



# Renewing<sup>the</sup> City's Pride and Purpose:

Residents, Jobs, and Development in Richmond

**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 the city's pride and purpose, and continue Richmond's important contribution to the regional economy. With the city facing near-unprecedented levels of real estate development and industrial restructuring, Richmond's assets — including valuable land, a large business base, and a diverse workforce — represent opportunities to further the City's economic development while ensuring that all residents share in the economy's benefits. However, Richmond continues to struggle with grave social and economic crises. While the larger region has prospered, the issues of chronic poverty, economic inequality, and unemployment have plagued 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.

## 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.

- The employment and industrial landscape in Richmond from 1980 to 2005 shifted from higher-wage manufacturing to generally lower-wage service sectors.

### Service sector growth led job growth, while manufacturing still important

Richmond Sectors	1980	2005	Change	% of Total Change
Service	8,011	19,270	11,259	62.0%
Construction, Finance, Insurance, Real Estate, and Public Administration	11,809	17,440	5,631	31.0%
Retail	5,380	6,830	1,450	8.0%
Agriculture and Mining	528	440	-88	-0.5%
Manufacturing, Wholesale, and Transportation	8,516	8,410	-106	-0.6%
<b>Total Jobs</b>	<b>34,244</b>	<b>52,390</b>	<b>18,146</b>	<b>100.0%</b>

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



## Chronic Challenges Could Jeopardize City's Growth:

Richmond's persistent poverty, unemployment, and low-wage work endanger the city's ability to build upon its strengths.

- Almost 1 in 5 Richmond residents (18%) work in lower-wage service occupations, versus 1 in 7 residents in the East Bay (13%). Likewise, 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% versus 5.2% East Bay).

## New Jobs are Less Likely to Provide Family-Supporting Wages than Old Jobs:

More recent 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.

- From 2001-2004, the Manufacturing, Wholesale, and Transportation sector lost about 1 in every 5 jobs (a 20% decrease, or approximately 2,000 jobs) while Health, Educational, and Recreation Services grew by 17%, or over 900 jobs.
- The average wage of jobs gained in Richmond (\$16.61) is lower than that of the jobs lost (\$17.81).
- Forty-four percent (44%) of jobs in Richmond do not pay enough for a family of four to make ends meet (Basic Family Wage of \$16.88).



## 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, based on a comparison of the overall range of wages paid by businesses.

### Richmond residents not benefiting from good jobs close to home

	Richmond	San Leandro	Emeryville	Alameda	Hayward	Oakland	Berkeley
Employed Residents	41,745	36,928	4,155	37,327	61,696	170,503	54,674
Residents Who Work in City	8,884	7,777	920	9,311	17,057	67,089	23,588
% Working Residents Working in City	21%	21%	22%	25%	28%	39%	43%

Source: Census Transportation Planning Package 2000

- Richmond residents are concentrated in low-wage jobs, while workers from outside fill well-paying positions in the city.
- Richmond residents, regardless of where they work, are more likely to be paid less than \$30,000 a year (53%, versus 42%) and more likely to be in poverty (18% versus 7%) than those who live elsewhere but work in Richmond.

## Richmond Grows in People and Diversity:

While many historically industrial cities in the U.S. have struggled with population loss, Richmond is a growing city with a diverse 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%).
- Richmond is one of the most diverse cities in the region. Thirty-six percent (36%) of the population is African American, 27% Hispanic or Latino, 21% White, and 13% Asian or Pacific Islander.
- One in 4 Richmond residents (25.8%) is an immigrant.

# City of Richmond: Together, We Can do Better

- **Raise Standards:** 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 standards and using public resources to benefit existing residents. In its economic development plan and development standards, the City should encourage businesses to pay higher wages and benefits and ensure that large-scale developments provide community benefits such as good quality jobs and affordable housing.
- **Set Ambitious and Measurable Goals:** Richmond should set ambitious, measurable goals for economic development that better link local residents to local, good paying, sustainable jobs. Examples include lowering poverty by 20% over the next 10 years and increasing local employment by 4% in the next 5 years.
- **Create an Integrated Strategic Plan and Vision:** The economic development goals above should be incorporated into an overall strategic plan that applies to land use policy, planning, and city services. The strategic plan should include 1) clear criteria for prioritizing public resources, 2) strengthened partnerships with community, business, and labor stakeholders, and 3) regular evaluation of outcomes.
- **Invest in Family-Supporting Jobs and Industries:** The City should identify the most promising industries for Richmond, including an assessment of growing job sectors such as educational services, health care, and government administration. In the meantime, existing industrial and commercial land that can be used to create good jobs should be protected as part of an overall economic development strategy.
- **Expand Model Policies and Programs:** The City should fully implement and report on the existing Living Wage policy and newly expanded Local Employment Program. Collaborations that increase the number of adults and youth placed in local jobs, that provide increased funding for direct classroom and skills training, and that serve African American young men and immigrant workers should be especially emphasized.

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 advocating safe and affordable housing, accessible public transit, community-driven economic development providing 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.

This publication is a summary of a larger report by EBASE to be released in 2007, entitled "Challenges and Opportunities in the City of Pride and Purpose: Richmond's Workforce and Industries."

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