

SAN MATEO COUNTY ECONOMIC FORECAST

San Mateo County is located south of San Francisco County, along the Bay Area Peninsula. The county has some of the most expensive housing in the state, with the median price of over \$600,000. San Mateo County has a population of 719,500 people and approximately 314,500 wage and salary jobs. The per capita income in San Mateo County is \$68,582, and the average salary per worker is among the highest in the state at \$86,247. Together with San Francisco and Marin Counties, the median family income for 2010 was \$99,400, second highest in the state behind Santa Clara County.

Employment growth in Northern California was negative in 2010. Employment in the greater Bay Area declined by 1.4 percent last year. In San Mateo County, employment declined by 4,800 jobs in 2010, a growth rate of -1.5 percent. The unemployment rate increased to 8.9 percent, but remains one of the lowest unemployment rates in the state.

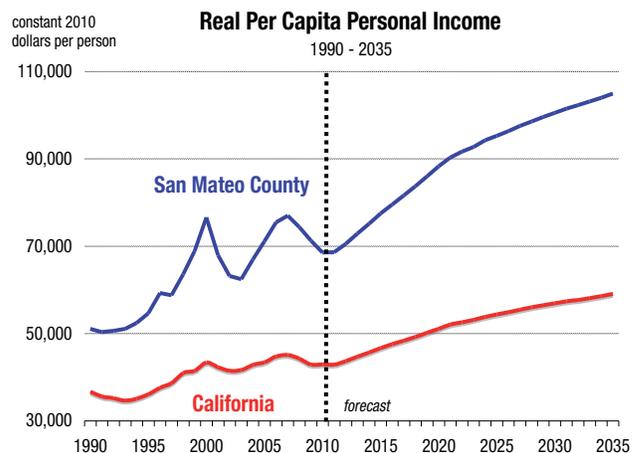
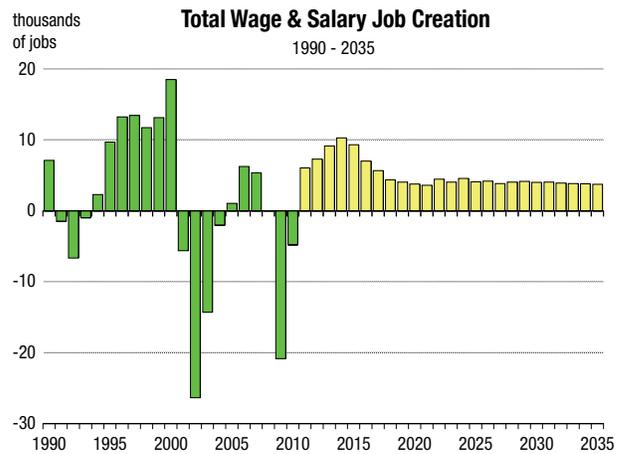
Professional services and leisure and hospitality were the only sectors to create jobs during 2010, though in both cases gains were very minor. Job declines were greatest in the construction (-1,300 jobs), retail trade (-1,000 jobs), financial activities (-700 jobs), and government (-600 jobs) sectors.

Between the 2000 and 2010 census the population of San Mateo grew by just 1.6 percent. The fallout from the dotcom crash led to declining population between 2001 and 2006. The fastest growing large cities over the past ten years were San Mateo City, South San Francisco, and Foster which all grew between 5 and 6 percent during this period.

Positive employment growth is forecast to return in San Mateo County in 2011. Total wage and salary jobs are not forecast to reach the 2000 peak until approximately 2019. Population growth will remain low throughout the forecast.

FORECAST HIGHLIGHTS

- Job growth is forecast to be 1.9 percent in 2011. From 2011 to 2016 job growth is expected to average 2.6 percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.6 percent per year from 2011 to 2016.
- Between 2011 and 2016, employment growth is lead by the professional services, transportation and warehousing, information, and retail trade sectors, which combined account for 73 percent of employment growth. The farm, manufacturing, and financial activities sectors are expected to have moderate declines in employment during this period.

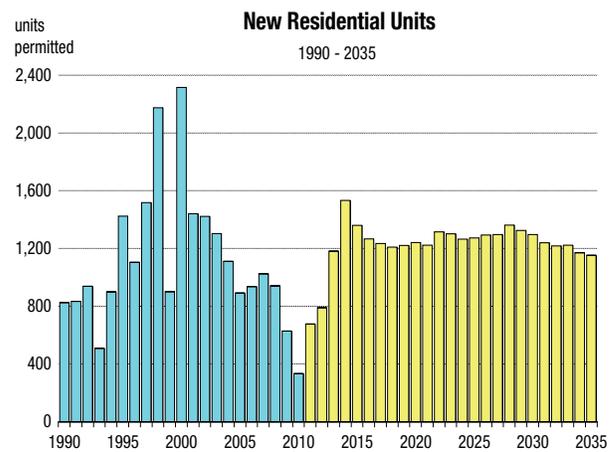
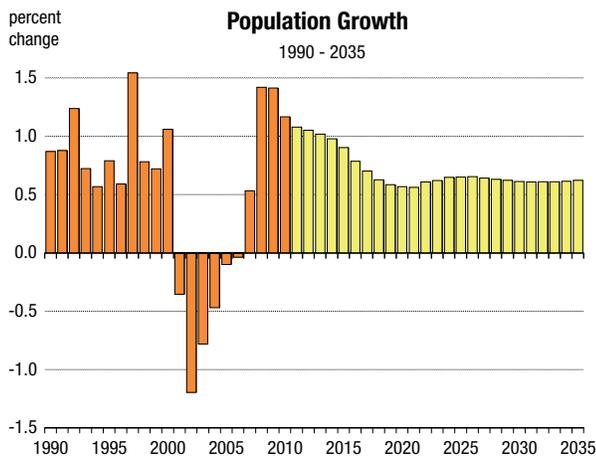


- The population will grow at a rate of approximately 1.1 percent in 2011. Annual growth in the 2011 to 2016 period is forecast to average 0.9 percent per year.
- After high levels of out-migration from 2001 to 2007, net migration has been positive since. Between 2011 and 2016 it is expected that migration will slow, with an average of 2,700 people entering the county per year.
- Real per capita incomes remain constant in 2011. During the 2011 to 2016 period real per capita incomes are forecast to increase 3.0 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 3.9 percent per year from 2011 to 2016.
- Industrial production is forecast to rise 4.7 percent in 2011. Over the next five years the growth rate of industrial production will average 2.0 percent per year.

San Mateo County Economic Forecast

2006-2010 History, 2011-2040 Forecast

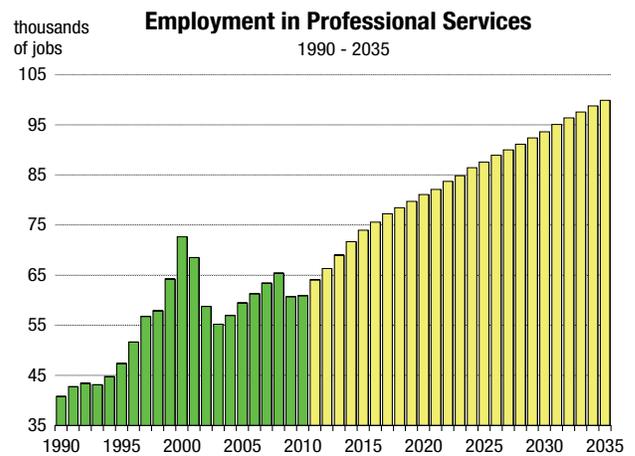
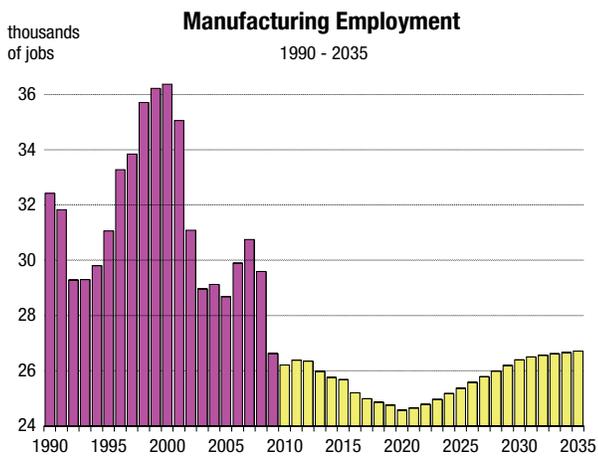
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	687,727	-5,459	702	260	937	\$12.9	\$47.7	\$75,457	3.2	183.4	8.53	3.7
2007	691,392	-1,569	707	262	1,025	\$13.3	\$50.6	\$76,997	3.4	181.8	8.66	3.8
2008	701,217	4,347	698	263	942	\$13.1	\$51.1	\$74,402	3.0	166.3	8.91	4.8
2009	711,145	4,865	684	264	629	\$11.3	\$50.0	\$71,261	0.8	151.2	8.88	8.4
2010	719,450	3,537	678	264	333	\$11.8	\$49.3	\$68,582	1.3	152.8	8.85	8.9
2011	727,204	3,101	685	265	675	\$12.5	\$51.5	\$68,585	3.3	146.4	9.26	7.7
2012	734,802	3,044	693	265	788	\$13.4	\$54.7	\$70,526	2.3	140.0	9.45	7.0
2013	742,218	2,977	703	266	1,177	\$14.3	\$58.4	\$72,860	2.3	133.7	9.64	6.2
2014	749,416	2,877	713	267	1,530	\$15.2	\$62.3	\$75,147	2.4	127.6	9.82	5.4
2015	756,139	2,540	723	268	1,358	\$16.1	\$66.3	\$77,531	2.1	122.0	10.01	4.8
2016	762,064	1,857	731	270	1,264	\$17.0	\$70.0	\$79,572	2.1	116.4	10.23	4.4
2017	767,430	1,401	738	271	1,236	\$17.7	\$73.8	\$81,665	2.1	111.0	10.58	4.1
2018	772,306	1,000	743	272	1,211	\$18.5	\$77.7	\$83,756	2.0	105.7	10.88	3.9
2019	776,929	831	747	273	1,224	\$19.3	\$81.8	\$86,052	1.9	100.5	11.16	3.6
2020	781,464	830	751	274	1,244	\$20.1	\$85.9	\$88,328	1.7	95.8	11.44	3.3
2021	785,969	864	756	275	1,226	\$20.8	\$89.9	\$90,331	1.7	91.6	11.80	3.2
2022	790,855	1,294	764	276	1,318	\$21.6	\$93.7	\$91,628	2.2	87.4	12.13	3.1
2023	795,862	1,433	771	277	1,304	\$22.3	\$97.5	\$92,722	2.2	83.2	12.48	3.1
2024	801,114	1,666	778	279	1,267	\$23.2	\$101.8	\$94,215	2.1	79.1	12.86	3.0
2025	806,409	1,680	785	280	1,276	\$24.1	\$105.8	\$95,260	2.1	75.1	13.26	3.0
2026	811,750	1,667	792	281	1,297	\$24.9	\$110.0	\$96,320	2.1	71.2	13.69	2.9
2027	817,000	1,531	798	282	1,298	\$25.8	\$114.3	\$97,472	2.1	67.6	14.16	2.9
2028	822,184	1,447	805	283	1,363	\$26.8	\$118.7	\$98,492	2.1	64.2	14.63	2.9
2029	827,329	1,386	811	284	1,327	\$27.8	\$123.3	\$99,532	2.1	60.9	15.10	2.8
2030	832,408	1,297	818	286	1,299	\$28.8	\$127.9	\$100,501	2.1	57.9	15.60	2.8
2031	837,490	1,296	824	287	1,242	\$29.8	\$132.8	\$101,482	2.2	55.3	16.09	2.8
2032	842,606	1,340	830	288	1,220	\$30.9	\$137.5	\$102,244	2.2	52.6	16.59	2.8
2033	847,762	1,401	836	289	1,225	\$32.0	\$142.5	\$103,109	2.1	49.9	17.10	2.7
2034	852,969	1,498	842	290	1,174	\$33.2	\$147.8	\$103,973	2.2	47.3	17.61	2.7
2035	858,270	1,657	848	291	1,156	\$34.4	\$153.3	\$104,896	2.2	44.8	18.13	2.7
2036	863,641	1,802	854	292	1,065	\$35.6	\$158.9	\$105,791	2.1	42.4	18.66	2.7
2037	869,027	1,892	860	293	1,121	\$36.9	\$164.7	\$106,663	2.2	40.0	19.20	2.7
2038	874,454	2,002	866	294	1,108	\$38.2	\$170.7	\$107,587	2.1	37.9	19.75	2.7
2039	879,927	2,111	872	295	1,072	\$39.6	\$176.9	\$108,539	2.1	35.9	20.31	2.7
2040	885,453	2,230	878	296	1,066	\$41.0	\$183.2	\$109,486	2.1	34.0	20.92	2.8

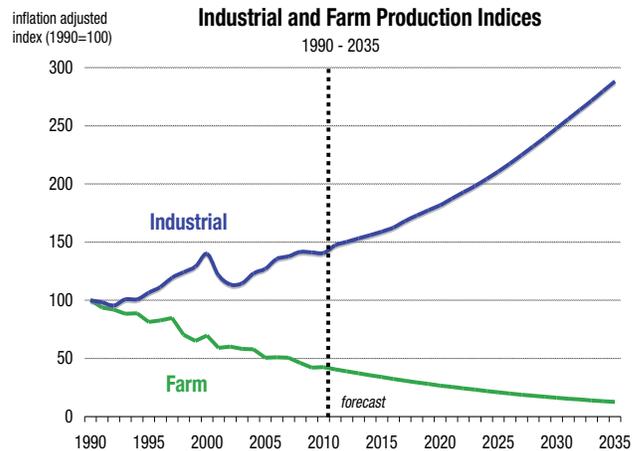
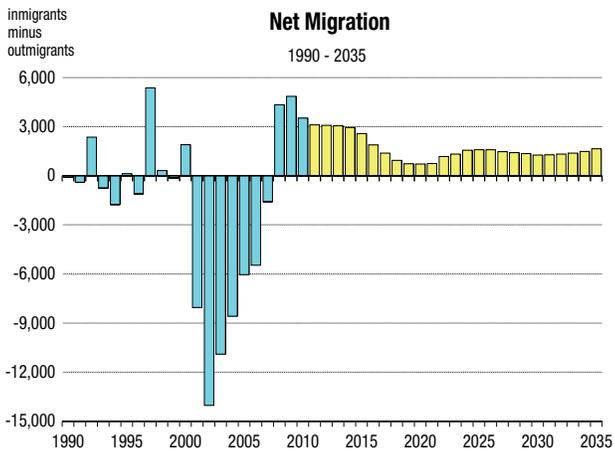
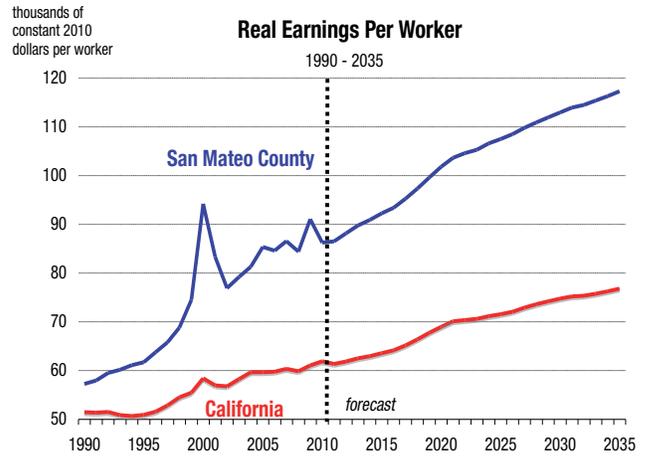
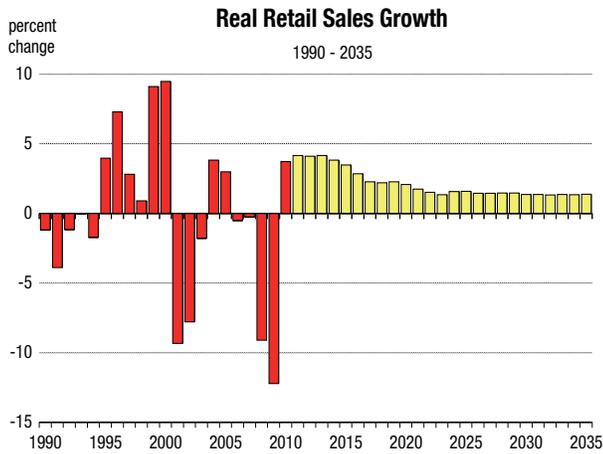


San Mateo County Employment Forecast

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	334.8	1.93	18.1	29.9	26.7	48.3	21.7	61.3	18.5	31.4	33.5	32.2
2007	340.1	1.87	19.1	30.8	27.0	48.3	21.5	63.4	17.4	32.1	34.9	32.1
2008	340.2	1.88	18.6	29.6	27.1	47.5	20.5	65.4	18.8	32.6	34.3	31.8
2009	319.3	1.70	14.7	26.6	25.2	44.4	19.1	60.7	18.1	32.9	33.6	30.9
2010	314.6	1.68	13.4	26.2	24.3	43.0	18.4	60.9	17.5	32.8	33.6	30.3
2011	320.6	1.68	12.7	26.4	25.7	43.8	18.5	64.1	18.0	33.1	34.2	30.3
2012	327.9	1.68	12.9	26.4	26.9	45.0	18.2	66.3	19.2	33.5	34.9	30.6
2013	337.1	1.67	13.8	26.0	28.0	46.9	17.9	69.0	20.7	33.9	35.5	30.8
2014	347.3	1.67	15.1	25.8	29.0	48.9	17.8	71.7	22.4	34.3	36.4	30.9
2015	356.7	1.66	15.8	25.7	30.0	50.7	17.7	74.0	24.1	34.8	37.4	31.1
2016	363.7	1.66	16.0	25.2	31.0	52.1	17.7	75.6	25.6	35.3	38.3	31.2
2017	369.4	1.65	16.0	25.0	31.9	52.7	17.7	77.3	26.7	35.8	39.0	31.3
2018	373.7	1.65	15.9	24.9	32.8	52.9	17.7	78.5	27.6	36.3	39.6	31.5
2019	377.8	1.64	15.8	24.8	33.6	53.0	17.8	79.8	28.4	36.8	40.1	31.6
2020	381.6	1.64	15.6	24.6	34.4	53.0	17.8	81.1	29.1	37.4	40.6	31.8
2021	385.2	1.63	15.4	24.7	35.1	53.1	17.9	82.2	29.7	37.9	41.0	32.0
2022	389.7	1.63	15.4	24.8	35.8	53.3	17.9	83.7	30.3	38.4	41.4	32.2
2023	393.7	1.62	15.3	25.0	36.5	53.5	18.0	84.8	30.8	38.9	41.8	32.3
2024	398.3	1.62	15.2	25.2	37.1	53.8	18.1	86.5	31.4	39.4	42.2	32.5
2025	402.4	1.61	15.2	25.4	37.7	54.1	18.1	87.6	32.0	40.0	42.6	32.6
2026	406.6	1.61	15.2	25.6	38.3	54.2	18.2	89.0	32.6	40.5	42.9	32.7
2027	410.4	1.60	15.3	25.8	38.9	54.3	18.2	90.0	33.1	41.1	43.3	32.9
2028	414.5	1.59	15.4	26.0	39.5	54.5	18.2	91.2	33.7	41.7	43.7	33.0
2029	418.7	1.59	15.5	26.2	40.0	54.6	18.2	92.4	34.3	42.2	44.0	33.1
2030	422.7	1.58	15.5	26.4	40.5	54.8	18.2	93.7	34.9	42.8	44.4	33.3
2031	426.8	1.58	15.3	26.5	41.0	55.0	18.2	95.1	35.5	43.4	44.8	33.4
2032	430.7	1.57	15.3	26.6	41.5	55.2	18.2	96.4	36.1	44.0	45.2	33.5
2033	434.5	1.57	15.2	26.6	41.9	55.4	18.2	97.6	36.8	44.6	45.6	33.7
2034	438.3	1.56	15.1	26.7	42.3	55.6	18.2	98.8	37.4	45.2	46.0	33.8
2035	442.1	1.56	15.0	26.7	42.7	55.8	18.2	99.9	38.1	45.8	46.4	34.0
2036	445.8	1.55	14.8	26.8	43.1	56.1	18.2	101.1	38.7	46.4	46.8	34.1
2037	449.6	1.54	14.8	26.8	43.4	56.3	18.2	102.2	39.4	47.0	47.2	34.2
2038	453.3	1.54	14.8	26.8	43.8	56.6	18.2	103.2	40.0	47.6	47.6	34.4
2039	457.0	1.53	14.7	26.9	44.1	56.8	18.2	104.3	40.6	48.2	48.0	34.5
2040	460.7	1.53	14.7	26.9	44.3	57.1	18.2	105.4	41.3	48.8	48.4	34.7





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	20.0 %
Expected job growth:	13.4 %
Fastest growing jobs sector:	Information
Expected personal income growth:	21.6 %

Expected population growth:	4.8 %
Net migration to account for:	38.1 %
Expected growth in number of vehicles:	6.6 %

Demographics (2011)

Unemployment rate (June 2011):	8.7 %
County Rank* in California (58 counties):	2nd
Working age (16-64) population:	66.3 %

Population with B.A. Degree or higher:	43.6%
Median Home Selling Price:	\$610,000
Median Household Income:	\$84,148

Quality of Life

Violent Crime rate (2009):	278 per 100,000 persons
County Rank* in California (58 counties):	15th
Average Commute Time to work (2011):	26.9 minutes

High School drop out rate (2009):	15.7 %
Households at/below poverty line:	4.7 %

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