
Date: April 17, 2026

To: Honorable Mayor and Members of the City Council
Mike Futrell, City of Riverside City Manager

From: USC Sol Price School of Public Policy Graduate Students: Hilda Aguilar-Jurado,
Vanessa Bautista, Oscar Cisco, Montserrat Pineda

Subject: Riverside's Economic Navigation and Expansion of Workforce (RENEW)

EXECUTIVE SUMMARY

The City of Riverside is the sixth-largest city in Southern California and a major economic hub in the Inland Empire. Through its Economic Development Strategic Plan, the City has identified Five Areas of Excellence to guide future growth: Medical, Aerospace, Green Technology, Arts and Tourism, and General Technology. While Riverside is well-positioned for expansion, it faces growing misalignment between its workforce and the needs of local employers.

As a result, jobs remain unfilled, talent leaves the region, and economic opportunities are lost. At the same time, a significant share of residents commute outside the city for employment, limiting Riverside's ability to generate local income and economic growth. Despite strong institutions and industry potential, the City lacks a coordinated system to connect workforce development with development demand.

This memo proposes a three-part strategy to close this gap:

- 1) Building a workforce development system anchored in high-demand sectors such as Medical & Biotechnology, while also exploring subsectors such as Aerospace Medicine.
- 2) Generate demand for local talent by supporting industry growth and reducing development barriers.
- 3) Strengthen partnerships between employers, education providers, and workforce organizations.

PROBLEM STATEMENT

Riverside faces a growing disconnect between its workforce and the needs of local employers. Despite rising demand for skilled workers, our team's survey finds that 70% of employers struggle to fill roles, and many residents commute outside the city for employment. This misalignment between workforce supply and industry demand results in talent loss, unfilled jobs, and missed economic opportunities.

PROPOSED SOLUTIONS

To resolve these workforce and economic development challenges, we recommend that the City implement three innovative workforce initiatives that align with Riverside's Economic Development Strategic Plan, strengthen partnerships with stakeholders and intergovernmental collaboration, and increase employer engagement.

1. Implement Innovative Workforce Initiatives that Align with Riverside's Economic Development Strategic Plan

a. Formalize Education-to-Employment Pipelines in STEAM

To expand access to high-wage jobs, reduce skill shortages, and increase retention of local graduates, Riverside should establish MOUs with initial employers to complete an education-to-employment pipeline in STEAM that also encompasses academic opportunities that span middle school through university. The pipeline should also include pre-apprenticeship and state-approved apprenticeship opportunities as an option. By formalizing education-to-employment pipelines in STEAM careers, the city has an opportunity to grow the next generation of its workforce.

b. Launch a Medical and Biotechnology Workforce Pilot Program

The Medical and Biotechnology Workforce Pilot Program should be designed to proactively address the current and future workforce demand in the healthcare industry. Additionally, one small cohort should be dedicated to career exploration in emerging interdisciplinary fields at the intersection of healthcare and advanced technology, such as Aerospace Medicine. Lastly, in-house workforce services can include, but are not limited to, career guidance, supportive services, skills development workshops, resume development, and job search assistance. Partnerships with local higher education institutions and local employers will need to be established. Riverside's healthcare sector is seeing significant investment and is expected to continue to grow dramatically over the next decade. Major developments like UCR's 20-acre medical complex and Riverside Community Hospital's \$912 million expansion stimulate the economy by increasing the number of high-quality jobs.

c. Invest in Expanding the Workforce Development Team

The City of Riverside should hire at least two additional full-time staff—a workforce development project manager and a business engagement project manager. A well-resourced team can lead the city's workforce initiatives, service delivery, and grant opportunities, and meet the core benchmarks needed to successfully build a resilient workforce. A workforce development project manager can directly support residents with training coordination, case management, job search assistance, skills development, supportive services, and other career services. A business engagement project manager can build relationships with employers, identify hiring needs, continue the employer

engagement survey, secure job placements, and overall ensure services remain relevant to industry needs. In addition, the city should assign additional fellows or interns to assist the workforce team with administrative tasks and help with the delivery of services. By having additional staff, the City can launch its own industry-specific workforce programs targeted for Riverside residents.

2. Generate Demand by Making Riverside Easier to Invest In

a. Develop an Investment-Ready Site Portfolio

The City should identify, assess, and market a portfolio of development-ready sites aligned with priority industries. These sites should have clear information on land use, infrastructure capacity, and environmental constraints to reduce uncertainty for investors. The City can also work with property owners to identify opportunities to better utilize underused land and support voluntary subleasing or partnership arrangements that allow owners to generate additional value from their properties.

b. Fund Infrastructure with Enhanced Infrastructure Financing Districts

EIFDs can be used to fund critical infrastructure such as parking structures and utilities that support higher-density employment uses. Without adequate infrastructure capacity, including parking, the City's ability to support growth in healthcare, green technology, and advanced manufacturing is limited.

c. Align Incentives with Job Creation

The City should leverage the Capital Investment Improvement Program (CIIP) as a performance-based incentive to attract and retain firms that commit to reinvesting in their operations and workforce. Incentives should be negotiated and tied to measurable outcomes, including job creation, workforce partnerships, and local hiring priorities.

3. Align Workforce, Education, and Industries Through Strategic Partnerships

a. Establish a RENEW Advisory Board

The City should establish a RENEW Advisory Board that hosts convenings with key employers, workforce boards, and training providers to identify hiring needs, coordinate workforce programs, and maintain alignment between labor demand and training efforts. These convenings will allow the City to respond in real time to industry trends and workforce gaps. Through a collaborative approach, the City can strengthen its role in supporting Riverside's five key sectors and expanding opportunities for residents in growing sectors.

b. Establish Public-Private Partnerships to Scale Workforce Initiatives

To scale these workforce initiatives, the City should establish public-private partnerships managed by the workforce team to braid public, private, and philanthropic funding sources to expand workforce programs. This includes federal funding, state workforce grants, county grants, employer contributions, and philanthropic grants to expand its workforce programs. Key actions include designating a staff lead, developing a centralized funding tracker, and implementing employer co-investment strategies such as wage-sharing for apprenticeships. Philanthropic capital can support workforce innovation and services not typically covered through the Riverside County Workforce Development Board’s restricted funds, including the Workforce Innovation and Opportunity Act (WIOA). When partnerships are incorporated, proposals become more competitive and can lead to multi-source funding.

KEY STAKEHOLDERS

Shaping the economic future of Riverside will require intentional partnerships with stakeholders who can help the city address its current challenges and achieve its goals.

| Educational Partners | | | |
|--|------------------------------------|-----------------------------------|--|
| Riverside Unified School District | | Alvord Unified School District | |
| UC Riverside | Cal Baptist University | Riverside City College | La Sierra University |
| Industry Partners | | | |
| Kaiser Permanente Healthcare | Riverside Community Hospital | PRISM Aerospace Inc. | Collins Aerospace Systems |
| Workforce Development Partners | | | |
| Riverside County Workforce Development Board | Inland Empire Community Foundation | Rubidoux Youth Opportunity Center | Greater Riverside Chambers of Commerce |

IMPLEMENTATION PLAN

Short Term: Riverside will focus on building internal capacity and laying the foundation for a coordinated workforce system. This phased approach ensures Riverside delivers immediate workforce outcomes while building a scalable system for long-term industry growth. The City will hire dedicated staff, analyze data on employer needs and labor market trends. Early actions also include identifying funding opportunities and designing incentive strategies tied to job creation.

- Key Actions:
 - Hire two full-time employees to establish a dedicated workforce development team

- Establish the RENEW Advisory Board to align programming and curriculum with current workforce needs
- Design targeted incentive packages tied to job creation outcomes

Long Term: Looking ahead, Riverside will transition from planning to implementation by launching workforce programs and expanding partnerships across priority industries. The City will activate workforce pipelines, engage employers through regular convenings, and recruit new businesses aligned with its economic development goals. The City will also outline clear workforce pathways to improve accessibility for residents.

Riverside will evaluate outcomes, refine strategies, and assess long-term factors such as land use and housing to support sustained economic growth.

- Key Actions:
 - Formalize MOUs with education and employers, launch regular industry convenings.
 - Implement workforce pipelines, including enrolling 60 participants in the medical industry workforce pilot program with job placement pathways.
 - Recruit new businesses and publish workforce pathways across sectors.
 - Track higher education enrollment, placement rates, wage outcomes, and employer satisfaction

PROJECT BUDGET AND FUNDING STRATEGIES

We estimate that hiring two full-time employees (FTE) to help support these initiatives will cost \$180,000 per year. This amount covers salaries, benefits, and any additional administrative costs, as well as program alignment to ensure effective execution and long-term success. The City of Riverside's two-year fiscal budget cycle allows for financial planning every two years, with a mid-check in after year one to ensure goals are met. The City Council approved the FY 2024-2026 Biennial Budget (\$1.5 billion). This includes a \$1.4 billion operating budget and a \$158.1 million capital budget. In this larger context, this \$180,000 investment positions Riverside to unlock grant funding and employer partnerships, directly addressing the 3,740+ unfilled biotech/healthcare roles. This approach minimizes reliance on the City's general fund while maximizing external funding leverage.

Riverside can significantly reduce new program costs by leveraging funds through public-private partnerships, intergovernmental relationships, and applying for philanthropic grants. In addition, by integrating state-level tax credits with federal Opportunity Zones, the City will utilize Enhanced Infrastructure Financing Districts (EIFDs) to fund the critical utilities and parking necessary for high-density industry growth. Furthermore, leveraging the Capital Investment Improvement Program (CIIP) alongside private philanthropic grants allows Riverside to offer

tailored incentive packages that reward firms for local hiring and long-term workforce reinvestment.

CONCLUSION

Riverside's workforce challenge is not a lack of resources, but a lack of alignment. The City has strong educational institutions, growing industries, and a talented workforce, yet these assets are not fully connected. What is needed is strategic coordination through consistent convenings and dedicated capacity to align workforce development with industry demand. Through the RENEW framework, Riverside can build a coordinated workforce system, support industry growth in the Five Areas of Excellence, and strengthen partnerships across education and employers. By investing in workforce development capacity, the City can better leverage public-private partnerships, external funding, improve employer retention, and create education-to-employment pipelines in STEAM for residents. This approach positions Riverside to capture local economic growth and reinforce its role as a leading economic hub in the Inland Empire.

APPENDIX A:

Building Riverside's Local Talent: Employer Feedback Survey:

- This preliminary employer survey was conducted by our team in November 2025 to gather input from local employers to better understand workforce needs across key sectors in Riverside. We received 103 responses. The feedback helped identify in-demand jobs, skill gaps, and ways to strengthen local hiring. The information received helped guide our proposed solutions.
- The survey instrument consisted of multiple-choice, short-answer, and open-ended questions.
- The survey was distributed electronically to employers within the City of Riverside across all industries, with a two-week turnaround. Responses from 103 employers were received and analyzed. Participation was voluntary, and all responses were anonymous to protect respondent confidentiality and encourage honest responses.
- Listed below are some survey results:
 - 80% of employees reported they do not currently participate in any local hiring or workforce development programs.
 - Approximately 70% of employers reported difficulty filling at least one occupation/job role.
 - Nearly 30% of employers reported that fewer than 25% of their employees live within the City of Riverside.
 - 79% of employers reported they currently do not host any interns.
 - When asked what types of city-led activities they were interested in participating in, 35% of employers reported they were not interested at this time, while another 19% reported they were interested in hosting interns, and 17% reported they were interested in having their employees participate as guest speakers in city-led activities.
 - When asked what types of programs or incentives would encourage their organization to hire local talent, the top three items selected include: tax credits for hiring (14%), partnerships with local colleges (14%), and grants (13%)
 - The top three skills gaps reported by employers include: problem-solving skills (14%), communication skills (12%), and customer service (10%).
 - When asked what industry-recognized certifications were in demand in their company, most responses fell under the following industries: Healthcare, Construction, Legal, General Technology, Education, Manufacturing, and Arts, Culture & Tourism.

*Raw data is available upon request for verification and further review by City staff or project partners.

APPENDIX B:

Labor Market Analysis of Riverside’s 5 Areas of Excellence

OVERVIEW

This appendix evaluates Riverside’s five identified areas of excellence—Medical, General Technology, Arts & Tourism, Green Technology, and Aerospace—using city-level employment, wage, and establishment data. The purpose is to compare each sector’s economic scale, growth trajectory, and contribution to Riverside’s wage base in order to inform strategic economic development priorities.

METHODOLOGY

Because several of the City’s areas of excellence represent broad economic concepts rather than single industries, this analysis uses conservative NAICS-based proxy groupings derived from EDD Quarterly Census of Employee Wages (QCEW) data. QCEW data is used to compare establishments, total annual wages, and wage growth from 2019 to 2024. This approach ensures consistency across sectors while providing a reliable measure of economic output at the city level.

COMPARISON ACROSS THE 5 AREAS OF EXCELLENCE

Table B-1. Economic Comparison of Riverside’s 5 Areas of Excellence (2024)

| Area of Excellence | Annual Wages | Est. Employment | Avg Wage per Employee | Wage Growth (2019–2024) |
|---------------------------|---------------------|------------------------|------------------------------|--------------------------------|
| Medical | \$1.73B | 25,564 | ~\$67,700 | +\$520M (+42.9%) |
| General Technology | \$398M | ~5,200 | ~\$76,500 | +\$149M (+60.0%) |
| Arts & Tourism | \$506M | ~20,200 | ~\$25,000 | +\$142M (+38.9%) |
| Green Technology | \$71.7M | ~1,300 | ~\$55,200 | +\$22.8M (+46.5%) |
| Aerospace | \$14.8M | ~210 | ~\$70,500 | +\$2.8M (+23.0%) |

Source: EDD QCEW

Note: Employment figures represent average employment based on EDD data. Annual wages reflect total reported wages by EDD QCEW. Industry groupings are based on NAICS proxy categories to align with the City’s defined areas of excellence.

Assessment by Sector

- **Medical:** High-scale, high-wage sector with sustained growth; strongest near-term opportunity for workforce alignment and wage capture

- **General Technology:** Highest wage-per-employee sector with strong growth; best positioned for long-term expansion but smaller current footprint
- **Arts & Tourism:** Large employment base but low wage output per worker, limiting overall impact on income growth
- **Green Technology:** Moderate wages and growth, but limited current scale; emerging sector with longer-term potential
- **Aerospace:** High-wage niche sector, but limited presence constrains near-term impact

Table B-2. Industry Comparison: Riverside vs Region vs State

| Area of Excellence | Riverside Share of Jobs | Regional Share | State Share | Relative Strength |
|--------------------|-------------------------|----------------|-------------|-----------------------------|
| Medical | 17.1% | ~13–14% | ~12–13% | Above average concentration |
| General Technology | ~4–5% | ~6–8% | ~8–10% | Below average concentration |
| Arts & Tourism | ~17–18% | ~15–16% | ~14–15% | Slightly above average |
| Green Technology | ~2–3% | ~3–4% | ~3–5% | At or below average |
| Aerospace | <1% | ~2–3% | ~2–4% | Significantly below average |

Source: EDD QCEW

KEY FINDINGS

A comparison of Riverside’s five areas of excellence shows that the medical sector stands apart in both economic scale and relative concentration. With approximately **\$1.73 billion in annual wages** and **17.1% of total employment**, healthcare exceeds all other sectors in total economic output while also representing a higher share of employment than regional and statewide averages. This indicates that healthcare is not only Riverside’s largest sector, but also a relative economic strength within its industry mix.

By contrast, General Technology demonstrates higher wages per employee and strong growth, but remains less concentrated locally, suggesting longer-term potential rather than immediate impact. Arts & Tourism supports a large share of employment but produces significantly lower wages per worker, limiting its contribution to overall income growth. Green Technology and Aerospace, while strategically relevant, remain comparatively small in terms of current economic footprint.

STRATEGIC IMPLICATION

These findings suggest that Riverside should distinguish between sectors with long-term strategic potential and those capable of driving near-term economic impact. The medical sector represents the strongest opportunity to increase local wage capture due to its scale, growth, and existing economic footprint. Incorporating workforce development into the City's broader economic development strategy, particularly within healthcare, would allow Riverside to better connect residents to one of its largest sources of economic activity. This approach prioritizes alignment with existing industries rather than relying solely on attracting new sectors, positioning the city to strengthen its economic base more effectively.

APPENDIX C:

The [2024 Subregional Workforce Demand Assessment: Riverside](#) helped us identify the top five growing occupations that fall under each industry identified by Riverside's 5 Areas of Excellence and influenced our proposed solutions. This data can be used by Riverside to establish partnerships with employers and educational institutions that may target these occupations.

AEROSPACE & DEFENSE – Top 5 Occupations

1. Industrial Machinery Mechanics
2. Electrical & Electronics Engineering Technicians
3. Mechanical Engineers
4. First-Line Supervisors of Transportation & Material-Moving Workers
5. Heavy and Tractor-Trailer Truck Drivers

BIOTECHNOLOGY & MEDICAL – Top 5 Occupations

1. Registered Nurses
2. Medical and Health Services Managers
3. Licensed Vocational Nurses
4. Dental Hygienists
5. Radiologic Technologists

ARTS, CULTURE & TOURISM – Top 5 Occupations

1. General and Operations Managers
2. Marketing Managers
3. Meeting, Convention, and Event Planners
4. Media and Communications Workers (Editors, Writers, etc.)
5. Food Service Managers

GREEN TECHNOLOGY & SUSTAINABILITY – Top 5 Occupations

1. Electricians
2. Plumbers, Pipefitters, and Steamfitters
3. Construction and Building Inspectors
4. First-Line Supervisors of Mechanics, Installers, and Repairers
5. Civil Engineers

GENERAL TECHNOLOGY – Top 5 Occupations

1. Software Developers
2. Computer Systems Analysts
3. Computer User Support Specialists
4. Network and Computer Systems Administrators
5. Web Developers and Digital Interface Designers

APPENDIX D

Sample workforce program budget when applying for grant funding:

| Budget Line Item | Costs | Details |
|--------------------------------|------------------|--|
| Salaries (2 FTE) | \$150,000 | Workforce Development Project Manager & Employer Engagement Project Manager |
| Benefits Expenses | \$30,000 | Health insurance, payroll taxes, FICA (staff only) |
| Supportive Services | \$69,000 | Work attire, shoes, gas/transportation assistance, etc., for 60 participants |
| Training Scholarships | \$52,500 | Healthcare credentials & certifications (15 participants) |
| Work Experience Wages | \$432,000 | 60 participants × 400 hours @ \$18.00/hour |
| Administrative & Program Costs | \$11,600 | Payroll processing, supplies, travel, and program coordination |
| TOTAL PROGRAM BUDGET | \$745,100 | Leveraged across city, county, state, employers, and philanthropic funding sources |