

# SAN LUIS OBISPO COUNTY ECONOMIC FORECAST

San Luis Obispo County is located on the central coast, north of Santa Barbara County. It is one of the principal wine grape growing and bottling regions in California. The population in 2010 was 270,000 people, and wage and salary jobs totaled 99,900. The per capita income in San Luis Obispo County is \$40,323, and the average salary per worker is \$45,063.

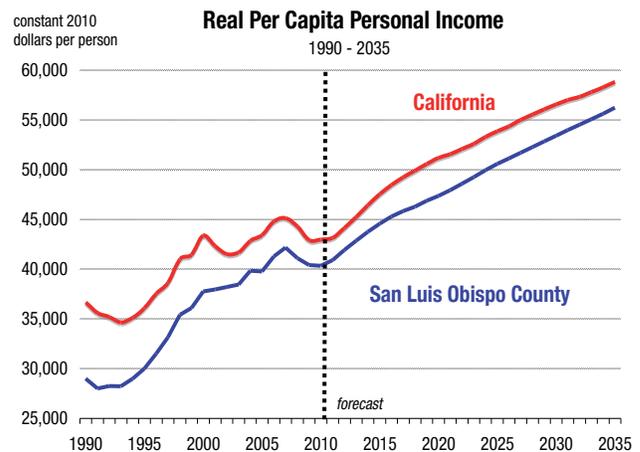
Nearly 1,500 wage and salary jobs were lost in San Luis Obispo County last year, representing a growth rate of -1.5 percent. Though the unemployment rate increased to 10.2 percent, San Luis Obispo County is still one of the more fully employed labor markets in the state.

The principal employment clusters in San Luis Obispo County are retail trade, leisure services, education and healthcare services, and government. The public sector dominates all other sectors in terms of jobs because of the large state institutions located in the county, including Cal Poly State University, Cuesta College, Atascadero State Hospital, the California Men's Colony, and the California Youth Authority. Government employment has declined more in San Luis Obispo than nearly every other county in the state, down 6.2 percent in 2010 after falling 4.5 percent in 2009. However many sectors did create employment during 2010, including agriculture, manufacturing, retail trade, wholesale trade, education and healthcare, and professional services.

Due to an older population, higher home prices and a lack of housing growth, population has been falling in a number of southern coastal cities. In the past 10 years the population of San Luis Obispo City has increased just 2 percent, while Morro Bay and Pismo Beach have declined in population. Future growth will occur in Paso Robles and Atascadero to the north, and Nipomo to the south.

## FORECAST HIGHLIGHTS

- Job growth is expected to be minimal in 2011. The forecast estimate is 0.7 percent. From 2011 to 2016, the average annual growth rate is expected to average 2.4 percent per year.
- The average salary adjusted for inflation is currently well below the California state average, and will remain so over the forecast horizon. Real average salaries rise an average of 0.7 percent per year between 2011 and 2016.
- The professional business services, leisure, construction, retail trade and government sectors will be the growth engine of jobs in San Luis Obispo County, accounting for almost 89 percent of all net job creation.
- Population will continue to grow modestly in the county. In 2011, a continuation of slow growth (0.6 percent) is forecast. Annual growth in the 2011 to 2016 period averages 1.2 percent per year.

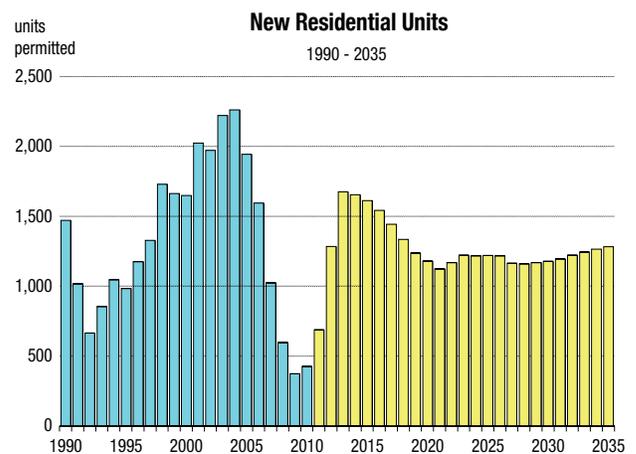
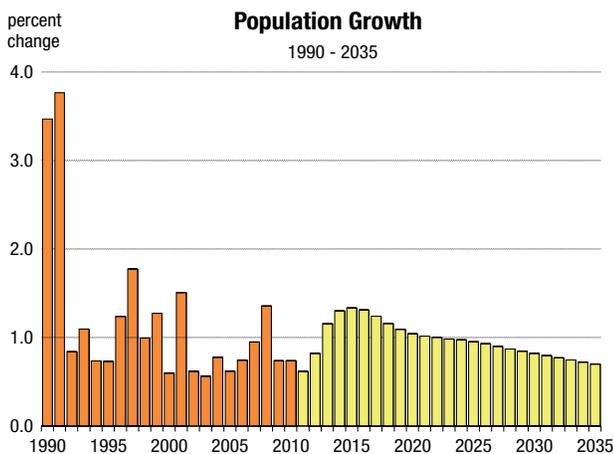


- Between 2011 and 2016 net migration is forecast to average 2,600 people entering the county per year. Much of the new population will relocate in the north county, especially in the Paso Robles area where more housing will be built.
- Real per capita incomes rise in 2011 after falling for the past 3 years. An annual compound rate of growth of 2.1 percent is forecast between 2011 and 2016.
- Total taxable sales adjusted for inflation are expected to increase by an average of 4.3 percent per year over the 2011 to 2016 period.
- Industrial production is forecast to decline by 0.7 percent in 2011. From 2011 to 2016, the growth rate of industrial production will average -0.8 percent per year as manufacturing leaves the county.
- Farm production is forecast to increase by 0.3 percent per year between 2011 and 2016. The principal crop in the county is wine grapes.

# San Luis Obispo County Economic Forecast

## 2006-2010 History, 2011-2040 Forecast

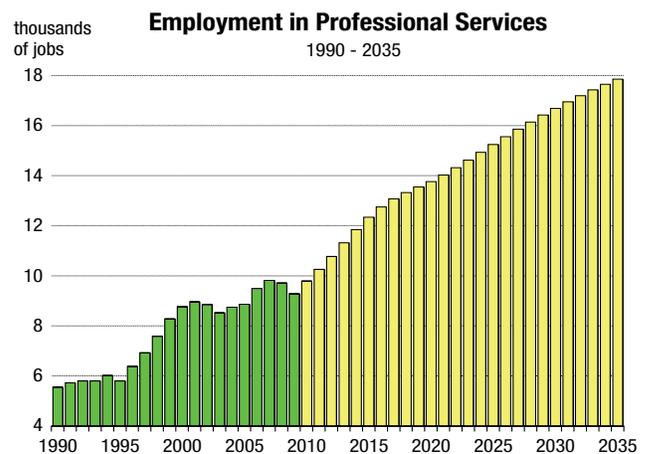
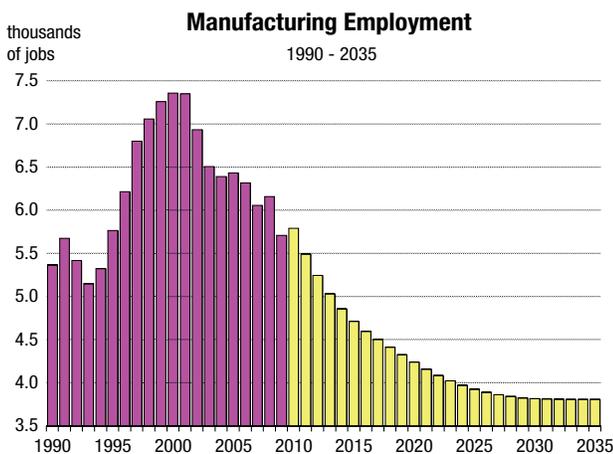
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	260,109	1,084	288	102.1	1,595	\$4.22	\$10.00	\$41,269	4.3	676.9	1,519	3.9
2007	262,580	1,228	285	104.1	1,024	\$4.27	\$10.65	\$42,166	3.3	663.2	1,511	4.3
2008	266,146	1,822	286	105.4	597	\$3.97	\$10.90	\$41,099	3.5	605.3	1,600	5.7
2009	268,118	2,998	285	106.4	373	\$3.44	\$10.71	\$40,411	-0.8	630.6	1,634	9.0
2010	270,104	1,529	286	108.0	426	\$3.56	\$10.89	\$40,323	1.2	627.5	1,672	10.2
2011	271,774	1,199	286	108.5	689	\$3.75	\$11.37	\$40,894	2.3	647.4	1,660	9.6
2012	274,005	1,764	288	109.1	1,285	\$4.00	\$12.02	\$41,916	2.3	657.1	1,630	8.5
2013	277,174	2,695	292	110.3	1,676	\$4.30	\$12.74	\$42,859	2.5	660.6	1,612	7.5
2014	280,783	3,126	298	111.9	1,655	\$4.61	\$13.54	\$43,752	2.7	660.7	1,594	6.5
2015	284,531	3,262	305	113.4	1,613	\$4.91	\$14.37	\$44,577	2.8	659.0	1,583	5.4
2016	288,272	3,261	312	114.9	1,544	\$5.27	\$15.22	\$45,289	2.9	656.2	1,592	4.9
2017	291,856	3,116	317	116.3	1,443	\$5.63	\$16.02	\$45,822	2.8	651.8	1,615	4.7
2018	295,242	2,940	323	117.7	1,336	\$5.98	\$16.82	\$46,290	2.7	646.2	1,636	4.6
2019	298,471	2,809	328	118.9	1,237	\$6.31	\$17.65	\$46,874	2.5	640.0	1,656	4.5
2020	301,587	2,731	332	120.0	1,181	\$6.61	\$18.43	\$47,368	2.3	634.0	1,678	4.4
2021	304,655	2,719	336	121.1	1,124	\$6.93	\$19.27	\$47,947	2.2	628.6	1,704	4.4
2022	307,711	2,746	341	122.2	1,170	\$7.19	\$20.16	\$48,579	2.3	623.6	1,729	4.4
2023	310,736	2,752	345	123.2	1,222	\$7.48	\$21.10	\$49,247	2.2	618.9	1,754	4.4
2024	313,765	2,794	350	124.4	1,218	\$7.79	\$22.08	\$49,941	2.2	614.9	1,784	4.4
2025	316,754	2,793	354	125.5	1,220	\$8.17	\$23.06	\$50,588	2.2	611.4	1,818	4.4
2026	319,708	2,797	359	126.6	1,219	\$8.53	\$24.04	\$51,141	2.2	608.6	1,856	4.4
2027	322,594	2,770	363	127.8	1,164	\$8.92	\$25.05	\$51,712	2.1	606.4	1,900	4.4
2028	325,407	2,740	368	128.8	1,161	\$9.33	\$26.10	\$52,274	2.2	605.3	1,945	4.4
2029	328,163	2,725	373	129.9	1,169	\$9.73	\$27.19	\$52,845	2.2	604.8	1,994	4.4
2030	330,861	2,708	377	131.0	1,179	\$10.15	\$28.32	\$53,411	2.2	604.6	2,046	4.4
2031	333,496	2,690	382	132.1	1,196	\$10.56	\$29.49	\$53,972	2.2	605.9	2,103	4.4
2032	336,074	2,676	387	133.2	1,223	\$10.99	\$30.69	\$54,517	2.2	608.4	2,162	4.4
2033	338,591	2,662	391	134.3	1,244	\$11.43	\$31.92	\$55,068	2.2	612.2	2,223	4.4
2034	341,043	2,646	396	135.5	1,266	\$11.89	\$33.22	\$55,628	2.3	616.8	2,286	4.4
2035	343,432	2,632	400	136.6	1,284	\$12.37	\$34.57	\$56,236	2.2	621.3	2,351	4.4
2036	345,756	2,619	405	137.8	1,305	\$12.87	\$35.97	\$56,870	2.2	626.3	2,419	4.4
2037	348,021	2,611	410	139.0	1,325	\$13.41	\$37.43	\$57,518	2.2	631.8	2,488	4.4
2038	350,227	2,603	414	140.3	1,342	\$13.97	\$38.95	\$58,208	2.2	636.9	2,560	4.4
2039	352,369	2,593	419	141.5	1,360	\$14.56	\$40.54	\$58,941	2.2	642.1	2,635	4.4
2040	354,452	2,586	424	142.8	1,380	\$15.17	\$42.19	\$59,723	2.1	646.4	2,715	4.4

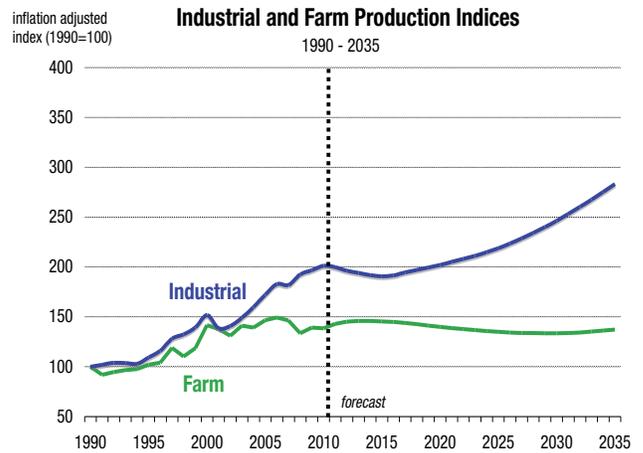
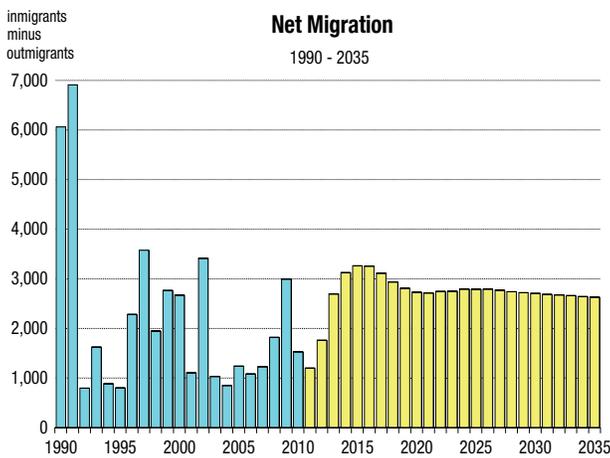
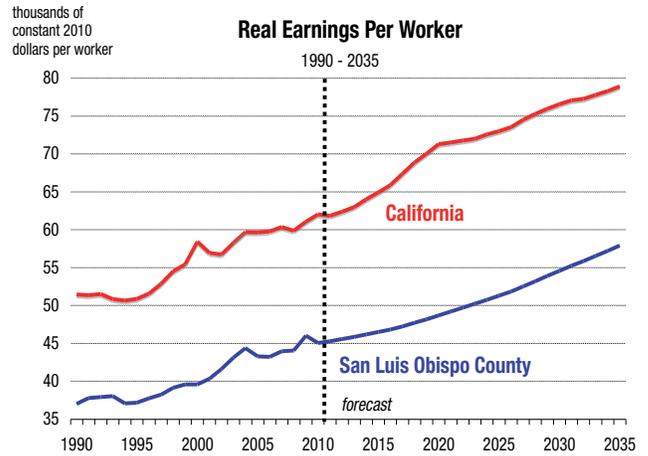
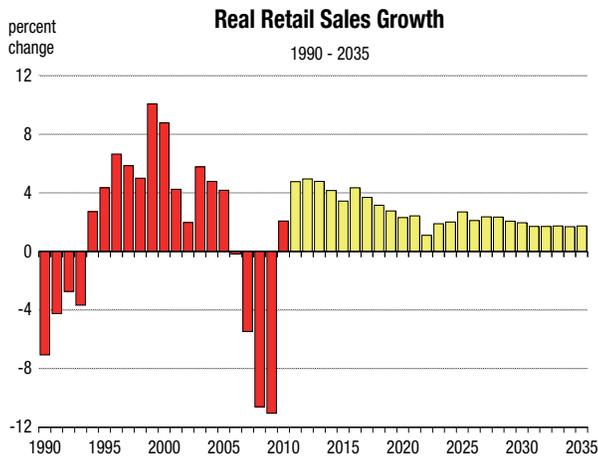


# San Luis Obispo County Employment Forecast

## 2006-2010 History, 2011-2040 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	4.34	8.2	6.3	3.8	17.0	4.9	9.5	1.5	10.8	15.0	22.2
2007	108.5	4.49	7.6	6.1	4.1	16.9	4.6	9.8	1.4	11.1	15.7	22.3
2008	107.4	4.35	6.6	6.2	3.9	16.4	4.2	9.7	1.4	11.4	15.4	23.3
2009	101.4	3.76	5.3	5.7	3.6	15.3	4.0	9.3	1.2	11.3	15.0	22.3
2010	99.9	3.83	4.9	5.8	3.6	15.4	3.9	9.8	1.2	11.3	14.7	20.9
2011	100.6	3.82	4.8	5.5	3.6	15.8	4.0	10.3	1.3	11.4	15.1	20.5
2012	103.5	3.80	5.2	5.2	3.6	16.2	4.2	10.8	1.3	11.5	15.5	21.4
2013	106.3	3.78	6.0	5.0	3.7	16.7	4.5	11.3	1.4	11.6	16.0	21.7
2014	108.9	3.75	6.6	4.9	3.7	17.1	4.6	11.8	1.4	11.7	16.5	22.0
2015	111.3	3.73	7.0	4.7	3.8	17.6	4.6	12.3	1.5	11.9	17.2	22.2
2016	113.2	3.71	7.3	4.6	3.8	18.0	4.6	12.8	1.5	12.0	17.7	22.4
2017	114.8	3.69	7.4	4.5	3.8	18.5	4.6	13.1	1.6	12.1	18.2	22.5
2018	116.2	3.67	7.4	4.4	3.9	18.9	4.5	13.3	1.6	12.2	18.5	22.9
2019	117.4	3.66	7.3	4.3	3.9	19.3	4.5	13.6	1.6	12.2	18.7	23.4
2020	118.7	3.65	7.2	4.2	4.0	19.6	4.6	13.8	1.6	12.4	18.8	24.0
2021	120.2	3.65	7.1	4.2	4.0	20.0	4.6	14.0	1.6	12.5	19.0	24.5
2022	121.6	3.65	7.1	4.1	4.1	20.2	4.6	14.3	1.6	12.6	19.3	25.0
2023	123.1	3.65	7.1	4.0	4.1	20.5	4.7	14.6	1.6	12.7	19.5	25.5
2024	124.6	3.65	7.1	4.0	4.2	20.7	4.8	14.9	1.6	12.8	19.7	25.9
2025	126.2	3.66	7.1	3.9	4.2	21.1	4.8	15.3	1.6	13.0	20.0	26.3
2026	127.7	3.66	7.1	3.9	4.2	21.4	4.9	15.6	1.7	13.1	20.2	26.7
2027	129.1	3.67	7.1	3.9	4.3	21.7	5.0	15.9	1.7	13.2	20.4	27.1
2028	130.6	3.68	7.0	3.8	4.3	22.1	5.0	16.1	1.7	13.4	20.7	27.5
2029	132.1	3.69	7.0	3.8	4.3	22.4	5.1	16.4	1.7	13.5	20.9	27.9
2030	133.6	3.70	7.0	3.8	4.3	22.7	5.2	16.7	1.7	13.6	21.1	28.3
2031	135.1	3.71	7.0	3.8	4.4	23.0	5.2	17.0	1.8	13.7	21.4	28.7
2032	136.6	3.72	7.0	3.8	4.4	23.3	5.3	17.2	1.8	13.9	21.6	29.1
2033	138.1	3.72	7.0	3.8	4.4	23.6	5.4	17.4	1.8	14.0	21.9	29.5
2034	139.6	3.73	7.0	3.8	4.5	23.9	5.5	17.7	1.8	14.1	22.1	29.9
2035	141.1	3.73	7.0	3.8	4.5	24.2	5.5	17.9	1.8	14.2	22.4	30.3
2036	142.6	3.73	7.0	3.8	4.6	24.5	5.6	18.1	1.9	14.3	22.7	30.8
2037	144.1	3.72	7.0	3.8	4.6	24.8	5.7	18.3	1.9	14.4	22.9	31.2
2038	145.6	3.72	7.0	3.8	4.6	25.1	5.8	18.5	1.9	14.5	23.2	31.6
2039	147.1	3.71	7.0	3.8	4.7	25.5	5.9	18.7	1.9	14.6	23.4	32.1
2040	148.6	3.70	7.0	3.8	4.7	25.9	6.0	18.9	1.9	14.7	23.7	32.5





## County Economic and Demographic Indicators

### Projected Economic Growth (2011-2016)

Expected retail sales growth:	23.6%
Expected job growth:	12.5%
Fastest growing jobs sector:	Construction
Expected personal income growth:	17.4%

Expected population growth:	6.1%
Net migration to account for:	86.0%
Expected growth in number of vehicles:	9.0%

### Demographics (2011)

Unemployment rate (June 2011)	10.0 %
County Rank* in California (58 counties):	7th
Working age (16-64) population:	67.9%

Population with B.A. Degree or higher:	30.0 %
Median Home Selling Price:	\$370,000
Median Household Income:	\$54,678

### Quality of Life

Violent Crime rate (2009):	257 per 100,000 persons
County Rank* in California (58 counties):	9th
Average Commute Time to work (2011):	20.6 minutes

High School drop out rate (2009):	12.2 %
Households at/below poverty line:	5.7 %

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