Economic Intelligence Report for Hemet

Workforce patterns and trends in a growing Southern Riverside County city

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About Inland Empire Dynamic Insights

The Inland Empire is a rapidly growing metro area of over 4 million people and a labor force of about 2.2 million. Inland Empire Dynamic Insights (IEDI) is the source for community trends about this critical region. At IEDI, we focus on how things have changed, and what that means for your community. From housing and demographics to employment and commuting, we highlight recent developments in Inland Empire communities and what they mean for the broader economy. For pricing on data products (see end of report for sample titles), email the founder, Daniel MacDonald, PhD (daniel.p.macdonald85@gmail.com). Also, consider subscribing to our weekly newsletter at dpmacdonald.substack.com. The newsletter provides additional analysis and insights of the data presented in this and other reports from IEDI; it also provides updates on local real estate markets and other economic news for the region.

About the author

Daniel MacDonald, PhD is an economist, professor, and consultant with over a decade of experience in academic and applied research. He earned his A.B. in 2007 from Seton Hall University in South Orange, New Jersey, where he double majored in Mathematics and Economics. He earned his PhD in Economics from the University of Massachusetts in 2013. He has lived in Redlands, California since 2013. He is Associate Professor and Chair of the Economics Department at California State University San Bernardino. He teaches courses in econometrics, mathematical modeling, economic history, and the political economy of Southern California. He has published academic research in a variety of fields, including U.S. economic history, labor economics, and law and economics. In 2017, he and a coauthor wrote a report on the social impacts of homeownership in California.

Note: this report is based on 1-year American Community Survey (ACS) samples from 2018, 2022, and 2023. The report does not include margins of error, which exist for all ACS estimates reported. For more recent data, or for more specific needs for your area, contact Daniel MacDonald at daniel.p.macdonald85@gmail.com.

Executive Summary

Highlights of the report are provided below. Sample charts are provided in the Appendix. For more charts or specific data visualization requests, contact the author.

- All statistics refer to approximate changes between 2018 and 2023 using 5-year samples from the American Community Survey
- Over the last 5 years, the total population has grown 8.3% (2nd-highest among 12 major cities in Riverside County); the median age of Hemet's population has declined slightly
- The workforce is maturing: overall population growth is 8.3%, but the size of the workforce aged 25 and older has grown over 11%
- Educational attainment diversified, with the largest gain in the composition of workers aged 25 or older with a Bachelor's degree (up 5.0 percentage points in 5 years)
- The workforce is evenly split among major occupational categories. Close to 30% of workers are in management positions
- The industrial distribution of the workforce has shifted to higher-paying sectors like finance and insurance and professional services; the share of the workforce in construction has also gone up
- There has been a moderate increase in economic well-being. The percent of Hemet's population without health insurance has increased, but the percent on nutritional assistance has declined.
- Over the last 5 years, median income is up about 8% after inflation, which is the 4th-highest out of 12 major Riverside County cities.

We do not recommend any specific policies for Hemet. The workforce is maturing (lower median age, but more people in the workforce and less children under 18) and is leaning towards higher education – this is also reflected in the industrial distribution of the workforce. Going forward there may be increased demand for workers in finance, insurance, and other professional services industries, as well as public administration. Catering to this strong, younger professional workforce may be a fruitful policy area.

We did notice a weakness in the percent of the workforce in education, health, and social services industries. We are not clear if this is due to a decline in opportunities within Hemet, but it may be an area to target with policy. These are good-paying jobs that often provide particularly good opportunities to women.

Population overview

Between 2018 and 2023, Hemet's population increased 8.3%, from 85,291 to 92,385. The population's median age decreased over the same period, from 40.4 to 38.9 years. The percent of the population under 18 also declined, from 24.5% to 23.6%.

As a result of these changes, the child dependency ratio – the ratio of children to working adults expressed as a percent out of 100 – declined from 48.5 in 2018 to 42.8 in 2023. The child dependency ratio is an indicator of a city's need for local services like education and child care services. A lower child dependency ratio might indicate fewer children in the future workforce, but it also means that a smaller fraction of the tax base needs to be devoted to such services, freeing up resources for other projects. There is no sign that Hemet's population is stagnant or that it is losing prime-age (25-54) workers.

Population Quick Stats

	2018	2023
Median age	40.4	38.9
% Pop. Under 18	24.5	23.6
% Pop. 18-24	8.9	8.0
% Pop. 16 and older	78.7	79.3
% Pop. 60 and older	30.8	28.0
Total Population	85,291	92,385

A narrow but useful measure of the young workforce population – the percent of the population aged 18-24 – declined slightly from 8.9% to 8.0%. This trend is slightly concerning, but more evidence is needed before drawing any major conclusions. Together, these trends suggest that **Hemet's population is maturing, but not aging**. Children and younger make up a smaller proportion of the population, but the proportion of working-age adults is rising.

Hemet's median age is higher than Riverside County overall, but while the County's median age has risen, Hemet's has declined. See the chart in the Appendix.

Educational attainment

Hemet's workforce has a diverse range of skill levels. Of the population 25 or older, 33.8% had a high school degree in 2018; this proportion grew 0.2 percentage points to 34.0% in 2023. There was a decline in the percent of the workforce 25 years or older with an Associate's degree from 9.7% to 6.8%, but there was an increase in the percent with a Bachelor's degree – from 6.9% to 11.9%. The percentage with a graduate or professional degree increased from 3.2% to 4.3%. Overall, the population aged 25 and older grew by 11.3% over these five years.

Educational Attainment Quick Stats

	2018	2023	Change
9th to 12th grade	12.2%	10.7%	-1.5 p.p.
HS Degree	33.8%	34.0%	+0.2 p.p.
Associate's	9.7%	6.3%	-3.4 p.p.
Bachelor's	6.9%	11.9%	+5.0 p.p.
Graduate or Professional	3.2%	4.3%	+1.1 p.p.
Total, 25 years and older	56,807	63,221	11.3%

Hemet is 5 percentage points lower than the County overall on Bachelor's degree attainment (see chart in Appendix), but it is near the County rate for percentage of the population with an Associate's degree. Also, Hemet used to be 7.5 percentage points lower than the County on Bachelor's degree attainment, so the gap with he county is narrowing. Trends in educational attainment have been similar in Hemet and the County overall.

Occupational and Industrial Distribution

In 2023, 28.8% of Hemet's workforce of 34,630 worked in management occupations; 21.1% worked in sales and 22.8% in office and services occupations. Rounding out Hemet workforce's occupational distribution was production, transportation, and material moving occupations at 13.5% and natural resources and construction, at 13.8%.

Occupational Composition

	2022[1]	2023
Management	25.4%	28.8%
Sales and Office Jobs	21.7%	21.1%
Services-providing	24.0%	22.8%
Prod., Trans., and Material Moving	18.5%	13.5%
Natural Resources and Construction	10.5%	13.8%
Total Employed	33,786	34,630

[1]: statistics not available for 2018. Statistics refer to workforce and not place.

The biggest change in Hemet workforce's occupational distribution has been in the production, transportation, and material moving occupations, which dropped 5.0 percentage points between 2022 and 2023. There was also a decline in the percentage working in sales and office occupations. These were offset by increases in management and natural resources and construction occupations. Overall, the total amount of people employed in Hemet increased by about 5,000, or 2.5%, over the last year.

Industrial Composition

	2018	2023	Change
Finance and Insurance	2.5%	5.0%	+2.5 p.p.
Professional, science, management	11.4%	13.2%	+2.8 p.p.
Information	1.0%	0.8%	-0.2 p.p.
Public administration	3.9%	5.6%	+1.7 p.p.
Education, health, social services	22.8%	18.3%	-4.5 p.p.
Construction	8.2%	14.7%	+6.5 p.p.
Manufacturing	6.1%	7.4%	+1.3 p.p.
Wholesale trade	3.6%	1.2%	-2.4 p.p.
Transportation, warehouse, utilities	7.1%	7.0%	-0.1 p.p.
Retail	14.1%	11.4%	-2.7 p.p.
Other services[1]	4.7%	2.0%	-2.7 p.p.
Arts and entertainment[2]	14.0%	11.8%	-2.2 p.p.
Agriculture	0.4%	1.6%	+1.2 p.p.
Total employed	29,247	34,630	18.4%

[1]: "Other services" may refer to equipment and machinery repair, personal care services, religious activities, among others
[2]: "Arts and entertainment" may refer to hotels, dining, the performing arts, live performances, museums, among others (source for both [1] and [2]: Bureau of Labor Statistics)
Other notes: statistics refer to workforce, not place

Refer to the table above, which lists industries from highest- to lowest-paying (on average). Overall, the **increases in industrial composition have occurred in higher-to-middle-paying industries like finance and insurance, professional, science, and management, and construction industries**, with the notable exception of the education, health, and social services industry, whose share of the workforce has declined.

Class of Worker

	2018	2023
Private sector	82.9%	78.5%
Government	11.0%	15.9%
Self employed	5.9%	5.6%
Unpaid family work	0.2%	0.0%

According to the statistics by class of worker, Hemet's workforce has seen increases mainly in public sector shares and decreases mainly in private-sector employment shares, including a slight decrease in the percent of its workforce that is self-employed.

Finally, we are interested in the general economic well-being of Hemet's population. To that end, we present two results of economic hardship: the percentage of the population not covered by health insurance, and the percentage of the population on a nutritional assistance program (CalFresh). We also present data on median income and correct the estimate for the approximate change in the price level.

Economic Well-Being

	2018	2023	Change
Percent with no health insurance	5.6	7.7	+2.1 p.p.
Percent on nutritional assistance	18.0	17.0	-1.0 p.p.
Median household income	$39,305	52,824	34.4%
Average price level[1]			26.1%

[1]: Estimate according to the Bureau of Labor Statistics, annual CPI-U (All Items price index) for the San Bernardino-Ontario-Riverside Metro area, 2018-2023. Thus, inflation-adjusted income grew approximately 8.3% over the reference period.

The table above shows substantial progress in median income, up 34.4% over 5 years, or about 7% per year. Adjusted for inflation, that drops to about 1.7% per year, which is still a significant increase in real purchasing power of Hemet households. The percent without health insurance increased by 2.1 percentage points. However, the percent of the population on nutritional assistance decreased slightly between 2018 and 2023, to 17.0% of the population.

Rankings

How does Hemet rank in the County according to some of the metrics above? We took 12 major (65,000 population+) cities in Riverside County[1] and ranked Hemet on select statistics. We also ranked Hemet in terms of the change in each of these statistics from 2018 to 2023. The results are in the table below:

Hemet Rankings on Key Indicators

	Rank (2023)	2018-2023 change	Rank (2018-2023 change)
Population		8.3%	2nd
Median age	2nd	-1.5 years	11th
% under 18	9th	-0.9 p.p.	4th
% Bachelor's degree	10th	5.0 p.p.	3rd (tie)
% Private sector occupation	6th	-4.4 p.p.	6th
% No health insurance	7th	2.1 p.p.	3rd
Median income	12th	34.4%	4th

Notes: Rankings based on comparison among 12 populous Riverside County cities (see text). All rankings in descending order (e.g., Hemet has the 2nd highest median age, the 10th highest % with a Bachelor's degree, and the lowest median income – 12 out of 12).

Here are the main takeaways from this table:

- Hemet's population growth was second-highest among the 12-major cities in Riverside County
- While Hemet ranks as the second-highest aged population, it also has the 11th slowest increase median age - the population has not aged at all over the last 5 years.
- Hemet has the 10th-lowest percent of its workforce with a Bachelor's degree, but is tied for the third-fastest increase in this metric over the last five years
- Hemet also has the lowest median income in the County among major cities, but had the fourth-fastest growth in median income over the last five years

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[1] Corona, Eastvale, Hemet, Indio, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Perris, Riverside (City), Temecula.

Conclusion

Over the last 5 years, Hemet's population has grown at a significant pace. The result has been a slightly younger, more mature population, with a higher percent greater than 16 (i.e., a higher labor force) but a slightly lower percent under 16. The workforce has a diverse array of skills to offer the regional economy, with increases in most educational categories. The city's percent with a Bachelor's degree has been increasing; there are also increases in the percent with just a high school degree and Master's/professional degree. The fastest-growing industries in the city have been finance and insurance; professional, science, and management industries; as well as construction. On broader measures of well-being, a greater proportion of residents are without health insurance, but there has been some decrease in the percent on a nutritional assistance program. **Hemet had the 4th-highest increase in median household income of its population between 2018 and 2023**.

One notable area of weakness is in educational and social services industries, where employment shares declined between 2018 and 2023. These industries provide good jobs and support the community in many other ways. While we cannot be sure whether there is a lack of opportunities for these jobs in Hemet proper or the surrounding region, it may be a policy target.

For more information

We hope this report was useful to you. The goal of Inland Empire Dynamic Insights is to give policymakers and other stakeholders the information they need to be successful, and we'd love hearing from anyone about how our work can better help our clients.

Questions or concerns about this report, along with any requests, can be directed to Daniel MacDonald, PhD, at daniel.p.macdonald85@gmail.com.

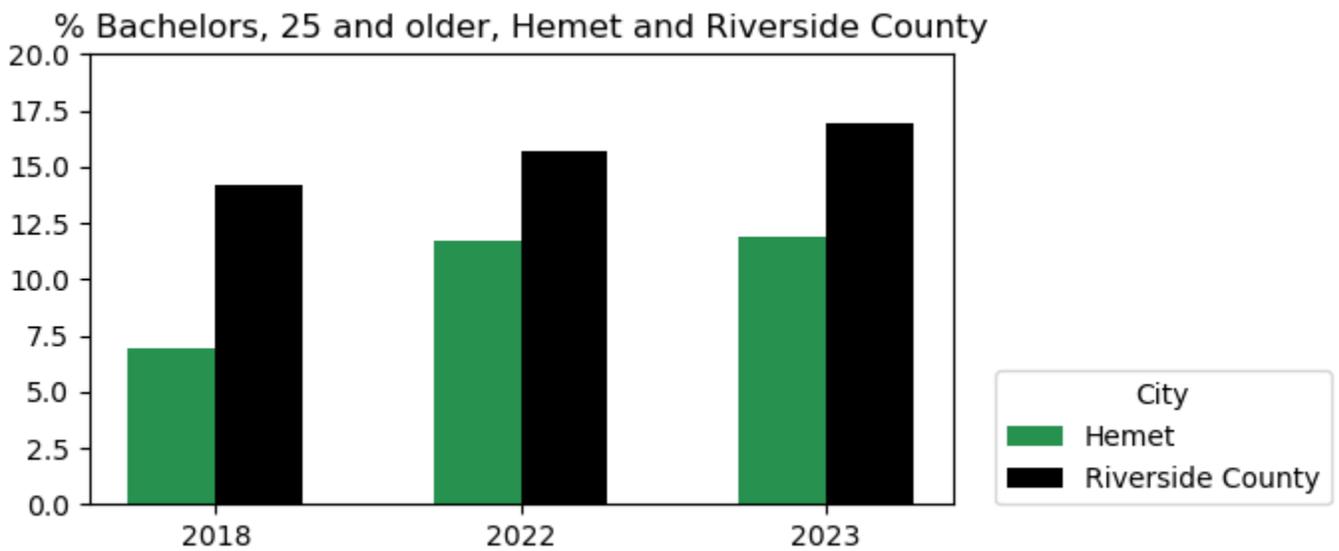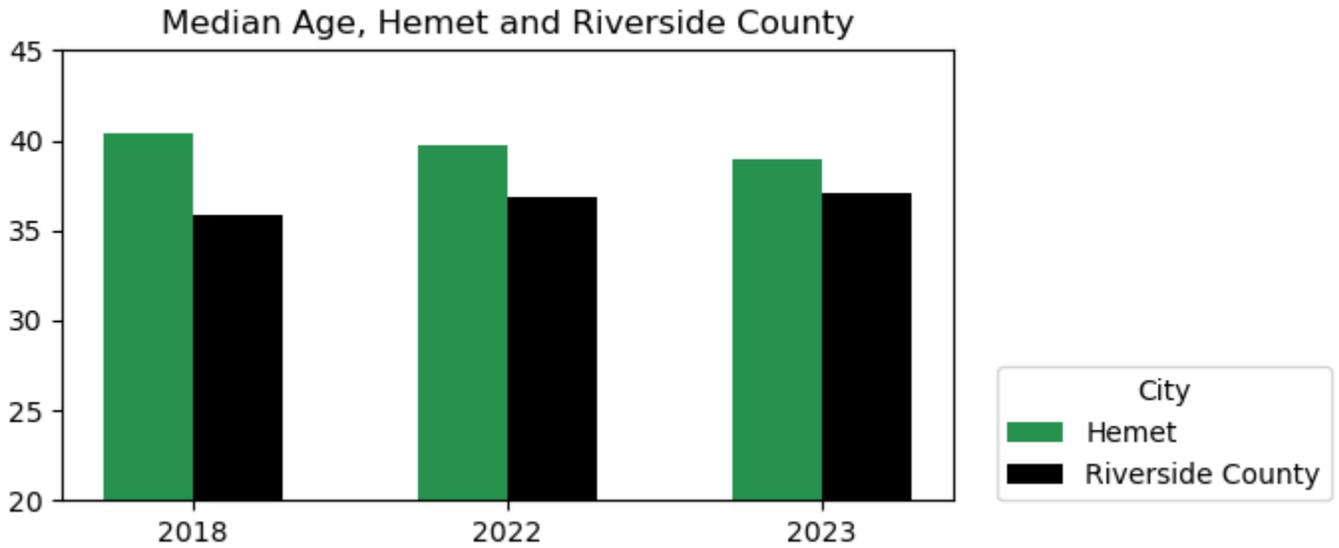Products offered include, but are not limited to:

- Demographic snapshots and trends (age, race/ethnicity)
- Commuting patterns/behavior, including work-from-home
- Trends in workforce education and the state of higher education
- Workforce trends (industry and occupation), including self-owned business/entrepreneurs
- Real estate snapshots by zip code

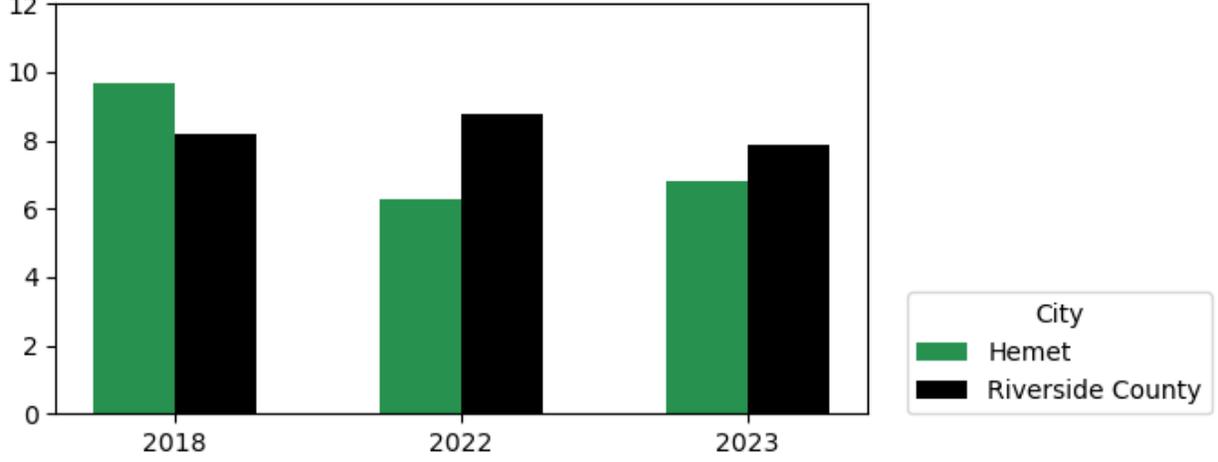Fill out a survey based on this report to tell us what we did right and what we can improve on:

https://forms.gle/x1yHeZbJhisGwfdP6

Appendix

For additional charts or specific visualization requests, contact the author.

Median Age, Hemet and Riverside County

% Bachelors, 25 and older, Hemet and Riverside County

% Associates, 25 and older, Hemet and Riverside County

Health and Social Services Industry Shares, Hemet and Riverside County