

# economic and business climate

Since the publication of the first Community Indicators Report in 2010, San Bernardino County's employment and wages have steadily increased, countering the devastating effects of the Great Recession. Housing values are on the rise and foreclosures and underwater mortgages continue to decline. Despite rising home prices and remaining instability in the housing market, San Bernardino County remains the most affordable region to live in Southern California.

## *Protecting Residents' Homeownership*

*As part of its effort to reduce foreclosures and stabilize neighborhoods within the county, in 2012 the San Bernardino County Department of Community Development and Housing implemented a Homeownership Protection Program to inform homeowners of state and local foreclosure prevention resources. Through a dedicated website, email distribution and social media outreach, the program provides information on local foreclosure prevention events, financial coaching, home repair workshops, and homebuyer resources for residents.*

# Jobs and Salaries Continue to Grow in Key Industries

## Description of Indicator

This indicator shows employment and salaries in five industry clusters chosen to reflect the diversity of San Bernardino County employment, major economic drivers within the county, and important industry sectors for workforce development. Approximately 40% of all San Bernardino County jobs can be found in the five clusters described in this indicator. This indicator also shows unemployment rates.

## Why is it Important?

Employment change within specific clusters illustrates how San Bernardino County's economy is evolving. Tracking salary levels in these clusters shows whether these jobs can provide a wage high enough for workers to afford living in San Bernardino County.

## How is San Bernardino County Doing?

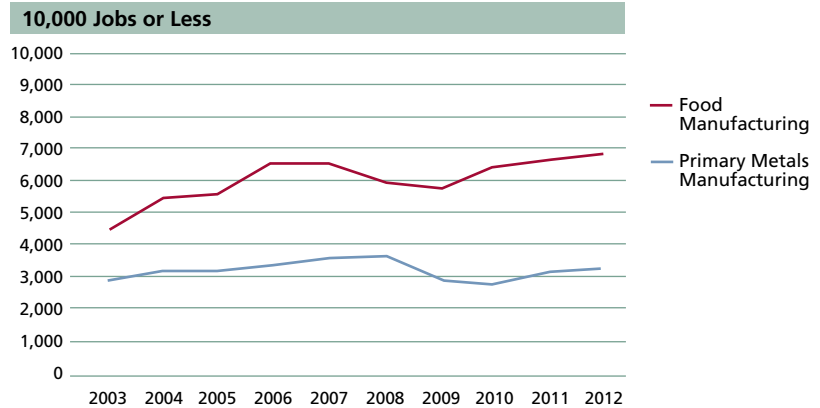
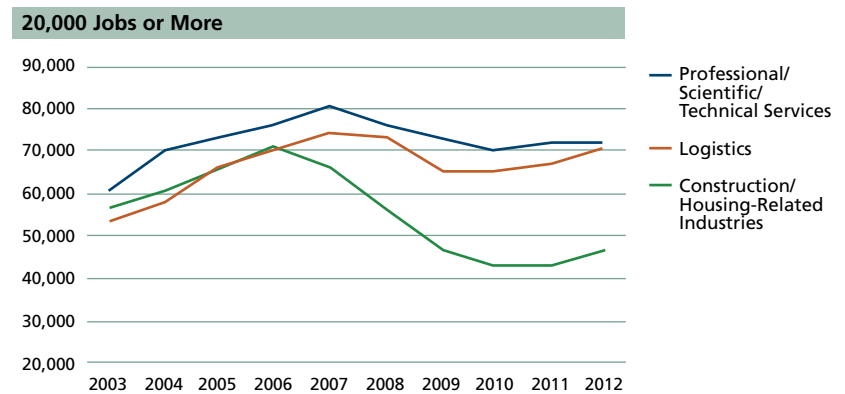
All five selected industry clusters experienced an increase in employment between 2011 and 2012:

- At 5% each, Primary Metals Manufacturing and Construction/Housing-Related Industries experienced the greatest growth from 2011 to 2012.
- Logistics saw 4% growth, while Food Manufacturing grew by 2% and Professional/Scientific/Technical Services increased slightly (0.5% growth).
- During the 10-year period from 2003 to 2012, Food Manufacturing employment increased 45%, Logistics employment grew 32%, Professional/Scientific/Technical Services employment increased 20%, and Primary Metals Manufacturing increased 12%.
- Construction/Housing-Related Industries has seen an overall 10-year decline of 17%.

Salaries in all the selected clusters are increasing:

- Between 2011 and 2012, average salaries in Construction/Housing-Related Industries and Professional/Scientific/Technical Services increased 9% and 4%, respectively, while Logistics average salaries increased by 3%, and Primary Metals Manufacturing and Food Manufacturing each showed average salary increases of 2%.
- During this same period, the cost of living increased 2%.<sup>1</sup>
- The minimum household income needed to purchase an existing single-family home priced at 85% of the San Bernardino County median is approximately \$23,590 (fourth quarter 2013). On average, salaries in the five clusters are higher than the minimum qualifying income.

Employment in Selected Industry Clusters  
San Bernardino County, 2003-2012



Source: Analysis of data from the California Employment Development Department

Average Annual Salaries in Selected Clusters  
San Bernardino County, 2011 and 2012

	2011	2012	Percent Change
Construction/Housing-Related Industries	\$45,538	\$49,709	9%
Professional/Scientific/Technical Services	\$36,941	\$38,368	4%
Logistics	\$44,545	\$45,691	3%
Primary Metals Manufacturing	\$59,689	\$61,174	2%
Food Manufacturing	\$44,441	\$45,291	2%

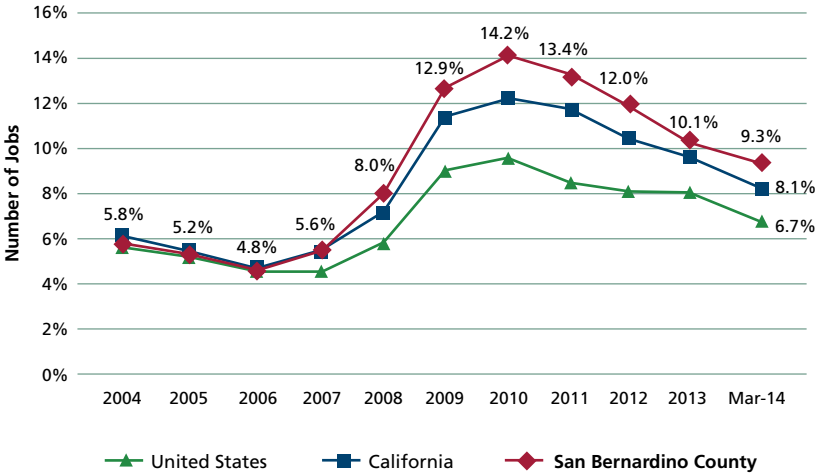
Source: Analysis of data from the California Employment Development Department

<sup>1</sup> U.S. Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers; Los Angeles-Riverside-Orange County ([www.bls.gov/data/#prices](http://www.bls.gov/data/#prices))

Paralleling trends nationwide, San Bernardino County's unemployment rate improved in 2013 and continued falling into early 2014:

- During the 10-year period from 2004 to March 2014, the unemployment rate in San Bernardino County ranged from a low of 4.8% in 2006 to a high of 14.2% in 2010.
- From its high in 2010, the unemployment rate has steadily decreased and was 9.3% as of March 2014.
- San Bernardino County's unemployment rate was ranked 24th out of the 58 counties in California in March 2014, a position that has not changed substantially in recent years.
- San Bernardino County's unemployment rate has been higher than the state and nation since 2007.

**Unemployment Rate**  
San Bernardino County, California and United States, 2004-March 2014



Sources: U.S. Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)); California Employment Development Department ([www.labormarketinfo.edd.ca.gov/LMID/Labor\\_Force\\_Unemployment\\_Data.html](http://www.labormarketinfo.edd.ca.gov/LMID/Labor_Force_Unemployment_Data.html))

**Jobs-Housing Balance**

In 2012, the Riverside-San Bernardino metro area added 30,279 jobs while 5,949 new housing permits were granted:

- This is the second consecutive year where the number of jobs expanded rather than contracted.
- Since 2008, a cumulative total of 74,571 jobs have been lost in Riverside-San Bernardino, while 32,302 housing units were permitted.

When there is more housing available than the local labor market supports, the large number of residents residing in the county but working outside the county (or worse, losing a job outside the county) places a disproportionate burden on the communities in which those workers reside to provide social services and unemployment benefits (see Housing Market).

**Jobs Created/Lost and Housing Permits Granted**  
Riverside-San Bernardino, 2003-2012



Sources: United States Department of Housing and Urban Development (<http://socs.buduser.org/permits/index.html>) and United States Bureau of Labor Statistics

# Housing Indicators Showing Signs of Recovery

## Description of Indicator

This indicator tracks the median sale price of existing single-family homes and the type of sales for all residential real estate transactions. It also tracks the foreclosure rate, the number of housing permits granted, and the number of homes with underwater mortgages.

## Why is it Important?

Given San Bernardino County's location and relative housing affordability in Southern California, it has become a substantial supplier of housing and construction-related jobs, which are a key employment sector for the region (see Employment). As a result, the county's economy is acutely sensitive to changes in the housing market. Home sale prices are a key measure of the health of the community's housing market, as well as consumer confidence. Taken together, trends in home sale prices, foreclosure rates, the percent of homeowners "underwater" on their mortgages, and the number of housing permits granted signify the health of the county's housing market and the local economy.

## How is San Bernardino County Doing?

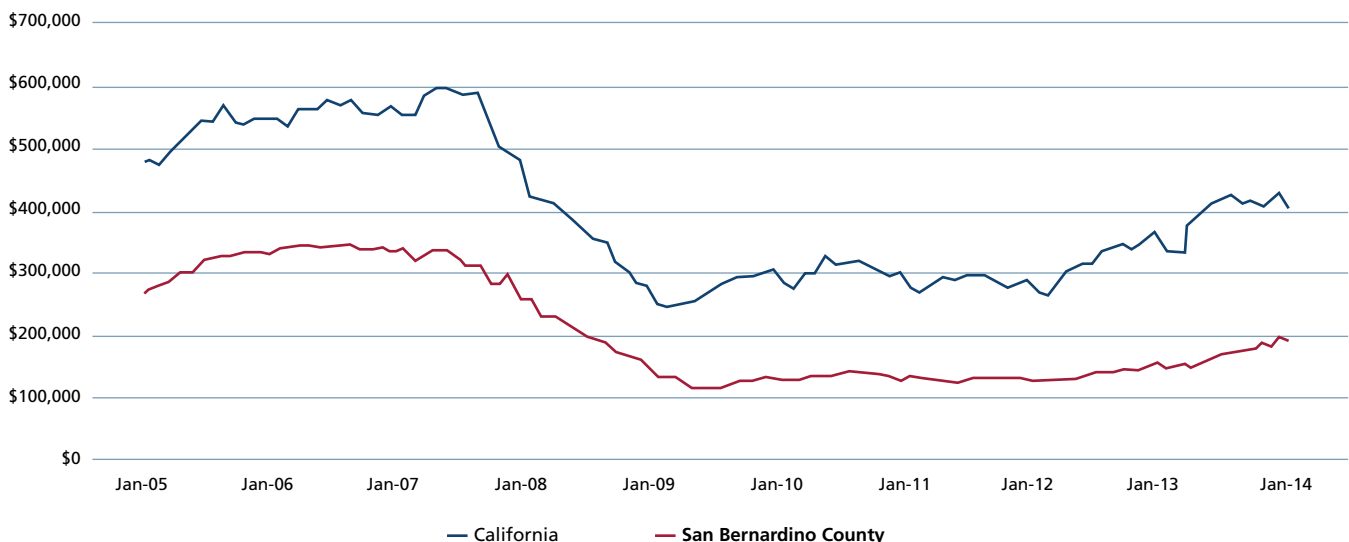
Between January 2013 and 2014, the median home sale price increased:

- The median sale price of existing single-family homes increased 23% from \$154,500 in 2013 to \$190,540 in 2014.
- However, mirroring a statewide trend, the overall median price of existing homes has declined in the past six years, falling 26% since January 2008 (one month into the Great Recession).

Foreclosures and short sales are decreasing:

- In December 2013, 1.1% of all residential properties in San Bernardino County were in some stage of foreclosure, lower than the prior year rate of 2.2%, but above the rate of 0.3% in December 2004.
- Also in December 2013, 18% of homes sold in San Bernardino County were either a short sale or Real Estate Owned (REO) sale, compared with 64% in December 2009.

## Median Sale Price of Existing Detached Homes San Bernardino County and California, January 2005-January 2014



Source: California Association of Realtors ([www.car.org](http://www.car.org))

## Median Price of Home by Type of Sale San Bernardino County, December 2013

Type of Sale	Price	Percent Price is Above or Below Total Sales Median
New Construction	\$ 406,000	85%
Resale	\$ 224,000	2%
Short Sale	\$ 168,750	-23%
REO	\$ 165,000	-25%
<b>Total Sales Median</b>	<b>\$ 220,000</b>	

Note: The table above presents all home sale data, including new and existing single family homes, as well as condominiums.

Source: CoreLogic

### Defining Terms

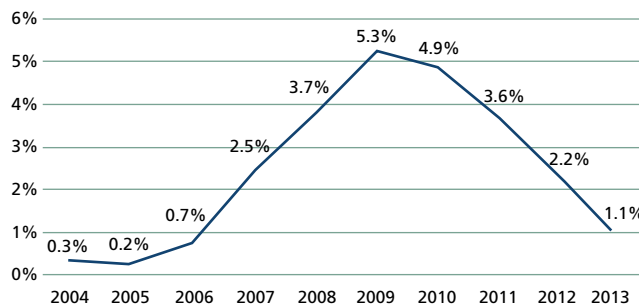
**Underwater Mortgage (Negative Equity):** The mortgage balance is more than the property is worth.

**Short Sale:** The property is sold for less than is owed on the mortgage loan to purchase it.

**Foreclosure:** The property used to secure a mortgage is sold to pay off that mortgage because the borrower has defaulted or failed to make timely loan payments.

**REO (Real Estate Owned):** The property failed to sell at a foreclosure auction and is now owned by a lender, most likely a bank.

## Percentage of Properties in Foreclosure San Bernardino County, December 2004-December 2013



Source: CoreLogic

- In comparison, prior to the Great Recession, in January 2007, 2% of homes sold were through a short sale or REO.
- Short sales and REOs typically sell for a lower price, driving down the median prices for houses in an area.

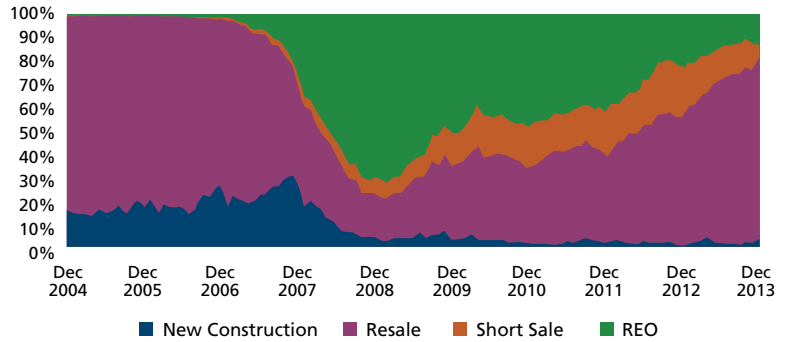
The number of permits granted per 1,000 Riverside-San Bernardino metro area residents is showing signs of increase:

- In 2011, there were 1.4 permits granted per 1,000 residents in Riverside-San Bernardino, similar to the California rate (1.6).
- This is 25% higher than the prior year, when there were 1.1 permits granted per 1,000 residents in Riverside-San Bernardino.
- Moreover, the number of permits granted per 1,000 residents has leveled off since 2009, suggesting a stabilization in the construction industry following the building bubble of the mid 2000's, which ended with the Great Recession.
- Overall, there were 5,949 permits granted in 2012 compared to 4,736 in 2011.<sup>1</sup>

The proportion of homes with an underwater mortgage has decreased:

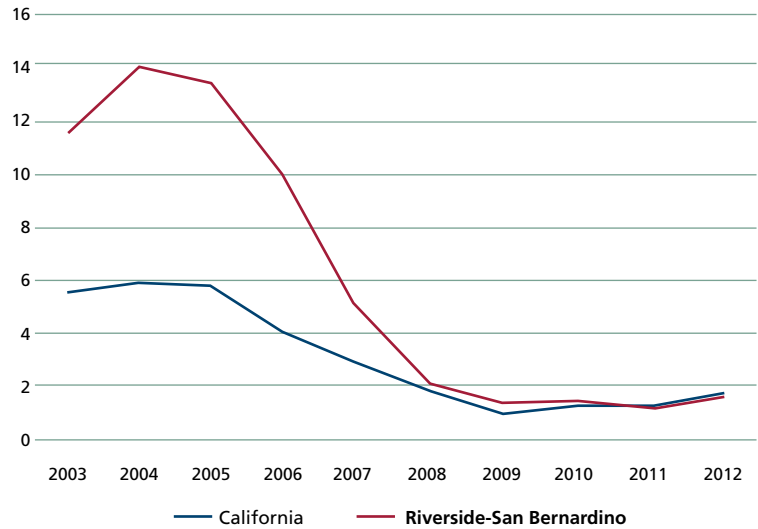
- In September 2013, 21% of homes carrying mortgages in San Bernardino County were underwater.
- This represents a significant improvement from September 2009, when 54% of mortgages were underwater.

**Homes Sold by Type of Sale**  
San Bernardino County, December 2004-December 2013



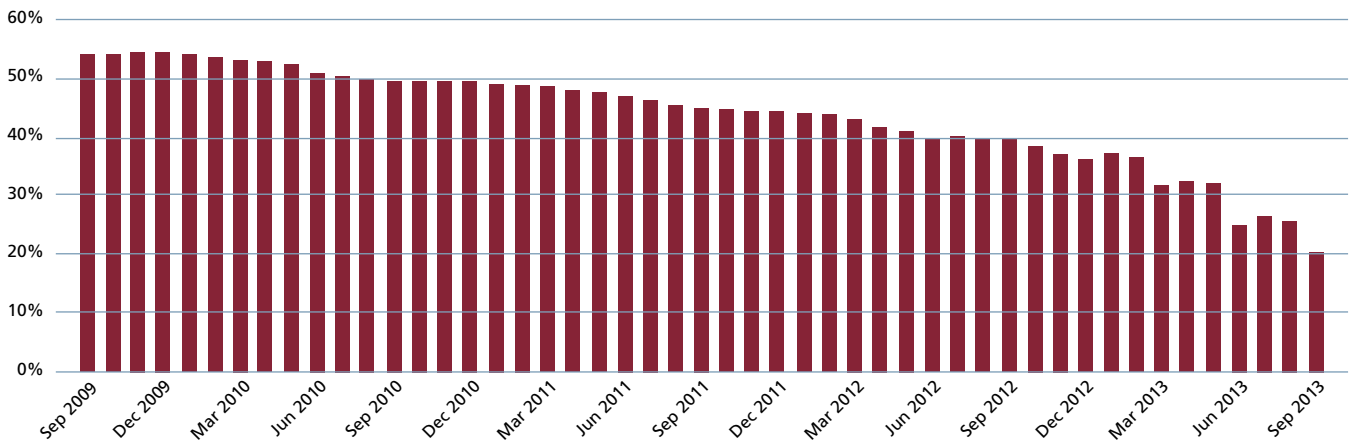
Source: CoreLogic

**Housing Permits Granted per 1,000 Residents**  
Riverside-San Bernardino and California, 2003-2012



Sources: United States Department of Housing and Urban Development (<http://socds.buduser.org/permits/index.html>), California Department of Finance Population Estimates

**Percent of Homes with Underwater Mortgages**  
San Bernardino County, September 2009-September 2013



Source: CoreLogic

<sup>1</sup>Number of permits presented in the 2012 San Bernardino Community Indicators Report were considered preliminary and have since been revised.

# Vacancy Rates Improve Significantly

## Description of Indicator

This indicator tracks rental prices and vacancy rates for office, retail and industrial real estate in the Riverside-San Bernardino metro area, compared to those in neighboring Los Angeles and Orange Counties. It also tracks the net absorption of industrial real estate, which is the largest share of the market space available in the region.<sup>1</sup>

## Why is it Important?

A key factor for businesses seeking office, retail or industrial real estate is the cost of rent. Relatively low rents may draw businesses to, or keep existing businesses in, Riverside-San Bernardino. Vacancy rates reflect the health of the market, as well as available space for business expansion. Lower vacancy rates can signal a need for investments in new facilities, while higher rates can mean reduced costs for businesses and opportunities for end-users. Increased net absorption indicates increased demand and can translate into higher asking rents. It also signals the market to add space, thus stimulating construction and related building activities.

## How is San Bernardino County Doing?

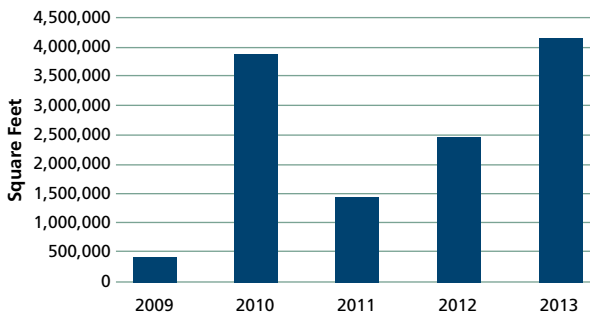
Vacancy data suggest that the region has an over-supply of office and retail real estate but an insufficient amount of industrial real estate:

- In the fourth quarter of 2013, vacancy rates for office, retail and industrial real estate were significantly higher in the Riverside-San Bernardino metro region than in neighboring counties.
- Industrial real estate, which accounts for 76% of total market share, had the lowest vacancy rate in the fourth quarter of 2013 (4.0%).
- Conversely, office real estate, which accounts for 4% of total commercial real estate in the area, had the highest vacancy rate (18.3%).
- Retail space, which accounts for 20% of market share, had a 10.1% vacancy rate.
- Since the fourth quarter of 2012, industrial vacancy rates dropped 39%, office vacancies declined by 14%, and retail fell 6%.
- Also signaling increased demand, there was a 69% increase in the net absorption of industrial real estate space between 2012 and 2013, and almost a ten-fold increase since 2009.

Across all categories of commercial real estate, rents in the Riverside-San Bernardino metro area are comparatively low:

- In the fourth quarter of 2013, commercial real estate in Los Angeles and Orange Counties was 33% more expensive, on average, than comparable space in the Riverside-San Bernardino metro area.
- Since the fourth quarter of 2009, Riverside-San Bernardino rents decreased across all categories. Office rents dropped by 15%, industrial rents fell by 11%, and retail rents decreased by 10%.

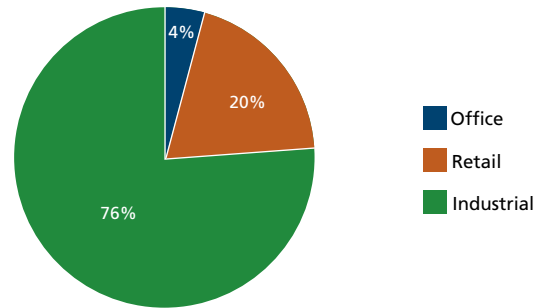
## Industrial Real Estate Net Absorption (in Square Feet) Riverside-San Bernardino, 2009-2013 (Fourth Quarters)



Source: CBRE

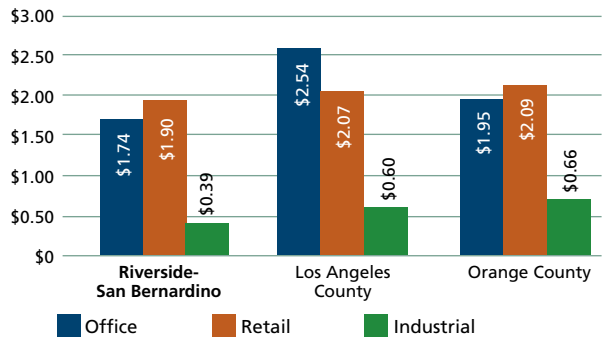
<sup>1</sup> Net absorption is the change in occupied square feet from one period to the next.

## Office, Retail and Industrial Real Estate Share of Market Riverside-San Bernardino, Fourth Quarter 2013



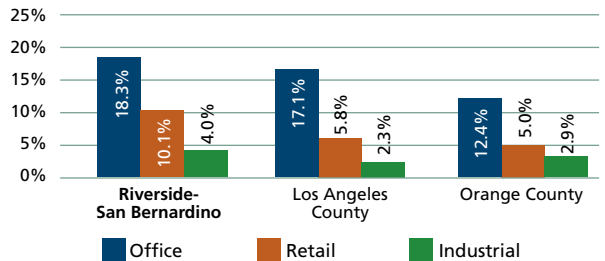
Source: CBRE

## Office, Retail and Industrial Real Estate Asking Rents Regional Comparison, Fourth Quarter 2013



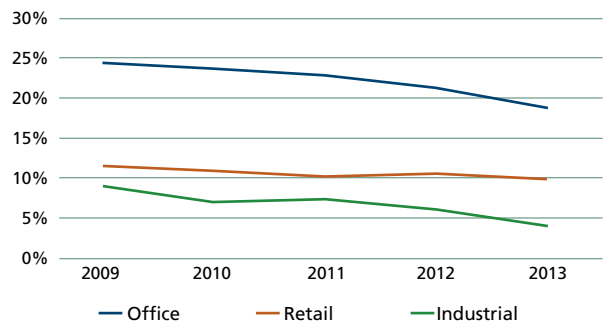
Source: CBRE

## Office, Retail and Industrial Real Estate Vacancy Rates Regional Comparison, Fourth Quarter 2013



Source: CBRE

## Office, Retail and Industrial Real Estate Vacancy Rates Riverside-San Bernardino, 2009-2013 (Fourth Quarters)



Source: CBRE

# Cost of Doing Business Improves Again

## Description of Indicator

This indicator measures the Riverside-San Bernardino metro area business climate through *Forbes Magazine's* "2013 Best Places for Business" regional rankings and Sperling's Best Places list. The *Forbes* ranking compares metropolitan areas using 12 metrics related to job growth, business and living costs, income growth, projected economic growth, educational attainment, cultural and recreational opportunities, number of highly ranked colleges, and net migration patterns. Also shown is projected future job growth based on Sperling's Best Places list, which calculates the projected change in job availability over the next 10 years based on migration patterns, economic growth, and other factors.

## Why is it Important?

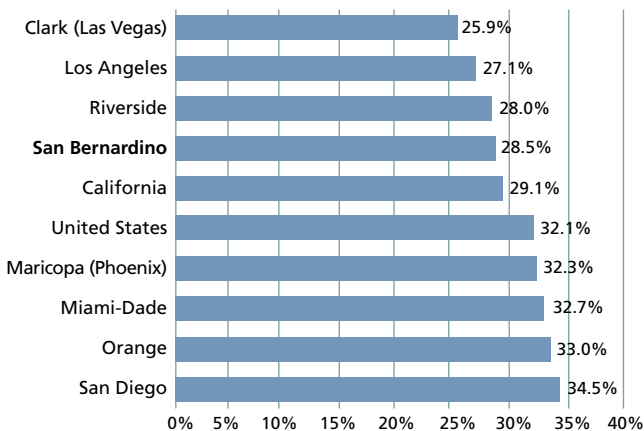
In an interconnected national economy, where entrepreneurs and businesses have choices about where to locate, a region's business climate – including opportunities for growth and few barriers to doing business – is critically important. Since businesses provide jobs, sales tax revenue, economic growth, and entrepreneurial opportunities, a strong business climate and growing job base is important for maintaining San Bernardino County's economic health and quality of life.

## How is San Bernardino County Doing?

The Riverside-San Bernardino metro area's business climate ranking did not change between 2012 and 2013:

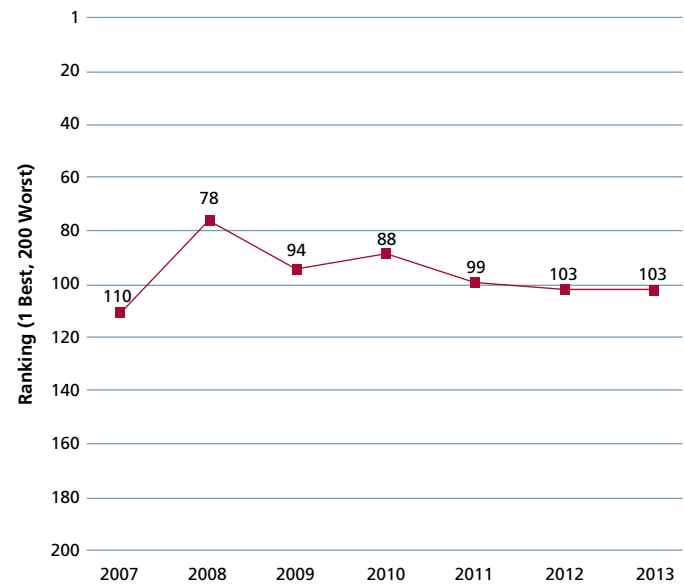
- Riverside-San Bernardino placed 103rd out of the 200 metro areas ranked for the second year in a row.
- Among neighboring California counties, Riverside-San Bernardino ranked above Los Angeles County but below San Diego and Orange Counties.
- Among out-of-state comparison regions, only Phoenix is ranked higher.
- However, Riverside-San Bernardino's rank for the Cost of Doing Business component has increased markedly in the past five years, from 80th to 49th – placing it in the top 25% of all metro areas compared.
- Sperling's Best Places projects future job growth in San Bernardino County to increase 28.5% over 10 years.

## Projected 10-Year Job Growth County Comparison, 2012-2022



Source: Sperling's Best Places ([www.bestplaces.com](http://www.bestplaces.com))

## Best Places for Business Ranking Riverside-San Bernardino, 2007-2013



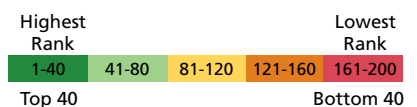
Source: *Forbes Magazine*, August 17, 2013 ([www.forbes.com/best-places-for-business/](http://www.forbes.com/best-places-for-business/))

## Best Places for Business Ranking Regional Comparison, 2009-2013

Regional Comparison, 2009-2013					
	2009	2010	2011	2012	2013
Phoenix	113	117	88	81	64
San Diego	104	89	64	75	78
Orange County	107	79	109	99	97
Riverside-San Bernardino	94	88	99	103	103
Los Angeles	180	120	114	123	134
Las Vegas	92	157	135	168	159
Miami	188	152	152	181	165

## Riverside-San Bernardino by Component, 2010-2013

	2010	2011	2012	2013
Cost of Doing Business	80	55	54	49
Educational Attainment	181	176	181	182
Job Growth Projected	102	180	189	189



Note: Ranking is out of 200: 1 is best, 200 is worst.

Source: *Forbes Magazine*, August 17, 2013 ([www.forbes.com/best-places-for-business/](http://www.forbes.com/best-places-for-business/))

# Real Household Income Declines for Fifth Consecutive Year

## Description of Indicator

This indicator tracks the change in inflation-adjusted median household income for San Bernardino County compared to the state and nation.<sup>1</sup> Household income includes the annual income of all members of a household ages 15 or older, whether related or unrelated. For the Riverside-San Bernardino metro area, median household income is also compared to cost of living. The cost of living index compares the prices of housing, consumer goods, and services in Riverside-San Bernardino relative to the national average.

## Why is it Important?

Compared to its Southern California neighbors, cost of living is low in the Riverside-San Bernardino metro area, but compared to the national average, the cost of living is 13% higher. As a result, real income growth is important to ensure residents have sufficient income to thrive in San Bernardino County and afford rising expenses.

## How is San Bernardino County Doing?

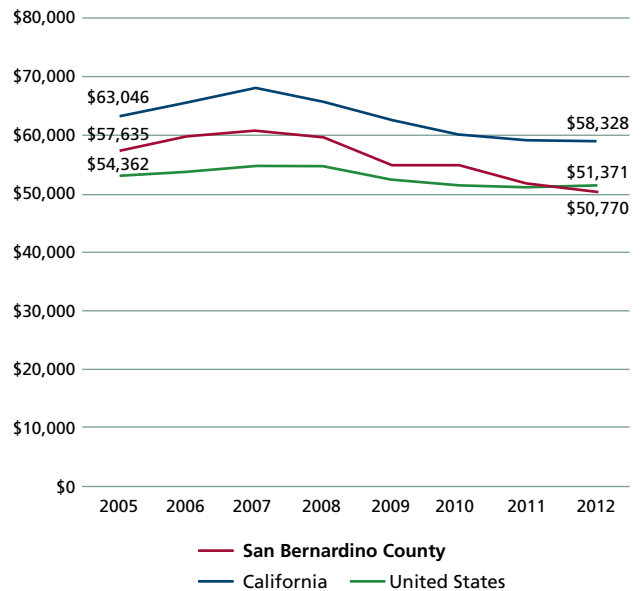
Similar to national trends, real household income declined for the fifth year in a row:

- In 2012, median household income in San Bernardino County was \$50,770, down 3% since 2011 and 12% since 2005.
- The inflation-adjusted decline is due to lackluster median income growth combined with a cumulative inflation rate of 18% between 2005 and 2012.
- San Bernardino County's median household income is now slightly below the national median (\$51,371) – a first within the period tracked.

The Riverside-San Bernardino metro area has the lowest cost of living in Southern California, but a higher cost of living than peer markets outside of California:

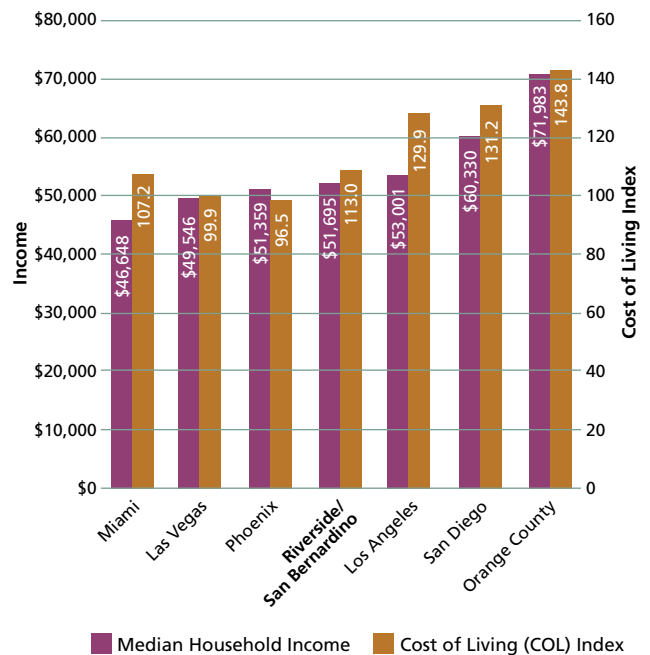
- With 100.0 being average, Riverside-San Bernardino measured 113.0 on the Cost of Living Index in 2013. This index value has not changed significantly in the past four years.
- When looking at income relative to cost of living in peer markets, Phoenix residents enjoy the most favorable ratio of income to cost of living, with lower than average cost of living and slightly above average median household income. The opposite is true in Los Angeles.
- Higher than average cost of living and average income in Riverside-San Bernardino translates to somewhat less discretionary income than areas where income and cost of living are more aligned.

Median Household Income (Inflation Adjusted to 2012 Dollars) San Bernardino County, California and United States, 2005-2012



Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates (2005-2012) U.S. Bureau of Labor Statistics, Inflation Calculator ([www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm))

Median Household Income Compared to Cost of Living Index Regional Comparison, 2012 (Income) or 2nd Quarter 2013 (COL)



Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates; Council for Community and Economic Research ([www.c2er.org](http://www.c2er.org))

<sup>1</sup> All income data in this indicator are inflation-adjusted to 2012 dollars, such that \$1,000 earned in 2000, for example, has the same buying power as \$1,333 in 2012. "Real" refers to income after adjusting for inflation.



# Affordability and Homeownership Show Modest Decline

## Description of Indicator

This indicator uses the California Association of Realtors First-Time Buyer Housing Affordability Index to measure the percentage of households that can afford the existing single-family detached home at the entry-level price of 85% of median in San Bernardino County. It also compares homeownership rates.

## Why is it Important?

An adequate supply of affordable housing promotes homeownership. Homeownership increases stability for families and communities, and can provide long-term financial benefits that renting cannot. Affordable housing encourages young workers to move to or remain in San Bernardino County and low relative housing prices can attract and retain businesses.

## How is San Bernardino County Doing?

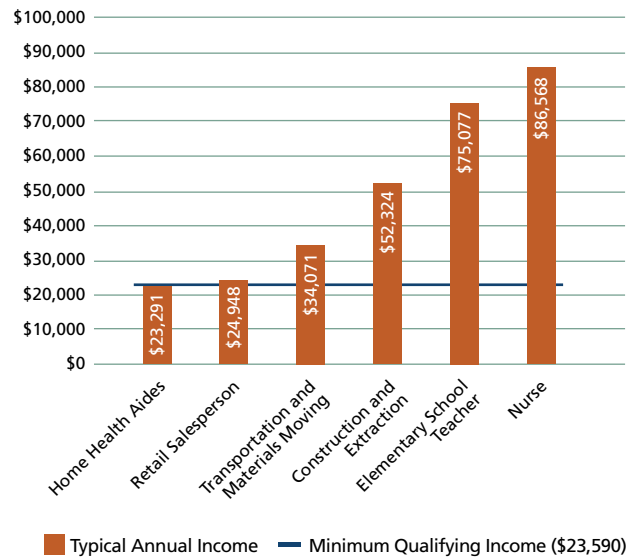
As the housing market recovers (see Housing Market), affordability declined, but San Bernardino County remains the most affordable county in Southern California:

- The minimum qualifying income needed to purchase an entry-level priced home (\$164,600) in San Bernardino County was approximately \$23,590 as of the fourth quarter of 2013, well below the California average minimum qualifying income of \$56,560 and the entry-level price of \$366,780.<sup>1</sup>
- More than three-quarters (79%) of households in San Bernardino County could afford such a home in the fourth quarter of 2013, down from 86% in 2012 and 88% in 2011.
- Looking at typical salaries in large or growing occupations, all of the selected fields earn more than the minimum qualifying income, except home health aides.
- San Bernardino County's affordability rate is higher than all other southern California counties compared, making the county attractive to buyers seeking less expensive housing, such as first-time homebuyers.

Mirroring the statewide trend, the homeownership rate in San Bernardino County has been falling since 2009:

- The rate of homeownership in San Bernardino County was 59.9% in 2012, down from 62.5% in 2011, 62.7% in 2010 and 63.8% in 2009.
- Still, San Bernardino County has the second highest homeownership rate in Southern California, below Riverside County (64.5%), but above Orange County (56.9%), San Diego County (53.1%) and Los Angeles (45.8%).
- This rate is also above the California average (54.0%) and Las Vegas (52.5%), but falls under the nationwide homeownership rate of 63.9%.

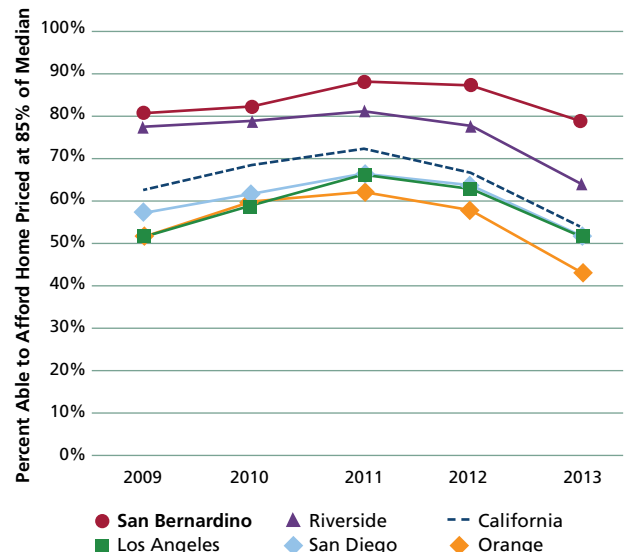
**Income Needed to Afford Home Priced at 85% of Median (\$164,600) Compared to Typical Salaries**  
San Bernardino County, 2013



Note: Wage data are from the first quarter of 2013 and home price and income needed data are from the fourth quarter of 2013.

Sources: California Employment Development Department, Occupational Employment Statistics ([www.labormarketinfo.eed.ca.gov/LMID/OES\\_Employment\\_and\\_Wages.html](http://www.labormarketinfo.eed.ca.gov/LMID/OES_Employment_and_Wages.html)); California Association of Realtors ([www.car.org](http://www.car.org))

**First-Time Buyer Housing Affordability Index**  
County Comparison, 2009-2013



Note: Data are from the fourth quarter of the years presented.

Source: California Association of Realtors ([www.car.org](http://www.car.org))

<sup>1</sup>The California Association of Realtors defines the parameters for the First-Time Buyer Housing Affordability Index: 10% down and a 1-year adjustable-rate mortgage, including points and fees, based on Freddie Mac's Primary Mortgage Market Survey.

# Median One-Bedroom Rent: \$882

## Description of Indicator

This indicator measures the housing wage – the hourly wage a resident would need to earn to be able to afford Fair Market Rent as defined by the U.S. Housing and Urban Development Department. For the Riverside-San Bernardino metro area, Fair Market Rent is the 50th percentile (or median) rent in the market.

## Why is it Important?

Lack of affordable rental housing can lead to crowding and household stress. Less affordable rental housing also restricts the ability of renters to save for a down payment on a home, limiting their ability to become homeowners. Ultimately, a shortage of affordable housing for renters can perpetuate and exacerbate a cycle of poverty.

## How is San Bernardino County Doing?

The Riverside-San Bernardino metro area's housing wage increased slightly:

- The hourly wage needed for a one-bedroom apartment rose less than 1% from \$16.90 in 2013 to \$16.96 in 2014. This housing wage is equivalent to an annual income of \$35,280.<sup>1</sup>
- The hourly wages needed to afford two- and three-bedroom apartments also increased less than 1% in one year.
- Over the past five years, one-bedroom rents fell 6% and two- and three-bedroom rents rose 1%.
- The Riverside-San Bernardino metro area has more affordable rental housing than all regions compared, except Phoenix and Las Vegas.
- However, median rent for a one-bedroom apartment (\$882) is still not affordable to many lower wage occupations, including home health aide and retail salesperson.
- Someone earning minimum wage can afford to pay \$416 a month in rent or would have to work 85 hours per week to afford median one-bedroom rent.
- In terms of the occupations projected to have the fastest rate of job growth between 2010 and 2020, fully 72% have a wage high enough to afford a one-bedroom unit.
- For occupations projected to have the most openings between 2010 and 2020, only 28% have an average hourly wage high enough to afford a one-bedroom unit.<sup>2</sup>

## Monthly Fair Market Rent Riverside-San Bernardino, 2010-2014

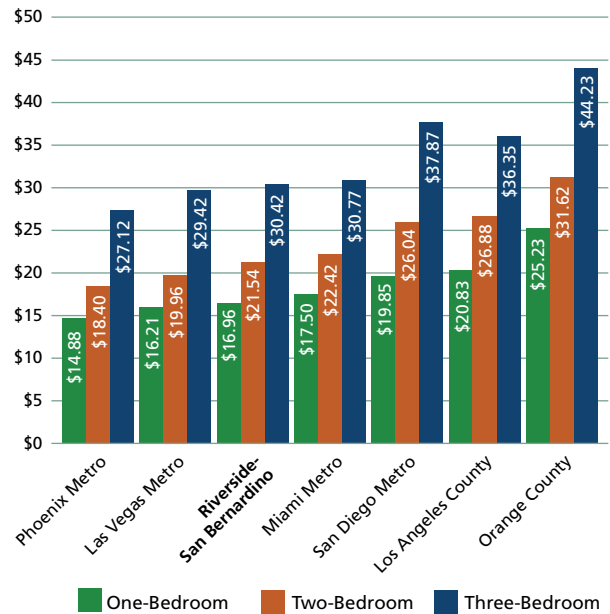


Source: Analysis of Housing and Urban Development 2014 Fair Markets Rents ([www.buduser.org/portal/datasets/fmr.html](http://www.buduser.org/portal/datasets/fmr.html)) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>)

<sup>1</sup> Assumes 2,080 paid hours per year (52 weeks at 40 hours per week).

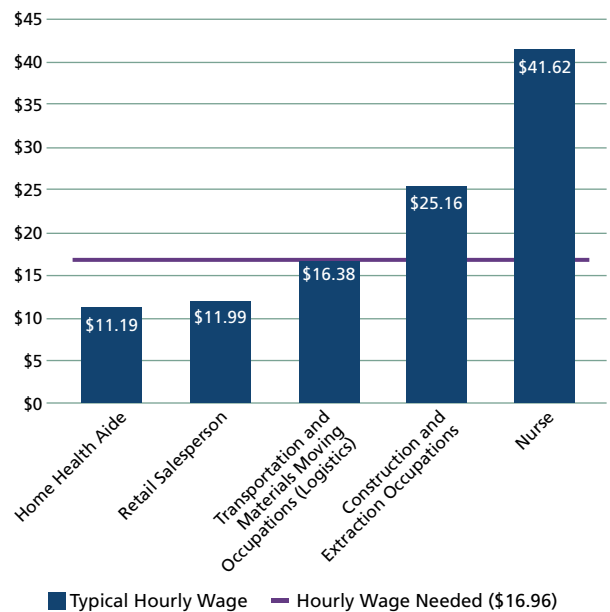
<sup>2</sup> California Employment Development Department, 2010-2020 Occupation Projections ([www.labormarketinfo.edd.ca.gov/LMID/Projections\\_of\\_Employment\\_by\\_Industry\\_and\\_Occupation.html](http://www.labormarketinfo.edd.ca.gov/LMID/Projections_of_Employment_by_Industry_and_Occupation.html))

## Hourly Wage Needed to Afford Fair Market Rent Regional Comparison, 2014



Source: Analysis of Housing and Urban Development 2014 Fair Markets Rents ([www.buduser.org/portal/datasets/fmr.html](http://www.buduser.org/portal/datasets/fmr.html)) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>)

## Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Typical Hourly Wages Riverside-San Bernardino, 2014



Note: Wage data are from first quarter 2013.

Sources: Analysis of Housing and Urban Development 2014 Fair Markets Rents ([www.buduser.org/portal/datasets/fmr.html](http://www.buduser.org/portal/datasets/fmr.html)) using the methodology of the National Low Income Housing Coalition (<http://nlhc.org/oor>); California Employment Development Department, Occupational Employment Statistics ([www.labormarketinfo.edd.ca.gov/LMID/OES\\_Employment\\_and\\_Wages.html](http://www.labormarketinfo.edd.ca.gov/LMID/OES_Employment_and_Wages.html))

# 16% of Commuters Carpool

## Description of Indicator

This indicator tracks average commute times, residents' primary mode of travel to work, and hours of delay on freeways in the region.

## Why is it Important?

Tracking commuter trends and transportation system demand helps gauge the ease with which residents, workers, and goods can move within the county. Traffic congestion adversely affects the efficient movement of goods, contributes to the expense of operating a car, and increases air pollution. Residents may choose to trade off longer commute times for affordable housing or other quality of life factors.

## How is San Bernardino County Doing?

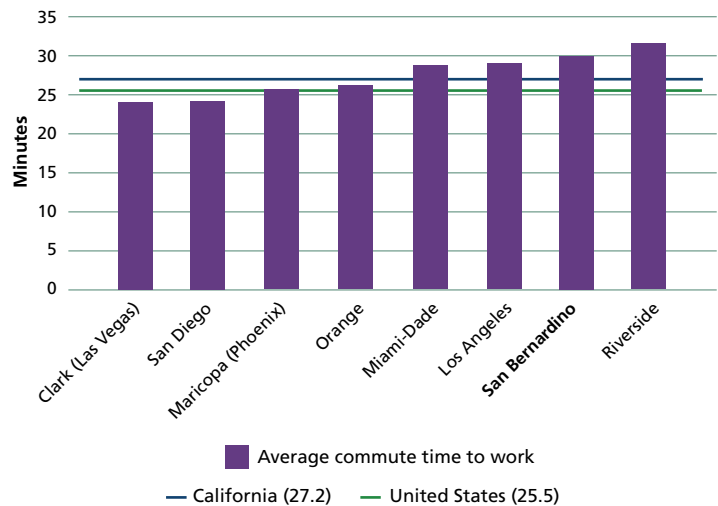
San Bernardino County daily commute times continue to hold steady at about half an hour:

- In 2012, the average commute time to work for San Bernardino County residents was 30.0 minutes, increasing by about a minute since 2009.
- San Bernardino County's average commute time is longer than both California (27.2 minutes) and the U.S. (25.5 minutes).
- In 2012, 75.8% of San Bernardino County commuters drove alone – fewer than all regions compared except Los Angeles County.
- At 15.6% of trips, carpooling is the second most common mode of travel to work and is higher than all regions compared.
- 3.7% of residents work at home, while 1.8% walk to work and another 1.8% use public transportation.
- Transit use is likely significantly impacted by the sheer size of the county, the distances between destinations within the county, and low-density land use, which may result in lengthy transit trips.

Caltrans calculates the cost of freeway delays:

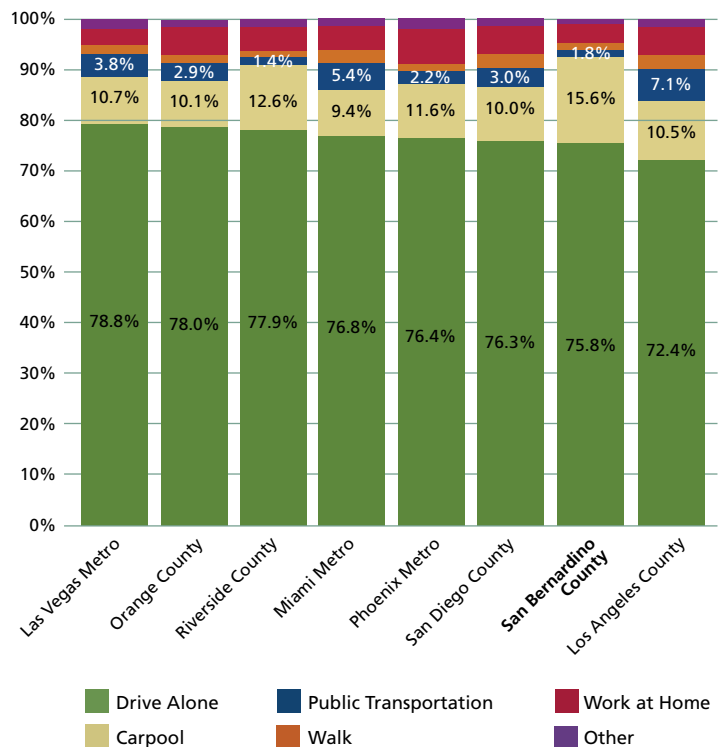
- In 2011, there were nearly two million annual hours of delay due to congestion on San Bernardino County freeways (1,956,833 hours). This is up from 1,919,526 annual hours of delay in 2010 and 1,341,000 hours in 2009.
- In addition, there were 3,254,617 annual hours of delay due to congestion in 2011 on Riverside County freeways, down from 3,550,075 annual hours of delay in 2010.
- The congestion-related delay in San Bernardino County resulted in the use of 3.4 million extra gallons of fuel and the release of 32,900 additional metric tons of carbon dioxide into the air, compared with what would have been emitted at free-flow speeds.
- In terms of productivity, the San Bernardino County delays equate to wage and salary losses of \$34 million a year or \$93,000 a day.

Average Commute Time to Work in Minutes  
County Comparison, 2012



Source: U.S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates (www.census.gov/acs)

Primary Mode of Travel to Work  
Regional Comparison, 2012



Source: U.S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates (www.census.gov/acs)

## Significant Investment but Declining Funds

San Bernardino Associated Governments (SANBAG) conducts transportation planning for the region. Their projected funding between 2008 and 2035 for transportation projects such as freeway improvements, rail, express bus, and local street and road projects, totals approximately \$450 billion. These funds come from several sources, including local (Measure I), state, federal, and other sources such as gas and sales taxes. While there is significant transportation construction happening today, the conclusion of Proposition 1B, along with a reduction in other state dollars, means that funding for future transportation projects is expected to decline.

# Bus Ridership Increases while Cost per Trip Drops

## Description of Indicator

This indicator measures ridership on the commuter rail system, as well as ridership and operating costs for San Bernardino County's bus systems. The bus systems serve San Bernardino Valley (Omnitrans), Victor Valley (Victor Valley Transit Authority), and rural areas (Barstow Area Transit, Needles Area Transit, Morongo Basin Transit Authority, and Mountain Areas Regional Transit Authority). Together, these transit agencies offer bus service coverage to over 90% of the county's population.

## Why is it Important?

The ability of residents and workers to move efficiently within San Bernardino County contributes to a high quality of life and a prosperous business climate. An effective public transit system is essential for individuals who cannot afford, are unable, or choose not to drive a car. Having both rail and bus service is important for meeting diverse transit needs, with rail serving mostly long-distance commuters and buses primarily serving local commuters.

## How is San Bernardino County Doing?

Overall ridership remained steady on the four commuter rail lines serving San Bernardino County:

- In 2012/13, ridership on all Metrolink lines serving San Bernardino County totaled 6.53 million riders, essentially the same as in 2011/12.
- While the Inland Empire-Orange County Line ridership grew 11%, the other three lines saw decreases in ridership between 1% and 5%, resulting in a cumulative increase of 0.02% in ridership on all four lines.
- Long-term ridership trends remain positive, with 22% growth over the past 10 years.

Bus ridership in San Bernardino County increased slightly:

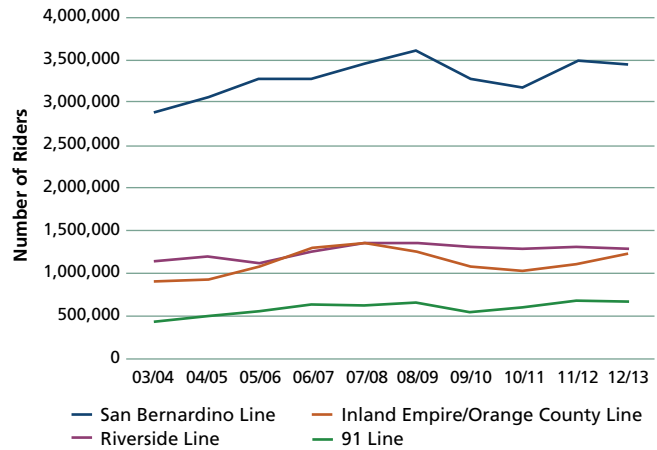
- In 2012/13, there were a total of 19,080,052 bus passenger boardings, an increase of 1.4% from the previous year.
- Total ridership increased for three of the six transit agencies serving San Bernardino County (Needles, Mountain Area Regional and Victor Valley), but decreased for the remaining three agencies (Barstow, Morongo Basin, and Omnitrans).

Per capita bus ridership increased for Omnitrans and Victor Valley Transit, while bus system operating costs decreased:

- Omnitrans had 10.7 boardings per capita in 2012 compared to 10.0 in 2011.
- Victor Valley Transit went from 4.7 boardings per capita in 2011 to 5.3 in 2012.
- Omnitrans cost per boarding dropped from \$3.77 per trip in 2011 to \$3.55 per trip in 2012.
- Victor Valley Transit decreased from \$4.15 per trip in 2011 to \$4.00 per trip in 2012.
- Among the regions compared, Las Vegas had the lowest cost per boarding and Riverside Transit Agency had the highest.

## Commuter Rail Ridership

San Bernardino Line, Riverside Line, Inland Empire/Orange County Line, and 91 Line, 2004-2013



Source: Southern California Regional Rail Authority (Metrolink)

## Bus System Boardings per Capita and Cost per Boarding Regional Comparison, 2012

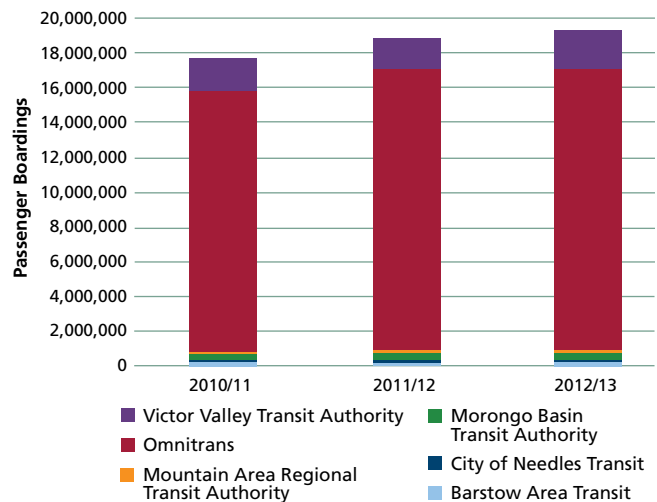
Transit Agency	Bus Boardings per Capita	Cost per Boarding
Los Angeles Metropolitan Transportation Authority	40.8	\$2.56
Regional Transportation Commission of Southern Nevada (Las Vegas)	31.7	\$2.08
Miami-Dade Transit	31.2	\$3.92
San Diego Metropolitan Transit System	26.4	\$2.58
Valley Metro (Phoenix)	22.5	\$3.78
Orange County Transportation Authority	17.4	\$3.57
<b>Omnitrans</b>	<b>10.7</b>	<b>\$3.55</b>
Sunline Transit Agency	10.5	\$4.03
<b>Victor Valley Transit Authority</b>	<b>5.3</b>	<b>\$4.00</b>
Riverside Transit Agency	4.7	\$4.32

Note: Boardings per capita are calculated using bus boardings and the service area population for the transit providers. Calculations do not include demand responsive service.

Source: National Transit Database ([www.ntdprogram.gov](http://www.ntdprogram.gov))

## Bus Ridership

San Bernardino County, 2011-2013



Source: San Bernardino Associated Governments