

economic and business climate

Low commercial real estate rents, the most affordable housing in the region, and lower overall costs of doing business give San Bernardino County a competitive advantage. Plans to invest \$2.5 billion in transportation infrastructure improvements will generate a significant number of local jobs. However, per capita income continues to lag behind peers, and the cost of rent is out of reach for many who have low-wage jobs.

Introducing Students to Tomorrow's Careers

The Alliance for Education (www.sbcalliance.org) helps prepare San Bernardino County's students for high-paying, high-demand science and technology jobs by increasing participation in post-secondary education or training in STEM (Science, Technology, Engineering, and Mathematics) fields. This is achieved through:

- Education: bringing relevant, hands-on STEM learning opportunities to middle through post-secondary schools*
- Economic and workforce development: providing tools to link students with employers and training*
- Family involvement: offering families and students mentoring opportunities in mathematics, literacy, and college awareness*

Examples of successful initiatives include: the Workforce Access Matrix (matrix.sbcalliance.org), which tracks unfilled jobs and links students to local training organizations; and the Partnership Connection website, which connects students to paid and unpaid internships, job shadowing, mentoring, and field study.

Third Highest Ranking Among Regions Compared

Description of Indicator

This indicator measures the Riverside-San Bernardino metro area business climate through *Forbes* magazine’s “2011 Best Places for Business” regional rankings. The *Forbes* ranking compares metropolitan regions by cost of doing business, projected economic growth, number of highly ranked colleges, cost of living, crime rate, cultural and recreational opportunities, educational attainment, income growth, job growth, and net migration.

Why is it Important?

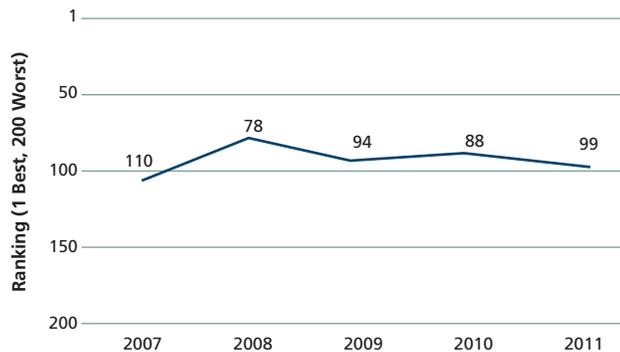
A region’s attractiveness as a place to do business, the availability of business support and resources, opportunities for growth, and barriers to doing business are critical in our interconnected national economy, where entrepreneurs and businesses have choices about where to locate. Since businesses provide jobs, sales tax revenue, economic growth, and entrepreneurship opportunities, a strong business climate is important for maintaining San Bernardino County’s economic health and quality of life.

How is San Bernardino County Doing?

Forbes’ 2011 national rankings placed the Riverside-San Bernardino metro area 99th out of the 200 metro areas ranked:

- This is down 11 places from 88th in 2010.
- Among neighboring California counties, Riverside-San Bernardino ranked below San Diego (64th) but above Orange County (109th) and Los Angeles County (114th).
- Among its out-of-state peer regions, only Phoenix (88th) is ranked higher.
- Riverside-San Bernardino’s ranking improved significantly in the category of cost of doing business.
- San Bernardino’s ranking for educational attainment increased, while its poor job growth rank negatively impacted the region’s overall score.

Best Places for Business Ranking
Riverside-San Bernardino Metro Area, 2007-2011



Source: *Forbes Magazine*, June 29, 2011 (www.forbes.com/best-places-for-business/)

Best Places for Business
Regional Comparison, 2007-2011

	2007	2008	2009	2010	2011
San Diego Metro	92	106	104	89	64
Phoenix Metro	55	44	113	117	88
Riverside-San Bernardino	110	78	94	88	99
Orange County	70	92	107	79	109
Los Angeles County	159	154	180	120	114
Las Vegas Metro	136	112	92	157	135
Miami Metro	148	147	188	152	152

Highest Rank					Lowest Rank
1-40	41-80	81-120	121-160	161-200	
Top 40					Bottom 40

Source: *Forbes Magazine*, June 29, 2011 (www.forbes.com/best-places-for-business/)

Best Places for Business, Ranking by Component
Riverside-San Bernardino Metro Area, 2010 and 2011

	2010	2011
Cost of Doing Business	80	55
Educational Attainment	181	176
Job Growth Projected	102	180

Source: *Forbes Magazine*, June 29, 2011 (www.forbes.com/best-places-for-business/)

Economic Outlook is Strong

As the economy continues to recover from the Great Recession, San Bernardino County has experienced a slow, but steady decline in unemployment. In 2011, the county added nearly 2,500 jobs to the local economy with significant activity in manufacturing and logistics. With workforce driving corporate relocations and expansions, San Bernardino County is well positioned with a labor pool of 900,000 and a two million resident metropolitan area. Other advantages of the region include newer facilities at lower lease rates than competing markets, superior transportation infrastructure, and access to a market of 23 million people within three hours of driving. Significant speculative industrial construction activity has returned to the region, and with trade volumes expected to increase, the economic outlook for San Bernardino County is optimistic.

Source: County of San Bernardino Economic Development Agency

Connecting the Dots

The **Business Climate** is impacted by the cost of doing business, such as lease rates within the **Commercial Real Estate Market**.

Income Levels Rise Slightly

Description of Indicator

This indicator measures per capita income levels and income growth. Total personal income includes wages and salaries, proprietor income, property income, and transfer payments, such as pensions and unemployment insurance. Figures are not adjusted for inflation.

Why is it Important?

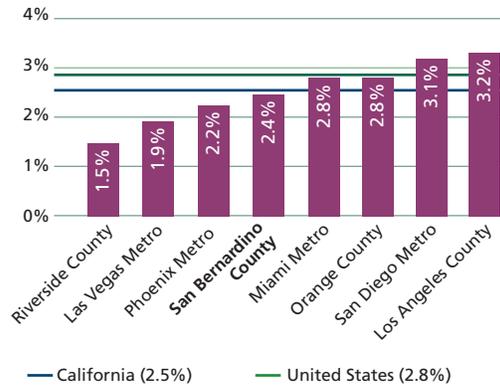
Per capita income reflects the economic health of a region. It signals whether or not a region is generating wealth faster than population growth. A high per capita income relative to the cost of living signals greater discretionary income for the purchase of goods and services. This contributes to overall economic strength and a sense of material wellbeing when residents have the financial resources needed to survive and prosper. Residents may prioritize quality of life factors such as a lower cost of living and affordable housing over a higher income.

How is San Bernardino County Doing?

San Bernardino County's average income level rose slightly:

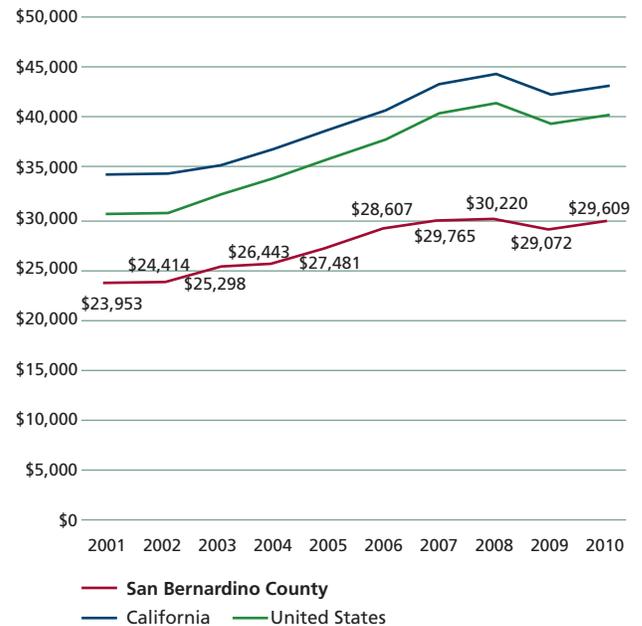
- In 2010, San Bernardino County's per capita income was \$29,609, up 1.8% from \$29,072 in 2009. This income level (\$29,609) is lower than the state and national averages and all peers compared except for Riverside County.
- Between 2001 and 2010, San Bernardino County posted per capita income growth of 2.4%, higher than Phoenix, Riverside and Las Vegas, but lower than other regions compared and the state and national averages.
- Over this same 10-year period, the average inflation rate was 2.7%. The rate of inflation should be taken into account when interpreting these income growth percentages.¹
- San Bernardino County's cost of living is lower than many other Southern California counties, so lower per capita income does not necessarily translate to lower purchasing power.

Per Capita Income Average Annual Percent Change Regional Comparison, 2001-2010



Source: U.S. Bureau of Economic Analysis (www.bea.gov)

Per Capita Income San Bernardino County, California, and United States, 2001-2010



Note: Data have been revised since previously reported.

Source: U.S. Bureau of Economic Analysis (www.bea.gov)

¹ U.S. Dept. of Labor, Bureau of Labor Statistics, Consumer Price Index.

Connecting the Dots

Per Capita Income is a contributor to Family Safety.



Salaries Beginning to Increase

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.

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?

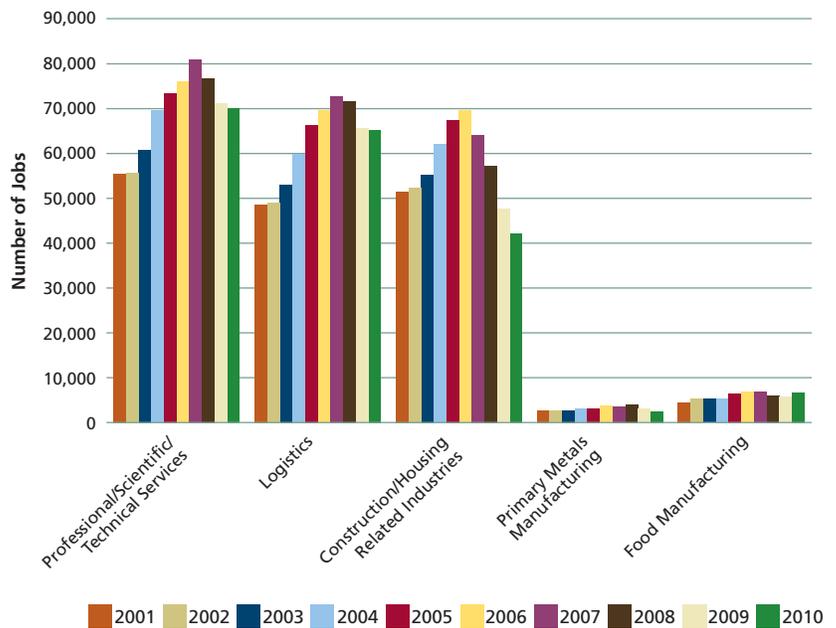
Four of the five selected industry clusters experienced a decrease in employment between 2009 and 2010:

- While Food Manufacturing saw an 8% growth in employment, Construction/Housing Related Industries decreased 6% and Professional/Scientific/Technical Services decreased by 4%.
- Primary Metals Manufacturing decreased by 2% and Logistics declined 1%.
- However, during the 10-year period from 2001 to 2010, Food Manufacturing grew by 49%, Logistics grew 33% and Professional/Scientific/Technical Services increased by 28%.

For the most part, salaries in the selected clusters are beginning to increase:

- Food Manufacturing and Primary Metals Manufacturing each experienced average salary increases of 5%.
- Professional/Scientific/Technical Services salaries increased 2% and Logistics salaries grew by 1%.
- Construction/Housing Related Industries salaries declined by 1%.
- The minimum household income needed to purchase an existing single-family home priced at 85% of the San Bernardino County median price is approximately \$16,550, affordable to all five of these clusters if a down payment could be secured.

Employment by Industry Clusters
San Bernardino County, 2001-2010



Source: Analysis of data from the California Employment Development Department

Average Annual Salaries in Selected Clusters
San Bernardino County, 2009 and 2010

	2010	2009	Percent Change
Primary Metals Manufacturing	\$56,523	\$53,923	5%
Construction/Housing Related Industries	\$44,751	\$45,301	-1%
Logistics	\$43,619	\$43,004	1%
Food Manufacturing	\$42,716	\$40,735	5%
Professional/Scientific/Technical Services	\$36,446	\$35,896	2%

Source: Analysis of data from the California Employment Development Department

Connecting the Dots
Employment by Industry Cluster reflects the region’s Educational-Occupational Match.

44% of Homes with Mortgages are Underwater

Description of Indicator

This indicator shows the ratio of new housing permits divided by the net number of jobs lost or gained in the Riverside-San Bernardino metro area compared with metropolitan areas across the state and the country. It also tracks the percent of homes with “underwater” mortgages, where the market value of the home is less than the amount owed on the home, and the proportion of home sales that were “distressed,” such as bank owned sales or short sales.

Why is it Important?

Given San Bernardino County’s location and relative housing affordability, it has become a supplier of housing for the region. It is important for community leaders to understand the range of impacts associated with the imbalance that occurs when more housing is available than local jobs to support the housing market. For example, when a contraction in the labor market occurs and people working outside of the county lose their jobs, it places a disproportionate burden on the community in which they reside through increased need to provide social services or unemployment benefits. Underwater mortgages are one measure of the health of the community’s housing market, as well as consumer confidence.

How is San Bernardino County Doing?

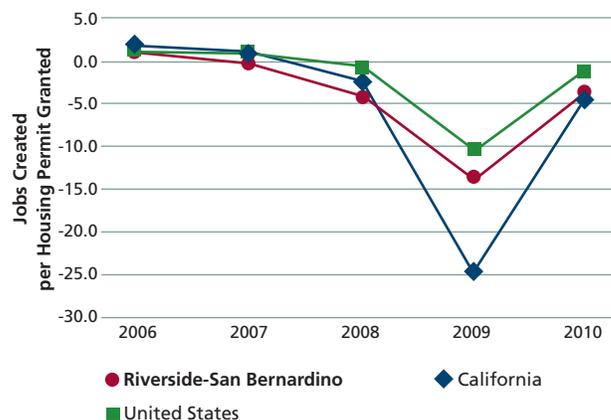
In 2010, the Riverside-San Bernardino metro region granted more housing permits than all neighbors and peers compared except Phoenix and Los Angeles:

- During 2010, employment dropped by 27,972 jobs while 6,336 new housing permits were granted.
- The resulting ratio of -4.41 jobs (job losses) for every new housing permit leaves Riverside-San Bernardino with a negative number of jobs per new housing permit.
- Since 2006 a cumulative total of 14,358 jobs were lost compared with 79,792 housing units permitted in Riverside-San Bernardino.
- In other words, more housing units have been permitted than jobs created since 2006. The resulting jobs-to-housing ratio for this period of time is -1.8. The standard “healthy” ratio of jobs to permits is +1.5.
- All neighbors and peers, the state, and the nation experienced job losses in 2010, resulting in a negative job-to-housing ratio in all markets.

The proportion of homes with underwater mortgages is decreasing:

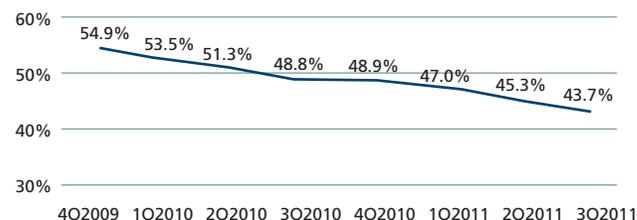
- In the third quarter of 2011, 43.7% of homes carrying mortgages in the Riverside-San Bernardino metro area were underwater.
- While the proportion of underwater mortgages is significant, it represents a 20% reduction from the fourth quarter of 2009.

New Jobs Created per Housing Permit Granted
Riverside-San Bernardino, California and United States, 2006-2010



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

Percent of Houses with Underwater Mortgages
Riverside-San Bernardino Metro Area, 4Q2009 - 3Q2011



Source: Economics & Politics, Inc. (www.jobnusing.com)

Housing Demand
Regional Comparison, 2010

	Housing Permits	Employment Change (Jobs) 2009 to 2010	Ratio of Employment Change to Permits
United States	604,610	-775,944	-1.28
Miami-Dade County	3,203	-4,639	-1.45
San Diego Metro	3,494	-10,066	-2.88
Phoenix Metro	8,300	-26,194	-3.16
Las Vegas Metro	5,474	-23,323	-4.26
Riverside-San Bernardino	6,336	-27,972	-4.41
California	43,716	-197,859	-4.53
Orange County	3,134	-16,808	-5.36
Los Angeles County	7,260	-67,962	-9.36

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

● **Connecting the Dots**
Housing Market demand is influenced by Per Capita Income.



Minimum Qualifying Income for First-Time Buyers: \$16,310

Description of Indicator

This indicator measures the value and change in value of the median priced existing single-family detached home. It 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 priced at 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?

The median home sale price has fluctuated over the past three years:

- The median sale price of an existing single-family detached home in San Bernardino County was \$131,640 in March 2012, up 1% from \$130,690 in March 2011, and down 5% from \$137,585 in March 2010.
- This price is 45% of the state median price for a comparable home in March 2012.

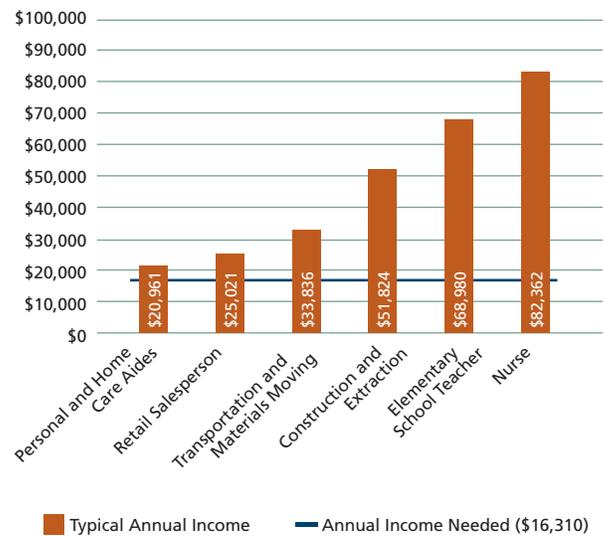
Housing affordability continues to increase:

- The minimum household income needed to purchase a single-family home priced at 85% of median (or \$111,690) in San Bernardino County was approximately \$16,310 as of the first quarter of 2012.1
- Fully 88% of households in San Bernardino County could afford such a home in 2012, up from 87% in 2011 and 81% in 2010.
- Looking at typical salaries in a selection of large or growing occupations, all of the selected fields, from personal care aides to teachers and nurses, earn more than the minimum qualifying income.
- 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.

The 2010 Census indicates high homeownership:

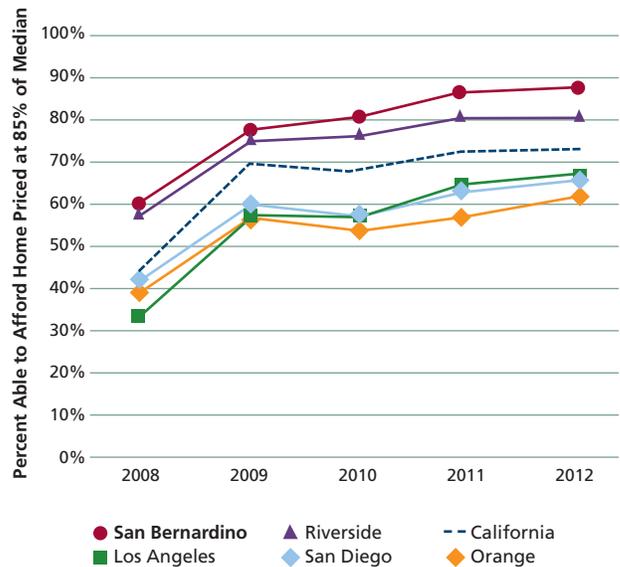
- The rate of homeownership in San Bernardino County is 62.7%.
- This rate exceeds the state average (55.9%) and four out of seven comparison regions, including Orange County (59.3%), Las Vegas (57.1%), San Diego (54.4%), and Los Angeles (47.7%).
- It is lower than the national average (65.1%), Riverside County (67.4%), Phoenix (65.4%), and Miami (63.4%).

Income Needed to Afford Home Priced at 85% of Median (\$111,690) Compared to Typical Salaries San Bernardino County, 2012



Sources: California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/?pageid=152); California Association of Realtors (www.car.org)

First-Time Buyer Housing Affordability Index County Comparison, 2008-2012



Source: California Association of Realtors (www.car.org)

¹ 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.

Connecting the Dots

Housing Affordability is a central factor in Housing Market demand.

Renting Remains Less Affordable than Buying

Description of Indicator

This indicator measures the housing wage – the hourly wage a resident would need to afford Fair Market Rent. 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 one percent from \$18.65 in 2011 to \$18.73 in 2012. This housing wage is equivalent to an annual income of \$38,960.¹
- The hourly wages needed to afford two- and three-bedroom apartments also rose less than one percent.
- The Riverside-San Bernardino metro area has more affordable rental housing than all regions compared except Phoenix, Las Vegas, and Miami.
- A one-bedroom apartment is not affordable to many lower wage occupations, including personal care aide, retail salesperson, and logistics occupations.
- In terms of the occupations projected to have the fastest rate of job growth between 2008 and 2018, fully 67% have a wage high enough to afford a one-bedroom unit.
- However, in terms of the occupations projected to have the most openings between 2008 and 2018, only 22% have an average hourly wage high enough to afford a one-bedroom unit (see County Profile).²

Renting in Riverside-San Bernardino

	2011	2012
Fair Market Rent (Monthly)		
One Bedroom	\$970	\$974
Two Bedroom	\$1,144	\$1,149
Three Bedroom	\$1,559	\$1,617
Amount a Household Earning Minimum Wage Can Afford to Pay in Rent (Monthly)	\$416	\$416
Number of Hours per Week a Minimum Wage Earner Must Work to Afford a One-Bedroom Apartment	94	94

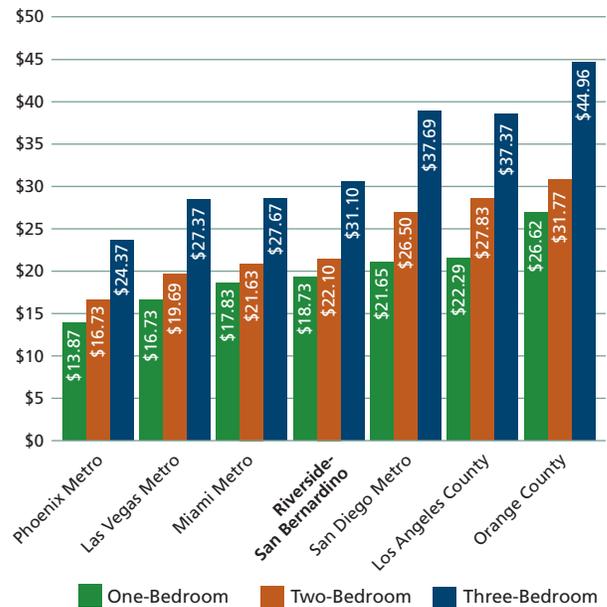
Rental Costs are Relatively High

Rental costs in the Riverside-San Bernardino metro area are high relative to the costs of owning a home. Consequently, households that are able to secure a down payment and meet current income and credit requirements may discover that it is less expensive to purchase a house than continue to rent (also see Housing Affordability). While unlikely to last due to normal market corrections, this situation has important policy implications for homeowner versus rental assistance programs (also see Family Housing Security).

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

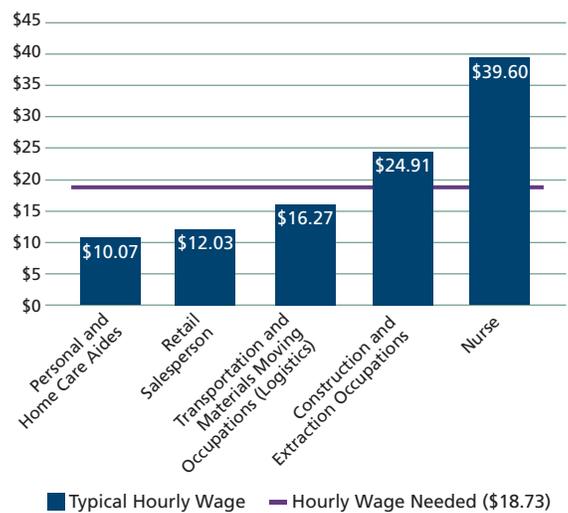
² California Employment Development Department, 2008-2018 Occupations with the Most Job Openings (www.labormarketinfo.edd.ca.gov/?pageid=145)

Hourly Wage Needed to Afford Fair Market Rent
Regional Comparison, 2012



Source: Analysis of Housing and Urban Development 2012 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlihc.org/oor/2012>)

Hourly Wage Needed to Afford a One-Bedroom Unit Compared to Typical Hourly Wages
Riverside-San Bernardino, 2012



Sources: Analysis of Housing and Urban Development 2012 Fair Markets Rents (www.buduser.org/portal/datasets/fmr.html) using the methodology of the National Low Income Housing Coalition (<http://nlihc.org/oor/2012>); California Employment Development Department, Occupational Employment Statistics (www.labormarketinfo.edd.ca.gov/?pageid=152)

Connecting the Dots
Rental Affordability has a positive impact on Family Housing Security.

Highest Percentage of Carpoolers in the Region

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 trade off longer commute times for housing affordability or other quality of life factors.

How is San Bernardino County Doing?

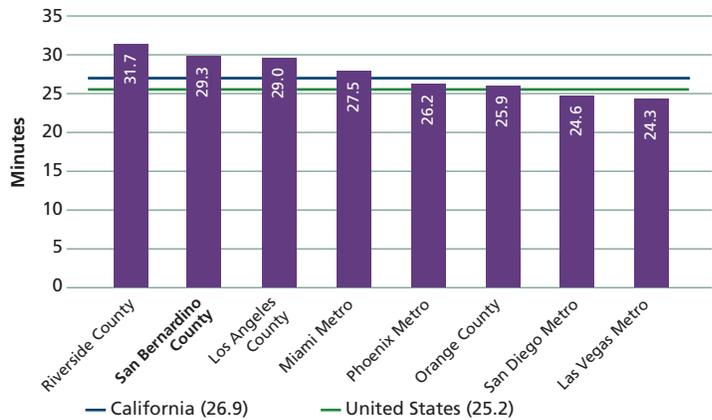
San Bernardino commute times remain steady:

- In 2010, the average commute time to work for San Bernardino County residents was 29.3 minutes, essentially the same as in 2009 (29.0) and 2008 (29.2).
- San Bernardino County's average commute time is the second highest among comparison regions and higher than both California (26.9) and the U.S. (25.2).
- In 2010, 75.8% of San Bernardino County commuters drove alone – fewer than in Miami, Las Vegas, and Orange County but more than other locations compared.
- At 15.1% of trips, carpooling is the second most common mode of travel to work and is higher than all regions compared.
- 3.8% of residents work at home and 2.0% walk to work, compared to 1.8% who use public transportation.
- Transit use is likely significantly impacted by the sheer size of the county and the distances between destinations within the county, which may result in lengthy transit trips.

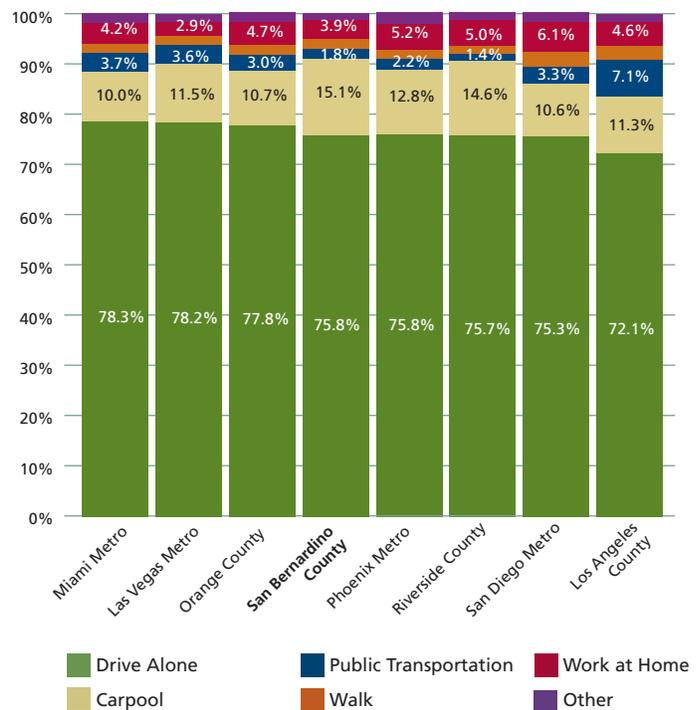
Caltrans has calculated the cost of freeway delays in San Bernardino and Riverside counties:¹

- In 2009, there were 1,341,000 annual hours of delay on San Bernardino County freeways and 3,206,000 annual hours of delay on Riverside County freeways, due to congestion.
- This congestion-related delay in Riverside and San Bernardino counties (Caltrans District 8) resulted in the use of 7.8 million extra gallons of fuel and the release of 76,000 additional tons of carbon dioxide into the air compared with what would have been emitted at free-flow speeds.
- In terms of productivity, the delays equate to wage and salary losses of \$72.3 million or \$198,000 a day.

Average Commute Time to Work in Minutes
Regional Comparison, 2010



Primary Mode of Travel to Work
Regional Comparison, 2010



Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates (<http://factfinder2.census.gov>)

¹California Department of Transportation Mobility Performance Report, 2010 (www.dot.ca.gov)

Connecting the Dots

Mobility throughout Southern California is closely linked with Housing Affordability.

Bus and Rail Ridership Decreases Slightly

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?

A previously sharp drop in commuter rail ridership has slowed significantly:

- In 2010/11, ridership on all commuter rail lines (Metrolink) serving San Bernardino totaled 6.13 million riders, down from 6.2 million the previous year.
- This represents a decline of 1.2%, compared with the 9% drop in ridership between 2008/09 and 2009/10.
- Still, long-term ridership trends remain positive, with 33% growth over the past 10 years.

Overall per capita bus boardings for San Bernardino County's six transit agencies decreased slightly:

- In 2010/2011 total bus passenger boardings were 17,450,105 – down less than 1% from 17,592,190 in 2009/2010.
- San Bernardino County's bus ridership per capita is on the low end compared to neighboring counties and lower than peers compared.
- The Omnitrans bus system operating costs are in the middle (\$4.55/trip) while the Victor Valley Transit Authority operating costs are the highest (\$6.14/trip) of the regions compared.

The 2011 Inland Empire Annual Survey (see Resident Satisfaction) asked residents which alternate modes of transportation they would use more often if gas prices continue to rise. Thirty-eight percent indicated they would carpool, and 26% said they would ride the bus more often.

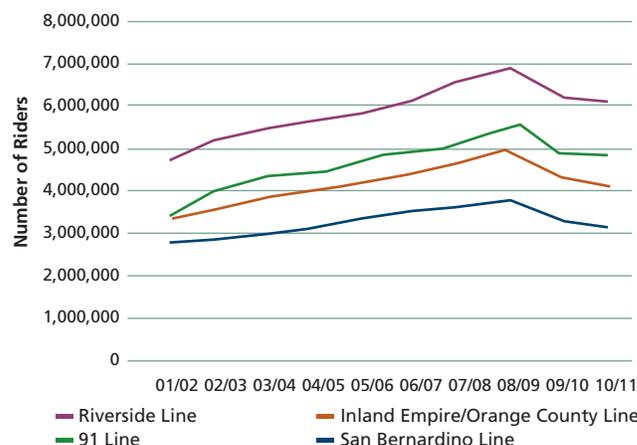
Transportation Projects = Local Jobs

San Bernardino Associated Governments (SANBAG) has developed an aggressive plan to deliver multiple transportation infrastructure projects between 2012 and 2014, at a total cost of \$2.5 billion. Measure I – the half-cent sales tax collected throughout San Bernardino County for transportation improvements – is the largest source of funding for local transportation projects. Measure I funds will be used to leverage state and federal funds from State Proposition 1B transportation bonds and federal stimulus funds (American Recovery and Reinvestment Act), of which San Bernardino County has received a significant, one-time influx. The expenditure of these funds will generate jobs and boost economic recovery in the region. Caltrans estimates that for every \$1 billion spent on transportation infrastructure, 18,000 direct and indirect jobs are created.

This positive funding news is tempered by the dissolution of redevelopment agencies. Redevelopment agencies were providing funding for key projects so they could be built before development and its related traffic impacts occurred. Without redevelopment agency funds, over \$23 million of state and federal transportation dollars are at risk of being lost altogether. Additionally several key projects like the I-15/Baseline Interchange in Rancho Cucamonga and the Yucca Loma Bridge in Apple Valley will be delayed while other funding sources are sought.

Commuter Rail Ridership

Riverside Line, 91 Line, Inland Empire/Orange County Line, and San Bernardino Line, 2002-2011



Source: Southern California Regional Rail Authority (www.scrra.org)

Bus System Operating Costs and Boardings per Capita Regional Comparison, 2010

Regional Transportation System	Boardings per Capita	Cost per Boarding
Los Angeles County Metropolitan Transportation Authority	42.4	\$ 2.58
Regional Transportation Commission of Southern Nevada (Las Vegas)	28.9	\$ 2.86
Miami-Dade Transit	28.7	\$ 4.91
San Diego Metropolitan Transit System	26.3	\$ 2.78
Valley Metro (Phoenix Metro)	22.6	\$ 4.63
Orange County Transit Authority	17.9	\$ 4.38
SunLine Transit Agency (Coachella Valley)	11.9	\$ 5.71
Omnitrans	10.2	\$ 4.55
Riverside Transit Agency	4.5	\$ 5.86
Victor Valley Transit Authority	4.4	\$ 6.14

Note: Boardings per capita calculated using the service area population for the transit providers. Boardings include bus and demand responsive service.

Source: National Transit Database (www.ntdprogram.gov)

Connecting the Dots

Transit investments help residents reduce their **Energy Consumption**, contributing to a sustainable community.

More Computers per Student than Statewide Average

Description of Indicator

This indicator measures adult access to and use of the Internet either at home or work, the number of K-12 students per computer less than 48 months old in public schools, and the number of tech-related degrees awarded at colleges and universities in San Bernardino County, including Associate's, Bachelor's, and graduate degrees.

Why is it Important?

Internet access connects residents to a wealth of information, resources, products, and services. Use of the Internet for obtaining or providing services may reduce carbon footprints, lessen congestion on highways, and reduce paper costs and associated impacts on landfills. Computer skills are critical for students in our knowledge- and computer-driven economy. A technically skilled pool of local graduates reduces the need for employers to recruit workers from outside the county and can attract new high-tech jobs.

How is San Bernardino County Doing?

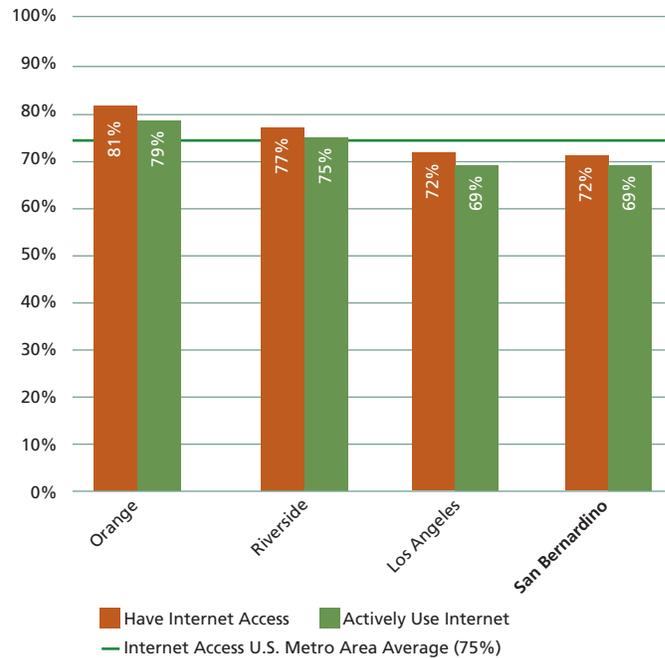
San Bernardino County's Internet access rate for adults is lower than the U.S. metro area average, but student access to computers is strong:

- In 2011, San Bernardino County's Internet access rate for adults was 72%, the same as 2010, but higher than 68% in 2008.
- Most adults with Internet access actively use the Internet (69%).
- At 5.4 students per computer less than 48 months old, San Bernardino County outperforms the statewide average (5.8).
- It has the second best ratio of students per computer among the southern California counties compared, falling behind San Diego County (3.6) but ahead of Orange (6.5), Riverside (6.7), and Los Angeles (6.9) counties.

There has been minimal change over the past five years in the total number of tech-related degrees granted at local colleges and universities:

- 198 tech-related Associate's degrees were awarded in 2010/11, a decrease of 12% over the past five years.
- The number of tech-related Bachelor's degrees awarded (338 in 2010/11) has not changed substantially over the past five years.
- The number of tech-related graduate degrees granted increased 13% over the past five years, from 80 in 2006/07 to 92 in 2010/11.
- Degrees granted in information and computer sciences dropped the most, falling 15%. Still, it remains the most popular tech-related degree, with 224 degrees granted in this field in 2010/11.
- The numbers of degrees granted in other tech-related fields (physical sciences, biological sciences, mathematics, and engineering) vary from year to year and do not show strong trends of growth or decline over the past five years.

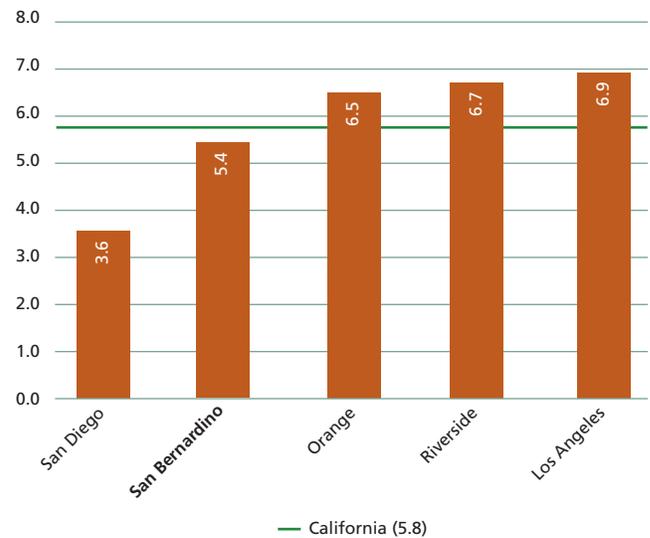
Internet Access and Use Among Adults
County Comparison, 2011



Note: U.S. Metro Area average is for 2010.

Source: Scarborough Research

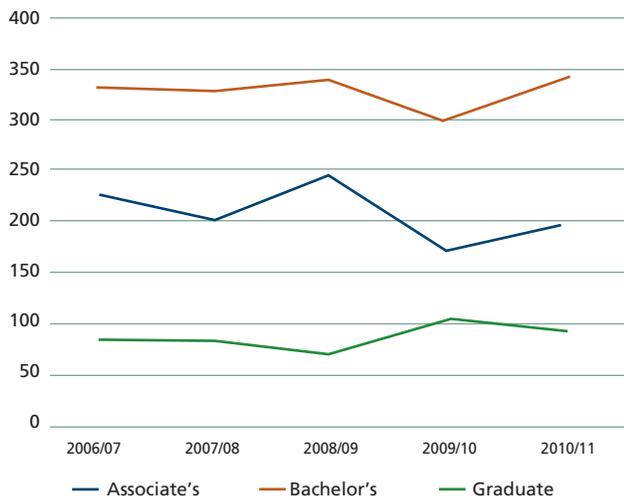
Students per Computer Less Than 48 Months Old
County Comparison, 2011



Source: California Department of Education

¹ Tech-related degrees include the subjects of biological sciences (not including health sciences), physical sciences, mathematics, computer and information sciences, and engineering and industrial technologies.

Tech-Related Degrees Awarded by Type of Award
San Bernardino County, 2007-2011



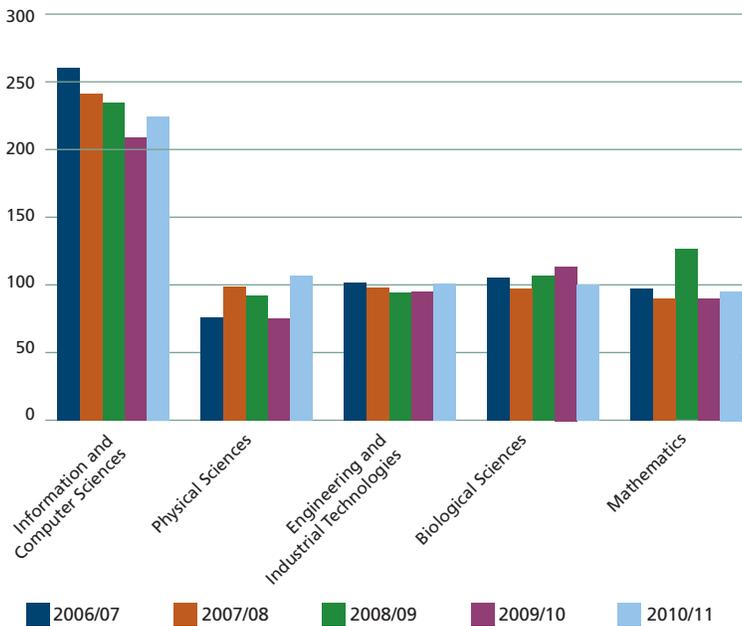
Sources: California State University, San Bernardino (<http://ir.csusb.edu/>), California Community Colleges Chancellor's Office (<https://misweb.ccco.edu/mis/onlinestat/awards.cfm>), University of Redlands, and Loma Linda University (only 2010/11 data available for Loma Linda University, contributing two graduate degrees to the total).

Alliance Brings STEM to Students

The Alliance for Education emphasizes STEM disciplines (Science, Technology, Engineering, and Mathematics) for middle school through post-secondary students, offering programs to encourage further education and majors in STEM fields. In 2010/11, Alliance partners provided 50 middle and high schools from 20 school districts in San Bernardino County with STEM-focused, hands-on learning opportunities. In a 2011 follow-up survey of high school seniors who graduated from four high schools participating in Alliance STEM programs, 83% of the respondents said they were currently enrolled in post-secondary education and 57% said they were likely to major in STEM fields.

Source: Alliance for Education/Public Works Inc.

Tech-Related Degrees Awarded by Subject
San Bernardino County, 2007-2011



Note: Includes Associate's, Bachelor's and graduate degrees awarded.

Sources: California State University, San Bernardino (<http://ir.csusb.edu/>), California Community Colleges Chancellor's Office (<https://misweb.ccco.edu/mis/onlinestat/awards.cfm>), University of Redlands, and Loma Linda University (only 2010/11 data available for Loma Linda University, contributing two graduate degrees to the total).

Connecting the Dots

Technology access and familiarity, as well as majoring in STEM fields, can improve individuals' Career Preparation.

Low Relative Rents Provide a Competitive Advantage

Description of Indicator

This indicator shows rental prices and vacancy rates for office, retail and industrial real estate in the Riverside-San Bernardino metro area compared to neighboring Los Angeles and Orange counties.¹

Why is it Important?

A key factor for businesses seeking office, retail or industrial real estate is the cost of rent. Relatively low rental prices may help draw businesses to, or keep existing businesses in, the Riverside-San Bernardino region. Vacancy rates, another key factor, signal 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. Higher vacancies can mean reduced costs for business and opportunities for end-users, but can also discourage investments in new facilities.

How is San Bernardino County Doing?

Across all categories of office, retail and industrial real estate, costs in the Riverside-San Bernardino metro area are comparatively low:

- In the first quarter of 2012, Los Angeles and Orange counties were 39% more expensive, on average, for comparable space.
- Compared to the first quarter of 2008, Riverside-San Bernardino rents decreased for office and industrial real estate (17% and 23% decrease, respectively), but increased for retail real estate (3%).

Riverside-San Bernardino's high vacancy rates signal the region may have an over-supply of commercial real estate:

- In the first quarter of 2012, vacancy rates for office, retail and industrial real estate were significantly higher in the Riverside-San Bernardino metro region compared to neighboring counties.
- Making up the vast majority of the total market share (78%), in the first quarter of 2012, industrial real estate had the lowest vacancy rate at 7.4%.
- Conversely, office real estate had the highest vacancy rate (22.7%), but this category only makes up 1% of the total commercial real estate market the Riverside-San Bernardino metro area.
- Retail space has a 10.8% vacancy rate and makes up 21% of the market share.
- Despite the higher relative vacancy rates, the office and retail space vacancy rates dropped 5% and 2%, respectively, since the first quarter of 2011. However, there has been a 16% increase in the vacancy rates among industrial space over the same one-year period.

Office, Retail and Industrial Real Estate Asking Rents Regional Comparison, First Quarter 2012



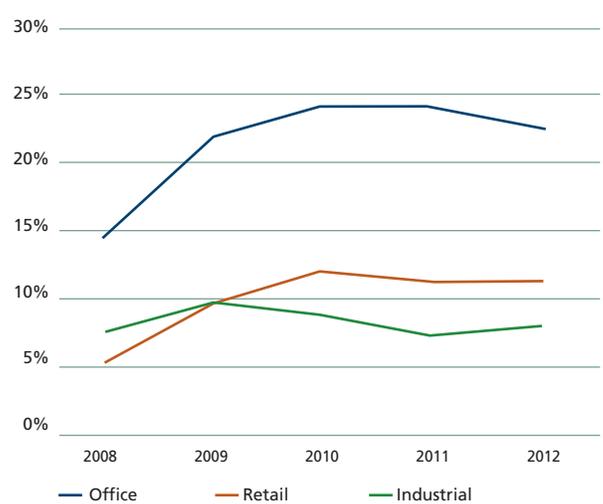
Source: CBRE

Office, Retail and Industrial Real Estate Vacancy Rates Regional Comparison, First Quarter 2012



Source: CBRE

Office, Retail and Industrial Real Estate Vacancy Rates Riverside-San Bernardino Metro Area, 2008-2012 (First Quarter)



Source: CBRE

¹ Due to a change in the data source, the data presented in this indicator are not comparable to the data presented in the 2011 San Bernardino County Community Indicators report.

Connecting the Dots

The development of the **Commercial Real Estate Market** can help mitigate the imbalance of jobs and housing, and its impact on **Air Quality**.