

# SAN LUIS OBISPO COUNTY ECONOMIC FORECAST

San Luis Obispo County is located on the central coast of California, north of Santa Barbara County. It is one of the principal regions for California's wine industry. The county has a population of 272,000 people and a total of 110,000 wage and salary jobs. The per capita income is \$46,108 and the average salary per worker is \$50,411.

The principal employment clusters in San Luis Obispo County are retail trade, leisure services, education and healthcare services, and government. However, with 21,200 jobs, the public sector dominates all other industries. This is primarily because the county has several large state institutions, including Cal Poly State University, Cuesta College, Atascadero State Hospital, the California Men's Colony, and the California Youth Authority.

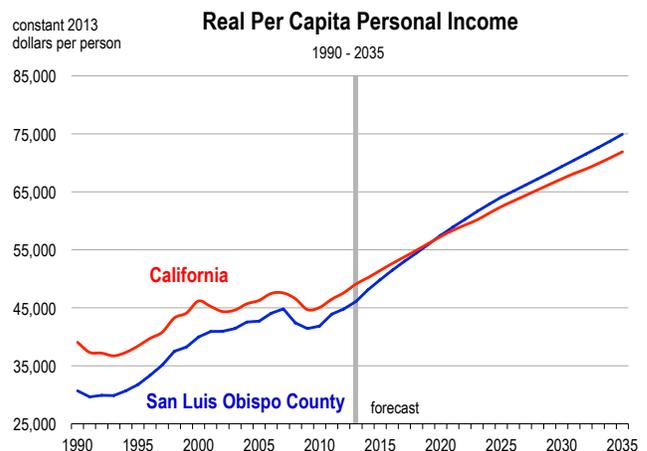
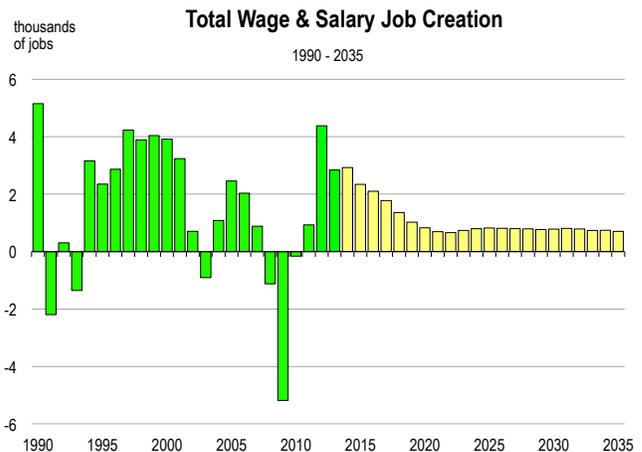
Across Southern California, employment increased by 2.7 percent in 2013. In San Luis Obispo County a total of 2,800 jobs were created, representing a growth rate of 2.7 percent. The unemployment rate improved substantially, falling from 8.1 percent in 2012 to 6.6 percent in 2013.

In 2013, job growth was spread across a number of industries. The largest employment gains were observed in professional services (+590 jobs), education and healthcare (+580 jobs), construction (+540 jobs), leisure and hospitality (+530 jobs), and government (+430 jobs). The largest declines were in agriculture (-640 jobs).

From 2008 to 2013, the population of San Luis Obispo County increased by 0.4 percent per year. This was largely due to net migration; an average of 870 net migrants entered the county each year, representing 88 percent of total employment growth. Net migration will continue to account for the majority of all population growth, as an older resident base leads to a low birth rate. Many in-migrants will settle in the north county, especially the Paso Robles area, where more housing will be built.

## FORECAST HIGHLIGHTS

- In 2014, total employment is expected to increase by 2.7 percent. From 2014 to 2019, growth is expected to average 1.5 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast horizon. In San Luis Obispo County, inflation-adjusted salaries will rise by an average of 1.2 percent per year between 2014 and 2019.
- The professional services, leisure and hospitality, construction, wholesale and retail trade, and government sectors will exhibit the strongest job growth between 2014 and 2019. Together, these sectors will account for 80 percent of net job creation in the county.

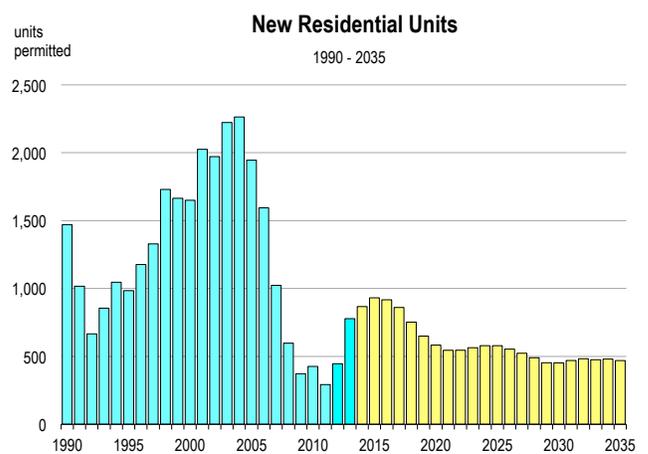
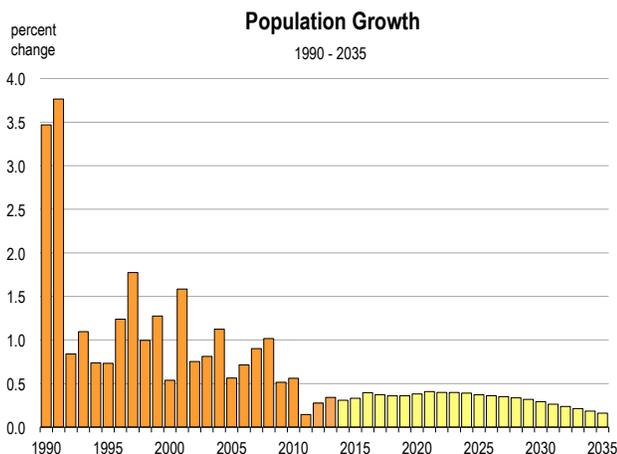


- Population growth will remain slow, with growth averaging 0.4 percent per year between 2014 and 2019.
- Between 2014 and 2019, an average of 720 net migrants will enter the county each year, accounting for 72 percent of total population growth.
- Real income per capita will rise by 4.4 percent in 2014. Over the 2014-2019 period, growth will average 3.1 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 3.4 percent per year over the 2014-2019 period.
- Industrial production is forecasted to increase by 3.8 percent in 2014. From 2014 to 2019, the growth rate of industrial production will average 2.9 percent per year.
- Farm production is forecasted to increase by 0.8 percent per year between 2014 and 2019. The principal crops in the county are strawberries and wine grapes.

# San Luis Obispo County Economic Forecast

## 2006-2013 History, 2014-2040 Forecast

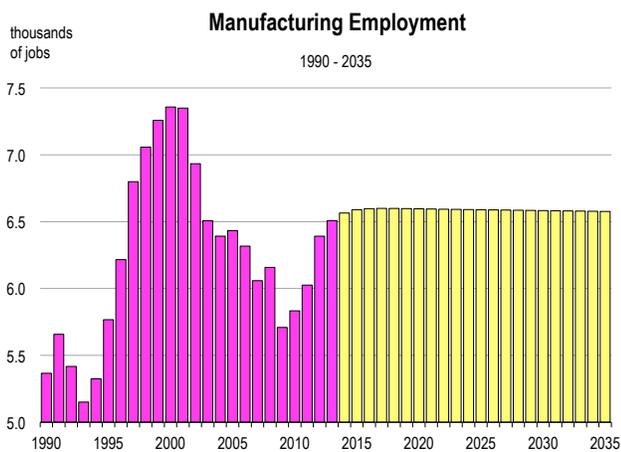
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	261,803	946	288	98.6	1,595	\$4.22	\$10.15	\$44,081	4.3	716.8	1,592	3.9
2007	264,162	1,161	285	99.9	1,024	\$4.27	\$10.75	\$44,807	3.3	702.3	1,600	4.3
2008	266,850	1,709	286	100.7	597	\$3.97	\$10.64	\$42,408	3.5	641.0	1,676	5.7
2009	268,224	2,028	285	101.1	373	\$3.44	\$10.37	\$41,432	-0.8	667.7	1,613	9.0
2010	269,732	742	286	102.0	427	\$3.61	\$10.66	\$41,861	1.2	754.8	1,600	10.0
2011	270,123	1,107	286	102.2	293	\$4.02	\$11.50	\$43,922	2.7	759.3	1,606	9.5
2012	270,869	-3	284	102.7	446	\$5.03	\$12.01	\$44,812	2.0	871.1	1,795	8.1
2013	271,794	459	293	103.0	778	\$5.09	\$12.53	\$46,108	1.1	904.9	1,906	6.6
2014	272,633	521	296	103.6	867	\$5.36	\$13.38	\$48,122	1.6	920.0	1,977	6.0
2015	273,537	607	298	104.4	931	\$5.68	\$14.24	\$49,832	2.1	927.5	2,044	5.2
2016	274,618	784	300	105.1	917	\$6.04	\$15.12	\$51,494	2.0	934.0	2,095	4.5
2017	275,641	738	302	105.9	860	\$6.35	\$15.88	\$53,017	1.2	942.3	2,149	4.2
2018	276,632	712	303	106.7	752	\$6.66	\$16.64	\$54,480	1.1	951.3	2,211	4.1
2019	277,627	738	305	107.4	650	\$6.97	\$17.45	\$55,983	1.2	959.2	2,276	4.1
2020	278,685	821	306	108.0	583	\$7.29	\$18.28	\$57,487	1.2	966.5	2,342	4.0
2021	279,823	928	307	108.6	545	\$7.61	\$19.16	\$58,948	1.3	974.0	2,407	4.1
2022	280,938	934	308	109.1	545	\$7.92	\$20.03	\$60,274	1.4	980.6	2,474	4.1
2023	282,056	960	309	109.6	564	\$8.23	\$20.93	\$61,606	1.3	987.4	2,548	4.1
2024	283,157	963	310	110.1	579	\$8.55	\$21.82	\$62,866	1.3	994.0	2,616	4.1
2025	284,208	943	312	110.6	579	\$8.91	\$22.72	\$64,064	1.3	1000.7	2,687	4.1
2026	285,234	945	313	111.1	554	\$9.27	\$23.61	\$65,141	1.3	1007.6	2,763	4.1
2027	286,232	947	315	111.6	523	\$9.65	\$24.50	\$66,189	1.3	1014.6	2,845	4.1
2028	287,194	942	317	112.1	490	\$10.05	\$25.42	\$67,238	1.3	1021.5	2,934	4.1
2029	288,110	928	318	112.5	453	\$10.46	\$26.37	\$68,292	1.3	1028.4	3,029	4.1
2030	288,952	887	320	112.9	452	\$10.89	\$27.34	\$69,367	1.3	1035.8	3,128	4.0
2031	289,713	840	322	113.4	470	\$11.36	\$28.35	\$70,460	1.3	1043.3	3,229	4.0
2032	290,401	794	323	113.8	483	\$11.86	\$29.37	\$71,549	1.3	1049.7	3,333	4.1
2033	291,020	752	325	114.2	476	\$12.37	\$30.42	\$72,627	1.3	1056.1	3,441	4.1
2034	291,556	708	326	114.6	481	\$12.89	\$31.50	\$73,763	1.3	1062.7	3,553	4.1
2035	292,024	678	327	115.0	469	\$13.42	\$32.63	\$74,942	1.3	1069.8	3,668	4.1
2036	292,425	644	328	115.4	479	\$13.96	\$33.79	\$76,132	1.3	1076.0	3,786	4.1
2037	292,756	612	329	115.9	493	\$14.51	\$34.99	\$77,353	1.3	1082.7	3,909	4.1
2038	293,021	583	330	116.3	511	\$15.08	\$36.23	\$78,612	1.3	1090.5	4,035	4.1
2039	293,222	557	331	116.7	532	\$15.65	\$37.52	\$79,912	1.3	1097.1	4,166	4.1
2040	293,349	521	331	117.2	564	\$16.24	\$38.85	\$81,251	1.3	1103.8	4,322	4.1

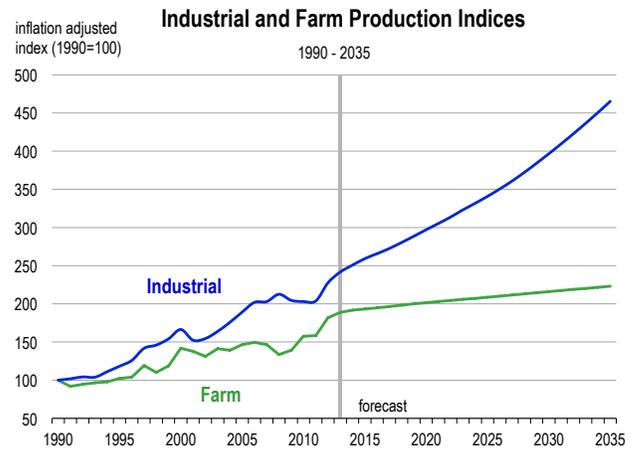
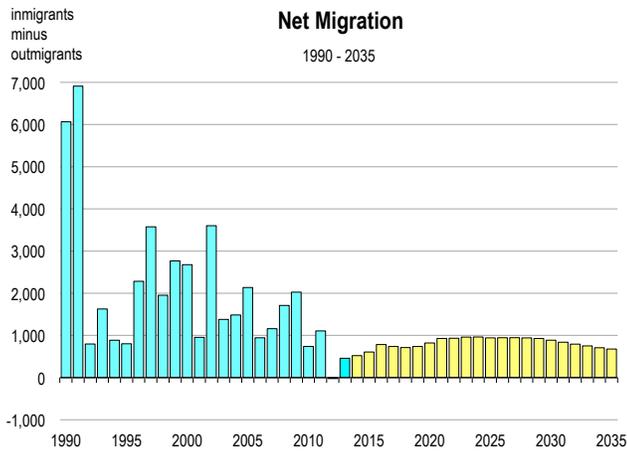
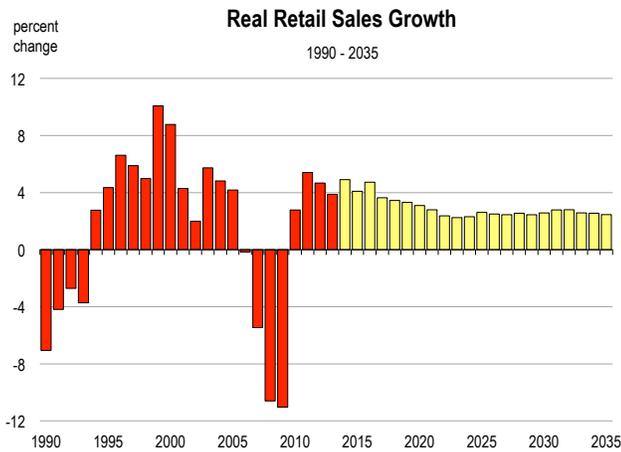


# San Luis Obispo County Employment Forecast

## 2006-2013 History, 2014-2040 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)-----												
2006	107.6	4.3	8.2	6.3	3.8	17.0	4.9	9.5	1.5	10.8	15.0	22.2
2007	108.5	4.5	7.6	6.1	4.1	16.9	4.6	9.8	1.4	11.1	15.7	22.3
2008	107.4	4.4	6.6	6.2	3.9	16.5	4.2	9.7	1.4	11.4	15.4	23.3
2009	102.2	3.8	5.3	5.7	3.6	15.3	4.0	9.3	1.2	12.1	15.0	22.3
2010	102.0	4.7	4.9	5.8	3.6	15.5	3.9	9.8	1.2	12.3	14.8	20.9
2011	103.0	4.7	5.1	6.0	3.5	15.9	4.0	10.3	1.1	12.3	14.9	20.6
2012	107.4	5.1	5.5	6.4	3.8	16.3	4.1	11.2	1.2	12.7	15.7	20.7
2013	110.2	4.5	6.1	6.5	4.1	16.4	4.1	11.8	1.4	13.3	16.2	21.2
2014	113.1	4.9	6.7	6.6	4.1	16.8	4.1	12.5	1.4	13.3	16.7	21.3
2015	115.5	4.9	7.2	6.6	4.1	17.2	4.1	13.1	1.4	13.4	17.0	21.6
2016	117.6	5.0	7.5	6.6	4.2	17.5	4.1	13.6	1.5	13.5	17.4	21.7
2017	119.3	5.1	7.7	6.6	4.2	17.9	4.2	14.1	1.5	13.6	17.7	21.9
2018	120.7	5.2	7.6	6.6	4.2	18.1	4.2	14.5	1.5	13.7	17.9	22.0
2019	121.7	5.3	7.5	6.6	4.2	18.4	4.3	14.8	1.6	13.8	18.0	22.2
2020	122.6	5.3	7.3	6.6	4.3	18.7	4.4	15.1	1.6	13.9	18.0	22.3
2021	123.3	5.4	7.1	6.6	4.3	18.9	4.5	15.3	1.6	14.1	18.0	22.3
2022	123.9	5.4	7.0	6.6	4.3	19.2	4.6	15.5	1.6	14.2	18.0	22.4
2023	124.7	5.4	6.9	6.6	4.4	19.4	4.7	15.7	1.6	14.3	18.0	22.4
2024	125.5	5.5	6.9	6.6	4.4	19.6	4.7	15.9	1.6	14.5	18.0	22.5
2025	126.3	5.5	6.9	6.6	4.4	19.8	4.8	16.2	1.6	14.6	18.0	22.6
2026	127.1	5.6	6.9	6.6	4.4	20.0	4.9	16.4	1.6	14.8	18.0	22.7
2027	127.9	5.6	6.8	6.6	4.5	20.2	5.0	16.5	1.7	15.0	18.0	22.8
2028	128.7	5.6	6.8	6.6	4.5	20.4	5.1	16.7	1.7	15.1	18.0	22.8
2029	129.4	5.7	6.7	6.6	4.5	20.6	5.2	16.9	1.7	15.3	18.0	22.9
2030	130.2	5.7	6.6	6.6	4.5	20.8	5.3	17.1	1.7	15.5	18.0	23.0
2031	131.0	5.8	6.6	6.6	4.6	21.0	5.4	17.3	1.7	15.7	18.0	23.1
2032	131.8	5.8	6.6	6.6	4.6	21.3	5.4	17.4	1.7	15.9	18.0	23.1
2033	132.6	5.8	6.6	6.6	4.6	21.5	5.5	17.6	1.7	16.0	18.0	23.2
2034	133.3	5.9	6.6	6.6	4.7	21.7	5.6	17.7	1.7	16.1	18.0	23.3
2035	134.0	5.9	6.6	6.6	4.7	21.9	5.7	17.9	1.8	16.2	18.0	23.4
2036	134.7	5.9	6.6	6.6	4.7	22.1	5.7	18.0	1.8	16.3	18.0	23.4
2037	135.3	6.0	6.6	6.6	4.8	22.2	5.8	18.1	1.8	16.4	18.0	23.5
2038	135.9	6.0	6.6	6.6	4.8	22.4	5.9	18.2	1.8	16.4	18.0	23.6
2039	136.6	6.1	6.6	6.6	4.8	22.6	6.0	18.4	1.8	16.5	18.0	23.7
2040	137.2	6.1	6.7	6.6	4.9	22.8	6.1	18.5	1.8	16.6	18.0	23.7





## County Economic and Demographic Indicators

### Projected Economic Growth (2014-2019)

Expected retail sales growth:	20.8%
Expected job growth:	7.6%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	18.5%

Expected population growth:	1.8%
Net migration to account for:	71.7%
Expected growth in number of vehicles:	2.8%

### Demographics (2014)

Unemployment rate (April 2014):	5.2%
County rank* in California (58 counties):	6th
Working age (16-64) population:	67.1%

Population with B.A. or higher:	30.6%
Median home selling price (2013):	\$415,000
Median household Income:	\$54,270

### Quality of Life

Violent crime rate (2012):	284 per 100,000 persons
County rank* in California (58 counties):	18th
Average commute time to work (2014):	22.2 minutes

High School drop out rate (2012):	7.6%
Households at/below poverty line (2014):	7.7%

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