

FEBRUARY 2017



ECONOMIC ASSESSMENT & SWOT ANALYSIS

CITY OF TEHACHAPI, CA

DRAFT

ACKNOWLEDGEMENTS

TIP Strategies would like to thank the many individuals who participated in the creation of this Economic Assessment & SWOT Analysis. We are especially grateful to the community and business leaders in Tehachapi who contributed their time and input throughout this planning process. Their expertise helped us gain a deep understanding of the community's numerous assets and opportunities. We are also thankful for the US Department of Defense Office of Economic Adjustment for their visionary investments and support which helped make this project a reality. We also want to thank the leadership and staff of Kern County and the Kern EDC for their essential support, guidance, and feedback during the development of this plan.

TEHACHAPI KEY STAKEHOLDERS

This is an incomplete list and will need to be completed before the document is finalized and released.

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ECONOMIC ASSESSMENT & SWOT ANALYSIS

To provide a foundation for the planning process, TIP conducted an assessment of demographic and economic factors that impact Tehachapi's competitiveness. Our economic assessment provides a quantitative understanding of the demographic and economic trends impacting the community. Except where specified, the data in this section is for the two ZIP Codes in the greater Tehachapi area: 93531 (Keen) and 93561 (Tehachapi).

SWOT ANALYSIS

In addition to our review of economic and demographic data, our understanding of Tehachapi was informed by discussions with local community leaders and business owners. Based on this work, as well as our experience working in communities across the US, we have developed an analysis of the community's strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis. The results of this analysis are outlined below.



STRENGTHS

- Strong tourism sector anchored by a high quality Main Street and downtown district with numerous shops, restaurants, and amenities
- Several small and mid-size employers in diverse industries (ag and hydroponics, renewable energy, advanced manufacturing)
- Tehachapi is the midpoint along the primary route (Highway 58) between Las Vegas to San Francisco
- Tehachapi is equidistant to Bakersfield and Lancaster/Palmdale, providing access to a population of nearly one million within a one-hour drive time
- High elevation relative to other East Kern communities and Bakersfield (4,000 feet above sea level) provides milder summer climate and is conducive to agriculture activities (e.g., hydroponics)
- The California Correctional Institution is a major employer for the greater Tehachapi area
- Two airports in the community: Tehachapi Municipal Airport and Mountain Valley Airport
- Most balanced/diversified local economy in East Kern (i.e., not dominated by a single employer or industry)



WEAKNESSES

- The perception of Tehachapi's size is often tied to its population (roughly 13,000), but the area's true market size is more accurately measured by the 93561 zip code which has a population of nearly 35,000
- Tehachapi's location makes it less connected to some of the other East Kern communities, especially Ridgecrest and Boron



OPPORTUNITIES

- Old Town Tehachapi Vision Plan recommendations and funding for improvements
- New state-of-the-art 25-bed hospital coming online in 2017
- Tehachapi Gran Fondo brings in 1,000s of visitors/year
- Location in Tehachapi Mountains provides an attractive natural setting and opportunities for a wide range of amenities (e.g., hiking, mountain biking, camping)



THREATS

- High levels of outbound commuting (two-thirds of employed residents) make Tehachapi more vulnerable to any economic declines in surrounding areas such as Bakersfield or Lancaster/Palmdale

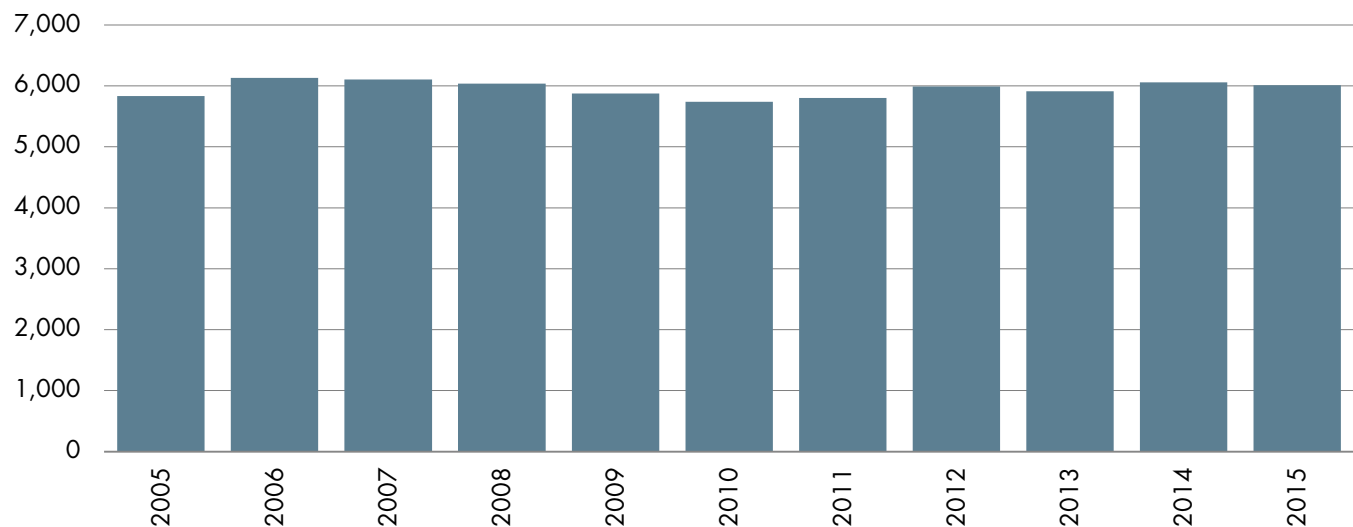
BUSINESS, INDUSTRY, & EMPLOYMENT TRENDS

EMPLOYMENT

Total employment in the Tehachapi area has recovered from its losses during the 2008-2009 recession, but is not quite back to its peak in 2006. Employment in Tehachapi in 2015 was approximately 6,000 jobs.

FIGURE 1. EMPLOYMENT TRENDS, 2005-2015

TOTAL ANNUAL EMPLOYMENT IN TEHACHAPI (93531 & 93561)



Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Despite relatively modest numeric gains of roughly 50 jobs annually, Tehachapi's job creation rate between 2010 and 2015 was enough to rank the area above many other East Kern communities. Tehachapi's 4.7 percent increase during the period was approximately double the regional average. Tehachapi's median hourly wage of \$21.01 was the lowest in East Kern and is likely a reflection of the relatively low wages paid in the tourism sector.

FIGURE 2. EMPLOYMENT & WAGES

EMPLOYMENT CHANGE, 2010-2015 & MEDIAN HOURLY WAGE, 2015

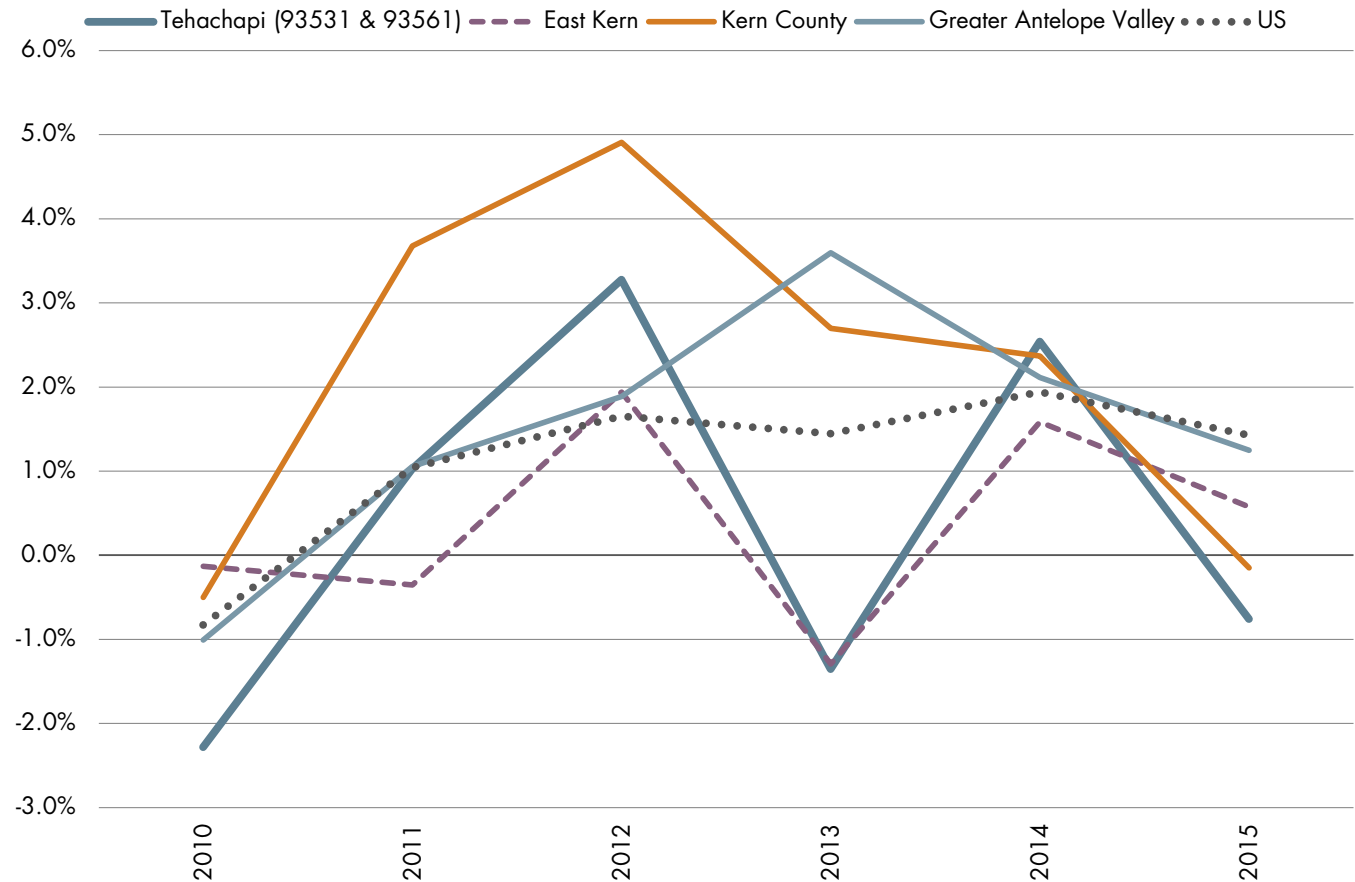
Geography	2010	2015	2010 to 2015		Median Hourly Wage
			Net Chg.	% Chg.	
Boron (93516)	1,047	1,268	+221	+21.1%	\$21.86
Kern County	304,055	347,169	+43,114	+14.2%	\$19.81
California	16,565,942	18,392,737	+1,826,795	+11.0%	\$23.28
Greater Antelope Valley	106,645	117,602	+10,957	+10.3%	\$22.17
US	144.2 M	155.3 M	+11.2 M	+7.7%	\$20.82
Tehachapi (93531 & 93561)	5,741	6,013	+272	+4.7%	\$21.01
East Kern	28,754	29,456	+702	+2.4%	\$24.17
Rosamond (93560)	2,477	2,532	+55	+2.2%	\$23.55
Ridgecrest (93527 & 93555)	11,586	11,772	+186	+1.6%	\$24.48
Mojave (93501)	2,828	2,812	-16	-0.6%	\$23.64
California City (93505)	2,414	2,384	-30	-1.2%	\$27.82

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed. Median hourly wages above the US average are shaded.

Employment growth in Tehachapi has generally followed the trend in East Kern since 2011, usually outperforming the region in good years (2012 and 2014) by about one percentage point. The exception was 2015, with job growth in Tehachapi dipping into negative territory while East Kern experienced a gain of 0.6 percent from the prior year.

FIGURE 3. EMPLOYMENT TRENDS, 2010-2015

ANNUAL JOB GROWTH RATE (PERCENT CHANGE FROM PRIOR YEAR)



Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Local service industries dependent on consumer discretionary spending make up a relatively large portion of the Tehachapi's economy relative to the region. The community's role as a tourism center can be seen in these figures, with jobs in retail, restaurants, and hotels accounting for 30 percent of all jobs in Tehachapi. Federal government is the third-largest industry in Tehachapi as a share of total employment, representing one in ten jobs. However, the sector comprises a smaller percentage of total employment in the community (9.7 percent) than it does in East Kern (21.1 percent).

FIGURE 4. INDUSTRY DISTRIBUTION (% OF TOTAL), 2015
COMPARISON OF TEHACHAPI (93531 & 93561) WITH SELECTED GEOGRAPHIES AND US

NAICS Code & Description	Tehachapi (93531 & 93561)	East Kern	Kern County	Greater Antelope Valley	US
44-45 Retail trade	16.0%	10.4%	9.7%	15.9%	10.6%
72 Lodging, restaurants, & bars	14.1%	8.3%	6.6%	10.5%	8.5%
9011 Federal govt. (civilian)	9.7%	21.1%	2.9%	7.5%	1.9%
81 Personal & other services	9.6%	4.7%	3.6%	5.7%	4.9%
62 Healthcare & social assistance	9.3%	9.3%	10.5%	19.2%	13.3%
23 Construction	5.6%	3.0%	6.2%	4.6%	5.4%
56 Admin. & support services	5.3%	5.3%	4.6%	5.5%	6.3%
31-33 Manufacturing	5.0%	4.6%	4.3%	3.0%	8.2%
9039 Local govt.	5.0%	2.9%	3.8%	2.8%	3.6%
54 Professional services	4.8%	8.2%	3.6%	5.9%	6.4%
9029 State govt.	3.0%	1.7%	2.2%	0.6%	1.5%
53 Property sales & leasing	2.8%	1.7%	1.2%	1.8%	1.7%
61 Education	2.5%	8.0%	8.8%	8.0%	9.4%
52 Finance & insurance	2.1%	1.5%	1.7%	2.0%	3.9%
55 Corporate & regional offices	1.4%	0.3%	1.0%	0.1%	1.4%
71 Arts, entertainment, & recreation	1.1%	1.2%	0.9%	0.8%	1.7%
48-49 Transportation & warehousing	1.0%	2.3%	2.9%	2.7%	3.4%
22 Utilities	0.6%	0.8%	0.3%	0.3%	0.4%
51 Information	0.6%	0.5%	0.8%	0.9%	1.9%
42 Wholesale trade	0.4%	1.5%	2.8%	1.5%	3.9%
11 Agriculture & forestry	0.1%	0.0%	18.0%	0.1%	1.3%
21 Mining (incl. oil & gas)	0.1%	2.4%	3.4%	0.6%	0.5%

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals. The three largest industries in each geography are highlighted.

Location quotient (LQ) analysis can provide an understanding of an area's relative strengths. An analysis of LQs for Tehachapi reveals above-average levels of employment in several industries. Federal government is five times more concentrated in Tehachapi than the sector is nationally, with an LQ of 5.07; state government is about twice as concentrated in the community (LQ of 2.03). Other industries with significant concentrations of employment in Tehachapi are personal and other services (1.79); lodging, restaurants, and bars (1.71); real estate (1.65); retail (1.60); utilities (1.44); and local government (1.39). Health care has an LQ of only 0.70 in Tehachapi—the same level as East Kern—but this sector represents a significant growth opportunity with the new hospital being constructed in the community.

LOCATION QUOTIENT (LQ) ANALYSIS is a statistical technique used to suggest areas of relative advantage based on a region's employment base. LQs are calculated as an industry's share of total local employment divided by the same industry's share of employment at the national level. If the local industry and national industry are perfectly proportional, the LQ will be 1.00. LQs greater than 1.25 are presumed to indicate a comparative advantage; those below 0.75 suggest areas of weakness but may also point to opportunities for expansion or attraction.

FIGURE 5. CONCENTRATION OF EMPLOYMENT BY SECTOR, 2015

LOCATION QUOTIENT (LQ) ANALYSIS BY SECTOR, US=1.00

NAICS Code & Description	Tehachapi (93531 & 93561)	East Kern	Kern County	Greater Antelope Valley	US
9011 Federal govt. (civilian)	5.07	11.23	1.55	4.03	1.00
9029 State govt.	2.03	1.19	1.58	0.38	1.00
81 Personal & other services	1.79	0.90	0.70	1.15	1.00
72 Lodging, restaurants, & bars	1.71	1.02	0.82	1.26	1.00
53 Property sales & leasing	1.65	1.03	0.72	1.07	1.00
44-45 Retail trade	1.60	1.05	0.96	1.51	1.00
22 Utilities	1.44	2.23	0.87	0.81	1.00
9039 Local govt.	1.39	0.81	1.08	0.77	1.00
55 Corporate & regional offices	0.94	0.20	0.67	0.07	1.00
23 Construction	0.91	0.50	1.05	0.86	1.00
56 Admin. & support services	0.81	0.81	0.71	0.85	1.00
62 Healthcare & social assistance	0.70	0.70	0.79	1.44	1.00
54 Professional services	0.69	1.20	0.53	0.90	1.00
71 Arts, entertainment, & recreation	0.66	0.72	0.58	0.53	1.00
31-33 Manufacturing	0.55	0.52	0.51	0.35	1.00
52 Finance & insurance	0.52	0.37	0.42	0.51	1.00
51 Information	0.34	0.30	0.50	0.49	1.00
48-49 Transportation & warehousing	0.29	0.70	0.89	0.78	1.00
61 Education	0.27	0.85	0.94	0.85	1.00
42 Wholesale trade	0.10	0.38	0.70	0.37	1.00
21 Mining (incl. oil & gas)	0.09	4.93	6.15	1.31	1.00
11 Agriculture & forestry	0.03	0.02	14.89	0.07	1.00

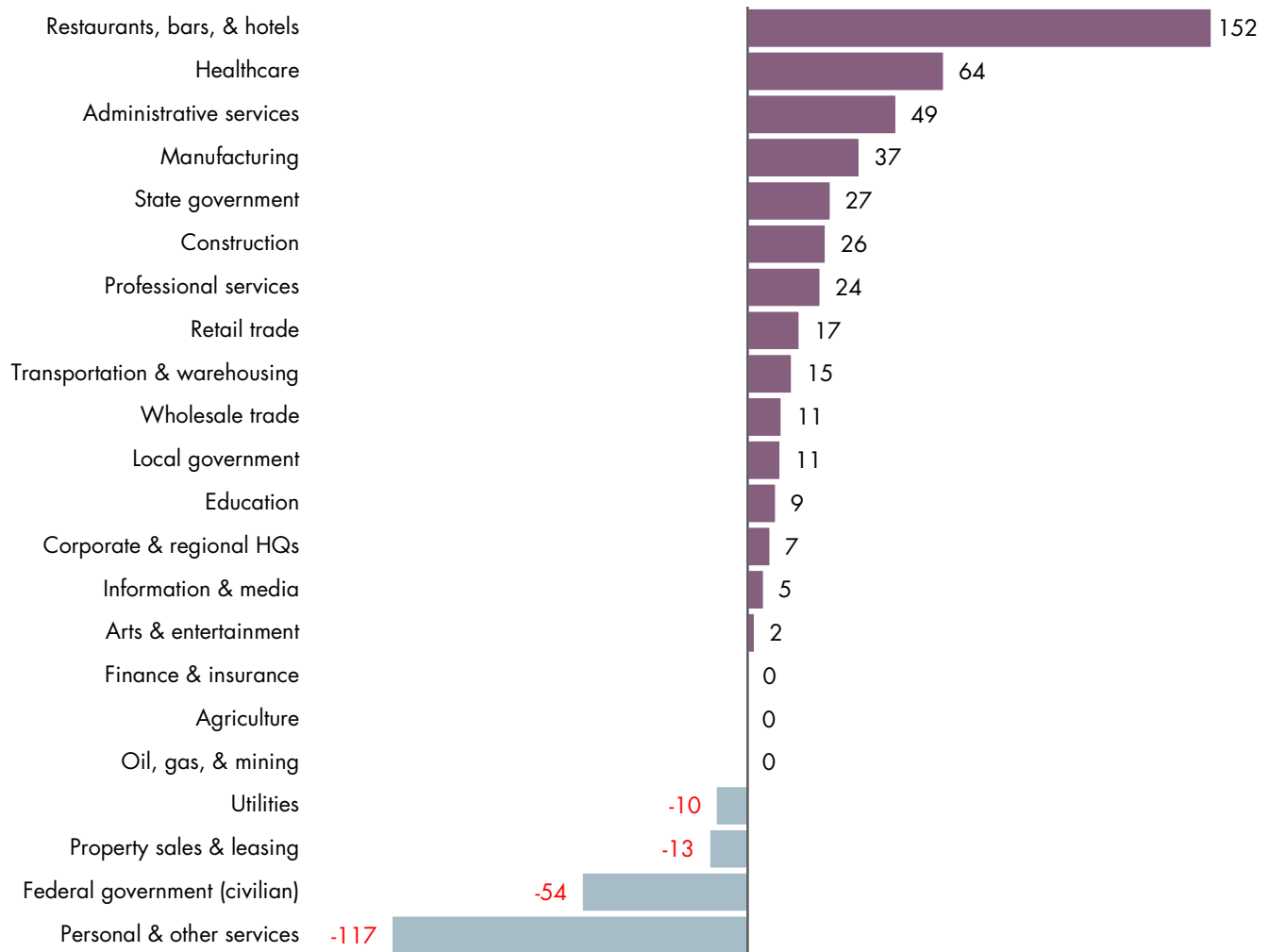
Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

Most industries in Tehachapi added jobs between 2010 and 2015. Growth was led by gains in restaurants, bars, and lodging, which added 152 jobs, offsetting losses in personal services and federal government. Notably, manufacturing was the fourth-fastest growing industry in numeric terms, although the gains were small as a percentage of the sector's employment.

FIGURE 6. EMPLOYMENT TRENDS BY SECTOR, 2010-2015

NET CHANGE IN JOBS BY SECTOR IN TEHACHAPI (93531 & 93561)



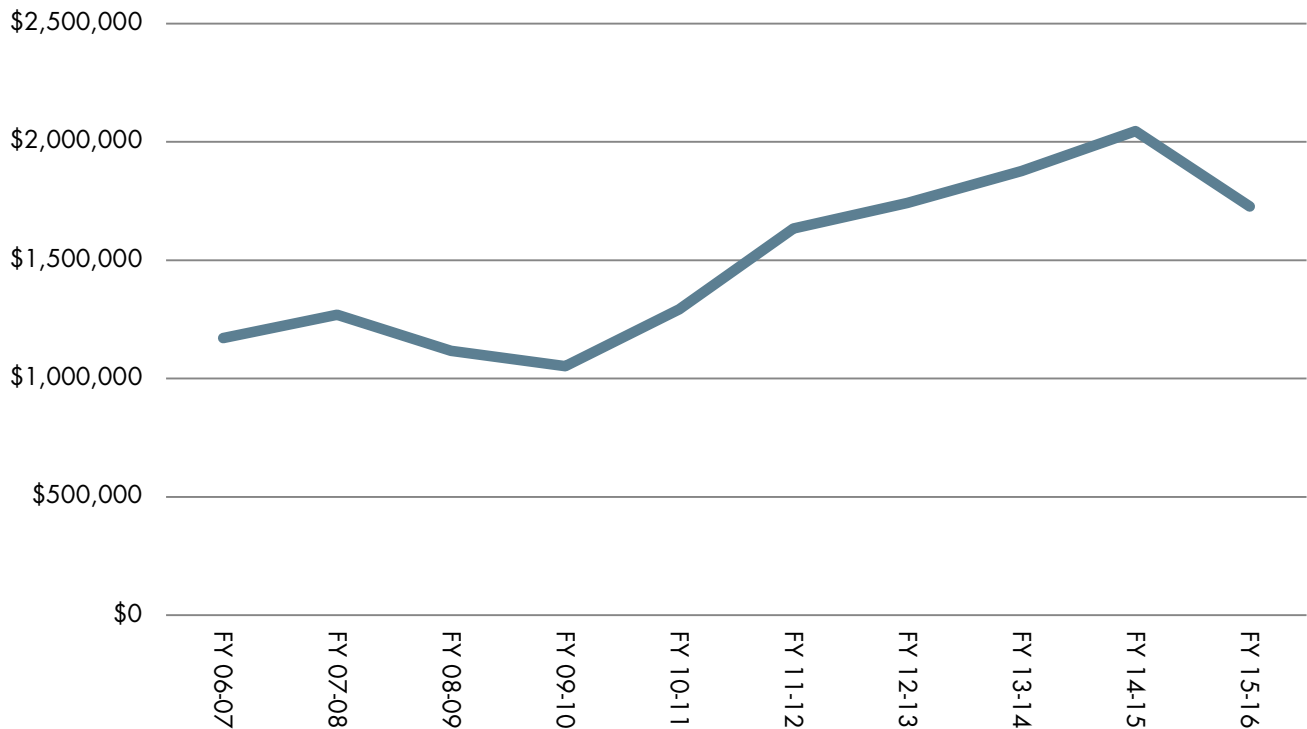
Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals.

SALES TAX

Sales tax revenue in Tehachapi approximately doubled between fiscal year (FY) 2009-2010 and FY 2014-2015, not adjusted for inflation, before experiencing a slight downturn in FY 2015-2016.

FIGURE 7. PAYMENTS TO CITIES AND COUNTIES FROM THE 1% LOCAL SALES AND USE TAX FUND
TEHACHAPI (CITY ONLY. DOES NOT INCLUDE SURROUNDING AREAS IN ZIP CODES 93531 & 93561)



Source: California State Board of Equalization

Note: Figures not adjusted for inflation.

RETAIL LEAKAGE

Tehachapi's local retail market, based on estimated expenditures by area households, is approximately \$475 million. Estimates of sales by local retailers suggests a significant share of those expenditures are occurring outside the Tehachapi community, however. These estimates indicate that Tehachapi is losing out on as much as \$209 million in annual expenditures, the result of residents making retail purchases in other markets. The analysis identifies potential market opportunities for starting or growing a business in many sectors, led by motor vehicles and parts (\$66 million), general merchandise (\$38 million), and food and beverage stores (\$36 million).

FIGURE 8. RETAIL GAP ANALYSIS
TEHACHAPI (93531 & 93561)

Retail Sector	NAICS	Estimated Retail Sales of Area Stores (Supply)	Estimated Retail Purchases of Area Residents (Demand)	Retail Leakage/ Surplus	Leakage/ Surplus Percent
Total Retail Sales Incl. Food & Drink		\$266,017,905	\$474,684,746	-\$208,666,841	44.0%
Motor Vehicle & Parts Dealers	441	\$30,514,131	\$96,899,227	-\$66,385,096	68.5%
Automobile Dealers	4411	\$846,717	\$79,845,620	-\$78,998,903	98.9%
Other Motor Vehicle Dealers	4412	\$26,282,612	\$11,230,243	\$15,052,369	134.0%
Auto Parts, Accessories & Tire Stores	4413	\$3,384,802	\$5,823,364	-\$2,438,562	41.9%
Furniture & Home Furnishings Stores	442	\$2,949,282	\$14,624,084	-\$11,674,802	79.8%
Furniture Stores	4421	\$686,543	\$8,061,166	-\$7,374,623	91.5%
Home Furnishings Stores	4422	\$2,262,739	\$6,562,918	-\$4,300,179	65.5%
Electronics & Appliance Stores	443	\$8,744,603	\$22,909,844	-\$14,165,241	61.8%
Bldg Materials, Garden Equip. & Supply Stores	444	\$48,488,297	\$21,274,320	\$27,213,977	127.9%
Bldg Material & Supplies Dealers	4441	\$47,604,222	\$19,009,620	\$28,594,602	150.4%
Lawn & Garden Equip & Supply Stores	4442	\$884,075	\$2,264,700	-\$1,380,625	61.0%
Food & Beverage Stores	445	\$44,319,084	\$80,313,226	-\$35,994,142	44.8%
Grocery Stores	4451	\$38,578,787	\$68,910,812	-\$30,332,025	44.0%
Specialty Food Stores	4452	\$4,737,926	\$7,347,901	-\$2,609,975	35.5%
Beer, Wine & Liquor Stores	4453	\$1,002,371	\$4,054,513	-\$3,052,142	75.3%
Health & Personal Care Stores	446	\$12,892,654	\$29,211,328	-\$16,318,674	55.9%
Gasoline Stations	447	\$38,479,234	\$25,921,362	\$12,557,872	48.4%
Clothing & Clothing Accessories Stores	448	\$2,332,374	\$28,337,119	-\$26,004,745	91.8%
Clothing Stores	4481	\$1,602,167	\$20,385,760	-\$18,783,593	92.1%
Shoe Stores	4482	\$0	\$2,943,811	-\$2,943,811	100.0%
Jewelry, Luggage & Leather Goods Stores	4483	\$730,207	\$5,007,548	-\$4,277,341	85.4%
Sporting Goods, Hobby, Book & Music Stores	451	\$8,504,333	\$12,364,520	-\$3,860,187	31.2%
Sporting Goods/Hobby/Musical Instr Stores	4511	\$7,553,516	\$10,697,409	-\$3,143,893	29.4%
Book, Periodical & Music Stores	4512	\$950,817	\$1,667,111	-\$716,294	43.0%
General Merchandise Stores	452	\$27,457,906	\$65,210,411	-\$37,752,505	57.9%
Department Stores Excluding Leased Depts.	4521	\$24,398,946	\$43,551,222	-\$19,152,276	44.0%
Other General Merchandise Stores	4529	\$3,058,960	\$21,659,189	-\$18,600,229	85.9%

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FIGURE 8. RETAIL GAP ANALYSIS (continued)

Retail Sector	NAICS	Estimated Retail Sales of Area Stores (Supply)	Estimated Retail Purchases of Area Residents (Demand)	Retail Leakage/ Surplus	Leakage/ Surplus Percent
Miscellaneous Store Retailers	453	\$13,209,115	\$22,286,366	-\$9,077,251	40.7%
Florists	4531	\$769,941	\$938,115	-\$168,174	17.9%
Office Supplies, Stationery & Gift Stores	4532	\$4,484,250	\$3,205,947	\$1,278,303	39.9%
Used Merchandise Stores	4533	\$4,065,369	\$1,491,770	\$2,573,599	172.5%
Other Miscellaneous Store Retailers	4539	\$3,889,555	\$16,650,534	-\$12,760,979	76.6%
Nonstore Retailers	454	\$2,309,019	\$10,673,467	-\$8,364,448	78.4%
Electronic Shopping & Mail-Order Houses	4541	\$1,022,020	\$8,482,067	-\$7,460,047	88.0%
Vending Machine Operators	4542	\$1,172,644	\$236,472	\$936,172	395.9%
Direct Selling Establishments	4543	\$114,355	\$1,954,928	-\$1,840,573	94.2%
Food Services & Drinking Places	722	\$25,817,873	\$44,659,472	-\$18,841,599	42.2%
Full-Service Restaurants	7221	\$15,436,345	\$25,044,836	-\$9,608,491	38.4%
Limited-Service Eating Places	7222	\$9,912,513	\$17,889,354	-\$7,976,841	44.6%
Special Food Services	7223	\$0	\$962,205	-\$962,205	100.0%
Drinking Places - Alcoholic Beverages	7224	\$469,015	\$763,077	-\$294,062	38.5%

Source: ESRI Community Analyst

HOUSING INDICATORS

Tehachapi has the highest rate of home-ownership among the East Kern communities, with nearly three out of five homes owner-occupied (59.5 percent). This rate also exceeds state and national levels, which average 50.1 percent and 56.3 percent, respectively. Tehachapi's median contract rent of \$774 per month is in line with the US median and is second highest in the region behind Rosamond (\$842).

FIGURE 9. HOUSING CHARACTERISTICS
SELECTED INDICATORS, RANKED BY % VACANT

Geography	Total Housing Units	% Owner Occupied	% Renter Occupied	% Vacant	Median Contract Rent	Median Yr. Structure Built
Boron (93516)	1,259	39.2%	27.8%	33.0%	\$561	1959
California City (93505)	6,117	48.1%	28.7%	23.3%	\$638	1991
Mojave (93501)	2,360	42.8%	39.0%	18.2%	\$571	1975
East Kern	48,191	53.2%	29.4%	17.4%	\$725	1984
Rosamond (93560)	7,307	53.0%	30.5%	16.5%	\$842	1992
Tehachapi (93531 & 93561)	13,334	59.5%	24.6%	15.9%	\$774	1987
Ridgecrest (93527 & 93555)	15,985	56.2%	29.8%	14.0%	\$701	1980
US	132.7 M	56.3%	31.2%	12.5%	\$767	1976
Greater Antelope Valley	172,738	56.2%	32.0%	11.9%	\$896	1986
Kern County	287,775	51.2%	38.4%	10.4%	\$746	1981
California	13,781,929	50.1%	41.4%	8.5%	\$1,138	1974

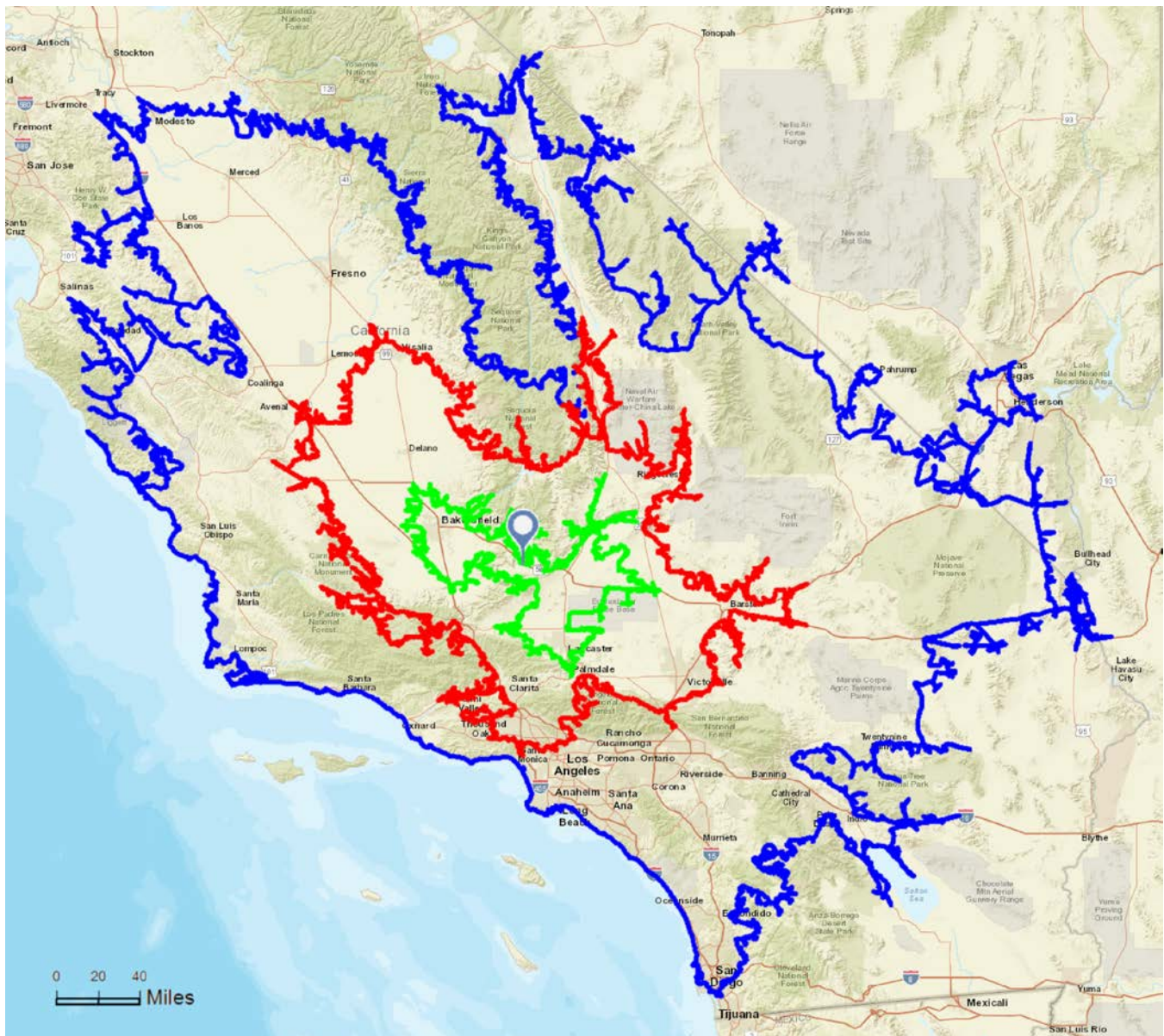
Source: US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates (accessed via ESRI Community Analyst). Shaded figures are above the US average (median rent) or more recent than US (median year built).

MARKET ACCESS

Tehachapi offers access to more than 900,000 people within one hour's drive, an increase of more than 55,000 since 2010. The market area's 6.4 percent growth rate made Tehachapi the fastest-growing one-hour drive time market during this period among East Kern communities included in this analysis.

FIGURE 10. DRIVE TIME MAP: TEHACHAPI

ZIP CODES WITHIN 1-, 2-, & 4-HOUR DRIVE TIMES FROM TEHACHAPI



Source: ESRI Community Analyst

Tehachapi has by far the largest population (nearly 930,000) within a one-hour drive time among East Kern communities. The community benefits from close proximity to both Bakersfield and the Lancaster/Palmdale area. Tehachapi's two-hour drive time market has a population of nearly 5 million and the four-hour drive time market exceeds 26 million in population.

FIGURE 11. MARKET ACCESS

POPULATION LIVING IN ZIP CODES WITHIN 1-, 2-, & 4-HOUR DRIVE TIMES OF EACH COMMUNITY

1 HOUR

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Tehachapi	874,066	929,606	+55,540	+6.4%
Rosamond	607,199	638,756	+31,557	+5.2%
Mojave	544,491	569,639	+25,148	+4.6%
California City	414,164	431,520	+17,356	+4.2%
Boron	372,399	391,943	+19,544	+5.2%
Ridgecrest	46,832	48,136	+1,304	+2.8%

2 HOURS

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Rosamond	13,059,979	13,559,907	+499,928	+3.8%
Mojave	9,373,018	9,736,283	+363,265	+3.9%
Boron	6,908,695	7,224,771	+316,076	+4.6%
California City	5,252,195	5,478,493	+226,298	+4.3%
Tehachapi	4,654,457	4,858,354	+203,897	+4.4%
Ridgecrest	1,198,858	1,253,281	+54,423	+4.5%

4 HOURS

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Rosamond	26,280,775	27,518,233	+1,237,458	+4.7%
Boron	26,216,513	27,476,390	+1,259,877	+4.8%
Mojave	25,936,745	27,170,207	+1,233,462	+4.8%
California City	25,856,592	27,084,228	+1,227,636	+4.7%
Ridgecrest	25,365,524	26,586,529	+1,221,005	+4.8%
Tehachapi	25,049,873	26,203,551	+1,153,678	+4.6%

Source: ESRI Community Analyst

WORKFORCE TRENDS & CHARACTERISTICS

Tehachapi has the oldest population in East Kern, with a median age of 40.6 years. It is one of only two East Kern communities included in this analysis with a median age over 40. Boron is the other. The community recorded a small estimated population increase of approximately 100 people between 2010 and 2016.

FIGURE 12. POPULATION & MEDIAN AGE
POPULATION CHANGE, 2010-2016 & MEDIAN AGE, 2016

Geography	2010	2016	2010 to 2016		Median Age
			Net Chg.	% Chg.	
Mojave (93501)	5,408	5,753	+345	6.4%	34.9
Kern County	839,631	888,823	+49,192	5.9%	31.3
US	308.7 M	323.6 M	+14.8 M	4.8%	38.0
California	37,253,956	38,986,171	+1,732,215	4.6%	35.8
Greater Antelope Valley	495,354	517,023	+21,669	4.4%	33.0
Rosamond (93560)	18,850	19,548	+698	3.7%	33.4
Ridgecrest (93527 & 93555)	35,023	35,899	+876	2.5%	37.9
California City (93505)	14,054	14,361	307	2.2%	35.2
East Kern	114,449	116,749	+2,300	2.0%	36.9
Tehachapi (93531 & 93561)	35,149	35,260	+111	0.3%	40.6
Boron (93516)	2,295	2,200	-95	-4.1%	40.1

Source: ESRI Community Analyst (2016 forecast); US Census Bureau, Census 2010 (2010 figures). Median age higher than US is shaded.

Tehachapi's poverty rate of 12.2 percent is the lowest among East Kern communities and falls below state and national rates. Median household income in Tehachapi is \$58,847, the highest in the region and nearly 10 percent above the US median household income of \$54,149.

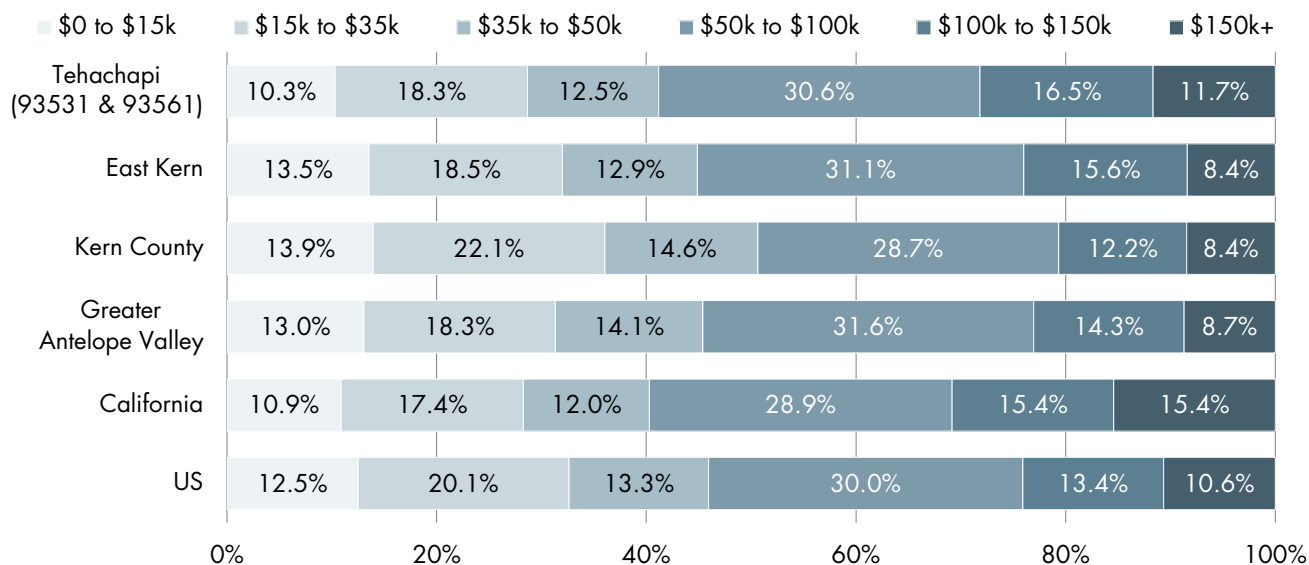
FIGURE 13. INCOME LEVELS
INCOME LEVELS, 2016 & POVERTY RATE, 2014

Geography	Median Household Income	Average Household Income	Per Capita Income	Poverty Rate
California	\$62,554	\$90,812	\$30,905	16.4%
Ridgecrest (93527 & 93555)	\$57,957	\$74,855	\$29,488	14.7%
US	\$54,149	\$77,008	\$29,472	15.6%
Tehachapi (93531 & 93561)	\$58,847	\$82,949	\$28,002	12.2%
East Kern	\$54,987	\$72,580	\$26,109	17.0%
Rosamond (93560)	\$53,125	\$67,216	\$22,677	18.0%
California City (93505)	\$51,824	\$63,378	\$22,322	23.9%
Greater Antelope Valley	\$54,580	\$71,887	\$22,318	20.4%
Kern County	\$49,123	\$68,628	\$21,178	23.4%
Boron (93516)	\$36,567	\$49,015	\$19,183	36.8%
Mojave (93501)	\$36,564	\$50,250	\$18,733	35.6%

Source: ESRI Community Analyst (2016 forecast); US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates (poverty rate).

Tehachapi is a high-income community within East Kern. Roughly 28 percent of Tehachapi households have incomes above \$100,000, compared to 24 percent in East Kern and 21 percent countywide. Tehachapi's lower-income population (up to \$35,000) as a share of total households is comparable to the state of California, at 28.6 percent.

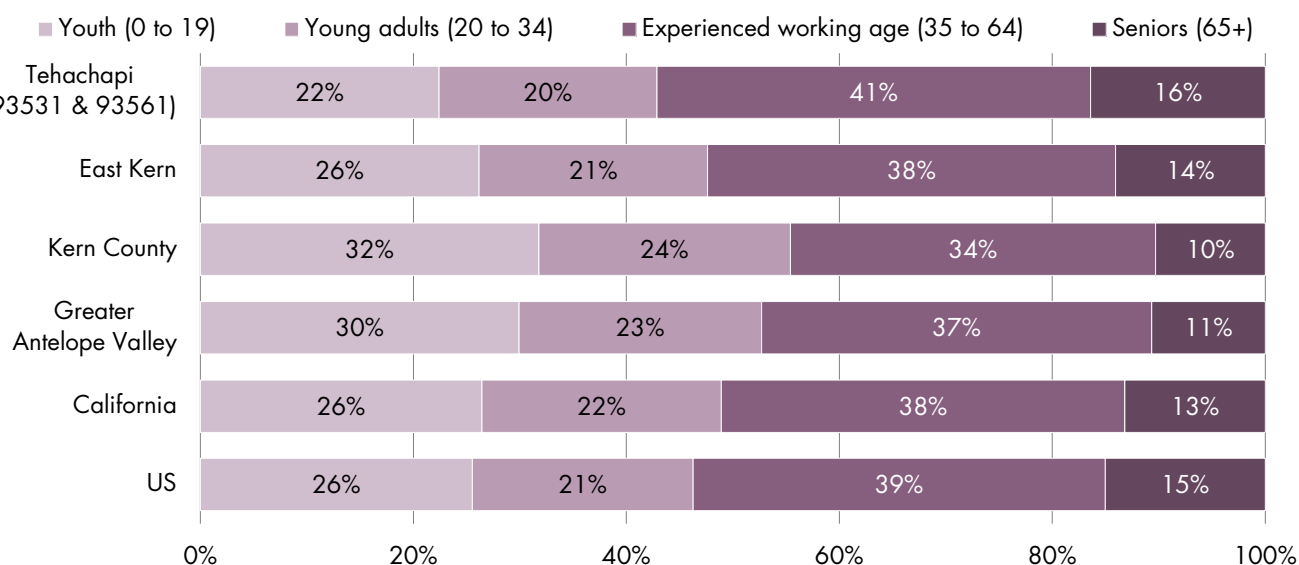
FIGURE 14. HOUSEHOLD INCOME DISTRIBUTION
SHARE OF HOUSEHOLDS BY SELECTED INCOME CATEGORIES



Source: 2010-2014 American Community Survey 5-Year Estimates (DP-02).

Tehachapi's age distribution skews older than the East Kern region as a whole. Among the comparison geographies, Tehachapi has the highest share of its population in the 35 to 64 age cohort (41 percent) and in the age 65 or older cohort (16 percent). The community has the lowest share of residents below the age of 20 (22 percent).

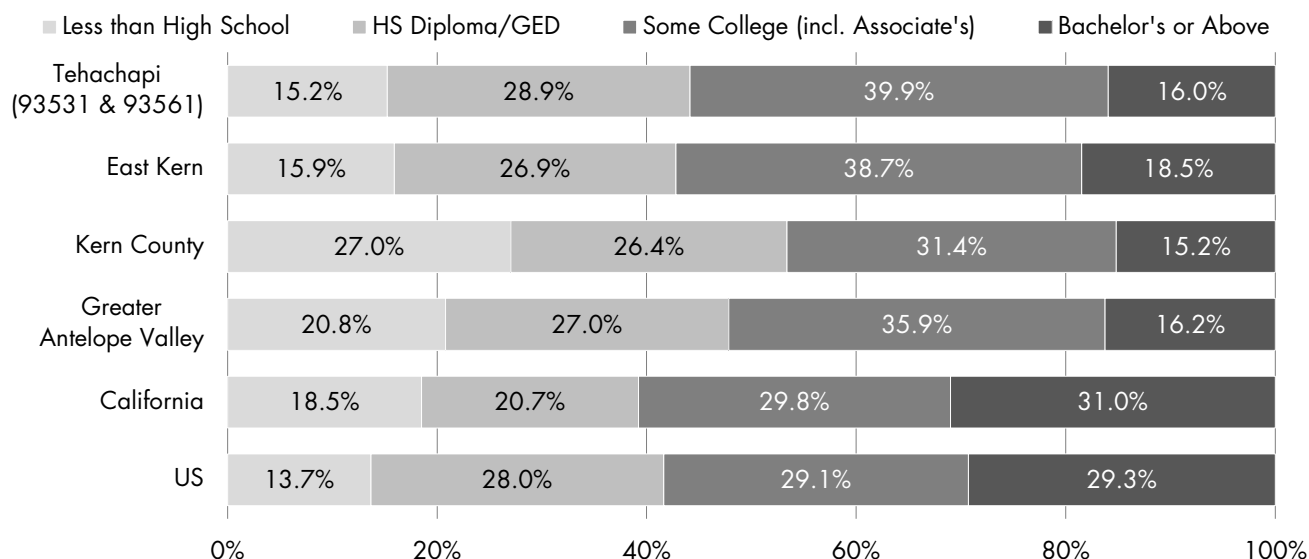
FIGURE 15. AGE STRUCTURE
SHARE OF POPULATION BY SELECTED AGE GROUPS



Source: ESRI Community Analyst

Educational attainment levels in Tehachapi are comparable to East Kern, but significantly trail state and national levels. Sixteen percent of Tehachapi residents age 25 or older have a bachelor's degree or higher, roughly one-half the state and national levels. Community leaders likely have an opportunity to improve attainment rates in Tehachapi with targeted education and workforce development efforts, as 40 percent of residents have completed at least some postsecondary coursework (although they may not have finished an associate's degree or other credential).

FIGURE 16. EDUCATIONAL ATTAINMENT
HIGHEST LEVEL OF ATTAINMENT, POPULATION AGE 25+



Source: 2010-2014 American Community Survey 5-Year Estimates (DP-02).

Tehachapi's unemployment rate, according to the most recent available data from the Census Bureau (2014) is 8.2 percent, the lowest in East Kern, and lower than the US and statewide rates. Labor force participation in Tehachapi is approximately 48 percent, one of only two communities—Boron is the other—with rates under 50 percent.

FIGURE 17. LABOR FORCE & UNEMPLOYMENT
LABOR FORCE, UNEMPLOYMENT & LABOR FORCE PARTICIPATION RATES

Geography	Population Age 16+	Labor Force	Unemployment	Unemployment Rate	Labor Force Participation Rate
Boron (93516)	1,664	627	165	26.3%	37.7%
California City (93505)	10,595	5,751	1,345	23.4%	54.3%
Mojave (93501)	3,928	2,210	497	22.5%	56.3%
Greater Antelope Valley	373,976	209,844	27,778	13.2%	56.1%
Kern County	630,972	372,092	49,041	13.2%	59.0%
Rosamond (93560)	14,843	8,401	1,085	12.9%	56.6%
East Kern	88,971	49,097	6,020	12.3%	55.2%
California	29,934,838	19,108,876	2,084,564	10.9%	63.8%
Ridgecrest (93527 & 93555)	27,036	16,835	1,668	9.9%	62.3%
US	248.8 M	159.0 M	14.5 M	9.1%	63.9%
Tehachapi (93531 & 93561)	28,197	13,570	1,118	8.2%	48.1%

Source: US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates.

The three occupations in Tehachapi with the largest shares of total employment are the same as East Kern: office and administrative support (14 percent), food preparation and serving (12.7 percent), and sales (11.9 percent). However, Tehachapi has a substantially larger share of workers in food preparation and sales occupations than East Kern as a whole. Tehachapi has a significantly lower share of workers than East Kern in architecture and engineering (3.0 percent), education (2.6 percent), and computer and math (1.5 percent) occupations.

FIGURE 18. OCCUPATIONAL DISTRIBUTION (% OF TOTAL), 2015
COMPARISON OF TEHACHAPI (93531 & 93561) WITH SELECTED GEOGRAPHIES AND US

SOC Code & Description	Tehachapi (93531 & 93561)	East Kern	Kern County	Greater Antelope Valley	US
43 Office & Administrative Support	14.0%	12.9%	11.2%	15.4%	15.4%
35 Food Preparation & Serving Related	12.7%	7.8%	6.5%	10.2%	8.4%
41 Sales & Related	11.9%	8.4%	8.1%	12.1%	10.3%
13 Business & Financial Operations	6.4%	7.5%	3.5%	4.9%	5.0%
53 Transportation & Material Moving	5.6%	6.2%	7.5%	5.8%	6.6%
49 Installation, Maintenance, & Repair	5.3%	5.5%	4.2%	3.6%	3.8%
11 Management	4.9%	5.0%	4.9%	5.0%	5.5%
29 Healthcare Practitioners & Technical	4.8%	4.8%	3.9%	6.6%	5.4%
47 Construction & Extraction	4.3%	3.4%	6.0%	3.8%	4.5%
37 Building/Grounds Cleaning & Maint.	4.0%	3.0%	3.1%	3.7%	3.9%
39 Personal Care & Service	3.7%	3.6%	3.0%	4.5%	4.0%
33 Protective Service	3.6%	4.0%	3.0%	2.2%	2.3%
51 Production	3.4%	3.6%	3.6%	3.1%	6.1%
17 Architecture & Engineering	3.0%	6.1%	2.2%	2.3%	1.7%
25 Education, Training, & Library	2.6%	6.0%	6.2%	5.6%	5.8%
31 Healthcare Support	2.3%	1.8%	2.0%	3.0%	2.8%
21 Community & Social Service	2.2%	2.1%	1.9%	2.4%	1.6%
27 Arts, Design, Entertainment, & Media	2.0%	1.5%	1.1%	1.3%	1.8%
15 Computer & Mathematical	1.5%	3.7%	1.4%	2.5%	2.7%
19 Life, Physical, & Social Science	1.0%	2.0%	0.9%	1.1%	0.8%
45 Farming, Fishing, & Forestry	0.5%	0.5%	15.4%	0.2%	0.8%
23 Legal	0.4%	0.4%	0.4%	0.6%	0.8%

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. The three largest occupations in each geography are highlighted.

Tehachapi stands out among communities in the East Kern region with a relatively balanced portfolio of occupations. No single occupational group has an LQ above 2.0 (which would indicate a concentration of employment more than twice the levels expected based on national patterns). This finding stands in contrast to other communities in the region, which have occupational concentrations driven by large federal government employers, aerospace firms, and mining operations. In fact, Tehachapi is the only community in East Kern that does not have an occupational group with an LQ of 2.0 or higher. However, there are several groups in Tehachapi with LQs above 1.25, indicating concentrations of employment compared to the US workforce. These include occupations in architecture and engineering (1.82); protective service (1.59); food preparation and serving (1.52); installation, maintenance, and repair (1.38); community and social service (1.32); and business and finance (1.27).

FIGURE 19. OCCUPATIONAL CONCENTRATION (LQ), 2015
COMPARISON OF TEHACHAPI (93531 & 93561) WITH SELECTED GEOGRAPHIES AND US

SOC Code & Description	Tehachapi (93531 & 93561)	East Kern	Kern County	Greater Antelope Valley	US
17 Architecture & Engineering	1.82	3.66	1.32	1.35	1.00
33 Protective Service	1.59	1.76	1.32	0.98	1.00
35 Food Preparation & Serving Related	1.52	0.93	0.78	1.22	1.00
49 Installation, Maintenance, & Repair	1.38	1.43	1.10	0.93	1.00
21 Community & Social Service	1.32	1.29	1.18	1.46	1.00
13 Business & Financial Operations	1.27	1.51	0.70	0.98	1.00
19 Life, Physical, & Social Science	1.19	2.45	1.07	1.31	1.00
41 Sales & Related	1.15	0.82	0.78	1.17	1.00
27 Arts, Design, Entertainment, & Media	1.13	0.83	0.60	0.72	1.00
37 Building/Grounds Cleaning & Maint.	1.03	0.78	0.81	0.95	1.00
47 Construction & Extraction	0.95	0.76	1.33	0.84	1.00
43 Office & Administrative Support	0.91	0.84	0.73	1.00	1.00
39 Personal Care & Service	0.91	0.90	0.74	1.11	1.00
11 Management	0.90	0.92	0.90	0.92	1.00
29 Healthcare Practitioners & Technical	0.88	0.88	0.73	1.22	1.00
53 Transportation & Material Moving	0.85	0.94	1.13	0.89	1.00
31 Healthcare Support	0.80	0.65	0.72	1.08	1.00
45 Farming, Fishing, & Forestry	0.72	0.62	20.11	0.27	1.00
51 Production	0.56	0.59	0.58	0.51	1.00
15 Computer & Mathematical	0.54	1.36	0.51	0.92	1.00
25 Education, Training, & Library	0.45	1.04	1.06	0.97	1.00
23 Legal	0.43	0.52	0.43	0.67	1.00

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

COMMUTING PATTERNS

Tehachapi's labor market is defined by high levels of outbound commuting and much lower levels of inbound commuting. The majority of jobs in Tehachapi (53.5 percent) are filled by residents of Tehachapi, a unique characteristic of the local economy compared to many other communities in East Kern, where most jobs are filled by inbound commuters. Nonetheless, 68 percent of employed Tehachapi residents commute to jobs outside the community.

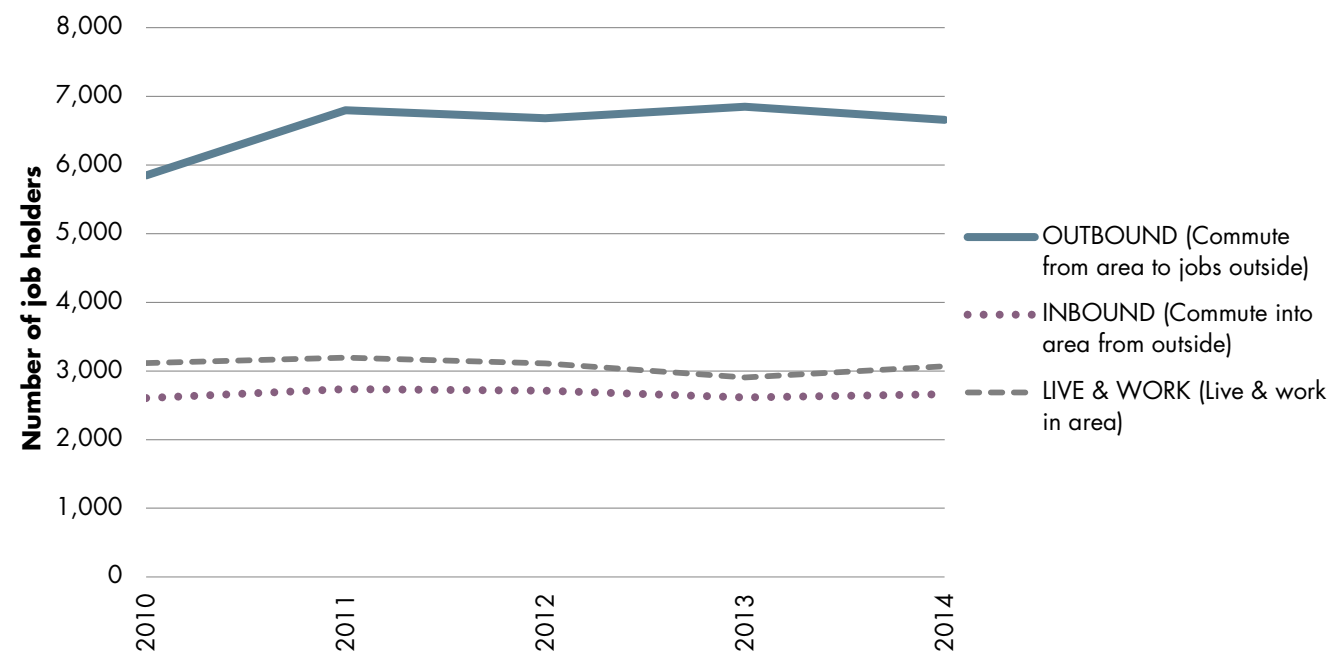
FIGURE 20. INFLOW/OUTFLOW FOR TEHACHAPI (93531 & 93561), 2014
FLOW OF WORKERS TO/FROM THE AREA



Source: US Census Bureau, Local Employment Dynamics.

Notes: Overlay arrows are for illustrative purposes and do not indicate directionality of worker flow between home and employment locations.

FIGURE 21. COMMUTING FLOWS, 2010–2014

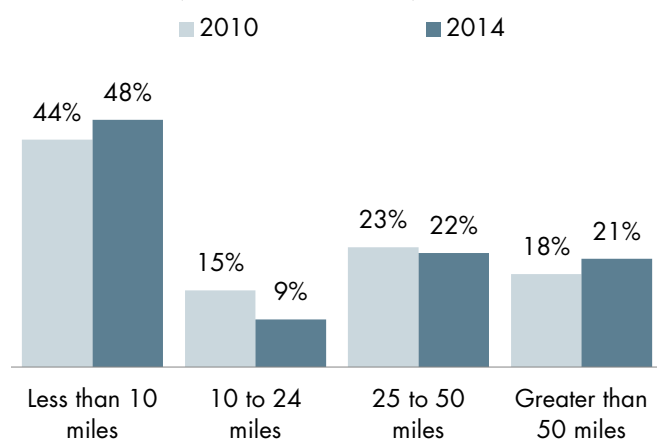


Source: US Census Bureau, Local Employment Dynamics.

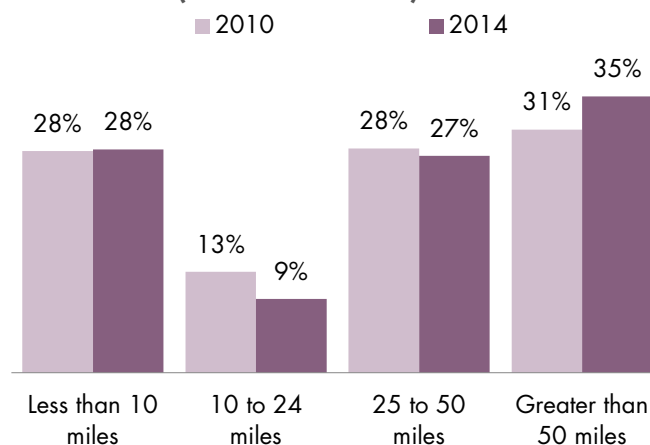
Nearly one-half of people commuting to jobs in Tehachapi traveled relatively short distances (less than 10 miles) in 2014. By contrast, the majority of employed Tehachapi residents (62 percent), traveled at least 25 miles between home and work. In fact, Tehachapi had the highest share of commuters traveling this distance among East Kern communities. However, outbound commuters at the extreme end of the scale—those traveling distances of 50 miles or more—represent a smaller share of Tehachapi's residents than in many of the region's other communities. The relatively large share of commuters in the 25- to 50-mile category reflects the many employment centers located within this distance from Tehachapi, including Mojave Air & Spaceport, Edwards AFB, and much of the Bakersfield area.

FIGURE 22. DISTANCE TRAVELED, 2010 VS. 2014
SHARE OF JOBHOLDERS

**PEOPLE WHO WORK IN
TEHACHAPI (93531 & 93561)**

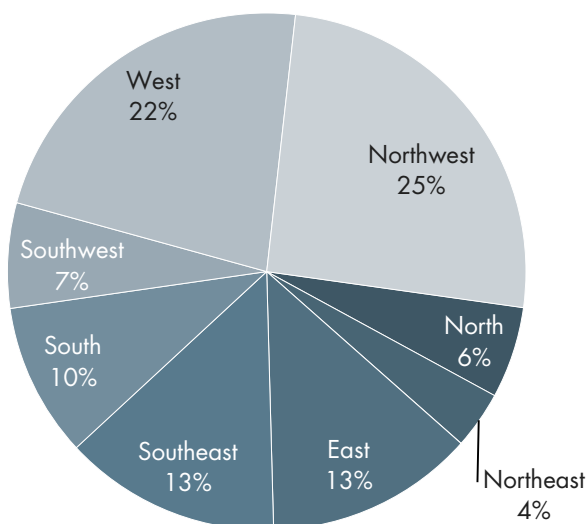


**EMPLOYED PEOPLE WHO LIVE IN
TEHACHAPI (93531 & 93561)**



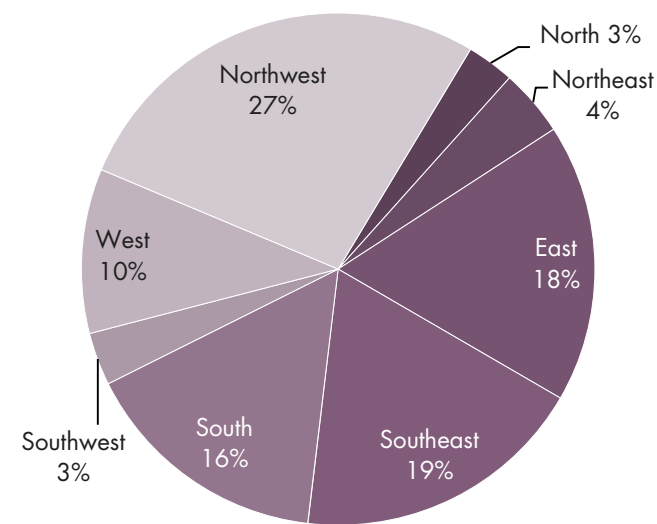
Source: US Census Bureau, Local Employment Dynamics.

**FIGURE 23. DIRECTION TRAVELED
FROM WORK TO HOME, 2014**
SHARE OF PEOPLE THAT WORK IN
TEHACHAPI (93531 & 93561)



Source: US Census Bureau, Local Employment Dynamics.

**FIGURE 24. DIRECTION TRAVELED
FROM HOME TO WORK, 2014**
SHARE OF PEOPLE THAT LIVE IN
TEHACHAPI (93531 & 93561)



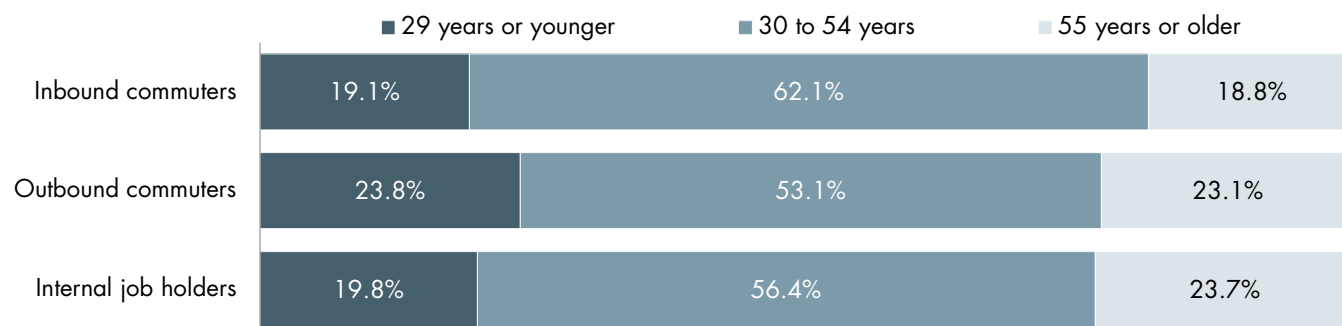
Source: US Census Bureau, Local Employment Dynamics.

FIGURE 25. SELECTED JOBHOLDER CHARACTERISTICS, 2014

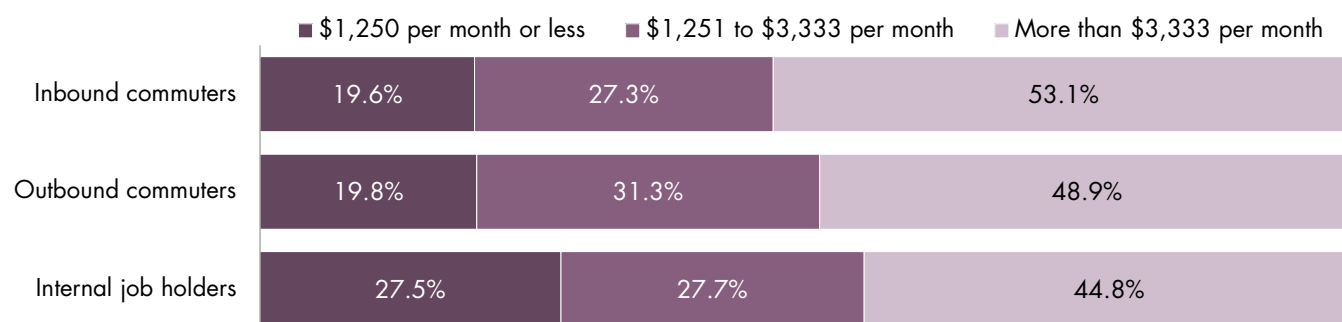
SHARE OF WORKERS BY TYPE OF COMMUTING FLOW

AGE

Age characteristics of internal jobholders (those living and working in the community), outbound commuters, and inbound commuters are relatively balanced in Tehachapi, although outbound commuters are slightly more likely to be less than 30 years old.

**EARNINGS**

Tehachapi's commuting flows are also relatively evenly distributed across earnings categories. Internal jobholders are more likely to hold jobs earning \$1,250 or less per month than outbound or inbound commuters are. Inbound commuters are most likely (53.1 percent) to hold jobs at the higher end of the scale (those earning more than \$3,333 per month).

**INDUSTRY CLASS**

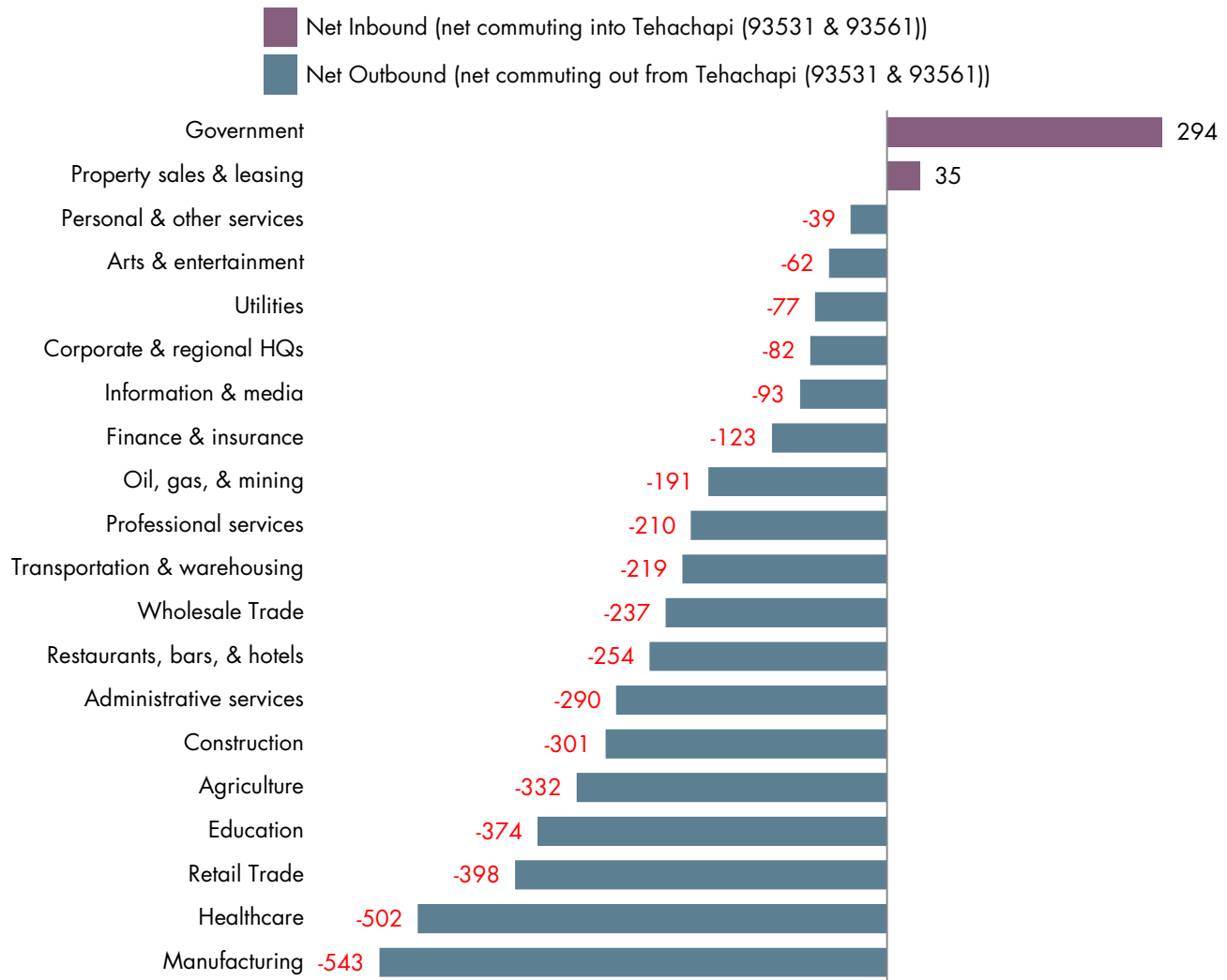
By contrast, flows by industry are less balanced. Internal jobholders are much more likely to work in the service sector than outbound commuters, with 86 percent of people living and working in Tehachapi employed in this sector compared to just 55 percent of outbound commuters. One in four outbound commuters is in the goods-producing sector (24.5 percent), a much larger share than among Tehachapi's internal jobholders and inbound commuters.



Source: (all above) US Census Bureau, Local Employment Dynamics

Tehachapi has net inflows in government and real estate, meaning more people commute in for work in those sectors than commute out. However, the community exports workers to the rest of the region in every other industry segment, including more than 500 workers each in healthcare and manufacturing. This finding highlights an opportunity to build those sectors locally to give residents the option of working closer to home.

FIGURE 26. DAILY NET INFLOW/OUTFLOW OF WORKERS BY SECTOR, 2014
NET INBOUND/OUTBOUND COMMUTING FLOWS BY SECTOR



Source: US Census Bureau, Local Employment Dynamics.

Nearly one-third of people working in Tehachapi commute from their homes in Golden Hills (17.7 percent) and the city of Tehachapi (16.6 percent). Significant numbers of workers also come from Bakersfield, Bear Valley Springs, and Stallion Springs. The most common work destinations for employed Tehachapi residents are the cities of Tehachapi (14.8 percent) and Bakersfield (12.4 percent). Other employment destinations with at least 200 Tehachapi residents include Golden Hills (9.8 percent), Los Angeles (4.6 percent), Mojave (3.6 percent), Bear Valley Springs (2.7 percent), and Lancaster (2.6 percent).

FIGURE 27. LABORSHED & COMMUTE SHED DESTINATIONS, 2014

TOP 10 PLACES IN TEHACHAPI'S LABORSHED (WHERE WORKERS LIVE) & COMMUTE SHED (WHERE EMPLOYED RESIDENTS WORK)

WHERE TEHACHAPI (93531 & 93561) WORKERS LIVE

City (Place)	Count	Share
1 Golden Hills CDP, CA	1,013	17.7%
2 Tehachapi city, CA	952	16.6%
3 Bakersfield city, CA	562	9.8%
4 Bear Valley Springs CDP, CA	490	8.6%
5 Stallion Springs CDP, CA	237	4.1%
6 Lancaster city, CA	113	2.0%
7 Los Angeles city, CA	101	1.8%
8 California City city, CA	73	1.3%
9 Rosamond CDP, CA	63	1.1%
10 Palmdale city, CA	54	0.9%
All Other Locations	2,070	36.1%
Total	5,728	100.0%

WHERE EMPLOYED TEHACHAPI (93531 & 93561) RESIDENTS WORK

City (Place)	Count	Share
1 Tehachapi city, CA	1,441	14.8%
2 Bakersfield city, CA	1,202	12.4%
3 Golden Hills CDP, CA	949	9.8%
4 Los Angeles city, CA	445	4.6%
5 Mojave CDP, CA	350	3.6%
6 Bear Valley Springs CDP, CA	263	2.7%
7 Lancaster city, CA	257	2.6%
8 Palmdale city, CA	189	1.9%
9 Boron CDP, CA	117	1.2%
10 Fresno city, CA	104	1.1%
All Other Locations	4,409	45.3%
Total	9,726	100.0%

Source: US Census Bureau, Local Employment Dynamics

Note: The commuting patterns analysis was conducted for the 93531 and 93561 ZIP Codes, not the city of Tehachapi, in order to be consistent with other data elements presented in this report. The discrepancy between the number of workers that live in the city of Tehachapi (952) and the number of employed Tehachapi residents that work in the city of Tehachapi (1,441) is a result of the difference in the boundaries of the two geographies.

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