

SANTA BARBARA COUNTY ECONOMIC FORECAST

Santa Barbara County, located immediately northwest of Ventura County, is dominated by three principal economic activities: tourism, Vandenberg Air Force Base, and education. The population is nearly 425,000 people, and there are 180,000 wage and salary jobs. The per capita income in Santa Barbara County is \$45,688, and the average salary per worker is \$52,893.

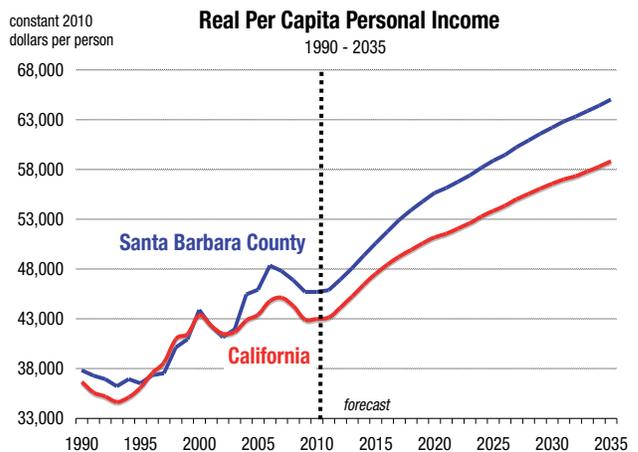
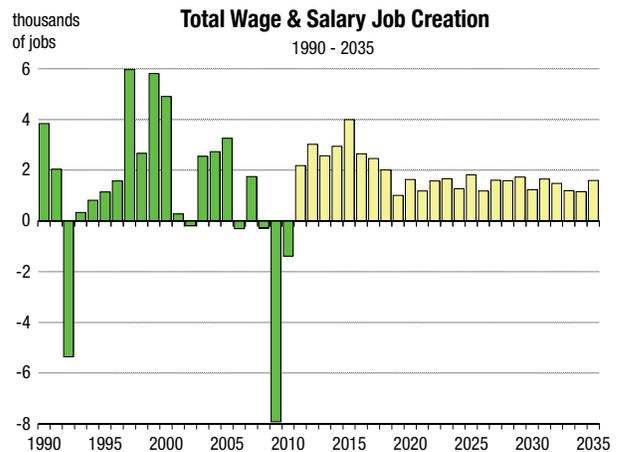
Employment contraction continued in Southern California during 2010, though the pace of decline was much lower than in 2009. In Santa Barbara County, nearly 1,400 wage and salary jobs were lost last year, a decline of -0.8 percent. Non-farm employment declined more substantially at a rate of -1.5 percent. Though the unemployment rate increased to 9.4 percent, Santa Barbara has the sixth lowest rate of unemployment of all California Counties.

The principal employment clusters in Santa Barbara County are the public sector, retail trade, and services. Last year the only sectors that showed growth in the county were mining, professional services, federal government and education and health services. The farm sector, which accounts for 10 percent of total employment, added 1,100 jobs in 2010, increasing 6 percent. The total value of crop production exceeded \$1.2 billion in 2010, on the strength of strawberries, broccoli, and wine grapes.

Employment and population growth will remain modest in Santa Barbara County over the next five years. The northern end of the county will continue to dominate population and job growth due largely to the greater production of planned housing in the Santa Maria Valley. Housing is also more affordable in the northern communities of Santa Maria, Orcutt, and Lompoc. New job creation in the southern end of the county will remain scarce because new housing is both limited and expensive.

FORECAST HIGHLIGHTS

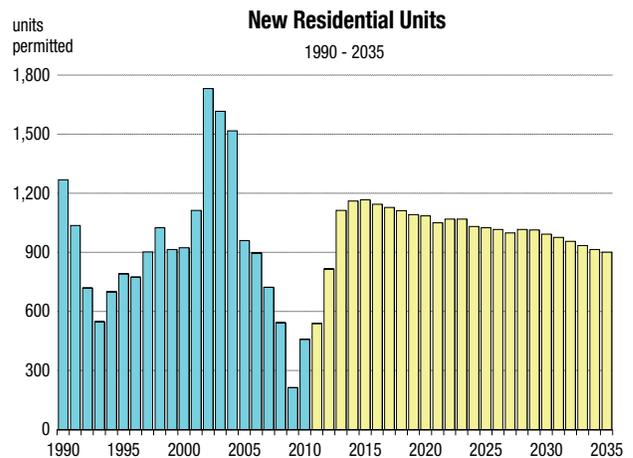
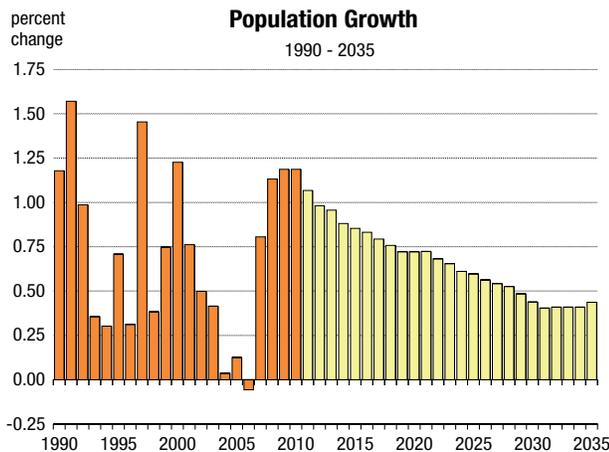
- 2011 will be the year when jobs slowly begin to return. For the year an increase of 2,200 jobs or 1.2 percent is forecast. By 2012 the expansion accelerates, with employment increasing by nearly 1.7 percent.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.3 percent per year from 2011 to 2016.
- The professional services, government, leisure services, retail trade, and financial activities sectors each add at least 1,200 jobs between 2011 and 2016. Together they account for 74 percent of net job creation. With the exception of manufacturing, all other sectors create jobs as well, but at a slower pace.
- Population growth will remain modest in the county. Annual growth in the 2011 to 2016 period averages 0.9 percent per year. The population will increase at faster rates in the Santa Maria Valley than in the Santa Barbara-Goleta area.
- Net migration for the entire county is expected to remain positive over the medium term forecast horizon. The south county will likely have negative net migration, but that will be offset by gains in the north county. From 2011 to 2016, there are an average of 1,400 net migrants entering the county per year.
- Real per capita incomes are expected to rise at an annual compound growth rate of 2.4 percent from 2011 to 2016.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 3.7 percent per year during the 2011 to 2016 period.
- From 2011 to 2016 industrial production will rise by an average 1.7 percent per year.
- Farm production is forecast to increase by 0.1 percent per year between 2011 and 2016. The principal crop in the county is strawberries.



Santa Barbara County Economic Forecast

2006-2010 History, 2011-2040 Forecast

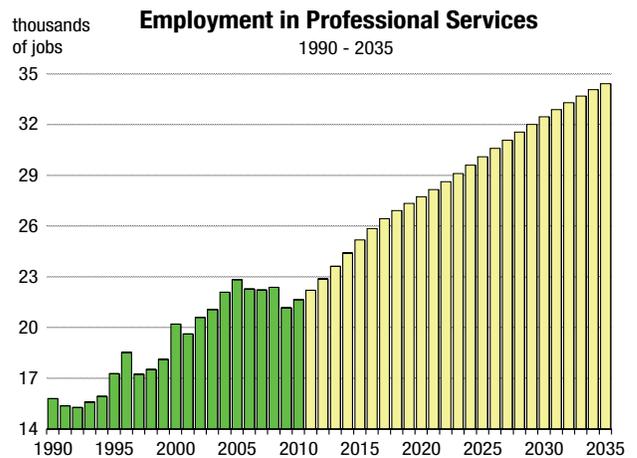
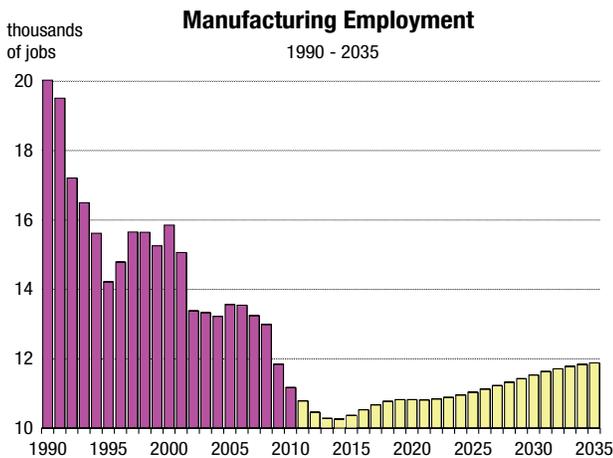
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	406,958	-3,542	373.2	146	897	\$6.13	\$18.33	\$48,345	4.3	1,091	2.36	4.0
2007	410,239	-263	370.6	147	723	\$6.07	\$18.87	\$47,806	3.3	1,147	2.55	4.3
2008	414,882	1,215	369.4	148	543	\$5.88	\$19.37	\$46,860	3.5	1,142	2.76	5.4
2009	419,806	1,597	367.9	149	213	\$5.10	\$18.95	\$45,692	-0.8	1,256	2.64	8.4
2010	424,788	1,941	368.1	150	460	\$5.20	\$19.41	\$45,688	1.2	1,220	2.59	9.4
2011	429,324	1,712	370.2	150	539	\$5.48	\$20.15	\$45,876	2.3	1,273	2.79	8.9
2012	433,539	1,477	375.1	151	816	\$5.82	\$21.30	\$46,946	2.3	1,260	2.79	8.0
2013	437,686	1,496	380.4	151	1,114	\$6.22	\$22.58	\$48,093	2.5	1,247	2.82	7.2
2014	441,541	1,287	386.5	152	1,162	\$6.61	\$24.01	\$49,365	2.7	1,267	2.92	6.4
2015	445,315	1,283	393.8	154	1,167	\$7.02	\$25.52	\$50,608	2.8	1,273	2.98	5.7
2016	449,022	1,282	398.9	155	1,145	\$7.49	\$27.09	\$51,769	2.9	1,280	3.02	5.0
2017	452,585	1,197	403.2	156	1,128	\$7.96	\$28.70	\$52,936	2.8	1,286	3.08	4.7
2018	456,017	1,118	406.3	157	1,113	\$8.48	\$30.26	\$53,928	2.7	1,299	3.15	4.6
2019	459,310	1,030	407.7	158	1,093	\$9.00	\$31.74	\$54,790	2.5	1,293	3.23	4.5
2020	462,631	1,110	409.6	159	1,085	\$9.51	\$33.21	\$55,645	2.3	1,312	3.32	4.4
2021	465,982	1,195	411.1	160	1,050	\$10.04	\$34.51	\$56,148	2.2	1,305	3.41	4.3
2022	469,161	1,079	413.1	161	1,069	\$10.51	\$35.92	\$56,765	2.3	1,312	3.50	4.3
2023	472,235	1,032	414.9	162	1,070	\$10.97	\$37.37	\$57,409	2.2	1,318	3.60	4.3
2024	475,125	907	416.8	163	1,032	\$11.47	\$38.93	\$58,169	2.2	1,305	3.70	4.3
2025	477,967	921	419.8	164	1,025	\$12.03	\$40.50	\$58,890	2.2	1,324	3.81	4.3
2026	480,658	828	421.1	165	1,017	\$12.57	\$42.02	\$59,472	2.2	1,312	3.91	4.3
2027	483,267	805	423.1	166	1,000	\$13.14	\$43.71	\$60,247	2.1	1,318	4.03	4.3
2028	485,810	786	424.7	166	1,017	\$13.74	\$45.40	\$60,925	2.2	1,324	4.15	4.3
2029	488,169	638	426.3	167	1,014	\$14.36	\$47.13	\$61,592	2.2	1,336	4.29	4.4
2030	490,313	447	427.2	168	993	\$15.00	\$48.85	\$62,196	2.2	1,330	4.43	4.4
2031	492,298	312	429.0	169	976	\$15.67	\$50.65	\$62,821	2.2	1,343	4.58	4.4
2032	494,316	371	430.6	170	957	\$16.37	\$52.41	\$63,316	2.2	1,349	4.73	4.4
2033	496,344	410	431.7	171	936	\$17.09	\$54.26	\$63,871	2.2	1,343	4.89	4.4
2034	498,376	447	432.6	172	916	\$17.86	\$56.18	\$64,409	2.3	1,336	5.06	4.5
2035	500,557	635	433.9	173	902	\$18.65	\$58.24	\$65,038	2.2	1,349	5.24	4.5
2036	502,835	777	436.2	174	884	\$19.48	\$60.32	\$65,614	2.2	1,355	5.42	4.5
2037	505,118	828	438.5	174	865	\$20.35	\$62.50	\$66,206	2.2	1,361	5.59	4.5
2038	507,345	821	441.1	175	848	\$21.25	\$64.79	\$66,869	2.2	1,373	5.77	4.5
2039	509,667	964	443.0	176	827	\$22.20	\$67.10	\$67,486	2.2	1,367	5.94	4.5
2040	511,839	860	445.1	177	808	\$23.19	\$69.52	\$68,180	2.1	1,379	6.12	4.5

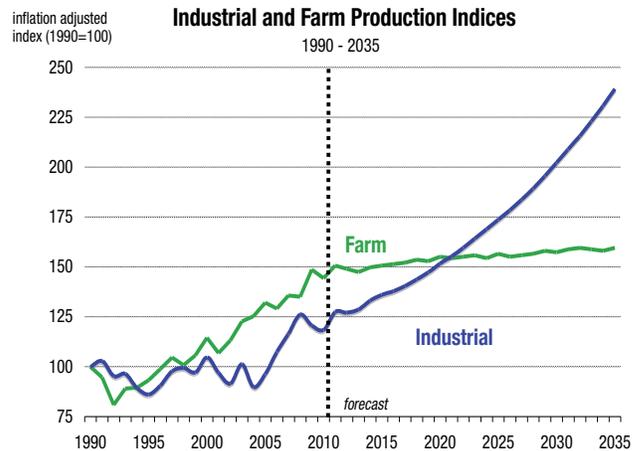
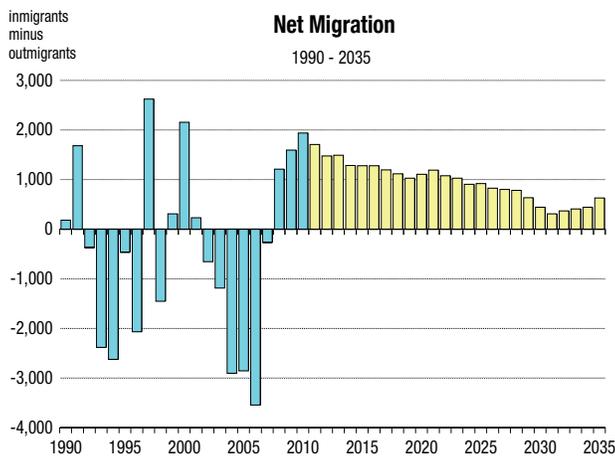
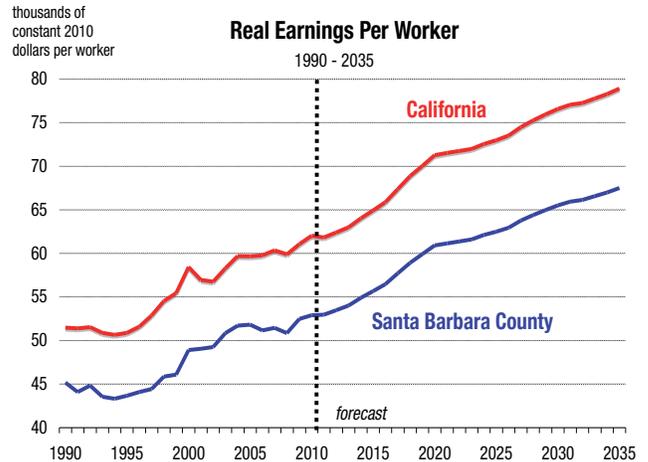
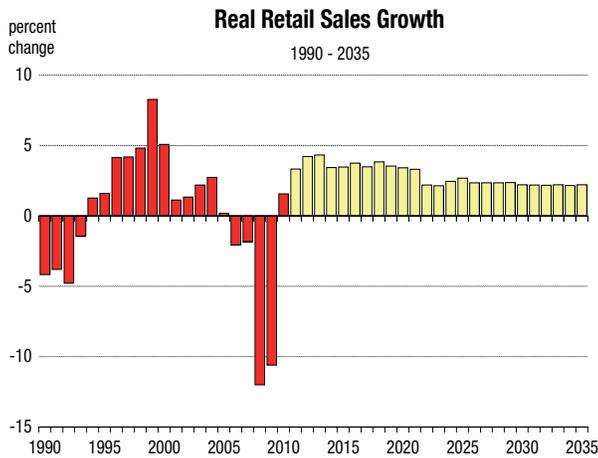


Santa Barbara County Employment Forecast

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	187.9	15.44	10.5	13.6	3.1	25.2	8.7	22.3	4.0	19.5	22.7	36.1
2007	189.6	16.05	10.5	13.3	3.0	25.1	8.2	22.2	3.9	20.3	22.9	37.0
2008	189.4	17.06	9.7	13.0	3.1	24.6	7.8	22.4	3.7	20.6	23.1	37.3
2009	181.5	17.56	7.8	11.9	3.0	22.8	6.7	21.2	3.5	20.7	22.1	37.8
2010	180.1	18.66	7.0	11.2	2.8	21.9	6.3	21.7	3.4	20.9	22.0	38.1
2011	182.2	19.24	7.3	10.8	2.8	22.6	6.8	22.2	3.4	21.0	22.3	37.3
2012	185.3	18.95	7.6	10.5	2.8	23.2	7.3	22.9	3.5	21.3	22.7	37.9
2013	187.8	18.65	7.7	10.3	2.8	23.7	7.8	23.6	3.6	21.5	23.2	37.8
2014	190.8	19.09	7.7	10.3	2.8	24.2	8.1	24.4	3.6	21.7	23.7	37.6
2015	194.8	19.24	8.3	10.4	2.8	24.7	8.2	25.2	3.7	22.0	24.3	38.1
2016	197.4	19.38	8.1	10.5	2.8	25.1	8.2	25.9	3.7	22.2	24.8	38.5
2017	199.9	19.53	8.2	10.7	2.8	25.5	8.1	26.4	3.7	22.3	25.2	39.0
2018	201.9	19.81	8.3	10.8	2.8	25.8	8.1	26.9	3.8	22.5	25.5	39.3
2019	202.9	19.67	8.4	10.8	2.8	26.1	8.0	27.3	3.8	22.7	25.6	39.3
2020	204.6	20.09	8.4	10.8	2.8	26.4	8.1	27.7	3.8	22.8	25.7	39.4
2021	205.7	19.95	8.5	10.8	2.8	26.6	8.1	28.2	3.8	23.0	25.9	39.5
2022	207.3	20.09	8.6	10.8	2.8	26.8	8.2	28.6	3.8	23.2	26.2	39.6
2023	209.0	20.23	8.7	10.9	2.8	26.9	8.3	29.1	3.8	23.3	26.4	39.8
2024	210.3	19.95	8.7	11.0	2.8	27.1	8.5	29.6	3.8	23.5	26.6	39.8
2025	212.1	20.37	8.8	11.0	2.8	27.3	8.6	30.1	3.8	23.7	26.7	39.9
2026	213.3	20.09	8.8	11.1	2.9	27.5	8.7	30.6	3.9	23.8	26.9	40.0
2027	214.9	20.23	8.8	11.2	2.9	27.7	8.8	31.1	3.9	23.9	27.1	40.2
2028	216.5	20.37	8.8	11.3	2.9	27.8	8.9	31.6	3.9	24.0	27.3	40.4
2029	218.2	20.64	8.8	11.4	2.9	28.0	9.0	32.0	3.9	24.0	27.5	40.6
2030	219.4	20.50	8.8	11.5	2.9	28.1	9.1	32.5	3.9	24.1	27.7	40.8
2031	221.1	20.77	8.8	11.6	2.9	28.3	9.3	32.9	4.0	24.1	27.9	41.0
2032	222.6	20.91	8.8	11.7	2.9	28.4	9.4	33.3	4.0	24.2	28.0	41.2
2033	223.8	20.77	8.8	11.8	2.9	28.6	9.6	33.7	4.0	24.3	28.2	41.3
2034	224.9	20.64	8.7	11.8	2.9	28.7	9.7	34.1	4.0	24.3	28.4	41.5
2035	226.5	20.91	8.8	11.9	2.9	28.9	9.9	34.4	4.1	24.4	28.6	41.7
2036	227.9	21.04	8.7	11.9	2.9	29.0	10.0	34.8	4.1	24.5	28.8	42.0
2037	229.3	21.17	8.7	12.0	2.9	29.2	10.1	35.1	4.1	24.6	29.0	42.2
2038	230.8	21.44	8.7	12.0	2.9	29.3	10.3	35.4	4.1	24.7	29.1	42.4
2039	231.9	21.31	8.7	12.0	2.9	29.5	10.4	35.8	4.1	24.8	29.3	42.6
2040	233.3	21.57	8.6	12.0	2.9	29.7	10.5	36.1	4.2	24.9	29.5	42.8





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	20.8 %
Expected job growth:	8.3 %
Fastest growing jobs sector:	Financial Activities
Expected personal income growth:	18.0 %

Expected population growth:	4.6 %
Net migration to account for:	34.6 %
Expected growth in number of vehicles:	7.8 %

Demographics (2011)

Unemployment rate (June 2011)	8.9 %
County Rank* in California (58 counties):	3rd
Working age (16-64) population:	65.0 %

Population with B.A. Degree or higher:	31.6 %
Median Home Selling Price:	\$321,000
Median Household Income:	\$58,414

Quality of Life

Violent Crime rate (2009):	440 per 100,000 persons
County Rank* in California (58 counties):	37th
Average Commute Time to work (2011):	20.5 minutes

High School drop out rate (2009):	14.4 %
Households at/below poverty line:	8.4 %

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