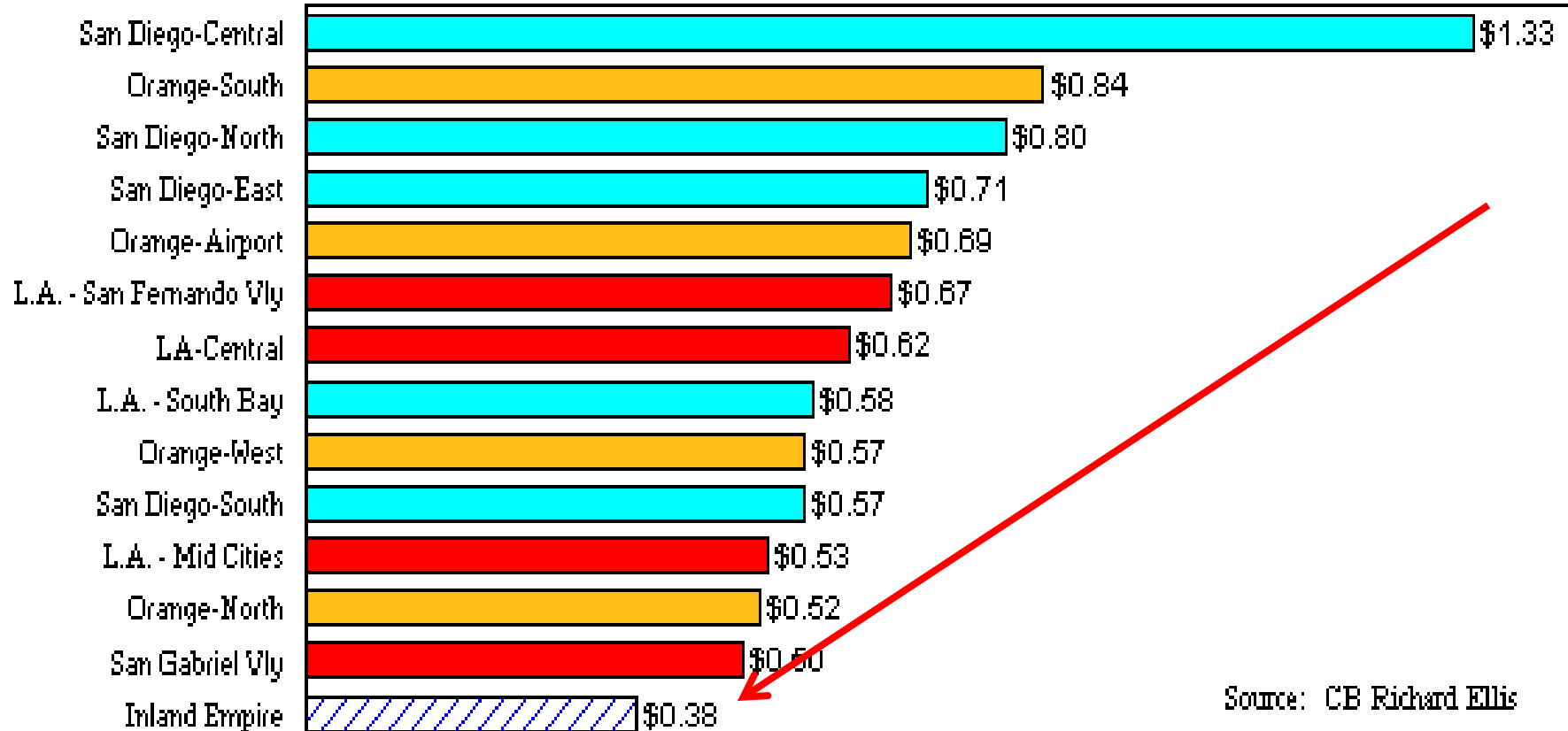
**Exhibit 9.-Manufacturing Job Trends, Seasonally Adjusted  
U.S. & California, 2010-2013 (000)**



Sources: U.S. Bureau of Labor Statistics, CA Employment Development Department

# Competitive Space Cost Advantage

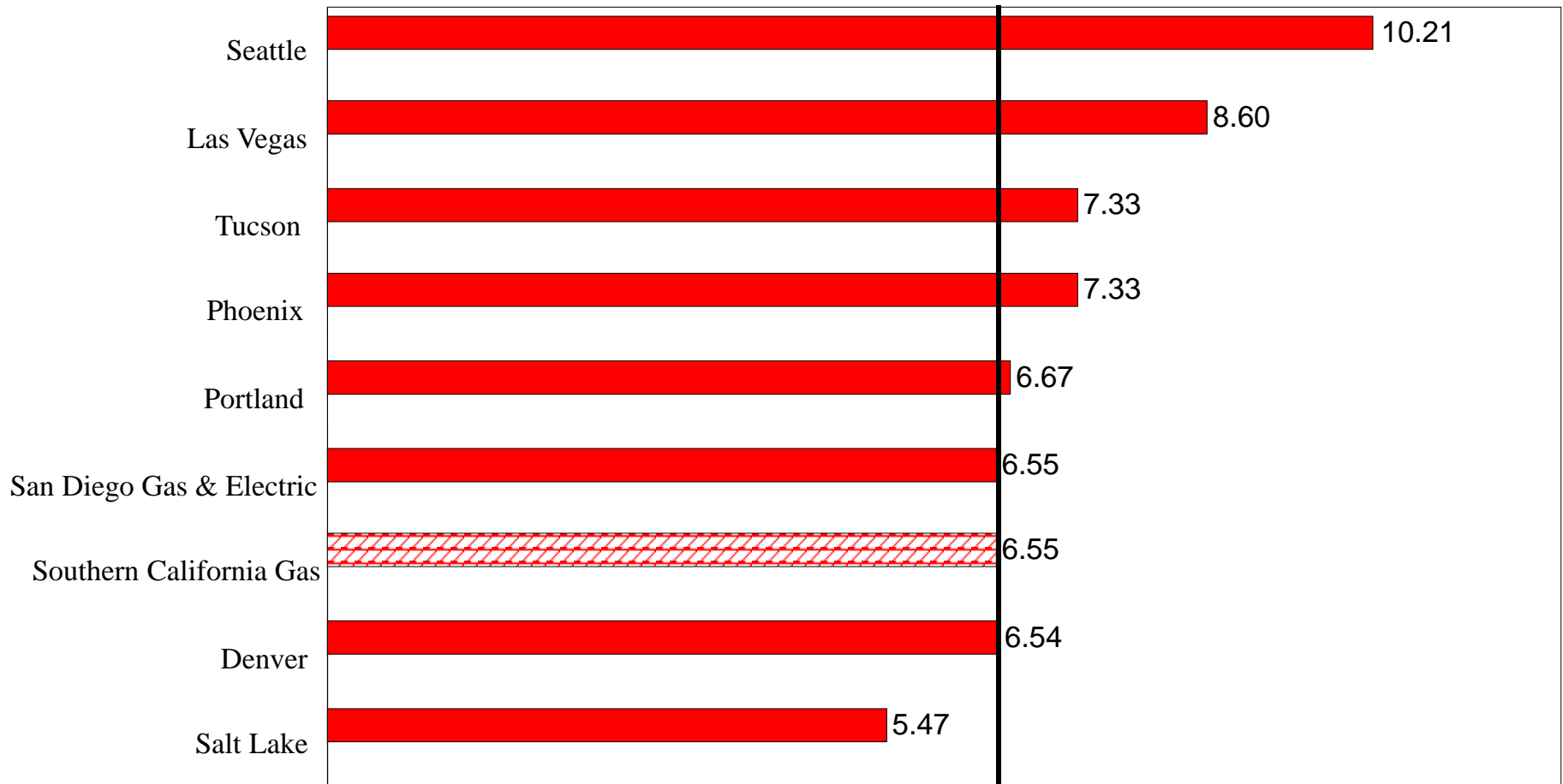
## Industrial Space Costs (Sq. Ft./Mo.) Southern California, Sub-Markets, March 2013



Source: CB Richard Ellis

# Natural Gas: 3<sup>rd</sup> Lowest of Competitive Markets

Exhibit 64.-Natural Gas Rates, Cents Per 1,000 Cubic Feet  
Southern California & Competitive Markets, November 2011



# Issue: Regulation



**Best State To Conduct Business:  
California Ranked 50<sup>th</sup>**

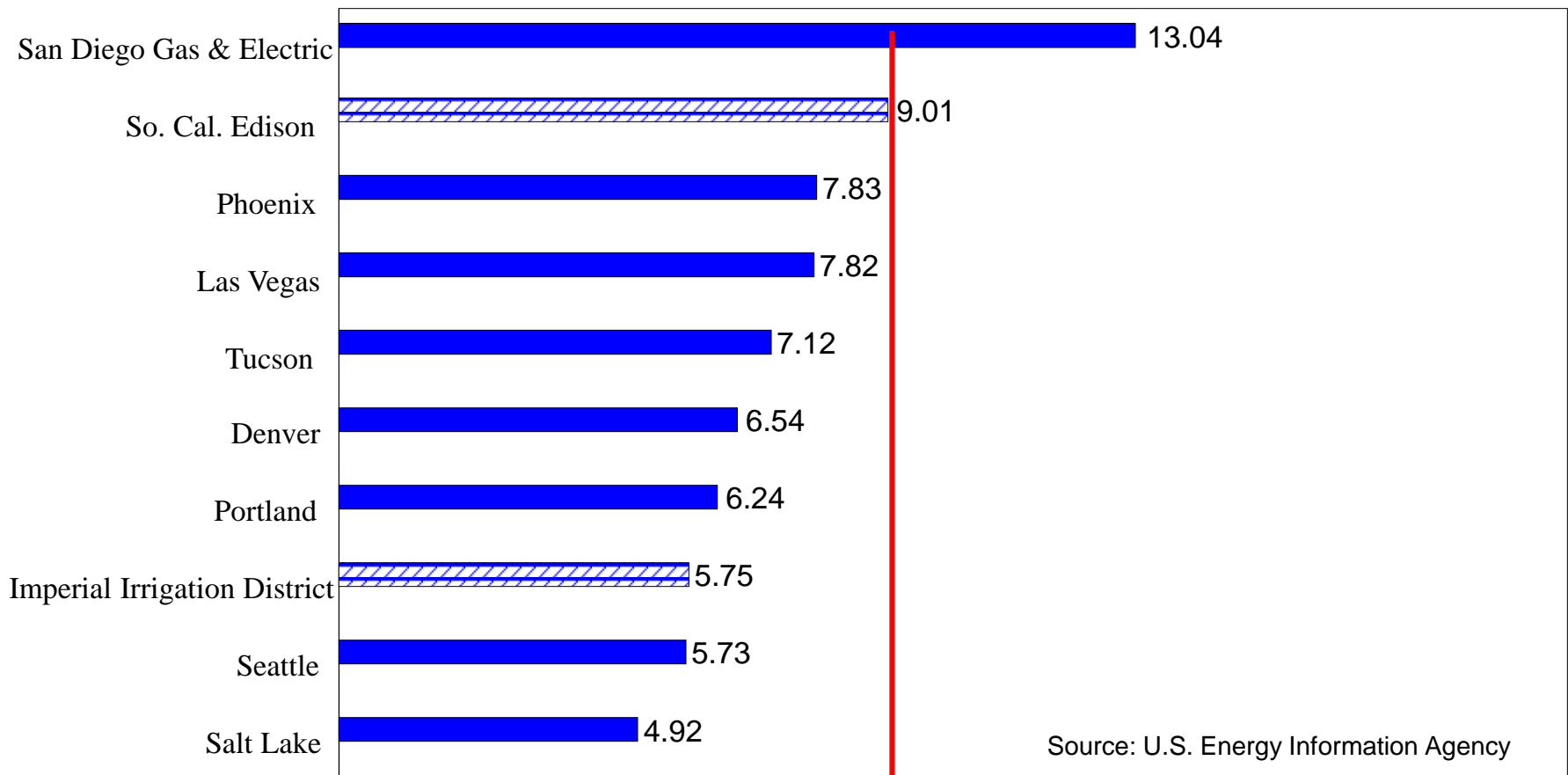
**Can't Plan If Rule Making In Constant Flux**

**Inefficiency of Regulators**

**Must Use Best Technology – Cost Layering A Result**

# Electrical Cost Highest of Competitive Markets

Exhibit 63.-Electric Rates, Cents Per Kilowatt Hour  
Southern California & Competitive Markets, November 2011



Source: U.S. Energy Information Agency

# Training Need

## Skills Taught To Manufacturing Sector's Standards

- Chaffey College + Manufacturer's Council
- Kelly Space & Technology Non-Profit Machinist's Center

# Issue: South Coast AQMD

Full EPA Ozone Attainment Not Possible Unless Electrify The  
Southern California Area

## Again A Clash

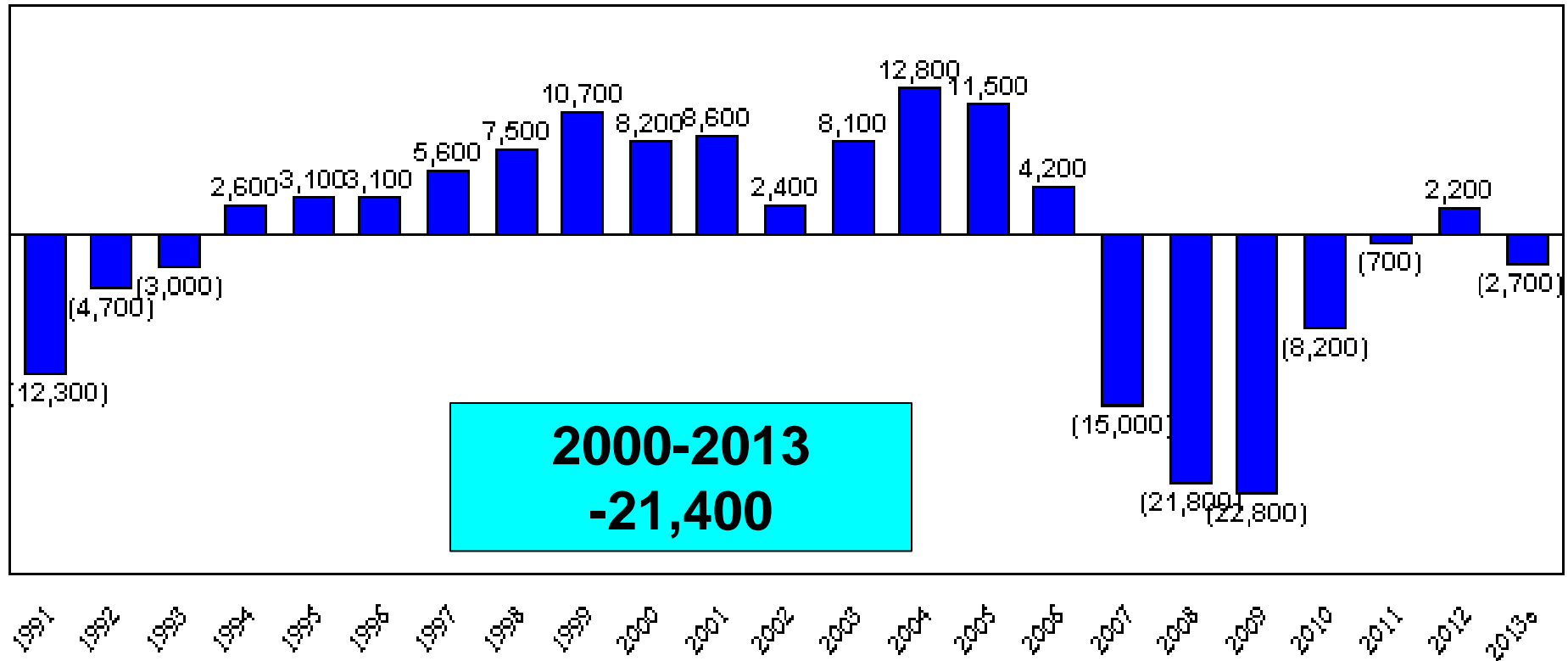
Public Health ... Socio-Economic Gain

Public Health ... Clean Air



# 3. Construction (\$46,234, Modest Growth Prospects)

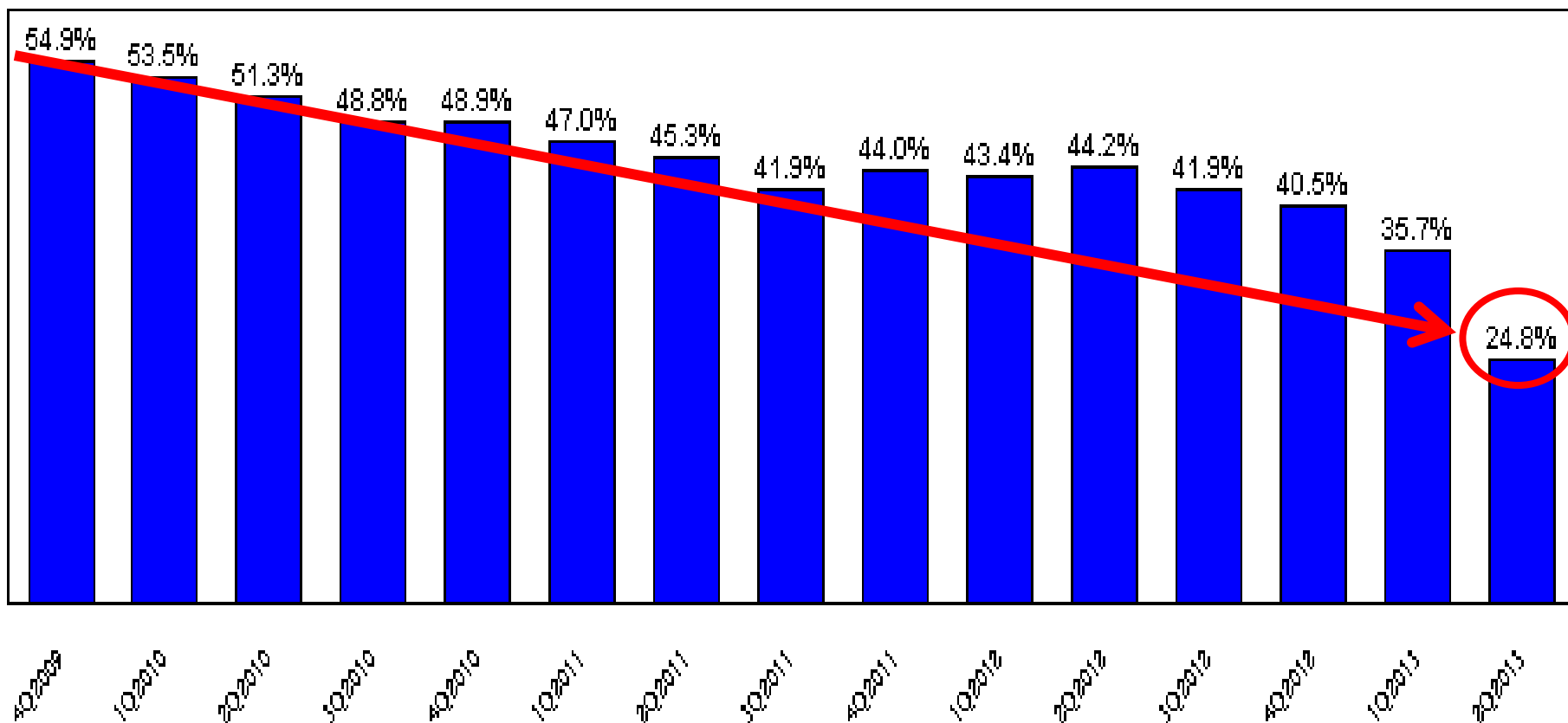
Exhibit 8.-Construction Employment Growth  
Inland Empire, 1991-2013e



Source: CA Employment Development Department

# Share of Underwater Homes Plunging

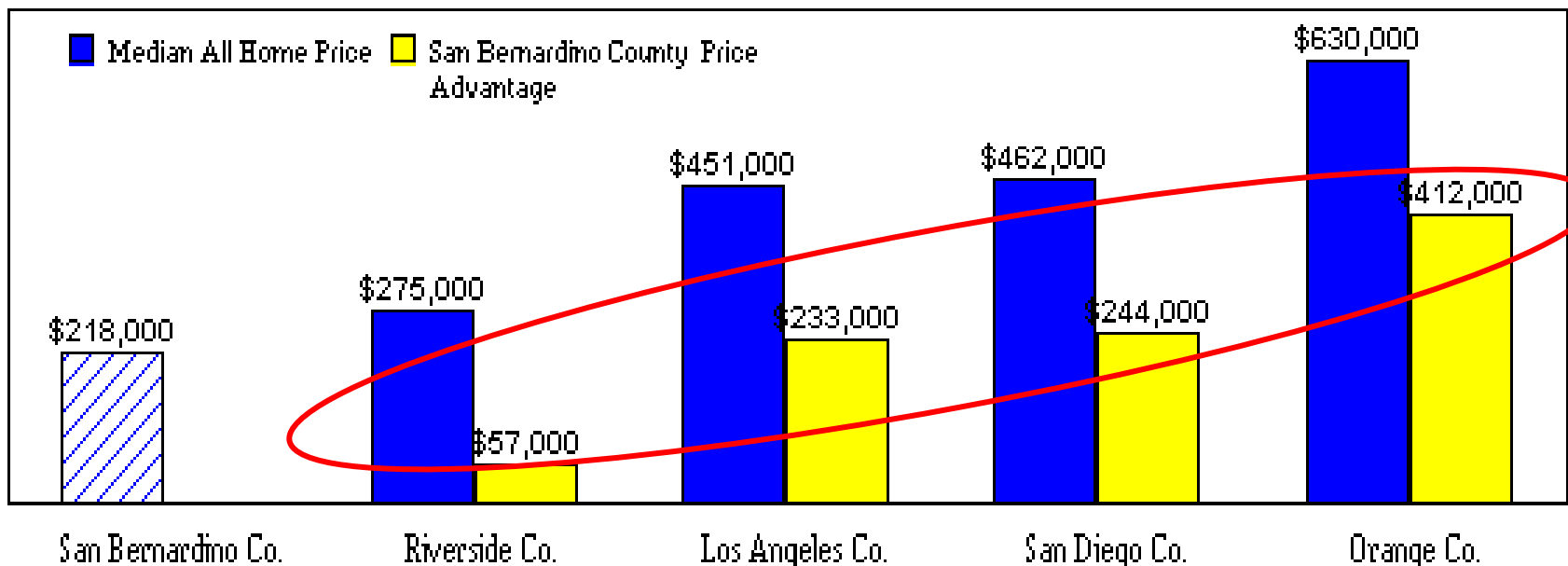
Exhibit 13.-Share of Mortgages Underwater  
Inland Empire, 4Q2009 - 2Q2013



Source: CoreLogic Market Pulse

# Long Term Competitive Price Advantage Still Exists

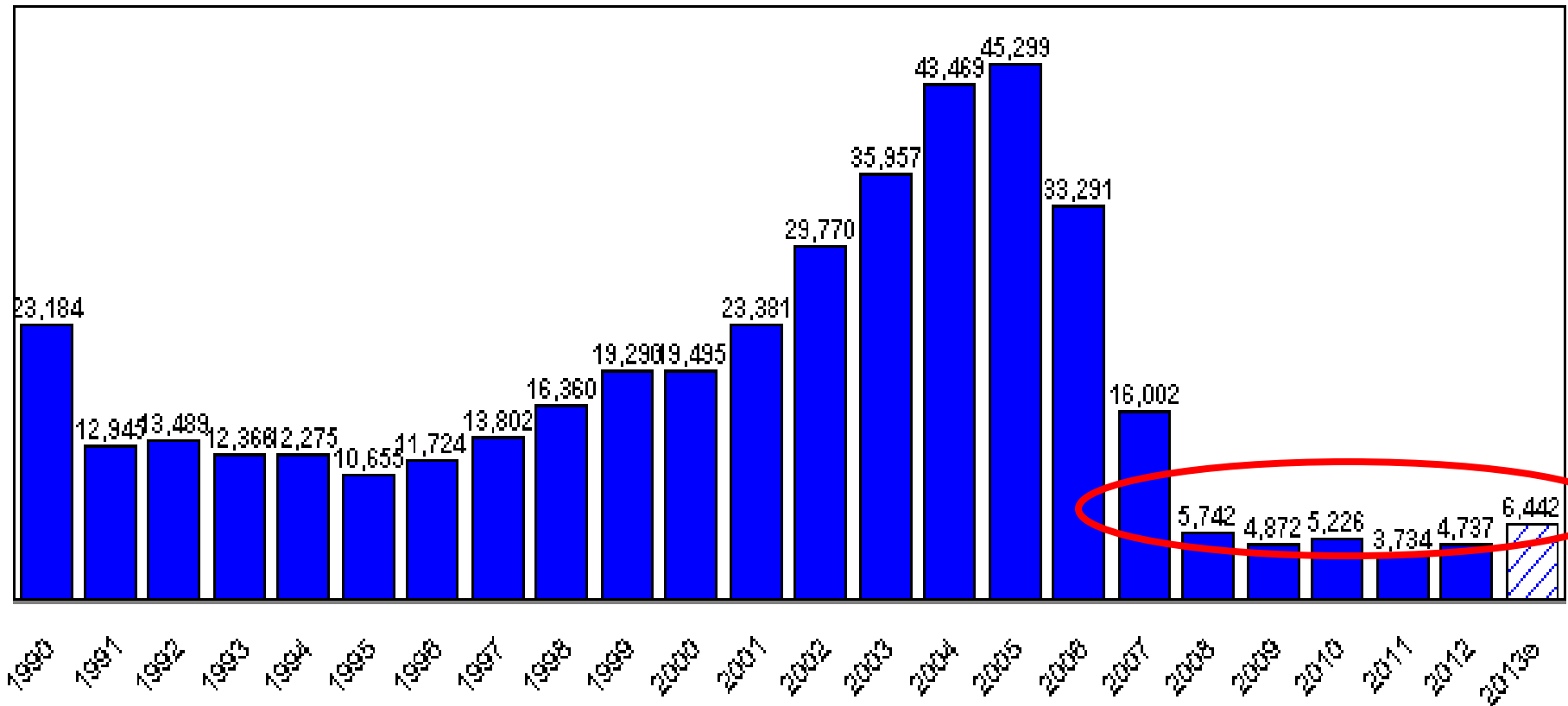
Exhibit 20.-Home Prices, So. California Markets  
Median Priced New & Existing Home, 3rd Quarter 2013



Source: Dataquick & Zillow.com

# Permits: Finally Some Optimism

Exhibit 7.-Single Family Building Permits  
Inland Empire, 1990-2013e



Source: Construction Industry Research Board, Construction, Construction Home Building Foundation

# **Issue: CA Environmental Quality Act**

CA “Lets Sue Until They Run Out of Money Act”

**NIMBY’S**

**Natural Resources Defense Fund, Center For Biological Diversity**

**Cash Flow to Some Lawyers**

**Unions**

## **A Clash**

**Public Health ... Socio-Economic Gain**

**Public Health ... Environmental Policies**

# What About The Environment?

Important ... But lowest priority in Public Health Determinants according to Robert Wood Johnson/University of Wisconsin

Yet, it has been elevated almost to the exclusion of other priorities

No Longer The Era of 3<sup>rd</sup> Stage Smog Alerts When AQMD Might Have Been Justified In Raising Kaiser Steel's Costs So High It Closed ...  
Destroying 8,800 Highly Paid Union Jobs

# **What Is The Environmental Record?**

# PM 2.5: CARB Shows Decrease As Industrial Square Footage Grow

EPA Is Lowing The PM2.5 Standard ... That Does Not Eliminate The Fact That The Trend Is Steeply Downward

ial

Monitoring Sites	Mira Loma-Van Buren	Riverside-Magnolia	Riverside-Rubidoux	Fontana-Arrow Highway	Ontario-1408 Francis Street	San Bdn 4th Street
2001			120.2	58.2	79.5	80.8
2002		88.4	92.6	73.7	67.4	88.9
2003		69.7	78.1	54.3	62.2	55.2
2004	*	47.8	57.3	*	*	*
2005	*	*	39.7	22.9	25.3	9.3
2006	46.2	31.3	*	27.2	*	*
2007	43.4	*	*	*	*	*
2008	*	12.4	15.0	19.3	19.4	9.5
2009	19.0	6.0	15.1	6.2	9.0	6.2
2010	8.0	6.3	4.0	6.6	3.2	5.9
2011	13.0	7.1	5.0	7.1	6.8	*
<b>2012</b>	<b>7.0</b>	<b>*</b>	<b>7.0</b>	<b>10.6</b>	<b>0.0</b>	<b>0.0</b>
Change From Highest	-39.2	-81.3	-113.2	-63.1	-79.5	-88.9
<b>Change</b>	<b>-84.8%</b>	<b>-92.0%</b>	<b>-94.2%</b>	<b>-85.6%</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>Net Absorption Since Highest</b>	<b>86,378,254</b>	<b>183,911,357</b>	<b>229,967,544</b>	<b>183,911,357</b>	<b>229,967,544</b>	<b>183,911,357</b>



# Ozone: CARB Shows Decrease As Industrial Square Footage Grows

Days Over State One Hour Ozone Standard vs. Square Feet Net Industrial Absorption

	Lake Elsinore-W Flint Street	Mira Loma 10551 Bellegrave	Perris	Riverside- Rubidoux	Banning Airport	Fontana	Redlands	San Bdn-4 <sup>th</sup> Street	Upland
2001	62	NA	73	41	63	45	68	56	53
2002	52	NA	59	56	64	37	66	43	36
2003	50	NA	67	80	75	65	91	59	48
2004	34	NA	36	59	49	48	76	55	31
2005	32	NA	0	46	47	49	36	54	34
2006	42	NA	77	45	57	48	62	57	52
2007	26	NA	66	31	28	40	54	48	32
2008	49	NA	65	54	57	55	72	62	51
2009	24	30	53	25	55	45	62	53	51
2010	15	21	42	31	31	28	43	27	31
2011	19	18	44	52	35	39	64	40	36
2012	10	2	28	27	40	61	66	41	42
Drop Since Max	-52	-28	-49	-53	-35	-4	-25	-18	-11
<b>Percent Drop</b>	<b>-83.9%</b>	<b>-93.3%</b>	<b>-63.6%</b>	<b>-66.3%</b>	<b>-46.7%</b>	<b>-6.2%</b>	<b>-27.5%</b>	<b>-30.5%</b>	<b>-20.8%</b>
<b>SF Net Industrial Absorption</b>	<b>229,967,544</b>	<b>37,216,355</b>	<b>86,378,254</b>	<b>158,527,966</b>	<b>158,527,966</b>	<b>158,527,966</b>	<b>158,527,966</b>	<b>158,527,966</b>	<b>229,967,544</b>

**Impact of Cleaner Trucks & Trains Being Felt**

**A Cleaner Environment Should Be An Element In Strategies To Create Better Public Health ...**

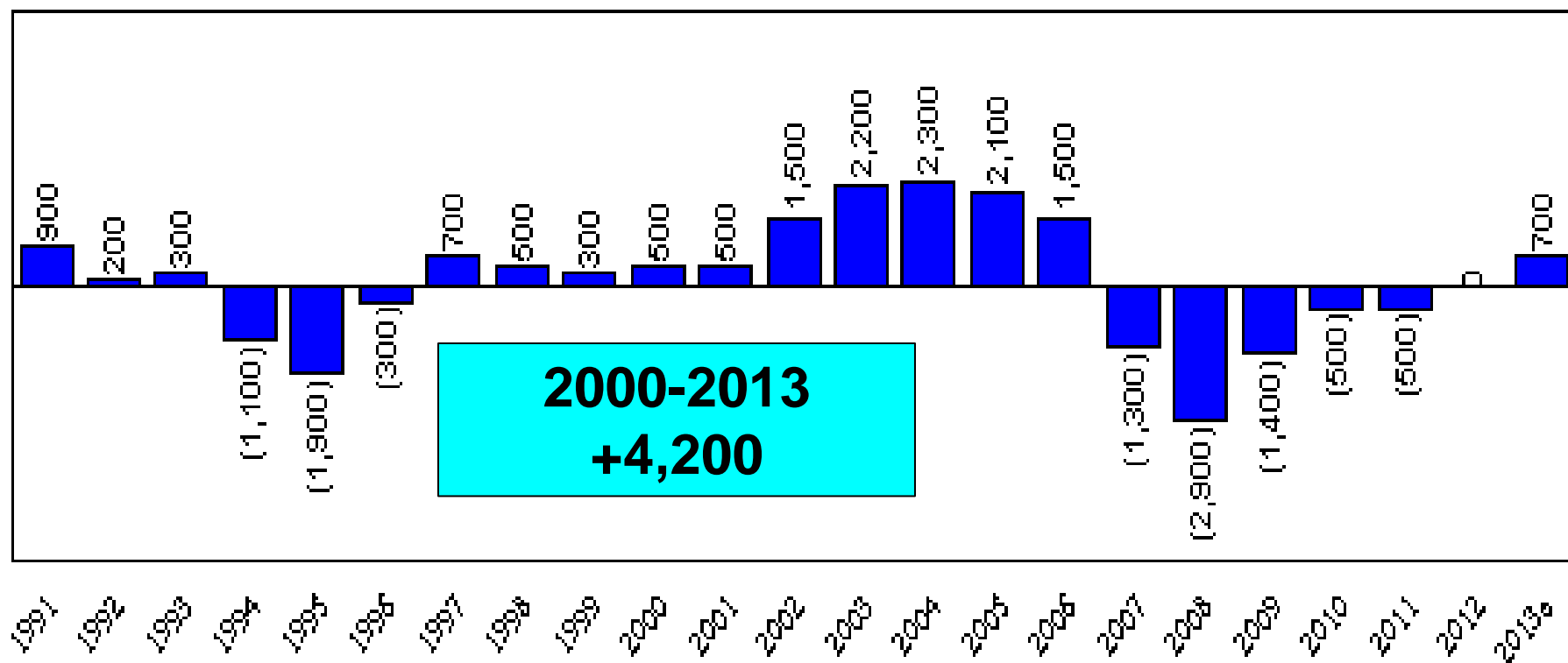
**But Public Health Priorities Require this NOT come at the Expense of Socio-Economic Gains ...**

**That happened to Manufacturing and is being proposed for Logistics**

# 4. Finance, Insurance, Real Estate

(\$48,113, Modest Growth Prospects)

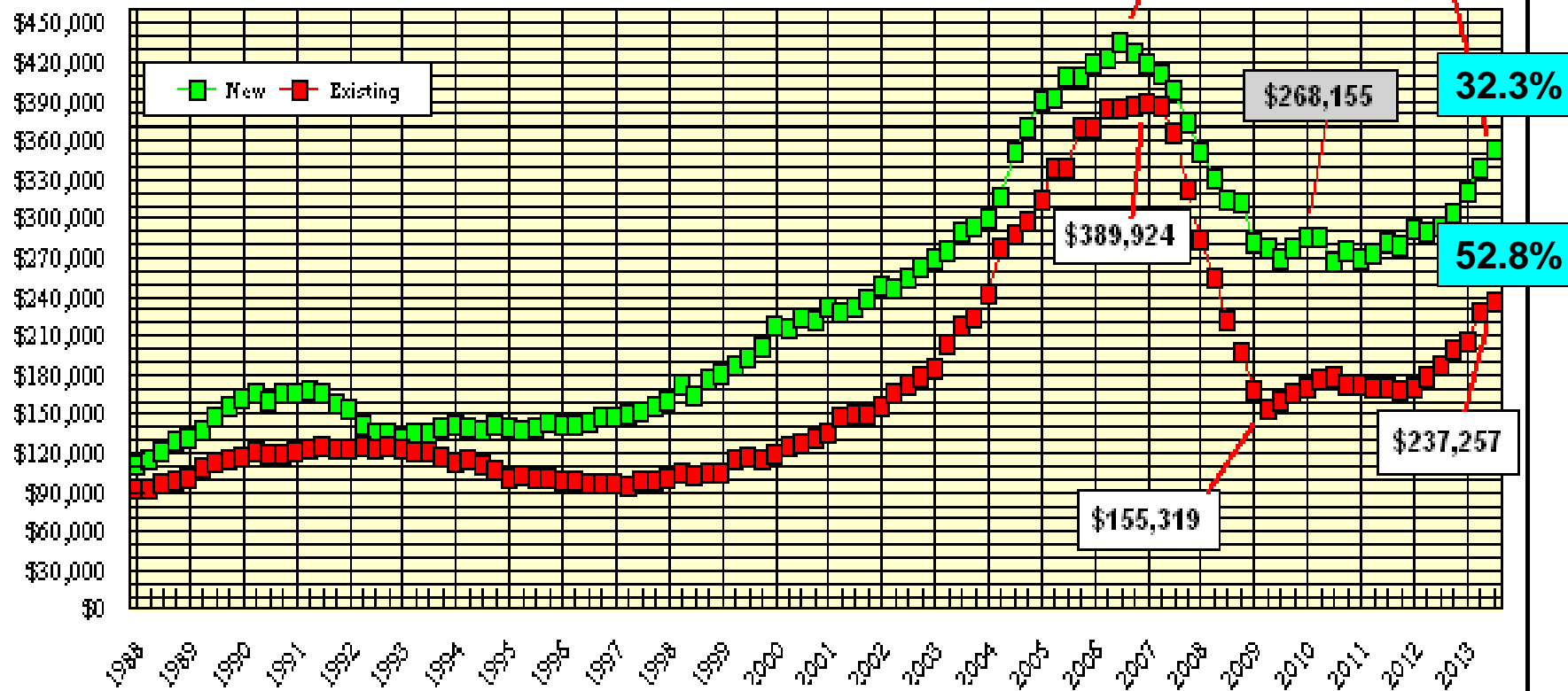
Figure 16.-Finance & Insurance Growth  
Inland Empire, 1991-2012



Source: CA Employment Development Department

# Home Price Trends

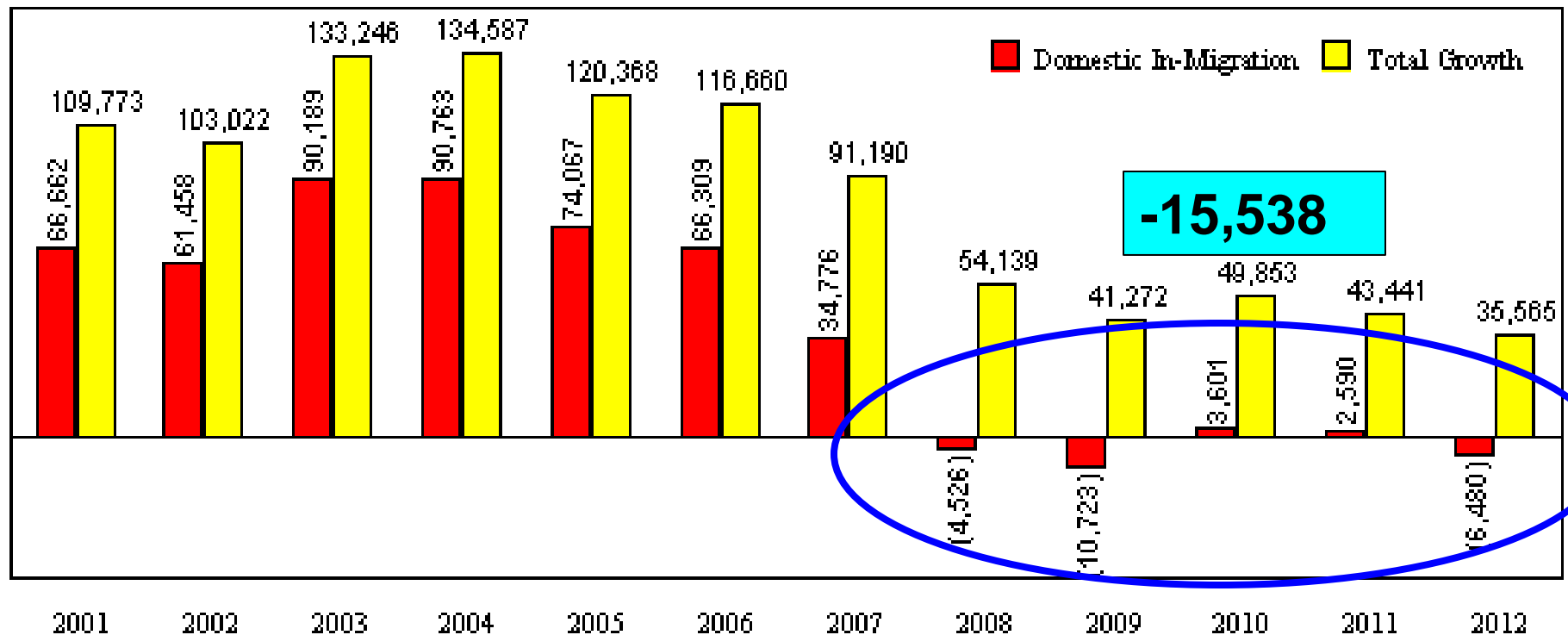
Exhibit 12.-Price Trends, New & Existing Homes  
Inland Empire, 1988-2013, Quarterly



Source: Dataquik & Economics & Politics, Inc.

# Population Growth

Exhibit 3.-Total Population Growth & Domestic In-Migration  
Inland Empire, Annual Change, 2001-2012



Source: CA Department of Finance, E-2 Reports

# Training Need

## Skills Taught To Finance Sector's Standards

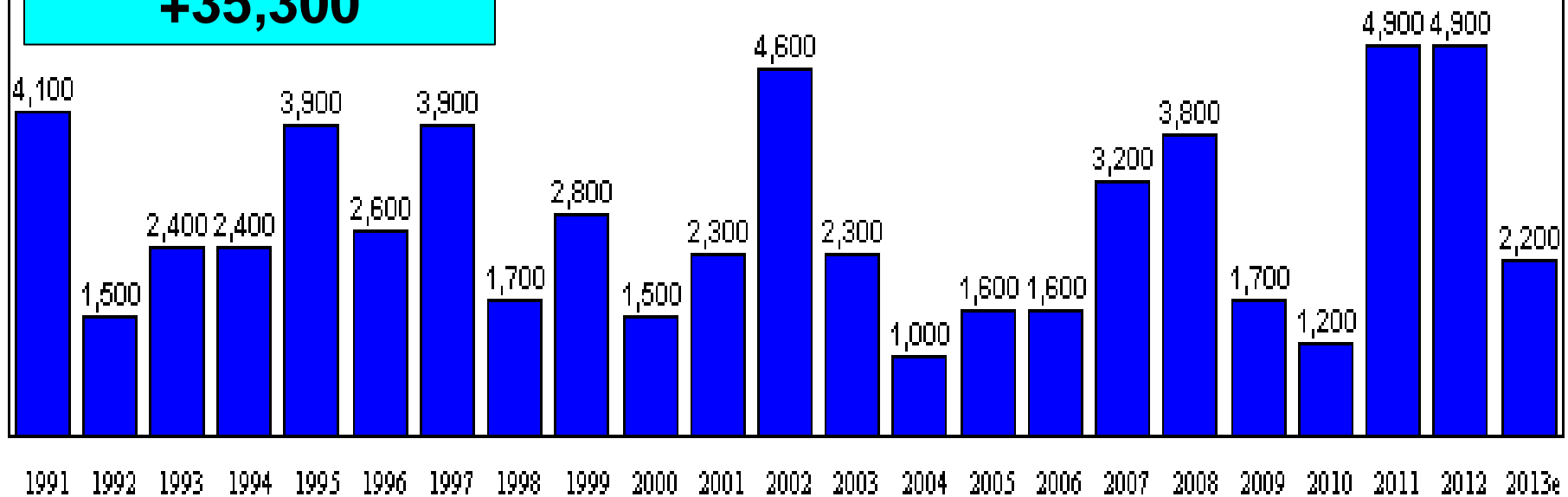
- Real Estate Licensing
- Escrow & Title Work
- Banking Specialties

# 5. Health Care

(\$55,475, Strong Growth Prospects)

Health Services Job Growth  
Inland Empire, 1991-2013e

**2000-2013**  
**+35,300**



Source: CA Employment Development Department

# Training Need

## Current Network Will Not Fill The Need

### Skills Taught To Health Care Sector's Standards

- Physicians (*UCR Medical School*)
- RN Nurses (*Cal State, Community Colleges*) ... Not Enough
- LVN (*Community Colleges, Private Schools*)
- Nurses Assistants (*Private Schools*)
- Technicians (*Private Schools*)

**Complaint: Schools don't train at speed and technical standards needed by providers**



# Health Care Demand Set To Explode

<b>People Without Health Insurance (2012):</b>	<b>828,431 (19.0%)</b>
<b>People Will Age, Already Those 55 &amp; Over are</b>	<b>926,696 (21.3%)</b>
<b>Population Growth Will Resume (2000-2013)</b>	<b>1,075,807 (33.0%)</b>
<b>Inland Health Care Workers Handle More People Than CA: (35%)</b>	

# **Economic Strategy For Socio-Economic Improvement**

- **Logistics – Encourage Expansion (*AQMD Issue*)**
- **Construction – Get Back to Work (*CEQA Issue*)**
- **Manufacturing – Must Find a Solution for Growth (*AQMD*)**
- **Finance, Insurance, Real Estate – Get Growth Going Again**
- **Health Care – Obamacare Success, Create Training Heft**
- **Air Quality – Continue Improvement But NOT At A Pace Hurting Socio-Economics (*EPA Lawsuit*)**

**“Economic growth and job creation provide more than income and the ability to afford health insurance and medical care. They also enable us to live in safer homes and neighborhoods, buy healthier food, have more leisure time for physical activity, and experience less health-harming stress. The research clearly shows that health starts in our homes and communities and not in the doctor’s office.**

**In that way, economic policy is, in fact, health policy.”**

**CEOs of Robert Wood Johnson Foundation & Opportunity Finance Network** (national network of community development finance institutions)

**Put bluntly, it does our region little good if we create a totally pristine environment but let people increasingly die of the diseases and behaviors fostered by poverty.**

[www.johnhusing.com](http://www.johnhusing.com)

