

# SANTA CRUZ COUNTY ECONOMIC FORECAST

Santa Cruz County is located on the central coast of California, and behind San Francisco, it is the second smallest county in terms of physical size. Santa Cruz County has a population of 274,600 people and 106,500 wage and salary jobs. The per capita income in Santa Cruz County is \$54,955 and the average salary per worker is \$52,455.

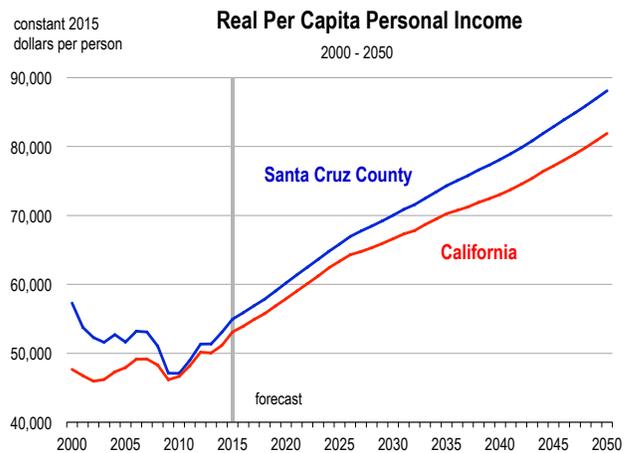
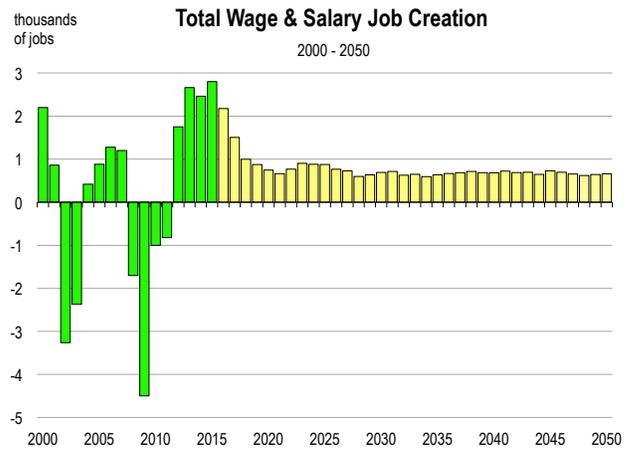
In 2015, a total of 2,800 total wage and salary jobs were gained in Santa Cruz County, representing a growth rate of 2.7 percent. Over the course of the year, the unemployment rate improved substantially, dropping from 8.7 percent in 2014 to 7.5 percent in 2015.

Across employment sectors, the largest job gains occurred in leisure and hospitality (+740 jobs), manufacturing (+400 jobs), education and healthcare (+360 jobs), government (+350 jobs), and professional business services (+320 jobs). The largest declines were observed in agriculture (-110 jobs).

Between 2010 and 2015, the population of Santa Cruz grew at an annual average rate of 0.8 percent. High levels of in-migration were a contributing factor to this growth, as the county gained an average of 910 net migrants per year.

## FORECAST HIGHLIGHTS

- In 2016, total employment will increase by 2.0 percent. From 2016 to 2021, an annual average growth rate of 0.9 percent is expected.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Santa Cruz County, inflation-adjusted salaries are expected to rise by an average of 3.0 percent per year between 2016 and 2021.
- Between 2016 and 2021, employment growth will be broad-based. However, the largest gains will be observed in education and healthcare, construction, leisure and hospitality, and government. Together, these sectors will account for 71 percent of net job creation in the county.
- During the 2016-2021 period, the population will increase by 0.8 percent per year, which is identical to the growth rate that prevailed between 2010 and 2015.
- Net migration will remain moderate over the forecast period. Between 2016 and 2021, an average of 625 net migrants will enter the county each year, accounting for 28 percent of total population growth.
- Real income per capita will increase by 1.7 percent in 2016. From 2016 to 2021, real income per capita is expected to increase by 2.7 percent per year.

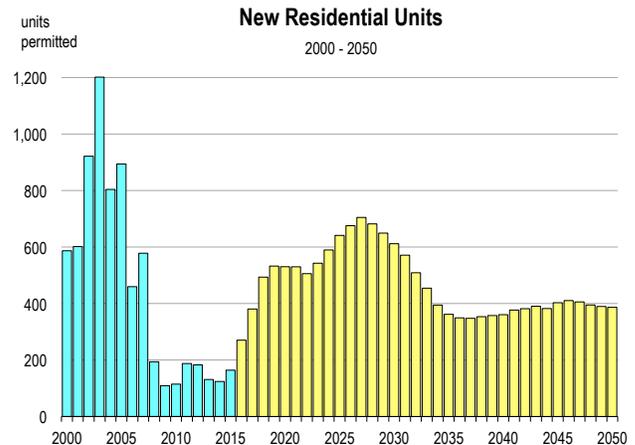
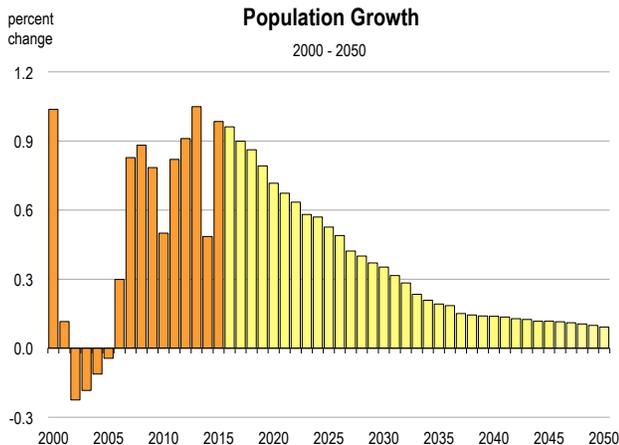


- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.2 percent per year between 2016 and 2021.
- Industrial production is projected to increase by 5.3 percent in 2016. During the 2016-2021 period, industrial production will increase by an average of 0.8 percent per year.
- Farm production is forecasted to increase by 0.4 percent per year between 2016 and 2021. The principal crop in the county is the strawberry.

# Santa Cruz County Economic Forecast

## 2010-2015 History, 2016-2050 Forecast

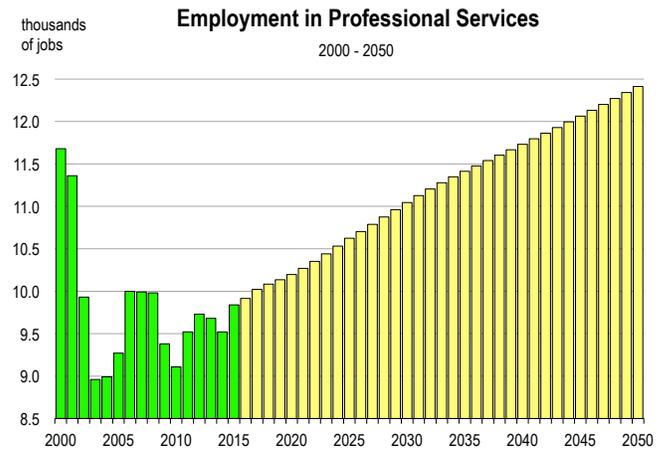
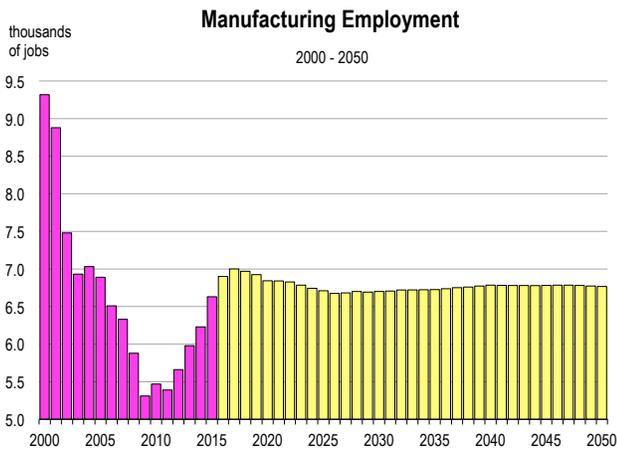
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	263,220	-276	242.9	94.3	115	\$2.7	\$11.3	\$47,091	1.3	0.59	1.35	13.3
2011	265,378	608	241.5	94.5	188	\$2.9	\$12.1	\$48,967	2.7	0.61	1.27	13.1
2012	267,793	931	241.0	94.6	183	\$3.1	\$13.1	\$51,343	2.7	0.59	1.35	11.9
2013	270,602	1,557	249.4	95.0	131	\$3.3	\$13.5	\$51,381	2.3	0.62	1.45	10.3
2014	271,916	147	252.8	95.4	124	\$3.4	\$14.2	\$53,021	2.8	0.63	1.50	8.7
2015	274,594	1,316	257.4	95.8	164	\$3.6	\$15.1	\$54,955	2.6	0.64	1.60	7.5
2016	277,234	1,069	260.0	95.9	270	\$3.7	\$15.9	\$55,882	2.7	0.65	1.69	6.3
2017	279,726	910	262.4	96.1	381	\$3.9	\$16.9	\$56,899	3.4	0.65	1.72	5.8
2018	282,137	822	264.2	96.5	494	\$4.1	\$17.8	\$57,857	3.4	0.65	1.72	5.8
2019	284,371	638	265.6	96.9	533	\$4.2	\$18.9	\$59,022	3.0	0.66	1.73	5.8
2020	286,408	434	266.7	97.4	530	\$4.4	\$19.9	\$60,221	3.0	0.66	1.73	5.8
2021	288,335	326	267.5	97.9	530	\$4.6	\$21.0	\$61,383	2.9	0.66	1.76	5.8
2022	290,164	241	267.9	98.4	506	\$4.8	\$22.1	\$62,497	2.9	0.67	1.78	5.7
2023	291,849	111	268.0	98.9	543	\$4.9	\$23.3	\$63,656	2.8	0.68	1.79	5.6
2024	293,512	108	268.1	99.4	590	\$5.1	\$24.4	\$64,800	2.6	0.68	1.81	5.5
2025	295,056	24	268.0	100.0	641	\$5.3	\$25.5	\$65,848	2.5	0.69	1.82	5.4
2026	296,500	-45	267.9	100.6	676	\$5.5	\$26.6	\$66,952	2.5	0.69	1.84	5.3
2027	297,751	-204	267.7	101.2	705	\$5.7	\$27.8	\$67,733	2.9	0.70	1.87	5.3
2028	298,943	-231	267.6	101.9	682	\$5.9	\$28.9	\$68,452	2.7	0.71	1.90	5.3
2029	300,050	-288	267.6	102.6	649	\$6.1	\$30.0	\$69,217	2.5	0.71	1.94	5.3
2030	301,107	-297	267.6	103.2	612	\$6.4	\$31.1	\$70,021	2.4	0.72	1.98	5.2
2031	302,057	-368	267.9	103.8	571	\$6.6	\$32.3	\$70,867	2.3	0.73	2.01	5.2
2032	302,913	-417	268.4	104.3	509	\$6.9	\$33.4	\$71,580	2.5	0.73	2.06	5.2
2033	303,623	-508	269.0	104.8	454	\$7.2	\$34.6	\$72,492	2.1	0.74	2.10	5.2
2034	304,255	-544	269.5	105.2	395	\$7.5	\$35.8	\$73,394	2.3	0.75	2.13	5.2
2035	304,838	-575	270.5	105.6	362	\$7.8	\$37.2	\$74,319	2.4	0.75	2.18	5.2
2036	305,402	-541	271.3	105.9	349	\$8.1	\$38.6	\$75,084	2.8	0.76	2.22	5.2
2037	305,862	-574	272.1	106.2	348	\$8.3	\$40.1	\$75,799	2.9	0.77	2.27	5.2
2038	306,303	-572	272.9	106.5	354	\$8.6	\$41.6	\$76,608	2.7	0.77	2.31	5.2
2039	306,732	-576	274.0	106.8	358	\$8.9	\$43.2	\$77,342	2.9	0.78	2.36	5.2
2040	307,157	-571	275.1	107.2	361	\$9.2	\$44.8	\$78,099	2.8	0.79	2.41	5.2
2041	307,573	-579	276.4	107.5	377	\$9.5	\$46.4	\$78,953	2.6	0.80	2.45	5.1
2042	307,968	-603	277.7	107.8	382	\$9.7	\$48.1	\$79,857	2.5	0.80	2.50	5.1
2043	308,352	-618	279.1	108.2	390	\$10.0	\$49.8	\$80,817	2.4	0.81	2.54	5.1
2044	308,713	-652	280.6	108.5	382	\$10.3	\$51.5	\$81,870	2.2	0.82	2.59	5.1
2045	309,075	-662	281.9	108.9	403	\$10.6	\$53.4	\$82,879	2.4	0.83	2.64	5.1
2046	309,430	-678	283.1	109.2	411	\$10.9	\$55.2	\$83,893	2.3	0.84	2.69	5.1
2047	309,773	-701	284.3	109.6	406	\$11.2	\$57.1	\$84,896	2.3	0.84	2.74	5.1
2048	310,099	-725	285.4	110.0	395	\$11.5	\$59.1	\$85,910	2.3	0.85	2.79	5.1
2049	310,406	-747	286.5	110.4	390	\$11.8	\$61.1	\$86,973	2.3	0.86	2.84	5.1
2050	310,692	-773	287.5	110.7	387	\$12.1	\$63.3	\$88,097	2.3	0.87	2.89	5.1

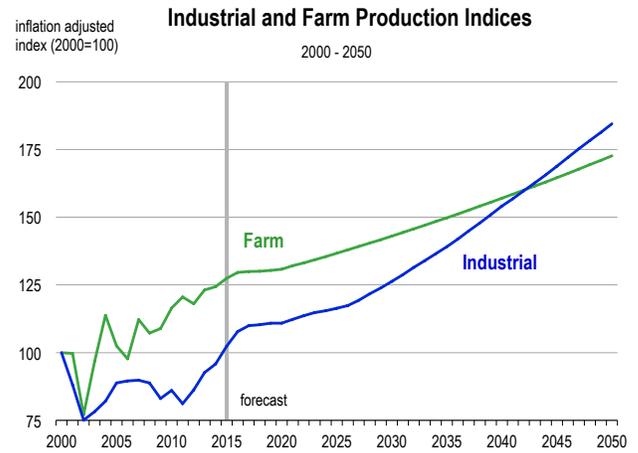
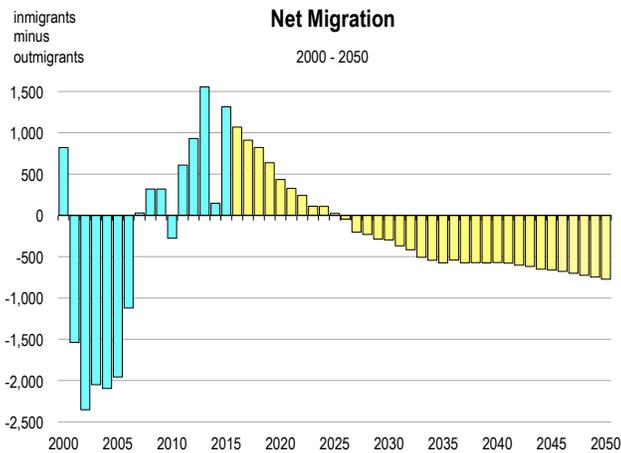
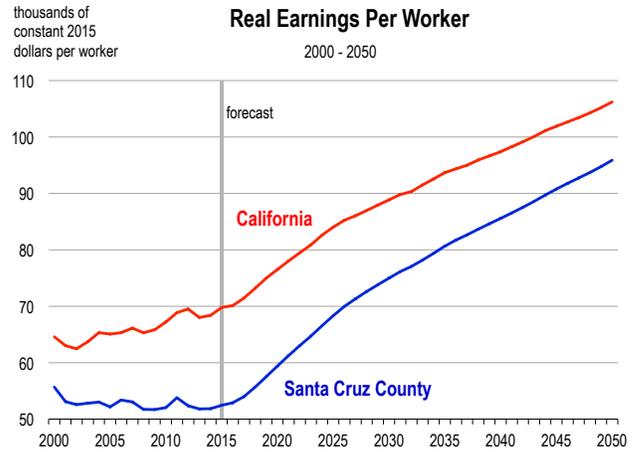
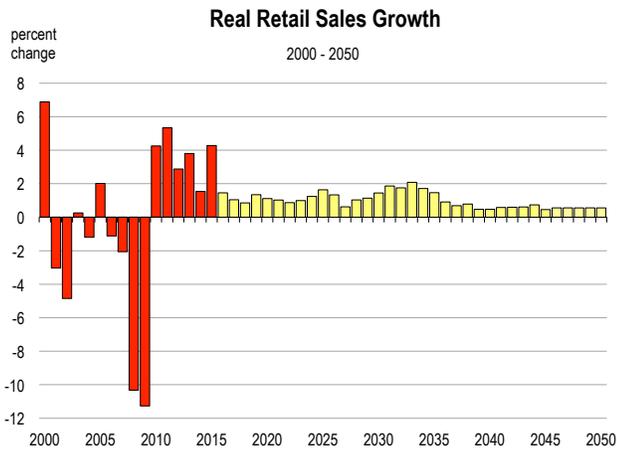


# Santa Cruz County Employment Forecast

## 2010-2015 History, 2016-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2010	97.6	9.6	3.0	5.5	1.5	14.9	3.3	9.1	0.9	15.1	10.9	20.3
2011	96.8	8.6	2.9	5.4	1.5	14.7	3.1	9.5	0.9	15.4	11.1	20.3
2012	98.6	8.4	3.0	5.7	1.4	14.8	3.2	9.7	0.8	15.8	11.6	20.4
2013	101.2	8.3	3.2	6.0	1.4	15.0	3.4	9.7	0.8	16.5	12.2	20.6
2014	103.7	8.5	3.4	6.2	1.3	15.3	3.5	9.5	0.8	16.9	12.9	21.1
2015	106.5	8.4	3.6	6.6	1.4	15.4	3.6	9.8	0.8	17.2	13.7	21.4
2016	108.7	8.4	3.8	6.9	1.4	15.7	3.6	9.9	0.8	17.6	14.0	21.8
2017	110.2	8.5	4.1	7.0	1.4	15.9	3.6	10.0	0.8	17.8	14.2	22.1
2018	111.2	8.5	4.4	7.0	1.4	16.0	3.7	10.1	0.8	18.0	14.3	22.2
2019	112.0	8.5	4.5	6.9	1.4	16.1	3.7	10.1	0.8	18.1	14.4	22.5
2020	112.8	8.5	4.5	6.8	1.4	16.2	3.7	10.2	0.8	18.3	14.6	22.8
2021	113.5	8.5	4.5	6.8	1.4	16.3	3.7	10.3	0.8	18.5	14.7	22.9
2022	114.2	8.5	4.5	6.8	1.4	16.4	3.7	10.4	0.8	18.7	14.9	23.1
2023	115.1	8.5	4.6	6.8	1.4	16.5	3.7	10.4	0.8	18.9	15.1	23.3
2024	116.0	8.5	4.8	6.7	1.4	16.6	3.7	10.5	0.8	19.1	15.1	23.5
2025	116.9	8.6	4.9	6.7	1.4	16.7	3.7	10.6	0.8	19.3	15.2	23.7
2026	117.6	8.6	5.0	6.7	1.4	16.9	3.7	10.7	0.8	19.5	15.3	23.9
2027	118.4	8.6	5.1	6.7	1.4	16.9	3.7	10.8	0.8	19.8	15.3	24.1
2028	119.0	8.6	5.0	6.7	1.4	17.0	3.7	10.9	0.8	20.0	15.4	24.3
2029	119.6	8.6	4.9	6.7	1.4	17.1	3.7	11.0	0.8	20.2	15.4	24.5
2030	120.3	8.6	4.8	6.7	1.4	17.3	3.7	11.0	0.8	20.4	15.5	24.7
2031	121.0	8.6	4.7	6.7	1.4	17.4	3.7	11.1	0.8	20.7	15.6	24.9
2032	121.6	8.6	4.5	6.7	1.4	17.6	3.7	11.2	0.8	20.9	15.7	25.1
2033	122.3	8.6	4.4	6.7	1.4	17.8	3.7	11.3	0.8	21.1	15.8	25.3
2034	122.9	8.6	4.2	6.7	1.4	17.9	3.7	11.3	0.8	21.3	15.9	25.5
2035	123.5	8.6	4.1	6.7	1.4	18.1	3.7	11.4	0.8	21.6	15.9	25.6
2036	124.2	8.6	4.1	6.7	1.4	18.2	3.7	11.5	0.8	21.8	16.0	25.8
2037	124.9	8.5	4.1	6.8	1.4	18.2	3.7	11.5	0.8	22.0	16.1	26.0
2038	125.6	8.5	4.1	6.8	1.4	18.3	3.7	11.6	0.8	22.3	16.2	26.2
2039	126.3	8.5	4.1	6.8	1.4	18.4	3.7	11.7	0.8	22.5	16.3	26.4
2040	127.0	8.5	4.2	6.8	1.4	18.4	3.7	11.7	0.8	22.7	16.4	26.5
2041	127.7	8.5	4.2	6.8	1.4	18.5	3.7	11.8	0.8	23.0	16.5	26.7
2042	128.4	8.5	4.3	6.8	1.4	18.5	3.7	11.9	0.8	23.2	16.6	26.9
2043	129.1	8.5	4.3	6.8	1.4	18.6	3.7	11.9	0.8	23.4	16.6	27.1
2044	129.7	8.5	4.3	6.8	1.4	18.7	3.7	12.0	0.8	23.7	16.7	27.2
2045	130.4	8.5	4.4	6.8	1.4	18.7	3.7	12.1	0.8	23.9	16.8	27.4
2046	131.1	8.5	4.4	6.8	1.4	18.8	3.7	12.1	0.8	24.2	16.9	27.6
2047	131.8	8.5	4.4	6.8	1.4	18.9	3.7	12.2	0.8	24.4	17.0	27.7
2048	132.4	8.4	4.4	6.8	1.4	18.9	3.7	12.3	0.8	24.6	17.1	27.9
2049	133.1	8.4	4.4	6.8	1.4	19.0	3.6	12.3	0.8	24.9	17.2	28.1
2050	133.7	8.4	4.4	6.8	1.4	19.0	3.7	12.4	0.8	25.1	17.2	28.2





## County Economic and Demographic Indicators

### Projected Economic Growth (2016-2021)

Expected retail sales growth:	5.5%
Expected job growth:	4.4%
Fastest growing jobs sector:	Construction
Expected personal income growth:	14.2%

Expected population growth:	4.0%
Net migration to account for:	28.2%
Expected growth in number of vehicles:	2.9%

### Demographics (2016)

Unemployment rate (April 2016):	7.5%
County rank* in California (58 counties):	39th
Working age (16-64) population:	67.8%

Population with B.A. or higher:	38.5%
Median home selling price (2015):	\$624,250
Median household income:	\$70,554

### Quality of Life

Violent crime rate (2014):	411 per 100,000 persons
County rank* in California (58 counties):	36th
Average commute time to work (2016):	28.0 minutes

High School drop out rate (2015):	8.8%
Households at/below poverty line (2016):	8.8%

\* The county ranked 1st corresponds to the lowest rate in California