

City of Fontana

Employment Trends Report



Fontana Overview

Fontana's employment environment continues to improve, though growth has been modest in recent months. Over the past year, private sector employment in the city rose by 1.4%, just behind the state's growth rate of 1.5%. This steady increase is primarily due to a significant surge in Health Care employment, which grew by 11.9% year-over-year, easily outpacing the state's 7.9% growth in the sector.

A closer look reveals that the increase in Health Care is largely driven by recent gains in Ambulatory Health Services, which grew by 16.1% year-over-year. This is also a high-wage sector for the city, with an average annual wage of over \$106,000. In addition, employment grew by 8.6% year-over-year in Nursing and Residential Care Facilities and by 3.3% in Social Assistance. Health Care is one of the more specialized industries in the city, with a location quotient of 1.2.

The strength in Health Care isn't unique to Fontana. It reflects a widespread trend, with gains occurring across California. The increase in Health Care employment can be attributed to population growth and the rising number of older adults, who demand more hospitals, outpatient care facilities, and long-term care services. Perhaps more importantly, Health Care is the only industry in the city where workers earn higher wages than in the state overall, with average annual wages in the city 27.5% above the statewide average.

However, overall growth in Fontana has been tempered by recent declines in Logistics employment. From the first quarter of 2023 to the first quarter of 2024, employment in Logistics fell by 6.1%, compared to being largely unchanged statewide. Despite the downturn, Logistics remains the city's most specialized industry, with a location quotient of 2.9.

Despite setbacks in Logistics, there are promising trends in Fontana's economy. Private employment is nearing record highs, fueled by gains in Health Care, Professional and Business Services, and Construction. Professional and Business Services, in particular, has benefited from expansions in the Professional, Scientific, and Technical Services sector, which grew 14.1% year-over-year. Fontana's unemployment rate remains close to the state average. Overall, Fontana's local economy appears to be on solid ground, with low unemployment, rising wages, and near-record payroll levels.

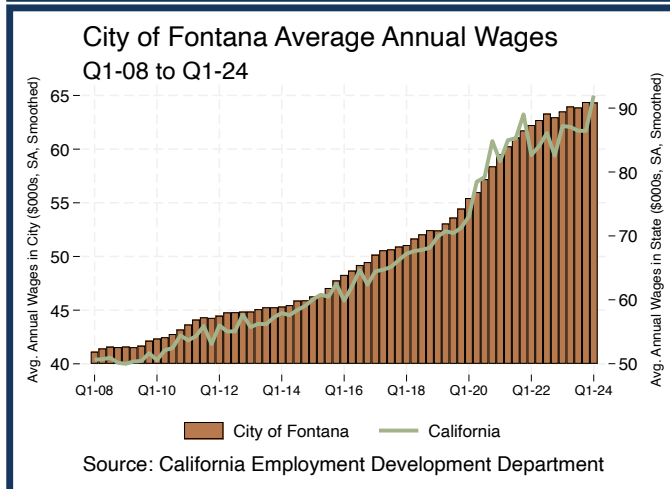
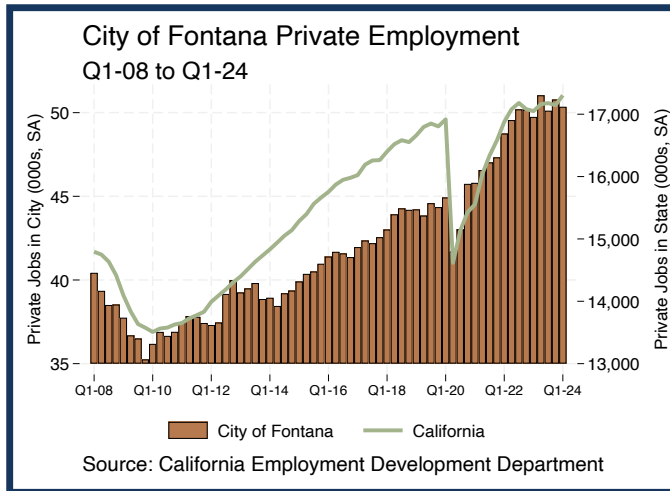


Table 1: Establishment Births/Deaths

Year	Firm Births	Firm Deaths	Total Increase Net	(%)	Total Firms*
2019	173	74	+99	6.0%	1,741
2020	147	63	+84	4.8%	1,825
2021	160	88	+72	3.9%	1,897
2022	162	64	+98	5.2%	1,995
2023	133	56	+77	3.9%	2,072
2024 YTD	50	20	+30	1.4%	2,102

*Establishments with 3 or more employees

Table 2: Employment in Q1-24 by Establishment Size

Establishment Type	Total Employment	Growth Since Q1-23 (%)
Less than 10 Employees	8,844	4.6
10 to 49 Employees	15,223	-0.1
50 to 249 Employees	17,747	0.6
250 or More Employees	15,095	1.8

Overview

- As of the first quarter of 2024, payroll employment in Fontana is 12.1% higher than its peak in the first quarter of 2020, far outpacing California's 2.2% growth over the same period.
- From the first quarter of 2023 to the first quarter of 2024, employment in Fontana grew by 1.4%, just behind the state's growth rate of 1.5%.
- Professional, Scientific, and Technical Services and Management; Education; Health Care; Administrative Support; and Information were Fontana's fastest-growing sectors between the first quarter of 2023 and the first quarter of 2024.
- Employment in Transportation, Warehousing, and Utilities fell by 6.1% from the first quarter of 2023 to the first quarter of 2024, driven by declines in Warehousing and Storage (-7.4%) and Truck Transportation (-10.6%).
- Wages in Fontana increased by 0.9% from the first quarter of 2023 to the first quarter of 2024, trailing the state's 5.5% wage growth over the same period.
- From the first quarter of 2023 to the first quarter of 2024, employment in establishments with fewer than 10 employees grew by 4.6%. Meanwhile, firms with 250 or more employees experienced a 1.8% rise and firms with 50 to 249 employees grew 0.6%. In contrast, those with 10 to 49 employees saw declines of -0.1%.
- In November 2024, there were 2,947 active job postings in Fontana, 37 more than in 2023. Administrative Support had the highest number of active job postings at 440, up 56 over the previous year.

Employment Growth

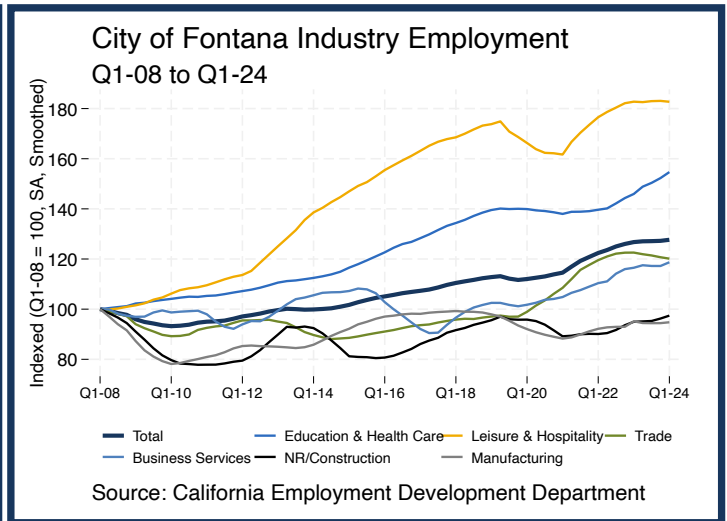
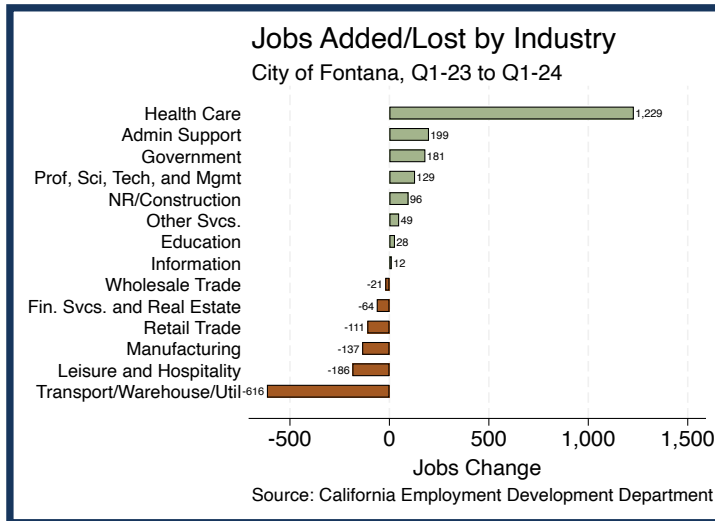


Table 3: Employment by Industry: Q1-24

Industry	Employment (#)	Y-o-Y Growth City (%)	Y-o-Y Growth State (%)	City Location Quotient
Health Care	11.6	+11.9	+7.9	1.2
Transport/Warehouse/Util	9.4	-6.1	+0.0	2.9
Retail Trade	7.9	-1.4	-0.9	1.5
Leisure and Hospitality	5.4	-3.3	+2.0	0.8
Manufacturing	3.8	-3.5	-5.9	0.9
Wholesale Trade	3.7	-0.6	-0.5	1.7
Admin Support	2.3	+9.6	-3.7	0.6
NR/Construction	1.9	+5.5	+3.4	0.4
Other Svcs.	1.8	+2.9	+3.8	0.9
Fin. Svcs. and Real Estate	1.2	-5.1	-0.4	0.4
Prof, Sci, Tech, and Mgmt	1.1	+13.0	+2.8	0.2
Education	0.2	+12.7	+4.8	0.0
Information	0.2	+8.5	-7.8	0.1
Total	57.0	+1.4	+1.5	1.0

Table 4: One-Year Employment Growth

Fastest Growing Subsectors with 250+ employees: Q1-24

Region	Total Emp.	Growth (%)	Wage (\$000s)
Support Activities For Transportation	565	+35.1	69.5
Clothing, Clothing Accessories, Shoe, and Jewelry	453	+25.0	29.8
Ambulatory Health Care Svcs.	6,325	+16.1	106.1
Prof, Scientific, and Technical Svcs.	1,041	+14.1	65.5
Admin and Support Svcs.	2,140	+10.8	35.1
Nondurable Goods Wholesalers	712	+10.6	70.6

Wage Growth

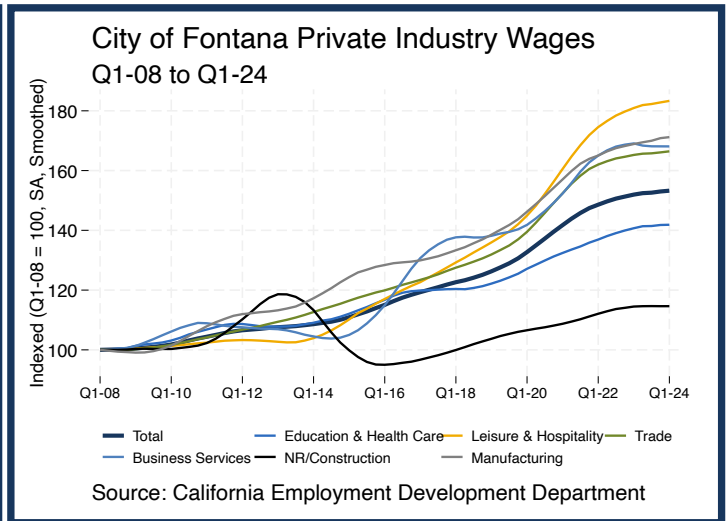
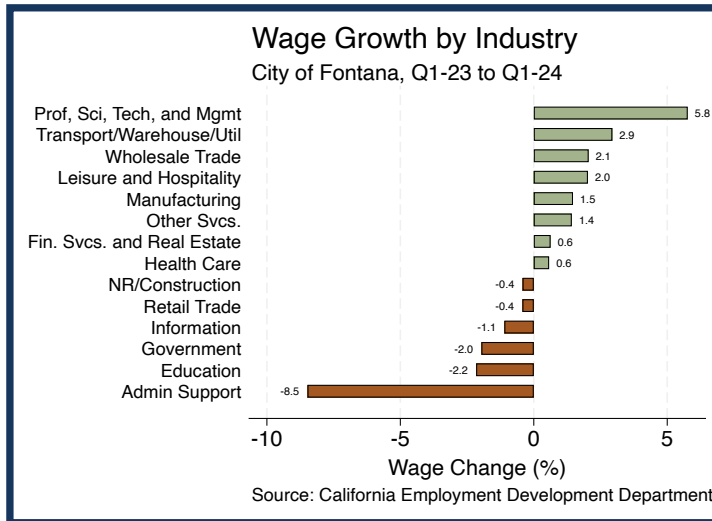


Table 5: Annual Average Wages by Industry: Q1-24

Industry	Avg. Wage (\$000s)	Y-o-Y Growth City (%)	Y-o-Y Growth State (%)	City vs. State (%)*
Information	93.6	-1.1	+27.1	-66.0
Health Care	89.1	+0.6	+2.4	27.5
Wholesale Trade	78.3	+2.1	+3.4	-26.0
Prof, Sci, Tech, and Mgmt	77.4	+5.8	+11.6	-55.1
Manufacturing	73.6	+1.5	+6.1	-43.5
Transport/Warehouse/Util	72.0	+2.9	+8.3	-19.8
NR/Construction	70.2	-0.4	+2.7	-8.4
Fin. Svcs. and Real Estate	58.7	+0.6	-1.2	-58.6
Retail Trade	45.7	-0.4	+1.9	-7.3
Other Svcs.	44.0	+1.4	+3.6	-20.9
Admin Support	39.8	-8.5	+0.9	-38.2
Education	28.7	-2.2	+0.2	-61.9
Leisure and Hospitality	26.2	+2.0	+4.4	-39.3
Total	64.9	+0.9	+5.5	-29.5

*Industry wage relative to the average annual wage for the industry in the State

Table 6: One-Year Wage Growth
Fastest Growing Subsectors with 250+ employees: Q1-24

Region	Wage (\$000s)	Growth (%)	Total Emp.
Clothing, Clothing Accessories, Shoe, and Jewelr	29.8	+30.4	453
Social Assistance	25.3	+11.8	2,628
Prof, Scientific, and Technical Svcs.	65.5	+9.4	1,041
Plastics and Rubber Products Mfg	75.9	+9.3	384
Building Material and Garden Equipment And Suppl	41.5	+9.3	767
Nonmetallic Mineral Product Mfg	91.4	+8.7	451

Industry Insights

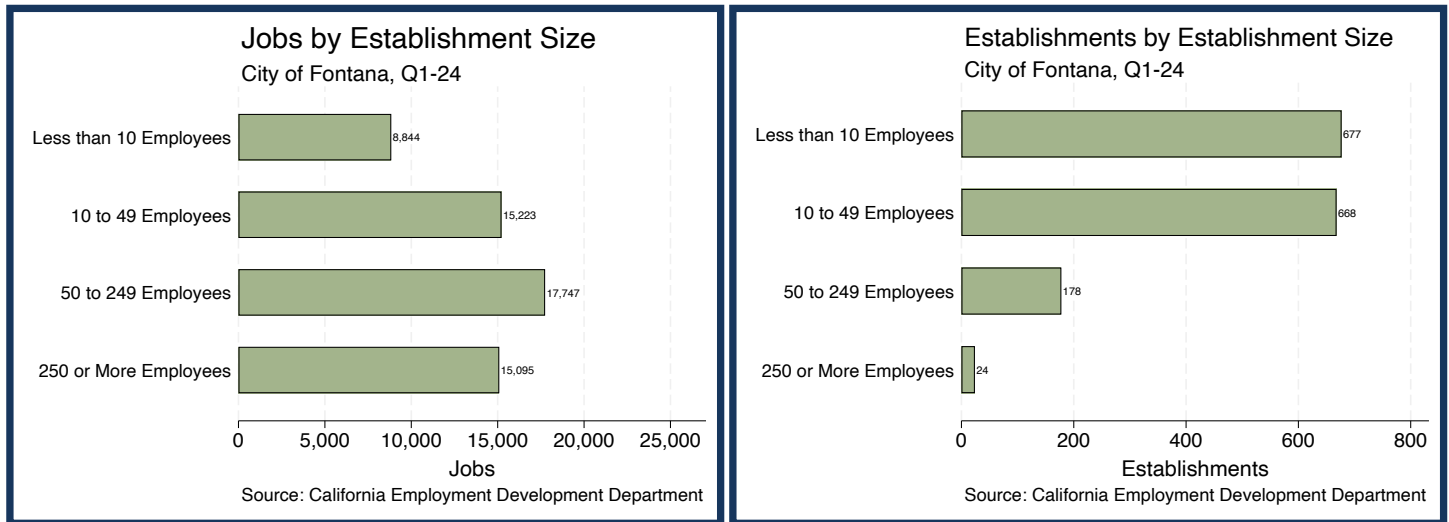


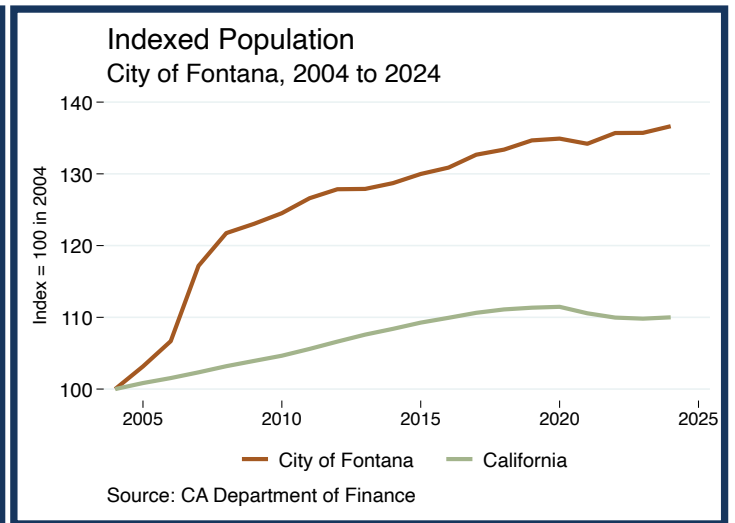
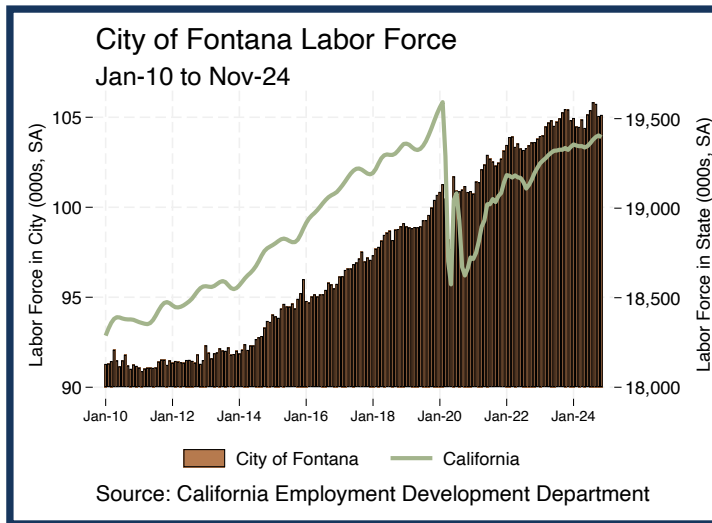
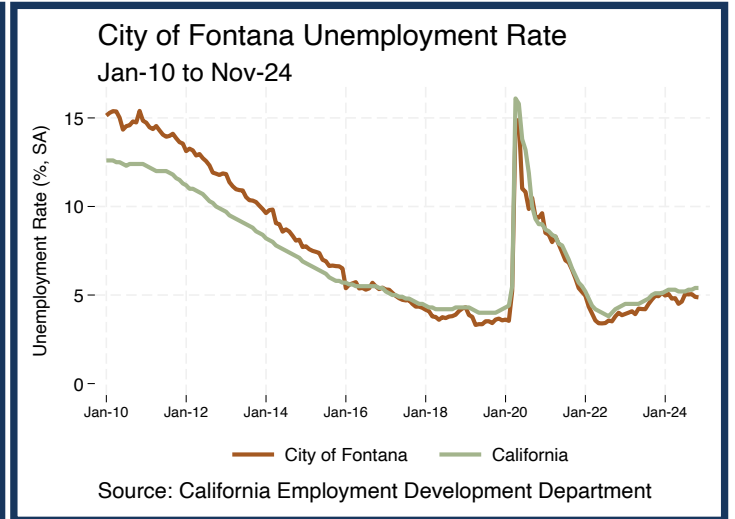
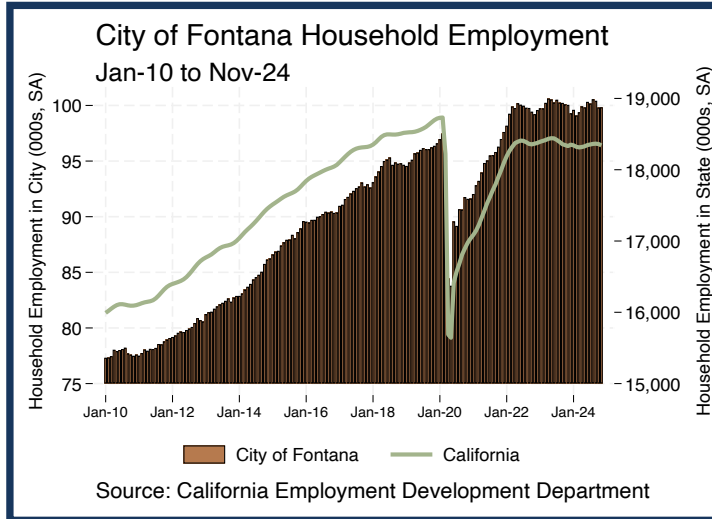
Table 7: Logistics Subsector Employment: Q1-24

Subsector	Employ- met (#)	1-Year Growth		5-Year Growth	
		(%)	(#)	(%)	(#)
Warehousing and Storage	4,647	-7.4	-372	+193.0	3,061
Truck Transportation	3,611	-10.6	-426	-13.2	-551

Table 8: Manufacturing Subsector Employment: Q1-24

Subsector	Employ- met (#)	1-Year Growth		5-Year Growth	
		(%)	(#)	(%)	(#)
Fabricated Metal Product Mfg	1,002	+7.4	+69	-5.8	-62
Plastics and Rubber Products Mfg	384	-4.6	-19	+32.2	+94
Wood Product Mfg	250	-12.4	-35	-19.8	-62
Paper Mfg	239	-2.2	-5	+4.7	+11
Food Mfg	134	-21.2	-36	-32.9	-66

Household Employment



Job Postings

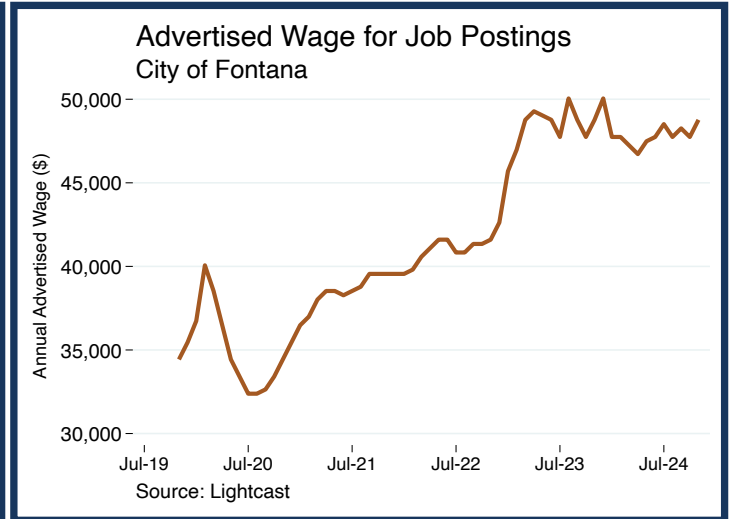
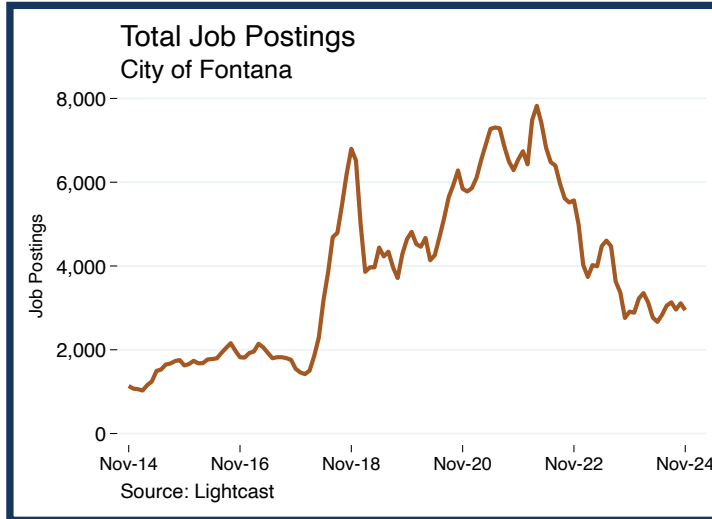


Table 9: City of Fontana Job Postings Jobs Postings

Industry	Job Postings Nov-23	Job Postings Nov-24	1-Year (Change)
Total	2910	2947	37
Admin Support	384	440	56
Retail Trade	387	339	-48
Education/Health	452	333	-119
Manufacturing	229	222	-7
Transport/Warehouse/Util	234	216	-18
Prof, Sci, Tech, and Mgmt	117	161	44
Leisure and Hospitality	203	137	-66
Wholesale Trade	134	130	-4
Fin. Svcs. and Real Estate	116	129	13
Information	27	95	68
NR/Construction	57	70	13
Other Services	58	55	-3
Public Administration	21	9	-12

Data Description

The data contained within this report are derived from establishment-level payroll data furnished by the California Employment Development Department (EDD). The EDD collects employment and wage data for every establishment enrolled in the State's Unemployment Insurance program. Entities such as nonprofit organizations that employ less than 4 workers, railroad workers, and workers in school systems that are owned and operated by religious institutions are omitted from this data set.

In order to link individual establishments from one quarter to the next, Beacon Economics developed a method of cleaning, processing, and linking the raw data provided by the EDD. This process amends, adds, or deletes data items, so there will not be a one-to-one relationship between the raw EDD data and the post-process data. Here is a list of a few key steps made by Beacon Economics while processing the data.

- Matching individual establishment records over time
- Re-examining records without exact matches
- Ensuring that cleaning process has resulted in a consistent time series
- Creating consistent industry codes for establishments over time

The publication of data that would disclose an individual firm's employment or wage information is prohibited under the Bureau of Labor Statistic's guidelines of confidentiality. Aggregate data is not published if it represents fewer than three private employers or if one private employer represents 80% or more of the data.

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