

SAN FRANCISCO COUNTY ECONOMIC FORECAST

San Francisco County, located on a peninsula north of San Mateo County between the San Francisco Bay and Pacific Ocean, is one of the State's largest tourist destinations. San Francisco County has a population of 820,300 people and a total of 547,200 wage and salary jobs, making it a jobs center for a number of Bay Area counties. The per capita income in San Francisco County is \$80,007, and the average salary per worker is among the highest in the state at \$103,502.

In 2012, employment in Northern California increased by 2.4 percent, whereas employment in the greater Bay Area grew by 3.0 percent. In San Francisco County, a total of 20,800 jobs were created, representing a growth rate of 4.0 percent. This is one of the fastest rates in the state. The unemployment rate improved substantially, falling from 8.5 percent in 2011 to 7.3 percent in 2012.

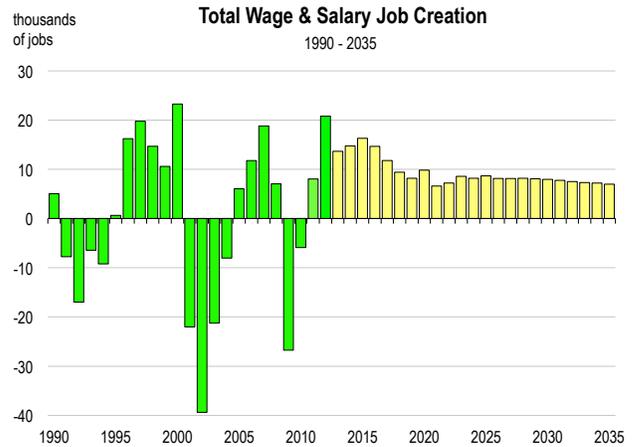
Most employment sectors were characterized by growth in 2012. The largest gains occurred in the professional services (+10,400 jobs), accounting for half of net job creation in the county. Substantial gains were also observed in leisure and hospitality (+3,500 jobs), information (+1,900 jobs), and education and healthcare (+1,600 jobs). The only sectors to lose jobs were government (-1,100 jobs), and manufacturing (-130 jobs). For manufacturing, this was the 18th consecutive year of decline.

Between 2007 and 2012, the population of San Francisco County increased at a rate of 0.7 percent per year. Net migration accounted for 30 percent of this increase, as strong job growth has attracted new residents into the county.

The county never fully recovered from the dotcom bust. As a result of the fallout from the 2008-09 recession, it will take at least four more years for employment to recover to the peak level that was reached in the year 2000.

FORECAST HIGHLIGHTS

- Total employment will rise by 2.5 percent in 2013. From 2013 to 2018, the annual growth rate is expected to average 2.3 percent.
- Average salaries are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries are expected to rise by an average of 1.3 percent per year between 2013 and 2018.
- From 2013 to 2018, the principal engines of employment growth will be professional services, recreation and leisure services, and financial activities. These sectors will account for 61 percent of net job growth in the county.
- Population growth will remain positive, but modest, averaging 0.7 percent per year between 2013 and 2018.

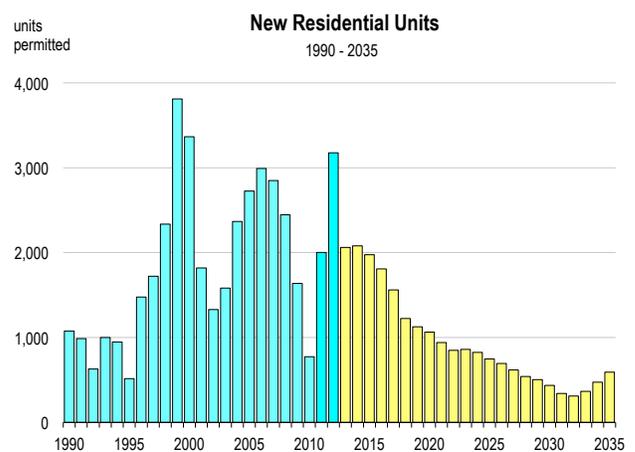
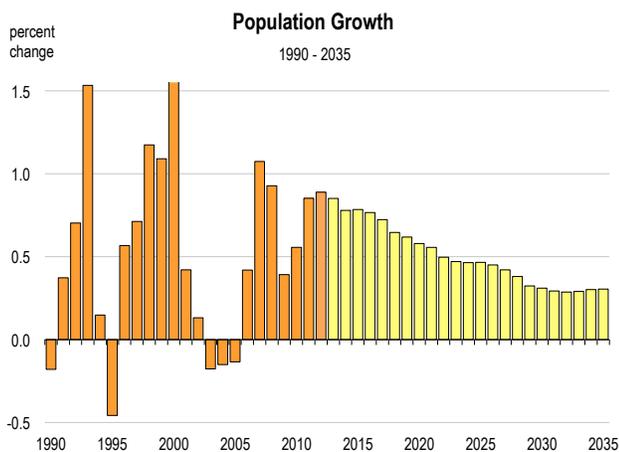


- In 2013, a total of 3,800 net migrants are expected to enter the county. Over the 2013-2018 period, net migration is projected to average 3,200 people per year.
- Real per capita income is forecast to increase at a rate of 4.4 percent in 2013. Between 2013 and 2018, real per capita income will increase at a rate of 3.6 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.0 percent per year between 2013 and 2018.
- Industrial production is forecast to increase by 1.8 percent in 2013. From 2013 to 2018, industrial production is expected to grow by 2.1 percent per year, but will remain below the levels observed in 1990.

San Francisco County Economic Forecast

2006-2012 History, 2013-2040 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	782,928	832	469	336.4	2,992	\$13.9	\$53.9	\$78,805	3.3	2.9	4.1	4.2
2007	791,334	5,325	474	338.5	2,848	\$14.6	\$56.3	\$78,935	3.2	1.8	3.8	4.2
2008	798,673	4,124	470	340.7	2,447	\$14.8	\$58.1	\$78,293	3.1	1.2	3.7	5.2
2009	801,799	-409	470	343.2	1,637	\$12.6	\$53.5	\$71,119	0.9	1.2	3.5	8.9
2010	806,254	1,367	470	345.6	774	\$13.4	\$55.9	\$72,984	1.2	0.8	3.4	9.5
2011	813,123	3,385	466	346.1	2,002	\$14.9	\$60.4	\$76,339	2.6	1.0	3.4	8.5
2012	820,349	4,032	466	346.4	3,176	\$16.0	\$65.6	\$80,007	2.7	1.0	3.5	7.3
2013	827,332	3,811	467	348.2	2,061	\$16.9	\$70.6	\$83,486	2.3	0.8	3.6	6.8
2014	833,776	3,308	469	349.3	2,080	\$17.7	\$76.4	\$87,324	2.7	0.7	3.7	6.1
2015	840,315	3,460	472	350.5	1,975	\$18.5	\$81.9	\$90,836	2.1	0.6	3.8	5.2
2016	846,752	3,408	475	351.6	1,808	\$19.3	\$87.2	\$93,729	2.4	0.6	3.9	4.7
2017	852,877	3,137	479	352.7	1,561	\$20.1	\$92.6	\$96,776	2.1	0.6	4.0	4.5
2018	858,387	2,563	481	353.5	1,224	\$20.8	\$98.1	\$99,864	2.1	0.6	4.0	4.5
2019	863,694	2,400	484	354.2	1,126	\$21.6	\$104.4	\$103,339	2.1	0.5	4.0	4.5
2020	868,697	2,135	487	354.9	1,064	\$22.4	\$111.1	\$107,081	2.1	0.5	4.0	4.4
2021	873,528	2,004	489	355.5	941	\$23.3	\$117.5	\$110,190	2.2	0.5	4.0	4.5
2022	877,867	1,553	490	356.0	849	\$24.1	\$124.6	\$113,577	2.3	0.5	3.9	4.5
2023	881,997	1,399	492	356.5	860	\$25.0	\$130.1	\$115,443	2.3	0.5	4.1	4.4
2024	886,091	1,423	493	357.0	825	\$26.1	\$137.3	\$118,378	2.4	0.5	4.1	4.4
2025	890,218	1,538	495	357.4	748	\$27.2	\$143.4	\$120,159	2.4	0.5	4.3	4.4
2026	894,226	1,496	496	357.9	694	\$28.3	\$150.5	\$122,531	2.5	0.4	4.4	4.4
2027	897,987	1,330	497	358.3	618	\$29.5	\$158.5	\$125,428	2.5	0.4	4.5	4.4
2028	901,404	1,055	498	358.6	541	\$30.6	\$166.5	\$128,102	2.5	0.4	4.6	4.4
2029	904,321	628	499	358.9	504	\$31.8	\$174.6	\$130,658	2.5	0.4	4.8	4.4
2030	907,128	618	499	359.2	436	\$33.1	\$182.7	\$133,021	2.5	0.4	4.9	4.4
2031	909,787	587	499	359.4	341	\$34.3	\$190.9	\$135,229	2.5	0.4	5.1	4.4
2032	912,396	637	499	359.6	311	\$35.6	\$198.7	\$136,929	2.5	0.4	5.3	4.4
2033	915,048	723	499	359.8	366	\$36.8	\$207.3	\$139,069	2.5	0.4	5.5	4.4
2034	917,808	834	499	360.0	474	\$38.1	\$216.6	\$141,316	2.5	0.4	5.7	4.4
2035	920,605	857	500	360.3	592	\$39.4	\$226.3	\$143,642	2.5	0.3	5.9	4.4
2036	923,592	1,046	500	360.6	765	\$40.7	\$236.2	\$145,784	2.5	0.3	6.1	4.4
2037	926,576	1,029	500	361.1	961	\$42.0	\$246.7	\$148,081	2.5	0.3	6.3	4.4
2038	929,504	924	501	361.6	1,201	\$43.4	\$257.9	\$150,525	2.5	0.3	6.5	4.4
2039	932,324	785	501	362.3	1,413	\$44.7	\$269.6	\$153,067	2.5	0.3	6.7	4.4
2040	935,002	630	501	363.1	1,596	\$46.1	\$281.6	\$155,616	2.4	0.3	6.9	4.4

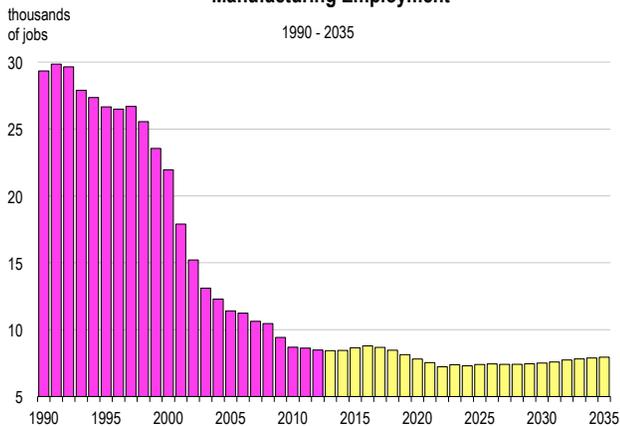


San Francisco County Employment Forecast

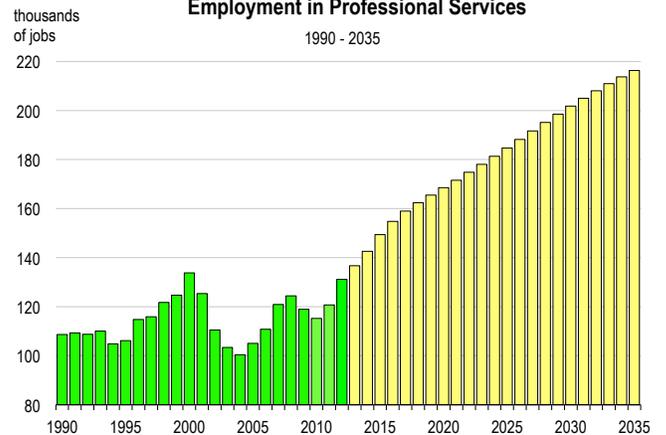
2006-2012 History, 2013-2040 Forecast

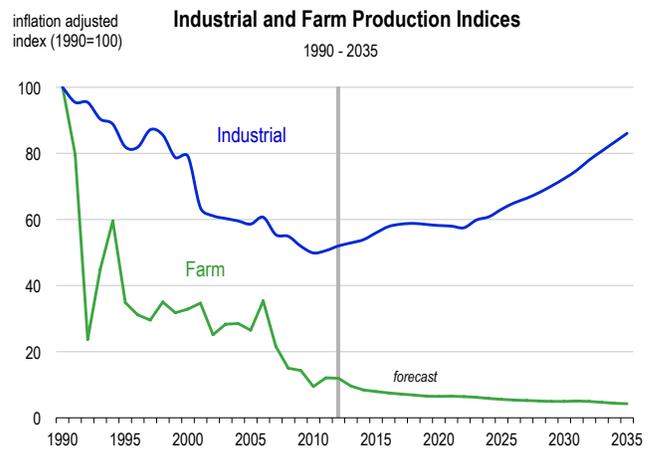
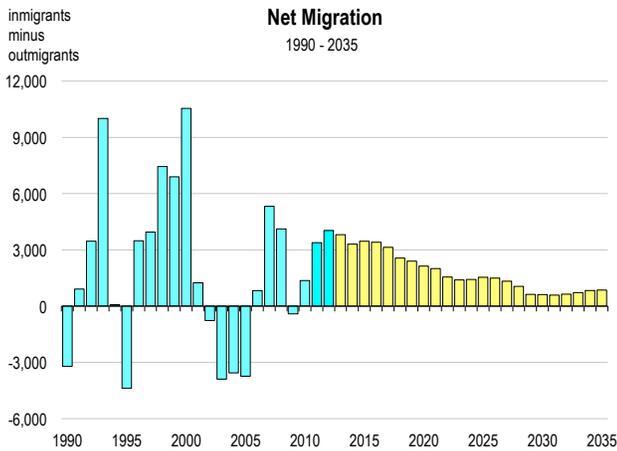
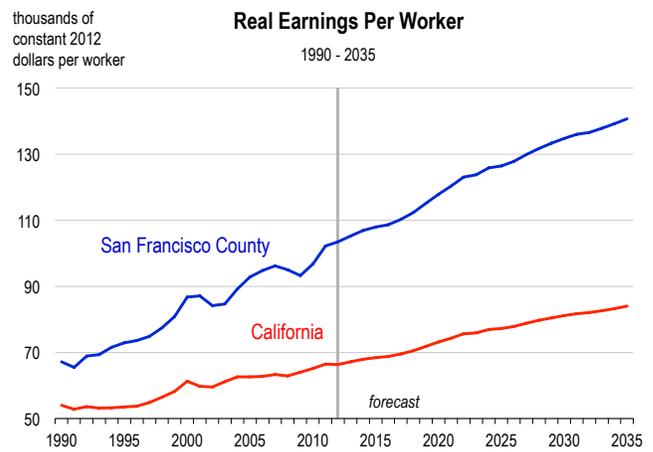
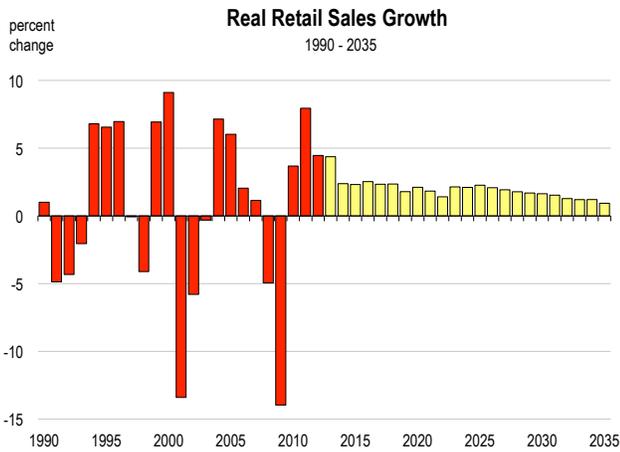
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	525.1	0.23	18.4	11.2	14.1	55.0	57.8	110.8	18.3	56.0	73.8	88.1
2007	543.9	0.23	19.4	10.6	12.4	56.4	58.6	120.9	19.7	57.4	76.4	89.9
2008	551.0	0.26	18.9	10.5	11.5	56.2	58.1	124.4	19.8	58.7	79.1	91.1
2009	524.2	0.28	15.0	9.4	11.4	52.2	53.1	118.9	19.5	57.2	76.0	89.4
2010	518.3	0.25	13.8	8.7	10.8	50.9	51.6	115.2	19.2	59.5	76.8	89.9
2011	526.4	0.19	13.9	8.6	10.9	51.5	50.3	120.7	20.9	59.0	78.9	89.5
2012	547.2	0.19	14.8	8.5	11.3	53.0	51.4	131.1	22.7	60.6	82.4	88.4
2013	560.8	0.18	15.3	8.4	11.2	54.5	52.7	136.7	24.1	61.7	84.3	88.5
2014	575.6	0.17	15.7	8.4	11.2	55.5	54.5	142.6	25.1	63.1	86.6	89.1
2015	591.9	0.17	16.0	8.6	11.4	56.4	56.7	149.4	26.0	64.2	89.1	89.8
2016	606.5	0.16	16.2	8.8	11.5	57.4	59.0	154.8	27.2	65.1	91.6	90.4
2017	618.3	0.16	16.3	8.7	11.4	58.2	61.1	159.0	28.1	65.8	94.0	90.8
2018	627.7	0.16	16.2	8.5	11.3	59.0	62.8	162.4	28.8	66.7	96.3	90.6
2019	635.9	0.16	16.1	8.1	11.0	59.6	64.3	165.5	29.4	67.4	98.6	90.4
2020	645.7	0.16	16.1	7.8	10.7	60.3	65.6	168.5	29.9	68.2	100.9	92.0
2021	652.3	0.16	16.1	7.5	10.5	60.9	66.6	171.6	30.4	68.9	103.1	90.8
2022	659.5	0.16	16.0	7.2	10.2	61.3	67.6	174.8	30.9	69.5	105.1	90.8
2023	668.1	0.16	16.1	7.4	10.4	62.1	68.5	178.0	31.4	70.1	106.9	91.0
2024	676.2	0.16	16.2	7.3	10.3	62.8	69.4	181.3	31.9	70.6	108.8	91.1
2025	684.9	0.15	16.2	7.4	10.4	63.7	70.3	184.7	32.5	71.1	110.6	91.3
2026	693.0	0.15	16.3	7.4	10.4	64.5	71.2	188.2	33.0	71.5	112.2	91.5
2027	701.2	0.15	16.4	7.4	10.4	65.3	72.0	191.7	33.5	72.0	113.7	91.7
2028	709.3	0.15	16.5	7.4	10.4	66.0	72.8	195.1	34.0	72.6	115.3	91.9
2029	717.4	0.15	16.6	7.5	10.4	66.7	73.6	198.5	34.6	73.2	116.7	92.2
2030	725.3	0.15	16.7	7.5	10.5	67.4	74.4	201.8	35.1	73.8	118.1	92.4
2031	733.1	0.15	16.8	7.6	10.5	68.1	75.1	205.0	35.7	74.3	119.4	92.6
2032	740.6	0.15	16.9	7.7	10.7	68.7	75.9	208.0	36.3	74.9	120.6	92.8
2033	747.9	0.15	17.0	7.8	10.7	69.3	76.6	210.9	36.8	75.5	121.8	93.0
2034	755.1	0.15	17.2	7.9	10.8	69.9	77.2	213.7	37.4	76.0	123.1	93.2
2035	762.1	0.15	17.5	7.9	10.8	70.4	77.9	216.3	38.0	76.6	124.4	93.4
2036	769.1	0.15	17.7	8.0	10.9	70.8	78.5	218.9	38.6	77.1	125.8	93.6
2037	776.0	0.14	18.1	8.1	11.0	71.2	79.1	221.4	39.2	77.6	127.1	93.8
2038	783.1	0.14	18.4	8.2	11.0	71.7	79.6	224.0	39.8	78.2	128.5	94.0
2039	790.2	0.14	18.8	8.2	11.1	72.0	80.2	226.6	40.4	78.7	130.0	94.3
2040	797.3	0.14	19.1	8.3	11.1	72.4	80.8	229.2	41.0	79.2	131.5	94.5

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth	12.5 %
Expected job growth	11.9 %
Fastest growing jobs sector	Information
Expected personal income growth	24.1 %

Expected population growth:	3.8 %
Net migration to account for:	42.9 %
Expected growth in number of vehicles:	3.0 %

Demographics (2013)

Unemployment rate (April 2013)	5.4 %
County Rank in California (58 counties)	3rd
Percent of population working age: (16-64)	73.0 %

Population with B.A. Degree or higher:	51.0 %
Median Home Selling Price (2012):	\$725,000
Median Household Income:	\$72,656

Quality of Life

Violent Crime rate (2010)	676 per 100,000 persons
County Rank in California (58 counties)	55th
Average Commute Time to work (2013):	33.1 minutes

High School drop out rate (2011)	18.1 %
Households at/below poverty line (2013)	7.5 %

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