

# Madera County tops small-market ranking for manufacturing job growth

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A surge in manufacturing activity in the past couple of years has propelled Madera County to the unlikely top spot in a national ranking for manufacturing job growth among not only small metropolitan areas, but all metro markets in the country.

The economic development blog NewGeography.com analyzed metro areas nationwide, factoring in short-, medium- and long-term job growth in the manufacturing industry. The analysis was authored by Joel Kotkin, the website's executive editor and a fellow in urban studies at Chapman University in Orange County, and public policy professor Michael Shires of Pepperdine University in Malibu. Their analysis ranked Madera County first among 210 small metro areas, defined as markets with fewer than 150,000 jobs. And Madera County's weighted index of 74.4 also placed the area tops among all 421 metro areas reported across the United States, regardless of size.

"My first reaction when I saw this report was that we've better vet this before we publicize it," said Bobby Khan, executive director of the Madera County Economic Development Commission. "But we've had a lot of consistent growth through all our industrial sectors as we grow out of the recession, and food processing in particular is just bursting at the seams."

465

Number of food-processing jobs in 2010

1,465

Number of food-processing jobs in 2014

215%

Growth in food-processing jobs, 2010 to 2014

Khan said that in larger metropolitan areas, the addition of a few dozen jobs by an employer may barely move the statistical needle. But in a small county like Madera, those jobs make a proportionally bigger difference in the job market. "Every once in a while we land a real big fish, but most of the time we get those smaller employers who will add 15 to 25 jobs, and we've been pretty successful at that," he said.

Ten years ago, Madera County's manufacturing industry consisted of 113 businesses with a total of about 3,200 employees, according to the state Employment Development Department's Quarterly Census of Employment & Wages. That dipped to fewer than 100 firms and about 2,800 workers during the depths of the recession in 2010.

By 2013, the number of manufacturing companies shrank to 94 businesses, but the number of workers climbed to more than 3,900. Last year, Madera County averaged 98 firms with almost 4,400 workers.

"When the economy went into deep recession, it definitely put stress on our local manufacturers," Khan said. "Companies that were in food processing or a related industry faced OK and some even grew during the recession. But it was a real struggle for all others."

As an employment sector, manufacturing in Madera County represents less than 10% of all industry employment. Its

4,700 employees reported in June is dwarfed by farm jobs (12,900 workers) and also falls behind government (9,300 workers), private-sector education/health services (8,000 workers) and trade/transportation/utilities (5,400 workers). Still, Khan said it's indicative of the county's continuing recovery from the recession.

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Bobby Khan, Madera County Economic Development Commission

"Currently things look much brighter," he said. "With the addition of new industries coming into Madera County over the past few years, coupled with the growth and expansion of several local companies, there have been hundreds of new jobs created."

Other Valley markets in the NewsGeography rankings were Merced, at No. 8 among small markets and overall; Visalia-Porterville at No. 65 among small markets and No. 101 overall; and Hanford-Corcoran at No. 100 among small markets and 170 overall. Bakersfield ranked fifth among 93 mid-sized metro areas with 150,000 to 450,000 jobs and 41st overall, while Fresno was 60th among mid-sized markets and No. 223 overall.

Khan said Madera County's ranking may be surprising to some, but makes sense in the context of the sector's growth. Madera County's vacancy rate for industrial space has been 1% or less for two years, and the city of Madera is working with Span Construction to develop a 98-acre industrial park at the south end of the city that could add up to 1 million square feet of industrial space to the region's inventory.

Figures from the state employment department show that overall manufacturing jobs increased by more than 56% from the nadir of the recession in 2010 to last year. Growth was even more prodigious among food processing and food manufacturing businesses — from a low of 465 jobs in 2010 to 1,465 jobs in 2014 — a whopping 215% increase.

"Our agriculture industry has experienced a tremendous growth cycle like we've never seen before, and I think it can sustain itself because of worldwide demand," Khan said. "And we're seeing some of the farmers who historically have just produced their commodity now starting to diversify where they're processing their own commodities, and adding that value to their own operation."

While the county's manufacturing jobs are on a rapid rise, the wages paid to workers have not kept pace. The average weekly wage for a manufacturing worker in Madera County peaked in 2011 at \$946; last year it was \$886. In food manufacturing, the average weekly wage reached \$794 in 2012, but fell to \$623 in 2014 — the lowest it's been in at least 10 years.

By contrast, the average weekly wage in all manufacturing jobs was \$1,565 in California and \$1,211 nationally — both 10-year highs. For food manufacturing businesses, the statewide average weekly wage in 2014 was \$866 and the national average was \$841, also 10-year highs.

"When we're on the road promoting the Valley, (lower wages) are something that we say is an advantage to businesses that are looking at California," said Khan, who is a member of a Valleywide economic development council. "We label ourselves as 'the other California' compared to the San Francisco Bay Area and the greater Los Angeles area, which are some of the most expensive places in the country to do business."

Wages paid are "a reflection of the whole cost of living in the central Valley, where the cost of housing is much less," he added.

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How the Valley stacked up

Here is where metropolitan areas in the San Joaquin Valley stacked up in the recent NewsGeography.com analysis and rankings for manufacturing job growth:

<b>Metropolitan statistical area</b>	<b>Rank (w/in category)</b>	<b>Rank overall (of 421 metros)</b>
<b>Madera</b>	1 (of 210 small metro areas)	1
<b>Merced</b>	8 (of 210 small metro areas)	8
<b>Bakersfield</b>	5 (of 93 mid-sized metro areas)	41
<b>Stockton-Lodi</b>	15 (of 93 mid-sized metro areas)	69
<b>Visalia-Porterville</b>	65 (of 210 small metro areas)	101
<b>Hanford-Corcoran</b>	100 (of 210 small metro areas)	170
<b>Fresno</b>	60 (of 93 mid-sized metro areas)	223

Source: NewGeography.com, "The Cities Leading a U.S. Manufacturing Revival"