Growing With Purpose: Residents, Jobs, and Equity in Richmond, California

East Bay Alliance for a Sustainable Economy
A Publication of the Richmond Regional Equitable Development Initiative
Acknowledgments

Primary Authors

Jennifer Lin, MPP
EBASE Policy Analyst

Howard Greenwich, MPP
EBASE Research Director

Major Contributors

Tom Dundon, MBA Candidate
Evan Sarna, MCP

Layout and Design

Janna McGregor

Funding Support

The California Endowment
The Ford Foundation
The San Francisco Foundation

Cover Photo

Ford Building by Charles Benton
Other photos by Communities for a Better Environment and EBASE
# Table of Contents

**Executive Summary** ................................................................. 4

**Introduction** .............................................................................. 9

**Chapter One: Workforce and Population** .................................... 12
   * Richmond Grows in People and Diversity .................................. 12
   * Richmond Households Face Tougher Economic Conditions Than Those in the Region ......................................................... 14
   * Working Residents Face Many Challenges .................................. 16
   * Unemployment a Chronic Problem, With Young Black Men Facing Persistent Barriers .............................................................. 17
   * More Residents in Low-Wage Jobs Than Those in the Region .................................................................................................. 19
   * Workforce and Population: Conclusions and Recommendations ............................................................................................ 20

**Chapter Two: Industries, Jobs, and Job Quality** ............................. 22
   * Manufacturing Declines While Service Industries Grow ................. 22
   * Recent Recession Blunts Richmond’s Long-Term Growth ............... 25
   * Opportunities In Richmond’s Strong and Growing Industries .......... 27
   * Weak Link Between Residents and Local Jobs .............................. 31
   * Industries, Jobs, and Job Quality: Conclusions and Recommendations ..................................................................................... 34

**Appendix A: Methodology** .......................................................... 37

**Endnotes** ........................................................................................ 39
Executive Summary

The City of Richmond is on the brink of incredible change. The city’s increasingly diverse population and workforce—along with new job growth—represent trends that can help renew both the city’s pride and purpose. With the city facing near-unprecedented levels of real estate development and industrial restructuring, Richmond’s assets—including increasingly valuable land and brownfields, a large business base, easily accessible BART, train, freeway, and waterway transportation, a beautiful shoreline, and a diverse workforce—represent opportunities to further Richmond’s economic development while ensuring that all residents share in the economy’s benefits.

However, the City of Richmond continues to struggle with grave social and economic crises. While the larger region has grown in prosperity, the issues of chronic poverty, economic inequality and unemployment have undermined the quality of life of many Richmond residents for decades.

Richmond has an opportunity to improve the prosperity and quality of life of residents by harnessing economic growth and development. Economic development—or the use of public resources to generate economic activity—can and should be directed to alleviate poverty, provide public benefits, and stabilize communities. Re-diverting the benefits of economic development requires a creative and informed strategy that balances the city’s short-term immediate needs with longer-term vision and planning.
Purpose. Many of the demographic and economic conditions analyzed in this report are not new to Richmond residents and government officials. The trend data on population, workforce, jobs, and industries are meant to provide a starting benchmark to measure changes and progress over the next decade—arguably a key transition time period for Richmond. This baseline data can inform economic development goals, and make the connections from economic development to workforce development, poverty alleviation, and community stability.

Data and Methodology. To understand the city’s challenges and opportunities, we primarily compare Richmond to the broader East Bay as a point of reference. Richmond is, after all, a modest-sized city in a much larger regional market for labor, housing, and investment. For this paper, we define the East Bay as Alameda and Contra Costa counties and refer to it frequently as “the region.” We also analyze industry and job change along two timeframes—over the last two decades (1980-2005), and more recent post-recession changes (2001-2004). Please see Appendix A and endnotes for an explanation of the methodology used in this report.

1) Good Jobs are Not Going to Local Residents. Richmond residents are stuck in low-wage work, and benefit less from the city’s good-paying jobs than do workers who live outside of Richmond.

- Low-wage jobs are not more concentrated in Richmond than in the San Francisco Bay Area. The overall pay scale in Richmond mirrors that of the San Francisco Bay Area region—meaning Richmond has not become a hub in the region for jobs at the lower end of the wage spectrum.

- However, among Richmond residents who are currently employed, only 21% of them actually work in Richmond—a much smaller percentage than in some East Bay cities. Therefore, they benefit less from the city’s good paying jobs.

- Richmond residents, regardless of where they work, are more likely than non-resident jobholders in Richmond to be paid less than $30,000 a year (53%, versus 42%) and more likely to be in poverty (18% versus 7%). This suggests that Richmond residents are concentrated in the low-wage jobs locally and regionally, while workers from outside fill the well-paying positions in the city.

REDI Grassroots Leadership Institute participants draw their vision for development in Richmond.

2) Service Industries are Growing, While Manufacturing is Shrinking but Still Significant. Over the last two decades, the Richmond Area’s economy has grown substantially and still serves as a job hub for the region—with increases in the service sector counteracting losses in the manufacturing sector.

- Like much of the country, the employment and industrial landscape in Richmond from 1980 to 2005 shifted from higher-wage manufacturing to generally lower-wage service sectors.
• From 1980 to 2005, employment in the local Richmond area grew from 34,244 jobs to 52,390 jobs. In 2005, the local Richmond area had 0.44 jobs per resident, higher than the East Bay region which had 0.38 jobs per resident.

• The Service sector led this growth by providing two out of three of the new jobs in Richmond (62%), which is significantly higher than the East Bay where one in two new jobs were in the Service sector (49%).

• Manufacturing, Wholesale, and Transportation (MWT) remains a major job sector in Richmond, but has not seen any net growth since 1980.

• Richmond is one of the most diverse cities in the region: 36% of the population is African American, 27% Hispanic or Latino, 21% White, and 13% Asian or Pacific Islander.

• One in four Richmond residents is an immigrant (25.8%), a slightly higher proportion than in the region (24.0%).

4) New Jobs are Less Likely to Provide Family-Supporting Wages than Old Jobs. More recent post-recession losses in manufacturing were countered by growth in the service sector, but jobs in growing sectors are less able to support families than jobs in declining sectors.

• Following the recession, the Manufacturing, Wholesale, and Transportation (MWT) sector declined by approximately 2,000 jobs, a decrease of 1 in 5 manufacturing sector jobs.

• At the same time, Health, Educational, and Recreation Services grew by over 900 jobs (a 17% increase between 2001 and 2004).

• With the increasing service sector and shrinking manufacturing sector, the average wage of jobs gained in Richmond ($16.61) is lower than that of the jobs lost ($17.81).

• Like much of the region, over 4 in 10 jobs in Richmond (44%) do not pay enough for a family of four to make ends meet (Basic Family Wage of $16.88).

3) Richmond Grows in People and Diversity. While many historically industrial cities in the U.S. face ongoing population loss, Richmond is a growing city of close to 100,000 people, with a diverse resident population and workforce.

• Over the past 30 years, Richmond’s population grew 25%, a significant but smaller level of growth than the East Bay overall (47%).

5) Chronic Challenges Could Jeopardize the City’s Growth. Richmond’s persistent poverty, unemployment, and low-wage work endanger the city’s ability to build upon its strengths.
• One in four residents do not have a high school diploma, versus 16% in the East Bay.

• Almost 1 in 5 Richmond residents (18%) work in lower-wage service occupations, versus 1 in 7 residents in the East Bay (13%). Fewer residents (33%) work in higher paid professional occupations than residents in the East Bay (42%).

• Poverty rates in Richmond (27%) are significantly higher than in the East Bay (20%), and unemployment rates are also persistently higher (7.7% in Richmond versus 5.2% East Bay).

• Richmond’s young Black men between the ages of 16 and 24 have the highest unemployment rate (36%), which is much higher than that of their counterparts in the East Bay (26%) and over double the rate of older Black men in Richmond (14%).

Conclusions and Recommendations

While the complex problems of poverty and unemployment cannot be eradicated by city action alone, the City of Richmond has an important role in setting the standards and leveraging public resources to benefit existing residents, especially those most in need. Historically, the city has proactively sought outside resources and developed programs to address its economic challenges. With large-scale private capital returning to Richmond, the city can and should assess its economic development strategies to create job opportunities and lift residents out of poverty.

To start, Richmond should collect information and set measurable goals for economic development that better link local residents and local, good paying, sustainable jobs. These goals should also be incorporated into land use policy and planning that encourages foresight, balance, and long-term economic sustainability. This report provides data and analysis to inform a new economic development strategy, suggests criteria and goals, and proposes industries and job growth sectors that warrant further study.

A) Set Ambitious and Measurable Goals

• As an economic development strategy, increase the percentage of Richmond residents who work locally from 21% to 25% over the next 5 years.

• Reduce the poverty rate of existing residents by as much as 20% over the next 10 years. This goal should be accomplished without displacement of existing residents or gentrification of neighborhoods.

• Raise the wages of those in lower-wage service occupations and increase the percentage of residents earning below a Basic Family Wage from ($16.88) by 10% in 10 years. Encourage businesses to pay higher wages and benefits through incentives, development standards, and fostering a climate supportive of collective bargaining.
B) Create an Integrated Strategic Plan and Vision

The Economic Development Strategic Plan should include:

- Prioritizing public resources to support strategic sectors, such as investment in industries that require a range of skill sets, show concrete growth potential, provide family supporting jobs, and that are already concentrated in Richmond.

- Strengthened partnerships with industry leaders, labor unions, and nonprofit organizations to create feasible job ladders and training programs that increase worker skills and provide a pathway to advance workers to better wages.

- Regular evaluation of outcomes and adherence to success measures—such as tenure of job placement, wage advancement, and outreach to groups facing extreme employment challenges—to provide benchmarks for progress.

C) Invest in Family-Supporting Jobs and Industries

- With almost a third of Richmond’s jobs remaining in the Manufacturing, Wholesale, and Transportation sector, existing industrial and commercial land should not be converted to other uses without very careful deliberation and long-term planning. Policy considerations should include an industrial land retention study that inventories available industrial land, develops criteria before rezoning, and assesses potential growth and restructuring in the MWT sector.

- Continue to explore opportunities to transform Richmond’s “grey” industrial base into a “green” base that helps meet the growing demand for energy efficient products and services.

- Investigate promising industries that are already concentrated in Richmond—such as educational services, health care, and government administration—to determine if they are stable enough to warrant a focused industrial or workforce strategy.

D) Expand Model Policies and Programs

- Implement and ensure regular reporting from the newly expanded Local Employment Program.

- Enforce and expand the City’s living wage policy to lift wage standards in Richmond’s lower-wage industries.

- Expand existing workforce training programs, increase goals for the number of adults and youth placed in Richmond jobs from 1,000 to 1,500 over the next 5 years, and provide increased funding for direct classroom and skills training.

- Job programs serving African American young men and immigrant workers should be especially emphasized.
The City of Richmond has long been known as the gritty industrial “Pittsburgh of the West” and a main birthplace of the “Rosie the Riveter” icon during the World War II era. At the height of the war effort, Richmond was host to “56 different war industries, more than any other city of its size in the United States,” which expanded job opportunities to many who were formerly shut out of the labor market.1 To this day, Richmond continues to represent an industrial center for the region with a diverse population and workforce.

While the abundance of blue-collar jobs helped shape the Richmond community as a working class stronghold in the past, having an economy based primarily on manufacturing has had its cost. When manufacturers began shutting their doors and jobs left for the suburbs, local employment dried up. This contributed to segregated, chronically poor neighborhoods and led to the decline of Richmond’s once vibrant downtown. Discrimination against the African American community exacerbated this problem, as many African Americans who once worked at the shipyards were shut out of the regional job market. Of the remaining major industries, some—notably oil refining and chemical processing—are less successful at providing local hiring and have created substantial health risks for local residents, further exacerbating the brunt of problems faced by residents in the lowest income neighborhoods.
Recent changes in Richmond herald a new era for the city. The city has attracted new residents, from working-class immigrants moving to the Iron Triangle, to wealthy newcomers building luxury housing on the shoreline – historically known for being a hub of industry and shipbuilding – is one of the city’s major assets.

The next decade promises even bigger changes for Richmond. Richmond’s residents and elected officials have an opportunity to shape how the city grows and who will benefit from that growth. Creating a new vision for the future starts with the current update of the City’s General Plan, an important policy blueprint for land-use, transportation, housing, and other fundamental quality of life issues. In conjunction with the General Plan update, new policies and budget priorities should be created to reflect a fresh assessment of future challenges and opportunities.

Of the remaining major industries, some – notably oil refining and chemical processing – are less successful at providing local hiring and have created substantial health risks for local residents, further exacerbating the brunt of problems faced by residents in the lowest income neighborhoods.

Richmond Regional Equitable Development Initiative (REDI). Over two years ago, the Richmond Regional Equitable Development Initiative (REDI) came together to help Richmond residents craft a new vision for the city. This vision ensures that the prosperity of economic growth is shared among the city’s diverse neighborhoods and residents. REDI is a collaboration of Richmond-based and regional organizations bringing together research, organizing, and policy advocacy. Our equitable development vision is a community in which every resident has access to:

- affordable housing
- family supporting jobs
- reliable public transportation
- quality educational opportunities
- clean and healthy environment
- accessible community amenities, including open space to play, health care, and grocery stores with nutritious food

Purpose. This report is primarily intended to inform the process of crafting a new vision for the city’s economic growth and policy decisions to shape the city’s growth. We have two primary goals:

1) chronicle the existing conditions in Richmond—both challenges such as poverty and low-wage work, and assets like
industry and population base—to provide measure future progress; and

2) identify the best opportunities to address chronic challenges and build on Richmond’s assets. This includes creating an overall economic development strategy that tackles poverty and unemployment, and connecting land use policy and anti-poverty programs.

The report is divided into two sections—broadly categorized as the “residents and workforce” section and the “jobs and industries” section. In the first, we analyze both historic and more recent trends for Richmond residents, with an emphasis on economic conditions and challenges for the resident workforce. In the second section, we analyze historic and recent trends in the local economy based on businesses and the jobs they create in Richmond. A description of our methodology can be found in Appendix A. Please note that where data sources did not allow for analysis within strict Richmond city boundaries, we substituted slightly broader geographic areas and make note of these distinctions in the report.
Chapter One: Workforce and Population

Richmond Grows in People and Diversity

Since its incorporation in 1905, the City of Richmond’s population has fluctuated with industrial change and development. Thousands of residents moved to Richmond during World War II to work in the city’s shipyards, causing the population to almost quadruple from 23,600 in 1940 to over 93,700 in 1943. However, in the decades after World War II, Richmond’s population shrank down to 71,960 in 1960 following the closing of the shipyards in 1945.¹

Richmond lost population again from 1970 to 1980 when the population declined by nearly 6%, while the East Bay population continued to grow by 8%.² Like other East Bay cities such as Berkeley and Oakland, urban population growth was eclipsed by rapid suburban expansion into the eastern parts of the region.

However, from 1980-2000 Richmond maintained a similar level of growth to that of the region (Figure 1). The majority of the growth can be attributed to new housing development on former industrial land or underused land in the outer parts of the city, such as the Marina, with over 5,700 housing units permitted in Richmond in the 1980s and another 1,800 units in the 1990s.³ Another major factor for growth from 1990 to 2000 was an increase in average household size, from 2.67 persons per household to 2.82.⁴ One likely cause of the increase in average household size was an influx of immigrants, who tend to live in larger households.
Richmond is one of the most diverse cities in the Bay Area and in the nation. An unprecedented migration of African American workers and their families during WWII established Richmond as a significant Black community in the region. More recent immigration by Latinos and Asians has made the city considerably more diverse than the rest of the East Bay region. While the White population is a minority in the greater East Bay region, they still constitute 48% of the total population, compared to 21% in Richmond (Figure 2). Richmond’s Black population is still the largest at 36% of the total, compared to only 12% in the East Bay overall. Those who describe themselves as Black include both African Americans as well as Black immigrants.

Because the Black population in Richmond is the largest, we looked at changes in that community over time. Over the past two decades, the Black population has fluctuated in Richmond, growing from 1980 to 1990, but declining again from 1990 to 2000. The East Bay Black population overall held relatively steady during the same time period, indicating that Black residents may have moved from Richmond to other parts of the region.5

Many of Richmond’s new Asian, Black, and Latino residents who moved to the city in the last three decades are immigrants from other countries. Immigration to Richmond steadily increased each decade from 1970 to 2000, with almost half of the current foreign born population coming to Richmond in the 1990s alone (Figure 4). Today, over one in four Richmond residents is foreign born, slightly above the proportion in the region.

While Richmond has become more of a city of immigrants, it is not a younger-aged city relative to the region. Compared to the East Bay, Richmond has only a slightly higher proportion of residents younger than 18 years old (28% versus 25%), a slightly lower median household size (2.72 versus 2.83 people), and a similar proportion of small to medium sized households of 3-4 people (30% versus 32%) as the East Bay (Appendix Table B.1 and B.2).

Figure 1: Richmond Population Steadily Expands from 1980-2000

Figure 2: Richmond More Racially Diverse Than Region

Figure 3: Black Population Declines Relative to Region, 1980-2000

Figure 4: Immigrant Population Steadily Increasing, 1970-2000

Source: State of Cities Data System
Richmond Households Face Tougher Economic Conditions Than Those in the Region

Richmond residents, families, and households do not share equally in the region’s economic prosperity. According to the last Census, Richmond’s median household income ($44,210) is 35% lower than the East Bay’s ($59,365). Across all races, Richmond household incomes are consistently lower than their East Bay counterparts. Within Richmond, inequality is even starker, with median household income ranging from $22,650 to $86,914 across neighborhoods (as measured by census tracts).7

Low-income residents tend to live in the urban centers of the city, while higher income residents live in the hills, waterfront, and outer portions of the city. This geographic inequality has had obvious effects on the ability of residents to invest in their neighborhoods, but also impedes their ability to use social networks to find higher quality jobs.

For several decades, many more Richmond residents have lived with economic hardship than residents in the rest of the region.

In addition to income inequality, or perhaps as a result of inequality, economic hardship is more widespread in Richmond than in the surrounding region. For several decades, many more Richmond residents have lived with economic hardship than residents in the rest of the region. Using the Federal poverty rate to define hardship, economic conditions grew much worse relative to the region from the 1970s through the 1990s (Figure 5). While the poverty rate for East Bay remained stable over this time, it worsened for Richmond, with a large jump in the 1970s. Despite increases in the population, workforce, and economy of the East Bay over the last three decades, poverty has remained a persistent challenge in Richmond.

However, these figures underestimate the degree of hardship faced by residents in Richmond and the East Bay, given the much higher cost of living in the Bay Area as compared to the rest of the nation. In fact, these federal poverty figures represent extreme hardship, especially the most recent figures from 2000.8

If we adjust for the cost of living in the region by using 150% of the poverty threshold, we find that 27% of Richmond residents live in poverty conditions today as compared to 20% in the East Bay (Figure 6).9 Children and young people in Richmond are especially burdened by poverty: over double the proportion of Richmond youth are impoverished (38%) as compared to that of youth in the East Bay (16%).

18%
16%
14%
12%
10%
8%
6%
4%
2%
0%

1969 1979 1989 1999

Figure 5: Poverty Higher in Richmond than in East Bay, 1969-1999

Source: State of Cities Data System

Richmond East Bay

40%
30%
20%
10%
0%

Extreme Poverty
(100% Federal Threshold)
Poverty
(150% Federal Threshold)
Extreme Poverty
(100% Federal Threshold)
Poverty
(150% Federal Threshold)

Figure 6: Poverty Among Richmond Youth Double that in East Bay

All Ages
Under Age 16

Source: Census 2000, SF3

Richmond East Bay

14 East Bay Alliance for a Sustainable Economy: Growing With Purpose • Workforce and Population
All races in Richmond are more likely to live in poverty than their counterparts in the region overall (Appendix Table B.4). However, within Richmond, some groups are much worse off than others (Figure 7). Black residents suffer higher rates of poverty than do other races: one in three Black residents live in poverty (34%) and one in four (22%) live in extreme poverty. For Latinos, 32% live in poverty, and 18% live in extreme poverty.

Some prevalent household characteristics in Richmond may contribute to economic hardship. While average family size is about the same as the East Bay, Richmond has a slightly greater concentration of large households of 5 or more people (16% versus 13%). These large households require a greater income to support such their members. Furthermore, Richmond has more female-headed households (38% versus 27%, Figure 8). Households headed by females have lower earning capacity because of chronic wage inequality between men and women.
Working Residents Face Many Challenges

Lower overall educational attainment among Richmond’s working-age adults explains some of the lower incomes and higher rates of poverty among residents. Among adults 25 years or older, a full quarter (25%) of Richmond residents do not have their high school diploma, versus 16% of East Bay residents of the same age group (Figure 9). At the same time, far fewer residents hold college or graduate degrees—22% in Richmond compared to 35% in the region.

Figure 9: Fewer Richmond Residents Have Bachelors or Graduate Degrees

![Chart showing percentage of population with various levels of education in Richmond and East Bay.]

Within Richmond, some groups have a considerably lower proportion of residents who are considered working or looking for work. While 67% of adult White persons were in the labor force as of the last census, only 59% of the Black population and only 59% of the Latino population were considered working or looking for work (Figure 11). Persons identifying as American Indian, Alaska Native, “Two or more races,” or “Some other race” also have a notably high labor force participation rate of 68%. Overall, Richmond’s labor force participation rate is 62%. (Please see endnote 6 for an explanation of census categories for race, and the aggregations used in this report.)

Basic Terms

Labor Force Participation includes residents 16 years and older who are either currently employed or unemployed. Therefore, people in the civilian labor force are either working for pay or looking for work.

Those who are unemployed include residents 16 and older who do not have a job but are actively looking for a job. They are a subset of the civilian labor force.
Unemployment a Chronic Problem, with Young Black Men Facing Persistent Barriers

Unemployment in Richmond has been persistently higher than in the rest of the East Bay. However, during the region’s economic boom in the late 1990s, unemployment hit a three decade low. The unemployment gap between Richmond and the East Bay jumped dramatically from the 1970s (1.3%) to the 1980s (2.9%) and grew even larger by 1990 (3.8%). However, the gap fell by the late 1990s (2.5%) during the recent economic boom (Figure 12).

Figure 13 shows that unemployment in Richmond and the region mirrored recent economic cycles. Unemployment dipped greatly during the economic boom of the late 1990s, bringing the unemployment gap between Richmond and the region to an historic low. However, the recent recession drove unemployment back up to a peak in 2003 and the gap has widened again. This indicates that Richmond workers benefit greatly from a tight labor market, but are the first to be let go when unemployment increases.

Figure 14 show that residents of all races have high unemployment rates in Richmond. Within Richmond, Black residents clearly have the worst experiences finding a job, facing 11.5% unemployment. This is compared to the average of 7.7% overall unemployment in Richmond, and 5.2% overall unemployment in the East Bay. American Indian, Alaska Native, Other, and people who identified as two or more races have a high unemployment rate, but are a small proportion of the total Richmond population (see endnote 6). Please remember that unemployment rates are a subset of labor force participation rates when comparing these two indicators.

Within the black population, age and gender disparities point to even more barriers to prosperity (Figure 15). Black young men between ages 16 and 24 have the highest unemployment rate (36%), which is much higher than their counterparts in the greater
East Bay (26%) and over double the rate for older Black men (14%). Young Black men also face considerably higher unemployment than young Black women (20%) in Richmond. It is important to note that even amidst the Bay Area’s good economy and labor market in 1999, over one in three young Black men could not get a job. (For a full table of unemployed youth by race, see Appendix Table B.5.)
More Residents in Low-Wage Jobs Than Those in the Region

Income and poverty are both heavily influenced by what jobs are available to Richmond residents. While we assess the Richmond economy and labor market later in this report, we now examine the various type and quality of jobs that Richmond residents currently hold, regardless of where they work.

Figure 16 below shows that while Richmond’s distribution of resident job types generally mirrors the East Bay, there are two divergences. First, more Richmond residents work in service-related occupations (18%) as compared to residents in the East Bay (13%). These occupations include jobs in healthcare, protective service, food preparation, janitorial, and personal care, and represent the lowest paying non-farm jobs in the region, at a median wage of $11.63 an hour (Figure 17).

Second, while one in three (33%) residents in Richmond work in management, professional, and related occupations, this figure is considerably lower than the 42% of East Bay residents in similar occupations. Management positions include financial specialists, computer occupations, legal, education occupations, healthcare practitioners, and other business managers. These positions tend to be higher paying and more secure than service jobs, at a median wage of $29.40 an hour.

One in three jobs held by Richmond residents is a higher paying management or professional job ... However, these jobs are not evenly distributed within the city.

Figure 16: Smaller Proportion of Richmond Residents in Management, Higher Proportion in Service Occupations Compared to East Bay

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Richmond</th>
<th>%</th>
<th>East Bay</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management, professional, and related occupations</td>
<td>14,088</td>
<td>33%</td>
<td>478,412</td>
<td>42%</td>
</tr>
<tr>
<td>Sales and office occupations</td>
<td>11,296</td>
<td>26%</td>
<td>308,388</td>
<td>27%</td>
</tr>
<tr>
<td>Service occupations</td>
<td>7,748</td>
<td>18%</td>
<td>143,072</td>
<td>13%</td>
</tr>
<tr>
<td>Production, transportation, and material moving occupations</td>
<td>5,690</td>
<td>13%</td>
<td>120,159</td>
<td>11%</td>
</tr>
<tr>
<td>Construction, extraction, and maintenance occupations</td>
<td>3,857</td>
<td>9%</td>
<td>92,157</td>
<td>8%</td>
</tr>
<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>90</td>
<td>0%</td>
<td>2,002</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Census 2000, SF3

Figure 17: Service-Based Occupations Pay Lowest Wage of All Occupations Held by Residents

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management, professional, and related occupations</td>
<td>$29.40</td>
</tr>
<tr>
<td>Sales and office occupations</td>
<td>$16.77</td>
</tr>
<tr>
<td>Service occupations</td>
<td>$11.63</td>
</tr>
<tr>
<td>Production, transportation, and material moving occupations</td>
<td>$14.21</td>
</tr>
<tr>
<td>Construction, extraction, and maintenance occupations</td>
<td>$21.00</td>
</tr>
<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>$11.36</td>
</tr>
</tbody>
</table>

Source: Author’s analysis of California Employment Development Department data

One in three jobs held by Richmond residents is a higher paying management or professional job. This indicates some prosperity in the population. However, these jobs are not evenly distributed within the city. People holding these jobs tend to live in the highest-income census tracts of Richmond, including the hills of Richmond, the far northeastern part of the city, and the Marina Bay district. This suggests that lower income residents in the core of the city (such as the Iron Triangle and Coronado neighborhoods) do not have access to these better quality occupations.
Workforce and Population: Conclusions and Recommendations

Richmond is on the brink of incredible change. Within just the past three years, at least eight large-scale development projects have been in various stages of approval and construction in Richmond. Miles of waterfront and acres of underutilized land spell opportunity for developers, businesses, residents, workers, and the City of Richmond overall.

Concrete goals for economic development should ensure that development benefits Richmond residents and helps reduce poverty and social inequality.

In order to leverage city resources to make informed choices regarding development in this time period, the City needs both a starting point for measuring progress as well as a strategy for maximizing those resources for the good of existing residents.

As the city continues to attract new development in the form of both housing and jobs, the city needs to more deliberately harness the benefits of this growth to address Richmond’s challenges. For example, concrete goals for economic development should ensure that development benefits Richmond residents and helps reduce poverty and social inequality. The City of Richmond has already taken several steps towards these goals. The integration of the Employment and Training and Economic Development departments in year 2004 created a single, coordinated agency necessary to link business attraction with workforce development. The recently adopted Local Employment Policy creates a requirement of subsidized private businesses to hire Richmond residents. While the city’s year 2005 strategic plan and monthly updates to that plan all state as key strategic goals affordable housing, employment and training, and job creation, the city lacks concrete benchmarks to measure progress toward these goals. One obvious next step from those reforms is to create clear criteria for attracting and retaining businesses that include concrete goals and benchmarks for how economic development will help reduce poverty and increase social equity.

Findings

Richmond’s growing population and diversity present unique opportunities. Many know that Richmond is a growing city with a rich cultural history and strong diversity. While other industrial cities in the U.S. face population loss, Richmond is a growing city of close to 100,000 people. Long-term populations of Black and White residents, combined with the recent influx of Asian and Latino immigrants, enhance the city’s cultural legacy of economic opportunity, and keep pace with the region’s growing diversity.

Richmond’s persistent challenges could jeopardize growth. It is also no surprise that despite the city’s population growth and diversity, chronic economic challenges facing Richmond residents threaten to undermine these strengths. High unemployment, low labor force participation, low educational attainment and low quality jobs hinder Richmond’s families from achieving earnings on par with the region. As a result, deep poverty casts a shadow over the city. Large racial, economic, and neighborhood inequalities continue to divide the city.

Data in this report support anecdotal information about inequality in unemployment and labor force participation among Richmond residents, and between Richmond and the region. Even though Richmond has more jobs per resident than the East Bay, Richmond has a smaller proportion of people in the labor
force, and a larger proportion of unemployed residents than the East Bay. There are also differences by race in Richmond: African Americans and Latinos participate less in the labor force and are more likely to be unemployed than Whites. Richmond residents also have lower educational attainment than residents of the East Bay. This needs to be a consideration when attracting, retaining, or expanding businesses in Richmond.

The disconnect between young Black men and the regional labor market may be Richmond’s deepest crisis and most pressing challenge. While the City’s summer youth programs attempt to serve this population by providing employment opportunities, the existing resources and capacity to tackle this problem are still not enough.

**Recommendations**

**Set ambitious and concrete economic development goals to alleviate poverty.**
To help direct Richmond’s limited resources, the city should set economic development goals such as reducing the poverty rate of existing residents by as much as 20% over the next 10 years. The goal is not to displace existing residents with new, higher income residents, but to empower and lift up existing residents.

**Create an Integrated Strategic Plan and Vision.** A comprehensive economic development strategy should lift the wages and benefits of existing entry-level jobs, create new jobs that pay a living wage with benefits, and provide concrete opportunities for employment advancement. More on an industry-based plan and vision will be discussed in the next section.

**Expand Model Policies and Programs.**
It is critical that city workforce and economic development programs find new, creative strategies and resources to tackle the labor market obstacles for those with the hardest time finding and advancing into quality jobs with sustainable wages. The city should increase goals for the number of adults and youth placed in Richmond jobs from 1,000 to 1,500 over the next 5 years, and provide increased funding for direct classroom and skills training programs. In particular, existing school-to-work construction skills “learning academies” and other youth-targeted programs should be expanded, with increased resources and capacity, to recruit into and support more young Black men and immigrant workers in sustainable jobs.

A member of ACORN speaks about her experiences living in Richmond at a REDI Grassroots Leadership Institute workshop.

In this section of the report, we have provided a benchmark of current social and economic conditions, painting a picture of historical trends and workforce characteristics in Richmond. From this point forward, the city can utilize these benchmarks to measure the impact of development on existing workers and residents. With this information, the city must continue to evaluate and assess its economic development strategy and land use plans based how well it addresses the reduction of poverty, unemployment, and economic hardship for city residents.

In the next section, we address the strengths and weaknesses of the Richmond’s local economy, and explore how growing industries and new development can help the City achieve these goals.
Chapter Two:  
Industries, Jobs, and Job Quality

The former Ford Assembly Plant in Richmond, located along Richmond’s southern waterfront, is being rehabilitated for warehousing, light manufacturing, and other industrial uses.

Manufacturing Declines While Service Industries Grow

Jobs in Richmond, in conjunction with population, experienced tremendous growth with the rise of the shipbuilding industry during World War II. Following the war, Richmond’s overall employment declined, due in large part to a closing of the Kaiser Shipyards and closure of Pullman Shops and Ford Motor plants. However, since the 1980s, Richmond’s employment has rebounded, increasing from 34,244 jobs to 52,390 jobs by 2005, an increase of 18,140.

Over the past two and a half decades, the Richmond area economy has experienced a structural shift away from manufacturing towards service-oriented industries (Figure 18). This shift mirrors national trends, where the United States’ industrial role in the global economy is also shifting away from manufacturing industries such as textile, chemical, and electronics—and towards service industries like health care, human services, and food services.

Figure 18: Richmond Local Area Economy Grows Away from Manufacturing, Toward Service, 1980-2005

Source: Association of Bay Area Governments Projections 1996, 2000, 2003 for Richmond Sphere of Influence
Industrial growth over the last two decades was dominated by the Service sector. Of all new jobs, 62%, or nearly two in three, were created in the Service sector (Figure 19). Retail accounted for 8% of all new jobs and “Other” accounted for 31%, or nearly one in three. (With the exception of construction, the “Other” sector is made up of “non-goods-producing” industries, including Finance, Insurance, Real Estate, and Public Administration.) In the same time period, Richmond’s Manufacturing, Wholesale, and Transportation sector remained virtually flat, contributing no new jobs to the local economy.

Meanwhile, in the greater East Bay economy, manufacturing continued to grow, creating 14% of all new jobs (Figure 20) from 1980 to 2005. This resulted in a decreased proportion of regional manufacturing jobs located in the Richmond area, from 5.6% to 3.9% of all East Bay jobs over this time period, likely due to expansion of manufacturing into suburban areas in the rest of the region. And while Service sector jobs also dominated the region’s job growth, creating 49% of all new jobs, Richmond’s Service sector grew faster, increasing the city’s proportion of service jobs in the region from 3.8% to 4.4%. Richmond also lost ground to the region on retail, slipping from a 4.2% share to a 3.5% share. The Richmond area held steady at a 5.5% share of Other industries, despite the fact that one in five (22%) new jobs in the region were in these industries.

Although Richmond slipped slightly in its share of total regional jobs, the city remained a job hub in the region over the past two decades, with its jobs making up 4.8% of the greater East Bay total in 1980 and 4.5% in 2005 (Figure 20). Overall, Richmond has 0.44 jobs per resident, while the East Bay has 0.38 jobs per resident. However, Richmond’s importance as a job center in Contra Costa County slipped from 17% of county jobs in 1980 to 13.6% in 2005 (Appendix Figure C.1), as economic growth in the eastern, suburban part of the county outpaced the older, inner-bay areas.

Like other East Bay cities such as Berkeley and Oakland, **urban population growth was eclipsed by rapid suburban expansion into the eastern parts of the region.**

### Figure 19: Service Sector Dominates Job Growth in Richmond Area

<table>
<thead>
<tr>
<th>Richmond Sectors</th>
<th>1980</th>
<th>2005</th>
<th>Change</th>
<th>% of Total Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>8,011</td>
<td>19,270</td>
<td>11,259</td>
<td>62.0%</td>
</tr>
<tr>
<td>Other</td>
<td>11,809</td>
<td>17,440</td>
<td>5,631</td>
<td>31.0%</td>
</tr>
<tr>
<td>Retail</td>
<td>5,380</td>
<td>6,830</td>
<td>1,450</td>
<td>8.0%</td>
</tr>
<tr>
<td>Agriculture and Mining</td>
<td>528</td>
<td>440</td>
<td>-88</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Manufacturing, Wholesale, and Transportation</td>
<td>8,516</td>
<td>8,410</td>
<td>-106</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td>34,244</td>
<td>52,390</td>
<td>18,146</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Association of Bay Area Governments Projections 1996, 2000, 2003 for Richmond Sphere of Influence

### Figure 20: Service Sector Dominates Regional Growth, But Grows Faster in Richmond

<table>
<thead>
<tr>
<th>East Bay Sectors</th>
<th>1980</th>
<th>2005</th>
<th>Change</th>
<th>% of Total Change</th>
<th>Richmond Jobs as % of East Bay Jobs, 1980</th>
<th>Richmond Jobs as % of East Bay Jobs, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>211,575</td>
<td>436,870</td>
<td>225,295</td>
<td>48.9%</td>
<td>3.8%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Other</td>
<td>213,927</td>
<td>318,930</td>
<td>105,003</td>
<td>22.8%</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Retail</td>
<td>129,489</td>
<td>194,280</td>
<td>64,791</td>
<td>14.1%</td>
<td>4.2%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Agriculture and Mining</td>
<td>8,249</td>
<td>7,050</td>
<td>-1,199</td>
<td>-0.3%</td>
<td>6.4%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Manufacturing, Wholesale, and Transportation</td>
<td>151,794</td>
<td>218,320</td>
<td>66,526</td>
<td>14.4%</td>
<td>5.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td>715,034</td>
<td>1,175,450</td>
<td>460,416</td>
<td>100%</td>
<td>4.8%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Source: Association of Bay Area Governments Projections 1996, 2000, 2003 for Richmond Sphere of Influence
Basic concepts

There are two ways that we understand jobs and employment in this report.

1) Economic conditions of Residents: In the first part of this report, we analyze Richmond residents and their access to jobs, as well as the quality of jobs they hold. This includes poverty, unemployment, and analysis of the occupations held by Richmond residents. For the most part, we rely on Census data, which surveys people by their place of residence.

2) Economy of the City: In this section of the report, we analyze Richmond industries, and the quality of jobs within those industries. While industrial change can be measured through many different indicators, including number of establishments, productivity, or sales, we use jobs as an indicator of industrial change and strength because we want to understand impacts of the changing economy on working people and families. In this jobs and industry analysis, we mainly use government data based on surveys of businesses located in Richmond.

When we refer to industries in Richmond, we mean a collection of businesses that have similar product and services. In 2002, the North American Industry Classification System (NAICS) grouped industries on 5 different levels. At the broadest level, industries are grouped into large 2-digit “sectors” such as manufacturing or agriculture or retail trade. We use the terms “sectors” and “industries” interchangeably in this report. When we refer to “industrial growth” or “industrial change,” we are generally referring to growth in categories of the economy, including manufacturing, agriculture, service, and retail.
Over the last two and half decades, jobs grew in Richmond, especially in the Service sector. However, the city overall lost jobs from 2001 to 2004 following the post-boom recession. Note that the total Service sector described in the prior section is divided here into 1) Financial and Professional Services and 2) Health, Educational, and Recreational Services (See footnote 22). Since 2004, we know that the regional economy has recovered somewhat, with unemployment down to 4.1% in May of 2006.17

After the economic boom of the late 1990s, the early 2000s began with a decline in overall employment in Richmond (Figure 21) while the rest of the East Bay experienced slight job growth (Figure 22). A 2,381 job decrease in the Manufacturing, Wholesale, and Transportation sector was largely responsible for the overall 6% decline of jobs in Richmond. This represented a loss of one in five manufacturing sector jobs. Retail and “Other” sectors lost jobs as well.

Over the same period of time, Figure 21 illustrates that two sectors created approximately 1,500 jobs. From 2001 to 2004 and the Health, Educational, and Recreational Services sector grew by 912 jobs (a 17% change). While the Agricultural and Natural Resources sector seems to have grown by 578 jobs (a 621% change) the change in jobs may be mainly attributed to a recategorization of workers from another sector, rather than an actual net gain of jobs.20

Most of the loss in jobs in the Manufacturing, Wholesale, and Transportation (MWT) sector in Richmond is due to trends in a few major industries. (For a full list of job loss and gain in MWT industries, see Appendix Figures C.2 and C.3). The bulk of the MWT job loss occurred in Chemical Manufacturing (-476 jobs), Computer and Electronic Product Manufacturing (-428 jobs) and Support Activities for Transportation (-353 jobs) which includes industries like packing and crating, port activities, and road and rail transportation.21 The only industry that gained a significant number of jobs between 2001 to 2004 was Miscellaneous Manufacturing, which increased by 480 jobs and is made up mostly of Medical Equipment and Supplies Manufacturing (Appendix Figure C.3).

### Figure 21: Recession Causes High Loss in Manufacturing Sector, 2001-200418

<table>
<thead>
<tr>
<th>Health, Education, and Recreational Services</th>
<th>Q1 2001</th>
<th>Q1 2004</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Natural Resources</td>
<td>5,240</td>
<td>6,152</td>
<td>912</td>
<td>17%</td>
</tr>
<tr>
<td>Financial and Professional Services</td>
<td>4,725</td>
<td>4,374</td>
<td>-351</td>
<td>-7%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3,466</td>
<td>3,189</td>
<td>-277</td>
<td>-8%</td>
</tr>
<tr>
<td>Other</td>
<td>4,781</td>
<td>4,609</td>
<td>-172</td>
<td>-4%</td>
</tr>
<tr>
<td>Manufacturing, Wholesale, and Transportation</td>
<td>11,860</td>
<td>9,479</td>
<td>-2,381</td>
<td>-20%</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td>30,164</td>
<td>28,474</td>
<td>-1,691</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department

### Figure 22: High Growth in Health, Educational, and Recreational Services in the East Bay, 2001-200419

<table>
<thead>
<tr>
<th>Health, Education, and Recreational Services</th>
<th>Q1 2001</th>
<th>Q1 2004</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Natural Resources</td>
<td>247,705</td>
<td>299,334</td>
<td>51,629</td>
<td>20.8%</td>
</tr>
<tr>
<td>Financial and Professional Services</td>
<td>5,608</td>
<td>2,556</td>
<td>-3,052</td>
<td>-54.4%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>218,079</td>
<td>214,263</td>
<td>-3,816</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Other</td>
<td>112,778</td>
<td>108,710</td>
<td>-4,068</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Manufacturing, Wholesale, and Transportation</td>
<td>147,438</td>
<td>141,459</td>
<td>-5,979</td>
<td>-4.1%</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td>931,374</td>
<td>934,797</td>
<td>3,423</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department
During and after the recent economic recession, Richmond suffered more than the East Bay overall. From 2001-2004, Richmond saw a net decrease in jobs while in the East Bay the total number of jobs remained virtually flat (Figure 22). Also, those sectors in the East Bay that did lose jobs suffered less compared to Richmond. Manufacturing, Retail, and Financial and Professional service sectors in the East Bay all lost a smaller proportion of jobs than in Richmond. Growth in Richmond’s Health, Education and Recreational Services sector, while strong (17%), lagged slightly behind the region (21%).

As with the MWT sector, most of the recent job gains in the city’s service sector were caused by a few major industries. Again, note that the service sector for this data source is broken up into 2 subcategories: 1) Health, Education and Recreation Services and 2) Financial and Professional Services.22

Figures 23 and 24 show that service industries with growing employment in Richmond from 2001-2004 were mainly in the Health, Educational, and Recreational (HER) service category. This included growth in the following industries: Educational Services (429 jobs), Food Services and Drinking Places (258 jobs), and Ambulatory Health Care Services (127 jobs—which includes doctors and dentists offices). While the Financial and Professional Service sector declined overall, Real Estate Services in Richmond increased by a substantial 149 jobs between 2001 and 2004.

### Figure 23: Increase in Health, Educational, and Recreation (HER) Service Jobs

<table>
<thead>
<tr>
<th>Richmond HER Service Sector</th>
<th>Q1 2001</th>
<th>Q1 2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Services</td>
<td>1,076</td>
<td>1,505</td>
<td>429</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>754</td>
<td>1,011</td>
<td>258</td>
</tr>
<tr>
<td>Ambulatory Health Care Services</td>
<td>869</td>
<td>996</td>
<td>127</td>
</tr>
<tr>
<td>Personal and Laundry Services</td>
<td>113</td>
<td>201</td>
<td>88</td>
</tr>
<tr>
<td>Hospitals</td>
<td>236</td>
<td>302</td>
<td>67</td>
</tr>
<tr>
<td>Religious, Grantmaking, Civic, Professional, and Similar Organizations</td>
<td>472</td>
<td>528</td>
<td>56</td>
</tr>
<tr>
<td>Amusement, Gambling, and Recreation Industries</td>
<td>106</td>
<td>148</td>
<td>43</td>
</tr>
<tr>
<td>Performing Arts, Spectator Sports, and Related Industries</td>
<td>18</td>
<td>34</td>
<td>16</td>
</tr>
<tr>
<td>Repair and Maintenance</td>
<td>380</td>
<td>387</td>
<td>7</td>
</tr>
<tr>
<td>Private Households</td>
<td>31</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>Museums, Historical Sites, and Similar Institutions</td>
<td>9</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Accomodation</td>
<td>39</td>
<td>31</td>
<td>-8</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>782</td>
<td>730</td>
<td>-52</td>
</tr>
<tr>
<td>Nursing and Residential Care Facilities</td>
<td>356</td>
<td>233</td>
<td>-123</td>
</tr>
<tr>
<td><strong>Total Health, Education, and Recreational Service Jobs</strong></td>
<td><strong>5,240</strong></td>
<td><strong>6,152</strong></td>
<td><strong>912</strong></td>
</tr>
</tbody>
</table>

Source: California Employment Development Department

### Figure 24: Financial and Professional Service Jobs Declining in Richmond

<table>
<thead>
<tr>
<th>Richmond Financial and Professional Services Sector</th>
<th>Q1 2001</th>
<th>Q1 2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>297</td>
<td>446</td>
<td>149</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>843</td>
<td>912</td>
<td>69</td>
</tr>
<tr>
<td>Insurance Carriers and Related Activities</td>
<td>155</td>
<td>176</td>
<td>21</td>
</tr>
<tr>
<td>Waste Management and Remediation Services</td>
<td>230</td>
<td>242</td>
<td>12</td>
</tr>
<tr>
<td>Rental and Leasing Services</td>
<td>255</td>
<td>267</td>
<td>12</td>
</tr>
<tr>
<td>Securities, Commodity Contracts, and Other Financial Investments and Related Activities</td>
<td>10</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Funds, Trusts, and Other Financial Vehicles</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Credit Intermediation and Related Activities</td>
<td>415</td>
<td>385</td>
<td>-30</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>1,427</td>
<td>1,355</td>
<td>-72</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>1,083</td>
<td>561</td>
<td>-522</td>
</tr>
<tr>
<td><strong>Total Financial and Professional Service Jobs</strong></td>
<td><strong>4,725</strong></td>
<td><strong>4,374</strong></td>
<td><strong>-351</strong></td>
</tr>
</tbody>
</table>

Source: California Employment Development Department
Richmond’s Strong and Growing Industries

Despite the recession and recent job losses, the long-term trend in Richmond has been expansion of industries and jobs. Industries that grew during the recession reveal either resilience to the recession or a strong inclination to locate in Richmond.

The City of Richmond has access to more detailed data through government and private data sources and business surveys. The analysis presented here is meant to provide a snapshot of potential opportunities that warrant further study. Some of these industries, and the businesses that comprise them, could offer job opportunities in the near future, and should be considered alongside policies on economic development, land use, and workforce development policies that create a range of good jobs.

The two main criteria used here to assess job and economic opportunities in Richmond industries are: 1) strong employment base, and 2) growing employment base. Two other criteria—concentration and Richmond versus the region and wage level—will be applied later in this section.

Figure 25: Top Industries in Richmond, 2003 Annual Average Employment

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business Name</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Petroleum and Coal Products Manufacturing</td>
<td>2,090</td>
</tr>
<tr>
<td>2</td>
<td>Educational Services</td>
<td>1,863</td>
</tr>
<tr>
<td>3</td>
<td>Administration of Human Resource Programs</td>
<td>1,433</td>
</tr>
<tr>
<td>4</td>
<td>Professional, Scientific, and Technical Services</td>
<td>1,395</td>
</tr>
<tr>
<td>5</td>
<td>Food Services and Drinking Places</td>
<td>1,030</td>
</tr>
<tr>
<td>6</td>
<td>Couriers and Messengers</td>
<td>1,006</td>
</tr>
<tr>
<td>7</td>
<td>Ambulatory Health Care Services</td>
<td>995</td>
</tr>
<tr>
<td>8</td>
<td>Chemical Manufacturing</td>
<td>994</td>
</tr>
<tr>
<td>9</td>
<td>General Merchandise Stores</td>
<td>979</td>
</tr>
<tr>
<td>10</td>
<td>Management of Companies and Enterprises</td>
<td>917</td>
</tr>
<tr>
<td>11</td>
<td>Construction of Buildings</td>
<td>895</td>
</tr>
<tr>
<td>12</td>
<td>Specialty Trade Contractors</td>
<td>883</td>
</tr>
<tr>
<td>13</td>
<td>Merchant Wholesalers, Durable Goods</td>
<td>824</td>
</tr>
<tr>
<td>14</td>
<td>Merchant Wholesalers, Nondurable Goods</td>
<td>812</td>
</tr>
<tr>
<td>15</td>
<td>Social Assistance</td>
<td>738</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department

Industries that already have a strong base in Richmond can be assessed through the City’s top industries and employers (Figures 25 and 26. Full figures are in Appendix Figures C.4 and C.5). The top private business employers represent industry leaders in Richmond.

Figure 26: Top Employers in Richmond, 2007

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business Name</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chevron USA, Refinery</td>
<td>1846</td>
</tr>
<tr>
<td>2</td>
<td>Kaiser Permanente</td>
<td>1503</td>
</tr>
<tr>
<td>3</td>
<td>West Contra Costa Unified School District</td>
<td>1271</td>
</tr>
<tr>
<td>4</td>
<td>Social Security Payment Center</td>
<td>1260</td>
</tr>
<tr>
<td>5</td>
<td>Chevron Research and Technology</td>
<td>1076</td>
</tr>
<tr>
<td>6</td>
<td>US Postal Service Bulk Mail Center</td>
<td>1007</td>
</tr>
<tr>
<td>7</td>
<td>United Parcel Service (UPS)</td>
<td>950</td>
</tr>
<tr>
<td>8</td>
<td>City of Richmond</td>
<td>850</td>
</tr>
<tr>
<td>9</td>
<td>CA State Department of Health Services</td>
<td>600</td>
</tr>
<tr>
<td>10</td>
<td>Berlex Laboratories</td>
<td>471</td>
</tr>
<tr>
<td>11</td>
<td>UC Berkeley Field Station</td>
<td>440</td>
</tr>
</tbody>
</table>

Source: Richmond Planning Department

Figure 27 shows Richmond’s top growing industries, by employment, along with their median hourly wage. Of the top five growing industries, three had pre-existing bases in Richmond: Educational Services, Miscellaneous Manufacturing and Food Services. Broadcasting showed substantial growth, but did not have a pre-existing base in Richmond in 2001. The Oil and Gas Extraction industry also appears to have expanded, but the growth likely represents a re-categorization of Petroleum Product industry workers, from a company such as Chevron, rather than a net growth of jobs in this industry.

Some of these industries could offer job opportunities in the near future, and should be considered alongside policies on economic development, land use, and workforce development policies that create a range of good jobs.
The data in Figure 27 suggests that higher paying jobs are being created in Richmond and could offer local employment opportunities to residents. More research should be conducted to identify which industries are likely to remain strong, provide a range of skill levels, and are accessible to local residents.

We suggest further research into the following industries that meet our four criteria for job opportunities: 1) strong existing employment base, 2) growing employment base, 3) high concentration of the industry in Richmond versus the region, and 4) provides a sustainable wage. (Full figures assessing industry job change, overall employment, industry concentration relative to the region, and median hourly wage are in Appendix Figures C.5 to C.9).

- **Educational Services**: This industry showed growth during 2001 to 2004, and includes jobs such as elementary and secondary schools, educational support services, technical trade schools, and colleges and universities. However, after 2004, Educational Services and other government related services were expected to decline throughout the region. The median hourly wage of jobs in the Educational Services industry is above $15.00 an hour. Due in part to the headquarters of the West Contra Costa County School District in Richmond, the city has a higher concentration of jobs in this industry than in the East Bay.

- **Administration of Human Resource Programs**: This industry includes administration of education programs, veterans’ affairs, and public health programs. Such jobs grew slightly during 2001 to 2004. Anecdotally, these jobs include major employers such as the Social Security Payment Center, the State of California building on Marina Bay Parkway, and the West Contra Costa Unified School District offices in Richmond, which all contribute to Richmond's higher concentration in this industry relative to the East Bay. Additionally, public administration and other government related jobs in the region were also expected to decline in 2005.

More research should be conducted to identify which industries are likely to remain strong, provide a range of skill levels, and are accessible to local residents.

---

**Figure 27: Top Growth Industries (growth of >50 jobs)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Richmond Industry</th>
<th>Median Hourly Wage 2004</th>
<th>Q1 2001</th>
<th>Q1 2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Educational Services</td>
<td>$22.27</td>
<td>2,475</td>
<td>3,037</td>
<td>562</td>
</tr>
<tr>
<td>2</td>
<td>Miscellaneous Manufacturing</td>
<td>$15.33</td>
<td>201</td>
<td>681</td>
<td>480</td>
</tr>
<tr>
<td>3</td>
<td>Oil and Gas Extraction</td>
<td>$24.85</td>
<td>9</td>
<td>386</td>
<td>377</td>
</tr>
<tr>
<td>4</td>
<td>Broadcasting (exc. Internet)</td>
<td>$20.20</td>
<td>0</td>
<td>264</td>
<td>264</td>
</tr>
<tr>
<td>5</td>
<td>Food Services/Drinking Est.</td>
<td>$7.74</td>
<td>754</td>
<td>1,011</td>
<td>258</td>
</tr>
<tr>
<td>6</td>
<td>Crop Production</td>
<td>n/a</td>
<td>64</td>
<td>260</td>
<td>196</td>
</tr>
<tr>
<td>7</td>
<td>Adm. of Human Rsrc Prgrms</td>
<td>n/a</td>
<td>1,275</td>
<td>1,448</td>
<td>173</td>
</tr>
<tr>
<td>8</td>
<td>Real Estate</td>
<td>$16.50</td>
<td>297</td>
<td>446</td>
<td>149</td>
</tr>
<tr>
<td>9</td>
<td>Ambulatory Hlth Care Svcs</td>
<td>$16.61</td>
<td>869</td>
<td>996</td>
<td>127</td>
</tr>
<tr>
<td>10</td>
<td>Personal/Laundry Svcs</td>
<td>$9.68</td>
<td>113</td>
<td>201</td>
<td>88</td>
</tr>
<tr>
<td>11</td>
<td>Mgmt of Companies/Entrprs</td>
<td>$20.27</td>
<td>843</td>
<td>912</td>
<td>69</td>
</tr>
<tr>
<td>12</td>
<td>Hospitals</td>
<td>$23.66</td>
<td>236</td>
<td>302</td>
<td>67</td>
</tr>
<tr>
<td>13</td>
<td>Religious, Grantmaking, Civic, Professional, &amp; Similar Organizations</td>
<td>$17.11</td>
<td>472</td>
<td>528</td>
<td>56</td>
</tr>
<tr>
<td>14</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>$14.91</td>
<td>509</td>
<td>560</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department
• **Broadcasting (except internet):**
  This industry consists of mainly cable and subscription programming jobs. These jobs have a median hourly wage above $15.00 an hour. Richmond had four times the concentration of broadcasting jobs relative to the region in 2003.

• **Ambulatory Health Care Services:**
  Richmond saw modest growth in this industry, which includes home healthcare and offices of doctors, physicians, dentists, and other healthcare professionals. This industry benefits greatly from the location of Kaiser Permanente Medical Center in downtown Richmond. Wages in this industry are above $15.00 an hour. Ambulatory Health Care Services saw modest growth in 2001-2004, and had a relatively comparable concentration of jobs in this industry relative to the East Bay.

As Richmond updates its workforce and economic development strategies and goals, the City should also investigate additional industries with a long history in Richmond, and industries that build off of Richmond’s existing infrastructure.

• **Merchant Wholesalers and Transportation-related Industries:**
  These industries, while on the decline, are still significant in Richmond. The Port of Richmond—the third largest port in California and sixth largest on the west coast by tonnage of goods, mainly from the transport of cars and oil—is a major employer in this cluster, and even with major restructuring in the shipping industry, still remains a significant job provider in the region. Additionally, growth in transportation related industries, including couriers like UPS and transit and ground transportation such as the bus depot in Richmond, could also provide job opportunities for Richmond residents. The location of Richmond at the nexus of transportation infrastructure assets such as rail, bridge, and freeway access, positions the city well to benefit from new development in wholesaling and transportation.

• **Manufacturing:** Similar to warehousing and transportation industries, much of the manufacturing industries like Chevron and other refineries have declined in jobs in Richmond. However, one-third of the jobs in Richmond still remain in this sector, and the sector faces an aging workforce and a need to recruit new workers. Richmond has ample industrial space to attract new businesses while, at the same time, the overall region’s manufacturing vacancy rate is still low.

Richmond also has an opportunity to assess and transform the existing heavy and light industrial base—as well as train the existing Richmond workforce—to meet a growing demand for energy efficient and environmentally friendly products in what some call the emerging “green economy and technology” clusters.

**As Richmond updates its workforce and economic development strategies and goals, the City should also investigate additional industries that build off of Richmond’s existing infrastructure.**

• **Real Estate:** This industry grew in 2001-2004, and includes real estate brokers and activities related to real estate transactions. Jobs in this
industry pay an hourly median wage above $15.00 an hour. Richmond had a slightly higher concentration of jobs in this industry than the East Bay. While this industry and construction jobs grew with the hot housing market in the Bay Area from 2001 to 2004, it is expected to cool over the next few years.

Other industries, such as biotech and high tech, have been target industries in the past; however, efforts to build clusters around existing firms has been challenging. Furthermore, while jobs in food service, personal service, and retail provide entry-level work for many residents, they generally do not provide sustainable wages or opportunities for advancement, and therefore such industries are not recommended for targeted support from the city.
Weak Link Between Residents and Local Jobs

Despite the promise of some growing industries in Richmond, Richmond residents face two challenges in taking advantage of local employment opportunities: 1) many jobs pay wages and benefits that are too low to support a family and 2) many family-supporting jobs are hard to access with existing skills and education levels.

Several studies have shown that in the Bay Area region, a growing number of jobs do not pay wages sufficient to support a family, resulting in working families living in economic hardship. One study of jobs in 1999 found that over one out of three jobs (36%) paid less than the bare minimum needed for two working adults with two children to make ends meet in the high cost East Bay region. This bare minimum is called a “basic family budget” and is determined by adding up the typical costs for a family’s basic monthly needs, like housing, health care costs, transportation and clothing. A more recent study found that three out of four workers (74%) in the Bay Area have jobs that do not earn enough to solely support a family of three.

We use three measures to assess the quality of jobs in Richmond. All three measures establish a wage threshold below which a worker and his or her family would face economic hardship. While the official federal poverty threshold can be useful in some situations to measure economic hardship, it is an inadequate measure in California and the Bay Area due to the region’s much higher costs of living compared to the country as a whole. Thus, our measures employ alternative thresholds. The first is a wage that would earn a worker two times (200%) the poverty threshold for a family of four ($11.27). The second is a wage that would earn a worker above the “low-income” category as defined by the federal Department of Housing and Urban Development ($15.41). The final is a wage that would earn a worker above the basic family budget threshold as described above ($16.88).

Several studies have shown that in the Bay Area region, a growing number of jobs do not pay wages sufficient to support a family, resulting in working families living in economic hardship.

Figure 28 shows that one in six jobs (16%) pay less than what a worker would need to support a family of four at twice the poverty rate. Over one in three jobs (38%) pay an amount that would qualify workers as low-income. Finally, 44% of jobs pay less than a worker needs to provide for their basic family needs without some form of government assistance.

Compounding the poor state of some jobs in Richmond, better paying jobs are declining and lower paying jobs are increasing. The median hourly wage of all growing industries is $16.61, while the median hourly wage for shrinking industries is $17.81. This is likely due to the overall shift from manufacturing to service sector industries in Richmond and the region.

Table: Many Jobs Pay Less Than a Sustainable Wage

<table>
<thead>
<tr>
<th>Hourly Wage (2003 Dollars)</th>
<th>Designation</th>
<th>% of Richmond Jobs Paying Below Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11.27</td>
<td>200% Federal Poverty Threshold</td>
<td>16%</td>
</tr>
<tr>
<td>$15.41</td>
<td>80% Median Area Income, “Moderate Income”</td>
<td>38%</td>
</tr>
<tr>
<td>$16.88</td>
<td>Basic Family Wage, California Budget Project</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Author’s Analysis of Occupational Wage and Industry Data from the California Employment Development Department
Figure 29 below shows that non-professional services—namely the Health, Educational, and Recreational Services which include food service—generally pay less than Manufacturing, Wholesale, and Transportation jobs but more than Retail and Agriculture sector jobs.

**Figure 29: Median Wages by Industry**

<table>
<thead>
<tr>
<th>Richmond Industry Sector</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>$23.59</td>
</tr>
<tr>
<td>Financial and Professional Services</td>
<td>$20.27</td>
</tr>
<tr>
<td>Manufacturing, Wholesale, and Transportation</td>
<td>$16.23</td>
</tr>
<tr>
<td>Health, Educational, &amp; Recreational Services</td>
<td>$15.41</td>
</tr>
<tr>
<td>Agriculture and Natural Resources</td>
<td>$15.17</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$10.47</td>
</tr>
</tbody>
</table>

Source: Author’s Analysis of Staffing Patterns by Industry and Occupation, & Occupational Wage data from the CA Employment and Development Dept.

As shown by the other studies previously mentioned, the inadequacy of wages to meet the high cost of living is a region-wide challenge. In fact, the wage scale of the entire range of jobs in Richmond is very similar to the rest of the Bay Area. Figure 30 shows that when workers in both areas are lined up from the lowest to highest wages, and then divided into five equal groups, there is a remarkably good match of pay scales between the two areas. The good news for Richmond is that while residents have lower average incomes than the region, low-wage jobs are not more concentrated in Richmond than the San Francisco bay area.

**Richmond residents are more likely to hold lower wage jobs in Richmond and elsewhere, compared to those coming from outside to work in the city.**

Although local jobs provide comparable wage opportunities to the region, Richmond residents are less likely to work in their own city than residents of other East Bay cities. Only 25% of the jobs located in Richmond are held by local residents. Among Richmond residents who are currently employed, only 21% of them actually work in Richmond—a much smaller percentage than in some East Bay cities such as Oakland or Berkeley (Figure 31).

Moreover, the good paying jobs that Richmond employers generate are less likely to be held by local residents. Richmond residents are more likely to hold lower wage jobs in Richmond and elsewhere, compared to those coming from outside to work in the city. Over half (52%) of Richmond residents earn less than $30,000, regardless of where they are working (Figure 32). Yet, of the Richmond job holders who largely live outside of Richmond, only 42% make less than $30,000 (58% make $30,000 or more). On the higher end, only 20% of Richmond residents earn $50,000 or more, yet 31% of Richmond job holders make the same or more. This suggests that higher paying jobs in Richmond are held mostly by non-residents, while the lower paying jobs in Richmond are more likely to be held by Richmond residents.

Furthermore, Richmond residents who also work in the city are more likely to be in poverty than non-residents. Eighteen percent (18%) of Richmond resident workers are below 150% of the poverty level, compared to only 7% of non-resident job holders in Richmond. This again suggests that the lower paying jobs in Richmond are more likely to be held by Richmond residents than non-residents.
The City of Richmond’s vision for economic development and plan for growth at this juncture will have a lasting effect on Richmond for years to come. Richmond has an opportunity to harness growing private development to achieve anti-poverty and workforce development outcomes. This opportunity hinges on both the city’s ability to attract and retain private capital, and their willingness to leverage and redistribute the benefits of private capital for existing residents. Furthermore, during this time of transition, city officials have already acknowledged in public planning documents that, in the realm of economic and community development, long-term goals should override short-term opportunities in order to create a more sustainable economy.
Industries, Jobs, and Job Quality: Conclusions and Recommendations

Findings

City’s employment growth provides opportunities. Overall, this section of the report finds that, similar to its population, Richmond grew its employment base over the last several decades, but growth in the East Bay and Contra Costa County overall outpaced that of Richmond. However, despite major structural shifts in the local economy, Richmond remains a major job hub in the region. The city’s opportunity to leverage employment growth bodes well for a resident workforce struggling with economic hardship and facing many barriers to employment.

Shift from manufacturing to service sector jobs produces challenges. However, like many core urban cities, Richmond experienced a shift from a manufacturing base to a service sector base over the past few decades. Recent, post-recession trends indicate a steep decline in manufacturing jobs, and broader trends in the region indicate that those manufacturing jobs may not return. Similar to the region, most new jobs created in Richmond in the next decade will be in service sector businesses.

New jobs are less likely to provide family-supporting wages. Richmond will continue to have some lower-wage jobs, mostly in the service sector, that require fewer skills and may represent the quickest way to help people move out of unemployment. However, many of the new service sector jobs—such as those in food services and personal services industries, as well as low-wage jobs in generally higher-wage industries like healthcare—do not pay enough for families to make ends meet. While most of the growth industries in Richmond pay median wages of $15 an hour or more, the jobs gained over recent years pay on average less than the jobs lost—a trend that is likely to continue unless there is concerted city intervention.

Good jobs are not going to local residents. Some well-paying, good-quality jobs do exist in Richmond—whether in professional, management, or other occupations—but Richmond residents are less likely to hold these jobs than residents from the surrounding region. Even if the city maintains a robust local economy going forward, Richmond residents for the most part cannot take advantage of the growing economy, and therefore the city’s chronic economic problems will likely continue unabated.

Recommendations

The root causes for why local residents are not able to benefit from local good paying jobs are complex and have no easy solutions. Regardless, the City of Richmond has a major role to play in utilizing local resources, policies, and planning to maximize the benefits of economic growth for existing residents—particularly those most affected by poverty and a lack of connection to good paying jobs.

Set concrete and measurable goals. Amidst an intensive period of transition and development in Richmond, the city’s economic development policy should set concrete goals that create links between residents and new jobs. For example, economic development and workforce policies in Richmond should aim to improve the percentage of Richmond residents...
who work locally from 21% to 25% over the next 5 years. To mark progress toward that goal, workforce development programs should continue to work closely with local employers, and the City can use its influence to continue to facilitate local hiring. This includes effectively monitoring the city’s recently enhanced Local Employment Policy and regular reporting of local hire outcomes.

**Raise standards in low-wage industries.** Given that residents are likely to hold lower-wage jobs in Richmond, the city should encourage low-wage employers to pay family-sustaining wages. One way to raise wages is to continually enforce and expand the city’s living wage policy and ensure the city makes annual wage increases and adjustments. Another way to raise wages is to encourage businesses in growing low-wage industries like food services and retail to pay higher wages and benefits through incentives, development standards, and through fostering a supportive climate for collective bargaining. The city should aim to increase by 10% over 10 years the percentage of residents earning at least a Basic Family Wage of $16.88.

**Create an integrated strategic plan and vision with clear criteria for prioritizing public resources.** As competition increases for scarce federal, state, and local grants, the City needs to be even more targeted in how and where it spends its workforce and economic development dollars.

One way to strategically tailor policies and resources is to target economic development, workforce development, and poverty alleviation toward industries that meet some basic criteria and have real potential to generate quality jobs. City policies and resources should prioritize industries that meet the following criteria:

1. A strong employment base in Richmond and/or substantial industry and job growth between 2001 and 2004,
2. Concentration of industry employment in Richmond versus the East Bay overall,
3. A median hourly wage that is close to or above the Basic Family Wage of $16.88 an hour, or has concrete career ladders to advance worker wages, and
4. Diversity and span of skill sets that provides opportunities both for entry level workers, as well as advancement to higher paying job opportunities.

In addition to setting more targeted goals and criteria, the City will need to look to other sources of revenue to support economic development and poverty alleviation outcomes, including asking businesses and developers to pay their fair share. For example, in Oakland, the developer of a large private development has committed to providing $1.65 million in construction job training, and negotiated with the community to set a goal for new apprentices hired from the local neighborhood.

**Expand investment in job training and job connection.** Investment in job training and workforce development along with raising basic wage and job standards through development would help address part of the root causes of chronic poverty in Richmond. Within industries that are strategic for
Richmond and the region, the City should work with business leaders, labor unions, and nonprofit organizations to expand or create feasible new job ladders and training programs that increase worker skills and provide real pathways to advance workers to better wages. For example, in Los Angeles, a collaboration of community groups, the community college system, and labor unions helped craft a job training program targeted at moving low-income community residents into careers in healthcare. The range of careers included entry-level positions, but also focused on training and support to advance people to higher-level positions and wages.

The strengths of existing workforce programs like RichmondWorks and YouthBuild, as well as the high school construction skills programs that are in their third year, are a great foundation from which to build and grow strong industry-based, classroom-based, and skills-based training programs that help put local residents into the pipeline for good paying jobs. The city can and should regularly evaluate its programs based on not only job placement, but job tenure, wage advancement, outreach to groups facing extreme employment challenges.

**Continue business and industrial sector research.** In trying to identify promising and concentrated industries, continued research is needed in educational services, health care, and government administration to determine if these industries are resilient enough to warrant a focused industrial or workforce strategy. Additional investigation is also needed in assessing and creating a longer-term jobs strategy in warehousing, manufacturing, and transportation industries to assess whether Richmond can maximize its existing locational assets and yield strong opportunities for local Richmond resident employment.

**Equally prioritize the long-term need for industrial land and jobs with other development pressures.** While Richmond is known for having abundant and attractive waterfront land—for lease and development, and for recreation—there must continue to be land for businesses if Richmond is to remain a regional job center. Given the need to balance changes in land use during this period of transition and change in Richmond, existing industrial and commercial land should not be transferred to other uses without very careful deliberation and long-term planning. As part of the General Plan process, Richmond should conduct an Industrial Land Retention Study to inventory available industrial land, develop criteria for conversion of industrial land to other uses, assess growth of the Port of Richmond and key manufacturing industries, and recommend improvements in compatibility and buffer zoning that ensure strong standards for environmental health, air quality, and toxic cleanup.

**Opportunities in the green economy.**
As another means to sustain the city’s manufacturing base, Richmond should continue exploring opportunities to transform Richmond’s “grey” industrial base into a “green” industrial base that helps meet the growing demand for energy efficient products and services. The City’s 2006 adopted resolution in support of the California State Treasurer’s Office Green Wave Initiative Economic Development Roundtable and more recent efforts to grow the “green economy” business sector in Richmond are step in the right direction.
Appendix A: Methodology

This employment report for Richmond focuses on jobs and industry indicators developed from several data sources. We analyze Richmond workforce and population using data from the Census 2000, including both full and sample data, as well as the Census Transportation and Planning Package (CTPP). We assess industry change as well as existing jobs and job quality in Richmond using data from the California Employment Development Department (EDD), the Association of Bay Area Governments (ABAG), and the Bureau of Labor Statistics (BLS). The California EDD data was largely drawn from the ES202 reports, also known as the Quarterly Census of Employment and Wages.

Depending on the topic, our analysis of the Richmond population focuses on the whole population and the population of working age (16 years and older). We primarily focus on the citywide population as opposed to specific subsets of the population, highlighting variations by income, race, and/or gender where relevant.

The agencies from which we draw the data define Richmond’s geographic boundaries differently. Where possible, we focused on data within city boundaries. For some analyses, such as historical industry change since 1980, strict city boundaries were unavailable, and therefore we substituted partial census tracts or other geographic boundaries that crossed or extended beyond the city boundaries. This includes using the Association of Bay Area Governments (ABAG) geographical boundaries of Richmond “sphere of influence”, which includes portions of San Pablo. Using these altered boundaries allow us to compare data from 1980 to 2005. In this case, the proxy boundaries present the closest approximation to the data of interest, and we believe do not compromise the conclusions made.

Because labor markets and industrial change are regionally based, where possible we compare Richmond data to the East Bay region—namely, the Oakland Primary Metropolitan Statistical Area (PMSA) of Alameda and Contra Costa Counties.

To better understand employment potential and challenges in Richmond, where possible our analysis tracks broad historical change in industries from 1980 to 2000 as well as more detailed and recent changes in the economy from Quarter 1 2001 to Quarter 1 2004. The quarterly data are derived from an average of the monthly data.

In this report, we use industry and occupational data categorized by the Bureau of Labor Statistics of the U.S. Department of Labor, and used by the U.S. Census Bureau. Industry categories shifted in 2000 from Standard Industry Codes (SIC) to North American Industry Classification (NAICS) codes. This report analyzed recent industry change using NAICS codes of broad sectors (ex. 2 digit NAICS 61 Educational Services), subsector groups (ex. 3 digit NAICS 611 Educational Services), and industry groups (4 digit NAICS 6111 Elementary and Secondary Schools). Full NAICS codes are at www.census.gov/epcd/www/naics.html.

Occupational data is categorized by 23 major coding groups, called Standard Occupational Codes (SOC), which the Census aggregates into six major occupational groups: management, professional, and related occupations; service occupations; sales and office occupations; farming, fishing, and forestry occupations; construction, extraction, and maintenance occupations, and production, transportation, and material moving occupations. Full SOC categorization are at www.bls.gov/soc/.

East Bay Alliance for a Sustainable Economy: Growing With Purpose • Appendix
Because Richmond is a small city of approximately 100,000, not all of our sample data are large enough to allow for robust analysis. The data presented in this report is our best understanding of past as well as recent shifts in Richmond’s economy and its impacts on working families.

Since the original white paper publication of this report in August 2006, two important resources contribute additional information and knowledge about Richmond’s demographic and economic landscape.

First, in the summer and fall of 2006, Bay Area Economics drafted an economic trends and market analysis for the City of Richmond with similar demographic, economic, and employment data. Both reports utilize data from the California Employment Development Department (EDD) and in many areas, our conclusions converge. Their report found similar industry cluster gains and losses in Food Service, Public Administration, Education, and Health and Social Assistance industries at the two digit NAICS level.

Differences between the two reports include BAE’s finding of employment growth in the Transportation, Warehousing, and Wholesale Trade industries between 2001 and 2004, while our report tracks a decrease in these industries. Bay Area Economics also notes the growth of Food Service and Retail jobs, while we found less growth in the Retail sector alone. Our study also found an increase in the Real Estate Services sector during this time period, while Bay Area Economics found that when combined with Construction, this sector declined and represented a smaller proportion of local jobs versus the county’s jobs.

Additionally, limitations in the industry-specific data require careful interpretation. EBASE’s report cautions against overstating growth in the education sector, given that not all jobs reported by the West Contra Costa School District to the California EDD are actually working in Richmond. BAE particularly cautions against overstating growth in Public Administration jobs, noting that improved data collection in that sector between 2001 and 2004 may have resulted in exaggerated employment growth in that sector.

Use of different data analysis techniques may have contributed to slightly different conclusions between the two reports. While BAE used quarter three employment figures, we used quarter one. We also aggregated industries differently, and may have utilized different city boundaries to identify companies and jobs located within Richmond.

Second, updated economic and demographic data from the U.S. Census Bureau’s annual American Community Survey were released in August of 2006, and reflect data collected in 2005. Data changes of note: The Black or African American population in Richmond is continuing to decline from 36% in 2000 to 28.4% in 2005, while the Hispanic or Latino population shows an increase from 27% to 33.8%. Note however that the change in the Hispanic or Latino population is within the margin of error (approximately +/- 9%) and therefore should be interpreted carefully. The immigrant population as a whole is also increasing to from 25.8% in 2000 to 33.2% in 2005, with a margin of error of +/-6.4%).

From the recent Census statistics, it’s possible that unemployment is inching back up in Richmond, from 7.7% to 9.7%; however the change between 2000 and 2005 is within the margin of error of +/- 2.5%.
Endnotes

1 The National Park Service (http://www.nps.gov/rori/) and the Rosie the Riveter World War II/National Historical Park (http://www.rosietheriveter.org/bq.htm).

2 “Industrial Growth 1900-1940.” City Overview (www.ci.richmond.ca.us/Arts/VisitorsPage/overview.htm).

3 HUD State of Cities Data System (Census).

4 HUD State of the Cities Data System (Census).

5 1990 and 2000 Census.

6 For analysis of race and Hispanic origin, we combined 1) American Indian and Alaska Native with 2) Other and 3) people who identified as “Two or more Races.” The sample size for the American Indian and Alaska Native population is small; therefore the Census count may not accurately reflect conditions for this population. The Other and Two or more Races, while they represent 4% of the population, are complicated categories. Therefore, we chose to combine these three categories together in our analysis.

7 1970 Census counts of the Black or African American population are not comparable to later decades because of differences in how race and Hispanic origin were defined.

8 To account for the higher cost of living in the Bay Area than the rest of the country, as well as inadequacy of the federal poverty measurement, we assess economic hardship in Richmond with some higher thresholds. We use the 150% of the federal poverty threshold to assess those in poverty, and 100% of the federal poverty level for those in extreme poverty.

9 Census 2000, SF3.

10 Note that the drop in labor force participation between 1990 and 2000—a surprising occurrence during such a high peak in the economy-- is consistent with trends nationally and in other major urban areas.

11 Occupational wage data based on the 2004 occupational wage for the Oakland Primary Metropolitan Statistical Area (PMSA) from the Occupational Employment Statistics survey from the California Employment Development Department.

12 City of Richmond website (www.ci.richmond.ca.us/VisitorsPage/overview.htm).

13 Please note, that for historic industry trends, our area of analysis is the Richmond “sphere of influence,” as defined by the Association of Bay Area Governments (ABAG). This larger Richmond area includes parts of San Pablo and, hence, somewhat more jobs than within the city’s border.

14 Data for Richmond Sphere of Influence. With the exception of construction, the “Other” category, which includes Construction, Fire, Insurance, Real Estate (FIRE), and Public Administration, are typically included under “service sector,” but are broken out by the source of data, Association of Bay Area Governments (ABAG).

15 Richmond and East Bay jobs per person are based on per capita calculations using ABAG Projections in 2003 for 2005.

16 Note that the data in Table 20 differ from the Table 21 by a) sector code categorization (Standard Industry Code versus North American Industry Code System. See Appendix A for a brief description of SIC and NAICS sector categorizations), b) timeline (1980-2005 annual versus 2001-2004 quarterly data), c) geographic designation (Richmond sphere of influence which includes San Pablo whereas recent data includes only the legal boundaries of Richmond), and d) comparison of city employment change to county change, versus comparison of city employment change to itself within industry sectors.

17 East Bay June 2006 Economic Analysis, East Bay Economic Development Alliance.

18 Quarterly employment data for this and all California Employment and Development Department data is the average of monthly employment data. Therefore, Quarter 1 data is the average of employment data from January to March. Health, Educational, and Recreational Services includes Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; and Accommodation and Food Services. Other includes Construction, Information, and Public Administration. Financial and Professional Services includes Real Estate and Rental Leasing; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; and Administrative and Support and Waste Management and Remediation Services. Recent Richmond Employment data is based on the Quarterly Census of Employment and Wages (QCEW), formerly ES202, from the California Employment Development Department (CA EDD).

19 California Economic Development Department. Please note the job numbers reported here may not accurately reflect jobs physically located in the City of Richmond. This data is based on the Quarter Census of Employment and Wages (ES202) which collects employment based on unemployment insurance data submitted by employers. Therefore, some employers may report employment for their total operation under the headquartered location, rather than employment for each individual location. These data are adjusted for school district workers (NAICS 6111) who did not physically work in Richmond.
20 From September to October 2003, Oil and Gas extraction (mining NAICS 211, within Agriculture and Natural Gas sector) increased from 1 to 387, while simultaneously Petro Products (manufacturing NAICS 324, within Manufacturing, Wholesale, and Transportation sector) shrank from 2,216 to 1,803. Therefore, we assume that these shifts reflected changes in the categorization of workers within these industries, rather than a net growth or loss of workers in the industries themselves.

21 The California Employment Development Department’s data does not report employment for Utilities (NAICS 22) as a part of Manufacturing, Wholesale, and Transportation category because of confidentiality issues.

22 For recent industry changes, we relied on a different data source than the one used for the historic analysis. This data source reflects only jobs in the City and does not include all types of jobs, such as self-employment. As a result, the total number of jobs is considerably smaller than in the earlier analysis.

23 Richmond Planning Department, February 5, 2007 (www.ci.richmond.ca.us).

24 Keep in mind that the median hourly wage is a middle wage, with half of the jobs in that industry offering lower wages and half higher. Starting wages could be considerably lower.

25 Because of data limitations, the Median Hourly Wage by industry data only takes into account employment in private firms and for the most part do not include government employment. We also do not report median hourly wages for industries for which occupational breakdown (and thus median wage) by industry data was unavailable, such as crop production.


27 East Bay (I-80/880 Corridor) Manufacturing Report, Quarter 2 2006, NAI BT Commercial.


31 HUD defines low-income families as making less that 80% of Area Median Income, which was $64,100 for a family of 4 in the East Bay in 2003—the last full year of employment data obtained by EBASE.

32 California Budget Project, Making Ends Meet, October 1999 (ww.cbp.org).

33 California Employment and Development Department. Note, these hourly median wages are mainly for private employment, and do not for the most part include government and public administration employment. For example, workers for federal, state, or local government are not represented in these hourly median wage analyses, but school district workers are represented. Additionally, median hourly wage is weighted to the number of employees in the various occupations of an industry. Industry change was assessed between the average employment in Quarter 1 (January to March) 2001 to the average employment in Quarter 1 2004. These calculations are based on occupational breakdown by industry matrices from the California Employment and Development Department.

34 Note that the median wages by industry here are different from median wages by occupations described earlier in this report. See industry and occupation definition sidebar. Also, these wages reflect median wages across the industry, and could mask some low-wage work, such as janitorial services, which are categorized under the higher paying Financial and Professional services sector.

East Bay Alliance for a Sustainable Economy
The East Bay Alliance for a Sustainable Economy (EBASE) builds power and raises standards for working families. EBASE forges alliances of labor, community, and faith organizations for economic justice. EBASE passes laws that make work pay, works to ensure that economic development projects create good jobs and community benefits, and stands up against workplace discrimination and exploitation of immigrants and people of color. EBASE is making the economy work for working people.

Richmond Regional Equitable Development Initiative
The vision of the Richmond Regional Equitable Development Initiative (REDI) is to ensure that current and future development in the City of Richmond includes equitable development benefiting the city’s low-income residents. With residents, Richmond REDI partners are identifying and supporting research, organizing, and policy efforts that advocate for safe and affordable housing, accessible public transit, community-driven economic development, good jobs, quality public education and services, and a healthy environment.

REDI partners include Urban Habitat, Contra Costa Faith Works!, the East Bay Alliance for a Sustainable Economy, UC Berkeley Center for Community Innovation, ACORN, the Asian Pacific Environmental Network, Communities for a Better Environment, and Ma‘at Youth Academy.

For more information, please contact the East Bay Alliance for a Sustainable Economy (EBASE):
1714 Franklin Street, Suite 325 • Oakland, CA 94612
P: 510.893.7106 • F: 510.893.7010
www.workingeastbay.org