

Los Angeles Times
January 29, 2006 Sunday

THE THIRD CALIFORNIA

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Away from the coast, the goals of building a life and raising a family are still possible.

THE LAST GREAT FRONTIER for upward mobility in California extends from the far eastern suburbs of greater Los Angeles to the Sierra foothills in Northern California. It is there that the "California dream" -- a place to create a new life and raise a family -- is still possible. Call it the "Third California."

That may come as a surprise. Some coastal residents regard inland California as a failed geography of rising poverty, crummy jobs and unremitting ugliness. But in recent years, more and more higher-end and professional jobs have begun moving east, and with them a new emphasis on improving the quality of life in such cities as Bakersfield, Modesto, Ontario and Riverside.

The "First California" (the older, settled area around San Francisco Bay) and the "Second California" (the later-developed urbanized region along the Southern California coast) have run out of room to grow. These Californias, as those of us who live here know, are congested and expensive -- and may be increasingly hemmed in economically as well. The pace of new job creation is measured, at best, with the exception of San Diego and Orange counties.

By contrast, the Third California is growing four times faster than the rest of state and now represents about 30% of the state's total population, or about 9 million people, according to 2000 census data. By 2050, more than 21 million people, or 38% of the state's population, will live in inland California, according to census projections. Virtually all the areas of fast-paced economic growth in the state -- Bakersfield, Riverside and Stockton -- are located there.

Coastal Californians migrating inland do so for many of the same reasons that earlier generations of Americans left the Midwest, Northeast and South. The cost of housing is by far the biggest factor driving the migration. Today, only 11% of the households in San Francisco and Orange counties, and 17% in heavily minority L.A. County, can afford a median-priced house. By contrast, affordability rates, though down from earlier this decade, are closer to 30% in most inland regions.

For many, this means the future lies east, and families are prominent in this movement. The under-35 population in the inland region has increased dramatically, and from 2000 to 2004, the number of children younger than 15 rose faster in inland areas than along coastal California, according to 2004 census data.

The "eastward surge" is also multiethnic. Latinos, who make up an ever-increasing share of California's new families, account for about half of Third California's growth since 2000.

Still, most assessments of Third California are not flattering. According to Stephanie Pincetl, a UCLA professor, the Central Valley is, at best, a product of "malign neglect" as it has shifted from an agricultural cornucopia to "an almost unbroken chain of smog-choked cities and suburbs." The appraisals of environmentalists and academics who live in the Inland Empire are rarely more

charitable. The challenges in Third California are many. Much of the job growth has been heavily dependent on population movement, which has sparked a boom in construction and lower-paying retail jobs. A sharp decline in housing construction, or even a mild slowdown in migration patterns, would leave much of the region vulnerable to a downturn.

More serious, many inland areas, with the exception of Sacramento and the western reaches of the Inland Empire, are home to a large, highly uneducated population, including many people who have recently arrived from Mexico and Central America. In Fresno and the rural reaches of the Central Valley, per-capita incomes are among the lowest in the state, and unemployment rates among the highest in the country.

Yet the 2000 census revealed that in Sacramento and the Inland Empire, the number of educated people were on the rise. Most intriguing, these areas experienced a nearly 40% growth in residents with graduate degrees, a rate of increase larger than along the southern coast and close to Bay Area levels.

The apparent movement of professionals into parts of inland California may signal a longer-term shift in the region's ability to compete in high-skilled industries. The signs since 2000 are particularly encouraging, as migration and economic flows from the coastal regions have strengthened.

The higher-end jobs moving east are in warehousing, manufacturing and construction, according to a 2005 report by the Bureau of Labor Statistics. As a whole, California has lost about 260,000 industrial jobs since 2000, but the number of those jobs has actually risen around Bakersfield, Fresno, Riverside-San Bernardino and Sacramento.

More significant is the shift in white-collar professions. Since 2002, San Francisco has lost 5.2% of its high-end jobs. Most areas in Third California, by contrast, have enjoyed gains, with Bakersfield, the Inland Empire and Stockton all adding such jobs at double-digit rates, according to the BLS.

There are other signs that more skilled people are headed inland. One is increased construction of higher-end housing in Bakersfield, Chino and Sacramento. The wealthier newcomers are becoming a force for other improvements -- revived downtowns, better schools, more parks and open space.

"There's a fundamental shift in the market today," said Inland Empire economist John Husing. "We're seeing a mass migration of highly skilled people to this region. Go to any area now and it's exploding, bringing professionals."

If Husing's observation proves accurate, it is good news for all California. Facing growing competition from such lower-cost states as Arizona, Nevada and Texas for young families, upwardly mobile professionals and higher-end jobs, the Golden State needs an outlet for the aspirations of its people, and the Third California may be the place.

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