



## **Wonderful Industrial Park**

Labor Comparison Highlights

September 28, 2015

# Bakersfield's economy is rapidly focusing on warehousing

We used relative labor concentration as a proxy for industry concentration

LOCATION (MSA LEVEL)	WAREHOUSE INDUSTRY EMPLOYMENT VS. U.S. AVERAGE		% CHANGE
	2010	2014	
Phoenix / Mesa	108%	87%	-19%
Salt Lake City	99%	85%	-14%
Stockton	188%	182%	-3%
Reno / Sparks	156%	152%	-3%
Las Vegas	93%	92%	-1%
Inland Empire	167%	182%	9%
Bakersfield / Delano	79%	95%	19%

DIVERSIFYING  
AWAY FROM  
WAREHOUSING

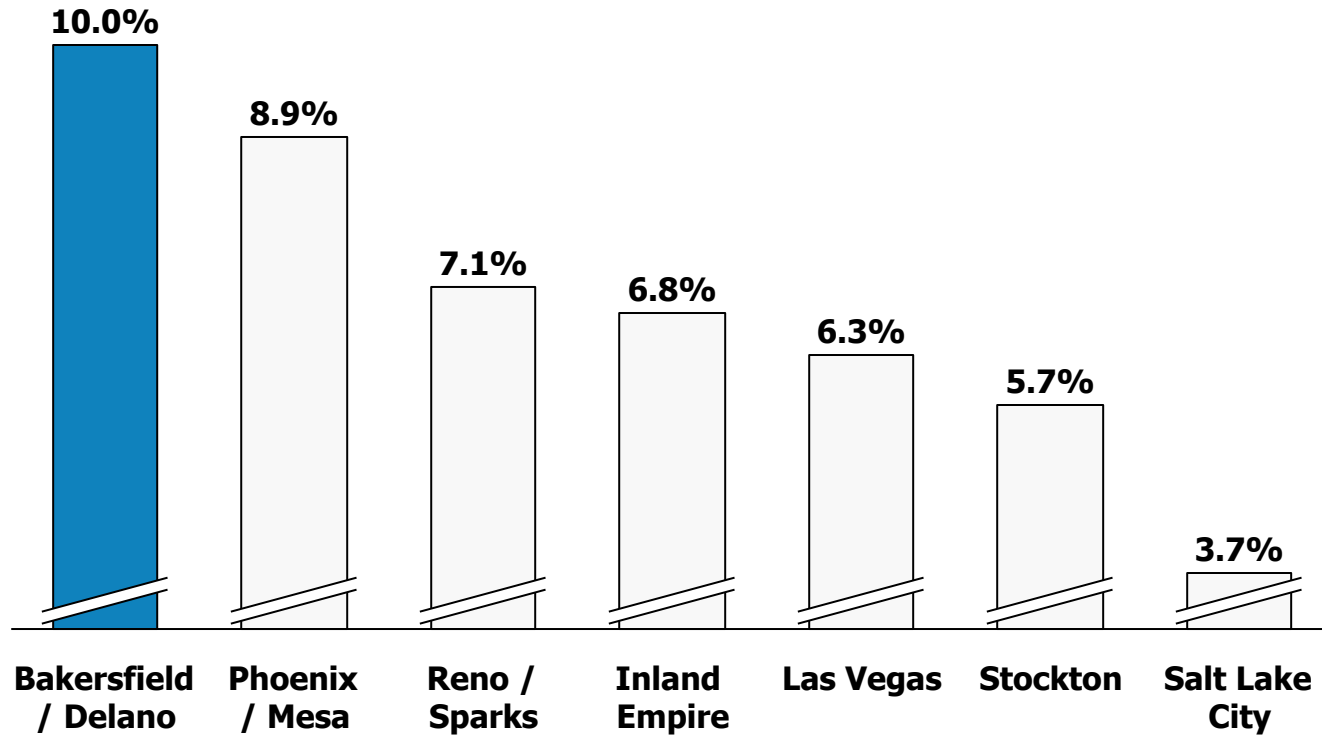
INCREASING  
FOCUS ON  
WAREHOUSING

**BAKERSFIELD AND INLAND EMPIRE ECONOMIES ARE RAPIDLY FOCUSING ON WAREHOUSING**

**Source 1:** US Bureau of Labor Statistics, Occupational Employment Statistics, May 2010 & 2014. Location quotient listed is a weighted average of five Occupation Codes (53-7051, 53-7062, 43-5071, 43-5081, and 11-3071) representing workers within the Warehousing and storage industry (NAICS 4931)

# Local area workforce is underutilized and growing quickly

## UNEMPLOYMENT (%)<sup>1</sup>



Data presented for a 30-minute drive time from center of city

**LABOR FORCE<sup>2</sup>**  
**5-YR PROJECTED HOUSEHOLD GROWTH<sup>2</sup>**

	Bakersfield / Delano	Phoenix / Mesa	Reno / Sparks	Inland Empire	Las Vegas	Stockton	Salt Lake City
LABOR FORCE <sup>2</sup>	278,298	854,212	216,644	799,974	1,004,274	285,335	487,956
5-YR PROJECTED HOUSEHOLD GROWTH <sup>2</sup>	9.7%	9.1%	6.7%	7.6%	10.2%	6.8%	5.4%

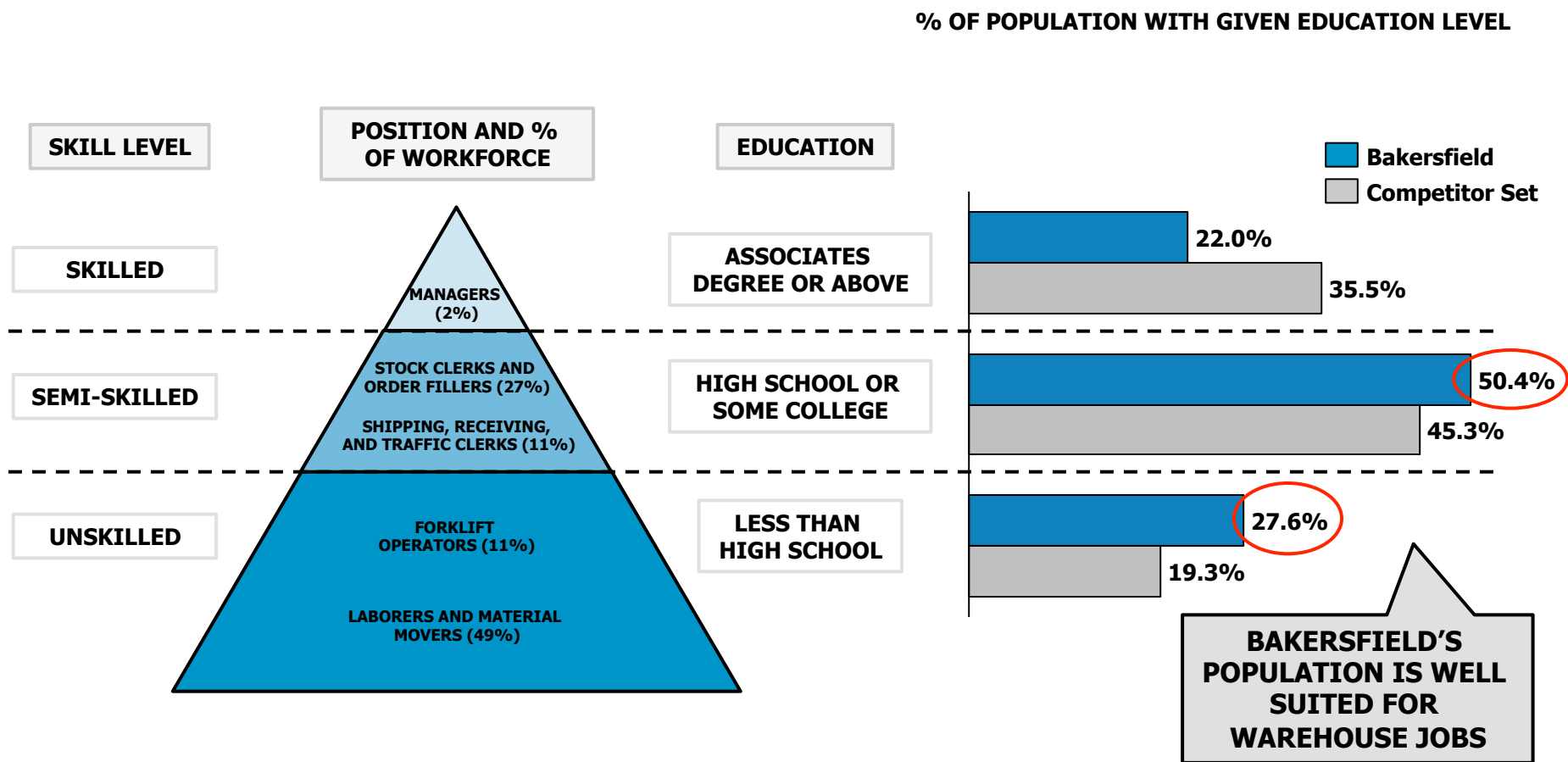
**Source 1:** US Bureau of Labor Statistics, Occupational Employment Statistics, May 2014  
**Source 2:** Jones Lang LaSalle Research Department, STI Popstats 3Q 2014 utilizing Alteryx 30-minute drive area. Household growth 2014-2019. Wonderful Industrial Park used for center of Bakersfield/Delano measurement, all other sites using city center.



# Large portion of semi-skilled and unskilled workers primed for warehouse jobs

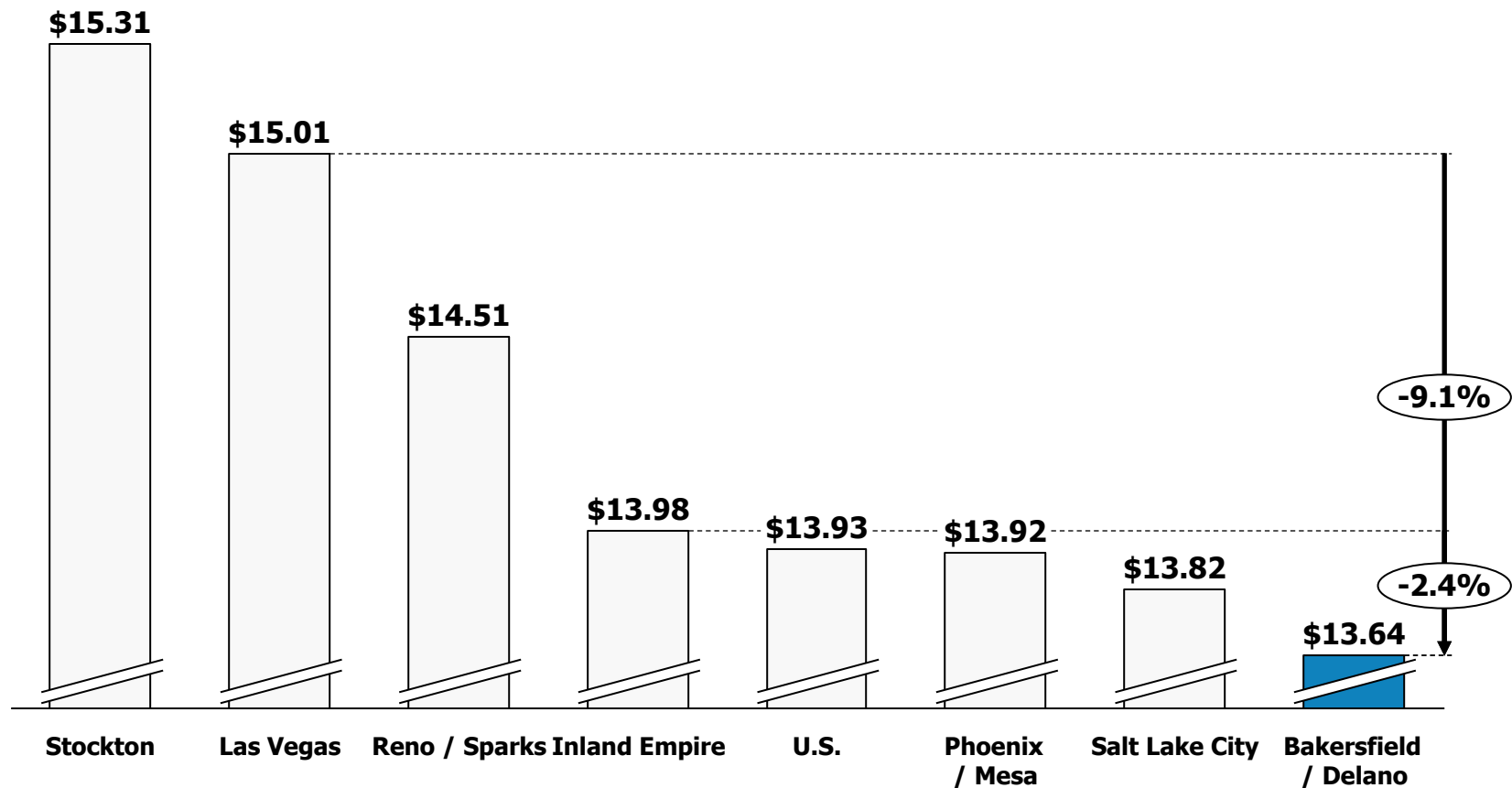
## THE BULK OF WAREHOUSE LABOR WORKS IN UNSKILLED AND SEMI-SKILLED ROLES<sup>1</sup>...

## ...BAKERSFIELD HAS MORE WORKERS AT THOSE EDUCATION LEVELS<sup>1</sup>



Source 1: US Census Bureau, 2009-2013 American Community Survey 5-Year Estimates. Includes population over 25 years old.

# Market wages for warehouse workers are lower in Bakersfield



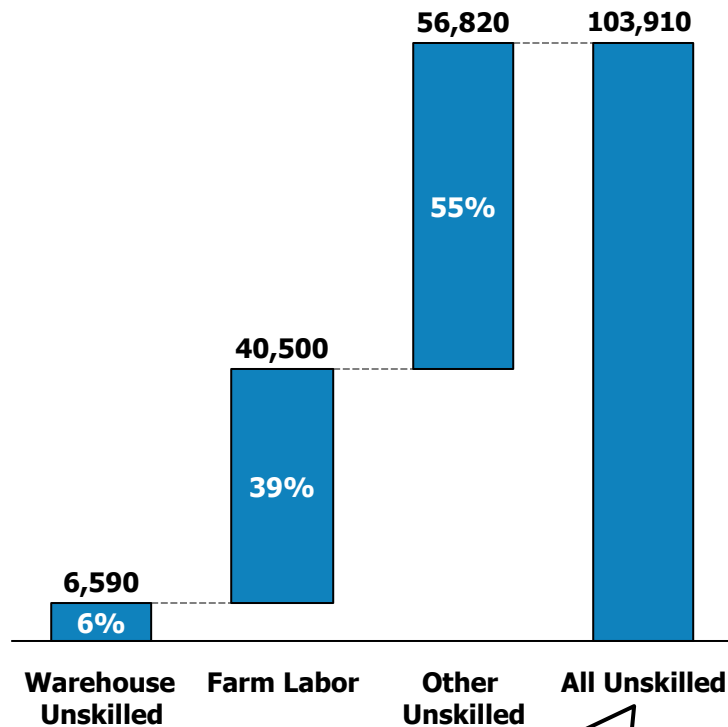
The blended average wage rate<sup>1</sup> for warehouse workers in Bakersfield is **9.1% lower than Las Vegas** and **2.4% lower than the Inland Empire**.

Source 1: See appendix slide #22 for calculation; Average for warehouse workers weighted by count of warehouse jobs in IE and Stockton, US BLS May 2014

# Warehouse jobs in Bakersfield offer a wage premium over other unskilled positions

## THERE ARE MANY UNSKILLED JOBS IN BAKERSFIELD<sup>1</sup>...

WORKERS IN UNSKILLED POSITIONS



39% OF ALL JOBS IN BAKERSFIELD REQUIRE LESS THAN A HIGH SCHOOL EDUCATION

## ...THAT PAY LESS THAN WAREHOUSE JOBS<sup>1</sup>

WAGE RATE AND PREMIUM OFFERED BY WAREHOUSE INDUSTRY FOR UNSKILLED POSITIONS



NEARLY 41K FARMWORKERS WOULD EARN 40% MORE IN WAREHOUSE JOBS

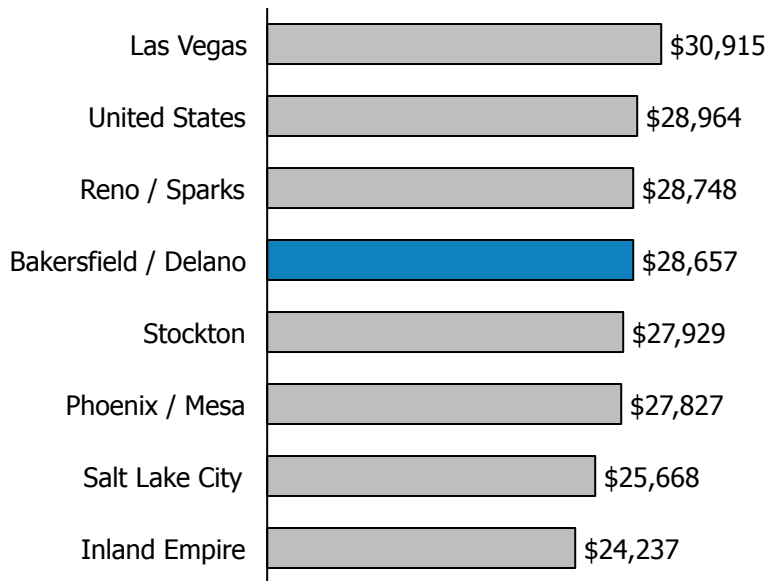
Wonderful  
real estate™

Source 1: US Bureau of Labor Statistics, Occupational Employment and Wage Estimates for Bakersfield/Delano MSA, May 2014.  
Note: All metrics exclude oil and gas industry unskilled positions.

# Lowest cost of living makes Bakersfield very attractive for workers

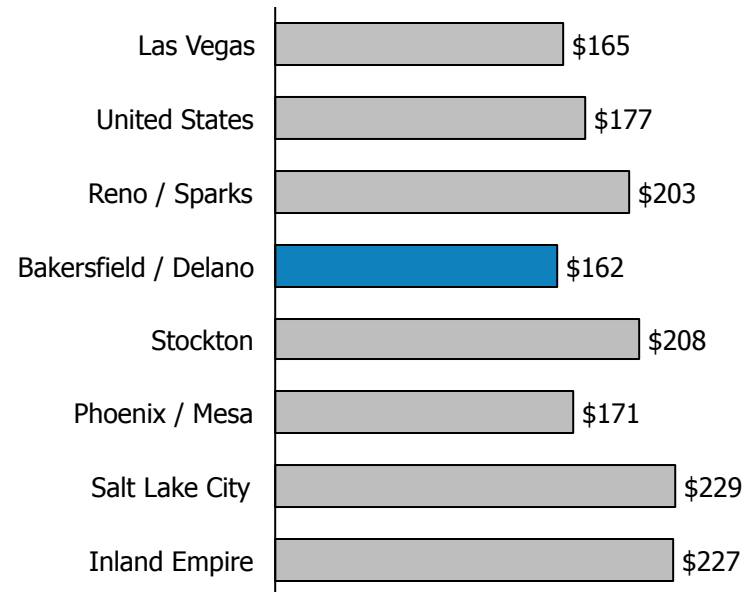
## BAKERSFIELD WAREHOUSE SALARIES PROVIDE GOOD PURCHASING POWER<sup>1</sup>

WAREHOUSE INDUSTRY BLENDED SALARIES ADJUSTED FOR COST OF LIVING



## BAKERSFIELD OFFERS HIGHLY AFFORDABLE HOUSING<sup>2</sup>

MEDIAN HOME VALUE (\$k)



**WORKERS CAN LIVE VERY COMFORTABLY IN BAKERSFIELD ON WAREHOUSE WAGES**

**Source 1:** US BLS, Occupational Employment Statistics, Annual 2014; Calculated by BLS from mean hourly wage assuming 2080 hrs/yr  
**Source 2:** US Census Bureau, American Community Survey, 2009-13 5-Year Estimate

# Market wages for warehouse workers are lower than other regions

**INCLUDES ALL OCCUPATIONS CLASSIFIED BY THE BUREAU OF LABOR STATISTICS WORKING FOR THE WAREHOUSE AND STORAGE INDUSTRY GROUP (NAICS 4931)**

	Job Category	% of warehouse jobs <sup>1</sup>	Average Hourly Wage <sup>2</sup>							
			Stockton	Las Vegas	Reno / Sparks	Inland Empire	United States	Phoenix / Mesa	Salt Lake City	Bakersfield / Delano
UNSKILLED	Laborers and Freight, Stock, and Material Movers, Hand	49%	\$14.80	\$14.74	\$13.52	\$13.23	\$13.07	\$12.97	\$12.89	\$12.71
	Industrial Truck and Tractor Operators	11%	\$18.10	\$16.65	\$16.18	\$15.89	\$16.02	\$16.21	\$16.72	\$14.76
	Stock Clerks and Order Fillers	27%	\$13.06	\$12.94	\$13.93	\$12.40	\$12.20	\$12.36	\$12.31	\$12.27
SEMI-SKILLED	Shipping, Receiving, and Traffic Clerks	11%	\$16.17	\$16.42	\$15.22	\$15.24	\$15.27	\$15.64	\$14.54	\$15.87
	Transportation, Storage, and Distribution Managers	2%	\$42.99	\$36.99	\$37.71	\$41.14	\$44.80	\$41.03	\$42.04	\$41.64
SKILLED	<b>Blended Average<sup>1</sup></b>		<b>\$15.31</b>	<b>\$15.01</b>	<b>\$14.51</b>	<b>\$13.98</b>	<b>\$13.93</b>	<b>\$13.92</b>	<b>\$13.82</b>	<b>\$13.64</b>
	<b>WIP Wage Diff.</b>		<b>-10.9%</b>	<b>-9.1%</b>	<b>-6.0%</b>	<b>-2.4%</b>	<b>-2.1%</b>	<b>-2.0%</b>	<b>-1.3%</b>	

**Source 1:** Average for warehouse workers weighted by count of warehouse jobs in Inland Empire and Stockton, US BLS May 2014  
**Source 2:** US Bureau of Labor Statistics, Occupational Employment Statistics, May 2014