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CALIFORNIA DOES NOT NEED TO CHOOSE BETWEEN POST-PANDEMIC ECONOMIC GROWTH AND REDUCING CARBON EMISSIONS, NEW ANALYSIS FINDS

State Has Demonstrated The Ability To Generate Green Jobs... And If Current Trends Hold, Green Jobs In CA Will Outpace Nation By End Of Decade

June 21, 2022—RIVERSIDE, CA (www.ucr.edu)—Surprisingly, environmental leader California has a smaller ‘green economy’ than the average U.S. state and would need to add many thousands of environmentally friendly jobs to catch up. The good news is it’s on track to do just that, according to a new analysis released today by the **UCR School of Business Center for Economic Forecasting and Development**.

The study projects that California will outpace the United States as a whole in its concentration of green jobs by 2030. Moreover, the state will be close to attaining a *specialty* in green jobs by the end of the decade, a workforce condition that is key to attracting investment, innovation, and further job creation.

While a greener economy will require phasing out employment in traditional energy industries such as oil and gas, an analysis of the entire labor force indicates that replacing those jobs with green energy jobs can be a net-positive, adding to California’s total employment and improving average wages.

“The transition to a greener, cleaner economy is not at odds with job creation,” said **Dr. Patrick Adler**, Research Manager at the Center for Economic Forecasting, and one of the report’s authors. “This is critical to understand because California is facing dual generational challenges right now – ensuring economic resilience following the shocks set in motion by the pandemic and decarbonizing the economy.” The state needs to reduce carbon emissions 40% below 1990 levels in order to meet its own mandated reduction targets by 2030.

The study’s authors estimate that California’s current green labor force includes an impressive 372,984 workers but the state would need to add over 58,000 more green jobs by decade’s end to reach the U.S. state average in terms of concentration. However, if current trends, which show employment curving upwards in key green industries such as Motor Vehicles, hold, the

state will realistically achieve that and more. The Zero Emission Vehicles (ZEVs) industry in particular could bring more than 63,000 jobs to California.

Additional Key Findings:

- California already has the advantage of being a leader in green jobs, allowing it to build from a position of strength. The state has added a full 44,000 green jobs since 2010.
- While other states seek to attract high-tech green firms, more of these companies are already headquartered in California than anywhere else in the world. The analysis recommends that the state focus on growing the labor force of innovative firms already based here, but with an important caveat: average employment at these firms is low because they tend to focus on research more than prototyping and small-run manufacturing. California leaders should work to scale-up those operations.
- Due to technological and efficiency advances, solar and wind generation will increasingly downshift into a less reliable source of green employment even as these industries expand. To grow its Green Economy, California needs to create green jobs outside of energy. Sectors showing strong future job growth include Transmission, Distribution, and Storage; Fuels; Energy Efficient Manufacturing; and Motor Vehicles.
- The state has a burgeoning ZEV cluster in Southern California that could potentially employ hundreds of thousands of blue-collar workers.
- The state's 'Circular Economy', a sector that attempts to shrink reliance on global supply chains through waste diversion, could add tens of thousands of jobs over the decade.
- The analysis introduces the idea that California will have to forge its own unique green jobs strategy given the state's unusually high cost of living. For one, operations that are viable elsewhere, may not be here, and secondly, many traditional engines of the Green Economy, such as solar energy, have already reached a level of maturity in California, significantly diminishing returns. But according to Adler and his co-authors, this presents an opportunity to expand the scope of the state's green labor force into new areas.

"The green jobs agenda has captured the imagination of many California policymakers because, in theory, it allows workers to benefit from a green energy transition," says Adler. "This analysis suggests that mission is anything but naive."

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This research was generously supported by Next 10. The analysis was authored by Adler, Research Associate Andrew Yu and Senior Research Associate Brady Allardice.

The UC Riverside School of Business Center for Economic Forecasting and Development is the first major university forecasting center in Inland Southern California. The Center is dedicated to economic forecasting and policy research focused on the region, state, and nation. Learn more at <https://ucreeconomicforecast.org>.