

# BISHOP RANCH LABOR FORCE EXECUTIVE SUMMARY

*Prepared by:*

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# OVERVIEW

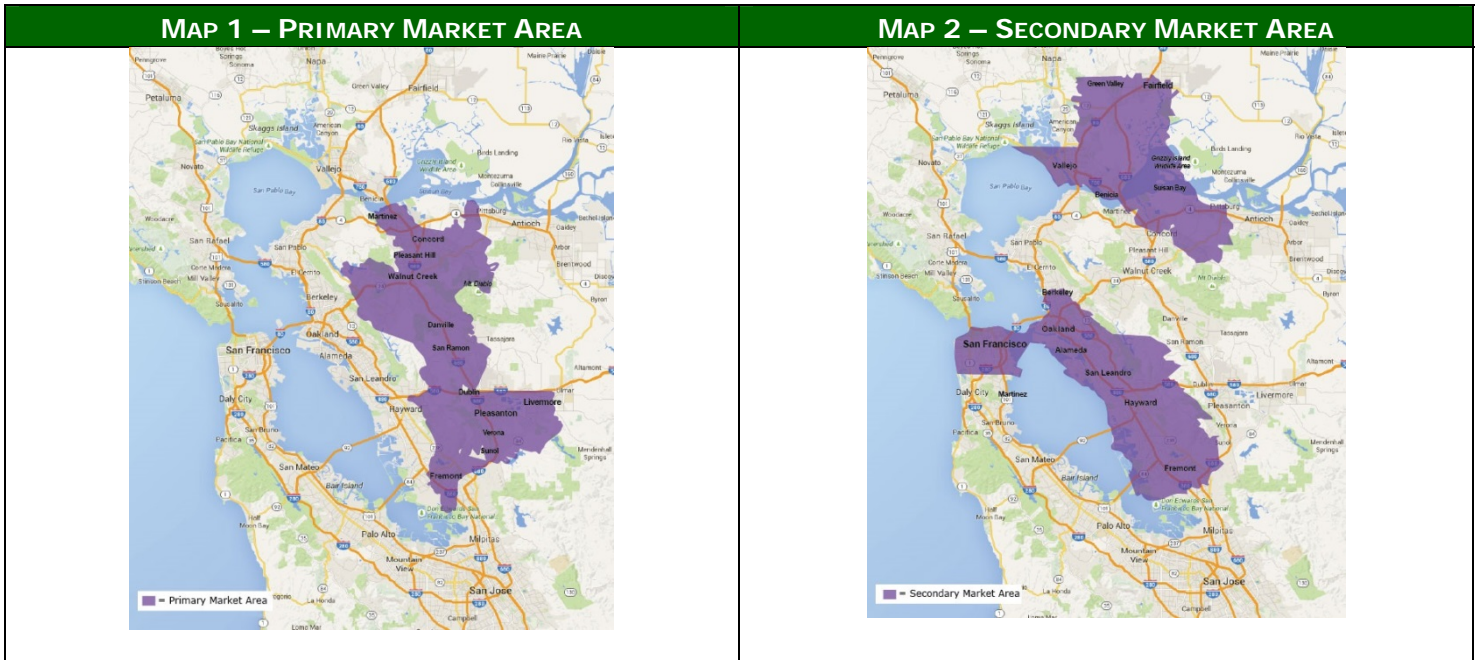
Sunset Development retained Applied Development Economics, Inc. (ADE) to examine the potential labor force in and around Bishop Ranch, a business office park development located in the City of San Ramon in Contra Costa County. The Labor Force Guide examines the labor force residing in the region surrounding the business park. Specifically, the Analysis estimates the potential business and labor force needs in the region, based on findings from labor force demographic data including Public Use Microdata Series (“PUMS”), U.S. Census, Economic Modeling Specialists International (“EMSI”), and US Census Onthemap.

The Analysis examined a range of demographic characteristics, such as age of workers, educational

attainment levels, wage-salary income, employment trends and projections, and housing and commute patterns. In addition, the Analysis evaluates how the labor force is aligned with industries that are expected to grow in the region in the coming years, and the worker characteristics among different commuter groups.

# MARKET AREA DEFINITION

ADE defined the market areas surrounding the Project as “Primary Market Area or PMA” and “Secondary Market Area or SMA”. **Map 1** shows the Project’s Primary Market Area, and **Map 2** shows the Project’s Secondary Market Area. These areas reflect the major labor sheds from which workers are attracted to Bishop Ranch.



# KEY FINDINGS

Located in the midst of a dynamic and vibrant economic region, the Primary Market Area and Secondary Market Area have a stable employment base, with a high concentration of highly educated and skilled workers residing in and around the Project Area. The Labor Force Analysis yielded the following results:

- **Highly skilled labor force** — Approximately 24% of the Primary Market Area labor force (age 35-54) has a STEM occupational and education background in science, technology, engineering or mathematics (**Table 1**).

- **Prime working age labor force** — Nearly 250,000 workers are in the 25-54 age groups in the Primary Market Area.
- **High level of education** — 58% of the labor force in the Primary Market Area has at least a Bachelor's degree. Among those with a Bachelor's degree, 36% have a Master's degree or higher (**Table 2**).
- **Stable employment base** — Approximately 71% of employed persons (25 and older) within the Primary Market Area are homeowners, which translates to a stable employment base (**Table 3**).
- **Close proximity to work** — Persons in the Primary Market Area labor force who also work in Contra Costa County typically spend 15 minutes commuting to work. (**Table 4**)
- **Increase in job growth** — In the 26 industries that comprise the economic base of the Primary Market Area and Secondary Market Area, 158,000 jobs are projected to be added between 2014 and 2023.

## SUMMARY OF ANALYSIS

Current and prospective businesses will find in Bishop Ranch's immediate labor market a stable labor force comprised of educated and skilled workers with the mix of attributes conducive to helping businesses grow. The Primary Market Area labor force exhibits high levels of educational attainment and technical proficiency, and high levels of personal and community stability, as indicated by rate of home ownership and family formation. These attributes translate to a stable work force that may appeal to both established businesses and young, growing businesses seeking to improve their organizational capacity in an effort to keep maturing well-beyond the start-up phase.

Compared to the nine-county Bay Area region, the labor force in the Primary and Secondary Market Areas exhibits a greater preponderance of persons with a Bachelor's degree or higher, as well as science, technology, engineering and math (STEM) occupational and educational backgrounds and professional employment. In the 35-to-54 prime working-age category, 36.2 percent have a Bachelor degree, and 22.5 percent have a Master's degree or higher, for a total of 58.7 percent who have at least a Bachelor's degree. In comparison, approximately 47 percent of the Bay Area's prime working-age labor force has at least a Bachelor's degree, 11 percent lower than Bishop Ranch labor shed. Furthermore, approximately half of this highly educated labor force in the Bishop Ranch Market Area has degrees in science, technology, engineering, and mathematics (STEM) disciplines. This translates to a well skilled labor force residing in and around Bishop Ranch.

Bishop Ranch's labor force is well suited for already established businesses, but is especially attuned to the needs of young businesses, spin-off businesses from established organizations, and growing businesses in general, as almost 17 percent of the prime working-age labor force is in management occupations, and 35 percent is in specialist positions (e.g. lawyers, finance, medicine, etc.). In the Bay Area region, the comparable rates are 13 percent (management) and 30 percent (specialist). The higher percentage of workers in management and specialist occupations suggests an available pool of highly trained and mature workers that are in position to support the needs of both established and growing businesses.

The close correlation between a stable employment base and workers' personal stability is exemplified by the high percentage of home ownership and short commute time from home to work in the Primary Market Area. Homeowners

typically show stronger commitment and remain longer with the company.<sup>1</sup> Of the prime working-age labor force in management, 81 percent of workers are homeowners, and 73 percent of those in specialist occupations own their own homes. In contrast, only 66 percent of those who are in the same age group and in management are homeowners in the Bay Area region, and 61 percent of specialists are homeowners.

The age cohort between 25-34 years old in the Bishop Ranch labor shed exhibit higher rates of home ownership than workers in same age category in the Bay Area region. Approximately 57 percent of this age group in the Primary Market Area labor force and in specialist occupations are homeowners, compared to 33 percent in the Bay Area. The population living in the Bishop Ranch PMA and SMA has a higher percentage of children 15 years and under, at 21 percent compared to 18 percent for the Bay Area. This suggests a larger percentage of families, which further reinforces the level of maturity and stability in the Bishop Ranch labor force.

In summary, Bishop Ranch’s labor force is a stable employment base with highly trained and experienced workers, heavily concentrated in STEM occupations as well as management and professional specialties. The workers are rooted in the communities in which they live as exemplified by the high percentage of home ownership and families in the region. Thus, prospective businesses in Bishop Ranch will find a workforce likely committed to the long-term well-being of the companies in which they work, as opposed to a highly mobile workforce looking for their next move. Businesses will enjoy higher employment retention rates, increased cost efficiency and reduced investments in worker retention and training. The short commute times typical in the area also indicate accessibility to work and the labor force’s high degree of commitment to jobs in the local community. These characteristics appeal to both established businesses as well as young, growing businesses that benefit from a hardworking, stable, highly educated, and skilled labor force.

**TABLE 1 — LABOR FORCE TRENDS: DISTRIBUTION OF PERSONS 25 AND OVER BY AGE AND STEM DEGREE STATUS: PRIMARY MARKET AREA (PMA), SECONDARY MARKET AREA (SMA), AND 4-COUNTY REGION 2013**

AGE GROUP	PMA: LABOR FORCE BY EDUCATIONAL ATTAINMENT				SMA: LABOR FORCE BY EDUCATIONAL ATTAINMENT				REGION: LABOR FORCE BY EDUCATIONAL ATTAINMENT			
	STEM	NON-STEM	No BA +	PMA Tot	STEM	NON-STEM	No BA +	SMA Tot	STEM	NON-STEM	No BA +	REG. Tot
25-34	16.2%	38.9%	44.8%	62,086	18.0%	36.1%	45.9%	387,532	16.8%	35.2%	48.0%	533,577
35-54	24.0%	34.6%	41.3%	181,512	17.5%	29.5%	52.9%	615,402	17.5%	29.7%	52.7%	943,969
55-64	16.5%	41.5%	42.0%	68,742	13.9%	28.8%	57.3%	211,485	13.8%	31.1%	55.1%	327,412
65+	15.4%	42.5%	42.1%	19,848	13.3%	36.6%	50.1%	56,044	13.6%	38.0%	48.4%	88,354
Total	20.5%	37.3%	42.2%	332,188	16.9%	31.7%	51.4%	1,270,463	16.5%	31.9%	51.6%	1,893,312

Source: Applied Development Economics, based on IPUMS (US Census ACS 2013 1-Year Sample)

<sup>1</sup> <http://bit.ly/1MWBIkg> <http://bit.ly/1RrCqFd> <http://bit.ly/1Guz6sm>

**TABLE 2 — LABOR FORCE TRENDS: DISTRIBUTION PERSONS 25 AND OVER IN THE LABOR FORCE BY AGE AND EDUCATIONAL ATTAINMENT: PRIMARY MARKET AREA (PMA), SECONDARY MARKET AREA (SMA), AND 4-COUNTY REGION 2013**

PMA: LABOR FORCE BY AGE AND EDUCATIONAL ATTAINMENT							
AGE GROUP	MASTER'S, PROF. DEGREE, AND/OR PHD	BA\BS	AA	SOME COLLEGE	HS\GED	No HS\GED	PMA Tot
25-34	14.4%	40.7%	5.1%	18.7%	14.6%	6.4%	62,086
35-54	22.5%	36.2%	7.6%	17.2%	11.7%	4.9%	181,512
55-64	21.5%	36.6%	9.6%	20.5%	9.2%	2.7%	68,742
65+	28.8%	29.1%	7.5%	21.3%	9.9%	3.4%	19,848
PMA	21.1%	36.7%	7.6%	18.4%	11.6%	4.6%	332,188

Source: Applied Development Economics, based on IPUMS (US Census ACS 2013 1-Year Sample)

**TABLE 3 — DISTRIBUTION OF EMPLOYED PERSONS 25 AND OVER BY HOUSING TENURE BY ADE BROAD OCCUPATIONAL CATEGORIES AND AGE: PMA, SMA, AND REGION**

PMA										
AGE GROUP	MANAGEMENT			SPECIALISTS			SUPPORT			PMA Tot
	OWN	RENT	PMA SUB-TOT	OWN	RENT	PMA SUB-TOT	OWN	RENT	PMA SUB-TOT	
25-34	61.9%	38.1%	8,621	57.2%	42.8%	33,387	35.8%	64.2%	16,159	58,167
35-54	80.9%	19.1%	44,673	73.4%	26.6%	90,526	56.4%	43.6%	37,875	173,074
55-64	87.1%	12.9%	16,589	83.4%	16.6%	33,713	81.8%	18.2%	14,963	65,265
65+	98.5%	1.5%	3,800	87.0%	13.0%	10,138	75.9%	24.1%	4,873	18,811
PMA	81.0%	19.0%	73,683	73.0%	27.0%	167,764	58.3%	41.7%	73,870	315,317

Source: Applied Development Economics, based on IPUMS US Census ACS 2013 1-Year Sample

**TABLE 4 — MORNING COMMUTE TIMES FOR EMPLOYED PERSONS 25 AND OVER WORKING IN CONTRA COSTA COUNTY AND NOT WORKING IN CONTRA COSTA COUNTY BY BROAD OCCUPATIONAL CATEGORIES**

	WORKS IN CONTRA COSTA COUNTY				WORKS OUTSIDE OF CONTRA COSTA COUNTY				TOTAL	
	PMA	MANAGEMENT	SPECIALIST	SUPPORT	PMA SUB-TOT	MANAGEMENT	SPECIALIST	SUPPORT	PMA SUB-TOT	PMA Tot
Top 25 Percentile		22	30	25	25	60	55	45	55	45
Median		15	15	15	15	40	35	30	35	25
Bottom 25 Percentile		5	10	10	10	20	15	10	15	10
REGION	MANAGEMENT	SPECIALIST	SUPPORT	PMA SUB-TOT	MANAGEMENT	SPECIALIST	SUPPORT	PMA SUB-TOT	REG TOT	
Top 25 Percentile	30	31	34	30	45	45	45	45	45	
Median	20	20	20	20	30	25	25	25	25	
Bottom 25 Percentile	10	10	10	10	15	15	15	15	12	

Source: Applied Development Economics, based on IPUMS US Census ACS 2013 1-Year Sample