

# 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 273,300 people and a total of 114,700 wage and salary jobs. The per capita income is \$48,542 and the average salary per worker is \$50,489.

The principal employment clusters in San Luis Obispo County are retail trade, leisure services, education and healthcare services, and government. However, with 22,300 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.

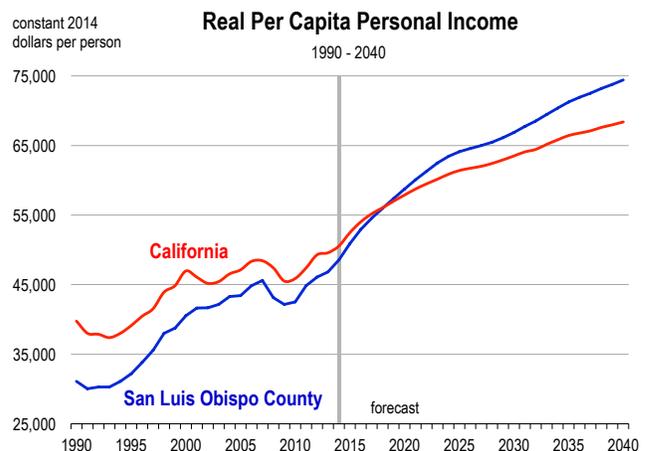
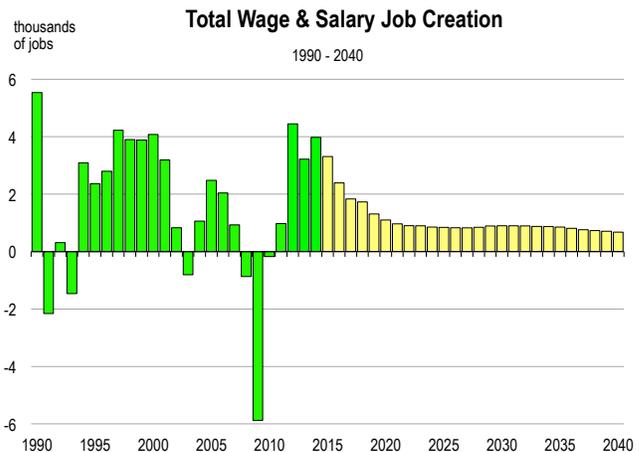
Across Southern California, employment increased by 2.6 percent in 2014. In San Luis Obispo County, a total of 3,900 jobs were created, representing a growth rate of 3.6 percent. The unemployment rate improved substantially, falling from 6.8 percent in 2013 to 5.6 percent in 2014.

In 2014, job growth was spread across a number of industries. The largest employment gains were observed in education and healthcare (+920 jobs), government (+760 jobs), leisure and hospitality (+600 jobs), and construction (+430 jobs). Substantial losses were not observed in any major sector.

From 2009 to 2014, the population of San Luis Obispo County increased by 0.4 percent per year. This was largely due to net migration, as the natural increase (new births) was low. 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 2015, total employment is expected to increase by 2.9 percent. From 2015 to 2020, growth is expected to average 1.4 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 1.6 percent per year between 2015 and 2020.
- The professional services, wholesale and retail trade, education and healthcare, and government sectors will exhibit the strongest job growth between 2015 and 2020. Together, these sectors will account for 73 percent of net job creation in the county.
- Population growth will remain slow, with growth averaging 0.5 percent per year between 2015 and 2020.

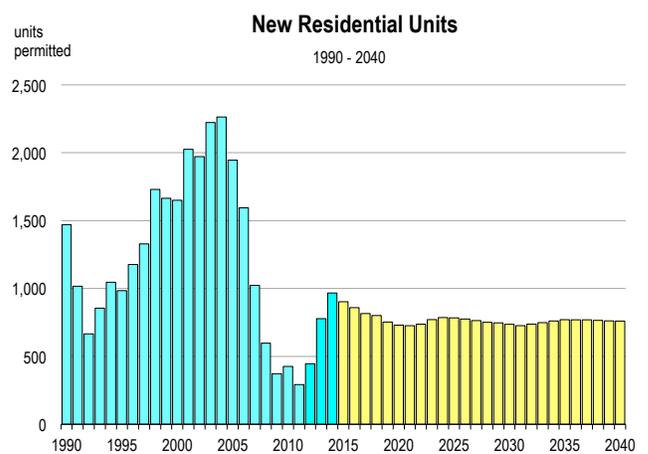
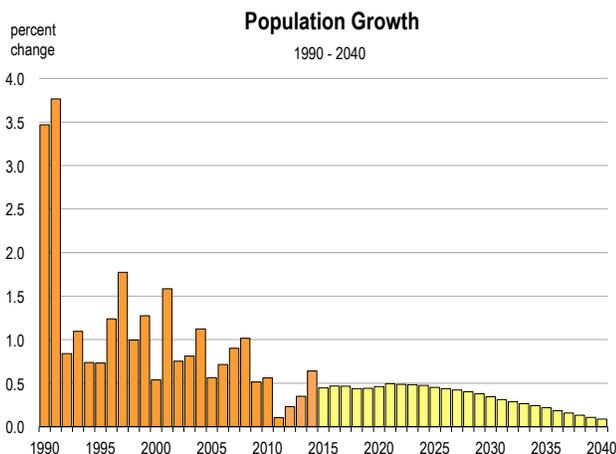


- Between 2015 and 2020, an average of 860 net migrants will enter the county each year, accounting for 68 percent of total population growth.
- Real income per capita will rise by 4.8 percent in 2015. Over the 2015-2020 period, growth will average 2.9 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.9 percent per year over the 2015-2020 period.
- Industrial production is forecasted to increase by 0.9 percent in 2015. From 2015 to 2020, the growth rate of industrial production will average 2.2 percent per year.
- Farm production is forecasted to increase by 0.8 percent per year between 2015 and 2020. The principal crops in the county are strawberries and wine grapes.

# San Luis Obispo County Economic Forecast

## 2006-2014 History, 2015-2040 Forecast

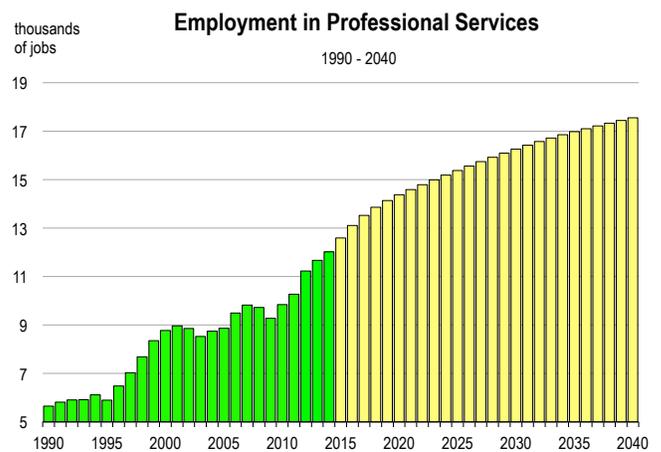
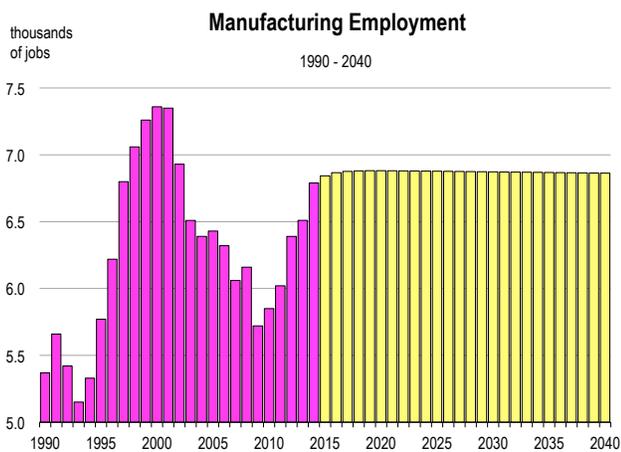
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	261,803	946	288	98.6	1,595	\$4.22	\$10.19	\$44,836	4.3	726.5	1,728	3.9
2007	264,162	1,161	285	99.9	1,024	\$4.27	\$10.80	\$45,584	3.3	711.8	1,726	4.3
2008	266,850	1,709	286	100.7	597	\$3.97	\$10.68	\$43,123	3.5	649.6	1,813	5.8
2009	268,224	2,028	285	101.1	373	\$3.44	\$10.41	\$42,150	-0.8	676.7	1,752	8.8
2010	269,732	742	286	102.0	427	\$3.61	\$10.69	\$42,529	1.2	765.0	1,773	10.1
2011	270,013	1,107	286	102.2	293	\$4.02	\$11.59	\$44,850	2.7	769.5	1,753	9.6
2012	270,637	-83	284	102.7	446	\$5.03	\$12.17	\$46,075	2.0	882.9	1,896	8.2
2013	271,584	258	293	103.0	778	\$5.02	\$12.55	\$46,822	1.1	973.6	1,956	6.8
2014	273,323	553	298	103.5	967	\$5.23	\$13.27	\$48,542	1.3	979.9	2,063	5.6
2015	274,542	772	300	104.3	903	\$5.53	\$14.08	\$50,891	0.9	987.8	2,120	4.4
2016	275,826	844	301	105.0	859	\$5.93	\$15.15	\$52,916	3.0	995.2	2,161	3.6
2017	277,111	857	303	105.8	816	\$6.32	\$16.19	\$54,561	3.1	1002.2	2,197	3.3
2018	278,325	812	304	106.5	801	\$6.63	\$17.03	\$55,967	2.8	1012.0	2,248	3.2
2019	279,554	844	305	107.2	753	\$6.93	\$17.91	\$57,372	2.7	1021.3	2,311	3.1
2020	280,843	923	306	107.9	730	\$7.23	\$18.81	\$58,734	2.8	1030.2	2,377	3.1
2021	282,232	1,052	307	108.6	726	\$7.53	\$19.75	\$60,071	2.9	1037.9	2,441	3.2
2022	283,606	1,059	308	109.2	737	\$7.82	\$20.68	\$61,304	2.9	1046.4	2,507	3.1
2023	284,977	1,074	309	109.9	771	\$8.11	\$21.64	\$62,504	2.5	1054.4	2,580	3.1
2024	286,329	1,082	310	110.6	786	\$8.43	\$22.60	\$63,422	2.4	1062.6	2,649	3.1
2025	287,623	1,053	312	111.2	784	\$8.76	\$23.56	\$64,108	2.6	1070.7	2,719	3.1
2026	288,881	1,045	313	111.9	775	\$9.09	\$24.48	\$64,577	2.7	1078.9	2,794	3.1
2027	290,100	1,035	314	112.6	764	\$9.42	\$25.41	\$64,974	2.7	1087.0	2,874	3.1
2028	291,265	1,019	315	113.3	751	\$9.76	\$26.36	\$65,457	2.5	1095.2	2,962	3.1
2029	292,370	991	317	113.9	747	\$10.11	\$27.35	\$66,108	2.3	1103.3	3,055	3.1
2030	293,378	942	318	114.6	736	\$10.50	\$28.38	\$66,872	2.2	1111.5	3,152	3.1
2031	294,293	896	320	115.3	726	\$10.92	\$29.45	\$67,731	2.1	1119.7	3,251	3.1
2032	295,137	850	321	115.9	738	\$11.39	\$30.57	\$68,510	2.3	1127.9	3,354	3.1
2033	295,919	803	322	116.6	749	\$11.83	\$31.68	\$69,469	1.9	1136.1	3,460	3.0
2034	296,635	762	324	117.2	761	\$12.33	\$32.86	\$70,374	2.1	1144.3	3,569	3.0
2035	297,283	716	325	117.9	770	\$12.83	\$34.08	\$71,249	2.2	1152.5	3,681	3.0
2036	297,830	675	326	118.5	770	\$13.36	\$35.38	\$71,925	2.6	1160.7	3,797	3.0
2037	298,300	631	326	119.2	769	\$13.86	\$36.70	\$72,511	2.7	1168.9	3,917	3.0
2038	298,695	587	327	119.9	765	\$14.34	\$38.03	\$73,189	2.5	1177.1	4,041	3.0
2039	299,016	544	327	120.6	762	\$14.86	\$39.42	\$73,765	2.7	1185.3	4,150	3.0
2040	299,280	511	327	121.2	760	\$15.36	\$40.87	\$74,432	2.6	1193.5	4,304	3.0

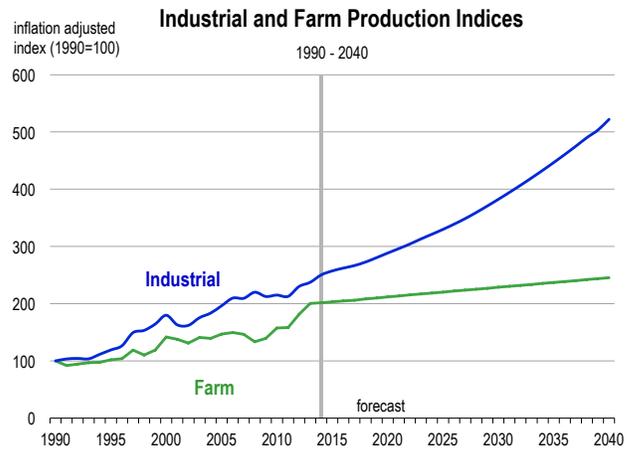
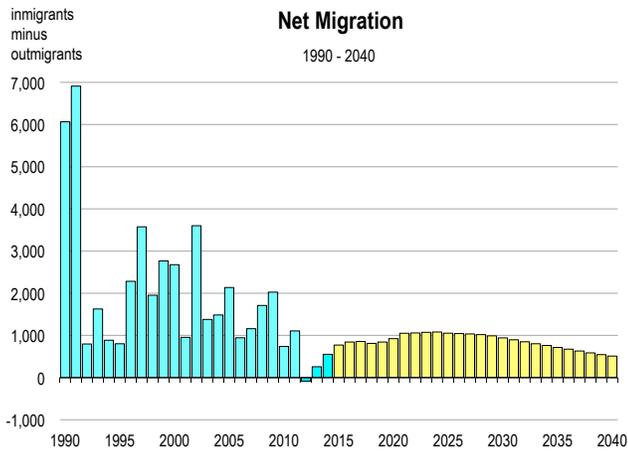
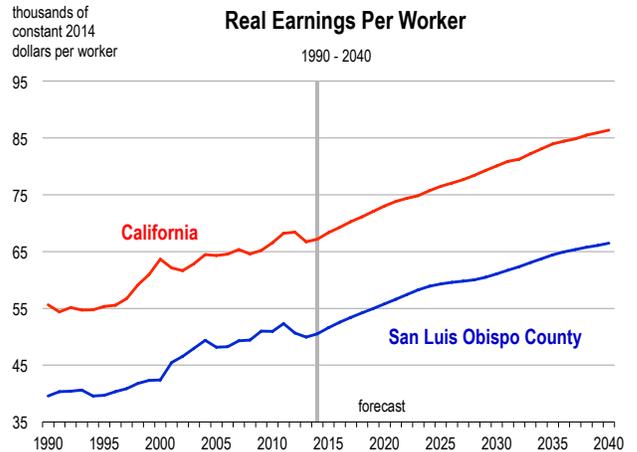
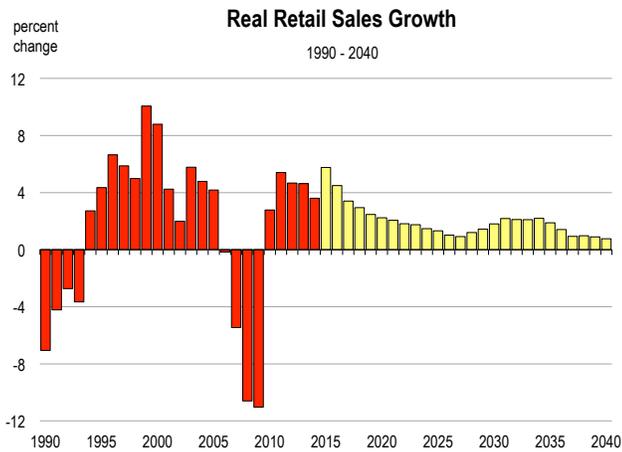


# San Luis Obispo County Employment Forecast

## 2006-2014 History, 2015-2040 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	108.0	4.3	8.2	6.3	3.8	17.0	4.9	9.5	1.5	11.2	15.0	22.2
2007	109.0	4.5	7.6	6.1	4.1	16.9	4.6	9.8	1.4	11.5	15.7	22.3
2008	108.1	4.4	6.6	6.2	3.9	16.5	4.2	9.7	1.4	12.1	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	5.9	3.6	15.6	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	107.5	5.1	5.5	6.4	3.8	16.3	4.1	11.2	1.2	12.7	15.7	20.7
2013	110.7	4.5	6.1	6.5	4.0	16.5	4.1	11.7	1.4	13.5	16.2	21.5
2014	114.7	4.7	6.5	6.8	4.1	16.5	4.1	12.0	1.4	14.4	16.8	22.3
2015	118.0	4.7	6.8	6.8	4.1	16.8	4.2	12.6	1.4	14.6	17.5	22.9
2016	120.4	4.7	7.0	6.9	4.1	17.1	4.2	13.1	1.5	14.9	17.8	23.5
2017	122.2	4.7	7.0	6.9	4.1	17.4	4.2	13.5	1.5	15.1	18.1	23.9
2018	123.9	4.9	7.1	6.9	4.2	17.7	4.3	13.9	1.5	15.4	18.3	24.2
2019	125.2	5.0	7.1	6.9	4.2	17.9	4.4	14.1	1.5	15.6	18.4	24.5
2020	126.4	5.0	7.1	6.9	4.2	18.1	4.4	14.4	1.5	15.8	18.4	24.7
2021	127.3	5.0	7.0	6.9	4.2	18.3	4.5	14.6	1.6	16.0	18.4	24.9
2022	128.2	5.1	7.0	6.9	4.3	18.5	4.6	14.8	1.6	16.2	18.4	25.0
2023	129.1	5.1	7.1	6.9	4.3	18.6	4.6	15.0	1.6	16.4	18.4	25.1
2024	130.0	5.2	7.1	6.9	4.3	18.8	4.7	15.2	1.6	16.6	18.4	25.2
2025	130.8	5.2	7.1	6.9	4.3	18.9	4.8	15.4	1.6	16.8	18.4	25.3
2026	131.6	5.3	7.1	6.9	4.4	19.0	4.9	15.6	1.6	17.0	18.5	25.4
2027	132.5	5.3	7.1	6.9	4.4	19.2	5.0	15.7	1.6	17.2	18.5	25.5
2028	133.3	5.3	7.1	6.9	4.4	19.3	5.1	15.9	1.6	17.4	18.6	25.6
2029	134.2	5.4	7.1	6.9	4.4	19.4	5.1	16.1	1.7	17.6	18.7	25.7
2030	135.1	5.4	7.2	6.9	4.5	19.5	5.2	16.3	1.7	17.8	18.8	25.7
2031	136.0	5.5	7.2	6.9	4.5	19.7	5.3	16.4	1.7	18.0	18.9	25.8
2032	136.9	5.5	7.2	6.9	4.5	19.9	5.4	16.6	1.7	18.2	19.1	25.9
2033	137.8	5.6	7.2	6.9	4.5	20.1	5.4	16.7	1.7	18.4	19.2	26.0
2034	138.7	5.6	7.2	6.9	4.6	20.2	5.5	16.9	1.7	18.6	19.3	26.0
2035	139.5	5.6	7.2	6.9	4.6	20.4	5.6	17.0	1.7	18.7	19.4	26.1
2036	140.3	5.7	7.2	6.9	4.6	20.5	5.7	17.1	1.7	18.9	19.5	26.2
2037	141.1	5.7	7.2	6.9	4.7	20.6	5.7	17.2	1.8	19.1	19.6	26.3
2038	141.8	5.8	7.2	6.9	4.7	20.7	5.8	17.3	1.8	19.2	19.8	26.3
2039	142.5	5.8	7.2	6.9	4.7	20.8	5.9	17.4	1.8	19.4	19.9	26.4
2040	143.2	5.9	7.2	6.9	4.8	20.9	6.0	17.6	1.8	19.5	20.0	26.5





## County Economic and Demographic Indicators

### Projected Economic Growth (2015-2020)

Expected retail sales growth:	16.5%
Expected job growth:	7.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	18.1%

Expected population growth:	2.3%
Net migration to account for:	67.9%
Expected growth in number of vehicles:	2.2%

### Demographics (2015)

Unemployment rate (March 2015):	4.6%
County rank* in California (58 counties):	6th
Working age (16-64) population:	66.5%

Population with B.A. or higher:	32.6%
Median home selling price (2014):	\$449,250
Median household income:	\$62,959

### Quality of Life

Violent crime rate (2013):	288 per 100,000 persons
County rank* in California (58 counties):	21st
Average commute time to work (2015):	23.1 minutes

High School drop out rate (2014):	6.7%
Households at/below poverty line (2015):	7.7%

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